

Minutes of the  
**EXECUTIVE COMMITTEE MEETING**  
held at the Bowen Room, Conrad Hotel, Hong Kong  
on Tuesday 5 March 2019 from 09:00 to 15:00

**PARTICIPANTS:** A full list of participants can be found at the end of these minutes.

**1. Introduction - Minutes of previous meeting (London 2 October 2018) –  
Matters Arising not otherwise on this agenda**

The Secretary General opened the meeting and welcomed all participants. He reminded all present that the **Executive Committee (ExCom)** meeting was being held under INTERCARGO's **Anti-Trust and Competition Law Guidelines**.

Next, he provided a brief **overview of the current state of the bulk carrier market:** rates & supply-demand dynamics.

- The Committee formally **approved the Minutes of the previous meeting** (in London on 2 October 2018) which had been circulated for comments; no requests for amendment were made.

These are now posted on INTERCARGO's website:

<https://www.intercargo.org/excom-march-2019/>  
<https://www.intercargo.org/excom-october-2018/>

**2. Report / endorsement of Technical Committee meeting & discussion**

Mr. Tom Keenan, Technical Committee (TechCom) Chairman, provided a summary of all items discussed during the previous day at the TechCom meeting:

- **Air Emissions** (Technical Aspects)
- **Ballast Water Management**
- **Design Standards**
- **Cargoes**
- **BMSA** (Technical Aspects)

For a more detailed account of the above, the minutes of the 40<sup>th</sup> TechCom meeting will be made available under a relevant post on INTERCARGO's website section:

<https://www.intercargo.org/news/committees/techcomm/>

- **The ExCom endorsed** the outcome of TechCom as recommended above by the TechCom Chairman and expressed its appreciation to Members for their contribution to the ongoing work.

- **The ExCom considered** the outcome of the recent survey entitled “Important topics for our Association in 2019” (you may consult at <https://www.intercargo.org/full-members-survey-important-topics-in-2019/> ) and the Working Programme of the Association (see “Topics” on the main menu of INTERCARGO’s website homepage <https://www.intercargo.org> ). It was decided that no changes were to be applied at the present time.

### 3. Air Emissions

#### **SULPHUR LIMIT ON FUELS FROM 2020**

**The ExCom was updated** with background information on the latest developments in relation to the Sulphur Cap on fuels from 2020:

#### **MEPC 73 (22-26 October 2018):**

- **The Committee adopted the “Carriage Ban” taking effect as of 01 March 2020:** amendments to MARPOL Annex VI concerning the prohibition on the carriage of non-compliant fuel oil for combustion purposes for propulsion or operation on board a ship: “The sulphur content of fuel oil used or carried for use on board a ship shall not exceed 0.50% m/m.”
- the paper proposing a so-called “Experience Building Phase” (**MEPC 73/5/14 Safety implications and respective challenges associated with 2020 compliant fuels**) cosponsored by INTERCARGO initiated a considerable debate at IMO providing information to assist the Committee to appropriately address the respective challenges that the industry faces with the transition to 0.50% m/m sulphur fuel.
- **The Committee agreed “to invite further concrete proposals** on how to enhance the implementation of regulation 18 of MARPOL Annex VI, in particular on reporting fuel oil quality and reporting of non-availability of compliant fuel oils, including the enhancement of GISIS modules for data collection and analysis.”

**The ExCom deliberations** focused on the Association’s positions in view of IMO’s upcoming **MEPC 74 meeting (13-17 May 2019):**

- **The ExCom agreed that INTERCARGO should cosponsor the paper titled “Enhanced implementation of regulation 18 of MARPOL Annex VI”:**
  - proposal for a data collection and analysis measure through recommended enhancements to the IMO Global Integrated Shipping Information System (GISIS) database and a strategy for data analysis
  - enhancing the existing provisions of regulation 18 of MARPOL Annex VI relating to fuel oil quality and non-availability of compliant fuel oils, in order to promote greater understanding of the effectiveness of implementation of these provisions and to facilitate consistent enforcement of regulations 14 and 18 of MARPOL Annex VI.
- **The ExCom endorsed INTERCARGO’s cosponsoring the paper on “Bunker supplier licencing schemes”** as considered within the Technical Committee.
- **The ExCom agreed that INTERCARGO should remain engaged in the “Joint Industry Guidance for Supply and Use of 0.50% S Marine Fuel” development,** as per the Technical Committee recommendation.

- **The ExCom agreed that INTERCARGO’s policy position in relation to Exhaust Gas Cleaning Systems (EGCS) installation and environmental impact remains neutral (EGCS installation is a commercial decision), and endorsed the Technical Committee’s decision for a consultation to take place within TechCom on the “2015 Guidelines for Exhaust Gas Cleaning Systems”, in order to potentially formulate a technical position, in that respect in view of MEPC 74.**

## **GREENHOUSE GAS EMISSIONS (GHG)**

**The ExCom was updated** with background information on the latest developments in relation to GHG emissions reduction:

- **MEPC 72 (April 2018)** decided on an “INITIAL IMO STRATEGY on GHG reductions”. The initial strategy for the reduction of GHG from ships will be under review, and a Revised IMO Strategy on reduction of GHG emissions is to be adopted in 2023.
- 4th IMO’ Intersessional Working Group on the Reduction of GHG Emissions & **MEPC 73 took place in October 2018**; some main points were:
  - MEPC 73 agreed to maintain the EEDI Phase 3 timeline and reduction factor of 2025 and 30% respectively for bulk carriers and to maintain the EEDI reference line for bulk carriers
  - MEPC 73 approved a draft programme of follow-up actions of the Initial IMO Strategy on reduction of GHG emissions from ships up to 2023
  - MEPC 73 noted the view that there was a potential for early action especially focusing on existing instruments EEDI and SEEMP

**The ExCom deliberations** focused on the Association’s positions in view of IMO’s upcoming **5th IMO’ Intersessional Working Group on the Reduction of GHG Emissions & MEPC 74 (7-17 May 2019)**:

- **The ExCom decided** that due consideration should be given for INTERCARGO to co-sponsor the latest ICS **paper on an “enhanced / super” SEEMP proposal**. This should take place within the Technical Committee, in order to issue a recommendation to the Management Committee for final decision in view of MEPC 74 (INTERCARGO had co-sponsored a related paper to October 2018 Intersessional Working Group: ISWG-GHG 4-2-10 – Short-term measures to reduce GHG emissions from international shipping).
- **The ExCom decided** that due consideration regarding the merit of INTERCARGO co-sponsoring a **paper reviewing other candidate short term measures for the reduction of GHG emissions (and related to the above paper)** should also take place within the Technical Committee, in order to issue a recommendation to the Management Committee for final decision in view of MEPC 74.

The ExCom also considered a proposal brought forward by other industry organisations on the creation of an **International Maritime GHG Reduction Research And Development Fund (IMRF), that would collect “R&D contributions”** as a longer term measure in reducing GHG emissions. In that respect,

- **The ExCom decided** that INTERCARGO would not cosponsor a relevant paper to MEPC 74, or at present stage at least, yet our Association should be engaged in future meetings / consultations to further investigate this proposal.

**Main points** raised by Members in the above discussions:

- The SEEMP provisions are largely already in place and the current proposal is quite vague when it would come to implementing it
- The responsibility of charterers in an “enhanced / super” SEEMP scheme should be highlighted
- INTERCARGO should raise in public the responsibility of charterers when it comes to the operation of ships (speed, routing, loading, etc.)
- INTERCARGO should advocate for a levy scheme when it comes to Medium-term (as per IMO’s initial GHG strategy definitions) Market based measures.
- Ship-owners should not be the ones to finance R&D in shipbuilding, marine engines, technology etc citing the example of the car industry.

The slides which served as a basis for the ExCom’s discussion and background notes to this agenda item (“ExCom Notes Agenda Item 3”) can be found at:

<https://www.intercargoo.org/excom-march-2019/>

#### 4. Quality schemes

##### **BMSA (Bulk Management and Self-Assessment)**

- **The ExCom noted** the discussions and points raised by the ad-hoc BMSA Working Group during the previous day Technical Committee meeting held on the previous day.
- **The ExCom was updated** on input received from OCIMF in relation to potential licensing and developing/hosting a BMSA scheme by INTERCARGO on the basis of TMSA-3 with logical amendments for the dry bulk cargo sector.  
More specifically, on the basis of TMSA-3 with necessary changes to Element 6 only, yet as a completely separate tool, indicative costs would be:
  - Development of the BMSA tool by a third-party “IT-developer” behind TMSA = £50k
  - Maintenance by the third-party “IT-developer” behind TMSA= £13k per year
  - OCIMF licensing costs rough estimate = £5k per year
  - Potential sources of revenue: “BMSA guidance” publication sales (intellectual property issues with OCIMF would need to be sorted), as well as e.g. charges for downloads of BMSA reports
- **The ExCom also noted** the significant resources that would be needed from the Secretariat and Members’ involvement, should INTERCARGO develop such a project.

Basis the above and a discussion that followed,

- **the ExCom agreed that INTERCARGO should aim at developing / hosting a BMSA scheme on the basis of TMSA-3 appropriately adapted to the dry bulk sector idiosyncrasies; for this purpose:**
  - an official (pre-) agreement should be reached with OCIMF
  - the Secretariat should allocate resources as needed, starting from the recruitment of an additional staff member with vetting background (e.g. a “Vetting & Quality Manager”)

- with its mandate renewed, the ad-hoc Working Group of the Association should continue its work on developing proposals, for due consideration by the Technical and Executive Committees, regarding the content of the scheme and its development time-frame
- the Secretariat should continue its exchanges with RightShip on their respective initiative with the aim of achieving constructive synergies in the development of the BMSA scheme
- INTERCARGO will consider giving publicity to its initiative in due time, at least after an agreement with OCIMF has been reached on 'rights licensing'.

### **Other topics**

- **The ExCom noted** the Technical Committee's work in reviewing RightShip's vetting questionnaire.
- **The ExCom was updated on** the exchanges of the Secretariat with RightShip in relation to the revision of their policy for Inspections basis "Age of Vessels", where INTERCARGO has expressed its concerns and its Members' complaints, while inviting a reconsideration of this revision basis adequate justification and data evidence.

### **5. Port related and other operational issues**

- **The ExCom was updated on Incident and accident reporting:**
  - The Committee reviewed and approved the draft INTERCARGO Bulk Carrier Casualty Report 2018.
  - Referring to a recent incident on bulk carrier BAHRI BULK on 24 Feb 2019, related to entry into closed spaces, the ExCom requested to raise safety awareness among Members in this regard.
- **The ExCom was updated on Security issues:** Counter piracy and Cyber security
  - It was highlighted that apart from raising awareness and incorporating cyber security into company's safety management system, periodical review should cover issues of protection against cyber incidents and recovery measure.
- **The ExCom approved** the proposal on reduction of the existing **piracy High Risk Area (HRA)** in Indian Ocean for implementation from 1 May 2019.
- **The ExCom was updated on PSC procedures and experience sharing,**
  - recognising the importance of feedback and experience sharing among Members and encouraging continuous input from Members.
- **The ExCom was updated** on the following INTERCARGO databases, encouraging more reports and feedback from Members as well as taking full advantage of the accumulated knowledge and findings in the 4 databases:
  - Database on Ship-Terminal Interface Issues, containing entries of 494 ports in 92 regions/countries;
  - Database on Safe Loading/Unloading at Anchorage, having entries of 36 anchorage areas in 21 countries/regions by end of 2018; and
  - Database on benchmarking Crew injury frequency, having inputs from 21% of the membership.
  - Bulk carrier incident reporting and analysis.

The slides which served as a basis for the ExCom's discussion and background notes to this agenda item ("ExCom Notes\_Agenda Item 5") can be found at:  
<https://www.intercargo.org/excom-march-2019/>

## 6. Other shipping organisations

- **The ExCom noted** INTERCARGO's role as coordinating organisation of this year's **Tripartite Forum** (Tokyo, 17-18 October 2019) and the Technical Committee's considerations in setting the agenda for the Forum.
- **The ExCom approved** INTERCARGO's participation in the **Together in Safety** initiative, subject to future review of its content and objectives as they become clearer.
- **The ExCom noted** INTERCARGO's upcoming meeting with **the USCG** (on 4 April 2019 on the side of CMA 2019) and the Technical Committee's considerations on issues to be raised.

## 7. Membership, Administration & Secretariat

**The ExCom reviewed** an up-to-date Administration report, which had been circulated in advance. Questions were invited / clarifications were offered on the below:

### **Membership update as of 10.02.2019:**

- **140 Full Members**
  - with **2,214 bulkers** entered with the Association of a total **capacity of 207 mil dwt**
  - i.e. **about 20% basis numbers** and **about 25% basis dwt** of the global dry bulk carrier fleet
- **74 Associate Members.**

### **Bank accounts-cash reserves**

An increase in the sterling pounds Cash reserves of £423,407.49 (or of 29.0%) is noticed from 01.01.2018 to 01.01.2019.

**Official Financial Statements of the Company for the year ended 31 December 2018** will be filed with the Companies House by 30 Sept. 2019. They are prepared for INTERCARGO by its external accountants (Begbies Chartered Accountants), in accordance with current UK Accounting Conventions and UK Company Law, and receive approval from the Management Committee.

**The provisional management accounts for 2018** are provided next (against year 2017):

- **INCOME AND EXPENDITURE for year 2017 & year 2018**
- **BALANCE SHEET** (as of **31.12.2017** & as of **31.12.2018**)

**The Management Accounts for the 12 month period to 31 Dec. 2018 give a 2018 annual surplus of GBP 520,596.**

A significant annual surplus was recorded thanks to a significant Membership growth and costs maintained at levels comparable to the previous year.

The Financial Statements of the Company are posted on the Association's website at <https://www.intercargo.org/news/committees/agm/>

The full Administration report can be accessed at: <https://www.intercargo.org/excom-march-2019/>

## 8. Other actions & Miscellaneous topics

The ExCom was updated on the below activities:

### **INTERCARGO's participation at IMO**

- Meeting briefs circulars
- Paper submissions

### **Communication / Circulars**

- Regular circulars
- Technical/operational circulars
- Surveys
- Media Releases

### **Publications**

- **2017/2018 INTERCARGO Benchmarking Report** published: copies were distributed and its content was reviewed
- Bulk Carrier **Casualty Report 2009-2018** – draft version copies were distributed

### **Information Databases under development or planned**

- Ports & Terminals (Cargoes / Membership to follow)

### **Hosted Lunchtime seminars**

### **Membership material**

- Vessel certificates are now available at <https://www.intercargo.org/vessel-certificates/>
- Company certificates / Membership Logos
- INTERCARGO brochure

### **Other marketing initiatives**

- Annual Report
- Marketing & PR
- Recruitment of an additional Secretariat staff member as needed to support its activities is still pending
- **A Member proposed** INTERCARGO's sponsoring of a **student scholarship** / grant in support of shipping related studies

## Any Other Business

- **The ExCom was informed** about some aspects worth noting in the case of the vessel “Alkyon”, following a Member’s request.
- **The ExCom agreed** its next meeting to take place **on 4 October 2019 in Athens** with the **TechCom meeting taking place on 3 October 2019**.
- **The ExCom named** John Platsidakis ‘Honorary Chairman’ of INTERCARGO in recognition of his invaluable contribution to the Association during his immediate past 6-year term as Chairman.

The slides which served as a basis for the ExCom’s consideration of this agenda item can be found at: <https://www.intercargo.org/excom-march-2019/>

## EXCOM MEETING PARTICIPANTS

<b>Name</b>	<b>Company</b>
Mr Dimitrios Fafalios / <b>Chairman</b>	Fafalios Shipping SA
Mr Jay K Pillai / <b>vice-Chairman</b>	Pacific Basin Shipping (HK) Ltd
Mr Spyridon Tarasis / <b>vice-Chairman</b>	Olympic Vision Maritime Co Inc
Mr Thomas Keenan / <b>TechCom Chairman</b>	Liberty Maritime Corporation
Mr Dimitris Monioudis / <b>TechCom Vice-Chairman</b>	Rethymnis & Kulukundis Ltd
Mr Firoze Mirza	Bernhard Schulte Shipmanagement (HK) Ltd
Mr Evangelos Liadis	Carras (Hellas) S.A.
Mr Mads Walther (proxy member)	DS Norden
Mr Krishnamoorthy Rajaraman (observer)	Island View Shipping
Mr Panagiotis Koutris	Kristen Marine S.A.
Mr Alain Coatanhay	LD Bulk SAS
Mr Andrew Brown (observer)	Maestro Shipmanagement
Mr John Platsidakis	Maran Dry Management Inc
Mr Chris Kottas (proxy member)	Meridian Holdings



Mr Hirohiko Oyabu (proxy member)	MOL
Mrs Metaxia Psalti	Neda Maritime Agency Co Ltd
Mr Herman Visser (proxy member)	Oldendorff Carriers
Mr Eduardo M. Limpin	Sandigan Ship Services Inc.
Mr Panos Kourkountis (proxy member)	Sea Traders SA
Mr Zenon Kleopas	Starbulk SA
Mr Nicholas White	Taylor Maritime (HK) Ltd.
Mr Kevin Leach-Smith (observer)	Taylor Maritime (HK) Ltd.
Mr Yatin Gangla (proxy member)	Thome Ship Management Pte Ltd
Mr Gian Christ. Savasta	United Bulk Carriers International
Mr Michael Gardiner (proxy member)	Vale
Mr Ioannis Stefanou (proxy member)	Wallem Shipmanagement Ltd
<b>INTERCARGO Secretariat</b>	
Kostas Gkonis, Secretary General	
Ed Wroe, Technical Manager	
Joe Zhou, Operations Manager	
Tonya Dendrinou, Administration Officer	