

A Sea of Change: Leading the Maritime Industry Through Geopolitical and Environmental Transitions

Distinguished guests, esteemed colleagues, ladies, and gentlemen,

Good morning!

It is a profound honour and pleasure to stand before you today in the Hong Kong University of Science and Technology.

I would like to extend my sincerest thanks to the Institute for the Environment, and particularly to Professor Christine Loh, for your gracious invitation to open this vital forum on Maritime Energy Efficiency Technologies, Biofuels, and Carbon Certification.

We are gathered here today to discuss the technical and regulatory pathways to a greener future. However, before we delve into the intricacies of carbon certification and energy efficiency, I must address the stark geopolitical reality that has cast a long, dark shadow over our industry in recent months.

As we convene today, the world is still very much entwined in the devastating conflict in the Middle East. The events that began in late February, leading to the closure and severe disruption of the Strait of Hormuz, sent an immediate shockwave through the global economy.

With roughly twenty per cent of global oil flows and a major share of LNG trade choked off, we saw oil prices surge past \$120 a barrel. We witnessed over 700 vessels backed up, supply chains fractured, and a forced rerouting of ships around the Cape of Good Hope that added weeks to transit times and astronomical costs to global trade.

But as a shipowner, and as someone who has spent my life in this industry, the economic fallout is secondary to the human tragedy.

The toll on our seafarers has been nothing short of horrific. At the height of the crisis, we had some 20,000 seafarers stranded in the Gulf. These men and women were trapped on their vessels, unable to disembark due to wartime dangers, port restrictions, flight disruptions and visa issues.

Tragically, the International Maritime Organization has confirmed that at least ten seafarers have been killed in attacks on shipping since this conflict began, with many more injured. We have heard harrowing reports of crews sleeping fully clothed, terrified of drone and missile strikes, while others have faced abandonment and unpaid wages.

I was privileged to serve as the President of BIMCO, the world's largest independent shipping association from 2021-2023. One of the major priorities during my tenor was to advocate for seafarers to be recognised as essential key workers. The recent crisis in the Middle East is a brutal reminder that this battle is far from over. Seafarers are the lifeblood of global trade. They transport the food we eat, the energy that powers our homes, and the goods we rely upon daily. Yet, in times of crisis, they are too often treated as collateral damage. We cannot, and must not, allow this to become the accepted norm. Their safety, their mental health, and their fundamental rights must be our absolute top priority. We must demand better protections and safe corridors for our crews.

This stark reality brings me to the core theme of our forum today: decarbonisation. The geopolitical volatility we are witnessing only underscores the urgent need to transition away

from a reliance on fossil fuels and vulnerable energy chokepoints. Yet, the path to our 2050 net-zero target is anything but straightforward.

I often refer to the current period we are navigating as the "messy middle."

We know our destination, but the roadmap is incredibly complex. As shipowners, we are faced with a monumental dilemma. We must order ships today that will be on the water for the next twenty to twenty-five years. But which fuel will be the dominant green fuel of the future? Will it be ammonia, methanol, hydrogen, or something else entirely?

This creates a staggering investment risk. It is a classic chicken-and-egg scenario. Shipowners are naturally hesitant to commit billions of dollars to vessels for a fuel that is not yet widely available, while energy producers are hesitant to scale up production without a guaranteed fleet ready to consume it.

To navigate this messy middle, we require absolute regulatory clarity. This brings me to the recent 84th session of the Marine Environment Protection Committee (MEPC 84), which concluded in London at the beginning of this month.

From a shipowner's perspective, the outcomes of MEPC 84 were a mix of relief and lingering frustration. We are, as IMO Secretary-General Arsenio Dominguez aptly put it, "kind of back on track." The Net-Zero Framework survived a significant assault, with a narrow majority of 55 countries supporting the framework and its critical carbon pricing mechanism, against 51 who sought to reopen or weaken it.

While it is a relief that the framework survived, survival is not a victory. The fact that the adoption of a global regulatory framework remains uncertain, with further intersessional working groups scheduled for September and November before MEPC 85, prolongs the uncertainty that paralyzes our industry. We cannot end up in a cycle of open-ended negotiations. It is vital that governments move towards the adoption of a comprehensive, fit-for-purpose global framework as soon as possible. Without a level playing field and a universal carbon pricing mechanism, we risk regional fragmentation, a patchwork of local regulations that will make global compliance a logistical nightmare.

Despite the overarching political hurdles, MEPC 84 did deliver some concrete technical progress that is highly relevant to our discussions today. The Committee advanced work on the IMO Life Cycle GHG Assessment (LCA) framework, which is absolutely foundational. If we are to transition to alternative fuels, we must have a robust, scientifically sound method for verifying the carbon intensity of a vessel's entire lifecycle, from well-to-wake. The agreement to continue refining the LCA treatment for specific technologies, including onboard carbon capture and storage (OCCS) and the use of mass-balance chain-of-custody models for fuel traceability, is a step in the right direction.

Furthermore, the adoption of the revised interim guidance on the use of biofuels is a welcome clarification. Establishing that the carbon factor for biofuel blends should be calculated as a weighted average by mass, and setting strict sustainability certification criteria, provides the guardrails necessary to ensure that biofuels deliver genuine climate benefits rather than unintended environmental harm. As the second part of today's forum will explore, the integrity of marine biofuels is paramount. We cannot afford to replace one environmental problem with another through indirect land-use change or fraudulent certification.

But what do we do while we wait for these alternative fuels to scale and the regulations to finalise? We cannot simply sit on our hands. This is where Maritime Energy Efficiency Technologies (EETs), the focus of our first session today, become absolutely critical.

A pragmatic, step-by-step approach is essential. We must focus on what is achievable right now. Measures such as wind-assisted propulsion systems, hull lubrication, and propeller optimisation are readily deployable. They have the potential to reduce greenhouse gas emissions by up to forty per cent by 2030. The adoption of the North-East Atlantic Emission Control Area at MEPC 84, alongside the ongoing implementation of the Carbon Intensity Indicator (CII) and the Ship Energy Efficiency Management Plan (SEEMP), makes the business case for these technologies stronger than ever.

However, the deployment of these technologies must go hand-in-hand with the second great revolution reshaping our industry: digitalisation. For too long, shipping has been reliant on siloed information and manual processes. To truly optimise energy efficiency, we must embrace advanced data analytics.

How will we manage a complex global fleet running on multiple different types of new, volatile fuels? Through sophisticated data analytics and digital twin models. How will we prove our compliance with the CII or the upcoming Net-Zero Framework? Through transparent, digitally-enabled monitoring and reporting systems.

Yet, the biggest hurdle to digitalisation is the lack of standardisation. Every shipping company, every port, and every engine manufacturer currently has its own system for collecting and sharing data. To unlock the true benefits of digitalisation, we need to speak the same digital language. We must work together to create common standards for data, ensuring that new technologies are interoperable across the entire supply chain.

Ladies and gentlemen, the challenges before us are monumental. The transition to net-zero is the single greatest test our industry has ever faced, compounded by geopolitical instability and a rapidly shifting technological landscape.

No single entity can solve this alone. It demands unprecedented collaboration. Shipowners, charterers, fuel producers, engine manufacturers, financiers, and regulators must work together in a way we never have before. We must share the risks, co-invest in new technologies, and build the commercial frameworks that make the green transition viable.

Institutions like HKUST have a vital role to play in this ecosystem. By bringing together academia, industry leaders, and policymakers, you are fostering the dialogue and the innovation required to redraw the horizon of the maritime sector.

Leading a family business with a long, proud history has taught me that we must respect our legacy while having the courage to adapt for the future. We must build an industry that is not only cleaner and smarter, but also more resilient and more humane, an industry that values and protects the seafarers who keep the world turning.

Let us embrace this "messy middle" not with fear, but with courage, pragmatism, and a collaborative spirit. Let us use forums like this to forge the partnerships that will propel the maritime world into a sustainable and prosperous new era.

Thank you, and I wish you all a highly productive and engaging forum.