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MATRIX TODAY

Gati Shakti - Fast Tracking Multimodal Connectivity 20

Mr Rajesh Menon
Assistant Vice President in the Shipping Desk at Invest India


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ClassNK focuses on Alternative Fuels and Digitalization

-Jagdamba Prasad Pandey

On 1st July, ClassNK held its Technical Seminar in Chennai, India. Mr Y Iga, Regional Manager of the Middle East & Regional Manager of South Asia welcomed the marine fraternity for participating in this knowledge session.

Mr Ajay Kumar, Deputy General Manager spoke on Alternative Fueled Ships for Zero-Emission by IMO and gave a brief strategy for reduction of GHG emissions from ships.

He said, "Improving the energy efficiency of the existing ships and replacing existing ships with new ships with high energy efficiency by 2050 is the plan. ClassNK is using the low-/ zero-carbon alternative fuels which reduce 80-90% GHG emissions compared to conventional fuel oils."

He also mentioned the Rules/Regulations for the safety of zero-emission ships, new technologies, and alternative design approval.

"Continuous introduction on this is expected in the near future due to proven technology, limited CO2 emission reduction (LNG 26% / LPG 16% / Methanol: 10%)," continued Mr Kumar.

Digitalization and Autonomous Ships issues were very well taken up by Mr Thalal Mohammed Ali, Surveyor, associated with ClassNK.

He briefed about where is IMO on Autonomous Shipping at present as the Autonomous Ships agenda were taken up since MSC98 in 2017.

Mr. Thalal Mohammed Ali said, "Interim guidelines on MASS (Maritime Autonomous Surface ships) trials were approved in MSC101 (2019). It summarizes basic policies taken into consideration when conducting trials. At MSC103 (2021), Regulatory Scoping Exercise (RSE) was completed. RSE Identified the potential gap between current IMO instruments and MASS. At MSC105, (2022), the road map has been developed for goal-based non-mandatory MASS code by 2025 and then later a mandatory code by 2028." He added

Mr Thalal Mohammed Ali articulated that in Jan 2020, ClassNK issued guidelines on autonomous shipping that cover requirements of design, development, installation, and certification procedure for Automated Operation System (AOS).

On digitalization and Digital Twin, he said "Digital Twin is the successful implementation of Digitalization. Digital Twin is a dynamic software model of a physical thing or system that relies on data to understand its state, respond to changes, improve operations and add value."

He also spoke about the Challenges of digitalization in Shipping and mentioned the Fragmented Approach, Lack of Harmonization, Lack of format for the data captured, Lack of rules/ regulations for the data ownership and data distribution among stakeholders, and Lack of strategies/methods to ensure data quality and integrity and Impact of the human elements and external interference are the few obstacles.

Mr Vaishak A spoke about PSC Trends which include PSC statistics on NK Fleet, Representative PSC Deficiencies, and ClassNK Activities on PSC.

Mr Sumithran Sampath, General Manager, ClassNK proposed the vote of thanks and assured many more webinars and seminars in this regard in near future.

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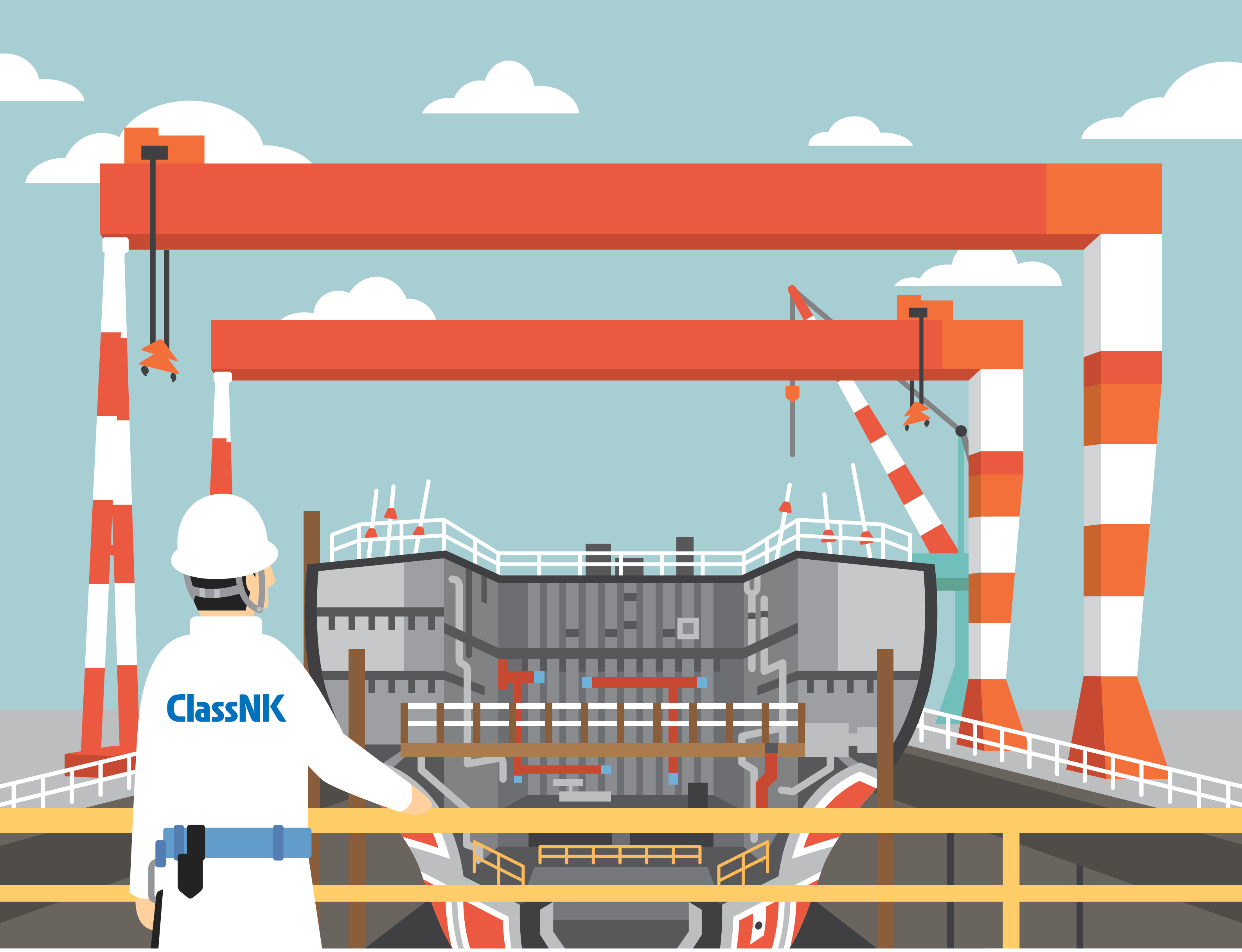
ClassNK

IRS & GRSE aim to strengthen India's position as a leading shipbuilding nation

Indian Register of Shipping (IRS) and Garden Reach Shipbuilders and Engineers Ltd. (GRSE) signed a Memorandum of Understanding (MOU) in Kolkata on 7 July 2022.

As per the MOU, IRS will provide a comprehensive range of services to GRSE Ltd comprising planning of repairs/refits and modification work of ships, provision of QA services during execution thereof, facilitating skill augmentation of GRSE personnel, and the undertaking of technical studies and analysis over a large range of subjects.

For repair/refit and modification work, IRS will prepare the detailed scope of work to be undertaken, inclusive of a detailed defect list based on assessment of material state through survey and inspection, undertake inspection and witness tests and trials of required new components/equipment, as applicable, and witness running trials of onboard machinery, on completion of work.

IRS will undertake various technical studies and analysis - such as FEM analysis, CFD, fatigue life assessment, noise/vibration analysis, signature prediction - as required by GRSE.

Mr. Arun Sharma, Executive Chairman at IRS, said: "IRS is now recognised globally for industry excellence. We are proud to offer high-quality inspection and training services to our valued partner – GRSE."

Cmde PR Hari, IN (Retd.), CMD GRSE, while welcoming the idea of partnering with IRS stated: "As India aims to strengthen its position as a leading shipbuilding nation, pursuit of excellence through high-quality products remains an integral part of GRSE's value system and this MOU would further strengthen our efforts in that direction."

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Make your weakness your biggest strength

Hailing from a very humble middle-class background, the earnest, energetic & enigmatic Marine Engineer Officer, **Piyush Gupta** has added another feather to his cap. His comedy web series is being released by the top OTT platform of the country, MX Player, which features Pankhuri Awasthy, Aditya Deshmukh & other notable actors.

In conversation with **Mr Jagdamba Pandey** of **Marex Media**, Piyush shares his journey from serving at the top maritime management positions in various technical and training roles to his comedy web series PNP Junction.

After serving the shipping industry as Senior Technical Manager & Training Superintendent, congratulations on the MX Player comedy web series PNP Junction. How did that happen?

I feel elated by your intricate introduction. It is truly a sensational feeling to be able to pursue your profession & passion, both at the same time. Shipping as profession gives ample free time during vacations which proved to be the fertile ground for developing the actor inside me. On one hand I was developing simulator-based training / managing aframax tankers & on the other I was learning Acting from Mr Anupam Kher & dance from Mr. Shiamak Davar.

How do you manage to carry out these two distinct roles?

I firmly believe that mariners are very hardworking people. When they set their targets, they work for extended hours to achieve the desired result. That training of being persistent and industrious helped me tremendously to fulfill my dream.

There have been many weeks where I used to go to office from Monday to Friday and then work on my character's audition during the weekends. Passion serves as the best fuel. And once you pass the initial setbacks, the journey becomes more and more rewarding. Everyone has the same 24 hours in a day, be it Ratan Tata or a beggar on the street. What you do with that time shapes your life.

People often say that there is lack of opportunities for seafarers as they remain at sea for months and months. Do you think it's true?

There is a famous success mantra by Jim Rohn, “Focus on the solution and not the problem". Shipping throws a lot of situations; be it a long anchorage or long wait between connecting trans-Atlantic flights. It's upon us to either use that time to channel our creative energies or rue about being disconnected from the world.

The whole world around you changes when you follow the above mantra & make your weakness your biggest strength.

Your message to young seafarers & shipping community...

If I can do it, you can do it too. I come from a very humble background where my father was a shopkeeper & my mother was a school teacher in a small town called Pilibhit. We had limited means but they provided us the best education possible.

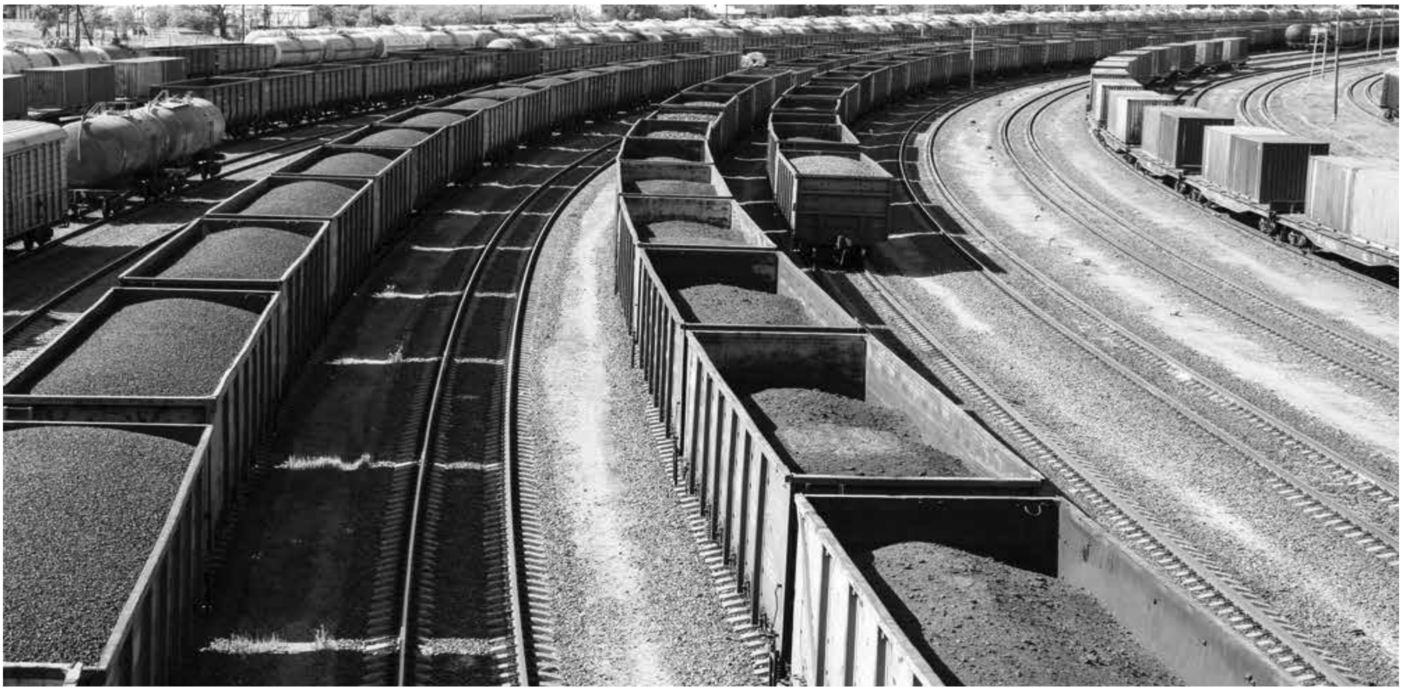
My shout to all youngsters is grab good education and training with both hands, whenever available. This will become your super power. Any individuals who knows & does the job well, is hard to find in any industry. Jobs will follow you, if you excel in whatever you do. So never stop trying.

MMT

Invitation

I would like to invite the shipping community family to watch ***PNP Junction*** web series on MX player from 7th July 2022 onwards. It is a fun filled laugh riot story about an engineering student's life ***(based on Hollywood's super successful television series FRIENDS & Big Bang Theory).***

Navigating a decade of challenges



Despite recent headwinds, the world's big miners are strong and optimistic. Alongside the energy transition megatrend and other developments, the pandemic triggered sudden elevated demand coupled with supply disruptions, which raised commodity prices, resulting in significant upside for miners. The figures show that 2021 was a record year, and 2022 is expected to be another: in recent months, prices for many mined commodities have hit record levels. The industry's EBITDA margin1 is estimated to be in the range of 40 to 50 percent for 2021, higher than 2020's approximately 34 percent margin, which is in line with the historical average of 35 percent between 2010 and 2019. Demand for selected commodities is expected to increase with the growth of consumer spend, much of it likely to come from more than one billion Asians entering the global middle class by 2030.

The capital markets have recognized and rewarded this stellar performance: since the start of global lockdowns in March 2020, the top 50 miners have significantly outperformed major market indexes. Their total market capitalization climbed by some 40 percent over the period from December 2019 to December 2021.

Historically, cyclical commodities pricing has made valuations volatile. Moreover, there has been significant change among the CEOs and boards of mining companies over the past ten years. Given this picture, mining executives would be well advised to think proactively about how to maximize shareholder returns in the years to come. This would include an assessment of organizational strengths and trends shaping the industry, along with consideration of five focus areas.

Conditions favoring change

The industry is enjoying strong balance sheets and P&Ls but coming off almost ten years of underinvestment. Globally, capital expenditures in mining fell from approximately $260 billion in 2012 to $130 billion in 2020 (corresponding to 15 percent and 8 percent of industry revenues, respectively). This change in circumstances is even more apparent relative to the situation in 2016: as commodity prices declined from 2012 to 2016, most mining companies focused on reducing capital expenditures, fixing balance sheets, and controlling costs. Since 2016, absolute capital expenditures have risen, but relative to cash flows from operations levels of capital expenditure are still modest. This suggests that although growth is once again on their agendas, executive teams and boards remain cautious about using large-scale capital projects to fuel growth.

Capital expenditures for the top 50 miners are expected to rise to

$84 billion in fiscal year 2022, 30 percent higher than 2019's level. Notably, however, this remains around 30 percent below peak capital spending of some $125 billion in 2013. On average, top miners have deployed around 70 percent of their cash flow from operations as capital expenditure while setting dividends at around 20 percent. Meanwhile, according to our analysis of McKinsey's Mining Productivity Index, productivity has recently improved but is still some 25 percent below levels achieved in the mid-2000s.

Along with room to improve productivity and resources to invest, mining companies have potential to see continuing strong demand. A notable force is likely to be the transition to a net-zero economy, which will inevitably be metal intensive. As the move toward cleaner technologies progresses, the metals and mining sector will be expected to step up to the challenge of providing the vast quantities of raw materials required. Metals and mining companies will need to grow faster and more cleanly than ever before.

Significantly, the pace of the energy transition means that availability of certain raw materials will need to be scaled up over a relatively short period—in some cases, to reach ten times current volumes or more. In certain technology-transition and supply-ramp-up scenarios, we could see copper demand exceeding supply by 5 million to 8 million metric tons and nickel by 700,000 to 1 million metric tons by 2030. For those two commodities alone, we estimate that meeting demand growth could require $250 billion to $350 billion cumulative capital expenditure by 2030 to grow and replace depletion of currently existing capacity. In that context, given the inability of mining supply to respond rapidly, managing mining operations will become increasingly complex.

Challenges as the current decade unfolds

Against this backdrop, miners have to plan for the considerable challenges of this decade. These include the urgent need to address the prospect of acute labor shortages, a legacy of underinvestment and sparse project pipelines, geopolitical risks, and low productivity.

Miners have to plan for the considerable challenges of this decade, including the urgent need to address the prospect of acute labor shortages, a legacy of underinvestment and sparse project pipelines, geopolitical risks, and low productivity.

Acute labor shortages

Miners are grappling with a severe shortage of workers, sparking production cuts and shipment delays as they compete with other industries for talent while simultaneously navigating constraints imposed during the pandemic. Recently, many miners in Australia highlighted the issue of workforce absenteeism in the face of the COVID-19 Omicron variant, with disruption anticipated to continue into the second half of 2022. For example, Rio Tinto has forecast slightly weaker-than-expected 2022 iron ore shipments, partly due to tight labor market conditions.

Meanwhile, the International Council on Mining and Metals anticipates that some 20 percent of mining and metals workers are at risk of displacement as jobs and skills requirements in the industry evolve.3 At the same time, employers in the industry are competing with leaders outside the sector for new skills—for example, competing with technology players to hire employees with digital and technology skills.

Years of underinvestment

Recent years of underinvestment and somewhat sparse project pipelines mean exploring opportunities for capital expenditures—and identifying suitable projects for execution—will be crucial. Most of the increase in these expenditures will be aimed at enabling incremental growth, with growth-enabling capital expenditures set to increase 40 percent to $100 billion or more. Other trends expected to mandate increases include a shift toward remote locations, the need to access deeper deposits, and the introduction of autonomous vehicles.

However, even though the current situation indicates a need for more capital spending by the industry, companies have been slow to adjust. We are seeing a thin project pipeline for the major miners, especially in copper, nickel, and zinc.

Potential for increased geopolitical risks

As political frictions within and between regions heat up—accompanied by a rise in resource nationalism in many of the resource-rich nations—there's a growing likelihood that this dynamic will affect a miner's operations, supply chain, performance, or people. Such a trend would intensify the challenges created by geopolitical risks.

Low productivity

Mining productivity peaked in the 1990s, and since then, it has fallen by more than 30 percent. This is a critical issue for miners. Unfortunately, for many, digital and analytics have not delivered their full potential, and extra value remains to be captured. Moreover, further value can be generated in additional areas, such as carbon emissions, end-to-end mine planning, and operations.

Five key areas of focus for mining leaders

To improve value, boards and top management will need to think holistically. Our analysis reveals that miners can increase absolute EBITDA performance (not simply profitability) by 10 to 20 percent via holistic growth and performance improvement. A priority for CEOs and top executives will be to ensure that all departments work together to develop and execute a winning plan for the 2020s. Many of the proposed initiatives will need several departments to work together, which will be impossible if departments work in silos.

Five major areas of focus can help miners capture value over this decade.

1. Develop a growth agenda

Miners should develop a growth agenda. This involves reviewing the company's operating philosophy to become more agile and modular in planning. Steps to take include:

- Revisit the exploration and investment plan. The world will inevitably need more commodities. Miners therefore should consider developing a holistic plan for rapid exploration of select commodities.

- Actively consider M&A and asset diversification. Miners may find attractive opportunities to acquire assets with access to commodities where there is growing demand. However, they should be cautious of prices, because M&A is rising again.

- Assess the entire portfolio for various price scenarios. Many assets will not be viable in the long term, so companies should divest as needed. Examples of miners who are actively divesting their coal mine assets include Anglo American, BHP, and Rio Tinto, which either have divested already or are currently engaged in divesting their coal assets.

- Develop mines in a more modular and dynamic fashion. A modular approach enables companies to adjust production according to market demand and prices. It also enables them to target a specific market, such as premium "clean" ore, and will help make smaller and shorter-life assets more viable. Consider developing the philosophy of reusable plant and equipment that can be moved from one ore body to another as assets come to the end of their life. One of our clients deployed stochastic mine planning to increase the net present value (NPV) of a mine by 10 percent; the miner introduced variability measures into its mine planning and developed a scenario-based mine plan that could be adjusted depending on price and market requirements.

2. Deploy technology

Miners should think holistically—keeping in mind all use cases and as long-term benefits and capabilities—and accelerate the deployment of technology to increase throughput and reduce cost to expand the reserve base. Our work with more than 100 assets across commodities and geographies has shown that an integrated, execution-focused approach can help miners capture 5 to 15 percent improvement in EBITDA. This can be achieved through improvement in KPIs for reducing average site costs, reducing fuel consumption, and boosting throughput. Digital and analytics can enable safety improvement as well. We have also seen miners increase their reserves base by reducing average site costs, lengthen the life of their mine, and increase NPV.

One miner used sensors and machine learning to implement predictive maintenance in its fleet. The model was able to predict when components would fail, enabling an increase of more than 50 percent in the lifetime of key components. In another scenario, a metal mine used Industrial Internet of Things sensors, combined with a centralized data repository and advanced machine learning, to boost chemical recovery from the extraction process by 10 to 15 percent. Meanwhile, autonomous trucks introduced by some miners are technology-powered mining advances that have made workers safer while reducing fuel usage by 10 to 15 percent—thus improving environmental performance by 13 percent while making sites and local areas less hazardous.

Importantly, our work with leading miners across the world confirms that a few key shifts are required for miners to capture their full potential:

- Move from piecemeal solutions adding incremental value to holistic thinking around the next generation of technology solutions to access reserves faster, at a lower cost, and with a lower environmental footprint. Deploy solutions at scale to improve productivity and reduce cost.

- Develop plans to embrace new technology such as remote ore collectors (ROC), blockchain, and autonomous vehicles. Many mining companies are taking the lead in deploying new technologies, such as blockchain for provenance and carbon-emissions tracking. For instance, Tracr, the blockchain platform originally launched by De Beers, aims one day to track almost every natural diamond from the mine to the retail counter. Meanwhile, MineHub and IBM have announced a partnership to use blockchain technology to help improve operational efficiencies, logistics, and financing and to reduce costs in the high-value mineral concentrates supply chain from mine to end buyer.

- Collaborate with others in the ecosystem (start-ups and value chain) and launch ventures to take stakes and form partnerships.

3. Treat ESG as a source of value

While it is common for managers and boards to view environmental, social, and governance (ESG) as a license to operate, some companies mandate that it be a source of additional value. The board and shareholders should link the KPIs of top management and establish independent board committees to review the company's performance on all the three aspects.

According to S&P, mining lags other sectors in reporting ESG goals because companies are struggling with the lack of a single industry-reporting standard. Half of the mining companies assessed by the Transition Pathway Initiative (which tracks the carbon performance of nearly 500 companies) have set emission-reduction targets, compared with 75.7 percent of companies in other sectors. Similarly, 80.4 percent of the assessed coal and diversified mining companies have disclosed Scope 1 and Scope 2 greenhouse-gas emissions, compared with 85.6 percent of nonmining companies analyzed by the initiative.

Our interactions with global mining companies have shown that they do see ESG as a driver of long-term value rather than viewing it through a defensive lens. For example, maturing commodities markets, driven by changing consumer behavior, are primed to accept the price differentiation for low-carbon products. We have seen the trend across many commodities. Many miners are already taking steps to capture opportunities through recycling of metal in downstream.

Global mining companies have shown that they do see ESG as a driver of long-term value rather than viewing it through a defensive lens.

As an example, at the end of November 2021, the premium of green nickel was quoted at 3 to 4 percent on the London Metal Exchange.

Additionally, miners should optimize for integrated value to cover carbon and social impact as well as cost and margin—for example, taking into consideration the impact of carbon tax when reviewing cost and capital expenditures. Given the importance of public perception, it is critical to think about social and governance aspects along with decarbonization efforts.

4. Collaborate with others in the ecosystem

Miners can no longer afford to do it alone. To maximize innovation and growth, they need to be willing to form partnerships with various components of the broader ecosystem. Mining and metals companies can learn from the experience of other industries to collaborate along their own connected value chain across three priority areas:

Reliability and flexibility. Players in the mining ecosystem need to ensure availability of raw material as required by customers and the market, in a way that can be adjusted up or down depending on market demand or local restrictions. A ban on exports or imposition of additional taxes can mean that industry players need to adjust their supply chain immediately.

Traceability and neutrality. Many companies and financiers have made it an imperative to report products' environmental footprint across the value chain and to take steps to reduce their carbon footprint. That would include a need to ensure that ore is produced at ESG-friendly assets.

Innovation. Players can collaborate to introduce innovations that reduce costs across the value chain. Today, new business models are arising that see miners collaborating with customers and their supply chain. For example, BHP has collaborated extensively to foster technological pathways that facilitate decarbonization. These joint efforts boost the probability of its value chains achieving net-zero outcomes—for instance, through investing in next-gen technologies and partnerships with major steelmakers to research and pilot various steel decarbonization technologies, accelerating maritime transition, and partnering on supply chain traceability.

5. Develop 'talent of the future'

Mining and metals companies need to adapt their workforce requirements in order to support their responses to the two big issues of the decade: digitization and decarbonization. Digital talent is in demand everywhere. As companies find they need to deploy more digital and analytics solutions, they also need to find and retain digital talent. However, it's no secret that miners are typically not employers of choice for digital natives. Consequently, miners should consider updating traditional methods of finding and retaining talent to support their requirement for employees with new skill sets and values.

Step one is to think differently by taking a more holistic and proactive approach to diversity, in particular tapping two important talent pools—women and locals. Today, women represent a mere 8 to 17 percent of the global mining workforce. Moreover, in addition to the low labor-force participation rate, the drop-off from entry level to executive for females in mining is among the most dramatic across all the industries we studied. Breaking down the sector in terms of senior leadership roles, we see that mining is a laggard among laggards: female representation within mining company C-suites is lower than that in S&P 500 companies.

At the same time, to match their appetite for employees with new skills, miners will likely need to recruit more talent from around the locality of mines. They can take even more proactive steps to develop local communities with higher education and by opening their supply chain. Miners should think proactively about super localization—developing skills within local communities for mining roles, which helps reduce attrition and build community relationships.

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(Courtesy: McKinsey & Company)

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Maritime cybersecurity – HR's role in creating and managing a culture of security mindset

In the digital age, even the oldest of industries, Maritime can come under the wrath of cyberattack with the ever-growing use of information technology and satellite communication in the ocean going vessels.

Maritime cybersecurity does indicate the policies, processes, risk elements & architecture, tools, and applications those are used to protect the information/data from risks of any unauthorized access and control in their organization including vessels.

According to the International Maritime Organization (IMO), maritime cyber risk refers to a measure of the extent to which a technology asset could be threatened by a potential circumstance or event, which may result in shipping-related operational, safety, or security failures as a consequence of information or systems being corrupted, lost or compromised.

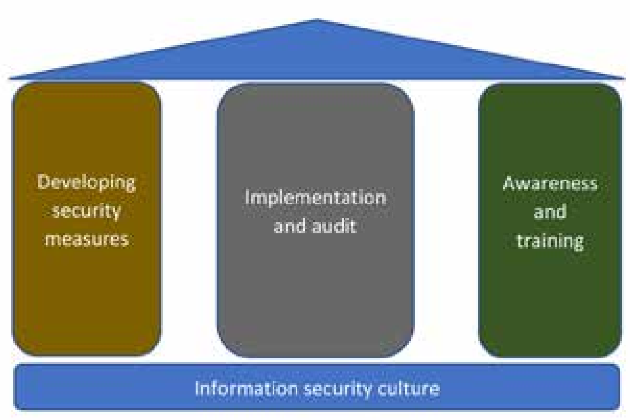
While the cybersecurity delves deep into operational technology and related areas which caters to network, satellite communication, GPS/navigation etc we will be more focused on the "information security" component and how HR will be enabling the culture of security mindset in an organisation within in the maritime industry.

HR Approach to information security

The role of HR in information security management in general will comprise of

- Understanding the overall risk framework including risk appetite of the organisation
- Providing clearly laid out HR processes to IT for risk assessment
- Understanding and working in tandem with IT to develop security measures in HR department
- Implementing security measures as part of the process
- Ensuring process compliance including audit management
- Creating awareness of security policy and process to all employees

The areas of HR focus on the information security management will be



Developing Security measures

The objective of developing security measures will be in line with overall information security policy with a view to develop collection and access of information pertaining to employee including but not limited to internal employees but also the third parties as well as contractual employees.

The objective of such policy or clearly articulated process will be to reduce the risk of information collection which are not posing challenge to data privacy regulations or compliances, theft, fraud or inappropriate use of information systems including the data classification as well as control.

For example, e-mail access before joining and after relieving, employee information collection format, storing as well as retrieval control, updating employee information, various external application access & control etc are defined here.

Implementing security measures

The key to success of security management is the effective implementation of the policy and procedural elements while also carrying out/ participating in security audits periodically. This is the phase which will give enormous information pertaining to challenges in the collection and access of information at varied touch points of employee life cycle.

Challenges and concerns with respect to the policy and procedural elements are understood to further refine the security measures will become a possibility once implementation of security measures is completed.

Implementation mostly ascribes the policy violations and non-compliances identified during audits along with the action plans ensuring non recurrence of such incidents. For example, employee login to access to external application not being disabled upon change of role of the employee can become a threat to information theft which if had not carried out on time will become a non-compliance issue.

Awareness and training

The most important role of HR in addition to creating and managing security measures for the employee related information for the organisation is creating awareness about the information security and providing training for all employees on the security measures

Awareness training program aims to make employees aware of responsibilities as well as security procedures that need to be followed including but not limited to use of access to office premises, attendance, network, office mails and communications, external applications etc

The recent changes of employees working remotely needs to be given more emphasis from information security perspective as the chances of cyber-attack or information theft is more prone under these circumstances considering lack of awareness of employee in using systems and processes as per the security policy.

Needless to state the importance of security practices awareness and use in the organisation though owned largely by the IT, cannot produce desired results lest HR department works closely with them to create the awareness and continuously monitoring to take disciplinary measures. To ensure the employee information is managed and guarded effectively, HR will have to work closely with IT to develop policies and procedures while also imparting the training and awareness sessions periodically.

Rajesh Balasubramanian
HR Advisory & Transformation Leader at Nevoxel

Nevoxel is a specialist HR firm delivering Talent solutions for Maritime and allied industry pertaining to shore-based hiring, organizational Capability Development, Workforce Transformation and Personal Branding.

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Gati Shakti - Fast Tracking Multimodal Connectivity

Mr Rajesh Menon

Assistant Vice President in the Shipping Desk at Invest India

Multimodal connectivity as it is called is the Central theme of the PM Gati Shakti initiative which intends to bring changes in the planning, implementation and regulatory framework of project management in an IT-enabled fashion. Through the Gati Shakti initiatives Government of India is now in a process of seamless integration of systems and policies alongside with efficient project management in ensuring that we are globally competitive and economically advantageous. Gati Shakti was announced by Hon PM on 15th August 2021.

Mr Rajesh Menon, Assistant Vice President in the Shipping Desk at Invest India is attached to Ministry of Ports Shipping and Waterways and is a maritime professional with more than two decades of experience in Infrastructure and maritime management.

In an exclusive interview for **Marex Media**, Mr Menon shares his thoughts about the Gati Shakti project with **Ms Neetu Jaiswal** of **Nevoxel Consulting**.

What is Gati shakti project and how will it impact the Indian economy, will it fulfil the government vision?

The government of India embarked on a path of creating a national master plan (NMP) for multimodal connectivity in the year 2020. The overall objective of developing such a comprehensive plan was to take an integrated approach to all the existing and proposed infrastructure initiatives by way of a planned approach. A plan of making zones of economic activity in the country as a fulcrum of economic development interconnected with a network of multimodal connectivity to the last mile. The plan also had to ensure that the initiatives being undertaken by various ministries develop a synergy and to not operate in silos. Implementation of such a master plan requires an integrated technologically enabled faster approach and such projects identified as Gati Shakti projects. The Gati Shakti projects will be implemented faster by closer monitoring and debottlenecking enabling the Indian economy to reduce its logistic cost which is currently around 14 % of the GDP

Is state governments involved in these projects? If not, won't it hurt the objectives of the project itself, which is ending silos?

Gati Shakti is a plan for development of the country and it involves state governments as well. The projects identified are part of the development of the state and include State Government projects as well . All state governments are actively involved in implementation of the Gati Shakti Projects . Out of 101 Gati Shakti projects being implemented in the maritime sector 44 projects are of the State Governments.

How technology is leveraged in gati shakti projects? Can you elaborate on this?

Gati Shakti projects will leverage technology extensively including spatial planning tools

with ISRO imagery developed by BISAG-N (Bhaskaracharya National Institute for Space Applications and Geoinformatics). This techno enabled approach to Infrastructure development where data on project geography, with multiple layers of project information of 16 Infrastructure ministries all integrated into a single database will ultimately break the silos of information management and enable faster decision making creating a targeted pace of development hence it is called Gati Shakti. Projects identified as Gati Shakti will be centrally and collectively monitored. Here the project management is by a central team with state units collectively reviewing a project. This integration is the essence of the Gati shakti philosophy.

How is it different from Bharatmala project as it is also associated with improving connectivity between the regions?

All projects in any schemes if it is involved in multimodal connectivity to economic zones is considered as a Gati Shakti Project. Individual schemes are taken up by various ministries but if any of the projects if contributing to multi modal connectivity and reduction in logistic cost it can be considered as a Gati Shakti project. Central project schemes like Sagarmala and Bharatmala involvs many port connectivity projects which will enhance multi modal connectivity.

As its vision is to integrate planning and implementation of infrastructure projects, could you appraise how it will affect the maritime industry?

Development of a multimodal infrastructure connectivity results in equitable distribute of movement of cargo, creating sustainability and efficiency in the transportation infrastructure with a significant impact of reduced logistics cost. This means, how we will be able to move goods and traffic through an integrated mode of transport, mainly through roads, rails, coastal routes and inland waterways. Currently India has the world's largest road network exceeding 3 million kms and the running track length of Indian Railways is nearly 1 million kms. We are also bestowed with a long coastline of nearly 7500 kms with 12 major ports and nearly 200 non major ports. We are also having an inland navigable waterway length of nearly 20000kms. However up to 95 % of movement of our freight traffic is only through road and rail and resultant inefficiencies has resulted in our logistic cost being around 14 % of our GDP. Shifting of cargo through multimodal network which include water transport will impact the maritime sector heavily. The major impact is also on evacuation of cargo which hitherto have been a major challenge and enhanced and new road rail connectivity to ports will directly impact the maritime trade positively.

What are the few major difficulties faced in the execution of maritime projects?

The major issue facing maritime project is the availability of funds at competitive rates both domestically and internationally. Higher cost to fund have made Maritime projects costlier with longer time for returns. Development of a maritime development fund is a solution to this problem. The second problem that we face is lack of skilled man power . To address this more maritime universities need to come up which not only addresses the On shore training needs but a larger capacity development is required in developing technologically enabled skills in port project management to create world class ports. Cost escalation due to delay is another major issue which needs to be addressed through effective project planning.

India have many large ports which is yet to be developed and facing operational inefficiencies. Don't you think, it should be developed and given priority instead of creating more ports?

India has a coastline of 7500 Kms and currently has nearly 200 non major ports and 12 major ports. More than 100 of non-major ports are non-functional. The maritime India vision document addresses these issues in creating operational efficiencies in our ports. India currently is growing above 8% and by the initiatives like Atmanirbhar bharat while we are making efforts for self sufficiency, creation of new ports are focussed on developing LPG/LNG facilities, improving container traffic and minimising transhipment costs. At the same time we also need to develop our non-functional ports to address the requirements of the future as we expect to become a multi trillion economy.

Port privatization will hurt the people as it can increase the cost of logistics, warehousing, etc, which will ultimately increase the price of goods? Your comments, please...

In fact it is the opposite. Any privatisation initiatives are also accompanied by a resultant competition for cargo and traffic. Hence the natural objective will be to reduce cost and in efficiencies. PPP models have proven to improve our operating efficiencies. Hence privatisation in fact leads to reduced cost and increased efficiency. With Ports being landlords and terminal operation privatised has proven to be a cost effective modal. JNPA is a typical example.

We know, technology is evolving, don't you think govt should invest on dark warehouses on secluded places, so that things will be more organized and logistics costs can be minimized?

The new warehousing policy contemplated addresses the inherent problems of warehousing and enable reduction in logistic cost. Development of Multi Modal Logistic Parks at Ports, Setting up warehousing facilities in city outskirts, adopting technology for registration and process flow, adopting PPP modes for implantation etc are being planned in a new policy. With increased containerisation of cargo and the growth of the retail sector will result in additional requirement of quality warehousing space, for which availability of space will be either near the consumption centres or near ports. Technology has evolved in such a way that a tagged product in a warehouse can be tracked through mobile applications and hence warehouse management is not location specific.

Last but not the least, how will gati shakti help in employment generation and betterment of people life and Aatmanirbhar Bharat?

Gati Shakti projects are not about just faster implementation of projects but is also about improving infrastructure capacities. It is about developing new rail road connectivity to economic centres coastal transportation of passengers and cargo, developing inland water ways, RoRo terminals, and port led industrialisation. The hon finance minister in her budget speech has mentioned that an amount of 20000 crore will be mobilised in the current year. The direct and cascading effect is higher employment generation. This will result in new projects and new jobs.

MMT

7 Important Points a Seafarer's Wife Must Consider When On Board Ship

Shipping companies commonly boast of the privilege of the family carriage they give to seafarers. While some of them provide this opportunity only to the top 4 ranks (Captain/Master, Chief Engineer, Chief Officer, and Second Engineer), there are others who are more liberal and extend it across levels for officers/engineers. This leaves greater prospects for wives of seafarers to accompany their husbands on the ship. In practice, it may not really work out as smoothly as it sounds for circumstantial reasons in a lot of cases; those being able to make it to the sea are no less than a fortunate lot.

Life at sea is not a cakewalk; neither for the mariner nor for his wife. While the mariner gets accustomed to it over a period of time, his wife often struggles to familiarise herself in the first place to a whole new world around her. It helps if she acknowledges that the ship belongs to the realm of men despite the role reversal in today's scenario. In such situation, she must not feel pulled down while being guided by her husband on matters relating the ship and the people on-board. After all, he has past experience and sailed with people of different mindsets and working styles. She can safely trust his judgment and instinct while dealing with the crew and carrying herself on-board.

The following best practices will cement the ground realities and further help her sail through the 'life at sea' with some ease:

1. **Be Disciplined:** Seafarers are required to be

disciplined on-board. Their wives must follow suit. Meal timings are fixed on ship and seafarer's wife should adhere to those. She must appreciate and eat what is on the menu for everyone else. There are separate mess rooms for crew and officers where meals are served. Quite often, there are designated seats for every officer. Seafarer's wife should follow the arrangement and occupy her seat. Carrying food to the cabin should be avoided as much as possible.

2. Conduct: Seafarer's wife, just like seafarers, must practice appropriate conduct. Her behaviour should be conducive to the professional work environment on ship.

– As a practice, a seafarer's wife can safely address all seniors (those above her husband's rank in the hierarchy) as "Sir" while all others by their rank or first name. (However, this depends on the type of environment on board and the person's own will.)

– It is also advisable to maintain a low profile than being a 'talk of the town' kind, since attracting undue attention is definitely uncalled for.

– Engaging in frequent personal discussions with others on board may give wrong signals to fellow members on-board. Maintaining pertinent distance is important. Pleasant disposition with a friendly attitude is always appreciated.

– Seafarer's wife must not attempt to convert the galley (ship's kitchen) to her own kitchen. While she may be a perfect cook for her husband, the ship's Chief Cook is vested with the responsibility of taking care of the meals for the entire crew. Cooking something specific for kids (if accompanied) is fairly acceptable. Doing it for herself or her husband is "OK" once in a while. On rare occasions, treating the entire crew with any of her hand-made specialty may be considered as a thoughtful gesture.

– Public display of affection between the seafarer and his wife is a complete NO. Also, she must not tag along with her husband on the entire ship while he is working. Seafarers work in teams and people do not like being ordered, instructed, or for that matter chided in public. Those at the receiving end may not appreciate seafarer's wife's presence in such scenarios. She must try to distance herself physically from work-related discussions as much as possible.

– Barbeque or indoor parties are often organised on ships for seafarers, as a good way to unwind and have fun. Seafarer's wife can attend and enjoy these events. She can also engage herself in managing games during these get-togethers or otherwise, for the entertainment of everyone provided the Master encourages or is supportive of such ideas. The men on ship generally want to dance and let loose in parties. Presence of family members often inhibits them to enjoy in their own ways. It may be good for the seafarer's wife to make her exit within a couple of hours. A word of caution here is to still be conscious of her conduct at all times. In case alcohol is being served, she may give it a pass.

– A seafarer's wife will frequently get accompanied by other officers while having meals in the mess-room. All table manners and courtesies hold well on such occasions and should be observed by the seafarer's wife. Using fork and knife to eat, waiting for others to finish on your table, or excusing yourself to take leave are few such commonly seen mannerism people follow on-board.

3. Dress Suitably: One is often judged by the clothes he/she wears. Dressing appropriately is extremely important on ship. Body hugging and revealing attires should not be worn to attract unwarranted attention. Simple jeans with comfort fit T-shirts or leggings with decent neckline and comfort fit dresses works best while sailing. Seafarer's wife will find floaters, sneakers or sports shoes more comfortable for a safe movement on the ship's surface keeping in view the intermittent rolling.

4. Safety Measures: A seafarer's wife must hold the importance of safety and security in high regards while on the vessel. She must comply with the safety instructions at various work areas and respect the restraint expected of her on-board. She is also required to regularly attend the drills conducted on board and make efforts to familiarise herself with basic safety measures for her own good.

5. Be Responsible: The seafarer's wife must act responsibly at all times. Ships are equipped with various facilities, equipment and services for the usage and recreation of all the seafarers on-board. Steam room, sauna room, gym, indoor games and internet/wi-fi facility etc. may be there to name a few. Seafarer's wife is free to use all the facilities available to her, but responsibly.

Wastage, excessive or unnecessary usage of food, water and electricity resources should be avoided by her as a responsible passenger on board.

Ships often roll and hurl in rough seas or bad weather due to which most of the things are fixated and lashed to keep them safe. It is her duty to keep her cabin and stuff therewith properly secured for avoiding any damage or injury.

6. Be Empathetic: It is thoughtful to be empathetic towards all the sailors on-board. They work hard to maintain, manage and navigate the vessel in tough work conditions. They get limited pre-defined rest hours. A small gesture like closing doors softly or playing music/TV at optimum sound levels is good to practice. Ships with common internet/wi-fi facility often have restrictions and shared usage guidelines so that everyone can get to use it within the defined space limit available. It is expected from everyone to adhere to those.

7. Be Patient and Positive: Life at sea often gets dreary and monotonous for the seafarer's wife. Unforeseen circumstances, port operations and day-to-day deck/engine work often detain mariners for long hours of work at a stretch. Seafarer's wife will need to be patient and open to acclimatise to such situations as and when they arise. Uncertainty around shore-leaves and sign on/off for varied reasons tends to disturb those on-board. Maintaining realistic and reasonable expectations from her husband keeping in mind that the ship is his workplace becomes important in such scenarios.

Self-motivation and a positive outlook are vital for both seafarers and mariners' wives on board ships in order to have a memorable stay. Keeping herself engaged in constructive or recreational activities will help her combat any negative thoughts and monotony.

She can truly find bliss in her life in the form of: companionship of her husband, ample time to retrospect and read, an adventurous life, travelling across the globe, beautiful and most pure surrounding (those jaw-dropping picturesque sunrise/sunsets, rainbow, dolphins and what not!) It's exquisite all around.

Every seafarer's wife's experience will be distinct in its own way and mutually exclusive every time she puts out to sail. Her experience often varies depending upon the rank of her husband, different set of/individuals she meets on-board, the voyage that the vessel follows and frequency of ports and shore-leaves thereof, etc.

As we elucidate the tenets a seafarer's wife should live by while at sea, the role of her husband too assumes paramount importance when they sail together. While she puts in her heart and soul to accustom to the sea life, it becomes her husband's responsibility to appreciate and acknowledge her efforts and be empathetic towards her concerns and feelings. He should take that extra mile to make his wife comfortable and accepted in a world entirely unknown to her. Invariable communication and enormous trust apart from love, care and understanding between the two helps a long way. Just lending a listening ear also works wonders a lot of times.

More than often, seafarers' wives have had their once in a lifetime kind of experience while sailing and enjoyed it immensely. There are many who would second this thought. Travelling, trying various cuisines, meeting people of different nationalities, learning about different cultures have often lent a complete new perspective to look at the world around them.

Here's wishing 'Bon Voyage' to all the ladies out there who are setting out to sail soon!!!

MMT

(Courtesy: Marine Insight)

ABB to spin off its Accelleron turbocharging business

Following a decision by its Board of Directors, ABB today announces its intention to spin off Accelleron (formerly ABB Turbocharging), its market-leading turbocharging division, by way of a dividend in kind of Accelleron Industries Ltd's shares to ABB's shareholders. Accelleron's listing on SIX Swiss Exchange in Zurich is planned for October 3, 2022, and is subject to, among others, approval by ABB's shareholders at an Extraordinary General Meeting scheduled for September 7, 2022.

The proposed spin-off of Accelleron represents a unique opportunity for both companies, allowing them to focus on their respective core strategies and create long-term value for their stakeholders. ABB's shareholders will be able to realize the full value of Accelleron, while ABB continues to simplify its portfolio and focus on the megatrends of electrification and automation. Accelleron will be able to concentrate exclusively on reaching its full potential in the large engine industry where the company is known as the market leader in heavy-duty turbocharging, with a compelling growth profile, high cash generation and an attractive expected dividend policy.

Björn Rosengren, Chief Executive Officer of ABB, commented: "After careful consideration involving a dual-track process, we have concluded that spinning off Accelleron is the best way forward – for Accelleron itself and for ABB's shareholders. This decision also forms a key part of ABB's active portfolio management, while allowing our shareholders to actively participate in the future growth of this Swiss champion."

Global market leader in the turbocharging sector

Accelleron's potential is driven by its position, built on its very long track record, as a global market leader in heavy-duty turbocharging for mission-critical applications.

Accelleron develops, produces and services turbochargers and large turbocharging components for engines, which enhance propulsion and increase fuel efficiency while reducing emissions. Its leading products support clients in sectors including marine, energy and rail, helping to provide sustainable and reliable power and highest efficiencies. Accelleron has an installed base of over 180,000 turbochargers globally and delivers around 10,000 turbochargers every year.

The turbochargers are produced, sold and serviced by Accelleron's 2,200 employees across its network of 100 service stations in approximately 50 countries. The business has a significant and increasing presence in key established and growth markets in Asia.

Accelleron is considered best-in-class when it comes to reducing fuel consumption and improving the emissions and green profile of its clients' applications. The company's outstanding technological competence is increasingly important as pressure grows on its clients to decarbonize, and will remain so, as its turbochargers can also be implemented in alternative and low-carbon fuel applications and drive systems.

Strong financial profile to invest for growth and reward shareholders

Accelleron's technological pre-eminence is underpinned by market leading investments in research and development, representing approximately 7 percent of its 2021 revenues. Following the spin-off, the company expects that its strong financial profile will allow it to remain at the forefront of innovation by continuing investing in R&D and strengthening partnerships with OEM's and end users as well as to offer attractive returns to its shareholders.

In 2021, Accelleron generated revenues of $756 million with an operating margin of 25 percent. These results are comprised of resilient service revenues accounting for about 75 percent of 2021 revenues. Accelleron has a profitability above sector average with robust cashflow generation with Cash Flows from Operating Activities of $163 million in 2021. This will allow Accelleron to adopt an attractive dividend policy.

Daniel Bischofberger, CEO of Accelleron, commented: "Through the spin-off, we will have an even greater focus on our own operations, meeting the critical high-power propulsion needs of our customers while enabling them to achieve their environmental targets. Our strong track record and financial profile position the business to be a leader in the energy transition, developing cutting-edge products and services – both now and far into the future; all while remunerating our shareholders."

Transaction structure

Provided that the spin-off is approved at the EGM and the conditions precedent for it are met, ABB will distribute to its shareholders, on a pro rata basis, as a dividend in kind, 1 Accelleron share for 20 ABB shares held. Further information on the transaction structure and other important dates in connection with the spin-off will follow in the invitation to the EGM and in the Shareholder Information Brochure prepared by ABB in relation to this process.

On August 31, 2022, ABB has scheduled a Capital Markets Day focusing on Accelleron in order to provide further information on the company and the transaction.

ABB has retained Credit Suisse and Goldman Sachs International as exclusive financial advisors on the transaction. Credit Suisse will be acting as listing agent.

MMT

The Dilemma of Unpaid Bunkers

Introduction

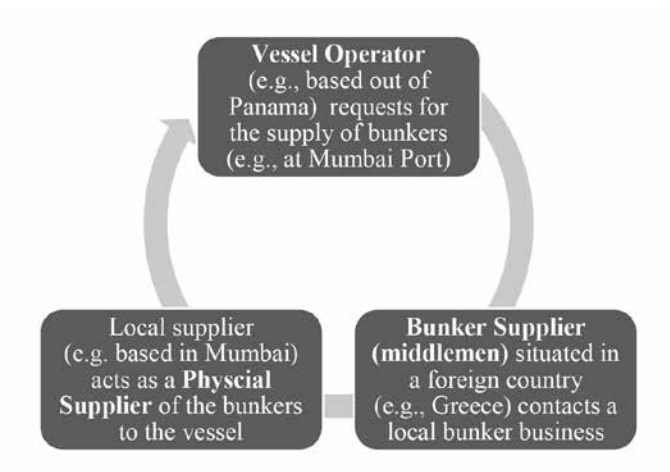
The nature of the Shipping Industry involves many international aspects, but bunkers become the perfect embodiment of international trade involving complex bunkering transactions through various jurisdictions involving multiple and differing laws. To understand better, "Bunkering" is the term used for the act of supplying fuel to a vessel or filling a vessel's bunker with fuel. There are many caveats involved between the commercial parties relating to the sale, purchase, and supply of bunkers. The relationship between these parties usually arises from contracts such as bunker sale agreements or even time charters.

In practice, the differences encountered in different jurisdictions when dealing with bunker-related matters are nearly always attributable to national law and the attitude of the local judicial and other authorities rather than to any great jurisprudential divide between civil and common law.

A rough sketch of the industry

A single maritime transaction can involve multiple layers of intermediaries, and thus, at times, many vessels are often laden with a string of charterers and sub-charters. In a similar way, the bunkering transactions involve a chain of middlemen and intermediaries separating the ship from the actual supplier. A basic transaction for the supply could be between the vessel operators and the physical suppliers of bunkers, involving a minimum number of parties to the transaction. But, in unfamiliar ports or in alien countries, it is often impractical for the vessel operators to look for fuel as they might not have familiarity with the local fuel suppliers, especially in urgencies. To solve these and other problems, vessel interests have to rely upon bunker brokers and traders.

For ease of reference, the author summarizes a very basic bunker supply chain in the below diagram:



As depicted in the diagram, the vessel operators often contact these middlemen, and then they act as an agent of some sort that connects them with another bunker supplier, that would act as the physical supplier of such bunkers.

Not limited to only one trader or broker in the middle, these transactions often create a string of contractual relationships and become quite complex. Both the bunker brokers and the traders act as middlemen, and they both have to deal with and balance the interests of the vessel and the physical suppliers. Nevertheless, there are important legal differences between the two, wherein the bunker brokers act as agents of the vessel proving information about physical suppliers and negotiating with them on the vessel operator's behalf, without taking any credit risk, they bring together the aforementioned interests of the vessel operators and the physical suppliers.

On the other hand, the bunker traders act more as a subcontractor than an agent per se, as their obligations include buying fuel from the physical supplier and selling it to the vessel. These traders enter into a contract with the local fuel supplier, with an already established continuing business relationship, while, they get into bunker trader contracts with the vessels to provide the fuel. The whole process creates convenience to all the parties involved, as the vessel gets the fuel, a contractual relationship with a familiar trader is created, the physical supplier is able to trust the vessel based on the established relationship between them and the traders and the traders and the vessel, they can also sell the bunkers on credit, and even the bunker traders are able to make a small profit by marking up the price of the bunkers it purchases before selling them to the vessel.

These multilayered operations may be of convenience and may be stable, but during a recession or economic depression, bankruptcy and insolvencies consume many businesses, including those involved in the bunkering business. Often, as per the regular maritime practice, the contractual relationships exist only between the vessel and the middlemen, but not the physical supplier per se. In scenarios wherein any of the parties are affected by the economic breakdown, these 'stable' multilayered strings of transactions devolve into chaos. One defaulting party in the chain of transactions disrupts the flow of money from one end to another, and all other parties suffer.

The OW Bunker scenario was such an instance, the effects of which were adverse and are still affecting the bunkering businesses.

Legal obligations in cases of default

Bunker suppliers are particularly vulnerable to the default of their business associates because they often provide their goods or services on credit to the vessel operators. In such a scenario, the aggrieved suppliers can either approach the party they originally contracted with (e.g., any other middleman), or could reach out to the shipowners to recover the debt. Although, the question of whether the aggrieved suppliers can recover from the shipowners does not always have a simple and straight answer. As stated earlier, in most business operations within the shipping industry, the supply of bunkers often involves a chain of suppliers, complicating further the question of who can recover from whom if any one of the links in the chain of subcontractors defaults.

In such cases, the aggrieved party may not have the privity of a contract with the shipowners. Nevertheless, this is a question that is to be answered differently in different jurisdictions. For an instance, in several jurisdictions bunkers are considered to be 'necessary supplies' and thus create a lien over the vessel. In admiralty law, a maritime lien is a privileged claim upon properties such as the vessel itself, acting as a right of the creditor who provided maritime services, to retain the properties of the debtor, i.e., in this scenario, the vessel owner, until the said debt is paid. However, in other jurisdictions such as the English law and even India, unpaid bunker supplies could only give rise to Maritime claims and it does not create a lien. Therefore, in such cases, if the aggrieved middlemen or the supplier cannot assert a maritime lien, they would be financially hurt as they never actually get paid for their services; however, if the aggrieved middleman is allowed the right to a maritime lien, the vessel owner is hurt, as the nature of such lien would entail that the owner will have to cover for the default of another party.

In a Mexican standoff-like situation, neither the aggrieved middleman nor the vessel owner has acted maliciously toward the other party, yet one of them sustains an unfortunate financial burden. The issue of whether a subcontracting supplier can get a lien is of particular importance during a financial crisis because it involves innocent parties bearing the burden of other parties' insolvencies. The OW Bunker is again an exemplar of such a fiasco.

Arrest of the vessel to secure the debt

Another complex issue in Maritime law is that of ship arrest and it varies in different jurisdictions. The aggrieved middlemen may have the opportunity to arrest a vessel against an unpaid bunker debt, depending on the laws of the concerned jurisdiction. Some jurisdictions disallow all sorts of ship arrests even for simple debts from an undisputed owner, while in most of the other jurisdictions, owners are not liable for the defaults of other parties, while in some they may be. Sister vessel arrest is another option that the aggrieved parties opt for, even for debt due from the owners incurred elsewhere, but in such cases, the courts may try to penetrate through the corporate veil trying to figure out the actual ownership and control.

One of the reasons why these middlemen agree to supply the bunkers on credit is that they are equipped with the power to secure the debts through a maritime claim, and they also have the option to arrest the vessel or the sister's vessel in rem. Under the Ship Arrest Conventions, supply of necessaries, inclusive of bunker fuels, the aggrieved parties have the power to arrest the vessel or the sister's vessel in case of defaulted payments. In India, bunker claim has been categorized as a maritime claim, not maritime lien. The claim for the unpaid bunkers can be pursued before the courts under the admiralty jurisdiction by obtaining an order for arrest. However, it would be necessary for the aggrieved party to establish a cause of action directly against the shipowner, rather than against the party they had a contract with, in order to proceed in rem against the vessel interest. As previously mentioned, such cases are difficult to be prove as the parties fail to establish privity of contract and they also fail to establish a direct cause of action sufficient to arrest the ship, especially in scenarios where the bunkers were supplied based out of a contract with another party, in some cases bunker traders or agents, or in some, time charterers. The Bombay High Court in MT VALOR in 2015 reaffirmed the legal principle that a claim for unpaid bunkers was not a maritime lien and that an action in rem on a maritime claim could only be maintained to enforce the personal liability of the owner of the vessel. The Court in this case also talks about the privity of contract and mentions that in such cases, the registered owner had no notice of the claimant's terms and conditions of supply and could not, therefore, be bound by it as there was no correspondence or contact between the registered owner and the claimant.

It can be said that the courts have upheld the right of the contractual supplier to recover the contractual debt but have ruled against third-party subcontractors doing so. The obligation to provide and pay for bunkers rests with the defaulting supplier, and the physical supplier cannot be said to have privity of contract with the vessel and its owner. The shipowners in such cases fulfil their duty under the contract with the bunker trader, with whom the shipowners had a contractual duty. The physical suppliers will not have independent rights of recovery. The difficulty in a physical supplier establishing a claim would force the shipowners to pay twice. Even if the vessel is arrested, the shipowners will lose their business because of it, which will necessarily be double jeopardy.

Nevertheless, there may be instances wherein the suppliers could recover directly from the shipowners. For example, there may be instances where the physical supplier could establish a maritime claim if the shipowner had directed the selection of the physical supplier, and a relationship between the parties could be identified.

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IMO supports Maritime SheEO

Thirty women from maritime administrations across the globe have completed the first ever Leadership Accelerator Programme (LEAP) run by Maritime SheEO, designed to equip women with leadership skills and the confidence to progress in their careers. A virtual graduation ceremony for participants was held on 30 June 2022.

The programme which ran over eight weeks was announced in November 2020 and launched on International Women's Day in March 2022. It was part of the IMO's Women in Maritime programme and run in collaboration with the Women's International Shipping and Trading Association (WISTA International). The participants were a mix of candidates from the eight IMO-established Women in Maritime Associations (WIMAs) and WISTA International.

Following the success of the first iteration, IMO has committed to sponsoring another group of future women leaders in the second half of this year.

IMO's Head of Africa and manager of the Women in Maritime programme, William Azuh says, "The Maritime SheEO programme is focused on building competence, which is one of the most important factors that organisations consider when choosing leaders. Programmes like these are very important to build an individual's confidence as they go into leadership and the confidence of the sector in appointing leaders from historically marginalised communities. We look forward to supporting the next edition of the Maritime SheEO programme and will be releasing details of the programme in due course."

Professional development

The LEAP blended-learning course, which includes self-paced learning as well as small group coaching, is designed to enhance personal development of leadership skills through modules on building professional networks, strategic thinking, persuasive communication and more. Despite challenging schedules, course statistics show that participants completed and submitted 90% of compulsory coursework on time. Sixty per cent (1,800) of the 3,000 optional self-learning modules have already been accessed by participants.

Speaking at the graduation ceremony, Sanjam Gupta, Founder, Maritime SheEO said, “It has a long journey to get to this point of the Maritime SheEO leadership accelerator programme and the graduating class' success is a testament to their hard work. All the women on this course were putting in the work in addition to their full-time jobs and many of them continued with the programme despite being ill with COVID. I am very proud of their work and everyone running this programme is invested in their success as they are the future leaders of the maritime industry.”

Despina Theodosiou, President, WISTA International added, “It has been highlighted during the years that the path a woman must take to advance to top positions is more difficult than it may be for men. But that shouldn't be the case. Leaders in any profession and of any gender should be able to direct, encourage, and inspire others. I think the most important about this course is that it gives women equal opportunity [as that granted to men] and the means to succeed.”

Tangible success

The women participating in the course have varying degrees of maritime work experience, with careers that range from just a few months to over two decades. The networking opportunities created within the course have benefitted attendees and many of the graduates of the course have already reported career progression because of the training and support they received.

Zahra Al Lawati from Oman said, “I can use the programme and contents in my actual work and could actually experience the benefits. One of the important things I learned from the programme was the power to ask. I asked for a promotion and have been granted that.”

Priscilla Koufie from Ghana said, “Joining LEAP and listening to other women and their success stories has been the most resounding wake-up call. The self-paced courses have helped me in my day-to-day activities in my office and have led me to talk to my boss about taking up new ventures.”

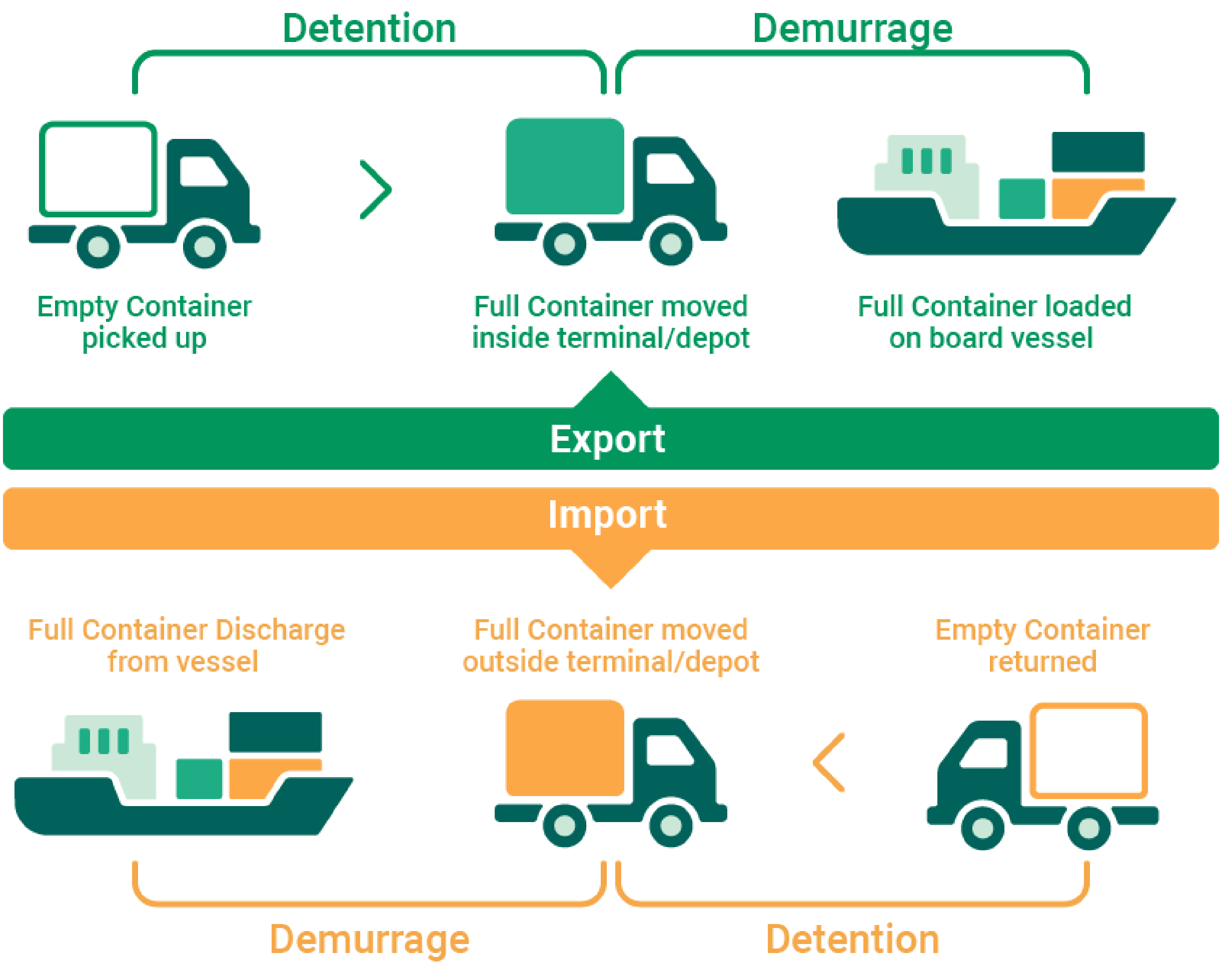
Kenyan graduate Virginia Muindi said, “The programme triggered in me the growth mindset. I took the step to approach our general manager for an office position and it has worked out for me.”

MMT

Maritime SheEO is the brainchild of Ms Sanjam Sahi Gupta who is also the Director of Sitara Shipping Ltd. During her visit to IMO HQ London last week she met with Secretary General Mr Kitack Lim who assured her support. The IMO is supporting the second batch of the program due to start mid-September for another 30 ladies globally.

For ladies who wish to join the program please send an email to LEAP@maritimsheeo.com.

Magnifying Container Lines behaviour



- U.S. ports occupy the top five spots in the list of "60 ports ranked by highest to lowest D&D charges across shipping lines"
- Despite increased U.S. regulatory scrutiny of D&D charges, shippers using the port of New York now face the highest D&D fees on the planet. New York is followed by the ports of Long Beach, Los Angeles, Oakland and Savannah in the rank list
- All five ports were more than 2-3 times more expensive than Hong Kong in 7th spot

U.S. retailers, manufacturers, agricultural shippers and other exporters and importers are laboring under some of the highest shipping levies in the world, according to Container xChange, the world's leading online platform for container trading and leasing. xChange's new Demurrage & Detention Benchmark 2022 report, compares Demurrage & Detention (D&D) rates* imposed on customers by the world's ten largest shipping lines across 60 of the world's biggest container ports.

It found that U.S. shippers, which have struggled to cope with two years of record container freight rates, also face the highest D&D charges imposed by container lines worldwide. Indeed, U.S. ports occupy the top five spots in Container xChange's ranking of global ports from the highest to the lowest D&D fees.

New York leads the way in 1st place followed by the ports of Long Beach, Los Angeles, Oakland and Savannah. All five ports are more than 2-3 times more expensive than Hong Kong in 7th spot, and at least 20 times more expensive than leading Asian container hubs such as Dalian in China and Busan in Korea.

Under heavy pressure from shipper lobbyists suffering from soaring shipping rates, schedule disruptions and higher fees, all of which have been adding to supply chain cost inflation, President Biden signed the Ocean Shipping Reform Act (OSRA) into law on June 16, 2022.

OSRA arms the Federal Maritime Commission, the U.S. shipping regulator, with the power to act more assertively on D&D charges and shifts the burden of proof for the reasonableness of fees to ocean carriers instead of shippers.

"We have received hundreds of complaints from shippers," said Rep. John Garamendi, a Democrat from California who sponsored the initial House version of the bill.

Container xChange's Demurrage & Detention Benchmark 2022 report notes that global average D&D charges levied by container lines on customers two weeks after a cargo was discharged from the vessel increased by 38% for standard-sized containers from $586 in 2020 to $868 in 2021.

So far in 2022, average D&D charges by major ports have declined to an average of $664 per container by 26%, although fees remain far higher than pre-pandemic at around 12%.

Even so, U.S. shippers are not benefitting from these global declines in D&D charges. For example, in May 2022 the average charges levied by container lines on customers two weeks after a box was discharged from the vessel at the port of Long Beach was $2730 per container, up from $2638 a year earlier.

At the port of Los Angeles in May 2022, the average D&D fees increased from $2594 per container in 2021 to $2672 per container.

The U.S. also comes out worse regarding D&D costs in regional comparisons in Container xChange's Demurrage & Detention Benchmark 2022 report. By region, D&D charges in May in the US were the highest at $2,692 per container. This compared to $549 in Europe, $482 in India, $453 in China and $366 in the 'Rest of Asia'.

"Throughout this pandemic, as shipping costs have soared and inflation has become a threat to the U.S. economy, the focus on container line behavior by politicians and regulators has magnified," said Christian Roeloffs, co-founder of Container xChange. U.S. agricultural shippers have been particularly outspoken about their inability to find affordable empty containers for exports. But importers have been equally outraged by what many believe has been profiting on demurrage and detention charges by container lines. Some have started legal actions against carriers.

This really came into the cross hairs of President Joe Biden this year when he has been highly critical of container lines. His administration addressed D&D in the Ocean Shipping Reform Act and we're now waiting to see how this will be implemented and whether it will change shipper or carrier behavior significantly. But with the political spotlight on inflation as recession threatens the U.S., it would not be surprising if we see more regulatory intervention in the future."

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(Courtesy: Container xChange)

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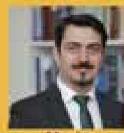

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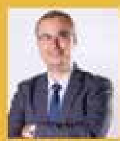

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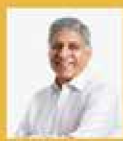

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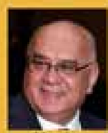

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Goals Of The Event

- To provide a platform for expressing thoughts & ideas related to maritime legal
- To understand the impact of new legislation, national & global
- To provide an opportunity to the legal community to consolidate relations, and network, with maritime
- To recognize the vast contributions of the legal fraternity to maritime

Conference Highlights

- National and International Speakers deliberating on topics related to Maritime Law
- Excellent opportunity to Network with Industry Leaders
- Global Event Coverage through Print and DigitalMedia
- Conference will be followed by an Awards Evening to celebrate achievers in Maritime-Legal
- Cocktails & Networking Dinner

Organising Team

Capt. Kamal Chadha
MD - Marex Media, Mumbai

Mr CK Sharma
Advisor, JM Baxi & Co

Adv Rahul Varma
(Ex Master Mariner) Founder, Ally Maritime and Legal Services, Mumbai

Ally Maritime and Legal Services, (AMLS) Mumbai, as the convener, invites leaders in logistics, trading, customs, sale & purchase, cargo handling, ports & terminal management, marine lawyers, bankers, shipowners, shipmanagers, shipmanning agencies, charterers, H&M and P&I insurance, tax consultants, freight forwarders, ship builders, ship agencies, researchers and others from allied sectors & services to lend a supportive hand by being a part of the Advisory Committee, Speakers, Sponsors, and Delegates, in order to enhance the dignity and high standing of this event.

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