

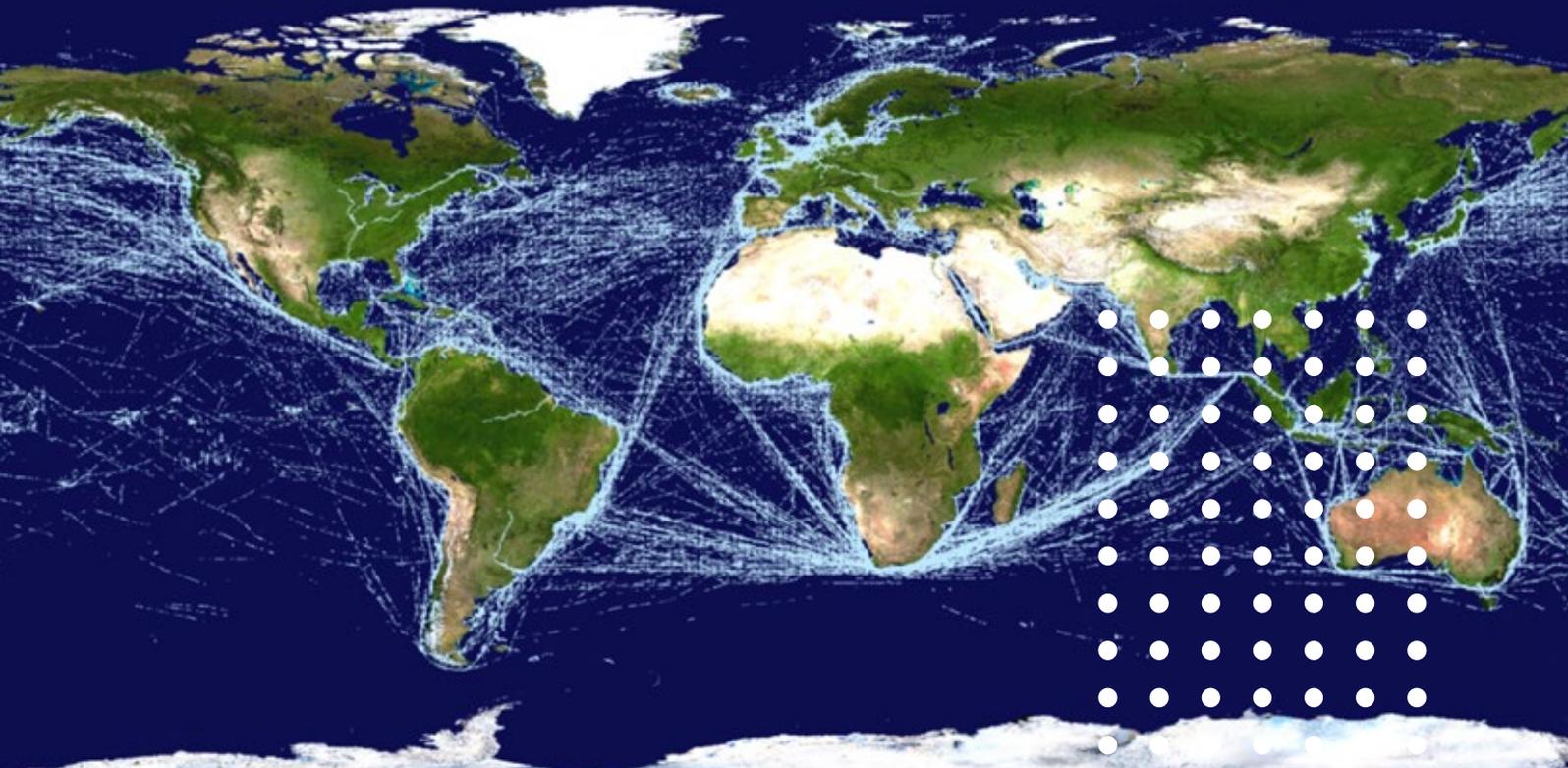


International
Chamber of Shipping

Shaping the Future of Shipping

Shipping Policy Principles for Pandemic Recovery

A Call to Action to Governments
from the Global Shipping Industry



June - 2022

Shipping Policy Principles for Pandemic Recovery

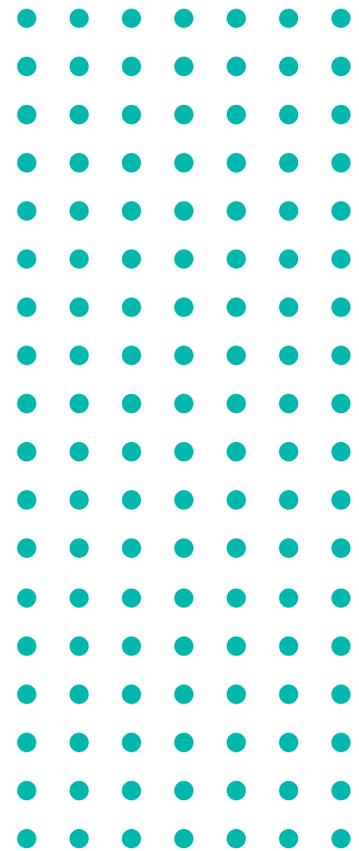
A Call to Action to Governments from the Global Shipping Industry

As the global trade association for shipowners, the International Chamber of Shipping (ICS) remains committed to the maintenance of a rules-based global trading system and a global regulatory framework for maritime transport which embraces:

- Safe shipping operations;
- Protection of the environment, including ultimately the total phase-out of CO₂ emissions as soon as possible;
- Maintenance of open markets and fair competition; and
- Strict adherence to internationally adopted standards, norms and procedures.

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Overview for Policy Makers

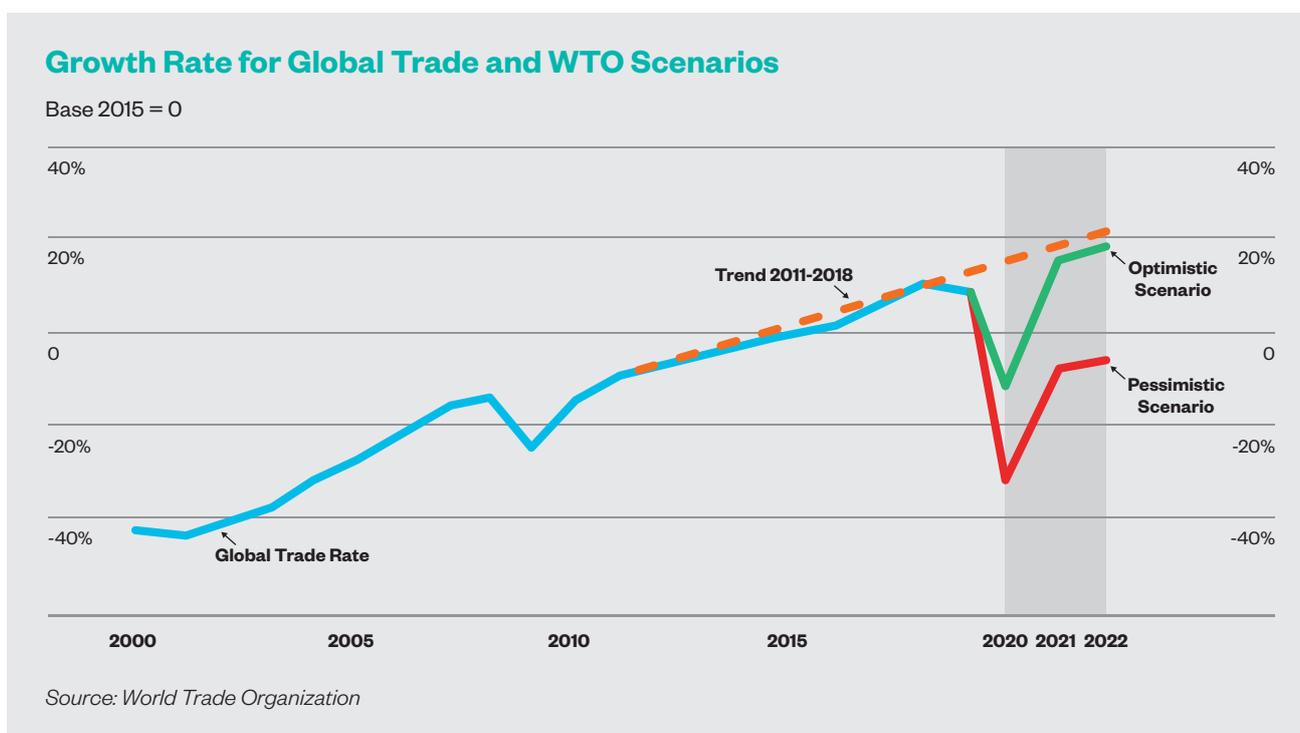
“90% of world trade is carried by sea. The pandemic has highlighted the vital importance of maintaining collaborative multilateral structures and upholding principles of international shipping policy to ensure the continuing provision of efficient maritime supply chains.”

Shipping is the lifeblood of the global economy transporting energy, raw materials and goods across the world with a value in excess of US\$ 14 trillion annually.

Any government measure placing restrictions on international maritime services reduces the ability of countries to trade and increases costs for businesses and consumers, adding to inflationary pressures.

Throughout the pandemic, in the face of travel restrictions and an international crew change crisis, shipping has kept supply chains moving, transporting the energy, food and raw materials, as well as manufactured goods and products, on which twenty-first century life depends. This includes the transportation of billions of vaccines and other critical medical supplies.

The pandemic is not yet over. But the disruption to trade has clearly demonstrated the vulnerabilities of our globalised economy and its absolute dependence on an efficient maritime transportation system.



The health of the global economy amidst the pandemic is inextricably linked to the international shipping policies which governments choose to pursue.





Global rules for a global industry: the authority of the UN IMO should be upheld.



WTO negotiations on maritime services need to restart.

Above all else, the pandemic has highlighted the importance of maintaining collaborative multilateral structures and upholding those fundamental principles of international shipping policy which have ensured the provision of efficient global supply chains for the past 40 years. Most concerningly, even before the pandemic, commitment by many governments to these long-established principles was already beginning to show signs of strain.

The Strategic Importance of Shipping to Pandemic Recovery

- 90% of world trade by volume
- 70,000 internationally trading ships
- 11 billion tonnes of cargo moved annually
- US\$ 14 trillion worth of cargo moved annually
- 800 million containers (TEUs) handled in container ports worldwide
- 1.89 million seafarers employed worldwide, plus millions of jobs ashore

It is incumbent on both maritime and non-maritime policy makers to have a clear understanding of the sector's strategic importance to the health of the world economy. This includes recognition of the critical role which the shipping industry can play as a partner with governments in their pursuit of sustainable development.

This manifesto for pandemic recovery and its Calls to Action to governments are therefore intended to ensure that, in the best interests of all national economies, the world will continue to have access to efficient and more cost effective maritime services.

“In support of sustainable development, it is of the utmost importance that governments remain committed to the existing global regulatory framework for shipping and the maintenance of maritime free trade principles.”



Shipping transports about 90% of global trade, most of it via transoceanic voyages. But the international policy framework which facilitates this highly-efficient global transportation system is often taken for granted.

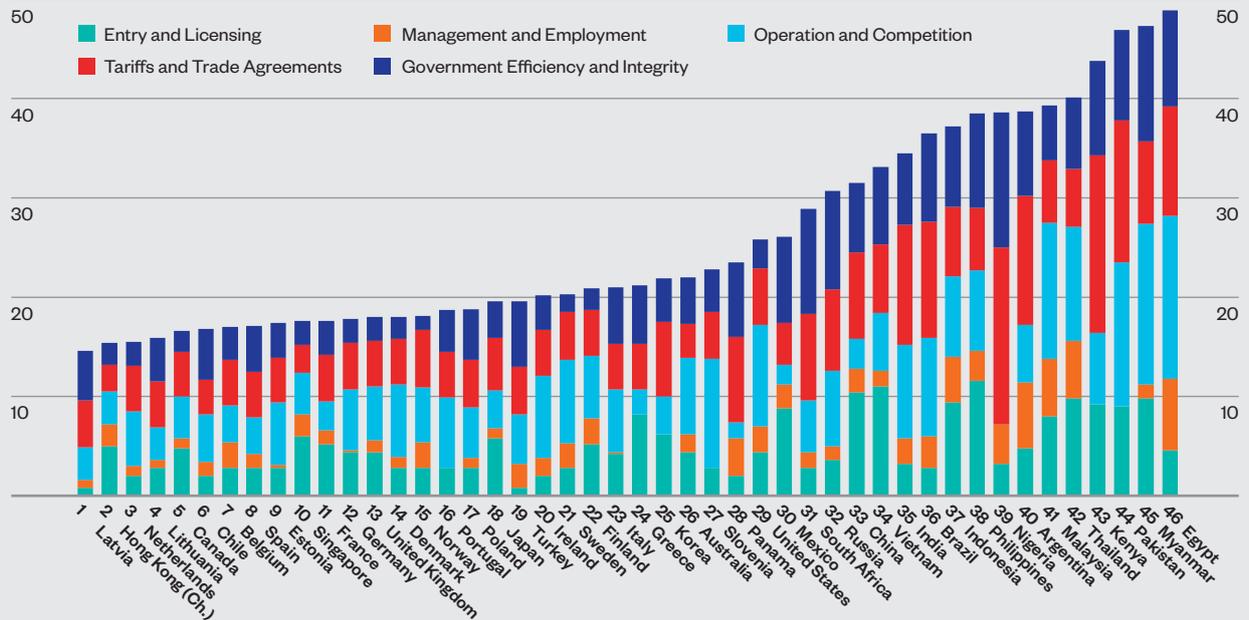
It is essential that the highest levels of government are actively conscious of the framework of multilateral agreements which make efficient maritime trade possible, or of the absolute importance of adherence by governments to the principles of shipping policy on which these international agreements are based.

Having evolved from their inception more than a hundred years ago, these are the principles which underpin today's global maritime transportation system. As we move ever deeper into the twenty-first century, these shipping policy principles are as relevant as ever.

It is especially necessary for policy makers to understand the importance of maintaining global rules, free trade principles, fair competition and open access to shipping markets, all of which have enabled the shipping industry to contribute directly to the substantial improvement in living standards and prosperity throughout the world. The economic benefits of free and open competition, leading to efficient maritime transport services, can be felt both in terms of national GDP and exports. However, when these free trade principles are not maintained, and protectionist measures are put in place by governments, these do more harm than good to national economies.

To calculate the costs of protectionism, a recent ICS Study has summarised the full range of individual countries' restrictions related to maritime transport services, with each country covered attributed a ranking.

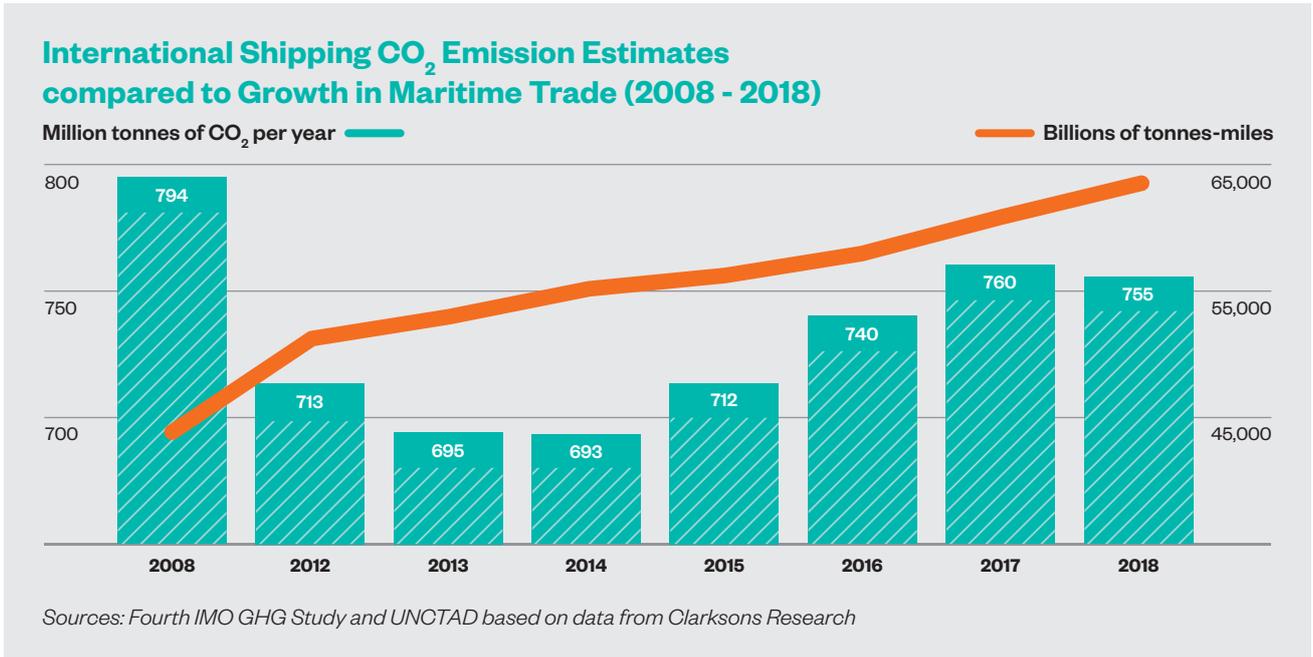
Protectionism in Maritime Economies (PRIME Index)



Source: ICS/Craig Van Grastek, *Protectionism in Maritime Economies Study* (ICS, 2021)

This manifesto is therefore addressed to those senior government policy makers for whom shipping may sometimes be out of sight and out of mind. But it is also intended as an *aide memoire* to those shipping and trade officials about the importance of the key principles of international shipping policy which underpin global trade and the need to be vigilant in their defence.





In addition to continuing to provide efficient and cost effective transportation services that support economic development, the shipping industry is committed to decarbonisation as soon as possible in line with the Paris Agreement on Climate Change and the Sustainable Development Goals (SDGs). But in order to make the very expensive investments that will be required, the shipping industry needs to remain economically sustainable.

This manifesto therefore makes a number of Calls to Action whilst emphasising those vital principles of international shipping policy which have successfully provided the basis for ensuring efficient maritime supply chains.

Governments are urged to give careful attention to the following Calls to Action and the need to adhere to those complementary Shipping Policy Principles, as elaborated upon in the commentary.

This Manifesto, if acted upon by governments, can help ensure that the global shipping industry can play its full part in the pandemic recovery, contributing to the further improvement of global prosperity as the world's population continues to grow.



Calls to Action (CTA) for Pandemic Recovery

Governments are urged to:

CTA 1	STRIVE for a forward looking, rules-based multilateral trading system based on global co-operation
CTA 2	RESTART work at WTO towards full negotiations on maritime transport services
CTA 3	CO-OPERATE to halt proliferation of protectionist trade measures, so all national economies benefit from efficient maritime transport services
CTA 4	MAINTAIN the authority of IMO as the industry's global regulator, including development of further measures to eliminate environmental impacts
CTA 5	SUPPORT the ambitious revision of the IMO GHG Strategy for the decarbonisation of shipping, including a net zero target for 2050 and a global, levy-based carbon price to expedite the transition
CTA 6	ADHERE to established principles of international shipping policy, including proportionate use of subsidies in support of pandemic recovery
CTA 7	RESUME negotiations at the OECD on a global agreement to eliminate market distorting measures in shipbuilding
CTA 8	MEET obligations under the ILO Maritime Labour Convention
CTA 9	FACILITATE digital transformation and security against cyber attacks
CTA 10	PROMOTE effective national co-ordination between government shipping ministries and non-maritime agencies, and raise awareness of the critical strategic importance of international shipping

These Calls to Action are elaborated upon in the commentary included in the Annex to this document.



Shipping Policy Principles (SPP) for the Pandemic Recovery

SPP 1	Global Rules for a Global Industry
SPP 2	Free and Fair Competition
SPP 3	Support for Multilateral Regulatory Initiatives over Unilateral Measures
SPP 4	Implementation and Enforcement of Global Maritime Regulations
SPP 5	Equitable Treatment in Shipping Agreements
SPP 6	Consultations Among Governments
SPP 7	Non-discriminatory Treatment for Maritime Auxiliary Services
SPP 8	Non-discriminatory Treatment for International Multimodal Transport
SPP 9	Equitable Competition Policy
SPP 10	Shipping Taxation Rules Based on Longstanding UN and OECD Conventions

These Shipping Policy Principles are elaborated upon in the commentary included in the Annex to this document.



Annex – Commentary

Calls to Action to Governments

CTA 1

Strive for a forward looking, rules-based multilateral trading system based on global co-operation

It is no coincidence that the significant increase in global prosperity enjoyed by the world's expanding population during the previous quarter century – which has been facilitated by a three-fold increase in maritime trade – followed the establishment of the World Trade Organization (WTO) in 1995.

It is recognised that the WTO and the existing multilateral trading system are in need of reform to reflect the current and future needs of global trade. To achieve meaningful and mutually beneficial improvements, WTO Member States should co-operate constructively in the ongoing reform process.

The WTO can only play its role effectively if it has the full support of governments worldwide. In the collective best interest of all national economies, many of which will remain fragile during the pandemic recovery, the shipping industry calls on governments to continue to support the WTO and its functions which help to maintain the efficient operation of global trade, which shipping exists to facilitate.

The global shipping sector is fully supportive of the WTO as the principal forum for resolving trade related issues between nations. The dispute settlement process of the WTO, in particular, should continue to perform its vital role as the world's leading international trade-dispute settlement mechanism.

CTA 2

Restart work at the WTO towards full negotiations on maritime transport services

ICS strongly supports initiatives such as informal exploratory discussions by WTO Member States, that would lead to a resumption of full negotiations on trade in services including maritime transport services, as well as resuming multilateral negotiations as a whole.

Negotiations on maritime transport services were not concluded at the end of the Uruguay Round in the 1990s, and the commitments so far made by governments with regard to maritime transport services under the Doha Round are not definitive and therefore lack legal certainty. The shipping sector particularly wishes to see progress being made under the General Agreement on Trade in Services (GATS) in order to bring enhanced legal certainty to maritime transport services.

Bilateral and regional trade agreements, including those which cover maritime transport services, are an important complement to multilateral agreements concluded under the auspices of the WTO. In the longer term and at the global level, however, particularly in the event of another serious economic downturn, WTO agreements will provide a greater degree of legal certainty and security against the danger of new protectionist and trade restrictive measures that may be adopted by individual nations as policy responses to any downturn in the aftermath of the pandemic.

ICS encourages initiatives by the WTO and its Member States to engage with and take advantage of the experience and expertise which resides within the international business community, including the global shipping sector.



CTA 3**Co-operate to halt proliferation of protectionist trade measures, so all national economies benefit from efficient maritime transport services**

Governments are encouraged to ensure that bilateral agreements, regional agreements, as well as national and regional trade regulations and policies – including those which relate to maritime transport services – do not deviate from or conflict with their current national schedules of commitments, as agreed within the framework of the WTO.

The proliferation of trade-restrictive measures leads to uncertainty and undermines the efficiency of global trade and the sustainable development of nations. In recent years, the global shipping sector has observed a regrettable upsurge of support by some governments for different types of tariff and non-tariff trade-restrictive measures worldwide, including but not limited to:

1. Import restrictions and quotas;
2. Administrative obstacles;
3. Cargo reservation measures restricting carriage of certain cargoes to ships of a particular flag or flags. This also includes excessively broad interpretations of what constitutes 'government cargoes' in the context of any requirements to restrict transportation of government cargo to national flag ships;
4. Discriminatory measures related to services in ports; and
5. Restrictions with regard to the nationality of seafarers employed on board ships engaged in certain trades.

Trade-restrictive measures will jeopardise pandemic economic recovery and, at this delicate time, their proliferation introduces considerable risks for global trade, economic growth, jobs and consumer prices worldwide. In this respect, governments are recommended to:

1. Avoid the adoption of any trade restrictive measures in general, as these have an adverse effect not only on the sustainable development and connectivity of national economies, but also on the recovery of the global economy;
2. Oppose national or regional cargo reservation measures that might be proposed (including those proposed by other nations) with regard to the transport by sea on international voyages of energy products, raw materials and foodstuffs, as well as manufactured goods and products; and
3. Give due consideration to the removal of any maritime transport cargo reservation measures and other similar trade-restrictive measures, which are already in effect, so as to enhance the competitiveness of their national economies and the access of local importers and exporters to efficient maritime transport services.

Reference is made to the ICS study on *Protectionism in Maritime Economies*¹ published in February 2021 which, in addition to informing governments about the negative impact of deploying protectionist/restrictive trade measures, is intended to encourage the formulation of appropriate policy responses.

¹ www.ics-shipping.org/publication/protectionism-in-maritime-economies-study-summary-report



CTA 4

Maintain the authority of IMO as the industry's global regulator, including the development of further measures to minimise environmental impacts

Shipping is regulated through a comprehensive framework of international Conventions adopted by the industry's global regulator, the UN International Maritime Organization (IMO). These IMO regulations address, inter alia, safety of life at sea, seafarer competence standards, and liabilities in the event of incidents. IMO Conventions, including the International Convention for the Prevention of Pollution from Ships (MARPOL), address virtually all potential sources of pollution from ships ranging from the prevention of oil spills, strict prohibition of the disposal of garbage at sea, treatment of ballast water to prevent damage from invasive species, and air emission standards including CO₂ emissions.

As a global industry, shipping requires the global regulatory framework provided by the UN IMO to operate efficiently. If a ship is trading between two nations, the same rules need to apply at both ends of the voyage with respect to the construction of the ship, rules for safe navigation and equipment, and standards of training and certification for the seafarers on board. The same applies with respect to the increasing complex framework of IMO regulations governing the environmental performance of international shipping.

In the absence of global rules, in addition to compromising delivery of environmental policy objectives, the operation of shipping would descend into chaos and inefficiency, seriously interfering with the smooth operation of global supply chains and the 'just in time' economy which maritime transport facilitates.

IMO regulations are widely ratified by governments worldwide and strictly implemented and enforced on a global basis through a combination of flag state enforcement and port state control. Global standards governing employment standards at sea are similarly provided by the ILO Maritime Labour Convention.

Any attempt by national governments or local authorities to implement maritime rules at variance to those which have been agreed internationally should therefore be vigorously opposed by the trading partners of that government. This also applies to proposals for regulations which may pre-empt or have the potential to undermine negotiations at intergovernmental regulatory fora which are already in progress. A case in point is the current initiative by the European Union to extend its Emissions Trading System (ETS) to international shipping calling at EU ports, in contradiction to the greenhouse gas (GHG) reduction strategy adopted by IMO.

Governments are strongly encouraged to accede to any IMO Convention or Protocols which they have not yet ratified, in particular those referenced in the *ICS Flag State Performance Table* which is updated annually, and those maritime instruments highlighted as part of the industry's ongoing ratification campaign.²

CTA 5

Support the ambitious revision of the IMO GHG Strategy for the decarbonisation of shipping, including a net zero target for 2050 and a global, levy-based carbon price to expedite the transition.

The United Nations Framework Convention on Climate Change (UNFCCC) recognises that GHG emissions from international shipping cannot be fairly attributed to individual national economies, which is why the UN IMO has responsibility for addressing CO₂ emission reduction by international shipping. The shipping industry is committed to complete decarbonisation in line with the ambitious GHG reduction targets agreed by governments as part of the IMO Initial Strategy for the reduction of GHG emissions from ships, which was adopted in 2018 in response to the UNFCCC Paris Agreement on climate change. In the context of the revision of the IMO Strategy, to be completed by Member States by 2023, ICS supports the adoption of net zero CO₂ target for 2050.



Encouragingly, the latest IMO GHG Study published in July 2020 confirms that shipping's total emissions were 7% lower in 2018 than in 2008, the baseline agreed by IMO, despite a 40% increase in maritime trade over the same period. This suggests that following the adoption by IMO Member States, in June 2021, of a package of additional mandatory and technical and operational measures for existing ships, the industry is firmly on track to meet the IMO target to improve carbon efficiency, as an average across the fleet, by at least 40% by 2030.

Nevertheless, while improving the carbon intensity of the existing fleet is important, governments also need to support the IMO Initial Strategy for achieving full decarbonisation of the sector by continuing the development of those candidate measures for long term GHG reduction which are listed in the Strategy. This includes future work on the development of a global market-based measure for international shipping that will close the price gap between new and conventional fuels and help expedite the transition to zero-carbon technologies. The current preference of the global industry, as represented by ICS, is for IMO to adopt a global carbon levy, rather than piecemeal regional measures that will distort global trade.

Governments need to acknowledge that the most pressing and immediate priority is to support a rapid acceleration of research and development of zero-carbon technologies, as these do not yet exist in a form or scale that can be applied to international shipping, especially for large ships on trans-oceanic voyages. Unless commercially viable zero-carbon ships start to appear on the market in the 2030s, it is difficult to see how even the current IMO GHG reduction target for 2050 can realistically be achieved without fundamentally damaging the ability of the world economy to conduct efficient maritime trade.

CTA 6

Adhere to established principles of international shipping policy, including proportionate use of subsidies in support of pandemic recovery

Some long-established core principles of global shipping policy that should be adhered to by governments, including principles enunciated by the Organization for Economic Co-operation and Development (OECD)³, are reiterated elsewhere in this document. These principles cover, inter alia, support for global rules over unilateral regulatory initiatives, the need for free and fair competition, implementation and enforcement of global rules, support for global maritime labour standards, equitable treatment in shipping agreements, the need for consultations among governments, policy with respect to maritime auxiliary services and intermodal transport, as well as competition and taxation policy.

As the shipping industry enters the pandemic recovery phase, governments are urged to give particular emphasis to the importance of maintaining free and fair competition between shipping companies and a global level playing field.

As a response to the immediate economic impact of the pandemic, it is recognised that many governments have introduced, on a temporary or emergency basis, special support measures for shipping companies in certain trades, including subsidies, financial guarantees, and government backed loans on favourable terms.

Governments are urged to ensure that any such support measures which may be applied in response to the pandemic are proportionate to the issues which they are seeking to address. They should not be used to promote other national policy objectives which may afford the recipients an unfair commercial advantage, contrary to accepted principles of international shipping policy, or which might otherwise lead to market distortion. Care should also be taken to ensure that such measures are transparent, and will be withdrawn or suspended as soon as practicable.

3 OECD Common Shipping Principles: <https://legalinstruments.oecd.org/public/doc/165/165.en.pdf>



CTA 7**Resume negotiations at the OECD on a global agreement to eliminate market distorting measures in shipbuilding**

Governments in major shipbuilding nations are urged to address the issue of reducing chronic overcapacity in the shipbuilding sector which has serious implications for the long term economic sustainability of the global shipping industry.

Governments should refrain from introducing inappropriate subsidies to shipyards and other market distorting measures which may contribute to overcapacity in shipping – too many ships chasing too few cargoes.

Governments are therefore encouraged to support the ongoing work of the OECD Working Party on Shipbuilding (WP 6) and efforts to restart negotiations for a new global agreement on the elimination of subsidies and other market distorting measures in the shipbuilding sector, which should also extend to major non-OECD shipbuilding nations such as China.

The sustainability of shipping during the pandemic recovery period, and the ability of shipowners to make the investments needed to achieve environmental and other objectives set by governments, is dependent on their ability to secure a fair commercial return for the provision of maritime services.

Subsidies for shipbuilders, and other inappropriate government support measures, including measures introduced in response to the pandemic, may encourage the speculative ordering of ships for which there is unlikely to be sufficient demand throughout a ship's typical 25 year life, contributing to overcapacity in the shipping sector which risks making the industry unsustainable, especially in the event of another major economic downturn.

CTA 8**Meet obligations under the ILO Maritime Labour Convention**

With respect to maritime employment standards, governments must acknowledge the leading role of the International Labour Organization (ILO) and the obligations of State Parties under the Maritime Labour Convention, 2006 (ILO MLC). In particular, this includes the obligation of governments and relevant agencies to facilitate ships' crew changes and the repatriation of seafarers, which is vital to allow shipping to operate safely and efficiently.

Throughout the pandemic, restrictions introduced by national health and immigration authorities have prevented the movement of ships' crew with the result that hundreds of thousands of seafarers have been stranded at sea around the world, forced to remain on board their ships for many months beyond their contracted tours of duty. This has had significant implications for seafarers' wellbeing and welfare, as well as for maritime safety due to the increased risk of stress and fatigue.

In December 2020, a landmark ruling by the ILO Committee of Experts sent a strong message to governments that they have failed in their duty of care towards seafarers under international law during the COVID-19 pandemic.

Governments are especially urged to implement the *Framework of Protocols for Conducting Safe Crew Changes during the COVID-19 Pandemic*, which was developed by the industry in April 2020 and endorsed by IMO Member States in November 2020. In line with the recommendation by ILO and IMO that seafarers should be designated with 'key worker' status, seafarers should now be afforded priority treatment with respect to receiving COVID-19 vaccinations.

Regardless of the policies that may have been implemented by national authorities during the pandemic in breach of obligations under the ILO MLC, as soon as is practicable governments are urged to remove any remaining restrictions on the movement and repatriation of seafarers without further delay.



CTA 9**Facilitate digital transformation and security against cyber attacks**

Prior to COVID-19, the shipping industry had already embarked on a process of digital transformation. The pandemic has served to accelerate this process and the industry is using digitalisation to help build resilience and minimise exposure of maritime transport operations to similar shocks in future.

Nevertheless, co-operation between governments and industry in the development of transformative digitalisation strategies will be critical during the pandemic period to ensure that momentum is not lost. As well as improving the efficiency of maritime transport, this will enable governments to take full advantage of optimised maritime digital platforms, covering areas such as port clearance procedures, exchange of information (e.g. cargo data and certificates), trade documentation and operations.

To reap the full benefits of digitalisation, it will be particularly important for governments to explore measures and initiatives that focus on the establishment or enhancement of the electronic exchange of information between ships and ports, including onshore authorities, in line with the requirements of the IMO Facilitation Convention. This includes proliferation of Maritime Single Windows (MSWs) as a means of exchange of information on arrival, stay and departure of ships, persons and cargo. MSWs and the concept of submitting data 'only once' via a single portal without duplication is particularly useful as a means of facilitating trade and digitalisation in shipping.

Governments are also encouraged to facilitate investment in emerging technologies such as blockchain, which will be an important component to support the digital transformation given increasing levels of automation on board ships and in operations. These new processes will strengthen relationships throughout the global supply chain, making it even more efficient and able to respond to the challenges of further increases in demand for maritime services.

Given their vital strategic importance, governments must also co-operate with all industry stakeholders to ensure the security and resilience of maritime supply chains with regard to the threat and serious disruption presented by cyber attacks, taking account of the latest IMO guidance.

CTA 10**Promote effective national co-ordination between government shipping ministries and non-maritime agencies, and raise awareness of the critical strategic importance of international shipping**

Actions taken by governments during the pandemic, and the failure of many governments to meet their obligations under international law, especially with regard to facilitating crew changes, has demonstrated the lack of adequate co-ordination between government shipping ministries and those non-maritime agencies whose decisions can have a significant impact on international ship operations and the functioning of global supply chains. This is despite the numerous recommendations with respect to responding to the COVID-19 pandemic, to which governments have agreed in their capacity as IMO and ILO Member States.

This serves to underline the need for far closer co-ordination between maritime officials and non-maritime departments of government at the very highest political level.

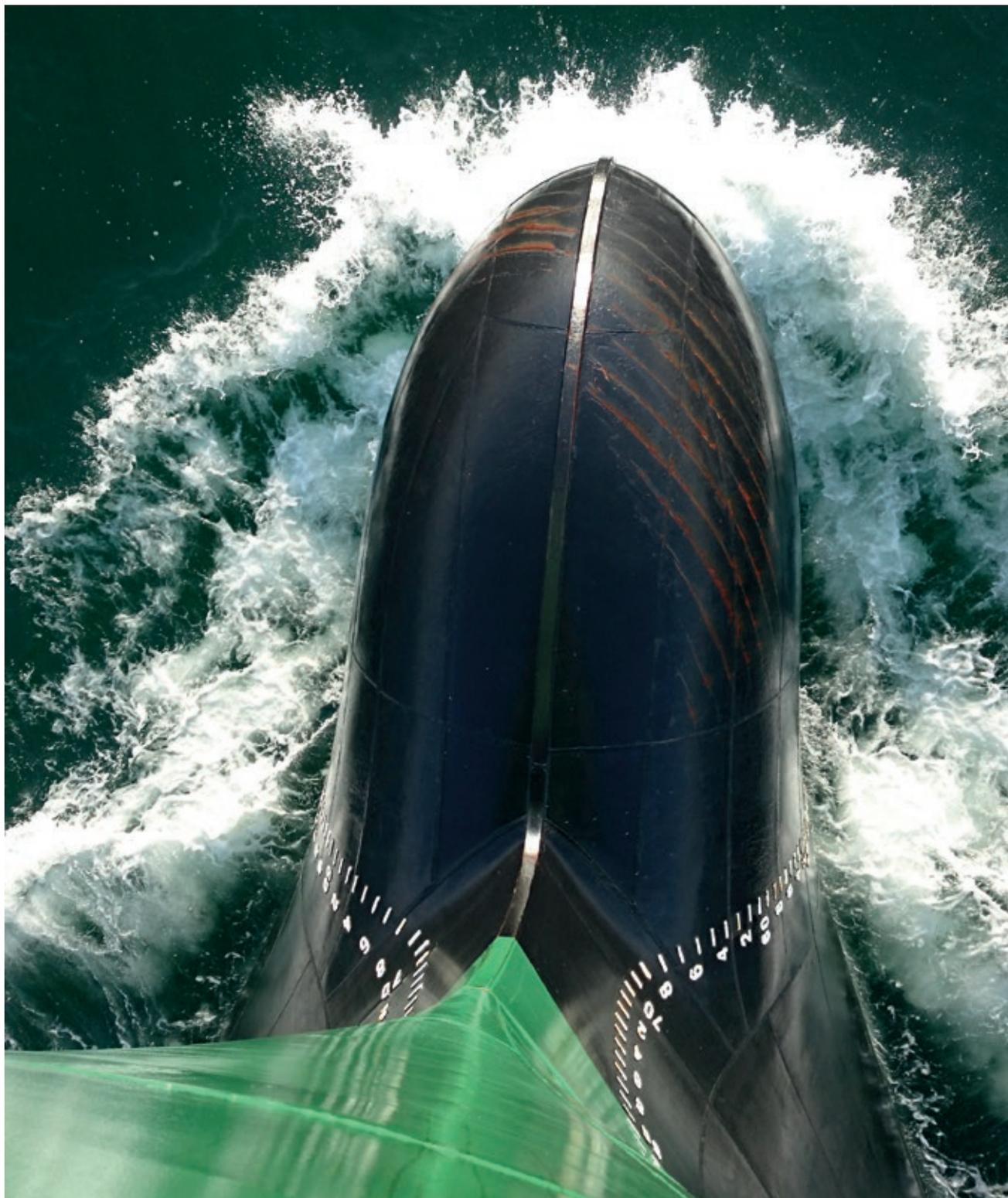
There are many other policy areas on which more effective national co-ordination will be needed between different government departments during the pandemic recovery period, especially with regard to foreign affairs, competition and trade policy, ocean governance and environmental regulation, particularly with respect to climate change and CO₂ reduction efforts.

The impact of the pandemic, and the critical importance of keeping maritime supply chains moving, has also demonstrated the need for non-maritime policy makers to have a better understanding of the critical importance of international shipping.



It is also incumbent on maritime policy makers in transport ministries, shipping departments and national maritime administrations to communicate the strategic importance of international shipping to policy makers in other departments of government.

Communication about shipping policy objectives beyond traditional silos is something which maritime administrations are encouraged to take far more seriously, in order that governments can adopt a more holistic approach to the conduct of international shipping policy as the global economy emerges into the pandemic world.



Shipping Policy Principles (SPP)

Adherence to the following Principles will help governments to ensure that their national economies continue to benefit from efficient maritime transport services.

SPP 1

Global Rules for a Global Industry

Governments should acknowledge the leading role of the UN International Maritime Organization (IMO) and uphold its global regulatory framework with regard to all issues concerning safety of life at sea, maritime security and protection of the marine environment, consistent with the requirements of the United Nations Convention on the Law of the Sea (UNCLOS).

SPP 2

Free and Fair Competition

The shipping policies of governments should focus on safeguarding and promoting open trade, as well as free competition on a fair and commercial basis. These policies should also prevent the abuse of a dominant position by any commercial party. Governments should also actively seek to prevent the introduction by other countries of measures that might run counter to the expansion of world trade on a multilateral non-discriminatory basis. Governments should actively oppose policies which restrict access to markets for cargo moved internationally by shipping companies, adhering to the principle of free competition on a commercial basis.

SPP 3

Support for Multilateral Regulatory Initiatives over Unilateral Measures

Governments should support multilateral regulations to govern internationally trading ships, over unilateral or national regulations which may conflict with the global regulatory framework agreed under the auspices of IMO or other intergovernmental agencies with a mandate to regulate shipping. This includes opposing unilateral initiatives that may undermine the successful conclusion of multilateral negotiations at IMO or other relevant international bodies.

SPP 4

Implementation and Enforcement of Global Maritime Regulations

National shipping policies should ensure that all vessels entered in a country's register of ships, and flying that country's flag, meet applicable international rules and standards concerning, in particular, the safety of ships and persons on board, the prevention of pollution of the environment, liabilities in the event of incidents, and the proper exercise of Port State Control, consistent with applicable international Conventions that the country has ratified and undertaken to implement and enforce.

SPP 5

Equitable Treatment in Shipping Agreements

Governments should ensure, wherever appropriate, the equitable treatment of shipping through the inclusion in trade, navigation and other agreements with other countries, of clauses aimed at ensuring competitive access of the carriers of all other countries to both ports and cargo in the trades concerned.



SPP 6**Consultations Among Governments**

When trade between countries is subject to pressures for cargo sharing or cargo reservation in favour of a particular flag state – including any expansion of the definition of ‘government cargoes’ – the governments of countries affected should be prepared to enter into consultations with the governments of other countries affected, with a view to defending free trade principles and the possibility of making a co-ordinated response.

SPP 7**Non-discriminatory Treatment for Maritime Auxiliary Services**

Governments should promote non-discriminatory treatment as regards the access to and use of maritime auxiliary services, and the application of fees and charges should be transparent. Additionally, where auxiliary services are commercially provided, there should be a free and fair competitive environment as regards their provision, subject to providers meeting required safety and other standards of the country where the services are provided. This principle should apply to those services which a ship might use within a port, including while berthed.⁴

SPP 8**Non-discriminatory Treatment for International Multimodal Transport**

Governments should consider that international multimodal transport involving a sea-leg is an integral part of the transport chain, and that there should be non-discriminatory treatment as regards the access to and use of those services, as well as a free and fair competitive environment in regard to their provision.

SPP 9**Equitable Competition Policy**

Governments should safeguard and promote open and fair competition and prevent the abuse of a dominant position by any commercial party. Government intervention should be kept to a minimum, as may be adequate in a particular situation and consistent with the maintenance of a free and fair competitive and commercial environment. In determining how national competition policy should be applied to international shipping, it is essential that governments give adequate consideration to the way their measures will affect the activities of foreign shipping companies or might interfere with the competition policies and interests of other countries.

SPP 10**Shipping Taxation Rules Based on Longstanding UN and OECD Conventions**

Taking account of the inherent character of shipping as an international activity, governments should maintain and defend the long-established principle that international shipping companies should only be subject to taxation in their country of residence for income derived from maritime transport activities. This virtually universal 100-year international norm is consistent with the UN and OECD Model Tax Conventions, and reciprocal statutory shipping income exemptions.

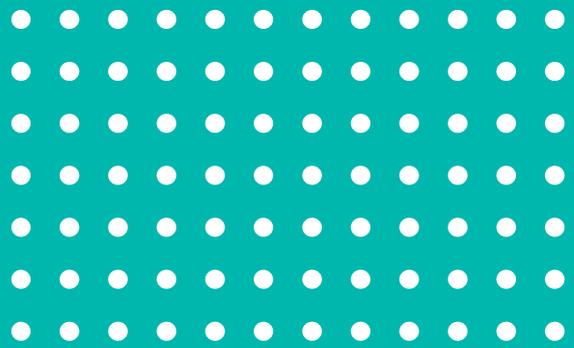
⁴ These services include (but are not be limited to): pilotage, towing and tug assistance; provisioning; discharge of waste and ballast water; navigational aids; shore-based operations essential to ship operations, including communications, water and electrical supplies; emergency repair services; anchorage and berthing services; container handling, storage and depot services; maritime agency services; maritime freight forwarding services; maritime cargo handling services; custom clearance services and maintenance and repair of vessels.





International
Chamber of Shipping

Shaping the Future of Shipping



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Established in 1921, ICS is concerned with all aspects of maritime affairs particularly maritime safety, environmental protection, maritime law, employment affairs and trade.

ICS enjoys consultative status with the UN International Maritime Organization (IMO) and International Labour Organization (ILO).

International Chamber of Shipping

Walsingham House, 35 Seething Lane, London EC3N 4AH

Telephone + 44 20 7090 1460
info@ics-shipping.org
www.ics-shipping.org