

ASIAN SHIPOWNERS' ASSOCIATION

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> 20th May 2016 Shanghai, China

PRESS RELEASE One Asia, One Voice

In a distinguished gathering of Asian shipowning interest, over 170 delegates attended the 25th Annual General meeting of the Asian Shipowners' Forum in Shanghai on 19th May 2016.

To better reflect the present structure of ASF, it was agreed that a new name Asian Shipowners' Association (ASA) will now be adopted.

ASA is committed to providing a united Asian voice on issues affecting shipping and representing their members' interest.

Of the many pressing issues raised during the 25th Annual General Meeting, the following were highlighted for particular consideration:

- The need for stable and transparent Panama and Suez Canal tolls in future.
- The Spanish court judgement regarding the MV Prestige and the impact this may have on the 1992 Civil Liability Convention.
- The need for eternal vigilance to counter piracy and armed robbery in the Straits of Malacca and Singapore.
- The importance of the implementation of the Maritime Labour Convention, 2006 (MLC) .
- The EU's proposal to potentially introduce a levy on all ships entering EU ports related to ship recycling.

For more information on these issues, refer to the Report of the Meeting.

For media enquiries, kindly contact:

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The Asian Shipowners' Association (ASA) is a voluntary organization of the shipowner associations of Australia, China, Chinese Taipei, Hong Kong, India, Japan, Korea and the Federation of ASEAN Shipowners' Associations comprising shipping associations of ASEAN countries. The aims of the ASA are to promote the interests of Asian shipowners. Between annual ASA meetings, the ongoing work is carried out by five Standing Committees: The Shipping Economics Review Committee, the Seafarers Committee, the Ship Recycling Committee, the Safe Navigation and Environment Committee, and the Ship Insurance and Liability Committee. It has been estimated that ASA shipowners and managers control and operate around 50% of the world's cargo carrying fleet.

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Report of the Meeting

The 25th Annual General Meeting of the Asian Shipowners' Forum (ASF) was held in Shanghai, China on 19th May 2016, hosted by the China Shipowners' Association (CSA).

Mr Xu Lirong, Chairman of the 25th ASF, welcomed the delegates of member associations and announced the theme for this meeting – One Asia, One Voice – calling members to build stronger collaborations amongst the shipping industry and associations.

During the Annual General Meeting, it was announced that ASF will operate under a new name. The Asian Shipowners' Forum (ASF) will be known as Asian Shipowners' Association (ASA).

Maritime Labour Convention 2006

ASA welcomes the adoption of the new amendments to the Convention at the 2nd meeting of the Special Tripartite Committee held last February in Geneva, concerning elimination of shipboard harassment and bullying and extension of the validity of the maritime labour certificate under specific circumstances, which will be considered for adoption by the next session of the ILO International Labour Conference in June 2016. ASA therefore urges all stakeholders to support and get prepared to implement those amendments which will be expected to enter into force in late 2018.

Canal Tolls

The newly expanded Suez Canal, which opened in August 2015 and the new locks of the Panama Canal, scheduled to be inaugurated in June 2016, would bring about a new dimension to maritime logistics and overall global trade.

ASA agreed to continue its efforts, in collaboration with international shipping organizations such as the International Chamber of Shipping (ICS), to establish a regular dialogue mechanism between the respective authorities of the Panama/Suez Canals and users of those canals in the form of some kind of institution in order to continuously secure a safe-transit environment and preventing irrational toll increases.

MV Prestige Judgement

The ASA referred to the press release issued by the Ship Insurance and Liability Committee (SILC) on 9th March 2016, and reiterates that Asian Shipowners are deeply troubled by the judgement of the Spanish Supreme Court in the case of Captain Mangouras and the MV Prestige. The Spanish Supreme Court has taken the incredible step of reversing the findings of fact of the lower courts, heaping full blame for the incident on an octogenarian master. To all intents and purposes, this is obviously a political decision, made with the clear intent to ignore Spain's obligation to comply in good faith with the 1992 Civil Liability Convention, and deprive the shipowner of the right to limit liability for pollution damage. Spain's actions might serve short term political needs, but undermine the bedrock of an effective and well developed compensation system, actions that are very likely to result in financial difficulty for future victims of pollution incidents.

Piracy & Armed Robbery

In the first part of 2015, it was noted that there had been a marked increase in the number of reported incidents of piracy and armed robbery in the Straits of Malacca & Singapore. This number has subsequently dropped drastically in the last quarter of 2015 and the first half of 2016.

In this regard, the ASA expressed its appreciation for the continued vigilance and pro-active multilateral maritime security initiatives on the part of the three littoral governments of Indonesia, Malaysia and Singapore in those waters.

Similarly, the ASA also welcomed the launch of the Regional Guide to Counter Piracy & Armed Robbery Against Ships in Asia, which had been developed by the ReCAAP after close consultation with ASA and other industry stakeholders.

The ASA emphasized that as responsible shipowners, we must take all necessary steps to ensure the safety and well being of our seafarers. As such, we must step up and ensure that any guidance developed must incorporate input from shipowners who operate in the region and are familiar with prevailing conditions.

Ship Recycling Regulation – EU Financial Instrument

The ASA affirms that any unilaterally-imposed regional regulation will not be an appropriate solution to ensure green ship recycling worldwide as long as regulations do not consider common practices in major ship recycling countries. In this context, ASA re-affirmed its long-standing policy that the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (HKC) is the best solution to enhance safety and environmental protection for ship recycling. The ASA members agreed to encourage their own governments to ratify the HKC at the earliest opportunity.

In this connection, the European Union's (EU) potential introduction of a financial instrument requiring all ships entering EU ports, regardless of its flag, to pay a levy in order to ensure the effectiveness of its regional regulation on ship recycling has raised concerns to many shipowners. The ASA is in discussion with the International Chamber of Shipping (ICS) and the European Community Shipowners' Associations (ECSA) with respect to this issue.

Dr Frank Lu, Chairman of NACS, was elected as the 26th Asian Shipowners' Association Chairman. His term of office will be for a period of one year till the next ASA Annual General Meeting to be held in Taipei in May 2017.

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