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ANNUAL REPORT
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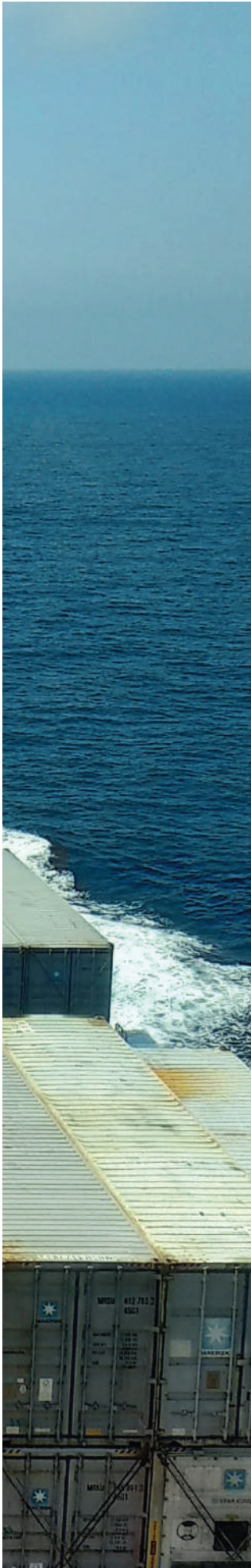


CYPRUS SHIPPING CHAMBER
ΚΥΠΡΙΑΚΟ ΝΑΥΤΙΛΙΑΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ
Navigates Cyprus Worldwide



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Message by the President of the Republic of Cyprus

Mr Nicos Anastasiades

It is with distinct honour that I extend a very warm welcome to all the Members of the Cyprus Shipping Chamber.

My Government fully acknowledges and appreciates the pivotal role of the Cyprus Shipping Chamber in substantially improving our infrastructure, policies and procedures with the aim to further enhance and strengthen Cyprus' shipping. In this regard, I wish to pay tribute and express my deep appreciation to the Chamber, which, since its establishment in 1989, has remained true to its founding principle in: "...promoting the interests of Cyprus Shipping and furthering the reputation of the Cyprus flag, whilst promoting and protecting the interests of its Members both nationally and internationally...".

Shipping represents one of the most significant sectors of the Cypriot economy, which has proved to be not only a gateway of foreign investments but also has made Cyprus an attractive destination for shipping and shipping-related companies from ship ownership and ship management to a cluster of companies

offering services to the shipping sector. Today, our country constitutes a sophisticated maritime cluster covering the full range of maritime and maritime-related activities, with one of the largest fleets worldwide, enjoying international recognition for the quality of its flag and services, as well as for its positive contribution to the formation of international maritime policy.

Since the establishment of the Shipping Deputy Ministry, the Cyprus' maritime administration has been following a dynamic, yet diligent, plan of action as part of its National Shipping Policy, implementing reforms, simplifying procedures, minimising bureaucracy, and reorganising and digitising all its departments. Coupled with an intense and focused promotional strategy, with specific actions aimed at underpinning the Maritime Cyprus brand, active participation in international conferences and digital marketing, our efforts have yielded concrete results towards the further improvement of our services, standards and our overall shipping infrastructure.

Cyprus has a number of comparative advantages that have significantly contributed in establishing our country as a competitive and reliable business hub, which our Government focuses on safeguarding, in our efforts to reinforce, amongst others, the Cypriot maritime cluster. Our strategic location and excellent infrastructure, the accumulated shipping expertise, and above all our determination to proceed with all the necessary organizational, structural and tax reforms, indicate a very promising future, despite the enormous challenges posed as a result of the devastating effects of the current pandemic crisis.

In concluding, I would like to once again express my gratitude to the Cyprus Shipping Chamber, the Board of Directors and its Members, for their ongoing trust and support, as well as their active contribution to the economy and society of Cyprus.

Nicos Anastasiades
President of the Republic of Cyprus



Message by the President of the House of Representatives

Dr. Adamos Adamou

It is with great pleasure and honour that I address the Cyprus Shipping Chamber, through its 2020 Annual Report. This past year has been unique in many aspects. The Covid-19 pandemic brought about extraordinary challenges and unprecedented predicaments for the whole of humanity as we realised, perhaps for the first time, the fragility of our highly interconnected world.

The Shipping Industry was particularly hard hit by the measures imposed globally to curb the spread of the pandemic. In these trying times, the role of the Cyprus Shipping Chamber has been pivotal in efforts to support the Cyprus shipping sector and to provide guidance and a road map for the future of the industry. I wish to commend the dedicated work carried out by the President and Board of Directors, as well as all Members of the Chamber, in dealing with this huge crisis.

Cyprus can pride itself on a robust and constantly evolving Shipping Industry of a renowned global standing. It has the third largest fleet within the European Union and ranks amongst the top international fleets, an impressive feat, especially when one considers existing challenges including the embargo that Turkey imposes on Cyprus flag vessels.

The significant contribution of the Shipping Industry to the Cyprus economy brings about an even greater

responsibility to remain ahead of developments and adapt quickly to new trends and demands. As our shipping sector dealt with the many consequences of the Covid-19 pandemic, it turned to technology and used digital tools and solutions, a move that paves the way for the promotion of R&D and the introduction of innovative practices that can revolutionize the work of the industry.

The shipping sector can also act as a catalyst in efforts to bring about stability and progress in the conflict ridden Eastern Mediterranean region. Cyprus has been recognised as an essential pillar of cooperation with neighbouring countries, in the context of the tripartite co-operation mechanisms that Cyprus and Greece have established with countries of the region. In addition to their political significance, these developments broaden the scope of our Shipping Industry and provide further incentives for growth to our maritime sector, especially as the blue economy has been identified as an area of priority.

As a Parliamentarian and the former Chairperson of the House Standing Committee on the Environment, I am particularly sensitised and committed to the promotion of a sustainable and environmentally friendly blue economy, in line with the European Green Deal aiming to make the EU a climate-neutral continent by 2050. I can assure you that the House of Representatives is fully committed to

these efforts and works constructively with partners on a national, regional and international level to achieve these goals.

The House is fully aware of the Chamber's multifaceted role and its importance for the growth and development of our economy, all the more so, when considering the potential arising from the exploitation of our natural gas resources. We stand always ready to actively support the shipping sector in its mission, including through reforms, which help create an even more attractive legal and business framework, that enhances the competitiveness of our maritime cluster. A recent example has been the approval by the House of the amended Merchant Shipping (Fees and Taxing Provisions) Law, allowing for the renewal of the Cyprus tonnage tax and seafarer scheme for another ten years as of 1 January 2020.

Wishing you every success in your current work and future endeavours, I remain confident that, through targeted and coordinated steps and the commitment of all involved, the Cyprus Shipping Chamber shall continue to excel and flourish, to the benefit of Cyprus' maritime industry and its economy and society as a whole.

Dr. Adamos Adamou
President of the House of Representatives



Message by the Shipping Deputy Minister

Mr. Vassilios Demetriades

It gives me great pleasure to address the 2020 Annual Report of the Cyprus Shipping Chamber. I would like to praise the Cyprus Shipping Chamber and to express my sincere appreciation to all its esteemed members for their continuous trust and support to Cyprus shipping. For more than three decades, you have been one of the closest collaborators of the Cyprus Shipping Administration.

2020 has been a very difficult year, marked by an unprecedented crisis that has led to great disruptions and a worldwide lockdown. The COVID-19 crisis has severely impacted the Shipping Industry and its operations with great difficulties on crew changes and on the repatriation of seafarers.

Cyprus was one of the first countries worldwide that recognized seafarers as essential workers and introduced practical measures for crew changes. Since May 2020, around 10000 seafarers have been repatriated or have been able to return to work through Cyprus. On the vaccination of seafarers, we are actively involved in all the deliberations at global and EU level for a collective and coordinated approach, proposing a practical

and realistic solution on the way forward.

The Cyprus Shipping Chamber has been at the forefront of the global and national response demonstrating its social responsibility through charity initiatives and awareness campaigns and its substantial contribution to the immediate needs of our National Health System during the first outbreak of the pandemic.

If the pandemic coupled with the challenges of green and digital transformation has taught us one thing, it is the importance of regulators and industry to work together, the idea that the shipping community should have the flexibility necessary to adapt to an increasingly challenging and complex world.

We must be ready to address all the existing challenges in order to secure a safer, sustainable, and more efficient maritime industry. Our common objective is to continue our coordinated actions in responding to these challenges, while ensuring that we maintain and further enhance the competitiveness of Cyprus Shipping by exploring its growth potential.

One of our persisting priorities is to safeguard, and where possible to upgrade, the business-friendly framework available to foreign investors in shipping. The prolongation of the Cyprus Tonnage Tax System was an important development towards maintaining a stable fiscal environment.

There is also a need to provide the industry with a framework that will support sustainable growth. In this respect, we have launched a range of green tax incentives demonstrating our commitment to green transformation and expressing our readiness to support the industry in its path to decarbonization by rewarding operations and innovative approaches that reduce the environmental footprint.

The quality of services provided by the Shipping Deputy Ministry is considered as one of its strengths which we are willing to further develop. Towards this direction we made significant progress to simplify formalities and to transform our services to a paperless environment aiming to further increase the efficiency and attractiveness of the Cyprus Registry. We are in the process of formulating a roadmap of actions that will



turn all our services digital, creating the framework conditions for the Shipping Deputy Ministry to support the concept of one-stop-shop.

A prerequisite for a sustainable shipping cluster is to create a culture for seafaring and maritime professions in Cyprus. We are an island, a leading maritime center with a competent and reputable Shipping Industry. It is an absolute must to change the mindset of young people in order to acknowledge and promote the blue growth potential. We will soon launch a campaign and a number of initiatives targeting students at secondary schools and we count on Chamber's involvement and support.

We also need to bring closer all the academic institutions with the Shipping Industry to develop a curriculum that reflects the new trends of shipping, while supporting research and innovation towards the green and digital transformation of the sector.

We want to promote an extrovert approach on the way we communicate the role and the importance of the shipping sector and on how we safeguard the

interests of the Cyprus shipping community. This was the underlying aim of our initiative to provide a platform through a virtual seminar bringing together regulators, shipowners and NGOs to discuss on EU's intentions to introduce regional approaches on the decarbonization of the sector, providing a collective contribution to the policy and law-making process.

Cyprus must have a decisive and proactive role in all the relevant international and European fora. I strongly believe that the huge and diversified expertise of the Cyprus Shipping Chamber is invaluable for the Shipping Deputy Ministry in the formulation of our policies and in strengthening our voice and presence worldwide.

A maritime nation like Cyprus must have a clear orientation for the future development of the shipping sector in order to ensure that Cyprus has a leading role and involvement in the formulation of the global and European maritime agenda. Cyprus shipping has to be competitive, strong and resilient to crisis and proactive to challenges and new trends. In this journey, there is a need for an ambitious

vision and for clear objectives. It is for this reason that the Shipping Deputy Ministry is working towards the formulation of a long-term strategy for Cyprus shipping. We will soon bring the shipping community fully "on board". We are building a vision for Cyprus shipping and we must do it together.

We should not just listen to the wind of change. We should WORK TOGETHER and be prepared and determined to adjust our sails to reach our objectives for safer, more competitive, smarter and sustainable Cyprus shipping cluster, whilst contributing effectively in making a positive difference for the global maritime sector.

There is no doubt that the development of Cyprus shipping is inextricably linked with the Chamber's successful journey. I am convinced that this journey will continue to mark our excellent working relationship, leading to new achievements.

Mr. Vassilios Demetriades
Shipping Deputy Minister to the President



Foreword by the President of the Cyprus Shipping Chamber

Mr. Philippos Philis

In 2020 the coronavirus (COVID-19) pandemic presented the world with an unprecedented health crisis, which has resulted to one of the most severe global economic crises. Nonetheless, the pandemic highlighted the value of the Shipping Industry, as ships continued to operate supporting the supply chain, delivering medical supplies, food and essential goods around the world.

It became more apparent during 2020, that Shipping undergoes a crucial transformation, facing a wide range of challenges stemming from the pandemic, environment, digitalisation, geopolitical changes and shifting in market conditions. In addition, the global Shipping Industry continued with determination its efforts to achieve sustainable growth that it can continue to drive global trade.

The Cyprus Shipping Industry, despite being highly affected from the pandemic crisis, it showed a notable resilience by adapting its operations instantly to the local but most importantly the global

restrictive measures, safeguarding primarily the health and safety of its people on board and on shore and continuing the uninterrupted trade of goods and supporting the Cyprus economy while other industry sectors were heavily affected by the lockdown.

At the beginning of 2020, the Chamber was pleased to note the determination showed by the Cyprus Government, managing the pandemic with a proactive approach and accomplished to keep the situation well managed. In addition, the Cyprus Government recognising that during such critical times, the ability of seaborne trade to continue to transport food, energy and medical supplies across the continents will play a vital role in overcoming this pandemic, facilitated by adopting a series of safety protocols the crew changes at the early stages of the pandemic lockdown. This highlighted at a global level, the excellent relations and cooperation of the Shipping Industry with the Cyprus Government.

The Cyprus Shipping Chamber was at the forefront of that response, mobilizing rapidly to deliver much-needed support to its Members, to protect its interests, minimize the challenges and economic hardship, and deliver on its mission of safeguarding Members' and Cyprus Shipping interests. In addition, through the Shipping Chamber's active involvement, both in the International Chamber of Shipping (ICS) and European Shipowners' Community Associations (ECSA) and with the valuable contribution of the Chamber's Committees and expertise of its Members, has been contributing to the efforts of global shipping to adapt to the crisis and measure its impact. Through the Chamber's involvement, we were able to provide information on specific shipping related issues that arose due to Covid-19, pertaining to crew changes and repatriation of seafarers, ports' and ships' operations and ship supplying issues and how these should be addressed on both International and EU level.

An important milestone for Cyprus Shipping, in the midst of the pandemic crisis,



was the unanimous approval of the renewed Cyprus Shipping Taxation System by the House of Representatives, in April 2020. In addition, the Shipping Industry received again later same year, the full support of the Cyprus Government by recognising seafarers as “key workers” and allowing crew changes in Cyprus ports and airports, responding with efficiency to the needs of the Industry.

On the long-term, the global challenges Shipping was called to face, were the rapidly evolving environmental regulations by the International Maritime Organisation (IMO) aiming to the absolute reduction of the greenhouse gases and the discussion at European Union level for including maritime transport in the European Emissions Trading System (EU ETS) to combat the climate change. The Cyprus Shipping Chamber, due to the wide technical knowledge from its members and the active participation at various regional and international shipping associations and organisations, such as the International Chamber of Shipping (ICS) and the European

Community Shipowners' Associations (EC-SA), was able to follow and contribute substantially to discussions at high level during 2020, on a number of critical environmental regulatory issues that will have a profound impact on the sustainability of the global Shipping Industry.

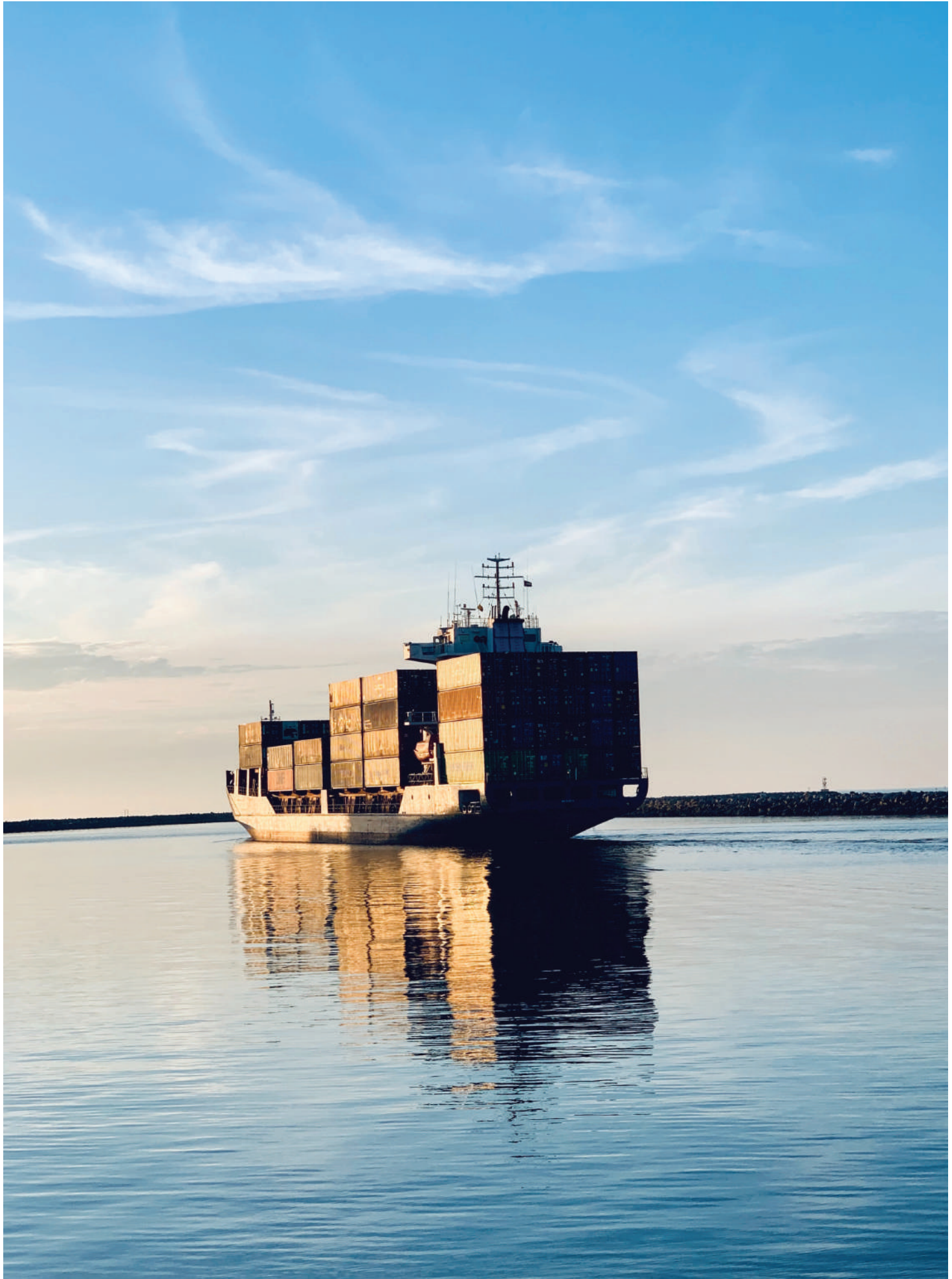
Shipping plays a vital role in world trade and is the backbone of the world economy. Without ships and the transportation services these ships provide, the world would not be as prosperous as it is today, and many countries would not be able to participate in world trade. The Shipping high value worth and substantial contribution as foreign and local direct investment into Cyprus Economy, has a leading role to play in navigating the period ahead, entering the recovery process. The prerequisite for Shipping to continue its important contribution to Cyprus “Recovery Road Map” Plan, is a coordinated government and collective industry action.

Finally, on behalf of the Cyprus Shipping Chamber, we would like to express

through this Annual Report, our most sincere thanks and appreciation to all our business associates, including and not limited to, the Government and especially the Shipping Deputy Ministry, the House of Representatives, the Political Parties and of course all its Member-companies for their continuous support. It is also important to express our sincere appreciation to the Secretariat of the Chamber for its relentless efforts and hard working to support the members and the Cyprus Shipping in general.

The Cyprus Shipping Chamber looks forward to an even broader collaboration with governmental officials, stakeholders and organisations in Cyprus and abroad, in order to ensure that shipping remains a vital, self-sustainable and growing industry of Cyprus economy with a substantial social contribution to the society.

Mr. Philippos Philis
President Cyprus Shipping Chamber



Cyprus Shipping: Current Status...

The outbreak of the COVID-19 pandemic called Cyprus Shipping to adapt to new realities in order to secure public health and safety, whilst continuing its vital role in transferring world trade. Despite adversities, Cyprus Shipping maintained during 2020 its leading role in the international Shipping arena and remained one of the most financially important sectors of the Cyprus Economy, with its contribution in 2020 reaching again 7% of the GDP.

The Shipping Industry continued to support the Cyprus Economy during the pandemic crisis and to operate effectively on a global basis, controlling a fleet of approximately 2200 vessels. The Cyprus Registry which is considered internationally as one of the most qualitative and safest registries globally, was classified again as the 11th largest merchant fleet worldwide and the 3rd largest fleet in the European Union (EU). In addition, Cyprus maintained its position as the largest Shipmanagement Centre in the EU and among the three largest globally. Around 200 internationally known and recognised Shipowning, Shipmanagement, Chartering and Shipping related companies continued operating from Cyprus.

Similar to most sectors in Cyprus, Shipping was heavily impacted from the COVID-19 pandemic, causing major issues and affecting all shipping sectors from passenger ships to container ships and oil tankers. It is very gratifying to note, that amidst the multiple challenges, Cyprus Shipping was one of the few resilient sectors, who continued to provide its vital services to

Cyprus and maintained its substantial contribution to the Cyprus Economy.

The Cyprus Government and Shipping Deputy Ministry, actively supported the resident Shipping Industry by implementing measures early in the pandemic outbreak, to facilitate crew changes in Cyprus ports, whilst ensuring the safety of public health. Cyprus was also one of the first countries which designated Seafarers as “key workers”. Additionally, the Shipping Ministry provided guidance and facilitated special extension for the payment of tonnage tax for Cyprus-flagged ships and the Register of Cyprus Ships annual maintenance fee.

It is now expected, that the Cyprus National Vaccination programme will balance the situation and bring an end to the uncertainty surrounding repatriation of Seafarers, crew changes and business operations overall.

Without forgetting the continuous challenges Shipping faced during 2020, a great moment for Cyprus Shipping, was the official approval of the Bill for the upgraded Cyprus Shipping Taxation System unanimously by the Plenary of the House of Representatives, on 15 April 2020. This approval, especially in the midst of a global crisis from the COVID-19 pandemic, reconfirmed that Shipping is considered as one of the most important pillars of the Cyprus Economy and also secures the viability of the Cyprus Registry and the Cyprus Shipping Industry, maintaining its prominent

position in the global shipping arena.

Besides the various supportive measures taken by the Cyprus Government, to address the impact of the COVID-19 pandemic and support the Shipping Industry and taking into account the complexity of the Industry, there are certain actions that the State may consider to take in order to boost the Industry to face the challenges ahead. Cyprus Shipping requires concrete financial support measures linked to environmental incentives within the framework of the country's strategy to restart the Cyprus Economy to be put in place. This will also enhance the Industry's efforts towards greener transition, achieving decarbonisation, following the ambitious targets of the International Maritime Organisation (IMO). The Cyprus Shipping Industry is determined to address the environmental impact of Shipping so that it can continue to drive global trade sustainably.

Considering the very tangible prospects for further growth of the Cyprus Shipping Industry, which will have a direct benefit at the restart of the Cyprus Economy, it is clear that Shipping is a special and very important Industry, which not only contributes to the Economy and Society, but also really enhances the political entity of our country. It is also more than ready to cooperate with the State, offering its expert technical knowhow and specific suggestions for improvement towards preserving and further enhancing Shipping, supporting at the same time, the Cyprus Economy.



The Cyprus Shipping Chamber

The Cyprus Shipping Chamber is the trade association of the Shipping Industry in Cyprus. Having witnessed considerable growth since its establishment in January 1989, with originally seventeen Founding Members, the Chamber today comprises approximately 200 shipowning, shipmanagement, chartering and shipping related companies based either in Cyprus or abroad.

The wider Shipping Sector in Cyprus, collectively employs around 9,000 persons ashore and more than 55,000 seafarers of various nationalities onboard their vessels. In terms of the number of vessels and tonnage under the Chamber Members’ control, the total number of vessels owned, managed or operated by Chamber Members in 2020, amounted to approximately 2200 ocean-going ships, having a total tonnage of 74 million gross tons.

The main purpose of the Chamber is to

promote the interests of Cyprus Shipping and further the reputation of the Cyprus Flag, whilst promoting and protecting the interests of its Members both nationally and internationally.

At the same time, the Chamber acts as a lobbying group for the promotion and safeguard of the legitimate interests of its Member-companies, at a national level through its close relations with the Cyprus Government and Parliament, as well as at an international level through its membership at the various regional and international shipowners associations. As a result of this very active and continuous involvement, both at national and international level, the Chamber is able to offer its Members a constant source of up-to-date legislative, technical and commercial shipping information and advice.

The importance of the Cyprus Shipping Chamber as the trade association of the

Shipping Industry in Cyprus remains crucial and imperative as ever. The strength of the Chamber depends on its effective “lobbying” for the promotion of Cyprus Shipping, when it comes to the development and submission of important industry positions through a multifaceted structure of internal Committees and Working Groups.

In addition, through its sister organisation, the Cyprus Shipowners Employers Association (CYSEA), which is considered as an official social partner, it completes the spectrum of services it so successfully provides to the resident Shipping Industry it represents, on maritime labour relations including collective bargaining.

Without a doubt, the Cyprus Shipping Chamber is indeed “The Voice of the Cyprus Shipping Industry” which “Navigates Cyprus Worldwide”.



Chamber Membership

According to the Memorandum and Articles of Association, the Cyprus Shipping Chamber admits as Members, companies which are owners, operators, managers or charterers of vessels and other shipping related companies. The Members of the Chamber are divided into five different categories as follows:

- Full Domestic Members: Companies operating from Cyprus, which are registered owners of ships, ship operators, ship managers providing full or partial management services, or charterers;
- Full International Members: Companies operating outside Cyprus which are registered owners of Cyprus Flag ships;
- Associate Domestic Members: Companies operating from Cyprus whose main object is shipping related services;
- Associate International Members: Companies operating from outside Cyprus, whose main object is shipping related services;
- Supporting Members: Natural or legal persons operating from Cyprus providing professional services to or otherwise connected with companies operating from Cyprus, which are registered owners of ships, ship operators, ship managers providing full or partial management services, charterers or companies providing shipping related services;

During 2020, the Chamber welcomed 6 new Members. At the end of the year, the Chamber comprised in total of 198 Member-companies of which 50 Full Domestic, 111 Associate Domestic, 34 Associate International and 3 Supporting Member.



Board of Directors

The Board of Directors of the Cyprus Shipping Chamber during 2019 consisted of the following Chamber Members' representatives:



First row, starting from left to right:

- Mr. Themis Papadopoulos, Immediate Past President (Interorient Navigation Co. Ltd)
- Mr. Dieter Rohdenburg, Vice-President (Intership Navigation Co. Ltd)
- Mr. Philippos Philis, President (Lemissoler Navigation Co. Ltd)
- Mr. Andreas Neophytou, Vice-President (Marlow Navigation Co. Ltd)
- Mr. John Hadjiparaskevas, Vice-President (Uniteam Marine Ltd)
- Mr. Andreas Hadjipetrou, Vice-President (Columbia Shipmanagement Ltd)

Second row, starting from left to right:

- Mr. Thomas Kazakos, Director General (Cyprus Shipping Chamber)
- Mr. Oleg Kalinin, Board Member (SCF Management Services (Cyprus) Ltd)
- Mr. Erwin Derlagen, Board Member (Enesel Limited)
- Ms. Anna Vourgos, Board Member (Aphentrica Marine Insurance Brokers Ltd.)
- Ms. Despina Panayiotou Theodosiou, Board Member (Tototheo Maritime Ltd.)
- Capt. Eugen Adami, Board Member (Mastermind Shipmanagement Ltd)
- Mr. Prabhat Kumar Jha, Board Member (MSC Shipmanagement Limited)

The Chamber's Board of Directors organised 8 scheduled meetings in 2019, during which it reviewed and discussed current developments in Shipping both at local and international level, and decided on numerous policy and administrative matters affecting the Chamber.



Industry Representation & Co-operation

As the representative of the Cyprus Shipping Industry, the Cyprus Shipping Chamber participates actively in numerous Committees and a number of specialist Working Groups, both at national and international level. For this reason, the Chamber is considered by the Cyprus Government as an expert consultant when it comes to the formulation of policies concerning Shipping.

At a national level, the Chamber since its establishment has become an influential body when policy decisions concerning shipping matters are taken by the Government. This has been achieved through the active participation of the Chamber at numerous joint working groups and committees with various Governmental and Semi-Governmental Departments, and in particular the Shipping Deputy Ministry, as well as to lesser extent, the Cyprus Ports Authority, with which the Chamber maintains very close relations. Furthermore, the Chamber is regularly called to appear before Parliamentary Committees as the representative body of the Shipping Industry in Cyprus, when matters affecting Cyprus Shipping are considered at the House of Representatives. The Chamber also cooperates with numerous local professional organisations, in an effort to improve and constantly enhance the shipping infrastructure of Cyprus.

At an international level, the Chamber operates as a roving ambassador of Cyprus Shipping through its long membership and active participation at various internationally recognised shipping bodies including mainly the International Chamber of Shipping (ICS), the European Community Shipowners' Associations (ECSA) (through the Joint Cyprus Shipowners Association), as well as the Baltic and International Maritime Council (BIMCO), and the International Association of Independent Tanker Owners (INTERTANKO). Furthermore, Chamber representatives participate in various international meetings organised by the International Maritime Organisation (IMO), the International Labour Organisation (ILO), and the European Union (EU), as well as in a number of their Committees.

In an effort to further promote and safeguard the interests of the local Shipping Industry and enhance its infrastructure, as well

as promote Cyprus as a foreign investment and international business centre, the Chamber works closely with a number of other organisations, such as, the Cyprus Investment Promotion Agency (CIPA), the Cyprus Chamber of Commerce and Industry ("KEBE") the Cyprus Employers and Industrialists Federation ("OEB"), the Cyprus Bar Association, and the Cyprus Association of Certified Public Accountants.

The Chamber also enjoys excellent relations with the Cyprus Marine Environment Protection Association (CYMEPA), the Cyprus Shipping Association (CSA), the Cyprus International Businesses Association (CIBA), the Cyprus Organisation for Standardisation (CYS), the local Unions (SEK, PEO and DEOK), and the Cyprus Union of Shipowners (CUS).

In addition, the Chamber maintains very good business relations with a diverse range of other organisations involved in Shipping including the Maritime Institute of Eastern Mediterranean, the Institute of Chartered Shipbrokers, the Mission to Seafarers, the Cyprus Nautical Institute, the Cyprus Master Mariners Association, the Cyprus Merchant Marine Officers Association, the Institute of Marine Engineer Scientists and Technologists, the Cyprus Naval Architects and Marine Engineers Association, the Women's International Shipping & Trading Association, the YoungShip Cyprus Organisation, the Cyprus University of Technology and the Cyprus Navy.

Last but not least, whatever the Chamber has achieved during the past 30 years, could not have been made possible, if it were not for the tangible and continuous support of its Member-companies, "through good and difficult times". In the journey towards the future therefore, we pledge our commitment to continue working with the same zeal for the interests of our Members and to work creatively on new shipping modalities for the overall benefit of Cyprus Shipping.

We sincerely hope and trust that with the valuable support of our Members and Business Associates, the Cyprus Shipping Chamber will continue to "Navigate Cyprus Worldwide" in the years to come.

Business and Social Functions

With due regard to the public health and safety, and in support of the Cyprus Government efforts to contain the spread of the coronavirus pandemic, the Chamber had to postpone for 2020 a number of its social functions, executing only essential business functions virtually and selected CSR activities to support the Cyprus society.

The Chamber worked hard to bring the best virtual experience to its Members of the following functions during the period of 2020:


31st Annual General Meeting

The Annual General Meeting is the Chamber's most important annual business function. In view of the social distancing measures, due to the COVID-19 pandemic, the Shipping Chamber hosted only the Closed Session of its 31st Annual General Meeting online on 31 August 2020, at which only its Member-Companies participated. During the General Meeting, the actions and activities of the Chamber for the year 2019 were presented, which as mentioned it was a milestone year for the Chamber, marking 30 years since its establishment in 1989. The President of the Shipping Chamber, Mr. Philippos Philis,

made a special reference to the outgoing year, to the important success of Cyprus Shipping with the re-approval of the Cyprus Shipping Taxation System by the European Commission at the end of 2019. This important achievement was the result of the close cooperation of the Shipping Deputy Ministry with the Shipping Chamber and the Shipping Industry in general. In this regard, Mr. Philis stressed that the Chamber aims at an even closer communication and cooperation with the Shipping Ministry and other business associates for further success.

Address by:
Mr. Philippos Philis
President
Cyprus Shipping Chamber




www.csc-cy.org 



CYPRUS SHIPPING CHAMBER
31st Annual General Meeting

31 August 2020 - Closed Session

www.csc-cy.org 

Corporate Social Responsibility

Blood Donation Drives

Within the framework of the Chamber’s continuous philanthropic contribution, the Chamber for 27 years now, organises every year two Blood Donation Drives amongst the employees of its Member-Shipping Companies. As a result, over 3000 blood units have been collected. For this commendable social service, the Cyprus Shipping Chamber has been honoured several times by the District of Limassol Blood Coordinating Committee. Despite the pandemic the Shipping Community proved once again its commitment to deliver its social service to Cyprus society. During 2020, the Chamber organised two blood donation drives, one in June as part of the celebrations and the efforts to promote and support the “Day of the Seafarer” and in December, which was again dedicated to our Seafarers for their valuable contribution during the pandemic, projecting in this way that they are “key workers” and need to be treated as such by Governments, facilitating crew changes and repatriation.





“Seafarers Deliver for Us-We Walk for Them” Campaign

The Cyprus Shipping Chamber expressed its sincere gratitude to the hardworking seafarers who are keeping the world supplied with food, fuel, medical equipment and other vital goods through the symbolic initiative “Seafarers Deliver for Us, We Walk for Them”, held on 31 December 2020. The Shipping Chamber’s President and Members of its Board of Directors made a symbolic 10km walk along the Limassol coast road, as a tribute to Seafarers across the world for their valuable contribution and to show their solidarity against the discrimination they are

facing during the COVID-19 pandemic, despite being “key workers” at the front line. The walk aimed to symbolize the marathon Seafarers are facing from the beginning of the pandemic onwards but with no finish line on the horizon, becoming collateral victims of this health crisis. This important initiative raised funds through contributions of the Chamber’s Member-Companies and other business associates, which were donated to “The Mission to Seafarers” in Cyprus, whose work is to improve seafarers’ welfare worldwide.



Cyprus Shipping at the front line supporting the battle against COVID-19, Participating in a Global Ships' Horn Sounding Initiative on 1 May 2020

The Cyprus Shipping Chamber, within the framework of its Corporate Social Responsibility, appealed to its Member-Companies to join forces, to support the Cyprus Government in the difficult battle against the COVID-19 pandemic. Through the contributions of its Members, the Chamber donated a specialised complete Medical Respiratory System to the Hospital Units fighting against the pandemic.

In addition, the valuable contribution of the Shipping Industry to the Cyprus society, was strengthened even more through the commendable private initiatives and multifaceted actions of the Shipping Chamber's Member-Companies, with donations of specialised ventilators, medical equipment and consumables (surgical masks, gloves, protective suits), offering merchant ships for the transport of specialised disinfectants to Cyprus, but also with social actions such as the food catering of hospital

units, reduced calls prices for seafarers on board in order to have regular contact with their families, free online shipping training licenses and offering practical support to vulnerable groups.

In addition, at an international level, through its membership at the International Chamber of Shipping (ICS), the Cyprus Shipping Chamber, through its Member-companies, participated in a global initiative, in view of Labour Day, sounding the horns of ships in Limassol port together with other ships in ports across the world, on 1 May 2020, at 12 noon local time. With this this gesture of solidarity, the International Shipping Community honored the "unseen heroes" of global trade, its seafarers, wanting to remind the general public around the world, that the 1.6 million Seafarers worldwide are the 'blood cell' of Shipping that provides for each and every one of us not only during the COVID-19 pandemic but on a daily basis.

Educational Activities

During 2020, the Cyprus Shipping Chamber continued, where possible due to the pandemic restrictive measures, its efforts to promote a “Career in Shipping”. As a result of the coronavirus pandemic, the numerous presentations to secondary schools and lectures to university students and graduates, which the Shipping Chamber performs yearly, were postponed.

The “Adopt-A-Ship” Programme was able to continue remotely and thus continue the Chamber’s Cyprus Shipping “Public Relations” Campaign, with the aim to introduce to primary school students Cyprus’ maritime culture, as one of the oldest industries of the country and get acquaintance with maritime professions.



Adopt-A-Ship” Programme

The “Adopt-a-Ship” Programme has proven to be a very successful part of the general Cyprus Shipping “Public Relations” Campaign, of the Cyprus Shipping Chamber and it is now included in the educational programmes of schools. The programme involves assigning to a number of elementary schools’ classrooms a particular vessel or a group of vessels for more personal email communication between the children and the crew of the vessel with the aim to inform the children about the itinerary and everyday activities taking place onboard the vessel.

Since the beginning of the programme in 2006, and through the valuable cooperation with the Cyprus Marine Environment Protection Association (CYMEPA), more than 790 classes from 100

schools have participated in the programme. Furthermore, Member-Companies of the Cyprus Shipping Chamber have assigned ships of different type, ranging from bulk carriers to containers and tankers for the purposes of the Adopt a Ship programme. The Chamber’s target, is that this pioneering program, which is part of the Chamber’s broader effort to inform the new generation of career prospects in the Shipping sector, to be extended to an even larger number of schools in Primary Education.

Taking this opportunity, the Chamber, would like to express its appreciation to the Cyprus Marine Environment Protection Association (CYMEPA), for its continuous support and co-operation towards the successful promotion of the Adopt a Ship programme.



Institute of Chartered Shipbrokers (Cyprus Branch) “Understanding Shipping”

Moreover, for more than two decades, the Institute of Chartered Shipbrokers (Cyprus Branch) in cooperation with the Cyprus Shipping Chamber offers the Training Course entitled “Understanding Shipping”.

The course has been customised through the years to meet the particular requirements of the Cyprus Shipping Industry and it is used by Chamber Members to offer a Shipping education to those employees in the companies that do not have a prior Shipping education. It is also a tool in order to stimulate the interest of the students for furthering their education by attaining the qualifying examinations and becoming members of the Institute as “Qualified Shipbrokers”.



Maritime Events

International “Day of the Seafarer”

Every year, on 25 June the International Shipping Community celebrates the “Day of the Seafarer”, which was set by the International Maritime Organisation (IMO) in 2011. The “Day of the Seafarer” is an opportunity to recognise and honour the efforts of Seafarers around the world, who play a vital role in world trade and truly contribute in ensuring a stable world economy and society. This year under the theme “Seafarers are key workers”, the Shipping Community paid a special tribute to Seafarers worldwide who are on the frontline carrying

vital goods around the world, keeping the supply chains open during the pandemic despite the challenges they are facing.

The Cyprus Shipping Chamber in order to honour this special day held a special Blood Donation Drive amongst the personnel of its Member-Companies, on 24 June 2020, in Limassol, under the auspices of the Shipping Deputy Minister, proving at the same time the Shipping Community’s commitment to deliver its social service to Cyprus society.





Policy Issues

Despite navigating in uncharted waters during 2020, due to the unprecedented health crisis, the Cyprus Shipping Industry remained for 2020, a substantial contributor to the Cyprus Economy and balanced the best possible way the challenges of the pandemic with a proactive approach. Since the Shipping Industry's response to the coronavirus pandemic will be analysed in a following dedicated article in this Annual Review, below review describes a number of measures and actions took place during 2020, to address continuing shipping policy issues, in order to maintain Cyprus Shipping leading role in maritime affairs both locally and internationally.

Shipping Deputy Ministry

The Shipping Chamber noted with satisfaction, that during 2020, the Shipping Deputy Ministry laid a solid foundation and made significant progress in implementing a comprehensive "National Shipping Strategy", in close cooperation with the Shipping Industry and with the implementation of new supportive actions and flexible mechanisms, upgrading the image of Cyprus as a modern, quality and sustainable maritime centre. It is though expected, that the Cyprus Maritime Administration accelerates its efforts to digitalise/automate its operations and services offered to shipping companies, which will further upgrade of the services offered, so that the Cyprus Shipping becomes even more competitive.

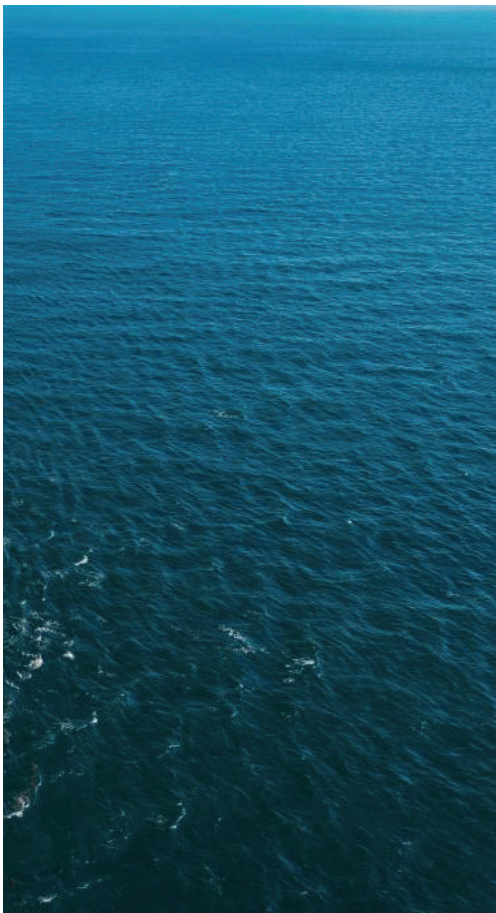
The priority given to its establishment by the Government back in 2018, as the first Deputy Ministry in Cyprus, re-confirmed that Cyprus Shipping is an extremely important pillar for Cyprus, with a significant contribution of 7% to the GDP of the country. It is expected from the Maritime Administration but also from the State, further support to the Shipping sector and targeted actions, especially now that the Industry is facing the economic consequences of the coronavirus pandemic, in order to be able to utilize its potentials, which will have a direct and significant benefit to Cyprus economy.



Cyprus Shipping Industry CSC/CUS Merger Agreement

Following up to the official announcement towards the end of 2019, of the approval of a Merger Outline Agreement by the Cyprus Shipping Chamber's (CSC) Board of Directors with the Cyprus Union of Shipowners (CUS), during 2020, the Chamber steadily continued the process pertaining to the CSC-CUS Merger with a new Memorandum and Articles of Association being considered by both associations. The shared vision in this decision of both Associations, was and still is to create a new unified association which will dynamically represent Cyprus Shipowners, Shipmanagers and the wider Shipping Industry at large, in Cyprus and internationally.

Whilst anticipating that the year 2021 will bring a solution to the pressing and unresolved issues caused by the pandemic, the Chamber will continue its efforts pertaining to this promising opportunity for the future of Shipping in Cyprus, which will further strengthen Cyprus voice at the international maritime arena and further enhance its lobbying efforts to meet the emerging demands of the global economy and international competition.



Maritime Education and "Blue Growth"

The Cyprus Shipping Chamber continued being actively involved in promoting Maritime Education and "Blue Growth" in Cyprus, recognising the "sea" of opportunities, which the Shipping Industry has to offer and also that these fields are essential to the further growth of Cyprus as a maritime hub.

Although coronavirus restrictions limited all scheduled physical activities, the Shipping Chamber supported various educational initiatives and awareness campaigns in cooperation with state/governmental authorities in the fields of Maritime Education and "Blue Growth", such as the "Cyprus Foundation of the Sea", which was initiated by the Shipping Chamber and other stakeholders, as well as to the enhancement of the public and private Maritime Academies in Cyprus, which are vital to maintain the sustainability of the Maritime Cluster, the Cyprus Economy and society. The Chamber was pleased to see the "Cyprus Foundation of the Sea" set sail, following the appointment of the Executive Committee at the end of 2019, while during January 2020, it held the first meeting of its Executive Committee.

Looking ahead, to safeguard a sustainable future for the Shipping Industry can only be achieved through effective standards of education and training. The Shipping Deputy Ministry and governmental authorities, are expected to continue their support in promoting "Blue Growth", through initiatives such as the "Cyprus Foundation of the Sea", as well as to public and private Maritime Academies in Cyprus, maintaining the sustainability of the Maritime Cluster. There are major prospects and benefits in the fields of Maritime Education and "Blue Growth", not only for the Shipping Industry itself but for the entire Cyprus Maritime Cluster, which in turn is vital to the economic and social interests of Cyprus.

Turkish Embargo on Cyprus ships

The Turkish Embargo on Cyprus ships constitutes a serious problem for the further enhancement of the Cyprus flag / Register. Since 1987, the smooth development and operation of Cyprus Shipping is still prevented by the Turkish Embargo, namely the prohibition of ships which are related in any way with Cyprus to call at Turkish ports. These restrictive measures demonstrate that this illegal and discriminatory practice followed by Turkey, not only has financial implications on Cyprus, but also on the interests of the European Shipping.

The Chamber therefore, continued its lobbying action with the Cyprus Government and in particular, the Minister of Foreign Affairs, in order to ensure that the efforts towards the lifting of this illegal ban would continue and further intensified. In addition, through its membership at the European Community Ship-owners' Associations (ECSA) and with targeted communication

with the European Commission and Cyprus Members of the EU Parliament, enhanced its lobbying efforts aiming at lifting this illegal ban for the benefit of EU Shipping at large.

There are tangible prospects for further expansion of Cyprus Register with the lifting of the Turkish embargo, both for existing Cyprus based shipping companies, as well as new shipping companies being established in Cyprus in the form of setting up "headquarters". The Cyprus State is expected to intensify its efforts, through the Negotiations of the Cyprus Problem as well as the accession process of Turkey into the European Union and/or the renewal of the EU/Turkey Custom Union Agreement, to address this issue, especially knowing that Cyprus Shipping can substantially support and contribute to the Restart of the Cyprus Economy after the coronavirus crisis.



Θέματα Πολιτικής

Παρότι η Κυπριακή Ναυτιλία, κατά τη διάρκεια του 2020, πλοηγήθηκε σε ακαρτογράφητα νερά λόγω της άνευ προηγουμένου υγειονομικής κρίσης, η Κυπριακή Ναυτιλιακή Βιομηχανία συνέχισε την ουσιαστική συνεισφορά της στην Κυπριακή Οικονομία και εξισορρόπησε με τον καλύτερο δυνατό τρόπο τις προκλήσεις της πανδημίας με άμεσες ενέργειες διαχείρισης της κρίσης αυτής. Λαμβάνοντας υπόψη ότι η ανταπόκριση της Ναυτιλιακής Βιομηχανίας σε σχέση με την πανδημία θα αναλυθεί σε ακόλουθο αφιερωμένο άρθρο της Ετήσιας Έκθεσης, στην ακόλουθη ανασκόπηση περιγράφεται μια σειρά μέτρων και δράσεων που πραγματοποιήθηκαν κατά τη διάρκεια του 2020, για την αντιμετώπιση διαφόρων άλλων ναυτιλιακών ζητημάτων, προς στήριξη της Κυπριακής Ναυτιλίας και προκειμένου να διατηρηθεί η εικόνα της Κύπρου, ως ένα από τα σημαντικότερα Διεθνή Ναυτιλιακά Κέντρα.

Υφυπουργείο Ναυτιλίας

Το Ναυτιλιακό Επιμελητήριο παρατήρησε με ικανοποίηση ότι κατά το 2020, το Υφυπουργείο Ναυτιλίας έθεσε σταθερά θεμέλια και σημείωσε σημαντική πρόοδο ως προς την εφαρμογή μιας ολοκληρωμένης “Εθνικής Ναυτιλιακής Στρατηγικής”, σε στενή συνεργασία με τη Ναυτιλιακή Βιομηχανία και με την εφαρμογή νέων υποστηρικτικών δράσεων και ευέλικτων μηχανισμών, αναβαθμίζοντας περαιτέρω την εικόνα της Κύπρου ως ένα σύγχρονο, ποιοτικό και βιώσιμο ναυτιλιακό κέντρο. Ωστόσο, αναμένεται ότι η Κυπριακή Ναυτιλιακή Διοίκηση θα επιταχύνει τις προσπάθειές της να ψηφιοποιήσει / αυτοματοποιήσει τις υπηρεσίες που προσφέρει σε ναυτιλιακές εταιρείες, αναβαθμίζοντας ακόμη περισσότερο τις υπηρεσίες που προσφέρονται, έτσι ώστε η Κυπριακή Ναυτιλία να γίνει ακόμη πιο ανταγωνιστική.

Η προτεραιότητα που δόθηκε στη δημιουργία του από την Κυβέρνηση το 2018, ως το πρώτο Υφυπουργείο στην Κύπρο, επιβεβαίωσε πως η Κυπριακή Ναυτιλία αποτελεί εξαιρετικά σημαντικό κεφάλαιο για τη χώρα, με σημαντική συνεισφορά στο ΑΕΠ της χώρας, που αγγίζει το 7%. Αναμένεται από τη Ναυτιλιακή Διοίκηση αλλά και το Κράτος, περισσότερη στήριξη στον τομέα της Ναυτιλίας και στοχευμένες δράσεις, ιδιαίτερα τώρα που καλείται να αντιμετωπίσει τις οικονομικές επιπτώσεις της πανδημίας, ούτως ώστε να αξιοποιήσει τις πολλές δυνατότητες της, κάτι που θα έχει και σημαντικό όφελος στην ανάκαμψη της Κυπριακής οικονομίας.



Κυπριακή Ναυτιλιακή Βιομηχανία Συμφωνία Συνένωσης Επιμελητηρίου/ΚΕΠ

Σε συνέχεια της επίσημης ανακοίνωσης, προς το τέλος του 2019, σχετικά με την έγκριση Πλαισίου Συμφωνίας Συνένωσης σε επίπεδο Διοικητικού Συμβουλίου του Κυπριακού Ναυτιλιακού Επιμελητηρίου (ΚΝΕ) με την Κυπριακή Ένωση Πλοιοκτητών (ΚΕΠ), το 2020, το Επιμελητήριο συνέχισε σταθερά τη διαδικασία συνένωσής ΚΝΕ-ΚΕΠ, με νέο Μνημόνιο και Καταστατικό του Νέου Οργανισμού, τα οποία βρίσκονται υπό εξέταση και από τους δύο Οργανισμούς. Το κοινό όραμα σε αυτήν την απόφαση, ήταν και εξακολουθεί να είναι η δημιουργία ενός καινούργιου και ενιαίου οργανισμού, ο οποίος θα εκπροσωπεί δυναμικά την Κυπριακή πλοιοκτητική, πλοιοδιαχειριστική και Ναυτιλιακή Βιομηχανία γενικότερα, στην Κύπρο και διεθνώς.

Καθώς αναμένεται όπως το 2021, λυθούν τα σοβαρά ζητήματα που προέκυψαν στο ναυτιλιακό τομέα από την πανδημία, το Επιμελητήριο θα συνεχίσει ακόμα πιο ενεργά τις προσπάθειές του, σχετικά με αυτήν την πολλά υποσχόμενη εξέλιξη για το μέλλον της Κυπριακής Ναυτιλίας, η οποία θα ενισχύσει περαιτέρω τη “φωνή” της Κύπρου στα διεθνή ναυτιλιακά δρώμενα και την προώθηση κοινών συμφερόντων προς όφελος της, θέτοντας την σε ετοιμότητα ανταποκριθεί στις συνεχώς εξελισσόμενες απαιτήσεις της Παγκόσμιας Οικονομίας και του διεθνούς ανταγωνισμού.



Ναυτική Εκπαίδευση και “Γαλάζια Ανάπτυξη”

Το Κυπριακό Ναυτιλιακό Επιμελητήριο συνέχισε να συμμετέχει ενεργά στην προώθηση της Ναυτικής Εκπαίδευσης και της “Γαλάζιας Ανάπτυξης” στην Κύπρο, αναγνωρίζοντας την πληθώρα ευκαιριών, τις οποίες έχει να προσφέρει η Ναυτιλιακή Βιομηχανία και τη σημαντική συνεισφορά των πεδίων αυτών ως προς την περαιτέρω ανάπτυξη της Κύπρου ως ναυτιλιακό κέντρο.

Παρόλο που οι περιορισμοί λόγω της πανδημίας περιόρισαν τις προγραμματισμένες φυσικές δραστηριότητες, το Ναυτιλιακό Επιμελητήριο υποστήριξε αρκετές εκπαιδευτικές πρωτοβουλίες και εκστρατείες ευαισθητοποίησης της “Γαλάζιας Ανάπτυξης”, καθώς και στην προώθηση ενίσχυσης κρατικών και ιδιωτικών Εκπαιδευτικών Ναυτικών Σχολών στην Κύπρο. Επιπρόσθετα, το Επιμελητήριο παρατήρησε με ικανοποίησή την έναρξη των εργασιών του “Κυπριακού Ιδρύματος Θάλασσας”, στη σύσταση

του οποίου πρωτοστάτησε το Επιμελητήριο μαζί με άλλους συνεργάτες, με την τέλεση της πρώτης συνεδρίασης της Εκτελεστικής του Επιτροπής, τον Ιανουάριο του 2020.

Η διασφάλιση ενός βιώσιμου μέλλοντος για τη Ναυτιλιακή Βιομηχανία μπορεί να επιτευχθεί μόνο μέσω αποτελεσματικών προτύπων εκπαίδευσης και κατάρτισης. Επομένως, αναμένεται η συνέχιση στήριξης του Υφυπουργείου Ναυτιλίας και της Κυβέρνησης γενικότερα, σε ενέργειες που αφορούν την “Γαλάζια Ανάπτυξη” και τη Ναυτική Εκπαίδευση. Υπάρχουν σημαντικές προοπτικές και οφέλη στους τομείς, όχι μόνο για τη Ναυτιλιακή Βιομηχανία αλλά και για ολόκληρο το Κυπριακό Ναυτιλιακό Σύμπλεγμα, το οποίο με τη σειρά του, είναι ζωτικής σημασίας για τα οικονομικά και κοινωνικά συμφέροντα της Κύπρου.

Τουρκικό Εμπάργκο σε Κυπριακά πλοία

Το Τουρκικό Εμπάργκο στα Κυπριακά πλοία, αποτελεί ένα κρίσιμο θέμα που αντιμετωπίζει το Κυπριακό Νηολόγιο από το 1987, το οποίο απαγορεύει σε πλοία που συνδέονται με την Κύπρο να προσεγγίζουν σε Τουρκικά λιμάνια, παρεμποδίζοντας την ομαλή του ανάπτυξη και λειτουργία. Αυτή η παράνομη πρακτική που ακολουθεί η Τουρκία, έχει οικονομικές επιπτώσεις τόσο στην Κύπρο, αλλά και ευρύτερα σε ευρωπαϊκά ναυτιλιακά συμφέροντα.

Το Ναυτιλιακό Επιμελητήριο, ως εκ τούτου, συνέχισε να παρακολουθεί στενά το θέμα, σε σχέση με τις ενέργειες που ακολουθεί η Κυπριακή Κυβέρνηση και ειδικά το Υπουργείο Εξωτερικών, στα πλαίσια των διαπραγματεύσεων που πραγματοποιεί για την επίλυση του Κυπριακού Προβλήματος. Επιπρόσθετα, μέσω της συμμετοχής του στην Ευρωπαϊκή Ένωση Πλοιοκτητών (European Community Shipowners' Associations - ECSA) έντεινε τη δράση του ακολουθώντας μια

στοχευμένη στρατηγική σε επίπεδο Ευρωπαϊκής Επιτροπής και μέσω των Κύπριων Ευρωβουλευτών, με στόχο την άρση αυτού του παράνομου εμπάργκο για το ευρύτερο συμφέρον της Ευρωπαϊκής Ναυτιλίας.

Υπάρχουν απτές προοπτικές για περαιτέρω επέκταση του Κυπριακού Νηολογίου με την άρση του Τουρκικού εμπάργκο, τόσο για υπάρχουσες ναυτιλιακές εταιρείες με έδρα την Κύπρο, όσο και για προσέλκυση νέων ναυτιλιακών εταιρειών στη χώρα. Το Κράτος αναμένεται να εντείνει τις προσπάθειές του, μέσω των Διαπραγματεύσεων για το Κυπριακό και της διαδικασίας ένταξης της Τουρκίας στην Ευρωπαϊκή Ένωση καθώς επίσης την ανανέωση της Συμφωνίας Τελωνειακής ένωσης ΕΕ/Τουρκίας, προς αντιμετώπιση του μακροχρόνιου ζητήματος, με γνώμονα ότι η Κυπριακή Ναυτιλία αποτελεί κινητήριο δύναμη στη προσπάθεια επανεκκίνησης της Κυπριακής Οικονομίας, κατά την περίοδο ανάκαμψης.



COVID-19 Pandemic: The Shipping Industry's response

Despite the very difficult conditions and restrictive measures, that placed the entire planet under lockdown, the Shipping Industry played a significant role in maintaining the wellbeing of people as it kept supply chains open and maritime trade and transport moving. Without seaborne transportation, the supply of essential goods, such as food, energy, medical supplies, raw materials, which is necessary to sustain the modern world would not be possible.

The Cyprus Shipping Chamber closely monitored developments with regard to the COVID-19 pandemic at local and global scale and followed the advice provided by the World Health Organization (WHO) and the Cyprus Government, acting in a proactive manner, whilst offering as much assistance as possible to its Members. The Member-companies of the Chamber contributed to this effort as well, applying “working from home” where possible and complying with the Government’s measures, both onshore and onboard, while continuing their high standard and reliable operations, thus supporting tangibly with providing vital supplies to the Cyprus Society, during these challenging times. In addition, as part of its Corporate Social Responsibility, with the support of its Member-Companies and in full coordination and cooperation with the Ministry of Health and the State Health Services Organisation, the Chamber contributed to the needs of the Cyprus General Health System and Hospital Units fighting against the pandemic, by donating a specialised complete medical respiratory system (Nitric Oxide Treatment Machine with Gas Cylinder Support).

Shipping as a primary industry, needed to respond proactively and effectively to this new challenge and so it did. The Cyprus Shipping Industry addressed the situation and developed strategies to adapt as much as possible its business operations. It became apparent that every crisis is also an opportunity for people and by consequence, businesses to re-evaluate priorities, to review their strong and weaker features and drive progress. In this respect, we could argue that COVID-19 brought to the Shipping Industry and the business world in general, further clarity.

In this respect, the Shipping sector in Cyprus, recognised an opportunity to move in a faster pace into the world of digital operations. Shipping companies are expected to invest more in the fields of Technology and Innovation, as it is an essential

and vital move for companies to keep up with an increasingly competitive and changing environment. Introducing therefore, new technologies to the Shipping Industry, will attract new market entrants and upgrade services offered to customers and will eventually lead the Industry to adapt new more efficient business models.

Additionally, it was identified that, on a long-term the current pandemic crisis could also be a driving force that will allow the Shipping Industry to achieve its environmental goals, if provided with targeted incentives, especially in the fields of maritime technology and the universal introduction of alternative fuels and energy sources for the shipping sector, which is recognised to be an integral part of achieving the ambitious goals set by the International Maritime Organization (IMO). In this respect, the Chamber kept an active and open communication with industry stakeholders, to explore areas for aligning regulatory obligations with the current situation.

The realisations of 2020 will be the discussions of 2021, as to how the above insights collected from the past year, can become a driving force for recovery and development for the Cyprus Shipping Industry, in the midst of the pandemic crisis.

Expecting the Shipping Industry to continue the undisrupted transport of essential goods, it is important to address the economic impact combined with continuing severe operational problems, as many countries remain under strict restrictive measures, which is endangering the Industry’s vital role. The following unresolved and pressing issues facing the Shipping Industry, need to be addressed urgently by Governments worldwide.

a. Crew Changes Crisis:

As a result of COVID-19 travel restrictions and border closures, hundreds of thousands of seafarers are stranded around the world. Over 400,000 seafarers were affected from the crew changes crisis, with some of them having to spent 15 months or more on board. Each month about 150,000 seafarers need to be changed over to and from the ships which they operate to ensure compliance with international maritime regulations relating to ship safety, crew health and welfare, and the prevention of fatigue.



Shipping is vital to the maintenance of global supply chains, but the current situation is unsustainable for the safety and wellbeing of ship crew and the safe operation of maritime trade.

The Cyprus Shipping Chamber actively participated on a weekly basis in relevant meetings of the International Chamber of Shipping and of the European Community Shipowners' Associations, which have been continuously raising the issue within various intergovernmental organisations asking Governments to treat Seafarers as "key workers" and facilitate travel through their territories. States should acknowledge Seafarers' contribution and support them by finding effective solutions to the below issues:

- Provide immediate access to medical care onshore. Seafarers face continuous delays and in some cases the refusal by Port Authorities and national health authorities worldwide, with regard to their obligation to provide immediate access to medical care onshore to Seafarers, in case of a medical emergency onboard.
- Fair Treatment. Seafarers often face criminalisation in the case of maritime incidents. They are detained and denied access to normal rules of fair play and justice with which to defend themselves against criminal charges.
- Facilitate Crew Changes and Repatriation. Implement proper protocols as approved by the International Maritime Organisation (IMO) to facilitate with safety crew changes and seafarers' repatriation.
- Include in vaccination prioritization categories. Being "key workers", it is important to include them among the categories that will receive priority vaccination.

b. Road map to a sustainable Shipping recovery

The pandemic caused a great distribution to the Cyprus Shipping Industry in terms of shipment volumes and traffic. Whilst the Shipping Deputy Ministry has been supporting the Industry to balance the situation with guidance and extending tonnage

tax payment in 2020, to substantially mitigate the financial impact, Shipping companies are in need of practical financial support from both the Cyprus Government through fiscal support and liquidity packages, and more broadly from the European Union through the "Recovery Plan", to be able to continue their important role to the Economy and Society.

Shipping is a driving force, which contributes around €149 billion to the European Union's GDP and provides 2 million jobs. 76% of the EU's external trade in goods and 32% of inland freight transport is conducted by ship. These data show why Shipping is a key pillar of the EU economy and why support is needed. It is also understood that targeted support from Europe for the Shipping sector, will have a positive chain effect on the Cyprus Shipping Industry, as it has the third largest fleet in the European Union, which is about 20% of the EU fleet and is also considered as the third largest ship-management center in the European Union.

Finally, in order to achieve the upcoming ambitious environmental regulations, the Shipping Industry needs sustainable solutions that will not jeopardize its operation and efficiency. The Chamber is in view that strategic financing mechanisms, which will fund the development of "green" technologies for Shipping, need to become available for the Industry. The benefits for providing liquidity through the form of strategic investments/incentives, is two-fold. Firstly, it will build on the confidence of the Industry and investors at a time when business resources are scarce and at the same time, it will help the Industry achieve its decarbonization goals faster and in an efficient way.

Notwithstanding that the situation revolving around the COVID-19 pandemic has resulted in a short-term setback for the Shipping Industry, it is very apparent that the Industry showed resilience and remained a viable "blood donor" of the Cyprus Economy. The Cyprus Shipping Chamber as the trade association of the Shipping Industry in Cyprus, looks ahead to the future with confidence, if we continue united, State and Shipping Industry, within the framework of a strategic national effort, which will include the above-mentioned support, in order for Shipping to be able to continue its important role to the Economy and Society.

Environment and Climate Change

• Shipping Industry proposal for a \$5billion R&D Fund to eliminate CO2 emissions

The International Maritime Organization (IMO) has adopted in April 2018 the initial strategy on the reduction of greenhouse gas (GHG) emissions from ships (the initial IMO strategy). Among its ambitious goals is the 50% reduction of GHG emissions from shipping by 2050, comparing with 2008 emissions data. To achieve this goal the development of commercially viable zero carbon-emission ships by the early 2030s is vital thus, extensive research and development (R&D) is required.

In December 2019, the global maritime transport industry launched a radical proposal to establish the world's first collaborative shipping Research & Development (R&D) programme to help eliminate CO2 emissions completely from international shipping. The proposal includes core funding from shipping companies across the world of about US\$ 5 billion over a 10-year period.

In a comprehensive submission to IMO, the industry proposes to generate this funding from a mandatory contribution by shipping companies of US\$ 2 per tonne of fuel purchased for consumption. The R&D fund will provide funding to much needed advances in maritime innovation and technology, to help develop the zero-emission solutions of the future that shipping sorely needs.

The proposal was discussed at the 75th session of the IMO's Marine Environment Protection Committee (MEPC) which was held on 16-20 November 2020. MEPC 75 noted that the proposal would require more detailed consideration, including assessment the potential impacts on States, before taking any decision. Interested Member States and international organizations were invited to submit further commenting documents and proposals to the next MEPC session (MEPC 76) which will take place in June 2021.

The Chamber was actively involved in the development of the R&D Fund proposal and fully supports this initiative. The global Shipping Industry, through this proposal, shows that it recognises the problem and takes a proactive and tangible approach. Cyprus as a leading international shipping centre will play an active part in the global Shipping Industry's efforts to decarbonise.

• Adoption of short-term measures for the reduction of GHG emissions

In August 2020, IMO published its latest study of shipping's GHG emissions. The fourth IMO GHG study states that the carbon intensity of the global fleet as a whole has improved by as much as 30% since 2008. This suggests that the sector is already on track to meet the 40% reduction target for the fleet in 2030 which IMO agreed in 2018, notwithstanding the enormity of this challenge.

The IMO's Marine Environment Protection Committee (MEPC) at its 75th session in November 2020 approved draft new mandatory regulations to cut the carbon intensity of existing ships. The draft amendments to the MARPOL Convention would require ships to combine a technical and an operational approach to reduce their carbon intensity. The draft amendments will be put forward for formal adoption at MEPC 76 to be held in June 2021.

The draft amendments would add further requirements to the energy efficiency measures in MARPOL Annex VI chapter 4. Current requirements are based on the Energy Efficiency Design Index (EEDI), for new build ships, which means they have to be built and designed to be more energy efficient than the baseline and the mandatory Ship Energy Efficiency Management Plan (SEEMP), for all ships. The SEEMP provides for ship operators to have in place a plan to improve energy efficiency through a variety of ship specific measures.

The draft amendments build on these measures by bringing in requirements to assess and measure the energy efficiency of all ships and set the required attainment values. The goal is to reduce the carbon intensity of international shipping, working towards the levels of ambition set out in the Initial IMO Strategy on reduction of GHG emissions from ships.

The set of amendments includes the technical requirement to reduce carbon intensity, based on a new Energy Efficiency Existing Ship Index (EEXI) and the operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator (CII). The dual approach aims to address both technical (how the ship is retrofitted and equipped) and operational measures (how the ship operates).

MEPC 75 also agreed on the establishment of a correspondence group to develop the necessary technical guidelines to



implement the agreed package of short term GHG reduction measures.

The Chamber set-up an ad-hoc “IMO Short-Term Measures” Working Group through which it monitors the work of the IMO correspondence group working on the development of the technical guidelines and actively engages in the discussions at the International Chamber of Shipping to prepare the positions of the industry.

Furthermore, in 2020 the Chamber participated in all the online deliberations at IMO for the reduction of CO₂ emissions from ships, both at the Intersessional Working Group level and at the MEPC meetings, as part of the Cyprus delegation.

• **Extending EU Emissions Trading to International Shipping**

In December 2019, the European Commission announced its European “Green Deal” and proposed to extend the EU Emissions Trading System (EU-ETS) to shipping. Although the European Commission is not expected to publish detailed proposals until the middle of 2021, it is anticipated that the application of the EU-ETS to shipping will be achieved using the existing EU Regulation on the Monitoring, Reporting and Verification (MRV) of ships’ CO₂ emissions, as also proposed by the European Parliament’s Environment Committee which voted on the issue in July 2020.

One of the principal concerns of the Industry is that the application of an EU-ETS to shipping would be counterproductive to continuing progress at IMO and the further reduction of the sector’s global emissions.

The EU’s primary interest in supporting this proposal seems to be to use the Shipping Industry as a source of revenue to support the finances of its Member States or even of the European Commission itself. This was confirmed by the Summit of EU Member State leaders in July 2020 which acknowledged the Commission’s suggestion that the billions of euros per year that would be generated from the purchase of carbon allowances by shipping, including those non-EU shipping companies that move the majority of trade with the EU, could form a significant part of the post COVID EU recovery package that has now been agreed. Non-EU governments will therefore have

concerns about this unilateral proposal which they are likely to view as an extraterritorial ‘tax’ on international trade.

The EU should take into consideration the previous attempts to apply the ETS to international aviation which created huge disputes with the EU’s trading partners, including China, India and the United States, forcing the EU to back down when faced with trade sanctions including the cancellation of Airbus orders. The application of the EU-ETS to intra-EU aviation, while generating revenue for EU States, has not resulted in any reduction to emissions from this sector, in contrast to shipping whose absolute GHG emissions have reduced significantly throughout the same period despite an increase in maritime trade. The EU therefore needs to decide whether using shipping (including non-EU shipping companies) to support its financial requirements is more important than the environmental goal, already agreed by EU Member States, of supporting IMO efforts to decarbonise shipping at the global level.

In July 2020, to help EU Member States and other stakeholders understand the full implications of extending the EU-ETS to shipping, the International Chamber of Shipping (ICS) and the European Community Shipowners’ Associations (ECSA) published a joint report commissioned from independent consultants.

One of the most significant findings is the mismatch between the EU ETS and the complex diversity of the numerous segments within the Shipping Industry. The characteristics of the numerous ship types, contractual relationships and operators present a highly complex market that is unlikely to be effectively or appropriately addressed suggesting a pragmatic approach by decision makers is required.

Another finding pertains to the dominance of SMEs within the industry, where “administrative burden and associated costs in comparison to other MBMs would be significant and should be a critical consideration for policymakers.

Taking into consideration the above implications and risks associated with the inclusion of international shipping to the EU ETS, the Chamber opposed the European Commission’s proposal and worked closely with the ICS and ECSA to provide constructive input to the European Commission during the public consultation. The EU’s intends will now only become apparent when they issue their revised EU ETS proposal in mid-2021.

CY-FOS / The Cyprus Foundation of the Sea: Sets sail for “Blue Growth”, Education and Technology

Following the Inaugural Meeting of CY-FOS and later on the first meeting of its Board of Directors at the end of 2019, during which the members of CY-FOS Executive Committee were appointed, CY-FOS held its first Executive Committee meeting on January 2020, during which the operational structure of CY-FOS and the establishment of a number of working Committees were agreed.

Since then, CY-FOS is well under way towards fulfilling its vision, which is none other than “...to shape the future of the Blue Economy in Cyprus”.

Its Mission...to build an Innovation-driven Ecosystem in which organizations across different Blue Economy sectors undertake joint activities related to RTDI (Research, Technological Development and Innovation), networking, improving the business and policy environment, human resources upgrading and engaging the society, thus becoming the missing piece of the puzzle to establishing an “umbrella” organisation for the promotion and further development of Blue Growth in Cyprus! This will be achieved by developing a common innovation roadmap in line with the National and EU Integrated Maritime Policy (IMP) and a program of capacity building activities, addressing common challenges and fostering an integrated approach on marine and maritime affairs; and by becoming the National Champion of the EU’s Marine and Maritime Agenda for Growth and Jobs [The Limassol Declaration).

Its Objectives...

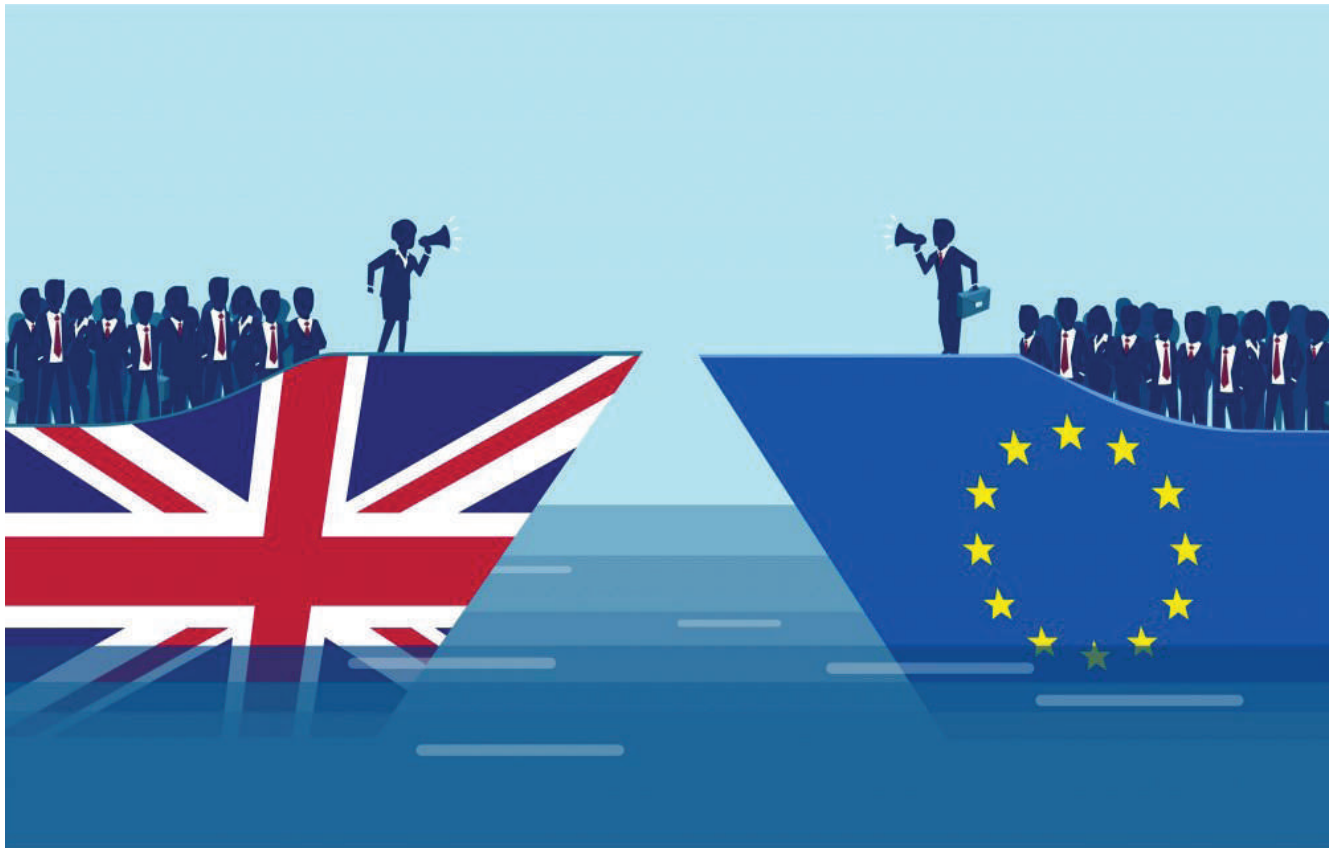
- Strengthen links between the industry sectors of the Blue Economy; the Public Sector; the Society; the Academia; the RTDI Performers; and the Providers of Enabling Technologies; in the context of a Sectoral RTDI Roadmap
- Support the development of the necessary critical mass for Blue RTDI Capacity
- Tackle capability gaps in the Blue Sectors of the Economy through the attraction, recruitment, and retention of highly qualified personnel; and through the promotion of standards in Educational and Training programs that match the needs of its Cluster members
- Extend the global reach, visibility, network, and market opportunities for CY-FOS members
- Address global challenges such as those related to climate change and sustainable development, including carbon footprint reduction, and improving energy efficiency by articulating and communicating appropriate Missions to RTDI performers and funding organizations.

The establishment of the Foundation is now a reality, which must be quickly understood and managed, in order for Cyprus to be able to align its “Blue Growth” model accordingly and continue to offer “Blue Solutions”, so as to harness the potential of the sea/ocean to creating more employment opportunities, added value and sustainability.

Without a doubt, The Cyprus Foundation of the Sea can be the driving force to make the most needed change and inspire society to realise that by exploiting the potential in “Blue Growth” we can “Sea the Future”.



BREXIT: The Shipping Perspective



Following the UK's decision to leave the EU back in 2016, during the negotiations between the EU and UK prior to Brexit, while the EU did table maritime transport services as an item for discussion, the UK did not. Yet, in September 2020 it was reported that a maritime chapter had been accepted in principle by the UK – largely in line with the EU's proposal. Finally, only days before the end of the transition period an agreement was reached on 24 December 2020.

Chamber representatives participated in all the meetings of the ECSA Brexit Task Force and contributed substantially to the development of several dedicated papers. Through these papers, ECSA was able to ensure that the EU Shipping Industry's position was taken on board in the EP TRAN opinion. During the negotiations period, the ECSA Brexit Task Force had regular remote exchanges which included participation of DG Trade or the EU task force for relations with the UK. ECSA & ETF jointly wrote to Member States to encourage them to seek the recognition of UK certificates of competence at the end of the transitional period. In addition, joint letters were sent to DG EMPL seeking clarity on social security issues especially regarding seafarers. Following the last-minute deal, the Shipping Chamber will continue to participate at future meetings of the Task Force advocating for the establishment of an 'EU Maritime Dialogue' which will act as a platform to discuss mutual maritime issues in the years ahead.

Based on the EU/UK Trade and Cooperation Agreement, the Chamber initiated an exercise internally and in close consultation with the Shipping Deputy Ministry, to identify any possible threatening provisions pertaining to Cyprus Shipping therein. Following careful assessment of its Annexes and Protocols, from a general perspective, no specific references

were identified that could be construed as targeted negative for Cyprus Shipping.

On the other hand, however, as far as EU Shipping in its entirety is concerned, the whole Brexit project is very damaging, but we knew that from the start. We have noted that there are a number of reservations been made by the EU side (but not the UK side) but the reservations have only positive intentions for EU Member States (including Cyprus). This makes sense after all, as the negotiations were taking place knowing that, inevitably, the UK would become a non-EU country as from 1 January 2021 and these reservations were intended to act as a safeguard for the EU Member States' interests.

The Withdrawal Agreement remains in place, protecting amongst other things the rights of EU citizens and UK nationals, the EU's financial interests, and crucially, peace and stability for Ireland. The entry into application of the Trade and Cooperation Agreement is a matter of special urgency and considering these exceptional circumstances, the European Council, acting by the unanimity of all 27 Member States, will need to adopt a decision authorising the signature of the Agreement and its provisional application as of 1 January 2021. Once this process is concluded, the Trade and Cooperation Agreement between the EU and the UK can be formally signed. The European Parliament will then be asked to give its consent to the Agreement. As a last step on the EU side, the Council must adopt the decision on the conclusion of the Agreement.

This being said, this is the best compromise deal that the EU could get under the circumstances and the EU must now focus on counter-balancing the effects from the birth of a new UK Regulatory Autonomy right on EU's doorstep.

EU Taxonomy

Genesis of EU Maritime Taxonomy

In order to meet the EU’s climate and energy targets for 2030, its adaptation and zero pollution ambition for 2050 and in order to protect the EU’s natural capital and citizens’ health and well-being from environment-related risks in line with the Paris Agreement, it is necessary to reorient investment towards environmentally sustainable projects and activities. The lack of a clear definition of what is “environmentally sustainable” currently presents one of the biggest obstacles to scale up green investment, as outlined in the Action Plan on Sustainable Finance. For this purpose, the Regulation on the establishment of a framework to facilitate sustainable investment (‘Taxonomy Regulation’) has set out a framework to define environmentally sustainable economic activities for investment purposes. This will ultimately facilitate to mobilise green investments, supporting the objectives of the European Green Deal.

The Taxonomy Regulation requires the Commission to adopt Delegated Acts to establish technical screening criteria for determining under which conditions a specific economic activity is considered to contribute substantially to one or more of the EU’s environmental objectives while not causing significant harm to any of the other EU’s environmental objectives. The first Delegated Act sets out these economic activities and technical screening criteria, focusing on climate change mitigation and adaptation and the inclusion of Shipping in the EU Taxonomy will be realised through this Delegated Act.

The Shipping Industry, including the Shipping Chamber, supports the EU Taxonomy initiative and finds it important that the Shipping Industry is included in the Taxonomy, in order to be eligible for EU Green financing! But at the same time, the Shipping Chamber has advocated for a realistic and pragmatic transitional process that will smoothly incorporate Shipping in this Taxonomy framework.

In this respect, the Shipping Chamber, through the European Community Shipowners Associations (ECSA), was actively involved in these discussions and as part of the consultation process initiated by the European Commission on the First Delegated Act, the Shipping Chamber submitted detailed commentary in this regard filtering the main areas of concern, focusing on:

1. Technical Screening Criteria for the substantial contribution and “Do No Significant Harm” (DNSH) for climate mitigation and adaptation
2. Definitions for what constitutes a “maritime economic activity” (i.e. type of vessel) for the purposes of EU Maritime Taxonomy
3. Exclusion of ships that are dedicated to the transport of fossil fuel and/or otherwise support the fossil fuel sector (the “cargo” element)
4. Taxonomy should not be linked with any EU funding processes related to Shipping, especially under the EU Recovery Plan

It was very gratifying to see that several Member States, including Cyprus, had exactly the same concerns which were addressed to the European Commission through a relevant non-paper. Due to these concerns, the European Commission is now reviewing the draft Delegated Act, in view of presenting an updated text to Member States.

The Shipping Chamber will, therefore, continue its efforts with ECSA towards a realistic and pragmatic EU Maritime Taxonomy framework.





Social Aspects within EU Shipping

a) Study on Social Aspects of EU Shipping

Following the outsourcing of a Study by DG MOVE on Social Aspects within EU Shipping back in 2018, the long-anticipated study was published on 3 July 2020 and it produced several recommendations.

Although, the Shipping Chamber welcomed research into the social aspects of Shipping, several concerns were raised through ECSA, pertaining to the methodology and the general process adopted by the consultants which resulted in a much-disputed outcome. Whilst some of the recommendations could be shared as they corresponded to ECSA's Maritime Growth Plan, the Chamber disputed a number of these recommendations which clearly presented poor understanding of the Shipping Industry and the way it operates by the consultants. It was disappointing to see that the ECSA commentary, for which the Chamber submitted substantial input, were not properly considered and even more so the title of what is for us perhaps the most problematic chapter was changed from 'Decent Work' to 'Social Dumping and Unfair Competition' without our knowledge and without us having an opportunity to respond. Too much reliance has been placed upon desk research and media articles. Topics have been addressed in a theoretical and/or unbalanced manner and recommendations have been made without evidence that they even address an actual problem, less still that they would resolve it and not lead to unforeseen consequences. In addition, the need for EU shipping to be competitive globally has not been considered sufficiently.

On a positive note, the European Commission is supporting that this study is a product of external consultancy and does not necessarily represent the Commission's view. Following the suggestion by the European Commission, as a next step, the Shipping Chamber looks forward to a workshop to take place between the social partners, ECSA and ETF, during which there will be an exchange of views on the outcome of the study but a date for this has yet to be set.

b) Proposal for EU Adequate Minimum Wages

Based on the calls of the European Pillar for Social Rights, on 28 October 2020, the European Commission published its proposal for a Directive on adequate minimum wages in the EU. This is construed as a "watershed" in the history of European social and economic integration, as for the first time, the European Commission has initiated a legislative action, not only to ensure adequate minimum wages but also to strengthen collective bargaining in Europe.

From the start of this initiative, the Chamber advocated for an exemption of seafarers from the scope of the Directive and in addition, suggested that it was more prudent that this initiative takes the form of a Recommendation and not a Directive to provide more flexibility to Member States to regulate this matter in accordance with their existing legislative frameworks and practices.

Furthermore, concerns were raised about the interpretation of the personal and territorial scope of this proposal from a shipping perspective and how it will correlate with the minimum wage setting mechanism under the ILO MLC. The European Commission clarified in this respect that this proposal did not

interfere with ILO minimum wages rules set under seafarer maritime conventions. It noted, thus, the seafarers' special status and further stated that it does not affect the current legislative framework and that Member States should be allowed to maintain exemptions found in national law.

Discussions in the European Parliament have not commenced yet, and it is very gratifying to see that the Chamber's concerns are shared by Member States. In this regard, Cyprus together with Malta, supported a proposal submitted by Greece to exclude seafarers from the scope.

c) National Minimum Wages

On 1 October 2020, the UK Government has created a precedence when it took the decision to proceed with a relevant amendment of their national legislation extending its minimum wage to ships within its territorial waters and vessels leaving from a port in the UK to an offshore platform within the continental shelf.

Following this development, the Chamber participated in discussions within the International Chamber of Shipping (ICS) and the European Community Shipowners Associations (ECSA) and concerns have been raised in this regard. The concern is that this is a very unhelpful precedent that may spur other discussions in other Member States but also other non-EU countries.

It has been acknowledged by ICS and ECSA that such initiatives challenge the provisions of UNCLOS (Article 92 – Status of Ships and Article 94 – Duties of the flag State). Exercising the right of innocent passage or the right of transit passage must be defended and if States do not challenge such unilateral actions then it can be construed as a silent acceptance. ICS and ECSA agreed to raise the matter with the International Maritime Organisation (IMO) Legal Advisor, to proceed diplomatically with the UK and also to seek authoritative legal advice to be used in contesting the initiative as being beyond what is allowed of coastal states under the United Nations Convention on the Law of the Sea (UNCLOS).

In support of the above actions agreed at ICS and ECSA level, the Shipping Chamber invited the Cyprus Government to consider the possibility of raising this matter within the framework of Economic Diplomacy talks with Member States and non-EU countries, as well as, at any dialogues at IMO level to obtain a first reaction prior to assessing further the possibility of an official approach by Cyprus on this matter.

d) ECSA-ETF Joint Projects

1. WESS Project - "Contributing to an Attractive, Smart and Sustainable Working Environment in the Shipping Sector"

The proposal was approved beginning of 2020 and will last for 24 months, until 28 February 2022. Shipping Chamber representatives participated in the discussions on a number of activities carried out on the following two pillars:

Pillar 1: Advancing the work of the ECSA-ETF Working Group on Health and Safety on board to conduct work on:

- Communications on board ships - the development of guidelines on the provision and appropriate use of internet access on board for seafarers' personal use
- Conducting a research report to investigate the increased usage of digitalisation on board and possible benefits/improvements to shipboard safety and welfare
- Translating the international guidelines to shipping companies on eliminating workplace harassment and bullying into the key languages

Pillar 2: Enhanced participation of Women in European Shipping – implementing the ECSA/ETF declaration of intention through an awareness raising campaign and a research work to identify good practices of measures to enhance the recruitment and retention of women in the industry, including measures to deal with gender policies in the workplace.

II. SKILLSEA Project - Blueprint for Sectoral Cooperation Skills Strategy

The four-year SKILLSEA project was launched in January 2019 with the aim of ensuring that the region's maritime professionals possess key digital, green and soft management skills for the rapidly changing maritime labour market. It seeks to not only produce a sustainable skills strategy for European maritime professionals, but also to increase the number of these professionals - enhancing the safety and efficiency of this vital sector.

Chamber representatives have been regularly attending

meetings through ECSA whilst recently, they participated at focus groups meetings. SkillSea showcased for the first time its work at an event organised by ECSA during European Shipping Week 2020. In spring 2020, following some negative feedback on the technical progress report, a new and promising action plan was proposed which led to significant progress and increase in partners' cooperation since June 2020. The first deliverables have been welcomed, while some others are under review.

III. MapMar Project - The Mapping of Maritime Professionals: Towards a full-scale European data collection system

The project was approved by the European Commission and will run until 30 September 2021. The ETF is the Project Manager and ECSA is the co-applicant. The whole project is outsourced to external consultant(s).

Whilst the Shipping Chamber supports the need for data gathering and analysis to evaluate efficiency and productivity, it stressed the importance of developing proposals for new methodologies to better and more coherently collect data in Member States and identify any statistical gaps, as well as, propose ways of obtaining comparable statistics, to obtain more harmonised data on EU maritime professionals and more reliable data on the actual number of persons available for employment in the EU labour market.

The publication of the final report by the consultants is planned to be followed by a series of meetings with relevant EU institutions, and by a final seminar in September 2021.



Maritime Security

• Piracy in West Africa

The Chamber is particularly concerned by the deteriorating security situation in the Gulf of Guinea where there has been a sharp increase in the number of attacks on ships' crews. The Chamber is also concerned over the ineffectiveness of the international community to address the continuing piracy crisis in the Gulf of Guinea.

According to the 2020 Annual International Maritime Bureau (IMB) Piracy and Armed Robbery report, 195 incidents of piracy and armed robbery against ships worldwide have been reported, compared to 162 for 2019. The incidents included 3 hijacked vessels, 20 attempted attacks, 161 vessels boarded and 11 vessels fired upon. Globally, 135 crew were kidnapped from their vessels in 2020, with the Gulf of Guinea accounting for over 95% (130 crew taken in 22 separate incidents) of crew numbers kidnapped.

The Chamber welcomes the creation of the Nigerian Government and Industry Joint Working Group (NIWG) that aims to facilitate coordination between government and industry and align efforts to deter and respond to incidents of piracy and armed robbery in Nigerian territorial waters and EEZ. The Integrated National Security and Waterways Protection Infrastructure project, otherwise known as the Deep Blue Project (DBP), the new Nigerian National Maritime Reporting Framework which will support merchant vessels in distress, and enhancement of the NIMASA's Command, Control, Computer Communication and Information (C4i) Centre are policies in place that could be considered as steps towards the right direction of deterring the piracy incidents in the area.

While various efforts to improve maritime security in the region are ongoing, actual implementation will take time and consequently possible positive results are not expected in near future as this persistent problem cannot be addressed within just a few months. In addition, the economic impact of the COVID-19 pandemic is likely to lead to budget shortfalls which have already

been observed in Nigeria as well as several other countries.

It is therefore vital that governments, at the very highest level, become far more engaged in finding a long-term solution to the crisis. International community should remain committed in the efforts of taking concrete actions towards protecting the vessels and crew operating in the Gulf of Guinea. The Shipping Industry is also calling on local governments in the Gulf of Guinea to continue their efforts and even take more effective actions to eliminate this intolerable situation, with additional steps to be taken now, and not later.

• Migrants in the Mediterranean

The migrant rescue at sea crisis in the Mediterranean is another persisting maritime security concern which is unfortunately far from over, with tens of thousands of migrants still attempting to make the dangerous sea crossing to Europe in overcrowded and unseaworthy crafts.

Under the IMO Safety of Life at Sea Convention (SOLAS), ships have a legal obligation to come to the assistance of anyone in distress at sea. The principal obligation of shipowners is humanitarian and merchant vessels were called and responded to assist people in distress at sea within 2020. The Chamber firmly believes that port States should continue to adhere to their legal obligation, under international law, to provide prompt and predictable disembarkation of rescued people as soon as possible.

With great regret we have seen incidents where governments have denied entry to ships that have undertaken rescues. In August 2020, for example, a tanker had to anchor off the coast of Malta for more than four weeks after rescuing 27 people, including a child and a pregnant woman, with authorities in Malta and Tunisia denying the vessel entry. This unacceptable situation testifies the need for a framework agreement between EU Member States.



COVID-19 has also sharpened the already hard attitude of few countries in Europe towards illegal immigration and the Shipping Industry remains concerned about the possibility of prompt disembarkation of rescued persons being refused.

Commercial ships are not equipped to undertake such large-scale rescues, which also create serious risks to the safety, health and welfare of ships' crews. It should be remembered that the merchant seafarers on board ships that continue to be involved in these incidents are civilians. They can be severely affected by the traumatic situations they have to face, having complied with their legal and humanitarian obligations.

The Chamber actively participates in discussions at international level which aim to ensure that governments will meet their legal obligations and provide prompt and predictable disembarkation for large numbers of migrants rescued at sea by merchant ships.

• **Cyber security**

As the Shipping Industry moves into a smart-shipping era and becomes increasingly digitalised and automated, the risk of cyber threats is at an all-time high. Digitalised ships, increasing interconnectedness, the extended use of electronic data exchange and electronic navigation increases the likelihood of cyber-attacks in variety and frequency. Cyber threats may cause profound disruption to operations and are one of the most serious economic and international security challenges that the maritime industry is facing today. The need for protection and security enforcements to mitigate the threats is more important today than ever.

Guidelines to support secure cyber operations and contingency plans to be followed in a case of cyber incident have become necessary. Cyber security and safety management are areas that will require more attention as new technologies are being introduced.

The fourth edition of the industry cyber risk management guidelines, Guidelines on Cyber Security Onboard Ships have become available in December 2020 and lays the foundation for further improvements and refinement of companies' cyber security risk assessments. The guidelines is published at a time when shipowners and ship managers are faced with a requirement to implement cyber risk management in their safety management systems (SMS) by the time of their first Document of Compliance audit after 1 January 2021.

The fourth version contains general updates to best practices in the field of cyber risk management, and as a key feature, includes a section with improved guidance on the concept of risk and risk management. The improved risk model takes into consideration the threat as the product of capability, opportunity, and intent, and explains the likelihood of a cyber incident as the product of vulnerability and threat.

2020 has been a year with considerable and costly attacks to large companies and organisations. In fact, there are studies concluding that cyber-attacks have increased by up to 400% after the pandemic. Social distancing measures enhanced remote working which comes with challenges related with safety of household networks and personal devices. The travelling restrictions at certain extend is preventing technicians from visiting vessels to update and provide service to ship systems and platforms. The COVID-19 crisis is also increasing the stress levels of short staff and crews, making them more susceptible to human errors leading to cyber-attacks.

The Chamber through its Digitalisation Committee monitors the development of new technologies which through increased automation and digitalisation will transform the industry and improve business processes. These new technologies can create opportunities like increased efficiency, safety and environmental performance but at the same time they create new challenges like protection from cyber-attacks. The Chamber is also following the discussions at both national and international levels to find the best approach to combat cyber-crimes.

Cyprus Shipping: What lies ahead...

During 2020, the world was faced with an unprecedented state of emergency, as the coronavirus pandemic significantly affected business and economic activities in almost all sectors of the economy, including Shipping. The challenges of 2020 forced the Cyprus Shipping Industry to adapt to new realities and implement drastic measures, as a response to COVID-19, aiming to maintain and safeguard the Shipping Industry's future which has been facing turbulent times. Despite the adversities, the Cyprus Shipping Industry kept supply chains open and maritime trade moving, providing the country with essential goods, such as food, energy, medicines, raw materials, which are necessary to sustain the modern world and thus remained as a significant financial contributor for Cyprus Economy.

As we look ahead to the year 2021, and since the pandemic is not completely under control, its impact on global shipping is expected to continue, unless the serious unresolved operational issues with crew changes are finally addressed by Governments worldwide. Although Cyprus Government recognised early in the pandemic seafarers and frontline maritime workers ashore as "key workers", in order for them to continue their important role in keeping nations supplied with vital goods, it is essential to be included, together with all frontline "key workers", in Cyprus National Vaccinations Plan for COVID 19. However, even though in Cyprus and most countries' vaccinations are underway, it is expected to take time for a sufficient number of vaccinations to take place and especially for the shipping sector which faces special challenges with the logistics of a vaccination programme for seafarers.

Meanwhile tackling the consequences of the pandemic in the year ahead, Cyprus Shipping is also expected to be at the forefront with regard to decarbonisation and digitalisation, and continue or even intensify its efforts to fight climate change, for energy conservation and emission reduction in shipping. The unexpected course of events in 2020, could form a driving force for Shipping Industry to achieve its environmental goals and become even greener, if provided with targeted incentives for research and development in the field of marine technology, to ensure the technological innovation necessary to make the required zero-carbon transition within the IMO 2050 timeline.

In addition, areas such as digitalisation, innovation and block-chain has become one of the new directions for the future sustainable development of the Shipping Industry. Although this is a process that has long begun in Cyprus Shipping, the technology is expected to be fully embraced and adopted by the Industry the following years, in order to emerge even stronger,

more competitive and efficient from this crisis.

Taking into account the Cyprus Shipping Industry's resilience in a crisis once more and the very tangible prospects for further growth once the pandemic is stabilised with the vaccinations, it is expected that the Cyprus Government and the Shipping Deputy Ministry in close cooperation with the Shipping Chamber, to facilitate practical financial support and immediate resolute of the multiple operational issues affecting Shipping Companies in Cyprus, as part of the Cyprus Economy Restart agenda. Cyprus Shipping remained a viable industry with 7% of the GDP in Cyprus and can continue its important contribution to the Economy and Society of Cyprus.

Finally, an important development in the year ahead, is Cyprus taking the lead among European shipowners, with a Cypriot Shipowner and current President of the Cyprus Shipping Chamber, Mr. Philippos Philis, as President of the European Community Shipowners' Associations. This creates an excellent opportunity for Cyprus to have an even stronger voice at an EU level and be at the forefront of efforts towards a sustainable recovery for Cyprus and EU Shipping.

Looking therefore into the future, proper planning and hard work are indispensable in our mission to preserve Cyprus' leading edge. The Cyprus Shipping Industry is also more than ready to cooperate with the Cyprus State, offering its expert technical knowhow and specific suggestions providing a road map to a sustainable recovery and further growth of Cyprus Shipping, through new and innovative measures, supporting at the same time, the Cyprus Economy.

The Cyprus Shipping Industry remains united and faithful to Cyprus and the Cyprus flag, as it has done for many decades now. To that end, the Chamber strongly believes that if the structural measures and policies that the Chamber has advocated for are implemented or resolved the soonest, the prospects for a substantial growth of Cyprus Shipping is both tangible and achievable.

It is therefore necessary that for all Shipping Industry stakeholders to enhance further their coordination and vision, strengthening the "voice" of Cyprus Shipping in International and European Organisations in order to communicate the Industry's positions effectively to the decision-makers both locally and internationally. This will place Cyprus in a position to respond to the emerging demands of the World Economy and global competition.



List of Member Companies

Acheon Akti Navigation Co. Ltd

AOS Cyprus Holding Ltd.

Asia Marine Philippines (AMP) Limited

Ass.subsea Limited

Beacon Shipping Ltd.

Bernhard Schulte Shipmanagement (Cyprus) Ltd.

Cassiopeia Shipmanagement (Cyprus) Ltd.

Celestyal Cruises Limited

Columbia Shipmanagement Ltd.

Cyfadaco Shipmanagement Ltd.

Deep Sea Supply Management (Cyprus)

Diana Wilhelmsen Management Ltd

EDT Shipmanagement Ltd.

Enesel Limited

Euroafrica Shipping Lines Cyprus Ltd

FML Ship Management Ltd.

FRS Shipmanagement Ltd.

Golden Union Maritime Operations SA

Intergaz Ltd.

Interorient Navigation Co. Ltd.

Intership Navigation Co. Ltd.

Iona Shipmanagement Ltd

Lefkaritis Bros Marine Ltd.

Lemissoler Navigation Co. Ltd

Lowland International Shipping (Cyprus) Ltd

Marlow Navigation Co. Ltd.

Mastermind Shipmanagement Ltd

Matrix Ship Management Ltd.

MSC Shipmanagement Ltd.

OSM Ship Management Cyprus Ltd.

OSM Group Ltd.

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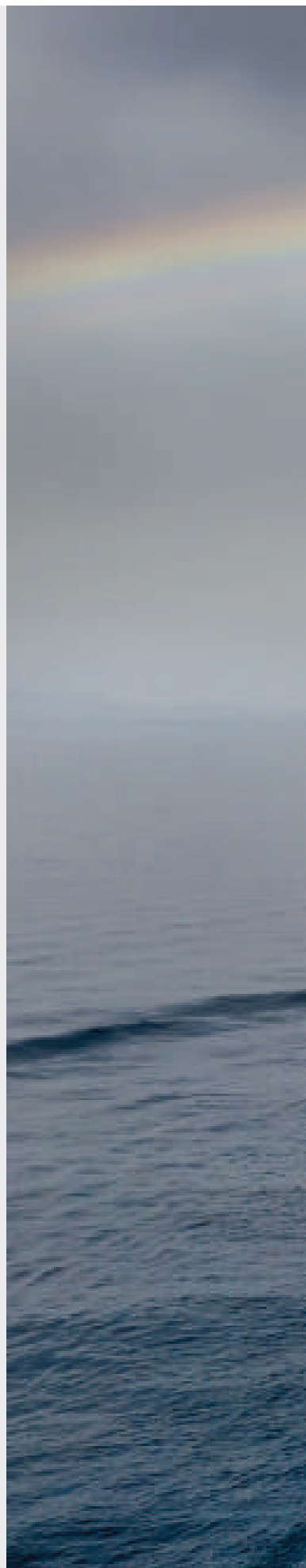
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