

# SUSTAINABLE OCEAN SUMMIT

*“Ocean Sustainable Development -  
Connecting Asia and the World”*

## Executive Summary

Hong Kong / 14 – 16 November 2018





## The International Business Alliance for Corporate Ocean Responsibility

The Sustainable Ocean Summit 2018 convened at the New World Millennium Hotel in Hong Kong on November 14-16.

The World Ocean Council would like to thank [Kitty Kam](#) and the team of Ocean Ambassadors for their on-site support and diligence in note-taking during conference sessions. The report was written by [Jane Hei Tung Chu](#), edited and reviewed by [Christine Valentin](#).

The World Ocean Council would like to thank all of them in particular.

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Sustainable Ocean Summit 2018 Summit Report  
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## EXECUTIVE SUMMARY

The World Ocean Council (WOC) **Sustainable Ocean Summit (SOS)** has become the **premier forum for advancing global industry leadership and collaboration on ocean sustainable development, science and stewardship**. Following the success of the SOS in Halifax (2017), Rotterdam (2016), Singapore (2015), Washington D.C. (2013) and Belfast (2010), **the SOS 2018 convened at the New World Millennium Hotel in Hong Kong on 14-16 November**, with the theme of **“Ocean Sustainable Development – Connecting Asia and the World”**.

Since 2010, the SOS has been bringing together leaders from the diverse **Ocean Business Community** – shipping, fisheries, oil and gas, aquaculture, offshore renewables, tourism, seabed mining, marine technology, law, insurance, finance, etc. – as well as ocean stakeholders from the government, inter-governmental, science and environment communities – to focus on **industry-driven action on “Corporate Ocean Responsibility”**.

### General Highlights

With an unparalleled line-up of ocean industry leaders (including special speakers **Former Seychelles President James Michel, U.N. Ocean Envoy Ambassador Peter Thomson and Hong Kong SAR Director of Marine Maisie Cheng**), the SOS 2018 delivered a rich agenda that featured plenary and parallel sessions on Women’s Leadership in Ocean and Coastal Business, Asian Shipping and Shipbuilding, Biofouling and Invasive Aquatic Species, One Belt One Road One Ocean, Ocean Investment Platform and more.

Side events at this year’s SOS included the inaugural **CEOcean Club** (a gathering of the 30 most senior business and investment representatives at the SOS), the **Young Ocean Professionals and Ocean Women: Blue Economy Networking Social Event**, and **Lunch and Learn – What Value can a “Digital Ocean” Bring to Marine/Maritime Activity?** – organized by WOC Member Mercator Ocean International.

**“Get the balance right between production and protection. Business is the engine to make this happen.”** – Peter Thomson, Special Envoy for the Ocean, United Nations

**“You are the solution towards how we can survive, thrive and prosper in a sustainable manner – by nurturing our fragile ocean environment through investing time, resources and effort in collective and collaborative ways.”** – Kenneth Koo, TCC Group Chairman and CEO, SOS 2018 Conference Chair

**“The Sustainable Development Goals are great guidance but they’re not specific to one of us. The ocean industries need to play a collaborative role – and we will.”** – Despina Panayiotou Theodosiou, WISTA International President

**“Top leaders and representatives from different sectors are gathered here for an enlightening experience. The participation of government officials is likewise crucial. We have a macro picture here.”** – Simon Kuik, Vice President and Head of Research and Development, Sembcorp Marine

**“The SOS 2018 was a terrific learning experience. The knowledge shared was rich and informative. It’s wonderful to know that we are pushing the frontiers – prioritizing beyond development and economic frontiers and building future performing forums.”** – Cary Anne Cadman, Environment Sector Coordinator, World Bank

**[Click here to revisit the SOS 2018 Program.](#)**

## Thematic Outcomes

### **The Economic Perspective**

Population growth has been a key driver of economic demand and infrastructure development. Ocean industries are rising to the challenge, and are forecasted to double their contribution between 2010 and 2030. Government commitment will be critical to ensuring industry growth, as well as encouraging innovation and collaboration between public and private stakeholders.

While the rise of consumerism has opened opportunities for industry, the private sector and governments need to acknowledge that by bringing these products in, they have become part of the problem – and need to be part of the solution – not just because it is the right thing to do, but also because it makes good commercial sense.

The potential of ocean-centric innovation space to improve environmental outcomes is enormous, and will be achievable through collaboration with corporations, banks, foundations, sustainable impact and long-term thinking sovereign wealth and pension funds. Ultimately, private sector financing requires from complex blue projects an element of pipeline replicability and scalability – to the extent that they serve not just one but multiple returns in terms of sustainability.

### **The Social Perspective**

Sustainability is not just an economic and ecological concept – rather, it's a social movement that affects us all. Competing interests between sectors and communities require mutually beneficial solutions overseen by regulatory bodies and facilitated by dialogue with relevant stakeholders. To bring research to reality, assessments of ethics, social license and governance will be necessary.

The development of new technologies for the Digital Ocean has at times necessitated a need for community consent. That said, data applications by ocean industries hold much promise for raising awareness of conservancy and engaging the younger generation.

### **The Environmental Perspective**

In face of today's unprecedented rates of planetary change, there can be no more "business as usual". Ocean industries have a responsibility to contribute to the livability of our planet while there is still an opportunity. Regulations and guidelines continue to be developed to ensure industries comply with the highest standards.

Environmental impact has become a risk in financiers' lens of "risk and return". It is important that investors take the ESG parameters a step further by measuring "additionality" in terms of the SDGs when investing in sustainability projects. While a lot of marine environment data, and applications to use these data, have been made available, the next step is for stakeholders to capitalize on this availability and drive policy and business decisions in the right direction for a sustainable future.

The SOS 2018 brought to the fore the benefits of business alliances/clusters and cross-sectoral collaboration, which have created common research programs, facilitated funding, empowered industries to advocate for regulatory changes, and disseminated knowledge and best practices. The WOC, as a global cross-sectoral alliance aimed at facilitating "Corporate Ocean Responsibility", represents the ideal platform to further these collaborations.

## Asian Shipping and Shipbuilding

New environmental regulations have generated additional expenses for the sector, as well as an urgent need for investment in technical innovation to comply with revised standards on the design and management of engines, fuel processes etc. There is much concern that failure to do so would cause infrastructure issues leading to inefficiencies and unforeseen losses in the near future.

The conservative mindsets of shippers, as well as a lack of young talents, have impeded efforts in industry-wide decision-making on innovation. Technical synergies will serve much to improve safety in navigation and cover lack of experience, as well as fulfill demands on transparency from the wider community.

## Biofouling and Invasive Aquatic Species

Biofouling currently accounts for a third of invasive species being transported globally, and increased drag and fuel consumption have seen increased CO<sub>2</sub> emissions from travelling vessels. That said, anti-fouling products that have been developed come with their own environmental issues. Responses by governments and NGOs have seen the implementation of new guidelines and targets for anti-fouling systems to ensure that they comply with global sustainability objectives.

The dual necessity of biofouling prevention and cleaning to avoid pertinent environmental and economic ramifications is eminent. The GEF-UNDP-IMO GloFouling Partnerships Project has now launched with WOC as one of the lead implementers for engaging ocean industry action with key organizations and leadership companies.

## U.N. Law of the Sea and the BBNJ Agreement

Private sector input is urgently needed to ensure the BBNJ agreement will be adapted to future economic activities. At the present stage, companies are encouraged to invest resources in understanding the impact of the agreement on business plans and operations, to identify the associated risks and opportunities, and to share their views with their governments, the actual negotiators of the agreement.

The WOC has been developing the “BBNJ Business Coalition” as a means for coordinated industry involvement in the BBNJ process. This will advance interaction both: a) among the sectors of the diverse ocean business community and b) between the private sector and other stakeholders. The Coalition will seek to develop coordinated industry input to ensure that the BBNJ will be practical, implementable and engender constructive ocean business community engagement in the conservation and sustainable use of marine life in international waters.

**[A 2-page WOC briefing on the BBNJ and implications for ocean industries can be found here.](#)**

## Responsible Marine Mining

Growing populations and clean energy development have continued to demand for metals and minerals. Due to the many uncertainties of deep sea mining, regulators are often in favor of the precautionary, or “no mining”, approach. The industry is pushing for innovation in risk minimization through technology, financing and market analysis.

Despite the societal advantages of marine mining (relative to terrestrial mining) such as no social displacement and no child labor, negative public perceptions of the industry persist. It is important to note that regulators are not the only stakeholders – social media, campaigners and NGOs all have the power to influence project assessments.

## Plastics/Waste Removal from Ocean and Island Areas

While the rise of consumerism has opened opportunities for industry, the private sector and governments are acknowledging that by bringing products like plastics in, they have become part of the problem – and need to be part of the solution – not just because it is the right thing to do, but also because it makes good commercial sense.

For clean-ups to be of impact, attention must be given to three source areas simultaneously: inland waters, coastal and island areas, and the open sea. Likewise, the power of private-public partnerships needs to be better realized for the mutual and extensive benefits they bring.

## SMART Ocean-SMART Industries and the Arctic

The Arctic is one of the fastest changing regions on Earth, with rapid declines in ice extent resulting in rising global temperatures as well as increases in vessel traffic from a range of domains. Economic development in the Arctic has been largely driven by its petroleum, mineral and biomarine resources as well as its opening of shipping routes.

There remains, however, an inadequacy of data on climate patterns and sea ice interaction. Quality data coverage is much needed by business and research communities to better forecast environment dynamics, in turn improving the sustainability and safety of operations.

The WOC has been working as a partner in the EU-funded H2020 EU-PolarNet and ARICE projects to identify key industry stakeholders with operations in the Arctic Ocean, i.e. those who are able to deploy instrumentation or collect environmental data in the region, and develop the dialogue between science and industry by implementing an Industry Liaison Panel (ILP).

## One Belt, One Road, One Ocean

The development of the 21<sup>st</sup> Century Maritime Silk Road (MSR) must focus on three key strands in order to realize its economic potential: 1) New needs – the transformation of ports and canals and establishment of “information ports”; 2) New realms – the Arctic, finance and tourism services, such as RMB offshore centers, maritime banks – from trade to finance; 3) New thoughts – collaborative discussions and development of marine resources, the sustenance of maritime security, and the innovation of maritime regulations.

The aim to promote infrastructure development, institutional linkage and people connectivity for ocean industries draws linkage to the SDGs and Agenda 2030. However, it may still be too early to judge whether the MSR will become a true enabler for the SDGs. Rather, efforts at this point in time should focus on getting MSR planners and implementers to become more engaged in existing global governance of the oceans, in order for opportunities in sustainable business operations to materialize in the future.

## Ocean Business Action on Climate Change

In face of today’s unprecedented rates of planetary change, there can be no more “business as usual”. Once temperatures slip past the point of no return, the planet will reach a “stable” state of “hothouse”. The only thing that remains to be done is to reduce emissions as rapidly as possible, and at the same time start to deploy mitigation measures (NETs, seaweed plantation, port resilience) at scale.

The magnitude of recent climate threats has been increasing port vulnerability and impacting access routes and terrestrial connections, supply chains, energy suppliers and third parties such as insurers. With 9/10 of the world’s top ports (in terms of capacity) being in APAC, the continued functionality and growth of Asian

ports will be critical for global economic development.

### **Sustainable Aquaculture in Crowded Seas**

With increasing world populations and rising seafood consumption, intensification is the only way forward for the global aquaculture industry. The private sector and science community have been working on several fronts to develop the technology required for implementation of sustainable production.

With the rapid rise in demand and production of farmed fish (especially in Asia), responsible management will be crucial to minimize negative impacts on local communities.

### **The Role of the Ocean/Maritime Legal Community**

There is a real need for the legal community to engage in ocean sustainability issues, in view of recent environmental compliance measures (such as on sulfur emissions, ballast water management, vessel speeds) that are exerting increasing regulatory pressures on maritime industries. Notably, this requires legal practitioners to move away from being “reactive” to being more “proactive” by becoming partners in business development strategy and risk management.

Legal advisors have a mandate to point out legal, governance, compliance and strategic issues that are coming up clients’ way – including on SDG 14 commitments. In general, clients are receptive and engaged because they understand from past experience the potential risks of trends breaking up business models (e.g. geopolitics and cybersecurity).

### **LNG as a Marine Fuel**

Compared to its more polluting counterparts, LNG allows for up to 20% less CO<sub>2</sub> (greenhouse gas), 99% reduction in SO<sub>x</sub> (respiratory/health), 80% reduction in NO<sub>x</sub> (ozone depletion) and 100% reduction in particulates (carcinogen). It is also proving to be an increasingly competitive alternative fuel. No doubt LNG development will play a significant role in achieving IMO’s goals.

At the same time, blockchain software is being brought into the industry to facilitate automation of sourcing, procurement and delivery of bunkers, in turn reducing operating costs and increasing port capacity.

### **The Digital Ocean, Big Ocean Data and the Ocean Cloud**

Data has become an asset in itself – the new raw material for businesses, providing macro as well as micro applications to facilitate transparency and investments. The increasing availability of data is opening up new opportunities in ocean space through reducing costs and increasing capacity and connectivity. Data is one of the few areas that we can experiment with the notion of limitless resources.

While a lot of marine environment data, and applications to use these data, have been made available, the next step is for stakeholders to capitalize on this availability and drive policy and business decisions in the right direction for a sustainable future.

## Ocean Investment Platform

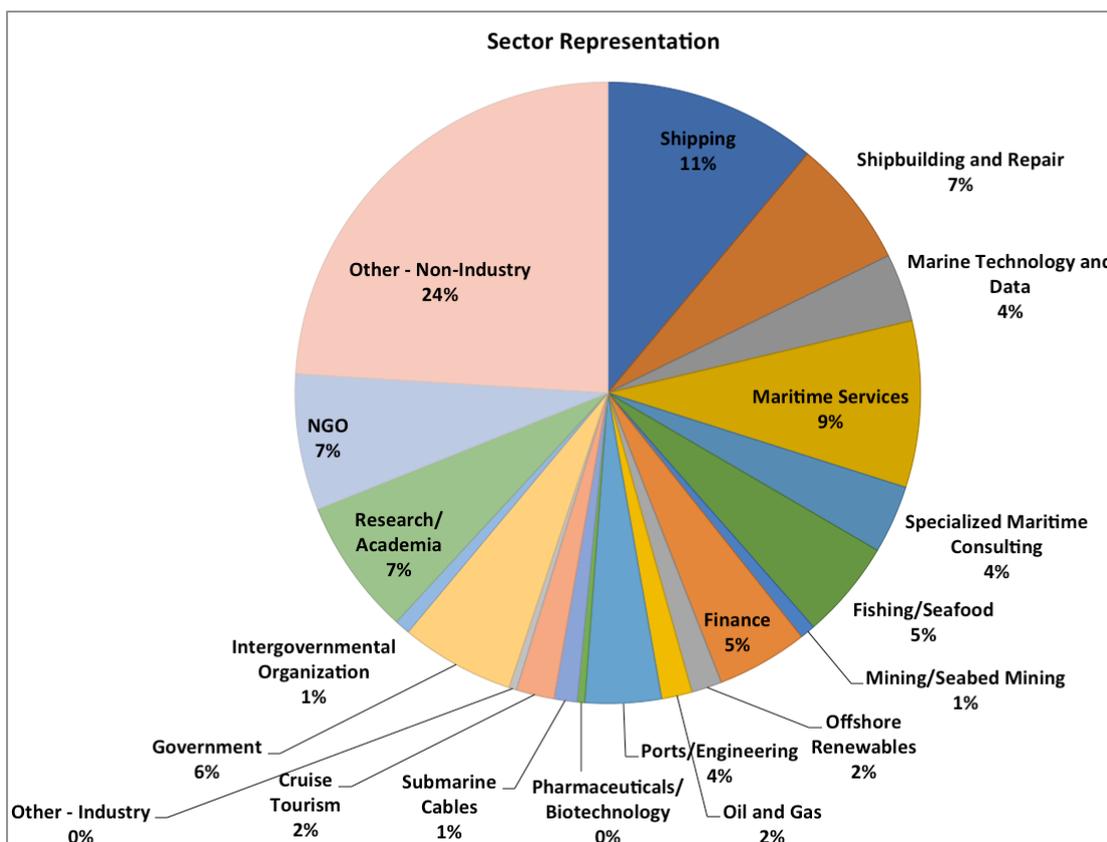
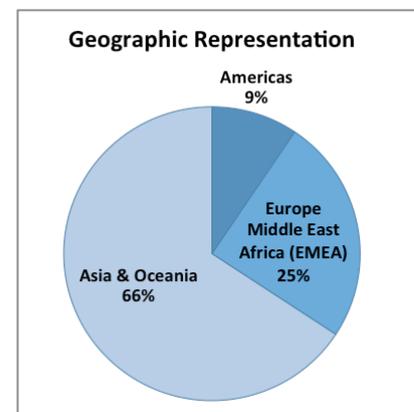
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Environmental impact has become a risk in financiers’ lens of “risk and return”. It is important that investors take the ESG parameters a step further by measuring “additionality” in terms of the SDGs when investing in sustainability projects.

The WOC “Ocean Investment Platform” aims to provide a global structure and process to bring together the investment community and ocean industries providing technological solutions for ocean sustainable development challenges.

### SOS 2018 Statistics

The SOS 2018 was very well attended, with over 250 delegates from 30 different nationalities and representing all key ocean sectors coming together over the course of 2.5 days to identify shared work plans and solutions to ocean sustainable development challenges. Delegates were primarily C-Suite executives and senior officers from the Ocean Business Community. Representatives of international organizations, government agencies and academic/research institutions were also in attendance. Note that in the “Sector Representation” chart below, Media and Ocean Ambassadors are categorized as “Other – Non-industry” participants.



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## THE CHALLENGE

**The ocean is an inter-connected global ecosystem supporting a wide range of uses. Maintaining a healthy ocean requires responsible stewardship by all users.**

Concerns about the impacts of economic activity on ocean health from a growing range and level of commercial uses are on the rise. These concerns may limit industry access to marine areas and resources. Ocean users are increasingly being held accountable by governments and NGOs for the state of the ocean. Continued ocean access and use will increasingly require the social licence to operate – above and beyond simple regulatory compliance – and participation in the Sustainable Development Goals.

The best efforts by a single company or an entire sector will not be enough to address the cumulative impacts on the inter-connected marine ecosystem from growing use across the sectors. Companies dependent on the ocean can achieve business value from working with others to address shared challenges regarding sustainable development, science and stewardship.

## WOC – OCEAN BUSINESS ALLIANCE FOR SUSTAINABILITY

**The World Ocean Council is the international, cross-sectoral industry leadership alliance on “Corporate Ocean Responsibility”.**

The WOC brings together leadership companies from the diverse Ocean Business Community to achieve the business benefits of cross-sectoral leadership and collaboration on sustainability.

The WOC develops global “platforms” to address cross-cutting ocean business and sustainability challenges, e.g. ocean policy and governance, marine planning, marine debris, marine sound, marine mammal impacts, water pollution, data collection by industry vessels and platforms, sea level rise and extreme event impacts, priority regions (e.g. Arctic, Indian Ocean), and investment for ocean sustainable development.

## THE INVITATION TO RESPONSIBLE OCEAN COMPANIES

**Responsible ocean companies are invited to join the growing number of organizations distinguishing themselves as leaders in “Corporate Ocean Responsibility” through the WOC.**

In addition to the 75+ WOC Members from the diverse Ocean Business Community, the WOC Network includes 35,000+ ocean industry stakeholders around the world. The WOC is recognized or accredited by numerous U.N. agencies and other international organizations as *the* credible, global leadership body on ocean business and sustainability.

The WOC Sustainable Ocean Summit (SOS) – 2010 Belfast; 2013 Washington DC; 2015 Singapore; 2016 Rotterdam; 2017 Halifax; 2018 Hong Kong; 2019 Paris – is acknowledged as *the* international business conference on ocean sustainable development, science and stewardship.



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