

Seatrade Maritime Club Ambassador Roundtable Summary

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Gary Howard, UK Editor, Seatrade Maritime News

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ROUNDTABLE HOST

Chris Hayman, Chairman Emeritus, Seatrade Maritime

ROUNDTABLE PARTICIPANTS

Seatrade Maritime Club Ambassadors:

H.E. Eng. Hessa Al Malek, Advisor to the Minister for Maritime Transport, Affairs, the UAE Ministry of Energy and Infrastructure

Chris L. Aversano, Product Manager, Q88 a Veson Nautical Company & Past President, Connecticut Maritime Association

Fazel Fazelbhoy, CEO, Synergy Offshore

Cameron Mitchell, Director, Isle of Man Ship Registry

Despina Panayiotou Theodosiou, CEO, Tototheo Maritime

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Informa Markets Head Office, London, UK

Elpi Petraki, Operations, Chartering & Business Development Manager, ENEA Management Inc., President WISTA International and Second Vice President, Hellenic Shortsea Shipowners Association

Darren Shelton, Chief Product Officer and Co-Founder, FuelTrust

Caroline Yang, Chief Executive, Hong Lam Marine Pte Ltd, President Singapore Shipping Association & ICS Board Member, Singapore



THE INAUGURAL SEATRADE MARITIME CLUB ROUNDTABLE

The return of the Seatrade Maritime Awards in person on 8 November 2022 was another in a long line of signs that the world had reached a new normal after the COVID-19 pandemic. On the same date as the 33rd edition of the awards, an inaugural round table meeting was held with the eight ambassadors of the Seatrade Maritime Club.

When the ambassadors of the Seatrade Maritime Club met, seafarers were at the heart of a wide-ranging conversation about the challenges the industry has faced and continues to face.

PANDEMIC RESPONSE

The shipping industry's response to the COVID-19 pandemic served as a jumping off point for a conversation which covered the breadth and depth of the industry, with seafarers never far from the topic of conversation.

Broadly, the ambassadors agreed that as an industry our response to the pandemic was insufficient and failed to properly protect the men and women who do the work of making world trade move. Individually and as discrete organisations however, the ambassadors believed actions and decisions were taken and made with the best intentions.

Despina Panayiotou Theodosiou, CEO, Tototheo Maritime and Seatrade Maritime Club Ambassador for Cyprus said of the pandemic response: "We placed seafarers at the bottom of the chain of respect during the pandemic. As an industry, we really need to find a solution so that this doesn't happen again."

Darren Shelton, Co-Founder and Chief Product Officer, FuelTrust and Seatrade Maritime Club Ambassador for Houston, put it more bluntly: "Shipping sacrificed seafarers, during the pandemic. Seafarers were the ones who had to ultimately bear the burden for everybody else. And unfortunately, many of them didn't have a choice, many of

them probably would have walked off the ship if they could."

Asked by the moderator of the discussion, Chris Hayman, Chairman Emeritus, Seatrade, who Shelton blamed for that treatment of seafarers, Shelton replied:

"I blame us. And we have to all take responsibility for it. One could look at it and say, "Well, it was the owners should have done this, or the charterer should have done this or, the agent should have done more. In fairness, I think most people were doing as much as they reasonably could."

What was missing from the COVID-19 response in the shipping industry was a single, unified voice for shipping, argued Shelton. A voice with the power to talk to governments from a position of knowledge and authority, working out solutions and making it clear that the economic and social stakes are high when the maritime industry is under threat.

"There's no one else to blame but us. We can't point our finger at any other industry. And we can't blame it on geopolitical leaders who should have done something. Who was going to make them?"



FINDING A VOICE

The idea of a shipping Czar was discussed during the conversation, but an interesting angle was raised by Advisor to the UAE Minister for Maritime Transport Affairs, the UAE Ministry of Energy and Infrastructure, HE Eng Hessa Al Malek, Seatrade Maritime Club Ambassador for the UAE.

Malek said that even within national governments the maritime industry is often placed in a position which doesn't necessarily reflect the importance of the industry or its relationship with other industries.

"There are very limited countries with a maritime ministry or a large organisation for the maritime sector. It's always embedded in within transport authorities or transport ministries," said Malek.

Speaking from her personal experience as a former director of highways and as a board member in the aviation space, Malek said the maritime industry is unlike its transport peers.

"You cannot compare maritime with the other transport modes and you cannot put them all under the same umbrella because of the amount of diversity and the complexity of the work in the maritime sector," said Malek.

Malek praised the achievements of the UAE's maritime leadership for its belief in the sector, noting the UAE's successful campaign for re-election as a category B member of the IMO Council, national schemes to support seafarers and the UAE being the first country to introduce seafarer repatriation rules during the pandemic.

But for some nations, maritime is lost within transport and transport itself can be lost within infrastructure, lowering the profile of the industry, she argued.

"When you have maritime under a specific ministry or federal authority, even the publicity of the maritime sector will be better. The power of the maritime ideas and the influence will be even bigger," said Malek.

Compatriot Fazel Fazlhbhoy, CEO Synergy Offshore and Seatrade Maritime Club Ambassador for UAE Offshore Marine introduced to the discussion the idea of a shipping Czar – a spokesperson or series of spokespeople with the knowledge and authority to represent the interests of shipping on the world stage. and national security.

The given example of such a spokesperson in

another field was John Kerry, the US Special Presidential Envoy for Climate, a position created within the US government which signalled the increased importance of climate change and climate policy to US development

"If it we're moving 95% of the world's cargo, why don't we have a voice at the government level? If you have a John Kerry for climate change, speaking on behalf of shipping, I think it'd bring much more publicity, much more media, much more coverage and maybe more understanding, because he'll be coming with ammunition with information that's targeted, that's focused, and he has a voice at the table," said Fazlhbhoy.

"IMO is great, all of these international organisations are great, but they're still not necessarily even in the room let alone at the table."

Caroline Yang, CEO Hong Lam Marine, President Singapore Shipping Association, ICS Board Member Singapore and Seatrade Maritime Club Ambassador for Singapore had a different take on the role of shipping associations.

"ICS has about 75 Association who are members of the organisation, and it is a cohesive one, a consensus building one. When we talk about one voice, I actually feel that there's so many associations, the activity as a sum can be greater than the total of its parts," said Yang.

As an example, Yang said that associations collaborated during the pandemic with ITF, ICS and other associations coming together to try and solve the crew change crisis.

“I feel that if all the associations come together and start to collaborate, and do their own publicity, we will do well. We are doing all right, but we can do better,” said Yang.

Where Yang does see room for improvement is at the IMO.

“I feel that IMO as an overarching, global organization needs to have more courage, more guts, and bring everyone together. I feel that when we go forward in the next few years, we need very strong leadership from the IMO organization to bring this decarbonisation to reality and bring everyone along - all the different blocs, the African blocs, the Southeast Asian blocs, the Asian blocs, and the European blocs all together,” said Yang.

Elpi Petraki, Operations, Chartering and Business Development Manager at ENEA Management, President of WISTA International, Vice-Chair of the Hellenic Shipowners Association and Seatrade Maritime Club Ambassador for Greece agreed that the path forward was not a single spokesperson.

“The future is collaboration. I agree with Caroline and I don't think we will ever find one single figure that can talk on behalf of all of us. We have different interests. But I think we have learned that with collaboration, we can move ahead. I think it was the first time now with these new regulations that we even have charters collaborating with shipowners to make decisions.”

CHANGING TIMES

Cameron Mitchell, Director, Isle of Man Ship Registry and Seatrade Maritime Club Ambassador for Isle of Man, admitted that some parts of the industry had been forced to adapt their approach to communication as the world and media has changed.

“As a flag state, we very much used to sit back. If there's been a serious incident, the traditional form of a shipowner or a flag is to stay quiet and see if anybody notices. And you can agree with that or not, but it is an historic, legacy issue and goes back years - before digitalization.

In the modern age of 24/7 media and social media, there is nowhere left to hide, said Mitchell. Companies no longer have the luxury of waiting 24 hours and keeping the world in the dark while a crisis response plan is put together.

“Digitalization has enabled us to be a lot more proactive with our response. So, if there's an incident, we'll say “there has been an incident and we're investigating it, we're looking at it.” even if it's not good news, say something,” said Mitchell.

While the Isle of Man Ship Registry may have come around to the realities of a more connected world, Mitchell noted there are still incidents which occur where shipping companies and flag states remain silent and fail to comment or provide information.



A CALL FOR TRANSPARENCY

As well as being the basis for a more media-savvy and high-profile industry, such transparency will be the bedrock of meeting the shipping industry's decarbonisation goals, argued Shelton.

"You cannot have decarbonisation without transparency, and transparency is a very scary thing. For a lot of companies, in the absence of transparency they will message without moving," said Shelton.

While messaging about decarbonisation is itself good, as it drives conversation which in turn provokes movement, real movement on decarbonisation will need to be measured in data.

"While we've gotten good things with CII and EEXI, they still lack a level of transparency. So that means we're still measuring with fuzzy math," said Shelton. That fuzzy math leads to frustrated principals whether it be shipowners, charterers or financiers, because in the absence of concrete numbers all they can do is throw their hands up.

As far as industry progress towards adopting digitalisation to enable the transparency necessary for decarbonisation, Shelton summarised: "We started from somewhere, we haven't moved much past somewhere. We've walked in circles around somewhere, and we haven't really moved forward necessarily.

"I'll give us points. I do think that the decarbonisation has driven a new level of hype around the digitalization, because in certain ways, that's the only way you're going to be able to get to transparency with metrics."

DIGITALISATION AND TECHNOLOGY

The Ambassadors' general scorecard for the industry on the topic of digitalisation was good, but with room for improvement. Digitalisation was another area where the industry had proven to be reactive rather than proactive, argued some of the ambassadors, as real change was accelerated by the COVID-19 pandemic.

"We were only just starting to discuss remote survey and inspections of ships in 2019 and in May 2020 we did our first remote flag state-inspection of a bulk carrier with DNV. The bulk carrier was in Australia, we were in the Isle of Man and it was monitored in Singapore. That wasn't possible in 2019, so we were jumping ahead very, very fast," said Mitchell.

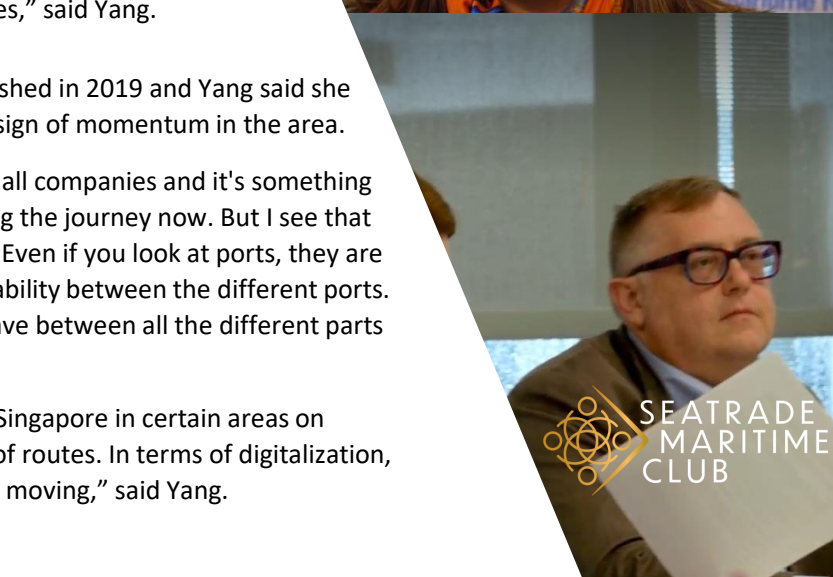
Yang argued that where the industry has fallen flat on adopting new technologies is a legacy issue in a fragmented sector with lots of different ways of working and a variety of existing platforms.

"I do differ with Darren on one point is that the slow adoption. I came into the SSA presidency three years ago and within two years, at least in Singapore, I really see the adoption of digitalization of all the different companies, even the bigger medium sized companies," said Yang.

SSA's digital transformation committee was established in 2019 and Yang said she was amazed to see the scale it reached by 2022, a sign of momentum in the area.

"I think that now digitalization is already a given to all companies and it's something that they have to work on. Perhaps they are starting the journey now. But I see that everyone is accepting that that is going to happen. Even if you look at ports, they are trying to see whether they can have this interoperability between the different ports. We have this digital corridor that we're trying to have between all the different parts with Rotterdam."

"I've even heard that Dubai is very much ahead of Singapore in certain areas on digitalization of documents, in terms optimization of routes. In terms of digitalization, the sense I have is that we have moved and we are moving," said Yang.



Theodosiou said that the pandemic was an accelerant for the adoption of digitalisation. “The pandemic has reset the hype about digitalization, we see a much more serious use of digital solutions. And we see the industry being involved in the creation of the solutions whereas before it could be many of the maritime technology companies or even technology companies that did not have anything to do with shipping trying to create the solutions.



“I would also say that we kind of oversold digitalization to ship owners with a small number of ships, and that's being a little bit critical of my sub industry within shipping. We could have shown digitalization not as the end game, but as tools and their way of reaching a more efficient result for those smaller companies.”

Fazelbhoy noted that technology has been a key component of the offshore sector for some time now. “We've been playing with dynamic positioning, we've been playing with triple redundancy, we've been playing with a lot of technology. And not only just the mechanical side, but on the IT side, on the digitalization side,” he said.

Chris Aversano, Product Manager at Q88, a Veson Nautical Company, Past President of the Connecticut Maritime Association and Seatrader Maritime Club Ambassador for New York said that the digital reorganisation of workforces during the pandemic created an opportunity shoreside for maritime companies to build a diverse workforce with a wealth of experience by eliminating the need to be based in a narrow geographical location.

The future workforce

The link between digitalisation and the maritime workforce of the future was a strong one for the ambassadors, and a subject that suffered from shipping's struggle to find its voice on the world stage.

“If you think of what attracts today's talent, it's got to be the gamers. You know who those people are, they've got big thumbs because that's all they play with. That's exactly what our

whole industry is. A control room today looks like a giant Casino, there's, there's so many screens, it's no longer just the way one would imagine a binnacle and then a steering wheel,” said Fazelbhoy.

“The fact that we haven't been able to attract seafarers has nothing to do with COVID. I've been talking about this since 2004. We will have a problem. There are not enough seafarers, there's not enough interest. And as engineer Hessa said, they may have the interest but they may not have the skills.”

The answer to the question is not just throwing training and bodies at it, said Fazelbhoy, as recruiting the wrong people could lead to a reduction in safety and an increase in lost time incidents, a critical measure of operations in the offshore sector.

“There's a whole process, and it's not just going through a training program or a manual. Experience comes with all of those hard knocks. Actual sailors have actually gone through the process. Getting them to be more savvy or digital savvy is not easy, because they've got a wealth of experience behind them and are sometime very set in their ways,” said Fazelbhoy.

The training offered under STCW and the suitability of current minimum standards was called into question by multiple ambassadors, with Mitchell raising the issue.

“Is STCW really fit for purpose anymore? For the training of seafarers? We need to start looking at what we're actually expecting seafarers to do. Are we expecting them to bunker LNG? Are we expecting them to bunker ammonia?”

Well, that should be part of STCW, surely, it should be in the coursebook,” said Mitchell. “Now, that’s not the way we’ve gone because STCW can’t keep up with industry.”

As automation advances there will still be a need for seafarers for decades to come, but the skills those seafarers will need may well change, said Mitchell. “Are they going to be a deck officer? Are they going to be an engineer? I think they’ll have to have an understanding of all things. We aren’t training that person, so we’re going to be behind everywhere.”

Aversano said an understanding was coming together in the industry, but necessarily at the regulatory level. “I think there an awareness at company level, so not at the level of IMO and STCW. I think companies are starting to realize we need a more complete seafarer to come on our ships, a seafarer that goes beyond the basic.”

Shelton said that the question of the workforce of tomorrow is not a problem shipping faces alone. Multiple industries are struggling with the reality of an increasingly digital workplace, with most workplaces likely to be impacted in the not-too-distant-future. But as the requirements placed on seafarers increase, so must pay, said Shelton

“The trend in education now is less about degrees and more about certifications. There are literal classes that can be taken online in a six-week period of time, that are worth 60 or \$70,000 a year, and immediately employable talents.

“I think you’re going to begin to see more of that in the workforce. But then that’s going to mean that Seafarers need to get paid a lot more money

if our industry is going to be competitive. If you can take a shore-based job and make way more money, why is a seafarer incentivized to go to sea?” Shelton asked.

Even the current trend of seafaring nations is under threat as access to education through mobile devices improves, he argued, “that’s going to level them all up, because the education that they can receive, using a simple mobile device, is going to make them employable. I mean, Google will hire them; Google doesn’t care where they live,” said Shelton.

Theodosiou stressed the structural issue at hand when it comes to maritime training and rapidly advancing technologies. “It was agreed that there will be there will be an update to the STCW. But I think by the time that is done, by the time 170 countries agree on it, it will already be outdated.

“So, what do we do with that, going forward? We will have so many technologies coming into the industry. Already, the burden of training falls on shipping companies on ship managers and ship operators. Is this what we want as an industry? I go to Fazel’s point that safety should be above all; if there needs to be training outside of STCW, what does that tell us?” said Theodosiou.

Theodosiou also asked whether the industry has created a recruitment problem for itself during the pandemic, as aside from the questions around training requirements for the future, the treatment of seafarers during the pandemic may turn young people away from careers in the sector.



Petraki tied the training challenge back through to digitalisation, where she believes standardisation of technologies will enable seafarers to apply their skills without needing to learn a new system for every ship they work on. Shelton expanded on the point, adding that where it is not possible to standardise platforms and practices, we should at least harmonise approaches to minimise the learning curve for new technologies.

In summary, the ambassadors were asked whether they were proud to be part of the shipping industry. The responses were all positive, with reasons given from family and cultural ties to pride in how the industry enables trade and development, and how connected shipping is to every facet of modern life. The group were united however in accepting that the industry can and must continue to improve across a range of areas to meet the changing demands of the nations and people we serve.

Outcomes/proposals – Maritime as standalone ministries



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