

Singapore Shipping Forum 2018

Shipping Updates & Technology Trends

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Sofitel Singapore City Centre

The Future of Shipping: Game Changers

The shipping industry is witnessing a sustainable upturn for the first time in a decade, but it will need to manage issues arising from geopolitics, environmental regulations and technological disruptions. This was the conclusion reached at the Singapore Shipping Forum 2018. This event, hosted annually by Moore Stephens, and organized in conjunction with co-sponsor BNP Paribas, was held at Sofitel Singapore City Centre on 26 April 2018, in conjunction with the Singapore Maritime Week 2018, an event supported by both the Singapore Shipping Association (SSA) and the Maritime and Port Authority of Singapore. The session was well-attended by more than 200 attendees.

Opening speech and Introduction to the Forum

This year's forum was opened by Mr. Esben Poulsson, Chairman of the International Chamber of Shipping, President of the SSA, Chairman of Enesel, and also serves on the Board of several companies and organisations, who spoke on the future of the industry and touched on challenges including the recent deal to halve carbon emissions by 2050. Thereafter, Mr. Mick Aw, Senior Partner of Moore Stephens LLP, took the stage to introduce the seminar, the speakers and their topics. Mr.

Aw observed that although the world is currently experiencing trade and political tensions may at last be exiting the decade-long down-cycle it had experienced. The industry is also facing a slew of changes including tough environmental regulations and technological disruptions. Among the various sectors, Mr. Aw opined that the most optimistic appear to be bulkers and containerships.



Mr. Mick Aw, Senior Partner, Moore Stephens LLP, Singapore, speaking about environmental regulations and technological disruptions in the shipping industry.



Mr. Esben Poulsson, Chairman of the International Chamber of Shipping, President of the Singapore Shipping Association delivering his opening address.

The Trade and Shipping Outlook

Mr. Rahul Kapoor, Asia Pacific Transportation Analyst at Bloomberg Intelligence, next spoke on developments in the global economy and how it affects shipping. Mr. Kapoor noted that global economic recovery is underway. However, the looming US-China trade war may disrupt growth and is a concern. Other than global trade, supply is a key issue that will affect shipping returns. However, despite these issues, Mr. Kapoor is generally optimistic on shipping.

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Mr. Khalid Hashim, Managing Director of Precious Shipping PCL, foresees the profitability of dry bulk shipping companies in the market.

stop purchasing soybeans from US, they will have to do so from more distant countries e.g. South America, which will increase the ton-mile demand for soybean carriers. Shifting his focus to the 2020 sulphur emission rules, Mr. Hashim expressed his view that scrubbers are unlikely to become a practicable solution for the sulphur legislation by 2020, and the only viable alternative will be low-sulphur fuel.

Towards Green Ship Finance

Mr. Nicolas Parrot, Managing Director and Head of Transportation Sector, at BNP Paribas, noted the mounting environmental regulations affecting shipping, including ballast water treatment, emissions control, ship breaking, and highlighted an opportunity for green investments towards the cost of financing such environmental expenditures. With the rise of the sustainable/ green bonds market which has exceeded US\$300 billion, a suite of new services and solutions have also been developed in relation to sustainable investment, asset management, carbon risk management, ESG risk analysis, etc. A sizeable green loan market is available for shipowners that prefer traditional bank loan finance.

Shipping Markets/ Finance Panel Discussion

The first half of the seminar ended with a lively panel discussion among the speakers, moderated by Mr. Parrot. Speakers shared their views on a wide variety of topics, including shipping environmental regulations, market outlook of each shipping segment, and forces affecting vessel supply and demand.

Technology Trends in Shipping

After the break, Mr. Chris Johnson, Head of Shipping at Moore Stephens LLP, provided an overview of technology trends that will transform shipping. These include, inter alia, Sensors, Autonomous Vessels, Big Data, Robotics, Blockchain, and Cybersecurity.

Supporting Digitalization in Shipping – the Role of Data

Mr. Hans-Christian Mordhorst, Managing Director of DA-Desk, is of the view that the disruptive role of technology has been over-emphasized. In his view, technology is about supporting, not disrupting businesses. Illustrating this with reference to Big Data technology, Mr. Mordhorst explained how Big Data technology, properly-harnessed and deployed, empowers front-line knowledge workers in shipping, streamlines clerical and repetitive work, enables better decision-making, and helps businesses to create more customer value. The technology will endow end-users with more relevant and actionable data than is otherwise possible.

The Strength of the Recovery of the Different Shipping Markets

Mr. Adrian Economakis, Chief Operations Officer at VesselsValue, is most positive on capital values of bulkers and containers in 2018, less optimistic on tankers, and will avoid offshore for now. In the bulker sector, Mr. Economakis noted that Handysize bulkers have appreciated most in the past 12 months but remain the most undervalued bulker asset class compared to historical averages. In the coming years, Mr. Economakis expects the fastest capital appreciation in the Handysize segment. The same is also true for the Panamax containership segment. In the tanker segment, despite the current downcycle that may stretch through 2018, Mr. Economakis opines that the sector will recover in subsequent years led by the LR1 segment.

Shipping Markets – A Shipowner's Perspective

Mr. Khalid Hashim, Managing Director of Precious Shipping PCL, is optimistic on the outlook for dry bulk over the next couple of years. Mr. Hashim noted that trade tensions between US and China are unlikely to negatively impact dry bulk demand. Quoting soybeans tariffs as an example, Mr. Hashim observed that even if China does



Ms. Zalda Anthony, Head of Blockchain, ASEAN of IBM Singapore, shares how blockchain supports shipping.

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Making Blockchain Real for Shipping

Ms. Zelda Anthony, Head of Blockchain ASEAN, IBM Singapore, next went on stage to explain the benefits for shipowners that are associated with another emerging technology, blockchain. According to Ms. Anthony, blockchain allows transactions to be recorded with instantaneous global visibility, greatly reduces risk of transaction tampering and fraud, and is capable of tracking transactions in a manner that inspires trust without need for any external intermediary. In the context of shipping, one good application for such technology is the supply chain process which is today largely manual and paper-based, is easily subject to fraud and errors, and is costly. With a blockchain ledger in place, the entire process can be made transparent at a low cost, minimizing need for manual intervention and reducing opportunities for fraud and error. Maersk and IBM have collaborated to implement such a platform, known as the Global Trade Digitization Platform, which has been successfully piloted across trade lanes in Africa, Europe and US, and facilitates both supply chain and trade finance.



Captain Mike Meade, Chief Executive Officer of M3 Marine Group, showcasing one of the drones used for inspection technology.

The Use of Disruptive Technology for Safer and More Cost-effective Inspection in the Maritime Industry

Captain Mike Meade, Chief Executive Officer of M3 Marine Group, believes that drone technology will disrupt the maritime inspection technology. According to Captain Meade, using drones for maritime inspections is not just safer and more cost-effective, the inspections can also be more complete, detailed, with lower risk of errors. Seminar participants are treated to lively videos and on-site demonstrations of inspection drones in action.

Technology Panel Discussion

The second half of the seminar ended with a second panel discussion, moderated by Mr. Johnson. Topics discussed focused on whether a traditional industry like shipping is ready to embrace the rapid onslaught of innovation in recent years, security, cost and other concerns surrounding various types of new technology, as well as regulatory developments relating to the new technologies.

Conclusion

The event ended at 5.30pm, followed by a lively post-event networking cocktail session.



Current Developments in Shipping panel discussion, led by (rightmost) Mr. Nicolas Parrot, Managing Director and Head of Transportation Sector and Investment Banking Asia Pacific at BNP Paribas. Other panel members included, (from left to right) Mr. Rahul Kapoor (Asia Pacific Transport Analyst, Bloomberg Intelligence), Mr. Adrian Economakis (Chief Operations Officer, Vessels/Value) and Mr. Khalid Hashim (Managing Director, Precious Shipping PCL).

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(From left to right) Mr. Adrian Economakis (Chief Operations Officer, VesselsValue), Mr. Terrence Tan (Director, Transportation Sector, Investment Banking Asia Pacific, BNP Paribas), Mr. Rahul Kapoor (Asia Pacific Transport Analyst, Bloomberg Intelligence), Mr. Mick Aw (Senior Partner, Moore Stephens LLP Singapore), Ms Zeldia Anthony (Head of Blockchain, ASEAN, IBM Singapore), Mr. Hans-Christian Mordhorst (Managing Director, DA-Desk), Mr. Khalid Hashim (Managing Director, Precious Shipping PCL), Mr. Nicolas Parrot (Managing Director, Head Transportation Sector, Investment Banking Asia Pacific, BNP Paribas) and Captain Mike Meade (Chief Executive Officer of M3 Marine Group), wrapping up the session with a group photo of the speakers of Singapore Shipping Forum 2018.



The forum was well-attended by 200 delegates from the shipping industry and financiers from around the world, as well as key maritime legal and governmental agencies.



Delegates are given a live demonstration of ship inspection drones in action, contributed by M3 Marine Group.



(From left to right) Speaker, Mr. Khalid Hashim sharing his insights with Mr. Henry Mytton-Mills, Aries Maritime Holdings Ltd and Mr. Ojah Doshi, Bluefield Maritime Pte Ltd.



(From left to right) Mr. Aw Yong Woon, HSH Nordbank AG, Mr. Ng Ee Ping, Kontiki Shipping Pte Ltd, Ms. Gina Lee-Wan, Allen & Gledhill and Ms. Katie Men, Iseco Investment Pte Ltd.

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(From left to right) Ms. Veronica Wang, VesselsValue, Mr. Hans-Christian Mordhorst, DA-Desk, Mr. Wong Koon Min, Moore Stephens LLP Singapore.



(From left to right) Mr. Logan Chong, BNP Paribas and Mr. Lee Keng Mun, HSH Nordbank AG.



(From left to right) Ms. Chan Rouh Ting, Moore Stephens LLP Singapore, Ms. Felicia Koh and Ms. Ivy Low, FSL Trust Management Pte Ltd.



(From left to right) Mr. Twinchok Tanthuwanit, Regional Container Lines Pte Ltd and Mr. Henry Mytton-Mills, Aries Maritime Holdings Ltd.



(From left to right) Mr. Gurinder Singh, Kaleden Holdings Pte Ltd, Mr. Sridhar Pingali, Centennial Asia Shipping Pte Ltd, Capt. Anurag Mathur, Rickmers Shipmanagement, Mr. Ramji Krishnan, the UAV Company.



(From left to right) Mr. Martyn Wade, Grindrod Shipping, Mr. Matthew Forrest and Mr. Nicolas Parrot, BNP Paribas.

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(From left to right) Mr. Arnold Wu, T Time Advisory Ltd, Mr. Roger Bartlett, PT Pesona Sentra Utama, Mr. Mick Aw, Moore Stephens LLP Singapore, Mr. Terrence Tan, BNP Paribas.



(From left to right) Mr. Ojah Doshi, Bluefield Maritime, Ms. Chris Muckensturm and Mr. Rahul Kapoor, Bloomberg Intelligence.



(From left to right) Mr. Chris Johnson, Moore Stephens LLP Singapore, Mr. Gautam Chellaram, Chelsea Pte Ltd, Mr. Steen Brodsgaard Lund, Radio Holland, Mr. Khalid Hashim, Precious Shipping PCL.



The forum ends with a networking session. (From left to right) Mr. Mark Atwell, Grindrod Shipping, Mr. Mick Aw, Moore Stephens LLP Singapore, Mr. Carl Ackerley, Island View Shipping Pte Ltd, Mr. Martyn Wade, Grindrod

Below: Delegates engaged in active discussion and networking, sharing thoughts and views on the current shipping landscape.



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