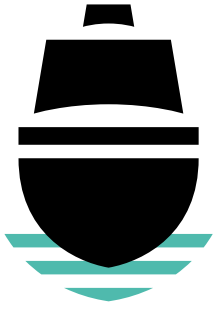


ICS LEADERSHIP INSIGHTS

Monthly insights from the International Chamber of Shipping's global leadership community



Sakura Kuma brings new priorities to APMT Japan



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DECISION MAKER: SAKURA KUMA

Sakura Kuma sets an inclusive agenda as she takes charge at APMT Japan

First female head of APMT Japan paves a way for others to follow her lead

In February, Sakura Kuma became the first woman to be appointed as chief executive of APM Terminals' Japan operations. For her, it is not a big deal. "In my entire career I have always been in the minority; I got used to it", she told *ICS Leadership Insights*. For the industry, however, she recognises its significance, both to other organisations and to women in shipping.

She spoke of the 'glass ceiling' that she and many women executives have encountered as they progress upwards in a company's structure, particularly in Asia. Of those women that do reach executive positions, few are given responsibility for what she termed 'core business' and might be appointed for appearance's sake, she said.

But this is changing, she believes, especially in companies whose culture stems from outside the region, such as APM Terminals (APMT), which has a female CFO, Katja Otten, she pointed out. In her previous role – she

spent 20 years with NYK, including 13 in its port-related business – Kuma had spent time working in the US and with European counterparts "so I know how women work in Europe and America. I won't say it is already equal there, but it's much better than in Japan".

But would she encourage women to follow in her footsteps? "I have always been doing so", she said, recalling taking part in [an event](#) about empowering women in the maritime community at IMO's London HQ in May 2019 when she was executive director of Yokohama-Kawasaki International Port Corp (YKIP). Now, in her current role, "my voice has become louder" she said.

"Inclusion is not just a slogan: hire more women, give them more opportunities." This might mean taking a less experienced candidate and providing training, she said, but it addresses a question she asked when she was starting out: "if you don't give me the opportunity, how can I get experience? Now, I'm on the other side of the table."

Sakura Kuma arranged for two 'rainbow containers' to be offloaded during their stopover in Yokohama (image: APMT)





The 23,656TEU *MSC Isabella*, one of the largest container ships, made its maiden call to APMT's Yokohama port in March (image: Ministry of Land, Infrastructure, Transport and Tourism)

“We see a lot of potential customers... I know where their pain points are”

Rainbow containers

She also made her voice heard in March when two 'rainbow containers', which have been decorated in colours representing the LGBTQ community, arrived in Yokohama. They were on their first stop on a journey on Maersk ships from Los Angeles to Copenhagen, where they are due to arrive in mid-August to coincide with the Copenhagen Pride festival.

She insisted that the boxes were offloaded so that she and other colleagues could publicly write messages on them and [said at the time](#) that the initiative showed “a commitment for a better future, where diversity and inclusion is something completely natural”. Reflecting on the publicity that action spawned, she believes it “encouraged more ports to do the same thing”.

Our cover photo shows Kuma with the box and wearing a safety jacket. It is an image she says illustrates her management style, which she described with a term from the kaizen management lectionary – [gemba](#) – which refers to the factory floor or, in her case, a port's quays. “Whenever I have a chance, I will wear that safety jacket and go to the port and talk to people”, she said.

“I want people to know me as a person. ... I am proud of being part of the real grunt work.” But she is careful not to intrude. “I don't disturb their work”, making the main benefit of these visits an opportunity to review operational safety.

Growth plans

Her experience of port operations while working for NYK covered many facets: investor, developer, management and operations, “so you know what your customer wants and you can help her get better services and you make your business grow as well”, she said.

And she needs growth: last year, APMT Japan won a tender for a 10-year agreement with YKIP to increase berth capacity, making it the only terminal operator in the greater

Tokyo area able to handle some of the world's largest ships.

This agreement has doubled APMT Japan's capacity, “a huge challenge for us”, she said. But APMT was looking for economies of scale and the port authority saw a benefit in working with an integrated container logistics service provider as it looked to increase cargo handling at the port, which is significant for the whole of Japan, Kuma said.

She has made it a priority to reach out beyond APMT's sister company Maersk, its alliance partners and existing customers. “We see a lot of potential customers and it is easy for me to talk with them because we speak the same language; I know where their pain points are.” She encourages customers to “help make our service better and we will help to grow your business.”

Cooperation and regulation

That spirit of cooperation also extends to exchanging views with other ports about best practice and other common interests. For example, the day before she spoke to *ICS Leadership Insights*, Kuma had been discussing gantry crane specifications with another terminal operator.

But she believes there is scope for cooperation around shared concerns and operational matters such as the current imbalances caused by congestion in some ports. “We are influenced by the other ports so it makes sense if we make friends and have a constant dialogue.”

She also hinted that an international governing body for ports – in the same way that IMO regulates ship operations – could be beneficial. Take environmental issues, for example. “Can you imagine what the world would be like if there weren't IMO” to set emission goals? In the same way, it would be “better to have but harder to have” a similar body to set global standards for ports. “It's not impossible but we are far from realising that”, she said. In the meantime, “by collaboration, we can get step by step closer to that stage”.

Meanwhile, she said, “we have a business to run” and her main priority is to rationalise the organisation's structure. She inherited a commercial department that was created shortly before she arrived to reach out to shipping lines to grow the port's throughput. She has since focused on clarifying its priorities and structure. “It's not rocket science ... and it's on the right track now”, she said.

Working in Japan for a European company can lead to long hours, as meetings continue into the evening. But her visits to the port provide a retreat; “that's a relaxing time for me. Sometimes in the winter when the weather is good, I can see Fuji mountain”, she said. But it is not a complete escape: “it also reminds me that I'm responsible for so many people's lives and safety.”

Seafarers shout out to governments

Seafarers sounded their ship's horns at ports around the world on the 'Day of the Seafarer' on 25 June as part of the ICS #ShoutOutForSeafarers campaign.

Crews shared videos of sounding their vessel's horns from locations including Brazil, Belgium, Germany, France, Singapore, Poland, South Africa, America and the UK.

As part of a coordinated effort between ICS members and partners, government ministers and press were invited to attend events around the world to assert the need for tangible action to end travel bans and initiate seafarer vaccine programmes. Speaking in [an ICS video](#), Captain Tejinder Singh, said: "Governments need to declare us as keyworkers, not only in name but action too."

Vaccination hubs

It is hoped the added pressure on governments will see more countries create vaccination hubs and follow the example of countries including the US, Netherlands and Belgium.

Esben Poulsen, ICS Chair, said the crew change crisis had been unprecedented in his 50 years spent in the maritime industry. "We will be feeling the ripple effects of this crisis for years to come, but today, governments have a chance to take meaningful action to protect both seafarers and global trade. They must seize it."



MEPC 74 meeting held at IMO headquarters in London on 13-17 May 2019 (image: IMO)

Governments must act on US\$5 billion decarbonisation fund

ICS, with seven other industry organisations, has urged governments to progress the US\$5 billion R&D Fund for shipping and take decisive action to decarbonise the industry.

At MEPC 76, held in June, [\(see p7 for an analysis\)](#) Member States agreed to continue work on the IMO-supervised US\$5 billion R&D Fund programme, to be led by a new International Maritime Research and Development Board (IMRB), with

many nations stepping up to support the proposal. However, ICS and the industry organisations, BIMCO, CLIA, Intercargo, Interferry, Intertanko, IMCA, IPTA and World Shipping Council expressed their disappointment that progress on the fund was delayed to the next MEPC this November.

The R&D fund has been developed over the past three years and the industry organisations called it "the

only concrete proposal on the table", which can be agreed and put in place by 2023. This, they said, will boost current insufficient R&D efforts and ensure that technologies for operating deep-sea vessels on zero-carbon fuels will be available by 2030.

Governments were called upon by the organisations to approve the proposed amendments to Annex VI of MARPOL at MEPC 77 as the first concrete step forward in making the IMRB a reality to reduce GHG emissions from shipping.

"To catalyse innovation, the industry is willing to provide guaranteed funding of US\$5 billion at no cost to governments, giving all nations equitable access to the work and the technologies the fund advances. So, what are we waiting for?" the industry organisations said.

'Acceleration of green agenda' in ship finance

Leaders in finance told the audience of the latest [ICS Leadership Insights Live](#) event on 16 June that shipping should prepare for banks to continue to focus on reducing the carbon footprint of their portfolios and a greater focus on Environmental, Social, Governance (ESG).

Paul Taylor, Managing Director, Global Head of Shipping and Offshore, Société Générale and Vice Chair, Poseidon Principles, noted that banks will continue to focus on decarbonisation and "an acceleration of the green agenda".

Banks and other financiers are actively incorporating green benefits and incentives into their financing structures, he said.

ESG will play a key role Taylor added.

"They [banks] fully understand that cutting carbon emissions in the shipping sector is crucial in curbing the worst effects of climate change that we are experiencing and ultimately in heading to net zero," he said.

To register for the next Leadership Insights event register [here](#).

ICS elects Emanuele Grimaldi as Chair-Designate

Emanuele Grimaldi, Managing Director of the Grimaldi Group and current ICS Vice Chair, was named as ICS Chair-Designate following a decision by the ICS Board of Directors on the 23 June.

Subject to a formal election at the ICS AGM in June 2022, Grimaldi will follow Esben

Poulsen as the next ICS Chair when he steps down.

Grimaldi is former president of Confitarma and will continue to work with the present Chair and Secretary General, Guy Platten, on all ICS projects, including crew change, seafarer vaccinations and decarbonisation efforts.

Grimaldi said: "I would like to thank the ICS Board for this designation. I am extremely pleased to continue to work with all of them in this new position."

Poulsen was elected as ICS Chair in 2016 and is currently serving his third term of office.



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Senior Minister of State, Ministry of Transport, Republic of Singapore

Shamika Sirimanne
Director, Division on Technology, Logistics and Trade, United Nations Conference on Trade and Development

Randy Chen
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SIRF nears its COVID-support target

Donations to the Seafarers International Relief Fund (SIRF) were approaching its US\$1 million target as this issue of *ICS Leadership Insights* was published, less than two months after its launch on 5 May.

It was set up to provide support for seafarers in response to the COVID-19 pandemic and, by 24 June, The Seafarers Charity, which is coordinating the fund at no cost, reported that the fund had received nearly US\$830,000.

Figures shared with *ICS Leadership Insights* showed that it had already distributed over US\$600,000 via its supporting charities, [The Mission to Seafarers](#), [ISWAN](#), [Sailors' Society](#), and [Stella Maris](#) and has so far paid for such essential supplies as oxygen generators, vaccinations and other medicines, PPE, food parcels and financial support for the next-of-kin of seafarers who have died of COVID-19.

Catherine Spencer, Chief Executive of The Seafarers' Charity, said that the fund's initial focus is on Indian seafarers and their families but it will also help seafarers across the world. However, "whether we are able to work in other



Funds for the SIRF are nearing their initial target but more is needed to expand its work (image: Ardmore Shipping/SIRF)

areas will depend on the funds available", she said, adding that a stakeholders meeting on 16 June concluded that there were not yet sufficient funds to expand to another country.

When the fund was launched, ICS Chair Esben Poulsson urged shipowners and others in the maritime sector

to support this initiative. "We have all been shocked by the images and stories coming from India [and] when faced with significant challenges, the maritime community always comes together", he said.

● Donations can be made by [bank transfer](#) or via a [donation link](#) on The Seafarers Charity's website.

X-Press Pearl fire highlights emergency response reviews

X-Press Pearl's fire and sinking off Colombo, Sri Lanka comes at a time when both 'places of refuge' and salvage arrangements are under review.

The three-month-old 2,700TEU container ship's cargo included 81 containers of dangerous goods, one holding 25 tonnes of nitric acid. Smoke was seen coming from Hold No 2 on 20 May and the subsequent fire and explosions overwhelmed the ship, which sank two weeks later.

Speculation about the cause of the fire has centred around the nitric acid container, which was found to be leaking earlier in the voyage. It was stowed on the hatch cover of No 2 Hold and Capt RS Minhas, CEO of X-Press

Feeders' ship ownership division, told *ICS Leadership Insights* that it was too early to say whether that leak caused the fire.

Requests to offload the container had been declined at two previous ports of call, in Qatar and India, because "there were no specialist facilities or expertise immediately available to deal with the leaking unit", according to [information on the ship operator's website](#).

Under Marpol, ports are required to provide certain reception facilities, but these are for operational discharges, rather than emergency response. But in 2003, IMO adopted [Guidelines on Places of Refuge](#), which apply "where a ship is in need of assistance but safety

of life is not involved", their introduction states.

Those guidelines are currently under review by IMO's Sub-Committee on Navigation, Communications and Search and Rescue (NCSR). Its [8th annual meeting](#), in April, reviewed a proposed revision of the guidelines and instructed a correspondence group to report back to NCSR 9.

Chairing that group is Stephan Hennig, the UK Secretary of State's Representative for Maritime Salvage and Intervention. He believes that the current version "covers most eventualities ... [and] the review is intended to ... improve their usability".

Also under review is the Lloyd's Salvage Arbitration Branch (LSAB). Lloyd's

proposes to close the LSAB, which one law firm, [Kennedy's](#), says risks "the ultimate survival of the Lloyd's Open Form" (LOF) salvage contract. It was under an LOF that Smit Salvage tried to save *X-Press Pearl*.

In April, Lloyd's invited feedback on its proposal, which a Lloyd's spokesman said was prompted by diminishing use of the LOF. "We have been meeting with market representatives ... to discuss the concerns that have been raised", he said.

He declined to speculate whether *X-Press Pearl's* salvage will need the LSAB, if it remains in existence, and the ship's P&I insurer, the London Club, said it was not able to comment on any claim that might arise from the incident.

Short-term success for MEPC 76

Delegates to the 76th Marine Environment Protection Committee meeting (MEPC 76) in June were given a blunt message by IMO Secretary-General Kitack Lim: “Failure is not an option [otherwise] we run the risk of having unilateral or multilateral initiatives”.

Pressure to achieve results was on: just three days earlier in the US, the Chair of the House Natural Resources Committee, Raúl Grijalva, [had introduced](#) the Ocean-Based Climate Solutions Act that would, among other things, establish monitoring, reporting and verification requirements for greenhouse gas emissions by seafaring vessels over 5,000gt.

The Secretary-General would likely have been disappointed at some of the post-MEPC 76 responses in the EU. For example, [Jytte Guteland](#), co-chair of a delegation from the European Commission’s Committee on the Environment, Public Health and Food Safety said: “The outcome of this IMO session is a big disappointment when it comes to tackling global warming. ... It is obvious that the EU must act.”

Some in the shipping industry were also unimpressed. In [a comment posted on LinkedIn](#), Norwegian Shipowners Association CEO Harald Solberg referred to a “disappointing result in important climate meeting for shipping” and called for “an IMO that shows vigour and takes leadership”.

CEO of the UK Chamber of Shipping, Bob Sanguinetti, was more upbeat, describing the meeting as ‘tense’ in the chamber’s weekly newsletter the day after MEPC closed but said: “the short-term measures agreed represent a sensible compromise, but we do need to see how these rules will be implemented.”

MEPC 76 agreed carbon intensity reduction targets that will ensure global shipping will be emitting at least 32% less CO₂ by 2026 compared to 2008. (AER: Annual Efficiency Ratio)

Among the UK Chamber’s members are two Maersk Group companies and, in a statement provided to *ICS Leadership Insights*, Maersk’s Regulatory Affairs Director Simon Bergulf welcomed the adoption of short-term measures to meet IMO’s GHG ambitions, but said that “the metrics to be used for their implementation are still unclear and this means that their effect remains to be seen”.

It was those short-term measures that Lim had urged delegates to approve and, speaking to *ICS Leadership Insights*, ICS Principal Director (Marine) Jonathan Spremulli disagreed with some media reports that have described the meeting’s decisions as ‘watered down’. He pointed out that the meeting had agreed an 11% reduction by the end of 2026 in the carbon intensity from shipping compared to 2019, to be followed by a review in 2026 to set new figures for 2027-2030.

He said that this will ensure that, by 2030, the target of at least 40% reduction – compared with 2008 levels – will be achieved as intended and that, from ICS’ perspective, “everything went according to plan to achieve the carbon intensity reduction goal set out in the IMO’s initial strategy whilst respecting the impact assessment which had looked at the effect the measures may have on the economies of some countries”.

Asked how MEPC 76 would affect shipowners, he said that it has given them some certainty about what they will have to do in terms of carbon intensity reductions for their ships and given them much-needed guidelines relating to EEXI and CII requirements. Now, “there is a need to push on and do the work, or continue the work already started related to EEXI and CII compliance”, he said.

Key outcomes from MEPC 76

Jonathan Spremulli highlighted some of the meeting’s important outcomes:

- Seven sets of guidelines were adopted; three related to the energy efficiency for existing ships (EEXI) and four to the carbon intensity index (CII), with a phased approach to increasing the CII reduction steps. Spremulli anticipates that market forces will encourage compliance.
- Discussion on the ICS-backed International Maritime Research Fund (IMRF) and its associated International Maritime Research Board (IMRB) was adjourned to MEPC 77, in November. There were continuing concerns raised by some member states, Spremulli said, but he believes these can be satisfactorily addressed.

But in a webinar hosted by DNV, its Environment Director Eirik Nyhus suggested that the proposal will be modified and that elements of it will be “folded into the market based measures (MBM) discussion”. Spremulli, however, stressed that “this is not an MBM. It’s to raise money for R&D [and] not for any other purpose”.
- Amendments to MARPOL Annex I were adopted prohibiting the use and carriage for use as fuel of heavy fuel oil by ships in the Arctic from 1 July 2024, with a couple of waivers applicable until the end of June 2029.
- Other significant outcomes Spremulli highlighted included amendments to the Antifouling System (AFS) convention, to control the use of cybutryne, and the approval for draft amendments to guidance for best practice for member states and coastal states, which now include an example of a licence for fuel oil suppliers, which Spremulli sees as a positive step towards the introduction of a bunker licencing scheme.

Engines ‘ready for future fuels’

Engine builders and designers are ready to respond to future fuels, according to senior executives at both of the major low-speed engine marques, MAN Energy Solutions and WinGD.

Thomas Hansen, Head of Promotion and Customer Support at MAN Energy Solutions, said that by “providing certainty that [an engine] can be converted to whatever the preferred fuel will be 10 years down the road, financiers can have some assurance that they’re not investing in a potential stranded asset”.

German Weisser, Senior Advisor Emissions R&D at WinGD, said much the same. “No-one is prepared to invest if they do not get a reasonably good confirmation [that] the assets and engines can later be enabled to run on future fuels”.

Retrofitting is not always cost-effective, Hansen pointed out. For a large ship with a high residual value, the business case might make sense, he said, but “on small ships, a big retrofit project needs to have a certain value”.

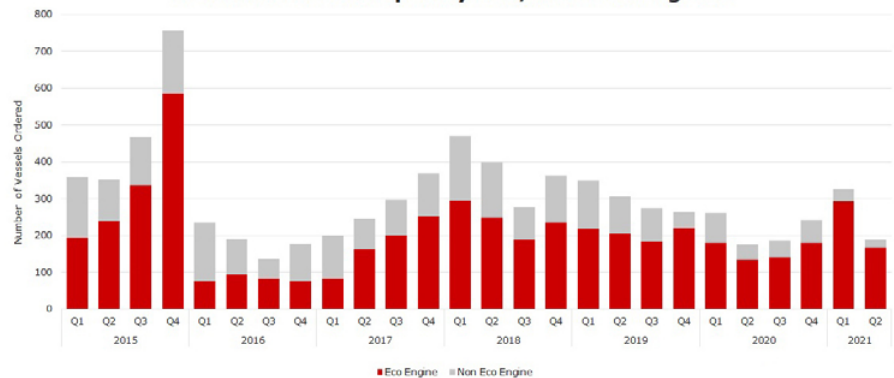
The fuels also have some drawbacks, as Alvin Forster, Loss Prevention Executive of the North P&I club [noted in an online article](#). Biofuels face storage issues, hydrogen is costly to produce, ammonia is toxic and requires careful handling and methanol offers only a very modest reduction in CO₂ emission, he wrote.

Peter Hinchliffe, Consultant at The Methanol Institute, agrees that “the liquid fuels challenge is incredibly complex” but pointed out that LNG, LPG and methanol are all available now so, for methanol, “the risk of stranding is nil, since ... it already complies with IMO 2020 and has lower carbon emissions than fuel oil”.

By contrast, he said, “less than a decade from 2030, it is not clear that the feedstocks, process of manufacturing and supply will be in place for ammonia and hydrogen to make any meaningful commitment”.

Others are more positive about ammonia’s potential. In March, a consortium supported by AP Møller-Maersk, [began a feasibility study](#) with the aim of “establishing a comprehensive and competitive supply chain for the provision of green ammonia” in Singapore.

Newbuild Orders Split by Eco/Non-Eco Engines



The proportion of newbuildings ordered with eco engines has increased in recent years (source: VesselsValue)

Does fuel evolution risk creating stranded assets?

Our headline poses a binary question about the risk of a shipowner ordering a ship today and it becoming a ‘stranded’ – ie, obsolete – asset because of the uncertainty over what will become the dominant green fuels of the future. Shipping appears equally divided about the answer.

‘No’, says Svein Steimler, President and Chief Executive Officer of NYK Group Europe and a board member of the industry group SEA-LNG. Speaking during an [ICS Leadership Insights Live event](#) about ship finance on 16 June – the day after [NYK had announced plans](#) to build 12 LNG-fuelled PCTCs – he said: “I get a little bit frustrated with [shipowners] who say ‘let’s wait for something better’ and do nothing”.

He had earlier told *ICS Leadership Insights* that over the typical 20-25 year life of a ship, and given the normal pace of technological change in shipping, there is only a minute risk of a newbuilding becoming stranded by later developments in fuel requirements.

Another speaker, Abhishek Pandey, Global Head of Shipping Finance at Standard Chartered Bank, agreed. He told this newsletter that “regardless of what fuel type your ship is using ... every shipping asset will hold an intrinsic value”. This value will evolve in response to technology developments and market forces and financiers will calibrate their terms accordingly but “we feel older technology may still get capital, albeit it will be significantly priced up compared to bank funding”, he said.

Class societies, however, do foresee a risk of stranded assets. Tore Longva,

Principal Consultant for Regulatory Affairs at DNV Maritime, warned that ships could become “unable to operate on a specific fuel or technology in the future”.

His advice is to focus on fuel flexibility and bridging technologies, such as alternative fuel-ready solutions, and told *ICS Leadership Insights* that concerns about fuel availability, prices and policies should not deter owners from making investment decisions.

At Lloyd’s Register, its Maritime Decarbonisation Hub Programme Manager Charles Haskell said that the maritime industry already has many of the technologies needed for zero-carbon shipping, both on the vessel and in fuel production. But “we need clarity on safety, sustainability, regulation and training,” he said.

To secure that clarity, “large-scale practical pilots and demonstrators [are needed] that are repeatable and scalable”, he said. In addition, “there needs to be a fundamental shift in market and regulatory incentives ... thereby increasing the uptake of zero-carbon energy sources”.

Sophie Rivlin, Associate Director at VesselsValue, agreed that uncertainty over which fuels to use “has caused owners to be more hesitant in placing orders”, but said that may not be the only reason for delaying orders. Over the past couple of years, while the market has been poor, “it’s been much easier to delay making a decision”, she said.

What is clear from VesselsValue’s data, however, is that the proportion of ships choosing low-speed electronically-controlled ‘eco’ engines has been growing, especially since the start of 2020.

Cyprus shipping aims for ‘more extroverts’

Cyprus’ Shipping Minister Vassilis Demetriades wants shipping to project a more outgoing image

Vassilis Demetriades is on a mission to update his ministry’s vision. As Cyprus’s Shipping Minister, he concluded a four-phase consultation exercise at the end of June to which anyone, involved in shipping or not, could contribute. By October, he expects to reveal a new ‘strategic vision’ for the sector.

It will stand on three pillars, he told *ICS Leadership Insights*: the industry must be Sustainable, Extroverted and Adaptable (SEA).

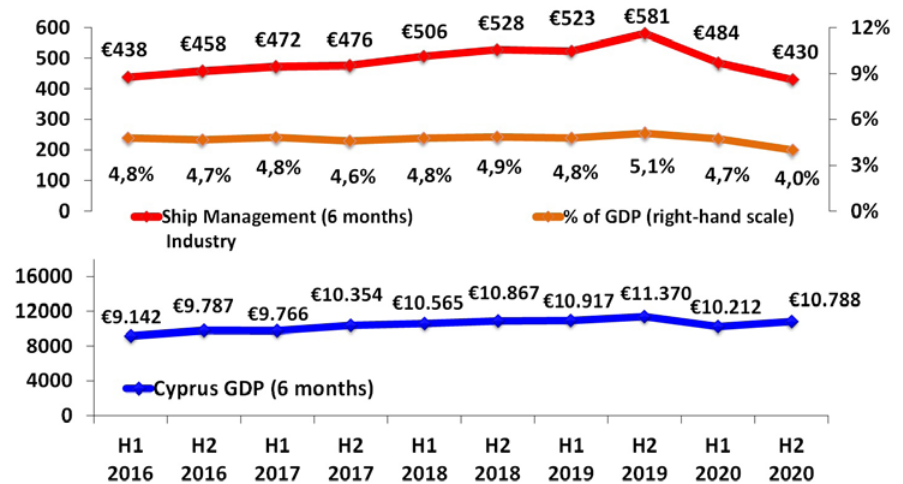
‘Extroverted’ is an unusual word in shipping’s vocabulary, he agreed, but “that is the element I would like to add”. His views are based on six years’ experience as policy officer in the European Commission’s Directorate General of Mobility and Transport, where he coordinated EU maritime transport strategy and met many shipping industry delegations.

From that experience, he wants Cyprus to “to build a more positive image” of the shipping sector and reach out to non-ship- ping stakeholders, especially those who influence shipping policy: “we have to communicate to them how the sector works.”

He has already overseen the [introduction of incentives](#) to encourage owners and managers of Cyprus-flagged ships to improve their environmental performance. A discount of up to 30% off tonnage tax is on offer, provided their performance exceeds their statutory requirements. Its effect on tax revenues will not be known until next year.

Demetriades hopes it will attract additional tonnage to the flag, but its main purpose is to support an industry facing international environmental requirements. “We need to incentivise them ... in their challenging decarbonisation path”, he said.

Cyprus’ shipping community wel-



Shipmanagement’s contributions to Cyprus’ GDP since 2016 (source: Central Bank of Cyprus/Cystat)

comes his initiatives, commented Thomas Kazakos, Director General of the Cyprus Shipping Chamber (CSC). The ministry has existed for three years and “now he’s trying to take it to the next level; ... we fully support him”, he said.

Shipping is a significant contributor to Cyprus’ GDP. Its register is the 11th largest globally and is a major international ship management centre. The Central Bank of Cyprus prepares a summary of that sector’s revenue twice each year and [the most recent](#), covering H2 of 2020, shows revenues of €430 million (US\$520 million), representing 4% of the country’s GDP, a reduction of €54 million compared with H1 and €151 million less than H2 2019 when the sector’s GDP contribution was 5.1%. Last year’s fall was largely because of revenue lost from cruise-related management services because of COVID.

Additional revenue comes from ship- owning and shipping-related services,

Kazakos said, making Cyprus shipping sector’s total contribution to GDP around 7%, particularly valuable over the past year as tourism revenue collapsed.

Ironically, the cruise downturn will have a positive outcome for Cyprus, he believes. A number of cruise ships have been anchored off Limassol for several months and agents for two major operators in particular have been impressed with the service they have received.

So much so, that one is planning to include Cyprus as a port-of-call while another will homeport one of its ships in Cyprus, Kazakos said. In doing so, they will make use of Limassol’s dedicated cruise terminal, which [opened in 2017](#).

Cyprus recognised seafarers as key workers very early in the pandemic and Kazakos paid tribute not only to the Shipping Ministry but also the Ministry of Health and the Ministry of Foreign Affairs in enabling crew changes to take place in Cyprus.

More recently, shipping has been declared to be an essential service, giving superintendents and cadets of all nationalities resident in Cyprus priority for vaccines. And now, [from 1 July](#) following a government decision in June, vaccinations are available to seafarers on Cyprus-flagged ships and Cyprus-managed ships that call at Cyprus ports. Demetriades is keen to extend vaccinations to seafarers more generally and was pleased that, in April, the ILO adopted [a resolution](#) presented by Cyprus aimed at securing vaccines for seafarers in their countries of residence.

Cyprus hosts research centre

Since its founding in April 2019, the [Cyprus Marine and Maritime Institute](#) has been a centre of excellence for marine and maritime research, according to notes provided by its CEO, Zacharias Siokouros. It is funded jointly by Cyprus and the EU and is located in Larnaca, where it has 10 research and innovation centres focused on topics including robotics, digitalisation and seabed technologies.

One of its flagship projects is to design and manufacture an electric vessel that will be used to test new propulsion and autonomy technologies. “Only through collaborations and synergies is it possible to develop a sustainable blue economy”, Siokouros observed.

BIMCO forecasts growth in world fleet

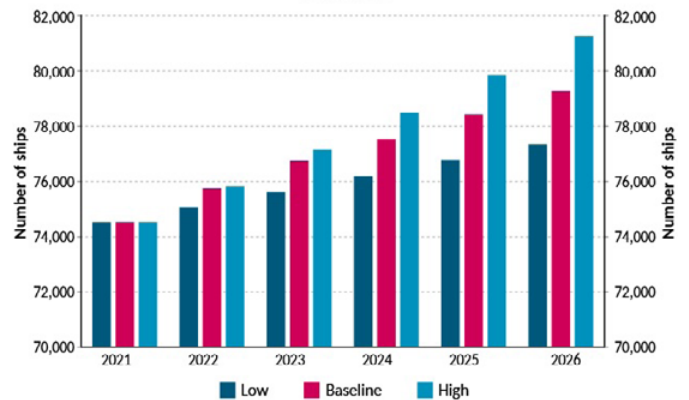
BIMCO forecasts that the world fleet will have a compound annual growth rate (CAGR), based on numbers of ships, of 1.25% until the start of 2026 in a baseline scenario it issued on 24 June. This is less than the growth over the past five years, during which CAGR was 1.44%, it said.

It also considered low and high scenarios, based on whether global trade becomes weaker or stronger than its baseline estimate but, in either case, the world fleet will expand, its analysis shows.

If trade growth is lower, the fleet will grow at a slower pace, which it expects to be 0.75% annually, with the fleet expanding by an average of 567 ships each year, compared with 955 in its baseline figures.

If trade growth is higher than expected, it anticipates annual fleet growth of 1.75%, which will push the fleet over 80,000 ships by 2026, up from about 75,000 now.

Forecast growth in the world merchant fleet
2021-2026



Merchant fleet growth, 2021-2026. Figures indicate fleet size at the start of the period specified. (Source: BIMCO, based on IHS Markit data)

Denmark tops latest Paris MoU lists

Denmark tops the Paris MoU's 2021 flag state White List, which came into effect on 1 July. It replaced the United Kingdom, which fell out of the Top Ten to No 13 this year.

Grey and Black lists were also published.

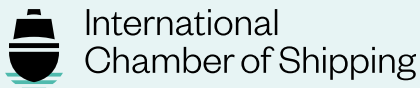
Its rankings are based on inspections carried out over a three-year period, so the latest tables reflect ship calls in Paris MoU member states from 2018 to 2020. These tables (right) compare this year's and last year's lists. Both analyses cover 70 flag states. Full lists and details of how the rankings are assessed are available on the [Paris MoU website](#).

TOP TEN FLAG STATES

	2021	2020
1	Denmark	United Kingdom
2	Norway	Norway
3	Marshall Is	Bahamas
4	Bermuda	Netherlands
5	Netherlands	Denmark
6	Bahamas	Marshall Is
7	Greece	Singapore
8	Singapore	Hong Kong
9	Cayman Is	Japan
10	Japan	Bermuda

BOTTOM TEN FLAG STATES

	2021	2020
61	Ukraine	Mongolia
62	Tuvalu	Sierra Leone
63	Sierra Leone	Belize
64	Tanzania	Palau
65	Belize	Ukraine
66	Moldova	Tanzania
67	Comoros	Moldova
68	Togo	Togo
69	Cameroon	Albania
70	Albania	Comoros



ICS is the principal international trade association for merchant shipowners and operators, representing all sectors and trades and over 80% of the world merchant fleet.

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