

SHIPPING DEPUTY MINISTRY

5 years...
leading positive change

Limassol
25 January 2023

Vassilios DEMETRIADES
Shipping Deputy Minister to the President



Republic of Cyprus



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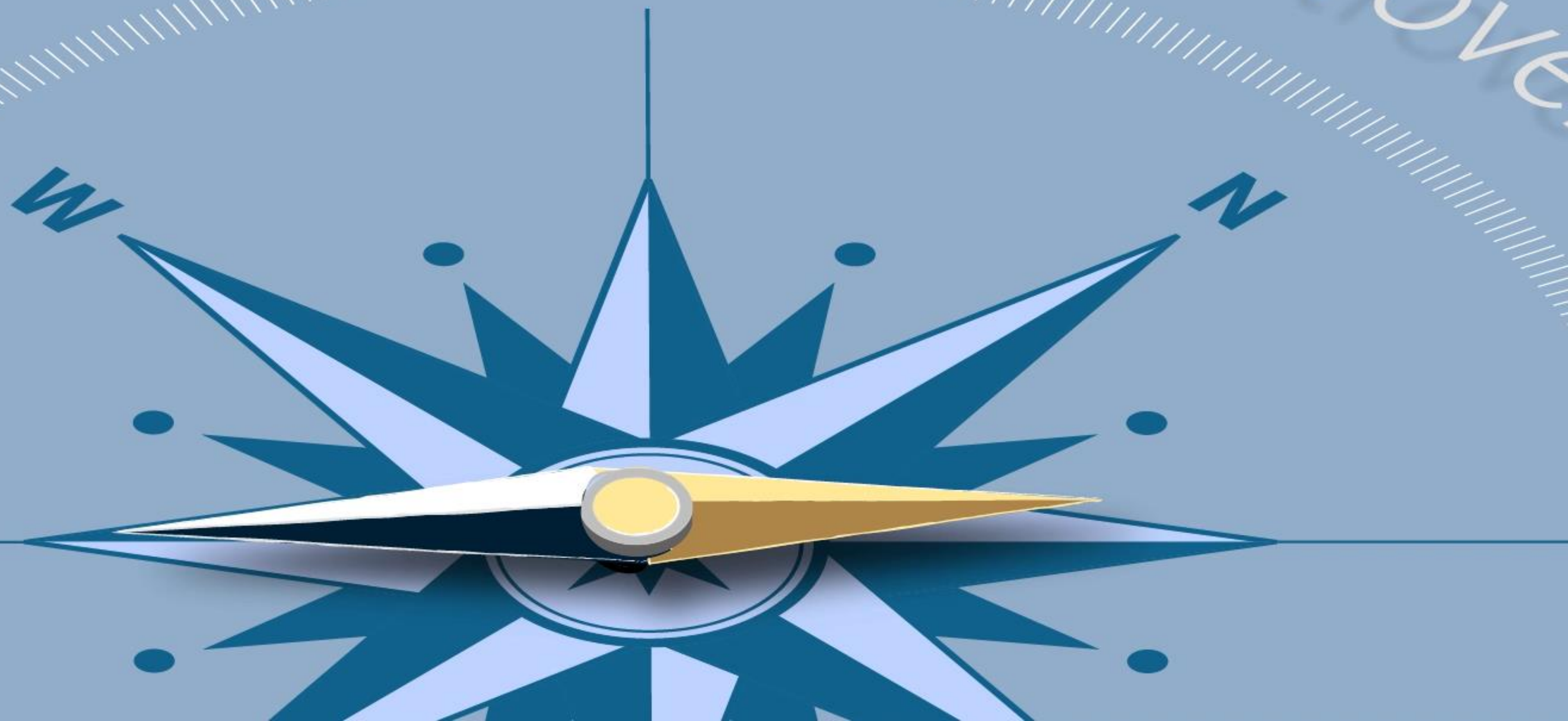


***Setting a Vision and new
philosophy to Shipping***

Sustainable

Extrovert

Adaptable



Setting a Vision and new philosophy to Shipping

Vision

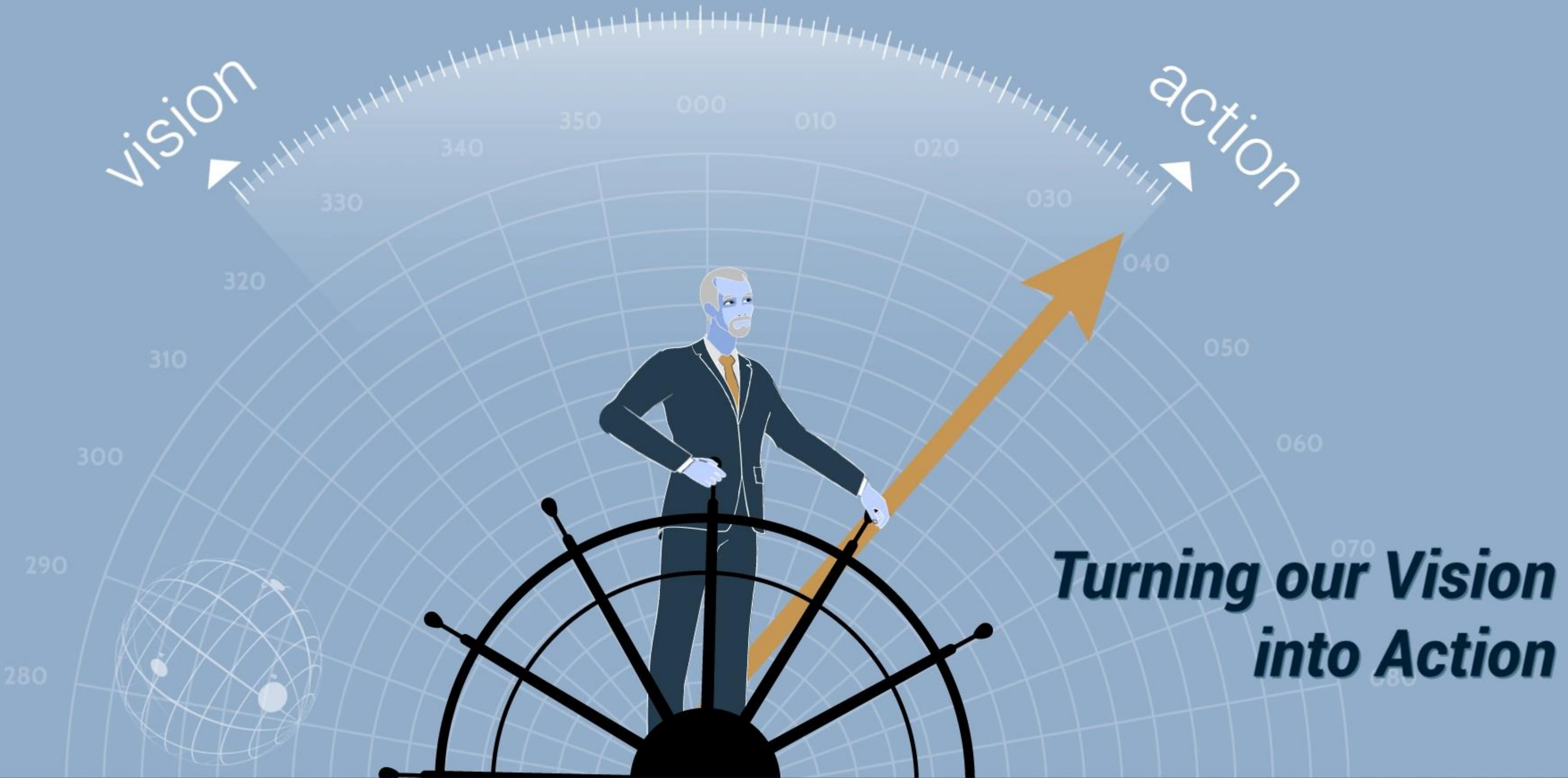
Cyprus to be a significant and influential actor leading positive change in global shipping and an attractive maritime center striving for sustainable growth and excellence

- ✓ Focuses on three strategic pillars: Sustainable, Extrovert and Adaptable
- ✓ Introduces a more interactive and innovative way that the Shipping Deputy Ministry functions and offers its services to its clients



vision

action



***Turning our Vision
into Action***

Turning our Vision into Action

Comprises of **35 Sustainable actions** with a timeframe of implementation aiming, among others, to:

- ✓ Foster a Proactive Culture of Quality on Cyprus Flagged Ships
- ✓ Provide a Responsive, Fast, Efficient and Seamless 24/7 Customer-orientated Service
- ✓ Reward and Incentivize “Greening” and Sustainable Investment
- ✓ Respond to Maritime Cyber Risks
- ✓ Create a “Curiosity” Culture for Shipping
- ✓ Ensure Adequate Education and Training and Skills for Seafarers
- ✓ Promote the Provision of Efficient and Effective Maritime Services
- ✓ Create a Culture for Seafaring, Maritime and Blue Professions
- ✓ Promote Connectivity and a Safer, Greener and Accessible-To-All Coastline

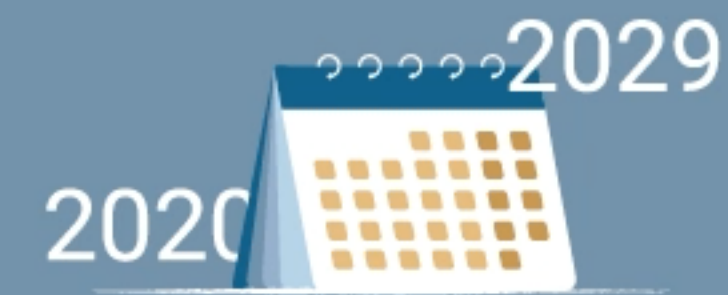
23 out of 35 actions have been completed or are in the process of implementation

Ensuring Certainty and Fiscal Stability



Ensuring Certainty and Fiscal Stability

- ✓ **Smooth & successful prolongation of Cyprus Tonnage Tax System for 10 years** (Jan 2020 - Dec 2029)
- ✓ **Abolition of registration & mortgage fees** for ocean-going commercial Cyprus ships
- ✓ **Streamlining & simplification of fees & dues** relating to ocean-going commercial Cyprus ships



An illustration of a lighthouse on a rocky island. The lighthouse is white with a gold-colored lantern room. A bright beam of light emanates from the lantern room, shining across the dark blue sea towards the right. In the distance, a large white ferry with a dark hull is visible, along with a smaller cargo ship. The sky is a deep blue with stylized white clouds. The overall scene is a metaphor for guidance, safety, and vigilance.

***Fostering a Proactive Safety
and Security Culture***

Fostering a Proactive Safety and Security Culture

Encourage a proactive culture of quality on Cyprus flagged ships with the **aim to prevent future detentions** by providing **systematic information** to shipowners and ship managers on:

- ✓ **Port State control** concentrated **inspection campaigns**
- ✓ The outcomes of the **analysis of deficiencies** and **non-conformities** reported in the framework of:
 - ✓ Flag State and Port State Control
 - ✓ Annual Reports of the MoU on PSC

Ensure that the **statutory penalties** imposed because of deficiencies and/or non-conformities **are effective and proportionate**

Memorandum of Cooperation between the Shipping Deputy Ministry and the **Digital Security Authority** regarding the Prevention of Cyber Risks in the shipping sector

Promote lifelong learning and continuous **specialised training** of the SDM Surveyors

***Contributing to a
Greener Shipping Sector***



Contributing to a Greener Shipping sector

...AT NATIONAL LEVEL

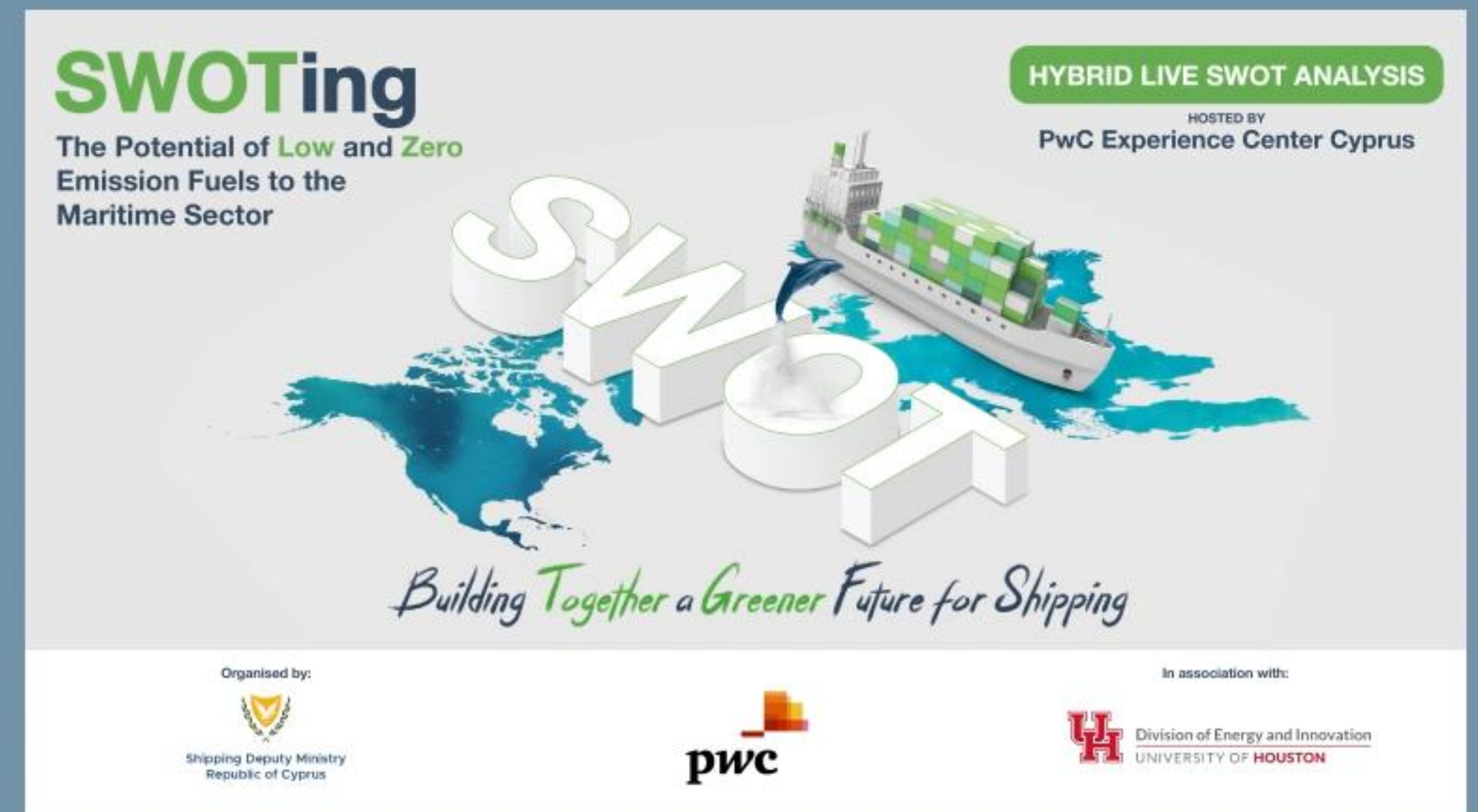
- ✓ Reward efforts to proactively reduce the greenhouse gas emissions through the introduction of **Green Tax Incentives**
- ✓ Encouraging and facilitating shipowners flying the Cyprus flag to take proactive action by **conducting trials using alternative fuels** such as Biofuels and Hydrogen



Contributing to a Greener Shipping sector

...AT EUROPEAN & GLOBAL LEVEL

- ✓ **Actively involved to the EU and IMO deliberations** in order to formulate a broad and diverse set of actions required to achieve emissions reduction targets. This involves a combination of measures, including the adoption of cleaner fuels, the deployment of relevant fuel infrastructure, electrification of ships, and the use of energy efficiency technologies
- ✓ Signatory to the **“Declaration on Zero Emission Shipping by 2050”** and to the **“Green Shipping Challenge”** Initiative launched at COP27
- ✓ Organisation of a virtual debate on **European Commission’s (EC) proposed Emissions Trading System (ETS) for shipping**
- ✓ Organisation of a live SWOT analysis hybrid **event on the potential of Low and Zero Emission fuels for Shipping**



Increasing Efficiency and Effectiveness



Increasing Efficiency and Effectiveness

Creating the framework conditions for “**One-Stop-Shipping-Shop**” through...

- ✓ The adoption of a regulatory and administrative framework for the **incorporation of Shipping Company**
- ✓ The **Digital transformation of all SDM Services** with an ongoing project co-financed by EU’s NextGeneration Resilience and Recovery Facility



Increasing Efficiency and Effectiveness

Shipping Limited Liability Company (S.L.L.C)

- ✓ It aims **to improve the competitiveness** of the Cyprus flag in international shipping, as well as to **simplify the procedures** and operating regime of Cypriot shipping companies
- ✓ “The Shipping Limited Liability Company (S.L.L.C.) Law of 2022” (L.161/2022) was enacted by Cyprus Parliament (N.161/2022)
- ✓ **S.L.L.C** is addressed to **Cypriot shipping companies** that **own Cyprus ships**
- ✓ A **Registry of S.L.L.C.** is also created, which will be supervised by the Shipping Deputy Ministry



Increasing Efficiency and Effectiveness

Digital Transformation & Paperless Environment for Shipping Services

- ✓ Aiming to optimise and transform the SDM's business processes
- ✓ Maximise operational efficiency and responsiveness
- ✓ **Completion by May 2024**

First Deliverables by Jan - Feb 2023:

- ✓ SDM MobileApp
- ✓ e-Helpdesk
- ✓ e-Maritime Library



Increasing Efficiency and Effectiveness

Benefits for Stakeholders

- ✓ Faster application
- ✓ Transparency
- ✓ Paperless environment
- ✓ Multiple Channels
- ✓ Helpdesk
- ✓ Modern Design
- ✓ User Friendly



Creating a Research and Innovation Culture



Creating a Research and Innovation Culture

Memorandum of Cooperation with the Research and Innovation Foundation (RIF)

Constructive cooperation with the **Cyprus Marine and Maritime Institute (CMMI)** on the basis of an **MoU**

Provision of **funding tools and programs to encourage research and innovation for cleaner shipping through the establishment of a “Research Innovation Shipping Environment” (RISE)**



***Strengthening External Relations,
Leadership and International Presence***



Strengthening External Relations, Leadership and International Presence

Memoranda of Cooperation on Shipping with the following States:

- ✓ United Arab Emirates (signed)
- ✓ United Kingdom (concluded)
- ✓ Panama (in the process)
- ✓ Siera Leone (in the process)



Enhancing maritime safety, security and marine environmental protection in the Mediterranean Sea by **expanding the member States of the Mediterranean MoU to include more European States**

Re-election of Cyprus as a member of the IMO Council under Category C' for the biennia 2020-2021 and 2022-2023

Proposes an **Agenda for sustainable use of oceans by Commonwealth**, initiating the process to host a Ministerial meeting

Demonstrating Social Responsibility



Demonstrating Social Responsibility

Cyprus was one of the first countries worldwide that recognized seafarers as key workers

Cyprus shipping is globally acknowledged for its social responsibility and active contribution to the humanitarian crisis that the sector faced, through the support, development and implementation of practical and coordinated solutions

COVID-19:

at national level

- ✓ Crew changes and repatriation of over **65000 seafarers** from Cyprus
- ✓ Implementation of a national vaccination plan to cover **40000 seafarers**

at global level

- ✓ Cyprus was the only state that proposed a **global vaccination program** for seafarers which was adopted in the form of an ILO Resolution in April 2021

Ukraine War:

- ✓ **Extension of seafarers' employment agreements (SEA)**
- ✓ **Facilitating the opening of bank accounts for seafarers**

Responding to Crises



Ukraine War

- ✓ Provision of **guidance, recommendations and clarifications** on the implementing framework of the EU sanctions against Russia through Sanctions Information Notices
 - ✓ **15 Sanctions Information Notices** have been issued so far with respect to the 9 European Union sanctions packages
- ✓ Active **participation in the EU deliberations** for the formulation of sanctions in order to ensure a level playing field and effective, strict and uniform application
- ✓ Upon **Cyprus's suggestion** EU Commission committed to ***adopt appropriate supportive measures, including by further developing existing instruments at the latest by 5 February 2023, to support the Union's shipping industry, and to encourage the re-flagging of ships to Member States' ship Registers***

***Promoting Connectivity, Coastal Tourism,
Safer & Greener Coastline***



Promoting Connectivity, Coastal Tourism, Safer & Greener Coastline

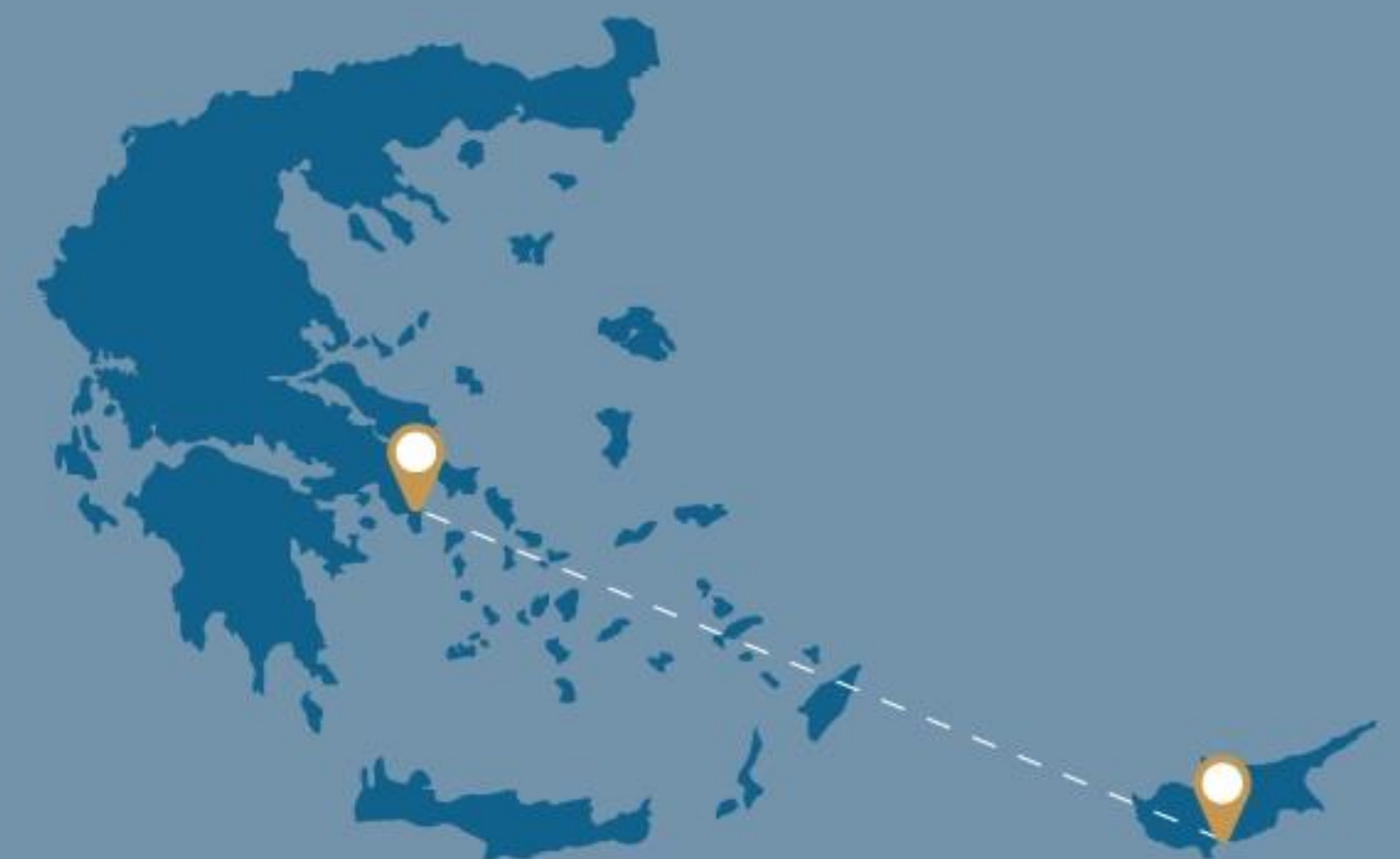
Reinstating a maritime passenger link between Cyprus and Greece, after a 21- year hiatus

Providing alternative connectivity to our citizens, strengthening the potential of maritime tourism between Cyprus and continental Europe

Seasonal service subsidized by the Cyprus Government for at least **3 years (2022-2024)** with a possibility to prolong the subsidy until 2027, with **22 return sailings** from Limassol to Piraeus scheduled over the summer period from May/June to Sep/Oct

Performance of the Service during the period June-Sep 2022

- **7412 passengers** travelled with the CY-EL ferry link
- **205 pets**
- **1946 cars/motorbikes** transported



Promoting Connectivity, Coastal Tourism, Safer & Greener Coastline

- ✓ Formulate a holistic and effective legislative and administrative framework for recreation crafts for public and private use
- ✓ Targeted state aid scheme (de minimis) to prevent pollution, improve safety and to facilitate access to people with reduced mobility



TYPES OF UPGRADE UNDER THE SCHEME	YEARS 2020- 2022	Promotion of environmental protection	Upgrading / Improving the means of navigation	Enhancing the safety and health conditions of passengers / crew	Facilitate access to persons with disabilities and reduced mobility	Consultation Fees	TOTAL
NUMBER OF APPLICATIONS BY EACH TYPE OF UPGRADE		17	10	15	1	10	53
AMOUNT OF STATE AID IN EURO		468,463.45	54,032.23	104,190.72	12,361.25	7,500.00	646,547.65

Focusing on the Future Generation

2022 THALASSA
ΘΑΛΑΣΣΑ

SEA
YOUR HORIZON



Focusing on the Future Generation



- ✓ In 2021 the “**SEA...your Horizon**” campaign was launched in an effort to promote Blue Economy and shipping studies and professions through an interactive and innovative way to our secondary schools www.seayourhorizon.com

- ✓ A two-day sea/shipping experience event “**THALASSA, Sea to Live, Experience Shipping**”, was successfully organized in 2021 and 2022 bringing together more than 40 organizations related to sea and maritime aiming to promote a BLUE CULTURE to the civil society



Focusing on the Future Generation



“Let’s DISCO” (Dive Into Shipping Career Opportunities):
A campaign to promote maritime studies and professions
to secondary schools

- ✓ A **Committee for the Development of Maritime Culture and the Promotion of Maritime Studies and Professions** is established chaired by the Shipping Deputy Minister bringing together the shipping community of Cyprus to share our love and passion for shipping to the young generation
- ✓ A **Mentoring Team of 16 young shipping professionals** is established to provide guidance and share knowledge and experience with children, parents and teachers

Cooperation with academies to improve and expand their offering

- ✓ Protocol of Cooperation between the Eratosthenes Center of Excellence of the Cyprus University of Technology and the Shipping Deputy Ministry
- ✓ Protocol of Cooperation between the Cyprus University of Technology and the Shipping Deputy Ministry, with the aim of expanding their scientific cooperation regarding matters of shipping and integrated maritime policy

Providing subsidies to cadets for on-board training and scholarships to marine academy students

- ✓ **Subsidies** in the amount of **€1,361,473** to **883** cadets for **on-board training**
- ✓ **Scholarships** in the amount of **€ 165,000** to **55** marine academy **students**

***Breaking
Gender Stereotypes
in Maritime Industry***



Breaking Gender Stereotypes in Maritime Industry

*Cyprus promotes gender equality
by introducing a new term
in shipping terminology...*

WOMANNING SHIPPING!





Developing Cyprus' Blue Economy

Developing Cyprus' Blue Economy

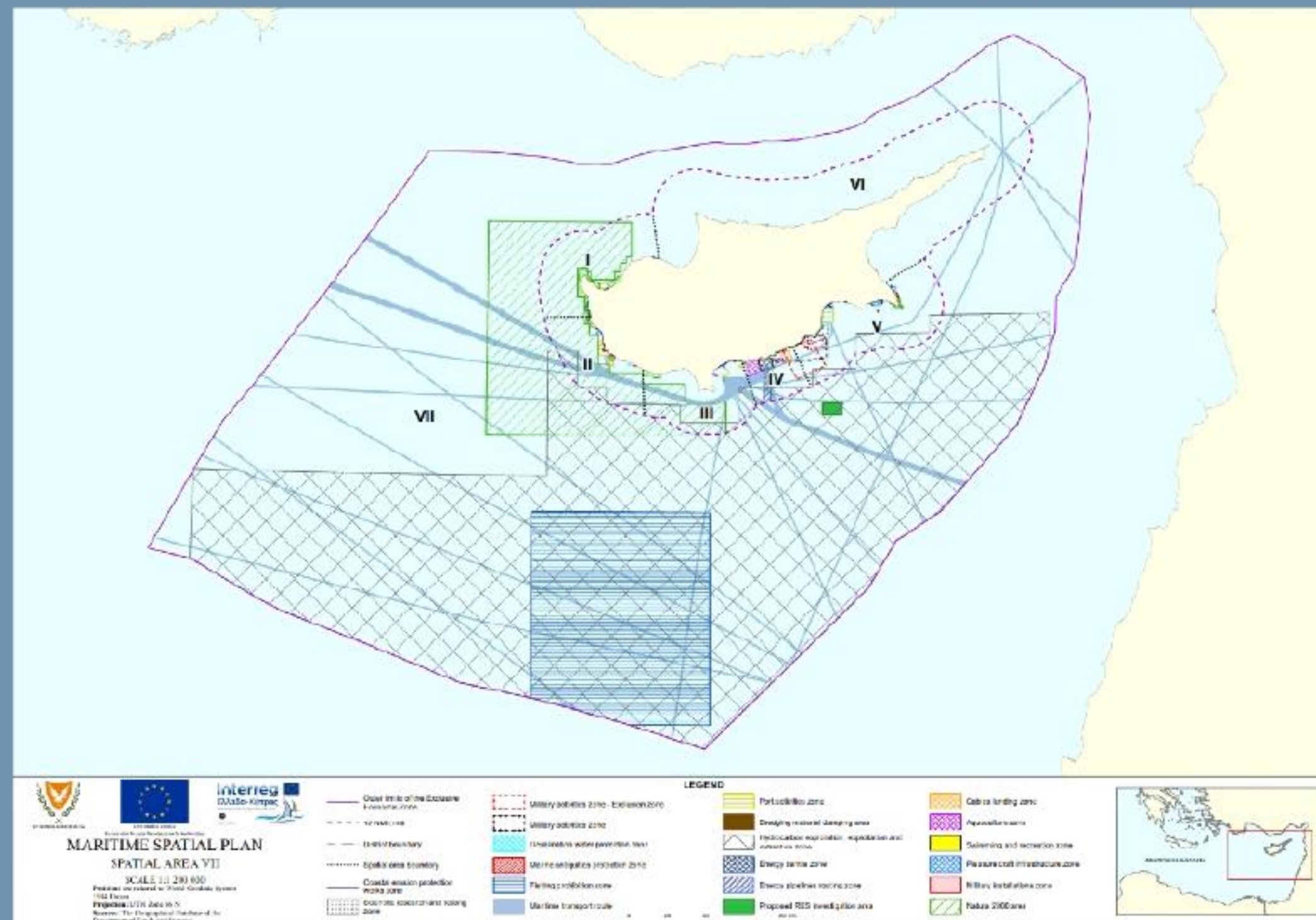
Maximizing the Growth Potential of our Seas in a Sustainable way

- ✓ Formulating Cyprus' **Maritime Spatial Plan** – a key cross-cutting tool of our **National Integrated Maritime Policy** promoting a holistic approach of the **Blue Economy** Sectors
- ✓ **MSP** analyses and organizes human activities in marine areas to achieve ecological, economic and social objectives
- ✓ A valuable instrument for the sustainable development of marine areas and coastal regions
- ✓ Contributes to the objectives of an ecosystem based management approach



Developing Cyprus' Blue Economy

Maximizing the Growth Potential of our Seas in a Sustainable way

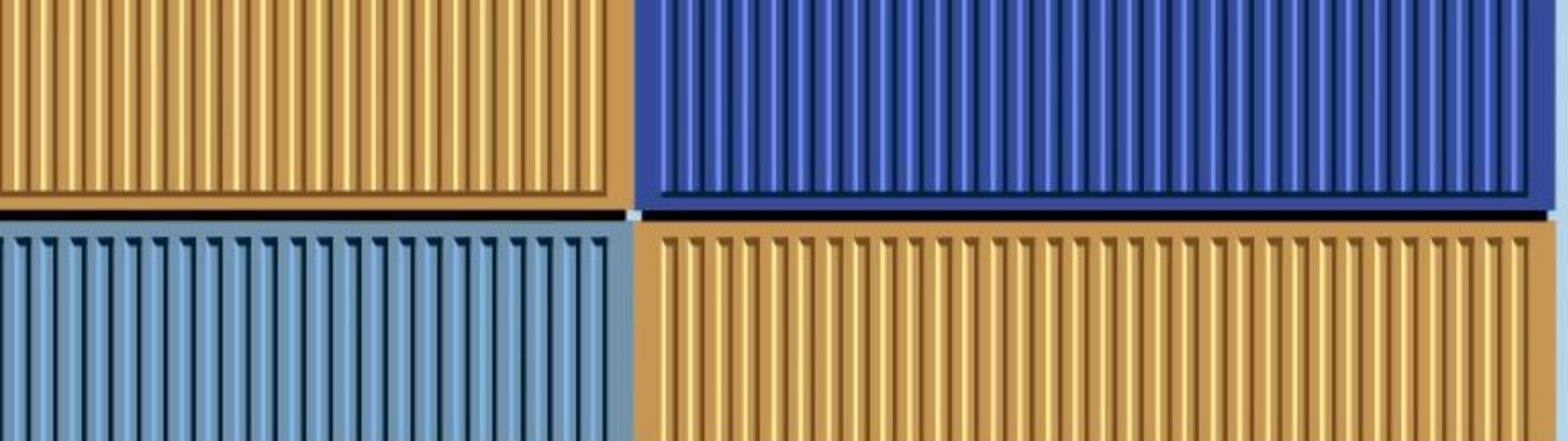


- ✓ Covers the whole sea area of Cyprus (territorial sea and Exclusive Economic Zone)
- ✓ Anticipated to be finalized and to receive applications by March 2023

Developing Cyprus' Blue Economy

- ✓ **European Maritime Day (EMD)** celebrated every year on the 20th of May since 2008
- ✓ An initiative of the European Union, to highlight the important role of the oceans and seas in the daily lives of EU citizens and in the effort for sustainable development
- ✓ **2026 edition of the European Maritime Day** to take place in **Limassol** with parallel events across the rest coastal cities of Cyprus





SDM EXCELLENCE
LIMASSOL
IMO 01032018

CYPRUS SHIPPING *...at a glance*



CYPRUS SHIPPING

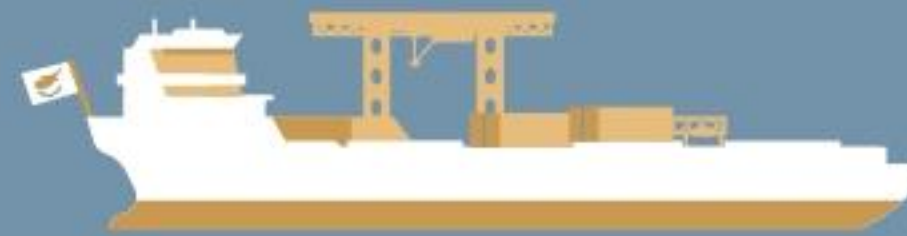
...at a glance

CY FLEET



1,7% of Global Fleet
9,5% of EU Fleet

CY SHIPPING REGISTRY



1100 ocean going vessels out of a total
1700 ships, Gross Tonnage 23.8 million

SHIPMANAGEMENT

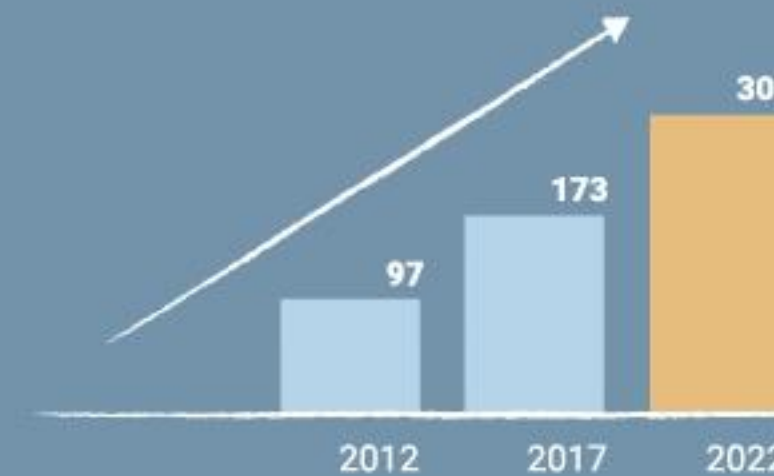


Cyprus: The largest third-party
shipmanagement center in Europe
and amongst the top 3 worldwide

CONTRIBUTION TO CY ECONOMY (income on GDP)



CY TONNAGE TAX SYSTEM



Number of shipping companies

SDM REVENUES (million €)



CYPRUS SHIPPING

...at a glance

People Employed in the CY Shipping Sector



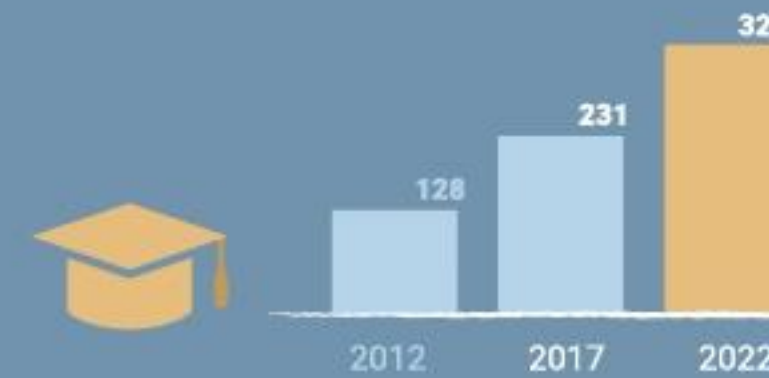
9000

Seafarers Working Onboard CY Flagged Ships

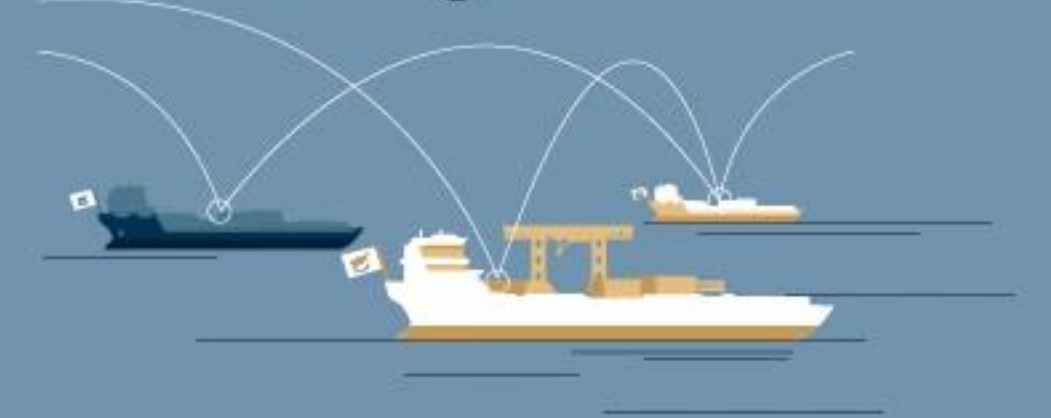


55000

Cypriot Students at the CY + EL Marine Academies



The Cyprus Open Maritime Exchange Platform



Number of Inspections 2018 - 2022



1083 - Flag State Control
485 - Port State Control
5972 - High-speed craft
1950 - Coastal & Small passenger vessels

44 Legal Instruments



- ✓ 17 Laws and Regulations
- ✓ 27 Notifications, Decisions and Orders

Promotion

- ✓ "Maritime Cyprus 2019" Conference
- ✓ "Maritime Cyprus 2022" Conference
- ✓ More than 20 shipping exhibitions & conferences in Cyprus and abroad
- ✓ Delegations to Europe, Asia and the Far East



CYS EN ISO 9001:2015 Certification



Expanding the Maritime Cluster



Expanding the Maritime Cluster

Large resident shipping industry with over **300 companies** covering the full range of shipping activities from:

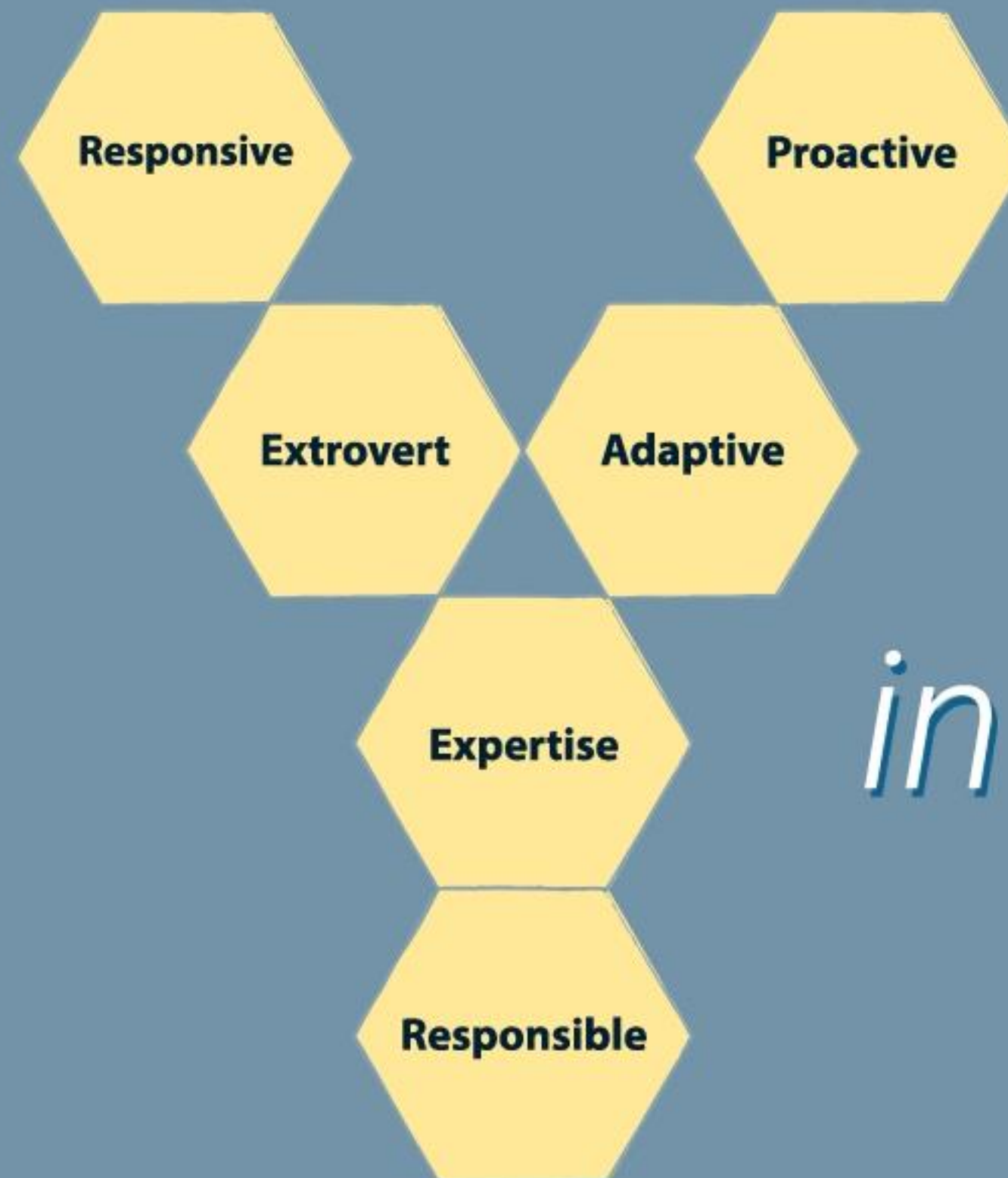


In the process of Cyprus becoming a place of arbitration and mediation on maritime disputes

***What the SHIPPING INDUSTRY
needs today...***



What the SHIPPING INDUSTRY needs today...



*in love with
Shipping*