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Singapore

Press Release

Asia, Moving Towards Greener Shipping

Asian Shipowners' Association (ASA) held its 31st Annual General Meeting online on 19 May 2022. The meeting was hosted by the Korea Shipowners' Association (KSA) and attended by representatives from all ASA member associations.

The focus of the meeting was on many aspects of the challenges faced by the world shipping industry and the Asian ship owning community in particular.

On behalf of Mr Tae Soon CHUNG, ASA Chairman, who was unable to attend the AGM, Mr Kim Young Moo, Executive Vice Chairman of Korea Shipowners' Association (KSA), said "ASA confirmed that we would be moving towards greener shipping."

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ASA said, 'Seafarers are the essential human resources of the shipping industry.

However, the Covid-19 Pandemic has left seafarers in a vulnerable position.

Seafarers' welfare and wellbeing are always our at most concern. ASA urges the world administrations and stakeholders of the shipping industry, to take measures to ensure seafarers' welfare and wellbeing under the MLC 2006, thereby attracting and retaining seafarers to remain in the industry. They are working in the front line of the global supply chain.'

IMO Assembly affirms limited liability for shipowners

Just as there would be a massive fall in worldwide GDP, if there were no "limited companies" so, also, there would be far less international shipping (with a commensurate fall in GDP), if shipowners were unable to limit their liability. Thus, a recent landmark achievement by the shipping industry is the formal adoption by the IMO Assembly, in December 2021, of the established IMO principles underpinning "the test for breaking the shipowners' right to limit liability contained in the 1992 Protocol to the CLC, the LLMC 1976 and the LLMC 1996". Arcane wording, perhaps, but of huge importance. Industry insiders are familiar with attacks on the principle of limited liability for shipowners in Spain and France in connection with the "Prestige" and "Erika" cases. ASA has played a very active role in promoting the principles which allow shipowners to limit their liability, and strongly welcomes this development at IMO, which is a specialised agency of the United Nations. ASA calls on Governments and their Courts to refer to the agreed "Unified Interpretation" of such rules when deliberating on the limitation of the shipowners' liability.

Canal Tolls

ASA expressed its serious concern over the Suez Canal's toll and surcharge increases without sufficient prior notices and reasonable explanations, this year. ASA also noted with serious concern over the new toll system proposals by the Panama Canal Authority, which had presumably been developed under the recent unprecedented world shipping market conditions, due to its extreme scale of

increases in the coming three years. Bearing in mind that those two great canals are playing an indispensable role in underpinning the global supply chain together with the shipping industry, ASA urges that the voices of canal users and all stakeholders, that reiterated the importance of stability, transparency and predictability of pricing policies, should be heard. ASA reconfirmed that we would seek direct and closer dialogues with both canal authorities at the earliest opportunities to enhance our communication and mutual understanding.

The Hong Kong Convention (HKC)

Considering the projected sharp increase in demand for ship recycling after 2023, because of the accelerated replacement of existing vessels by eco-friendly alternatives, ASA reaffirmed the need for early entry into force of the HKC as well as for the urgent expansion of Green Yards in multiple countries. China and Bangladesh have been holding the key to the entry into force of the HKC, and ASA continues motivating both countries to ratify the Convention. To assist Bangladesh's intention to ratify the HKC by 2023, ASA reaffirmed that support should be given by governments of other countries as well as through encouragement from ASA members' usage of HKC SOC (Statements of Compliance) yards and those aiming to acquire certification. ASA commits its best efforts towards achieving the entry into force of HKC in recognising that the year 2022 will be a crucial year.

ASA calls for support on the IMO Maritime Research Fund (IMRF)

ASA continues to express its strong support for IMO Maritime Research Fund (IMRF) and IMO Maritime Research & Development Board (IMRB), which will guarantee funding for the R&D necessary to accelerate the development of zero emission ships – not only are the IMRB and IMRF the most efficient tools to decarbonise the industry, but they also offer a measure of stability to support for R&D efforts and will be relatively insulated from external shocks that may result in increased volatility in carbon markets. ASA further welcomes the most recent proposal to ensure that the IMRB's Board of Directors is diverse and representative by expanding membership of the IMRB's Board of Directors to include representatives from IMO Member States and to allocate USD50million annually to support mitigation efforts in Small Island Developing States and Least Developed Countries through the IMO GHG TC Trust Fund.

At the ASA AGM, Mr Xu Lirong, Vice-Chairman of ASA and Chairman of China Shipowners' Association (CSA) was appointed as the 32nd ASA Chairman. Capt. Chang Yen-I, Chairman of National Association of Chinese Shipowners (NACS) was also appointed as the Vice-Chairman of ASA. The next ASA AGM will be held in China in May 2023

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Editor's Note:

The Asian Shipowners' Association (ASA) is a voluntary organization of the shipowner associations of Australia, China, Chinese Taipei, Hong Kong, 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:

Seafarers Committee (SC)

Ship Insurance and Liability Committee (SILC)

Safe Navigation and Environment Committee (SNEC)

Shipping Policy Committee (SPC)

Ship Recycling Committee (SRC).

It has been estimated that ASA shipowners and managers control and operate around 50% of the world's cargo carrying fleet.
