Highlights from London International Shipping Week

London International Shipping Week 2017 has been hailed a resounding success with thousands of global shipping industry leaders attending more than 160 official events throughout last week. Initial estimates place the number of U.K. and international visitors at over 15,000. Visitors from over 50 countries attended the week, including 15 ministers from foreign governments such as Saudi Arabia, Nigeria and Ghana.

Such was the international interest in the week that #LISW17; #LISW2017; and @LISW17Official trended on Twitter twice during the week, with an estimated 11.2 million user Twitter reach.

The U.K. government used the week to host bilateral meetings with politicians and senior industry figures to explore partnerships, future opportunities outside the European Union and examine how to help significantly boost maritime exports.

Reflecting on the successes of the past week, Jeremy Penn, Chairman of the LISW17 Steering Group, paid tribute to the strong cooperation that existed between Government and industry. “LISW17 was bigger and stronger than the previous events in 2015 and
2013, and this reflects not only the importance of government and industry cooperation in helping to promote London and the U.K.’s prominent role in world shipping, but also the realization by shipping that London is firmly at the heart of this global industry,” he said.

More than 550 people attended the official LISW17 flagship conference on Thursday September 14, while just under 1,000 guests and VIPs attended the Gala Dinner in the evening. Both were held at the Grosvenor House Hotel in London’s Park Lane.

**Brexit**

The P&I Insurer The Standard Club hosted a debate on whether London would remain the preeminent global shipping service center post Brexit.

Euripides L Evriviades, High Commissioner for the Republic of Cyprus, said that no deal has been agreed yet, and no deal is better than a bad deal. The E.U.’s position is that those outside of the E.U. cannot have the same benefits of those in the E.U. New checks and controls will have a negative effect, and the U.K. may lose access to the Surveillance Information Systems provided by European Maritime Safety Agency (EMSA), which may cause delays. “It’s a divorce and a re-marriage of sorts. As the Englishman Darwin said, ‘It is not the strongest species that survives but the one that is most able to adapt to change.’”

Kwasi Kwarteng, MP for Spelthorne and economic historian, said London has a wonderful heritage of maritime trade and the port sector is very important to the economy. London’s place in the world has been built over time and won’t be diminished so easily. “People are fixated on trade deals, but trade happens without deals. The country that the U.K. trades most with is the U.S. If there is demand, there is trade.”

Today, 44 percent of the U.K.’s international trade is with the E.U., but 12 years ago this was 56 percent and so this was already a declining share due to globalization, which may have been accelerated by Brexit. The rest of the world has grown at a faster pace than Europe for the last 30 years. In conclusion, he said: “Brexit will bring positive benefits for the U.K.”

Separately to the debate, PD Ports, owner and operator of Teesport, urged U.K. businesses not to develop Brexit “blinkers” but instead to explore significant new global opportunities as the U.K. negotiates its exit from the E.U. Industry data shows U.K. export performance as a whole has been stronger outside the Single Market than within the E.U. over the last decade according to PwC’s U.K. Economic Outlook report.

Although Brexit will bring challenges to the U.K. export market, there are equal opportunities to increase their focus on key emerging markets such as Asia in the medium and long-term, allowing businesses to take a truly global approach rather than limiting themselves to trade within the Union.

**Climate**

The shipping industry must and can play a significant role in addressing global warming, according to a four-year research effort Shipping in Changing Climates, supported by over 30 partners from industry and academia including Lloyds Register, Rolls Royce, BMT, Shell and MSI.

The research concludes international shipping must cut GHG emissions at least 50 percent by 2050. Rising trade and demand means this will require substantial efficiency
improvements in the average ship, which will have to reduce in carbon intensity some 60-90 percent by mid-century. Switching to LNG or improving energy efficiency of ships alone is not sufficient, greater reductions in GHG will only be enabled through a shift away from fossil fuels to renewable energy and low carbon fuels. Zero emission ships, already becoming part of the global fleet on certain niche routes, will increasingly become the mainstream technology with significant penetration into the market from approximately 2030.

The report’s recommendations include:

• Operational CO2 intensity for all container ships, tankers and dry-bulk must be cut 60-90 percent on 2012 levels by 2050 just to reach a two degree pathway. The current IMO efficiency regime just leads to a three percent reduction in emissions by 2050.
• Major companies should consider undertaking climate risk analysis and implementing internal carbon pricing to prepare their business for forthcoming regulation under tougher climate policies
• The use of hydrogen or battery technology is viable but may require a fundamental change in operational philosophy and voyage planning, and care will need to be taken of upstream emissions
• Technology can make some difference, but it will take a lot of technologies and must include wind assistance. Speed reduction will be important even with future technology.

**Autonomous Shipping**

Maritime activity over the next decade will be dominated by unmanned surface and underwater vessels, according to a report on the future of autonomous maritime systems written and researched by Lloyd’s Register, QinetiQ and the University of Southampton.

Tim Kent, Technical Director, Marine and Offshore, Lloyd’s Register, said: “Developments widely reported in the media, such as those in autonomous shipping, are happening with greater pace than expected as little as two years ago. These developments enabled by technology provide new opportunities and potential for disruptive business models. However, the principal challenges will be the integration of these autonomous systems into current maritime operations, legal and regulatory requirements, and not least the impact upon seafarers.”

Professor Ajit Shenoi, Director of the Southampton Marine and Maritime Institute at the University of Southampton, said: “The report recognizes that autonomous systems and associated technologies will require people to learn to work seamlessly with them. Crew members of the future may become shore based, managing vessels remotely from the office or the sea, creating the need for new training and skillsets. The potential for the command and control to be geographically displaced from the vessel will also require behavioral and cultural changes within the maritime community.”

**U.K. Flag**

The maritime professionals’ trade union, Nautilus International, gave a cautious welcome to a commitment from U.K. shipping minister John Hayes to double the number of vessels registered to the U.K. Flag. The Union, which represents 22,000 seafarers, is now calling on the minister to put measures in place to increase the number of U.K. seafarers employed on U.K. ships, as part of his commitment to increasing the number of vessels registered.
Earlier this year, Nautilus International called on the government to reassess the process for granting Certificates of Equivalent Competency to non-U.K. resident seafarers and also to promote the employment of U.K. seafarers in domestic shipping, as part of a ten-point Charter for Jobs to deliver decent work and training opportunities for British seafarers post Brexit.