



*Interview with
the General Manager
of FONASBA
Jonathan C. Williams*

We have carried out this interesting interview with Jonathan C. Williams, General Manager of Federation of National Association of Ship Brokers and Agents (FONASBA) to explore the role of Ship Brokers and Agents in the international context.

Can you briefly outline a profile of FONASBA?

FONASBA (the Federation of National Associations of Ship Brokers and Agents) is the international representative organisation for ship brokers and ship agents. Its role is to promote and protect the professions of ship brokers and ship agents at international, regional and national levels. The membership spans 48 countries from Angola to the USA and covers Africa, the Americas, Asia, Europe, the Middle East and Oceania. In addition to national members, major international maritime sector organisations are represented. These include the Baltic Exchange, BIMCO, INTERTANKO, the International Port Community Systems Association and ITIC. The Shipbrokers' Register (the Blue Book) is also a member. FONASBA has consultative status with IMO, the World Customs Organisation, UNCTAD, UNCITRAL and, via its European Committee ECASBA, with the European Commission. FONASBA also works closely with other international, regional and national bodies in pursuit of common aims.

What are, for FONASBA, the economic forecasts in the shipping sector for the period 2015-2016 (crisis, slow growth or a boom for maritime transport of goods)?

The IMF expects the global economy to continue to grow, albeit at a reduced rate (the Fund is now indicating 3.3% GDP growth for 2014, down from 4.1% two years ago) and so demand for shipping services will remain depressed. Reducing oil prices, if sustained, will assist some shipowners to reduce operating losses but overall demand is likely to remain slack.

What are, for FONASBA, the policies for the economic growth to be followed?

Whilst the current downturn is truly global, its effects are magnified and exacerbated by the present issues in the three biggest economies, the USA, China and the Eurozone. High levels of debt and unemployment (particularly amongst younger people), lack of investment and instability in some key strategic areas are all factors that currently depress economic growth in these regions. Although there is slight cause for optimism in recent US economic data, the slowdown in China (although still at an impressive 7.0%) and virtual stagnation in the Eurozone are also holding growth back. Stimulating investment and spending are key, but with companies and individuals already burdened with debt and unsure of the future, saving is taking precedence, in spite of record low interest rates. The tendency of banks to use cheap loans provided by national governments to recapitalise, rather than making funds available to business, is indicative of this trend. The extremely high levels of government debt, allied to lower than expected tax revenues, are also discouraging investment in the growth-generating infrastructure projects that have previously been a staple of economic downturns. The current reduced oil prices will, if sustained however, provide a useful boost to economic development.

Perhaps the most urgent action is to stimulate demand in the Eurozone, but until the European Central Bank, and Germany, agree to the actions required, economic growth in the region will remain close to zero.

What do you think about the “mega ships” and the “big alliances between mega carriers” phenomena? Are these an opportunity or a risk for ports?

The increasing size of deep-sea container vessels and consolidation of lines will impact adversely on the number of calls these vessels can and will make in some ports. Conversely, however, it is hoped this will lead to increases in the number and frequency of feeder services taking containers to and from those main hub ports. The increased movement of containers by road and rail (particularly as a result of the introduction of maritime emissions reduction strategies in certain areas (the North Sea/Baltic for example) may, however, negate some of the feeder service growth.

One of the FONASBA's current issue is the Port Policy; can you speak about this point?

The stated aims of the latest European port policy initiative, to open up the port service sector to single market rules and enhance the financial transparency of landlord ports supported by public funds, were laudable and fully supported by ECASBA and other European maritime sector organisations. Unfortunately, however, the current version of the Regulation has been significantly weakened by a lack of support from Member States and the willingness of the Parliament and Commission to allow a gradual reduction in the number of port services it covers. ECASBA joined with other port user organisations earlier this year in warning the Parliament and Commission that this would result in the Regulation becoming an “empty box” and to date this prediction has proven to be accurate. Whilst the port user group will continue to push for a more robust Regulation, it is expected that although Europe may at last, and at the fourth attempt, end up with a port services regulation, it will be a mere shadow of the original concept.

During the Naples Shipping Week, in the Ecasba seminar, we speak of E-Maritime. What are the main strategies to develop this sector?

The proposal to allow for the development of a seamless, harmonised and Europe-wide system for the input and exchange of ship and cargo data has been fully supported by ECASBA since its inception. Regrettably, however, the lack of support from national authorities for such a system, as evidenced by a failure to agree on technical standards and consistent data exchange models and a lack of funding for the necessary IT system development have ensured that the project is significantly behind schedule. Unfortunately national authorities appear unwilling to reduce the burden of administrative compliance on shipowners/carriers or to share data amongst themselves – all of which will undermine one of the main aims of the project, which is to ensure a reduction in the amount of information a vessel has to provide at each port.

Until such time as the member states can agree to cooperate fully on this project it will, like the port services regulation, remain a missed opportunity to enhance the efficiency and effectiveness of the European port and maritime transport sector.

A question for the future. What is the economic area with better perspectives for the maritime trade growth (Northern Africa, USA, China, Brics or other)?

Each area has its own potential for maritime trade growth, but at the same time there are other factors that could hold it back. An example is the predicted expansion of US oil exports, as a result of the development of widespread fracking, but

paradoxically the current reduction in global oil prices due to oversupply could see the trade reduce in importance - in the short term at least.

Development in northern Africa is likely to concentrate on transshipment - at the expense of ports on the northern shore of the Mediterranean - as the lack of available funding for infrastructure will hold back large scale primary produce development in the region. Such development could, however, be constrained should an emissions control area be established in the Mediterranean Sea.

Each of the BRIC countries has its own opportunities and weaknesses and China is also suffering from lower export demand from the depressed economies, as well as other factors resulting from its phenomenal growth in recent years.