

# Callidus News

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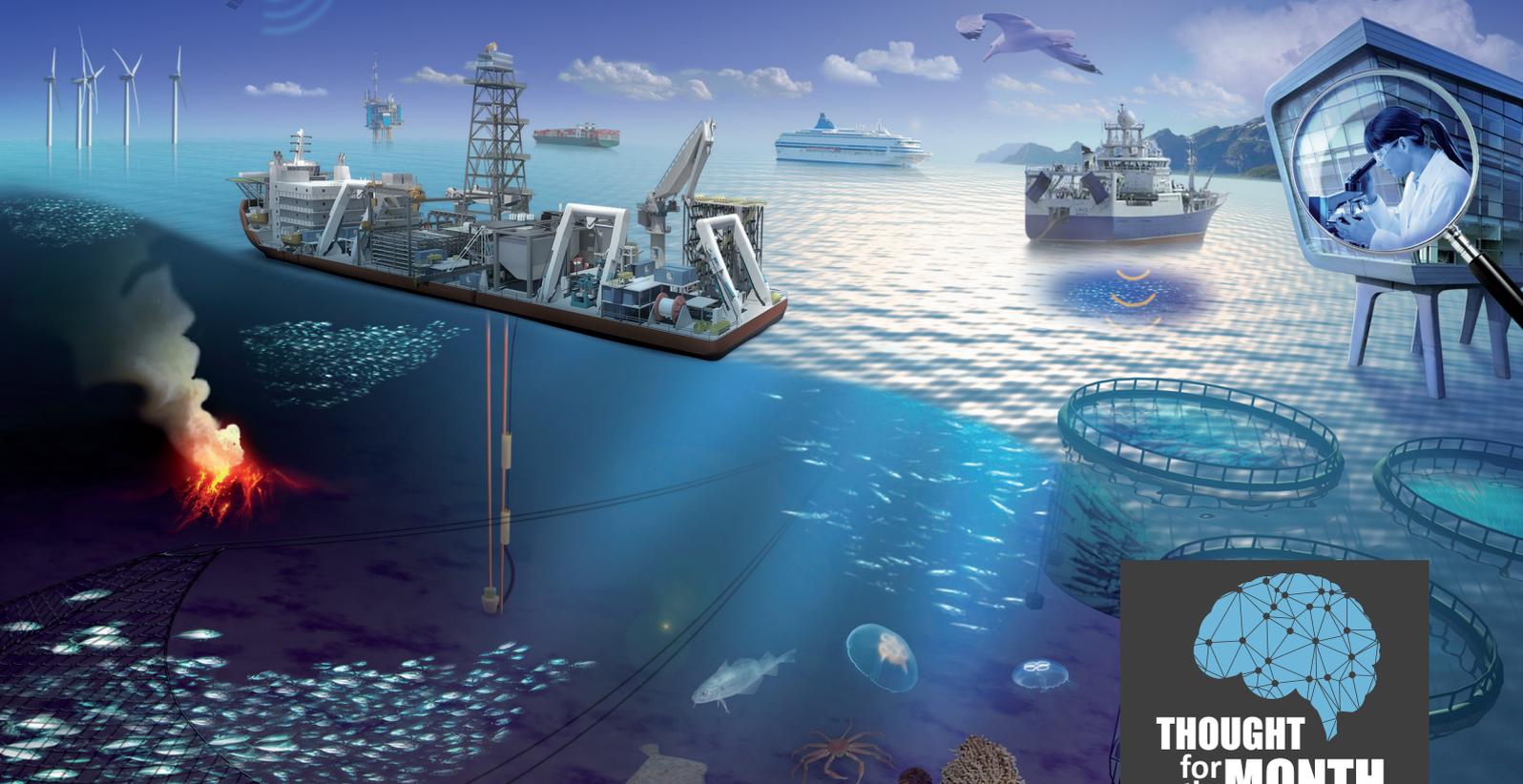
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## THE BLUE ECONOMY AND SUSTAINABLE SEAS



*"For whomsoever commands the sea commands the trade; whosoever commands the trade of the world, commands the riches of the world, and consequently the world itself,"* wrote English Adventurer Sir Walter Raleigh in 1829.

40% of the world's population lives near coastal areas, more than 3 billion people utilize the oceans for their livelihood, and 80% of

world trade is achieved using the seas. The oceans, seas, and coastal areas contribute to food security and yet, the oceans are under severe threat by human activities, where economic profit is at the expense of environmental degradation. Acidification, pollution, ocean warming, eutrophication, and fishery collapse are just some of the examples

of the consequences on marine ecosystems. These threats are detrimental to the planet and have long-term repercussions that demand urgent action to protect the oceans and the people who depend on them.

At its core, the Blue Economy promotes sustainable practices that balance economic growth with environmental conservation. It



### THOUGHT for the MONTH

Though no one can go back and make a brand new start, anyone can start from now and make a brand new ending

**CARL BARD**

**Callidus**

emphasizes the responsible management of ocean resources to ensure their availability for future generations.

## What is a Blue Economy?

"Blue economy" is an economic term linked to the exploitation and conservation of the maritime environment and is sometimes used as a synonym for "sustainable ocean-based economy". There is, however, no consensus on the exact definition, and the field of application depends on the organization that uses it. The UN first introduced the "blue economy" at a conference in 2012 and underlined sustainable management, based on the argument that marine ecosystems are more productive when they are healthy. This is backed up by scientific findings, showing that the earth's resources are limited and that greenhouse gases are damaging the planet. Furthermore, pollution, unsustainable fishing, habitat destruction, etc. harm marine life and are increasing day by day.

The use of the term "Blue Economy" has increased and has e.g., been used by the UN, EU, OECD, and the World Bank to explain the nexus between sustainability, economics, and the ocean. The UN notes that the Blue Economy is exactly what is needed to implement SDG 14, Life Below Water.

## Sustainable Development Goals 14: sustainable use of the oceans

In 2015, all United Nations Member States adopted a development policy on sustainability that centers around the 17 Sustainable Development Goals (SDG). The 17 goals provide a global blueprint for peace and prosperity of people and the planet and are set to be achieved by 2030. Goal 14, labeled Life Below Water, concerns conservation and sustainable use of the oceans, seas, and marine resources for sustainable development, and demands international cooperation for the oceans to get back in balance.

Reaching Goal 14 requires universal action to protect the planet and calls for the implementation of international

forces, through institutional and legal frameworks. Progress has been made, but the targets by 2030 remain a long way off, highlighting the need for action today.

To support the Blue Economy, both the European Union and the United Nations have developed a long-term strategy that aims to support and facilitate sustainable ocean-based economic benefits by implementing climate-resilient and inclusive blue economy policies that reduce human impact. Some countries have also taken it upon themselves to implement strategies and policies that support the idea of a Blue Economy. Among these are Denmark and Norway which have a clear focus on the shipping industry.

## Action plans Denmark & Norway

**NORWAY: THE GREEN SHIPPING PROGRAMME:** According to the EU, 13% of the overall EU greenhouse gas emissions from the transport sector are due to the shipping industry. Norway has undertaken to reduce its greenhouse gas emissions by at least 40% by 2030 compared with the reference year 1990, and for the Norwegian fleet to be climate neutral by 2050. These goals provide a basis for The Green Shipping Programme which aims to seek solutions for sustainable and efficient shipping. The program is an institutional collaboration between authorities and the private sector, which will accelerate economic growth, increase competition, create new jobs, and of course cut emissions. The program is made of studies and projects that are crucial in making Norwegian shipping greener. Around 20 large-scale projects have been introduced, including the development of green ports and shuttle tankers running on liquified natural gas. Seven of the projects have been implemented or are under construction.

**DENMARK: "TOWARDS ZERO"**- Like Norway, Denmark has also taken steps towards a greener and more sustainable shipping industry with the strategy "Towards Zero". Danish Shipping, a business and employers' organization for Danish Shipping, is

the largest single export industry in Denmark and has launched "Towards Zero" which aims to make shipping climate neutral by 2050. Moreover, Danish Shipping works hard to defeat political and financial barriers that hinder climate-neutral shipping.

The initiative is committed to accelerating the transition of green shipping regarding "Fit for 55" and goals set by IMO, a maritime agency of the UN. However, the majority of the countries do not have the resources and budget to fund the 'Global Blue Economy' plans and hence undoubtedly the implementation would take a lot more years; especially for poor countries with challenges related to finance, social justice, and science.

## Sustainable Shipping Practices:

The shipping industry plays a crucial role in the blue economy as it facilitates the transportation of goods, fuels economic growth, and connects markets globally. Here's how the blue economy is related to the shipping industry. As part of the blue economy, the shipping industry is striving to adopt sustainable practices to reduce its environmental footprint. This includes measures like using cleaner fuels, improving ship efficiency, and implementing ballast-water management systems to minimize the impact on marine ecosystems. The shipping industry recognizes the importance of protecting marine biodiversity and habitats. Responsible ship operators promote conservation initiatives, adhere to regulations to prevent biofouling and implement practices to avoid accidents that can harm sensitive ecosystems. The blue economy and the shipping industry go hand in hand when it comes to expanding maritime trade. As global trade volumes increase, shipping plays a vital role in supporting economic growth and facilitating international commerce. The shipping industry supports the development of offshore energy resources, including wind, tidal, and wave energy. Offshore energy installations require logistics

support, specialized vessels, and expertise in maritime operations.

## CURBING GLOBAL CHALLENGES

Obtaining a Blue Economy requires a stable economy. Financial barriers are a big constraint in the implementation of Blue Economy and it is usually developing countries and underdeveloped countries that pay the price. Some developing countries have high levels of external debt and, therefore, the focus won't be on transitioning the country's agricultural system towards a bluer one. The transition becomes harder for these countries due to the lack of capacity and technology.

The UN stresses that equity must not be forgotten when supporting a blue economy. Land and resources often belong to communities, and the interests of communities dependent on the ocean are often marginalized since large sectors such as coastal tourism are viewed as bringing in a larger profit. This means that Blue Economy must help achieve SDG 14, but not undermine other goals at the same time.

The Blue Economy is based on multiple fields within ocean science

and therefore needs intersectoral experts and stakeholders. NGOs, fisher organizations, indigenous people, and communities are all crucial for an inclusive economy. However, science and innovation are needed to understand the environmental and socioeconomic aspects of a Blue Economy. Thus, the basis of creating a Blue Economy can be demanding and needs numerous experts in the different fields that some countries may not have access to. This situation calls for global action to grant aid to support the needy to fulfill the blue economy agenda.

While many countries work towards a greener agenda by advancing their ocean economies, achieving such endeavors is still challenging. Global governments need to transition a small part of their economy towards achieving a global, healthy blue economy. A part of what is used for investing in modern infrastructure, technologies, R&D, education, and creating jobs. Transitioning away from an agricultural industry towards a bluer economy will be demanding.

## The Global Transition

Multiple global organizations provide

dialogue and guidance by creating international events. At the beginning of March 2022, The Economist hosted the World Ocean Summit on achieving the 2030 targets. In February 2020, The European Commission also hosted the One Ocean Summit in Brest, France, to take new steps to strengthen EU leadership in protecting the ocean. The UN Ocean Conference which took place in Lisbon (2022) focussed on saving our oceans and protecting our future and the 2025 UN Ocean Conference will take place in France with further Ocean plans.

## Conclusion

The Blue Economy represents a paradigm shift in how we perceive and utilize our oceans. It promotes a holistic approach, balancing economic prosperity with environmental stewardship. While opportunities abound, challenges remain, requiring concerted efforts at local, national, and global levels. The sustainable management of our oceans is not just an economic imperative; it is a moral obligation to safeguard the planet's most expansive and precious resource for generations to come. ■

# VESSEL ARREST

**C**ase Commentary on vessel arrest - Hindustan Aegis LPG Ltd Vs Owners and Parties interested in the vessel MT TSM POLLUX (IMO NO. 9266889)

Facts- The case coming under the Admiralty Jurisdiction of the High Court of Calcutta arose out of damage caused to the twin marine loading, and unloading arm installed at Haldia Oil Jetty No-1 by the crane of the MT TSM POLLUX (IMO NO. 9266889) flying the Liberian flag. According to M/s Hindustan Aegis LPG Ltd (the plaintiff herein), the aforementioned twin arm installed at Haldia Oil Jetty No-1 is used to handle fluid cargo. They also confirmed that the twin arm was in operational condition when the said vessel with



its crane protruding out, was sailing by the side of Jetty No-1. The vessel hit the twin marine loading/unloading arms and completely snapped them leaving the twin arms damaged, broken into two parts, and non-functional.

The entire fluid cargo handling unit of the plaintiff had become inoperative since then. This damage has resulted in a tremendous loss for the plaintiff viz, loss of the cost for acquiring the twin arm, the cost for transportation and installation of the same, and also loss of income.

It is also the case of the plaintiff that at least one year will be consumed to procure the twin arm which is specialized equipment of definite specification, for which the manufacturers whereof are limited, installing the same and making the fluid cargo handling unit operative once again.

Issue and laws –Damage to twin marine loading, and unloading arm installed at Haldia Oil Jetty No-1 (Damage to installations at port)

The loss and damage alleged qualifies as a maritime claim under the provisions of Section 4 (1) (d) of the Admiralty (Jurisdictional and Settlement of Maritime Claims) Act, 2017. Furthermore, the plaintiff apprehends that the port authorities may penalize the plaintiff in case the fluid cargo handling unit remains inoperative for no fault of the plaintiff.

The plaintiff produced a copy of the import purchase order dated 14th November, 2016 where it appears that to procure the twin marine loading unloading arm the plaintiff had to spend USD 506,161. It also appears from the work order issued by the plaintiff for transportation and installation of the twin arm that the plaintiff had to spend Rs.56,93,102/- on or about 17 July 2017. The time period between the placement of the purchase order and the work order for installation shows a difference of about 8 months. By taking into account a reasonable period for transportation and installation it prima facie demonstrates that a period of about one year was consumed for procuring transporting, installing,



and making the unit operational. At the same time is likely to take for replace the twin arms and to make the cargo handling unit operative.

The submission of the plaintiff regarding the time required to make the damaged handling unit once again operational is, therefore, prima facie substantiated. The plaintiff also brought forward an estimate of the last year's income generated by the plaintiff from operating the fluid handling unit at HOJ-1. It appears that on the annual computation of the income generated by operating installation at HOJ-1 and HOJ-2, the plaintiff has earned about Rs.1,66,87,48,914/-. By dividing the same into two, the income that the plaintiff has generated for the last year in HOJ-1 is Rs. 83,43,74,457/-. Going by such figures, the plaintiff at the least will earn this amount for the next year.

In the backdrop of the above, the plaintiff says that the defendant on anticipating a huge maritime claim to be foisted against her for such negligent act is in haste trying to take away the vessel outside the jurisdiction of Haldia Port and that of Calcutta High Court.

Because, in the event, that the vessel leaves the Haldia Port and the jurisdiction of this Court, the suit is likely to become infructuous and the plaintiff will not be in a position to realize the huge loss caused to it by the said vessel belonging to the defendant. The

application for arrest was allowed to be moved ex parte because of the urgency.

After hearing the plaintiff and considering the materials on record, the Hon'ble Judge had no reasons to disbelieve that the twin arm had been damaged due to acts of negligence on the part of the offending vessel.

It was also observed that at this stage it will be a fruitless exercise to go into the aspect of negligence or contributory negligence as the offending vessel can leave the Haldia Port and the jurisdiction of the Court the suit will become infructuous and the plaintiff will not be able to establish its claim to realize the same. Moreover, if the defendant can show that the damage to the twin arm has not been caused by the said vessel then it will be able to realize compensation for any loss caused by the plaintiff's acts.

The plaintiff was able to make out a strong prima facie case to go to trial. The balance of convenience and inconvenience was in the favour of the plaintiff and in favor of passing an order for arrest as prayed for. The said vessel which, according to the plaintiff, is the offending vessel if not arrested would have caused further irreparable loss to the plaintiff. Such an order of arrest was also necessary to prevent a multiplicity of judicial proceedings.

Thus in the aforesaid facts and circumstances, an order directing the

arrest of the vessel MT TSM POLLUX (IMO NO. 9266889) along with her tackle, hull, engine, equipment, apparel, furniture, and all movable lying on board was issued by the High Court of Calcutta.

To proceed with the same, the Marshall of the High Court of Calcutta was directed to forthwith arrest the said vessel MT TSM POLLUX (IMO NO. 9266889) along with tackle, hull, engine, equipment, apparel, furniture,

and all movable lying on board.

The said order was to continue unconditionally till 27 September and the matter was listed on 27 September before the Hon'ble Court where the owners of the vessel had sought leave for vacating the order and for reduction of security and the matter was adjourned to 11/10/2023. The Hon'ble Court has also ensured that they have not made any modification in the order

as the arrest of the vessel will continue until further orders from the court.

It was also further clarified that in the event the defendant deposits an aggregate amount of USD 506,161 and Rs. 84,00,67,559/- in the suit as security with the Registrar, Original Side of this Court, this order of arrest of the vessel MT TSM POLLUX (IMO NO. 9266889) shall stand automatically vacated. ■

## ADANI INAUGURATES INDIA'S VIZHINJAM DEEPWATER CONTAINER TERMINAL



On Sunday, the heavy lift ship Zhen Hua 15 docked at India's new Vizhinjam Port from China, laden with gigantic cargo handling cranes for the facility. The vessel's maiden visit was celebrated across India as it marked the inauguration of Vizhinjam Port. "A significant milestone has been completed as the heavy load cargo ship docked at Vizhinjam Seaport. Boasting container transshipment capabilities and proximity to major shipping routes, it's a game-changer for Kerala's infrastructure and development," said Pinarayi Vijayan, Chief Minister of Kerala, as he welcomed the vessel on Sunday. As India's first deep-water port, Vizhinjam is set to position India as a top global transshipment hub. Although the

port's construction was officially commissioned in 2016, the idea for the project was first mooted in the early 1990s. The \$925 million Vizhinjam Port is located in the southern tip of India in the State of Kerala. It is being developed under a public-private partnership, with the local state government providing funding together with the private partner Adani Ports and Logistics. This is about to change with Vizhinjam boasting a natural channel that is as much as 24 meters (79 feet) deep. In addition, the port will have a capacity of one million teu in its first phase, and an additional 6.2 million teu to be added in the following phases.

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