

## **7<sup>th</sup> International Committee Meeting Summary**

Chairperson Mr. Jun Shibata opened the meeting with warm greetings. The quorum was not achieved. The minutes from the 6<sup>th</sup> International Committee Meeting were then adopted without further comments.

The Secretariats recently attended a joint U.S.-ROK-Japan Symposium and briefed the committee on countering North Korea's illicit maritime activities, which include smuggling weapons, coal, and oil, and conducting ship-to-ship transfers in regions like the East China Sea and Taiwan Strait. North Korean vessels often use tactics such as AIS manipulation and false flags to evade detection. These activities undermine regional security and the maritime industry, contributing to financial, reputational, and environmental risks. Despite UN sanctions aimed at curbing North Korea's nuclear and missile programs, illicit maritime trade continues to generate revenue for the regime. The U.S., South Korea, and Japan have strengthened cooperation through joint patrols, surveillance, and information sharing, while the maritime industry is urged to ensure compliance with sanctions and improve detection practices. However, challenges such as jurisdictional limitations and evasion tactics persist, emphasizing the need for increased cross-border collaboration and active industry participation to combat these activities. Future efforts will focus on enhancing data sharing, capacity-building, and partnerships with maritime stakeholders.

A representative from Global Risk Management was invited to present on the current dynamics of the global oil market, focusing on geopolitical, economic, and environmental factors, particularly the influence of key players like Iran and Russia. The presentation highlighted the impact of U.S. policy toward Iran, with sanctions under the Trump administration significantly reducing Iran's oil exports, and potential changes under a future Trump presidency. It also discussed Russia's oil market, where sanctions have not fully isolated Russia, and the challenges of balancing U.S. domestic interests with international oil strategies. The limits of U.S. shale oil production were explored, noting difficulties in securing investments due to sustainability concerns. In shipping, volatility in freight rates was discussed, with shipping operators using hedging strategies like Forward Freight Agreements. The growing role of biofuels, particularly within the EU maritime sector, was addressed, highlighting supply and sustainability concerns despite their cost-effectiveness. The presentation concluded with a discussion on the challenges of securing investments for future oil exploration, emphasizing the increasing focus on sustainability. The uncertain future of the oil market was stressed, shaped by political, economic, and environmental factors.

The Secretariats provided updates on several key issues. Regarding the Bangladesh Flag issue raised by our committee members, the secretariats informed the committee that following discussions at the 5<sup>th</sup> International Committee meeting in October 2024, the MPA assured that they would intervene in case of further detentions, though fines and penalties remain unresolved. SSA President plans to address the issue in February, with further updates to follow. The committee was encouraged to report similar issues to the Secretariats to support ongoing matters.

The committee was also informed about a joint submission from ASA, ICS, and WSC to Transport Canada concerning the review of the Shipping Conference Exemption Act

(SCEA). The submission emphasizes the outdated nature of the current exemption and urges Transport Canada to modernize the Act by codifying an antitrust exemption for operational agreements. The submission, shared with committee members in January 2025, invites further inquiries to the Secretariats for clarification on the matter.

Lastly, the Digitalisation Committee has initiated an AI program aimed at better serving the needs of the shipping industry. The chairperson is currently gathering feedback from all committee members to ensure the program addresses industry requirements effectively. The Secretariat has requested the assistance of all Committee Members to complete the survey, helping to shape the initiative accordingly.

Singapore, 21<sup>st</sup> January 2025.

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### **Singapore Shipping Association**

The Association was first formed as Singapore National Shipping Association (SNSA) on 29 January 1985 to represent its Members, who are basically shipowners and operators, shipmanagers, ship agents and shipbrokers. The Association will take the view of the shipping industry as a whole. It will play its due role to promote the interests of shipping in Singapore, ASEAN, Asia and the world. The Association will cooperate with governmental and non-governmental organisations to promote freedom of the sea, safety at sea and to protect the marine environment.