

# **FEATURE ADDRESS**

delivered by  
Senator the Honourable Paula Gopee-Scoon,  
Minister of Trade and Industry

**CARIBBEAN SHIPPING ASSOCIATION (CSA)  
53<sup>RD</sup> AGM, CONFERENCE AND EXHIBITION**

**Hyatt Regency Trinidad  
October 23, 2023**



## **Salutations:**

- Attorney General and Minister of Legal Affairs- The Honorable Reginald Armour SC
- Director of the Maritime Services Division- Lt. Commander Ronald Alfred
- President of the Caribbean Shipping Association- Marc Sampson
- Past-President of the Caribbean Shipping Association- Juan Carlos Croston
- President of the Shipping Association of T&T- Sonja Voisin
- Other Distinguished Guests
- Members of the Media
- Ladies and Gentlemen

Distinguished guests, regional and international delegates, ladies and gentlemen, good evening.

I am pleased to be here at the opening of the 53<sup>rd</sup> Annual General Meeting, Conference and Exhibition of the Caribbean Shipping Association. To all new and returning visitors, welcome to Trinidad and Tobago. We are thrilled to have you here and I encourage you to explore some of the unique experiences our nation has to offer.

### **Caribbean Shipping Association**

I wish to particularly commend the Caribbean Shipping Association for continually providing a platform, since 1971, to experts, leaders and decision makers in the shipping industry, to come together and share insights into the latest trends, innovations, good practices and pervading industry issues.

It is through this exchange of information that the region can expect to benefit from increased efficiency and the solutions developed to address the challenges facing the Caribbean.

The shipping industry has long been the backbone of global trade, connecting nations and economies. It remains essential in today's global economy, as it's a crucial driver of economic growth and development and indirectly poverty alleviation and unemployment reduction.

According to the United Nations Conference on Trade and Development (UNCTAD), ships deliver over 80% of world trade, in other words, the majority of all the world's food, energy, medicine and other essential items rely on this industry to secure supplies. World- class forums like this one, are therefore important to build the industry's enduring significance and to ensure continued opportunities for innovation, sustainability, efficiency and growth.

## **Caribbean Shipping Industry**

For the Caribbean, the shipping industry is vital to facilitate the movement of goods and people both intra and extra regionally. The region is host to major container hubs where intense transshipment activity occurs to serve trade in the Americas and the Caribbean, as well as trade to some locations in Asia and Africa. In fact, over 24 million containers passed through the Caribbean in 2020 alone.

According to UNCTAD's Review of the Maritime industry in 2021, maritime trade in Latin America and the Caribbean (LAC), accounted for 12.6% of total goods loaded and 5.8% of total goods discharged, worldwide. In 2022, South-South trade such as that from Africa to Latin America and the Caribbean contributed 12.5% to global containerized trade.

## **Global Challenges**

Multiple bottlenecks have disrupted global supply chains and the Covid-19 pandemic demonstrated how interconnected the world really is. The networks of people, companies, and modes of transport that order, manufacture goods and deliver them to warehouses, shops or to our homes were severely tested during the pandemic years.

Rising energy prices and the on-going conflict between Russia and Ukraine have fueled a global food crisis and no one can predict how the recent escalation of conflict in the Middle East will grow and potentially impact global supply chains.

## **Climate Change**

Climate change is a much longer term challenge for the Caribbean and wider Global Shipping Industry. For example, droughts have caused water levels worldwide to drop, impacting major shipping

routes. This led to ships carrying less freight in an effort to minimize the risk of running aground. Last year, China's Yangtze river, which is responsible for 45% of the country's economic output, was closed to ships because water levels were more than 50% below normal. Two thirds of Europe experienced drought conditions and ships on the Rhine were only able to carry a quarter of their usual freight. Closer to home, the Panama Canal Authority has reduced maximum ship weights and daily ship crossings, in a bid to conserve water as a historic drought and hot seas plague the Panama Canal which is responsible for moving 40% of the world's cargo ship traffic.

The concerns over the impact of the shipping industry on the environment have intensified over the last few years with a number of initiatives being undertaken by various stakeholders.

## **Environmental Impact Concerns**

Shipping companies now have to consider the impact of environmental, social and governance factors into their strategy if they seek access to shipping capital. On June 18, 2019, 11 major shipping banks launched the Poseidon Principles which will enable banks to support the shipping industry's reduction of carbon emissions by 50% by 2050. The Poseidon Principles establish a global framework for assessing and disclosing whether banks' lending portfolios are consistent with adopted climate goals.

I am pleased to learn that in March 2023, the Inter-American Development Bank (IDB) and the Caribbean Shipping Association (CSA) signed a Memorandum of Understanding to collaborate to help decarbonize the shipping industry.

Trinidad and Tobago is well situated to become the hub for clean marine fuel which can serve the global community. Methanol using existing technology offers immediate environmental benefits. We



are excited that one of our major investors in the energy sector, Proman will have six (6) methanol dual-fuel MR Tankers in its fleet demonstrating its commitment in the industry to address environmental sustainability in the energy, trade and shipping sectors.

### **Trade Facilitation**

Despite these global challenges, it is imperative that infrastructural challenges, regulatory and customs administration, cross border logistics and security concerns, which affect the industry in the Caribbean, are addressed.

Trade facilitation continues to be a pivotal issue for increasing business competitiveness and trade efficiency globally. This is primarily due to the benefits derived by both government and the business community from improved trade facilitation arrangements, such as reduced time for clearance of containers,

pre-shipment inspection, advance declarations, transparent and predictable border clearance procedures, among others.

Businesses benefit from enhanced competitiveness in national and international markets due to reductions in shipping delays and transaction costs arising from a more predictable business environment. Governments benefit from better controls of goods at the border, revenue collection and a more encouraging environment for foreign investment.

Cognizant of these advantages, the Government of Trinidad and Tobago, through the Ministry of Trade and Industry has embarked on a number of other initiatives in the area of trade facilitation, as well.

As a signatory to the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA), Trinidad and Tobago implements a number of measures that would, among other things, expedite the

movement, release and clearance of goods at the border. The Ministry also serves as Co-Chair and Secretariat of the National Trade Facilitation Committee which oversees the implementation of this Trade Facilitation Agreement.

We are also deploying technology to improve the trade facilitation environment in Trinidad and Tobago.

### **Trade and Business Information Portal**

One of the key platforms which was launched in 2022 is our Trade and Business Information Portal. This portal modernizes our digital trade infrastructure and provides greater transparency and predictability of trade procedures.

## **Port Community System**

To improve the efficiency of our maritime transport and logistics, in June 2023, the government of Trinidad and Tobago embarked on a project for the development of a Port Community System for Trinidad and Tobago.

Like Jamaica, the Port Community System (PCS) is expected to strengthen the interoperability of the major IT systems at our Ports, Customs and other border agencies. It is envisioned that intelligent and secure exchange of information will be facilitated along the supply chain.

The PCS will allow for automation, management and optimization of port logistic processes at the ports of entry and exit and reduce costs for the clearance, movement and storage of goods.

## **Opportunities using Artificial Intelligence**

On a wider note, the use of Artificial Intelligence (AI) in the Shipping Industry offers the opportunity to automate equipment and processes, improve safety and security, optimize maintenance and routes, forecast performance, reduce costs through the use of advanced analytics of Big Data.

New technologies bring shifts in the way things are normally done. They can assist in reducing fuel consumption. For example, Hitachi Europe, in partnership with Stena Line will implement AI on ships to reduce fuel consumption costs and aid in the company's efforts to minimize its impact on the environment.

AI will assist Orient Overseas Container Line (OOCL) in their collaboration with Microsoft's Asian research arm to enhance their shipping operations. This company has a track record in the adoption of new technologies that positively impact their business

model. They have fully embraced a hybrid cloud infrastructure with auto-switching and auto-scaling throughout its business.

As the shipping industry develops better big data capabilities, the opportunity to build new AI systems that can help operate vessels more safely and efficiently is growing. The European Maritime Safety Agency (EMSA) in its annual review reported approximately 4,000 collisions and incidents being reported annually between 2014 to 2019, with 75 to 96% of these marine incidents attributed to human error. To mitigate against this, new software applications are being developed for ship owners and logistics providers such as autonomous ships, voyage planning and ship maintenance.

## **Development of Trinidad and Tobago's Shipping Industry**

The National Development Strategy, Vision 2030, states that the development of *“the shipping and maritime sectors in Trinidad and Tobago will facilitate greater inclusion of the private sector, thus sharing cost and risks and leveraging technical and human capacity, especially through expansion and upgrading of public and private infrastructure.”*

Notably, in 2021, the Ministry of Trade and Industry partnered with the Ministry of Works and Transport, under the *Strengthening of the Single Electronic Window for Trade and Business Facilitation Programme* to develop a National Maritime Policy and Strategy which will guide and facilitate the Government's developmental plans for the maritime sector and create a level of certainty to encourage private participation and improve the ease of doing business in the sector.

A key objective of this Policy is to maximize the sustainable use of oceans and seas, increase the competitiveness of the Shipping industry and facilitate expansion of the Maritime sector. I am pleased to report that this Policy is in its final stages and the Government has prioritized the following areas of focus for further development and expansion:

- development of leisure marine services;
- ship repair and dry docking; and
- commercial marine services, including:
  - offshore bulk trans-shipment
  - Bunkering
  - cold stacking.



## **Conclusion**

Trinidad and Tobago and the wider Caribbean is well poised to maximise the trifecta of location, access to methanol and the growing AI sector to further vitalise the vibrant shipping industry. These are exciting times for the industry and the Government of Trinidad and Tobago is committed to partnering with you as you transform your industry into a more efficient, technologically advanced service provider.

As you now prepare to engage on a range of topics over the next two days, I look forward to seeing the outcomes of these discussions and the path that will be charted forward in response to the challenges of sustainable development in this modern era.

I hope that all visitors have a wonderful time in Trinidad and Tobago and are thrilled by everything we have to offer. More significantly, I

want to wish all of the attendees a productive conference and exhibition as well as a successful AGM.

I Thank You.