



SHIPPINGNetwork

The official magazine of the Institute of Chartered Shipbrokers

Promoting professionalism in the shipping industry worldwide

Issue 52 June 2018

A balancing act

Weighing oversight against outreach



Trump's trade tribulations | Climate change action | Benefits of clustering | Social responsibilities



Written by professionals for professionals

Shipping has become more complex to the extent that the name shipbroker, which at one time was thought to apply only to those engaged in chartering dry cargo tramp ships, now embraces separate disciplines in tanker chartering, ship management, sale and purchase, port agency and liner trades.

As an independent international professional membership organisation, the Institute of Chartered Shipbrokers strives to promote a world class program of education and training to ensure that all its members are knowledgeable about their business. As a result, the Institute produces and publishes a comprehensive series of books on shipping business.

The Institute's sixteen books are unique in that they have been written by professionals for professionals in the shipping industry. They now undergo a regular review where they are peer reviewed, revised and updated by professionals in their particular discipline and peer reviewed again, so that an accurate revision can be achieved.

The books themselves will continue to be part of the TutorShip course, but our goal is to make them more widely available to the general shipping industry, which has long requested our books as general reference titles.

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**INSTITUTE OF
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Celebrating a meeting of minds

East Africa Branch chair **Robert Watene** recounts proud moments at this year's ETC



**Robert
Watene**

The Institute's Branches – which now number 25 around the world – should be viewed as 'agents' of Institute. They should strive to ensure that the syllabus as developed by the Institute is implemented as per the guidelines of its Education and Training Committee (ETC).

Branches must also ensure that their students are tutored, lectured, mentored and coached by well qualified individuals. And they must also ensure that all the other interests of the Institute in the territory are addressed effectively. These are not exhaustive aims, but they form the foundations for the successful operations of the Institute worldwide and perfectly reflect this issue's theme of 'Outreach and Oversight'.

Earlier this year, ETC held their annual face-to-face meeting in Mombasa, allowing the committee members two days to interact with the East Africa Branch students. This was a rewarding experience for both the committee members and students. ETC chair and tutor Rob Gardner had a gratifying time with the young students who are extremely thirsty for shipping knowledge. Institute vice chair Susan Oatway also attended for the second year running and the students were delighted to see and experience her 'Motherly love' approach to tutoring.

Susan and Rob were joined by Krishna Prasad from the Middle East Branch, Jagmeet Makkar from the Hong Kong Branch, Norman Lopez from the Australia and New Zealand Branch, and Simon Ward from the Greece Branch. Simon was so touched by the financial difficulties that our students often face that he decided to promote a book campaign to support the students in Mombasa. To date, we have received books donated from the Middle East and the Greece branches and other branches and individuals continue to donate books and reading materials.

The Head Office Team was not left out in this memorable encounter with our students. Head of business and partnerships, Matt Gilbert did a marvellous job in guiding students in exam techniques and also met with the local university to discuss training. Institute director Julie Lithgow was also on hand to lend support where needed.

SUPPORTING HAND

Launched in 2007, the East Africa Branch is relatively new in consideration of the Institute's long history. The branch covers a broad geographical area with ten countries under its wing and more than 200 members that participate in various branch activities. Kenya and Tanzania are the most actively involved in the Institute in the region.

Every year the branch organises a PREP, a golf tournament, an annual awards dinner, a stakeholders' dinner, a new members' dinner and takes part in the global International Open Day. The branch is also called upon to make a presentation during international maritime day celebrations. And, in recognition of



Tutor Simon Ward engages with the West Africa Branch students

the importance of affordable access to fitness, we have agreed a corporate membership of Mombasa Sports Club which all members of the Institute have use.

We have partnered with ten professional training institutions and one university with these institutions delivering Institute courses under the close supervision of the branch education and training committee. The branch is also in the process of equipping the library with books and other reading materials for students and members, an aim which has been greatly aided by Mr Ward's latest push.

We have developed good relations with various stakeholders including Kenya Ports Authority, Kenya Maritime Authority, Kenya Revenue Authority, Ministry of Transport, Kenya Trade Network Agency, Kenya Ships Agency Association, the Intergovernmental Standing Committee on Shipping (ISCOS) and the National Chamber of Commerce and Industry (NCCI).

On a day-to-day level, the branch office is run by two fulltime support staff who handle all enquiries, publicise branch activities, liaise with the Head Office, and organise logistical issues, among other tasks.

However, just like many other branches, we face various challenges. In recent years, the number of students sitting examinations has declined, mainly due to ever-increasing registration and examination fees coupled with discouraging examination results and fewer opportunities of employment for our members. The branch is also held back by financial constraints making it difficult to publicise the Institute in the region to the extent that we would wish. But our optimism is not dented by these challenges; in fact, we remain positive that over time we will succeed in raising the flag of Institute high and proud over our entire territory. **SN**



Uncomfortable bedfellows

Lumping oversight on the industry together with outreach as the theme for this issue might seem an odd combination. When the regulators pass decrees on shipping, they often seem on a counter path to programmes designed to foster greater interest in the industry and to offer support to those in need. However, they needn't be so polarised from each other.

The IMO, as the industry's overseer, rightly puts its regulatory role front and centre, but could it do more to engender compassion from within to bring those oversight and outreach functions into alignment?

In this issue, the Mission to Seafarers' Andrew Wright points out that 'red tape' and a regulation culture can "stifle creativity, blunt effective front-

line performance and damage competitiveness".

Some shipping companies already recognise the value of supporting staff to raise money or to better themselves, something that should be the norm rather than the reserve of comparatively few compassionate businesses.

The overarching goal should be blending outreach such as this and oversight into a holistic package so that trade shocks are lessened. Although, when you consider the impact President Donald Trump's tariffs, have had on the delicate balance of supply and demand, there's evidently a way to go before a synergy of oversight and outreach can be reached. [SN](#)

Carly Fields, FICS

Editor

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A bit of giving does a lot of good

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A legitimate reason for Court avoidance

Not every shipping dispute needs to end up in costly litigation, explains Clyde & Co's Martyn Haines

Regulate, but don't become desensitised

The Mission's Andrew Wright explains why oversight needs to be balanced with essential outreach

AI knocks on shipping's door

Artificial Intelligence is not going away and will be a game-changer for shipping

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Linking UK shipping up with both the broader logistics industry and the wider world

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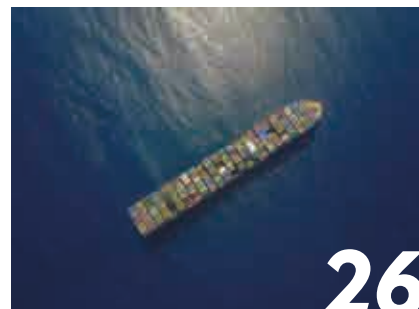
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Trade wars, what are they good for?

Midway through his term at the White House, Trump has his sights firmly on disruption of free trade



Felicity
Landon

We are familiar with the tweets, the threats and the 'America first' message. We have even, perhaps, become resigned to the confrontational tone. But what has having President Donald Trump in the White House really meant for global trade?

"Trade wars are good, and easy to win" – so tweeted President Trump at the beginning of March. Since then, we have seen an escalating war between the US and China – in the form of tit-

Topic: Trade

i Key words: Tariffs, FTAs, globalisation

Background Info: President Trump has been vocal in his attempts to undermine free trade, but to what end?



Donald Trump's 'America First' message is being heard loud and clear

for-tat tariffs on billions of pounds of goods and fighting talk. It started with Trump's tariffs on washing machines and solar cells, and escalated to steel and aluminium. China hit back with duties on pork, nuts and other goods, and a threat over soybeans. Trump proposed another round of levies on thousands more Chinese exports, from TVs to engines.

Of course, the shipping industry is watching nervously – but not half as nervously as the retail and manufacturing sectors.

"The thing about tariffs is that they affect the producers and the consumers, but actual trade will still have to happen," says Susan Oatway, associate at Drewry Maritime Research. "Take soybeans as an example; there are not enough soybeans in the world to cope with China's demand, if you take the US out of it. So if China does impose tariffs, then the Chinese consumer will end up paying higher prices – because some of the soybeans will still have to come from the US.

"Looking the other way, Trump's steel tariffs will affect automotive producers in the US, but that steel will still have to move. The US doesn't even produce some of the particular types of steel it imports.

"If we are talking tariffs on food – grain and poultry, for example – that could have more impact."

In April, the Journal of Commerce estimated that the US tariffs and Chinese retaliatory tariffs (threatened at that point) could threaten 887,000 teu, or 6.6% of the total US container trade with China and 2.5% of total US container volumes.

SHIPPING IMPACT

However, Rahul Sharan, lead research analyst for dry bulk at Drewry, says Trump's decision to slap a 25% tariff on all steel imports, hoping to reduce imports by 13m tonnes, might not be all bad news because alternative trading patterns could actually lead to an increase in tonne-mile demand.

In a recent article, he warned that overhauling trade routes to and from the US would have ripple effect on dry bulk shipping. If events actually went according to Trump's plan, dry bulk shipping could lose 32bn tonne-miles of steel demand. Canada and Mexico are – so far – exempt from the tariff, but even if their share of US imports increased, more than 100 supramax shipments a year would be lost, he said.

The effects of any retaliation are more difficult to quantify but in some cases ship operators could benefit, said Mr Sharan. "For example, China is planning to import soybean from Brazil and Argentina instead of the US as a protest against the steel tariff – which would mean a substantial increase in tonne-miles."

The majority of steel from Asia is rolled and coiled products, which are shipped by bulk carrier. However, according to one industry source, there is also a significant volume of steel screws, tacks, furniture and furniture components which don't appear – yet – to be subject to any US tariff.

A bigger trade concern would be retaliatory action by China or the EU that could hit US exports. These, said the source, could include orange juice, likely to affect Florida ports; peanut butter, affecting California ports; and items such as clothing, make-up and Bourbon.

JUST POSTURING?

Terry Gidlow, chief executive of the global agency Waterfront, says: "Trying to keep up with the tariffs and trade battles is challenging. The first question is, with all the sabre rattling and different trade policies being bandied around – is the intention to see this through or to force people to the table to discuss?"

"As for what it is going to mean for our customers' business – we are a service provider, and if we can work out what the impact will be, then we can position ourselves accordingly."

One concern is around US grain and soybean exports, he says. "China are buying that grain because they have mouths to feed. If they are not taking US grain, then they will have to find it somewhere else. Demand for soybean in China isn't going to decrease."

There has been huge investment in rail, barges and handling infrastructure along the Mississippi to support exports, says Mr Gidlow. "If China turns to Brazil, there will be the challenge of getting the grain from the growing areas to the vessels."

Overall, however, shippers will find alternative sources, he says. "Traders will be buying from different places – so to a certain extent, it creates opportunities. We have offices and people in all the locations – Argentina, Brazil, America, Canada, Australia – and are ready to adapt as required."

FOREFRONT OF GLOBALISATION

There may be a push-back in some quarters, but globalisation has brought prosperity to consumers and to providers in developed and developing countries alike, says Jan Hoffmann, chief of UNCTAD's Trade Logistics Branch. Global trade has expanded the range of choices and lifted the standards of living everywhere, he says – and shipping and seaports are at the forefront of globalisation.

"The damage that this 'my country' thrust is doing to the trading system is huge. It is such a shame, because it was so difficult to build up the WTO rules-based system."

UNCTAD has historically defended, to some extent and with limits, the right of the poorest and least developed countries not to be bound by that many rules and to take some steps to protect themselves, he says.

"In very small, least developed countries, it doesn't affect the world economy if they want to defend a small piece of their production. However, when the biggest trading nations in the world also takes such steps, it is much more damaging."

And there can be a price to pay for the poorest. After Rwanda announced it would be phasing out the import of used clothes because the trade was undermining production of textiles in the country, the US announced it would expel Rwanda from the preferential trade deal which was set up under the Africa Growth and Opportunity Act (AGOA) and intended to lift trade and economic growth across sub-Saharan Africa.

"The World Trade Organization has done a great job defending global trade against protectionist mechanisms, including through its dispute resolution process," says Mr Hoffmann. "All shipping can do is keep lobbying that this type of protectionist policy is bad; and maybe shipping could and should lobby more."

SABRE RATTLING

There are also concerns that the US is attempting to undermine the WTO – perhaps that is hardly news, given that Trump pledged during his election campaign to pull the US out of the WTO altogether if his plans for tariffs were challenged.

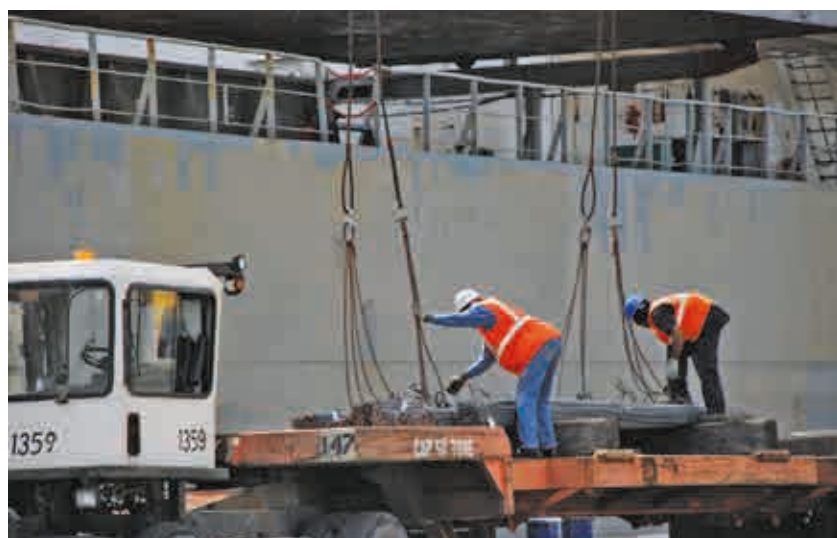


Having pulled out of the Trans-Pacific Partnership early on, Trump has been tweeting to attack NAFTA, the longstanding trade treaty between Canada, Mexico and the US which eliminates tariffs and fosters trade, and is recognised as being the world's largest Free Trade Agreement. Trump has stated his preference for bilateral trade agreements as opposed to multilateral deals, he wants Mexico to cut value-added tax, and he wants to redress the balance – in 2016, the US brought \$55.6bn more imports than Mexico bought from the US.

In March this year, the seventh round of NAFTA renegotiations concluded; both Canada and Mexico confirmed 'progress is slow'.

There have been signs of hope; in the second week of April, Chinese president Xi Jinping promised to lower import tariffs on products including cars. Investors concerned about an escalation of the US-China trade war were calmed and markets bounced a little in response.

Despite the recent rise in trade protectionism trends, Mr Hoffmann says: "I am optimistic – or should I say hopeful? – that reason will prevail and that international trade, supported by a strong rule-based multilateral trading system and efficient maritime transportation systems, will continue to provide prosperity for almost all." [SN](#)



Tit-for-tat trade tariffs all started with Trump's steel levies

Credit: JAXPORT, Meredith Fordham Hughes

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Dealing with a world in flux

There's much going on in the world that has the potential to disrupt global trade, finds [Felicity Landon](#)



Felicity
Landon

From tensions between Europe and Russia, to Brexit, to conflict in Syria, to desperate refugees in sinking boats who need rescuing close to the main shipping lanes – is there a headline that doesn't somehow have an impact on world trade?

Trade and shipping have always been built on shifting sands but perhaps never more so than today. In the greater picture, it seems spats over tariffs are only a minor item on the agenda.

Topic: Trade

Key words: Conflicts, economic growth, Brexit

Background Info: President Trump may monopolise the trade-related headlines, but there is plenty more going on around the world that has a bearing on shipping

These are uncertain times for global trade, Mukhisa Kituyi, secretary general of UNCTAD (United Nations Conference on Trade and Development) said recently, and developing countries may lose out if protectionist politicians continue to take unilateral actions.

Any shift to bilateral negotiated trade agreements favours larger, wealthier countries because most developing countries don't have the staff or expertise to negotiate multiple agreements, he warned.

In this context, the new African Continental Free Trade Area (AfCFTA) could be a game changer. Signed by 44 of the 55 African Union member states, this huge new FTA could establish a market of over 1.2bn people, with combined gross product of more than \$3trn, and increase intra-African trade by 52% by 2022, while paving the way for the establishment of a customs union within four years.

The agreement is designed to improve regional integration and boost economic growth across the continent, and the African Union wants to see it enter into force before the end of 2018.

Libya, meanwhile, may be slowly emerging from civil war and there is talk of a new port and masses of investment in new infrastructure – but meanwhile, one beneficiary of the conflict has been the island of Malta, which was already playing its part in serving the offshore sector off North Africa and the Southern Mediterranean, and has seen a significant increase as many companies closed their offshore support facilities in Libya and switched to Malta instead.

As for Syria, there is more than one knock-on effect on shipping. Because of the threatening situation in the country's airspace, Eurocontrol (the European Organisation for the Safety of Air Navigation) has advised all airlines not to fly above the east of the Mediterranean. Diverted and rescheduled flights can have an impact on crew travel organisations' efforts to get seafarers to and from their ships in the right port at the right time.



Credit: Mojomgwa

Libya's slow emergence from civil war opens opportunities

EUROPEAN WOES

Then there is Brexit. Fearing the worst, the Irish port of Dublin has announced that it is building new road layouts, putting up inspection sheds for more Customs officers and setting aside land for the queues of trucks it is expecting when the UK leaves the European Union.

Gibraltar, which voted overwhelmingly 'remain' in the UK referendum, is facing an uncertain future. This tiny British Overseas Territory is the Mediterranean's leading bunker port, offering low-priced, VAT-free fuel, thanks to its position inside the EU as part of the UK, but outside the EU's VAT jurisdiction.

Much of the Brexit anxiety is focused on the status of Spanish border; 90% of Gibraltar's imports arrive not by sea, but overland. Imagine a closed border; the fortnightly container service operated by OPDR would be overwhelmed if everything suddenly switched to sea. There is talk of investment in larger berths for larger ships, but understandable reluctance to commit to such a significant development without more clarity.

Neil Davidson, senior analyst – ports & terminals at Drewry, said: "It is of course impossible to predict the post-Brexit trade pattern, as even at this relatively late stage there remains such a wide range of possible outcomes to the negotiations, from at best, little or no change to the current free flow of EU traffic across the UK border to at worst, customs and other controls that are equivalent to what applies to non-EU trade today."

If the arrangements end up towards the latter end of this spectrum, this could prompt a change in the pattern of UK-EU trade, he said. "It might increase the relative attractiveness of unaccompanied trailers and containers on the longer sea routes, versus the accompanied, short routes like Dover-Calais and the Channel Tunnel."

Trade may change but it won't stop, says Susan Oatway, associate at Drewry Maritime Research – and in the end, there isn't much that shipping can do about influences beyond its control.

"In many cases, we are going to have to be reactive to as opposed to proactive," she says. "And in reality, I think the IMO directives on ballast water, Sox and CO₂ will have a much bigger impact on the shipping network." [SN](#)

Driving action on climate change

A perceived reluctance within shipping to take action on climate change has to be addressed



Kate Jones

October last year saw the publication of a damning report into the shipping industry's action on climate change by non-profit organisation InfluenceMap, which examines the extent to which corporations influence climate policy and legislation across the world.

The document, entitled *Corporate capture of the International Maritime Organization: How the shipping sector lobbies to stay out of the Paris Agreement*, claimed at the time of publication that shipping had "aggressively" petitioned the International Maritime Organization (IMO) to obstruct climate change action for shipping, guaranteeing that the sector stayed the only one in the world not subject to any emission-decrease measures.

The report called out the International Chamber of Shipping,

displayed how shipping "is maintaining its business model regarding carbon emissions by capturing the regulatory process". It also said that the industry's lack of disclosure contrasted with growing investor expectations of more disclosure of this kind.

The research identified some industry players that recognised the necessity of a more ambitious climate policy position, saying that "such actors suggest potential for a future coalition of progressive voices in shipping to promote greater corporate climate policy disclosure and action on climate at the IMO". However, it also found that at the IMO's most recent environmental committee meeting (at the time of publication), 31% of countries were represented in part by direct business interests. The document called for shipping industry investors to ask their exposed companies about what they were doing to manage climate risk "behind the shroud of opacity currently in place".

Topic: Climate

I Key words: Emissions, influence, action

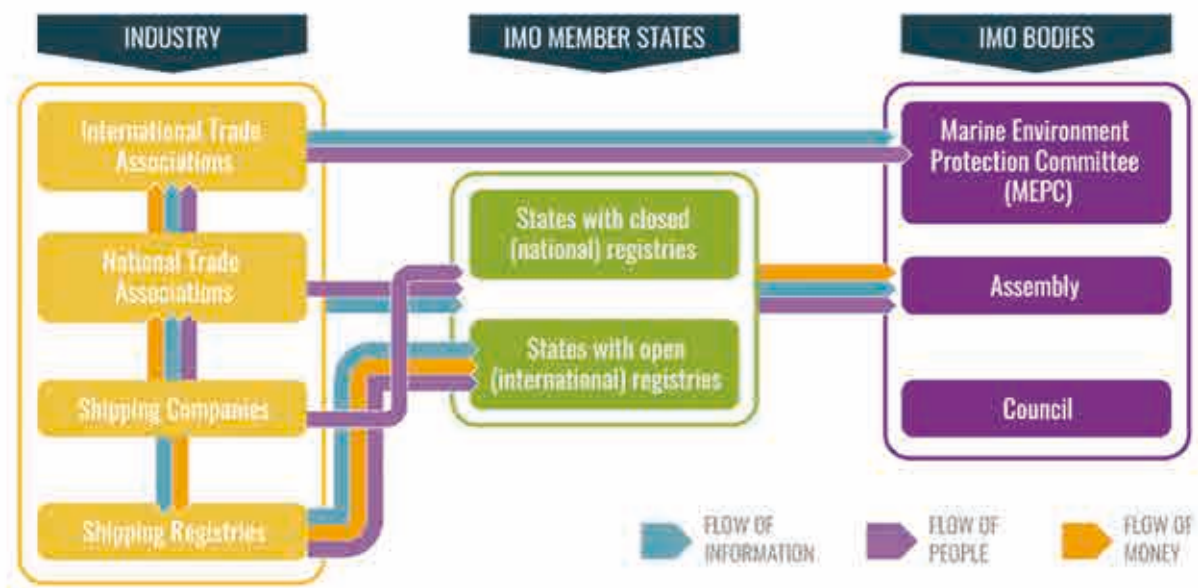
Background Info: The IMO, and the wider shipping industry, needs to be resolute in its response to climate change

BIMCO and the World Shipping Council, arguing that the organisations had together lobbied to push back implementing any climate regulations until 2023, and even then only backed voluntary regulations that might not lower shipping's overall greenhouse emissions. Additionally, of particular note in the study were findings concerning transparency regarding climate change efforts. InfluenceMap claimed that the report "conclusively"

QUESTIONS OF ACCURACY

It has been argued that the report contains errors. However, speaking to Shipping Network in response to this claim, Thomas O'Neill, the research director at InfluenceMap who managed the research for the report, says: "I think it's a bit of a crude tactic to try and discredit the research when you don't like the conclusions", having previously explained that the company had looked at all the corporations' and trade associations' communications to the IMO, through consultations, submission of proposals to the body, media comment and any other forums. He had also previously said that a methodology had been constructed so that everything could be analysed in a consistent manner.

Transparency is an important factor when it comes to the



Credit: InfluenceMap

InfluenceMap's view of IMO influencers

shipping industry collaborating to ensure that climate change and its harmful impacts are minimised. The report found that “individual companies are largely silent on climate risk and their positions on climate regulation”.

“The IMO’s had a mandate to regulate the emissions of the shipping industry since 1997,” Mr O’Neill says, speaking in March. “The reality is the industry doesn’t want to be regulated, and [major shipping organisations] don’t want to be regulated because it increases costs in the short term. So [major shipping organisations] make a strategic calculation to commit their energy to preventing the regulation rather than reforming their industrial practices, particularly shipbuilding.”

He continues: “One of the things about the shipping industry is that it’s not like, say, aviation, where there isn’t really a clear answer to how we reduce emissions ... but shipping can reduce its emissions, and if you look at some of the research coming out of University College London, they’ve shown that there are other fuels that can be used to power ships. Again, they just don’t want to invest in this, but you need market drivers, and regulation is a good way to drive that.”

PUSHING FOR CLEAR GOALS

John Maggs is president and senior policy advisor at the Clean Shipping Coalition (CSC) and Seas at Risk, organisations which “push for ambitious action at IMO and elsewhere in line with the Paris Agreement temperature goals, and especially the need for measures, like speed reduction, to reduce ship emissions deeply in the short term”. The bodies, he says, are also pressing for strengthening the IMO’s Energy Efficiency Design Index to make it work with “a Paris Agreement-compliant decarbonisation pathway for the sector”. He agrees that shipping has aggressively petitioned the UN to hinder climate change-action for the shipping industry in the past, also claiming that generally, people perceive there to be a lack of effort to mitigate climate change in shipping as the sector has “taken 21 years (since Kyoto) to get to the stage of agreeing a greenhouse gas [GHG] strategy”.

“Ship emissions are large enough and growing fast enough to undermine all other efforts at tackling climate change,” he notes.

To improve itself in working to mitigate climate change, the shipping industry, Mr Maggs says, could “come to the IMO with concrete proposals for measures that reduce emissions deeply quickly, instead of waiting for others to propose change and then shooting it down”.

“I think we need action by multiple actors if ship and other emissions are to be brought down fast enough to keep warming below 1.5°,” he comments. These players, he argues, should consist of actors at both a national and regional level as well as the IMO and the United Nations Framework Convention on Climate Change. This latter body could maybe set the framework and make clear what the global ambition level for shipping should be, he suggests.

“We all know that if we try to regulate emissions by measuring fuel consumption, and so on, people in our business are going to cheat,” shipping commentator Craig-Bennett said in a column on the findings of the



The IMO’s MEPC in April came to an agreement on cutting emissions

InfluenceMap report. “It’s what people in our business do. The only way to keep ourselves honest is to ban the internal combustion engine altogether, along with the external kind, and to adopt zero emissions.”

LATEST MOVES

Whether or not it was pressed by the findings of InfluenceMap’s report, the IMO has subsequently adopted an initial strategy concerning the decrease of vessels’ GHG emissions. At the 72nd session of the body’s Marine Environment Protection Committee (MEPC 72), held at its headquarters in London from April 9 to 13, the MEPC, among other environmentally-related activities, took up the roadmap, which has a vision that includes the IMO’s aim of phasing out GHG emissions from international shipping as soon as possible in this century, as a matter of urgency.

With specific reference to “a pathway of carbon dioxide [CO₂] emissions reduction consistent with the Paris Agreement temperature goals”, the strategy has as a level of ambition lowering CO₂ emissions per transport work, as an average across global shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared with 2008. It also wants world shipping’s GHG emissions to peak as soon as possible and to decrease total annual GHG emissions by at least half by 2050, compared with ten years ago, while pursuing efforts to phase them out.

In a statement from the CSC regarding the MEPC plan, Mr Maggs said: “We have an important agreement, and this level of ambition will ultimately require a sector-wide shift to new fuels and propulsion technologies, but what happens next is crucial. The IMO must move swiftly to introduce measures that will cut emissions deeply and quickly in the short-term. Without these, the goals of the Paris Agreement will remain out of reach.”

The CSC notes that the strategy’s level of ambition to decrease shipping’s total annual GHG emissions by at least 50% “falls short of the 70–100% cut by 2050 that is needed to align shipping with the goals of the Paris Agreement”. It also says that progressive states have to now use the words “at least” to keep the pressure for full decarbonisation by 2050 — “so as to avoid the catastrophic climate change that a temperature increase of more than 1.5°C would bring”.

With all industry actors needing to work together to realise the MEPC’s goals, shipping organisations will need to be upfront if they want to minimise the impact of GHG emissions from their sector more easily. [SN](#)

No maritime cluster is an island

How can clusters strike a balance between collaboration and competition, asks [Felicity Landon](#)



Felicity
Landon

Maritime clusters are certainly not all the same. Some have paying members, others not. Some are very structured, others less so. Different clusters focus on their own sets of challenges and targets.

What they do have in common is this: clusters bring together participants that compete on one level but have common issues and ambitions on another. How does that work? And what happens when clusters collaborate with each other?

Topic: Collectives

Key words: Shared goals; connectivity; commonality

Background Info: Maritime clusters concentrate on the factors that unite companies, but they could do more to promote their own shared cluster aims



“The maritime centres of the world need to collaborate with each other in order to provide the best value to shipowners”
– Kaity Arsoniadis-Stein, VIMC

Kaity Arsoniadis-Stein, executive director of the Vancouver International Maritime Centre, says some dismiss the idea of collaboration between clusters as ridiculous, because clusters are competing against each other – but she believes firmly that clusters should be collaborating.

“Shipping is global and shipping companies are multi-jurisdiction. Major shipping companies don’t have one office in one location but offices all around the world.

“So why wouldn’t Vancouver be collaborating with Norway and Singapore? Where I sit, and the way I see it, it is about connectivity and collaboration in the best interests of the international shipping companies. Global competition is there in any event, whether you have VIMC or not. The maritime centres of the world need to collaborate with each other in order to provide the best value to shipowners.”

VIMC, which had a relaunch in 2015, doesn’t have members in the same way as some clusters. Rather, says Ms Stein, it works with the entire community and has an important role as a facilitator.

“We help companies interested in coming to locate in North America/Canada with questions such as immigration, tax and structure. We will make introductions, help them to network and help them get integrated. We have a very rich maritime community in Vancouver – at VIMC we help companies navigate that and meet the people they need, whether tax accountants, lawyers, technical

people or other maritime organisations, to advise them on how to set up in the most cost-effective and efficient way.”

VIMC also has a role as ‘one voice’ for the maritime community – for example, working with Immigration Canada to try to improve the immigration process.

“We consult with the industry in terms of what problems they face. And we work with government to make amendments and modernise processes to support international shipping companies.”

Vancouver, home to a number of key organisations including the Shipping Federation of British Columbia and the Vancouver Maritime Arbitrators Association, is certainly gaining prominence on the international stage, says Ms Stein. According to Menon Economics’ report on the leading maritime capitals of the world, “apart from Singapore, no city has a more attractive policy framework than Vancouver, according to the experts’ assessments of their own cities”.

It adds: “Vancouver, with a strategic location on the Pacific rim of Canada, has a clear aspiration to become a global maritime HQ/management centre through broad tax incentives for shipping and auxiliary services. Favourable policy framework, supportive government and attractive living conditions are attractiveness factors that probably will lead Vancouver to climb on the rankings of maritime cities in the years to come.”

JOB CREATION AND GROWTH

In the UK, Mersey Maritime chief executive Chris Shirling-Rooke gives a clear definition of a cluster. “A normal cluster is not-for-profit, an industry-led private/public organisation with the focus on job creation and growth. It isn’t a money-making marketing operation,” he says.

“The perception is that Mersey Maritime is wealthy – but we make only a small surplus which gets poured back into the industry. I am judged on jobs created, innovation and growth.”

Mersey Maritime has more than 200 members from across all of the maritime sectors, including energy, engineering, ports, shipbuilding, services and the whole supply chain.

For Mr Shirling-Rooke, Mersey Maritime is about ‘competitive collaboration’ for the city region and the North West. “If we continue working together and attracting inward investment and far bigger opportunities for the cluster as a whole, then everyone wins,” he says. “We’re comfortable with all sectors of the industry – from all corners of not just the UK but the world – investing in what we’re doing here. We want the Liverpool City Region to be the go-to place for everything maritime; we have all of the infrastructure, industry, technology, innovation, academia and support services within the region. We build the most advanced ships in the world. We offer the value of knowledge and experience.”

Mersey Maritime’s role is to support the sector with innovation and R&D, to give businesses a competitive advantage to grow and

employ more people, and to give new businesses a 'soft landing' when they arrive, he says.

"But it isn't Mersey Maritime by itself – it is the whole cluster and every member is responsible for supporting the growth of the industry. The membership fees keep the lights on, but we want our members to be fully engaged and be proactive members of the community, otherwise we would rather not take their money."

The £25m Maritime Knowledge Hub is the ultimate in collaboration, between Mersey Maritime, Liverpool John Moores University, Wirral Council, Peel Group and others.

Being developed on a brownfield, inland dockside site, the hub is about putting the best of academic and the best of industry in one place, says Mr Shirling-Rooke. The 75,000 sq ft development will include laboratories and lecture theatres, testing tanks and offshore survival tanks, and 20,000 sq ft of incubation and innovation space.

"It will be a central resource for knowledge sharing, research and innovation, training and skills, and a very physical beacon of the industry – youngsters can go in and talk to people about the opportunities," he says. "We have had support from local and national government and also from the EU, and we have moved quickly on this."

The partners plan to break ground on the project this summer, for completion in 2020.

Mr Shirling-Rooke also chairs the Maritime UK cluster working group, which met for the first time in January. "We share knowledge and best practice, and support clusters to grow and hit targets on job creation and growth," he says. "But we are also there to support regions to set up new clusters. Collaboration is the name of the game; when clusters work together successfully, they can be very powerful."

EUROPEAN NETWORKING

In mainland Europe, the European Network of Maritime Clusters (ENMC) is not a new organisation – but it is reinventing itself as it seeks to have more influence with policymakers, and make clear the scale and importance of the maritime industry across Europe.

Arjen Uytendaal, ENMC president, says: "Up to now we have been more of a federation of national or regional maritime clusters, getting together twice a year, but without a dedicated secretary general, with no membership fees and with everyone sharing costs, and our meetings hosted by one country and supported by sponsorship.

"But we have not really been an effective lobbying organisation – and we do need to ensure that in Brussels and elsewhere, the importance of the sector is understood."

A key point, he says, is that if you were to ask in Brussels: 'Do you understand how important the maritime cluster is? Do you know how many people work in it or the added value and turnover?', no one could really answer the question. Compared with the automotive or aviation lobbies, the maritime sector is far behind.



Credit: Mersey Maritime

The Mersey Maritime cluster has thrown its weight behind a £25m Maritime Knowledge Hub to support education in the region

"It is important to prove there are a lot of jobs in the industry – and we need to make sure that in 2030 there will still be a lot of maritime jobs in Europe."

Members agreed that in order to be more effective, ENMC needed to become more focused. They will now pay a contribution, and Olivier van Paasschen, of the Dutch maritime cluster, has been appointed secretary general on a part-time basis.

"While all our members communicate their own priorities, we can communicate a common goal for Europe," says Mr Uytendaal. "Our role isn't to list the separate problems of 15 countries to the European Commission – the EC wants to know where are the important opportunities for blue growth.

"It is quite logical to think about maritime Europe on a global scale. It is very important that we make sure young people are coming into our industry – it doesn't matter whether going to sea or shipbuilding or offshore, but how can we make sure we are attractive to young people?"

Europe's maritime sector needs to focus on innovation, sustainability and R&D, he adds. "That's the only way we can survive on a global stage. We all know that what we do today, Asia will do tomorrow. How can we make sure we are always ahead, and that in ten or 20 years we still have a good industry?"

Networking, sharing best practice, speaking out about the new advances and decarbonisation of shipping – all of these are vital, he says.

"In every cluster network you will have people who are competing with each other. We are far more focused on the things that are uniting us, and where we can grow strongly together. Europe has shipyards, shipowners and equipment suppliers, moreover still a large part of the world fleet is controlled by Europe. We also have a common interest in making sure this maritime ecosystem stays alive." **SN**



"Collaboration is the name of the game; when clusters work together successfully, they can be very powerful"
– Chris Shirling-Rooke, Mersey Maritime

A bit of giving does a lot of good

Maritime companies are working to make a positive difference for staff and communities



Kate Jones

In the world of business, it can be easy to get the feeling that it's just 'take, take, take'. Profits, revenues, returns — that kind of business talk makes it appear that big companies are just money-making machines whose motivation is capital above all else. However, those who take this attitude fail to consider the culture of corporate social responsibility (CSR) that is a fundamental part of many organisations.



Topic: Giving back



Key words: Charity, support, wellbeing

Background Info: The maritime sector proves it is not behind the curve when it comes to supporting its staff and those in need

The maritime industry can often be viewed as a sector that fails to keep pace with some of the world's most important developments, its omission from the Paris Climate Change agreement an example of how it appears to be out of important loops. However, the growing focus on corporate social responsibility as good and admirable practice for businesses is a phenomenon that companies working in the shipping realm have embraced. Be it initiatives for staff or the broader community, or ventures that benefit education, the environment or social or mental wellbeing, shipping-related organisations have pioneered a wealth of different projects that give back to both those who work for their companies and the wider world.

Take HFW, the global law firm which focuses on the shipping sector as well as the commodities, energy, insurance, construction and aviation industries. Law has long been seen as one of the world's most professional lines of work, as well as one of the most demanding — a study by Keystone Law of over 300 legal professionals found that almost 70% of lawyers think their profession is the most stressful. However, HFW is a great believer in the idea of corporate responsibility.

BIG BENEFITS

"I think if you can see that your organisation is responsible, then you're actually incredibly proud to work for the organisation, and that's important for me," says Kathryn Hull, HFW's head of corporate responsibility. "We want our people to be proud, we want them to be engaged and we want them to come to work every day and for me, corporate responsibility is a way for us to do that."

Craig Neame, partner at the company and global head of its shipping group, agrees, adding that he feels the younger generation are perhaps increasingly more value-driven than previous generations and have a much greater level of transparency than his peers had at the same age. HFW, he explains, needs to follow its staff's aspirations and ensure that it reflects their goals.



HFW's London office wraps gifts for seafarers, to be distributed by the Mission to Seafarers

"You get more engaged people, you get happier people, you get better motivated people so that they want to invest in their organisation, they take a sense of pride home when they're talking to their family and friends about the organisation they work for — and that's obviously good from a wider, global CSR perspective but it's also good for our organisation as well because better engaged people are better working people," he notes. "They have a sense of purpose, and purpose and meaning always drive behaviours far better than even financial incentives do."

The law firm boasts a large portfolio of efforts to give back to both its communities and its staff. Its community investment work is divided into a firmwide charity partnership, industry-specific partnerships and initiatives for the sectors the business works in, office initiatives and matched giving.

Charities the business supports in some form include youth organisation Fight for Peace, the Mission to Seafarers, and developing world organisation Renewable World. Additionally, HFW office CSR initiatives have included work for the Houston Food Bank in the US, Belgian breast cancer campaign Think-Pink and Cambodian educational charity SeeBeyondBorders.

Meanwhile, for its staff, the firm is committed to creating a diverse and inclusive working environment, views mental health as equally important as physical health and is undertaking to lower its carbon footprint.

WORKPLACE GOALS

For maritime transport firm Pacific Basin, its CSR projects are guided by the broad strategic goals of workplace and operating practices, environmental stewardship and community engagement. The company's charitable donations and sponsorship came to more than \$58,000 in 2017, with charities benefitting from financial support including seafarers' organisations Sailors' Society and the Mission to Seafarers. Additionally, one of the business' CSR initiatives is sponsoring a minibus for the Sailors' Society in the Filipino capital Manila to offer free transport to all seafarers in the city and to facilitate ship visits from Manila's port chaplain.

The company gives back in various other ways. It supplies free fruit and regularly offers healthy snacks to staff, as well as actively supporting those who take on healthy physical challenges and encouraging a healthy balance between work and family life. The business also supports the Hong Kong Maritime Museum and is an inaugural partner under the attraction's CSR Partner Program, and in November last year, the company hosted the sixth Pacific Basin Soccer Sixes intercompany football tournament for the Hong Kong shipping hub. On an environmental front, 2017 saw Pacific Basin's Hong Kong headquarters stop using plastic bin liners at desks, removing the use of around 400 of these bags a month.

EXPLORING THE CONCEPT

CSR has been gaining attention from businesses and shareholders since the 1960s. Increasingly, a light has been shone on companies and the impact that they have on both their staff and wider society. The term 'business ethics' is now a commonly-used phrase for those involved in the corporate world, with organisations being scrutinised as regards the question of whether they operate in a responsible manner. Indeed, the idea of responsibility has become so endemic in business, some now view it as crucial for companies who wish to sustain themselves in today's global environment. It was a Canadian chief executive of Mountain Equipment Co-op, Peter Robinson, who declared: "Ethics is the new competitive environment."

That's a saying that might be of interest to shipping services business Clarksons, which says that its CSR approach "is a natural extension of our vision and values". The company boasts a number of examples of support for charitable causes and is currently working with the Sailors' Society on providing both retired and active seafarers and their families, living in the Chennai and Pondicherry areas of India's Tamil Nadu state, with a mobile medical unit. Carney's Community, a London charity for disadvantaged and excluded youth, is another organisation that the company backs, and each year, the organisation holds a charity giving day across some of its global offices, where staff compete in a company indoor cycling challenge.

"Since 2013, members of Team Clarksons have climbed mountains; conquered the North Pole; cycled hills and roads; completed marathons, triathlons and Tough Mudders; shaved off their hair and grown moustaches; tackled the three peaks; and even taken part in sailing 40,000 nautical miles around the globe, all for charity," a spokesperson for the company says.

PORT SUPPORT

For UK port operator Peel Ports, part of the firm's work to give back is educational. The organisation helps teach local schoolchildren about the basics of supply chains and global logistics, having collaborated with businesses from northwest England on Business on the Move, which uses an interactive board game simulating the export of products from China to the UK via the Port of Liverpool. The objective for teams is to move cargo into the UK in the most efficient or cost effective manner.



"Helping young people develop an understanding of how goods move around the world and end up in shops and factories is a valuable asset in the modern economy,"
– Mark Whitworth, Peel Ports

"Helping young people develop an understanding of how goods move around the world and end up in shops and factories is a valuable asset in the modern economy — experience that our future business leaders will be able to draw from as they enter the workforce," notes Mark Whitworth, Peel Ports' chief executive.

Peel Ports has also pledged to support the Armed Forces community, including supporting former service personnel to obtain training and work opportunities upon returning to civilian life. The company supports veterans and their spouses and accommodates training, development and deployment periods for Peel Ports staff who are in the reserve forces — a military area that the organisation actively promotes among all its personnel. Recently, six apprentices from the firm participated in an overnight training programme at Altcar Training Camp in Merseyside in the UK.

North P&I Club, the marine mutual liability insurer, is another maritime organisation that values the idea of giving back. In 2010, the company established its North 150 Fund, and since that year has supported more than 150 charities in both northeast England and shipping centres like Singapore and Greece, with financial backing having reached almost £700,000 over this timeframe. Every year, the company's staff nominate local charities for the organisation to support for 12 months, with the firm also backing several charities on a rolling annual basis, including the UK's Royal National Lifeboat Institution and the Ocean Youth Trust (a collaboration between four charities offering young people sail training and personal development work).

"From volunteering to providing grants to local projects and making staff-nominated donations to charitable causes, we are dedicated to making positive changes to the communities in which we live and work," a spokesperson for North P&I Club says.

When it comes to CSR, the shipping industry is clearly onboard. **SN**



Clarksons staff have raised money for a number of charities, including the OSCAR appeal at Great Ormond Street Hospital

Credit: Clarksons

Reaching the right group with a maritime message

Halcyon's [Heidi Heseltine](#) examines how the industry can reach out to more people



**Heidi
Heseltine**

What do we understand the phrase 'careers in shipping' to mean? Is it just about going to sea or is it also about the many, many shore-based roles? From shipbroking to sales, technology to trading, there are thousands of career paths open to ambitious, intelligent and creative individuals.

Educating people that there is more to 'shipping' than a career at sea is critical if our industry wants to attract and retain the best talent in a world where there are many, better-known 'sexier' sectors.

But how does a diverse, global industry actually go about doing this? This topic promoted much discussion within our offices at Halcyon and our team has enjoyed contributing to this article.

In the UK, most people have never considered shipping as a career choice. My colleague Tom Cox new to the shipping industry when he joined us as a consultant in 2017, explained to me that a career at sea was something he has rarely heard or spoken about prior to joining Halcyon. This was echoed by Cara Carter, our

But shipping is a mass employment opportunity. Over 80% of global trade by volume is carried by sea and handled by seaports worldwide. The importance of maritime transport for trade and development cannot be overemphasised. So why are so many people blissfully unaware?

'DIRTY' BUSINESS

Shipping is often seen as a 'dirty' industry. I remember a BBC news broadcast a few years ago looking at piracy where the lead journalist referred to it as 'the murky world of shipping'. This is a damaging viewpoint and, as those of us who work in the industry realise, a complete misconception. As my colleague Tom pointed out, how many sectors give you the opportunity to forge a career where you may be able to enjoy tax free pay, a work rotation and the luxury to travel the world.

Depending on where you are in the world, you will of course find some nationalities are much more aware of shipping than others. Speak to the average Filipino and they will probably know someone at sea.

According to the International Chamber of Shipping there are about 1.6m seafarers worldwide. China, the Philippines, Indonesia, the Russian Federation and Ukraine are the five largest supply countries for all seafarers (officers and ratings). Seafaring is embedded in Filipino culture in a way it once was in Europe.

Singapore is one country which has, however, committed considerable resources to highlighting the benefits of working in the shipping industry and to developing talent in this area. It proactively promotes the maritime sector through TV shows, films, radio and social media. In our Singapore office, senior consultants Wanni Oh and Larry Chan (who have themselves both forged careers in the industry), emphasise the fact that publicity and advertising dedicated to the industry is prevalent. In addition, the government incentivises organisations for sponsoring cadets and has established a number of bodies to

Topic: Engagement

I

Key words: Outreach, promotion, careers

Background Info: The industry shouldn't rely on governments or private companies to promote the attractiveness of shipping careers

operations and quality assurance director. Both pointed out that neither shipping nor seafaring are highlighted as career options to school children or those considering a university career where the focus is often on public sector positions.

This is something Cara has herself highlighted to her daughters' school very recently, identifying that schools largely focus on the same jobs they did 20 years ago and put very little effort into really educating children about broader opportunities available.

support the development of the sector locally – the Singapore Shipping Association, Singapore Maritime Employers Federation, Ministry of Transport, Maritime & Port Authority of Singapore, and PSA Singapore to name a few. Legislation also requires Singapore shipowners to employ at least one local cadet on their vessel.

CORPORATE AID

Beyond this, most of the promotions in our industry come from large corporations such as Maersk, BP and Shell. These are promotion campaigns aimed at filling positions in their own offices and rarely provide a detailed overview of potential career paths in the industry, however they still provide considerably more information than you can unearth in other areas.

I have researched member organisations such as the International Maritime Organization, INTERTANKO, INTERCARGO and the Society of International Gas Tanker and Terminal Operators, but none of these supply career information. While this might be understandable given they are membership organisations and/or regulatory bodies, surely, they can play a more supportive role in shaping our industry's future?

I hoped that industry organisations would be a leading light in promoting the industry and provide great inspiration given their prominence in the field. The International Chamber of Shipping has a Careers at Sea page which has links to two videos, both only focusing on jobs on the water. There is no information relating to shore-based careers. There is very little factual information easily available, nothing to guide people on how they can actually forge a career in our sector, no guidance on what the sub-sectors of the industry are or the types of jobs available – in fact very little of any use at all.

Many universities have Career Weeks where companies exhibit to attract graduates. Some universities offering maritime-related courses host events where students can be advised of maritime career opportunities and paths available to them: we present at several of these. Presentations will often include information on potential careers including qualifications required, but will also focus on personal attributes and personality traits, as well as aspects of roles that may require extensive networking or travelling for example. However, people on these courses are already interested in shipping so again, we're missing the audience we need to reach.

TAKING RESPONSIBILITY

So, who should take responsibility for getting more people interested in shipping? Private sector businesses will only do so if it serves their purpose and therefore they will require incentivisation in one form or another. Apprenticeship schemes may be a possibility – shipping doesn't necessarily require university educated individuals, so a solid learning opportunity by way of an apprenticeship could be

considered. But this is down to governments having the right quality of schemes in place and giving them sufficient publicity to make them noticed.

More than anything, a forward-thinking approach has to be adopted. There is no point worrying about the people who have previously entered the industry, we need to think ahead to those we want to see in the industry. We need to put ourselves in the shoes of our young audience and inspire them. Not just facts and figures, but explain how they could fit into this exciting, fast moving industry. We need to consider the technology that our future shipping professionals are using now to put together comprehensive, relevant, informative and modern campaigns. Thanks to the power of social media, campaigns can reach a wider audience more quickly than ever before. What we need is a driving force behind it and in my opinion, that needs to come directly from our industry.

Assuming that it is unlikely that a number of governments will suddenly jump behind the shipping industry and give it the boost we know it needs, I believe that those best placed to reach out are those member organisations, whose members ultimately stand to benefit from the talent that enters the industry. By taking a co-ordinated and global approach through those organisations, we can showcase the diversity of jobs available, the diversity of companies, the diversity of locations, and the lifelong networks we enjoy. If we can showcase it in the right way, through the right media, why wouldn't we get more people interested in shipping? And not just more people, but the right people. [SN](#)

Heidi Heseltine is chief executive of Halcyon Recruitment, www.halcyonrecruitment.com.

“Those best placed to reach out are those member organisations whose members ultimately stand to benefit from the talent that enters the industry”



Singapore has committed considerable resources to promoting its shipping industry

A legitimate reason for Court avoidance

Not every shipping dispute needs to end up in costly litigation, explains Clyde & Co's [Martyn Haines](#)



**Martyn
Haines**

The shipping industry is synonymous with the service industry; from ship builders, equipment suppliers and ship managers to freight forwarders, ship brokers and agents, all linked together to provide a service to carry a commodity, including paying passengers, from A to B.

The success of the industry is determined by the success of the individual service companies so if one fails it jeopardises the overall financial award but also the ability of that company to be successful. Unfortunately errors occur, some inevitable but others by mistakes or oversights and these are the ones that affect reputation and future business potential. Below are five actual incidents that illustrate the point:



Topic: Dispute resolution

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Key words: Conflicts, mistakes, relationships

Background Info: Shipping service providers have options outside of the courts when it comes to addressing issues

Incident 1: A ship manager was responsible for the technical management of a bulk carrier which loaded regularly at the same iron ore port. The master notified the manager of a problem with a mooring winch which rendered it partly operational but usable. The manager had taken no action to arrange the repairs. The master always informed the pilot upon arrival on each occasion but after many months the pilot refused to berth the vessel until the winch was repaired. There was a four day delay and the charterers placed the vessel off-hire. The ship owner brought a claim for \$150,000 against the manager.

Incident 2: A ship's agent was asked by the master prior to arrival whether the vessel had to burn low-sulphur fuel while in port limits and alongside the berth. The master determined while waiting at anchorage there was insufficient low-sulphur fuel on board and the port was unable to supply. The owners decided to divert to another port to bunker and then return to the loading port. The owner later determined the local regulations only required vessels to burn low-sulphur fuel while alongside the berth, and not at the anchorage. The owners brought a claim for \$150,000 against the agent.

Incident 3: A tanker broker operations staff received a telephone and email message over the weekend from a colleague asking for cargo loading details to be passed to a tanker owner. The message from the charterer required a change of discharge port rotation and impacted on the cargo loading quantity. The operations staff took no action assuming the message had been sent to a general operations email address. Due to the failure to pass on the message, the vessel



Keeping both disgruntled parties happy can be challenging

loaded the incorrect amount of cargo and the original port rotation had to remain. The ship owner submitted a significant demurrage claim to the charterer which was passed to the broker for payment.

Incident 4: A marine surveyor provided a 'fit to tow' certificate to enable a vessel to be towed to a shipyard. During the tow the ferry took on water damaging the machinery space. The ship owner brought a claim against the shipyard, the tug company and the marine surveyor for the \$750,000 repair costs. Owners alleged the surveyor did not confirm all watertight openings were closed, in fact the water entered via air vents which were outside the scope of the survey.

Incident 5: A port agent was asked by the owner to provide a cost quote for discharging a shipment of project cargo. The answer was passed to the charterer and the vessel was fixed. Upon completion of discharge the stevedores submitted an invoice for an amount greater than the quote. Investigation revealed the agent had misread the tariff and a claim was brought by the owner against the agent.

TAKING ACTION

Some of the above incidents led to the appointment of lawyers and payments having to be made either after losing a court judgement or by reaching a settlement agreement with the injured party. What is not mentioned, and is of crucial importance in a competitive and highly commercial business, is the potential loss of reputation and the risk of losing future business. Would the ship owner find an alternative ship manager, or port agent; would the owner refuse to use the same brokering service, and would the ship yard use the same surveyor again?

Mistakes, errors and omissions are foreseeable even with professional competency so are we prepared for them and what

procedures are in place to protect our reputation and future business?

One procedural option is to stick your head in the sand hoping the problem will go away; it has been tried, but not recommended!

Seeking assistance from a professional indemnity insurer as early as possible is always an appropriate strategy. They will provide an opinion on the merits of the arguments and possibly cover legal fees if instructing a law firm is considered necessary. Inevitably, however, a decision has to be made on to commence litigation to repudiate liability or negotiate a settlement. But it is not always clear if going to court will be successful and litigation risk could expose the losing party to both sides' legal costs as well as any judgement amount.

Alternatives dispute resolution (ADR) methods are now well established – such as arbitration – but one method which is becoming increasingly popular and successful for commercial disputes is mediation. It is the least adversarial form of ADR and ideal for companies that need to maintain an ongoing relationship and potentially avoid a loss of market reputation.

MEDIATION BENEFITS

The features of mediation that make it attractive are speed of process; comparative lower cost; strictly private and confidential; flexible procedures; preservation of relationship and ultimately settlement success rate.

The process of mediation commences when the two or more companies or individuals in dispute agree to instruct an independent and neutral mediator to facilitate discussions with the aim of reaching an agreement. Importantly, mediation is voluntary unless the claim proceedings have commenced in court and then mediation is a compulsory stage in order to try and avoid time and expense in court.

The choice of the mediator is decided by all the parties in the dispute. There are no prerequisites for the mediator but for some disputes it is advantageous to have some understanding of the technical issues. It is recommended the mediator is accredited by a mediation council to show they are trained and meet required standards. The key requirement for a mediator is to empathise with each individual party, to gain trust and understanding and thus facilitate in the parties reaching a settlement agreement. That is the skill because crucially the mediator is not a judge or there to offer a legal opinion on the merits of the dispute.

FLEXIBLE APPROACH

Mediation can take many forms and a meeting is not always necessary. Multiple parties in different jurisdictions are not always possible to agree a time or place to meet, excluding the cost to travel. The mediator can work from documents alone and communicate between the parties on the telephone

or video conferences. Using email is also possible but does not always promote empathy and trust. If a meeting is required that too can be flexible for speedy mediations, for example up to three hours and fixed cost, to a full day and extended hours if a settlement is close.

Prior to the mediation all parties are required to sign a mediation agreement. The agreement has important terms and conditions which are imposed on each party in the dispute, for example, confirming the mediation is private and without prejudice and nothing that is said can be used in evidence in court. What this means in practice is that all parties are able to share their opinions openly without the risk of records being kept and used in court – that avenue of communication is not available in court proceedings.

The mediator will endeavour to facilitate a settlement with all the parties but until a settlement agreement is signed by all parties, no agreement is in place. The flexible nature of mediation may result in any party leaving the process at any time without an agreement being reached, however, once the settlement agreement is signed it is a legal document and can be enforced, if necessary, in Court.

Many disputes occur between parties who wish to do business in the future and mediated settlement can involve commercial incentives in the overall resolution in a way not open to a Court. **SN**

Martyn Haines is a master mariner at Clyde & Co and an independent accredited mediator.

“Mistakes, errors and omissions are foreseeable even with professional competency so are we prepared for them and what procedures are in place to protect our reputation and future business?”





INTERNATIONAL MARITIME RESCUE

Established in 1924 as the International Lifeboat Federation, the **International Maritime Rescue Federation** was incorporated in 2003.

As a world-wide charitable body, we unite the world's maritime search and rescue organisations for our common humanitarian purpose:

"Preventing loss of life in the world's waters."

Our member organisations provide or support maritime search and rescue all over the world. They range from Government organisations to charities, large and small. Together, we seek to promote water safety and save lives.

For more information about what we do, and how you can join or support us, please visit:

www.international-maritime-rescue.org

phone: **+44 (0)1569 767405**

or email: **info@imrf.org.uk**



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Regulate, but don't become desensitised

The Mission's [Andrew Wright](#) explains why oversight needs to be balanced with essential outreach



Andrew Wright

We live in a compliance culture and recent events have further highlighted this reality. My working life has taken me through churches, schools and charities. In recent years we have seen radical change in all three, as we have in business.

When I was a child in school half a century ago, teachers enjoyed a level of freedom which is no longer possible, for both good and bad. Effective oversight was often limited, and levels of unquestioning trust undoubtedly promoted individual creativity but also turned a blind eye to what was sometimes inadequate performance and even, in extreme cases, cruelty and abuse.

Topic: Compliance

Key words: Protection, support, relevance

Background Info: In a compliance culture, some legislation is welcome but should not distract from necessary welfare needs

Churches of all shades have been in the spotlight recently. Cases of abuse of trust, often hidden for many years, have been brought to light, along with the damage they have caused to individuals. The Anglican Church, from which The Mission to Seafarers emerged and with whom we are still in integral partnership, has not been immune. The Archbishop of Canterbury has been properly courageous, and shown strong leadership, in speaking of the shame he feels in responding to recent revelations. That shame has been in relation to the perpetrators of course but also in response to those, often in high places, who failed to take accusations seriously or who quietly covered things up.

The charity world, at least in the UK, has recently been shaken by what happened with Oxfam in Haiti and the subsequent apparent lack of transparency. That has led inevitably to a spate of further revelations from within wider charitable organisations.

The full impact of all this on the charity sector is yet to be judged. Such stories undermine the trust that is so essential to all who depend on the goodwill of others for their existence. It has been a difficult moment.

It is no surprise, and right and proper, that we have seen the evolutionary emergence of legal frameworks to ensure proper professional standards and effective safeguarding. No organisation can afford to be complacent. Procedures must not only be in place – they must also be actively adopted and pursued. Programmes of training and systems of monitoring must be a constant. This can be no paper exercise.

DATA ISSUES

Beyond these matters, however, The Mission to Seafarers, alongside all charities and many other organisations, is wrestling with the implications of the General Data Protection Regulation. This comes into force in Europe in May this year.

Backed by the threat of enormous fines, GDPR seeks to ensure rigour in the protection of personal data. There are potentially far-reaching implications in the way that data is obtained, stored and used (with particular complexity for global organisations). For charities, there are very special challenges in relation to rules governing approaches to potential donors, rules of which many charities are fearful.

Getting all this right is a big operation, and often puts significant pressure on small teams. Everyone at the Mission's international headquarters is involved in special training this month. It is not only a case of putting things in place once and for all. GDPR, like safeguarding, will need continuous work as it rolls out over the coming years in an ever more complex data environment.

When it comes to compliance, so many issues have peppered the news pages over recent years. Every negative story seems to lead to some new ruling. It can be tough-going for boards and executives. In a world of ever-growing regulation, the legal and moral responsibilities of oversight can become draining – and pose significant risk. It is no surprise that taking on charity trusteeships is becoming less popular and we are very grateful to our full house of trustees at The Mission to Seafarers.

NEED FOR COMPLIANCE

We are all very familiar with complaints that 'red tape' and a regulation culture can stifle creativity, blunt effective front-line performance and damage competitiveness. Of course, there is pointless regulation. Some things, while well-intentioned, can no doubt create pain without significant gain. It goes without saying that pointless or unnecessarily damaging regulation should be challenged. Baby and bathwater come to mind!

On the whole, however, effective compliance should be welcomed as part of a drive to integrity. We should be glad of



Ensuring effective oversight must not distract from fundamental outreach

Credit: Iain Brown



Caring for seafarers
around the world



Could your company support our work around the world?

There are many ways in which your company can work with the Mission to provide welfare support to crews. We will work with you to create a partnership which meets your business and social responsibility objectives, whilst making a difference to the lives of seafarers and their families.

Ways to partner with us

- Support welfare in ports
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- Employee challenges
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- Payroll giving

For more information, contact:

Tara Fox, Head of Corporate Partnerships

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Credit: Iain Brown



measures that protect human beings, particularly those that are vulnerable. We should be working together to ensure universal regulation, building high quality global platforms with level playing fields in mind.

In shipping, the Mission is not alone, for example, in celebrating the benefits of the Maritime Labour Convention. We look forward to the hoped-for impact of the new Fishing Convention (ILO 188) which we trust will dramatically improve the lives of so many global fishers. At present it is within this latter group that we are seeing some of the highest levels of global exploitation. New mechanisms of oversight must be welcomed.

Ensuring effective oversight can distract from the outreach which, whatever form it takes in our varied organisations, remains absolutely fundamental. Ultimately our integrity is dependent on fulfilling our core purposes. How easy it is to allow 'oversight', with its inevitable time and resource implications, to sap energy and restrict imagination in pushing forward the front-line work for which we all exist.

At The Mission to Seafarers we are doing our very best to remain relevant, modern and focused in the context of our fast-changing industry. We are encouraging new ideas and an entrepreneurial culture. We are trying to listen carefully to the voice of seafarers and their families. We are excited by some new projects and the opening of support operations in new ports. Strong outreach programmes are high on our agenda.

We are trying to do all this within the context of an organisation that can remain proud of its record of integrity and of its faithfulness to the values which have informed us over so many years. Our new regional structures are designed absolutely both to improve accountability and oversight and to provide a foundation for more effective outreach.

IMPORTANT WATCHWORDS

'Outreach and Oversight' belong together and should be the watchwords that appear in lights above the doors of all our organisations and written deep within our cultures.

Since I first became involved in the maritime welfare sector back in 2007, I have been constantly struck by the potential 'hiddenness' of seafarers. So much of their time is spent in a world where they can be invisible. As automation grows and crews shrink further, perhaps the potential for 'hiddenness', along with isolation, will increase, despite the best efforts of so many shipping companies.

If there is one lesson to draw from so many of the recent revelations to which I have alluded above, it must be the extraordinary reality of how easily the most appalling things can go unnoticed for so long. This is the case even in cultures where one would expect so much more visibility than in shipping.

In a hidden world, vulnerabilities are magnified. There is greater opportunity for institutional exploitation and personal bullying to thrive. Issues in mental and physical health can go unnoticed and untreated. In a drive to front-line success and profitability, in a difficult and competitive business environment, these risks are further enlarged.

I have noted many, many times, in this column and elsewhere, the huge progress made by so much of the shipping industry in enhancing the well-being and support of seafarers and their families. The Mission to Seafarers pays tribute to so many.

"Effective compliance should be welcomed as part of a drive to integrity"

And yet there can be no room for complacency on the part of any of us. Our chaplaincy teams around the world continue to bear witness to concerns – and seek to support impacted crew. Providing the oversight and transparency that protects those in this hidden world must be the foremost concern of us all. For The Mission to Seafarers it lies at the very heart of our outreach. **SN**

The Revd Canon Andrew Wright is the secretary general of The Mission to Seafarers. Find out more and support the Mission's work at www.missiontoseafarers.org.

AI knocks on shipping's door

Artificial Intelligence is not going away and will be a game-changer for shipping



Carly Fields

Artificial intelligence, or AI, has been described as the ultimate version of Google, an intelligence augments and – my personal favourite from Stephen Hawking – as the end of the human race. Whichever end of the spectrum you swing toward, AI development is moving at a pace that can truly be described as exponential. Elon Musk writing in a blog column for Edge.org described the pace of progress as “incredibly fast” with a risk of something “seriously dangerous happening” in a five-year timeframe, 10 years at most.

Shipping has by and large avoided too much involvement in AI so far; will that evasion be to its detriment? When the inevitable involvement does happen, will the industry be ready for it? During Singapore Maritime Week, a diverse panel ranging from maritime industry veterans to fresh-faced transportation app entrepreneurs, dived down the AI rabbit hole to ascertain what it has to offer for shipping.

Tal Drory, manager AI multimedia at IBM Research, described AI as the next IT, and expected it to make major breakthroughs in every industry, including shipping. But he conceded that it needs a shift in mindset to really take hold. “Those companies that succeed will embrace this concept,” he said. “AI is not an application that everyone sees and then wants; you need to work with data scientists. You need good data and tens or hundreds



Credit: Singapore Maritime Week

A diverse panel debated the pros and cons of AI

of thousands of data points that are diverse.” IBM is currently working on programmes to train models with less data points in the future, something that shipping could tap into if and when it succeeds.

Claas Durach, regional head of ocean freight, crossborder of Lazada eLogistics, agreed that there needs to be a change of corporate culture, which will take time, but know that change is inevitable with AI and digitalisation. Launched in 2012, Lazada is the number one online shopping and selling destination in Southeast Asia. The company is already looking at the predictive capabilities of AI, but has been hindered by a lack of general knowledge about AI and low applicability of technology from other industries.

Shipping is also being held back from grasping the potential of AI by its financial backers, who are by and large more bearish in business-to-business industries than in technology for consumer industries.

Kell Jay Lim, head of ride-hailing, ride sharing and logistics app Grab Singapore, pointed out to the audience that Grab did not have 100-plus years of history and baggage holding it back, which shipping does. Six years ago, Grab was able to start from its own base and successfully disrupted the land transportation industry for consumers.

Another problem is that shipping businesses are asking the wrong questions of AI: instead of broadly asking what AI can do for you, ask if AI can answer a specific question, advised Mr Drory.

MORE THAN BIG DATA

For some years now, parts of the shipping industry have been running the big data gauntlet and digitalising, where possible. Just being able to predict when maintenance is necessary has been a great leap forward for ship owners.

But there have been stumbling blocks to overcome here too. Carl Schou, president of Wilhelmsen Ship Management,



“If you look at players using big data, they use an incredibly forensic approach, putting the sensors in to gather the data they need, rather than searching for the data they need”
Martin Stopford, Clarksons Research

pointed out to the panel that for Internet of Things the bottleneck is on transferring data to the shore, with high satellite communications costs inhibiting free data flow.

That said, Martin Stopford, president Clarkson Research Services, stated that big data is for him an “incredibly misleading term”. Companies that collect hordes of data without a clear end goal will likely find that they have wasted their time. “If you look at players using big data, they use an incredibly forensic approach, putting the sensors in to gather the data they need, rather than searching for the data they need,” he said.

There are clear opportunities to improve shipping business with digitalisation, especially when it comes to digitising paperwork, he continued. “If you can make individual documents fraud-proof you’re on to a winner; they are instantly transferable and credit-worthy.”

Mr Stopford likened big data to the real world with an analogy from his days at the coalface in Clarksons: “Clarksons Research started off packaging up the stuff that the brokers threw away because the bit that the brokers use is totally time sensitive. I think VLCC brokers use an algorithm a bit like you do with Grab, but they have it in their head. That is something that is highly propriety. Once that information is two days old they don’t want it anymore and I can package it up and sell it as rates information.”

This is an important distinction to make, he said. On the one hand, there is the highly propriety, money sensitive data, and on the other, there is the useful background data for building models. “You need to differentiate between those two.”

MAKING DATA MOVES

Wilhelmsen Ship Management took digitalisation to heart and set up a maritime innovation lab in 2017, hiring digital trainees and a chief technical officer.



Credit: IBM Research

“AI is not an application that everyone sees and then wants; you need to work with data scientists”

Tal Drory, IBM Research

“We let them lose and told them to disrupt where they could,” said Mr Schou. This led to some upset, but he said that the team have come up with some excellent ideas.

For its part, IBM is a facilitator for the blockchain necessary for safe and secure e-transfer of documents. It has committed much development to its platform for blockchain and is positioning it as the platform of choice for all industries.

But challenges remain. Mr Schou said that it’s “extremely difficult” and a “really steep learning curve” to put digital schemes in place with an existing fleet of ships.

And if you are only just dipping your toe into the big data pond, you may find it’s already too late. Said Mr Durach: “Big data was all the craze two years ago. Now we are two steps ahead of that. You have to be very clear on what you want to achieve and be prepared to fail.” His advice was echoed by Mr Drory, who pointed out that “big data is not enough, you need AI as well. AI can predict, but it cannot invent its predictions.”

Wherever your company is on the big data and AI scale, Mr Stopford had a few parting comments worth heeding. Firstly, he said, nobody is too senior to be able to grip these ideas, and secondly, don’t panic, if you want to find out what a capesize is worth today and none have sold for three weeks, you can still ring a broker. **SN**

No need for panic on Nextgen recruitment

Describing the industry as “not sexy” and predicting a “knowledge gap” going forward, the panel at the Singapore Maritime and Port Authority-organised event raised concerns on the intake of young people into the shipping industry.

The problem is all the more pressing with the move towards digitalisation and technology advancements, both seen as the purviews of the younger generation.

Clarksons’ Mr Stopford said the predicted shortfall in seafarers is a concern, but he was less concerned about the intake for shore-based shipping services’ roles. “They are very popular,” he said. “I would say that generally the shore-based businesses are more profitable than the ship owning business, so they tend to attract young people.”

He added wryly that there should be no shortage of money to invest in attracting and

retaining the next generation in shipping given the millions happily spent on ships in an asset heavy industry.

The three technology experts on the panel agreed that there is no need to panic.

IBM’s Tal Drory commented that young people are attracted to industries purely by the fact that they are digitising – good news for shipping. Lazada’s Claas Durach agreed that the industry would be able to attract the soft talent if they are given the right task, support and resources, while Grab’s Kell Jay Lim advised the industry not to underestimate the interest of the younger generation. “They are attracted by the problems that they are given to solve,” he said.

Mr Drory also dismissed the scaremongering of AI cynics: “AI is not replacing humans, it is augmenting humans, freeing them to do more interesting jobs. We need both.” **SN**

More to the UK than Brexit

Linking UK shipping up with both the broader logistics industry and the wider world



Kate Jones

Taking place in Birmingham, UK, it would have been remiss of the annual Multimodal exhibition to avoid the 'B' word altogether. But while the ramifications of Brexit were picked apart in a number of seminars at the event in April, there was plenty more discussed to highlight the links between shipping and its connections.

A global trade seminar, chaired by Peter Ward, UK Warehousing Association chief executive, and featuring speakers Oliver Kolodseike, a senior economist at real estate services company Colliers International, and Pierre Liguori, managing director at Tokema International, set the scene from the off playing a video capturing the geopolitical events impacting upon today's world. The elections of US President Donald Trump and French President Emmanuel Macron and the UK's referendum vote to leave the EU all featured.

Mr Ward discussed both political and demographic world developments, noting that the world population is anticipated to increase from its current 6.8bn to more than 9bn by 2050 and that 65% of the global population wishes to live in and around the world's major cities and conurbations. Mr Kolodseike's expanded on that, noting that global GDP growth accelerated last year and was the highest in six years — hitting 3% — and that additionally last year, global inflation was "actually fairly low".

Meanwhile, Mr Liguori talked about Industry 4.0, referring to the current automation and data exchange trend in manufacturing technologies, also known as the fourth industrial revolution. He described the concept as "the next supply chain revolution".



Credit: Maxim Photo

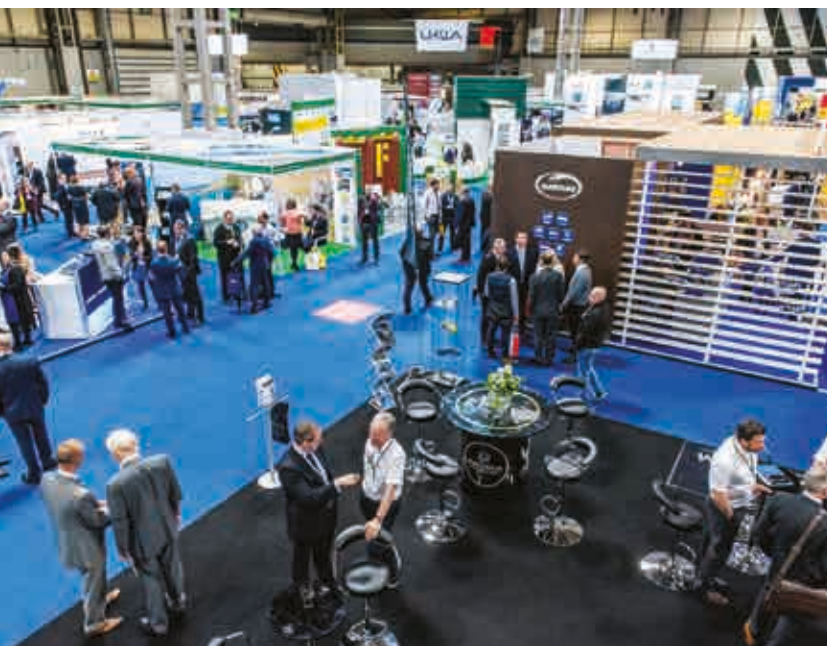
CHANGING CONSUMER NEEDS

The session that followed examined logistics' growing role in meeting consumers' needs, with Mr Ward once again chairing. During the seminar, the audience heard from John Munnely, the head of operations of UK retail giant John Lewis. Mr Munnely's presentation about his company's story testified to the way technology has changed the nature of logistics. The organisation's online business has grown from making up 6% or 7% of the company's trade around a decade ago to constituting near to 40% on average nowadays. What's more, ten years ago, just 4% of John Lewis' sales required a delivery of transport execution to be made, whereas last year, this figure stood at more than 50%.

"We've moved from a time when the customer did all of the hard work, all of the transportation to and from the shops, all their own picking and all their own packing. Now we live in a world where the customer is very much more digitally-connected, very much more digitally-savvy and very much more demanding when it comes to service, convenience, speed, quality, etc."

For those involved in the transportation of goods by sea, the experiences of one of the UK's biggest high-street names certainly offer food for thought as to how the impact of shifting consumer expectations could be felt in the maritime sphere.

In another session, CILT hosted a cross-sector panel featuring participants from different areas of logistics. Chaired by Richard Atkinson, director of marketing and communications at CILT (UK), the session looked at collaboration between the different industries — i.e. the rail, road, maritime, etc. industries — in the logistics and transport world. During the event, Melanie



Credit: Maxim Photo

Longman, vice-chair of CILT's Women in Logistics Forum who has previously held positions at Shell, discussed the importance of a diverse workforce within the logistics and transport industry.

"The evidence shows that this isn't about being fair or right or fluffy or girly — it's about having the best people in the right jobs to enable this industry to flourish and produce a significant benefit to the economy," she stressed. "Research shows that companies with a 10% more-diverse award have a 5.6% improvement on average on their overall [earnings before interest and taxes (EBIT)] performance versus their peers. There are cold hard numbers that are delivered through greater gender diversity and greater ethnic diversity."

FURTHER CURRENT AFFAIRS

But Brexit couldn't be completely avoided and as such Multimodal had a number of sessions across its seminar programme concerning Brexit. In one, James Hookham, the deputy chief executive of the Freight Transport Association and a director of the Global Shippers Forum, chaired a session on the different implication levels of Brexit. He noted that it was anticipated that the majority of possible delays would come more from "conformative checks" than from customs examinations.

However, in another event, Morley Consulting director Susan Morley, who during her lifetime has managed the import and export of different commodities, said that Authorised Economic Operator (AEO) status, where a party is approved as adhering to World Customs Organization or equivalent supply chain security standards, brings positives.

"AEO offers opportunity globally," she said. "It offers opportunity as well post-Brexit, because if AEO enables you to cross borders in an easier, quicker, slicker fashion, then when borders exist between us and the EU, that's something you'd want too, isn't it? Whatever deal is struck, if you've got AEO, then you're in the best position to take advantage of what is on offer and a better position than those who don't have it."

In a general comment, Mr Hookham described the outlook for shipping right now as "turbulent". "I think everyone's aware there's some massive fundamental changes in the way that the businesses operate," he said, noting the formation of alliances; mergers and acquisitions; and the arrival of megaships.

TECHNOLOGY DEVELOPMENTS

Covering moves with technology, electronic shipping platform INTTRA's Jim Bralsford chaired a session on the opportunities and challenges within the supply chain concerning the rise of digitisation. As part of this discussion, the panel debated the role of freight forwarders in the future in light of new technology.

"Almost every business these days relies on logistics, and if they have a problem with logistics they need somebody somewhere to solve that



"We live in a world where the customer is very much more digitally-connected, very much more digitally-savvy and very much more demanding when it comes to service, convenience, speed, quality"
John Munnely, John Lewis

problem, whether the answer to that problem is on the computer screen or through the mouth of a consultant or somebody with experience," said Neel Ratti, Tuscor Lloyds' general manager during the session. "That problem still needs to be solved, and until we invent machine learning and artificial intelligence to really tackle all these exceptions then we're probably stuck with good old human grey matter to solve some of those problems."

A later roundtable discussion on optimising performance in the maritime supply chain saw Chris Lewis, DP World's UK managing director and chief executive of DP World London Gateway, note that there had been "a huge upscale in the size of vessels in recent years".

"With the larger ships, we've now had to put much more focus in recent years on the land-side because we get fewer vessel calls but bigger packages," he said.

Workforce issues were touched on by Quinyx's Andreas Sjölund and Zebra Technologies' Andy McBain in a session that highlighted the world that businesses are working in. Today, a person picks up their mobile phone 280 times a day on average, half of the workforce consists of those from the millennial and Generation Z generations, and 39% of millennials and Generation Zs leave their jobs for a better, more-flexible schedule. The pair said this is important information for those looking to futureproof their organisations across the world's different industries. [SN](#)

Overhaul of agency agreement brings clarity

BIMCO's **Donald Chard** discusses the topical terms in a new, jointly developed contract



**Donald
Chard**

A new contract has been developed by BIMCO and FONASBA for the provision of agency services under a long-term relationship.

The contract is designed for use in a geographic area which might be based on specific ports, an identified location or a named country, and can be time-limited or left to continue to run until one party gives notice of termination.

Contemporary commercial practice means that ships are often owned, operated and managed by separate entities. This can lead to disputes about authority and remuneration where, for example, an operator's relationship with an agent is limited to cargo handling functions but the owner or manager separately requests husbandry services. The new agreement overcomes this problem by describing the agent's counter-party as "principal" so that it covers owners, operators, charterers and managers. In this way, the principal's role and extent of authority can be established at the outset. If additional services are required by other interests involved, they must be agreed and remunerated separately.

Services to be provided form the core element of the agreement. An illustrative list of services, referred to as 'activities', is set out. However, the list is non-exhaustive and can be adapted and expanded according to parties' particular requirements. Listed activities include:

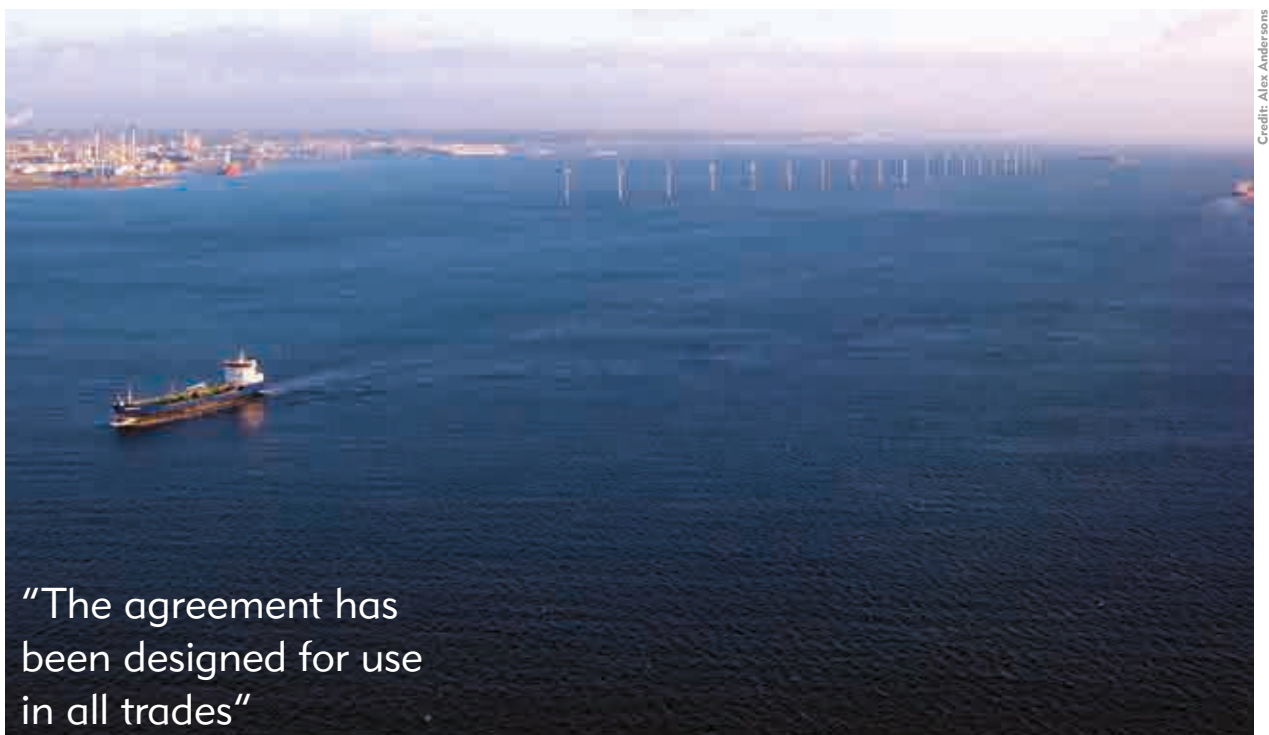
- Marketing and sales where the agent develops and exploits business opportunities on the principal's behalf;

- Port agency covering clearance and berthing of vessels and organisation of cargo handling operations;
- Husbandry agency looking after the needs of vessel and crew;
- General agency including co-ordinating, monitoring and supervising port and sub-agents together with claims handling; and
- Documentation such as the issue of bills of lading, delivery orders, certificates and any other required papers or forms.

IN THE DETAIL

Financial matters are comprehensively set out in the contract. For example, it is stated that the principal must provide funding to remunerate the agent and ensure that sufficient money is available for carrying out day to day functions under the agreement. The agent is required to collect monies due, check invoices for payment, prepare disbursement accounts and remit balances owing to the principal. It is expressly provided that the agent is neither required nor expected to use its own financial resources for the principal's benefit.

Additionally, the agreement has been designed for use in all trades. Tramp operators are likely to see its value in relation to port agency and ship's husbandry. The more complex needs of liner services are covered by the provisions for sales and marketing and general agency. The distinction can be expected to be reflected in remuneration arrangements. Tramp operations



"The agreement has been designed for use in all trades"

Credit: Alex Andersons

are likely to be rewarded by a fee per vessel or port visit while the greater complexities of liner services may be based on per capita handling payments for each container or cargo unit.

This agreement is agency-based, meaning that the agent therefore acts on behalf of the principal. However, port authorities and service providers are often reluctant to accept the risk of third party default and contracts placed and accepted "as agent only" are becoming increasingly rare. Agent and principal must therefore decide whether orders are to be placed in the name of the agent, who will then be liable for performance and payment, or the principal – this is a commercial decision.

SETTING PARAMETERS

Regarding liability, this arises only if the agent is negligent. However, apart from certain cases of deliberate misconduct, liability is limited to a maximum of ten times the remuneration payable to the agent or an agreed liability cap. The customary Himalaya clause protects employees and sub-contractors from any legal action to circumvent the limitation provisions.

In order to avoid conflicts of interest, the agent is precluded from accepting appointments which directly compete with the principal's trade in the area covered by the agreement. Equally, the principal may not appoint other agents to carry out any of the agreed activities unless compelled to do so under the terms of a contract of carriage. However, any appointment will be restricted to the scope of such terms with the agent continuing to be responsible for all other activities agreed with the principal.

Furthermore, the agent must provide all necessary resources. This will include staffing and facilities such as office space, transport and communications equipment necessary to ensure performance of the contractual obligations. The principal retains ownership of any computer software it provides.

Insurance must be maintained by both parties. The agent's obligation is to have cover for negligence together with public liability insurance. The principal must, as appropriate, maintain P&I insurance or charterers' cover. Default by the principal entitles the agent to terminate the agreement immediately.

Other issues include the appointment and liability of sub-agents, termination in the event of the principal's failure to meet its financial obligations or bankruptcy of either party, non-waiver of rights and party consent before assigning or novating the agreement. Confidentiality is also addressed where, subject to certain defined exceptions, the terms must remain private during the currency of the contract and for two years following expiry or termination.

Finally, while it is always expected that an agreement will operate without difficulty and any differences amicably resolved, formal procedures for dispute resolution are included through incorporation, by reference, of the BIMCO Dispute Resolution Clause 2016. Parties can choose the law and jurisdiction from London, New York, Singapore or as agreed and stated. Nevertheless, English law and London arbitration provide the default regime in the absence of an alternative declared choice.

Sample copies can be downloaded free of charge from the BIMCO website at www.bimco.org and FONASBAs website at www.fonasba.com. Word copies can be obtained via BIMCO's online contract editor IDEA and, for members of FONASBA associations, via their association. [SN](#)

Credit: Alex Andersens



The contract covers liner services sales and marketing and general agency

FONASBA launches agent diploma course

FONASBA has, in partnership with its US member association ASBA, created an entry-level agent course for newcomers to the ship agency sector.

The practical course is based on the Agent Exam from the Association of Ship Brokers and Agents (ASBA), which has been sat by over 1,500 students in the US.

The new FONASBA Agent Diploma is open to all employees of FONASBA member and associate member companies.

FONASBA explains that the course has several main focuses, the first being the basics of ship agency — including the

role and responsibilities of an agent, the relationship with a principal, the concept of establishing an agency relationship and an agent's requirements and responsibilities when handling a ship. Also covered on the course are the common types of vessels and cargoes an agent might encounter and the specific requirements of each, as well as detailed glossaries of the main features and terms used in both chartering and the broader shipping industry.

Finally, the course also offers a summary of commonly-used shipping documents and their role in the agency field, as well as

covering the relationship between the ship agent and classification societies and marine surveys.

Students can study for the programme through their local FONASBA member company and, after completing their studies, will be required to pass an online, multiple-choice exam. [SN](#)

For more information, students can contact their local FONASBA member association through their employer. A list of FONASBA members and their contact details can be found here: <https://www.fonasba.com/fonasba-member/fonasba-membership-list>.

Legalities of sad and smiley faces

CTRL's [Helen McCormick](#) urges brokers to leave emojis out of business messages



**Helen
McCormick**

In January 2018, the Commercial Court handed down the first UK judgment to consider the use of emojis in a commercial context. While we are still waiting for the Court's final decision, brokers who communicate using emojis in text or Instant Messenger (IM) conversations should be aware of the need for absolute clarity in the agreements they make.

Phones 4u Ltd v EE Ltd [2018] EWHC 49 (Comm) (January 16, 2018) involved the termination of a contract. The contract at the centre of the dispute was a trading agreement between Phones 4U and the mobile network operator, EE, dated October 8, 2012. The trading agreement governed the way in which EE sold its services to UK customers through Phones 4U as an intermediary, and contained the terms of business between Phones 4U and EE relating to pay monthly contracts. The trading agreement was due to expire on September 30, 2015.

On September 12, 2014, EE informed Phones 4U that it would not be renewing the trading agreement between them when it expired. By then, operators such as Three, O2 and Vodafone had already made similar decisions to terminate their contracts with Phones 4U and Phones 4U was experiencing financial difficulties. The board of Phones 4U met that afternoon and resolved to appoint an administrator. Three days later, on the morning of Monday September 15, Phones 4U's shops did not open for business and online trading was suspended.

A statement also appeared on the Phones 4U website explaining to customers why Phones 4U were offline. The statement promised an update as soon as possible and concluded with a sad face emoji.

The trading agreement between EE and Phones 4U entitled EE to terminate in the event of Phones 4U's insolvency, which was typical for contracts of this type. EE sent a termination letter invoking this clause on September 17, 2014. Both parties then brought claims against the other for sums they each said were due to them under the trading agreement.

The judgment of Mr Justice Andrew Baker, sitting in the Commercial Court in January this year, was concerned with a counter-claim from EE for loss of bargain resulting from the termination, which they estimated at over £200m. Phones 4U

applied for summary judgment to dismiss that counter-claim and was successful.

However, EE have also pleaded a counter-claim based on the statement on the Phones 4U website explaining why Phones 4U had stopped trading, which referred to both EE and Vodafone and included a sad face emoji. EE claimed that, in making this statement, Phones 4U had made unauthorised, false or misleading statements about EE in breach of their trading agreement. This part of the claim is yet to be decided but, if it is maintained by EE, this may offer the court an opportunity to consider at trial the use of the sad face emoji as creating a breach of contract. If so, it would be the first court case in the UK to do so.



BROKERS BEWARE

This is something to consider for those who have become used to using emojis as part of their daily communications. Many brokers use text and instant messaging as well as email to correspond with their counterparties to fix a ship or discuss available cargoes, fixtures and sales. Text messages, IM chats and emails are all potentially disclosable to the court and to the other parties in the event of a claim, provided that they are relevant to the issues in dispute between the parties. Chartering brokers in particular might use this kind of communication frequently, and it could be examined by a court which needs to decide, for example, whether the parties have made a binding contract or not, or whether a particular term was agreed. In that context, what might a thumbs-up emoji mean? "I agree" or "confirmed", or merely "I understand" or "I will see what I can do"? What about a smiley face? No doubt it will depend on the context. As always in any contractual negotiation or discussion, clarity is key. Uncertainty provides fertile ground for arguments and, with them, increasing legal costs.

If you don't want to become embroiled in a dispute about what was meant or agreed by your emoji, we would suggest sticking to text, at least until the Commercial Court has ruled on what a sadface emoji means. [SN](#)

Helen McCormick is associate director – Claims & Legal at CTRL, a law firm and marine consultancy which provides claims, technical, risk and legal services. Find out more at <https://www.ctrlmarinesolutions.com/>.

Insurers antsy about injury compensation claims

CTRL's [Jane Ward](#) discusses the ongoing saga of the discount rate in personal injury claims



Jane Ward

On March 20, 2017, the discount rate applied when calculating compensation for future losses in personal injury claims was reduced from the +2.5% rate set in 2001 to -0.75%.

Damages in personal injury claims for which a defendant is found or agreed to be 100% liable are intended to put the claimant in the financial position he or she would have been in had the injury not occurred. Additionally, the damages provide an element of compensation for the claimant's pain, suffering and loss of amenity (PSLA).

PSLA and past financial losses, such as loss of earnings and care costs are unaffected by the change. However, in cases of serious injury, where there are ongoing losses, such as loss of earnings, which can be quantified on an annual basis, the effect of this change is significant.

For example, a 30-year-old engineer is seriously injured during the course of his employment at sea. It is accepted that he will not be able to return to sea, but that he will be able to work ashore using his engineering knowledge and skills. As a result, his net annual income will decrease by £10,000. He expects to retire at the age of 60.

In order to calculate the value of his future loss of earnings claim, his annual net loss (the multiplicand) is multiplied by a multiplier. This should produce a lump sum which, if invested, will provide a sufficient return, such that this return together with the lump sum itself will produce £10,000 per annum for 30 years.

The multiplier is obtained from actuarial tables – the Ogden Tables. Each table sets out the appropriate multiplier for a different scenario and each includes a range of discount rates to be applied to the actual number of years over which the loss is incurred. One of the tables sets out the multipliers to be used when calculating the loss of earnings for males who will retire at 60. Applying that table to the example:

Future loss of earnings using the previous 2.5% discount rate
 Multiplicand: £10,000
 Multiplier: 20.78
 TOTAL: £207,800

Future loss of earnings using the new -0.75% discount rate
 Multiplicand: £10,000
 Multiplier: 32.84
 TOTAL: £328,400

This represents an increase of over 50% to this one element of future loss and in very serious injury cases there are likely to be several elements of the claim to which the multiplicand/multiplier formula will apply.

REACTION TO THE CHANGE

When the change in the discount rate was announced in February 2017, there was much clapping of hands by claimants and their legal advisors and much wringing of hands by defendants, their legal advisors and their insurers, with the last of these in particular issuing dire warnings about premium increases and profit slumps and demanding an immediate consultation.

Then there is the question of whether the rate is now fixed for the foreseeable future, to which the answer is a definite "No"! The Civil Liability Bill published on March 21, 2018 provides, among other reforms, for changes to the way in which the discount rate is determined and, perhaps more importantly, to the frequency with which it will be reviewed.

Assuming that this Bill becomes law – possibly in April 2019 or even sooner – the position will be as follows:



CURRENT REGIME	PROPOSED NEW REGIME
Discount rate fixed by reference to the return on "very low risk" investments	Discount rate to be fixed by reference to the return on "low risk" investments
Rate reviewed by the Lord Chancellor infrequently	Advisory panel, comprising four independent experts and the Government Actuary, to be set up to advise the Lord Chancellor on the appropriate rate or rates; it will be permissible to set different rates for different categories of future loss.

There seems to be no doubt that the first review – which must start within 90 days of the Bill coming into force – will produce an increase in the discount rate. It has been speculated that the rise will be from -0.75%, which the Government has stated is currently over-compensating claimants to 0.5% or perhaps 1% – but watch this space. [SN](#)

Jane Ward is a personal injury lawyer at CTRL, a law firm and marine consultancy which provides claims, technical, risk and legal services. Find out more at <https://www.ctrlmarinesolutions.com/>.

Legal Eagles...

Do you have a burning legal question for the HFW Shipping Network team? Email legaleagles@ics.org.uk for them to answer your question in the next issue of the *Shipping Network*. Questions should be of a general nature and not specific to a particular live issue.

HFW's crack team of specialist shipping lawyers answer your legal questions



Guy Main



Will the IMO's recent decision regarding CO₂ emissions affect the framework limiting nitrogen oxide (NO_x) and sulphur oxide (SO_x) emissions in shipping?



Henry Clack



Between April 09-13, 2018, the IMO's Marine Environment Protection Committee (MEPC) met to discuss a number of environmental issues, including targets for cutting carbon emissions and the implementation of sulphur 2020 limits.

As part of the shipping industry's commitment to the Paris Agreement, the delegates of the IMO agreed that they should target cutting carbon emissions by a minimum of 50% (compared with 2008 levels) by 2050. This will act as a framework for further discussions on how the target should be achieved.

The MEPC also considered, for approval, draft amendments to MARPOL Annex VI (which governs the prevention of air pollution from ships), to prohibit the carriage of fuel which exceeds limits on sulphur content. It is expected that these amendments will be adopted at the MEPC session to be held October 22-26, 2018.

MARPOL Annex VI sets out a framework limiting NO_x and SO_x emissions from ship exhausts, including the use of 'emission

control areas' (ECAs). The current limits for SO_x emissions and particulate matter is 0.10% mass by mass (m/m) inside SO_x ECAs, and the global limit (outside ECAs) is 3.5% m/m. As of January 2020, the global limit (outside ECAs) will drop to 0.5% m/m.

FINDING SOLUTIONS

While the recent developments regarding the reduction of carbon and sulphur emissions are at face value different issues, these targets will be met using the same solutions. Two types of solutions are available to owners:

- **Fuel-based solutions:** While they are more expensive than conventional heavy fuel oil, low and ultra-low distillates are available. One issue with these fuels is that questions have been raised regarding their reliability and their impact on fuel systems more suited to conventional fuels. Other fuel types are also being investigated, including liquid natural gas and biofuels. These alternative fuels also present challenges. This is because, for example, they often have lower energy content, a different flashpoint and availability.
- **Technology-based solutions:** Emissions abatement technology (scrubbers) allow vessels to continue using conventional fuels by cleaning the exhaust gases. This technology will need to be retrofitted into existing fleets if vessels are to comply with the limits and therefore come with their own engineering design and cost issues.

Other, less innovative, steps can also be taken to reduce emissions of both CO₂ and SO_x. These include the use of shore-side electricity as a source of clean power when vessels are in port, and improvements in efficiency. At the same meeting IMO members agreed that there should be a 40% improvement in ship efficiency by 2030 (compared with 2008) and a 50%-70% improvement by 2050. These efficiency improvements will reduce the amount of fuel used in the course of international trade, and therefore reduce both carbon and SO_x emissions.

This latest IMO agreement has been largely welcomed by the shipping industry, including industry groups such as the Union of Greek Shipowners and the International Chamber of Shipping. While the targets were less ambitious than the 100% reduction sought by the EU and certain Pacific Island states, only the US and Saudi Arabia objected to the deal. While the actual roadmap to meeting the carbon target is currently unclear, the January 2020 SO_x deadline is focussing the industry (and ship owners in particular) on reducing emissions. **SN**

While every care has been taken to ensure the accuracy of this information at the time of publication, the information is intended as guidance only. It should not be considered as legal advice.

The MEPC decision to reduce emissions from shipping has focused the mind of the industry



Credit: Wee Choon Peng Jeremy



I am the owner of a vessel operating under a voyage charterparty with a warranty stating that the berth is 'always accessible'. An accident elsewhere while the vessel was

loading prevented it leaving the berth for a number of days. Am I able to bring proceedings relating to a breach of the 'always accessible' clause of the charterparty?



The term 'always accessible' is common in voyage charterparties. While it has for a number of years been widely, although not universally, understood to relate

to a vessel's entry to a berth, there has until recently been some ambiguity as to whether such a clause also applies to a vessel's departure from a berth.

The point was, in March 2018, addressed in a succinct judgment of the High Court. In *The Aconcagua Bay* Mr Justice Knowles held, on appeal, that the wording 'always accessible', particularly in combination with the clause's full wording of 'always afloat always accessible', referred to both the entry to and departure from the berth. This decision is likely to affect owners and charterers when seeking to agree terms for a voyage charter, as the term 'always accessible' has now been defined.

The Aconcagua Bay dispute arose between the vessel's owner and its charterer under an amended GENCON charterparty, for a voyage from the US Gulf to the Republic of Congo and Angola. The charterparty contained the clause 'Loading port or place: 1 good safe berth always afloat always accessible'. A bridge and lock were damaged while the vessel was on the berth and loading, preventing the vessel from using a channel and thus delaying the vessel's departure from the berth, in the event for some fourteen days.

The owner brought a claim against the charterer for detention of the vessel for this period. At Arbitration, the Umpire found in favour of the charterer. This followed earlier judgements and awards (notably *London Arbitration 11/97*), which were largely concerned with access to the berth on a vessel's arrival, and not the issue of departure.

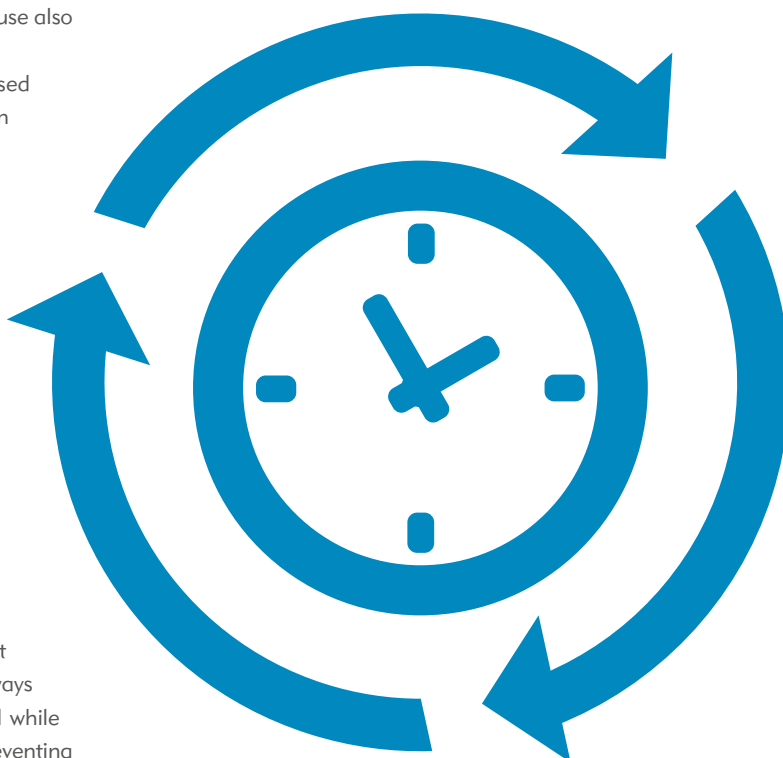
Leave for appeal was granted by the Court on the basis that the issue of law raised was one of general public importance. On appeal, the High Court determined that the term 'always accessible' included both entering and leaving the berth.

CLEAR DEFINITION

The warranty is different to that found in some other charterparties of 'reachable on arrival', which clearly does not cover departure from a berth. The Baltic Code of 2003 and 2014, as well as the BIMCO Laytime

Definitions of 2013 consider the 'always accessible' term to relate to both the arrival at and the departure of a vessel from the berth (The Code and Definitions post-dated London Arbitration 11/97, mentioned above).

Knowles J considered the intention of the parties in agreeing the 'always afloat always accessible' wording. The Court found that as, which both parties accepted, 'always afloat' relates to the full period of the vessel alongside the berth, there is no basis that by using the term 'always accessible' they addressed only the entry to, and not departure from, a berth. The word 'always' was important too, illustrating that the full period was covered.



Knowles J considered that any reasonable commercial party would 'bear all aspects in mind', and not address only the entry of a vessel to a berth.

A clear ruling seems to have been made. The warranty 'always accessible' refers to both a vessel's entry to and departure from a berth, and a charterer warrants accordingly. [SN](#)

While every care has been taken to ensure the accuracy of this information at the time of publication, the information is intended as guidance only. It should not be considered as legal advice. The articles were written by Henry Clack and Guy Main. Henry is an associate and Guy a senior manager (partner equivalent) at HFW, a sector-focused law firm specialising in shipping, aviation, commodities, construction, energy and insurance. Both are in the shipping department in HFW's London office. Guy is also a Fellow of the Institute and, before joining HFW, he spent 18 years as a shipbroker. Research was carried out by Matthew Dow and Rebecca Appleby.

Coal hard facts

Weird and wonderful facts about one of the shipping industry's stable commodities. This month we take a closer look at coal



Coal is a combustible mineral formed from the remains of trees, ferns and other decayed plants that existed and died up to **400 million years ago** in some cases

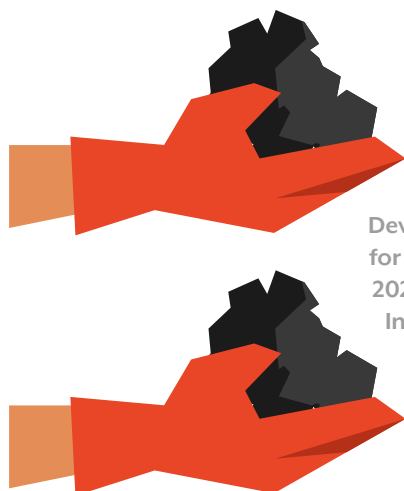


5.3 bn

World coal consumption is more than **5.3 billion** tons annually



39% of the electricity generated worldwide is produced from coal



Developing countries' demand for coal **will double** through 2020, according to the Energy Information Administration (EIA)



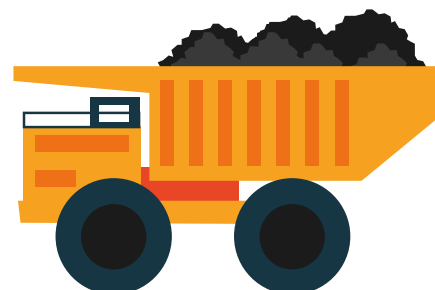
When a coal mine catches fire, it burns for **decades** or even **centuries**. There are thousands of these fires across the world at any given moment



The **Maybelline** Company was created by a 19-year-old entrepreneur named Thomas Lyle Williams in 1915. Williams noticed his older sister Mabel applying a mixture of Vaseline and coal dust to her eyelashes to give them a darker, fuller look

6.9bn

6.9 billion tonnes of hard coal are currently produced worldwide

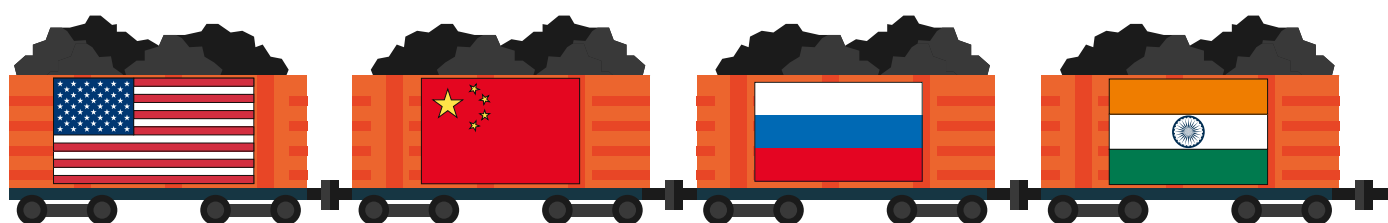
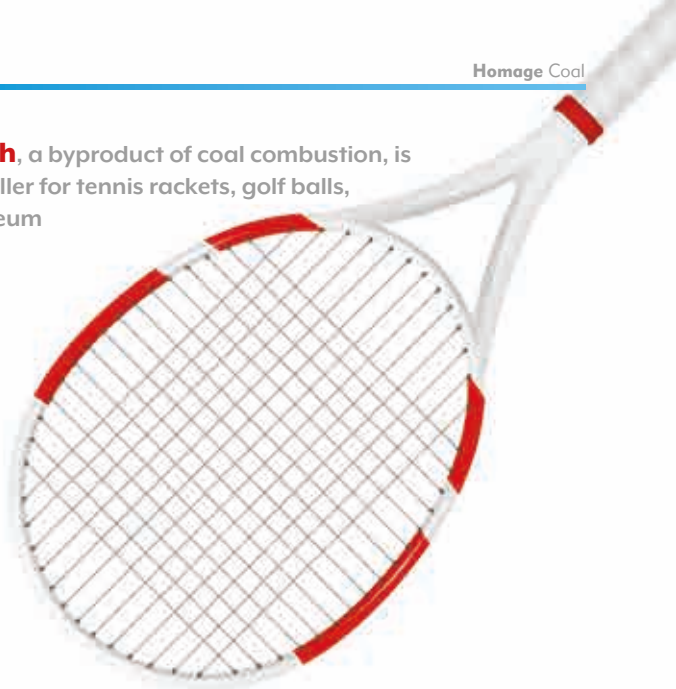


Sources: [World Coal Association](#), [escapetactic.com](#), [africoal.co.za](#), [worldcoal.org](#), [igentry.blogspot.co.uk](#)

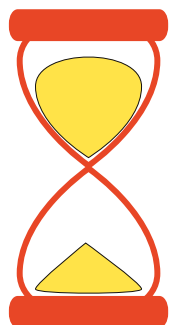


Almost **70%** of total global steel production is dependent on coal

Coal ash, a byproduct of coal combustion, is used as filler for tennis rackets, golf balls, and linoleum



Coal reserves are spread over almost 100 countries worldwide. The biggest reserves being in the **US, China, Russia** and **India**



Proven coal reserves are estimated to last over **200 years** with current production rates. In contrast, proven oil and gas reserves are equivalent to around **40** and **60** years

\$20bn

The value of coal produced in the United States each year is nearly \$20 billion



Each person in the United States uses **3.8 tons** of coal each year





Agri trade flows see disruption

Louisa Lyall examines the impact of Trump's tariffs on agricultural cargo movements

When US President, Donald Trump, implemented a 25% tariff on imported steel earlier this year it became clear to many that a trade war could ensue. As the main target of the excise was China, it is the trade between the world's first and second largest economies that are now very much in focus. For the shipping industry, this means likely disruption of global flows, a shift in trade patterns and a potential impact on freight rates for the dry bulk and container sectors.

For agricultural trades, panamaxes are in the front line of disruption following China's decision to respond to the US import tariffs in adding a 25% duty on American soybeans. Allied Shipbrokers notes the significance of the disruption ahead: "This is a direct hit on a trade primarily served by dry bulkers," the broker said in an early second quarter report, noting that the effect on freight could be significant in the months ahead, "given that most wait for the seasonal peaks this soft commodity brings on to freight rates during the harvest seasons".

Although China is itself the world's fourth-largest producer of soybeans, it relies heavily on imports to meet the country's immense animal feed sector needs and imports 60% of the soybeans traded globally. In 2017, official Chinese figures indicated the country imported a total of 95.5m metric tonnes (mt) of beans for the calendar year with about 35% of this coming from the US, most of which is shipped between the October and March period.

Since 2012, China has imported most of its soybean from Brazil and while last year this amounted to about 53% of the annual total, the figure is set to surge in 2018 on the back of the Chinese trade tariffs, although seasonal factors are likely to tilt the vast majority of the flow into the first half of the year.

"China is already taking everything it can from Brazil," said one freight trader in Geneva. He pointed out that even ports in northern Brazil such as Barcarena and Salvador are being utilised for the China-bound trades, something that he said rarely happens for the Asia-bound routes.

The US Department of Agriculture (USDA) forecasts Brazilian soybean exports to rise to 73m mt this year, from 63m mt in 2016/17 on account of the firm production levels that could reach 115m mt. "Brazil's soybean shipments are gearing up to shoulder more of the burden of global trade," it says in an early second quarter report, giving an indication of the strengthening trade relationship between the South American nation and China.

NEW MARKETS

Meanwhile, US bean growers have had to find new destinations and to a large extent, this market is Europe where crush volumes have soared to produce meal for the meat sector. In turn, European meat producers are expecting to find expanded market opportunities in China this year in a move that should support the frozen meat box-trades into Asia. Bean exporters from the US Gulf coast are



benefitting from the EU-bound trades but the China-focussed US Pacific Northwest shippers are likely to lose out.

While Brazil's place in the soybean spotlight has intensified since the Beijing tariffs were announced in April, the country was already set to boost its global market share given the failure of the Argentine crop earlier this year.

From the start of 2017, the USDA repeatedly cut its forecast for Argentine soybean production following one of the most severe droughts in 30 years. At the start of the second quarter, the Department was projecting six-year low in the country's soybean output of 47m mt but more recently, Argentina's Rosario Grains Exchange said the drought will mean a harvest of just 40m mt. This compares with 58m mt last season. This means its bean and grain cargo volumes will fall well below normal levels this year.

In terms of trade, the USDA is forecasting an 18-year low in soybean exports of 4.2m mt. In contrast, for the 16/17 season, Argentina exported 7m mt of soybean and 31m mt of meal. "The sharp contraction in Argentina's soybean supplies will force a rationing of demand throughout this year and into next year," says the USDA in an April report. Even so, given the Chinese import tariff on US beans and tighter markets this year, the country will be keen to export to capacity.

FLOW DISRUPTION

For freight, the tonnage losses from Argentina could result in a disruption to flows and change to the tonne-miles travelled. "As well as continued pressure on commodity prices, there will be a shift in trade patterns," says Paulo Fetal, manager at Brazilian shipbroker, Datafreight.

Argentine corn crop estimates have also slumped and forecasts are down by about 5% from last season, thereby buoying prices. The Rosario Grains Exchange forecasts a corn crop of 32m mt while the USDA projects Argentine corn exports to fall by about 3% to 33m mt on account of lower yields due to the excessive heat. There are, "reduced prospects" for corn production from Brazil and Paraguay too, according to the USDA but even so, the Department says that the higher export forecast for the US

Tanker talk



Credit: Skeeze

Non-OPEC crude production is rising, leading to a shift of shipping routes and a possible increase in tanker tonne-mile demand. In a recent Oil Market Report, the International Energy Agency (IEA) highlighted the growth in US crude output partly on account of the reduction in cost of production. "It will soon overtake that of Saudi Arabia," says the IEA in a first quarter report. "By the end of this year it might also overtake Russia to become the global leader."

US production expanded by almost 700,000 barrels per day (bpd) in 2017 and is expected to grow by a further 1.5m bpd to 14.7m bpd this year, according to the IEA.

While the IEA has plugged in strong global demand growth for 2018 at 1.5m bpd (or +1.5%) on a firm economic outlook, it says that the expansion in US production in particular means that the robust non-OPEC supply trend is, "less supportive for prices."

Limited domestic demand for the additional barrels light crude in the US is bolstering export volume potential with US exports now a feature of the market. "Asian tenders are now frequently showing US grades being allowed – a lot is moving out that way," says Wall Street oil broker, James Walker. "It helps to flatten the US trade deficit."

In its 2018 edition Annual Review, shipbroker Barry Rogliano Salles says the higher American output, is pushing tanker tonne-miles higher. "Furthermore, because incremental Canadian crude production will feed US Gulf Coast refineries, competing Latin American barrels will be increasingly backed out from the US and diverted towards Asia," reports the broker.

The IEA forecasts the crude export capacity on the Gulf coast to increase by 1.9m bpd to 4.9m b/d over the next five years and with this in mind, American infrastructure is being adapted. In February of this year, the 40-year old crude import facility, LOOP (Louisiana Offshore Oil Port), completed its first VLCC crude oil loading operation. "There could not be a better time to offer this service as domestic production surpasses 10m bpd," the company reported, adding that the new onloading capabilities are, "scalable to meet the changing needs of the industry". [SN](#)

is, "more than offsetting", the reduction. Overall corn trades, it says, are expected to fall this year.

While seaborne agricultural flows account for small proportion of total dry bulk trade today, the extent of disruption and congestion this year for some key routes and ports is unclear but could raise pressures on freight rates. What is certain is that it's early days for the growing season in the Northern Hemisphere and the dynamic nature of the grain and oilseeds trades means volatility ahead for freight trading in this sector, particularly if the looming trade war intensifies. [SN](#)

Boxed up



Extra capacity added to the container fleet through the first three months of the year is putting downside pressure on spot pricing rates, according to news reports. By April, Drewry's World Container Index (a composite of box freight rates on eight major routes) was down to \$1,192/feu, or 30% down on the same period last year. Similarly, the Shanghai Containerized Freight Index (SCFI) was down at \$585/teu and although rates tend to fall post-Chinese New Year and into the early part of the second quarter, the drop this year was more severe than normal.

In a Q218 report by restructuring firm, Alix Partners, the company notes relatively firm demand levels for container trades but pressures on rates emerging from the supply side. "Estimates of growth in the fleet capacity for 2018 range anywhere from 4% to more than 5% compared with 3.3% in 2017," the report says. In 2018 there is the equivalent of 1.3m teu in new capacity due for delivery and about a third of this to be in the larger sized sector of between 18,000-25,000 teu.

Stress from the additional fleet supply has contributed to consolidation in the industry over recent years and could continue to do so. In a recent Clarksons report, this is discussed with the analysis of the Ocean Network Express, a joint operation between three major Japanese containership operators that was launched earlier this year. The move reduces the number of large scale international carriers with the 'top 20' now accounting for 90% of all capacity and the 'top 10', 83%, the shipbroker reports.

Whether such groupings are able to support freight rates at a time of expanding fleet supply and pass on even the smallest increase in margin or operating costs to consumers is yet to be seen. Alix Partners notes that many larger customers are simply rejecting additional costs such as the low-sulphur-fuel surcharge, but the company does see opportunity for box carriers if they can refrain from undercutting. "That realignment of ownership," the company says, "creates a unique opportunity for the industry to demonstrate a level of price discipline that has been lacking for years." [SN](#)



Credit: Ocean Network Express

The launch of Japan's Ocean Network Express has shaken up the box market

"Brazil's place in the soybean spotlight has intensified since the Beijing tariffs were announced"

Students embrace intense learning of PREP

Matt Gilbert sums up the experiences of this year's Warwick PREP course



Matt Gilbert

The Institute's flagship PREP course at Warwick University Business School hosted 45 students in April from the UK, Europe, the US and Africa. The programme covered 14 subjects in addition to masterclasses on common topics such as ship drawings, maritime geography and trade routes, and voyage calculations.

The intense learning experience was led by an expert team of Institute subject specialists, tutors and examiners. As ever in shipping, the weekend also provided memorable social networking events. PREP has a fantastic record in delivering enhanced pass rates and many who attended, including a number of previous prize-winners, had been before and consider PREP an essential feature of their study calendar.

Additionally, where geography can be a challenging factor, head office can train and support branches to deliver online PREPs using the GoToTraining platform. This was the case with the Australia and New Zealand Branch who conducted a weekend of tutorials to May exam students located in several far-away cities. Don't hesitate to get in touch if this makes sense in your region and you would like further information.

EXAM TIME

By the time this edition of Shipping Network lands on your doormat, nearly 2,700 exams will have been sat in well over 100 exam centres including several specially requested locations. The Institute remains committed to the principle that geography



This is the second year of the Institute's match-funding bursary scheme for deserving UK students and we are delighted that several branches participated this year enabling seven students to benefit, who would otherwise have had no means of attending.

While Warwick PREP has become a diverse and international event, the Institute head office is also focussed on supporting branches around the world to conduct their own revision events, which range from informal drop-in evening sessions to more structured weekend tutorials. These deliver significant value to students who are often sitting exams by self-study and don't have the opportunity to attend face-to-face classes. This academic year, head office provided familiarisation training and materials to our development branches in Rotterdam and Turkey to assist with their preparation to hold revision classes locally.

should not be a hurdle to studying for professional qualifications and wherever a student is located we do our utmost to establish a suitable exam centre. This year's crop includes centres in Baku, Bogota, Harare, Invercargill, Kalipeda, Leipzig, Mackay, Tauranga and Vigo to name but a few.

As you can imagine, setting up new centres that conform to the Institute's high standards is quite some task that has been occupying the education team in London over the last few months. As ever, we would like to record our thanks to all Members and Fellows who support the exam process with generous donations of their time and often facilities, without whom this would not be possible.

Maintaining trust in the integrity of Institute qualifications is our first priority and it is therefore vital that security and invigilation procedures are observed. This depends on the



vigilance of everyone involved including Members, exam centres, examiners, invigilators and students who can report any suspicions, no matter how trivial they may seem, to the head office at any time. Reports of suspected malpractice are robustly investigated by the Board of Examiners.

Results are due out on August 17 and we wish all students well as we hope to continue the improving pass rate trend as part of the Education and Training Committee's 'Target60' drive.

NEW LAUNCH EVENTS

May will also see two important events taking place with our recognised partners in priority development regions in Korea and Manila.

I will be visiting Korea May 14-18, initially to Seoul to meet with broking houses and key shipping bodies and to give a talk to the young shipping professional network on the opportunities to study with the Institute.

From Seoul I head to Busan for meetings with our partner, Korea Maritime and Ocean University (KMOU), and to participate in an orientation seminar focussed on the Institute qualifications for students and employees working in the commercial shipping sector. I will be joined by Shun Man Cheung FICS of ICS Hong Kong who will provide the regional branch perspective and form links as Hong Kong will act as the 'buddy'/mentor branch during the Korea build-up years, passing on their valuable experience. The event is kindly sponsored by Busan Metropolitan City who are also covering travel and accommodation expenses.

It is anticipated that KMOU will begin offering the syllabus to local students in the next academic year beginning shortly.

Then, on May 24-25, the Institute, together with our partner Magsaysay Learning Inc., will be delivering a two-day introductory seminar on shipping called 'Commercial World Explained'(CWE). The course has received rave reviews and is back by popular demand, having been delivered during 2017 by Leif Ollivierre MICS. This time proceedings will be led by the eminently capable YK Chan FICS from ICS Hong Kong, who was an observer during the initial programme.

The programme will culminate in familiarisation of the Institute syllabus and education system and the specific launch plans for the new academic year with our partners Magsaysay.

CWE is a comprehensive foundation for anyone

new to the shipping world or for those wishing to formalise and extend their knowledge with a highly practical and interactive programme. It can be delivered as an in-house training programme for companies or adapted and held as a public event where there is local demand. For further information email: m.gilbert@ics.org.uk. **SN**



Clockwise from top left: Prep Students took part in a ship 'building' contest; the quiz tested the students' and tutors' mettle; lectures in full swing



Elected to Membership

We congratulate and welcome the following who were recently elected to membership:

NEWLY ELECTED MEMBERS

Irosh Perera	Australia	Sidhartha Kumar Sarangi	India	Stella Terezaki	United Kingdom
Guilherme Figueiredo	Brazil	Varun Rathee	India	Svitlana Zakatsura	United Kingdom
Krasimir Ivanov	Bulgaria	Vishal Sharma	India	Thomas Chapman	United Kingdom
Valentin Moskov	Bulgaria	Joseph Richardson	Ireland		
Virginiya Manastirska	Bulgaria	Fathi Abdulkadir Abdulrahman Mahrus	Kenya		
Ngibip Marcel Kinto	Cameroon	Rechad Mamode Ally	Mauritius		
Elsa Lau	Canada	Nyi Nyi Lwin	Myanmar		
Aristoklis Patounas	Cyprus	George Cholis	Netherlands		
Constantinos Philippou	Cyprus	Maria-Nefeli Mintilogliti	Netherlands		
Despo Zannettoy	Cyprus	Allister Laurent	New Zealand		
Diamanto Xenofontos	Cyprus	Cristina Derebei	Romania		
Marilena Morphaki	Cyprus	Capt Nishant Khera	Singapore		
Polina Chimonidou	Cyprus	EE Jia Ling	Singapore		
Kwesi Saforo	Ghana	Lian Yixiang	Singapore		
Anis-Evangelos Naccache	Greece	Sim Qing Hao	Singapore		
Antonios Liodis	Greece	Gareth Jones	South Africa		
Christina Gkionai	Greece	S.A.G De Alwis	Sri Lanka		
Dimitrios Zacharis	Greece	Nicolas J Konialidis	Switzerland		
Elena Michailina Roulia	Greece	Artur Gusakov	Ukraine		
Eleni Mavrea	Greece	Bohdanova Mazyna	Ukraine		
Ioannis Ioannidis	Greece	Dmytro Filipchuk	Ukraine		
Irene Piperaki	Greece	Oleg Parashchenko	Ukraine		
Michail Plexidas	Greece	Oleksii Chebotar	Ukraine		
Michail Tziovas	Greece	Oleksiy Yefimov	Ukraine		
Miltiadis P. Spiliopoulos	Greece	Sergey Vakulich	Ukraine		
Nicolas Trantas	Greece	Sergii Nosov	Ukraine		
Niki Baka	Greece	Vadim Boyko	Ukraine		
Nikolaos Aidinis – Antonopoulos	Greece	Anishkar Bhaskaran	United Arab Emirates		
Nikolaos Kouerinis	Greece	Aristeidis Georgakopoulos	United Arab Emirates		
Paraskevas Kousounadis	Greece	Denni J Kattampally	United Arab Emirates		
Petroula Nikoloulia	Greece	Luke Macbourn Corera	United Arab Emirates		
Vangelis Tsioumas	Greece	Ranju Kumari	United Arab Emirates		
Wang Wan	Hong Kong	Sofia Nikolopoulou	United Arab Emirates		
Zhang Weibin	Hong Kong	David Patten	United Kingdom		
Anuj Gandhi	India	Dimitrios Panagopoulos	United Kingdom		
Arjun Raybardhan	India	Elli Kefaloukou	United Kingdom		
Prasenjit Maity	India	Eloise Lee-Son	United Kingdom		
Pratik A Padalkar	India	Eva Sarri	United Kingdom		
Rajendran Sellamuthu	India	Georgios Kailas	United Kingdom		
Ramesh V.R	India	Harmanpiar Gill	United Kingdom		
Shashank Sharma	India	Kristina Chapple	United Kingdom		
Shawn Sequeira	India	Louis Jones	United Kingdom		
Shrikant	India	Maria Ioanna Xifara	United Kingdom		
		Richard Brooks	United Kingdom		

PROMOTED TO FELLOWSHIP

Zamig Ismayilov	Azerbaijan
Todor Melemov	Bulgaria
Julian Matzner	Germany
Albert Kwaw Kabenlah	Ghana
Andreas Georgiou	Greece
Gayatri Vittanala	India
Srinivasa Rao Jonnalagadda	India
Arthur Kearney	Ireland
Walid Mohamed Ali Awadh Timimi	Kenya
Christopher Osoba Ebare	Nigeria
Chung Wai Han Teresa	Singapore
Elaine Yu Kai	Singapore
Harkesh Kumar	Singapore
Justus Kniffka	Switzerland
Bugra Gungor	Turkey
Capt Yusuf Kaya	Turkey
Alexandros Mitsios	United Kingdom
Andrei Konkov	United Kingdom
Bart Ebele Hoogerbrugge	United Kingdom
Capt Kuzman Popov	United Kingdom
Craig Rowley	United Kingdom
Dimitris Monioudis	United Kingdom
Evelina Panov	United Kingdom
Liza Hammerton	United Kingdom
Mark Kooi	United Kingdom
Prof Nikos Nomikos	United Kingdom
Sayuri Hamataka	United Kingdom
Basil M Karatzas	United States

RE-ELECTED TO MEMBERSHIP

Nadine Ohanna	Cyprus
Wan Yim Yu	Hong Kong
Capt Gajanan Karanjikar	India
Sarukasan Arunajothi	Sri Lanka

ELECTED HONORARY FELLOW

Lord Mountevans	United Kingdom
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An illustrious career

Lord Mountevans started his City of London career as a graduate trainee with the international shipbroker Clarksons in 1972, starting out in the tanker department and moving on to the gas department in 1979. He was appointed to Clarksons' Board in 1989 and held the role of managing director of the gas division from 2001-2014. Lord Mountevans is a member of the Baltic Exchange, a Younger Brother of Trinity House and chair of

Maritime London. He is also involved with a number of charities, including the White Ensign Association, Seafarers UK, and City of London Sea Cadets.

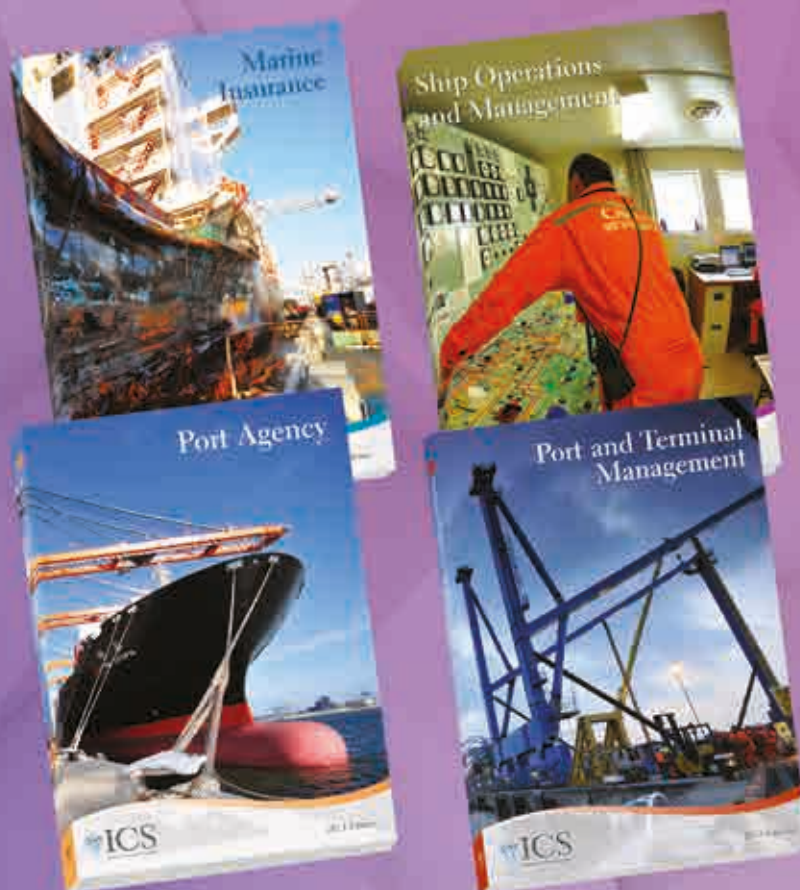
He was elected the 688th Lord Mayor of the City of London 2015-16 and is vice chairman of Maritime UK. Lord Mountevans was recently appointed an Honorary Commander in the Royal Naval Reserve and he was elected as an Honorary Fellow of the Institute in March 2018. [SN](#)

www.shippingbooks.com

A comprehensive series of peer reviewed books on modern shipping business published by the Institute of Chartered Shipbrokers to support the industry with authoritative and high quality reference material.

Up to date information has been sourced from leading shipping research providers to illustrate graphs, charts and tables. Trade routes and ship drawings have been commissioned from talented designers to ensure the highest level of accuracy and complement the engaging reading experience.

Students, Members and Fellows of the Institute should continue to order books via their online account at www.shipbrokers.org



INSTITUTE OF
CHARTERED
SHIPBROKERS

GLOBAL BOOK DRIVE

For 2018 the Book Drive collection will be for our

East Africa Branch

The Institute is launching a new global initiative to strengthen the ties of our network and support those centres needing resources.

Please donate any kind of maritime books - including Institute course books, maritime atlases and legal books.

Please contact us at: enquiries@ics.org.uk



A lifelong passion for learning

Allan Summerfield FICS reflects on the full life of Edward (Ted) Henry Renshaw

Edward (Ted) Henry Renshaw was born in the old Bristol Maternity Hospital in Bristol. His father, Walter, had moved to Bristol from Newark to work at Rolls Royce in the aircraft drawing offices. Unfortunately, his mother died when he was just two years old and his father subsequently married his housekeeper, who cared for Ted.

Growing up, Ted attended Fairfield School and later Cotham Grammar in Bristol and was particularly keen on languages, especially French – which he continued to study later in life with the help of his French speaking son-in-law Bruno.

“Ted involved himself with the Institute education right from the beginning of the new syllabus”

He joined the Air Cadets at 14 and was the tallest on parade at 6 feet 2 inches. At the age of 15, Ted was sent to work in a shoe factory in Bristol and spent some time in Bridgend, South Wales. He later joined the Royal Naval Reserve, assigned to HMS Flying Fox where he was responsible for communications.

While he has recalled that his childhood was not a



Education was an important part of Ted's work ethic

particularly happy one, at 19 he left home and married the love of his life and soul partner Pattie at St Johns Church, Clifton, on July 14, 1961. In addition, he loved cycling and was a great walker throughout his life enjoying both the outdoors and being close to nature.

SHIPPING START

It is not clear how Ted ended up in the world of shipping, but his first employer was Houlder Brothers who were part of the Furness Withy Group in Queen Square, Bristol. The offices were located in eighteenth century buildings close to the quayside. One of his first duties in the morning was to evict the nightly rat population rummaging in waste paper bins.

Today, ship agency clerks generally enjoy four-wheeled transport but Ted, who lived in Wick approximately 10 miles from Bristol and 20 miles from Avonmouth, favoured a moped. He was often seen by his father-in-law early in the morning riding to work. Sometimes, his father-in-law claimed, he was sure Ted was still asleep!

Houlder Brothers became Brantford International and the offices moved from Bristol to Portview Road, Avonmouth. At this time, the Brantford International Agency Department, under Ted's leadership, were agents for many notable shipping lines visiting the port of Avonmouth and Portishead: Furness Withy Line, Shaw Saville Line, Prince Line and Esso Tankers, to name but a few. Throughout his long career within the shipping community in Avonmouth and latterly Royal Portbury Dock, Ted worked for various companies in the role of port agency manager.

EDUCATION MATTERS

Education was an important part of Ted's work ethic, where he encouraged those around him to undertake further education to improve their understanding of the shipping world and thereby increase the level of professionalism within the shipping industry. To this end, he was an enthusiastic promoter of the Institute.

Ted involved himself with the Institute education right from the beginning of the new syllabus. Introduction to Shipping was his specialist topic, which forms part of the Foundation Diploma, intended for those starting in the industry from school. The Foundation Diploma aims to provide a benchmark for employers to assess the potential of students who hopefully go on to progress to Membership in the future.

For many years, Ted both taught the Introduction to Shipping syllabus through distance learning programmes such as TutorShip and at PREP at Warwick University. In addition, he served as both marker, examiner and was very

well respected and liked by his students. There was always a willingness to encourage and give time to those students who required it, freely passing on his experience and expertise.

There is no doubt Ted's understanding and compassionate approach encouraged many Foundation Diploma students to find the perseverance to continue to Membership who, without Ted's unfailing belief in them, would not have had the courage to do so. The Institute owes him a great debt.

KEEN LEARNER

Ted led by example, by not only being a Fellow of the Institute, but also undertaking a Degree in Business Studies at the University of the West of England, where he graduated in 1990. The latter part of his career saw Ted as the in-house education officer for Graypen Shipping, from 1998 until his retirement from shipping in 2007. During this time, he travelled the length and breadth of the country passing on his expertise and experience at the company's nationwide offices. Even after his retirement Ted's thirst for knowledge led him to undertake a six-year part time BA Hons Degree in

"There is no doubt Ted's understanding and compassionate approach encouraged many Foundation Diploma students to find the perseverance to continue to Membership"

Archaeological Studies at the University of Bristol, graduating in 2013.

During his career he was also heavily involved in the local shipping community, being president of the Bristol Steamship Owners' Association 1990-1991, and as chair of the Bristol Branch of the Institute prior to its amalgamation with the South Wales Branch, where he sat on various committees including education. For the Bristol Steamship Owners' he represented them on the Seafarers' Centre committee where he was also held in high esteem. Other high points of his life was an invitation for him and Pattie to attend a Garden Party at Buckingham Palace in 1998.

Ted will be remembered for his professionalism, enthusiasm, dedication and fairness both in and outside of the shipping community and his passing is a sad loss to both. [SN](#)

Branch bids farewell to industry veteran

The Institute's South Wales and the West Branch in the UK has announced the death of Brian Lightfoot at the age of 78.

The Branch said that Mr Lightfoot passed away peacefully on February 8 at University Hospital Llandough, located in South Wales.

Mr Lightfoot, who was born on October 18, 1939, was a shipping industry veteran, having been a seagoing Captain before taking up work with Cardiff maritime company Charles M Willie & Co (Shipping).

He passed his exams and became a Member of the Institute in 1977.

The funeral service for Mr Lightfoot was held on February 26 at St Peter's Church in Dinas Powys in South Wales. This was followed by a committal service at Cardiff and Glamorgan Memorial Park and Crematorium near South Wales' Barry.

Mr Lightfoot was husband to Marie and had two children, as well as two grandchildren. [SN](#)

Fond memories of shipping

Kenneth John Winton Lane CBE LVO, known as Winton, was elected to Institute membership in 1939 and was a life member by his passing in 2017 at the age of 100.

He met his first wife Valeria (Varia), an employee with P&O, during his time studying to become a shipping clerk. They married in 1939 shortly just before the Second World War when Winton was recruited by the Intelligence Corps. Through his successes in that role he was seconded to the US War Department in Washington and was honoured for his wartime service by being appointed an Officer of the US Legion of Merit.

After the war, Winton became involved in humanitarian work and in civil services overseas, representing the UK in Mauritius and The Gambia. His career took a turn in 1970 when he became involved with developing family planning and mother and child health services in Kenya, moving on to be regional representative of the UK Fund for Population Activities in Thailand and then later Tunisia and Morocco. He retired in 1977.

Winton was a proud Member of the Institute throughout his career and will be greatly missed for his loyalty and enthusiastic love of current affairs. [SN](#)

East Africa students benefit from ETC expertise

East Africa Branch students sitting Institute exams in May were able to top up on their knowledge at a Prep session with Institute Education and Training Committee (ETC) members held in Mombasa in early February.

The educational session, which ran over three days, included coverage of Shipping Business and Liner Trades.

The Branch organised the event to take advantage of the ETC meeting in Mombasa.

Norman Lopez, ETC member and the Institute's Australia/New Zealand Branch's education officer, taught at the session and was impressed with the dedication of the students in challenging classroom conditions.

"Helping to teach the East African students was personally very gratifying," he said.

"On both prep days when I taught, I was reminded of a saying



ETC members were on hand to run the Prep

by Theodore Roosevelt: 'Nobody cares how much you know until they know how much you care.'

"When I heard at the final debrief from the other ETC members who also taught, I was convinced that each and every one of them must have cared the same way." [SN](#)

Kick-starting a busy period for Greece Branch

STUDENTS at the Institute's Greece Branch benefitted from a visit to the containership *Talos* at Piraeus Container Terminal in March.

The students were taken on a tour of the vessel, with crew members explaining the ship's main parts and equipment as well as their relevant functions.

Those on the visit, which was arranged by Institute Fellow and Gulf Agency Company Group senior marketing manager Nikos Marmatsouris, have been studying commercial shipping while preparing for the Institute's Professional Qualifying Examinations.

It is set to be a busy time for the Greece Branch, with the organisation participating in both the Posidonia Running Event for 2018 and shipping exhibition Posidonia 2018, both taking place in Greece in June.

The 2018 Posidonia Running Event, which will kick off at 0900 hrs in front of the Municipal Theatre of Piraeus on June 3, is a 5-kilometre race that passes by the picturesque Zea Marina before finishing back at the theatre.

Piraeus' streets will welcome over 1,500 international and local running fanatics from the shipping industry, with proceeds from

the event set to be donated to the Municipality of Piraeus and the Public Benefit Municipal Corporation of Piraeus.

The race will be followed by Posidonia 2018, which will take place June 4-8 at Metropolitan Expo, located within the Athens International Airport complex.

The Greece Branch will be at Stand 2441 in Hall 2 at the event. [SN](#)



Students enjoyed their informative *Talos* visit

Weather fails to halt Centenary Dinner



Dale Casson (R) accepts the Humber Branch Prize from Branch chairman James Doyle

THE Beast from the East cold spell and Storm Emma failed to deter more than 200 guests from attending the Humber Branch's Centenary Dinner at the Best Western Willerby Manor Hotel near Hull in the UK in early March.

Despite the UK experiencing the worst weather in over a decade, guests from all over the country, as well as Norway's Bergen and Germany's Duisburg, made it to the event.

As Institute director Julie Lithgow was unable to attend this year's dinner due to trains being cancelled as a result of the inclement weather, her speech was given by former chairman Peter Yates, who presented Norman Hawkes with a life membership certificate.

Branch chairman James Doyle gave his final speech prior to handing over to Danny Carmichael and presented Ian Brodie, from the River Humber's New Holland Dock in the UK, with the Mark Daniel Award.

Additionally, Mr Doyle awarded Dale Casson, from Carlbom Shipping in Immingham, the Humber Branch Prize.

Guests were then entertained by musical act The Incredible Singing Waiters before last-minute stand-in and local comedian Kevin Precious took to the stage, due to original booking Rod Woodward being unable to get to the dinner due to the inclement weather. [SN](#)

Middle East Branch Bahrain seminar

THE Institute's Middle East Branch organised a seminar in Bahrain in association with the Bahrain Shipping Agents Association (BSAA) in late March.

Attended by over 30 professionals drawn from among the membership of the BSAA, the event saw Institute Branch president Krishnan Subramaniam highlight the importance of career development and continuous education.

Branch vice president Krishna Prasad gave a presentation on Bills of Lading and their relevance to ocean transport, with this being followed by an interactive session that explained the various programmes offered by the Institute. There was a second session to explain the Institute's system and exam options.

A spokesperson for the Branch said that from the level of interest displayed from the 15 participants, it was expected that student registration would increase and that Bahrain would need to become a regular examination centre.



Branch president Krishnan Subramaniam addresses the delegates

The spokesperson also said that the seminar as a whole generated a lot of enthusiasm among participants to have more academic/professional events in Bahrain.

The BSAA is considering a regular plan of academic activities for improving the standards of practitioners in the country. [SN](#)

Hong Kong holds spring lecture

THE Institute's Hong Kong Branch held a spring lecture presenting the owners' perspective of ballast water management systems in association with ship owning company Saga Shipholding (Norway) on April 13 at the Indian Recreation Club in Hong Kong's Sookunpoo Valley.

The event saw Yu Shen, Master's student in International Shipping and Transport Logistics at The Hong Kong Polytechnic University (PolyU), preside over the seminar proceedings as the master of ceremonies, while the guest speaker was Nils Otto Bjorhovde, technical manager at Saga Shipholding with around 30 years of experience in the maritime sector.

The event was sponsored by Fleet Management Limited, Marine Support and AMS International Group.

Before the seminar, Institute membership certificates were presented to Wellington Koo and Sharad Gupta by Branch chairman Joseph Chau.

A question and answer session followed the presentation, after which mementos were presented to Mr Bjorhovde and to Fleet Management Limited's Mayank Mishra.

The spring lecture came to a close with a networking opportunity for all guests. [SN](#)



Attendees posed questions to the panel

West Africa careers fair success

THIS year's West Africa Branch Open Day was arranged by the Institute in conjunction with the Maritime Career and Internship Fair held in the city of Tema in southern Ghana in February.

The Branch partnered with maritime professionals' alliance Masser Afrique to organise the fair, under the theme of 'Preparing professionals to power global growth', at the Regional Maritime University (RMU), with the RMU's Students Representative Council also collaborating.

The fair sought to equip students with skills to be globally competitive and encourage their entrepreneurial spirit.

Special guest of honour was the director of research of Ghana's Ministry of Transport, who spoke at length about the Ministry's practical plans to enhance job opportunities for RMU students.

The Institute was represented on the day by Nathaniel Nti and Gertrude Ohene-Asienim, who gave a detailed presentation on the Institute's activities and the qualifications that it offers.

Students watching the presentation were informed how they could take advantage of the Institute's many opportunities.

Another notable speaker at the event was Oludotun Osiyemi from Doterrys Consulting, who gave students and other participants a practical insight into entrepreneurship and networking skills in the 21st century.

A representative from Zormelo & Associates, a management and development consulting firm, also spoke about building a career and discussed how to write a winning CV or resume. [SN](#)



The Open Day took the Institute's offering to a wider audience

North East of England arbitration event

AN INTRODUCTION to maritime arbitration was on offer for attendees at a seminar in Middlesbrough held by the Institute's North East of England Branch and the London Maritime Arbitrators Association (LMAA) in March.

Eleven people attended the presentation, which was entitled 'Making a career in maritime arbitration' and presented by the LMAA's Keith Hart, Ian Gaunt and Richard Rayfield.

The talk offered information for those thinking about arbitration as a second career, with the three presenters discussing how they got into the field — with and without a previous career in law.

The speakers also noted that legal experience was not necessary to become an arbitrator and that new arbitrators with diverse skills are always being sought.

An Institute member looking to go into arbitration would be brought in on a case as a third person in order for them to gain experience.

Training to be an arbitrator consists of a two-day introductory course followed by four modules — usually distance learning and tutorials — which each take about a year to complete.

Anyone who is interested in finding out more about arbitration is welcome to contact LMAA via <http://www.lmaa.london>. **SN**

Shipping issues aired at winter lecture

TAYLOR Maritime (HK) founder and chief executive Edward Buttery was guest of honour and speaker at the Institute's Hong Kong Branch's winter lecture.

The event, entitled 'Ship owning: Changes & challenges' and sponsored by Turkish shipbuilding and ship repair business Desan Shipyard, was held in February at the Indian Recreation Club in Hong Kong's Sookunpoo Valley.

Attendees were greeted with a drinks reception in the main hall of the Club before Mr Buttery's talk on the changing nature of dry bulk shipping and ship owning over the last ten years.

The event was introduced by Institute student Dimitra Pong.

Mr Buttery shared his experiences establishing Taylor Maritime (HK) — which is a bulk carrier management company — in 2013, as well as the unwillingness of banks to provide loans at that time.

His speech covered the technical and logistical challenges that have characterised shipping and gave an insight into what it takes to own and run a shipping company.

Mr Buttery also touched upon changes that test the shipping industry as it currently stands, with such topics including cybersecurity, ballast water management and scrubber technology.

Finally, he expanded on strategies that a shipping firm should employ to survive and succeed, indicating that now is a good time to invest in the dry bulk sector.

The speech was followed by a 15-minute question-and-answer session, after which Branch chairman Joseph Chau presented Mr Buttery with a memento.

Afterwards, guests enjoyed a barbecue dinner and networking opportunity. **SN**



(L-R) YK Chan, Rakesh Sethi, Dimitra Pong, Edward Buttery, Tim S Huxley and Joseph Chau

Maritime law career comes calling

A co-operation between Hellenic Management Centre (HMC) and Queen Mary University of London (QMUL) gives Institute Members the opportunity to enhance their continuous educational and professional development by attending the innovative QMUL Course, the LLM in International Shipping Law, in Piraeus, Greece.

Arranged by the Institute's Teaching Centre in Greece, the partnership offers a programme that is taught by experts of the Centre for Commercial Law Studies of QMUL, one of UK's leading research-focused higher education institutions with its Law Department currently ranked third in the UK and first in London.

The programme is taught in co-operation with HMC, a leading maritime training centre committed to professional education and development within the shipping industry since 1999.

This course offers students the opportunity to develop academic and professional expertise in specialised areas of global maritime law, including International Arbitration, Charter-parties: Law and Practice, International Regulation of Shipping, Marine Insurance Law, Carriage of Goods by Sea, 'Wet' Shipping Law: Collisions and other Incidents at Sea.

The programme is geared towards lawyers, law graduates,

and shipping professionals with relevant work experience and an academic background. It is taught in intensive blocks throughout two academic semesters, so that it can be fitted in with any other professional commitments.

Non-law graduate Institute Members that have professional experience of a minimum of three years in a legal related department (such as chartering, operations, S&P, claims, paralegal or insurance) are eligible to apply for the highly reputable LLM course.

The entry requirements for Law graduates are a law degree, or a degree with substantial law content, with a grade of 2:1 or higher (or equivalent), whereas non-law graduates will be considered on the basis of professional experience that directly relates to the specialist LLM taught courses. Membership of the Institute along with professional experience will also be considered.

This opportunity proves once again that membership of the Institute gives a competitive advantage to shipping professionals and confers a status unrivalled elsewhere in the industry. **SN**

For more information go to: www.qmul.ac.uk/postgraduate/taught/coursefinder/courses/142363.html

Learning at lunchtime proves a hit

A collaboration with the Baltic Exchange has seen a seminar series rolled out around the world

THE Institute's collaboration with The Baltic Exchange on a series of multiple-location lunchtime lectures for young brokers and professionals in commercial shipping markets has been well-received by Institute members.

The sessions, which started in September last year, have expanded from the first event in London and Singapore to a fourth event with two lectures and four locations — London, Singapore, Shanghai and Athens.

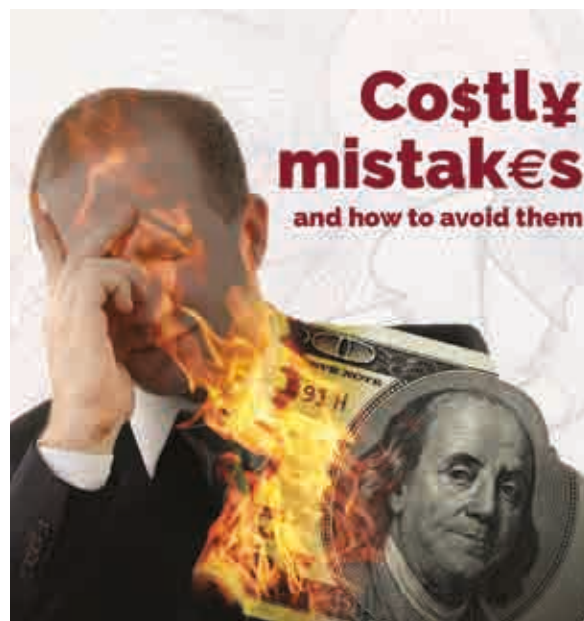
Attendance has averaged 50 bookings per venue, with a Singapore sell-out that took more than 80 bookings.

So far, the events have covered costly mistakes, the future for broking in Europe and Asia, "legal eagles", trading tools and protection and indemnity, and Freight, Demurrage and Defence cover.

The final lecture, 'Money walks, money talks', was scheduled to take place May 30 at the Baltic Exchange in London, the Singapore Exchange in Singapore and the Institute's Greece Branch in Piraeus. A venue for Shanghai is to be confirmed.

The event is free for Institute members, with a charge for non-members.

For more information, including venue details, contact membership@ics.org.uk. [SN](#)



The lectures have taken place (clockwise below from top left) in London, Singapore, Shanghai and Athens



Calendar

Minar-e-Pakistan – Tower of Pakistan monument

JULY EVENTS

5 July

Deadline for membership applications

5 July

London & South East Branch Summer social event

20 July

East Anglia Branch Summer 2018 River Cruise Ipswich

26 July

Liverpool Branch social evening Liverpool

26 July

Humber Branch Branch AGM Hull

AUGUST EVENTS

23 August

May 2018 exam results published

SEPTEMBER EVENTS

14 September

Ireland Branch Dinner & Golf Belfast

27 September

Pakistan Branch celebrates the World Maritime Day Karachi

OCTOBER EVENTS

18 October

Institute AGM and Prize Giving, London

The Secret Broker

Taking a leaf from footie management

I recently had a chance meeting with a senior broker of a relatively new and independently established broking house, who has a history of over 30 years in the London market. He was at a point of some despair, voicing an issue that I have long suspected and heard many a rumour about. He said that young brokers seem to be allowed to act without any monitoring and that there is almost an attitude of “You are here, get on with the job/task you have been set!” If they succeed a senior member of staff is on hand to accept the plaudits and the press coverage, and if they fail the trainee, or fairly new, broker is either moved sideways or worse.

It seems that the old practice of senior staff members monitoring newly-appointed staff to the team has gone out of the window as the mania for quick results has become sacrosanct. We work at the Institute to encourage young staff to become qualified shipbrokers, but sadly the companies they work for do not always seem to want to sponsor their staff members. Why? The simple answer is that while their staff are attending classes they are not ‘working’. This is hardly fair as all-too-many Institute students are working full time and trying to improve their professional status within their peer group.

One also has to consider the numbers of students being sponsored by their companies for Institute qualification, which is not nearly high enough. Why are companies unwilling to utilise the relatively quiet market of late to train up their people? Hours in training under the eye of a trained/experienced professional followed by personal dedication creates the David Beckham and Lionel Messi of this world, rather than engendering some haphazard “do this, see how it flies” attitude.

Consequently, some of the performance statistics of new entrants to shipbroking are horrific. Lack of attention to detail, poor idea presentation and quite embarrassing telephone skills are far too common. Senior staff then have to get involved, but it’s too little, too late. Shipping is still a long term business and everyone involved needs to understand this.

Unfortunately, this ‘quick fix’ mentality might be affecting corporate mentality as well. Rumour has it that one of the major London broking houses, currently privately owned, is toying with the idea of going public in an effort to overcome its current performance problems. This faux ‘subprime mortgage’ strategy is being concocted to make this particular entity attractive to investors not that familiar to shipbroking but with cash to invest, which is pretty damning really.

THREE’S A CROWD

Let us consider three major London broking houses: A, B and C. B and C are already publicly quoted but suffer from ego-driven senior executives who crave publicity and thrive on success mainly driven by the work done by more junior members of staff. Quite a few of those are not being encouraged to obtain any professional qualifications, and are told to focus their efforts on trying to identify possible business opportunities to feed back into the system. These are the employees who are not being trained or mentored correctly. They make very basic mistakes and could be likened to ‘young



guns’ shooting from the hip in the hope that by sheer volume of effort they will be able to somehow get lucky and introduce ideas that can be latched on to by senior members of staff to create income.

This is all well and good as long as it works. When it doesn’t there will always be casualties and it might not always be the inexperienced staff members. If clients feel that they are being passed around and handled badly this reflects on senior staff and ultimately the company.

Company A is currently privately owned but lives in the shadow of companies B and C due to historical associations with both. Due to the rapid expansion of company A it needs to find a way of overcoming the fact that its growth has outstripped its earning capacity mainly because of competition from other large broking houses, including companies B and C. The solution to this dilemma may be provided by company A portraying itself to possible equity investors who, as I said before, are cash rich but not that attuned to the workings of shipbroking companies.

Given the right marketing portrayal this source of finance will be sufficient to ensure the continued expansion of company A even though its structure is weak. Most of its employees are not receiving much formal training and are viewed somewhat as ‘cannon fodder’ to feed the growth of the company so that the senior staff can maintain their own market profiles. If the lower orders within produce, even if not in the most professional or truly ethical manner, then all is well. If they do not then they are expendable.

This is akin to how professional Premier League football clubs are now being run. Get in some expensive eye-catching individuals and a flamboyant manager then if it all goes wrong blame the training staff, and maybe sack the manager, but keep all the board in place and continue to pay the expensive players who are not performing because, the theory is, they will eventually. Even if they don’t their mere presence may be enough to sell t-shirts. Similarly, their presence may cause investors to put in more funds.

Therefore, company A may well be a good candidate for a public listing if sufficient interest can be generated in the ‘names’ that are there and not too much investigation is carried out into the poor quality of the foot soldiers. So, if we maintain the football analogy, it’s probably “Goodbye Antonio Conte” and let’s see what happens not only at Chelsea FC but also to an organisation more closely related to yours and my particular world this summer. Follow the money, or lack of it! **SN**



KEEP PLASTIC OUT OF OUR SEAS

The amount of plastic pollution in the ocean will treble between 2015 and 2025 unless further intervention is staged.

That's according to the Foresight Future of the Sea report, a document

**We all need to do more to reduce
the amount of plastic in seas**



from the UK government's chief scientific advisor, which said that about 70% of all sea litter is plastic.

The report, which was compiled by the Government Office for Science in the UK and Foresight, a projects initiative that comes from the department, explained that the past century has observed a dramatic intensification of human activities in the world's oceans, increasing the pressure on marine biodiversity.

It said that between 1970 and 2012, there was an estimated 49% decrease in marine vertebrate populations, as well as noting that high plastic pollution levels can have consequences for health and wellbeing, like litter on coasts affecting residents' quality of life.

The document recommended reducing plastic pollution in the seas, commenting that the major response would likely be "in preventing it from entering the sea, introducing new biodegradable plastics and, potentially, public awareness campaigns about marine protection".

As an industry concerning transport that ploughs the high seas, shipping clearly has an important role to play in offsetting sea-pollution by plastic — oceans full of harmful rubbish aren't helpful to anyone. **SN**

DUNKIRK PORT CELEBRATES OSCAR WIN

The 2017 war film Dunkirk, which saw filming at the French port of the same English name, has picked up three Oscars at the 90th Academy Awards.

The ceremony, held early in March, saw the film win in the Best Sound Editing, Best Sound Mixing and Best Film Editing categories.

Congratulating the crew, the port said the gongs additionally "stress the high level of professionalism displayed by the staff of Dunkerque-Port, who supported the director and his team at each stage of the shooting".

The port said that staff at the facility "worked tirelessly to meet all the different technical needs" throughout the work on the movie. It's always nice to see shipping and the supporting industry make it into the psyche of a non-shipping audience. **SN**



Credit: Warner Bros

Christopher Nolan's film relied on location filming at the port

SHIPPING SPEAK

“Our challenge for the years to come remains: to work in **collaboration** with all **stakeholders** to create better shipping for a better **future**”

International Maritime Organization Secretary-General Kitack Lim commemorates 70 years since the UN agency's formation

“If we **tell ourselves** shipping is a **conservative** industry, it becomes a **self-fulfilling prophecy**”

Diane Gilpin, founder and chief executive of the Smart Green Shipping Alliance, speaks at GST & Shipping2030 Europe

”

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