

## **WISTA - Press (30.09.2010)**

### **Shipowner Elisabeth Grieg tells WISTA that industry needs clear regulation to pave the way to sustainable future**

A leading shipowner has called on the maritime industry to accept the need for tough regulations to achieve sustainability, in sharp contrast to critics who warn that such moves could hamper international trade.

Mrs Elisabeth Grieg, chief executive of the Grieg Group and a former president of the Norwegian Shipowners' Association, declared: "We still have a long way to go before our industry actually does its relative part in creating a sustainable future - both environmentally and socially. Therefore, while some [people] focus on the burdens of rules and regulations, my message is that we cannot do without rules and regulations.

"In fact, our industry should encourage rules and regulations to force all players to adhere to some basic standards and to punish those that do not."

She was speaking during a debate at the WISTA 2010 Conference in Athens on the relevance of regulation to sustainability. Mrs Grieg said: "I sincerely believe that the shipping industry is one of the cornerstones in the infrastructure of the global community. We carry 90% of the global transportation of goods. Through exploration, production and transportation our business is essential in providing energy to a growing world market.

"We must recognise that national, regional and global regulations are justified by the absence of desired performance across the industry. There might of course from time to time be more opportunistic reasons for political interference, but there are numerous examples of areas in grave need of regulations and rules. It is - at best - a paradox that so many companies in an industry with the long-term perspectives of international shipping are making so many business decisions based on short-term considerations."

Examples of short-termism were the ship recycling industry "which represents a totally unacceptable performance - a situation we clearly cannot live with but instead must deal with;" and climate change, "an area where the challenges are so profound and the stakes so high that a common regulatory framework must be put in place."

Expanding on her concerns over ship demolition, she said: "On the shores of Bangladesh and other countries children are working hard - carrying heavy steel and industrial waste from early morning till late evening. These children are deprived of childhood and education, growing up in local communities exposed to chemical waste and other forms of pollution from the ship wrecks at their beaches. It happens because companies' gives priority to the last cent on the bottom line in their quarterly reports instead of focusing on long-term sustainable value creation.

"This must come to an end. And representatives of the serious players in this industry, we must do our part to make sure it does.

"The adoption of the first IMO convention on Ship Recycling in May 2009 was an important first step. But - as with most conventions - it only provides a required minimum. The ratification process takes a long time - too long. This must come to an end. And representatives of the serious players in this industry, we must do our part to make sure it does."

Mrs Grieg pledged to the Conference audience of nearly 400 people: "In the Grieg Group we are determined to do better. Together with an increasing number of shipping companies, we act now, as we speak, applying higher standards than the minimum requirements. We are no saints, but we are happily investing those extra dollars needed to be a decent, concerned and responsible provider of quality shipping also when recycling our ships."

International shipping is today responsible for nearly 3% of global carbon dioxide emissions, said Mrs Grieg. The international maritime industry emits more CO<sub>2</sub> than most countries. "This estimate places international maritime emissions as the sixth worst in the world, between India and Germany, and nearly three times that of international aviation. Shipping is already carbon efficient compared with other forms of transportation, but the volumes underline the need for us to address the issue with much more power than today."

She said that forward-thinking companies, impatient with regulators, are increasingly coming up with low-carbon solutions on their own. "Leaving green footprints is not a burden. In fact, I believe it will become a strategic and commercial advantage - in terms of reputation, in terms of partnerships and in terms of business development.

"In our own industry we now have an order book of between 30 – 50% of the existing fleet to be delivered the next three to five years. These are ships that will form the basis for the worldwide fleet for the next 30 – 40 years. Except for very few low-carbon ships, all of them are building engines designed for heavy-fuel oil.

"This is not sustainable. Our industry must act. We need a technological revolution, and we need it now! It's a tall order, but I feel confident and optimistic when I look at all the energy and resources that are being dedicated to the development of new and cleaner solutions also in our industry."

She said" Our industry has a choice: either the governments force new regimes on our industry, or we take control of the situation ourselves. The best solution would be for the international shipping industry to strive for a situation where governments and the industry play together and collaborate to reach common goals."