



# SHIPPINGNetwork

The official magazine of the Institute of Chartered Shipbrokers

# 100

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Issue 62 September 2020



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# Stay focused on the bigger picture

Kay Afghahi explains why developments in professional education should not be put off



Kay Afghahi

The Institute and the shipping industry are undoubtedly facing unprecedented challenges during the current pandemic. As such, I firmly believe now, more than ever, it is vital to promote education and continue to build the next generation of the maritime industry.

While the travel restrictions imposed by Covid-19 have meant that many of the events planned by the Canada Branch have had to be postponed this year, the branch committee has jumped to online platforms, as have many other Institute branches, to reach members. This has allowed us to continue providing value to our members and the industry through free-to-view webinars.

The Canada Branch usually has a busy event schedule throughout the year with its Luncheon Speaker series, pub nights, quizzes and Women in Shipping events held on both coasts of the country.

When physical events at scale are permitted to take place again, I would like to see replicated around the world the success that the Canada Branch has enjoyed in hosting its annual conference. The Institute's Dry Bulk and Commodities Conference in Vancouver is an excellent networking opportunity as well as a good revenue generator for the branch. I believe that its success can be copied by other international branches.

The conference – the brainchild of Peter Amat FICS and the branch committee – was initiated in 2014. The idea was to put Canada on the map and provide value to our members and the maritime industry. Fast forward six years and this event has become the main conference for the shipping community on the US West Coast and has helped to put the branch in a healthy financial state.

**“Forging connections with students and educational institutions helps attract young professionals to the local maritime community and also attracts new students to the Institute.”**

In fact, the income generated by this annual conference put the branch in a good position to support its members during the pandemic. This year, in light of the circumstances related to Covid-19, as well as in celebration of the centenary of the Institute's Royal Charter, the Canada Branch paid its members' membership fees for the subscription year 2020-2021 (for all its members that were in good standing as of end May 2020). We hope that this initiative goes some way towards thanking all our members for their support to the Institute throughout the years and in helping them in these challenging times.



Canada hopes that other branches can replicate the success of their annual conference

## FORGING PARTNERSHIPS

As well as replicating the successful annual conference model, another initiative that Institute branches should be pursuing as we start to emerge from the pandemic is partnerships with maritime universities and colleges to provide maritime-related courses or qualified certificates, thereby attracting students to the maritime industry and the Institute.

The Institute has excellent and unique resources to promote education within the industry. An example of such is the Institute's Online Academy, an online learning platform for students. This platform provides students with learning resources, revision sessions and exam guidance. Students can engage with peers, as well as subject experts around the world virtually. Registered students were able to access the platform free of charge to help prepare for the postponed examinations in July.

Over the past years, the Canada Branch's student liaison in Vancouver has established good connections with the University of British Columbia (UBC) and British Columbia Institute of Technology (BCIT) through participation in events, including career fairs and Q&A events. This has helped us to attract students and subsequently connect them to the maritime industry. Forging these connections with students and educational institutions helps attract young professionals to the local maritime community and also attracts new students to the Institute.

So, while we are in the grip of the Covid-19 pandemic, please do not forget that there are development options that we can all, members and branches, be moving forward with. We will then emerge from these troubled times with a renewed sense of purpose and motivated to continue to uphold education standards in shipping. [SN](#)

*Kay Afghahi is chairman of the Canada Branch and chartering manager at Pacific Basin.*



## Who has the staying power?

When I met with Robert Hill and Matt Gilbert at the Institute head office late last year to discuss themes for 2020's *Shipping Network*, we had no idea of the extraordinary trials that the world would face this year. We decided on the theme of 'Survival' some 10 months ago, safe in the knowledge that by the time of publication some companies would have succumbed to the non-arrival of the "cautious recovery" of shipping, sure that increasingly strict environmental demands would have forced others to consider collaborations to make it through, and certain that change would be essential if the industry was to emerge unscathed.

Covid-19 did not feature on our planning list, but its arrival has only reinforced our view

that survival now is not just of the fittest, it is also of those who are the most agile, open to new ideas and proactive rather than reactive. There are many entities in shipping that do not fit that description.

There are also many that, it transpires, operate from hand to mouth and do not have the financial surety to weather a storm of the pandemic's magnitude. What does this tell us? It tells us that when the world emerges from this crisis, shipping will look very different.

The post Covid-19 shipping industry will be the very essence of survival, and there will be plenty of casualties that don't make it. [SN](#)

Carly Fields, FICS

Editor

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# Let the healing process begin

How will shipping emerge from the Covid-19 pandemic, asks [Felicity Landon](#)



Felicity Landon

Working from home; remote surveys and inspections; digitalisation; online training and recruitment; the 'war for talent'; the lack of recognition for seafarers; environmental pressures; the push for sustainability; collaborative research. None of these concepts are new – but all of them have been accentuated and accelerated by the impact of Covid-19.



Topic: Covid-19



Key words: Recruitment; remote-working; recovery

Background info: The pandemic has accelerated many concepts in shipping; sustaining them post-Covid-19 will be the next challenge

Where to start? Everywhere, probably. "The future will not be about returning to the new norms but about learning the lessons of this period. Let's call it not survival but sustaining these new practices," says Phil Parry, chairman of recruitment specialist Spinnaker.

Securing the right people will be even more crucial, he says. "Employers are involved in a war for talent, in a race against their competitors. If an employer doesn't get a move on and adopt some video interviewing at least for first-round interviews, the chances are someone else will have stolen a march on them before they are even off the starting blocks.

"Beyond that, we are universally behind other industries in leadership practice and people development. In order to survive in the future, you need the best people development within your business; that means you will retain them and not lose them to the competition, and you get the best out of your people. Chief executives are forever standing up and saying that their people are their most important asset – but actually, they are often guilty of paying lip service to it and not investing a lot of their budget in these people."

## DIVERSE RECRUITMENT CHANNELS

Remote working is nothing new for Carleen Lyden-Walker, IMO ambassador, marketing and comms professional, and co-founder and executive director of the North American Marine Environment Protection Association (NAMEPA). She has worked at home since 1999. What she has also done is tap into the 'at-home mum network' to find her staff.

"Women offer talent, excellent skillsets and an excellent work ethic – but many just can't go into an office full-time because of children," she says. "They need flexibility; there is a difference between employing a childminder in the home, or out of it, so that you can focus on work, versus getting on a train to work and knowing that if there is an emergency with a



Credit: RINA

RINA has helped LISCR with its remote surveys

child, you are one-and-a-half hours away in an office in the city."

The enforced swing towards working from home provides a tremendous opportunity for women and all workers who need more flexibility, says Ms Lyden-Walker. But it also provides a new pool of talent for employers, and a new focus on accountability.

"I asked a CEO – how are you finding people's productivity and output working at home? He said the people who weren't good in the office were also not good remotely. Working from home is actually helping to identify clearly who is contributing. I don't suggest there will be a cull, but there is a focus on accountability and contribution and, particularly in a down market with a financial crisis, you need employees who perform."

Working from home and hot desking is the trend, she says, "and I am glad I am not in the commercial real estate business".

Companies will be able to save money by reducing the rental on commercial space and this shift also has the potential to cut down on emissions because fewer employees will be commuting, she adds. "It will be interesting – will companies incorporate that into their environmental, social and governance platform? It will be interesting to see if they take the credit for reducing emissions – and they should, if they can quantify it. So, as well as collateral damage from Covid-19, we are seeing collateral indirect benefits."

Here's another question; how are shipping companies using their unspent travel and expense budgets? "Perhaps some of the money will compensate for decreased revenue, but could some of it go to supporting workers at home, perhaps with heating or broadband costs?"

For Ms Lyden-Walker, digitalisation is the other major issue. A quick shift to digital working has been forced by Covid-19 – and in the future, digitalisation and particularly blockchain will continue to be better adopted and accelerated, she says. "More



companies are realising that digitalisation is needed not only for remote working but also for profit margins,” she says. “The shipping industry is in a financial bind and the digitalisation being developed and implemented is cost-efficient and has the potential to streamline our business. As an industry, we are not as efficient as we need to be. People usually come back on that to say that shipping is the most efficient mode of transport – and absolutely right, it is. But the business of shipping needs to be more efficient.”

She is also encouraged to see more collaboration coming forward. “No one company can afford to do big things alone. You are involved in your day-to-day work and the services you are providing, making sure the company comes out of this whole, if not with profit. So you may not have the resources unilaterally to develop emission-free fuel, for example. You need to work in collaboration with other like-minded people. We are starting to see these groups come out – and they are diverse, which is positive.”

### REMOTE SURVEYS AND INSPECTIONS

Just as companies have been pushed towards flexible and home working, ship registers have been pushing forward with digital certificates and remote surveys and inspections. The Liberian Ship Registry is now developing an ‘e-wallet’, an electronic documented file of a seafarer’s medical history, which could include Covid-19 test results. However, “it might be difficult to make the authorities accept this type of protocol – it will be as difficult as when we started issuing electronic certificates with a bar code, when authorities still wanted to see hard paper,” says Alfonso Castillero, chief operating officer of LISCR, the US-based manager of the Liberian Registry.

In the three months from April to June, the registry carried out 1,000 remote audit inspection of ships flying the Liberian flag. “We were already investing in that and had the digital platform in place,” says Mr Castillero. “We will continue with this. We don’t want to replace physical inspections but, for example, if we had a vessel with a deficiency or non-conformity, instead of sending a surveyor on board, we can make a video call and follow up the (Port State Control) detention. We were ready for this but Covid-19 accelerated it, with shipside requests for us to carry out surveys virtually.”

**“Right now, people are looking at survival, but we have to look past survival – we have to look at thriving”**

**– Carleen Lyden-Walker**

He says 70% of the Liberian fleet would still prefer physical inspections, but he believes that remote inspections sit well with the registry’s dynamic detention prevention program, which provides heads-up advice and a pre-emptive inspection in advance of a port call where a PSC inspection can be expected.

The Marshall Islands Ship Registry says it has carried out 600 remote surveys and inspections in the past few months – and Brian Poskaitis, senior vice president, fleet operations of Marshall Islands manager IRI, says these have actually given a valuable new perspective. For a start, carrying out remote inspections has generated better engagement, communication and proactiveness from seafarers, he says. He expects a more ‘hybrid’ approach in the future.

Cameron Mitchell, director of the Isle of Man Ship Registry, agrees. The registry has carried out its first remote survey. “Ultimately, with the technology moving forward the way it is, I would imagine in ten to 15 years’ time we will not be sending surveyors around the world in the way we do today,” he says. “I think Covid-19 has people really start to push forward with technology which was already there. The pandemic has been a catalyst.”

### WORKING FROM HOME

In response to Covid-19, it took just seven days for the Isle of Man Ship Registry team to move out of the office and start working at home. “We came to realise very quickly that our data-based processes and procedures allow us to work remotely very effectively,” says Mr Cameron Mitchell. “We are one of the few flag states issuing digital certificates and documents – they can be created, electronically signed and sent out in a matter of minutes. All the things we thought we needed an office for, we don’t really need an office for.”



DNY GL worked with the Isle of Man Ship Registry to carry out its first remote survey



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As a result, he says: "We have decided as an organisation that we are going to spend one-third of our time in the office and two-thirds working at home – and we have brought that into practice. All of the team has been allocated two 'office days' a week, although that doesn't mean they have to come in."

The registry has reduced its office space from 32 to ten desks and is sharing conference facilities. "Everyone is thinking more about the environment. If I don't have 32 staff travelling to the office every day by car or bus, that is reducing the impact."

If the world has moved on to Zoom and Teams, Mr Mitchell asks: "Is it important to travel as much as we did, when there are obvious means of communication now? We also have the option of webinars, enabling us to reach out to more people than in the past and give broader information to more people."

IRI president Bill Gallagher adds: "We will look at travel with a harder eye and make sure we are travelling because it is necessary, not because of habit."

Flexibility will be vital in attracting the next generation, says Teresa Peacock, managing director of Spinnaker. "Surveys have shown that people are happier with a reasonable salary if there is flexible working from home occasionally. Companies that don't offer that will be putting themselves at a disadvantage because their competitors will."

Training, too, is becoming more flexible and Covid-19 has accelerated the provision of online training. The Marshall Islands Ship Registry has been receiving specific requests during the Covid-19 crisis, says IRI marketing and communications director Laura Sherman. "Because there have been crews sitting at home (unable to start their contracts), it is ideal for having officer seminars – and we have had several of them," she says. "We also invited officers from other flag vessels. It is very important to do crew training, and we have found an opportunity to continue that education."

## SHIPPING'S PUBLIC IMAGE

And what about the image of shipping? Ms Lyden-Walker says we have to consider the complexities, but also recognise that the lack of global unity in the industry has meant shipping's voice was not as effective as it should be. "The public only thinks about us when there is oil in the water or a tie-up in the logistics chain. But if shipping is an essential service, bringing goods, food, energy and hospital supplies, then by extension seafarers are essential workers."

"We need to develop a portal to speak to the public, so people will understand that more than 90% of the world's goods and energy travel by ship. Right now, people are looking at survival, but we have to look past survival – we have to look at thriving."

The success of shipping depends on the world political situation, but "without cargo and without demand, the rest is useless", says Castillero.

"I think we should be positive. Everyone is in 'hold mode' right now, just holding and holding. But shipping will continue, things have to keep moving, people need to eat, and things need to be transported. Unless someone comes up with an aerocontainer that flies itself, then shipping will be needed."



"The future will not be about returning to the new norms but about learning the lessons of this period"  
– Phil Parry



"We will look at travel with a harder eye and make sure we are travelling because it is necessary, not because of habit."  
– Bill Gallagher



"Because there have been crews sitting at home (unable to start their contracts), it is ideal for having officer seminars"  
– Laura Sherman



"The success of shipping depends on the world political situation, but without cargo and without demand, the rest is useless"  
– Alfonso Castillero

# Bridging the reality gap on ship designs

Ursa Shipbrokers' [Simon Ward](#) examines the often-polarised views of sustainability in shipbuilding



Simon Ward

In imagining a brave new shiny world, free of pollution and poverty, one where we put all the messiness of our dirty world behind us, we usually go straight to the end picture in our minds: it probably involves green fields, sunlight, maybe even blue sea, and birds and animals frolicking in a world alarmingly devoid of our fellow human beings. The transition, i.e. how we get to these wonderful carbon-neutral sunlit uplands, is harder to envisage, but certainly it involves mess and human beings where the old has to be disposed of before, or while, the new can be brought in.



**Topic: Sustainability**

**I**

**Key words: Shipbuilding; design; innovation**

**Background info: Blame for the slow progress in the development of sustainable ship designs cannot be solely directed at ship owners**

**“Creating new stuff to replace old stuff just because it is new is not sound business practice, and neither is it environmentally sound”**

In shipping, of course, we have had no shortage of computer-generated images of what the future looks like. Usually, and alarmingly, it involves a distinct lack of human beings with ships that look very little like the ships that trade today.

One of the problems with the debate about the greening of shipping is that it seems to pit the innovators against the dinosaurs, or the woke dreamers against the pragmatic, depending which side of the fence you are on. There is little that the two sides agree on, mostly because they are talking completely different languages, and therefore tend to talk beyond each other. The innovators deeply believe that the world needs to change to avoid calamity, and that they can make money out of this change to support a new way of living. The pragmatic point to the smartphones and electric cars, not to mention the other paraphernalia of modern life, and ask where they were made and how they got to be in the possession of the innovators if not by ships, which is, they rightly point out, the most environmentally friendly form of transport. Why change unless it is worth it?

## DESIGN QUESTIONS

As a ship sale and purchase broker I try and keep up to date with the latest ship designs, and by that I mean those that are being marketed for actual production, to be sold to owners that want

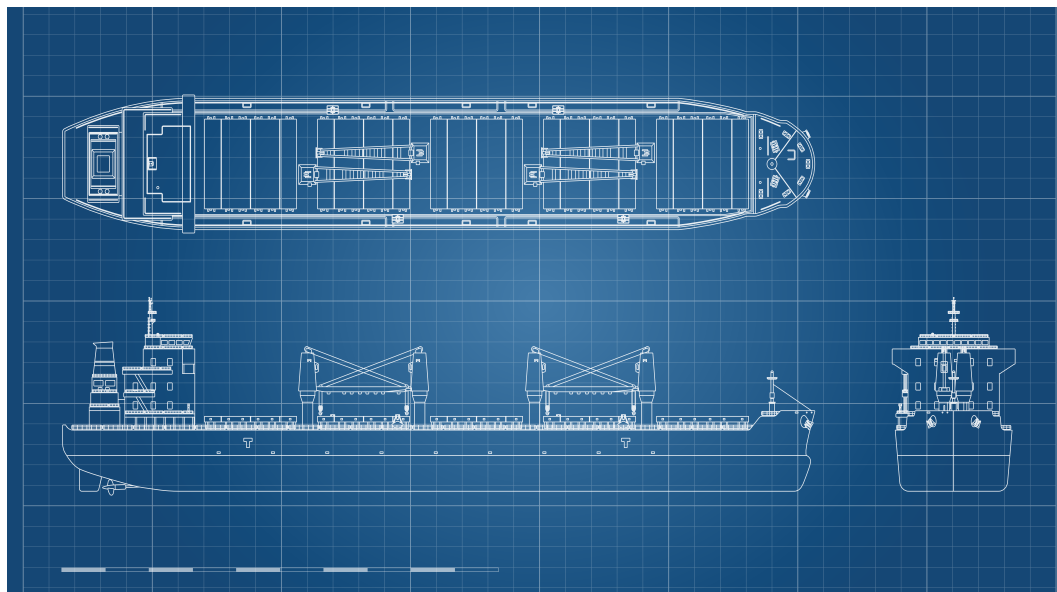
to trade them in the tramp trades. I have not noticed anything new to get excited about. To remind you, all bulk carriers and tankers these days are built to have a minimum working life of twenty years (most trade longer), to have a human crew onboard them to operate and use one or other version of the internal combustion engine to propel the vessel and provide electrical power onboard. The internal combustion engine uses hydrocarbon fuels, whether heavy fuel oil, marine diesel oil, or liquified natural gas. I do not know of – but am willing to be corrected – of any designs for ships in excess of 20,000 tonnes deadweight that use ammonia or hydrogen. The technology of battery cells has not developed enough to be viable for the long voyages oceangoing ships make.

To the innovators, this is a massive failure on behalf of the industry to adapt to changing times. To the owners the product is simply not there, and it is not their business to design new ships; they leave that to the shipbuilding industry. This does not mean that nothing can be done, but we should at least acknowledge the realities of the situations rather than complain about a lack of progress.

There is a reality gap here that needs to be filled and to do so we should think about the end user. It is not surprising that the majority of innovation in recent years has been focused on the areas of shipping that have the greatest interaction with the end consumer, i.e. passenger and liner shipping. It is easy for the average man or woman on the street to connect the smartphone or shoes, the holiday or food with the ships in the port. It is harder for them however to make the link between bulk carriers and tankers and the construction of new infrastructure, the cars they drive, let alone all the other products (furniture, perfumes, plastic bottles, pasta to name but a few) which rely on tramp shipping. And the tramp trades rely on the employment of ships by charterers far removed from the household names of famous retailers.

Those charterers rely on efficient and cheap ships to move their cargoes around the world safely and reliably, and the freight or hire that they pay is based on the economic models that have existed in shipping since time immemorial. These models reside in the world of perfect competition, where owners and charterers are price takers based on the number of ships available in proportion to the cargoes that need to be moved – supply and demand to you and I – and no individual owner or charterer can ever command such a share of the market so as to be able to dictate pricing. Financial planning, such as it is, depends on the ability to time the buying and selling of ships, whether newbuildings or secondhand, to take advantage of unstable, cyclical and volatile freight markets. It is complex, risky, highly competitive and requires an army of shipbrokers and analysts – let alone the owners and charterers – to make it work.





Standard ship designs have not changed a great deal over the years

### LIFE CYCLE CONSIDERATIONS

One of the assumptions of this market is that ships generally have a life expectancy of twenty years, although smaller ships can – and do – last for much longer. This assumption is not based on the fact that the ships will start falling apart at eighteen years of age, it is rather that their economic usefulness starts to wane: for the majority of ships that end up being scrapped, the decision is economic (will the amount I have to spend to keep the vessel operational ever be realised?) rather than technical (the ship is now a rust bucket and is falling apart).

The environmental aspect of this life cycle is significant. It takes energy (usually hydrocarbon related) to make steel and build ships, but once they are built ships are tonne for tonne more environmentally benign than other forms of transport, even though they are burning hydrocarbon fuels. Newer, less polluting ships (I do not believe that things can move around, whether they are ships, cars, humans or goats, without causing some pollution or emissions, directly or indirectly) will still need steel or similar hardwearing and strong materials in their construction. On the assumption that the charterers will use these ships (they will need to be efficient, cheap, safe and reliable) as yet we do not know their life span. Creating new stuff to replace old stuff just because it is new is not sound business practice, and neither is it environmentally sound.

Stigmatising ship owners because they do not embrace the unproven new, labelling them 'conservative' because they are unwilling to invest their money in a product that has yet to exist does not help the conversation. That said, ignoring any development that could make ships more efficient and less harmful to the environment is also short-sighted. As recent experience with the change in bunker specification has painfully shown, investment in expensive kit that proves unprofitable at best (and dangerous at worst) is borne mostly by the shipowner

until the price of bunkers changes and scrubber fitted ships become the flavour of the month again.

The history of 2020 so far shows we can take nothing for granted in this world, and the assumptions made by those either side of the environmental divide should engage in a more productive conversation before deciding what the others should do. Both sides could learn from each other, and make money – this is business after all – together as the world evolves. After all, we have to get from where we are to where we want to be, and there will surely be opportunities, as well as casualties, along the way. Survival requires engaging with the world and adapting to it rather than isolating oneself in an ideological silo. Shipping as a relationship-based business seems uniquely equipped to benefit if only both sides can swallow their pride and start listening to each other. And then who knows what riches would drop on us in this brave new world? **SN**

*Simon Ward is a fellow of the Institute and a director at Ursa Shipbrokers, <http://ursashipbrokers.gr/>.*



It takes energy to make steel and build ships, but once they are built, ships are tonne-for-tonne more environmentally benign than other forms of transport

# Steady march of autonomous shipping

Thetius' Nick Chubb reveals the hot spots for developments in ship autonomy



Nick Chubb

Four years ago, Rolls-Royce launched a concept for autonomous vessels with great fanfare. The hype that surrounded the launch left the maritime industry excited, scared, and sceptical in equal measure. For most of 2016, it seemed that every maritime conference was now focused on autonomy and its expected impact on the industry. Four years on, much of the fanfare and hype has subsided and our collective attention has shifted onto more urgent and existential issues such as decarbonisation and surviving a global pandemic.

## Topic: Autonomy

**I** Key words: Development; funding; patents

**Background info:** There are important markers that give clues to who is leading the race to develop commercially viable autonomous ships

Technology not living up to the hype that originally surrounds it is a trend that constantly repeats itself. Ten years ago, cloud computing went through a similar hype bubble, five years ago it was speech recognition, two years ago it was digital twins. The hype bubble always bursts, but the technology almost always makes it to the mainstream. It usually takes longer and looks different than the originally predicted, but it usually gets there in the end. We all use cloud computing every day and many of us have voice activated smart devices in our homes. The same is true for autonomous shipping. It is taking longer and certainly doesn't look as sexy as Rolls-Royce originally envisioned it to be, but autonomous shipping development rumbles on and the international competition is getting hotter every day.

## WELL DEFINED

First of all, some definitions. Autonomous doesn't mean unmanned, and unmanned doesn't mean autonomous. These terms are often conflated, but when looking at how this market is evolving it is important to understand the difference between them.

An autonomous vessel is one that is capable of performing operations without direct human control. There are specific levels

of autonomy, but broadly speaking all ships sit on a scale that goes from no autonomy, where humans have direct control over the full operation, to full autonomy where a computer makes all decisions regarding the operation of the vessel. Between those two extremes, elements of the operation can be directly controlled by computers or computers can support decisions made by human operators.

Autonomy exists on a scale but whether a ship is manned or not is more of a binary choice. An unmanned vessel is one without humans on board, but that does not necessarily mean it is autonomous. It is entirely possible for humans to remotely operate an unmanned vessel with zero autonomy. Similarly, it is possible for a manned vessel to be operated with various degrees of autonomy.

There are a limited number of projects focused on building unmanned merchant ships, most autonomous shipping projects that relate to merchant vessels today sit somewhere in the field of manned autonomy; where computers aid human teams with navigation and engineering activities. Additionally, there is also a growing fleet of small autonomous and unmanned surface vessels operating at sea today that operate somewhere close to full autonomy, with minimal human control. This fleet of drone vessels is carving out a new market in ocean sensing and data and is beginning to disrupt the traditional surveying and hydrographic vessel markets. But which countries are leading the autonomous vessel charge and who will come out on top?

## AUTONOMY FRONTRUNNERS

The US has developed a significant autonomous vessel cluster on its East Coast. The North East US from New York to Massachusetts boasts some of the world's finest engineering institutions, a significant ship owning cluster, and one of the world's financial centres. Consequently, a number of engineering companies have sprung up in the last few years to work on autonomous systems such as Buffalo Automation in New York and Sea Machines Robotics in Massachusetts. On the West Coast, San Francisco based Saildrone has raised more venture funding than any other autonomous vessel company. They are building a fleet of 1,000 autonomous sailing vessels. The vessels, which are 7m long, 4m high, and have a service speed of 4 knots, carry a payload of



sensing equipment and collect data for up to 12 months at a time.

In Europe and the Middle East, the Nordics have led the way, followed by Israel. Though the *Yara Birkeland* was a great contributor to the hype surrounding unmanned vessels in the last few years, the development of the 120 teu unmanned container ship is now on ice until the world has returned to some level of normality. Rolls-Royce Marine, the division behind the autonomous vessel concept that got so much attention, was sold to Kongsberg in 2019. Since the ensuing shake-up, a number of new startups have been founded by ex-Rolls-Royce team members including Groke Technologies who boast investment from Mitsubishi Corporation, and Senseway, a new subsidiary of Finnish research giant VTT focused on vessel autonomy.

There is plenty of funding available too, the most recent tranche was a \$20m cash injection from the Research Council of Norway to a consortium led by Kongsberg developing two short sea demonstrator vessels. In Israel, the defence sector has invested huge amounts of resources into developing autonomous technology for military and naval vessels for conducting dangerous operations such as mine clearance. There is also a thriving start-up scene in Israel, with companies such as Orca AI and Sealartec working on commercial applications for autonomous vessel technology.

## LOOK TO THE EAST

Despite the great advances being made across Europe and the Americas, we need to turn to Asia to find the companies, academic institutions, and governments pushing the autonomy agenda forward at breakneck speed. First, in Japan NYK Line has been testing autonomous systems on their car carrier fleet for the last year. The *Iris Leader* became the first ship to sail using the IMO's interim guidelines on autonomous shipping trials. The 65,000 gt ship has been sailing between Japan and China with portions of the voyage in autonomous mode for the last year.

Additionally, Mitsui OSK Lines has been testing an artificial intelligence powered computer vision system aimed at providing decision support for collision avoidance on its tanker fleet. Recognising that there is a growing demographic problem among Japan's seafaring population, both MOL and NYK Lines are working towards a strategy of manned autonomy with the aim of sailing with smaller crews.

In South Korea, the government recently announced a plan to win a 50% market share of the autonomous vessel market. Though government claims are often hot air, this one is backed by \$130m in funding. The money will be used to develop the technology to support fully autonomous navigation, engine rooms, and secure landside infrastructure to enable fully autonomous vessel capability by 2025.

But it is China that is moving both quickly and quietly on the autonomous shipping front. The vast majority of patents relating to autonomous surface vessel technologies registered in the last five years have come

from a small cluster of Chinese technology universities. The progress goes beyond patents too: in May 2020 construction started on Zhifei, 300 teu autonomous container feeder. The ship will be manned but equipped with an intelligent navigation system that enables fully autonomous sailing and operation.

Navigation Brilliance, the consortium behind Zhifei, plan to have the ship sailing by the second half of 2021, and as things stand it is almost certainly going to be the first autonomous container ship in regular commercial operation.

## PATENT POINTERS

Patent registrations are not a perfect barometer of technological success, but they can be used as a conduit to understand how much research funding is available. The sheer volume of patent registrations coming from China demonstrates that there has been a serious funding commitment in place for autonomous shipping in the country since at least 2015. With a massive domestic shipping market, supportive government, and well-resourced institutions the country has established a quiet but significant head start in this burgeoning space. Only time will tell of course, but there is no doubt that China is poised to become a world leader in autonomous shipping by 2025.

Though it will be some years before robot ships are plying the oceans en masse, this whistle-stop tour of the world's development activity only scratches the surface of what's to come. A decade after the hype around cloud computing died away, it has become a staple technology that we all use daily without even noticing it. The hype around autonomous ships has certainly abated, but make no mistake this technology is on a steady march to the mainstream. The autonomous surface vessel sector is already worth \$1bn a year and is set to grow faster than other maritime technology sectors in the next five years. Watch this space, because whether you look to Asia, Europe, or the Americas, autonomous ships are on the horizon and closer than you think. **SN**

*Nick Chubb is director of Thetius, a source of research and intelligence on emerging technologies within maritime. For more information go to <https://thetius.com/>.*

**"Despite the great advances being made across Europe and the Americas, we need to turn to Asia to find the companies, academic institutions, and governments pushing the autonomy agenda forward at breakneck speed"**



**Rolls-Royce had an early vision of autonomy in shipping**

# A recovery for both shipping and the planet

GMF's [Johannah Christensen](#) says government responses to Covid-19 could accelerate shipping's decarbonisation



Johannah Christensen

A better, more sustainable and resilient shipping industry is within our grasp. As policymakers formulate stimulus measures to kickstart the global economy, they have a unique opportunity to accelerate shipping's green transition.

Covid-19 has shown us the faults in our current system – from the health crisis and global economic slowdown, to disrupted global supply chains and seafarers stranded onboard vessels. But it has also shown that change is possible. Many governments have demonstrated their ability to respond decisively to the immediate health and economic consequences of the pandemic. This should give us hope that the world community can step up and take the necessary actions to tackle the climate crisis.

## Topic: Environment

**Key words:** Rebuilding; stimulus; recovery

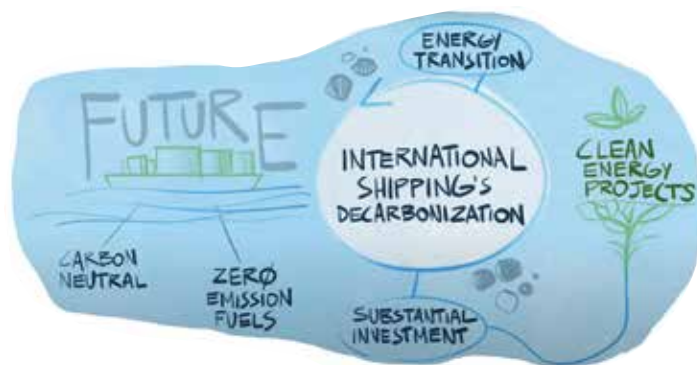
**Background info:** Governments have shown they can respond quickly to the implications of the pandemic; can they now do the same for the climate crisis?

Climate change is a major threat to all people around the world, and the current crisis has not made it any less urgent to address. We have a limited amount of time to avoid the worst impacts of a changing climate, which means that every action we take now counts. This includes the maritime sector's efforts to decarbonise international shipping. The good news is that the measures that governments are now taking to ease the economic and societal consequences of Covid-19 also present an opportunity to accelerate climate action.

As policymakers formulate stimulus measures to kickstart the global economy, they have a unique opportunity to rebuild a better, more sustainable and resilient economy by taking into consideration the long-term impacts of investments on the climate. After the 2008 global economic crisis, some governments invested heavily into coal power plants to boost the economy. Instead, they should invest in the production of renewable energy. Bailouts should be conditioned on alignment with established climate goals.

## SHIPPING'S ROLE

When it comes to the decarbonisation of shipping, governments can and must play an important role in incentivising large-scale demonstration projects required to drive down costs and accelerate the technology development of zero emission vessels and sustainable fuels. Supporting the replacement of domestic vessels with zero carbon alternatives would be another way to



create sustainable jobs by both reducing domestic emissions and preparing shipyards for future demand for zero emission deep sea vessels once markets starts picking up post-Covid-19.

A study by the Energy Transitions Commission and UMAS for the Getting to Zero Coalition spells out the scale of shipping's decarbonisation challenge. It reveals that \$1-1.4 trillion will be required between 2030 and 2050 to halve shipping's emissions. It also shows that the biggest share of this investment is needed in the land-based infrastructure and production facilities for low carbon fuels, which make up around 87% of the total. Only 13% of the investment needed are related to the ships themselves. Since marine vessels account for about 4% of global oil demand, a transition to zero-carbon fuels and vessels also represents a trillion-dollar market opportunity for those that will supply them.

Public investments targeted at the land-based infrastructure that can boost shipping's green transition will lead to positive effects that go beyond the maritime industry. Due to shipping's demand for fuel, its shift to sustainable fuels has the potential to increase confidence among suppliers of future fuels and can thus be a catalyst that brings scale to the deployment of low carbon fuels for the broader energy transition.

We were warned about the risk of a major pandemic breakout, and we did not heed the warnings. We are now being warned about climate change, a threat much bigger in magnitude. This is our chance to learn from our mistakes.

The Getting to Zero Coalition aims to have commercially viable zero emission vessels operating along deep sea trade routes by 2030, supported by the necessary infrastructure for scalable zero-carbon energy sources including production, distribution, storage and bunkering. The Coalition is supported by more than 130 public and private organisations and has been endorsed by governments in 14 countries. We invite others to join us in accelerating shipping's green transition. [SN](#) Johannah Christensen is managing director, head of projects & programmes at Global Maritime Forum, a partner in the Getting to Zero Coalition.



# No time to waste on decarbonising shipping

Poseidon Principles' [Michael Parker](#) says now is the time to take action to reduce emissions



Michael Parker

The private sector-led Poseidon Principles are an example of how the maritime industry can take a systemic approach to reduce greenhouse gas emissions from shipping.

The coronavirus pandemic has made the International Maritime Organization postpone important talks about which short-term measures should be adopted to reduce greenhouse gas (GHG) emissions from shipping. More than ever, it is important that the maritime industry shows leadership on the decarbonisation agenda. While the IMO is starting to hold informal talks on energy efficiency and decarbonisation measures, the maritime industry can and should lead the way. There is no time to waste if we want to be prepared for the shift to zero emission fuels and vessels, and we must adopt a holistic view of the process from the start.

## Topic: Environment

**Key words:** Carbon; greenhouse gas; emissions

**Background info:** The industry needs to take concrete steps to reduce emissions from "the factory floor to front door"

Achieving the IMO's target of halving shipping's GHG emissions by 2050 will require two key elements. One of these is the development of zero emission fuels and vessels. In the Getting to Zero Coalition, the Global Maritime Forum has brought together more than 140 stakeholders from the maritime, energy, infrastructure and finance sectors, who are working on the medium-term challenge of having commercially viable zero emission vessels in operation along deep sea trade routes by 2030. The focus of this work lies in exploring how to make sustainable shipping fuels scalable, commercially viable, and safe; motivating first users to kickstart the transition; closing the competitiveness gap between conventional and zero emission energy sources; and mapping global opportunities for zero emission fuels exports.

The second element is the energy efficiency of ships. In the shorter term, continuing to improve the energy efficiency of the maritime logistics system will have an immediate impact on its GHG emissions. It will make the transition to zero emission fuels easier, as a more energy efficient maritime sector will need less fuel. Lower demand for zero emission fuels reduces both the capital investments needed to produce zero emission fuels, and the additional operating cost of zero emission fuels. It will benefit shipping operators and end-users of shipping by managing the future increase in maritime transport costs.

Improving energy efficiency is also important in terms of financing because investors are more likely to invest in energy efficient ships, whereas carbon-intensive assets are at higher risk of becoming stranded assets.



## POSEIDON PRINCIPLES

### NO TIME TO WASTE

We need to take action already now to reach our targets in the future. This is one of the underlying ideas of the Poseidon Principles, a global framework for responsible ship finance. The Poseidon Principles provide a framework for integrating climate considerations into lending decisions to promote international shipping's decarbonisation. Signatory financial institutions commit to measure and report on an annual basis the alignment of their shipping portfolios with the IMO's 2050 GHG reductions target. In this way, the Poseidon Principles offer significant benefits to the global shipping industry and society and allow us as banks to align and de-risk our portfolios in line with shipping's green transition.

It is also of great importance that regulators adopt short-term energy efficiency measures that incentivise a broad range of stakeholders to contribute to lowering emissions. The Poseidon Principles let ship owners decide how they should lower their emissions. In the same way, Signatories of the Poseidon Principles do not need to finance only new built ships to be compliant with climate targets, but can do so by any means at their disposal, including financing energy efficiency improvements of the existing fleet. When improving shipping's energy efficiency, we should look at the whole supply chain. For too long only the ship itself has been in focus when, in reality, the whole supply chain needs to be involved in a concurrent and contiguous process of improvement.

The Poseidon Principles were developed in recognition of our role as financial institutions in promoting responsible environmental stewardship throughout the value chain. All participants in the maritime value chain have an equivalent role to play – and a responsibility to take ownership of this role. The way we are dealing with Covid-19 shows that change is possible. But we must also acknowledge that climate change is an even bigger threat than Covid-19, and start taking concrete steps to lower GHG emissions from the maritime industry, from factory floor to front door. [SN](#)

*Michael Parker is chairman, global shipping, logistics and offshore at Citi and chair of the Poseidon Principles Association.*

# Collaborate to ensure future prosperity

SMN's [Cathy Hodge](#) discusses partnerships and the value of data standardisation in shipping



Cathy Hodge

In the face of so many external challenges, disruptive influences and unforeseen outcomes, there are many reasons why a company would seek to consolidate and strengthen their position by collaborating with others. With the rise of globalisation, companies extended their trade and reach across land and sea. This resulted in huge hikes in operating costs and overheads. It also created a far more complex business environment. Recognition that pooling resources would improve competitive power, opening up routes not reached before, as well as access to the largest container vessels, led to the creation of the first shipping Alliances in 1996, with the Global Alliance and the Grand Alliance.

**Topic:** Collaboration  
**Key words:** Alliances; coalitions; innovation  
**Background info:** Drop the outdated view of 'competition' and join forces to truly drive shipping forward

The container shipping partnerships we all know today are THE Alliance, the Ocean Alliance and 2M Alliance. Their goal: for their members to collaborate in order to create better efficiencies and wider service coverage. It's worth noting that not everyone views these traditional alliances in a positive light, with some asserting that they are anti-competitive, have driven prices up and have made market entry difficult in other ways.



Credit: Smart Maritime Network

SMN's Smart Maritime Council is promoting data standards

Layering the ongoing digital revolution on top of globalisation has created a 'smart shipping evolution'. Great leaps in technological innovation, such as in AI, robotics, IoT, machine learning and autonomous vehicles, have created an increasingly complex global infrastructure. While this has provided shipping with more platforms to innovate (recent collaborations include developments in drone deliveries and 3D printing, for example), it amplifies the divisions in an already asymmetric and fragmented industry and exposed weaknesses. External players such as



Credit: Hapag-Lloyd

Alliances are already well established in liner shipping

Amazon and Alibaba are beginning to explore the potential to eliminate waste in the logistics and shipping sectors through direct intervention and a plethora of start-ups are all seeking to take advantage of this dynamic situation.

## CLEAR EXPECTATIONS

The number of stakeholders involved in any digital development means that a clear and robust roadmap can be achieved only when different actors are prepared to work together. Those who recognise this are able to share costs, resources, knowledge, expertise and, of course, data. An exponential increase in data sources and data use has resulted in the need to integrate information from a variety of sources. This makes it essential that companies be prepared to work together, particularly on data sharing and exchange, if they are to meet customer demand.

We've now seen this in a number of different cases and at different levels. One such recent example is that of Weilbach, Vento Maritime and Force Technology who have joined forces to send a weather routing optimisation solution to market in response to customer demand. Shipping companies and technology companies are collaborating to create bespoke and open source solutions, such as the blockchain trade platform, Tradelens, from Maersk and IBM. This was developed to provide a secure and transparent information exchange for all stakeholders, which has recently signed up its latest platform member. We have also seen groups forming to assess and solve industry challenges, such as OneSea which was formed by a coalition of some of the industry's leading companies to look at the challenges and impact of autonomous vessels.

Cross industry collaborations and associations, where groups of similar companies form alliances, can provide financial, legal, training and educational resources that individual companies might not otherwise have access to. Examples include associations such as IAPH (representing the ports and harbours sector), CIRM (representing marine electronics equipment suppliers), GVF

(representing satellite communications companies) and CLIA (providing a home for the cruise industry). They may also act as lobbyists, with strength in their combined voices.

Where once regulators and governing bodies may have operated in silos, we have recently seen these organisations working more closely with each other and directly with industry in order to help facilitate and share industry wide standards for the benefit of multiple stakeholders. One such example is the United Nations Economic Commission for Europe (UNECE) Trade Facilitation White Paper on Real-time Smart Container Data for Supply Chain Excellence, which provides a detailed look into the various benefits of using smart containers as well as the various potential industry use cases for this technology.

The explosion of digital technologies and new entrants to the maritime sector has led to the emergence of global incubators and clusters designed to find ways to connect companies and interpret how to best work with these new arrivals. Some organisations undertaking this challenge are Denmark's Rainmaking, the Netherlands' PortXL, Singapore's Pier71 and StartUp Wharf, located in London.

### NEED FOR STANDARDISATION

But sharing technology and data and improving interfaces between transport nodes is only one part of the story: true interoperability can only be achieved when systems and approaches are standardised. A number of bodies have recently emerged to address these challenges. The International Port Community Systems Association (since 2011), the Digital Container Shipping Association (DCSA, 2019) and the Smart Maritime Network (2019) are all tasked with bringing their members together to further support discussion and dialogue around industry digitalisation, trade facilitation and the necessary standards to achieve this. These bodies are also looking at ways to work together and engage with other associations, authorities and government bodies to ensure there is harmonisation within these standards. They also take inspiration from outside the maritime sector by having ongoing conversations and sharing findings with relevant external organisations, such as IATA (International Air Transport Association).

Advancing digitalisation has changed the way business is conducted across all sectors and shipping is no different. Customers now demand greater transparency, faster turnaround, cost reductions, streamlined processes and, above all, better user value. It has become increasingly necessary to improve both the offerings themselves and the way companies interface with these very customers. This is also where collaboration between users and suppliers can make a real difference. Smart Maritime Network's own Council has recently agreed to adopt the ISO 19848 data standard for shipboard machinery and equipment following a unanimous vote. The standard provides a common 'data dictionary' and naming rule convention that can be used by different



Credit: PortXL

Start-up accelerators, such as PortXL (pictured), connect shipping companies with innovators

organisations to create a harmonised framework for maritime data and applications, allowing different systems to more easily share shipboard data without the need for additional customisation. Meanwhile, DCSA has introduced a number of standards that their own members have agreed upon and which they are providing as open source.

### VALUE OF PARTNERSHIPS

The last few months have taken their toll on the shipping industry and have exposed weaknesses in global supply chains, with most companies unlikely to have factored a global pandemic into their planning. The inevitable global recession now underway will create ever increasing challenges for an already beleaguered sector.

Some parts of our industry have been hit harder than others. Cruise, for example, has been exposed to both the impact of travel restrictions and to health implications for their core clientele, meaning they are likely to feel the shockwaves for a long time to come. But even here we see the value of partnerships, for example with Norwegian Cruise Line and Royal Caribbean Group announcing a collaboration to look at developing health and safety standards.

Out of chaos comes order and recent events have shone a spotlight on the importance of digital resilience and agility. This can best be achieved thorough innovation, collaboration and standardisation. As with the major shipping alliances that began in the 1990s, it is clear that today there is still great strength in working collectively as an industry to provide the most effective solutions. Interoperability and common goals are what will ultimately drive a seamless and robust end to end supply chain. For now, staying apart is critical to beating this virus, but coming together will be the foundation for future prosperity. **SN**

*Cathy Hodge is co-founder of Smart Maritime Network (SMN), a platform to promote the benefits of enhanced integration and data sharing among stakeholders within the maritime and transport logistics sectors. SMN also hosts the Smart Maritime Council, an industry membership group focused on increasing the compatibility, standardisation and harmonisation of the technology used in the modern shipping industry. For more information go to [www.smartmaritimenetwork.com](http://www.smartmaritimenetwork.com).*

**“Out of chaos comes order and recent events have shone a spotlight on the importance of digital resilience and agility”**



# Extending the hand of support to leaders

Punit Oza and Subhangshu Dutt discuss Singapore Branch's collaborations with Maritime Singapore



Punit Oza



Subhangshu Dutt

Just over 200 years ago, Sir Stamford Raffles stepped ashore in Singapore, sometimes called the little red dot, recognising the strategic location on the east-west shipping route. From a small trading post to serve the British settlements, Singapore has emerged as one of the largest and busiest ports in the world and a natural gateway to many major growth economies, especially in the Asia-Pacific region as well as the world's largest commodity consumers and producers.

**Topic: Government**  
**Key words: Support; strategy; co-operation**  
**Background info: Working with government can be win-win for shipping initiatives**

The development picked up pace after independence in 1965. The first Prime Minister, late Lee Kuan Yew recognised importance of the port and envisioned the strategy of not just a leading port but an International Maritime Centre.

Seaborne trade continues to expand, bringing benefits for consumers across the world through competitive freight costs. Thanks to the growing efficiency of shipping as a mode of transport and increased economic liberalisation, the prospects for the industry's further growth continue to be strong, especially in Singapore.

Singapore is not only a vibrant marketplace comprising international shipping groups, commodity traders, logistics players and maritime service providers. Currently, Maritime Singapore is home to over 5,000 establishments employing more than 170,000 people and contributing about 7% of Singapore's GDP.

The government had the foresight that this pace of development could not be sustained without having a talent pool locally to serve the industry. Maritime-related businesses, in partnership with the Maritime and Port Authority of Singapore (MPA), tertiary institutions and other organisations, have developed several initiatives to promote manpower knowledge, the 'software' of the shipping industry. From continuous development and training programmes to postgraduate studies, scholarships to sponsorships, attachment programmes to professorships, Singapore offers a wide choice of quality manpower development initiatives, many of which are funded or supported by the MPA.

Businesses can tap on the Maritime Cluster Fund (MCF) which supports or sponsors a variety of programmes to develop maritime expertise. In the early years, the focus was on developing the technical capabilities including seafaring, marine engineering and naval architects.

## FILLING A GAP

About a decade and half ago, we, at the Singapore Branch of the Institute, saw that a gap existed in education in commercial shipping. The Institute could play a role and bridge the gap, not only among the Singapore fraternity but also serving the other Asian centres, where the Institute did not have any branches or presence.

We had several rounds of meetings with MPA, introduced the Institute's syllabus, course content, exam process and after successfully going through the scrutinising process, the Institute's Professional Qualifying Examinations became eligible for the MCF subsidy. In addition, the Singapore Branch achieved the status of a recognised training provider for other courses, which we continue to deliver.

The development of Singapore as an International Maritime Centre (IMC) is centred on its vision to be the Global Maritime Hub for Connectivity, Innovation and Talent. The IMC 2030 Strategic Review, a document prepared by an apex government body, recognised the Institute's contribution and names it as one of the education providers to lead Singapore to reach its goal of becoming the Global Maritime Hub for Connectivity, Innovation and Talent.

The primary conduit for supporting talent development is the afore-mentioned MCF. Introduced by the MPA, the MCF facilitates the growth of Singapore's maritime cluster by supporting the industry's manpower and business development efforts as well as its drive for productivity improvements. There are three key components under MCF, which assist maritime businesses in Singapore. The MCF-Manpower Development covers manpower and training aspects, MCF-Business Development supports setting up expenses, expansion expenses as well as internationalisation efforts and finally MCF-Productivity supports initiatives that will lead to productivity gains.



The Singapore Branch presents the MPA's Tan Beng Tee with honorary fellowship



The MPA has actively participated in Branch events, including sponsoring prizegiving

The Institute has tapped the MCF-Manpower Development and continues to work with industry to market the PQE. Using the MCF subsidies, Singapore citizens and permanent residents are eligible for subsidies to cover the cost of the books and classroom training.

### TRAINING OPTIONS

As a branch, we are also actively working on providing customised training to organisations. Courses are curated to the company's specific requirements and the course content is developed in discussion with the company. Courses can be conducted at the company's premises and can be staggered over a few days or weeks to suit the workload of the participants. The company often shares internal contractual and operational documents such as charterparties, statement of facts, operational message logs etc, which are, of course, treated with complete confidentiality.

The Singapore government has also been very keen to build and foster a culture of Lifelong Learning among Singaporeans. To this end, SKILLSfutureSG has been launched, which is a national movement to provide Singaporeans with the opportunities to develop their fullest potential throughout life, regardless of their starting points. Each Singaporean is provided Singapore\$500 which he or she can use to learn new skills or upgrade the current ones from recognised training providers. Building on this theme, several Work-Study Programs (WSP) have been launched across various industries.

Helmed mostly by leading Singaporean educational institutes, these WSPs help young graduates get both practical experience as well as academic qualifications. Both the individuals and the companies that train them get monetary rewards for their efforts and support. Some of WSPs for the maritime industry deal with aspects of port operations, deck and engine sides.

The MPA and SKILLSfutureSG worked together with the Singapore Branch to create the first WSP on ship owning, operating and broking. This is the first instance of a professional body, rather than an educational institution, managing a WSP and that is an honour for the Singapore Branch.

The Branch links up interested applicants, who have completed their diploma in accredited courses (equivalent to A-level in UK), with interested companies. The Branch also manages all the financial disbursements for the scheme and approves an On-the-Job-Training (OJT) blueprint prepared by the company to mentor the individual. The applicant also enrolls into classroom training for PQE and over a period of 18 months, he or she supplements the OJT with the PQE and after passing the examinations, he or she holds both practical experience and recognised commercial shipping qualifications. For their role in the WSP, the applicant gets rewarded with S\$5,000 (slightly over US\$3,600) and the company gets compensated to the tune of S\$12,000 (slightly over US\$8,600).

This is truly a win-win scheme and a huge boost for the young graduates and companies alike, especially in these Covid-19 times. Most of these candidates will most likely get absorbed by the companies as permanent employees, after completing the 18-month placement.

### ONGOING SUPPORT

Seldom do we come across such a proactive government, who is committed to further the growth of its country as an International Maritime Centre and has backed up this commitment with both resources and initiatives. The Singapore branch has collaborated on the relevant initiatives and will continue to do so as the outcomes do not conflict with the Institute's own objective of maintaining the highest professional standards across the shipping industry. This partnership has also led to greater participation and communication for Singapore Branch members in other maritime initiatives and bodies in Singapore such as Singapore Shipping Association, Singapore Maritime Foundation, Singapore Chamber of Maritime Arbitration and the Maritime and Port Authority itself – its assistant chief executive, Ms Tan Beng Tee, is an honorary fellow of the Institute. We are sure that this mutually beneficial relationship will continue to blossom in future as well. [SN](#)

*Captain Subhangshu Dutt is chairman and Punit Oza is vice chairman of the Singapore Branch of the Institute.*

**“Seldom do we come across such a proactive government, who is committed to further the growth of its country as an International Maritime Centre and has backed up this commitment with both resources and initiatives”**





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# Critical investment in navigational safety

MENAS' [Peter Stanley](#) warns of the consequences of non-payment of navigational dues



**Peter Stanley**

**N**on-payment of navigational dues in the Middle East Gulf region by some shipowners is becoming so serious that it is starting to threaten safety itself.

Operating from its main base in Bahrain and a support base in Abu Dhabi, MENAS owns and maintains an extensive network of 58 buoys and DGPS transmitters, mostly located in remote areas more than 12 nautical miles from the shore, and generally in hazardous areas such as narrow waterways leading to main ports.

**Topic: Navigation**

**Keywords: Safety; aids; services**

**Background info: Ship operators need to recognise the importance of navigational aids and pay for their upkeep**

Most of these Aids to Navigation (AtoNs) are classified as Category 1 (Vital), according to International Association of Lighthouse Authorities (IALA) principles. These require the stations to be operational and available to mariners for 99.8% of the time over three years, with a maximum outage of only 17.5 hours per year.

MENAS is acknowledged as the Gulf region's leading innovator in the development, fabrication, supply and maintenance AtoNs.

MENAS has previously warned of the need to upgrade or replace navigational aids in the Gulf as they near the end of their life expectancy. The \$20,000 investment will involve fitting four new Automatic Identification Systems (AIS) transponders and satellite-based monitoring system, enabling the AtoNs to continue delivering quality navigational safety levels in the Gulf region.

MENAS will continue to provide services but sadly shipowners may not even know that these are provided by MENAS and some question the need to pay Nav Dues while transiting these highly important and congested waters.

Nav Dues are essential to ensure MENAS can continue to provide Aids to Navigation in the region while there is no alternative service provider or navigational system providing as accurate a service. All ships in the area share the benefit of these well-maintained navigational aids.

MENAS, which is part of the International Foundation for Aids to Navigation (IFAN) Group, provides a service of buoys fitted with AIS transponders to not only track the location of the

buoy but to monitor passing traffic conditions and carry out risk assessments. The fear is that without the necessary upgrade, the AtoNs could stop working and would cease to be visible to ships and mariners in the area.

It also provides essential information and advice such as the issuance of Notices to Mariners, advising on hazards to shipping and coordinating additions to navigation charts for the Gulf. Over 2,000 vessels rely upon MENAS equipment and services each month.

It is an associate member of the IALA which has agreed to partner MENAS in the provision of training port authority personnel to the regions starting in the third quarter of this year.

MENAS has to invest in Aids to Navigation to keep waterways safe for ships and seafarers. We must purchase an average of seven units every two years to replaced defected equipment. It's vital that we invest to upgrade our sites for the safety of navigation through the Gulf. [SN](#)

*Peter Stanley is CEO of The Middle East Navigation Aids Service (MENAS). For more information about MENAS' work go to [www.menas.org](http://www.menas.org).*

**"Sadly shipowners may not even know that these are provided by MENAS and some question the need to pay Nav Dues"**



Credit: MENAS

**MENAS provides essential navigational safety services in the Middle East Gulf**

# Rethinking resiliency for port operations

GHD's [Matt East](#) and [Keith Brown](#) explain why there's room for improvement in contingency planning



**Matt East**



**Keith Brown**

Now, more than ever, port operators need to account for isolated, disruptive events that have the potential to impact not only their operations but also their profitability, as supply chains across the world are affected.

World trade increasingly relies on longer, larger and more complex port facilities and systems, with maritime transportation a vital trade backbone. As such, when ports experience failures or disruption, it's big news.

**Topic: Ports**  
**Key words: Planning; recovery; growth**  
**Background info: Threats to supply chain reliability are increasing, stressing the need for better resilience planning**

For example, in June 2018, the rollout of a new terminal operating system at the Port of Felixstowe, one of the largest ports in the world and the busiest in the UK, caused significant disruption and decline in productivity issues that reportedly took more than a month to fix. Five years earlier, the NotPetya cyber-attack that hit Danish shipping giant Maersk cost the company more than \$200 million and led to a temporary shutdown of the largest cargo terminal in the Port of Los Angeles.

These are just two examples of the increasing risks and challenges facing ports around the world, and the pressure to prepare for, and respond promptly to, threats beyond 'business as usual' conditions is mounting.

The most common maritime risk management issues have traditionally been relatively consistent, if not predictable: natural disasters, mechanical failures and human error. Now, however, the incredible growth of international trade, the impact of climate change and the introduction of new technologies mean the threats are broader and constantly evolving.

The growing list of potential risks for ports includes: extreme weather events and climate change, economic disruption and market turbulence, system failures and disruptive technological advances, aging assets, strikes and similar action, civil emergencies, compliance failures, pandemic and terrorism threats, and supply chain failures.

At the same time, ports are facing increasing pressure to reform; if they haven't already done so, many ports will need to evolve rapidly from being traditional land and sea interfaces to providers of complete logistics networks.

Without effective risk management and business continuity procedures, the disruptions or shutdowns resulting from such events, and in turn the negative impacts these have, can potentially cause significant short and long-term financial and reputational damage to the broader business. The outcome could also expose the Board and management team to legal action and possible prosecution.

## PLAN, DO, CHECK, ACT

How can ports achieve effective contingency planning and resilience? The simple 'plan, do, check, act' approach to contingency planning is a universal concept that has been successfully applied around the globe but, like any system, it has to be managed and maintained.

The first step to developing an effective contingency plan is to assess the existing business operations to identify the inputs, decision points, processes, information and connections that produce the outputs and outcomes. In many cases, system weaknesses stem from gaps or discontinuities within these areas. Another common problem is having a hierarchy structure in place that does not operate effectively during disruption – for instance, one that doesn't allow for rapid decisions to be made in order to achieve an effective outcome.

Importantly, the contingency plan should aim to identify a process that can be followed to manage a return to normal operations, rather than identifying individual mitigations to known operational risks.

This process should include the identification of:

- Who has been delegated what authority
- The criticality ranking of each business operation so that priorities can be established
- The stakeholders who need to be contacted
- The responsibilities of individual departments across the business

The system must incorporate a testing and monitoring process that can identify the effectiveness of the continuity strategy, which may include a mock run-through of an emergency event. A mock test is particularly important, given that some of the scenarios being planned for may only occur once within our lifetime. However, we must be confident that the intended response will be effective and achieve the goals.

In many examples, it is more beneficial to take preventative steps to avoid loss of business operations than to take corrective steps following failure. It will depend on the nature of the failures and the extent of the impact, with a balance between the ongoing cost of prevention and what might be the one-off cost of recovery.

Having a well-defined strategy in place will enable the business to proactively respond to a disruptive event. The strategy will also provide confidence to clients and the local community the business serves that there is a co-ordinated and tested approach, which will minimise the length of the disruption and its impact during and after an unforeseen event. [SN](#)

*Matt East is senior advisor, logistics and infrastructure policy for the UK, Europe & Middle East and Keith Brown is executive advisor – asset management at GHD, one of the world's leading professional services companies operating in the global markets of water, energy and resources, environment, property and buildings, and transportation.*

# A sustainable solution for maritime finance

Could 'fractional' ship ownership be the sustainable saviour of ship financing, asks [John P Hadjipateras](#)



**John P  
Hadjipateras**

There has never been a better time to offer a sustainable finance opportunity for the maritime industry. In recent years, the sector has seen a dramatic reduction in the number of banks offering traditional ship finance prompting a real need for a new financing approach. With Infinity Maritime we believe we have come up with the solution.

● **Topic: Finance**

**I** **Key words: Ownership; sustainability; investment**

**Background info: A new approach to ship financing could revitalise investment in assets**

While the world has been focussed on the devastating impact of the COVID 19 pandemic and its long-term effects on almost every aspect of our lives, Infinity Maritime has been and is continuing to develop an exciting and innovative solution to the growing problem around ship finance. Aimed primarily at ship owners, institutional investors and family offices – private wealth management advisory firms that serve ultra-high net worth investors – seeking more liquid shipping exposure, the offering is also of interest to traditional financial institutions looking to refinance their existing debt exposure to this asset class.

Infinity Maritime's team is made up of investment specialists, legal and marketing experts and shipping executives with 30-plus years of experience and established business relationships.

We are the first platform to provide alternative maritime finance through digitisation, enabling fractional ownership of vessels such as dry bulk carriers, tankers and container ships. Negotiations are ongoing with potential investors to raise an initial amount of up to \$300 million to purchase a number of modern dry bulk carriers, with a focus on sustainability, which we have identified as the sector with the most promising return based on a near historic low entry point. These vessels will launch the inaugural portfolio.

We have created the 'Meta Unit' which will digitally represent a fractional ownership share in a portfolio of ships that forms part of the Infinity platform. Eventually, the Meta Unit will evolve and have the flexibility to allow investors to diversify their holdings across different categories of ships, as well as other elements of the shipping ecosystem, including derivative products for trading on specific routes, freight rates and vessel values. Ultimately, Meta Units will be open for secondary trading on Infinity's regulated digital asset exchange.

The platform will focus on creating a sustainable fleet via the purchase of modern second-hand vessels (maximum five years old), which would then be upgraded to achieve the highest sustainability rating in line with the Poseidon Principles. In using younger vessels there will be higher utilisation rates and more efficient fuel consumption.



**A new way to invest in shipping**

## RELATIONSHIP BUILDING

A key element within the Infinity ecosystem is the relationships being built between the platform and ship brokers with a view to creating strategic partnerships which will strengthen the industry. This will provide opportunities to develop strong collaborations with first class charterers as well as access to a variety of maritime experts looking for an opportunity to take a stake in the physical asset, where it has not been previously possible. Connecting investors with owners, charterers, financiers, FFA markets and analysts, brings both experience, knowledge and liquidity into the ecosystem. Brokers' research departments and data analysis provide up-to-date market appraisals and forecasts, assisting with decision-making and enhancing the value of Meta Units.

Experienced and reputable commercial and technical management will be appointed to operate the vessels. Ship revenues will be fixed with first-class charterers, on both a spot and period basis, depending on the prevailing market conditions. Any surplus from trading will be returned to investors on a regular basis. Assets will be sold within the Meta Unit cycle and proceeds returned to investors. The forecast IRR is 9.8% net, though asset digitisation will provide enhanced returns with a projected IRR of 11.7%.

We believe a sustainable focus is now an imperative for the sector to thrive. Family offices have over 40% of their portfolios in alternative asset classes and this, coupled with their continued search for yield in a low interest environment and their desire to diversify their portfolios, further means this is a great time to launch. It offers them direct exposure to the shipping market without needing the technical knowledge, and for those that are invested in the sector, enables them to refinance their existing debt exposure.

As we enter a new digitised era, we are proud to offer a sustainable solution for maritime finance. [SN](#)

*John P Hadjipateras is a director at John C Hadjipateras & Sons, a member of the Institute and co-founder at Infinity Maritime.*



# In praise of all things bright and digital

Matt Gilbert introduces the Institute's fast-tracked digital learning platform



Matt Gilbert

I was tasked to write something about digital transformation within the overall theme of survival for this edition of Shipping Network. So, bingo cards at the ready readers: industry 4.0; disrupter; automation; AI; blockchain; paradigm shift; new normal – eyes down for a full house!



**Topic: Learning**



**Key words: Digital; education; accessibility**

**Background info: The Institute's new online academy complements the other learning tools available to students**

Actually these buzzwords do merit serious enquiry and discussion, and I will defer to the genuine experts to enlighten you. Writing elsewhere in this edition, Ade McCormack, who was a keynote speaker at the Institute's Maritime Leadership conference at IMO last year, contextualises the digital age as our homo sapiens species re-asserting its essential hunter-gatherer instincts over the drudgery of the factory-type work systems established since the industrial revolution. It's an optimistic vision with humanity at its core and, through his Disruption Readiness Institute, is accompanied by practical guides and courses to help prepare organisations and individuals for survival in this age of change – rapid, radical, vari-speed and/or iterative, depending on your point of view. Survival in the digital age is an act of pragmatism – as it turns out it is not rocket science, though Ade himself just happens to be an astrophysicist by training.

As I write the crucible that is Covid-19 is said to be turbo-charging such change, threatening millions of jobs worldwide, requiring millions more to retrain and rethink careers, and consigning many familiar brands to the corporate history books. As Lenin once said: "There are decades where nothing happens; and there are weeks where decades happen." And where once we could engage with concepts of digitalisation in the abstract, believing patience (or plain inaction) would in due course deliver up the step-by-step solutions to follow from others in the herd who knew what they were doing, we are now faced with an acute peril that has united many disruptive forces at once, compelling us at least to evaluate our own survival fitness.

## ONLINE SUPPORT

The pretext for this piece is the shiny new and very brilliant (though nascent) Institute Online Academy (<https://icsonline.academy>), whose launch was itself rapidly accelerated in the

early arc of the Coronavirus lockdown. Access was provided free of charge initially to support the Institute's global student base whose classes, revision events and study support had been severely disrupted, in addition to exams being postponed until July for many. Thanks are due to the team at Head Office for configuring the platform and content, getting everyone trained and the site launched smoothly at break-neck speed. Gratitude should also be recorded for our fantastic online faculty of volunteer members and fellows drawn from the Institute's pool of examiners, assessors, tutors and leading global sector experts. The system was able to deliver valuable support to nearly 800 students before the July exams. It has huge potential to transform the experience of Institute students and engage companies and individuals far beyond our usual borders – you will have to get used to me unashamedly beating this drum for the foreseeable future.

So, what is it? The Institute Online Academy is a learning management system based on Moodle technology and deployed with the support of a specialist partner for hosting and technical support. Moodle is an open source platform used by thousands of institutions worldwide and over 200 million learners. After evaluating a number of systems, it was selected as a safe and cost effective choice – where the costs relate directly to services provided and not licences for proprietary intellectual property, such is the nature of community-based open source approaches. The Institute can count itself lucky to have been a long way ahead with negotiations so that when lockdown hit we were able to push the procurement trigger and sign contracts immediately just as the world decided it might be a good idea to move everything online.

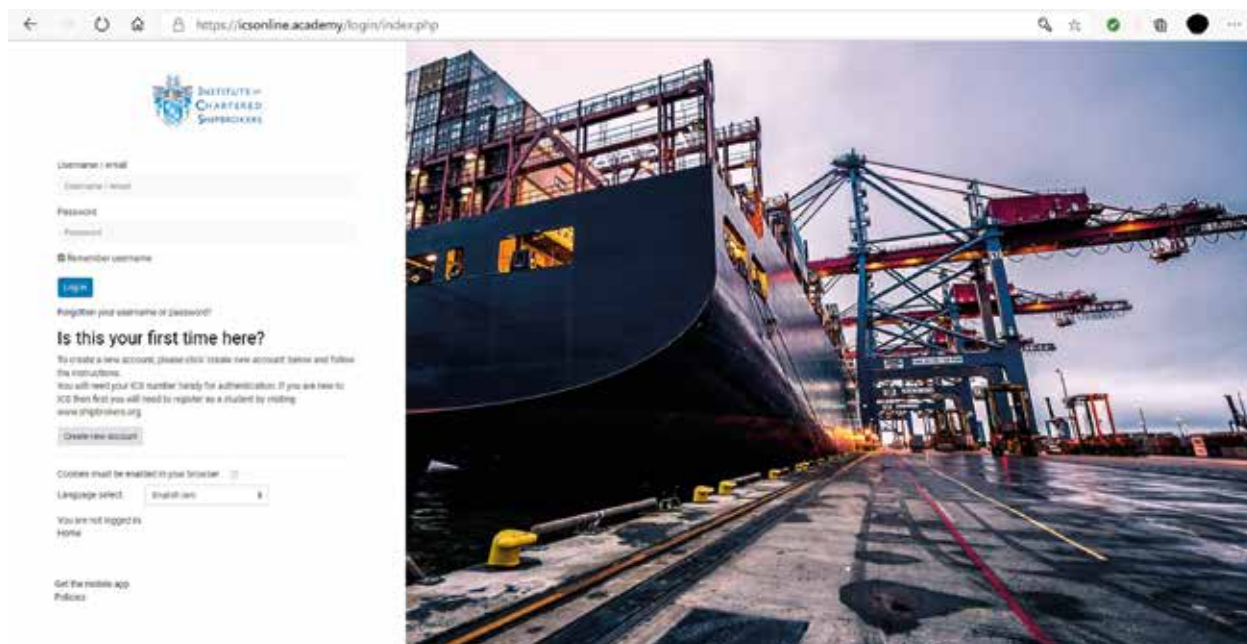
From humble beginnings in the early 2000s, Moodle has now gone through many version upgrades and offers a highly stable environment with rich functionality for deploying multi-format learning content flexibly to suit our needs. It will form a big part of the Institute's education offer and expanded commercial activities for years to come.

## IMPORTANCE OF OPEN STANDARDS

The development path of the e-learning industry itself is interesting too. It has evolved from its origins in the aviation industry in the early 1970s along similar community based principles and a key feature that enabled the industry to grow and thrive was the foundation of open standards of interoperability, standards which apply to platforms and to content and enable an innovative and competitive marketplace. 'Digital' itself may be considered an open standard or common language on a planetary scale, though sector-wide application needs collaboration.

When it comes to digitalisation the shipping industry could do worse than study co-operation in the e-learning industry if it is

**"Accessibility is one of the Institute's core values"**



to avoid the fragmented false-dawns we have seen so far and a continued 'tragedy of the anti-commons', where large companies and new start-ups are egged on by first-mover-advantage ideas and a 'winner-takes-all' philosophy propounded by top tier strategy houses. In spite of this, there are some encouraging signs within the liner sector with the founding of the Digital Container Shipping Association to provide a forum for such matters. Value chains, value propositions and values themselves are rather more nuanced in shipping than the hyper-productive global digital superpowers from which the strategists apply their models. It will remain ever thus until the day a theoretical physicist somewhere explains how you can download one million barrels of oil or a few hundred thousand tonnes of iron ore online.

## RENEWAL AND PURPOSE

Values are paramount to any organisation of quality as indeed they are to the Institute. Values only mean anything if they endure at times when they are uncomfortable to you. They come at a cost, otherwise they are just a bit of fluff placed on a corporate website to tick a CSR box. A company cannot insist that its core values include transparency and community engagement, then hide a pollution event for fear of reproach from its neighbours for example. An organisation's values function in much the same way as an individual's own moral compass guides their professional behaviours and makes or breaks their reputation. A professional body such as the Institute with its motto "our word our bond" extends the level playing field so all may benefit from a codified culture and are protected from errant practices and a race to the bottom. To maintain a viable business, how one delivers on those values by reinterpreting products and services, and adapting business models to remain relevant and sustainable is the critical question.

In my view, accessibility is one of the Institute's core values. It is the principle that geographic location, among other factors, should not be a barrier to undertaking studies and gaining qualifications with the world's professional body for commercial shipping.

It has been said that online learning may only be accessed by the majority at the exclusion of a significant minority; that students without hardware or connectivity will be shut out from the dividends of such resources. All of us at the Head Office and in

the key committees are aware of these challenges and the launch of the Institute Online Academy is offered as a contribution to improving access. Importantly, it adds to and does not replace any existing provision of more traditional resources. The online platform can improve access greatly where students do not have a branch or local teaching centre. In parts of the developing world where there is poor infrastructure and lower availability of hardware, connectivity and even reliable power sometimes, the Institute Online Academy may well improve the options available to students via the Moodle app where courses can be studied offline and synced in the background once reconnected to wi-fi. These are some of the challenges observed first-hand by the Education and Training Committee during its meetings and revision tutorials in Mombasa recently and are a subject of continuing debate. If digital should do anything it must level up; not entrench or even worsen inequalities.

The Institute, with its affordable points of entry and having avoided some of the expensive distractions of investing in bespoke hardware systems and content, may be well poised to take advantage of such developments. They don't tell you this in business schools but sometimes by waiting things out it does appear you can avoid a lot of pain and expense and simply leapfrog others when the opportunity comes, either by dint of strategic mastery or more likely through complacency, timidity and a good dose of luck.

Finally, as we started to exit lockdowns across the world, I was lucky enough to book a family holiday to Sicily for August. Later the same day I visited my father for the first time in over three months after shielding and a difficult isolation period for him. He recommended reading the classic novel *The Leopard* by Tomasi di Lampedusa set in Sicily to tune in with our holiday destination. Like all great works of art through time it has contemporary resonance. The novel's central theme 'everything needs to change, so everything can stay the same' deals with wealthy elites foreseeing the need to protect their privilege during turbulent times. This struck me as true across so many contexts. In order to survive we must continually adapt and renew; those that do not risk being swept aside. **SN**

Matt Gilbert is head of business and partnerships at the Institute. He can be contacted on [m.gilbert@ics.org.uk](mailto:m.gilbert@ics.org.uk).

# Dealing with 'severe cold-water shock'

The Mission to Seafarers' [Andrew Wright](#) likens Covid-19 responses to survival training courses



**Andrew Wright**

Seafarers are familiar with survival courses. I did one myself at the remarkable training centre of the UK's Royal National Lifeboat Institution. They have some incredible kit to aid their crew development, including a large ambient temperature pool with everything you need to conjure up weathers and conditions of all types. Waves and wind are no problem, even a mock helicopter.

**Topic: Welfare**

**Key words: Isolation; teamwork; support**

**Background info: Access to seafarers might have changed, but the very real need for advocacy and support has not**

Our final exercise involved abandonment from a burning ship, forcing us to jump from a significant height into the water. We then explored techniques for keeping warm in the freezing conditions, for accessing a life raft, and surviving within it. Darkness fell, storm raged, and clever machinery whipped up significant waves. It was quite an event.

What most stuck in my mind was the need for teamwork. Cold water shock can be devastating – and disaster can come quick. If you work together in such circumstances, creating a group huddle, you have a much better chance of staying alive. Accessing life rafts in tricky conditions demands mutual support. Successful survival in a crowded rescue craft can only be the result of the very best in collaboration.

The virus pandemic of recent months has certainly been a severe cold-water shock. It has put many of us into the survival business. Indeed, it sometimes feels as if the whole world is thrashing about in a storm of unexpected and enormous proportions. And it certainly does not feel as if many governments have been prepared with any kind of survival



Credit: The Mission to Seafarers

**The Mission has changed the way it supports seafarers during Covid-19**

training. What is more, as individual nations focus on their own needs, it often does not appear that lessons have been learnt about the benefits of any kind of group huddle. Such partnership failure can work against survival at all levels. There have been occasional glimpses of co-operation but a retreat from a commitment to mutuality seems to have been more in evidence, certainly at an international state level.

## COLLABORATION

At The Mission to Seafarers, however, we have contrastingly been witness to the very significant efforts by the shipping industry to work together. There has been ample evidence of excellent collaboration and it has been great to see such a high level of co-operation in problem solving. Shipping companies, unions, welfare agencies and many others have come together to fight for the recognition of seafarers as essential workers, to facilitate the transit arrangements that have caused so much uncertainty and hardship and to protect the essential well-being of seafarers, both at sea and in port, at a time of maximum stress for so many crew.

This has been partnership of a high order. Good practice has been shared and there have been significant breakthroughs. And yet, much is left to be done. Blockages, chiefly at the level of some governments, continue to frustrate. The contrast between the treatment of airline crews and seafarers has been powerfully and rightly made. As I write, perhaps over 200,000 seafarers are still working beyond their contract, in many cases long beyond. Similar numbers have been unable to start work, with much potential for financial hardship. Many on cruise vessels have lost their jobs or are awaiting repatriation in difficult circumstances. For many crew, shore leave is cancelled. Even where it is allowed the usual access to local facilities or even seafarer centres is



Credit: The Mission to Seafarers

**The Mission has launched its digital 'Chat to a Chaplain' service during Covid-19**



severely limited. This latter is a particular problem if wi-fi is not available on ship or accessible in port.

The argument has been made that those working beyond their contracts are in a relatively safe environment and are being paid – life surely cannot be so bad. There is a measure of validity in this. However, it is easy to forget the debilitating nature of uncertainty, of losing control over one's own destiny, of worrying about family and of sheer exhaustion. Stresses can be acute and can undermine both personal well-being and the ability to operate ships safely. Our own conversations with seafarers, and indeed the results of our latest Happiness Index survey, underline all this.

Reported suicides, especially in the cruise sector, have been tragic and very graphic illustrations of some of those stress levels. Yes, there will often be non-Covid underlying factors to acute and dangerous levels of mental stress. However, when sudden and unexpected additional crisis arises, that can easily be the thing that finally pushes you over the edge. For all these reasons, many seafarers have in effect had to move into what can properly be called "survival" mode. Surely such survival is as much about mental well-being as it is about physical safety.

### SEAFARER HELP

At the Mission we have been focused on core elements of "survival". Our overriding priority has been to enable our seafarer focused services to survive and thrive. The need for our support has been very apparent but the delivery has been challenging indeed. However, we have been able to maintain a significant element of our port operations. With seafarer centres mainly and necessarily closed, our port work has focused on 'distanced' visitation at the gangway and on the delivery of personal supplies (including medical necessities) which are such a lifeline to seafarers. When we have been called upon we have also responded to incidents – often following the receipt of special permissions from port authorities.

We have ensured a major step forward in our ability to deliver work digitally – through the expansion of existing social media networks and through the launch of the "Chat to a Chaplain" service, created by The Mission to Seafarers but shared with our partners through the International Christian Maritime Association. This 24-hour service has proved very successful as an important additional vehicle in serving seafarers and we plan to continue it into the post pandemic future.

Our Family Support Networks have been in high demand by worried families and we have been called on to respond to a range of wider concerns – including the many Indian seafarers in the UK for training but trapped by lockdown, often with no resource for food and accommodation. All this alongside our ongoing advocacy work. It has been an exhausting but exciting time and I believe we have played a significant role alongside many others in helping seafarers and families survive.

Credit: The Mission to Seafarers



The Mission has changed the way it supports seafarers during Covid-19

### WORST OF TIMES

I return to my survival course. Helping seafarers survive demands the best in partnership and teamwork. That is true at the best of times. This is the worst of times. One of the great industry learnings from this pandemic is how important it is to prepare seafarers to cope through unexpected crisis. How do we prepare them to safeguard their own mental well-being? And, very importantly, how do we prepare seafarers to look after each other? What signs do you need to recognise, for example, if someone is feeling suicidal? What can you do to help? Out at sea, and especially when shore leave is in short supply, crew need to be well prepared to look after each other. Often there is no-one else. Much work on this issue of resilience was ongoing before the pandemic. That work has been accelerated during these last weeks. Through our face to face work, our digital services and our WeCare training we are pleased to be able to play some part in that. However, no one can do this alone. This needs to be a "group huddle".

I salute so many within the industry who have been taking active steps to support resilience programmes and come up with new ways of support and training. I have also noted that there is much exploration of upgraded employee assistance programmes. Working together we can do so much more when it comes to supporting seafarer survival in its widest sense.

Seafarers have been a little more visible over these last weeks, even to those who have become sea blind. These heroic men and women have sustained our vital supply lines at a moment of acute global crisis. Now is the time to redouble our efforts to co-operate on supporting every avenue that promotes their well-being – and that of their families. There can be no better way of acknowledgement and thanks. **SN**

*The Rev Canon Andrew Wright is the secretary general for The Mission to Seafarers. Find out more about the Mission's work at: [www.missiontoseafarers.org](http://www.missiontoseafarers.org).*

**"As I write, perhaps over 200,000 seafarers are still working beyond their contract, in many cases long beyond"**



# Facilitating ubiquitous leadership

Ade McCormack believes this new era requires a new type of leader



Ade McCormack

Leadership needs a reset. Industrial era leadership is rooted in the factory model. The primary goal of the leader back then was to build a machine that converted material into money and to then refine it continually to maximise profit. Humans were part of that machine, acting as compliant technology placeholders until the technology had matured sufficiently to replace them. This model of business required a high degree of certainty and so society was in effect tuned to synthesis certainty. Thus one could invest money in building a factory with a high degree of confidence that there would be a sufficient demand to justify the investment. Car factories were built knowing that there would be an ongoing need for cars. Industrial age society was underpinned by this synthetic certainty.

It is worth pointing out that mankind's existence from the day we descended from the trees and waved goodbye to our chimpanzee family up until the industrial era was characterised by a high degree of uncertainty and thus our lives were precarious. The industrial era seemed to largely tame nature and again this allowed us to build factories and even have careers, rather than just jobs.

However we now appear to be returning to uncertainty. Technology evolution has a significant role to play, as does globalisation. As we are witnessing with Covid-19, nature is a contributing factor in what might be described as the emerging era of hyper-uncertainty.

This emerging complex and chaotic environment requires a new type of leader. Today, it is less about developing a multi-year vision and then ushering the organisation along the associated path. It is much more like a fighter pilot dog fight. Dealing with the current situation is the primary focus. Situational awareness trumps strategy in this era of hyper-uncertainty.

## CHANGING GOALS

While process is important, it is not the be all and end all of business. Competitive advantage once lasted years or even decades. Today such advantage is transient and so the organisation needs to be continuously reinventing itself. Thus today's leaders need to operate something that looks less like a factory and more like a research laboratory. This will be a challenge for old school leaders who saw failure as factory waste, rather than the price of

innovation. This shift in emphasis requires leaders who can develop a culture that harnesses the cognitive capacity of its people and celebrates curiosity and courage, rather than just financial success.

To create a culture of innovation requires a leader who sees their people not as mindless cogs in the factory machine, but as cognitive athletes whose brain power propels the organisation forward. With this in mind, they look to create environments that are less like a soulless factory and more like

a gymnasium where people are working hard, but at the same time having fun, while knowing they are developing themselves personally. Such a cognitive gymnasium requires today's leaders to be less of a task master and more of a coach.

The coach-athlete relationship requires a high degree of trust and so this must be job number one for today's leaders. To help their people maximise their creativity, the leader must remove all obstacles that needlessly expends cognitive capacity. Such obstacles include, micromanagement, obstructive IT systems and poor workplace design.

My work with both public and private sector leaders has made it clear to me that today's leaders need to be resilient, innovative and trustworthy. But more importantly leadership is part and parcel of everybody's role in the organisation. Ubiquitous leadership trumps centralised leadership. **SN**

*Ade McCormack is a thought leader focused on helping organisations and societies thrive in these increasingly uncertain times. He is a former technologist and Financial Times columnist. To help people adapt to Covid-19 and uncertainty in general, Ade has made some of his online courses available for free. They can be found at [www.dri.guide](http://www.dri.guide). If you are interested in reading more about Ade perspectives, visit his blog at [www.ademccormack.com](http://www.ademccormack.com)*

**Covid-19 has underlined the real need for leaders in the maritime industry. Here, two leadership experts explain why we need to reinvent the way in which we all work and in which companies operate to allow us to break free from an outdated model of leadership.**

# The importance of stepping back

Thomas Hoyland asks if you have ever considered your 'rest ethic'



Thomas  
Hoyland

There is a lot of discussion about the sort of skills leaders will need, but one common thread is a capacity to deal with a volatile, uncertain, complex and often ambiguous environment. What will the world be like in the future? What sort of leaders will help us navigate the unknown?

A strong work ethic will be critical, but I argue a strong rest ethic will be no less important for personal and organisational resilience.

We wear our work ethic as a badge of honour and will regularly describe both the intensity and length of hours we put in, being busy is a sign of success. What is your work ethic? We speak far less of our rest ethic, indeed speaking of

doing nothing for an hour, is seen as an hour wasted. I doubt many could clearly articulate their rest ethic. With its origin in the industrial revolution, work ethic has become so engrained in society that to be busy is to be good while the opposite is seen as slovenly, lazy, or a loafer.

We are bombarded by signals, reminders, messages and more 24/7 at work and at home. According to the most recent statistics people report that they feel they are working more than

ever, so hard we are not even taking all our holidays. We rarely step back and allow our brains to process all the signals we receive and consequently miss so much. The danger of this is that we revert to simple, habituated patterns of behaviour, seek out and use the most easily accessible information, take a less than critical approach to our decision making.

## REST MORE

Scientific evidence is growing that rest is critical to decision making, overall performance, better relationships, job satisfaction, reduced unethical behaviour, lower levels of stress, absenteeism and a host of other measures of individual, team and organisational outcomes. The cognitively demanding jobs many of us engage in demand that our brain has time to rest, to think and to reflect. The leaders of the future will be ones who stand back, observe, listen and most of all rest.

Reflect for a moment, can you think of a time when the solution to that problem suddenly appeared when you least expected it, your eureka moment? By stepping away from the multitude of stimuli, even for just ten minutes, our brains can calm down and begin to make sense of all the inputs, it is no longer in threat mode.

When in work, make space in your busy diary for time to think. Take your lunch break, when ending one task pause before starting the next and observe the environment around you, change your environment momentarily and go for a walk. I would argue in favour of a siesta, but I am yet to meet a senior manager who will buy into that!

My suggestions are grounded in solid science. We perform better and can lead more effectively when we are rested.

I research work and how to make the workplace a better and more productive place to be, but to compartmentalise our time in to "work" and "non-work" is naive. My biggest concern, particularly for emerging or younger leaders is how we rest outside of work as this can have a direct impact on work behaviours. There is a growing body of evidence to suggest people "confetti" their time and do not rest properly. They remain in a heightened state, unaware of underlying anxieties and tensions. Time confetti is when we split time into many small pieces that cumulatively do not have the restorative power to recharge our batteries. Take time to breathe and relax properly, change your environment and embrace periods of idleness as prior to the industrial revolution idleness was a sign of success. [SN](#)

*Dr Thomas Hoyland is active in teaching, research and consultancy. He is the programme leader for the innovative integrated MBus Management and teaches on a range of topics including leadership and professional development. Currently he is exploring barriers to youth leadership development and the role socio-economic status plays in the development of work-related identities. Thomas's research focuses on leadership, individual difference psychology, and organisational contexts. [T.Hoyland@hull.ac.uk](mailto:T.Hoyland@hull.ac.uk).*



How we rest outside of work can have a direct impact on work behaviours



# Understanding Shipping ready for roll-out

Eleonora Modde launches the Institute's revised entry-level qualification



Eleonora  
Modde

The roll-out of the Institute's entry-level qualification, Understanding Shipping, has started in a newly designed formula, aiming to provide students with a state-of-the-art learning experience.

The Understanding Shipping course was originally developed by some Institute branches in co-operation with local national governments to strengthen a vital part of their country economies and to provide school leavers and young people with a powerful development tool as a stepping stone to a rewarding career.

The programme grew in slightly different directions in different countries, leading the Institute's Education and Training Committee to champion the expansion of the syllabus, learning materials and assessment system, so that the programme could be offered to the highest standards and in a consistent fashion across the whole Institute.

The programme, in its new redesigned format, has already been launched in Cyprus, South Africa, and Greece and the Institute's West Africa and North East of England branches are also looking to welcome their first cohort in the last quarter of 2020.

Understanding Shipping is dedicated to new entrants to the industry, those already working in the sector who need to broaden their knowledge and understanding, those whose work interfaces with shipping and world trade and anyone interested in starting a career in the shipping industry where a comprehensive introduction and a respected qualification can help in gaining an entry-level position.

## Boosting shipping learning

Over 1,000 students have successfully completed the Understanding Shipping course in its traditional format over the last few years.

Key benefits include:

- Certified: gain a recognised qualification from the global professional body for the commercial shipping industry
- Study at your own pace around existing commitments
- Available wherever you are located
- 100% online course assessment
- Up-to-date and easy-to-follow course materials developed by shipping experts

Each module of the programme contains step-by-step study material with maps, photographs, diagrams and illustrations, providing the building blocks to progress your knowledge, and an online assessment to test your knowledge and pass the module before proceeding to the next topic. [SN](#)

After a few years of cross-branch work to redesign the Institute's education programme for new entrants and to meet the modern requirements of both shipping practice and education delivery, the revised format was finalised. The book supporting the course has also been revised and can be provided to students in electronic format.

Another significant improvement is the new online assessment system that supports learning with tests available after each learning module. This allows students to easily monitor their learning progress. Furthermore, students have access to essay-type questions that get reviewed and marked by a personal tutor.

## CYPRUS FIRST

The Institute's Cyprus Branch was the first to welcome students to the relaunched Understanding Shipping programme. Costas Silitziotis, fellow and education officer of the Cyprus Branch, says: "All in all a great development for the Institute; an education offering dedicated to new generations of shipping professionals."

The Greece Branch has also completed its first programme and is heading for its second course in November. The Branch has reported that it is "enthusiastic to deliver the new Understanding Shipping course which has been so carefully redesigned to adjust to the needs of the commercial shipping industry".

It adds that the programme is "an excellent start for those with little or no exposure to the maritime business and for those who wish to continue their studies for the Institute's Professional Qualifying Examinations". The first cohort of Greek students attended the course in April and May 2020 and received a comprehensive and wide understanding of the shipping world.

Students who cannot access the course in their local branch - either because their branch is not running the course, or because they do not have a local branch or teaching centre to turn to - will be supported by Head Office. Delivery of this international online product will rely on the use of the new Institute's Learning Management System and additional learning contents available online.

In this initial phase of the project, Head Office has designed and is testing new processes to help branches to be able to smoothly roll-out the programme. Head Office has developed a road map with all the necessary steps and will co-ordinate work with branch staff in all phases, from course launch to its completion and assessment. [SN](#)

*If your branch would like to know more about this new programme please get in touch: [education@ics.org.uk](mailto:education@ics.org.uk). Eleonora Modde is business and partnerships, programme manager at the Institute. Eleonora can be contacted on [e.modde@ics.org.uk](mailto:e.modde@ics.org.uk).*



# Setting and sitting exams in a pandemic

Robert Hill explains how the Institute managed to run exam sessions during the Covid-19 pandemic



Robert Hill

The Institute of Shipbrokers (as it was known then) received its certificate of incorporation from the UK government's Board of Trade in 1913 and at the time Thomas Devitt described the formal objectives of the Institute. These included: "To provide for the better definition and protection of the profession or business of shipbroker by a system of examination, and the issue of certificates of the results of the examinations."

This objective has remained valid throughout the Institute's history and continues to be just as important now as it was back then. The Institute has conducted examinations through world wars, political conflicts and great depressions. Now we can add the Covid-19 pandemic to the list of challenges overcome by the Institute.

The head office team kept in close contact with the exam centres to obtain updates and advice on the pandemic around the world. The health and safety of students and invigilators was the priority for the Institute and examinations were only held where it was safe and appropriate to do so and they could be held in accordance with local restrictions and government guidance.

Most examinations planned to be held in May were postponed except in four centres: Doha, Novorossiysk, Gothenburg and Odessa. The attendance rate was extremely good, with 40 students sitting 57 papers with only three absences.

The majority of centres opted to run their exams in a postponed session July 6-16. Nearly 60 examination centres safely held postponed examinations in July.

## SAFETY FIRST

In Singapore, on the day of the exam and prior entering the exam room, students were requested to scan a "Safe Entry QR code" to register their information in a government system and have their temperature checked.

Inside the exam room, the seating arrangement was planned to comply with safe distancing measures (minimum two meters between each seat). Between exams, each table and chair was sanitised carefully to ensure a safe environment for the next student. Water dispensers were removed, and students had to bring their own drinking water.

Students had to wear masks throughout the exams and the invigilator had to be extra vigilant that nobody was impersonating anybody else. Mingling of students was not permitted in the exam centre lobby as students had to leave the centre immediately after the exam.

Unfortunately in some centres it was still not safe to hold examinations in July and these have now been moved to the 2020-21 academic year. Some of the centres/branches that asked to postpone examinations to November 2020 were Australia/New Zealand, Middlesbrough, Mombasa, Mumbai and our exam centre in Male (run by our newest recognised partner).

Students unable to take their exams for Covid-19 related reasons were able to apply for Compassionate Consideration. If approved, they were able to defer to the next academic year both examination and registration fees.

Overall for the May 2020 examination session (including May 2020 and July 2020) we had a total of 1,100 students enrolled to take about 2,200 exam papers.

A special thank you goes to all the invigilators, examiners, assessors and all involved in holding the exams as without their dedication and flexibility we could not have held the exams. The feedback the Institute received said that the students were grateful for the opportunity to sit examinations and were satisfied with the safety arrangements in place. [SN](#)

Robert Hill is head of membership and education at the Institute and can be contacted on [r.hill@ics.org.uk](mailto:r.hill@ics.org.uk).



# A hard act to follow

Chairman [Susan Oatway](#) reflects on the tenure of the outgoing director Julie Lithgow



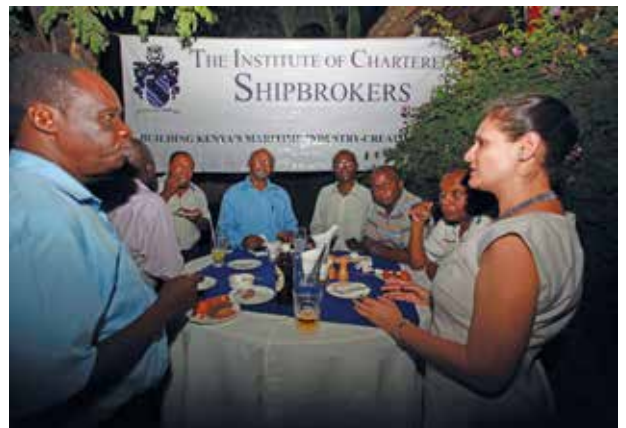
Susan Oatway

Our Director, Julie Lithgow OBE, leaves the Institute in September, and as Robert Woods CBE, one of our former presidents succinctly says: "We will miss her."

When our Editor asked me to put this article together, I realised that, as is often the case at the Institute, I needed the counsel of those that had gone before me. Although I have worked with Julie for the last couple of years, I asked our past presidents and chairmen for their collective thoughts and memories, including Tony Dixon FICS, Michael Taliotis FICS, Bruce Ogilvy FICS, Alan Marsh MBE and Robert Woods CBE. It quickly became apparent from their responses that there is a huge amount of respect and admiration for Julie from those who have worked closely with her. I cannot claim all the words below for myself, but I do agree with all of the sentiment.

Julie joined the Institute at a time when we were rudderless, as her predecessor had sadly died unexpectedly late in 2010. This proved a difficult situation to deal with primarily because we were reminded of the unique requirements of the role of director and the wide-ranging challenges it presents. That is still the case today and, at the time of writing, we are still without a replacement to fill Julie's shoes.

Back in 2010, Tony Dixon recalls one thing that quickly became apparent in the search for a new director: that you don't need a shipbroker to fulfil the role of the Institute director. In fact, at that time he suggested that there was a strong case that while wide-ranging knowledge and experience in the maritime world was essential, that of the role of broker is not. Along with his fellow senior officers of the day, Tony was determined not be rushed into finding the right person for this job. They were also of a mind that the successful candidate had to bring a new and dynamic function to the role in what was to be the last decade of the Institute's first hundred years.





In the event it took nearly nine months to arrive at what proved to be an outstanding choice. Out of some forty initial candidates it soon became apparent that in Julie the institute had found someone who could not only meet the challenges of the job by a considerable margin, but was also brimming with ambition and drive to bring much needed changes to both the role of director and the Institute itself. Professionalism, purpose and pride were among the key factors that Julie utilised during her nine-year tenure to revitalise the standing of the Institute in the global maritime world.

That enthusiasm and drive is mentioned by many of our former senior officers, including Alan Marsh who comments that she brought enthusiasm and modern thinking to a structure which many of us felt had become rather dull. Julie, he says, revitalised thinking and methods and in doing so obviously upset some along the way as she challenged many areas which needed changing.

But to the officers of the Institute this was badly needed, and she moved the Institute into a meaningful body with a high reputation.

### INSTITUTE FINANCES

On joining, Julie was fully aware of the substantial financial losses that the Institute had incurred over the previous two years. Her first task was to set a budget and embark on a strategic plan to turn things around. Richard Brooke-Hart recalls that when he was international chairman – from 2013 to 2015 – he was impressed with Julie's ambitious plans, and despite living and working six thousand miles apart (Richard was in South Africa), they kept in weekly contact and regularly met up. By 2015 the losses had been reduced considerably, but sadly had not been eliminated.

In the meantime, though, Julie brought in many new ideas including dramatically improving the TutorShip Course material and raising the profile of the Institute globally. A business plan had been drawn up, which had the potential to turn the finances around. It was frustrating that many of the ideas took longer than expected to put into place, but Julie had laid the groundwork and the future gave much cause for optimism. Richard further remarks that it is sad that she will not personally see all the ideas through to fruition, but she has left a legacy that all Members of the Institute may be proud of.

Bruce, a former president, also commented on Julie's total dedication to the further development and furtherance of the Institute. She never missed an opportunity to raise the profile of the Institute by making many contacts and presentations to senior personnel in governments from South Africa to Australia/New Zealand, Singapore to India to name but a few and to industry bodies such as the IMO and BIMCO. Bruce remarks that Julie will be a very hard act to follow.

## Milestones of Julie's directorship:

- \* Institute presented with the BIMCO Education and Training Award
- \* Signed a strategic agreement with China's Ministry of Transport and Shanghai International Shipping Center to expand the delivery of our professional education services in China.
- \* Developed a new course in the Philippines
- \* Continued the training programme with the Taiwan International Ports Corporation
- \* Joint projects with IMO, BIMCO, FONASBA, WISTA, Maritime UK and the International Group of P&I Clubs
- \* Development of a branch model
- \* 'Pathway to membership' Project
- \* 'Review of the Bye Laws' Project
- \* Upgrade of membership database by allowing members to post their skills and areas of expertise

### GREAT ACHIEVEMENTS

This theme of the sheer volume of work Julie has spearheaded was also picked up by Michael Taliotis, another past Chairman. He cited a long list of achievements that the Institute has been recognised for under Julie's leadership, from the 2015 BIMCO Education and Training Award – in recognition that "the Institute fulfils a unique role; providing global, professional shipping qualifications, holding all students to an equally high standard, but ensuring none is left behind" – to the strategic agreement signed with China's Ministry of Transport. He also cites the huge amount of work she did to help get the Institute's Pathway to Membership project and a major review of the byelaws almost to completion. Michael adds: "In my two years of chairmanship – 2015-2017, very tough times in shipping – where companies were reducing their education and training budgets we succeeded in having just a marginal decrease in student numbers and recorded an ever-growing number of members." Julie's Institute legacy is legendary among the senior officers, in spite of being with us less than 10 years.

All of the senior officers I asked for contributions also commented on Julie's ability to bring the best out of the office team and other Institute groups, in turn achieving significant improvements overall. Robert Woods comments that she was first class at handling people in a sometimes difficult organisation structure, was always good company and cheerful. For my part, all of this is combined with a large dose of common sense, clear thinking, plain speaking and a wicked sense of humour.

Sadly, we are having to say goodbye to Julie, and I know you, the membership, wish her well in the time ahead, as do the senior officers, past and present. Despite our current Covid-19 world there is no doubt that she will find a new challenging opportunity for her skills.

It's fitting that Tony, responsible for hiring Julie in 2011, leaves us with these parting words in recognition of Julie's tireless efforts: "Our loss is someone else's gain." **SN**

*Susan Oatway is current chair of the Institute.*

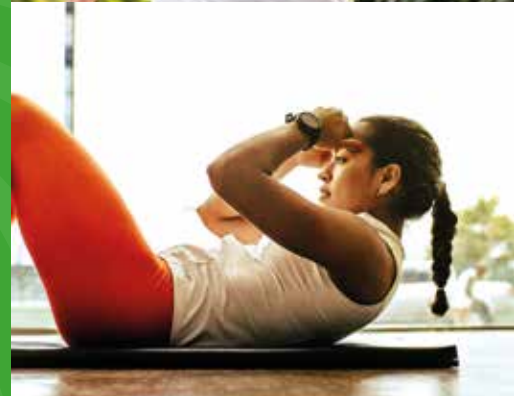
**"Professionalism, purpose and pride were among the key factors that Julie utilised during her nine-year tenure to revitalise the standing of the Institute in the global maritime world."**

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# Not where I thought it was!

ITIC's [Andrew Jamieson](#) warns of the risk of making geographical errors



**Andrew Jamieson**

Shipbrokers making a “geographical error” as to the location of a port is one of the reoccurring shipbroking negligence claims that ITIC deals with. The three claims in this article are typical of the human failings that make up much of a professional negligence insurer’s claims workload.

The first claim is a genuine example of an email reporting a broker’s error (with the names removed/alterd to spare the broker’s blushes).

“Hi ITIC,

Unfortunately, one of our brokers fixed a vessel on Friday with the wrong load port. It was with one of our main charterers. We had done a large number of fixtures with them loading in Huelva, but this one was due to load in Barcelona. However, our broker put Huelva again by mistake. The recap was sent out on Thursday evening and subs lifted on Friday morning before anyone noticed.

These are relatively regular owners and we have told them. Luckily, they are still able to fulfil the fixture but will incur additional costs.

Please call.”

A careless approach to what had become routine was an obvious factor in this claim. While the charterer failed to react to the recap and so may bear some responsibility this is not a conversation you want to have with one of your main charterers. Insurance can promptly pick up the financial consequences of this type of mistake but the damage to the principal’s opinion of their broker may take longer to repair. Inevitably claims can cost you clients.

The email to ITIC came from the shipbroking firm’s management. While reporting the error to their boss was undoubtedly unpleasant for the individual broker involved it can be important that steps are taken to resolve matters quickly as can be seen from the following example.

## CHECK THE RANGE

In the second case the broker had previously arranged a fixture between the same principals with discharging in North China. The discharge range had been designated as 1-2 port(s) Qingdao-Dongying. The fixture had proceeded smoothly.

The charterer had a further cargo which the broker was told was destined for Jinzhou. The broker contacted the owner and agreed terms on the basis of the previous fixture. The agreement was made in a hurry due to an approaching holiday. Unfortunately, the broker failed to check the intended port was in the previously agreed range.

When voyage orders were passed through to the owner, it pointed out that the port was outside the agreed range. Furthermore, the owner did not wish to agree because Jinzhou is a potential ice port and its vessel was not an ice class vessel.

Ultimately the owner agreed that they would go to Jinzhou for a modest increase in the freight rate and with the benefit of an additional clause to fully protect them if there was ice. The broker, with ITIC’s approval, agreed that they would indemnify the charterer. That agreement was fundamental to the solution.

Fortunately when the vessel arrived the port was ice free.

The previous claim involved a failure to check the location of the port when agreeing the charterparty terms. Claims often arise at the post-fixture stage.

The following is a classic ITIC claim. It happened some time ago but neatly shows what happens if you don’t check what the contract actually says.

The broker was asked by the charterers (who were his major client) if it was possible to load in Odessa. He instantly replied that it was possible to load in the Black Sea. He answered from memory and without checking the wording of the charterparty. The client committed to purchasing the cargo. Unfortunately the vessel had only been fixed to load at one/two safe ports Russian Black Sea. Odessa is in the Ukraine and not in Russia. Ultimately the owner agreed to load in Odessa but only at a much higher rate. The charterer demanded that the broker pick up the difference.

The advice to take care and check the charterparty sounds simplistic but it is the way many costly mistakes can be avoided. [SN](#) Andrew Jamieson is claims director and legal advisor at ITIC. [www.itic.com](#).



**Brokers need to carefully check load and discharge ranges**



# Legal Eagles...

Do you have a burning legal question for the HFW Shipping Network team? Email [legaleagles@ics.org.uk](mailto:legaleagles@ics.org.uk) for them to answer your question in the next issue of *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



I am a shipowner with ships on long term timecharter, which were entered into before Covid-19. Covid-19 is continuing to make crew changes difficult. What should I be thinking about under my timecharter?



Alistair Loweth



Embarking and repatriating crew is significantly more difficult in the present Covid-19 world. These difficulties have resulted in significant numbers of crew having had their stays onboard ships extended. Such is the scope of the difficulties worldwide that, on June 16, 2020, the ITF said "enough is enough", pledging its assistance to crew wishing to exercise their right to be repatriated even if ships become unable to sail due to manning difficulties. Fortunately, many governments which had restricted crew changes early on after the spread of Covid-19 have now put in place measures to allow them to resume. However, crew changing today is not straightforward and there is the potential for further disruption from localised outbreaks and responses.

For a shipowner with a potentially valuable long-term timecharter, entered into before Covid-19, the first concern that arises in the event that there are crewing difficulties and consequent delays is whether the charterer has a right of termination. While the terms of each timecharter will vary, many timecharters give charterers express rights to terminate

in the event of delays caused by deficiency of crew or time off-hire. Normally though the delay has to last, or off-hire has to accumulate, for a given period of time before rights to terminate arise, thus giving the shipowner a short opportunity to rectify the situation.

Timecharters normally expressly provide that the shipowner is responsible to ensure proper crewing of the ship. For English law, a limited delay in long-term timecharters, because of a breach in this regard, rarely results in a common law right to terminate. But, failure to ensure proper crewing, whether because of deficiency, strike or refusal to work of crew will, unless somehow excused, be a breach which may result in damages.

Delay caused by deficiency of crew is also normally an off-hire event, and delays caused by strike or, more simply, refusal of crew to work, are often also express off-hire events.

### CHECK THE CLAUSES

In considering liability under such provisions, regard should be had for any exceptions, exclusions and limits set out in the above clauses themselves, as well as the other terms of the charter. Timecharters often include exception and force majeure clauses, and also often incorporate international carriage of goods by sea rules, which may be of assistance. Most long term timecharters make provision for quarantine and sickness of the crew, but these provisions do not always assist the shipowner.

Clauses in long term timecharters protecting or giving rights

to shipowners to manage the present situation are often the exception rather than the rule. Therefore, prevention may be better than cure. An example of a simple practical measure which some shipowners may adopt is undertaking more regular crew changes, therefore allowing a degree of flexibility if arrangements are disrupted.

If a crew change is prevented in a port of call, careful regard should be had to the terms of the charter (including implied and incorporated terms) before deviating to resolve the situation. Normally the ship will be subject to, among other matters, an obligation of utmost despatch (as well as other employment obligations). A deviation may result in the ship not only being off-hire but also in breach of the charter with the bills of lading affected and insurances prejudiced. The shipowner could inadvertently find itself responsible for lost time and costs without insurance cover. [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.*



Crew changes have become extremely difficult during the Covid-19 pandemic



My arbitration hearing has been fixed for later this year. How will it be conducted in the present Covid-19 and lockdown circumstances?



The English High Court (and others) and many arbitration institutions, the LMAA among them, as well as LOF salvage arbitrations, adapted speedily to the Covid-19 pandemic. Traditionally, hearings been conducted with the parties being in the same room (or Court). Arbitration as a dispute resolving mechanism is by its nature consensual – the parties at some stage agree to resolve by arbitration any dispute between them – and it should therefore be private, so those present are actually involved in the matter in dispute.

Many maritime disputes are resolved on documents alone, by an arbitrator. Switching to such a form of arbitration may be an option, instead of a planned physical hearing. Whether a documents-only arbitration is appropriate depends to some extent on the issues.

Parties to an arbitration where a physical hearing was expected may choose to adjourn the hearing. While this is an option, there is no indication at the moment when physical hearings will be able to resume. Social distancing and travel restrictions are currently in place, and it is unclear when they will be lifted.

In any event, such a delay is probably not necessary. Since shortly after “lockdown” many disputes – both at Court and in arbitration – have been decided following “virtual” hearings. This is where no-one is physically in the same room (or Court) but they are virtually present together by the use of a suitable digital platform (of which there are several), even though each person is in a different location.

The technology for virtual hearings has been available for a while and, with greater demand following lockdown, has been developed, with increased functionality. Virtual hearings work, although careful preparation is necessary to make them efficient. This is of course the same for a physical hearing, although there are different areas of focus.

## UNDERSTANDING THE SYSTEM

All those involved in a virtual hearing do need the same digital platform, and should be totally familiar with it before the hearing starts. The time lost (and resultant cost) of not being prepared can be significant. We have found it is wise to have technical support throughout the hearing, to resolve any technical issues and, unless someone else fulfils the function, to (for example) enable virtual “break out” rooms for specific people: perhaps a meeting of experts.

In a physical hearing paper bundles are still usual. Well assembled bundles save time (and emotion) in physical hearings. In a virtual hearing the careful preparation of bundles is, if anything, even more important. Paper bundles may be appropriate,



couriered to the necessary people in advance, although the practice is to assemble electronic bundles (unless they are not suitable for a particular dispute). These may be in one of a number of mediums, from pdf documents to alternative solutions, but must be indexed, paginated, and capable of being word searched, among other factors. Considerable delay can be caused by having virtual bundles which are difficult to navigate.

Prior to the hearing a code of practice should be agreed, so that the hearing runs smoothly. This will include a protocol for who speaks, and when, to avoid several people trying to speak at once. It should also cover who is in video shot, and who should have their camera turned off at any particular time. A similar approach should be established to muting microphones. A method must be established to allow an individual to indicate to the Tribunal (or Judge) that she or he wishes to speak. There are other issues too.

The technology needed for a virtual hearing can add to costs, as can electronic bundling. Against that, there can be savings in not having to fly experts or witnesses around the world.

The choice as to whether to proceed to a virtual arbitration is largely that of the parties. Many have already done so, most successfully. **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 Alistair Loweth and Guy Main. Alistair is a senior 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.*

**Virtual arbitrations offer a viable alternative to disputes during lockdowns**

**HFW**

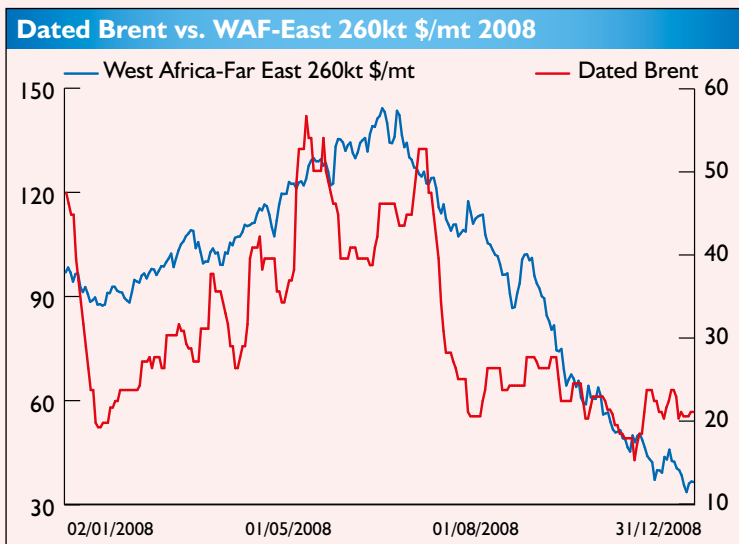
# Highs and lows of tanker returns



S&P Global Platts' [Charlotte Bucchioni](#) explains why wet tonnage seemingly thrives in a crisis

With 2020 set to be all about the International Maritime Organization's new regulations, or IMO2020, few anticipated the coronavirus pandemic unwinding in China early January to storm the markets as it did and cause a global recession. However, like in most economic crises, not everyone came out a net loser.

While global stocks in G20 nations saw a downturn of 25%-30%, tanker markets experienced record freight rates, with earnings reported as high as \$300,000 per day on March 16, 2020.



While the pandemic could hardly be predicted, the last twelve months have brought to light some noteworthy characteristics of the tanker markets: Tanker markets tend to perform well at the onset of a crisis; overtonnage is causing higher volatility in spot freight markets; and the future regulatory frameworks will depend on the US' upcoming 2020 presidential elections.

In the tanker freight markets, the last twelve months were characterised by long periods of bearishness, punctuated by exogenously-produced breakage points.

After spiking in October 2019, and maintaining good levels of earnings amid the upcoming IMO2020 deadline, freight rates dropped in the first months of 2020. Only one month had passed since the start of IMO2020 before the Covid-19 crisis started to impact the freight markets, depressing Chinese demand.

As the crisis began to escalate, the effects of IMO2020 quickly dropped out of sight, especially as bunkers prices did the opposite to expectations with 3.5% sulphur fuel oil remaining remarkably well supported throughout the first half of 2020.

However, it was when stock markets started to drop

globally in March that earnings in the tanker markets reached extraordinary heights and experienced the most volatility, with freight spiking on three different occasions and plunging as quickly as it went up. These spikes in freight took the world by surprise, with the mass media turning its attention on the incredible earnings of owners at a period when the Covid-19 crisis was unravelling and a global recession was taking hold.

## HISTORY REPEATING

These spikes pointed to an interesting aspect, which has had some recurrence in previous years: tanker markets have tended to perform well at the onset of a crisis.

In 2008, freight rates spiked as the oil price crash started to unfold, just to dive thereafter amid the start of a global recession. When the Dated Brent started to dramatically drop from its peak of \$143.505 per barrel on July 11, 2008, freight on the West Africa-East run on VLCCs continued moving up. Over the following two weeks, oil prices tumbled by nearly 15% while freight rates continued to climb by 18%, according to data from S&P Global Platts.

In 2015, the market also witnessed some strengthening in tanker freight rates amid a drop in oil prices on the back of the US flooding the market and establishing itself as a net exporter of energy commodities. On December 22, 2015, when the Dated Brent dipped to a year low of \$36.635 per barrel, freight on the West Africa-East route on VLCCs strengthened.

There have been a number of occasions which have demonstrated an inverse correlation between prices of oil and freight rates. In fact, the performance of individual market segments is often determined by broader macroeconomic market conditions, where the underlying commodity's demand plays a key part. In the dirty tanker market, that will be crude oil, and recent decreases in prices have increased the competitiveness of oil, and hence demand.

However, crude oil prices have also had periods of moving in tandem with freight rates. In fact, if an increasing demand for oil translates into higher prices for the commodity, the inverse relationship - where high oil prices have caused demand reductions - do not tend to materialise.

## STRUCTURE BREAKS

To give a more complete picture of the performance of tanker freight in moments of crisis, we have to consider endogenous configurations of the market that make it more likely to jump. Crisis points cause endogenous structure-break within the market that disrupt long-term cycles.

Afterward a break, a competitive market will try to adjust to a new equilibrium. In periods of low freight levels, tankers use slow steaming to reduce bunker costs. This causes an increase



in laid-up vessels and reduces tonnage available, shortening supply and sustaining the market/reducing volatility. However, on the other side, high freight earning levels lead to an increase in the number of employed vessels given the short ballast hauls, causing even higher volatility.

In addition to this, the structural oversupply of the global tanker market means that the first point – i.e. slow steaming of vessels to reduce tonnage – is no longer as relevant. The equilibrium level is lower than it used to be given the great supply of tankers, which means moments of spike are magnified given the low base levels. The seeds of this originate in the 2003-2004 period, when predictions about the expansion of global oil demand caused investment into tanker building to skyrocket. However, when oil demand got derailed in 2008, the tanker market remained both oversupplied and lacking a push from a now sluggish industrial oil demand besides that of China.

If investment into newbuild tankers has now slowed down from its peak in the mid-2000s and in 2015, structural characteristics about the tanker industry make overinvestment likely to happen again.

Given the predominance of long-established families in the tanker business, deep-rooted traditions can make it difficult – as well as time-consuming – for companies to consider alternatives. This is what business historians have referred to as path dependence. Established traditions also lead to short-sight behaviours – or hubris – leading to believe the next boom will be sustained, failing to appreciate negative signals.

## OWNER PREFERENCE

Academic research has demonstrated idiosyncratic optimism and low risk-aversion among tanker owners. In a study on Scandinavian tanker owners in the 1970s, two economists presented a series of hypothetical investment alternatives in order to uncover attitudes towards risk. All but one owner in the group studied favoured the risky alternatives to the safe alternatives, even when expected return was the same.

This risk aversion was also favoured by an institutional context that made some choices more attractive than others. Cost increases have caused margins to be pressured, with short bursts of activity and spectacular revenues making owners forget activity lulls. Profits came to be reinvested in new fleet units, larger and more expensive, instead of paying dividends that have been traditionally more taxed. This has translated into long-standing strategies of continuous tanker building activities despite pre-existing oversupply and a subdued outlook for global oil demand.

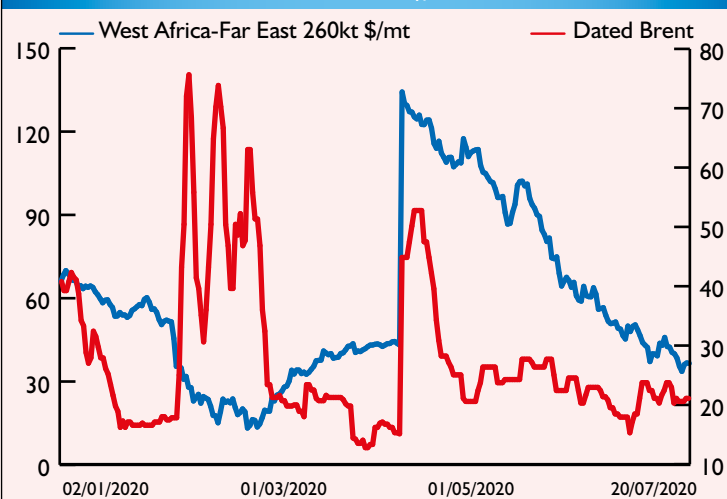
Coupled with tanker building endeavours, owners have delayed scrapping older tonnage, which has found new life as floating storage engines. Year-to-date, only three crude tankers were scrapped, for a total combined deadweight of 290,000 metric tonnes (mt), according to data from S&P Global Platts Analytics. On average, crude tanker annual deadweight scrapped was 847,000 mt between the 2010-2019 period across VLCCs, suezmaxes, aframaxs and panamaxs.

Low scrapping prices and delays given the low personnel at yards, means only an estimated 16 more ships are likely to be scrapped, compared with more than 100 to be delivered according to Platts Analytics. With structural overtonnage and low demand for oil already compressing in the market, spot freight rates will come under further pressure.

## GEOPOLITICS AT PLAY

Recent crisis points have also been caused by a combination of geopolitical factors, in which the US has had particular influence by enforcing compliance via a network of alliances.

## Dated Brent vs. WAF-East 260kt \$/mt 2020



Source: S&P Global Platts

Trade stability has historically depended on the hegemon maintaining the order it set up. Looking back, the 1609 Grotian doctrine of freedom of the seas highlighted the interest of the ascendant Dutch power over sea trade. The doctrine, directed towards the Portuguese Mare clausum policy and their claim of monopoly on the East Indian Trade, justified the expansion of the Dutch East India Company and disregard for Portuguese authority.

More recently, we have seen the US project its power in the tanker markets through a series of regulations and sanctions. On September 30, 2019, it briefly imposed sanctions on six Chinese firms, including two entities of state-owner Cosco shipping, for loading Iranian crude. More recently in June 2020, it sanctioned three Greek shipowner companies for loading Venezuelan oil. Given the US' policing role, allies and non-allies have been largely complying for fear of repercussions.

On the regulatory side, the upholding of the IMO2020 sulphur cap was largely US-driven, with the US Coast Guard (USCG) and Environmental Protection Association (EPA) playing a strong enforcement role for vessels calling on US ports. In 2019, the first criminal prosecution of a MARPOL Annex VI violation was enforced by the USGC and the US Department of Justice. Two Greek vessel operators were each fined \$1.5 million, and senior crew members sentenced to three years' probation, with the prohibition to return on US soil on a ship during the period.

Keeping the above in mind can help sketch future developments in the shipping industry, both in terms of regulations and sanctions. With the US showing a change of heart and withdrawing from the Paris Agreement on Climate Change under the Trump administration, environmental regulations might lack impulse over the next few years. This sets the tone for the upcoming IMO2030 targets, which might compromise ambitious projects in order to get approved by its members, the US being a permanent part of the council. On the other hand, the European Union has taken a leading role in the organisation and enforcement of environmental initiatives, acting as a leverage to an increasingly sceptical US. This will likely result in yet another test of strength and threats of commercial repercussions from both sides. *SN* Charlotte Bucchioni is senior commodity associate for EMEA at S&P Global Platts. For more information go to [www.spglobal.com/platts](http://www.spglobal.com/platts).

# Homage to glass...

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

The very first glass known to Stone Age people – used for making weapons and decorative objects – was obsidian, black volcanic glass. The earliest known man-made glass dates back to around **3500BC**, with finds in Egypt and Eastern Mesopotamia. Discovery of glassblowing around 1st century BC was a major breakthrough in glass making



To produce glass, **sand** is mixed with **lime** and **soda ash** and heated at extremely high temperatures. After the liquid mixture cools back down, the result is glass

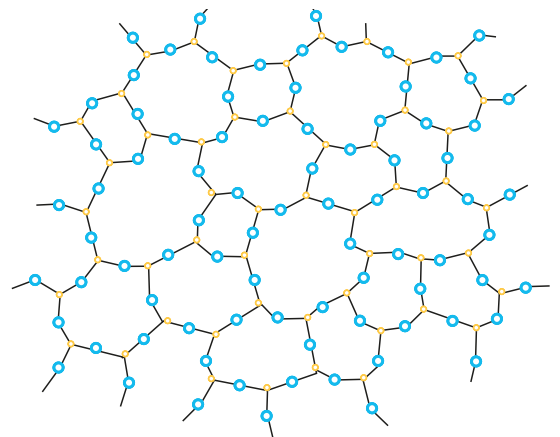


Combining other minerals with the sand, lime, and soda ash can result in different **coloured glass**. For example, adding nickel oxide to the mix produces violet glass



Glass can naturally form when sand is struck by **lightning**, because of the high temperatures

Glass is not classified as a solid... or a liquid or a gas. When cooled, glass forms an **"amorphous solid"** that allows molecules within the glass to continue moving around

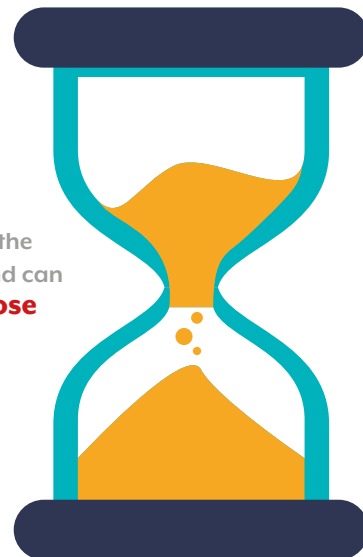




Glass is **100% recyclable**  
Glass can be recycled endlessly without  
losing any quality or purity

Recycled glass can be substituted for up to  
**95%** of raw materials

Durable and resilient, glass is one of the  
longest lasting man-made materials and can  
take **1 million years to decompose**



The energy from recycling **one glass bottle** can  
power a computer for **30 minutes**

Ordinary glass turns **brown** when exposed to  
nuclear radiation, so glass companies developed a  
special non-browning glass for use in observation  
windows in nuclear power plants



Glass and glassware exports  
by country totalled **US\$76.5  
billion in 2019**, down 1.5%  
year-on-year

Top exporter China exported  
**US\$17.9 billion's** worth of  
glass and glassware exports in  
2019 representing 23.4% of total  
glass/glassware exports



There is a proposal to make 2022 the  
**International Year of Glass**

Sources: [www.techni-glassinc.com/2018/12/10-interesting-glass-facts/](http://www.techni-glassinc.com/2018/12/10-interesting-glass-facts/)  
[www.gpi.org/glass-recycling-facts](http://www.gpi.org/glass-recycling-facts) clear power plants.  
[www.bottlesupglass.com/wp-content/uploads/2011/08/Facts-About-Glass.pdf](http://www.bottlesupglass.com/wp-content/uploads/2011/08/Facts-About-Glass.pdf)  
[www.worldstopexports.com/top-glass-and-glassware-exports-by-country/](http://www.worldstopexports.com/top-glass-and-glassware-exports-by-country/)





# 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](http://www.international-maritime-rescue.org)**

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

or email: **[info@imrf.org.uk](mailto:info@imrf.org.uk)**



The International Maritime Rescue Federation is a registered company limited by guarantee in the United Kingdom and registered as a charity in England and Wales

Patron: Efthimios E. Mitropoulos KCMG, IMO Secretary General Emeritus

Registered office: IMRF West Quay Road Poole BH15 1HZ United Kingdom

Company Registration Number: 4852596

Charity Registration Number: 1100883

**[www.international-maritime-rescue.org](http://www.international-maritime-rescue.org)**

## Covid-19 from a port perspective

As part of its professional development activities, the East India Branch partnered with Vishaka Container Terminal (VCT) in August to address the challenges of Covid-19 in a webinar.

The speakers were branch chairman Ravee S Titte, deputy COO of VCT Anil Narayanan and branch past chairman S Sankaran.

After an opening speech from Mr Titte, Mr Narayanan gave an insight of VCT's port operations and the challenges the terminal currently faced. His presentation addressed the safety measures that are being followed to ensure the safety of personnel and uninterrupted services at the port.

VCT also covered its hinterland reach and informed the

audience that the expansion of the terminal will take capacity to 1.5m teu per month.

There was appreciation of the best practices being adhered to by VCT and a webinar discussion concluded that the terminal had wide scope to grow with the advent of new industries around the hinterland, avoiding congestion at other ports.

There were 85 participants and many Institute members participated in the lively question and answer session that followed the presentation.

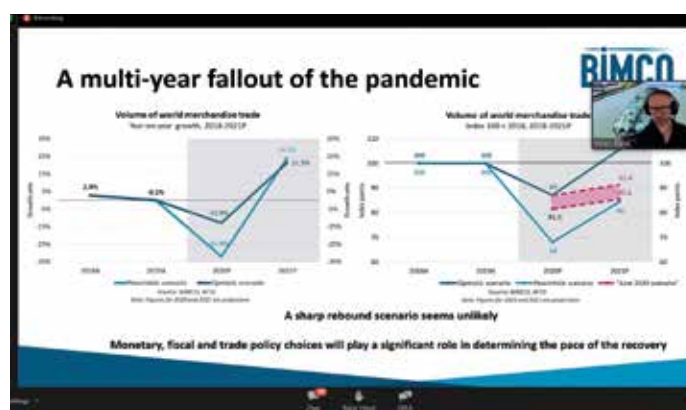
Concluding the seminar, Mr Titte thanked the event managers, Mr Narayanan, Mr Sankaran and the participants for making the webinar a successful learning experience. **SN**

## BIMCO seminar delights

The Institute's Middle East Branch welcomed BIMCO chief shipping analyst Peter Sand to its Silver Jubilee webinar series in August.

The webinar – with over 450 registrations from 40 countries – focused on the outlook for the global shipping industry in a post-pandemic world, looking at the market outlook for dry bulk, tankers and containers.

The branch said that such in-depth and meaningful analysis of data is not often seen, and that the webinar proved to be very popular. **SN**



The branch praised Mr Sand's data and presentation

# Elected to Membership

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

### ELECTED TO MEMBERSHIP

Alexander Ilyuk  
Denitsa Pencheva-Kanchev  
Konstantin Kanchev  
Yaping Han  
Stefan Eberhardt  
Artur Azimov  
Dimitra Metaveli  
Morris Mburu  
Silvance Oduol  
Walii Ismail  
Diana Appos  
Clemens Kegl  
Yuliia Surovtseva  
Harshvardhan

Belarus  
Bulgaria  
Bulgaria  
Canada  
Germany  
Greece  
Greece  
Kenya  
Kenya  
Kenya  
Kuwait  
Netherlands  
Ukraine  
USA

### PROMOTED TO FELLOWSHIP

Capt Rashad Shakarov  
Kaushik Samanta

Azerbaijan  
United Arab Emirates

### RE-ELECTED TO MEMBERSHIP

Amit Pal  
Syed Naizer Alaudeen

Singapore  
United Arab Emirates

### ELECTED TO HONORARY FELLOWSHIP

Dr Sadan Kaptanoglu  
James Freeland

Turkey  
United Kingdom

### ELECTED TO LIFE FELLOWSHIP

Hilary Park

Ireland



# **Executive MBA**

# **MARITIME LEADERSHIP**

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for a complex  
world**

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Register your interest for  
news and updates by  
email: [mba@ics.org.uk](mailto:mba@ics.org.uk)



## Singapore supports people with disabilities

The Singapore Branch will be delivering a new series of training sessions in partnership with SG Enable.

SG Enable is an agency dedicated to enabling persons with disabilities. The course involves training people with disabilities on the basic understanding of shipping. Thereafter, the Institute will co-ordinate and assist in finding job placements in the maritime industry.

The results of a poll carried out a few months back indicated a positive response from Singapore Shipping Association member companies and the Institute is confident that support will grow.

Capt Subhangshu Dutt, chair of the Singapore Branch, commented: "Getting this initiative going in the midst of the Covid-19 crisis is an achievement. An even greater sense of

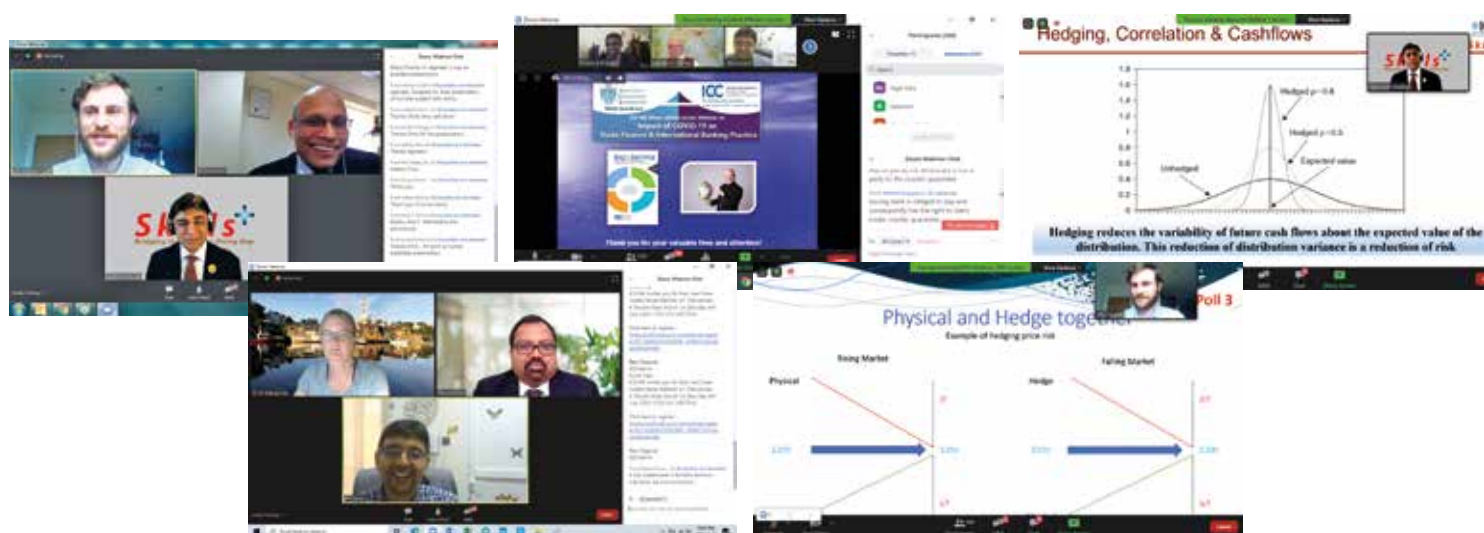
satisfaction would be to see the candidates with disabilities getting placements and eventually anchored in a career in shipping."

The first course is expected to commence by the end of June and higher-level courses will be made available progressively.

The programme will provide introductory knowledge of shipping for participants. The course will cover the ship types, main cargo segments, and trade routes. The course will give also an understanding of the trading process and the documents involved. At the end of the programme, attendees will receive a certificate of attendance.

For more details and to register please go to [www.ics.org.sg/eos](http://www.ics.org.sg/eos). **SN**

## Webinar series goes from strength to strength



The Middle East Branch has kept itself and its members busy during lockdown hosting a steady stream of webinars on a variety of topics.

Webinars in May covered the impact of Covid-19 on trade, finance and international banking practice, practical aspects of bills of lading, and a dry bulk market outlook. June saw a webinar on autonomous ships, while July featured a webinar on derivatives.

The number of registrations for the webinars varied from 421 to 661 from over 40 countries.

High level, experienced speakers kept the audience engaged, including the director of the International Chamber

of Commerce, Vincent O'Brien; Dr Margareta Holtensdotter Lützhöft, an expert on automation and the human-machine relationship; Henrik Jeremiassen, executive vice president at Delta Corp; and a dry bulk specialist from Drewry Shipping Consultants, India, Rahul Sharan.

An international Institute committee member also presented in the bills of lading webinar with Norman Lopez, education officer of the Australia and New Zealand Branch and member of the Institute's Education & Training Committee, joining Middle East Branch committee member Sudesh Chaturvedi and Krishna Prasad, vice president of the Middle East Branch, in delivering the webinar. **SN**

## Virtual Open Day first

The Middle East Branch held its first virtual Open Day in May in an event that attracted 97 registrations, all keen to learn about the Institute and its programs.

Moderated by Dinesh Lobo, committee member of the branch handling education and training, the Open Day started with a presentation on the importance of career

planning from Krishnan Subramaniam, president of the branch. This was followed by a presentation from branch vice president, Krishna Prasad, on the various educational programmes offered by the Institute.

A detailed question and answer session followed the formal presentations. **SN**



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.

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- Support our worldwide work
- Develop a commercial partnership
- Sponsor us
- Employee challenges
- Make us your charity of the year
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For more information, contact:

Tara Fox, Head of Corporate Partnerships  
t: 020 7246 2980  
e: [Tara.Fox@missiontoseafarers.org](mailto:Tara.Fox@missiontoseafarers.org)



[www.missiontoseafarers.org](http://www.missiontoseafarers.org)



[themissiontoseafarers](https://www.facebook.com/themissiontoseafarers)



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# Taking the plunge with webinar hosting

Krishna Prasad shares the Middle East Branch's experience of a leap into webinars amid Covid-19

The Middle East Branch's Silver Jubilee Webinar Series has fast become a popular attraction for members and students both in the region and from farther afield. Launched in 1995, the Middle East Branch had planned events in 2020 to celebrate its silver jubilee, but as the Covid-19 pandemic took hold the Branch had to quickly shift to a virtual delivery platform to maintain contact with members and students.

The success of its digital move can be seen in the numbers it has consistently attracted for its webinars: most have attracted 500-600 registrations from around 40 countries. This has been possible mainly due to the meticulous pre-event planning.

In this article, I would like to share our experiences so that other branches can make the leap to virtual seminars and enjoy the same successes.

Firstly, it is important to set a clear objective at the planning stage. This will help in determining the target audience, speakers and all other aspects connected with the webinar.

Second, fixing a target audience is another important step in the planning stage.

Third, a core team needs to be formed to conduct the webinar. This includes the control room, a person to run the promotional slides, music and the host. Normally, we have two hosts: one to initiate the webinar and another to introduce the speaker and conduct the Q&A session. It is very important to ensure back-up for every system as surprises can come from unexpected quarters. We had an incident where the mouse in one of the key computers failed to respond at a critical juncture. Fortunately, the back-up system took over without the audience knowing anything. Silence even for one or two seconds can be irritating to participants and therefore, the host must ensure that the session is always active.

Fourth, choose a suitable webinar platform and associated apps. For our webinars, we chose Zoom because of its versatility and advanced features. However, we now understand that some companies block Zoom and therefore, we may shift to another platform in future. Depending on the target audience, a decision on which utility to be used should also be taken. Zoom has a separate utility for webinars and web meetings. We also use Jotform for effective data management and a paid subscription here is advisable due to the limitations in free subscription.

Fifth, timing and duration of the webinar is very crucial and this will depend on the target audience. In our experience, a 40-minute webinar followed by Q&A of about half an hour is very effective.

Sixth, while choosing topics and speakers, consideration must be given to the target audience. In many cases, the topic



Krishna Prasad (bottom left) co-hosts a webinar with Institute branch committee members

and content of the presentation given by the speakers may have to be modified to make it attractive to the audience. Further, it is important to ensure that the points of discussion are short and precise.

Seven, in your pre-event interaction with the speaker (s) send a standard message which includes certain important points such as permission for recording the webinar, permission for circulating the presentation, date and time for the dry run, and so on.

Eight, we always do a dry run of the session two to three days in advance. During the dry run, we explain the process of conducting the webinar to the speaker. We also make necessary corrections regarding seating, lighting, screen sharing, voice clarity, background, and so on. This has been extremely helpful in ensuring good visuals and smooth running of the webinar.

Nine, a flyer is prepared meticulously with all details given by the speaker. We ensure that the mailers to prospective participants also have hyperlink for registration to make the registration process smooth and hassle-free.

Ten, email reminders and WhatsApp notifications are sent about a week in advance of the event. We also send reminders one day prior to the event and on the day of the event.

Eleven, we automate registration and acknowledgment using Jotform and Zoom. On the day of the event, the Middle East team conducting the webinar and the speaker log-in to the webinar page one hour before the event to ensure that the connection, visuals, and so on are all in place.

Lastly, collect the questions for Q&A in advance. If insufficient questions are received, we prepare some questions to send to the speaker at least one day in advance of the webinar. [SN](#)

Krishna Prasad (KP) is president of the Middle East Branch of the Institute.



# Calendar

Milford Sound, New Zealand

## OCTOBER EVENTS

### 1 October

London & South East  
Branch  
Branch AGM

### 8 October

Institute AGM  
London & Online

### 8 October

Deadline to enrol for  
November examinations

### 15 October

Institute Prize Giving  
London

### 18-20 October

Institute Controlling  
Council meeting

## NOVEMBER EVENTS

### 2-12 November

Institute November  
examination session

## DECEMBER EVENTS

### 4 December

Australia & New Zealand  
Branch  
New Zealand Chapter  
Combined Shipping  
Industry Dinner  
Auckland



# The Secret Broker

## Highs and lows of travel

Some ten years ago it was discovered that the wearing of ties had no discernible effect on the efficiency of shipbrokers. After four months at home, working moderately successfully in shorts and Hawaiian shirt, I wonder what else is non-essential.

Travel? Ok, I accept there is no substitute for actual facetime with a client. More can be achieved sitting in your client's office in half an hour than months on the phone. Have dinner with the client and you will learn more from their choice of starter than from most of their email responses. A couple of minutes chatting with the receptionist or gossiping in the technical department can throw up bits of the jigsaw you will never gather at a distance.

Also, your presence demonstrates you mean business and that their support is of great value to you. I sold four ships to one client largely on the grounds that no-one else had ever made the effort to reach his distant provincial town. Although a friend once travelled to Vladivostok to find the client had left town the day before.

But it can be difficult to remain on top of the market when you are ricocheting from meeting to meeting in the back of a taxi. I have lost more than one deal in the time between exiting and entering airport terminal buildings. So travel can be double-edged.

I did some newbuilding business during lockdown and the negotiations were smooth and efficient and unhampered by participants unable to meet in person. My client at the end

sent a rather splendid photo of his solitary signing ceremony at his kitchen table. I realised then how much I missed the shipyard visit – the whine of grinders, the smell of steel, the cathedral dimensions of assembly sheds and graving docks, the detailed face-to-face negotiations, the triumphant, flower-bedecked signing ceremony, even the baijiu-laced banquet. But travel takes its toll. Nobody on their deathbed ever regrets not spending more Saturdays in airport departure lounges.

Travel is essential to our business but four months at home has put a greater focus on whether all trips are really useful. For example, the simple rule of thumb for S&P brokers is that the more effort you make to get to a closing, the smoother it will be. But that is not a reflection on the impact you have at the closing meeting – merely sod's law.

I once was directed to the wrong meeting room in a huge Tokyo office block and by the time I had found the correct one, some twenty minutes later, the ship was already delivered. Twenty-three hours in a plane and several thousand pounds of expenses to miss the principal purpose of the trip. "Who are you?" said the lawyer, "And was your journey really worth it," I thought. The simple, 'as is', repeat-deal closing among friends, a short day trip from London, which you neglect to attend, is the one that inevitably explodes into bitter hand-to-hand fighting.

So I will step forward again, passport in hand, just as soon as we can find someone willing to meet us. [SN](#)





# the stern

## CAPTURING THE PUBLIC IMAGINATION

Shipping's cruise sector has been one of the hardest hit by the Covid-19 virus. With people necessarily living in close confines onboard a cruise ship, outbreaks have been hard to contain and ships have had to be shuttered to help stop the spread of the coronavirus.

The ensuing lay-ups have been crippling for cruise lines and have led to a number of ships being sent to the breakers early to keep companies afloat.

But while cruise lines are undeniably hurting, there has been an unexpected silver lining to the mass anchorings. Around coastlines, many cruise ships had to drop anchor in safe anchorages as home ports have run out of berths for lay-ups. This has put these impressively large ships in the public eye and has led to media and PR outlets running articles on the 'majestic' ships at anchor in national waters.



Credit: Andrew Bone, CC BY 2.0

The pandemic has brought shipping closer to the public

Those of us in the industry often bemoan the lack of interest in 'our' world, complaining that the general public do not care about the sector that they so heavily – and often unknowingly – rely on. That it has taken a global pandemic to reach the mainstream press and inspire the public to take an interest in shipping is not ideal, but as the saying goes, 'no press is bad press'. **SN**

## WAVE GOODBYE TO EMISSIONS

It sounds like a utopian fantasy: harnessing wave power to power a ship. But a marine engineer in the Philippines is keen to turn his vision into a reality, despite being setback by a typhoon in 2019 and then the Covid-19 pandemic this year.

Jonathan Salvador – a marine engineer and owner of shipbuilding company Metallica Marine Consultancy, Fabrication and Services – was inspired by the bangka ships so prevalent in the Philippines. Bangkas are trimarans with bamboo stabilisers on either side of the hull. They are a common sight in the Philippines, a nation that relies on watercraft to transport people and goods throughout its network of more than 7,000 islands.

But the motorised bangkas are responsible for a large proportion of emissions, a problem that Salvador wants to solve with his design for

a hybrid model, using multiple internal combustion engines for initial propulsion but switching to wave energy while cruising in open waters.

The hybrid trimaran hosts a wave energy converter in the form of hydraulic pumps integrated into its outriggers. As the pumps move through the waves, they harvest the momentum of these waves, converting their kinetic energy into electrical energy, which will then be fed into a generator that will supply electricity to the ship.

The joint team from Metallica shipbuilding company and Aklan State University aim to finish building the ship by the end of 2020, with a three-month sea trial scheduled for the first quarter of 2021. The vessel is expected to be capable of carrying 100 passengers, four vans and 15 motorcycles.

Puts a new slant on the phrase 'ride the waves'. **SN**

## SHIPPING SPEAK

“Covid-19 has shown that behavioural changes are indeed possible, and we can use this opportunity to make a change which is good for (the) climate,”

**Sverre Alvik, head of DNV GL's Energy Transition Outlook**

“In the near future engines will be running with zero carbon emissions. It will happen fast, we are doing something good for the future, and this will be great news for the whole world.”

**Cato Esperø, sales director, Wärtsilä Norway.**

”



# Find your next move

The Institute and Spinnaker work together to promote the value of professional qualifications and training. A selection of our latest vacancies is below, visit [spinnaker-global.com](https://spinnaker-global.com) for our full listings.

## Vessel Operator (Tankers), Connecticut

This role would ideally suit someone that has existing tanker ops (ideally chems) experience but they are also open to considering Operators that come from alternative backgrounds that have the right mentality and want to try something different.

## Underwriter (Contract Review), London

Individuals with a legal background will be at an advantage for this position but it is not essential. Candidates with a claims background that are looking to make the switch across to Underwriting will be considered.

## Marine Adviser, London

Spinnaker has been exclusively retained on behalf of the International Chamber of Shipping (ICS) to recruit a Marine Adviser, specialising in Manning and Training.

This is your opportunity to join the principal, global trade association for shipowners and influence the shape of shipping in the future.

## Dry Broker, Singapore

This is an exciting position that will allow you to build up the dry side of the business focusing predominantly on Handy to Ultramax vessels. In this role you will be responsible for negotiating with cargo and ship owners on a regular basis and securing business with existing clients as well as bringing in new key accounts.

To apply for these jobs, register for alerts or to search our other vacancies, visit [spinnaker-global.com](https://spinnaker-global.com) and see where Spinnaker can take you.





# PROPEL MARINE

## *Australia Wide Coverage*

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Propel Marine is a fully integrated marine surveying company, offering services across Australia and abroad. We regard the professionalism of our personnel as the single most important factor in meeting the needs of our clients.

### Our Commitment

- Proven track record of outstanding service
- Extensive marine industry & surveying experience
- Master Mariners, Master Engineers & Naval Architects

## Our Surveying Solutions

### Quality Solutions

- Safety Vetting Inspections
- Internal Audits - ISM, ISPS, MLC & Navigation
- Port Ship Captaincy
- Pre PSC, Pre SIRE, Pre CDI Inspection
- Onboard Training Solutions

### Cargo Related Solutions

- Hold Preparation Advisory
- Marine / AO Grain Hold Inspections

### Technical & Consultancy Solutions

- Marine Engineering Repairs & Consultancy
- Marine Electronic Repairs & Consultancy
- Superintendent Attendance - Audits
- P & I Surveys