



**CYPRUS SHIPPING CHAMBER**

*Navigates Cyprus Worldwide*

**30<sup>th</sup> ANNUAL GENERAL MEETING**

**30 MAY 2019**

**OPEN SESSION**

**Address by Mr. Themis Papadopoulos**

**President**

- **President of the Republic**
- **President of the House of Representatives**
- **Chairman of the International Chamber of Shipping**
- **Vice President of the European Community Shipowners' Association**
- **Excellencies**
- **Distinguished Guests**
- **Ladies and Gentlemen**

On behalf of the Cyprus Shipping Chamber, I warmly welcome you all to our Annual General Meeting. This year's AGM is a special one, as it marks the 30<sup>th</sup> Anniversary of the Chamber since its establishment as the Cyprus Shipping Council in 1989.

We therefore feel particularly privileged for having once again here with us today on this special occasion, H. E. the President of the Republic of Cyprus, Mr. Nicos Anastasiades.

Mr. President, we note with great appreciation, all the positive comments we have heard about the Chamber in your address. Your presence here today and the ongoing support towards the shipping industry shown by you personally, and by your Government, is greatly satisfying and gives us the encouragement to continue our work.

We would also like to express our sincere appreciation to the President of the House of Representatives, Mr. Demetris Syllouris, for his supportive address on behalf of the House, showing the importance that Parliament places on shipping.

It is also a real pleasure to welcome today, on the occasion of our 30<sup>th</sup> Anniversary, the Chairman of the International Chamber of Shipping (ICS), Mr. Esben Poulsen and the Vice President and President Elect of the European Community Shipowners' Association (ECSA), Mr. Claes Berglund.

Dear Esben, we would like to publicly thank the ICS for the long-standing support offered to the Cyprus shipping industry and more importantly, for so capably safeguarding and promoting shipping internationally. The work of the ICS has become more important than ever, as shipping is faced with unprecedented demands and is expected to play its part in the global push for decarbonisation. I believe it is not an exaggeration to say that the agenda that will be set down over the next few years will create shipping's realities for the foreseeable future. We hope that you find the Chamber's contributions to the deliberations of the ICS worthwhile and we commit to you that the Chamber will continue to be an active and vocal participant in the discussions going forward.

Dear Claes, we are particularly pleased to have you with us today and for ECSA's long-standing support to Cyprus. We are firm believers that only through close European alignment and co-operation will we be able to maintain Europe's leading position in global shipping matters and to succeed in the continuous battle to achieve international, rather than regional regulations and a level playing field.

We feel very honoured with your presence here and thank you both for helping us to mark our Association's 30<sup>th</sup> Anniversary.

Dear Friends

We are very honoured to have so many of you here with us today to help us celebrate this landmark year. Your long-standing support to shipping is greatly valued and appreciated and never taken for granted.

The shipping industry in Cyprus remains as one of the most important contributors to the economy and has very real prospects for further growth. So, please allow me to quickly review the status of Cyprus shipping since our AGM last year.

2018 saw continued improvement in the Cyprus economy with healthy growth and improved financial stability, reflected in positive assessments for the country by the leading credit rating agencies.

Shipping's contribution to this improved picture continues to be significant with around a 7% share of GDP and an estimated revenue contribution surpassing Euro 1 billion. Unfortunately the picture is not so rosy on the international stage where threats of trade wars, tariffs and sanctions have created considerable uncertainty and are negatively affecting global trade. It is our sincere hope that common sense will prevail and that protectionist trade policies will not become the new norm. It is clear to us that there are no winners in such disputes.

In a little over a year since its existence, the Deputy Ministry has already breathed new life into all shipping related matters and has actively promoted both the Cyprus Flag and the resident industry worldwide. The DMS has been seamlessly absorbed into the Deputy Ministry and improvements have already become visible. Minister, it has been a pleasure and an honour to have worked closely with you, providing whatever insights and expertise we can in order to provide you with the best possible ammunition to help you in your difficult task. The Chamber is committed to continue working side by side with your Ministry and the Government to achieve the best possible result for Cyprus shipping.

In that context the CSC has been working very closely with the Deputy Ministry on the renewal of Cyprus' tonnage tax system and we are closely following developments in that regard. We have every reason to believe that the renewal will be successful and we will keep members continuously updated as talks progress.

Of course the greatest challenge that Cyprus shipping faces today continues to be the Turkish embargo, a situation that we strongly believe works against the interests of everybody, including Turkey, and discourages open regional trade at a time when our region is beset by geopolitical uncertainties. Trade has always been and will continue to be the best bridge to bring peoples and countries closer together in a spirit of mutual co-operation and understanding. I would like to warmly thank both the ICS and ECSA for their long-standing support in this matter and I would like to urge the Government to use every means at its disposal to help us to overturn this counter-productive practice.

In view of the new EU Commission to be formed in November this year, the Chamber is advocating for an upgrade of the EU Maritime Administration (currently DG MOVE). We believe that the creation of a 'Shipping Commissioner' will contribute enormously to the further promotion of shipping matters within Europe and further promote Europe's global standing in an industry where we face challenges from countries and regions that do not have many of the constraints under which we operate in Europe.

The Chamber has raised this matter with the Government and we are encouraged to have found a sympathetic ear and the willingness to support this idea. Furthermore, while we congratulate our recently elected members of the new European Parliament, we would like to publicly urge them to involve themselves on committees and working groups relevant to shipping.

In the presence of the ICS Chairman and the ECSA Vice President, please allow me to highlight the crossroads at which shipping finds itself today.

The global push away from fossil fuels and attempts to decarbonise the global economy, as reflected in the Paris Agreements of 2016, will not bypass shipping. While it is a fact that shipping is indeed by far the most effective mode of global transportation for trade, it now appears inevitable that as an industry we too will have to contribute to this effort. You are all aware of the ambitious targets set at the IMO last year that create a challenging conundrum. While some of the short-term measures are expected to be able to be met through operational improvements and efficiencies, the longer-term targets appear unattainable in view of current technologies available to us.

There are no obvious or magical solutions to this problem. It will require considerable research, considerable funding and some outside-the-box thinking if we are to meet this challenge. We commend the ICS for its efforts to try and get this message across and for trying to find ways to create a wide collaboration involving all stakeholders. No one company and probably no one country can on its own solve this problem. There is a tendency in shipping to move slowly and cautiously hoping perhaps that the storm will blow over, yet I fear that if we do nothing and simply hope for the best, the cost and impact to shipping will be by far worse further down the road. It is vital that we as an industry take the lead on this matter, but equally vital that we include and involve all stakeholders at an early stage to create common ownership of the problem and to establish a fairer way of sharing the considerable costs likely to be involved.

In January 2020, as has been well publicised, the Low Sulphur Fuel Regulation comes into effect and at the last IMO MEPC meeting held recently in London, member states agreed on the final guidelines. With just over six months to go, I urge anybody who has not yet started preparing for this to do so without delay. We genuinely hope that there will be a reasonably smooth transition and encourage all members to report as soon as possible any problems encountered, in particular with the use of the new compliant fuels. The ICS has published a very useful guide in this regard and we strongly encourage members to make use of it.

Finally I wish to raise the issue of unilaterally or regionally imposed regulations which negatively affect global trade, are harmful to the shipping industry and economies more broadly, and create disruption and an uneven playing field. I know that this view is shared at both ECSA and the ICS and while commending ECSA in particular for its efforts in this regard with European regulators and politicians, I reiterate our commitment to work tirelessly against such detrimental decisions.

Ladies and Gentlemen

In view of our 30<sup>th</sup> Anniversary, various events and activities have and will be organised by the Chamber during the current year, to mark the occasion and at the same time, create public awareness for the Chamber's work.

A list of events organised during the year can now be seen on the screen.

For 30 years the Chamber has been representing Cyprus shipping, both domestically and at international organisations abroad, in order to further promote Cyprus' prominent global position. We commit to continue being the voice that unites all shipping interests on the island and we have proved that by joining forces and pursuing our common interests we are all the stronger for it. The CSC ranks today amongst the largest shipping associations in the world and we are proud to represent our members worldwide.

Between the 6<sup>th</sup> and 9<sup>th</sup> of October of this year, Cyprus is again organising its biennial Maritime Cyprus Conference which continues to grow in popularity and attendance. We look forward to another successful conference where the crucial issues that face shipping at this time will be addressed and hopefully some interesting insights will emerge. As always we expect an impressive range of panelists and speakers who I am sure will again capture our imagination.

In closing, I would like to mention that your folders include a copy of our 2018 Annual Report, which describes in detail the work and activities of the Chamber. We wish to warmly thank all our business associates for the excellent working relationship and invaluable co-operation we share.

This AGM marks the end of this current Board's tenure and I would like to offer my thanks to all Board Members for their support, contribution and valuable input over these past four years. I would like to make a special mention to Capt Eberhard Koch, who has chosen not to seek re-election, for all his enthusiasm and passion, and for me personally, it is an emotional moment as I will be stepping down as President of the Board. It has been an honour and a privilege to have led the Chamber from the post of President and while with hindsight there are a number of things we could have done better, I would like to believe that we have achieved most of what we set out to. I would like to wish the new President every success with the difficult task ahead. My thanks also to the Secretariat who work tirelessly, often above and beyond the call of duty.

With the completion of 30 years of life, our promise for the future is to continue working passionately to ensure that the Cyprus shipping industry remains sustainable and competitive, for the benefit of its member-companies and the broader Cyprus economy.

Thank you once again for honouring us with your presence here today.