



ΑΔΕΛΦΟΤΗΣ ΤΩΝ ΥΔΡΑΙΩΝ ΑΘΗΝΩΝ
ΕΤΟΣ ΙΔΡΥΣΕΩΣ 1890

9th HYDRA SHIPPING CONFERENCE 15.09.2018 “Romanticism in Shipping”



The 9th Hydra Shipping Conference, organized by the Fraternity of the Athenian Hydriots (www.aya.com.gr) was successfully concluded on Saturday , **September 15th, 2018** at the Conference Hall of the Holy Cathedral of Hydra, under the auspices of the Ministry of Shipping, the Hellenic Chamber of Shipping, the Hellenic Marine Environment Association (HELMEPA), the Hellenic Shipbrokers Association (HSA), the Piraeus Marine Club, The Yacht Club of Greece , the International Propeller Club of the United States and the Women’s International Shipping & Trading Association (WISTA).

Mr John Sahinis, the President of the Fraternity of the Athenian Hydriots, welcomed esteemed guests and inaugurated the work of the conference and the aim of the Fraternity since its foundation in the late 19th century : interventions on national issues, preservation of Hydra’s contribution to the Greek Nation, the island’s history promotion via various activities every year, keeping in touch with philhellenes, philanthropic action, protection of the environmental and architectural heritage, attracting Greece’s youth to the nautical profession, supporting their future career. Mr. Sahinis thanked the sponsors, for their precious support in making the Hydra Shipping Conference a landmark for the island of Hydra.

The **Mayor of Hydra, Mr. George Koukoudakis**, welcomed guests and acknowledged Mr Sahinis’ efforts in organizing the successful Hydra Conference for the past nine consecutive years and contributing to the island’s cultural heritage.

Mr George Tsavlis, Principal of Tsavlis Salvage Group, Chairman and Moderator of the 9th Annual Hydra Shipping Conference, introduced the debate, themed “**Romanticism in Shipping**”, welcomed guests, and affirmed that his desire is always to have an interactive debate, with emphasis on exchanging views between panelists and audience. Mr. Tsavlis stated that we can and should always aim to extrapolate and think out of the box – that we never stop learning and that with our lives being so consumed by technology today, with computers, i-pads, i-phones etc - we must not lose our faith, our childish enthusiasm and our romanticism – and we need to teach our youth not to be afraid to be daring. Mr Tsavlis introduced speakers and panelists at this year’s Shipping conference, **Dr George D. Pateras, Chairman of the Hellenic Chamber of Shipping and Managing Director of Aegeus Shipping SA, Ms Helen Thanopoulou, Professor in Operations, Department of Shipping, Trade and Transport of the University of the Aegean, Mr Emmanuel Vordonis, Former Executive Director of Thenamaris Ship Management Inc, Mr John Faraclas, Director All**

About Shipping, Mr Martin Stopford, Chairman Clarkson Research Service Ltd, who travelled from the United Kingdom to attend the Hydra Shipping Conference, **Ms Alexandra Couvadelli , Senior Claims Director of UK P&I Club, Mr. Yannis Triphyllis, Executive Committee Member, Hellenic Chamber of Shipping, and Dr Nicholas Themelis, Head of Performance, LAROS-Prisma Electronics.**

The conference covered two main areas of discussion in two panels : **PANEL I. The Importance of the Maritime Colleges and PANEL II. The Beginning of the End or the End of the Beginning?**

Dr George Pateras, Chairman of Board of Directors of The Hellenic Chamber of Shipping opened **PANEL 1 : THE IMPORTANCE OF THE MARITIME COLLEGES** and spoke about events in the history of the Greek flag, incidents / happenings which have effected it's evolution and the flag's growth and how this growth is Interdependent on Greek merchant fleet. Dr Pateras talked about the reasons which have led to the dramatic decrease in our vessels flying the Greek Flag – and by the same token, the dramatic decrease in our Greek merchant fleet. For example, said Dr Pateras - in the past, Banks imposed the Liberian and Panamanian Flags as these flag countries' governing rules and regulations complied with Bank's requirements. Law 89 of 1967 was a key milestone in Greek Shipping. Without qualified officers in the Greek merchant fleet, the Greek Flag began to shrink while other flags were growing in plethora. More Greek flag ships lead to more Greek officers while more Greek officers lead to more Greek flag ships. Dr Pateras spoke about the critical need to educate more men at sea - the curriculum needs to be updated. The Ministry has given this matter to the industry to solve and it is imperative that we work together to increase our Greek fleet and thus increase our Greek flag vessels. Dr Pateras expressed his kind gratitude for yet another informative seminar amongst friends and colleagues with the backdrop of beautiful Hydra, the oldest naval college in the world – Hydra is the perfect setting, said Dr Pateras, for the exchange of views and ideas, and said he is already looking forward to next year's event.

Mr. Emmanuel Vordonis, Former Director of Thenamaris thanked the chairman **Mr George Tsavlis** for daring to include the word "Romantic" in this year's Hydra Conference. Mr. Vordonis addressed the audience with the passion of a sea man - He said that in order to increase the number of our youth to go into a career at sea – we need to pass on this excitement and passion to our schools. There is a romance about the sea – being against the water, the salt, God's forces and the cosmopolitan travelers of the sea, the beauty of the ship and the powers of the Gods – Mr. Vordonis said that it is vital to marry all of these elements together and inspire our youth with this love for the sea – and together with modern technology – to sustain the continuity of our industry. Mr. Vordonis spoke about poverty in past generations as being the driver of progress – how shipping and shipping emigrants actually were the ones to take the country out beyond its limits. Mr. Vordonis asked the question – How can we create this 'leventia' in our younger generation? Poverty and the necessity to take a risk – how can we reproduce this incentive in a generation which is in a comfort zone? In effect and as the future has revealed – the poverty of the older generation was their wealth.

Ms Helen Thanopoulou, Professor of Operations at the Department of Shipping, Trade and Transport of the University of the Aegean, spoke about the challenge for the fleet - of a "cargoesless" country like Greece is significant midst today's growing protectionism - combined with giant shipper nations, giant corporations and huge funds - and where the place of the management of human resources on board may take the back seat among factors of shipping competitiveness. However, the strongest Greek shipping card might be related precisely to the human resource as - in the absence of other world - class outlets for young people within the Greek economy - shipping has attracted traditionally the most talented and dynamic among them. Ms Thanopoulou said that a strong human resource / merchant fleet with adaptability and flexibility as their drivers -can lead in this less romantic traditional shipping environment of digitalization, new technologies, new fuels, and new challenges in the sea, which ostensibly - IS "the final frontier".

Mr John Faraclas, Director of All About Shipping, via video presentation thanked the President of the Fraternity of the Athenian Hydriots, the Conference Chairman, the esteemed panel and guests and said that Education, Education, Education is the buzz word for the entire shipping industry! Coupled with discipline, education can work wonders further the Shipping Adventure! Maritime Education and Training is a must and we should all avoid petty party politics! Meantime for the harsh unemployment issue, getting a shipping job can save the day! Did I here you say energy? If we opt for the alternative sources of energy, big money will change hands; how many can afford to ...suffer... ?" were Mr Faraclas closing words.

Mr. Martin Stopford, President of Clarkson Research opened the 2nd half of the conference, **Panel 2 : THE BEGINNING OF THE END OR THE END OF THE BEGINNING ?** Mr. Stopford focused on the challenge of responding to the IMO's decision, in April 2018, to cut greenhouse gas (GHG) emissions by least 50% by 2050; and phase GHG out entirely as soon as possible. Today shipping is completely dependent on fossil fuels to deliver over 12 billion tons of cargo a year. How can it possibly meet IMO's goal? Fuel cells or even nuclear power offer possible long-term solutions. But we must not overlook the contribution digital technology can make to lower GHG emissions, by radically better management of ships; fleets of ships; and door to door sea transport. Improved information systems will allow fleet managers to identify ways of reducing the carbon footprint, whilst automation systems on board ships will lead to major improvements in efficiency. The way Formula 1 racing teams use digital technology to improve their chances of winning a race provide an inspiring example of how this technology can lead to continuous performance improvement. Mr. Stopford stated that Asia and Europe must also make better use of short sea transport systems to improve business to business (B2B) transport services, while cutting the carbon footprint. UBER, Amazon and others have shown how much can be achieved by using data systems to manage logistics. Ships have a low carbon footprint compared with lorries, rail and planes. Direct services by sea, which reduce the need for land transport, can make a major contribution to meeting the overall GHG target. But introducing digital technology will be very challenging, requiring a complete change of personnel management, especially in the way office integrate with personnel on board ships.

Ms Alexandra Couvadelli, Senior Claims Director of UK P&I Club presented the matter of sulphur emissions and the contractual challenges involved. Ms Couvadelli stated that in the recent years, air pollution from the maritime industry represents a global environmental concern and the International Maritime Organization (IMO) has been setting progressively stricter limits on the sulphur content of the fuel oils used by ships. A revised version of Annex VI to the International Convention for the Prevention of Pollution from Ships ("MARPOL" Convention) came into force in July 2010, and in January 2015 the scheme was amended further to introduce Emission Control Areas ("ECAs") in which the sulphur emissions ceiling was reduced still further. As a result, from 1st January 2020, the current global limit of 3.5% shall decrease to 0.5% m/m. The 0.1% m/m limit in Emission Control Areas (ECAS) such as the Baltic Sea area, the North Sea area, the North American area, which was introduced on 1st January 2015, remains unaffected. Ms Couvadelli highlighted that there are a variety of technical, commercial and contractual challenges in ensuring its compliance and enforcement. With 1st January 2020 being around the corner, there are concerns in the industry as to whether sufficient low sulphur fuel oil ("LSFO") will be available to enable compliance. It is anticipated that the increased demands for 0.5% m/m fuel will drive the price of LSFO to much higher levels and some operators are considering installing exhaust gas cleaning systems known as "scrubbers" in order to meet the legal requirements of MARPOL.

When referring to the contractual challenges, Ms Couvadelli said that whilst scrubbers are recognized under MARPOL as a possible method of compliance, there are a number of considerations that owners need to bear in mind when deciding whether or not scrubbers should be fitted. For example there are contractual issues relating to, responsibility for the cost and downtime which are the obvious disadvantages and other contractual issues relating to, for example, responsibility for the costs or time of effluent waste removal and/or maintenance costs and downtime. A variety of other disputes under charter party contracts with regards to compliance with the new Sulphur Emission Regulations will arise such as to which party bears the responsibility for engine damage resulting from the use of low sulphur and whether the ship had been "fitted for the service" if for example she is not able to burn the compliant low sulphur fuel. In addition, potential disputes under charter parties in regards to which party is liable to pay for deviations to take on compliant fuel, off-spec bunkers, difficulties in managing and segregating different fuels on board to avoid contamination, delays, detention of the ship and even criminal penalties. Ms Couvadelli urged that owners and charterers bear in mind the potential issues and to pay attention to costs and risks allocation clauses when negotiating charter parties. The starting point is that charterers need to be responsible for compliance with the MARPOL Rules, requiring the provision of compliant fuels, or stipulating detailed fuel specifications. Express clauses providing for an indemnity and costs/penalties /loss of time arising from breach of the rules need to be included. Consideration should be given to amending any performance wording to reflect the use of compliant fuel but also redelivery clauses to ensure redelivery with compliant fuels on board and/or sufficient compliant fuel to exit any ECA and reach a bunkering port may be required. Ms Couvadelli concluded that it is hoped that some of the commercial and contractual challenges will be addressed by the shipping industry before the new global cap comes into force in 2020.

Mr. Yannis Triphyllis, Executive Committee Member of the Hellenic Chamber of Shipping, stated that a balanced approach to regulation whether environmental or financial needs to take into account the longer term cost as much as the shorter term benefit. All too often the regulator or financial speculator focuses his or her attention narrowly on the task at hand while losing sight of the

whole picture. This knee jerk response to political pressure or the pursuit of immediate profit is not a viable recipe for sustainable systems, whose common characteristic is an internal rebalancing mechanism- like Adam Smith's invisible hand within a free market, or Darwin's Natural Selection process within environmental constraints. As Aristotle believed, and many cultures and religions have preached: the end goal or result (telos), is important in all things. Or more colloquially put: "the road to hell is paved with good intentions".

Dr Nikos Themelis, Head of Performance Department of Prisma Electronics highlighted the data centric operation of ships in the era of digitalization. Shipping at the moment is experiencing a data revolution like many other industries, said Dr. Themelis. On the other hand, the shipping industry is facing several challenges emerging from the need for regulatory compliance related to new environmental requirements as well as the demand for optimized operations which both affect decision-making and planning. Along with this line, **LAROS system by PRISMA ELECTRONICS** establishes automatic data collection, maritime big data visualization and analytics infrastructure that creates situation awareness, improves processes and reduces costs and risks. Performance assessment of ships is based on the wealth and quality of data and by utilizing tools and methods that enable the efficient monitoring and prediction of ship status and thus allowing for informed decision-making. Several examples that present LAROS capabilities were presented, highlighting the establishment of KPIs for accurately monitoring hull and propeller, engine and environmental performance.

