

ENVIRONMENTAL CHALLENGES OF THE SHIPPING INDUSTRY

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Over the past years, one of the prevailing topics, which also constitutes a challenge for shipping, is that of environment. This very topic is not new; In fact, it is quite old.

To begin with, someone needs to consider the dualism and contradiction dominating the shipping industry. On the one hand, shipping - as an industry - in line with its international nature and genuine characteristics constantly points towards international legislation, regulations bearing a global profile that need to be drafted, monitored and implemented by the IMO (International Maritime Organisation). On the other hand, the various regional authorities whilst on the first instance seem to be adopting this policy, many times they end up acting completely differently. Over the last decades, and especially in recent years, the above has resulted in the regulating of various issues on a regional, rather than international basis. At the same time, the European bureaucracy is a leading factor in these matters and regional ruling. A typical example is the issue of sulfur and nitrogen oxides, which have been subject to regional regulations, instead of international ones. Even in the latest achievement within the field of regulations, that of the convention over vessel's recycling - known as the Hong Kong Convention -, which has already entered into force, the different views between the various associations and organisations do not allow the implementation of the Convention on a substantial basis. The epitome, most probably, of this problem is the issue of ballast water discharge (Ballast Water Treatment), which is characterised by complete disorganisation. While everybody is aware of Convention's chaotic nature, there are fundamental queries rising, such as the following: What will happen on a EU level? What will be the future evolvement of the existing IMO convention? What will happen on a US level and when will the differences between the Coast Guard and the Ministry of Environment in America be bridged? How will the impediments being introduced by the non-existence of a technology competent enough to meet all needs be overcome? Will there be a grand fathering or not?

With reference to the general topic of challenges being faced by the shipping industry, many of which are essential and derive from actual problems such as that of the climate change, it is observed that they create the grounds for the gathering and activation of a series of interests of doubtful origin and intent. Shipping is straightforward in its positions; there is a reason for undertaking these actions, and, in general, shipping has established a policy. However, there are many reactions coming from various parties, the cause and the aim of which is difficult to comprehend. One such large grouping is the so-called "environmental" lobby. Dozens of environmental organisations, for the majority of which their origin, their transparency and funds sourcing remains unknown, come to the surface one after the other; at the same time when one closes, another one opens. Overall, there is discomfort and distrust in whether all these organisations are indeed interested in and act merely for the environment. It is from these organisations where several reactions derive and which usually are of mysterious nature. In addition, the relationship between the European

bureaucracy and many of these organisations has to be judged with a certain degree of suspicion.

Even within the shipping industry there is no uniformity in confronting these challenges; there is diversification in addressing the matters being related to the environment. Driven by the most recent and ongoing matter within the scope of climate change, that of emissions, it is noted that the way same is being addressed differs amongst the part of the shipping industry being engaged in short sea shipping, the one involved in major scheduled services and that operating at an international level. Therefore, it is concluded that the shipping industry and its bodies bear different views.

In addition, the EU (European Union) constantly points towards a direction where regional legislation is being accepted, whilst in the case where consensus is reached at the level of IMO, it is the latter to prevail. For the minded ones there are some doubts. However, should the above be the case, then the outcome will be more than welcome. It is worth pointing out that the aforementioned mainly refers to the recent enactment of measures within the scope of MRV (Monitoring Reporting Verification) Convention which is of great concern to the shipping industry. In general, it is believed that it is a concept which is difficult to be implemented in its current form. Yet, it is the EU position that is being anticipated, and, in particular, whether the EU will adopt the decisions of IMO without urging the latter to proceed at an inconceivably fast pace.

Undoubtedly, shipping with 2% share in global emissions is the industry that pollutes significantly less than any other one. Consequently, it would be wise for all those effortlessly criticising shipping and being absolute in their views to focus on the remaining 98%, rather than 2%.

The shipping policy, to which reference was made above, that exists and is being communicated nowadays by most of the parties within the shipping industry is the following one:

1. Shipping industry acknowledges that it should also contribute to the global effort in reducing emissions; There is no doubt over this.
2. Said contribution though should be well-formulated, prudent, and of course environmental friendly, leaving aside extremities and hysterias coming from various non-marine interests.
3. Whatever needs to be done, should be done and whatever needs to be regulated, should do so on an international level, solely by the IMO, with any subsequent regulations being enforced globally in order to eliminate any arbitrary actions.
4. If shipping reaches the point where it has to address the issue of its contribution to global emissions, by applying the so-called MBMs (Market Based Measures), then shipping in its majority will be in favor of a particular system, called 'Levy', and under no circumstances would consent to any other form.

More specifically, during this period the European Parliament's Environment Committee is considering the subject matter and is soon expected to discuss on a proposal oriented towards the so-called ETS (Emissions Trading Scheme).

The shipping industry does not accept the ETS, and will never do so, for the following three rather simple reasons:

- a) It does not constitute a transparent system;
- b) It cannot be easily and properly implemented in shipping; and
- c) It will be limited to a tax ending up in the Ministries of Finance without being used for the purpose of environmental protection.

Although 'Levy' system is transparent, easy, and workable, many EU ministers adopt the above proposal. Therefore, this issue could be discussed only in the long term, and in any case should be regulated by the IMO, not the EU.

It recently took place in Paris the conference on the environment, the COP 21, from which certain results of great importance have emerged. Shipping has been the subject of extended discussions, which were complicated when many opponents of shipping started relentlessly insisting on shipping industry's incorporation in the final text of the convention. Unfortunately, there were also certain bodies within the shipping industry adopting this view and pointing towards the same direction. Finally, shipping attained a remarkable success in not being included in the final text of the convention. However, this does not imply that it should stay inactive from now onwards. In fact, its environmental policy should be reinforced and communicated with consistency, prudence and perseverance through the IMO.

Coming to the present, the ECSA (European Community Shipowners' Association) is now drafting its POST COP 21 policy. In particular, a meeting of the Board of Directors was held in London for the purpose of discussing exclusively this matter, so that ECSA concludes its final position, which will embody an agreement and a consensus given the numerous diversified views. This task is undertaken by ECSA in order to give feedback to the ICS (International Chamber of Shipping) which constitutes the body through which ECSA was till now bringing its own positions to the forefront of international shipping and the IMO. Thereafter, the ICS will finalize its own position in the forthcoming meetings of the Board of Directors and eventually present the same to the IMO and MEPC 69 in respect of the POST COP 21 policy.

The ICS has not concluded its policy, but the bottom line consisting of two general arguments has been defined. The first argument is in line with shipping industry's views in terms of globalisation and regulations drafted on an international basis, as mentioned above. As far as the second argument is concerned, there are certain remarks being raised by bodies within, as well as, outside the shipping industry, such as environmentalists, with respect to the absolute reduction of the limits and number of emissions over time. It is understood that such a position could not be adopted. In fact, it is impossible, with the only exception lying in the case where the world trade is shrunk, something that cannot be done, will not be done, and should not do so. In other words, shipping agrees with the relative reduction of emissions over time, but not the absolute one. As a result, we are awaiting the final position of the ICS, so then it is figured out how the subject matter will be brought before the IMO.

At an EU level and on the official side, there is a well-established orientation and focus on shipping matters. Unfortunately, some impediments are being set when it comes to certain bodies, either committees or departments of the Parliament, or even individual entities. With respect to the general shipping policy, it is worth pointing out that the European Transport Commissioner Mrs Bulc requested the planning of a

comprehensive European maritime policy, which would be implemented during her term. The European shipowners have presented their views and the Commissioner has asked for this proposal to include the following three key points:

- a) the sustainability and competitiveness of European shipping on an international level;
- b) the matter of seafarers; and
- c) the issue of short sea shipping.

The ECSA has presented its proposals to the Commissioner and it is expected for the European Commission to continue with the discussions over the general EU shipping policy.

By referring to the latest developments in the field of CO₂ emissions, these are rather encouraging. In the latest meeting of the IMO Marine Environment Protection Committee (MEPC 69), there have been agreed the general principles of the establishment of an international mandatory data collection system (MRU), and other relevant decisions, with the view to the relevant regulations being enforced in the next meeting to take place in October. The regional objections, being raised for instance by the European Lobby and Members of the European Parliament, still exist and the desired solutions will take longer to come to surface.

To conclude, it is easily understood that many of the issues within the scope of challenges faced by the shipping industry (and the present article tackles only a couple of them) constitute also matters of general policy. It is difficult for the shipping industry to formulate a clear position and stick to the same due to the reasons mentioned above. However, its bodies should try gathering and bridging all these views, so that shipping manages to overcome the difficulties which appear on a daily basis and tend to be of greater importance over time. This could be accomplished through its inner forces, as well as, through the autonomous proposals which should be sensible, realistic, and corresponding to the common goal of all interested parties; the gradual construction and operation of greatly environmental friendly vessels, namely the gradual reduction in emissions. The latter though could not be achieved by narrowing the world trade since this would imply restriction in the global prosperity.