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Singapore Government

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OPENING ADDRESS BY MR YEO CHEOW TONG, MINISTER FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY

AT THE QUALITY SHIPPING SEMINAR 2000, 24 MARCH 2000, 9 AM

Honourable Ministers,
Mr William O'Neil, Secretary General, International Maritime Organisation;

Introduction

Let me first of extend a warm welcome to all our foreign guests. I hope you will find your visit to Singapore interesting, enjoyable and fruitful. I am indeed happy to see all of you this morning, at this Quality Shipping Seminar 2000. Shipping is an increasingly important and growing global industry. As world trade continues to grow, and sea lanes, waterways and coastal areas become increasingly congested, it becomes increasingly urgent to ensure maritime safety and to protect the environment of maritime areas on a global

scale. This seminar is therefore a useful and timely initiative to talk about quality in shipping, and how best to go about achieving it.

2 To be sure, the question of how to achieve quality shipping on a global level is not new, nor is it an easy one to address. It involves not just technical and operational issues, but also political and economic considerations. Since the first Mare Forum The Forum was started by the Dutch in 1996 to raise awareness on quality shipping. The European Union has also held another seminar in 1997. The last one was held in Amsterdam in Jun 1999. This was where we announced the decision to host the Quality Shipping Seminar in Singapore this year. In 1996, nations across Europe have come together in an effort to promote quality shipping in Europe and to seek pragmatic solutions to this question.

3 Today's seminar adds yet another significant dimension towards these efforts. By bringing Europe and the Asia-Pacific together in pragmatic dialogue and co-operation, this seminar will help move us closer towards global quality shipping.

General Conclusions from European Conferences

4 Let me start by highlighting three general conclusions that emerged from the European Conferences. First, it was agreed that instead of creating more new rules to regulate international shipping, attention should be focussed on updating, simplifying, harmonising, implementing and enforcing the existing rules. I am glad to note that this is also IMO's sentiment and one that is gaining international currency as well.

5 Second, there is consensus in Europe that there needs to be better understanding and co-operation between flag and port States, between maritime administrations and the industry, and among the industry players.

6 Third, there is international recognition that the human element is crucial in achieving quality shipping.

Co-operation between Flag and Port States

7 Let us take the issue of cooperation between Flag and Port States. Here, greater transparency and exchange of information on ship inspections is fundamental, as it would help to target errant ships more effectively. It would

also mean more efficient utilisation of the limited resources of many flag and port States.

8 To facilitate this information exchange, Singapore, France, the United Kingdom, Spain and the European Commission will be setting up a database system called *Equasis*²² The system would be set up by May 2000 to collect and disseminate safety-related information on the world's merchant fleet. The US and Japan have also indicated their interest in joining *Equasis*. The information on *Equasis* will be made available to all via the Internet. I urge all flag and port State administrations and industry players, to do their part to make the Equasis Information System a success.

9 Flag and port States can also assist each other through technical co-operation. For example, many Asian maritime administrations face the problem of insufficient trained personnel to carry out flag or port state control inspections. To alleviate this problem, maritime administrations with the appropriate expertise could offer technical assistance to those needing it.

10 I am happy to mention at this point, that Singapore signed an MOU with the IMO in September 1998, on a Third Country Training Programme to provide technical assistance to developing IMO member countries. We invite developing member countries to make use of this programme. We also welcome collaborations with other maritime administrations to jointly provide such assistance to third countries.

11 There is also a need for the various Port State Control (PSC) regimes in the world to better harmonise and co-ordinate their requirements and activities. There are currently seven independent PSC regimes around the world³³ The seven MOUs are: Paris MOU (1982), Vina del Mar MOU (1992) (signed by the South American countries), Tokyo MOU, Caribbean MOU (1996), Mediterranean MOU (1997), Indian Ocean MOU (1998) and the West and Central Africa MOU (1999). S'pore has acceded to the Tokyo MOU.. This has resulted in differing PSC requirements and multiple inspections, as a ship sails from one regime to the next. These add to the burden of ship owners and crews. I would therefore like to suggest that these seven PSC regimes explore the benefits of a globally harmonised and co-ordinated PSC regime.

Co-operation between Maritime Administrations and Industry

12 Quality shipping also requires better co-operation between maritime

administrations and the industry. Co-operation cannot be simply mandated. Punitive measures for substandard shipping alone may not be sufficient or effective. One option is for us to also explore incentives for quality shipping. This approach of wielding a “carrot” in addition to the “stick” could lead to cost and time savings for the industry.

Co-operation among Industry Players

13 Let me now address cooperation among Industry players. No industry wants to be overly-regulated. But government authorities will not over-intervene only if they are assured that the industry has a culture of self-regulation. The shipping industry must therefore strive to develop a strong culture of self-regulation and mutual co-operation. This requires each industry player to take on the responsibility of making quality shipping an important business consideration. This includes doing business only with companies that operate ships that are meet recognised standard. Like maritime administrations, the industry could also make use of tools such as transparent exchange of information and a good balance of economic rewards and penalties to “regulate” its own practices. Let me give you an example. If marine insurers make available information on the ships they insure and the insurance losses incurred, they would be opening themselves to greater scrutiny. This would serve as a powerful motivator for self-regulation.

14 But while we encourage and strengthen cooperation among the various players, it is important that we ensure that the IMO remains the primary international forum for the establishment of any global standards and regulations for maritime safety and marine environmental protection. We should remain mindful that given the international nature of shipping, actions undertaken at a particular region could impact other parts of the world too.

The Human Element

15 Finally, I would like to stress the importance of the human element in quality shipping. Even the best-built ship will be unsafe if operated under incapable hands. The importance placed on the human element at the IMO is reflected in the development and adoption of two major instruments, namely the International Safety Management (ISM) Code adopted in 1993 and the International Convention on Standards of Training, Certification and Watchkeeping (STCW) adopted in 1978 and revised in 1995. While these two instruments set the standards for the safe management of ships/crew, and the

competency of seafarers, our task is to meet and maintain these standards.

16 While much has been achieved in this area in recent years, more can and must be done to ensure the competency of our seafarers. The industry should get more involved in the training of seafarers. This could be through the funding of such activities, through the setting up of training centres, or establishing programmes for shipboard training. Unions of flag States and seafarers can play a bigger role too, in co-operation with ship owners.

17 We need to look into minimising human errors by coming up with a more systematic way of investigating and analysing maritime incidents. And we must follow up with proposals on how existing management and training can be improved to avoid future errors. Needless to say, to achieve all of these, it is vital that there is co-ordination of efforts between shipowners, flag states, seafarer-supplying countries, maritime training institutions, seafarer unions and the IMO.

Conclusion

18 Let me conclude by stressing that we need to act together if we want to achieve the goal of quality shipping. Our joint efforts should not be unlike that of passing around the proverbial hat among your colleagues when one colleague needs some help. The aim is not to pass the hat quickly to the next person, but to make sure you drop in your contribution *before* handing the hat over to the next guy. If each player in the chain of responsibility were to drop in his contribution of just one concrete action towards achieving quality shipping, we would be that many steps closer towards our goal. This is my challenge to you for this seminar -- please drop in your contribution before you leave.

19 With that, let me end by wishing all of you a very fruitful seminar. I hope that despite the numerous responsibilities ahead of you, you will find sometime to enjoy your stay in Singapore. It is now my great pleasure to officially open this Quality Shipping Seminar 2000.