

**Multi-year Expert Meeting  
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Challenges**

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**International Shipping: Challenges and  
Opportunities of Relevance to SIDS**

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# International Shipping: Challenges & Opportunities of Relevance to SIDS

UNCTAD, Geneva, 24 November 2014

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Director Policy & External Relations  
International Chamber of Shipping (ICS)



## International Shipping





## Agenda Today

- ⇒ Brief introduction to shipping
- ⇒ SIDS and international maritime regulation
- ⇒ New environmental regulations
- ⇒ CO<sub>2</sub> reduction issues (including UNFCCC Green Climate Fund)



# Lifblood of World Trade



# Containerships



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MarineTraffic.com



# Tankers



# Cruise Ships (and Ferries)



## Global Rules for a Global Industry



IMO in session in London

## Role of SIDS at IMO

- Port States and Flag States
- Top 6 flag states include: Bahamas, Marshall Islands
- Many other SIDS have established open registers – but this entails serious obligations



# Flag State Performance



See [www.ics-shipping.org](http://www.ics-shipping.org)



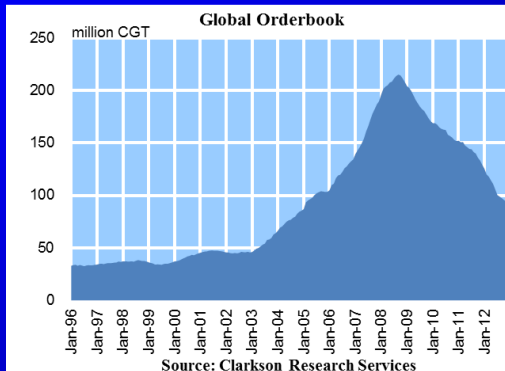
# IMO Technical Assistance



# Shipping Faces Enormous Economic Challenges

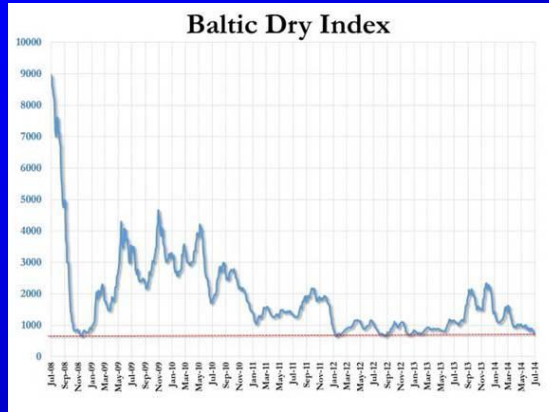


# Too Many Ships Chasing Too Few Cargoes





# The Shipping Downturn Continues



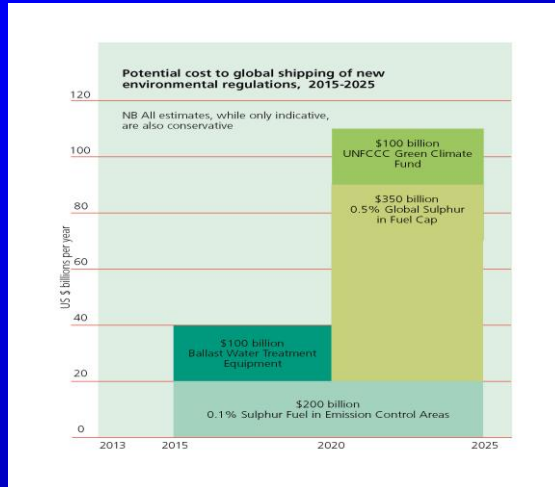
Dry Cargo Freight Indices 2008-2014



# Avalanche of New Environmental Rules



# US\$ 500+ Billion Cost of New Rules



ICS Estimates

# IMO Ballast Water Management Convention



\$US 100 billion cost over next five years



## CO<sub>2</sub> Charging?

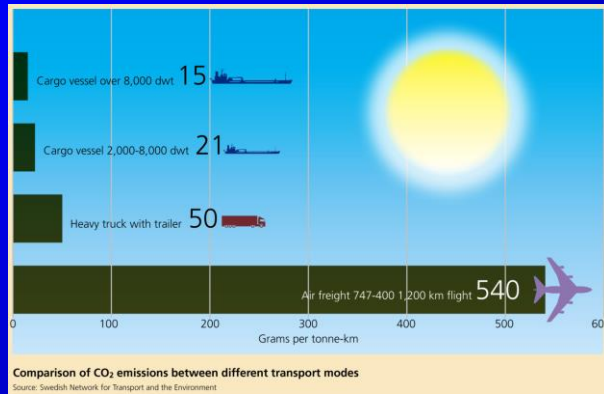


## Impact on SIDS of Competition Rule Changes?

- ➔ 2008 EU Abolished Liner Conferences – reducing scope for co-operation on service levels
- ➔ Other jurisdictions may follow
- ➔ Pacific SIDs – APEC Guidelines on Maritime Competition Rules



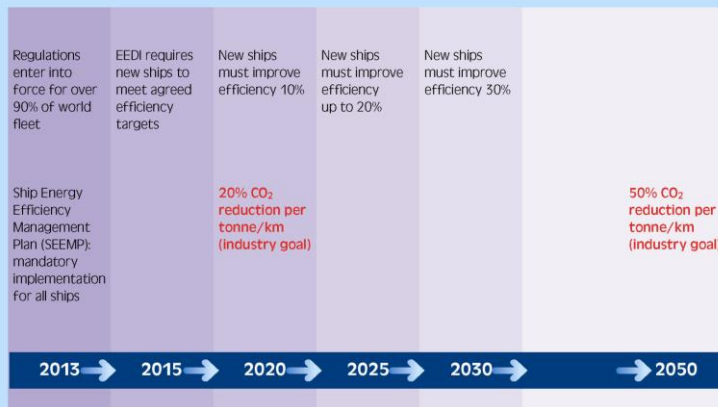
# Shipping is a Driver of 'Green Growth'



Shipping is most *carbon efficient* form of commercial transport

## IMO agreement on technical regulations will reduce ships' CO<sub>2</sub>

MARPOL Annex VI, Chapter 4 adopted July 2011



## Latest IMO GHG Study (2014)

- ➔ CO<sub>2</sub> emissions have reduced 10% between 2007 and 2012
- ➔ 2.2% of global CO<sub>2</sub> (2.8% 2007)
- ➔ But in part achieved with slower speeds – making remote SIDS ‘further away’



## CO<sub>2</sub> Charging

- ➔ IMO debate about carbon levy for ship, pending outcome of UNFCCC Climate Conference in 2015
- ➔ Debate about reconciling CBDR principle with global regime



## UNFCCC Climate Fund

- ➔ If IMO develops market based measure, possibility of shipping contributing to UNFCCC Green Climate Fund
- ➔ But controversial...



## Shipping is Not a Cash Cow!



Thank you

