



ASIAN SHIPOWNERS' FORUM

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Jeju, Korea

PRESS RELEASE

The 24th Annual meeting of the Asian Shipowners' Forum (ASF) was held in Jeju, Korea on 19 May 2015, hosted by the Korea Shipowners' Association (KSA).

Mr Youn Jae LEE, Chairman of 24th ASF, welcomed the delegates of member associations and announced that the theme for the meeting – One Asia – is a rallying call to build stronger collaborations amongst its members.

Piracy & Armed Robbery

The ASF has noted with concern the increasing number of reports of fuel siphoning in Asian waters. ASF nonetheless expressed concern that some reports may have unduly overstated the severity of incidents in Asian waters.

The ASF is very appreciative of the good work done by regional states and intergovernmental bodies such as the Regional Cooperation Agreement on Combating Piracy & Armed Robbery against Ships in Asia Information Sharing Centre (ReCAAP ISC) in countering the threat of maritime crime in the region. In this respect, the ASF appreciates that timely and accurate reports are very helpful for the industry.

“The ASF recognises the commendable efforts of the ReCAAP ISC, and is comforted that Interpol is now integrated into the regional anti-piracy team. However, we are still concerned over the number of piracy and armed robbery incidents – in this regard, we urge states to do much

more to address incidents that are occurring in their territorial waters,” said **Mr Patrick Phoon**, Chairman of the Safe Navigation & Environment Committee.

Monitoring, Reporting & Verification of Greenhouse Gas Emissions from Ships

The ASF was pleased to note that, at the 68th session of the IMO Marine Environment Protection Committee (MEPC 68), steady progress has been made in discussions about Monitoring, Reporting & Verification (MRV) of CO₂ emissions being the next step in enhancing energy efficiency of international shipping.

The ASF was extremely disappointed, however, by the EU’s unhelpful decision to pre-empt the current IMO negotiations by adopting a unilateral, regional Regulation on the MRV of individual ship emissions which will apply to all ships entering EU waters.

“The EU’s decision runs the risk of undermining discussions at the IMO,” said **Mr. Patrick Phoon**. “It is essential to have global regulations for global shipping developed through consensus at the IMO.”

Canal Tolls

The Meeting noted that, in 2015, the Suez Canal Authority refrained from implementing an annual toll increase that had been imposed in each of the previous three years, and the Panama Canal Authority reflected the shipping industry’s opinion to a certain extent in its new toll structure/tariffs.

Mr Yasumi Kudo, Chairman of the Shipping Economics Review Committee, said, “In order to prevent a recurrence of unilateral, sudden and irrational Canal toll increases which would adversely affect a stable business environment, and to ensure safe transit, the ASF should do its utmost, in collaboration with international shipping organizations such as ICS, to establish an early and regular dialogue mechanism with canal authorities.”

Places of Refuge

The ASF noted that attention is focused on this issue when there is an incident, but little seems to be discussed after the incident has been

resolved. Delegates agreed that the consideration by a State to offer a place of refuge to a ship in distress with little knowledge of the protection available by way of the various IMO instruments would invariably provoke a strong local reaction against the refuge. The ASF agreed that it is essential to continue the work of promotion and education, both to raise and maintain interest in the issue and to encourage Governments to consider the issue in their local context.

Refugees & Migrants

The ASF expressed its deep concern at the humanitarian and political crisis involving migrants and refugees, both in the Mediterranean and in Asian waters. While merchant ships and their crews will continue to make their utmost efforts to rescue migrants and refugees in distress at sea, the ASF noted that this is an increasingly serious issue for the maritime industry. Not only do seafarers face many risks when dealing with sick and injured people, but also refugees may seriously outnumber ships' crews. There is also the possibility that rescues at sea may be used as an avenue for terrorism.

The ASF urges Governments both in Europe and Asia to urgently address the issue in a humanitarian way, and encourages shipowners to take note of and act in accordance with the various industry publications on the subject.

Maritime Labour Convention 2006

The Maritime Labour Convention 2006, entered into force almost two years ago. To date, 66 ILO member States, including **7 ASF member states** (Australia, Japan, Korea, Malaysia, Philippines, Singapore and Vietnam), representing more than 70% of global gross shipping tonnage, have ratified the Convention.

ASF encourages all owners to pay due attention to the Guidelines for implementing the Occupational Safety and Health Provisions of the Maritime Labour Convention 2006 to secure the well-being of seafarers aboard their vessels.

Ship Recycling

The ASF expressed its grave concern over the EU regulation which includes elements that are at variance with the Hong Kong Convention.

Dr. Frank F. H. Lu, Chairman of the Ship Recycling Committee (SRC), emphasised, with the adopted ASF position paper (attached as Annex 1) in his hand that “The Hong Kong Convention is the only instrument for worldwide green ship recycling. We very much welcome recent movements of some EU member countries which request positive approaches to improve ship recycling facilities in South Asia, and oppose the exclusion of particular ship recycling methods. Through continued dialogue, we encourage recyclers in major ship recycling countries to make further improvement towards compliance with the Convention by way of a fair evaluation of their development, allowing for their topographical conditions.”

Mr. Ma Zehua, Chairman of the China Shipowners’ Association, was elected as the Chairman of the 25th ASF. His term of office will be from 20 May 2015 until the next ASF Annual General Meeting in 2016.

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The Asian Shipowners’ Forum (ASF) is a voluntary organisation of the shipowners’ 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 aim of the ASF is to promote the interests of the Asian shipowning industries. It has been estimated that ASF owners and managers control and operate nearly 50% of the world's cargo carrying fleet.

Annex 1

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ASF's position paper on ship recycling

Adopted

at the 24th Annual Meeting of the Asian Shipowners' Forum (ASF)

Towards ensuring smooth replacements with safe, environment-friendly and more energy-efficient eco-ships, the ASF firmly believes that it is inevitable to develop environment-friendly ship recycling yards in multiple countries to address the globally high demand for demolition which is forecasted to remain in the coming years. If such recycling yards were only located in a certain country, this could result in demurrage for vessels to be recycled and prolong the lifetime of older vessels as well as longer distance navigation for vessels incurring huge additional bunker consumption to reach the yard, which would not be in reality preferable for the world environment or from the standpoint of economy.

The ASF's stances on respective issues are as follows:

The International 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (hereinafter referred to as "the Convention")

The ASF is of the view that any unilateral regional regulation cannot be a final solution towards the improvement of recycling yards all over the world, as long as it does not present practically feasible ways to upgrade facilities which take into account practices for ship recycling methods subject to topographic conditions in major ship recycling countries. In this context, the Convention, which has been adopted after careful consideration by all concerned parties such as governments, the shipping industry, the recycling industry and the shipbuilding industry, is the only, best and final solution to enhance safety and environment protection for recycling. The ASF continues to call for early ratification of the Convention to governments.

The European Regulation on Ship Recycling (Regulation 1257/2013)

The ASF recognises that as long as the EU regulation imposes more stringent requirements on recyclers than the Convention to practically prohibit ship recycling in the particular method commonly used in South Asia, which would undermine the Convention, the regulation is not suitable to be de-facto standardisation. In order to ensure smooth replacements with eco-ships, the ASF emphasizes that it is, no doubt, practical to incentivize recyclers in the area as well to upgrade their facilities towards safe and environment-friendly yards harmonised with the Convention in light of the fact that South Asia produces 70% of the world's ship recycling volume.

The ship recycling method commonly used in South Asian countries

In light of the necessity of ensuring sufficient capacity of environment-friendly ship recycling yards in multiple countries for stable and economic recycling in a timely manner, each recycling facility should be assessed not in respect of ship recycling methods but on a case-by-case basis on whether requirements pertaining to safety and environmental protection are met. In this regard, there are advanced, safe and environment-friendly yards upgraded, with consultation of third parties, in harmony with the Convention even in South Asia where these recyclers have no alternative to use a certain ship recycling method subject to geographical constraints. The ASF therefore believes that it is essential to encourage others in South Asia to follow the advanced recyclers through necessary actions such as the monitoring of developments and regular dialogue with recyclers.

Shipowners should also be recommended to continue the assessment of facilities and operations of recycling yards respectively to select recyclers for the demolition of their fleets, taking into account verification of third parties.

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