

## **IMOs Views on Shipping and India's Sagarmala: Examining the Convergences**

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### **Introduction**

The International Maritime Organization (IMO) has selected - 'Connecting Ships, Ports and People'- as the World Maritime Day theme for 2017.<sup>1</sup> The theme for 2016 was - 'Shipping: indispensable to the world'.<sup>2</sup> The purpose of selecting these themes is to spell out the manner in which shipping impacts the everyday lives of ordinary people all over the world; highlight the contribution of all individuals involved in the shipping industry; and to enhance awareness of the role of IMO as the international regulatory body for international shipping.

The IMO is a United Nations specialized agency. Its primary role is to create a regulatory framework which will ensure a safe, secure and efficient international shipping industry. India has acceded to about 32 of the Conventions/Protocols adopted by IMO. It joined IMO as a member state in 1959, after having ratified the convention which established IMO.<sup>3</sup>

According to the United Nations Conference on Trade and Development (UNCTAD), around 80 per cent of global trade by volume and 70 per cent of global trade by value are carried by sea and handled by ports worldwide. This is because shipping is the most cost-effective method of transportation of most goods. There are more than 50,000 merchant ships trading internationally transporting every kind of cargo. These ships are registered in over 150 nations and over a million sea-farers from almost every country are employed. Thus, in this globalised world, shipping facilitates commerce and thereby contributes to socio-economic development of nations.<sup>4</sup>

In the above context, this issue brief spells out some of the regulatory frameworks formulated by IMO for the shipping industry; IMOs views on shipping being

indispensable to the world; and the relevance of IMO's views on the present Indian narrative regarding the critical role of shipping in a nation's development. This essay argues that given the growing interdependence between activities on sea and wealth created on land; and similarly, activities on land and safe shipping that takes place on sea - the sharp dividing line in policies for land-based and sea-based activities will soon be blurred. Secondly, there is a convergence in the IMOs and the Indian development narratives, for both opine that the maritime strength of a country is crucial for its socio-economic development.<sup>5</sup>

## **International Maritime Organization (IMO)**

Since the mid-nineteenth century, notably after some major shipping accidents, many countries were of the view that a permanent international body to promote maritime safety should be formed. Thus, following the establishment of the United Nations Organization in 1945, an international conference was held in Geneva in 1948 to address this issue. The conference adopted a convention formally adopting IMO which was initially called that the Inter-Governmental Maritime Consultative Organization (IMCO). The name was changed to IMO in 1982. The IMO Convention entered into force in 1958.<sup>6</sup>

The purposes of the IMO, as summarized by Article 1(a) of the Convention, are "to provide machinery for cooperation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships".<sup>7</sup> The Organization is also empowered to deal with administrative and legal matters related to these purposes.

‘Maritime safety’ is an important mandate for IMO. The organization's first task was to adopt a new version of the International Convention for the Safety of Life at Sea (SOLAS), the most important of all treaties dealing with maritime safety. This was completed in 1960. IMO then focused on issues dealing with the facilitation of international maritime traffic, load lines and the carriage of dangerous goods, while the system of measuring the tonnage of ships was revised<sup>8</sup>. By adopting international standards which are adhered to by all member states, IMO ensures safety at sea.

IMO has also been the pioneer in recognising the potential for satellite communications to assist in distress situations at sea. In the 1970s, it initiated a study of the operational requirements for a satellite communications system devoted to maritime purposes. This led to the establishment of International Mobile Satellite Organization (IMSO). Its efforts have resulted in the Global Maritime Distress and Safety System (GMDSS), which was adopted in 1988 and began to be phased in from 1992. GMDSS provides the technical, operational and administrative structure for maritime distress and safety communications worldwide. According to IMO, “In February 1999, the GMDSS became fully operational, so that now a ship that is in distress anywhere in the world can be virtually guaranteed assistance, even if the ship's crew do not have time to radio for help, as the message will be transmitted automatically”.<sup>9</sup>

To make maritime navigation safe, other satellite based measures adopted include Long-Range Identification and Tracking of Ships (LRIT)<sup>10</sup> and the Automatic Identification System (AIS) which provide a means to track the location of vessels anywhere around the world; help in situational awareness; provide a means to assist in collision avoidance; and are an aid to navigation, by providing location and additional information. The International Ship and Port Facility Security (ISPS) Code, is a mandatory instrument for all countries Party to the Convention. The aim of the ISPS Code is, “to ensure that the applicable ocean going ships and port facilities of IMO Member States are implementing the highest possible standards of security.”<sup>11</sup> Since the 1980s, IMO has also addressed the issue of ‘sea borne Piracy’.

Though maritime safety is the most important responsibility of IMO, with the growth in the amount of oil being transported by sea by oil tankers and the accidents which took place at sea, ‘maritime environment’ and the issue of pollution emerged as an important issue. This led to the adoption of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL 73/78).<sup>12</sup>

According to IMO, “The safety and security of life at sea, protection of marine environment and over 90 per cent of the world's trade depends on the professionalism and competence of seafarers.”<sup>13</sup> In this context, the IMO's International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), 1978 was the first internationally agreed Convention to address the issue of minimum standards of competence for seafarers. By focusing on the ‘human element’, the IMO sought to inculcate a ‘safety culture’ in the shipping industry. IMO has also developed

an Integrated Technical Cooperation Programme (ITCP), “which is designed to assist Governments which lack the technical knowledge and resources that are needed to operate a shipping industry safely and efficiently.”<sup>14</sup>

To overcome unnecessary paperwork, IMO's Convention on Facilitation of International Maritime Traffic (FAL Convention), was adopted in 1965. It seeks to achieve the most efficient maritime transport as possible, looking for smooth transit in ports of ships, cargo and passengers. These measures have a positive impact in the growth of trade and the economy.<sup>15</sup>

In 2015, the United Nations Sustainable Development Summit adopted the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda for Sustainable Development by the UN. As international shipping contributes to economic growth and sustainable development, it indirectly plays a role in achieving all of the SDGs. IMO has developed a concept paper on Sustainable Maritime Transportation System, which includes a set of goals and actions, to highlight the importance of maritime transportation.

IMOs measures cover all aspects of international shipping. This includes, ship design, construction, equipment, manning, operation and disposal. IMOs universal regulatory framework ensures that all ship operators and member countries implement them so that the shipping industry remains safe, environmentally sound, energy efficient and secure.

## **Shipping – Indispensable to the world<sup>16</sup>**

As the global population of 7 billion is set to double by 2050, social and economic development should be planned in a way that it satisfies the need of this rising population. Shipping is central to the world economic growth as it is through ships that commodities, fuel, foodstuffs, goods and products are transported. Thus, IMO considers maritime transport as the backbone of international trade.

With the development of technology, ships too have become safe, are carrying huge cargo and are environmentally sound. However, IMO strongly opines that for the benefits of globalisation to reach all and be evenly spread, countries must play an active role in the shipping industry. It is of the view that that sustainable economic growth, employment opportunities, prosperity and stability can all be enhanced

through developing maritime trade, improving port infrastructure and promoting sea fearing as a career.

The Shipping industry is also investing in green technologies which are not only beneficial for the environment but also result in cost savings in the long term. IMO argues that the availability of low cost and efficient maritime transport has helped make possible many dramatic improvements in global living standards especially in emerging economies that have seen many people being taken out of acute poverty in recent years. Also, the IMO and shipping industry have a major role to play in implementing two major multilateral agreements - that of Paris Climate Change and the UN 2030 Agenda for Sustainable Development- by adopting the necessary measures.

### **The Indian Narrative – SAGARMALA <sup>17</sup>**

India is strategically located on key international trade routes. It has a long coastline of 7,500km covering 13 states and union territories; has 14,500km of navigable and potentially navigable waterways; 90 per cent of EXIM trade by volume and 72 per cent by value is through sea; and in the financial year 2015, more than 1 billion tonnes of cargo was handled across over 200 ports. However, this is only part of the picture. Container exports take 7 to 17 days from hinterland to vessel, compared to 6 days in China; EXIM containers in India travel 700 to 1000km between production centres and ports compared to 150 to 300kms in China; water transport accounts for only 6 per cent of total freight movement in India in tonne km terms despite it being cost efficient and energy efficient; none of the Indian ports rank among the top 20; and industrial clusters and zones have not adequately taken into account proximity to ports and the port land has not been adequately utilised for setting up industries and manufacturing.

The Sagarmala initiative conceived by the Government of India seeks to address these challenges. It is a national programme aimed at accelerating economic development in the country by harnessing the potential of India's coastline and river network. The vision of Sagarmala is to reduce logistics cost for EXIM and domestic trade with minimal infrastructure investment. This is sought to be done among others by lowering logistics cost of bulk commodities by locating future industrial capacities near coast; improving export competitiveness by developing port proximate manufacturing clusters; and reducing the cost of transporting domestic cargo through optimising modal mix.

It clearly comes from the above that the concept of ‘port-led development’ is central to the Sagarmala vision. This focuses on logistics-intensive industries, where transportation either represents a high proportion of costs or timely logistics is a critical success factor. These industries would thus be able to deliver only when ports function with modern infrastructure; and the ports have seamless multi-modal connectivity. The skilled manpower for these industries is sought to be provided by the population in adjoining areas leading to job creation for coastal communities. The Government has identified 150 projects in different coastal states of India to be implemented under Sagarmala. It is estimated that Sagarmala can reduce logistics costs for EXIM and domestic cargo leading to overall cost savings of 350-400 billion.

Thus, the four pillars of the Port-led development programme are – Port modernisation; Port connectivity; Port-led industrialisation; and Coastal community development. To invite investments in these mega ventures from players all over the world, the Indian government held the ‘Maritime India Summit’ on 14 April 2016 in Mumbai.

The purpose of all these efforts is to have a holistic and sustainable development of coastal regions and communities. Approximately 18 per cent of India’s population lives in 72 coastal districts accounting for 12 per cent of India’s landmass. Sagarmala will provide employment to the youth and empower coastal communities. These coastal regions will become engine of growth for India. They will complement the ambitious infrastructure plan for the hinterland which is being planned in parallel.

## Conclusion

As a member of IMO, India benefits from the various frameworks/ conventions of IMO. It shares the international agency’s belief that shipping is indispensable to the world. India’s Sagarmala reflects the country’s commitment to tap its maritime assets for equitable economic growth. It is also a response to the IMOs call for governments all over the world to focus on shipping and ports development; develop maritime trade; improve port infrastructure and promote sea fearing as a career – so as to result in sustainable economic growth, increase employment opportunities, prosperity and stability. Thus, there is a convergence in IMOs and India’s development narrative.

In the coming years, the sea based and land based developmental narratives will be integrated, for both are interdependent and impact each other. Activities on sea, create wealth on land; and similarly, activities on land contribute to efficient ports and

safe shipping on sea. Both - 'blue economy' and 'port-led development' – focus on sustainable development. The interdependence which will emerge will lead to more integrated policies with focus on 'green growth', so as to achieve the United Nations 2030 Agenda for Sustainable Development. While IMO will continue to shape the international debates, bring new conventions and frameworks; India will have to amend its policies accordingly and be part of the global narrative. Most important, India should ensure that Sagarmala is implemented with all seriousness, political will and public support; and the fruits of globalisation trickle down to the common man and are evenly spread.

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## Notes and References

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<sup>2</sup> World Maritime University (WMU), World Maritime Day 2016, <http://www.wmu.se/events/world-maritime-day-2016#> ( last accessed 27 December 2016). World Maritime Day was first held in 1978 to mark the 20th anniversary of the International Maritime Organization's (IMO) Convention's entry into force. World Maritime Day celebrations are usually held during the last week in September. This year it was held at IMO Headquarters in London on 29 September. A parallel event is also hosted by a member state. In 2016, it was hosted by Turkey. In 2017, it will be hosted by Panama.

<sup>3</sup> 'India re-elected as Member of International Maritime Council for coming two years (2016-17)', Press Information Bureau, Government of India, Ministry of Shipping, 28 November 2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=131979> ( last accessed 31 December 2016)

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<sup>5</sup> Refer to Indian Prime Minister Modi's speech at the inauguration of the 'Maritime India Summit' 2016. <http://www.narendramodi.in/pm-modi-at-the-inauguration-of-maritime-india-summit-2016-in-mumbai-440341> (last accessed 31 December 2016)

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<sup>15</sup> Facilitation, International Maritime Organization, <http://www.imo.org/en/OurWork/Facilitation/Pages/Home.aspx> (last accessed 28 December 2016)

<sup>16</sup> Official video message by Kitack Lim, IMO Secretary-General, for World Maritime Day 2016, <https://www.youtube.com/watch?v=TmR61ZIZyHA> (last accessed 31 December 2016)

<sup>17</sup> Sagarmala, National Perspective Plan, Executive Summary, Ministry of Shipping, Government of India, April 2016, <http://pibphoto.nic.in/documents/rlink/2016/apr/p201641402.pdf> (last accessed 31 December 2016)