



# ASF SERC

ASF Shipping Economics Review Committee

c/o Japanese Shipowners' Association  
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4 March 2016, Kobe

## MEETING SUMMARY

of  
the 28th Interim Meeting of the Asian Shipowners' Forum (ASF)  
Shipping Economics Review Committee (SERC)

The 28th Interim Meeting of the ASF SERC was held in Kobe, Japan on 4 March 2016. The meeting was attended by 17 delegates from the ASF member associations of ASEAN, Chinese Taipei, Hong Kong, Japan and Korea. The attendance list is attached. The ASF SERC members were firmly committed to ensure full compliance with all applicable competition laws throughout the entire programme under the careful observation of their counsel, as in previous meetings. The outline of the meeting was as follows:

### 1. World Economy

The U.S. economy is expected to continue to be robust, supported by still-easy financial conditions and strengthening housing and labour markets. However, there are also challenges stemming from the strength of the dollar, which is causing the U.S. manufacturing sector to shrink marginally. In the Euro area, there are projections that it will grow to some degree this year because of stronger private consumption, supported by lower oil prices and easier financial conditions. Concerning the situation in Asia, China is expected to continue rebalancing its economy from manufacturing to services, but India and other emerging Asian economies are projected to continue growing at a robust pace, although some countries could face struggling situations brought about by China's economic rebalancing and global manufacturing weakness. In addition, we have to keep a careful watch on the depressed oil price levels in consideration of its impact on the global economy. Overall, the global economy still faces uncertain factors in the course of returning to the right track for steady growth.

### 2. Shipping Markets

Mr Rahul Kapoor, Director of Drewry Financial Research Services, gave the meeting presentations on the current situations and forecasts for shipping markets such as the U.S. Trans-Pacific and Intra-Asia liner market, and the dry bulk/tanker markets. The meeting noted the outlook that shipping companies would be continuously forced to struggle with sluggish markets in most sectors in 2016, mainly due to a deep-rooted oversupply of tonnage coupled with uncertain factors relating to the global economy.

### 3. Major Challenges Facing Shipping Industry

#### 1) Environmental Regulations

An update on developments regarding environmental regulations in international and regional

governmental fora was provided. Mr Seijiro Morimoto from the JMC who addressed this subject indicated that further environmental regulations might encourage the demolition of older vessels, leading to an improvement in the oversupply situation, but that at the same time, further environmental regulations might place inappropriate burdens on shipping companies. Because of the significant costs and operational impacts of environmental regulations, it was agreed that the ASF should continue to collaborate with international shipping organisations to encourage governments to make appropriate decisions on environmental regulations at the IMO and other fora in order not to impose unfair burdens on the shipping industry.

2) Bribery

The delegates were informed of legal framework and governmental/industrial efforts for anti-bribery as well as key points for anti-bribery compliance. It was recognised that bribery, facilitation payments and other forms of corruption are long-standing, rooted obstacles to fair trade for shipping companies. The ASF SERC therefore decided to add this issue to its future agenda and to address continuously this important task. The members were also encouraged to consider joining the Maritime Anti-Corruption Network (MACN).

3) Protectionist Approach in Some Countries

The meeting was informed by Mr Simon Bennett of ICS of the recent developments in the U.S., Russia, Africa and EU concerning the promotion of utilising nationally flagged vessels in international trade, which could damage free trade in international shipping markets. The meeting agreed that the ASF, in collaboration with international shipping organisations such as ICS, should continue to urge such countries and regions to refrain from taking this kind of protectionist approach on nationally flagged ships.

4) Canal Issue

The recent developments in the Suez and Panama Canal were reported. The delegates reaffirmed the importance of establishing the regular dialogue mechanism between those Canal Authorities and Canal users at the earliest opportunity in order to prevent a recurrence of excessive and short-notice Canal toll increases in a non-transparent manner and to ensure a safe transit environment. Therefore, it was agreed that the ASF should continue its utmost efforts, in collaboration with international shipping organisations, towards the early establishment of the dialogue mechanism.

**4. Antitrust Immunity and Shipping Regulation**

Recent developments in a number of jurisdictions were reported. The meeting reconfirmed the ASF's long-standing policy that the anti-trust immunity system for cooperative shipping agreements is indispensable for the healthy development of the shipping industry and the whole trading industry. The ASF SERC commended ASF for active support of industry efforts to maintain anti-trust exemptions for liner shipping.

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The ASF Shipping Economics Review Committee (SERC) is a forum for senior executives of Asian shipping lines to review macroeconomic trade information and developments as they relate to shipping and trade. The objective of the ASF SERC is to improve the quality of executive decision-making by the review of available macroeconomic data and the sharing of perspectives on major trade and shipping policy issues.

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4 March 2016

The 28th Interim Meeting of  
the ASF Shipping Economics Review Committee (SERC)  
in Kobe on 4 March 2016

## Attendance List

### CHAIRMAN

#### < Japanese Shipowners' Association >

Mr Eizo Murakami Vice President, Japanese Shipowners' Association  
(President and CEO, Kawasaki Kisen Kaisha., Ltd.)

### MEMBERS

#### < Federation of ASEAN Shipowners' Association >

##### < Indonesian National Shipowners' Association >

Mr Bani M. Mulia (Managing Director, Samudera Indonesia)  
Mr Haneco W. Lauwenzi (President Director, Pt. Andalas Bahtera Baruna)  
Mr Eldwen Laurenzi (Manager, Pt. Andalas Bahtera Baruna)

##### < Malaysia Shipowners' Association >

Capt. Johari Mohd Noh (Managing Director, Gagasan Carriers Sdn Bhd.)

##### < Vietnam Shipowners' Association >

Mr Bui Viet Hoai (Vice President, Vietnam National Shipping Lines)  
Mr Do Hung Duong (Director, Vietnam National Shipping Lines)

#### < Hong Kong Shipowners Association >

Mr Erxin Yao (Director, Corporate Planning & Corporate Administration,  
Orient Overseas Container Line Ltd.)

#### < Japanese Shipowners' Association >

Mr Akihiko Ono (Managing Executive Officer, Mistui O.S.K. Lines, Ltd.)  
Mr Katsuhide Shiratsu (Associate General Manager, Corporate Planning Group,  
Mistui O.S.K. Lines, Ltd.)  
Mr Hiroki Harada (Corporate Officer, Nippon Yusen Kabushiki Kaisha)  
Ms Keiko Kosugi (Deputy General Manager, Corporate Planning Group,  
Nippon Yusen Kabushiki Kaisha)  
Mr Keiji Tomoda (Associate Director Maritime Industry Affairs,  
Kawasaki Kisen Kaisha, Ltd.)

**< Korea Shipowners' Association >**

Mr Jeong Bum Kim (Executive Vice President, Hyundai Merchant Marine Co., Ltd.)

**< National Association of Chinese Shipowners >**

Dr Frank F. H. Lu (Chairman, Yang Ming Marine Transport Corporation)

Mr C. K. Ong (President, U-Ming Marine Transport Corporation)

Mr Randy Chen (Vice-Chairman, Wan Hai Lines Ltd.)

**GUEST SPEAKER**

Mr Rahul Kapoor (Director, Drewry Maritime Services (Asia) Pte. Ltd.)

Mr Seiji Morimoto (Resercher, Japan Maritime Center)

**ICS SECRETARY**

Mr Simon Bennett (Director Policy and External Relations, International Chamber of Shipping)

**ASF SECRETARY**

Mr Kwang Ho Shin (Secretary General, Asian Shipowners' Forum)

Ms Serena Tan (Executive Officer, Asian Shipowners' Forum)

**LEGAL COUNSEL**

Mr Jeffrey F Lawrence (Cozen O'Connor)

**SECRETARIAT**

Mr Takashi Ishikawa (Managing Director, Japanese Shipowners' Association)

Mr Kengo Nakamura (Manager, Planning Division, Japanese Shipowners' Association)

Mr Takuya Horaguchi (Planning Division, Japanese Shipowners' Association)

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