



Safeguarding global regulation to unlock Asia Pacific and ASEAN maritime opportunity

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The international regulatory framework that has long governed global shipping stands at a moment of real consequence. For decades the system developed through the International Maritime Organization has provided uniform rules for a sector that transcends borders. It has delivered consistency for shipowners, supported environmental responsibility, and ensured that global trade flows efficiently and safely. Yet this framework now faces increasing pressure. For Australia and for the wider Asia Pacific region, this challenge is accompanied by significant opportunity, provided that governments remain aligned with global rather than unilateral approaches.

The most visible pressure arises from an increasing tendency for regional or unilateral measures to be introduced without full consideration of their global implications. An example of this is the EU's Emissions Trading System which includes international shipping. This helps to create the precedent in which regional market based measures were applied to a global industry whose operations traverse multiple jurisdictions in a single voyage. Whatever the environmental motivations behind such actions they nonetheless undermine the principle that regulation of international shipping is most effective when crafted and implemented through the IMO.

The urgency of maintaining international unity was made clear during the recent Extraordinary Session of the Marine Environment Protection Committee. The session was convened to accelerate progress on the IMO's greenhouse gas strategy and to develop a global economic measure capable of guiding the industry's transition. Although broad agreement emerged around the principle of a worldwide GHG pricing mechanism, divisions remain on how such a measure should be designed and implemented. The concern is that if progress at the IMO is perceived as too slow, influential regions

may again move independently. This would jeopardise both global regulatory consistency and the ability of emerging centres of maritime activity to fully capture the gains of transition.

The Asia Pacific region presents enormous maritime opportunities, particularly with the surging economic significance of ASEAN. This growing regional influence has made it a focal point for ICS, resulting in the opening of a new office in Singapore alongside our established offices in Hong Kong and Shanghai. The potential of ASEAN and the wider Asia Pacific maritime network underscores the importance of global regulatory coherence: if the right frameworks are in place, the region is well positioned to lead in clean maritime technologies, investment, and trade connectivity.

For Australia, the stakes are considerable. With an economy deeply connected to global shipping, and trade routes linking the country to Asia Pacific, hubs are vital for growth. A coherent global regulatory structure is essential to safeguard efficiency and cost predictability across these networks. Should the system fragment into regional schemes, Australian exporters and importers would face increased complexity and costs, directly impacting the ability to conduct business. ICS' global trade Protectionism in Maritime Economies Study demonstrated that if countries cut restrictive maritime trade policies it could help boost GDP by as much as 3.4% for national economies. Conversely, a unified global economic measure developed through the IMO could deliver substantial benefits, including increased investment in clean fuels, infrastructure, and innovation that strengthen the maritime capabilities of countries across the region.

The shipping industry requires clarity predictability and uniformity. Shipowners and operators cannot invest confidently in new technologies and fuels when the

regulatory environment is fragmented or subject to political shifts. Nor can global supply chains operate efficiently when vessels must navigate a patchwork of regional schemes each with its own compliance rules and cost structures. The strength of the international system has always been its ability to avoid such fragmentation and to allow for efficiency via a level playing field in which complex technical issues can be addressed through collaboration rather than competition.

Our industry is fully prepared to support ambitious global action. Shipowners recognise that decarbonisation is essential and that a predictable regulatory environment is critical to meeting this challenge. Fragmentation would slow progress. Global alignment would accelerate it, enabling maritime hubs including Singapore, Hong Kong, Australia, and the rising economies of ASEAN to grasp the economic and technological gains that decarbonisation will bring.

As Secretary General of the International Chamber of Shipping I reiterate that the IMO remains the only legitimate forum for the development of climate regulation for international shipping. The industry stands firmly behind the multilateral process. If governments resist the pull of unilateral action and reaffirm their commitment to global agreement, the rewards will be substantial. The Asia Pacific and ASEAN regions in particular are poised for significant maritime growth. Australia stands to benefit from this evolution provided that the regulatory framework remains coherent and truly international.

By protecting the integrity of the global system we do more than avoid fragmentation. We enable one of the most dynamic regions of the world to realise its full maritime potential. With the right global regulation in place, the opportunities ahead are immense. ▲