

Newsletter 3/ 2024

Brussels, 05 November 2024

Successful ISSA66 Convention & Looking Forward To The OCEAN Board Meeting

Dear Colleagues,

Mark your calendars for the **OCEAN Board meeting on Wednesday, 13 November 2024, from 10 AM to 2 PM**. Our virtual gathering will cover our new **OCEAN supporter initiative**, **preparations for the 50th anniversary**, and **a review of the recent ISSA convention in Seville**. If you have agenda topics, please reach out to your OCEAN representative as soon as possible.

I'm proud that **OCEAN prominently participated in the ISSA 66 Convention in Seville last weekend**. Carl Forsman was featured on a key panel titled **"Sustainability: Who Should Be Setting the Standards for a Greener Future?"** Next, I led a panel on **"Replicating OCEAN Globally,"** and along with our Executive Director we discussed the potential to extend OCEAN's model to other regions.

Preparations are underway for **OCEAN's 50th anniversary celebration in 2026**, offering a unique chance to engage with the maritime community and European lawmakers. At the next board meeting, we will present a detailed proposal for your evaluation.

The **CEVVT Working Group** recently addressed key ship supply issues, including **discussions with the EU Commission on the Carbon Border Adjustment Mechanism (CBAM) and Union Customs Code (UCC) reform**. Updates on these challenges will also be shared at the upcoming Board meeting.

This newsletter also features **multiple new blog entries on critical topics affecting the ship supply industry**, including the implications of CBAM and the complexities of the UK's Border Operating Model. We also discuss the upcoming European Parliament elections and propose establishing regional "OCEAN-like" groups worldwide. And don't miss our **round-up of the latest EU policy and law developments, from EUDR to CBAM and sanctions compliance for ship suppliers!**

See you for the Board meeting, Grazie,

Costantino Zavoiani

Costantino Zavoiani
Chairman OCEAN
European Ship Suppliers Organization (OCEAN)
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OCEAN

OCEAN Autumn/Winter Board meeting: 13 November 2024 10am – 2pm, Virtual

It has been agreed that the next OCEAN Board meeting will be a virtual event and will be held on Wednesday, 13 November 2024, from 10 to 2 p.m.

The agenda is already being filled, including the 50th-anniversary planning, a review of the ISSA convention in Seville, and much more. Should you wish to add items to the agenda, please advise your OCEAN representative.

Dial-in details will be shared with the agenda.

If you are an OCEAN representative, please confirm your attendance at the OCEAN Secretariat by e-mailing secretariat@shipsupply.eu



OCEAN was proud to prominently present at the ISSA Conference in Seville, Spain, in 2024

OCEAN was prominently represented at the ISSA 66 Convention, held last weekend.

First was a session titled **“Sustainability: Who should be setting the standards for a greener future?”**



OCEAN's Vice-Chair, Carl Forsman, discussed this topic with an engaging panel, covering questions such as:

- Sustainability is a critical issue facing global shipping. Can the sector address it, or does it require an industry-wide approach? How can this be achieved?
- Whether global ship supply operates under a sustainable agenda and, if not, which areas need attention.
- Who should set the standards for a greener future in ship supply, and how can this be implemented? The panel emphasised the need for action over lip service.
- Concrete steps that ISSA and its members must take to ensure compliance.

Costantino Zavoiani spoke on a panel called **“Replicating OCEAN Globally,”** joined by OCEAN's Executive Director, Arne Mielken, Danny Lien (President of SASS), and Waleed Shaikh (Director of International Operations, Global Ship Services). They explored topics such as:

- The role of OCEAN and its benefits for European ship suppliers.
- The potential for replicating this model globally and the unique challenges national associations outside Europe face.
- The willingness of national associations, often focused on local issues, to collaborate through a central role a regional body could play in enhancing trade between major global trading regions.



This year's event occurred in the beautiful Spanish city of Seville, offering attendees some of the best networking and socialising opportunities in the ship supplier and buyer industry.

OCEAN Anniversary 2026 – What Plans?

The OCEAN leadership will meet shortly before the Board meeting to discuss concrete plans for the 2026 OCEAN 50th anniversary.

“This is a milestone—a significant achievement that does not come around often,” said Jens Olsen, OCEAN Treasurer, former OCEAN Chair, and former ISSA President.

“We should seize this opportunity to invite the ship supply and maritime community to come together and celebrate EU ship supply, ensuring that we also invite high-level European lawmakers and politicians.” Carl Forsman, Vice-Chair of OCEAN, added.

“I am pleased to propose this to the OCEAN Board and hope we can start planning the events for 2026 as soon as possible. One year is not a lot of time,” remarked OCEAN Chair Costantino Zavoiani.

CEVVT Working Group meets with DG TAXUD to discuss ship supply matters on UCC reform and CBAM

The 37th Meeting of the OCEAN Working Group on Customs, Excise, VAT, Veterinary, and Tasks (CEVVT) took place virtually on 10 October 2024. CEVVT Chair Fernando Alves Pinto invited representatives from OCEAN's Sustainability Working Group to attend.

Highlights included two significant meetings with the EU Commission—one focused on the Carbon Border Adjustment Mechanism (CBAM) and the other on the Union Customs Code (UCC) reform—where practical challenges and solutions were discussed with EU officials.

As a result, OCEAN has been invited to present its challenges to the EU Commission in writing. The group will provide a full update at the upcoming OCEAN Board meeting. For further information, please contact the OCEAN Secretariat.

NEW BLOG ENTRY - Navigating the CBAM Seas: A Ship Supplier's Perspective

Mr Peter de Haas Jr., Chair of the Working Group on Customs and Dutch Ship Supply Association member, has expressed concerns regarding the potential unintended consequences of the Carbon Border Adjustment Mechanism (CBAM) on ship supplies. CBAM, designed to prevent carbon leakage by imposing a carbon price on imports, may inadvertently impact ship supplies. [Here is how](#)

NEW BLOG ENTRY - Why European Parliament Elections Matter For Ship Supply. Mr. Karl Aquilina from the Maltese Ship Supply Association reflects.

The 2024 European elections significantly impact the ship supply industry. The new Parliament, under President Roberta Metsola from Malta, will make decisions on customs, VAT, sustainability, and port infrastructure that will shape the regulatory environment, affecting daily operations and future growth. As we reflect on the outcomes of the 2024 European elections, it's essential to understand the profound implications these elections have had on the ship supply industry. [Read more](#)

NEW BLOG ENTRY - Addressing BTOM Complexities: Challenges in Shipping Supplies to UK Ports

By Steeve Eldred, Vice Chair of the OCEAN Veterinary Working Group

In a recent discussion, Steeve Eldred, Vice Chair of the OCEAN Veterinary Working Group, delves into the intricate challenges posed by the UK's Border Operating Model (BTOM) on shipping supplies of Products of Animal Origin (POAO) to UK ports from a ship supply perspective. The BTOM, introduced in August 2023, has imposed stringent regulations that complicate what used to be routine deliveries. Eldred explains how these new requirements, ranging from health certificates to physical inspections, impact the maritime industry and what potential solutions could ease the burden. [Read more](#)

NEW BLOG ENTRY - IHM and Ship Supply - Still A Problem....

Tim Prins, a Member of the Sustainability Working Group OCEAN, explains why, years after the IMH was enacted, it still causes headaches for ship suppliers. Let's explore. The Inventory of Hazardous Materials (IHM) regulation, introduced by the International Maritime Organization (IMO), requires ship suppliers to track and report hazardous materials in their goods to ensure environmental protection. While initially burdensome, integrating IHM compliance into ERP systems has streamlined the process, reduced administrative challenges and made adherence more manageable. [Read more](#)

NEW BLOG ENTRY - Why We Need Regional “OCEAN-like” Groups Worldwide: Insights from My Time on the OCEAN Board

Keijo Hiltunen is the Executive Vice President of ISSA and a former Swedish Delegate on the OCEAN Board. With decades of experience in the ship supply industry, Keijo is committed to fostering cross-border collaboration. In this blog entry, ISSA Executive Vice President Keijo Hiltunen proposes creating regional "OCEAN-like" groups for ISSA members worldwide, drawing on OCEAN's cross-border collaboration principles while adapting them to local contexts. He emphasises the potential for these groups to foster cooperation, share best practices, and tackle industry challenges at the upcoming ISSA66 Convention in Seville. [Read more](#)

Top Updates from Europe that Ship Supply Companies Should Know About

Towards a new EU Commission

On 18 July 2024, [European Commission President Ursula von der Leyen](#), elected for a second mandate, presented her Political Guidelines for the next European Commission 2024-2029 to the European Parliament. Watch her address to the Parliament's plenary on [EbS+](#) or read it on the [Press Corner](#). See also the list of Commissioners-designate and their portfolios, reflecting the ambitions set out in the Political Guidelines. Commissioners-designate appear in public hearings at the European Parliament. Then, the Parliament approves the Commission as a whole in a single vote of consent. The European Council, acting by a qualified majority, formally appoints the Commission's new leadership.

The OCEAN Secretariat has issued a detailed note analysing the possible new composition of the EU Commission. If you would like to receive a copy, please contact us.

Download the list of Commissioners-designate and their portfolios [here](#).

New EU Council Leadership

The European Council's leadership for the next institutional cycle is as follows:

- António Costa - Elected as the next President of the European Council
- Ursula von der Leyen - President of the European Commission for a second five-year term
- Kaja Kallas - High Representative of the Union for Foreign Affairs and Security Policy (HR/VP)

The European Council made these decisions at a summit in Brussels on June 27, 2024. The leadership package was broadly supported, but Italian Prime Minister Giorgia Meloni abstained from voting on von der Leyen and voted against Costa and Kallas.

EU deforestation law: Council agrees to extend application timeline

The EUDR establishes rules ensuring that commodities sold in the EU or exported do not contribute to deforestation and comply with relevant production laws.

The primary driver of global deforestation and forest degradation is the expansion of agricultural land linked to EU-traded commodities. As a significant consumer, the EU seeks to reduce its contribution to deforestation by ensuring these products, including those handled by ship suppliers, are “deforestation-free.”

In response to compliance concerns from member states and operators about the original deadline of December 31, 2024, the European Commission proposed delaying the regulation. The EU Council agreed to postpone enforcement by one year, allowing ship suppliers and other stakeholders time to prepare for due diligence obligations regarding commodities such as cattle, wood, cocoa, soy, palm oil, coffee, and rubber.

The regulation, effective on June 29, 2023, now requires compliance as follows:

- December 30, 2025, for large ship suppliers
- June 30, 2026, for micro- and small ship suppliers

OCEAN is currently evaluating how the EU Deforestation Regulation (EUDR) impacts ship suppliers and their supply chains.

This extension provides legal certainty and time for ship suppliers to implement due diligence systems identifying deforestation risks in their supply chains. The amendment maintains the regulation's goal of minimising the EU's contribution to global deforestation, ensuring products are produced on land and are not subject to deforestation after December 31, 2020.

The following steps involve the Council informing the European Parliament of its position to have the regulation formally adopted and published by the end of the year.

EU CBAM: In Q3 Default Values for GHG Emission Reporting No Longer Acceptable

The European Union's Carbon Border Adjustment Mechanism (CBAM) has announced that default values for reporting greenhouse gas (GHG) emissions will no longer be accepted as of the third quarter of 2024. Ship suppliers affected by CBAM must now, at least according to law, provide actual data to ensure accurate emissions reporting. Given the impossibility of this ship suppliers are advised to consider information shared by their national competent authority. For example, in Belgium the following is advised:

As of July 1, 2024, default values can only account for up to 20% of the total embedded emissions of complex goods under the EU's Carbon Border Adjustment Mechanism (CBAM). National Competent Authorities (NCAs) in Member States are responsible for enforcing these obligations, with flexibility in assessing compliance, particularly for reporting declarants struggling to obtain actual emission data.

The Belgian NCA will consider justified difficulties in acquiring necessary data, especially for reports with limited embedded emissions. Declarants must exert all reasonable efforts to obtain actual emissions data from suppliers or producers and provide justifications if they cannot. Supporting documentation, including details of attempts to gather this data, must be uploaded to the CBAM Transitional Registry.

When indicating that actual data is unavailable, declarants should specify this in the emissions tab and upload justifications in the supplementary section. If the option "actual data not available" is selected, related fields will become non-editable, and numeric fields will automatically fill with "0." While declarants who have previously submitted reports using another method are not required to resubmit, the Belgian NCA reserves the right to deny the use of this option if justifications do not align with actual data reported by others or if there is no improvement in minimising the reliance on default values, potentially leading to penalties.

Please review this here: <https://climat.be/cbam-en/news/2024/updated-use-of-default-values>

EU Sanctions Against Russia Update: Impact on Ship Supply

The [EU has enacted its 14th sanctions package](#), designating 27 ships for breaching sanctions related to Russia. This crackdown is part of a broader effort to strengthen compliance and enforcement strategies among Western economies, following similar actions taken by the US and UK. The designated vessels include tankers linked to **Putin's "dark fleet"** and those involved in transporting military equipment and stolen grain from Ukraine.

Notably, this is the first time the EU has targeted **individual ship owners directly and listed their IMO numbers**, aligning its strategy with recent UK and US measures.

Four tankers flagged in Gabon, including those managed by the Russian state-controlled company Sovcomflot, were among the sanctioned vessels. Other ships flagged in the Cook Islands and Panama were also included, many of which had recently undergone reorganisation to evade sanctions.

The EU aims to prevent these vessels from accessing ports and receiving services, reflecting a coordinated approach to enforcing the G7 oil price cap and eliminating deceptive shipping practices. The sanctions target ships involved in transporting military goods and energy components and aim to address environmental risks associated with them. Overall, this latest round of sanctions signifies a significant step in the EU's ongoing efforts to penalise entities supporting Russia's military activities in Ukraine.

"How Russia's LNG 'dark fleet' disguises its activity."

As the FT reports, Russia's "dark fleet" of liquefied natural gas (LNG) tankers has become increasingly active despite Western sanctions to curb its oil and gas exports. Since August, eight shipments from the Arctic LNG 2 project have been reported, which is essential for Russia's LNG ambitions. These shipments often remain unaccounted for, with vessels engaged in deceptive practices to confuse observers about their actual destinations.

One notable example is the tanker *Pioneer*, which loaded LNG from Arctic LNG 2 and was later observed in the eastern Mediterranean. It seemed involved in a ship-to-ship transfer with another tanker, *Nova Energy*, but this operation was disguised. The *Pioneer* continued its journey through the Suez Canal, where it had to disclose its draft level, confirming it was still carrying LNG.

Similarly, *Nova Energy* docked at a floating storage unit in Murmansk after its alleged transfer with the *Pioneer*. However, it appears to have faked the transfer and returned to Arctic LNG 2 to load more fuel. Analysts suggest these tactics are intended to create doubt about the origin and destination of the LNG shipments.

Tracking these dark fleet activities is challenging due to the smaller number of LNG carriers and the limitations of satellite imagery, which can be obscured or incomplete. Additionally, the voluntary nature of vessel draft declarations complicates efforts to ascertain cargo details accurately. As a result, the potential for clandestine imports of Arctic LNG 2 cargoes remains a concern for analysts and traders. Ship suppliers need to be very vigilant.

This situation is described as a "dynamic game," with expectations that deceptive practices such as spoofing and diversions will continue as Russia seeks to maintain its LNG exports amid sanctions.

[Read the article](#)

Preventing Russian Export Control and Sanctions Evasion - Updated Guidance for Industry

Since February 24, 2022, the G7 nations (Canada, France, Germany, Italy, Japan, the UK, the US, and the EU) have enacted extensive export controls and sanctions to limit Russia's access to critical technologies and materials necessary for its military operations in Ukraine. These measures have been coordinated with the Global Export Control Coalition (GECC), which has 39 members, to address Russia's actions.

The G7's efforts have significantly restricted Russia's ability to procure goods for weapons development, damaging its economy and reducing revenue sources for purchasing Western technologies. In February 2023, the G7 introduced the Enforcement Coordination Mechanism (ECM) to enhance compliance and enforcement of these sanctions, establishing a Sub-Working Group on Export Control Enforcement in September 2023 to facilitate information sharing and best practices among member states.

The G7 Sub-Working Group has outlined key guidance for industries to prevent the diversion of controlled items to Russia, mainly through third countries. This guidance includes:

- **List of High-Risk Items:** Identify items most likely to be diverted to Russia.
- **Red Flag Indicators:** Updated signs of potential export control or sanctions evasion.
- **Best Practices:** Recommendations for industries to manage and mitigate risks associated with these red flags.
- **Screening Tools and Resources:** These tools assist businesses in conducting due diligence.

The aim is to help industries recognise evasion practices, ensure compliance with export controls, protect their technologies from misappropriation, and reduce reputational and legal risks, all while supporting the effectiveness of G7 sanctions.

[Get a copy of the guidance.](#)

How To Read Articles in Your Language

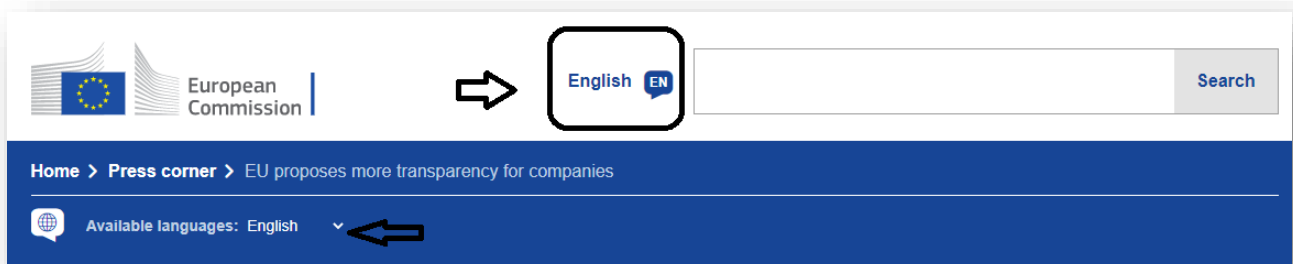
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Connect to the OCEAN website

The OCEAN Board meeting unveiled a new OCEAN website at www.shipsupply.eu

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We ask that all OCEAN members check that they can access the internal part of the OCEAN website through the member's login in the bottom right corner.

If you have lost your password, please click on forgotten password.

Also, if you need to register a new account, please use "Registration For Members".

If you experience any challenges, please let the OCEAN Secretariat (info@shipsupply.eu) know.