

ASA SPC

ASA Shipping Policy Committee

c/o Japanese Shipowners' Association
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ASA
Asian Shipowners' Association

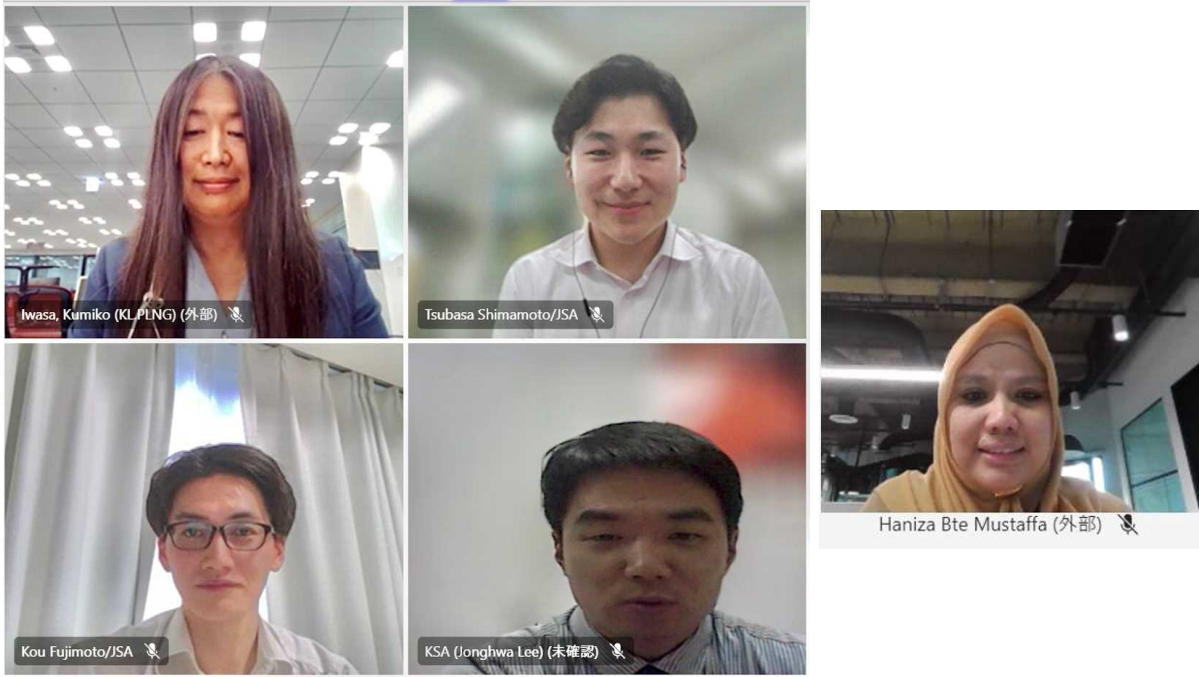
18 April 2024, Singapore

Press Release on 37th Interim Meeting of ASA Shipping Policy Committee (SPC)

Asian Shipowners' Association (ASA) held the 37th Interim Meeting of Shipping Policy Committee (SPC) in Singapore on 15 April in conjunction with Singapore Maritime Week. Around 30 participants mainly from ASEAN, Australia, China, Hong Kong, Japan and South Korea joined the meeting in person or online.

Mr Keiji Tsuchiya, Chair of SPC, said *"it was much honor to preside the meeting for my first time. Amid various challenges faced by the Asian and global shipping industry for sustainable business, such as regional environment regulations, Red Sea crisis and shortage of seafarers, the SPC concluded that it was more indispensable than ever, to express Asian voices for smooth flow of global trade"*. For details of the SPC meeting, please see its meeting summary and attendance list as attached.





Picture:

SPC delegates attending the 37th Interim Meeting in person

SPC delegates attending the 37th Interim Meeting online

Discussion during the meeting

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15 April 2024, Singapore

MEETING SUMMARY

of

the 37th Interim Meeting of the Asian Shipowners' Association (ASA)
Shipping Policy Committee (SPC)

The 37th Interim Meeting of ASA SPC was held in Singapore on 15 April 2024. The meeting was chaired by Mr Keiji Tsuchiya, Vice President of the Japanese Shipowners' Association and participated in by 19 delegates from ASA member associations of ASEAN, Australia, China, Hong Kong, Japan and Korea and 8 observers and guests from ASA Associate Members and related organisations, as per the attendance list attached.

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

With grave concern over the current situation in the Red Sea where vessels were seized and/or attacked by Houthis against a background of heightened geopolitical tensions including recent developments in Persian Gulf, SPC delegates agreed to advocate, in cooperation with ASA Safe Navigation and Environment Committee (SNEC), Seafarers Committee (SC) and stakeholders, that innocent passage of vessels should be always respected in order to ensure safety of seafarers onboard and sustainable development of global economy.

In addition, in the light of protectionist measures being taken by Bangladesh and Indonesia, SPC continues to closely monitor developments in the countries and takes any necessary actions.

The meeting also noted recent activities of the Maritime Anti-Corruption Network (MACN) including launch of new platforms against facilitation payments, which has long been significant burden on seafarers and obstacles to fair trade for shipping companies. SPC members were encouraged to use MACN Anonymous Reporting System in order to assist in MACN's activities to eliminate all forms of maritime corruption.

2. Anti-trust Immunity and US Legislative Developments

The latest developments concerning the review of the anti-trust immunity system for carriers' agreements in several jurisdictions were reported by Mr Robert K. Magovern, Cozen O'Connor and the SPC's legal counsel. SPC members expressed their disappointment over the recent decisions of EC and the UK to expire their Consortia Block Exemption Regulations, but encouragement that the EC continued to acknowledge the significant and well-known benefits of consortia notwithstanding the expiration of this sector-specific regulation. ASA continues to take necessary actions, in collaboration with other associations, to call for maintenance of anti-trust immunity systems in other countries around the world in accordance with the longstanding policy that such anti-trust immunity systems remains indispensable for the healthy development of the liner shipping industry as well as improvement in scheduling and better quality services provided to their customers.

SPC also noted the recent regulatory and legislative developments on US maritime issues including administrative rulemaking and a petition seeking imposition of fees against Chinese built-vessels. ASA agreed to support industry's opposition to this position to promote fair trade.

3. Canal Issues

SPC delegates expressed their appreciation to Panama Canal Authority (ACP) for their efforts in maintaining the canal operations under historical water shortages and, at the same time, noted some comments that fair treatment between types of vessels should be ensured in respect of allocation of booking slots for both locks during restrictive measures in place. The meeting discussed possible introduction of market-linked pricing policy by ACP from 2026, which has been already adopted by Suez Canal Authority (SCA), and shared view that toll pricing should be reviewed based on the estimated costs of mid-to-long term investment plans, in order to avoid market volatility and instead ensure the safe, smooth and stable management of the strategic waterways.

Regarding future actions, it was agreed for ASA to assume the initiative role of developing common positions within the industry and also to seek establishment of regular dialogues with ACP and SCA. To achieve those actions, SPC members are further encouraged to assist in updating ASA's positions in a timely manner by providing insights and corresponding data.

4. Recent GHG Developments at IMO and EU-ETS

Mr Simon Bennett, Deputy Secretary General, ICS, made his presentation on outcomes of 81st meeting of the Marine Environment Protection Committee (MEPC) of International Maritime Organisation (IMO), especially focusing on merits of a flat rate ("levy-based") contribution system, as well as issues surrounding implementation of EU-ETS, effective from January 2024. In order to avoid further piecemeal proliferation of national or regional GHG pricing measures being applied to ships, SPC fully supported the ICS's initiative to explore early establishment of a global GHG pricing mechanism, including the proposed "Zero Emission Shipping Fund (ZESF) Fund and Reward (Feebate) Mechanism", which is aimed at reducing the cost gap and providing incentives to early movers in order to result in accelerating decarbonisation in the

industry. SPC members were requested to consider communications with their own governments for achieving their better understanding and support to the concept of the proposal, in advance of MEPC 82 in September, which could bring greater certainty and less economic impacts to shipping business.

5. Decarbonisation and Seafarers

We had presentations from Dr Pierre Sames, SVP & Strategic Development Director, DNV Maritime, Mr Gerardo A. Borrromeo, Vice President for External Affairs, Filipino Shipowners Association, and Mr Duo Zhang, Secretary to ASA Seafarers' Committee (SC) respectively regarding impacts of decarbonisation on the international shipping industry and seafarers. In light of an projection that 750,000 seafarers should be trained on handling alternative fuel, with priority on LNG and batteries, by 2050, SPC agreed to explore possible collaboration with ASA SC to attract new seafarers as well as to drive smooth transition for existing seafarers to meet requirements onboard for decarbonisation as Asia is in a geographically advanced position in having major supply of seafarers and shipowners accounting for half of the world tonnage.

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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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15 April 2024

The 37th Interim Meeting of ASA Shipping Policy Committee (SPC) on 15 April 2024

Attendance List

* Online participants

CHAIRMAN

Mr Keiji Tsuchiya Vice President, Japanese Shipowners' Association

MEMBERS

< Chinese Shipowners' Association (CSA) >

Mr Duo Zhang Secretary to ASA Seafarers' Committee
Professor, COSCO SHIPPING Talent Development Institute

< Federation of ASEAN Shipowners' Association (FASA) >

< FASA-Indonesia (INSA) >

Mr Sulistyo Buddy Rakhmadi Commercial Director, Gurita Lintas Samudera

< FASA-Malaysia (MASA) >

Mr Mohamed Safwan Othman Chairman, MASA
President / Group CEO, Dinastia Jati Sdn Bhd
Mr Shaharuzzaman Baharum Secretary General, MASA

< FASA-Singapore (SSA) >

Ms Haniza Mustaffa* Technical Director, SSA

< FASA-Philippines (FSA) >

Mr Gerardo A. Borromeo Vice-President for External Affairs, FSA
Vice-Chairman, Chief Executive Officer, PTC Holdings Corporation

< Hong Kong Shipowners Association (HKSOA)>

Capt. Nittin Handa Director (Regulatory Affairs), HKSOA

< Japanese Shipowners' Association (JSA) >

Mr Takuji Banno Managing Executive Officer, NYK Line
Mr Makoto Inomoto* Executive Officer, Mitsui O.S.K.Lines, Ltd

Ms Kumiko Iwasa* Project General Manager, Corporate Planning Group,
Kawasaki Kisen Kaisha, Ltd.

< Korea Shipowners' Association (KSA) >

Mr Jungyub Lee Executive Vice President (Head of Container Business Unit), HMM Co., Ltd.
Mr Jonghwa Lee* Business Affairs Team, Deputy General Manager, KSA

< Maritime Industry Australia Ltd (MIAL) >

Ms Angela Gillham Chief Executive Officer, MIAL

ASSOCIATE MEMBERS

Mr Brendan Williams Head of Planning, Special Assistant to EVP, Interasia Lines
Mr Shawn Tan Director, International Registries Singapore Pte. Ltd.
Mr David Miranda Silgado Chief of Regional Office in Singapore, Panama Maritime Authority
Mr Aaron Zhu Consultant, Culmen International LLC
Capt. Neil Watts Senior Associate, Culmen International, LLC

GUEST SPEAKER

Mr Simon Bennett Deputy Secretary General, International Chamber of Shipping
Dr Pierre Sames SVP & Strategic Development Director, DNV Maritime

ASA SECRETARIAT

Mr Yuichi Sonoda Secretary General, ASA
Mr Dylan Ow Senior Manager, ASA

LEGAL COUNSEL

Mr Robert Magovern Partner, Vice-Chair Transportation & Trade, Cozen O'Connor

SECRETARIAT

Mr Masayuki Ito General Manager, Planning Division, JSA
Mr Daijiro Mizushima Manager, Planning Division, JSA
Ms Hiroko Saito Planning Division, JSA
