

Japan's Contribution to the safety of maritime navigation and the preservation of the marine environment

- Issues and Discussions on the HNS Convention in Japan -

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1. Outline of Japanese Maritime Industry

Proportion of seaborne transport in Japan (international trade volume)

99.6% (Approximately 100%)



Share of global fleet (ownership in dwt)

11% (3rd in the world)



Share of global Shipbuilding (gt)

13% (3rd in the world)



Japan's Maritime Cluster

Shipping

*including seafarers

	International	Domestic
Employees	6,000*	82,000*
Economic Products	54 Billion USD	5.7 Billion USD
Operating ships	2206	7,329
Companies	179	3,767

Around 74% are Japanese ships*

Around 73% of ships are procured domestically*

*Ships delivered in 2023

Stable supply

Shipbuilding & Marine machinery

	Shipbuilding	Marine machinery
Employees	70,000	47,000
Economic Products	21 Billion USD	7.1 Billion USD
Companies	900	871

Seafarers

Domestic shipping	Japanese	28,713
Intl. shipping	Japanese	2,095
	Foreigners	53,222

Financial companies

Ports / Harbors

Warehouse and logistics

Trading companies

Staffing companies

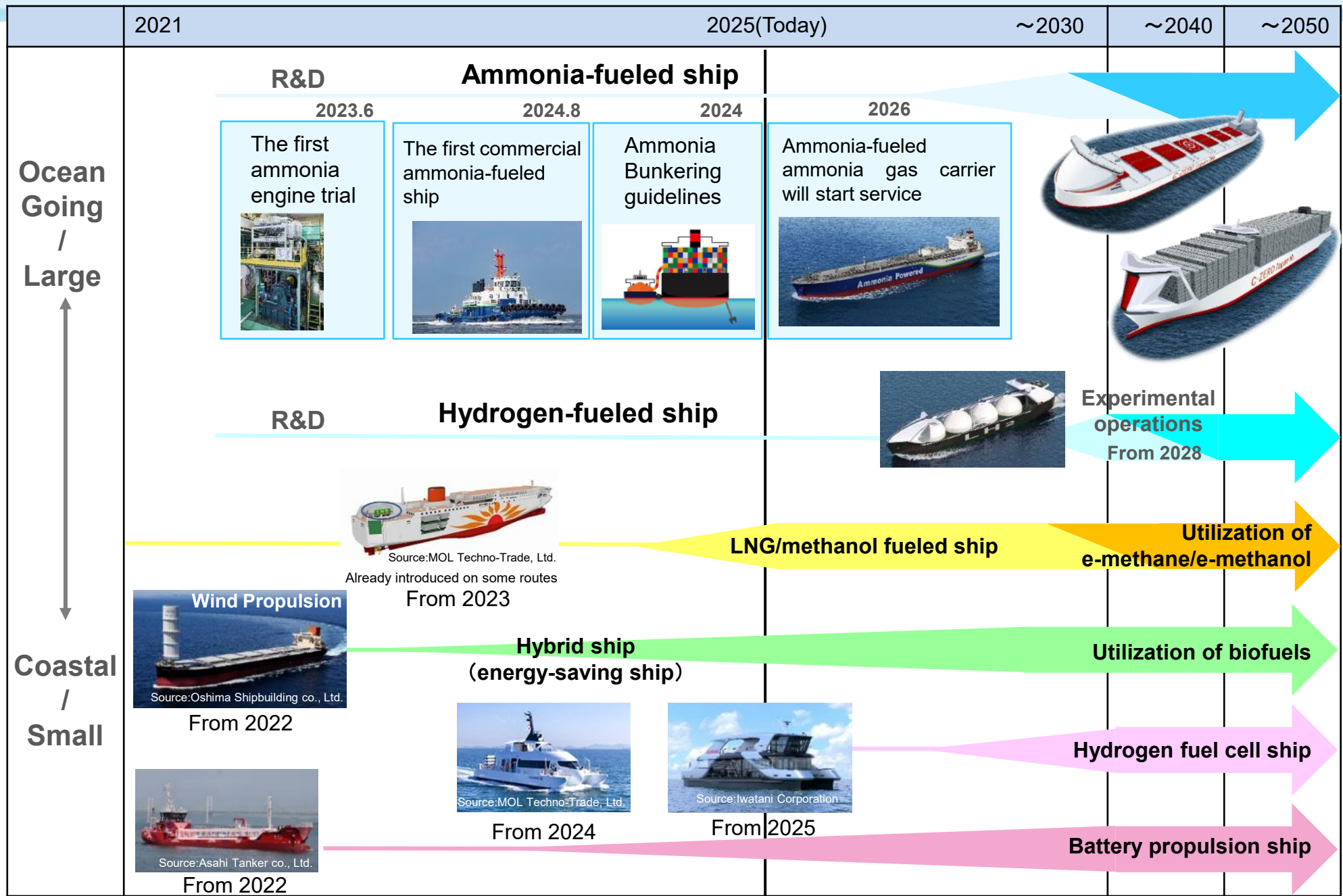
Insurance companies

Institutions

Brokers / Consultants

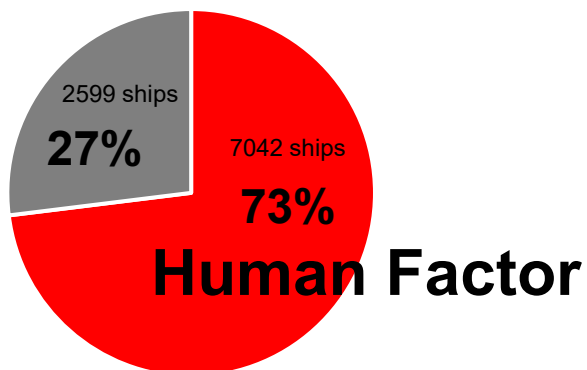
※Based on data as of 2024

Development of zero-emission ships in Japan



Development of MASS in Japan

Causes of marine accidents



Innovation for communication technology

90s 2000s 2010~2020~



Maritime Autonomous Surface Ships(MASS) as solution



The Nippon Foundation MEGURI 2040:
Demonstration projects aimed at
the social implementation of MASS

無人運航船プロジェクト

MEGURI
2040

日本財団
THE NIPPON
FOUNDATION

2. Japan's contributions to international rulemaking (IMO・IOPCF)

- The United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships
- Established in 1958, based in London
- Member States: 176 Associate Members: 3 IGOs: 67 NGOs: 88
- Adopted 59 International conventions



Source: IMO website

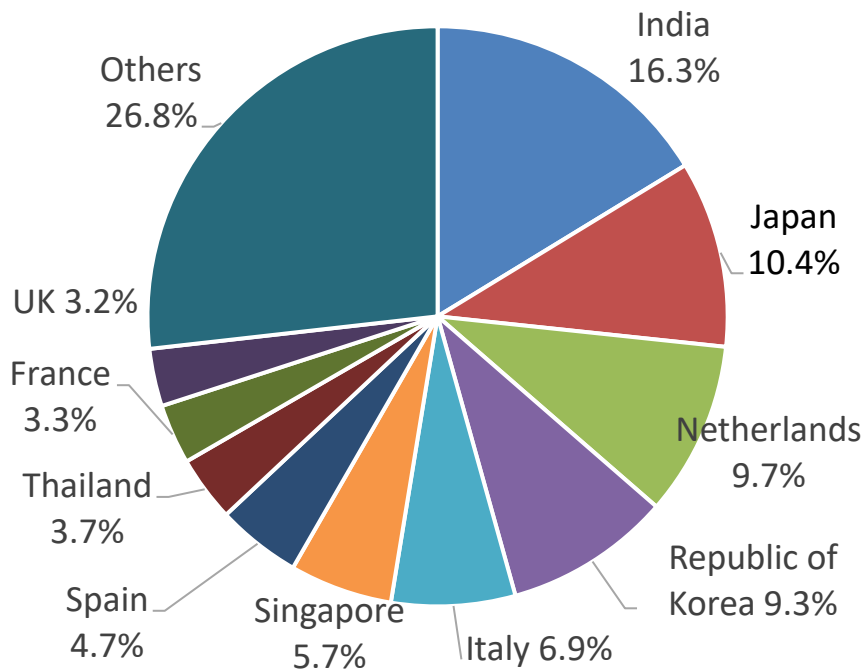
Japan's contribution of Japan to the IMO

Knowledge and experience in shipping and shipbuilding industries, human resources, technical cooperations, etc.



Source: IMO website

- IOPC Funds provide financial compensation for oil pollution damage that occurs in its Member States, resulting from spills of persistent oil from tankers.



Contributions to the 1992 Fund by country (2024)



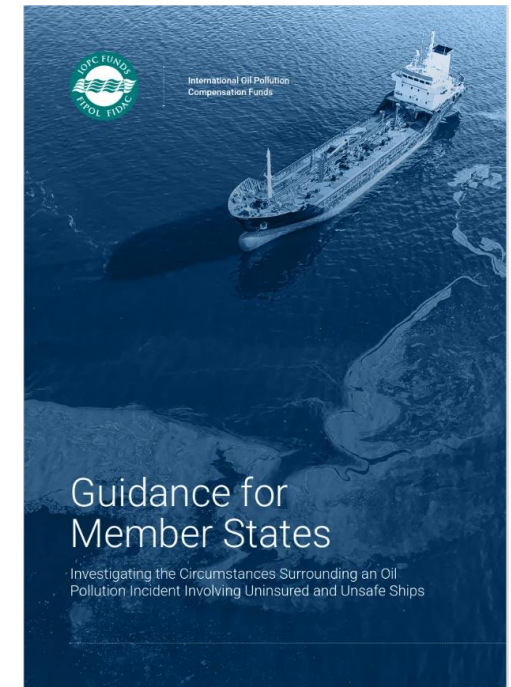
Prof. Fujita, First Vice-Chair of the 1992 Fund Assembly

Source: IOPC Funds

- The ongoing risks involving an uninsured or unsafe vessel
 - Uninsured and unsafe vessel are causing oil pollution.
 - Older and smaller tankers are also causing oil pollution.



Trinidad and Tobago, February 2024



Source: IOPCF Funds

Recent IOPCF Topics and Japan's Contributions

- Member states that are not fulfilling their treaty obligations
 - Submitting oil reports
 - Ensuring payment of annual contributions
- 18 States Parties - to defer payments of compensation (1992 Fund Resolution No12)
- 6 States Parties - to issue invoices to contributors (1992 Fund Resolution No13)



3. HNS Convention

■ INTERNATIONAL CONVENTION ON LIABILITY AND COMPENSATION FOR DAMAGE IN CONNECTION WITH THE CARRIAGE OF HAZARDOUS AND NOXIOUS SUBSTANCES BY SEA, 2010

Objective

- Damage caused by **Hazardous and Noxious Substances** (HNS; chemicals, LNG, LPG, etc)
- Ensure the compensation for victims

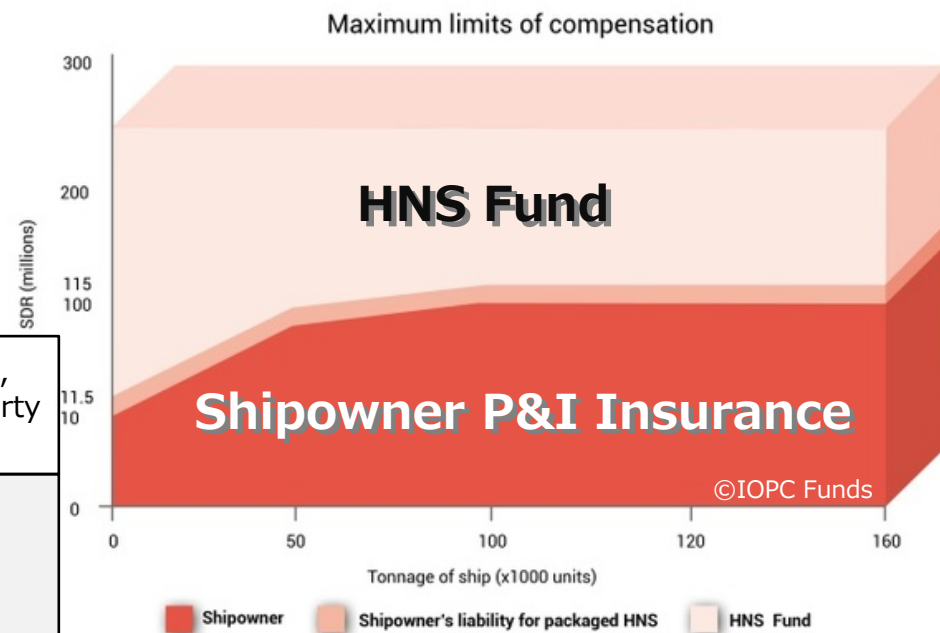
Status

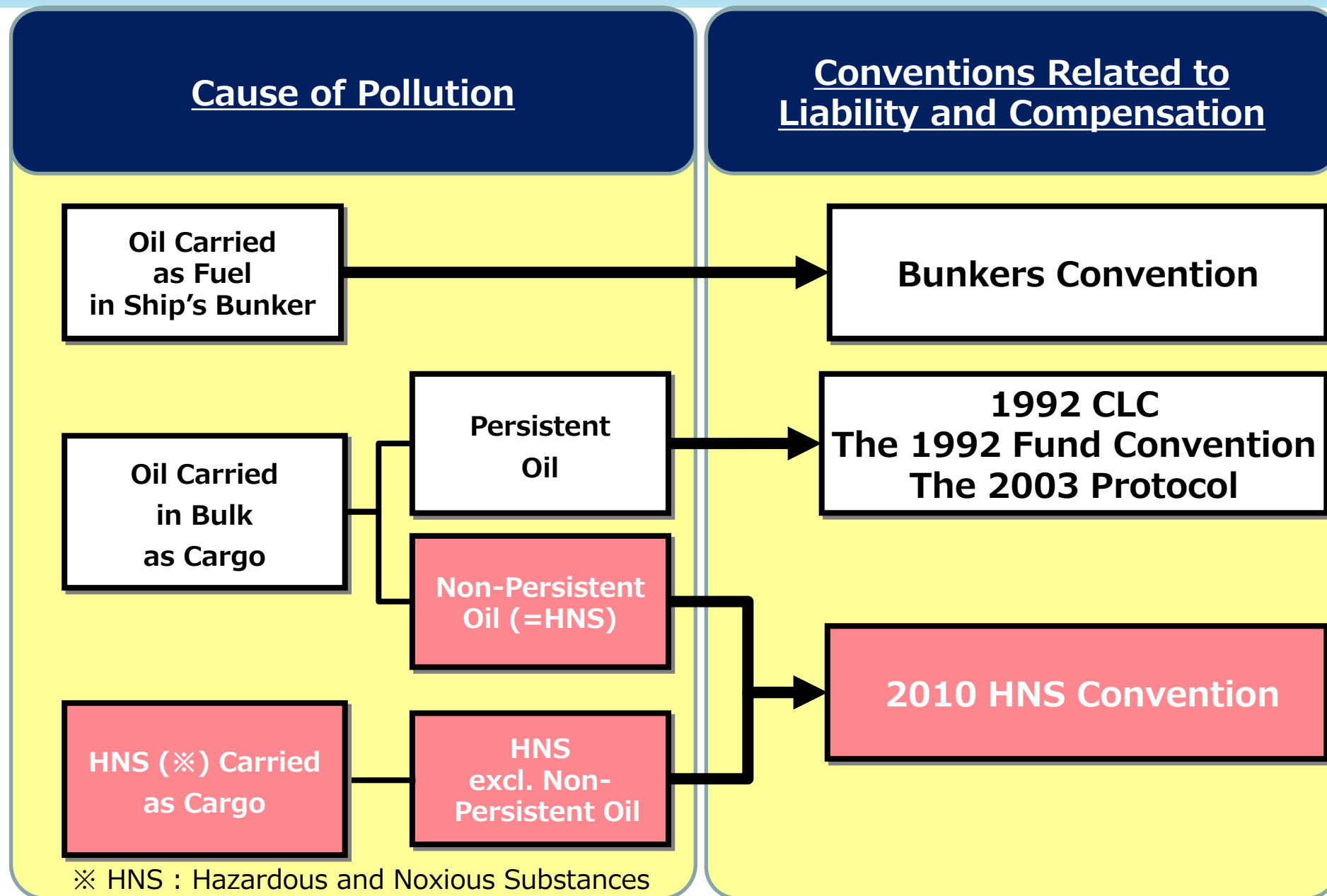
Adoption : 30, Apr, 2010
Not yet in force
 Ratification : 8 (Norway, Turkey, Canada, Denmark, South Africa, Estonia, France, Slovakia)

Outline

- Strict liability of shipowner for damage caused by HNS
- Limitation of shipowner's liability
- Compulsory insurance or other financial security
- Financed by contributions from HNS receivers in Member States

Type of losses Substance	Contamination of environment, preventive measures	Loss of life, injury, property damage
Persistent oil	CLC, Fund Convention	
HNS	HNS convention	





● Background

➤ January 2018

Establishment of the Review Committee on Domestic Legislation of the 2010 HNS Convention

● Opinions of the Review Committee

a. The possibility of significant costs unrelated to Japan

b. Trends in countries with high HNS volumes

c. Further consideration of the benefits

● Result of the Review Committee

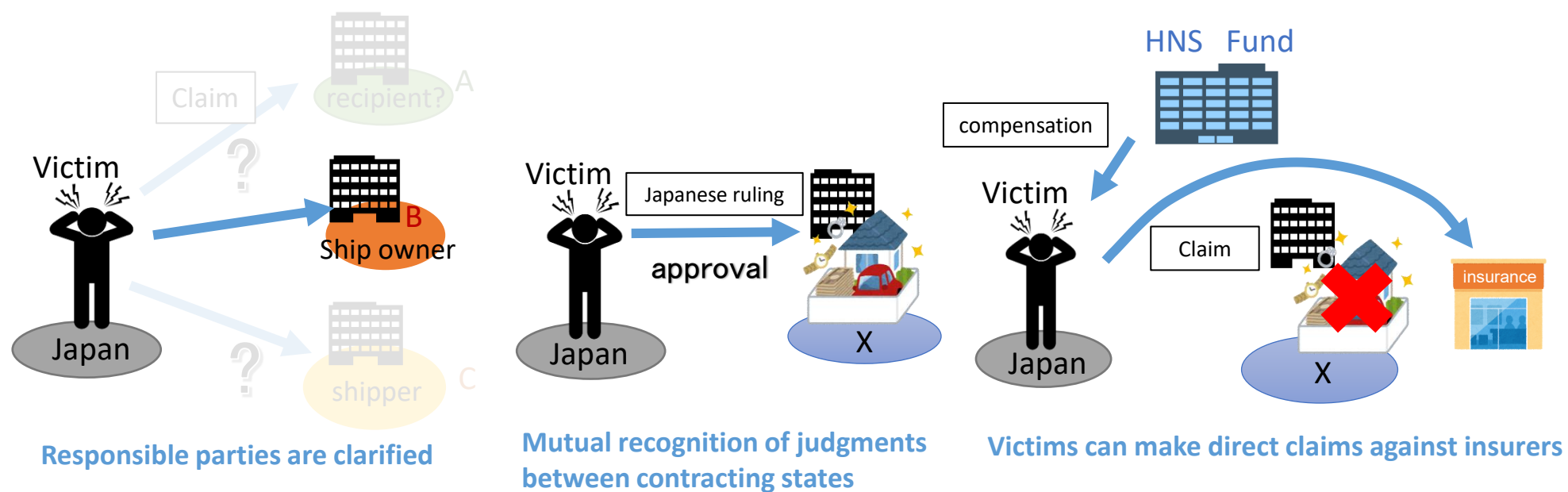
- Decided not to make a policy decision as to whether to ratify the HNS Convention at this time
(when the treaty's entry into force is uncertain)

The quantities of Contributing Cargo

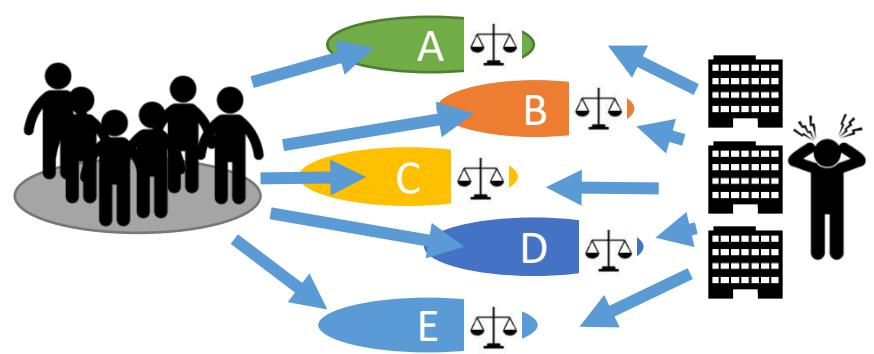
	General account	Oil account	LNG account	LPG account
Canada	1,416,723	52,355,154	136,735	22,394
Denmark	734,256	6,703,033	0	46,375
Estonia	549,993	271,877	0	0
France	3,750,593	75,155,964	10,488,857	1,045,721
Norway	1,838,710	13,348,805	89,223	182,921
Slovakia	0	0	0	0
South Africa	4,736,644	38,287,557	0	343,034
Türkiye	6,217,452	50,227,828	8,746,670	1,765,214
Total	19,243,371	236,350,218	19,461,485	3,405,659
Japan (※1)	17,401,398	175,608,403	77,327,095	10,519,925
Korea (※2)	20,241,778	193,871,328	37,729,905	6,297,829

(Data: HNS.2/Circ.14 ※1 Estimated for 2021 ※2 LEG107/3/2)

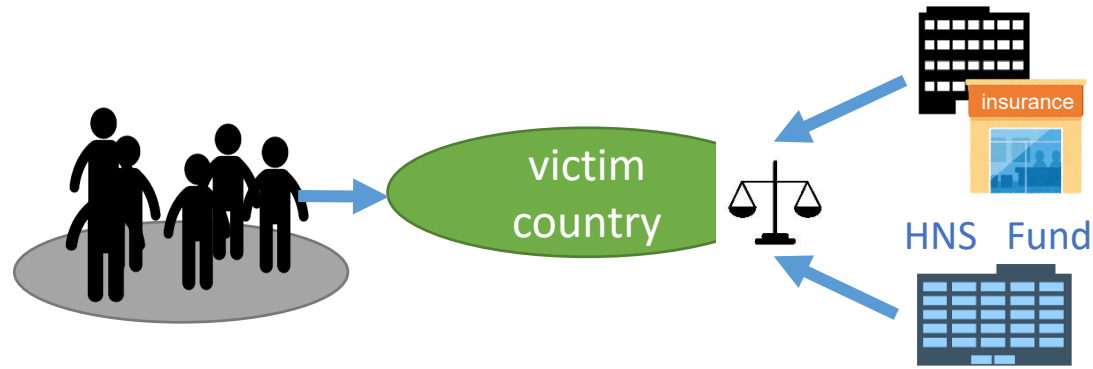
With domestic legislation: Victim perspective



Without domestic legislation : Claimant perspective



With domestic legislation : Claimant perspective



Comparing the IOPCF and HNS

	IOPCF	HNS
Substances covered	<u>Persistent Oil</u> (Crude oil, heavy fuel oil, heavy diesel oil, lubricants)	chemicals, including LPG, LNG, and petroleum <u>About 6,500 types</u>
Damage covered	Pollution damage, Preventive measures	<u>Loss of life or personal injury, loss of damage to property</u> , loss or damage by contamination of the environment, preventive measures
Insurance obligation	○ ✕ carrying more than 2,000 tons of oil	○ <u>✕No cargo volume restrictions</u>

- The IOPCF Secretariat and IMO should confirm whether Member States establish proper systems to comply with the international obligations under the Convention.
- The IOPCF Secretariat should share the leading efforts in Member States.

- The IOPCF Secretariat should investigate and report on HNS-related accidents and their specific damages/impacts.
- Relevant countries should take them into consideration and take steps to reduce the risk of such accidents.

Analysis of claims data on the list of HNS incidents (P & I Group)

(LEG 107/3/1)

- Assume the HNS Convention applies to HNS-related incidents that occurred between 2002 and 2019.

	No. of accidents		The total cost of claim
within the liability limit	407	Shipowner	SDR 297.15 million (89%)
exceed the liability limit	4	HNS Fund	SDR 36.9 million (11%)
		Total	SDR 334.05 million

4. Conclusion

- Japan takes pride in having played a major role in ensuring the safety of maritime navigation and the preservation of the marine environment and will continue to fulfill its responsibility as a major maritime nation.
- Japan proposes that the IOPCF Secretariat continue to work closely with relevant countries to resolve issues.
- And, as one of the main recipient countries, Japan will participate in discussions at IMO/IOPCF regardless of ratification.
- Based on the circumstances, Japan will continue to engage in domestic discussions on this Convention.

