



## SINGAPORE SHIPPING FORUM 2023: MANAGING THE WAVES OF SHIPPING

# NAVIGATING THE WAVES OF GEOPOLITICS, TECHNOLOGY, AND DECARBONISATION

27 APRIL 2023, THURSDAY

Volatility will continue to be the name of the game in the shipping industry, as the industry braces up for intensifying headwinds from geopolitical, technological, and ESG regulatory developments.

This was the conclusion reached by speakers at the Singapore Shipping Forum 2023, held at the Raffles Hotel on 27 April 2023. With nearly 250 participants comprising CEOs, CFOs and senior executives from shipping, logistics and finance industries, the Singapore Shipping Forum is part of the Singapore Maritime Week 2023, organised by the Maritime and Port Authority of Singapore (MPA). The forum was hosted by Moore Stephens, Singapore, in collaboration with co-sponsor BNP Paribas, Singapore, and with the support of the Chartered Institute of Logistics and Transport, and the Institute of Chartered Shipbrokers.

The Guest of Honor for the event was Mr. Esben Poulsson. Among other roles, Mr. Poulsson acts as Chairman of Enesel Pte Ltd as well as a range of other companies, is Board Member of MPA, and was the immediate past Chairman of the International Chamber of Shipping. In his opening remarks, Mr. Poulsson focused on current ESG challenges for shipping. Mr. Poulsson claimed that the shipping sector is entering the “fourth propulsion revolution”. However, a major hurdle currently, is the regulatory uncertainty that is impeding the advancement of ESG efforts by the shipping industry. Mr. Poulsson felt that the International Maritime Organisation (IMO) can, and should, clear this regulatory uncertainty

for the industry, and it will be opportune to do so at the upcoming MEPC conference. Mr. Poulsson felt that once IMO takes the lead to advance the ESG agenda through clear regulations, the industry will be prepared to support and comply with the regulations.



Chairman of Enesel Pte Ltd, Car Tamar Shipmanagement and K: Member, MPA, Advisory Panel M Immediate past Chairman, ICS, I President, SSA

Opening address by Mr. Esben Poulsson, Chairman of Enesel Pte Ltd, Cambiaso Risso Asia, Tamar Shipmanagement and KST Maritime, Board Member, MPA, Advisory Panel Member, SMF, Immediate past Chairman, ICS, Immediate past President, SSA.

Mr. Mick Aw, Board Member of Moore Global, took the stage to introduce the next speaker, Mr. Choi Shing Kwok, Director & Chief Executive Officer, ISEAS - Yusof Ishak Institute and former Permanent Secretary of the Ministry of Transport. As an introduction to the topic, on Geopolitical Trends and Regional Implications, Mr. Aw noted that geopolitical tensions are escalating in certain parts of the world which can pose additional challenges for shipping. Elaborating on this, Mr. Choi expressed his view that the US-China rivalry is likely to persist for some decades as neither side seems



Former Permanent Secretary,  
Ministry of Transport

Moderator: Mick Aw

Mr. Mick Aw, Board Member, Moore Global, on introduction of Geopolitical Trends and Regional Implications.

likely to relent. The global geopolitical and economic landscape will experience some decoupling, as both sides strive to win allies. A quick end to the Russia-Ukraine war is also unlikely, which will present challenges for the European Union and other world powers. In the current geopolitical landscape, Mr. Choi felt that South-East Asia will be the bright spot.



Mr. Choi Shing Kwok, Director & Chief Executive Officer, ISEAS - Yusof Ishak Institute, Chairman, SP Services Limited, Former Permanent Secretary, Ministry of the Environment and Water Resources (2012 to 2017); Ministry of Transport (2005 to 2012) on topic - Geopolitical Trends and Regional Implications.

Mr. Chris Johnson, Partner, Shipping and Transportation, at Moore Stephens Singapore, next took the stage to provide his view of shipping markets. Drawing on a wide variety of data relating to shipping freight, sales and purchase transactions, global fleet statistics, and others, Mr. Johnson concluded that the tanker market is likely to perform best in 2023. The runner-up sector is dry bulk, while the container sector may face challenges as rates are still falling from the peak that was reached during 2022.



**Charter Rates**  
• Peaked in 2021, Declined in 2022

**Asset Prices**  
• Second hand and newbuild prices down in 2022  
of last three quarters

Mr. Chris Johnson, Partner, Shipping & Transportation, Moore Stephens Singapore on topic - Overview of Shipping Industry.

Mr. Peter Sand, Chief Analyst of Xeneta AS, gave his views on the future of container shipping. Mr. Sand noted during Covid 19, both long-term and spot freight rates in the container market surged, but then plunged after that. The container sector is currently dealing with softening global demand. While there was significant focus on supply chain resilience and security by shippers during COVID, the current focus appears to have shifted back to dollars and cents. According to Mr. Sand, for the rest of the decade, risk management will be key to the development of supply chain strategies by shippers.

The future of the container industry, in Mr. Sand's view, will revolve around issues such as managing fuel mixes to deal with Decarbonisation challenges, coping with geopolitics and the issues around globalism and regionalism, responding to ESG developments such as the emergence of green shipping corridors, increasing consumer willingness to pay for sustainability, more stringent regulation, as well as dealing with supply chain trends such as friend-shoring/ near-shoring which are gaining traction.



(From Left to Right) Moderator: Andrew Gallagher, Partner, Shipping and Transportation, Moore Stephens Monaco, and Mr. Peter Sand, Chief Analyst, Xeneta AS on topic - A View of the Future of Shipping.

Mr. Karmjit Singh, Chairman of the Chartered Institute of Logistics and Transport, Singapore, introduced Mr. Tan Chong Meng, Group CEO of PSA International, for the next topic on Supply Chain Opportunities in The New Normal. Both Mr. Singh and Mr. Tan viewed that going forward, maritime players will have to shift their focus from shipping and ports in isolation, to building value as entire supply chains. Mr. Tan spoke on three key aspects that are characterising the current industry landscape – geopolitics, ESG, and technology.



Mr. Karmjit Singh, Chairman, Chartered Institute of Logistics and Transport, Singapore, on introduction of Supply Chain Opportunities in the New Normal.



On the first point, Mr. Tan noted that geopolitical developments have become an integral consideration in the development and execution of business plans, and the maritime industry is no exception.

On ESG, Mr. Tan noted that with an increased demand for carbon neutral retail and delivery, driven by eco-consumerism, businesses need to respond. Mr. Tan noted that the maritime industry has started to act, for example, dual-fuel and LNG vessels make up 92% of today's container orderbook. Port operators, like PSA, also need to respond to the call for higher standards of ESG, and the opportunities for this, according to Mr. Tan, are in optimising energy efficiency, and the adoption of carbon-friendly fuel or electrification. Example initiatives by ports, include the adoption of carbon-friendly equipment e.g., electric prime movers and green-fuel straddle carriers; purchase or generation of renewable energy such as solar power, wind turbine installation and the adoption of smart grid management systems.

On technology, data is fast becoming the change agent for the maritime industry, aided by supercomputing and artificial intelligence. According to Mr. Tan, the opportunities can be found by incorporating data into processes, automating with new technologies and escalating people value through training. Example initiatives include Singapore's recent partnerships with the Port of Rotterdam and Port of Los Angeles to develop green and digital corridors. Further, Internet of Things (IOT) in logistics is key for ports, and involves a global ecosystem comprising technology partners, technology platforms, standard setting agencies, knowledge partners, and others. To support IOT, the newly-developed Tuas port will include a dedicated 5G network.



Mr. Tan Chong Meng, Group CEO, PSA International, on topic - Supply Chain Opportunities in the New Normal.

Mr. Jeffrey Tanner, Partner at Stephenson Harwood (Singapore) Alliance, Mr. Matthew Forrest, Head of Shipping & Offshore, Southeast Asia, Capital Markets Group APAC, BNP Paribas, and Ms. Sabrina Noiran, Chief Sustainable Business Officer, CIB APAC, BNP Paribas, next took the stage, to discuss the topic of Financing Shipping Decarbonisation. Mr. Tanner introduced the topic by pointing out that banks today are entering a phase of development where regulatory uncertainty, such as in the area of ESG, is

coming to the forefront. Banks today need to consider multiple ESG pressure points in their financing decisions, including their responsibilities to regulators, their shareholders, and industry bodies.



Mr. Jeffrey Tanner, Partner, Stephenson Harwood (Singapore) Alliance, on introduction of Financing Shipping Decarbonisation.

On a similar note, Ms. Noiran cautioned that banks today need to be prudent in areas such as sustainability-linked loans (SLL) as these are now closely-scrutinised for greenwashing issues. As a result, SLLs still constitute only a small part of the financing market, although they tend to be preferred in comparison with other sustainability-related products. Mr. Forrest observed that it is not just the banks; shipowners also tend to be cautious in taking on SLLs due to the potential downsides involved, in the event of failure to meet the ESG standards. Mr. Forrest observed that another area of caution for banks is in technology risk. For example, in the adoption and development of new marine fuels, financing decisions need to be on a case-by-case basis due to the technology risk involved. Ms. Noiran concurred, noting that such technological developments are more appropriately supported by government subsidies, taxes and financing.



**From Left to Right:** Ms. Sabrina Noiran, Chief Sustainable Business Officer, CIB APAC, BNP Paribas, and Mr. Matthew Forrest, Head of Shipping & Offshore, Southeast Asia, Capital Markets Group APAC, BNP Paribas, on topic - Financing Shipping Decarbonisation.

The next topic, "An Integrated Approach to the Creation of Green Supply Chains for the Maritime Industry", was moderated by Ms. Lao Mei Leng, Partner, ESG, Moore Stephens Singapore, who introduced the speaker Mr. Koh Eng Kiong, Director, Research & Projects, at Global Centre for Maritime Decarbonisation (GCMD). According to Mr. Koh, the development of green supply chains requires



Ms. Lao Mei Leng, Partner, ESG, Moore Stephens Singapore, on introduction of An Intergrated Approach to the Creation of Green Supply Chains for the Maritime Industry.

significant integration of resources, information and solutions owned by different parties who need to collaborate openly. Such collaboration is often easier to achieve if there is a trusted intermediary organisation to facilitate the collaboration. Through various vivid examples, Mr. Koh illustrated how an organisation like GCMD, can play this critical role to support maritime players to adopt measures for green supply chains.



Mr. Koh Eng Kiong, Director, Research & Project, Global Centre for Maritime Decarbonisation, on topic - An Intergrated Approach to the Creation of Green Supply Chains for the Maritime Industry.

Mr. Steve Saxon, Partner, McKinsey & Company, introduced the topic for the panel discussion, “Managing the Waves of Shipping - The Way Forward”. As an introduction, Mr. Saxon discussed various megatrends affecting the shipping industry. Mr. Saxon touched on supply and demand dynamics for various shipping sectors, among which the more optimistic ones, in Mr. Saxon’s view, are tankers, dry bulk, and cruise ships. Mr. Saxon also touched on the expansion of shipping players’ activities across value chains. Horizontally, this encompasses expansion across the full end-to-end logistics of goods from one warehouse to another, including all modes of transport. Vertically, the expansion extends beyond goods flow to capital flow, information flow, equipment and value-added services. Yet another megatrend is decarbonisation, on which shipping as an industry is, in Mr. Saxon’s view, falling behind. Other megatrends include shipping digitalisation, as well as black swan incidents that are posing greater challenges to global supply chain resilience.

The panel itself comprised of Mr. Shmulick Yoskovitz, CEO of X-Press Feeders, Mr. Khalid Moinuddin Hashim,

Managing Director of Precious Shipping Public Company Limited, and Captain Subhangshu Dutt, Managing Director of OM Maritime and immediate past Chairman of the Institute of Chartered Shipbrokers in Singapore. These speakers represented the container, dry bulk and tanker shipping sectors respectively. All speakers were reasonably optimistic on their respective sectors, notwithstanding various developments and issues discussed during the forum. Mr. Yoskovitz noted that the container sector will, in his view, perform better than widely-expected, at least



**Panel Discussion:** Mr. Steve Saxon, Partner, McKinsey & Company for panel discussion: Managing the Waves of Shipping - The Way Forward.

in the coming year, due to easing port congestion, and operational measures such as slow steaming. Mr. Khalid and Captain Dutt opined that for the bulker and tanker sectors respectively, the strong performance in China will create demand, while environmental legislation will reduce ship supply.

Different opinions existed on the subject of additional investments in shipping. Some speakers were cautious, pending regulatory clarity on ESG requirements, while other speakers felt that investments must continue notwithstanding the current uncertainties. Yet others advocated investments in ESG technology to achieve technological advantages.

The Singapore Shipping Forum 2023 concluded amidst a thought-provoking audience Q&A just past 6pm, as the expert speakers collectively agreed that the shipping industry will continue to experience great volatility arising from the disruptions in geopolitics, technological evolution, and Decarbonisation regulation.





**Panel Discussion (From Left to Right):** Moderator: Mr. Steve Saxon, Partner, McKinsey & Company, Shmulick Yoskovitz, CEO, X-Press Feeders, Mr. Khalid Moinuddin Hashim, Managing Director, Precious Shipping Public Company Limited, Capt. Subhangshu Dutt, Managing Director, OM Maritime, Former Chairman, Institute of Chartered Shipbrokers – Singapore Branch.



**From Left to Right:** Mr. Mick Aw, Board Member, Moore Global, Mr. Gautam Khurana, Precious Shipping Public Company Limited, Mr. Khalid Moinuddin Hashim, Managing Director, Precious Shipping Public Company Limited, Mr. Henry Mytton-Mills, Aries Maritime Holdings Ltd, Mr Punit Oza, Maritime NXT and Mr. Haider Nawaz, Scorpa Pranedy (Singapore) Pte Ltd.



**From Left to Right:** Mr. Raja Ramachandran, Paramount Projects & Mining Pte Ltd, Ms. Seetoh Mei Fong, Senior Manager, Taxation Services, Complete Corporate Services and Ms. Law Pei Serh, Director, Taxation Services, Complete Corporate Services.



**From Left to Right:** Ms. Margaretha The, Global VE Trading Pte Ltd, Mr. Willy Ng, Partner, Assurance & Advisory, China Services, Moore Stephens Singapore and Ms. Michelle Chong, Partner, Audit and Assurance, Moore Stephens Singapore.



**From Left to Right:** Mr. Bernard Juay, Director & Head of Business Advisory, Complete Corporate Services, and Ms. Cheng Leyi, Institute of Chartered Shipbrokers.



Delegates at the MS - BNP Singapore Shipping Forum 2023.



**From Left to Right:** Mr Choi Shing Kowk, Director & Chief Executive Officer, ISEAS - Yusof Ishak Institute, Chairman, SP Services Limited, Former Permanent Secretary, Ministry of the Environment and Water Resources (2012 to 2017); Ministry of Transport (2005 to 2012), Mr. Mick Aw, Board Member, Moore Global, and Mr. Micheal Gray, FSL Trust Management Pte Ltd.

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