

When Action Meets Ambition

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Charting the Way for Green Shipping Corridors

A green corridor stretching across the trans-Pacific shipping lane will be key to unlocking new pathways to decarbonisation.



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The trans-Pacific shipping lane between Asia and North America is one of the busiest in the world. In 2021, vessels plying this route carried more than 30 million twenty-foot equivalent units – making up a fifth of the world’s total container trade, according to the United Nations Conference on Trade and Development.

Greenhouse gas emissions along this lane could become less potent in the future, thanks to a landmark green and digital shipping corridor between Singapore and California’s San Pedro Bay port complex that is slated to be launched and implemented in 2023.

Spanning 14,000km across the Pacific Ocean, the shipping corridor will support the development and uptake of low- and zero-carbon fuels and vessels, and identify digital and technology solutions to enhance voyage and route optimisation.

Discussions to set up the corridor were announced in late 2022 at the 27th United Nations Climate Change Conference (COP27) in Sharm el-Sheikh, Egypt and represent a joint effort by the Maritime and Port Authority of Singapore (MPA), the Port of Los Angeles, and the Port of Long Beach, supported by the global network C40 Cities.

As part of the green corridor, the ports of Singapore, Los Angeles and Long Beach – vital nodes on the trans-Pacific shipping lane – will work with vessel operators, fuel providers and other stakeholders to explore greener fuels.

These efforts, said Teo Eng Dih, Chief Executive, MPA, speak to the ports’ “collective will to pool our resources, technical insights, industry and research networks to deliver scalable green as well as digital corridor solutions”. These solutions would help the maritime industry attain its 2050 emission reduction targets, and also spur the development of green growth opportunities, he added.

“We’re very excited to participate,” said Mario Cordero, Executive Director, Port of Long Beach, “because a big part of this partnership is reducing emissions from ocean-going vessels, the largest contributor to air pollution and a significant share of greenhouse gas emissions here at San Pedro Bay. Tackling these emissions is critically important to advancing our clean air and climate initiatives and improving public health.”

The pandemic showed the importance of efficiently moving goods through the entire supply chain, he added. “Leveraging the resources of the MPA, the Port of Long Beach, the Port of Los Angeles, and C40 Cities to advance digitisation and adopting innovative technology solutions will go a long way towards creating a resilient and less-polluting supply chain.”

Along the Singapore-San Pedro Bay green corridor, one might expect vessels that use cleaner



Photo courtesy of the Port of Los Angeles

fuels, as well as green infrastructure to ensure these fuels are readily available, Mr Cordero said.

“No single port or organisation can tackle the challenge of decarbonising the supply chain alone, no matter how innovative their technology or robust their efforts,” added Gene Seroka, Executive Director, Port of Los Angeles.

“The establishment of this green shipping corridor between the San Pedro Bay port complex and Singapore will prove to be a living, breathing testament to the power of global collaboration. I am honoured to work with MPA Singapore, the Port of Long Beach, and C40 Cities to take a meaningful step forward towards the future of global sustainability.”

Shipping currently accounts for about 3 per cent of the world’s greenhouse gas emissions. Globally, authorities have been stepping up efforts to decarbonise the industry. In 2018, the International Maritime Organization (IMO) called on the international shipping sector to reduce annual greenhouse gas emissions by at least 50 per cent from 2008 levels by 2050.

Some countries, such as Singapore and the United States, have set a more ambitious target of attaining net-zero emissions within the same time frame domestically.

The two countries also signed the international Clydebank Declaration for Green Shipping Corridors in 2022 and 2021 respectively, which committed to set up at least six green shipping corridors by 2025. Since then, green corridor agreements have been inked between Singapore and Rotterdam, as well as between Shanghai and LA/Long Beach. Singapore is also working to develop such corridors with other nations in the coming months.

Value-chain collaboration: New pathways ahead

A key challenge to maritime decarbonisation has been to bring like-minded partners together.

In this case, with the US and Singapore being close partners on many fronts, the task was made easier. The two countries already collaborate on a bilateral level through initiatives such as the US-Singapore Climate Partnership and the

US-Singapore Partnership for Growth and Innovation – which covers areas from digital economy to energy and environmental technologies. On a port-to-port level, they exchange best practices via the Singapore-initiated Port Authorities Roundtable, as well as the knowledge-sharing platform chainPORT, which focuses on digitalisation and smart ports.

The Singapore-San Pedro Bay partnership would be key in showing how green corridors can actually work. The three ports are important hub ports – Singapore is a major bunkering and global transshipment hub, and the ports of Los Angeles and Long Beach are major gateways to the US.

The initiative will provide much-needed scale to substantially reduce green emissions, MPA noted.

For example, it would help build up infrastructure for bunkering low-zero emission fuels, and encourage pilot trials to increase industry demand and confidence for further investment. It will also spur the development of carbon accounting, green financing and incentives, as well as digital tools such as port call optimisation and route planning.

“We hope to see introduction of carbon-neutral ships on this corridor beginning within the next few years, and we especially hope to support use of more and more green-sourced low carbon fuels as they become available,” said Chris Cannon, Chief Sustainability Officer, Port of Los Angeles.

Mr Cordero added: “We’re going to show the way for a larger network of seaports and private companies to invest in digital shipping programmes, develop green infrastructure and accelerate deployment of low- and zero-carbon emission solutions.” ■

Pace and Speed are Critical to Meet Emissions Targets: ABS Chief



Christopher J. Wiernicki, Chairman, President and Chief Executive Officer of maritime classification society American Bureau of Shipping, speaks to Pearl Lee about the importance of green corridors to the maritime industry and its net zero goals.

Q: Green corridors have been mooted as a way to speed up decarbonisation. Can you elaborate on this idea?

Green shipping corridors and clean energy marine hubs are excellent examples of the public-private partnerships we will need in order to move up the steep gradient to get to net zero by 2050. They are interconnectors. They bring all of the pieces of the puzzle together and address the challenges of a diverse, disaggregated and globally regulated industry with carefully calibrated ecosystems designed to deliver success at scale and pace.

Ultimately, green shipping corridors and clean energy marine hubs offer policy makers an opportunity to create an enabling ecosystem with targeted, fit-for-purpose regulatory measures, financial incentives and safety regulations.

In this way, both can be a key accelerator of the journey to 2050, serving as incubators for numerous decarbonisation technologies, processes and procedures, and thereby cultivating localised decarbonisation ecosystems. As these ecosystems develop, they will foster the convergence of technical feasibility, economic viability, and societal responsibility that is necessary for global decarbonisation value chains to attain sustainability.

Q: Why are these corridors important to the transition?

Green shipping corridors provide a self-contained alternative fuel infrastructure and vessel support system within a commercial trade, thereby overcoming one of the key obstacles to the adoption and spread of new fuel technologies: uncertainty. Specifically, a bundle of uncertainties surrounding fuel supply, distribution and offtake, and vessel support and maintenance.

It is expected that, as green corridors develop, they will generate strong demand signals to nations and ports, vessel operators, shipyards, and engine manufacturers that catalyse investments in zero-emission shipping.

Green corridors will also provide a new level of visibility into the critical building blocks of shipping decarbonisation that will help us understand and rationalise both the complexity and the kinds of collaboration that must be employed by all stakeholders in the value chain. This includes ships, ports, terminals, intermodal connections, fuel distribution networks, ship-to-shore and shoreside activities, any sector that impacts the total footprint of the cargo or passenger flow and, of course, the surrounding communities.

Q: What are the key obstacles to establishing green corridors?

Broadly, the critical success factors for green shipping corridors and clean energy marine hubs can be named as: corridor or hub-level consensus on fuel pathways; policy support to help close the cost gap for higher-cost zero-emission fuels; and value-chain initiatives to pool demand as well as transparent, reliable data and reporting.

All of these are subordinate to one major critical success factor: collaboration. Collaboration is a much-overused word today, but its importance to the success of green shipping corridors and clean energy marine hubs cannot be overstated. There is too much research, development, engineering, production, monitoring, data collection, analysis and operational evolution for any one organisation to handle by itself.

Traditional maritime value chains have three core industrial players – marine fuel producers, ship owners and operators, and cargo owners – all of whom must be committed to decarbonisation and be willing to collaborate to make green shipping corridors and clean energy marine hubs a reality. That said, there needs to be a broader perspective that includes port and terminal operators, intermodal transportation connectors, the tugs, tows and harbour craft that support vessel and barge operations, and, indeed, all the support sectors that affect the total footprint of the cargo or passenger flow.

Q: When one looks at the challenges in front of us, decarbonisation looks almost impossible. There are so many parts that need to be fixed for progress to be made. We are moving slowly but like the Titanic, it feels like the ship is turning too slowly to avoid the iceberg. What is your take? Can we do it in time?

At the moment, we can only see the outline of a solution to get us to 2050. But it is clear already that the entire energy system will need to be transformed using a wide range of technologies. Energy efficiency, behavioural change, electrification, renewables, hydrogen, and hydrogen-based fuels, and, most critically of all, carbon capture, utilisation, and storage – each are key pillars of decarbonising the global maritime energy system.

The sheer magnitude of the challenge and the steepness of the curve ahead demonstrate why pace and speed are critical and every year counts. Timing of actions will be a function of not just commercial gravity, but also the role of governments through policy development and new incentives.

The development and scaling up of global carbon and hydrogen value chains will require a collective and collaborative approach involving all stakeholders up and down the chain. There remains much to be done before hydrogen and carbon capture are mature enough both in terms of technology and infrastructure to support delivery of the energy transition. The challenge before all of us today is to ensure that when we close the books on this initial development phase, our combined efforts will have delivered a solution that is safe, practical and economically feasible, and, therefore, sustainable. ■

"In 2023, 'unpredictability' aptly describes the macroeconomic environment. Geopolitical tensions continue to be divisive, while financial stability is not necessarily something we can take for granted. However, something that can unite us is the urgent challenge of tackling climate change - how we can re-engineer the industry to be more sustainable with the use of digital tools and data, by being more collaborative and by taking a system-level perspective. In this high-stakes game, governments, businesses and consumers will need to find points of convergence to effect real change"



Tan Chong Meng
Group Chief Executive Officer
PSA International

"The maritime industry is poised for growth in 2023 as global trade rebounds after weathering the pandemic. Industry players will need to stay vigilant to changing market conditions to remain current and competitive. With the maritime ecosystem investing in research and new technologies to drive decarbonisation and enable automation through transparency and data sharing, 2023 is likely to see an acceleration in the adoption of these technologies and with that a greater need for diversified top talent."



Rashpal Bhatti
Vice President
Maritime and Supply Chain
Excellence
BHP

"I hope we have reasonable markets going forward, that owners get fair return on the investments and risks they take. I also hope we continue progressing towards our goal of decarbonisation and the great collaboration we have established in recent years. In this industry, you have to be an optimist. If you're not an optimist, don't be in shipping"



Esben Poulsson
Executive Chairman
Eneset Pte. Ltd.

"The forces of digitalisation, decarbonisation and geopolitics, not to mention the aftermath of a global pandemic, have conspired to create a uniquely challenging landscape for the marine and offshore industries. There is still a lot more work that can be done relative to the boundary conditions of safety and scalability of the next generation of fuels as well as ways to address the energy savings calculations and verifications of energy efficiency technologies. It is not just about the tank-to-wake vs well-to-wake issue."



Christopher J. Wiernicki
Chairman, President and
Chief Executive Officer
American Bureau of Shipping

"As an industry that has come off a long period of down cycle from 2009 till 2020, we are optimistic about 2023 and the short term. With discipline in the new order book and the right-sized tonnage at present, we have built up the financial capacity to invest in shipping's future and that is decarbonisation."



Caroline Yang
President
Singapore Shipping Association

VIEWS FROM THE DECK

2022 was a pivotal year which saw many countries officially exit the pandemic. But more challenges loom, with a slowing economy and decarbonisation coming into sharp focus for the industry.

What is the outlook amidst these challenging times? We speak to the leaders of the industry to find out.

"While the global economic outlook remains a little shaky, supply and demand for dry bulk and tankers is finely balanced, with a healthy order book for all sectors. Factors such as the EU emissions trading system coming into force in January 2024, discussions surrounding decarbonisation issues coming up in the upcoming Marine Environment Protection Committee (MEPC) meetings, along with rising inflation and interest rates, should have a tempering effect on owners' appetite for new ships. I am cautiously optimistic about the market for dry bulk and tankers for the next two years, although we may expect volatility along the way."



Hing Chao
Chairman
Wah Kwong Maritime
Transport Holdings

"The maritime industry is on the brink of a golden age of innovation, supported by more venture capital firms coming into the sector, more talent flowing into maritime, and more businesses and startups taking an interest in the sector. As we witness the transformation of the sector, we remain committed to supporting companies that contribute to a more sustainable and resilient maritime future."

"Technology and regulations are forcing the industry to collaborate, share, and learn from other industries. Marketwise, I feel the industry is in a sweet spot with low supply of ships in the pipeline, which will help it remain tolerably profitable during a recession but have a huge potential upside when the demand comes back."



Punit Oza
Founder
Maritime NXT



Shaun Hon
Founder and General Partner
Motion Ventures

Building Blocks of Trust: How Blockchain is Transforming the Future of Shipping

The world's first not-for-profit technology consortium for global trade uses blockchain technology to connect stakeholders and streamline operations across the entire supply chain.



Jaime Niam
jaime@nutgraf.com.sg

After a decade of working as a trader on Wall Street, Bertrand Chen made an unlikely career switch – to data science.

In 2017, he joined Hong Kong-based conglomerate CK Hutchison Holdings (CKHH) as Group Data Scientist, tasked to help its subsidiaries capture new opportunities in digital transformation using data. It was during this time that he was introduced to a project that Hutchison Ports was involved in: the Global Shipping Business Network (GSBN).

Thus began his foray into shipping. He quickly realised that despite shipping being critical to the global economy, it has yet to solve several major pain points: disparate and often competing market participants, differing standards across different countries, and a heavy reliance on paper documentation for trade.

Clearly, there was work to be done. A group of eight global terminal operators and shipping lines including Hutchison Ports, PSA International, Hapag-Lloyd, COSCO Shipping Lines and OOCL – in other words, GSBN's founding members – came together to brainstorm the possibility of setting up a consortium harnessing blockchain technology to simplify global trade. In their minds, it would serve as a trusted, independent platform for all stakeholders in the trade ecosystem – be it banks, shipping lines or terminals – to share data seamlessly and securely.

In 2021, the world's first not-for-profit technology consortium for global trade was established, with Mr Chen appointed as its Chief Executive Officer. Today, GSBN has established a presence in China, Southeast Asia, Europe, the Middle East and Latin America, serving over 10,000 customers worldwide.

Mr Chen is committed to accelerating the digital transformation of the shipping industry. "This is a contrarian opinion, but I think the industry is well set to take care of mounting global uncertainties. The main challenge is how to make sure that these are addressed from a digital transformation perspective," he said.

Why not-for-profit pays off

To him, establishing GSBN on a not-for-profit basis conferred a huge advantage. The reason is simple: if GSBN were for-profit, the main incentive of using its technology would be to monetise and potentially (mis)use data against other stakeholders within the ecosystem for personal

gain. This would run contrary to its goal of facilitating collaboration and cooperation across the supply chain.

It boils down to trust. "We are building a platform which operates like a utility, like train tracks to carry passengers or pipes to deliver water – things critical to the well-being of a civilised society," he elaborated.

GSBN's blockchain platform is fully encrypted, allowing first-party, real-time data to be shared and stored securely. In fact, GSBN neither owns nor is able to access the data stored on its platform.

Ultimately, the goal is for users to create value by building products and applications using GSBN's blockchain network as its underlying "operating system".

To kickstart this process, GSBN has launched products on its network. For example, Cargo Release offers a paperless, efficient solution to the problem of releasing containers at ports of arrival. After a ship arrives at port, data is transmitted digitally to all relevant parties involved, providing a single source of truth – without the need for paper documentation.

Going paperless also naturally means a lower impact on the environment, in line with the sector's commitment to cut carbon emissions in half by 2050.

Cargo Release came in handy amidst COVID-19 lockdowns, where human-to-human contact and paper documentation became unviable. In some instances, it has even offered protection



"This is a contrarian opinion, but I think the industry is well set to take care of mounting global uncertainties. The main challenge is how to make sure that these are addressed from a digital transformation perspective."

Bertrand Chen

Chief Executive Officer of Global Shipping Business Network

against security risks, since GSBN's ledger is tamper-proof.

"Even though it's the same product, the same set of APIs (application programming interface), it has very different meanings and roles to play in different locations around the world," he said.

Growing the network

The main challenge that remains is how to boost the platform's adoption rate and get more stakeholders on board.

"It's basically like building a marketplace. Everybody has to be in the same market for it to create value for the entire ecosystem," he explained.

While GSBN first took off in Asia, a region that Mr Chen notes is "less wary" of trying new technology, shipping is a global business. This is why he is on a mission to spread the word about digitalisation in shipping and forming partnerships, he said, pointing to his recent visit to Long Beach, California, for the annual Transpacific Maritime Conference. There, he participated in panel discussions on issues such as the 100 per cent electronic bill of lading (eBL) adoption, among other digitalisation topics.

As he said: "We're still growing. For GSBN to be successful, we need to become truly global." ■

Highlights for The Week Ahead

Monday, Apr 24

Opening Ceremony

1.30pm - 2.30pm

Welcome Address by Mr S. Iswaran, Minister for Transport and Minister-in-charge of Trade Relations, Singapore

Keynote Address by Mr Kitack Lim, Secretary-General, International Maritime Organization

SMW Maritime Dialogue

2.45pm - 3.30pm

Where Ambition Meets Action – How can Governments and Industry Work in Partnership to Realise the Potential and Ambition of the Maritime Industry?

SMW Leaders' Perspectives

3.30pm - 4.30pm

The Maritime Green Transition in the Current Global Economy

5th Annual Capital Link Singapore Maritime Forum

8.30am - 1.30pm

MaritimeSG Tours

Tuesday, Apr 25

MarineTech Conference (Joint Opening with Sea Asia)

9am - 4.30pm

The MarineTech Conference features global leaders of industry and influencers who will speak on trending and important technology topics concerning the global maritime port and adjacent industries.

Sea Asia Exhibition

10am - 6pm

Marine Money Offshore Energy Finance Forum 2023

12pm - 4.30pm

Baltic Freight And Commodity Forum - Dry Bulk (Hybrid)

4pm - 6pm

MPA-IALA e-Navigation/Vessel Traffic Service Workshop

12.30pm - 6pm

MaritimeSG Tours

Wednesday, Apr 26

MarineTech Conference

9am - 4.30pm

The MarineTech Conference features global leaders of industry and influencers who will speak on trending and important technology topics concerning the global maritime port and adjacent industries.

SMU Thought Leadership Conference

2pm - 6pm

Baltic Freight and Commodity Forum - Tanker and Gas (Hybrid)

4pm - 6pm

SCMA Conference 2023

10am - 5.15pm

From Carbon Neutral to Zero Carbon

2.30pm - 5pm

The Talent Market in Transition - A Lunch Forum by The Singapore Maritime Foundation & Faststream Recruitment

12pm - 1.45pm

Lloyd's Register Maritime Transformation Forum

9am - 1pm

ASA International Shipping Forum: Blue and Safe Shipping

8.15am - 1.30pm

Sea Asia Exhibition

10am - 6pm

MPA-IALA e-Navigation/Vessel Traffic Service Workshop

9am - 4.30pm

MaritimeSG Tours

Thursday, Apr 27

Accelerating Decarbonisation

9am - 1.30pm

The conference will bring together prominent industry players, thought leaders and stakeholders in the maritime industry to exchange viewpoints on developing international green policies and realising decarbonisation opportunities for the maritime sector.

Maritime Services Leaders Forum

2.30pm - 5pm

Engage in high-level conversations on key issues such as finance, dispute resolution and risk management to address the challenges and opportunities faced by the maritime services eco-system.

Marine Insurance Asia RightShip Leaders Forum

9am - 2.30pm

ShipTek International Conference & Awards 2023

9am - 6pm

Is there a distinct contradiction between extensive public welfare and competitive private entrepreneurship? This fundamental question is the point of departure for the leadership conference by Martin Jes Iversen, MPA Professor in maritime Business.

Moore Stephens Singapore Shipping Conference

12pm - 6pm

ReCAAP - RSIS Maritime Roundtable 2023

2.30pm - 5pm

Piracy and Sea Robbery Conference 2023

9am - 12pm

Advancing Maritime Green Corridors

3pm - 5pm

Operational Management to Accelerate Safe Maritime Decarbonisation

4pm - 6.30pm

Sea Asia Exhibition

10am - 5pm

MaritimeSG Tours

Friday, Apr 28

Maritime Manpower Forum

9.30am - 12.45pm

The Maritime Manpower Forum brings together thought leaders to discuss the emergence and transformation of future maritime jobs. The pivotal areas of conversations include understanding the future manpower needs for talent attraction and retention, with a strong focus on essential emerging skills in future jobs in maritime.

MaritimeSG Tours

9am - 6pm

Embark on a physical or virtual tour to learn about the Singapore Maritime Story. Check out guided tours organised by MPA and bring your friends and family for a maritime adventure!

Saturday - Sunday, Apr 29 - Apr 30

MaritimeSG Tours

9am - 6pm

For the full programmes and locations of the events, please [click here to view the Programme Guide](#).



Punit Oza

8 Keys to Survival: How Shipbrokers Can Brave the Digital Age

This question pops up every 10 years or so: “Will technological changes herald a change in the shipbroking industry?” The answer is it already has. Every time shipbroking has faced a threat of extinction, it has adapted and changed, though only as much as is necessary. The broker has evolved from being “just a middleman” to being a true value-add in the chain. This time, though, the pace of change is rapid and technological change knows no bounds. Here are eight keys to survival for shipbrokers.

Digital transformation

There is a fundamental difference between digitisation, digitalisation, and digital transformation. The first deals with changing manual processes to digital ones – a simple swap such as generating e-invoices instead of manually written ones. The second deals with introducing automation using those digital processes, such as an e-reminder system for following up on invoices. The last one deals with changing the way organisations work and function using data, technology, and digitalisation. This final one is where the role of brokers is unique – as an information provider, analytical sounding board, guide and advisor – not only digitally transforming his own organisation but also helping his principals to change theirs.

Data analytics

Gone are the days when information was the only reason deals got concluded. Today, there is data overload. One can get data from multiple sources – ground, sea, air and even space – albeit at a price. The shipbroker needs to analyse the relevant data and offer insights to their principals. Just providing data is no longer good enough.

Pushing information to customers

In other service industries such as banking, retail, and even airlines, the winning strategy is

to “push” the relevant information to their customers in the form of insights and notifications. Most shipbrokers have tremendous insights and data. However, they still expect users to “pull” this information out. The key is to push relevant insights to the principal so that he can drive profitable decision-making.

Customisation

Technology offers shipbrokers an incredible opportunity to customise insights and advice to their principals. Data, information and insights can be edited, shared and formatted with a few clicks and sent to multiple recipients in a flash. Small things make a difference. A generic market report may be easy to share but to a principal dealing with handysize vessels, it adds little value to receive a report full of capesize fixtures.

Competence

The Institute of Chartered Shipbrokers provides globally recognised qualifications, and the least shipbrokers can do is to equip themselves with foundational knowledge on which they can build their experience and provide valuable advice, guidance and even training to the principals’ personnel. This will help during negotiations as well. So, shipbrokers must acquire the right qualifications and upgrade their knowledge regularly.

Innovation

Innovation is the practical implementation of ideas that result in the introduction of new goods or services, or improvement in offering goods or services. You do not need to invent new things – there is data and information, which can be delivered in a new and improved way. In this regard, the shipbroking community should look at how other industries deliver

solutions to their clients and how these ideas can be extrapolated and customised in the maritime space.

Rich data sources

Shipbrokers must see themselves as an extension of their principals. They have a much larger view of the market and its activities, and the principals depend on them to store such data for use at an opportune time. They also expect to access this data (anonymised, of course) at any given time and profit from it through advice and guidance, and finally acting on it.

Relationships

Remember, technology is only an enabler, a means and not an end. Shipbrokers must use it wisely to automate their tasks and free up their time to focus on the ultimate reason the deals get done – relationships. Human relationships are more valuable than ever, especially in our industry. With technology taking care of back-end tasks, shipbrokers should devote more time to create, nurture and strengthen relationships within the industry.

To conclude, the shipbroking industry has been adapting constantly and will continue to do so. However, shipbrokers must now catch up with the fast pace of changes. By equipping themselves with the right tools, attitude and vision, they will not only survive the disruptions but also thrive. ■

The author, a veteran with 30 years of experience in dry bulk shipping, is the founder of Maritime NXT and the Vice Chairman of the Singapore Branch of the Institute of Chartered Shipbrokers.

Making Waves

In this series, we speak to individuals who are making a splash in the industry, from venture capital to championing the rights of seafarers.

*Shaun Hon, who was named as one of Forbes 30 under 30 Asia 2022, is the Founder and General Partner of Motion Ventures, a venture capital firm that invests in maritime startups. He tells **Clifford Lee** how he started and how the post-pandemic era has shaped venture capital in the sector.*

Q: Can you tell us a bit about yourself? How did you get into venture capital (VC) and the maritime industry?

My interest in VC emerged from a desire to actively contribute to the growth of innovative companies that can have a meaningful impact on the maritime sector. The combination of my engineering experience, passion for innovation, and belief in the power of corporate collaboration led me to create Motion Ventures. By bringing together stakeholders from across the maritime industry, our goal is to accelerate the adoption of technology for more sustainable and resilient maritime supply chains.

Q: Motion Ventures invests in companies that are working towards building a more sustainable maritime industry. What is the company's philosophy behind its investments? What does it look out for?

We believe that the industry is a business-to-multiple-businesses space; and for innovation adoption to take place it has to align across multiple stakeholders incentives. We back companies that are focused on creating solutions that address the key challenges faced by the maritime industry, with an emphasis on decarbonisation and digitalisation. Our investment philosophy revolves around supporting startups that can drive significant change in the sector and have the potential to scale rapidly through collaboration with various industry stakeholders.

Q: Motion Ventures was set up in 2021, at the height of the pandemic. How did the pandemic shape your outlook, if at all?

The pandemic highlighted the vulnerability of global supply chains and the importance of building resilience in the maritime industry. It also accelerated the adoption of digital technologies across various sectors. As a result, we saw an increased demand for innovative solutions to address the new challenges faced by the industry. Our outlook at Motion Ventures has been shaped by these factors, leading us to focus on startups that can help make the maritime industry more efficient, adaptable, and sustainable.

Q: 2022 was a year of change. Governments declared the pandemic over, inflation shot up, interest rates surged and the era of cheap money suddenly ended. How did the transition affect your work and the companies that you invest in?

The transition in 2022 brought about both challenges and opportunities for the VC world and the startups we invest in. As the era of cheap money ended, the companies in our portfolio, which were already built on strong fundamentals and product-market fit, were well-positioned to adapt and thrive. Their default-alive and profitable nature made them resilient to the changing economic landscape.

This shift in the economic environment further emphasised the importance of investing in companies with robust business models, clear paths to profitability, and the ability to create value for multiple stakeholders. In this context, our focus on backing startups that were built on actual product-market-fit became even more relevant.

Q: Net zero is the most urgent challenge we all face today. Maritime is no different. When you look at what's happening in the industry, what is your sense of progress?

The maritime industry has indeed made progress in its efforts to achieve net-zero emissions, but there is still much work to be done. We are witnessing increased awareness and commitment from various stakeholders, including governments, shipping companies, and technology providers, all working towards a more sustainable future.

New fuel sources and alternative propulsion systems are becoming increasingly important in the industry's transition to net zero. Research and development in areas such as hydrogen, ammonia, and biofuels are gaining momentum, as these have the potential to significantly reduce the sector's carbon footprint.

Incentives around managing carbon emissions are also playing a crucial role in driving change. Governments and regulatory bodies are introducing new regulations and policies

to encourage the adoption of greener technologies and practices. For example, the International Maritime Organization (IMO) has set ambitious targets for reducing greenhouse gas emissions from shipping, which is pushing the industry to innovate and find new ways to meet these goals.

Collaboration among stakeholders is another critical factor contributing to the progress in the industry. Shipping companies, technology providers, and financial institutions are increasingly joining forces to develop and implement innovative solutions to address the challenges of decarbonisation.

Q: What are some key challenges you see for the industry in tackling its objective to move towards net zero?

One of the key challenges in the maritime industry's journey towards net-zero emissions is aligning incentives across various stakeholders. Ensuring that shipping companies, technology providers, governments, and regulatory bodies have the motivation and encouragement to adopt sustainable practices and technologies is crucial for driving the necessary change. ■

