I N T E R N A T I O N A L   F R E I G H T   M A N A G E M E N T   S E R V I C E S

SCI AUSTRALIA

PTY LTD

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APRIL EDITION

Welcome Message

Welcome to the April Newsletter for the clients and friends of SCI Australia. This newsletter is designed to be an informative source about the company and the general industry and includes news, forthcoming events and the lighter side of the people who work for SCI.

We hope that you find this newsletter beneficial and the information provided of great value and interest. We appreciate your suggestions and input for future issues.

OOCL Rate Restoration

OOCL would like to advise that in order to maintain a high standard of service to customers, there will be a Rate Restoration of US$300/20' and US$600/40' from the 1st of April 2016, for both dry and refrigerated cargoes in the base ocean freight for cargoes from North East Asia (including China, Hong Kong, Korea and Taiwan) to ports and points in Australia.

This increase will be applied in full on top of existing ongoing market rates to all import shipments based on the actual departure date of the vessel named in the bill of lading from the 1st of April 2016, and will be subject to ancillary surcharges applicable at the time of shipment.

Should you have any questions, please do not hesitate to contact your SCI Australia Customer Service Officer.

Yours faithfully,

MSC Rate Restoration

Mediterranean Shipping Company (MSC) wishes to advise clients that a Rate Restoration programme will be implemented for all sailings ex Korea, China, Hong Kong and Taiwan to Australia.

With effect from April 1st, 2016 (proforma sailing date), the following is to be applied:

USD 300/20’
USD 600/40’

For further information contact your SCI Australia CSO

APL Customer Advisory

Dear Valued Customer,

APL wish to advise that a General Rate Increase (GRI) will be implemented for dry containers shipped from China, Taiwan & Korea to Australia effective from 01st March 2016.

Rate restorations quantum for all dry cargo into Australia shall be:-
20’ containers: USD 300.00
40’ containers: USD 600.00

We thank you for your continued support.

The Volume Storm in LA

THE port of Los Angeles achieved a spectacular recovery from the slump in container throughput a year ago with a 42% increase last month over February 2015 when US west coast ports were suffering from severe congestion.

The largest container port in the US handled 713,721 teu last month, making it the busiest February in the port's 109-year history. That followed the best January volumes.

Los Angeles' strong volumes follow an equally impressive performance by adjacent Long Beach which moved 561,412 teu in February, a 36% year-on-year rise.

Both have benefited not just from the recovery in cargo after last year's disruption that forced some shippers to alternative gateways, but a surge in imports ahead of the Chinese lunar new year holidays. With factories in China taking some time to re-open, this month is expected to be quieter.

"Back to back record months to start 2016 indicate consumer confidence in the US economy and strong shipper confidence in our terminal and supply chain partners to deliver on speed and efficiency," said LA executive director Gene Seroka.

LA's container imports last month soared almost 47% to 372,744 teu compared to the previous year. Exports increased 11% to 146,488 teu in February. Total loaded imports of 519,233 teu were up 34.5% compared to the previous year.

The port cautioned that the surge in February deliveries will result in softer import volumes in March. The relatively high value of the US dollar continues to slow US. Exports, the port added.

Source: **Lloyds List Australia**
http://bit.ly/22sVcG6

Maritime Industry Joins Push to Curb Illegal Wildlife Trade

REPRESENTATIVES of the maritime industry signed a declaration today to help end the trade in illegal wildlife. Signatories to the Buckingham Palace Declaration agreed to develop a secure system for sharing information on suspected illegal wildlife trafficking with customs and law enforcement, and establish a team to work with customs and law enforcement to create best practice on stopping the illegal wildlife trade in key ports.

Maersk Line head of sustainability Signe Bruun Jensen told Lloyd's List: "By signing the Buckingham Palace Declaration, Maersk is committing to take real steps to shut down the routes exploited by traffickers of the illegal wildlife trade moving their products from killing field to marketplace."

Ms Jensen said that initial efforts will be focused in the coming weeks across areas identified as illegal wildlife trade hotspots: South and East Africa, the United Arab Emirates, Southeast Asia and Greater China.

"This initiative will further strengthen our ability to screen data and cargo in order to identify potential shipments of suspected illegal wildlife. In turn we will work to increase awareness of the issue amongst employees and customers in targeted markets."

The declaration was drafted by the transport taskforce of United for Wildlife, a campaign from The Royal Foundation of The Duke and Duchess of Cambridge and Prince Harry to bring together international wildlife charities with the aim of eliminating the illegal wildlife trade.

Maritime signatories among the supporters from across the transport sector include China Cosco Shipping, Cruise Lines International Association, DP World, International Maritime Organization, Maersk Group, BIMCO, Danish Shipowners' Association, Hamburg Sьd, International Association of Dry Cargo Shipowners, International Chamber of Shipping, Japanese Shipowners' Association, Liberian Shipowners' Council, Stena Line UK, Stolt-Nielsen, Sustainable Shipping Initiative and the UK Chamber of Shipping.

Source: **Lloyds List Australia**
http://bit.ly/1UvYaVg

Timely change required for Cargo Reporting (Part 1)

The ABF has recently announced that it will increase its compliance on cargo reporting requirements to facilitate legitimate trade, ensure a level playing field for industry and to contribute to the protection of Australia's border. As a part of this approach, the ABF has committed to meet with selected cargo reporters and industry representatives to discuss how they can improve cargo reporting compliance.
While Freight & Trade Alliance (FTA) supports this approach, we have consistently advocated for broader reform.

To meet compliance expectations we need significant enhancements to the Integrated Cargo System (ICS), or better still, a complete review of cargo reporting policy and systems design. We remain of the view the ICS should allow “consignment key data” (vessel, voyage, container no, MAWB, HAWB. HBL) to be amended which would align to the Import Declaration functionality. We believe that a major underlying reason for the ABF resisting our proposal is that it is too difficult to enhance the ICS - therefore we must live with “workarounds”.

Freight forwarders commonly withhold their ICS cargo report transmission until they have confirmation of import vessel and voyage data. This in turn delays the timing of the cargo report as increasingly import cargo is being transhipped via intermediary ports. An example recently brought to our attention was that a freight forwarder had an ocean bill of lading available weeks prior to the estimated time of destination at Port Botany, Sydney. The cargo report was not lodged by the freight forwarder as the cargo was being transhipped via Singapore and import vessel and exact voyage number details were unknown.

As it turns out, the first port of arrival for the import vessel was Fremantle before making its way to the Australian east coast. Statutory provisions mandate that the cargo report details be provided at least 48 hours prior to arrival of the first port (not the port of discharge). Instead of providing a cargo report well in advance of arrival, albeit with the knowledge of having to amend import vessel and voyage data once confirmed, the freight forwarder was at risk of failing to comply with legislative requirements by waiting until import vessel details were confirmed.

(cont.)

Timely change required for Cargo Reporting (Part 2)

The current solution, or should I say "workaround", mandated by the ABF to overcome this issue is outlined in Australian Customs Cargo Advice 2007/08 whereby the cargo report should be lodged early and if an amendment is required to key identifiers, the cargo report is to be withdrawn and re-lodged.

A process is established whereby the Customs Information and Support Centre (CI&SC) would, under particular circumstances, facilitate the over-ride of subsequent screening periods. This is an extremely cumbersome process.

Assuming that the ABF will not enhance the ICS and that an expectation remains on timely reporting of transhipped cargo, then freight forwarders will be left with no option but to follow the process outlined in ACCA 2007/08.

This will further move industry away from providing the most accurate information available in the first instance, which will result in duplication of screening processes and will add to the CI&SC workload.
So what is the solution?

FTA has been consistently advocating the merits of a "pre-load" cargo reporting model. If the cargo is not reported, it does not get loaded on the ship or aircraft at the overseas port. This approach will guarantee that cargo reporting is provided within prescribed timeframes. We accept that this would be a major reform and was given consideration back in 2007 with a working group involving both industry and government representatives.

Since this time many other Customs' administrations have followed the USA pre-load model meaning that in the contemporary operating environment, implementing "do not load" requirements at overseas ports would align with other global practices

Source: **Lloyds List Australia**
http://bit.ly/21CDLgH

The Lease Begins

Victorian Treasurer Tim Pallas launched the transaction process for the Port of Melbourne's 50-year lease today, calling for formal expressions of interest. The government expects chose a leaseholder before the end of the year.
"We're moving to market quickly because of the strong bidder interest in the Port of Melbourne and we're confident the lease will deliver significant, long-term economic benefit to Victorians," Mr Pallas said.

Some proceeds from the lease will be directed to the removal of 50 level train crossings around the greater Melbourne area. Mr Pallas said the government "is getting on with the leasing of the Port of Melbourne and using the proceeds to build key infrastructure across the state and create jobs". "The lease will make our port even better, increasing efficiencies and competitiveness," he said. The deadline for lodging an expression of interest is Monday April 18.

Source: **Lloyds List Australia**
http://bit.ly/1Sc5Itb

The Big Conversation (Part 1)

BOTH Kofi Annan and Ban Ki-moon have joked publicly that 'SG', the abbreviation for their title as United Nations secretary-general, carries a second meaning around the organisation's headquarters that more aptly describes the role of the world's top diplomat: scapegoat.

It is a joke that will not have been lost on Kitack Lim, the new SG at the helm of the International Maritime Organization. Finding consensus among 171 countries within a UN framework is on any subject, even on a good day, the stuff of minor miracles.

Shouldering the blame for lack of progress when the miracles are not forthcoming is just part of the job. The fundamental importance of the IMO in determining the legislative framework that shipping operates in is too often overlooked at industry level amid the tumultuous cyclicality of the market, but there is good reason to start paying attention to the convoluted conversations and drawn out deals being brokered on London's Albert Embankment.

In the wake of shifting power plays in the global climate change debate, a rare window of opportunity has opened up in the regulatory politics of shipping. If Mr Lim can corral a consensus on CO_2 reduction from shipping this year, bridging a divided membership and deferring the looming threat of expensive and disruptive regional regulations in the process, well then miracle delivered. The rest of the IMO's agenda will look decidedly less daunting and positive progress will in all likelihood snowball.

(cont.)

The Big Conversation (Part 2)

If, however, the IMO is still failing to make tangible progress on climate change by 2017 then it will not just be Mr Lim who is left to play the scapegoat – the industry faces an uncertain future as a cash cow to fund market distorting climate measures while fending off attacks from environmental NGOs and regional power blocs.

Mr Lim's quiet Confucian style does not show any signs of cracking under the pressure so far. It is early days after all, and besides, he was elected to deal with precisely these issues on the back of a campaign that promised to build bridges across a fractured membership.

"It is a good time for us to make progress," he says, fresh from a trip to Brussels where he has wasted no time in setting up bilateral talks with the power brokers in EU shipping policy. "We had a very good discussion on how to co-operate and I am confident that we can have a good dialogue there," he said.

'Good dialogue' is something of a mantra for Mr Lim. He strongly believes that consensus can be found regardless of the byzantine politics that may underpin any political impasse, if only he can get the right people in a room, close the door and use the IMO as "a bridge between all these stakeholders".

To even the casual observer relations between the IMO and the EU are difficult, complex and loaded with risk. Regardless, Mr Lim doggedly refuses to let the details get in the way of what he sees as the more important areas of agreement. "Safety and protection of the environment are shared goals for both of us, nobody can deny that. Based on good, mutual understanding we can move on," he says in his trademark tone of quiet certainty.

Mr Lim has not been tested by a major IMO committee meeting yet, but he has quickly established himself as a fearsomely proactive networker, determined to personally open up clear lines of communication on all fronts. Brussels was inevitably an early destination on his charm offensive world tour, but his schedule suggests a far wider ambition. Such overt diplomacy is of course not a new approach from the SG's office and all of his most recent predecessors could be found, to a greater or lesser extent, employing such tactics. The feedback from his initial flurry of meetings, however, is that his approach feels different.

He is a quiet man. He listens intently through the most strongly held views and tries to find a fragment of consensus to work on. Clear communication and regular dialogue are prescribed in all cases and he firmly believes that a way forward can always be found. Perhaps he takes his cue from his boss and fellow Korean, Ban Ki-Moon who was an early star-turn visitor to the IMO this year when he pushed the UN agency's central role in translating the Paris climate agreement into tangible results.

Amid all the frustrations of dealing with governments focused on narrow national agendas, Mr Ban publicly celebrates wherever possible the fact that "when there is a unity of purpose and solidarity among UN members, you can make real things happen". Of course Mr Ban will leave his SG role at the end of the year, but the legacy of 'real things' finally happening in the global climate change debate will have a direct impact on Mr Lim's tenure at the IMO.

(cont.)

The Big Conversation (Part 3)

While critics have described the Paris agreement as weak (it is) with nothing that is enforceable (there is not), the deal signals progress on a number of fronts that could have a seismic impact on shipping. The weakest interpretation is simply that the deal will start a virtuous circle for further progress. Broadly speaking such statements are true, but there is real significance in the fact that the political stance from China has changed markedly.

The main sticking points previously revolved around who should pay for climate change. The calls on nations to act "in accordance with their common but differentiated responsibilities" continued to block negotiations both inside the IMO and beyond, largely because holding the world's biggest emitter (China) and second-biggest (America) to drastically different standards was hard to sustain.

The new UN Framework on Climate Change agreement requires a flow of $100bn a year from developed countries to developing ones by 2020, much of it to be spent on adapting to climate change, rather than attempting to stop it, but crucially there has been a big step away from the previous hard line on differentiation.

The key phrase now is the "intended nationally determined contributions" that 187 countries have vowed to make. A semantic difference perhaps, but China's agreement to sign up to such language was a major achievement that will free them to pursue an active debate within the IMO. The challenge and opportunity for Mr Lim is to carefully steer the sequence of events from here towards a globally enforceable set of CO_2 reduction measures for shipping. The first step is to agree a mandatory system of data collection to monitor the industry's output of CO_2, but even this is fraught with political landmines.

An existing regional approach from Brussels could and should adapt to a global system if the IMO can deliver a functioning system in place by 2018, thereby avoiding yet further local bureaucracy for shipping and continued incursions into the IMO's global authority. But the wild card of the highly politicised European Parliament could yet derail the more informed and pragmatic intentions of the European Commission and the EU member states on that front.

Mr Lim's initial charm offensive into Brussels may well have opened up the channels of dialogue, but the reality of the situation is that there is an education exercise necessary there to explain to MEPs how the IMO operates. But all this pales into insignificance in comparison to the thornier issue of what happens next. Mention the phrase "Market based Measures" in front of any senior IMO figure and brows instinctively wrinkle. Even the assured quiet confidence of Mr Lim is replaced by a hurried attempt to change the subject.

Market based measures in whatever form, be it an emissions trading scheme, a leveraged incentive scheme or CO_2 fund, are difficult and controversial. Previous debates within the IMO hit the buffers precisely because the global climate debate failed to produce any headway. 'MBM' is a subject on ice within the walls of IMO. "Should a mandatory data collection system be agreed then the next step would be to collect the data and allow time for it to be analysed. The speed of progress depends on the member states themselves," says Mr Lim pointedly.

The reality, however, is that a debate on MBM is an inevitability within the IMO context and while Mr Lim wants to move ahead, nobody is prepared to pick up such a hot brick while no clear consensus within the membership exists. Quiet diplomacy is no doubt already underway, but Mr Lim is not being allowed the luxury of a straight run at the campaign.

(cont.)

The Big Conversation (Part 4)

The European Parliament is pushing for shipping to be included in a European emissions trading scheme knowing full well that such an approach is not only unworkable but potentially highly disruptive to European shipping markets. Given the disastrous approach taken with aviation they understand only too well the inherent problems, but such negotiating tactics are a well-worn strategy when it comes to the IMO and a continued source of tension for any SG.

Good dialogue is one thing, but there are key principles at stake here. "The IMO's key working principle is 'no more favourable treatment' so it is against anything which distorts markets – a level playing field with globally adopted requirements is crucial," says Mr Lim.

"I will seek to encourage all governments to engage in meaningful negotiations at IMO and will always caution against the introduction of regional measures." If all this sounds like a recipe for another political impasse, then you are missing the point. This is genuine progress and industry insiders across the political spectrum are optimistic that the regulatory stars are aligned for an epoch shift in the debate.

However weak and unenforceable the Paris agreement might be, the fact that countries are prepared to make positive statements in one UN forum means that the same political stance can now flow into the IMO. They are not going to back away from the stance when it comes to international transport. The change of heart might be a subtle one, but if Paris can be translated into the IMO, then monitoring of CO_2 followed by a rapid shift of debate into MBMs is within Mr Lim's grasp. It may take a couple of meetings of the IMO's Marine Environment Protection Committee this year to realise the shifting geopolitical stance from states, but a workable consensus is now at least conceivable.

For Mr Lim, that means his promise of "a voyage together" has a real chance of setting sail. Tackling CO_2 is if course not the only agenda item requiring his 'good dialogue', but if he can find consensus there, the embarrassment of the Ballast Water Convention, the politically charged issue of how to tackle migrants at sea, not to mention the relatively speaking more mundane issues of how to balance the day job of safety and security of shipping and the prevention of marine pollution by ships, all look a lot more achievable. As Mr Lim puts it: "another interesting year lies ahead!"

Source: **Lloyds List Australia**
http://bit.ly/1MwmXB0

Singapore, Staying Strong (Part 1)

AS IT has done many times in its history, Singapore, the world's largest transhipment hub, is turning a dire business environment into an opportunity to prepare for an eventual upturn. To be sure, the small Asian city-state is feeling the impact of the downturn in the container shipping sector. In 2015, its port moved 8.7% fewer containers, recording its first annual decline in container throughput since 2009. But it is looking beyond these tough times and focusing on staying ahead of the competition.

"Our port will continue to be a key anchor for the maritime sector and during this period we have to think and act in countercyclical terms in a number of ways," Maritime and Port Authority Singapore chief executive Andrew Tan says. "I do not think that we should overreact by reducing the capacity of our port. It is important that we maintain our competitive advantage by promoting greater efficiency and higher productivity to enhance services to shipping lines in the long term." To buttress that point, work has started on the next-generation port at Tuas on the western coast of the island, Mr Tan tells Containerisation International. The Tuas terminal, which will use a new generation of technologies to increase efficiency and productivity, will have the capacity to handle up to 65m teu, making it the world's largest container terminal at a single location.

At the start of 2016, Singapore Transport Minister Khaw Boon Wan announced that to help shipping lines cope with the difficult environment, an additional 10% concession on port dues for container vessels would be introduced from January 15 and for a period of one year, on top of existing concessions. The concessions are expected to translate to more than S$17m ($12.3m) in annual savings for container lines.

"The 10% reduction on container port dues and the extension of incremental concessionary rates for offshore support vessels are extremely welcome steps. It is not their job to subsidise us in a major way but it is recognition by them of the difficulties that the industry is in and is very much appreciated," Singapore Shipping Association president Esben Poulsson says. The business of moving containers across the globe is in the midst of unprecedented change as the glut of vessels persists, exacerbated by weaker global trade, continue to pressure freight rates lower. Shipping lines have been cutting costs and a number are selling assets and pursuing alliances to reduce costs and optimise resources.

The overall slump in Asia-Europe volumes, rebalancing of volumes across shipping alliances agreements and an increase in direct sailings due to lower bunker prices were cited for the drop in container and cargo throughput last year. While the excess of vessels and shipping alliances are beyond its control, Singapore is unfazed and is on its toes, asking itself how it can stay in the game and keep competition at bay. Singapore port operator PSA is still looking to complete its S$3.5bn ($2.5bn) Pasir Panjang terminal expansion next year. All container handling facilities will eventually be located at the new generation port in Tuas with the capacity of handling 65m teu yearly from the current 40m teu.

The port operator expects that by 2030, it will reach the 1bn teu cumulative mark after being the first port in the world to cumulatively handle 500m teu in 2014. By 2027, the container terminals in the city next to Shenton Way and on Pulau Brani will be vacated. The terminals in Pasir Panjang will follow suit by 2040. PSA Group chief executive Tan Chong Meng looks at the Tuas project as "a blank canvas upon which we can perfect ourselves to gather the best of our current practices" and to find solutions to the challenges that the future port industry will be grappling with. The entire Tuas development project, he says, will take a couple of decades to put in place.

(cont.)

Singapore, Staying Strong (Part 2)

Game changers

Beyond building on current best practices, Mr Tan said that PSA seeks to “challenge our assumptions and push for game changers, especially in fast-mutating areas such as security and information flow and planning.” New technologies capable of detecting and tracking people, vehicles and containers may have to be tapped as traditional threats are being replaced by new ones.

PSA’s Mr Tan expects that the prevalence of mega-ships and alliances in the future will bring an exponential increase in the scale and complexity of port operations. To address this, he believes that better information flow and planning between ports and shipping lines will be required. Container stowage planning, for instance, is an area which can be improved on given that at present it is largely done in a sequential back-and-forth iterations between the planners from the shipping lines and ports.

Planning screens that are simultaneously assessed and link planners from the shipping lines and ports, aided with appropriate algorithms and artificial intelligence could be a future possibility, Mr Tan said. Analysts and industry executives agree that for Singapore to keep its hub status, it needs to address the double whammy of rising competition and costs. Rivals such as Malaysia’s Port Klang and Colombo port are expanding their capacities to handle mega-vessels. “Retaining customers is a daunting task when competitors have lower cost input at a time when their clients are extremely cost-sensitive,” Victor Wai, research analyst at Drewry Maritime says. “To stay ahead of the competition, it is appropriate to expand capacity in Singapore despite the cyclical trade downturn.”

As container shipping lines can switch transhipment ports with short notice and transhipment costs are not passed on to shippers, such costs have to be kept low. To ensure that Singapore retains its lead in the business, handling costs and trade connectivity are key factors, Mr Wai said. “Containment of costs is one of the main threats to competitive positioning of any port,” says former APL executive David Appleton, now principal and owner of Focus Maritime consultancy. “ On a cost neutral basis, history shows that carriers normally opt for traditional and well-established ports. This is not just about handling rates.”

For shipping lines, maintaining schedule integrity is a continual goal, while for terminals, balancing berth utilisation with operating flexibility can be a challenge and escalating ship size does not help, Mr Appleton adds. Singapore’s geographical advantage, port productivity and connectivity with the rest of the world are not easily surpassed by regional ports, Mr Wai says. PSA Singapore has links to over 600 ports globally while Westports Malaysia connects with more than 300 ports worldwide.
In January, MPA and PSA came up with “a suite of help measures” to help container lines, which for the port operator entails working with its customers to enhance vessel productivity at the port and optimise network planning activities such as service deployments and phasing in and out of vessels. The goal is to help cut customers’ operational costs.

MPA added that the Singapore port operator is also actively engaging with container lines that wish to establish a long-term strategic presence in the port of Singapore. No other details, however, were disclosed by both MPA and PSA. Singapore-based Neptune Orient Lines, whose ships operate under the APL brand, believes the S$3.4bn ($2.4bn) acquisition by French carrier CMA CGM of NOL will bolster the city-state’s shipping hub status. The acquisition announced in December last year is expected to close in August 2016 following regulatory approvals.

“There might be sentiments against the change of ownership but in terms of economic impact, the transaction is positive for all of us,” NOL chief executive Ng Yat Chung says. APL is the biggest container shipping company in Southeast Asia by fleet size. “The change of ownership of NOL will not impact Singapore’s continuing journey to be a premier maritime hub and in fact CMA CGM is willing to reinforce that role,” Mr Ng said. “They have committed additional volumes to Singapore.” CMA CGM vice-chairman Rodolphe Saadй says that “it will make a great deal sense to have double-hubbing in Southeast Asia”.

(cont.)

Singapore, Staying Strong (Part 3)

The volumes of the combined entities will allow increasing business in Singapore and keeping a strong presence in Port Klang. Singapore has done well in its journey to become a maritime nation but is not without its challenges. "Other countries and cities aspire to become important maritime clusters; cost is a challenge," Rene Piil Pedersen, group representative for Singapore/Asia Pacific at Maersk Group says. "Singapore has to address the question of how to make its value proposition as an international maritime cluster remain attractive in the face of a slowing economy and a challenging oil environment," Mr Pedersen adds.

What makes Singapore work

Singapore offers a strong business proposition for ship and rig owners and its attractiveness stems from having a competitive taxation system for shipping and offshore along with the ease of doing business and access to a cluster of services, Maersk Group's Mr Pedersen says. Moreover, the government executes a consistent, long-term and transparent shipping policy led by an efficient maritime administration, Mr Pedersen adds. There is rule of law, a strong anticorruption policy and finally, access to both local and international talent base. Outside Denmark, Singapore is the only place where Maersk is represented with all its major business units including Maersk Line, Mr Pedersen points out. The Maersk fleet flying the Singapoare flag is at a record high with 137 vessels and rigs registered in Singapore, he adds. While security and ease of doing business favour Singapore as a regional hub, anticipating physical constraints of vessel size and ensuring the maximum operating flexibility and efficiency are key attributes, Mr Appleton says. "It all begins with geographic location and is subsequently supported by vision and strategy. This has been the hallmark of Singapore across the piste, and is also true of its approach to the maritime industry," Mr Appleton adds. "Sustainability comes from investment and response to market needs; often recognising a need even before the customer does so."

Beyond the hub port

Singapore is also developing the other facets of an international maritime centre beyond the hub port. It has taken concrete steps to build a more sustainable shipping sector in the long term, MPA's Mr Tan says, pointing out, among others, the Green Ship programme that encourages Singapore flagged ships to reduce carbon dioxide and sulphur emissions. Singapore will do its part to support the so-called Blue Economy, given that it is a port city with a long maritime heritage, Mr Tan says, adding that an integrated approach is needed to promote the sound governance of ocean resources.

Singapore is also seeking to be a LNG bunker-ready port when LNG becomes more viable as an alternate fuel. The MPA has awarded two LNG bunker supplier licenses and launched the world's first national standards for bunker mass flow metering recently. In 2015, Singapore remained the world's top bunkering port with a 6.5% increase in volume of bunkers sold and vessel arrival tonnage rose 5.6%. Mr Tan said the MPA has been actively expanding knowledge-based sectors such as shipbroking, shipping finance and marine insurance as well as growing the Singapore Registry of Ships, which is positioned as a quality ship registry. At present, Singapore has over 20 major shipbroking companies with significant operations covering charter broking, sale and purchase broking and research and consultancy in Singapore.

In other related developments, the Singapore Exchange is seeking to buy the Baltic Exchange, the 272-year-old London-based provider of information on global shipping costs. Many are watching whether Southeast Asia's biggest bourse operator will succeed in its bid to acquire such an iconic shipping institution, a move which some say shifts shipping's centre of gravity to the east. This year marks the 44th year since the birth of containerisation in Singapore. The city state has come a long way from welcoming its very first container ship on June 23, 1972 at the then newly-built Tanjong Pagar container port, the first in Southeast Asia. While Singapore has harnessed its natural advantage of a deepwater harbour and strategic location along the major shipping routes, its continued efforts toward a well-developed port infrastructure, backed by efficient marine services, serve to remind us of the saying – "the harder you work, the luckier you get".

Source: **Lloyds List Australia**
http://bit.ly/1UgPOkS

How Good is Your Trivia Knowledge

1. Which Latin term, usually applied to legal evidence, means 'at first sight'?
a) Prima Facie
b) Firma Regard
c) Frima Sieni
d) Firma Sight

2. In which bay is Alcatraz?

3. Which actor appeared to have a wooden leg in the 1956 film Moby Dick?
a) Gregory Peck
b) Spencer Tracy
c) Audie Murphy
d) John Barrymore

4. What is Canada's national animal?
a) Beaver
b) Mapple Syrup
c) Moose
d) Canadian Goose

5. Which hills divide England from Scotland?

1) a 2) San Francisco 3) a 4) a 5) Cheviots

Feedback

Should you wish to discuss any of the issues contained in this newsletter please contact your CSO or any of the people listed below:

Mile' Jurcic' (Melbourne)

Mark Hingston (Brisbane)

Thank you for continued support.
SCI Australia Pty Ltd

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