



# Federation Of Asean Shipowners' Associations

c/o Singapore Shipping Association

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## PRESS RELEASE

1. The 34<sup>th</sup> Annual General Meeting (AGM) of the Federation of ASEAN Shipowners' Associations (FASA) was hosted by the Vietnam Shipowners' Association (VSA) in Hanoi on 1 December 2008.
2. The Meeting was attended by representatives from the Filipino Shipowners' Association (FSA), the Indonesian National Shipowners' Association (INSA), the Malaysia Shipowners' Association (MASA), the Singapore Shipping Association (SSA) and the Vietnam Shipowners' Association (VSA). The Thai Shipowners' Association (TSA) and Myanma Five Star Line sent their apologies for being unable to attend the Meeting.
3. The Meeting was chaired by Dr Duong Chi Dzung, Chairman of FASA, who is concurrently the Chairman of VSA.
4. In his welcome address at the Opening of the FASA 34<sup>th</sup> AGM, Dr Duong Chi Dzung said, "Shipping and trade have not been spared from the chaos caused by the financial markets in the US, Europe and other parts of the world. As FASA shipowners, we will need to take urgent steps and brace ourselves for turbulence in our industry." He added, "Despite the bleak global outlook, FASA will remain focused on issues relating to safe navigation of ships and the protection of our marine and air environment." [ A copy of the FASA Chairman's speech is attached as **Annex 1**]
5. The FASA 34<sup>th</sup> AGM was declared opened by His Excellency, Dr Tran Doan Tho, Vice Minister of the Ministry of Transport of Vietnam. In his Opening Address, Dr Tho stressed that it is important that FASA gives its full support and participate actively in the ASEAN's initiatives as outlined in *The Roadmap Towards an Integrated and Competitive Transport in ASEAN*. When fully implemented, these initiatives should encourage and stimulate more businesses, trade, investment and people flows in and through the ASEAN region. [A copy of the Minister's speech is attached as **Annex 2**]
6. During the AGM, the Members expressed deep concerns on the increased incidence of piracy and hijack on ships trading and transiting through the Gulf of Aden and off the coast of Somalia. The Meeting strongly condemned these deplorable and dangerous acts of piracy and armed robbery by the pirates operating from Somalia as they not only seriously threaten the safe navigation of ships but also put at high risk the lives of the crew on board. The Members expressed concerns over the

trauma suffered by the seafarers on hijacked ships and on other ships passing through the area, as well as the concern felt by their families.

The Meeting was encouraged by the UN Security Council Resolutions 1816 and 1838 which calls on all states interested in the security of maritime activities to deploy naval vessels and military aircraft, and to cooperate with Somalia's Transitional Federal Government to fight piracy on the high seas off the coast of Somalia. FASA believes that if this piracy problem is not addressed urgently, it will worsen the current global economic crisis. In this regard, FASA urges all maritime nations to exercise strong political will to combat this problem. Governments are further urged to reinforce and strengthen the coalition naval and air forces to provide urgently needed coordinated patrol and surveillance to ensure the safety of ships and crew trading through the Gulf.

7. FASA reaffirmed its strong commitment to protecting the marine and air environment. The meeting, however, encouraged sustainable technologies to be developed in this regard but stressed that any measures recommended should be the result of careful and thorough study, and should have clearly defined short-term and long – term goals that are realistic, pragmatic and implementable.
8. The Meeting was therefore encouraged by the progress made at the International Maritime Organisation (IMO) in dealing with issues concerning gas emissions from ships. It was pleased to note that the IMO had unanimously agreed on the amendments to MARPOL Annex VI which set out measures to reduce Sulphur Dioxide, Nitrogen Oxide, volatile organic compounds and particulate matter emitted from ships.
9. The Meeting was further encouraged that progress had been made at the IMO to deal with Green House Gases emission, in particular Carbon Dioxide (CO<sub>2</sub>), which causes global warming. It was satisfied with the good efforts made to develop a CO<sub>2</sub> Design index for new buildings and a CO<sub>2</sub> Operational index for existing ships. Meanwhile, the meeting noted that other market based mechanisms are being considered and will be further discussed at future IMO meetings.
10. The next meeting of FASA will be the 39<sup>th</sup> Executive Committee which will be held in conjunction with the 18<sup>th</sup> ASF in Tainan, Taiwan on 25 May 2009.
11. The delegates of INSA, MASA, FSA and SSA expressed their deep appreciation to VSA for hosting the 34<sup>th</sup> AGM of FASA in Hanoi in the traditional spirit of ASEAN solidarity and cordiality.

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**Annex 1**

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### **WELCOME SPEECH BY DR DUONG CHI DZUNG, CHAIRMAN OF FEDERATION OF ASEAN SHIPOWNERS' ASSOCIATIONS (FASA) AT THE OPENING OF THE 34<sup>TH</sup> FASA ANNUAL GENERAL METING AT 2.00 PM, 1 DECEMBER 2008 AT THE SOFITEL PLAZA HOTEL, HANOI, VIETNAM**

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HE Dr Tran Doan Tho, Vice Minister of the Ministry of Transport, Vietnam  
Distinguished Guests  
Ladies and Gentlemen  
Good Afternoon!

On behalf of the Vietnam Shipowners' Association, it is my pleasure to welcome all of you to this Opening of the 34<sup>th</sup> Annual General Meeting of the Federation of ASEAN Shipowners' Associations (FASA) here in Hanoi. It is also my pleasure to extend a very special welcome to His Excellency Dr Tran Doan Tho, the Vice Minister of the Ministry of Transport in Vietnam, for taking time off from his busy schedule to attend this Opening ceremony.

We are meeting here for this FASA 34<sup>th</sup> AGM in challenging times!

When I first took office as FASA Chairman in January this year, the global economic landscape was in a relatively healthy state although there were threatening signs appearing in the horizon. Shipping and trade were still in positive territory, largely fueled by the relentless growth of the economies of China and India. Amidst the cheer, there were however rising and expressed concerns all round regarding the continued upward trend of crude oil prices and the possible impact of the US Sub-Prime mortgage crisis globally. The fallout of global major investment banks and insurance groups in the US in September this year confirmed our earlier concerns. It caused strong ripples that swept through the financial and stock markets around the world.

Shipping and trade have not been spared from this financial tsunami. Already we have begun to feel the squeeze on the Asian shipping market as demands for raw materials and Asian goods in Europe and the United States have started to fall. As FASA shipowners, we will need to take steps and brace ourselves for choppy waters ahead. Amidst the bleak outlook, I am sure there are still opportunities out there which we could still ride on as the underlying economic fundamentals in the ASEAN and Asian regions are relatively strong. Most of them, I am sure, will escape the financial turmoil. Therefore it is not all gloom and doom!

In the past year, FASA has kept its radar screen on high beam and remain alert on issues that affect the interests of ASEAN shipowners and shipping at large. Safe navigation of ships and marine environmental protection are of primary importance to all shipowners. FASA actively discusses and participates in these issues that have emerged from the International Maritime Organisation (IMO) and other forums, such as the ASEAN Maritime Transport Working Group. Our keen interest on the enhancement of safety, security and environmental protection, especially in the Straits of Malacca and Singapore, serves to project FASA's strong interests in promoting safe, environmentally friendly and open shipping not only among its members but also around the world.

The continued threat of piracy and armed robbery on ships is however a major concern to most shipowners. Whilst FASA is pleased to note that this problem in Asia has declined significantly, elsewhere in the Gulf of Aden, the risk of transiting merchant ships being attacked by Somali pirates is very high. So far this year, more than 77 vessels, some of which are flagged in ASEAN countries, have fallen victims to these pirates with at least 31 vessels hijacked and their crew kidnapped by the pirates. More than a dozen vessels are still held captive by the pirates demanding heavy ransom from shipowners for their release.

As FASA Chairman, I urge the international community, especially through the IMO and the United Nations to urgently find ways to deploy the required level of military effort needed to re - establish stability in the Gulf of Aden. I believe that the safe and secure passage of merchant ships should be a vital priority for all governments engaged in international trade. Together with other national shipping associations around the world, we urgently call upon governments to live up to their responsibilities within the mandate provided by the UN Security Council<sup>1</sup>, and to provide the protection needed by ships and their crews and to quickly restore order within the waters of the Gulf of Aden.

Protecting the marine and atmospheric environment is an important corporate responsibility of every shipowner. By and large, shipping is the most environment friendly form of commercial transport. When compared with land based industry, shipping is a comparatively minor contributor to marine and air pollution from human activities.

The development of more stringent rules and regulations at the IMO over the years had invariably contributed to a significant improvement in new shipbuilding, design, ship technologies and machineries. Safety requirements and standards have also been raised. All these improvements have seen very positive results as marine pollution by ships has declined very substantially. There has been a substantial reduction in marine pollution over the last 15 years, especially with regard to the amount of oil spilled into the sea, despite a massive increase in world seaborne trade.

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<sup>1</sup> The UN Security Council unanimously adopted resolution 1838 (2008) under Chapter VII of the UN Charter calling upon States with naval vessels and military aircraft operating in the area to use, on the high seas and airspace off the coast of Somalia, the necessary means to repress acts of piracy in a manner consistent with the 1982 United Nations Convention on the Law of the Sea. The Council urged States that had the capacity to do so to cooperate with Somalia's Transitional Federal Government in conformity with the provision of resolution 1816 (2008) of 2 June, which allowed States cooperating with the Government, for a period of six months, to enter Somalia's territorial waters and use "all necessary means" to repress acts of piracy and armed robbery at sea in a manner consistent with international law (see Press Release SC/9344)

Recently, the subjects of global warming and climate change are high on the agenda of every international meeting. Melting glaciers and rising sea levels have created a global awareness and increased focus on our atmospheric environment. Emissions from ships, too, have now come under close scrutiny although shipping contributes less than 3 per cent of the total Greenhouse Gases (GHG) emissions as compared with other modes of transportation.

At the IMO, debate on ship emissions is fast moving. Already at the recent 58<sup>th</sup> session of the Marine Environment Protection Committee (MEPC 58), it has set progressive targets for ships to reduce emission of sulphur and nitrogen oxides up to 2025. Discussions and measures are now fast developing to reduce greenhouse gases in shipping. Before long, I believe a new set of requirements will be in place. As responsible shipowners, and in the interest of our earth planet and future generations, we should stay fully committed to this global initiative on the protection of our atmospheric environment.

It should be in the interest of every FASA shipowner to constantly keep abreast of the developments that affect shipping. By adapting quickly to the possible changes, I believe, will help us remain afloat and survive in this difficult and competitive market conditions to realize our goals and objectives. On this concluding note, I trust we will have some serious and fruitful discussions on some of these topics this afternoon.

It is now my honour and pleasure to invite His Excellency Dr Tran Doan Tho to address us and to open this 34<sup>th</sup> FASA Annual General Meeting.

His Excellency, please!

Thank you.

Opening address by H.E. Dr. Tran Doan Tho  
Vice Minister of Transport of Vietnam  
at the Opening of the 34<sup>th</sup> Annual General Meeting of the Federation of ASSEAN  
Shipowners's Associations (FASA)  
2pm Dec 1, 2000, Sofitel Plaza Hotel, Hanoi

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Dear Mr. Chairman  
Distinguished delegates,  
Ladies and Gentlemen,

It is my great pleasure to be here to address the opening of the 34<sup>th</sup> Annual General Meeting of the Federation of ASEAN Shipowners's Associations (FASA). Allow me on behalf of the Ministry of Transport of Vietnam to extend my warm welcome to all of our ASEAN colleagues to Vietnam. (I hope that beside the meeting, you will also be able to find some time to visit some of the interesting places in Hanoi.

As you may know that in November 2007, ASEAN leaders have signed at the 13th ASEAN Summit the Declaration on the ASEAN Economic Community (AEC) Blueprint. To this effect, ASEAN has been developing an AEC Scorecard mechanism tracking the implementation of their commitments in the AEC Blueprint. The AEC Scorecard will provide a comprehensive picture of how ASEAN makes progress towards establishing the AEC by 2015.

for the past two years, ASEAN has also developed and adopted a *Roadmap Towards An Integrated and Competitive Maritime Transport in ASEAN*. Through this Roadmap, the ASEAN countries will take concrete steps to liberalize their transport regimes to cope with global challenges. When fully implemented, those initiatives should encourage and stimulate more business, trades and investments and movement of people infra and through our ASEAN region.

At the 14<sup>th</sup> ASEAN Transport Ministers (ATM) meeting held in Manila, the Phillipines on 6<sup>th</sup> November 2008, all Transport Ministers were pleased with the notable progresses in implementing the various measures under the Maritime Roadmap to foster competition in shipping markets, improve market access and further enhance seamless logistics within the region. The Ministers now looked forward to actively deliberating the strategic framework for the ASEAN Single Shipping Market in the forthcoming ATM.

Ladies and Gentlemen,

We are now in the period of global economic downturn. Like the other industries, Shipping and Trade will adversely affected. However, I hope that at this meeting, you will discuss and jointly find out appropriate measures to confront with such difficult situations.

Making use of this occasion, let me conclude my speech by wishing all of you a fruitful and successful meeting and hope that all distinguished delegates will have enjoyable pleasant stay in Hanoi.

I now have the pleasure of declaring the 34<sup>th</sup> FASA Annual General Meeting opened.

Once again , thank you for your kind attention.