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Where does crew-change crisis leave the labour convention?

ONE CRITICAL QUESTION raised by the coronavirus pandemic to shipping is where the Maritime Labour Convention now sits, *writes Cichen Shen.*

The convention, which was created to protect the rights and wellbeing of sea workers, has been constantly overwritten by ratifying countries since last year, highlighted by governments' ban on the entry of seafarers out of concerns they may bring in new infections.

"At what point in time do national emergencies take precedence over the implementation of an international convention?" asked Philippine Transmarine Carriers Group chief executive Gerardo Borromeo, during a recent Sea Asia session.

It is a tough question, it seems.

This week at an International Labour Organization meeting, shipping groups requested the United Nation agency to "renew its call on members to designate and treat seafarers as key workers", and ensure their rights to sign on and off the ships without unnecessary restrictions.

Meanwhile, Singapore, a global shipping hub, said it will halt crew rotation for seafarers with recent travel to India from April 24.

As a pioneer to relax crew change policies amid the pandemic, the city state must have thought the point has been reached to prioritise national security, with India's massive upsurge of new infections.

But the affected seafarers will probably take a different view.

Those who should have signed on in Singapore will have to cancel their trips and face the loss of income, while those should have been repatriated from the port are now being forced to extend their duty until the next available destination.

Fears have also arisen that more countries may follow Singapore's lead.

As Thome Marine's chief human resources officer Simon Frank has pointed out, the "delay and uncertainty will add into mental fatigue, frustration, depression to the crew on board".

About 200,000 seafarers are still facing the problem of being stranded on vessels with a similar amount of them waiting to join ships and earn a living, said Synergy chief executive Rajesh Unni.

He also warned that the number of seafarers affected has begun to shoot up again as governments reintroduce stricter border control and travel restrictions because of new coronavirus variants.

It is crucial for a country to protect its residents from the threat of the public health crisis. But is there some flexibility can be found, says, through more testing and vaccination?

"When the MLC was put together, I do not believe that the founding authors contemplated a global pandemic," said Mr Borromeo, who is also a board member of International Chamber of Shipping.

If that's true, maybe a new structure or amendment of the convention should be considered by the ILO, the member countries and the shipping industry.

That should at least help to prevent the current crew change storm from happening again in the next pandemic crisis.

WHAT TO WATCH:

Singapore halts crew changes for seafarers with recent travel to India

SINGAPORE has decided to suspend crew changes for all seafarers with recent travel to India, raising concerns that more countries could follow suit.

The move represents a setback to the previous relaxation when all crew members could sign off and make changeovers in the Asia maritime hub.

The Maritime and Port Authority of Singapore said that crew with recent travel history to India in the past 14 days will not be allowed in the port.

This includes sign-on crew travelling to Singapore by flight, or transiting India on their connecting flights, as well as sign-off crew from vessels that have called in the South Asia country

The suspension, which will take effect from April 24, is part of the city state's decision to ban the entry of all non-resident travellers who have recently been to India, where the coronavirus infections have resurged.

"India being the third-largest supplier of officers to the world merchant fleet, this will have a huge impact on the relief of the seafarers on board the vessels," said Thome Marine's chief human resources officer Simon Frank.

The new ban will delay crew changes as they have to be planned from other locations fitting the vessels trade, he said. "A delay and the uncertainty will add into mental fatigue, frustration, depression to the crew on board."

The Standard Club director of loss prevention Yves Vandenborn echoed the view.

Capt Vandenborn said shipowners will have to keep the crew on the ships and continue sailing until the next available port for crew rotation.

"This in turn will cause further hardship for those Indian crew who will have their contracts extended."

Mr Frank expected other maritime nations to implement similar restrictions on the joining of Indian seafarers. And that will increase the demand for seafarers from other countries with companies desperate to find replacement.

"With the second global wave of pandemic and lack of vaccination for seafarers we foresee a significant crewing crisis in the immediate future, and we are preparing our crew and vessels to face the same," he said.

He noted that many seafarers are postponing the embarkment with their family members or neighbours becoming infected, which will exacerbate the crewing crisis in the coming weeks.

Singapore's restrictive measure, if it extends to other ports, would largely stop Indian seafarers from going on board, said a Hong Kong-based shipping executive.

"That would worsen the crew supply which is already very tight amid the pandemic impact."

An India-based shipmanager said: "Many countries have suspended flights to India which would force shipping companies effectively to shut up shop for the duration. And from today, Dubai — the other big hub for crew change — has halted all flights to India. Many of the companies are also refraining from making any changeovers in Indian ports because of the current spike in cases in the country."

Precious Shipping managing director Khalid Hashim argued that by banning Indian seafarers, Singapore is taking a responsible stance that will make it a safer place for local residents, as well all those on board ships

On Wednesday, India reported more than 310,000 new coronavirus cases, the world's biggest-ever single day increase of new infections, with the county's health services collapsing under the influx of patients.

Mr Hashim expected that Singapore's latest crew restriction will hit those ships or owners "who are unable or unwilling to go the extra mile and spend significantly more to get crew changes done in a safe and responsible manner".

"We are regularly diverting our ships to Thai waters where we are able to successfully change crew without causing any risks to the crew on board or anyone else."

However, he slammed charterers for not being supportive during the crisis

"It costs us an arm and a leg without a single charterer, despite all their lip service to ESG matters in their annual reports, offering to share in any of these costs.

"Instead, all of them have universally off-hired the ship for the duration of the deviation including fuel consumed during such deviation and we have to take out extra insurance cover for the delay in the utmost dispatch of the voyage," said Mr Hashim.

About 200,000 seafarers on board are currently affected by the crew change crisis, with a similar amount of them waiting to join ships and earn a living, according to estimates by Synergy chief executive Rajesh Unni.

And the number have begun to rise sharply again as governments reintroduce stricter border control and travel restrictions due to new coronavirus variants.

"I have said this in the past that shipping needs to find a voice that travels beyond the ports and the high seas and reaches the decision makers who are currently determining the fate of our seafarers, we are else staring at another full-blown crisis." said Mr Unni.

Shipping condemns travel bans for undermining seafarers' rights

SHIPPING groups have criticised governments for blocking crew changes despite claiming to uphold seafarers' rights under the Maritime Labour Convention.

The International Chamber of Shipping warned more countries were reintroducing travel curbs that risk worsening the crew change crisis.

Singapore, Hong Kong and the United Arab Emirates have barred crew from India as its pandemic continues to worsen.

"We had hoped we had overcome major hurdles and now the same ones are being put up again," the ICS said.

Representatives of shipowners, unions and governments spent the week haggling over the wording of resolutions to support seafarers at the Maritime Labour Convention's governing committee.

Shipping heads said governments had tried to water down language to avoid binding commitments to treat seafarers as key workers.

International Maritime Employers' Council chief executive Francesco Gargiulo said the shipping groups had sought to hammer home the point that the Maritime Labour Convention applied in all circumstances, not just when convenient.

"Unfortunately, governments continue to ignore this when things get tough," he said in an interview. "What is the point in the crew change protocols and in the key worker status if it all goes out of the window when there is a crisis?"

India has told the International Labour Organization the latest crew change ban was "unfortunate", adding that "comprehensive" plans for safe crew changes had been agreed last March.

Singapore said it introduced the restrictions to prevent local outbreaks of new coronavirus variants, adding other countries were banning arrivals from India.

"Singapore has kept its port open even during the early stages of the pandemic in 2020 and has since facilitated more than 128,000 crew changes regardless of the nationalities of the crew and flag of the vessels," it said. "We continue to review and enhance our crew change procedure to ensure that crew signed on board in Singapore are not infected.

"This is important to prevent downstream issues that shipping companies will have to deal with. Singapore will continue to closely monitor the global situation and adjust our border measures to manage the risk of importation and transmission to the community."

The UK, which has banned travel from India, told the ILO it would continue to allow crew changes under its key worker exemption.

In draft submissions to the MLC committee this week, shipowner and seafarer groups warned the convention "that non-observance of fundamental rights during such a time may render the convention meaningless".

Ever Given owner appeals arrest as clubs brace for reinsurance hit

EVER Given (IMO: 9811000) owner Shoei Kisen Kaisha has filed an appeal in the Egyptian courts against the arrest of the vessel and its cargo in the wake of its spectacular grounding and the subsequent six-day closure of the Suez Canal last month.

There is still no indication when the 20,000 teu boxship — currently at anchor in the Great Bitter Lake — will be allowed to proceed.

Nor is there any clarity regarding the status of the Indian national crew, with several sources indicating that they are not legally speaking under arrest, but that senior officers cannot leave until the completion of investigations.

The majority of the ratings also remain on board, although two have been allowed to depart for compassionate reasons and have been replaced by other personnel.

Meanwhile, marine insurers are still coming to terms with the impact of the Suez Canal Authority's $916bn compensation claim, which many privately believe to be vastly exaggerated.

Ever Given is entered with the UK Club, which is declining to comment directly to the media other than through statements.

But a senior source at a rival club argued that even in the worst case, the scale of the payout would be unwelcome but not system-crashing.

Most of the bill will be picked up by hull and machinery, and cargo underwriters in any case.

International Group exposure will be limited to the $90m in the layer between $10m retained by UK Club and $100m, with even that mitigated by reinsurance placed by the IG's reinsurance captive Hydra.

"The claim is for $900m or something, but $600m of that is salvage-related. P&I will pay for loss of revenue and actual damage to the canal, and loss of reputation, if there is any foundation for that claim," he said.

"It will be a large claim, but we have seen large claims before. It is not a catastrophe in that respect, at least as far as I know right now. It is not the end of the pool system."

However, one leading P&I broker predicted a big jump in the cost of next year's IG reinsurance contract, to an extent that will see a noticeable hike in premiums that all owners will feel, vessel by vessel.

The quantum of the P&I payout will not be known until the matter has gone through the Egyptian courts. But it will undoubtedly be very substantial, going through the pool layers and even hit the general excess of loss, known in sector jargon as GXL.

"People have been predicting that the commercial market will be looking for rises on that reinsurance, even before the Suez Canal incident, because of rising commercial market liability prices anyhow and also the amount of claims on the pool already," he said.

"People are anticipating 10% to 20% increases in that reinsurance cost. When you factor that back, that starts to become for big vessels quite significant. This particular loss is going to be right at the forefront of underwriters' minds when the reinsurance brokers come to negotiate, so it is not a good time for anybody."

International Group chief executive Nick Shaw admitted that the contract could be pricier, but adopted a more sanguine attitude.

"It's certainly not our understanding that this is going to be a catastrophe. The P&I elements are substantial but not ridiculous, so from our perspective, it's a manageable pool claim," he said. "The Egyptian authorities and the relevant insurers are engaged in discussions, and hopefully things will proceed in a constructive way."

On the prospect of paying more for reinsurance, he added: "We are two months into this policy year. Markets go up and down. It is too early to be thinking about pricing for next year. We have a long-term relationship with the reinsurance markets and we're very respectful of that. If our record justifies increases, that will come into the reckoning at the time."

According to a statement from the UK Club, the IG affiliate with which the vessel was entered, the owners have this week filed an appeal before the Ismailia court of first instance in Egypt against the vessel and cargo arrests. The appeal will be heard on May 4.

"The appeal against the arrest was made on several grounds, including the validity of the arrest obtained in respect of the cargo and the lack of supporting evidence for the SCA's very significant claim," the club said. "*Ever Given* interests will continue to negotiate in good faith with the SCA to reach an amicable resolution."

OPINION:

Why shipping should pay attention to the EU's new financial colour chart

AMID a flurry of politically charged climate change headlines with governments jostling for global leadership status on decarbonisation, publication of the European Commission's Taxonomy for sustainable finance could easily be overlooked.

Don't let the dry jargon fool you — it warrants a close inspection because this is a document that will have a significant impact on the direction of available finance for years to come.

When the Taxonomy enters in force in 2022 it will guide criteria that EU investors and companies must disclose for investments, assets and economic activities to be labelled as environmentally sustainable.

Shipping is designated as one sector that can contribute to the transition. But there's a catch. To secure an environmentally sustainable label, ships "dedicated" to carrying fossil fuels can't be labelled as "green".

An owner of a crude tanker who wants to build an ammonia-fuelled, oil-carrying ship cannot tap public markets for a "sustainable bond". The owner also cannot access any sustainability-linked loans.

From 2026 ships that emit any CO_2 cannot be labelled green either. That excludes liquefied natural gas-powered ships, now being ordered in greater numbers than conventionally fuelled vessel. Biofuels that can't completely reduce emissions also do not make the cut.

To be clear, banks, investors, hedge funds and all other financing entities can continue investing where they and as they like. But the Taxonomy prohibits financing an LNG-powered tanker, for example, by 2026 if they want to call that investment "green".

By extension if a ship can't be labelled as green to secure financing in the EU, how can it be called "green" on a broader level?

Lenders, especially in shipping, have made it abundantly clear that environmental considerations are high on their priority list. Showing a greener portfolio is key in forming public trust and meeting shareholder approval.

Any impact on shipping may not become apparent for another year or two. There's a real risk that ships outside of the Taxonomy will be shunned by many investors and financiers.

So, shipowners must not be naive. Don't imagine that all this discussion about Taxonomy will not be used elsewhere.

The Taxonomy is going to be the financial foundation of Europe's energy transition. Such a tool can shape future shipping regulations elsewhere and even influence existing ones.

If the Taxonomy says that a ship type is not defined as "green" this by extension it will shape future shipping rules in Europe.

So, owners' future fuels options are shrinking. The Taxonomy targets the cargo responsible for more than a third of the world's 10bn tonne plus global shipping volumes.

These will be excluded from 2025 when Europe only recognises zero-carbon ships.

Clearly owners will have to look elsewhere for financing. Asia is an obvious candidate, especially the Chinese leasing houses that now dominate the sector and keep their country's shipyards open.

Accelerating decarbonisation is the more sustainable option. Shipping has been told to do more on emissions for years and the Taxonomy is Europe's way of showing them they have not done enough.

International shipping ignores this very significant warning that the clock is ticking at their peril.

Shipping is at a pivotal moment on path to decarbonisation

INTERNATIONAL shipping is committed to reducing its emissions, that is clear, *writes UK Chamber of Shipping chief executive Bob Sanguinetti*.

In the past few months, around the world, we have seen differing views on how we get there.

But on Tuesday the UK government, for the first time, included shipping emissions in its next Carbon Budget, which covers the amount of greenhouse gases the country can emit between 2033 to 2037

At the chamber we support the UK government as it looks to tackle climate change. Shipping is the most carbon-efficient way of transporting goods and is part of the solution in supporting the UK to achieve its ambitious new targets.

As ever the devil is in the detail, but we look forward to receiving more information on exactly how international shipping will be included in the Carbon Budget.

But it feels like we are at a pivotal moment.

The new US leadership has seen the US climate envoy John Kerry calling on the International Maritime Organization to guide the industry towards net-zero by 2050.

We know shipping is international by nature, and we firmly support international regulations and we want to see the UK government work even harder at the IMO to bring about real, lasting change.

One way they can do that is by co-sponsoring the proposed $5bn research and development fund. New technologies will be needed to decarbonise the industry and this fund would be an important step in the right direction. The R&D fund will develop the technology to make the use of alternative fuels a realistic option for shipowners.

Bringing forward the debate on market-based measures would also help to accelerate the decarbonisation of our industry. By putting a price on carbon emissions, shipowners will be encouraged to switch to alternative fuels.

At the chamber we believe now is the time for the IMO member states to consider the role of MBMs.

We cannot wait another few years to have this discussion. We need new technologies to be developed now so we can create commercially viable zero-carbon ships.

Shipping has a good story to tell, don't let anyone say it doesn't. We saw during the Suez Canal incident a few weeks ago just how vital shipping is to international trade and the industry has made great strides cutting its emissions in recent years.

Shipping emits around 2% of global greenhouse gas emissions but moves 90% of global trade. It is six times more carbon efficient than trucks and 150 times more efficient than aviation. And over the past 10 years the industry has reduced its emissions by 10%, while facilitating a 30% increase of global trade.

This is done through optimisation of operations and investment in technology and alternative fuels.

But we recognise the scale of the challenge. That is why action is need now, not tomorrow.

It is a challenge because the technologies needed to achieve the 2050 target do not currently exist at a scale or in a form that is commercially viable, especially for long voyages.

We will need concerted R&D activity led and incentivised by government, and supported by the industry, manufacturers, academics and innovators.

We will need industry to formulate new plans and coordinate work better. And we will need investment in skills, research and innovation so we can utilise world class universities and research centres.

The world is warming too quickly. We all know that; the science is clear. And if we are to tackle the greatest challenge of our generation, we need leadership and action today, not tomorrow.

ANALYSIS:

China leads rebound in 2021 newbuilding deliveries

NEWBUILDING deliveries will average 2,300 ships a year to 2025, rising from a 26-year low seen in 2020, according to Lloyd's List Intelligence's monthly Shipbuilding Outlook.

Deliveries from Southeast Asian shipyards, which build more than 90% of the world's ships, fell to almost half (by number) based on 2018 and 2019 levels. A total of 2,059 ships were launched in 2020, the April report said.

When measured in deadweight tonnes, 2020 deliveries of 92.3m dwt exceeded 2018 levels.

This year, deliveries are forecast to rebound to 114m dwt with 2023 numbers estimated at 110m dwt, because there are so many bigger ships in the orderbook.

The shipbuilding outlook tracks orders and deliveries that add to the world's fleet of 129,000 vessels of 2.26bn dwt. Bulk carriers and general cargo vessels comprise 44% of the fleet, with tankers at 33% and containership and ro-ro vessels at 13%.

Accounting for scrapping, the world fleet is forecast to increase by 3.4% annually over the next five years, reaching 2.66bn dwt by the end of 2025.

Dry bulk vessels comprise 96m dwt of the current orderbook of 4,884 ships totalling 268m dwt, followed by crude oil carriers at 69 million dwt and 34m for containerships, according to the report.

China accounts for more than 40% of orders and output, followed by South Korea and Japan. Deliveries from China are forecast to rise 41% this year, to 55m dwt, after the pandemic delayed construction in 2020, the report concludes.

That will be the highest output since 2012.

The report methodology covers all seagoing, trading ships of 100 gt and above, including fishing and barges.

Azipods driving sustainability after 30 years

THIRTY years ago, the small Finnish buoy-laying vessel *Seili* (IMO: 7817048) was fitted with an electric motor housed in a submersed pod.

The project was a collaboration between technology company ABB, the Helsinki shipbuilder Kvaerner Masa-Yards, and *Seili's* owner and operator.

Since 1991, this so-called Azipod technology has been part of a revolution in icebreaking and became the propulsor of choice for cruise shipping. It has even made progress in the challenging offshore sector.

With the shipping industry under pressure to upgrade operational efficiency and cut fuel consumption and emissions, this groundbreaking technology illustrates how opportunity can be seized in unlikely places.

Finnish icebreakers had been driven by electric motors before the Azipod was developed, but these motors were still inside a vessel's hull and connected in the traditional way to a shaft line.

By placing the motor outside the hull, instant torque was provided for the propeller even at very low rotation speed. This was a breakthrough for icebreaking capability.

The realisation, a decade ago, that double-acting operation — vessels running stern-ahead in ice and bow-ahead in open water — increased efficiency strengthened the case for the Azipod technology on icebreaking vessels.

There are more than 90 icebreaking vessels with Azipod propulsion.

The technology enables vessels to navigate safely through ice up to 2.1 metres thick. Several records have been set in the ice-going segment, including the first crossing of the northern sea route with a tanker driven by three 15MW icebreaking Azipod units.

A further 14 liquefied natural gas tankers are now in operation with pods in the Arctic.

In the mid-1990s, Carnival Cruise Line was building its Fantasy class of vessels at Kvaerner Masa-Yards. In a leap of faith, Carnival opted for two ABB Azipods for its *Elation* (IMO: 9118721).

The ship was delivered in 1998, and gave improved performance compared with earlier sisters *Carnival Ecstasy* (IMO: 8711344) and *Carnival Sensation* (IMO: 8711356).

Azipod propulsion "gave the cruiseship unprecedented manoeuvrability, cutting *Elation's* turning radius by half," ABB Marine and Ports division president Juha Koskela told Lloyd's List. "Passengers were given the smoothest ride of their lives and there were significant fuel savings compared to the sisters with traditional shaft-line propulsion."

The submersed pods freed up space inside the vessel for additional cabins and cargo use because shaft lines and other equipment were no longer needed.

Cruiseships operating in remote locations needed much greater manoeuvrability, so the 360-degree rotating unit was ideal. The Azipods also offered extremely low vibrations, reduced lifecycle costs, minimised emissions and low levels of maintenance.

With no structural changes made to *Elation*, it was possible to compare performance with the earlier ships.

However, the real benefits came when the hull design was optimised for the Azipods on the next vessels in series.

"The Azipod has the propeller facing forwards, pulling the ship," said ABB's Compact Azipods vice-president of global sales Ole-Jacob Irgens. "It's important to optimise the stern part of the hull to optimise propeller propulsion efficiency."

And there was much discussion about course stability after rudders and stern thrusters were taken away. "There were many discoveries along the way that expanded the list of core benefits," said Mr Irgens.

The Azipod design has seen gradual improvement based on customer feedback. In 2012, the Azipod XO upgrade was launched.

"It looks the same," said Mr Koskela, "but components are now easier to maintain, they have a longer lifecycle and are more reliable. We have improved efficiency by fine-tuning the shape of the pod and the propeller."

Crew maintenance is limited to monitoring performance and oil pressure. ABB offers remote support as part of the package. In the event of failure of an Azipod, a vessel can safely return to port using the remaining pods.

Azipods are not the single solution to shipping's emissions problem, Mr Koskela stresses, but they are an element of ABB's electrification concept.

"Electric propulsion for cruise shipping is already saving 10% of fuel consumption, the Azipods might save a further 10%, and batteries of fuel cell technology will bring further savings," he said.

"It's a fine-tuning game between the drive technology, the propeller design, the pod itself and the power on board the vessel," added Mr Irgens.

While podded technology has certain advantages, AB recognises the need to combat the challenge of underwater noise.

The company is working with ferry operators in sea areas where whales and salmon migrate. Azipods can operate in silent mode, and change operation when animals are near by.

It was coincidence that led to Kvaerner Masa-Yards working to put Azipod technology on *Carnival Elation*, and cruiseships' need for greater manoeuvrability in confined waters that brought significant fuel savings and improved passenger comfort from submersed pods.

"The real benefit of Azipod technology is propulsion efficiency," said Mr Irgens. "The key is to maximise the benefits, and this leads to reduced emissions. We need to sit close to ship designers and owners to optimise design long before a shipyard is involved."

The importance of collaboration that led to the development of Azipod technology in 1991 is just as clear in 2021.

MARKETS:

Pandemic drives supply chain review

THE disruption in global supply chains caused by the pandemic, both at the start of the outbreak and in its aftermath, has called into question the viability of transportation systems dependent on a reliable and regular supply chain.

"Because of Covid-19, more people have come to recognise the limitations of just-in-time delivery and zero stock holding practices," said CMA CGM Asia-Pacific chief executive Stéphane Courquin. "We anticipate manufacturers and shippers to increasingly look at relocating their factories and regionalising production flows as part of risk mitigation.

"As an intra-regional operator, we are already seeing a sharp increase in this trend."

This did not necessarily imply a decline in purchasing from Asia.

"What we will see, however, is having production closer to where products are consumed," he told the TOC conference at Singapore Maritime Week.

This had already been seen in the textiles sector, with the development of markets in Tunisia, Turkey and Morocco.

"We saw this prior to the pandemic, and it is just accelerating," said Mr Courquin. "With such trends we need to adjust and adapt our network development according to cargo movement. This is exactly what we have been doing since the beginning of the pandemic."

A move towards nearshoring was only one of the many changes that carriers had had to face during and following the pandemic.

"As soon as the first wave hit China, CMA CMG implemented several measures both on land and on sea and adjusted our maritime services to the needs of customers," he said. "The start of the pandemic saw China shut down for several months and there were no goods to be shipped to the rest of the world during that period.

"But as soon as China production resumed, exports from Asia and China in particular, recovered very quickly and it was extremely intense."

The industry response to the crisis had worked well overall, he said.

"The strategies deployed by the different lines all had a common goal of keeping trade flowing when the world was under lockdown, planes were grounded and borders were closed," Mr Courquin said. "Many countries needed daily necessities and medical supplies to get by. Ocean liners remained pretty much the only viable option to carry out transportation."

When the land border between Vietnam and Cambodia was closed, for example, CMA CGM's intra-Asia specialist CNC launched a China–Vietnam–Cambodia service to facilitate movements of goods between Vietnam and Cambodia by sea instead.

Supply chains at risk of phytosanitary inspections

THE Cargo Integrity Group has made an "urgent plea" to shippers to adhere to the CTU Code or face inspections that could significantly affect container shipping globally.

The concern is over the risk of invasive species "hitching rides" on cargo or in containers, TT Club risk management director Peregrine Storrs-Fox told a webinar hosted by the International Union of Maritime Insurers.

"Some will be aware of a call by some countries for intrusive inspections for imports and export freight," Mr Storrs-Fox said.

"If you think Covid-19 and the Suez Canal blockage has disrupted trade, their impact, frankly, would be trivial compared to such inspections."

A number of governments, along with signatories to the International Plant Protection Convention, were considering "intrusive inspections" for both imports and exports to check phytosanitary conditions, in order to protect native flora and fauna

"This would totally bring gridlock to advanced supply chains because every single container would need certification," Mr Storrs-Fox said.

"Obviously there would be a cost but it would also take time. It is almost unimaginable these days, with 200m containers being moved every year, for them to be inspected effectively at every single port to comply with that type of regime."

The CIG, which consists of a number of industry bodies including the World Shipping Council, Global Shippers' Forum, Container Owners' Association, TT Club and the International Cargo Handling Coordination Association, is promoting the greater adoption of the Code of Practice for Packing of Cargo Transport Units, commonly known as the CTU Code, to prevent regulation being imposed.

"It is important to work out how to do something effective that is proportionate to the risk involved," Mr Storrs-Fox said.

The non-mandatory CTU Code was the best available option for preventing cargo losses caused by poor container packing practices, he added.

"Two thirds of incidents related to cargo damage are caused or exacerbated by poor packing practices," he said.

"By extrapolating known figures, it is estimated that the total economic cost to the transport and logistics industry exceeds $6bn.

"The most galling aspect of this is that the vast majority is avoidable by adopting established good practice."

But while the CTU code had been in existence since 2014, there remained a "woeful ignorance" of its requirements, which had led to the introduction last year of a "quick guide" that sought to widen its adoption.

But these efforts will take work, if the introduction of the rules on the verification of gross mass is anything to go by.

Although it was introduced five years ago, and unlike the CTU Code is enforceable law, overweight containers were still being cited as the cause of casualties.

"I am not aware of any enforcement action taken in any country in the past five years," Mr Storrs-Fox said. That doesn't mean it hasn't happened, but in terms of government agencies enforcing what is international law, it would appear not to happen on a regular basis."

One possible option to ensure the correct application of the CTU Code was the licensing of staff working in container stuffing centres.

"If you want to drive a car or a lorry you need a licence," said IUMI loss prevention committee vice chairman Uwe-Peter Schieder.

"I think it is a good idea to discuss a packing licence based on the CTU Code so everyone who wants to start stuffing a container needs to know the CTU Code."

Licencing had been debated but resisted when the CTU Code was introduced, but was still a "debate worth having".

"It is important to have the knowledge," Capt Schieder said. "The guys at the stuffing centres will get a variety of cargoes and they need to have the largest knowledge."

IN OTHER NEWS:

Stranded seafarer leaves abandoned ship after four years

SYRIAN seafarer Mohammad Aisha has returned home following a four-year stint on an abandoned general cargo ship in Egypt.

The 33-year-old chief officer was left as sole guardian of the Bahrain-flagged *Aman* (IMO: 9215517) after its owner abandoned it.

The International Transport Workers' Federation, a global union, secured his repatriation after calls for his release.

Vale cleared to resume Guaiba terminal operations

VALE, Brazil's largest miner, said it has been cleared to resume activities at its Guaiba iron ore terminal.

The miner said it received authorisation from the State Environmental Institute, the competent body for licensing of the state of Rio de Janeiro, to continue port activities at the terminal, which handled 60,000 tonnes per day in the first quarter of the year.

The clearance came hours after Vale said it had been ordered to temporarily suspend shipping services by the Mangaratiba city government, in Rio de Janeiro.

Maritime funding unchanged in rival US infrastructure plan

SENATE Republicans have offered a counterproposal to President Joe Biden's $2trn infrastructure recovery plan for the US which offers no change to the level of funding allocated for ports and inland waterways.

The rival proposal, which amounts to $568bn, is heavy on highway funding, allocating $299bn for roads and bridges, $61bn for transit, $44bn for airports, $20bn for rail.

But it leaves funding for ports and inland waterways unchanged from the $17bn laid out in the president's American Jobs Plan.

Classified notices follow