

3rd International Committee Meeting Summary

The 3rd International Meeting, chaired by Mr. Colin alongside Ms. Siow Hui, chair of the Tax workgroup, began with Mr. Ashok from BIMCO covering crucial details on the EU Emissions Trading System (ETS) and the evolving Red Sea situation. He emphasized key points for stakeholders' understanding and preparedness, including EU ETS clauses and ship recycling, stressing clarity regarding earmarking funds for shipping-related projects. Discussions then delved into the Maritime Emissions Trading Scheme (ETS), with participants highlighting concerns about its unilateral nature and advocating for increased industry involvement.

John Bradshaw from the World Shipping Council (WSC) presented a detailed overview of the industry initiative and the WSC Proposal on the Green Balance Mechanism to the International Maritime Organization (IMO), stressing effective greenhouse gas (GHG) pricing and the industry's proactive approach to address emissions. He addressed concerns regarding the proposal's implementation, emphasizing the need for clarity and consistency in regulations.

Ms. Siow Hui, Chair of the Tax Workgroup, delivered a comprehensive briefing on recent taxation developments, including forthcoming adjustments for the maritime sector. The workgroup addressed challenges and pragmatic concerns, introducing the concept of an alternative tonnage tax system and analyzing BEPS Pillar one implications.

The SSA's newly formed Decarbonization Committee was called upon to share its initiatives aimed at reducing carbon emissions in the maritime sector, particularly focusing on harbor craft within Singapore's jurisdiction. Since its inception in January 2024, the committee has been diligently identifying and promoting best practices, exploring cutting-edge technologies like battery power and biofuels, addressing talent recruitment challenges for alternative energy sources, and considering financial strategies to support decarbonization efforts.

Under the leadership of the SSA, this committee serves as a central hub for coordinating industry-wide endeavors towards sustainability, aligning with global objectives to combat climate change. Through fostering collaboration among stakeholders from diverse associations and tapping into the collective expertise of the maritime community, the committee endeavors to make significant strides in curbing carbon emissions, thereby fostering a greener and more environmentally sustainable maritime industry.

In concluding the meeting, the Chair emphasised the importance of vigilant monitoring of ship movements and sustained communication with stakeholders to mitigate risks and ensure the safety of global shipping networks.

Singapore, 29th February 2024.
