



12th ASF

12th ASIAN SHIPOWNERS FORUM

Hosted by: Hong Kong Shipowners Association

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Joint Statement

The 12th Asian Shipowners Forum was held in Hong Kong 25th to 27th August 2003. The meeting was attended by 93 delegates from the Shipowner Associations of Australia, China, Chinese Taipei, Hong Kong, Japan, Korea and the Federation of ASEAN Shipowner Associations (FASA), comprising the Shipowner Associations of Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The Forum discussed the extraordinarily good safety and pollution record of the industry, which unfortunately has increasingly to conduct its business under sometimes ill thought out and politically inspired regional and unilateral regulation. This regulation is becoming more and more 'premature' in nature, whether it is technical or legal, as the speed of its introduction does not allow for the proper development and testing of potential solutions. Delegates agreed that the Asian Shipowners Forum, even in its present informal and consensual form, should encourage their Governments to coordinate opinion on maritime issues so as to provide an effective voice in international debate. Asia now controls and operates more than 40 percent of the world's fleet, supplies the vast majority of its seafarers and builds most of its ships, and those in the industry in Asia deserve a higher profile for their opinion in maritime affairs.

Safe Navigation and Environment Committee

The SNEC held its 9th Interim Meeting in Manila on 12 December 2002. The Chairman of the Committee, Mr. S. S. Teo, reported on the latest development of various pending issues and the Forum agreed as follows.

Phase out of Single Hull Tankers

The ASF reaffirmed the importance of IMO in setting global standards to regulate international shipping. The meeting agreed with the views expressed by a number of Asian countries during IMO MEPC49 on the accelerated phase out of single hull tankers. The delegates expressed general satisfaction with the direction of the discussion at MEPC49 on the issue. They agreed that all members should continue to cooperate with each other in expressing a united view to establish a realistic and pragmatic outcome on the issue at the MEPC50 that would be held in December 2003.

Maritime Safety

The ASF expressed its disappointment at the decision made by MSC76 in December 2002 in respect of permanent means of access for tankers and bulk carriers. While recognizing the importance of improving the inspection of vessels, the Forum expressed its grave concern over the extent of the requirements agreed, which could lead to structural as well as safety and

maintenance problems. The ASF therefore strongly urges the IMO to thoroughly consider the practicalities of these adopted regulations.

The Forum supports the IMO in adopting appropriate measures with respect to Places of Refuge to ensure that coastal states make proper plans to provide ships in need of assistance with the necessary support and facilities.

Maritime Security

The continuing trend of maritime piracy and armed robbery is an issue of grave concern to Asian shipowners. These criminal activities pose a severe threat to the safety and security of ships and should be stopped immediately. The ASF strongly urges all littoral states, whose waters are infested with pirates, to cooperate more closely to achieve a more practical and effective approach, such as multilateral surveillance patrols, in eliminating any threats and dangers posed by the pirates on passing ships.

The ASF also encourages all Asian shipowners and port authorities to implement the ISPS code as soon as possible and prior to the enforcement date. The delegates were, at the same time, concerned with the financial impact caused by this and additional or enhanced security measures, including those imposed on seafarers at certain terminals and ports.

Seafarers Committee

The Seafarers Committee held its 8th interim meeting in Dalian on 25th October 2002. A joint ASF/ISF seminar was held one day before the meeting to update ASF members with ILO developments and other important shipping issues. In his report to the ASF, the Chairman of the Committee, Mr. Li Shanmin, gave an update of the latest development of various outstanding issues, in particular,

Seafarers' Identity Documents

The Forum applauded the speed of the development and adoption of the Seafarers Identity Documents Convention (Revised) 2003 (C185) by the ILO but noted that there are serious doubts as to whether the new document will be accepted by the United States as sufficient proof of identification to facilitate shore leave and transit. Recognizing that seafarers should not automatically be assumed to be criminals or terrorists, and that all seafarers should be entitled to take shore leave, the Forum urges all Administrations to accept the new identification document to facilitate entry for purposes of shore leave and transit to and from vessels.

ILO Consolidated Convention

The Forum urges continued cooperation and compromise from the three ILO groups in order to produce a Convention that will allow for ratification by a majority of maritime nations. The Forum is pleased to note that there is good participation by several members of the ASF in the development of the new Convention through membership of the various working groups, which will help the new convention to reflect the aspirations and concerns of the countries that train and supply the majority of the world's seafarers. The Forum encourages Asian Administrations to review the draft text of the Convention at an early stage, in order to identify

potential obstacles to ratification so that these can be dealt with before the final text of the Convention is adopted.

The promotion of the employment of Asian seafarers

The Forum welcomed the increased cooperation between training institutions and shipowners in the training of seafarers in Asia, which will greatly assist in the continued promotion of the supply and employment of Asian seafarers. The Forum supported a Committee recommendation that a regional initiative should be jointly undertaken by the ASF, AMETIAP and the regional METs in order to assist the development of Asian senior officers.

The Forum noted the activities of the Asian Seafarers Employers Group (ASEG) and its view that the wage level of seafarers should be commensurate with the living standard and economic situation of the country where the seafarers are domiciled. In this respect, it is the view of ASEG that the uniform application of a global standard in seafarers' wage rate may not be appropriate. The meeting further noted ASEG's view that the current global economic conditions do not support a general wage increase for seafarers.

Ship Insurance and Liability Committee

The SILC held its interim meeting in Hong Kong on 12th November 2002. A forum was held immediately prior to the meeting with representatives of the Joint Hull Committee to discuss the newly introduced International Hull Clauses. In his report to the ASF, the Chairman of the Committee, Mr. George Chao, remarked on the new and much improved relationship with the London market. He also reported on the latest development of various outstanding issues, in particular,

The Protocol to the Athens Convention.

The Forum once again expressed its disappointment that the Protocol adopted by IMO member states did not take into account the concerns of the industry. Despite these concerns, it was clear that several countries, especially those in the European Union, intended to adopt the provisions of the new Protocol into local legislation, and acceptable means of insuring the new liabilities would have to be found. In this respect, the delegates urge P&I clubs to inform the industry what consensual solutions are likely to be found and how these solutions might affect the non-passenger ship members of the clubs.

The Wreck Convention.

The Forum noted the development of the new Convention, and repeats its call for the inclusion of cargo contribution where the wreck is shown to pose a threat due to the hazardous nature of the cargo. Delegates furthermore urge the IMO to accept that P&I certificates of entry are acceptable as proof of insurance and that 'acts of terrorism' are added to the list of exonerations from liability.

Oil Pollution Liability and Compensation.

The Forum noted the outcome of the diplomatic conference to adopt the Supplementary Fund that was held in May 2003. Delegates also noted that the IOPC Fund planned to meet for its 4th meeting early in 2004 to discuss possible revisions to the Civil Liability Convention (CLC) and Fund Convention (FC). As the new CLC and FC limits will only come into force in November 2003, the Forum urges states to exercise restraint as the only effect of reopening the Conventions at this time is likely to weaken the position of victims of oil spills.

Shipping Economics Review Committee

The SERC held its 11th, 12th and 13th interim meetings in Hong Kong on 27th August 2002, in Seoul on 26th November 2002 and in Manila on 5th March 2003 respectively. The Chairman of the Committee, Mr. Takao Kusakari, in his report to the ASF, remarked on the following issues.

Asian Shipowners' Voice

Recognising that the trade involving Asia accounts for a significant proportion of the global trade and that the Asian merchant fleet reached a considerable share of the world fleet, the meeting affirmed an accompanying clear responsibility of Asian shipowners to take a leading role in the international shipping scene. It was therefore agreed that the ASF should strengthen its role in expressing Asian shipowners' voice with respect to international shipping policies and regulations.

Shipping Economics

Container cargo movements in the transpacific trade continued to be strong. In view of various publicly available forecasts for container capacity and cargo volume, it appeared that the current supply-demand situation could be maintained for at least this year and 2004. However, the longstanding problem of cargo imbalance between east and westbound trades and its adverse economic effects was also noted.

With regard to the dry bulk sector, it was noted that the market had been stable recently, but the tanker sector should deserve a more favourable market.

Other Issues

On the maritime security issue, it was noted that the US Customs manifest 24-hour rule had been put into practice without serious confusion. However, it was pointed out that various measures to comply with maritime security regulations required considerable resources on the part of shipping companies. The delegates agreed that it was essential to obtain the cooperation and understanding of the related industries in order to successfully comply with the rules.

With regard to the anti-trust immunity system for ocean carrier agreements, it was reaffirmed that the system was indispensable for the shipping industry as well as the whole "trading industry" including shippers who benefit from high quality, low cost, scheduled and reliable liner shipping services.

Ship Recycling Committee

The Ship Recycling Committee held its 6th interim meeting in Shanghai on 25th March 2003. The Chairman of the SRC, Dr. Frank F.H. Lu, updated the Forum on the various issues and the ASF reaffirmed its position as follows.

The draft IMO guidelines

The ASF noted the importance of the discussion at the IMO MEPC on the environmental and occupational safety and health issues related to ship recycling and appreciated the current developments of the guidelines on ship recycling by the IMO. Whilst expressing its hope that the guidelines to be adopted at the IMO Assembly in November 2003 will contribute to reducing the environmental and occupational health and safety risks related to ship recycling, the Forum noted that the number of vessels to be recycled will increase in the near future and reaffirmed the great necessity of securing the smooth withdrawal of such obsolete ships.

Ship recycling industry

The ASF recognized the need for ships to be recycled in an environmentally responsible manner that is also consistent with the protection of workers' safety and health. The ASF also recognized that it is of great importance to cooperate with the relevant parties to increase or at least maintain current ship recycling capacity in the world in order to promote steady recycling of ships that have reached the end of their operating lives.

The cooperation of the stakeholders in Asia

The ASF reaffirmed that Asian shipowners should seek to cooperate further with other stakeholders in Asia, such as shipbuilding and ship recycling industries and ship equipment manufacturers, in order to establish practical and reasonable measures to steadily and gradually improve the current situation of ship recycling. Asian shipowners should urge their respective governments to reflect their views at international forums so as to promote healthy, safe and environmentally friendly ship recycling industries.

Next Meeting

The Chairman of FASA, Mr. Carlos Salinas, invited the ASF Associations to the 13th annual meeting of the Forum, to be held in Singapore, 24th to 26th May 2004.

26th August 2003

Editor's note:

The Asian Shipowners Forum consists of 12 Shipowners' Associations in the Asian region, being those from Australia, China, Chinese Taipei, Hong Kong, Japan, Korea and the Federation of ASEAN Shipowners Associations (FASA), which are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. The aim of the ASF is to promote the interests of the Asian shipowning industries. Between annual ASF meetings, the ongoing work is carried out by five "S" 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 ASF Owners and Managers control and operate around 40% of the world's cargo carrying fleet.