



International
Chamber of Shipping

Shaping the Future of Shipping

The Future of the IOPC and HNS Funds: Shipowner's View

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International Chamber of Shipping

- Established in 1921.
- Principal international trade association for merchant shipowners.
- Represents all sectors and trades and more than 80% of the world merchant fleet.
- Concerned with all technical, legal, employment affairs and policy issues that may affect international shipping.
- Active participant in CMI projects and IWGs.
- Represents the industry at IMO and at meetings of the IOPC Funds' governing bodies.



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IMO Liability and Compensation Regime

Two-tiered system based on **shared liability**

Channelling of all liability to the shipowner

Strict liability for the shipowner

Right to limit

Compulsory insurance that is State certified

Right of direct action

Fund financed by cargo interests to provide additional compensation



Benefits of the CLC/FUND and HNS Convention

- ✓ **Swift** compensation without the need to establish fault
- ✓ Compensation **guaranteed** through compulsory insurance and right of direct action
- ✓ Shared liability ensures **high amounts of compensation**
- ✓ Pragmatic system that guarantees funds are available in the event of an accident



2010 HNS Convention



- Fills a gap in the liability and compensation regime
- Liability and compensation regime for damage arising from the carriage of bulk and packaged HNS cargo by Sea
- Covers thousands of hazardous and noxious substances including chemicals, oils, acids, alcohols, fertilizers, LNG and LPG

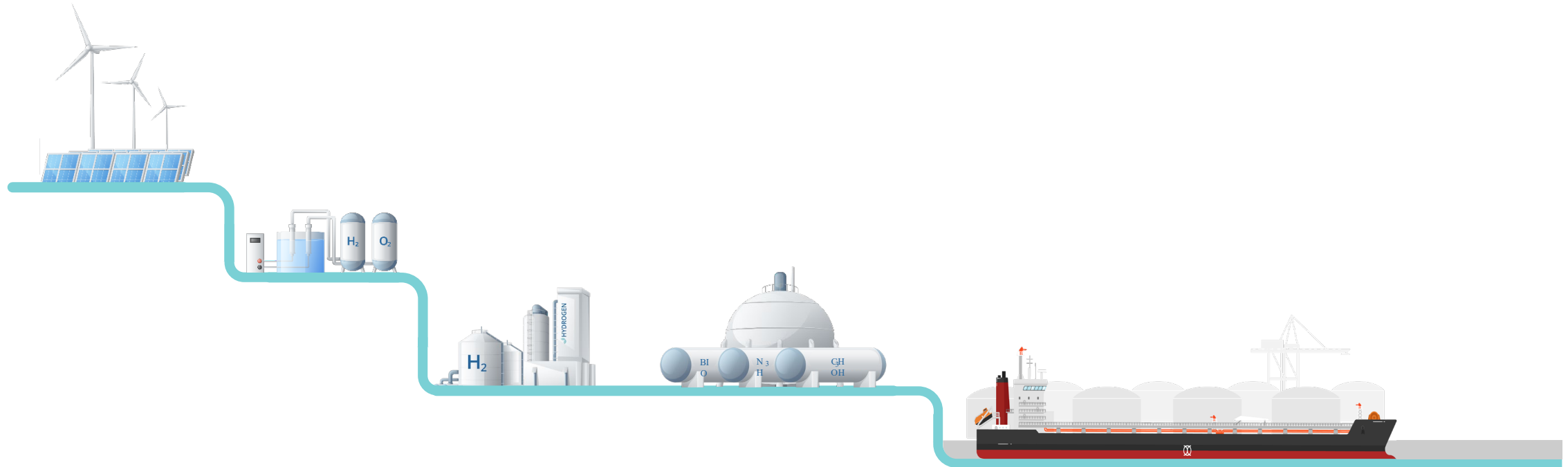




The CLC/FUND Conventions and the HNS Convention are a **carefully negotiated balance** between stakeholders. Balance is crucial to the continued operation of the system.



Urgent need for the HNS Convention



Decarbonisation will require increased transport of HNS. Future hydrogen demand would also mean **increasing the fleet to transport hydrogen by ship**. To move an estimated 30 million tonnes of hydrogen annually, would require up to **411** new hydrogen vessels or up to **500** vessels if transported as ammonia.





Recent Challenges:

- Challenges to the shipowner's limitation of liability
- Need for Uniform Application of the Conventions
- Sanctions



Conclusions

- Shipowners support the current system.
- Ready to work within the system to address challenges while always maintaining a fair balance between contributing industries.
- Poised for entry into force of HNS Convention.



Thank you for listening



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