



Ministry of Maritime Affairs and Insular Policy



Korean – Hellenic Maritime Cooperation Forum (Athens, 06.06.2018)

“Greece: Current Shipping Policy Priorities”

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Agenda Today

- The importance of International Maritime Transport Services
- The economic value of the EU shipping industry
- Greek Fleet Statistics and Economic Indicators
- State of Play of Bilateral Cooperation between GR and RoK
- Shipping Policy in the EU
- International Maritime Organization (I.M.O.)
- Climate Change Strategy for Shipping



The importance of International Maritime Transport Services

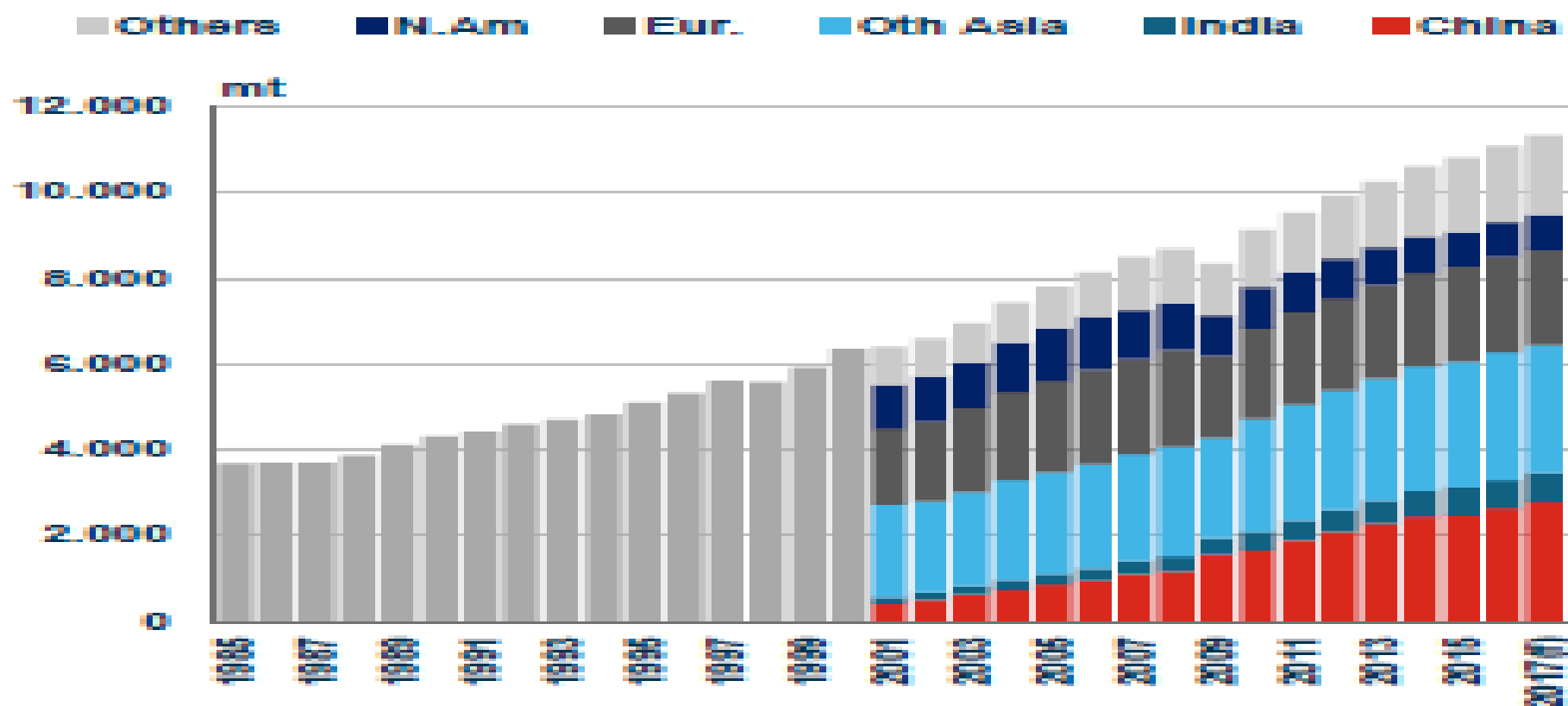
International Maritime Transport Services

- Some 80 % of international trade is carried by sea
- Operate shipping services all over the world
- Development of new specialized shipping activities
- Substantial contribution to national GDP
- Generate employment within the context of the wider maritime cluster



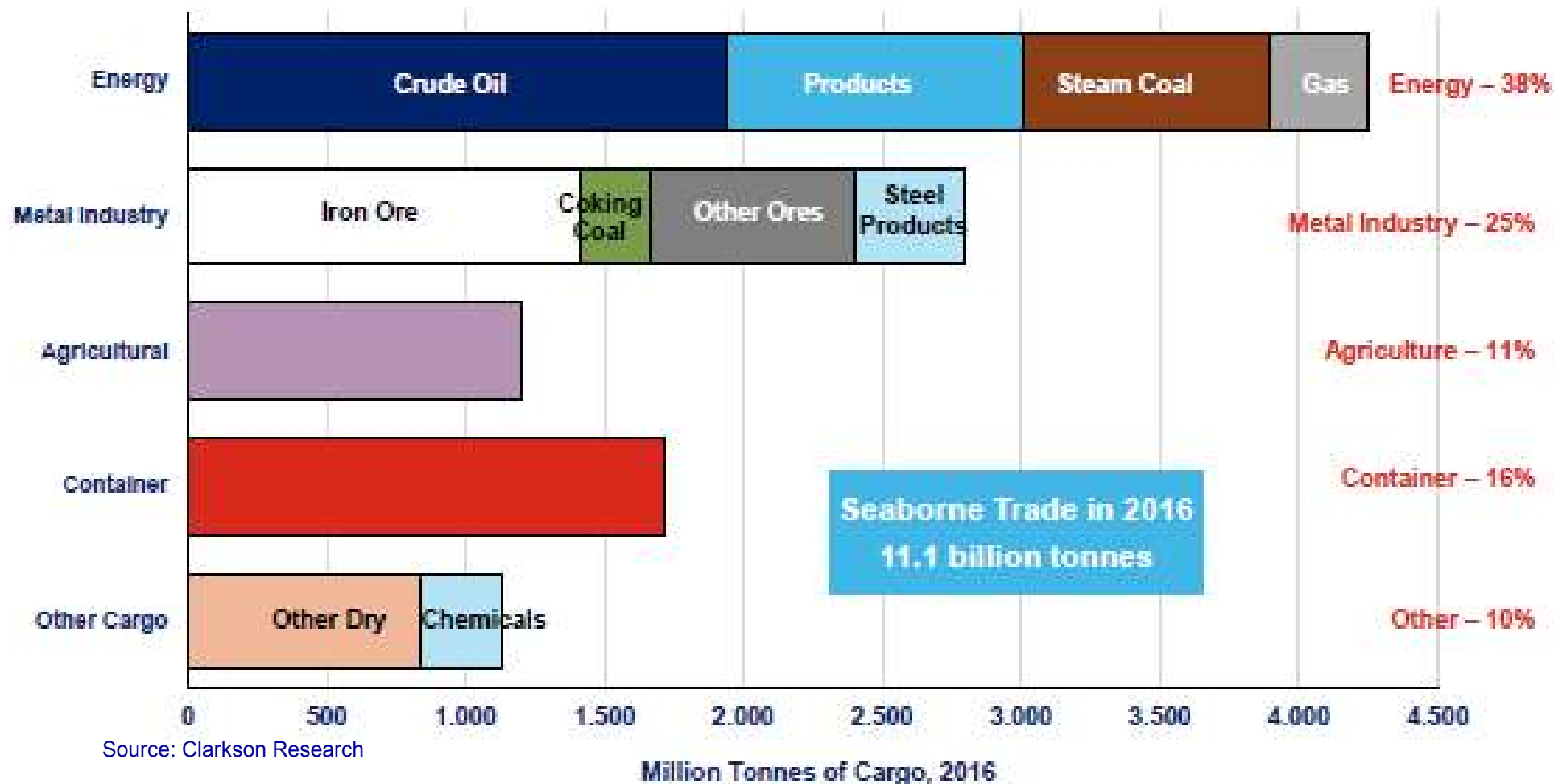
The Product Provided by the Shipping Industry

Global Seaborne Imports by Region

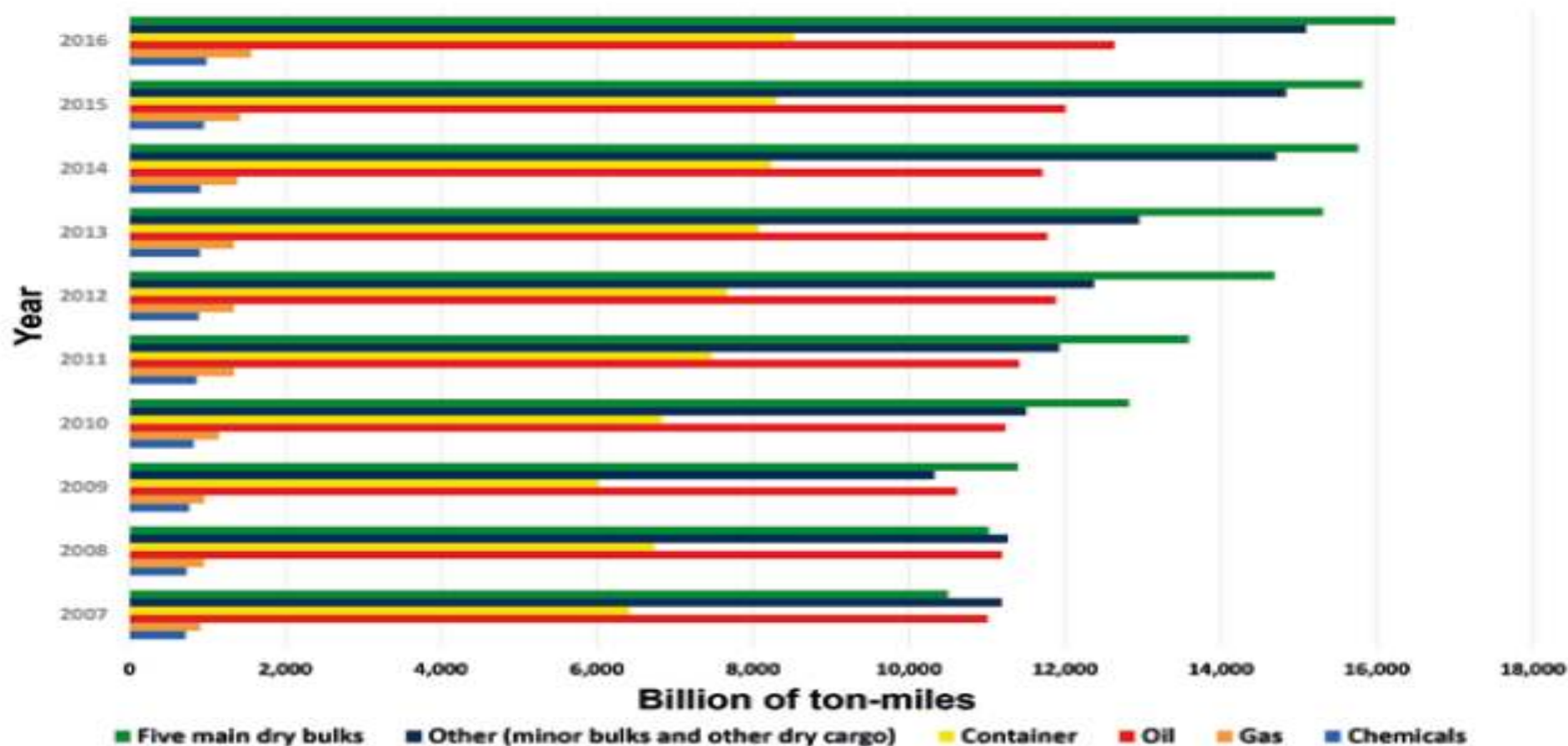


Source: Clarkson Research

Global Seaborne Trade by Main Commodity

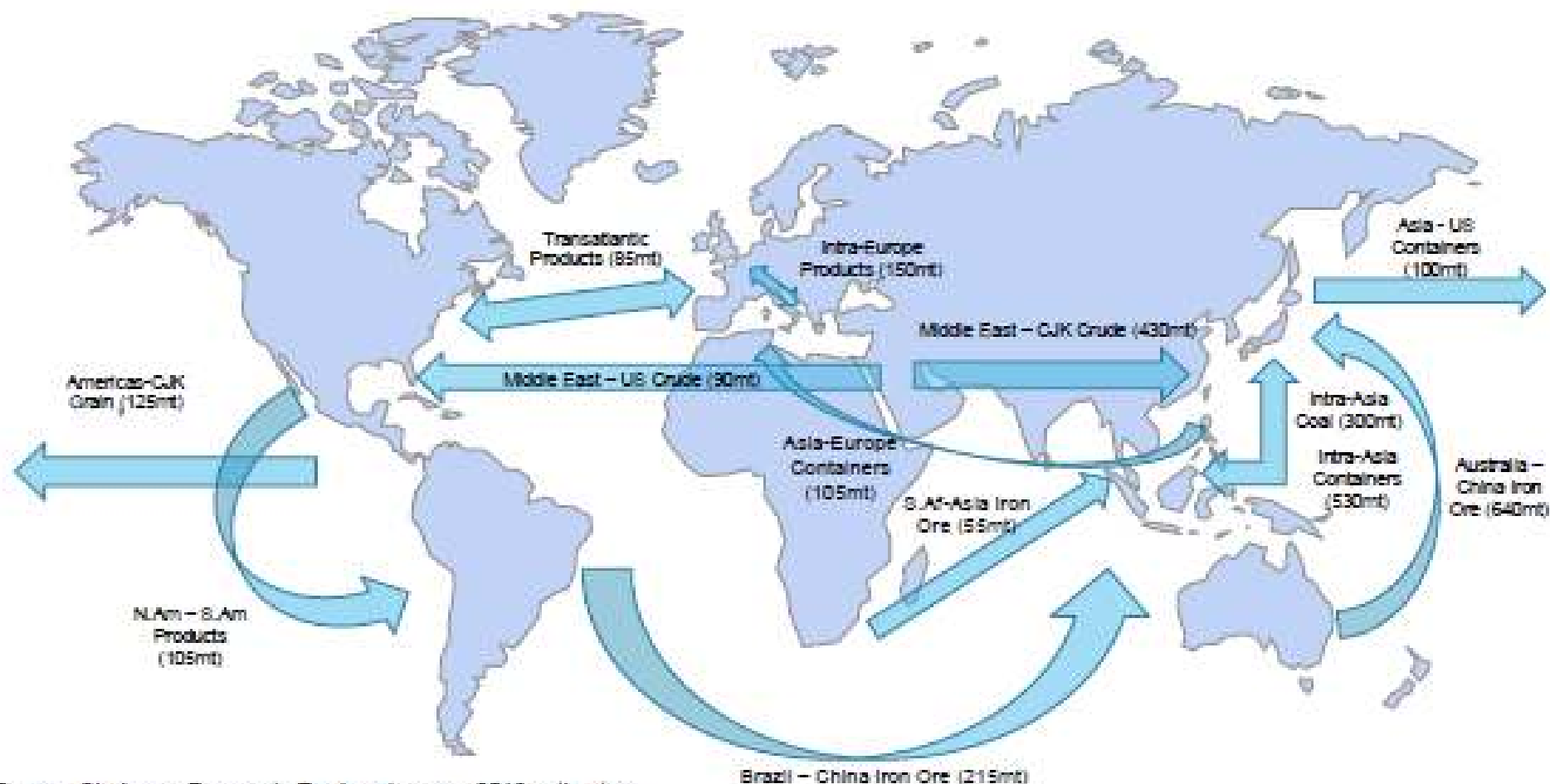


World Seaborne Trade in Cargo Ton-Miles



Source: UNCTAD, Review of Maritime Transport, 2017

Major Trading Routes



Source: Clarksons Research. Trade volumes - 2016 estimates

Key “Tramp” Characteristics

- Globally competitive markets
- Close to perfect competition model
- Different sub-market segments in response to customer needs
- Competition between sub-markets for cargo
- Volatile and unpredictable demand
- Many small entrepreneurial companies
- Global trade patterns including “cross trades”
- Ease of entry and exit
- Responsive to development of markets and shippers needs
- Very cost effective

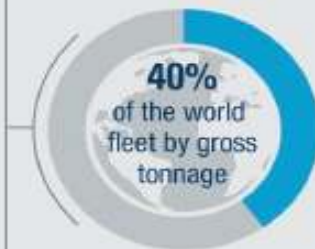


The economic value of the EU shipping industry

The economic value of the EU shipping industry

The EU controlled shipping fleet in numbers

70% growth
in tonnage

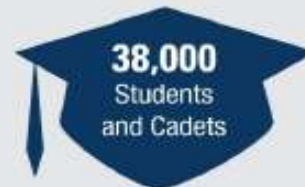


*By gross tonnage

Direct economic impact



Sea based jobs
Land based jobs



EU average
€53,000

Shipping
€85,000

GDP per worker

Indirect impacts

€61 billion
contribution to
GDP

1.1 million
jobs

Induced impacts

€30 billion
contribution to
GDP

516,000
jobs

Total economic impact

€147 billion
to EU GDP

2.2 million jobs

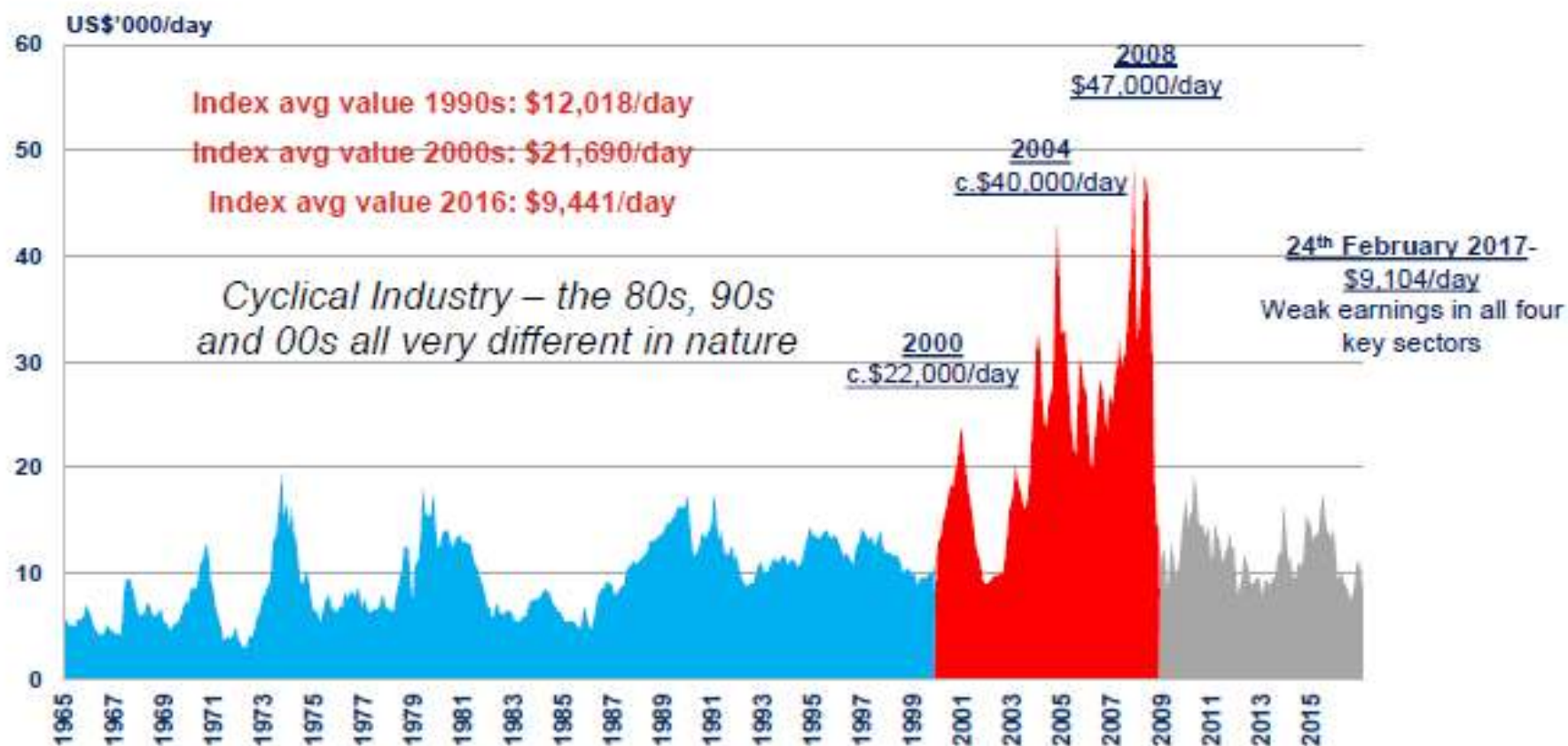


50%

Amount by which the total economic contribution of the EU shipping industry could have been reduced in the absence of EU-approved state aid measures.¹

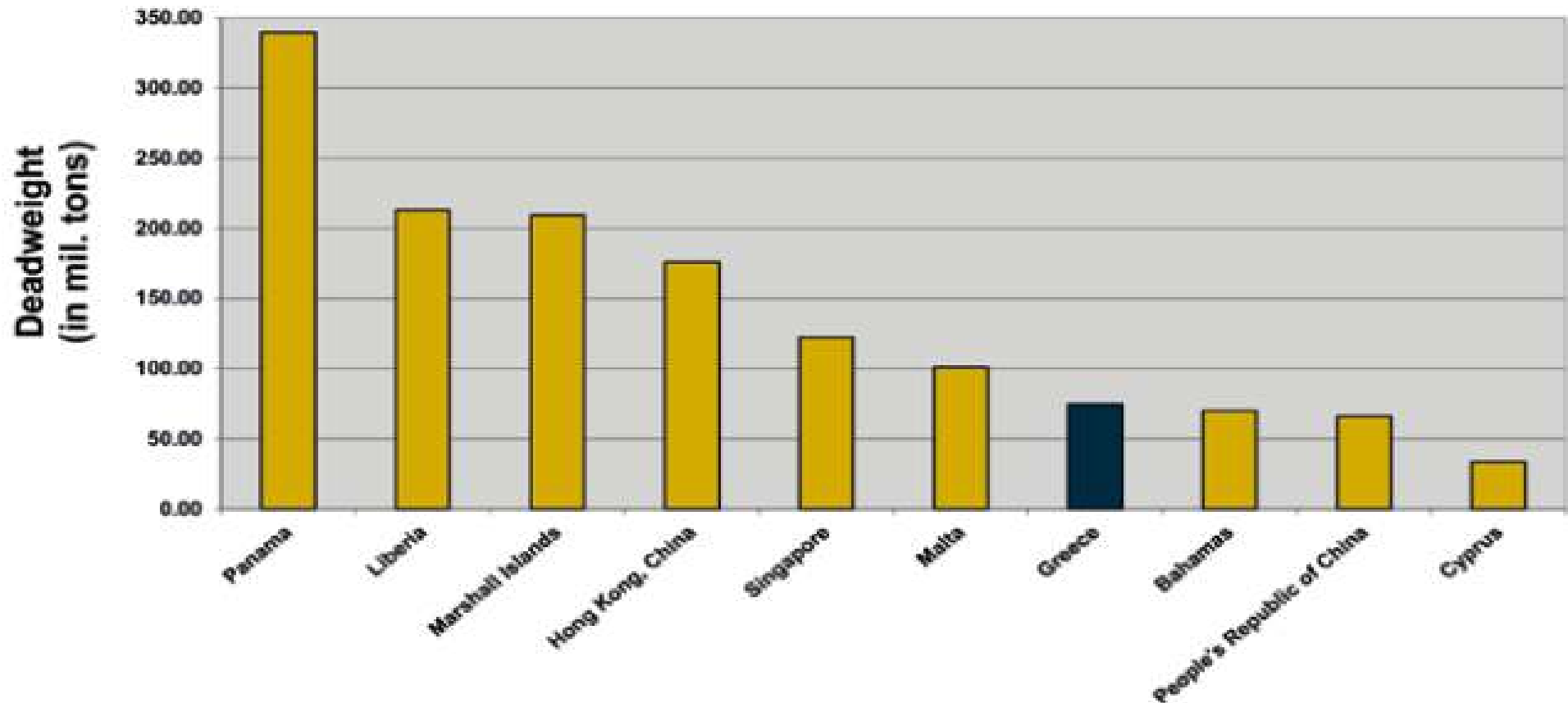
Shipping Policy: focusing on current global market trends

[ClarkSea Index is a weighted average of earnings by tankers, bulkers, containerships & gas carriers)



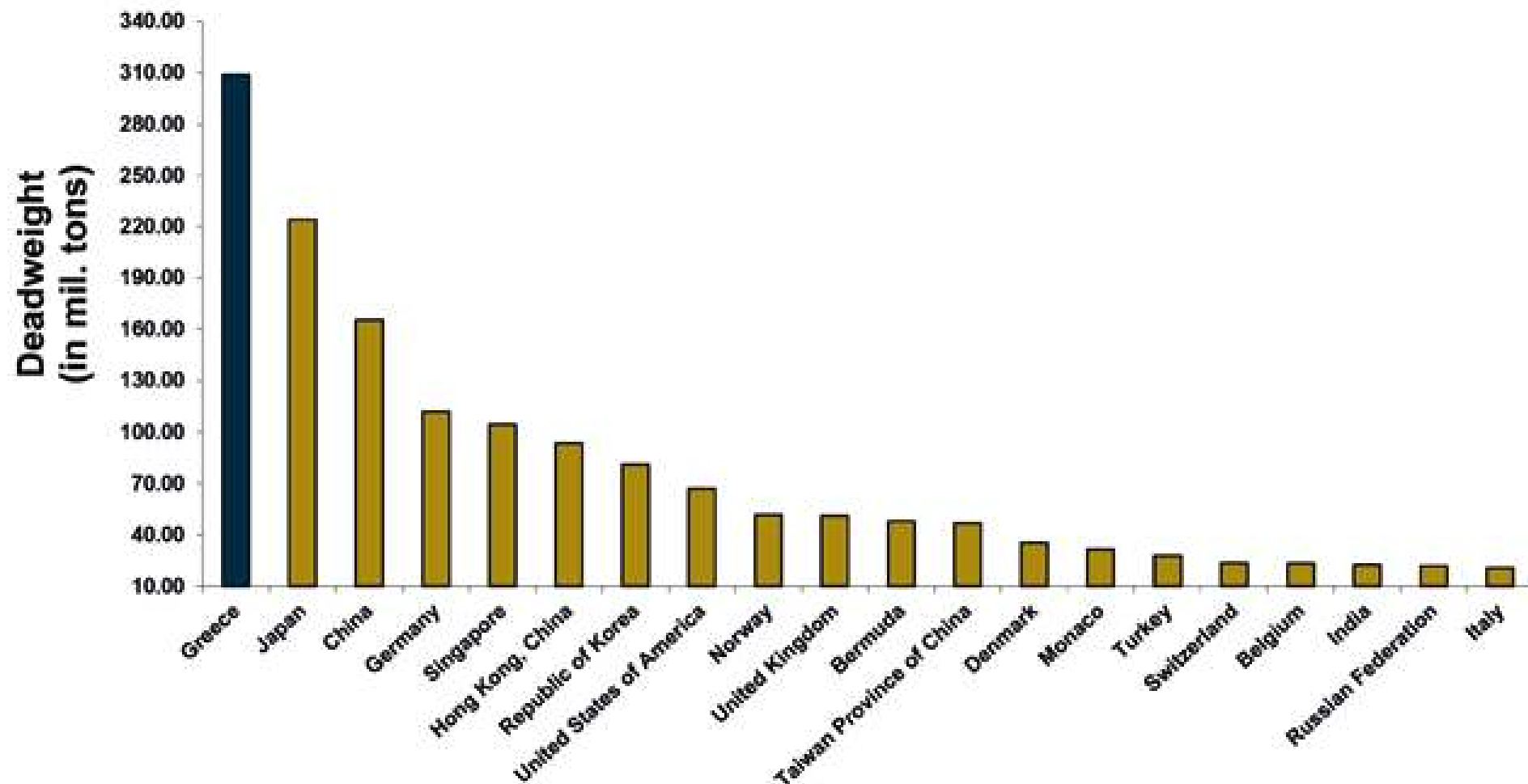
Greek Fleet Statistics and Economic Indicators

Top 10 Merchant Fleets of the World (in dwt) – By Registration (ships greater than 1.000 gt in service)



Source: IHS Markit, World Shipping Encyclopaedia, January 2018

Ownership of the World Fleet (in dwt) – Top 20 Countries

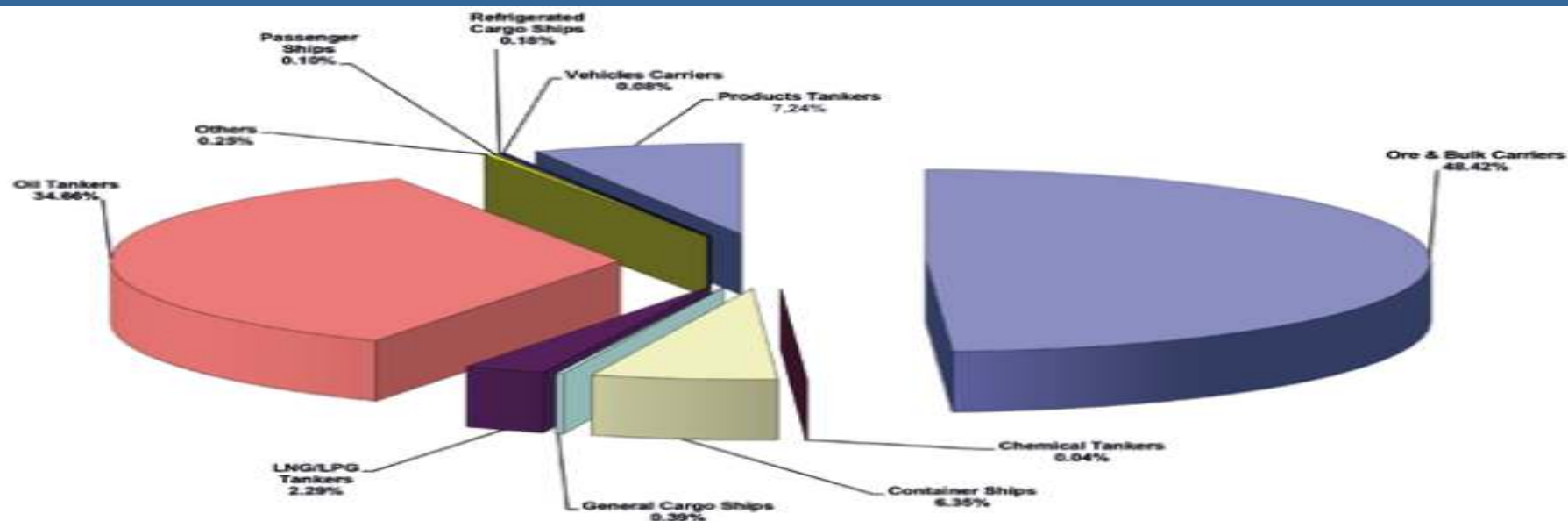


EU Fleet (in dwt – Ships greater than 1.000 gt in service)

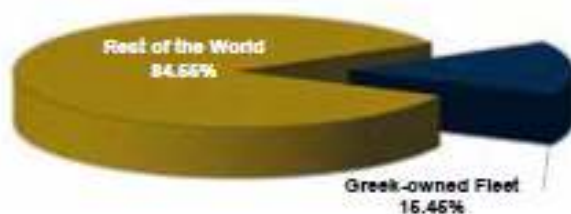


Source: IHS Markit, World Shipping Encyclopaedia, January 2018

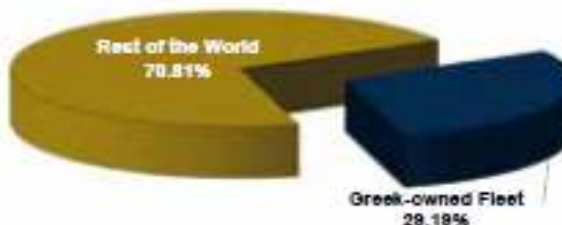
Ship Type Analysis of the Greek-owned Fleet (in dwt – Ships greater than 1.000 gt in service)



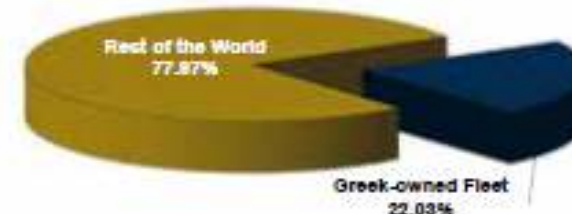
Chemical & Products Tankers (in dwt)



Crude Oil Tankers (in dwt)

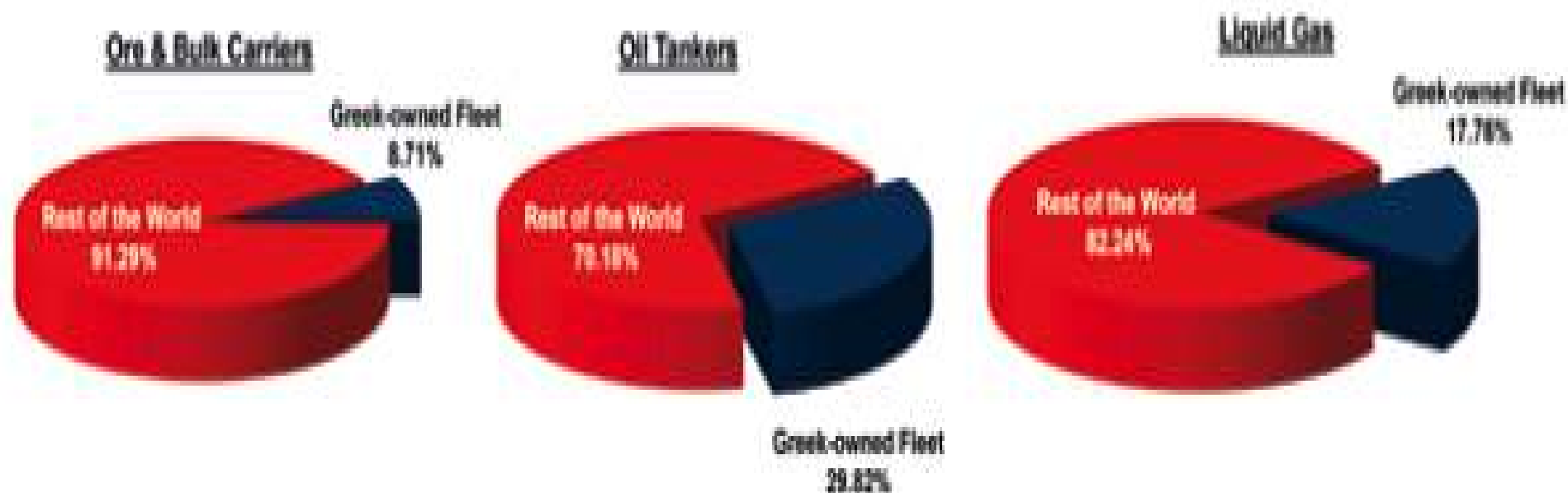


Bulk Carriers (in dwt)



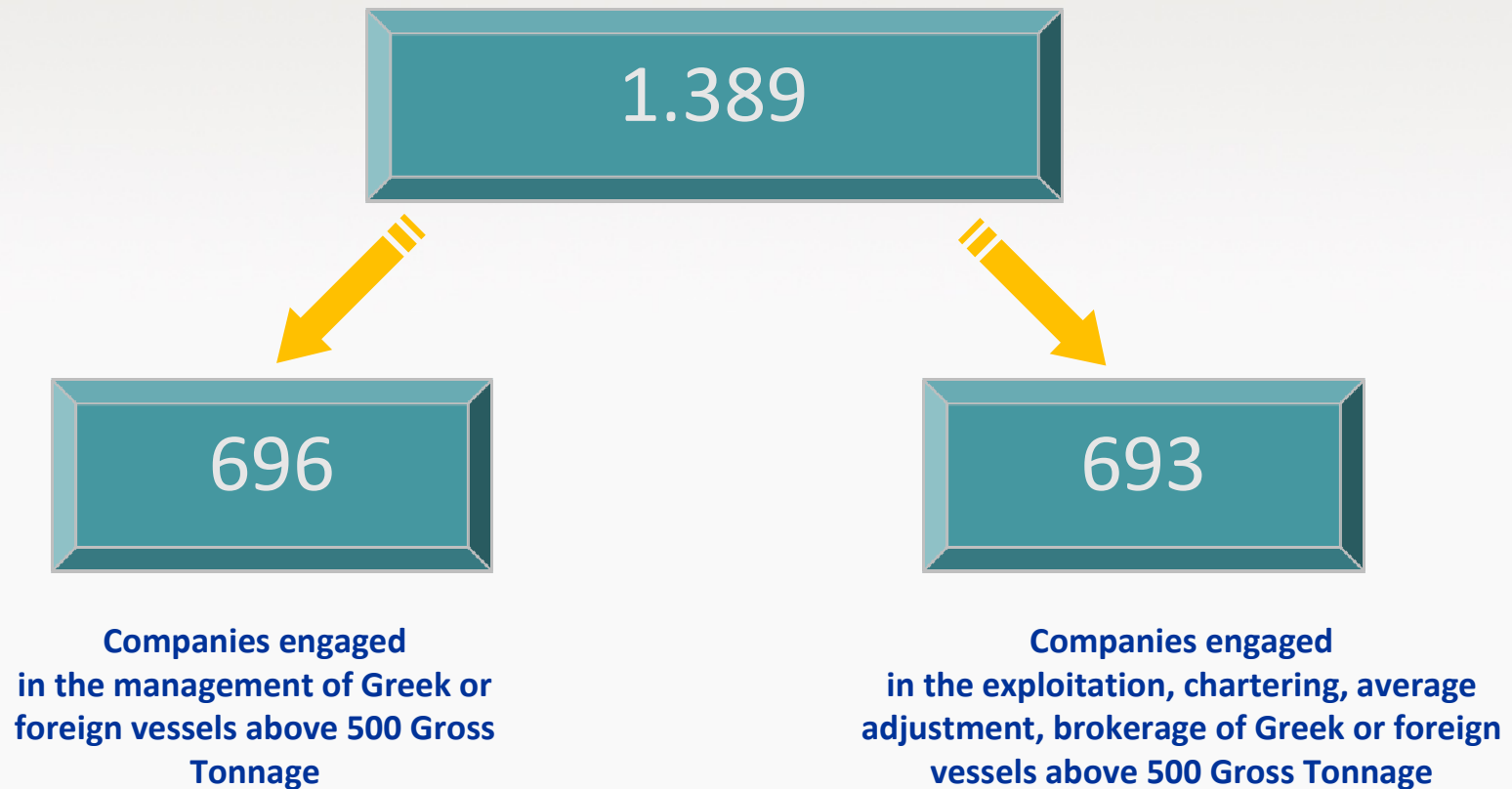
Source: IHS Markit, World Shipping Encyclopaedia, January 2018

The Greek-owned Fleet share of the World Orderbook (2018) (in dwt – Ships greater than 1.000 gt on order)

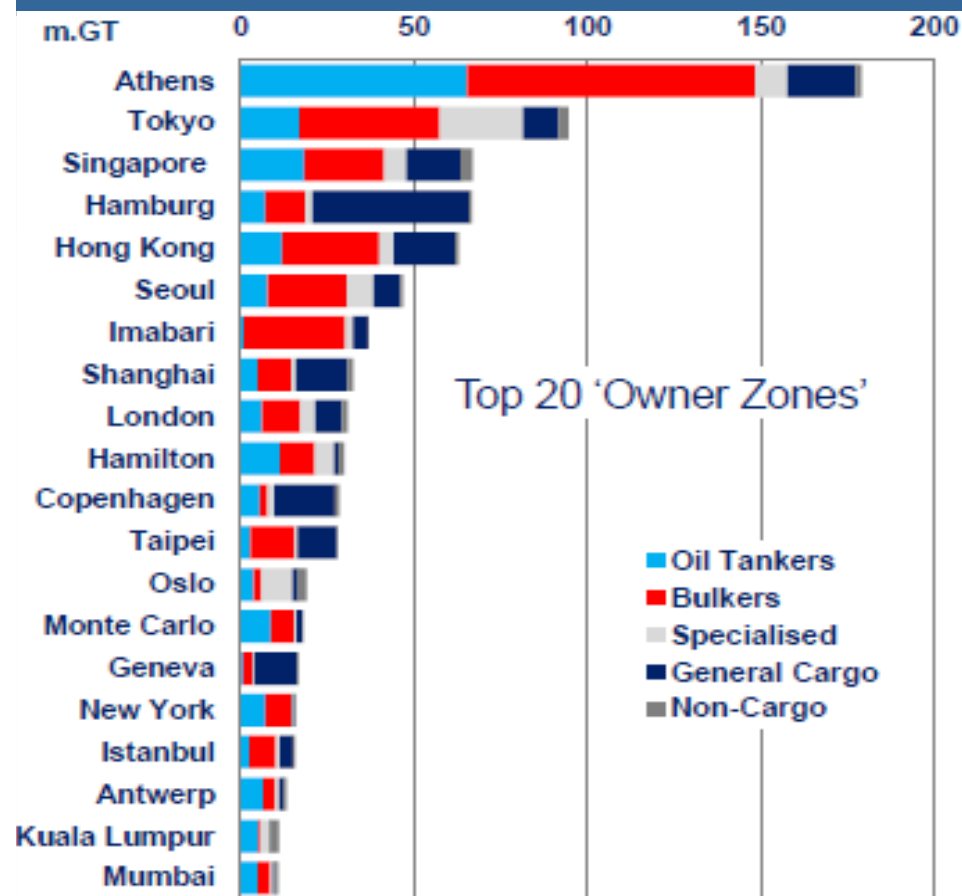


Source: IHS Markit, World Shipping Encyclopaedia, January 2018

GREEK LAW 27/75 OFFICES/BRANCHES OF FOREIGN SHIPPING COMPANIES



Top Owner Zones



- Owners based in the top 10 'owner zones' account for a combined fleet of 646m GT, representing 52% of the total fleet.
- Owners based in the top 20 'owner zones' control 823m GT, accounting for two thirds of world capacity.
- Athens is by far the largest 'owner zone', with companies based here controlling a combined fleet of 179m GT.
- The second largest zone is Tokyo (94m GT) followed by Singapore (70m GT) and Hamburg (67m GT).

Owner Zones are defined as areas of a 40km radius around major shipping cities. All zones have a cumulative fleet of over 1 million GT. Data is based on the recorded location of the 'beneficial owner', defined as the ship owning company with the main commercial responsibility for the ship.

Ministry of Maritime Affairs & Insular Policy

A sound structure in the Ministry of Maritime Affairs & Insular Policy aiming at fostering economic development and growth, securing social cohesion and safeguarding maritime safety, security and protection of marine environment.



MINISTRY FOR MARITIME AFFAIRS & INSULAR POLICY
HELLENIC COAST GUARD HEADQUARTERS
GENERAL DIRECTORATE FOR SHIPPING
DIRECTORATE FOR SHIPPING



Hellenic Coast Guard Activities/ Responsibilities

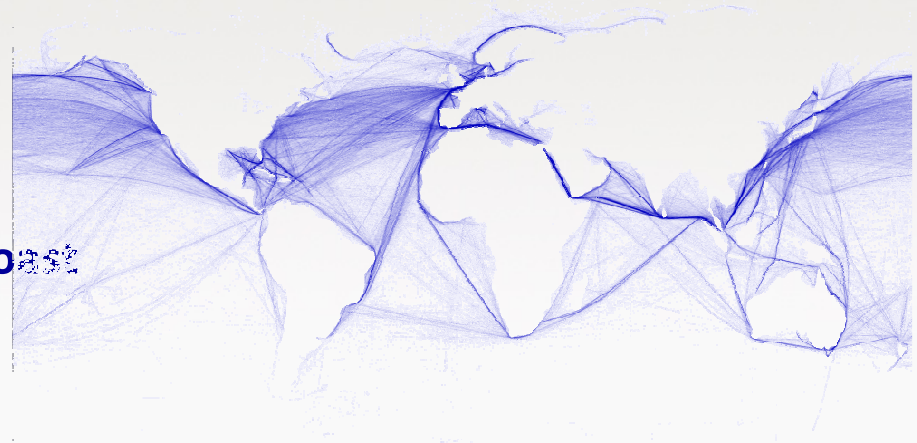
- Promotion and development of the Greek Merchant Shipping
- Upgrade of Maritime Training/Education
- Safeguard of Maritime Labor
- Maritime safety & Port State Control
- Maritime security including Prevention & suppression of trafficking and smuggling
- Border control & Maritime surveillance

- Environmental protection and response
- Search and rescue
- Accident and disaster response including Investigation
- Fisheries control
- Supervision of Port Authorities
- Development of Sea Tourism
- Planning of Port Policy



Hellenic Coast Guard Maritime Attachés Offices Worldwide

- **Unique International System**
- **Valuable assistance of the Hellenic Coast Guard**
- **18 Maritime Attachés worldwide, especially in ports with a strategic significance to the shipping industry.**
- **Permanent Representation of MSMA&A in the EU**



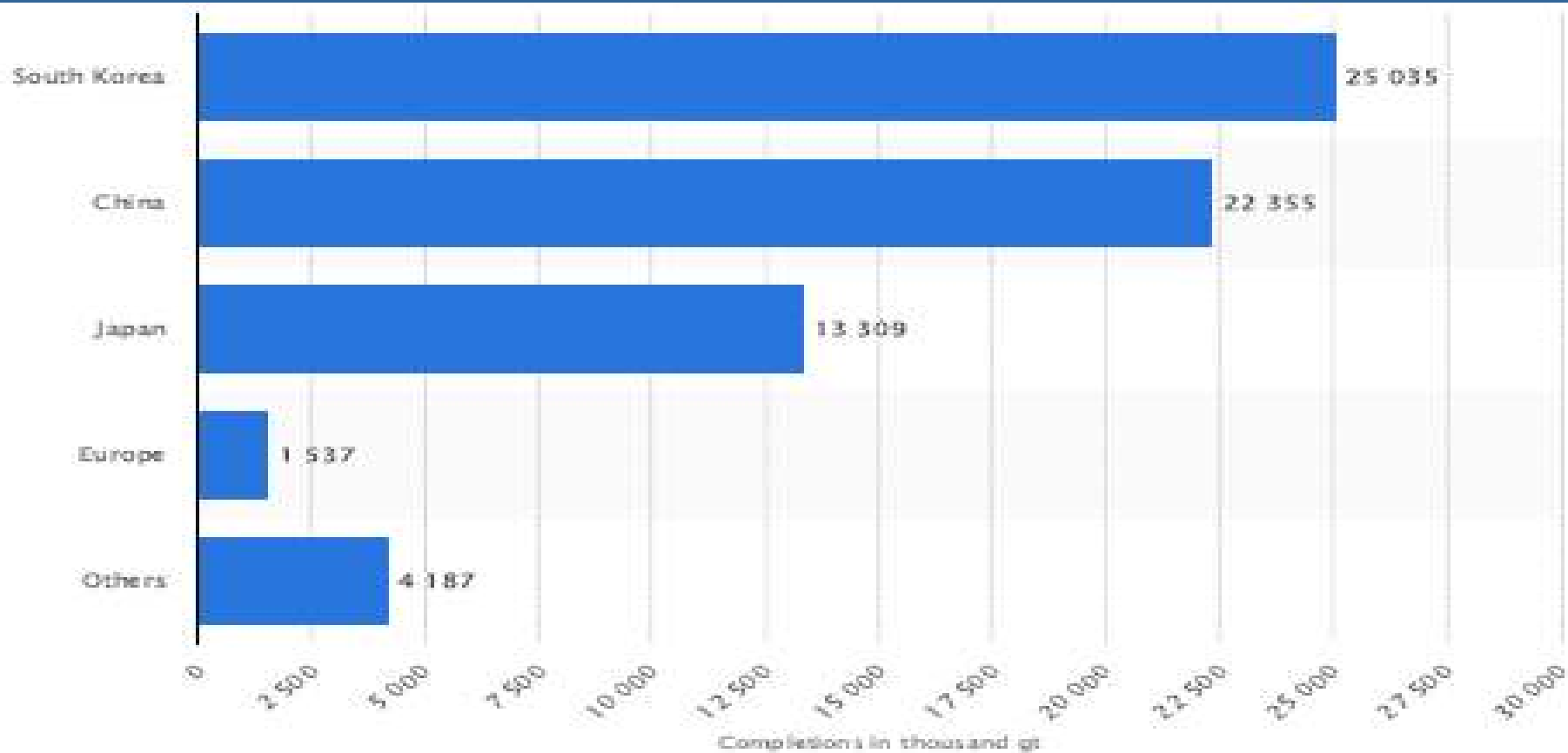
Bilateral Cooperation



GR-RoK Bilateral Maritime Relations

- **Regulatory framework of bilateral cooperation:**
 - **2014 Memorandum of Understanding on Cooperation in the field of Marine and Ship Technology**
 - **2006 Bilateral Maritime Agreement**
 - **1995 Agreement on Avoidance of Double Taxation**
 - **2010 Free Trade Agreement between EU (and its MS) and the Republic of Korea**

Largest shipbuilding nations in 2016



Data visualized by  + a b | e a u

© Statista 2018 

Shipping Policy in the EU

Shipping Policy in the EU

Foundations of the EU maritime policies

- 1986 package on maritime transport liberalisation (4 Regulations)
- 1993 communication 'A common policy on safe seas'
- 1996 communication 'Towards a new maritime strategy' (COM(96)0081)
- 2009 Communication 'EU maritime strategy 2009-2018'



Valletta Declaration

The **ML PRES** presented the “Priorities for the EU's maritime transport policy until 2020: Competitiveness, Decarbonisation, Digitalisation to ensure global connectivity, and efficient internal market and a world-class maritime cluster” which was adopted.



Priorities for the EU's Maritime Transport Policy until 2020: Competitiveness, Decarbonisation, Digitalisation to ensure global connectivity, and efficient internal market and a world-class maritime cluster (Valletta Declaration)

29 March 2017
Valletta

https://www.eu2017.mt/en/Documents/Valletta_Declaration_on_the_EU_maritime_transport_policy.pdf

Valletta Declaration

Main messages

- ✓ The important role of shipping to Europe's economy and welfare.
- ✓ Secure the long-term competitiveness of the EU's maritime industry.
- ✓ Increase employment in the maritime sector.
- ✓ Free access to markets.
- ✓ The development of efficient EU-wide digital maritime services.
- ✓ The promotion of the insularity concept.
- ✓ Support international (IMO) efforts to reduce greenhouse gas (GHG) emissions from international shipping



The International Maritime Organization

International Maritime Organization

Shipping is an international industry.

Ownership and management embrace many different countries

Ships operate between countries and different jurisdictions

International Maritime Organization



IMO

- Greece is an active Member since 1958
- Ratification of significant international conventions
- No need for over regulation
- Greece Re-elected to Category “A” of IMO Council 2018-2019

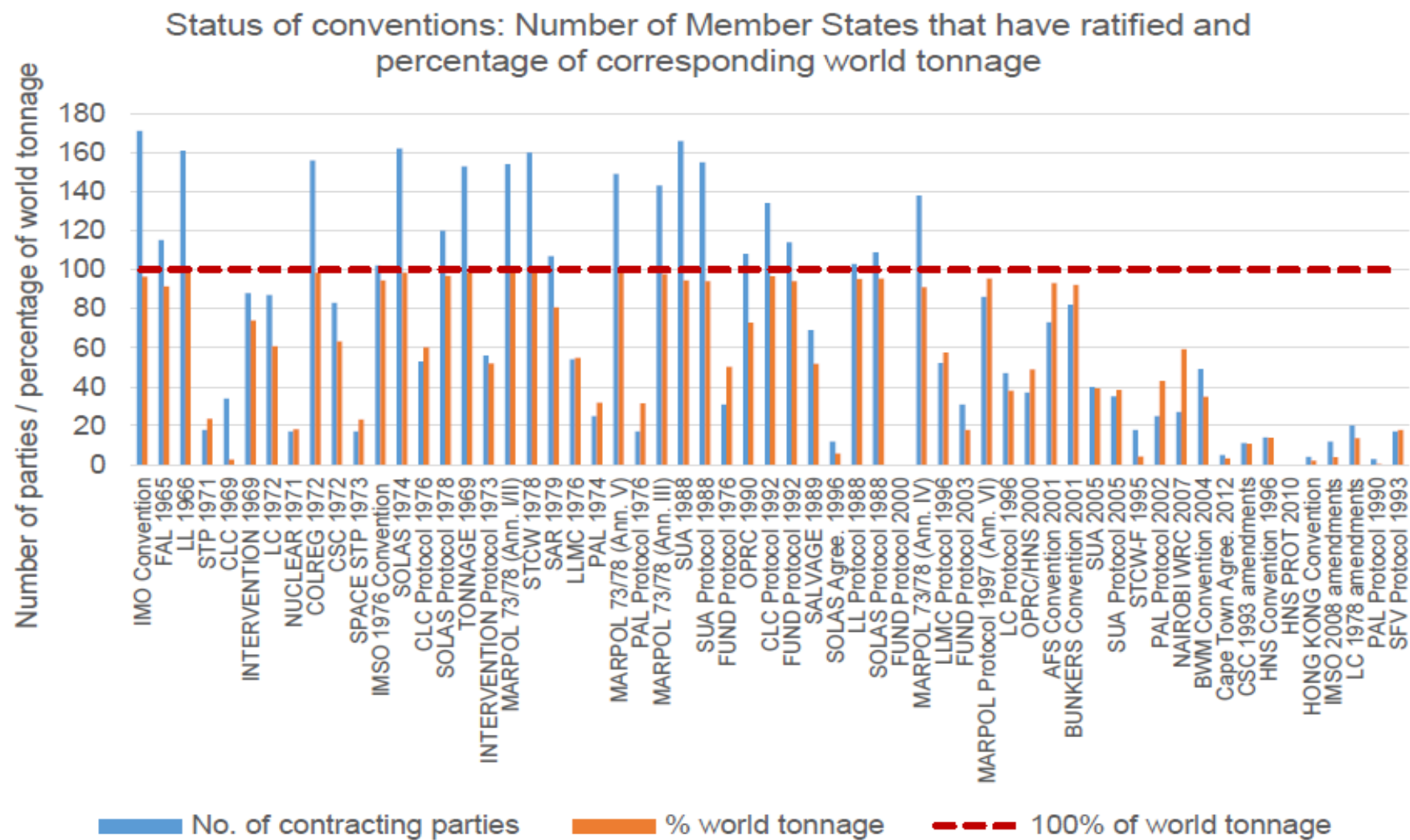


Figure 11 – Status of Conventions
(IMO, 2016a)

Hellenic Maritime Policy Priority Issues

- Implementation of IMO Mandatory Audit Scheme
- Shipping Competitiveness
- Passenger ships' safety – e-navigation
- Free and fair competition – Access to markets
- Piracy and Armed Robbery
- Environmental Issues and air emission (mandate from COP21)
- Human Element
- Facilitation of maritime traffic – Cyber-security

Climate Change Strategy for Shipping

Effects of climate change

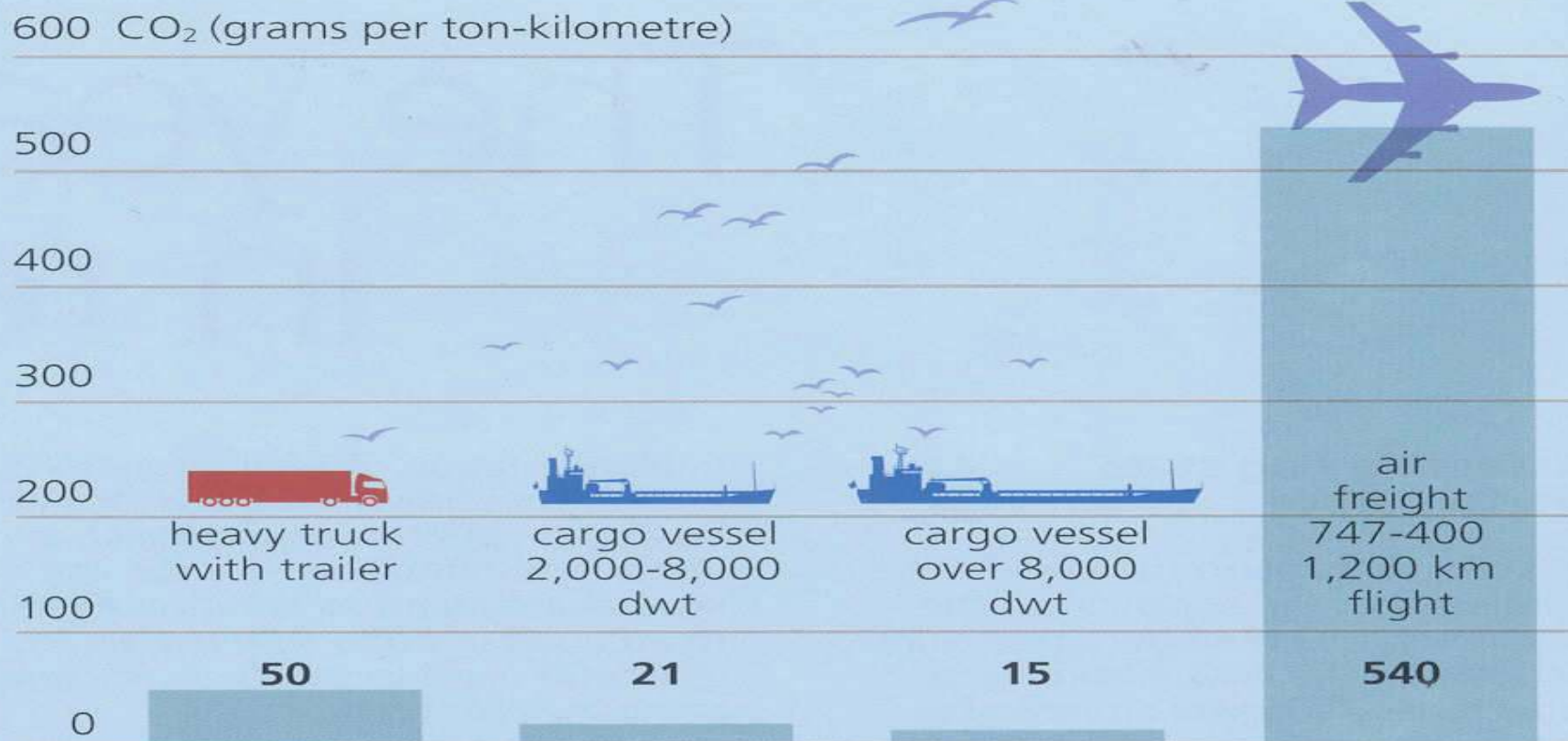


Alaska, Muir, 31 August
1941



Alaska, Muir, 31 August
2004

GHG Emissions from Shipping



Comparison of CO₂ emissions by different transport modes

Source: NTM (Swedish Network for Transport and the Environment)

IMO Operational/Technical Measures

- Adoption by MEPC 62 (July 2011) regulations entered into force in January 2013:
- ✓ **Energy Efficiency Design Index (EEDI)** for new ships ≥ 400 GT. **EEDI** = formula that will enable ship designers and builders to design and construct ships of the future for maximum efficiency and, thus, minimum GHG emissions. Mandatory EEDI for new. International Energy Efficiency Certificate.
- ✓ **Ship Energy Efficiency Management Plan (SEEMP)**, for new and existing ships, which incorporates best practices for the fuel efficient operation of ships. Mandatory SEEMP for all ships.

The EEDI I introduction for all new ships in 2013 will mean:

- ✓ 45 - 50 million tonnes CO₂ removed from the atmosphere annually by 2020
- ✓ 180 and 240 million tonnes annual reduction by 2030

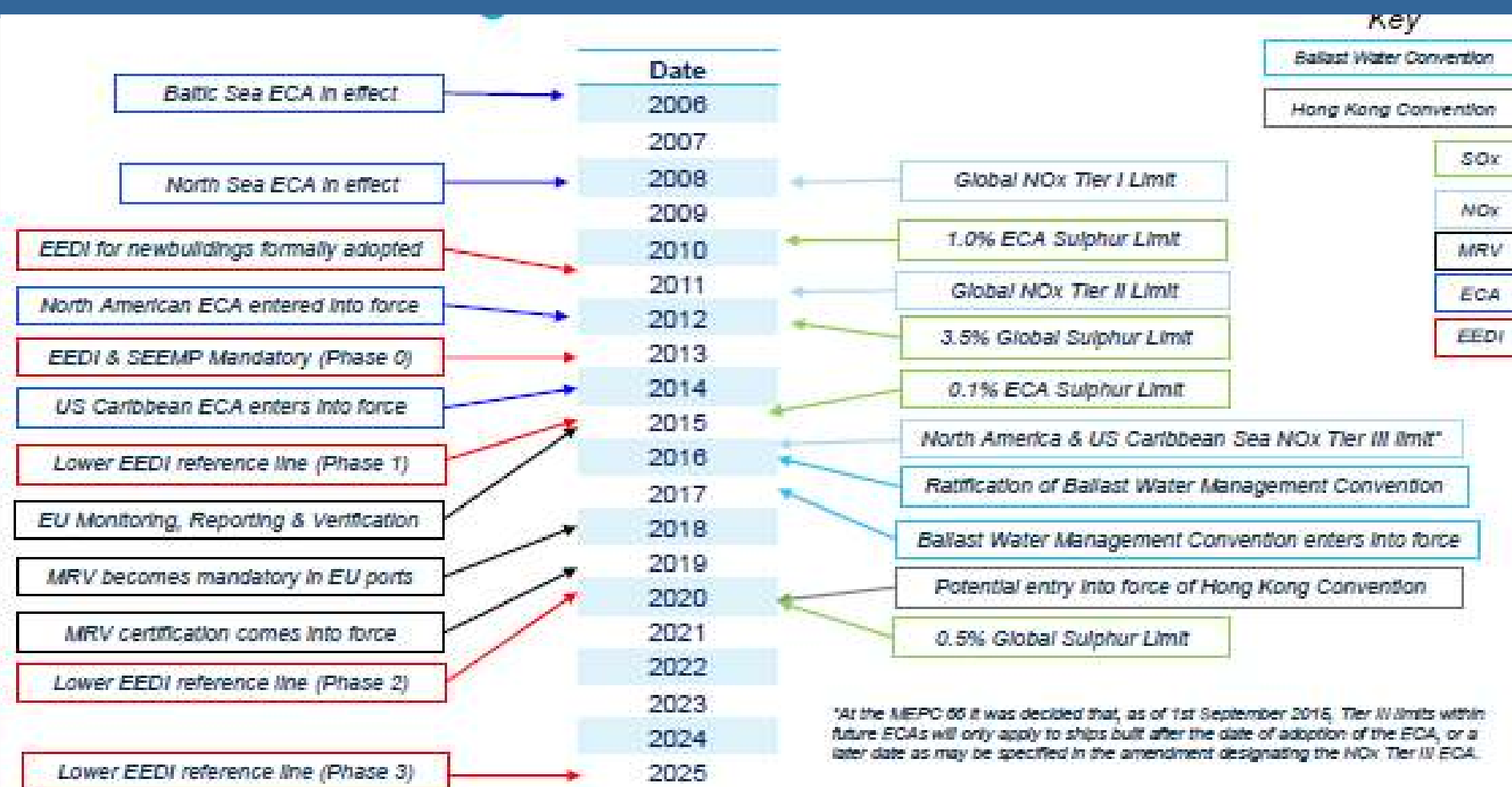
The IMO data collection system

- ▶ **MEPC 70 (October 2016):** Adoption of a mandatory system for collecting ships' fuel consumption data:
 - ✓ Enters into force in March 2018 – 1st reporting year 2019.
- ▶ **EU MRV:** Regulation EU 2015/757 on an EU Monitoring, Reporting and Verification System (MRV) of CO₂ emissions from maritime transport
 - Applies from 1 January 2018

The Roadmap for developing a comprehensive IMO strategy on reduction of GHG emissions from ships

- MEPC 70 (October 2016) the MEPC approved the *Roadmap for developing a comprehensive IMO strategy on reduction of GHG emissions from ships*
- MEPC 72 (April 2018) - Adoption of resolution MEPC.304(72) on Initial IMO Strategy on reduction of GHG emissions from ships and is the first milestone set out in the Roadmap
- Target the adoption of a revised strategy in 2023.

Environmental Regulation Timeline



Conclusions

- 11.1 billion tonnes of cargo (1.5 tonnes for every person on earth) with many different transport characteristics
- “Tramp” shipping evolved into “bulk” and “specialised” past 50 years
- About 14,000 companies owning cargo ships, with average of 5 ships
- Entry traditionally easy because of small management element and network of support services
- Costs fell 80% in 50 years
- Globally competitive markets
- Close to perfect competition model
- Different sub-market segments in response to customer needs
- Competition between sub-markets for cargo
- Volatile and unpredictable demand
- Many small entrepreneurial companies
- Global trade patterns including “cross trades”
- Ease of entry and exit
- Responsive to markets and shippers’ needs

Thank you for your attention

