

**I currently wear two hats. My day job is working for The China Navigation Company. The wholly owned ship owning subsidiary of John Swire & Sons. We are members of the Sustainable Shipping Initiative and share in our own company vision a drive for best industry practice that touches on just about every topic scheduled for today's forum.**

**But I am invited to share my opening remarks today as Chairman of the Baltic Exchange. We represent a global community of over 600 member companies that between them encompass the majority of world shipping interests. Many of you today are members.**

**Baltic Exchange members are responsible for a large proportion of all dry cargo and tanker fixtures as well as the sale and purchase of merchant ships.**

**We are the world's only independent source of maritime market information for the trading and settlement of physical and derivative contracts. That information is best known in our daily indices. The price indicator for vessel earnings. It is here I want to leave a thought hanging as you begin your debates.**

**Whilst the tanker market is enjoying a very profitable market, the dry cargo sector is enduring a horrid market. Average year to date earnings in the bulk carrier fleet based on our benchmark vessel types ranging from 28000 dwt handysize to 180000 dwt cape size, are between \$5500 and \$7300 per day, and not correlating in price to size in deadweight. More disturbing is the forward curve for 2016/17, discounted further in some sectors, whilst only ever so in contango for others.**

**This is not the market to be forced into a competitive disadvantage because a few of us choose to do the right thing.**

**Let me be very clear. I am a firm believer in understanding and challenging the Status Quo. Enforcing change for the benefit of society which for our industry means doing the right thing to improve the safety for crews, ships and their cargo. This also means understanding and improving upon the environmental impact to our planet.**

**But for me this also requires standardizing, GLOBALLY, those best industry practices to achieve those goals you will be exploring in detail throughout today.**

**I simply worry that a failure to standardize these practices drives a competitive disadvantage fueled by a hunger for cheapest, not necessarily the best freight, and I am afraid to say that I have experienced, as a 25 year veteran in dry cargo broking, chartering, trading and now working for a ship owner, too many examples of dare I say hypocrisy, when push comes to shove in a market driven by the bottom line.**

**The regulatory efforts enforced by the EU on the freight derivatives sector by Mifid2 did, in our opinion risk a flight to non EU regulated markets. We believe that has been averted partly due to Baltic Exchange intervention.**

**You have here today a far broader church of market participants as audience. A well thought agenda and some excellent moderators, panelists and presenters. Use the day, challenge the Status Quo, but think hard on the consequence of any compromise on implementation.**

**Thank you**