The Association held its semi-annual meetings in Singapore

“Regulation is welcome but should be measured and wise”

INTERCARGO held its Technical and Executive Committees’ meetings in Singapore on 5 and 6 March 2018, along with a well-attended Dinner Reception on the first day. INTERCARGO re-iterated its commitment to a safe, efficient, high quality and environmentally-friendly dry cargo shipping industry and its support for an industry governed by free and fair competition. The meetings were chaired by Chairman John Platsidakis, Vice Chairman Jay K Pillai and Technical Committee Chairman Dimitris Fafalios.

The main topics were the Safe Carriage of Cargoes, Air Emissions (including the Global Sulphur Cap from 2020 and Greenhouse Gases), operational challenges after the Entry Into Force of the Ballast Water Management Convention, the non-availability and adequacy of Reception Facilities for cargo residues and cargo hold washing waters Hazardous to the Marine Environment (HME), Port State Control transparency and anti-corruption practices, Design Standards for Bulk carriers and related equipment.

CASUALTIES INVESTIGATION: The Secretariat published its annual Bulk Carrier Casualty Report covering the period 2008-2017. In 2017, the tragic losses of M/V Stellar Daisy, carrying an iron ore cargo, and M/V Emerald Star, with a nickel ore cargo, raised questions of structural integrity and safety condition of high density cargoes carried on board. These two bulk carrier casualties caused the loss of 32 seafarers, the highest annual loss of lives since 2011. INTERCARGO and the industry expect that the full investigation reports will provide answers to the questions and highlight the lessons to be learnt.

EMISSIONS: On the implementation of the 0.5% sulphur cap for ships’ bunkers from 2020, INTERCARGO is promoting the consideration of transitional issues such as the availability and safety aspects of compliant fuels, and incidents of non-availability of low sulphur bunkers at certain ports. INTERCARGO encourages the effective implementation of the “2020 Sulphur Cap” regulation yet with a pragmatic approach. A reasonable and measured enforcement of the Regulation during an initial transitional period would thus be welcome instead. INTERCARGO raises its concerns about the practical - technical and operational - challenges faced by shipowners in achieving compliance from 01 Jan 2020, given the bunkers’ supply landscape and widespread uncertainty. The availability of compliant fuels and their safe consumption are especially of concern. A drastic step-change is expected in 2020 and if a smooth transition is not ensured, the impact will be great. There will be an impact on trade, on economic growth and on the societies of both developed and developing countries worldwide.

INTERCARGO will also participate in the development of the GHG emissions reduction strategy at IMO in April in collaboration with its industry partners aiming at setting ambitious yet also pragmatic objectives.

BALLAST WATER MANAGEMENT: INTERCARGO welcomed the entry into force of the BWM Convention and aspires to its effective implementation. But early on, our Association had made public the critical challenges faced by the bulk carrier segment of the industry at least. INTERCARGO had invited regulatory provisions, in view of the non-availability in practice of ballast water systems appropriate for bulkers with gravity top side tanks. One of the many issues currently being faced by owners and operators is that there are type approved systems currently fitted onboard vessels that do not fulfil their purpose, i.e. the D-2 standard. Instead, evidence was recently presented at IMO that Ballast Water exchange is often more effective in achieving the D-2 Standard.
Practical problems remain in retrofitting existing dry bulk ships with BWM systems and operating them. Implementation challenges also include adequate worldwide support for these systems, the availability of proven systems, which can perform under all conditions, and spares backup. Achieving the effective implementation of the BWM Convention will require working closely with the manufacturers. INTERCARGO remains committed to investigating the related problems. The regulation in place should respect the highly capital intensive nature of the industry and avoid distorting the market's level playing field by marginalising viable and quality bulk carriers.

PORT STATE CONTROL TRANSPARENCY: INTERCARGO, in relation to Port State Control transparency and the lack of any self-assessment structures, will continue its efforts to persuade regional MoUs to establish auditing schemes and transparency mechanisms with the objective of targeting unethical behaviour within their areas, a problem that has regrettably not been sufficiently addressed by the regional MOUs so far.

MEMBERSHIP: The Association’s Membership increased significantly in 2017 and through to 2018. It is currently counting 118 Full Members with 1,790 bulkers entered with the Association with a total capacity of 165 mil dwt i.e. about 17% basis numbers of vessels and 20% basis dwt of the global dry bulk carrier fleet. Compared to the start of year 2017, this is an increase of 53% in the number of members, 75% in the number of ships and 83% in dwt terms. Also, 71 Associate Members support the Association.

OPERATIONAL EXCELLENCE: The Association also announced the publication of its latest Benchmarking Report for dry bulk carriers. Chairman Mr John Platsidakis said “We are proud that INTERCARGO-entered ships continue to outperform industry averages in respect of detentions and deficiencies per inspection. INTERCARGO’s commitment to safety, operational efficiency and the environment have become reference themes even more so in the challenging times, where quality makes the difference, which is the primary focus of INTERCARGO”.

Secretary General Dr Kostas G. Gkonis noted “It is said that the bulk ship is the workhorse of international trade. We should make sure we do not slay the horse though. Regulation is welcome but should also be measured and wise. We see regulations being adopted whose implementation cannot be effective. Two examples are BWM, with experience building this year, and the bunkers’ Sulphur Cap, where important decisions are also to be taken this year. In both cases we have set a deadline without having yet the technologies in the first case or the fuel in the second case to meet the regulatory requirements.”

INTERCARGO will hold its next meetings in London in October 2018.

**About INTERCARGO:** The International Association of Dry Cargo Shipowners (INTERCARGO) is a voluntary non-profit association representing the interests of dry cargo vessel owners. Its first General Meeting took place in 1980 in London and it has had NGO consultative status at the International Maritime Organization (IMO) since 1993. INTERCARGO provides the forum where quality dry bulk shipowners, managers and operators are informed about, discuss and share concerns on key topics and regulatory challenges, especially in relation to safety, the environment and operational excellence. INTERCARGO promotes best practices in shipping and represents dry cargo shipping interests at IMO, other industry fora and the broader business context, basing its strategies on the principle of free and fair competition.

**Contact details:**
Post: 9th Floor, St Clare House, 30-33 Minories, London, EC3N 1DD, UK
Phone: +44 (0) 20 7977 7030
Email: info@intercargo.org

www.intercargo.org | info@intercargo.org