



13th Asian Shipowners Forum

Hosted by:

Federation of ASEAN Shipowners' Associations

456 Alexandra Road, #14-02

NOL Building

Singapore 119962

Tel: (65) 6278 3464 Fax: (65) 6274 5079 Email: fasa@pacific.net.sg

25 May 2004

JOINT PRESS STATEMENT

The 13th Asian Shipowners Forum (ASF) was held in Singapore on 24th to 26th May 2004. The meeting was attended by 115 delegates from the Shipowner Associations of Australia, China, Chinese Taipei, Hong Kong, Japan, Korea and the Federation of ASEAN Shipowners' Associations (FASA), comprising the Shipowner Associations of Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. It was chaired by Mr S. S. Teo, the Chairman of FASA and concurrently the President of the Singapore Shipping Association.

Over the years, the ASF has been elevating the profile of Asian shipowners. The Forum is pleased and grateful that the International Maritime Organisation's newly elected Secretary General, Admiral Efthimios Mitropoulos, was able to take the opportunity of the 13th ASF in Singapore to engage in a fruitful dialogue with the ASF Heads of Delegation and the Chairmen of the five ASF Standing Committees. The Round Table of International Organisations, as represented by the Chairmen and Secretary Generals of BIMCO, ICS, INTERCARGO and INTERTANKO, also took the opportunity to meet with the ASF Heads of Delegation and the five ASF Standing Committee Chairmen. These meetings were held prior to the 13th ASF main plenary and are clear evidence that the ASF activities are attracting global attention.

Delegates agreed that the ASF should strongly encourage all Asian Governments to coordinate their opinions on maritime issues so as to provide an effective Asian voice in international shipping debate in the formulation of regional and international shipping policies and regulations.

Shipping Economics Review Committee (SERC)

The ASF noted that the 14th and 15th interim meetings of the SERC were held in Beijing on 1 December 2003 and in Tokyo on 9 April 2004 respectively. The Chairman of the Committee, Mr Takao Kusakari, in his report, highlighted the following issues.

Current market situation and future prospects

The Forum agreed that the unprecedented boom in the dry bulk market could continue to thrive for the rest of this year. The delegates noted that the VLCC market would continue to be healthy in 2004.

In connection with the Intra-Asia container trade, the Forum noted that the market had shown an upturn in 2004 with the prospective improvement of the supply-demand balance. With regard to the transpacific container trade, the delegates noted continuing strong cargo movements. They agreed with the view that the current supply-demand balance in the eastbound trades could be maintained for a few years.

Analysis of the present state of liner trades

The Forum affirmed that the current level of the market is still not adequate for shipping lines to recover their past investments. Furthermore, the delegates shared their concerns on rapidly increasing cost factors such as a lack of containers due to a shortage of steel plates, the upsurge in charter rates, soaring bunker prices, escalating shipbuilding prices and others. It is essential to recover past investment, compensate current escalating operating costs and execute necessary reinvestment for the future in order to maintain high quality and stable services to customers. It was recognised that strong leadership by the CEOs in authorized trade-lane agreements is essential to attain the sustainable operation of the liner business.

Anti-Trust Immunity System

The Forum reaffirmed that the anti-trust immunity system for ocean carriers' agreements is indispensable for the shipping industry as well as the whole trading industry, including shippers.

Seafarers Committee (SC)

The Seafarers Committee held its 10th interim meeting in Hanoi, Vietnam on 5th November 2003. In his report to the 13th ASF, the Chairman of the Committee, Mr. Li Shanmin, gave an update of outstanding issues, in particular,

ILO Consolidated Convention

The Forum welcomed the progress being made in the development of a global maritime labour standard and was pleased to note that there continues to be good participation by several members of the ASF through the International Shipping Federation at the ILO. Delegates agreed that the various provisions of the new Convention should reflect practical standards and the debate should therefore continue to be monitored closely. In particular, the Forum noted that it is intended that enforcement is made under the concept of Port State Control, and urged close participation in the debate by all Governments and interested parties in order to establish a global unified and rational enforcement standard.

Seafarers Identity Documents Convention

The Forum noted the development of standards that can best achieve the biometric template objectives of the Seafarers Identity Documents Convention (Revised) 2003 (No. 185). Delegates also noted that the United States was unlikely to ratify the new

Convention and had already imposed strict visa requirements on seafarers that require biometric data and a personal interview with a consular officer. The Forum strongly urged the United States to consider permitting the personal interview to take place on the ship's arrival in U.S. waters if the seafarer carries an Identity Document issued in accordance with ILO 185.

Supply of Asian Seafarers

The Forum applauded the Seafarers Committee for conducting a manpower survey among ASF members on the age profile and number of Asian seafarers now serving on board international trading ships. The Forum noted there is a severe shortage of national seafarers in the region, particularly engineer officers, and that the average age of national officers in Asia has increased. The Forum was encouraged by the result of the survey that the number of new officer cadets had increased in some countries or regions due to the efforts of ASF member associations in promoting local awareness of a seafaring career.

Working and Welfare Issues

The Forum noted the outcome of recent negotiations and considers it important to harmonise the voice of Asian shipowners on the current and future developments concerning seafarers' working and welfare issues, and reiterated its opinion that employment conditions of seafarers should be commensurate with the living standards and economic situation of the country where the seafarers are domiciled.

Safe Navigation & Environment Committee (SNEC)

The 13th ASF Chairman, in his capacity as the Chairman of the SNEC, provided a progress report on the issues that were discussed at the 10th Interim meeting of the Committee in Manila on 2nd December 2003. He placed particular emphasis on the following issues:

Piracy & International Terrorism

The Forum noted the SNEC Chairman's report and expressed deep concern that the number of piracy and armed robbery incidents around the world continues at a high level. There was a general concern among the delegates that terrorists could board and hijack ships with the intention of causing disastrous consequences to other ships, vital facilities, installations or even the marine environment. There had been reports that international terrorist groups might target ships in the Straits of Malacca and Singapore which are two of the most critical routes for world shipping and trade. The Forum therefore strongly urged governments concerned to cooperate and take effective measures to ensure the security of ships passing through the Straits.

The Forum also strongly urged coastal states whose waters are identified as those where attacks had frequently taken place to take urgent actions to remove all threats of piracy and armed robbery to ships. It considered that these coastal states should immediately and as a matter of urgency conclude and implement multi-lateral cooperation agreements and embark on joint coordinated naval or marine police

patrols to ensure the safe passage of ships in their waters. The Forum further urged the affected coastal states and the IMO to ensure that proper and effective action is taken to combat piracy and armed robbery at sea.

Maritime Security

Whilst noting that the International Ship and Port Facility Security Code (ISPS Code) will enter into force on 1 July 2004, the Forum expressed concern that some port facilities will not be ready in time. It urged all parties involved, i.e. shipowners, ports and terminal facilities to take urgent action to comply with the requirements of the Code. It was noted that those who have already complied have committed considerable resources to ensure a safe and secure shipping environment.

The Forum urged all countries and their administrations to share their experiences in the implementation of the Code so as to ensure that it is uniformly applied and interpreted by Port State Control officers so as to avoid unnecessary detention of ships. Delegates agreed that rules applied to the shipping industry should be internationally harmonised because of its cross-border activities. The Forum stressed that non-compliance by any party would only result in inconvenience, loss of revenue, a great hindrance to shipping and trade, and a waste of committed resources.

Ballast Water Management

The Forum addressed the concerns expressed by the SNEC Chairman over the adoption of the International Convention for the Control and Management of Ships' Ballast Water and Sediments at the IMO Diplomatic Conference held in London 9 – 13 February 2004.

The delegates were particularly concerned that the provisions contained in the Convention could give rise to widely differing interpretations and the introduction of unilateral or regional measures that could bring much disadvantage to the global shipping industry.

The Forum therefore urged all Administrations to come to a common understanding on the detailed application of the Convention.

Ship Insurance & Liability Committee (SILC)

The SILC held its 9th Interim meeting in Hong Kong on 20th April 2004. In his report to the 13th ASF, the Chairman of the Committee, Mr. George Chao, updated delegates with the latest development of various outstanding issues. In particular,

The Protocol to the Athens Convention.

The Forum noted that at the recent meeting of the IMO Legal Committee, the International Group (IG) of P&I Clubs reiterated its concerns that it was unlikely that either the IG Clubs or the commercial insurance market would be able to comply with the insurance requirements of the new Protocol. As four more countries had now

signed the Protocol, its entry into force seemed increasingly probable. Delegates expressed their concern at these developments, and encouraged the IMO Legal Committee's informal working group to develop a solution that offers a proper level of insurable liability cover to passengers while not affecting the liability insurance of non-passenger ship owners.

Transport Law - Carriage of Goods.

The Forum generally discussed the proposed revisions and agreed that a close watch should be kept on developments for the reason that, in negotiations such as these, there is an inherent danger that vested interests could successfully lobby to take away some of shipowners' traditional rights, defences and immunities. It was important that the general structure of the existing instruments be respected, in that radical change would invariably be resisted by many countries, resulting in a new instrument that is not widely ratified.

The Proposed Revision of the York/Antwerp Rules.

The SILC Chairman gave delegates a short report of the proposed revisions that were being discussed at the CMI conference presently being held in Vancouver. The Forum unanimously agreed to oppose any changes to the present arrangements. In the delegates' opinions, the principle of General Average is sound and the 1994 Rules have only been in existence for about 10 years (and, in practice, for a rather shorter period). Also, there has been no opportunity to properly debate the findings of the recent CMI working group report and, until that debate has taken place and all views put forward, there can be no basis for proposing change.

Ship Recycling Committee (SRC)

The SRC Chairman, Dr Frank Lu provided an updated report of the issues that had been discussed by the Committee at its 7th Interim Meeting on 24th May 2004. He highlighted the following:

The IMO Guidelines on Ship Recycling

The Forum noted that comprehensive Guidelines on Ship Recycling had been developed by the IMO so as to provide guidance to all stakeholders involved in the life cycle of ships from construction to recycling. These are in addition to the Basel and ILO Guidelines that focus on the recycling yards. Delegates affirmed that the IMO guidelines have particular importance in controlling the life cycle of ships from design stage to their final voyage to the recycling facilities.

Improvement of Ship Recycling Facilities

Noting the importance of the smooth recycling of obsolete ships, the Forum emphasized the necessity of maintaining adequate ship recycling capacities in the world. It urged the IMO to play a leading role in coordinating the activities of the ILO and the Basel Convention in order to exert all possible efforts to develop practical and effective measures, including providing technical assistance and transfer of technologies to recycling countries, to further promote sound ship recycling activities.

The Cooperation of Stakeholders in Asia

The Forum agreed that Asian shipowners should take a leading role in enhancing cooperation with other stakeholders, such as shipbuilding/ship recycling industries and ship equipment manufacturers. It further urged Asian governments to express their views at international forums to promote healthy, safe, practical and environmentally friendly ship recycling.

Next Meeting

The Chairman of ASA, Mr. David Sterrett, invited the ASF Associations to the 14th Asian Shipowners Forum which will be held on 9 -11 May 2005 on the Gold Coast in Southern Queensland, Australia.

The delegates accorded a vote of thanks to FASA for the excellent arrangements of the 13th ASF in Singapore, and the Chairman for his efficient chairmanship.

* * * * *

25th MAY 2004

Editor's note:

The Asian Shipowners Forum consists of 13 Shipowner 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, Myanmar, 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 Safe Navigation and Environment Committee, the Ship Insurance and Liability Committee and the Ship Recycling Committee,. It has been estimated that ASF Owners and Managers control and operate around 40% of the world's cargo carrying fleet.