

ASA SPC

ASA Shipping Policy Committee

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ASA
Asian Shipowners' Association

2 May 2023, Singapore

Press Release on a Joint Session of SPC and SNEC

SPC and SNEC Chairs affirm collaboration to strengthen Asian Voices towards blue and safe shipping in inaugural joint session

The Shipping Policy Committee (SPC) and Safe Navigation and Environment Committee (SNEC) of the Asian Shipowners' Association (ASA), held a joint meeting for the first time today to discuss environmental and navigational safety issues, whilst taking into account the impact of economic and shipping policy considerations on aspects of their work.

There are five Standing Committees in the ASA, who usually discuss their own agenda items. Given that the issues which both committees represent are increasingly interlinked, **Mr Keiji Tomoda, Chair of the SPC**, who proposed the joint session on this occasion, emphasized; "The COVID pandemic reminded us of the criticality of maritime trade and just how important it was for the shipping industry to collaborate with all associated stakeholders, in order to maintain sustainable supply chains. It has also been recognized, that environmental protection, through a circular economy, can only be also achieved by working together. However, it needs to be appreciated that all of these issues have to consider navigational aspects to ensure the safety of all concerned. With this in mind, I am convinced that multi-layered discussions, through a joint session of both Committees, could only act as a driving force to tackle such important issues *more efficiently*".

During the joint session, **Mr Simon Bennett, Deputy Secretary General, ICS**, explained the impacts of global and regional environmental regulations on the shipping industry, saying " ICS is pleased to join ASA members to increase understanding of the global industry's Fund and Reward proposal to IMO, ahead of the critical IMO meeting in July, and promote the urgent need to encourage governments to take this forward - together with a global fuel standard - to incentivise first movers with rewards for the rapid production and take-up of low and zero GHG fuels, which will be necessary for shipping to achieve net zero emissions mid-century". In this context, **Ms Caroline Yang, Chair of SNEC**, added that; "International shipping needed to be regulated at a global level and not at any regional level, because this will only lead to excessive administrative burden and confusion for the industry. This is consistent with ASA's long-standing position to support a predictable and uniformed approach to regulating GHG emissions that all shipping sectors will be able to comply with, as ships move across different jurisdictions. . We

urge IMO and its member states, to accelerate development of an internationally harmonized framework for decarbonisation under which early movers are not disadvantaged”.

The joint session also considered issues concerning the Suez Canal and the need to ensure safety of transit. From **Suez Canal Authority (SCA)**, Mr Elsayed Abou El-Fetouh Elsayed, Director of Planning, Research and Studies Department and Eng Yasser Abdel Kader Darwish, Director of Transit Department participated online in spite of time difference. SCA provided a review of the lessons learned from the major incident in 2020, which led to some 370 vessels delayed by the closure of the Canal, with an estimated US\$54 billion dollars of trade lost,. The SCA team shared insights, learnings and measures taken by the SCA to avoid similar accidents in the future. **Mr. Tomoda** stated that; *“Not only the Suez Canal but also the Panama Canal, are strategic points in global supply chains, and both Responsible Authorities need to ensure safe and stable management to accommodate growing volumes of cargo flow. With this in mind, the shipping industry needed to continue dialogue with both Authorities, not only as users of the canals but also with the view of ensuring sustainable supply chains. Such dialogue would cover topics such as green transits and stable supplies of alternative fuels”.*

Mr Yuichi Sonoda, Secretary General of ASA, said; *“This first joint session of ASA standing committees has proved to be highly beneficial. Economies in Asia are major players in the world shipping industry, leading in shipowning, shipmanaging, shipbuilding, shiprecycling and seafarers supply. We also have the geographical advantage to enable close communication, unhindered by time differences, and I would encourage other ASA standing committees to actively collaborate with each other to spread the Asian shipping voice to the world”.*

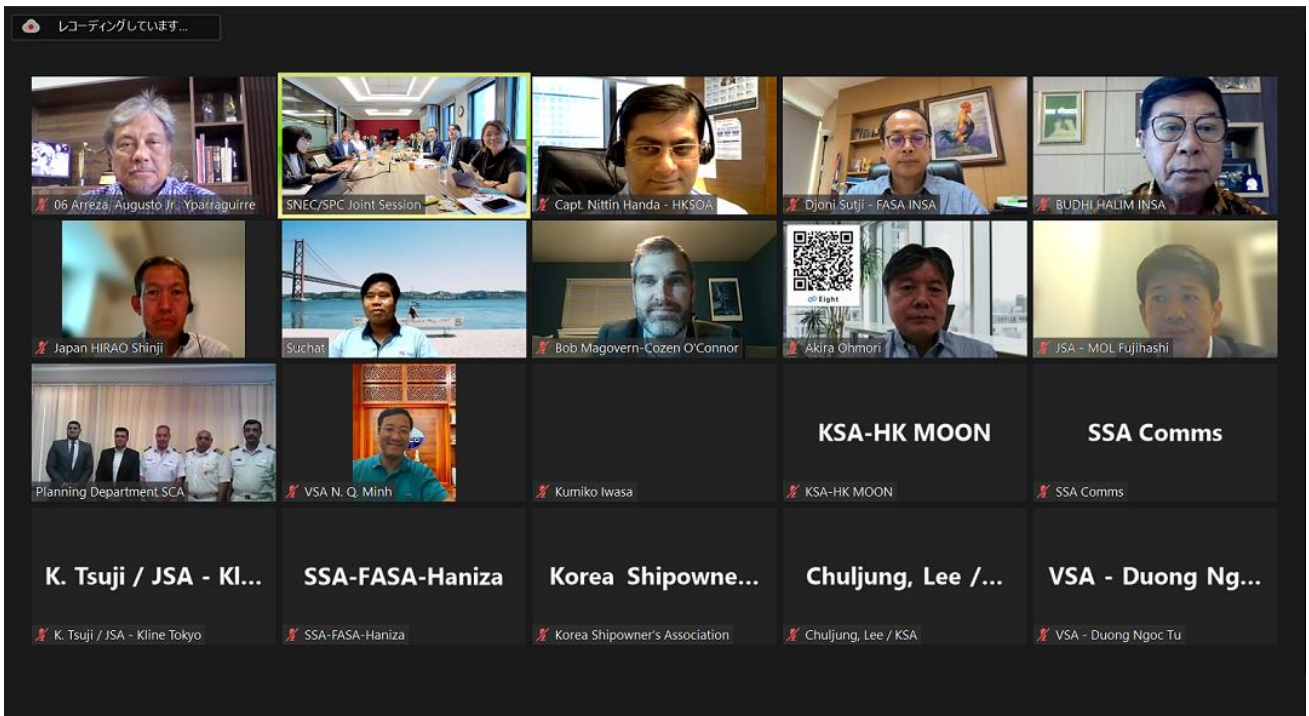
Following the joint session, the 36th SPC interim meeting was held to discuss various agenda items such as recent developments on international supply chain, anti-trust immunity, US legislation, facilitation payment and canals issues. In details, please find attached its meeting summary.

Shipping Policy Committee (SPC)

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

Safe Navigation & Environment Committee (SNEC)

The ASA Safe Navigation and Environment Committee (SNEC) is a forum for the SNEC members to discuss a pollution-free marine and atmospheric environment and the safety of navigation and protection of life and property at sea. The piracy and armed robbery worldwide are one of main concerns for the Committee to continue to look into and the regulatory developments are on-going issue.



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MEETING SUMMARY

of

the 36th Interim Meeting of the Asian Shipowners' Association (ASA)
Shipping Policy Committee (SPC)

The 36th Interim Meeting of ASA SPC was held in Singapore on 2 May 2023. The meeting was chaired by Mr Keiji Tomoda, Vice President of the Japanese Shipowners' Association and participated in by 21 delegates from ASA member associations of ASEAN, Hong Kong, Japan and Korea and 5 observers and guests from ASA Associate Members and related organisations, as per the attendance list attached. The ASA SNEC/SPC joint session was also held for the first time, the aim of which in particular was to discuss environmental and navigational safety issues whilst taking into account the impact of economic and shipping policy issues on aspects of their work based on the conclusion of the 35th interim meeting to seek possible collaboration with the SNEC.

During the ASA SPC interim meeting, members were committed to ensuring full compliance with all applicable competition laws throughout the entire programme under diligent guidance from their legal counsel, as in previous meetings. The outline of the meeting is as follows:

1. Recent Developments on International Policy and Supply Chain

Delegates reaffirmed importance of ensuring reliable and efficient services to their customers as their mission in spite of disruptive factors such as geopolitical tensions and pandemics undermining global supply chain, at the same time, sharing common view that it is essential to deepen mutual understanding among stakeholders and to work together, if necessary, to achieve the mission. In this context, SPC continue to seek further collaboration with other ASA standing committees to strengthen Asian voices to the public.

Under the agenda item, SPC appreciated Eng. David Miranda Silgado, Person in Charge of Segumar Singapore, General Directorate of Merchant Marine, Panama Maritime Authority, for his presentation titled "We are working towards a blue maritime industry". He explained how the Panamanian government has contributed toward a blue shipping at the international level and also implemented incentive schemes to shipowners. Delegates believe that the approach Panamanian authority take should be balanced among safety, environment and efficiency.

2. Anti-trust Immunity and US Legislative Developments

Recent developments concerning the review of the current anti-trust immunity system for corporative carrier agreements in a number of jurisdictions were reported by Mr Robert K. Magovern, Co-Vice Chair of Transportation and Trade at Cozen O'Connor and the SPC's legal counsel. Participants reconfirmed the ASA's long-standing policy that the anti-trust immunity system for liner shipping agreements was indispensable for the healthy development of the liner shipping industry and the maintenance of a reliable service to the entire trading community. In light of the recent legislative proposals in the US following the enactment of the US Ocean Shipping Reform Act 2022 (OSRA2022) last year, which seek to eliminate the current anti-trust immunity framework for Vessel Sharing Agreements (VSAs), SPC agreed that ASA will take necessary actions, in collaboration with other stakeholders, to support maintenance of anti-trust exemptions for liner shipping agreements.

3. Special Lecture on Anti-Bribery

Ms Cecilia Müller Torbrand, CEO of Maritime Anti-Corruption Network (MACN), delivered a special lecture concerning recent activities and strategy, especially in relation to its cooperation framework with the Suez Canal Authority. Delegates also echoed MACN's activities to eliminate all forms of maritime corruption which had long been constraints to fair trade for shipping companies. It was therefore agreed that the SPC members were encouraged to use MACN Anonymous Reporting System to report incidents to MACN in a proactive manner. We continues to closely monitor this issue as a standing item at the SPC, seeking further collaboration with MACN.

4. Canal Issues

In the light of fact that the unexpected changes precipitated by the pandemic are now swiftly returning to almost normal, delegates shared the view that sharp increases in Canals toll based on the unprecedented shipping market should be reviewed in a timely manner. In addition, SPC reaffirmed necessary to continue to seek safe, smooth and stable transit of the canals through dialogues with ACP (Panama Canal Authority) and SCA (Suez Canal Authority) for sustaining a global supply chain, which was proved to be vulnerable due to port congestions and geopolitical tension over the past three years. The dialogues intend to be aimed at covering wide range of topics, not only their long-term pricing strategy including pre notice period before toll revisions, but also safe and efficient operation to address increase in cargo volume. In this connection, delegates appreciated a positive step, under leadership of SPC Chair, to invite a representative from SCA to make a presentation on safe transit of the Canal at the joint session of SPC and SNEC today. SPC also confirmed that it was essential for the stakeholders to take harmonised approach to effectively voice common positions within the industry to the authorities as well as the public. SPC members were therefore encouraged to input ASA's positions to international associations they belong to.

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The ASA Shipping Policy Committee (SPC) is a forum for the members of ASA associations to discuss maritime policy issues such as regulation, taxation, trade policy, customs, canals, infrastructure and the macro economy, and policy public relations.

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2 May 2023

The 36th Interim Meeting of
the ASA Shipping Policy Committee (SPC)
on 2 May 2023

Participants List

CHAIRMAN

< Japanese Shipowners' Association >

Mr Keiji Tomoda Vice President, Japanese Shipowners' Association

MEMBERS

< Federation of ASEAN Shipowners' Association >

< FASA-Indonesia >

Ms Carmelita Hartoto Chairwoman, Indonesian National Shipowners' Association (INSA)
Mr Budhi Halim Secretary General, Indonesian National Shipowners' Association (INSA)
Mr Suyono Indonesian National Shipowners' Association (INSA)
Mr Arziandi Rachman Indonesian National Shipowners' Association (INSA)

< FASA-Singapore >

Ms Caroline Yang President, Singapore Shipping Association
Mr Colin De Souza (Regional Head South Asia, Ocean Network Express Pte Ltd)
Mr Michael Phoon Executive Director, Singapore Shipping Association

< FASA-Vietnam >

Mr Nguyen Quang Minh (General Director, Vietnam Ocean Shipping Joint stock Co.)
Mr Duong Ngoc Tu (General Director, Vinaship Joint Stock Company)

< Hong Kong Shipowners Association >

Mr James Zhao (Head of Marine Department of OOCL)
Capt. Nittin Handa Director of Regulatory Affairs, HKSOA

< Japanese Shipowners' Association >

Mr Hiroki Harada (Representative Director, Senior Managing Executive Officer,
Nippon Yusen Kabushiki Kaisha)
Mr Nobuo Shiotsu (Senior Managing Executive Officer, Mitsui O.S.K. Lines)
Mr Noriaki Yamaga (Managing Executive Officer, Kawasaki Kisen Kaisha, Ltd.)
Mr Takahiko Tsurukawa (President & CEO, "K"LINE PTE LTD)
Mr Kentaro Tsuji (Project General Manager, Corporate Planning Group,
Kawasaki Kisen Kaisha, Ltd.)

Ms Kumiko Iwasa (Project General Manager, Corporate Planning Group,
Kawasaki Kisen Kaisha, Ltd.)
Mr Daisuke Fujihashi (Project Manager, Corporate Planning Division, Mitsui O.S.K. Lines, Ltd.)

< Korea Shipowners' Association >

Mr Jeremy Choi (Senior VP, HMM Co., Ltd)
Mr Jonghwa Lee Deputy General Manager, Korea Shipowners' Association

ASSOCIATE MEMBERS

Eng David Miranda Silgado (Person in Charge of Segumar Singapore, Chief of Seafarers
Regional Office Singapore, Panama Maritime Authority)
Capt. Raja Ray (Business Development Manager, Isle of Man Ship Registry)
Mr Mathieu Kissin (Managing Director, Liberian Registry)

GUEST SPEAKER

Ms Cecilia Müller Torbrand (CEO, Maritime Anti-Corruption Network)

ICS SECRETARIAT

Mr Simon Bennett Deputy Secretary General, International Chamber of Shipping)

ASA SECRETARIAT

Mr Yuichi Sonoda Secretary General, Asian Shipowners' Association
Mr Dylan Ow Technical Manager, Asian Shipowners' Association

LEGAL COUNSEL

Mr Robert Magovern (Attorney, Cozen O'Connor)

SECRETARIAT

Mr Masayuki Ito General Manager, Planning Division, Japanese Shipowners'
Association
Mr Daijiro Mizushima Manager, Planning Division, Japanese Shipowners' Association
Mr Motoki Bessho Deputy Manager, Planning Division, Japanese Shipowners' Association
Ms Moe Murakami Assistant Manager, Planning Division, Japanese Shipowners'
Association
Ms Hiroko Saito Planning Division, Japanese Shipowners' Association
