“Success breeds complacency. Complacency breeds failure. Only the paranoid survive.”

(Andy Grove, CEO, now Senior Advisor, Intel Corporation)

During my 15 years at the helm of the Association, we have undertaken quite a few analyses of what the Association does, why it does what it does, who it is serving and what is the best way to continue adding value to our members’ operations. This is no bad thing; a little introspection goes a long way. The intent is not necessarily to continually reinvent what we do, but to reassess whether what we are doing is still the best way to do it.

“A corporation [association] is a living organism; it has to continue to shed its skin. Methods have to change. Focus has to change. The sum total of those changes is transformation.” (Also Andy Grove)

I believe that the Association has changed in many ways; ways that have made us more efficient, able to do more with less staff. But I also believe that we have stayed the same in the areas that really matter to our members.

Our overriding mission is to ‘promote and protect our members’ interests’. This is well laid down in our founding articles and is repeated in all our Association publications.

Possibly as a result of the poor market conditions, there have recently been comments made, questions raised and discussions taking place about the role of Maritime Trade Associations, such as your Association. Are such Associations necessary, or perhaps more to the point, what do they do? This is perhaps a good time, therefore, to reflect on the role that Trade Associations play in the Maritime Industry, and refresh our thinking as to how that role might be made more efficient.
Individual and corporate self-interest is key. Self-interest is not a bad thing; shareholders would become extremely upset if the directors did not promote corporate self-interest, and it is in the nature of humanity that self-interest drives individuals. Individuals who do not exercise at least a smidgen of self-interest are extremely rare, and it has been said that even those who devote their lives to others are actually doing so out of their own self-interest.

Self-interest for a corporation is key in producing shareholder value, and might take many different forms. While finding more efficient ways to manufacture and sell products and services could be a driving force, lobbying Governments for changes to legislation to favour the company's products or services, or engaging in Corporate Social Responsibility activities, could well be others. It is self-interest that drives innovation, as companies try to find ways in which to make their products or services more attractive than those supplied by their competitors.

Self-interest brings issues to Trade Associations. The issues raised might be brought by ship managers, who would like to promote a change in regulation so that their owners have to fit equipment that the ship manager now considers necessary to protect the environment, for example, and in doing so, protect their reputation and their seafarers. Issues might be raised by ship owners, as another example, who would like to promote the introduction of legislation that would regulate the use of low sulphur fuel in a port area, so that their voluntary efforts do not make them uncompetitive. And issues might be raised by law firms, keen to ensure that their locality remains the most attractive legal jurisdiction in the region.

Issues are brought to a Trade Association both to use the size and influence of the Association to enhance the lobbying effort, but also in some cases to use the Association to ensure that the company that raised the issue remains anonymous. The Association, however, provides another important role, one of discussion and debate. It is through discussion and debate that issues can be refined into a communal consensus. The rough edges of issues can be smoothed off, and well structured debate can take into account the views of other members, consider the impact across the sector in question as well as other sectors, and consider the political impact on the industry, the Association and the maritime sector at large.
Maritime Trade Associations

Of course, if the originator of the issue is not happy with the consensus reached within the Association, he can take the issue elsewhere. There are other international maritime Trade Associations that deal with specific sectors, who might have a different viewpoint or might be persuaded to accept the issue without substantive change.

A national Trade Association, such as your Association, might not have the entire local industry in membership, but is recognised by Government as the representative of the local industry. It is therefore able to lobby Government on behalf of the industry, not only for changes to local legislation but also for its support in the IMO and ILO. Hong Kong has a limited role in the IMO, being an Associate Member, but has the ability to support issues raised by the industry and lobby other Governments while in session at the IMO. This has proved to be very useful in the past. We also maintain links into the Chinese delegation at the various meetings, which has been extremely useful on a number of recent issues in the ILO as well as the IMO.

In order to form a global shipowning consensus on issues, your Association is able to take issues and positions on issues to the International Chamber of Shipping. The ICS has as members 36 national Shipowner Associations, which together represent around 80% of the world fleet. Ships of all sizes, trades and construction. The ICS also has other maritime Trade Organisations as Associate members, including the World Shipping Council (WSC), Cruise Lines Industry Association (CLIA) and the International Maritime Employers’ Committee (IMEC) amongst others, which allows members of these organisations to attend committee meetings and take part in the debate that leads to the eventual consensus.

Again, issues are debated in the ICS in the same way as they are in a national Association, with the same concern for the influence of the debate on other sectors and trades, and a position is reached through that debate that represents the consensus view of global shipowners. Of course, if the national association that raised the issue feels that the consensus reached does not reflect its concerns, or insufficient urgency is attached to the issue, then it is free to promote its views to the wider community. This is something we have done in the past with bulk carrier construction standards and the global sulphur cap. But it is usual that with full and honest discussion, the consensus reached will be a well-balanced view that reflects the concerns of global shipowners. It is extremely rare that our Association forms a different view to that developed in consensus with other Associations if we have been able to participate in the various meetings. In fact, more times than not, by attending meetings, we have been able to influence the debate in the ICS in a way that takes proper account of our members’ concerns, which in the end, are also the concerns of global shipowners.
Managing Director
Arthur Bowring

Influence is rather like reputation, it takes years to develop but can be lost in a second. While reputation can be lost through inappropriate words or behaviour, influence is generally lost because the foot has been taken off the accelerator. People in Government often change jobs, and in the rapidly changing nature of those who we need to influence, and because our Government colleagues have more than just our issues to consider, it is necessary to keep the work going.

Influence is gained through participation, not by titles or awards. I have often said that demanding a seat at the table is not enough, you have be willing to sit in the seat and contribute from it. Active, logical and practical contribution, that describes well thought-out and intelligent positions, commands respect. Of course, having a large membership and size of Association also helps, but at the end of the day, not nearly as much as active participation. Some small Associations have quite large influence, because of the level and activity of their participation in the debate.

The benefits of influence are many. Government recognition and access to those who make policy is but one benefit, which results in invitations to closed-door inter-Governmental meetings, requests by senior Government representatives to meet with Association representatives, and active consultation on policy and regulatory issues.

Your Association, over the years, has developed such influence through active participation in the debate surrounding industry issues. While the subject matter of many commercial conferences might be of questionable use, those from Government that attend particular conferences and see the high level of knowledge and participation from your Association would appear to be sufficiently impressed to turn to your Association when commercial input is required.

This high level of participation and influence is necessary to promote and protect our members’ interests. Participation, I believe, is not an option, but an obligation. An obligation to promote and protect our members’ interests as well as an obligation to participate at the level expected of a strong and influential Association such as yours.

In fact, due to the work that active participation of your Association does in this area, the influence we are able to use gather is much greater than our size (the size of our Secretariat) would indicate. Influence, of course, is also necessary to ensure the effective lobbying of the ICS and, in order to promote and protect our members’ interests, your Association supports and promotes the ICS in order to ensure that the foot is not taken off the accelerator and sufficient global influence is maintained.

It is my intention that your Association will continue its active role in maritime debate. We have managed to influence many such debates to the benefit of our members and the global shipowning industry because of your continuing and strong support, for which I personally thank you.

Arthur Bowring
Managing Director

THIS BROUGHT UP ANOTHER RELATED ISSUE, THAT OF INFLUENCE.

Influence is gained through participation, not by titles or awards. I have often said that demanding a seat at the table is not enough, you have be willing to sit in the seat and contribute from it. Active, logical and practical contribution, that describes well thought-out and intelligent positions, commands respect. Of course, having a large membership and size of Association also helps, but at the end of the day, not nearly as much as active participation. Some small Associations have quite large influence, because of the level and activity of their participation in the debate.

The benefits of influence are many. Government recognition and access to those who make policy is but one benefit, which results in invitations to closed-door inter-Governmental meetings, requests by senior Government representatives to meet with Association representatives, and active consultation on policy and regulatory issues.

Your Association, over the years, has developed such influence through active participation in the debate surrounding industry issues. While the subject matter of many commercial conferences might be of questionable use, those from Government that attend particular conferences and see the high level of knowledge and participation from your Association would appear to be sufficiently impressed to turn to your Association when commercial input is required.

This high level of participation and influence is necessary to promote and protect our members’ interests. Participation, I believe, is not an option, but an obligation. An obligation to promote and protect our members’ interests as well as an obligation to participate at the level expected of a strong and influential Association such as yours.

In fact, due to the work that active participation of your Association does in this area, the influence we are able to use gather is much greater than our size (the size of our Secretariat) would indicate. Influence, of course, is also necessary to ensure the effective lobbying of the ICS and, in order to promote and protect our members’ interests, your Association supports and promotes the ICS in order to ensure that the foot is not taken off the accelerator and sufficient global influence is maintained.

It is my intention that your Association will continue its active role in maritime debate. We have managed to influence many such debates to the benefit of our members and the global shipowning industry because of your continuing and strong support, for which I personally thank you.

Arthur Bowring
Managing Director