

**As leading Asian owners prepare to meet in Hong Kong, some wonder whether more could be done to amplify their concerns on the global stage, from pollution to piracy, writes Keith Wallis**

**W**HEN around 150 of Asia's top shipping executives gather in Hong Kong next week for the 19th Asian Shipowners' Forum they will face a raft of issues to contend with during their three-day annual meeting.

These will range from piracy and the US ban on ransom payments to US sanctions against Iran, concerns about the implementation of the Rotterdam Rules to increases in seafarer wages and China's new anti-pollution regulations.

The ASF's new secretary-general Yuichi Sonoda, who joined the organisation on January 1, will be in attendance. He replaced Wang Cheng, who was appointed as the group's first secretary-general in 2007.

What is less clear, though, is whether there will be any discussion about the future direction of the ASF, especially over its perceived role in providing an "Asian voice" to the region's shipping community.

Since the ASF established its permanent secretariat in Singapore in October 2007, the body has been seen by industry observers as going some way to speak on behalf of Asian shipowners.

But given that it represents owners that control 50% of the global fleet and outfits such as China Ocean Shipping (Group), China Shipping, Sinotrans, Mitsui OSK Lines, Hanjin Shipping, Nippon Yusen Kaisha, there is a sense it could do more.

Some insiders have also thought there is a danger of its "voice" being lost on some issues, especially piracy, to much larger groups such as the International Chamber of Shipping.

Despite these doubts, one of Hong Kong's leading shipowners and supporters of the group is adamant the ASF is making headway on the international stage.

Wah Kwong Shipping Holdings chairman George Chao says the ASF is "making an impact" and thinks global bodies are "listening to the Asian voice".

The ASF was particularly strident in its condemnation of the treatment meted out by the South Korean authorities against Jasprit Chawla and Syam Chetan, the master and chief officer of the tanker *Hebei Spirit*, which was involved in a collision in December 2007.

The ASF's call in August 2008 for the Hebei Two to be allowed to return home to India "on humanitarian grounds" was seen as especially significant because of the implied criticism by South Korean shipowners of their own country.

The forum has also been robust in calling on the international community, including the United Nations, to do more to tackle piracy.

Speaking at a joint International Chamber of Shipping/International Shipping Federation seminar in Singapore at the end of April, Mr Sonoda said piracy, especially by Somali pirates, was "the most worrying issue faced by the shipping industry".

He added that the rise in the number of attacks and the increased range of the attacks towards India and the Maldives was "utterly alarming". Mr Sonoda said nations "cannot continue to condone" piracy and action must be taken to tackle "this awfulness", adding that ASF's own advice was that "all vessels in pirate-infested waters should remain vigilant".

Despite Mr Sonoda's comments, there were calls during the same seminar for the ASF to be more outspoken and to be part of the global decision-making process affecting the international shipping industry. In particular, Chamber of Shipping of America president Joe Cox said the ASF should take a more active role on issues such as pollution control.

Mr Chao, mapping out his own blueprint for the ASF's enhanced international role, said: "I would like to see the ASF take an advisory role in more international bodies." Asked whether this should include the International Maritime Organization — where the ASF had toyed with applying for observer status — and similar groups, he said that it was up to members to decide which organisations to target.

Mr Chao, who is also chairman of the ASF's ship



Out in the cold: some ASF insiders see other shipowner associations as more vocal. Bloomberg

## Asian shipowners strive to be heard

insurance and liability committee, thought the ASF secretary-general should engage in or attend more international meetings of these groups.

He added that Mr Sonoda, a former Japanese Shipowners' Association managing director with a wider experience of government affairs than Mr Wang, had a stronger background to attend these meetings.

But Mr Chao said it was "unfair" to comment or compare the two ASF secretary-generals because both had "quite different backgrounds", with Mr Sonoda a long-term JSA stalwart while Mr Wang was a senior Cosco transportation executive.

Even so, there is a sense outside the forum that Mr Sonoda has the political skill needed to manoeuvre and take into account the cultural sensitivities of people from more than 12 different nationalities operating in 14 jurisdictions.

"Sonoda-san is a political animal and, coming from the JSA, already knows some of the issues. The overriding question is how much autonomy he will have to do what he would like to do," one insider said.

Mr Chao pointed out that the way the ASF worked "was not by a majority vote but by consensus".

Observers said that while this way of operating is understandable and perhaps the only feasible way it could continue in a cohesive manner, it is also possibly the forum's biggest drawback.

"It is often said that the Asian way is not to be confrontational and for negotiations to quietly continue until there is broad agreement. This is often seen [as being] at odds with a more full and frank exchange of views [than] one gets in Europe," said one source.

But he added: "That said, some shipowner associations are seen as more vocal in certain areas than the ASF. The Hong Kong Shipowners' Association especially is seen as punching above its weight because the managing director, Arthur Bowring, does attend IMO, Intertanko and other meetings by international organisations. This is more than the ASF as a whole is seen to be doing."

He continued: "Shipowner associations in other countries such as South Korea and Japan are seen to have stronger relations with their governments and prefer to use their government links to make progress on issues."

"By comparison, the government in Hong Kong

barely recognises the maritime industry, which is a constant source of frustration for the HKSOA."

Another source familiar with the workings of the ASF said the body was not afraid of voicing its opinion, especially through its five committees, but that the subsequent statements were often bland and lacking depth.

It was pointed out that at the ship insurance and liability committee meeting on April 13, members agreed in a statement that seafarers involved in accidents "are being treated as criminals as a response to and to satisfy public concern about the effects of the incident".

This was even "when it is clear that there has been no recklessness, criminal intent or obvious fault involved. There would seem to be many incidents where the only fault of the seafarers would appear to be in the wrong place at the wrong time."

**A**s a result, "the committee urges all governments, particularly those in the developed world, to reconsider the harm they are doing both to the recruitment of future seafarers as well as to the reputation of their legal systems by politicising such incidents."

There were other concerns raised at committee meetings dealing with seafarers, safe navigation and ship recycling.

"The problem seems to be that these committees meet, agree and issue statements, but there is very little follow-up action except at the annual meeting, when often similar statements are ratified by the wider membership," said the source.

"Then it all seems forgotten. There appears to be very little engagement with anybody outside the ASF to push forward on the international stage the views that have been agreed."

Another observer thought that other regional issues where the ASF could get involved and vent its opinions included piracy in the Malacca Strait and China's anti-pollution regulations.

This was partly done by Mr Sonoda in Singapore who said: "The ASF is comforted by the ongoing effort and tougher stand by the littoral states [Singapore, Malaysia and Indonesia]" over piracy in the area.

He added: "Surveillance must be extended to the South China Sea" while the littoral states and ports in the region "must also step up surveillance".

But one source who heard the ASF boss, said: "It is all very well to call for increased surveillance, but where is the follow-up action? Why isn't the ASF publicly calling for action from governments in Japan, South Korea or China, for example, to tackle a problem on its own doorstep?"

"The ASF needs to be more assertive, to speak louder and more often."

## Rebuke for Hong Kong ministers

**A** STINGING attack on the lack of support by the Hong Kong government to the territory's maritime industry has been launched by the head of one of Hong Kong's largest independent tanker and bulk carrier operators, writes Keith Wallis.

George Chao, Wah Kwong Shipping Holdings chairman, warns Hong Kong is in danger of losing its position as a regional maritime hub because of government inaction.

He plans to raise the concerns with government chief executive Donald Tsang on Monday during a dinner welcoming the Asian Shipowners' Forum to Hong Kong.

Pointing to the support given by governments in other regional centres, Mr Chao says: "Singapore and Shanghai are doing everything they can to become international maritime hubs in the region. But the Hong Kong government is not playing an active role in helping Hong Kong's shipping industry. The government is not showing enough support to the maritime sector."

He adds: "If we are not careful we will lose our position."

One of the first initiatives he thinks the Hong Kong government should do is to split the roles of transport and housing into at least two ministerial positions.

The job as secretary for transport and housing is held by Eva Cheng. But Mr Chao says the portfolio is too large for one person because it covers a wide range of issues such as shipping, aviation, public transport and property. Instead, he says: "We should have a secretary just looking after shipping and ports."

He says the growth of the Hong Kong flag has been one of the territory's few maritime success stories. Mr Chao says the register has grown to more than 49.5m gt, compared with around 5.6m gt in 1997 when Hong Kong returned to Chinese sovereignty. This is largely through the support



Chao: Hong Kong could lose hub status.

of shipowners from China including China Ocean Shipping Group.

In talks between representatives of the Hong Kong Shipowners' Association and senior Chinese government officials, Mr Chao said China promised to help further if it was asked by the Hong Kong administration.

"But the Hong Kong government never approached them," he said.

Mr Chao says the maritime industry council, which was set up as a liaison body between the government and the maritime industry, has become a "waste of time" with proposals put forward by the industry largely ignored.

He adds: "In my opinion it is not functioning properly." Mr Chao has already resigned from the body and other senior figures are also stepping down, he says.

His views are echoed by others in the maritime sector, with sources pointing out that meetings and lunches between the HKSOA and transport and housing officials are frequently cancelled by the government side. "It smacks of utter contempt," says one insider.