



## Media release

### MARITIME LEADERS CALL FOR INCREASED EFFORTS TO REALISE SINGLE ASEAN SHIPPING MARKET

**Singapore, 14 November 2014:** Maritime leaders have today said good progress is being made in the creation of a single ASEAN shipping market – a key pillar in the establishment of the ASEAN Economic Community (AEC) – but said there is still more to do to realise this goal.

The announcement follows the closing of the 25<sup>th</sup> ASEAN Summit in Myanmar yesterday where leaders from across ASEAN discussed progress to date and steps the region needs to take to accomplish the remaining objectives in the AEC Blueprint ahead of the 2015 deadline.

Mr S.S Teo, Managing Director, Pacific International Lines and speaker at Sea Asia 2015, said the AEC will open up significant opportunities for the region's maritime industry.

"ASEAN is the new growth frontier – it is a region of 600 million people with a fast-emerging middle class, young populations and an expected GDP growth rate of around five per cent for the next five years. The AEC will remove trade barriers, encouraging further regional growth.

"This will lead to greater intra-and-extra regional cargo movements which create opportunities for the broader maritime industry. It's clear that a lot has been achieved but we need to work together to take the final steps in realising the goal of a single ASEAN market," he said.

The maritime industry across the region is currently undertaking a number of activities to ensure it is ready to capture the benefits the AEC will present.

The Philippines, for example, is pursuing several major port projects. These include deploying more technology-driven processes to improve the delivery of the country's port services and reforming the model of cargo-handling tariffs<sup>1</sup>. At the same time, countries like Malaysia and Brunei are holding discussions on increased maritime cooperation<sup>2</sup>.

"Activities and discussions such as these will ensure the region's facilities, processes and services will be ready to take advantage of the immense opportunities that the AEC will offer," said Mr Teo.

Industry experts agreed that while significant progress is being made, there are still some challenges to navigate.

Andreas Sohmen-Pao, Chief Executive Officer BW Group and speaker at Sea Asia 2015 said the rise in local content is one example.

"Domestic economic policy in a number of markets is calling for high levels of local content. Under these policies, companies are required to build a proportion of their assets locally, employ local crew and, in some cases, align with local partners in order to trade within that country.

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<sup>1</sup> [Philippines Port Authority](#) (Jan-Mar 2014)

<sup>2</sup> [Ministry of Foreign Affairs, Malaysia](#) (3 Nov 2014)

“These policies stand in the way of the creation of a single ASEAN market. They not only create additional costs for the industry and local economies, but also affect the efficiency of the regional maritime industry,” said Mr Sohmen-Pao.

He agreed a co-operative approach was critical in realising the AEC by 2015.

“The industry needs to come together with public and private sector partners to navigate this challenge. Participation in global forums such as Sea Asia is an essential part of this – they allow all players to come together and discuss ways to drive the industry forward,” he said.

Seatrade Chairman Chris Hayman said trade agreements such as the AEC and other changes in global trade have a significant impact on the maritime industry.

“Asia’s dominance in the world trade agenda has driven exponential growth in the region’s maritime industry and it’s likely that this trend will continue – particularly with the region’s many trade liberalisation agreements currently under negotiation.

“Changing global trade patterns – whether it be agreements such as the AEC or the emergence of new regions such as Africa as generators of cargo – will continue to shape our industry.”

Mr Hayman said that developments in global and regional trade will be a key theme at Sea Asia 2015.

“Sea Asia is a leading forum for debate and discussion on the key trends facing the industry and these critical opportunities are high on the agenda at next year’s event,” Mr Hayman said.

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**About Sea Asia**

Sea Asia, an international conference and exhibition for the maritime and offshore industries, is returning for the 5<sup>th</sup> edition from 21 to 23 April 2015 at the Marina Bay Sands®, Singapore. Sea Asia serves as a focal point for both the global and local maritime communities to network, explore new businesses, and showcase the latest maritime innovations, equipment and services. Co-organised by Seatrade and the Singapore Maritime Foundation, Sea Asia is an anchor event held in conjunction with the Singapore Maritime Week and is well-attended by the most influential and respected leaders in the industry. The 3-day Sea Asia conference will bring forth the latest discussion and debates on key trends, opportunities and challenges facing the maritime industry.

For more information, please visit [www.sea-asia.com](http://www.sea-asia.com).

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Established in 2004, the Singapore Maritime Foundation (SMF) is a private sector-led organisation that seeks to develop and promote Singapore as an International Maritime Centre (IMC). As the representative voice for the commercial players of the maritime industry, SMF seeks to forge strong partnerships with the public and private sectors of the maritime industry. SMF spearheads initiatives to promote the diverse clusters of the maritime industry in Singapore and at international frontiers, and to attract young talents to join the sector. SMF is directed by its Board of Directors which comprises prominent leaders in the Singapore maritime community. For details, visit [www.smf.com.sg](http://www.smf.com.sg).

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