



REPUBLIC OF CYPRUS
MINISTRY OF TRANSPORT,
COMMUNICATIONS AND WORKS



DEPARTMENT
OF MERCHANT SHIPPING
LEMESOS



CHAIRMAN'S CONCLUDING REMARKS

Ministers
Ladies and Gentlemen
Distinguished participants

The "Maritime Cyprus 2017" Conference is reaching a successful completion today. This is the 15th Maritime Cyprus Conference and the overwhelming participation of more than 850 distinguished participants from all around the world, proves once again that this is one of the most successful and popular shipping conferences worldwide.

On Monday morning the President of the Republic of Cyprus delivered the opening address. The President referred to the Cyprus shipping sector as the only sector in Cyprus whose size goes far beyond the size of Cyprus as a country and that Cyprus Shipping holds a privileged position on the world's shipping map. The President noted that the Cypriot economy is one of the fastest growing of the European Union whereas foreign direct investment has significantly increased. The shipping sector has been catalytic to the recovery of the Cyprus economy. Shipping and its sustainable growth is thus one of the main concerns and priorities of the Cyprus Government, the President mentioned. The President announced the materialisation of the Cyprus Government's commitment to establish an independent Deputy Ministry for Shipping which will start functioning as from 1st March 2018.

The first session's theme was "**Future Shipping Strategy: Regulators vs. Industry**". Views were aired on the future challenges for commercial shipping, with the importance of intensifying cooperation between all players in the maritime sector, ensuring a level playing field, and preparing today the shipping of tomorrow. All panellists agreed that there is no question of "regulators versus industry". There is a long and successful history of regulators and industry working together to achieve common, shared objectives; objectives which, if achieved, will have a beneficial and positive effect not just on the industry but far beyond. It was stressed that the regulators need to be more proactive and the speed of adapting to technological developments should increase.

The second session of the first day of the Conference concentrated on the issue of "**Tanker Owners; An Endangered Species?**". The discussion focused on whether the tanker owners are facing an endangered future. The panellists analysed the fact that although the demand for oil is changing due to the shift to renewable sources of clean energy, the need for transporting crude oil and oil products with tanker vessels will not be extinct. It was mentioned that it is not possible that the world will no longer need crude oil and clean products or that oil will be able to be transported from source to consumption without using tanker



vessels. The panellists concluded that tanker owners are vulnerable but certainly do not constitute an endangered species. They noted that they anticipate an improvement in the market. Maintaining a balance between supply and demand is essential for ensuring a bright future for tanker owners.

The third panel of the first day of the conference explored the theme **“What does the future hold for Shipowners”**. The panellists mentioned that the market is improving and that the very bottom ship prices belong to the past. There is a substantial increase in the dry cargo ships’ rates and a slight increase in the rates for container ships thus the future looks promising. The supply and demand of bulk carriers seem satisfactory. Shipowners are not discouraged from ordering new ships but they should do so prudently and wisely. It was noted that the preceding year was a record year for scrapping of ships whereas the following year will be a record year for lowest deliveries of new ships. The ship finance parameters were analysed and it was stressed that once better rates are made available, there will be ample ship financing. Finally, the importance of innovation was highlighted and so was the existence of quality focused services.

The second day of the conference commenced with a panel discussion on the theme **“The cost of smoke”**. The debate was focused on air pollution burden imposed by shipping, which has led to an upsurge of international, regional and national regulations. Panellists referred to the implementation of the new EU Regulation of Monitoring, Reporting and Verification (MRV) of CO₂ emissions from large ships using EU ports and on the further reduction of SO₂ emissions. During the debate, panelists agreed that Liquefied Natural Gas (LNG) is maybe the fuel of the future. From the insurance perspective, it was noted that greener ships will not automatically get a discount in premiums as premiums are based on claims records. However, a less green ship has a higher probability to have a worse claims record. Thus, there are indirect incentives on insurance with respect to greener ships. The panelists highlighted that climate change and environmental protection require a global response particularly when dealing with actions from the shipping sector. Maritime transport is widely recognized as an environmentally sustainable and energy efficient mode of transport.

The second panel of the second day of the Conference inquired into **“Smart Shipping”**. On novel ship design, it was mentioned that newly designed ships have additional and novel equipment on board that make ships more efficient. This equipment will lead to decreased air emissions from such new ships. With regard to digitalisation, it was emphasised that it is coming to the shipping industry fast thus, the industry needs to be ready to embrace its benefits and prepare for the threats it poses such as cybersecurity. Autonomous ships will become a reality but we should not expect to see unmanned ships for many years to come since seafarers on board cannot be replaced by vulnerable digital systems. On cybersecurity, it was stressed that cyber risk is here to stay for both companies and ships. The shipping industry constitutes a target for cyber attacks since a lot of information and money is at stake. Therefore, the shipping industry should take protective measures.

Yesterday afternoon the **“Young Executives”** session took place organised by YoungShip Cyprus. Young people had the opportunity to discuss and exchange interesting views on the session’s theme **“Challenging the Business Model”**. The speakers stressed the importance of start up, innovation and employment of new key technologies, ensuring at the same time the eco-friendly and sustainable growth.

Today’s 3rd day discussions commenced with an address delivered by the Mayor of Limassol, Mr. Nicos Nicolaides on the theme **“Limassol as a maritime and energy hub”**. Then a discussion followed on **“Market Forecasting”**. It was noted that freight profitability remains a tangible target for the very near future. Moreover, it was stressed that the market is currently experiencing a relatively better fundamental balance between supply and demand. The importance of maintaining a significant level of demolition activity was mentioned as shipowners can control the supply of vessels since the demand side is beyond their control.

The second discussion of today’s deliberations inquired into the theme **“Drilling Forward”**. The panelists analysed the potential of the hydrocarbon discoveries in the Eastern Mediterranean Region as well as the geopolitical aspects. Large discoveries in the region and the prospect of substantial hydrocarbon resources

have sparked major international interest. It was emphasized that the exploitation and export of these resources present numerous technical, administrative, security, legal and political challenges.

Dear all. Another successful Maritime Cyprus Conference has come to an end. I would like to thank all of you for joining us and especially those that came from abroad. Particular thanks are due to our high calibre speakers, panellists and moderators. Furthermore, I would like to reiterate my sincere thanks to the Conference co-organisers the Cyprus Shipping Chamber and the Cyprus Union of Shipowners, as well as to all Conference sponsors.

Once again I would like to thank you all for being with us and we look forward to welcoming you to Maritime Cyprus Conference 2019. I do therefore officially declare Maritime Cyprus 2017 Conference closed.

MARITIME CYPRUS 2017 CONFERENCE

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