

# INTRODUCTION TO SINGAPORE'S ECO-SYSTEM

Interactive session

April 23rd, 2023 – Embassy of the Kingdom of the Netherlands



Kingdom of the Netherlands

CLYDE & CO



GOTTERDAM PARTNERS



# TODAY'S SPEAKERS

- **Opening**  
by Eva Verschoor, Business Manager Trade, Rotterdam Partners
- **Joost van Doodewaard, Managing Director, On Site Alignment**
- **Ton van den Bosch, Partner, Clyde & Co**
- **Douglas Raitt, Regional Advisory Services Manager, Lloyd's Register**
- **Q&A session**

# ONE MINUTE COMPANY INTRODUCTION

## MISSION PARTICIPANTS

AquaSmart<sup>XL</sup>



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Connect. Digitize. Simplify.



Fleet Cleaner

VSTEP

FutureProof Shipping

MAVISOFIT



MedAssist.online<sup>TM</sup>  
Medical Care - Anywhere

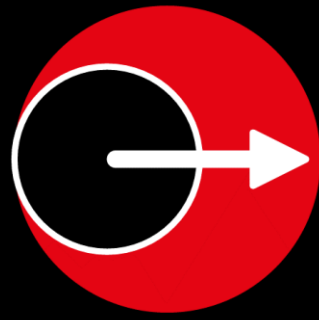
PLATFORM  
ZERO

RMSC  
YOUR GATEWAY TO  
MARITIME BUSINESS



UAB-ONLINE

VM  
Value Maritime



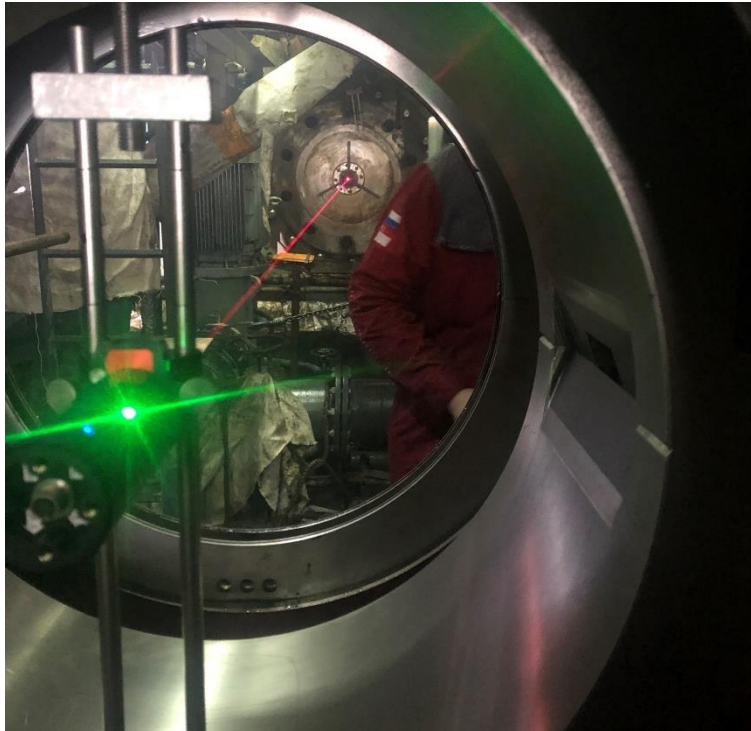
# ON SITE ALIGNMENT



Joost van Doodewaard  
On Site Alignment Singapore



Our company offers high-end mechanical services with a strong focus on alignment. We are specialized in alignment and installation of all critical rotating equipment onboard of ships. Besides this, also do vibration measurement and analysis, sterntube repairs and 3D dimensional surveys.



Netherlands, USA, Singapore, China and Dubai



## About myself

- Studied naval architecture in Rotterdam.
- Started in the alignment business in 2004.
- Moved to Singapore in 2007 to do service / sales.
- From 2010 – 2012 lived in the USA to do sales.
- From 2012 – 2016 worked with SKF in SG (marine services)
- At 2017 I started up a new/own company in SG



So I assume you want to expand  
your business to Asia.

What are your questions?



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**Rotterdam Trade Mission**

Key considerations when doing business  
in Singapore and South-East Asia

24 April 2023



# Intro



○ dual qualified: English solicitor and Dutch *advocaat*

○ 16 years in private practice in Singapore, Amsterdam, New York and Jakarta

○ 9 years inhouse as GC in the offshore and in the ports sector

○ advises on all maritime matters, including ports, offshore, FPSO's and shipping

○ Partner at Clyde & Co in Singapore and board member of the Dutch Chamber of Commerce in Singapore



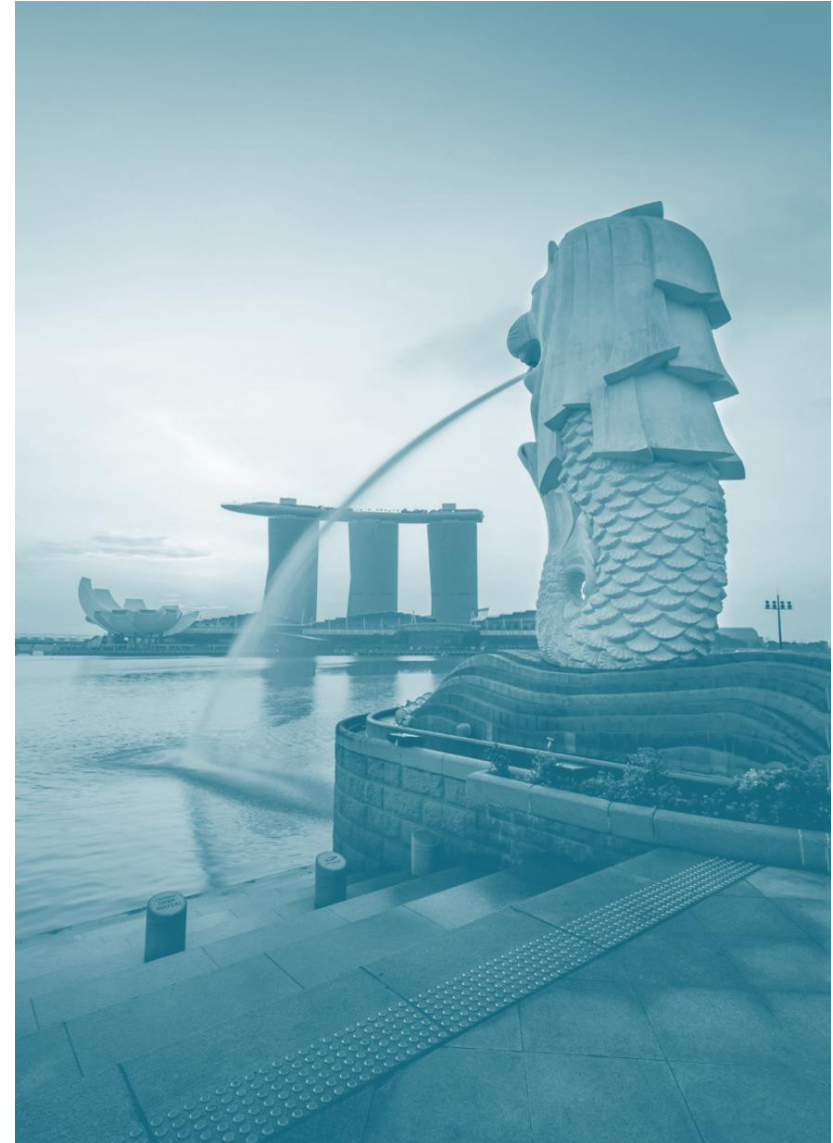
bluewater



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## Singapore – entrepôt to the world

- One of the maritime capitals of the world
- 5.6m people
- **Melting pot:** 74% Chinese, 13% Malay, 9% Indian, 4% others
- Only slightly bigger than Texel + Ameland combined
- Located on the Strait of Malacca,  
one of the world's busiest shipping lanes



# Why invest in Singapore?

## Gateway to Southeast Asia

- Strategically located in the midst of many emerging Southeast Asian markets
- World's second-busiest port
- World's largest bunkering port
- Financial and legal hub for ASEAN and increasingly South Asia

## Quality-of-life

- Expensive, but exceptionally safe
- Public transport and airport
- Quality of healthcare and education

## Investor friendly

- Minimal foreign ownership restrictions
- Tax and incentive regime favourable to investors
- Significant number of double taxation agreements, no capital gains tax, low effective corporate tax rates (~17% of chargeable income) and tax exemption on foreign-sourced dividends, foreign branch profits and foreign-sourced income
- Well-trained labour force and relatively employer-friendly labour legislation
- Political, business and judicial stability



# Why invest in Singapore?

## Ease of setting up and maintaining a company

- Minimal requirements for establishing and maintaining a local business presence in Singapore
- Setting up a company takes two business days on average
- Every company must have at least only one director locally resident in Singapore
- No local residency or nationality requirements for shareholders

## A hub for innovation

- Comprehensive regime for the protection of intellectual property
- Well developed infrastructure
- R&D incentives

- Research and development activities and intellectual property management
- Human capital and capability development
- Financial services
- Maritime, shipping and logistics activities

**Wide range tax incentives for:**



# Legal system in Singapore

## Singapore law

- Common law, inherited from the British
- Very predictable

## Ideal venue for resolving disputes

- Political stability and low corruption
- Transparent and reliable legal system

- Highly experienced judges with wide range of commercial expertise drawn from public and private sectors
- Litigation process is open, transparent and quick
- Contested disputes disposed of within 12 – 18 months of commencement

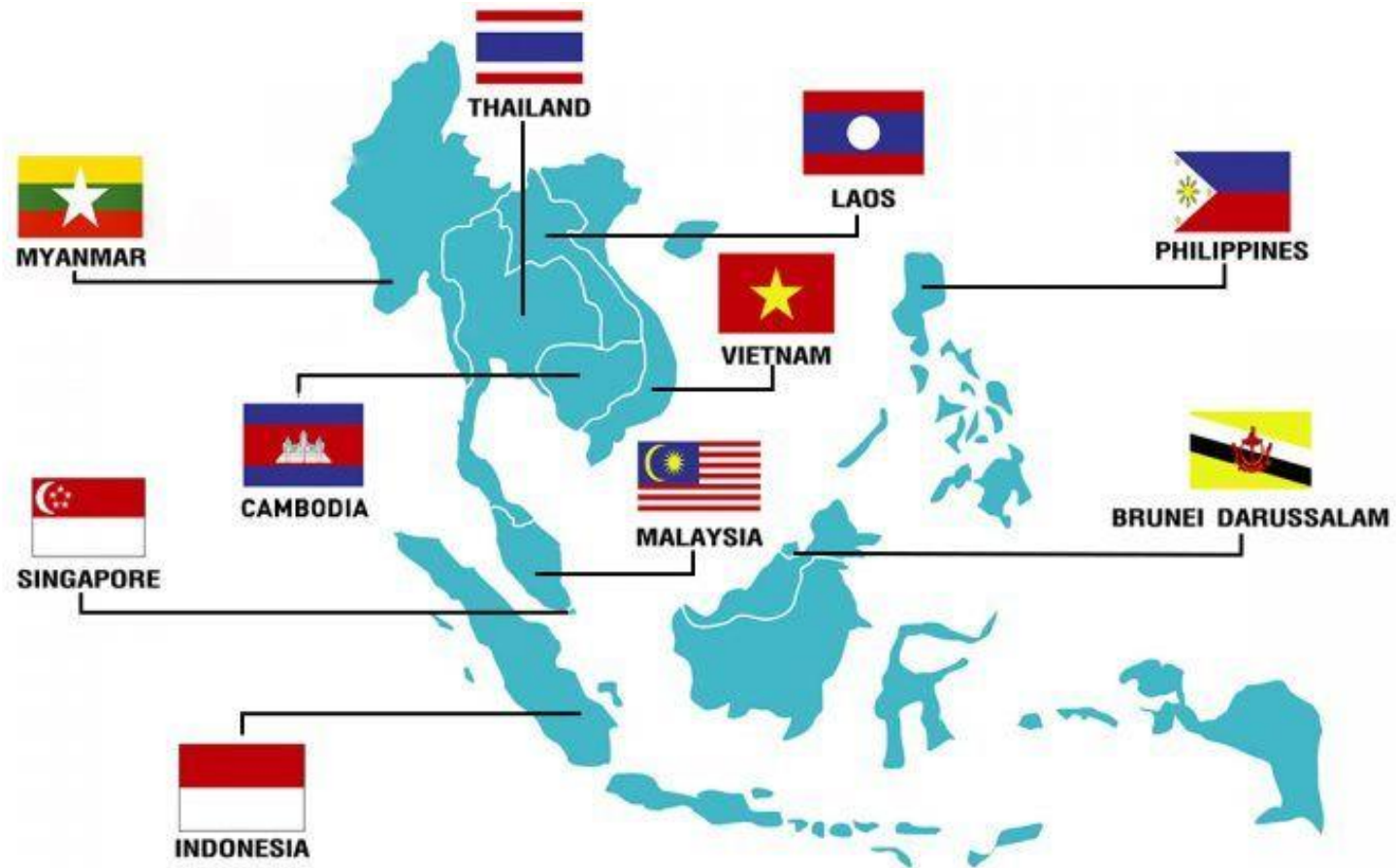
## Singapore International Arbitration Centre (SIAC)

- Most preferred arbitral institution in Asia-Pacific
- Provides support and administrative facilities to facilitate the smooth running of arbitration procedures
- Assists in arranging for the recognition and enforcement of awards in countries which are party to the New York Convention



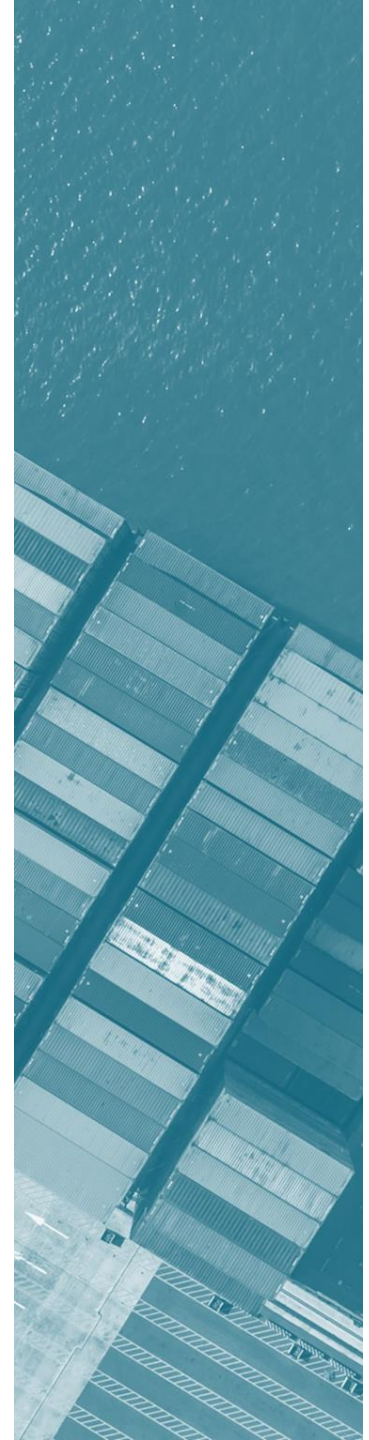
# ASEAN

political and economic union of 10 member states in Southeast Asia,



## ASEAN

- Aspires to be an integrated single market, but very much a work in progress
- Big differences between countries, with Singapore's services based economy at one end of the spectrum and Myanmar purely resources focused
- ASEAN's 634 million population - more than half of which are under 30 - provides very attractive workforce
- Major investment needed in energy and infrastructure



**IMF post of Q4 2022** (<https://www.imf.org/en/Blogs/Articles/2022/10/13/asia-sails-into-headwinds-from-rate-hikes-war-and-china-slowdown>)

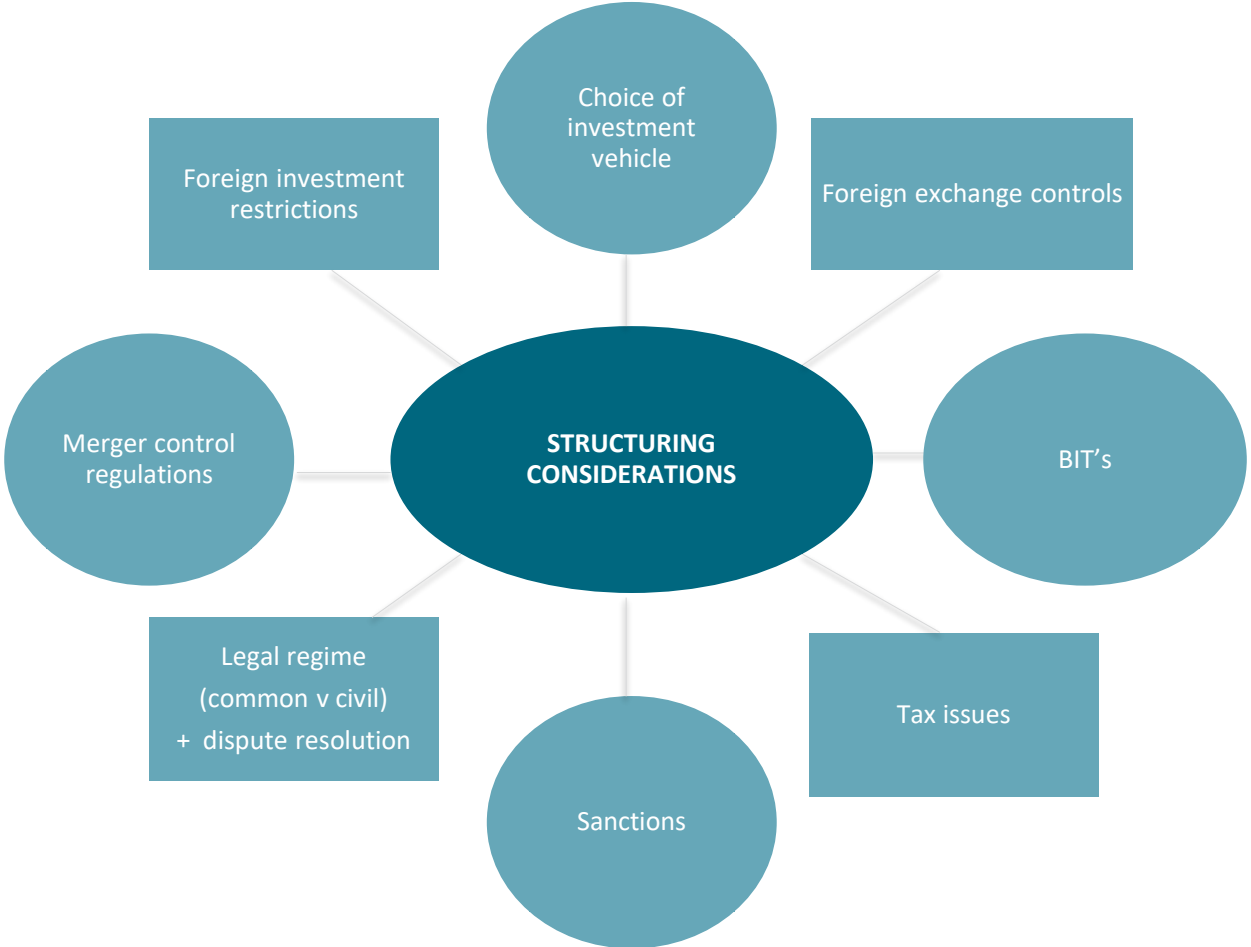
*“Southeast Asia is likely to enjoy a strong recovery. In Vietnam, which is benefitting from its growing importance in global supply chains, we expect 7 percent growth and a slight moderation next year. The Philippines is forecast to see a 6.5 percent expansion this year, while growth will top 5 percent in Indonesia and Malaysia.”*



# SOUTHEAST ASIA'S GDP 2023

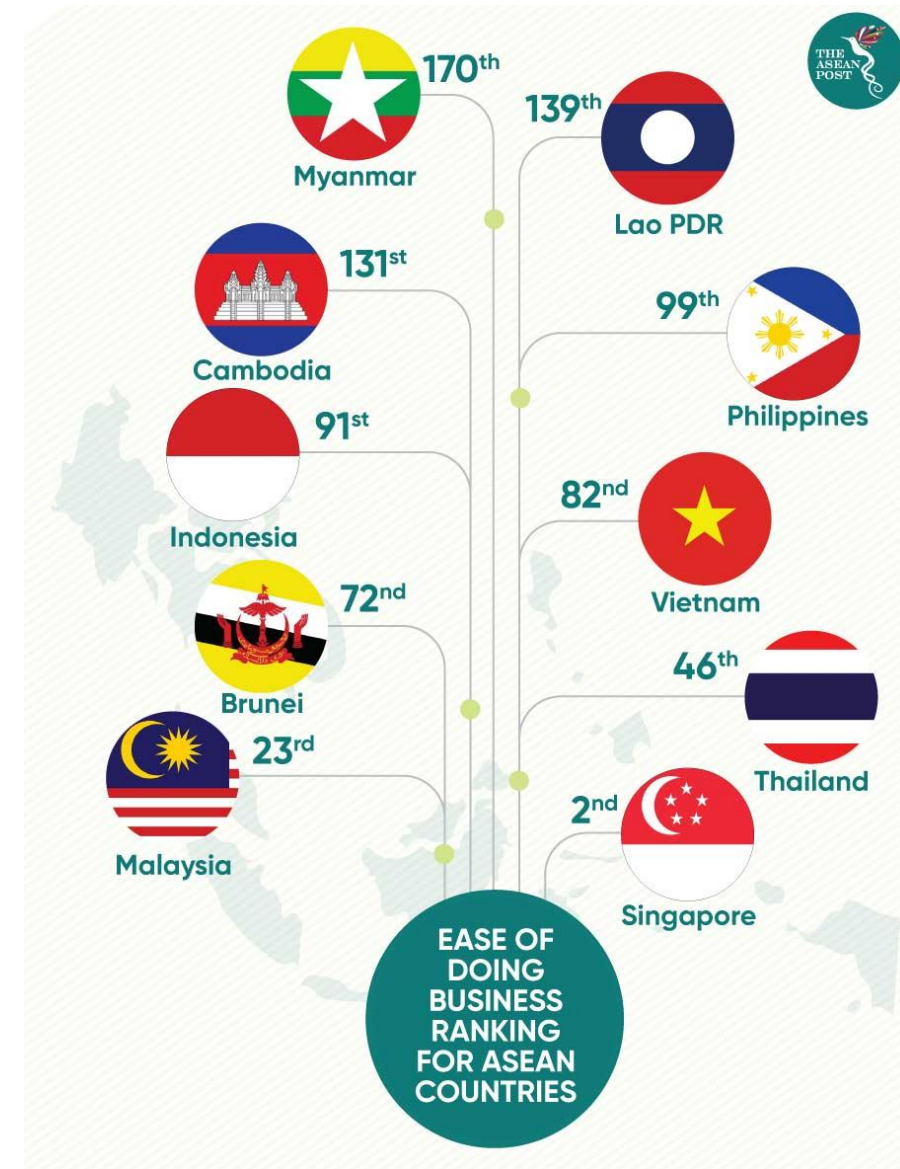


# Key legal considerations in doing business in ASEAN



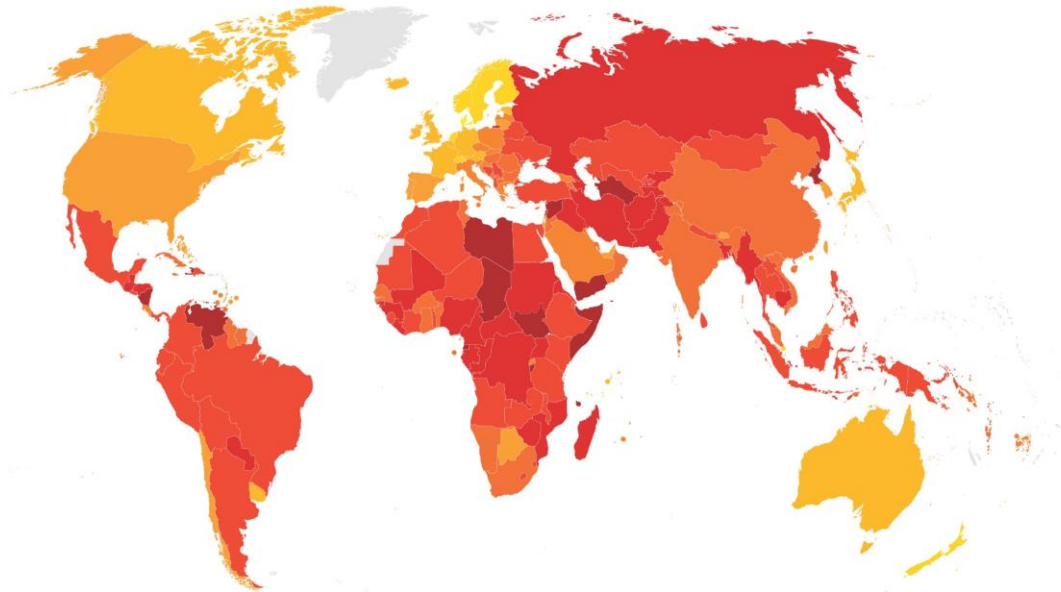
## Foreign investment restrictions and ease of doing business

- Different countries have varying degrees of openness to foreign investment/participation.
- Certain industries (usually public utilities, strategic or sensitive industries, national security) will carry more restrictions on foreign participation.
- Generally, **Cambodia** and **Singapore** are considered very open (with 100% foreign ownership allowed in most sectors), with **Thailand**, the **Philippines** and **Malaysia** amongst the more restrictive countries for foreign equity.
- The trend is increasing liberalisation. For example **Indonesia** 's has opened up energy, construction, telecom and transportation to majority foreign ownership and the **Philippines** opened up its telecom and renewables sectors to 100% foreign ownership.

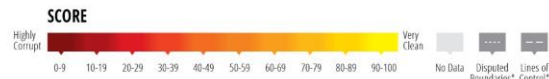


# CORRUPTION PERCEPTIONS INDEX 2022

The perceived levels of public sector corruption in 180 countries/territories around the world.



SCORE	COUNTRY/TERRITORY	SCORE	COUNTRY/TERRITORY	SCORE	COUNTRY/TERRITORY	SCORE	COUNTRY/TERRITORY	SCORE	COUNTRY/TERRITORY
90	Denmark	67	Chile	52	Grenada	42	Solomon Islands	36	Sri Lanka
87	Finland	67	United Arab Emirates	51	Malta	42	Timor-Leste	36	Thailand
87	New Zealand	65	Barbados	51	Rwanda	42	Trinidad and Tobago	36	Turkey
84	Norway	64	Bahamas	51	Saudi Arabia	42	Bosnia and Herzegovina	34	Togo
83	Singapore	63	Israel	50	Croatia	42	Vietnam	29	Gabon
83	Sweden	63	Korea, South	50	Mauritius	41	Kosovo	28	Mali
82	Switzerland	62	Lithuania	49	Namibia	40	Guyana	28	Paraguay
80	Netherlands	62	Portugal	48	Vanuatu	40	India	28	Russia
79	Germany	62	Jordan	47	Maldives	40	Malawi	27	Nepal
77	Ireland	60	Botswana	47	North Macedonia	40	Sierra Leone	27	Kyrgyzstan
77	Luxembourg	60	Cabo Verde	46	Suriname	40	Algeria	27	Pakistan
76	Hong Kong	60	Saint Vincent and the Grenadines	46	Armenia	40	Cameroon	26	Liberia
75	Australia	60	Spain	45	Romania	40	Tunisia	26	Madagascar
74	Canada	59	Latvia	45	China	39	Belarus	26	Mozambique
74	Estonia	58	Qatar	45	Cuba	39	Colombia	26	Uganda
74	Iceland	56	Georgia	45	Montenegro	39	Moldova	26	Bangladesh
74	Uruguay	56	Italy	45	Sao Tome and Principe	38	Argentina	25	Guinea
73	Belgium	56	Slovenia	44	Bahrain	38	Brazil	25	Iran
73	Japan	56	Dominica	44	Jamaica	38	Ethiopia	24	Afghanistan
73	United Kingdom	55	Poland	44	Oman	38	Morocco	24	Cambodia
72	France	55	Saint Lucia	43	Tanzania	37	Kenya	24	Niger
71	Austria	55	Costa Rica	43	Benin	37	Cote d'Ivoire	24	Central African Republic
70	Seychelles	54	Fiji	43	Bulgaria	37	Lesotho	24	Guatemala
69	United States of America	53	Slovakia	43	Ghana	36	Albania	24	Lebanon
68	Bhutan	53	Cyprus	43	Senegal	36	Ecuador	24	Nigeria
68	Taiwan	52	Greece	43	South Africa	36	Kazakhstan	24	Tajikistan
		52		42	Burkina Faso	36	Panama	23	Azerbaijan
				42	Hungary	36	Peru	23	Honduras
				42	Kuwait	36	Serbia	23	



\*The designations employed and the presentation of material on this map follow the UN practice to the best of our knowledge and as of January 2023. They do not imply the expression of any opinion on the part of Transparency International concerning the legal status of any country, territory, city or area or of its authorities or concerning the delimitation of its frontiers or boundaries.

## Common cultural differences + tips

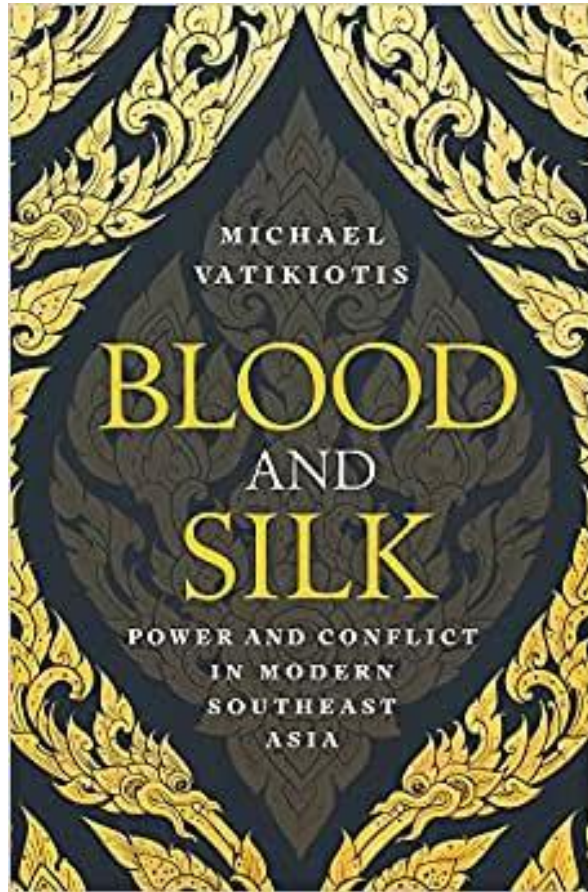
1. Losing face
2. Consensus culture
3. Hierarchical cultures - for example, Thai, Philippine, Vietnamese and Indonesian business culture tends to be top-down and hierarchical
4. Understand the religions of the region (mainly Buddhism & Islam in ASEAN)
5. Keep your English simple
6. Gentle approach is most effective
7. Be patient and be flexible



## Some of the challenges when doing business in Southeast Asia


1. Foreign ownership and restrictions in certain countries
2. Local directors needed in some places
3. Local licensing
4. Currency controls in some markets, including for example Vietnam
5. IP protection
6. Compliance burdens
7. Labour laws
8. Diverse tax rules and systems + intra-ASEAN treaty network is far from complete
9. Litigation and enforcement of judgements/awards
10. ASEAN's political and security challenges






**SEBASTIAN STRANGIO**  
 "Wonderfully well-written, wide-ranging, and incisive." **THANT MYINT-U**

**IN THE**




**DRAGON'S**



**SHADOW**

**SOUTHEAST ASIA IN THE CHINESE CENTURY**



"A superbly well-informed, judicious, and eloquent guide to the most important region in the world." **PANKAJ MISHRA**

# About us

Globally over **480** partners and **5,000** staff in more than **60** offices and associated offices

Substantial presence across Asia Pacific, where we have had offices for more than 40 years, including **more than 30 years in Singapore.**

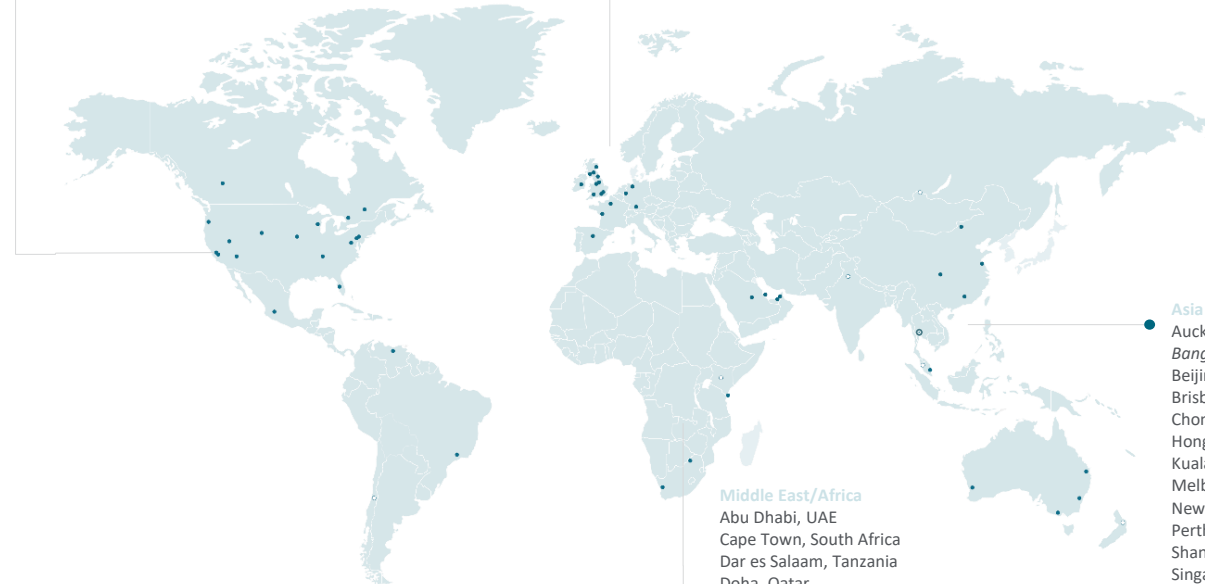
In **Singapore**, we operate as Clyde & Co Clasis Pte. Ltd. and, importantly, represent our clients in both arbitration and litigation in the Singapore courts.

## Americas

- Atlanta, USA
- Caracas, Venezuela
- Chicago, USA
- Denver, USA
- Las Vegas, USA
- Los Angeles, USA
- Mexico City, Mexico
- Miami, USA
- Montréal, Canada
- New Jersey, USA
- New York, USA
- Orange County, USA
- Phoenix, USA
- Sao Paulo, Brazil
- San Francisco, USA
- Santiago, Chile\*
- Toronto, Canada
- Vancouver, Canada
- Washington, DC, USA

## UK and Europe

- Aberdeen, UK
- Belfast, Ireland
- Birmingham, UK
- Bristol, UK
- Derry, Ireland
- Dublin, Ireland
- Dusseldorf, Germany
- Edinburgh, UK
- Glasgow, UK
- Guildford, UK
- Hamburg, Germany
- Leeds, UK
- London, UK
- Madrid, Spain
- Manchester, UK
- Munich, Germany
- Newcastle, UK
- Paris, France
- Southampton, UK



## Asia Pacific

- Auckland, New Zealand\*
- Bangkok, Thailand
- Beijing, China
- Brisbane, Australia
- Chongqing, China
- Hong Kong
- Kuala Lumpur, Malaysia\*
- Melbourne, Australia
- New Delhi, India\*
- Perth, Australia
- Shanghai, China
- Singapore
- Sydney, Australia
- Ulaanbaatar, Mongolia\*

## Middle East/Africa

- Abu Dhabi, UAE
- Cape Town, South Africa
- Dar es Salaam, Tanzania
- Doha, Qatar
- Dubai, UAE
- Johannesburg, South Africa
- Nairobi, Kenya\*
- Riyadh, Saudi Arabia

\*Associated offices



# Thank you. Questions?

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## Maritime Decarbonisation

Rotterdam Partners

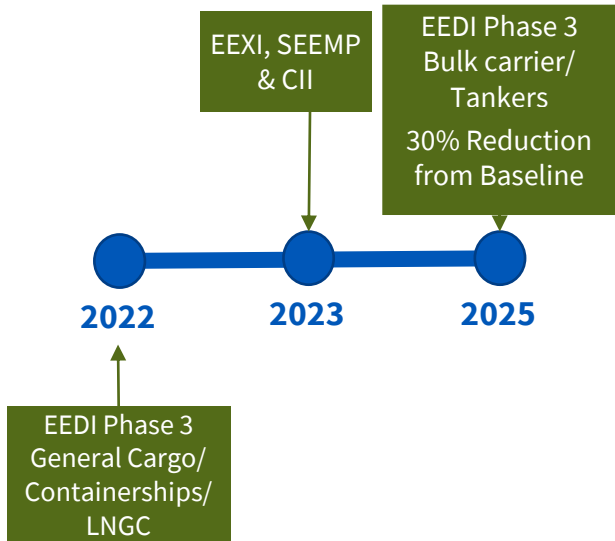
SINGAPORE TRADE MISSION - SMART & SUSTAINABLE SHIPPING

**Douglas Raitt**

Regional Advisory Services Manager

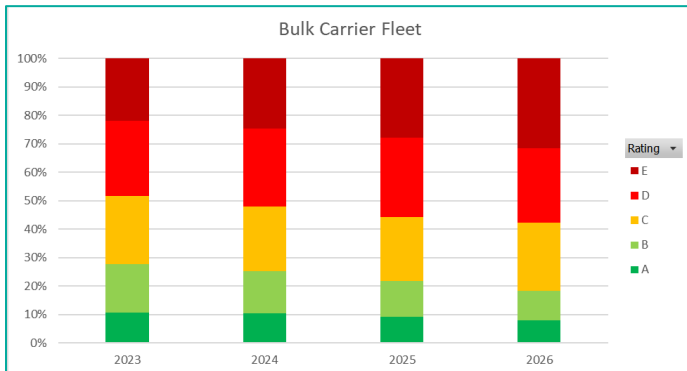


# GHG Emissions Reduction



## Revision of the IMO GHG Strategy

- Proposals - Zero-emissions by 2050, and intermediate targets for 2030 and 2040 (divergent views)
- Revised strategy to be adopted at MEPC 80 in July 2023



### Future

- Fuels - Lifecycle emissions Analysis
- CO<sub>2</sub>e – Include N<sub>2</sub>O, CH<sub>4</sub>
- Future Phases – EEDI, EEXI
- Market Based Measures

# Maritime Energy Transition

## The short term

## To 2030s

## The 2040s

## To 2050

### Immediate action

- Application of EEXI to pre-EEDI ships
- In-service carbon intensity management and rating
- Simultaneous piloting of zero-carbon solutions

### Critical window for change

- Full-scale prototypes and pilots
- Easy to store zero-carbon fuels and batteries
- Policy development

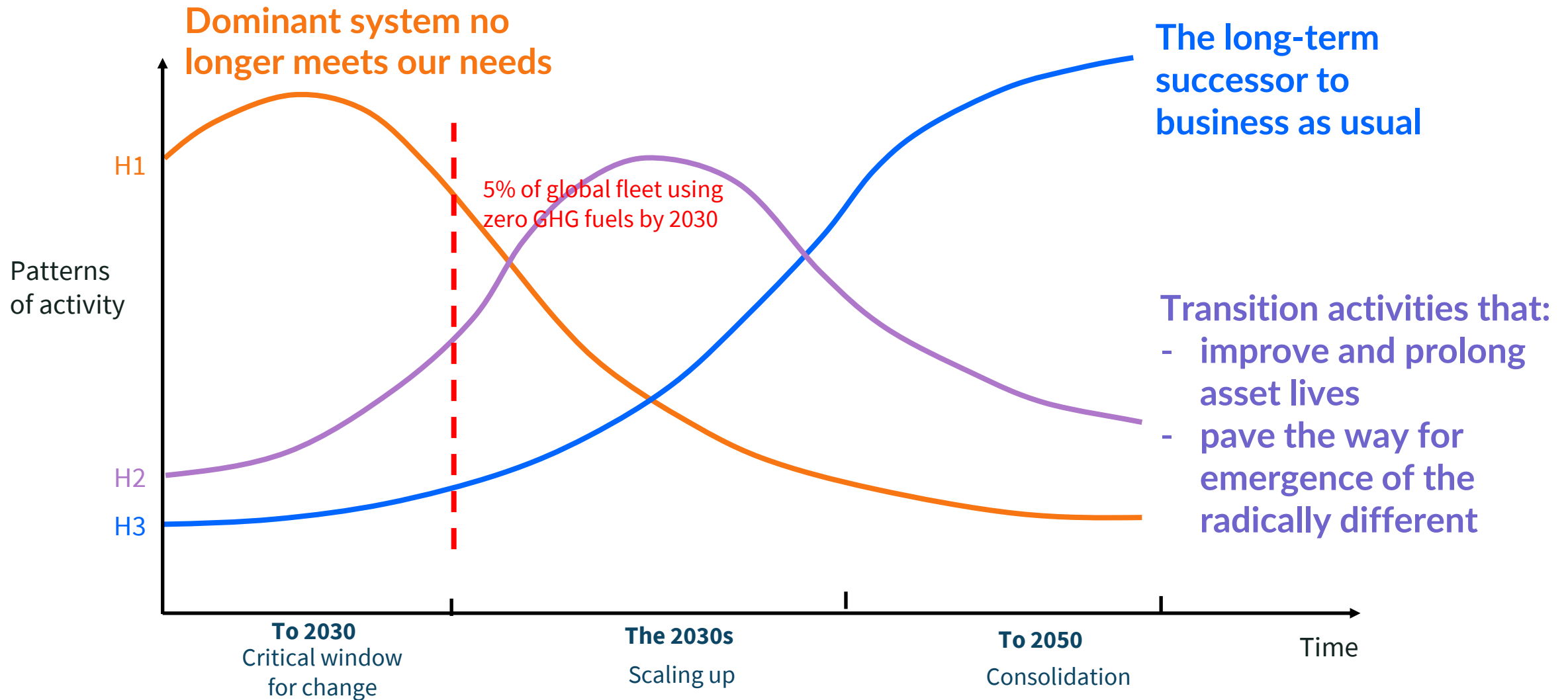
### Scaling up zero-carbon fuels

- Availability of cheaper renewable energy
- Consolidation of dominant onboard technologies eg Carbon capture
- Changes to ships' operating profile

### Switching fuels

- 2030s: growing share of biofuels
- 2030-40s: shift to electro-fuels
- End fuel mix dominated by one family of fuels

# Shipping's energy transition in three stages



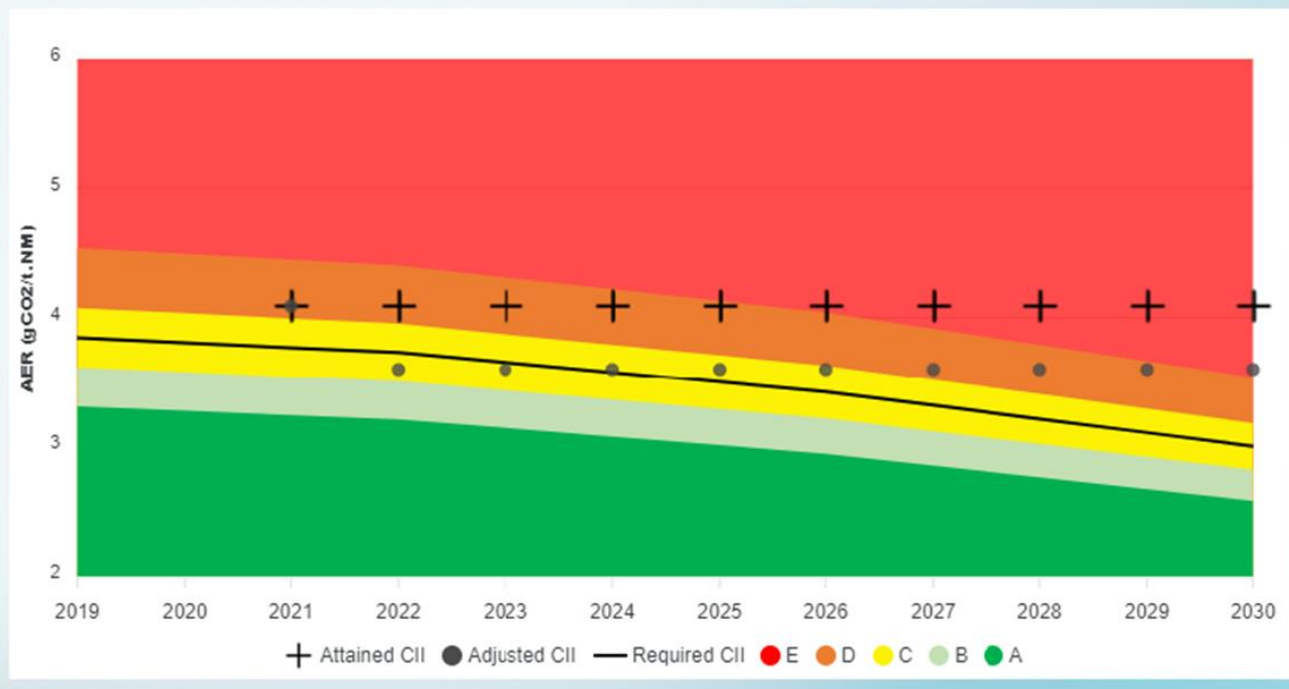
# CII, technically efficient ships operated efficiently

Your forecast to 2030 for BC Good Ship  
(DWT: 93365 | Ship Type: Bulk carrier | IMO Number: 1234567)

Assumed reductions 2027 to 2030\*

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Required CII (gCO <sub>2</sub> /t.NM)	3.844	3.806	3.767	3.729	3.652	3.575	3.498	3.421	3.315	3.210	3.104	2.998
Attained CII (gCO <sub>2</sub> /t.NM)	N/A	N/A	4.089	4.089	4.089	4.089	4.089	4.089	4.089	4.089	4.089	4.089
Attained Rating	N/A	N/A	D	D	D	D	D	E	E	E	E	E
Adjusted CII (approx.) (gCO <sub>2</sub> /t.NM)	N/A	N/A	4.089	3.598	3.598	3.598	3.598	3.598	3.598	3.598	3.598	3.598
Adjusted Rating	N/A	N/A	D	C	C	C	C	C	D	D	D	E

\* The assumed reductions are based on the minimum ambition published by the IMO

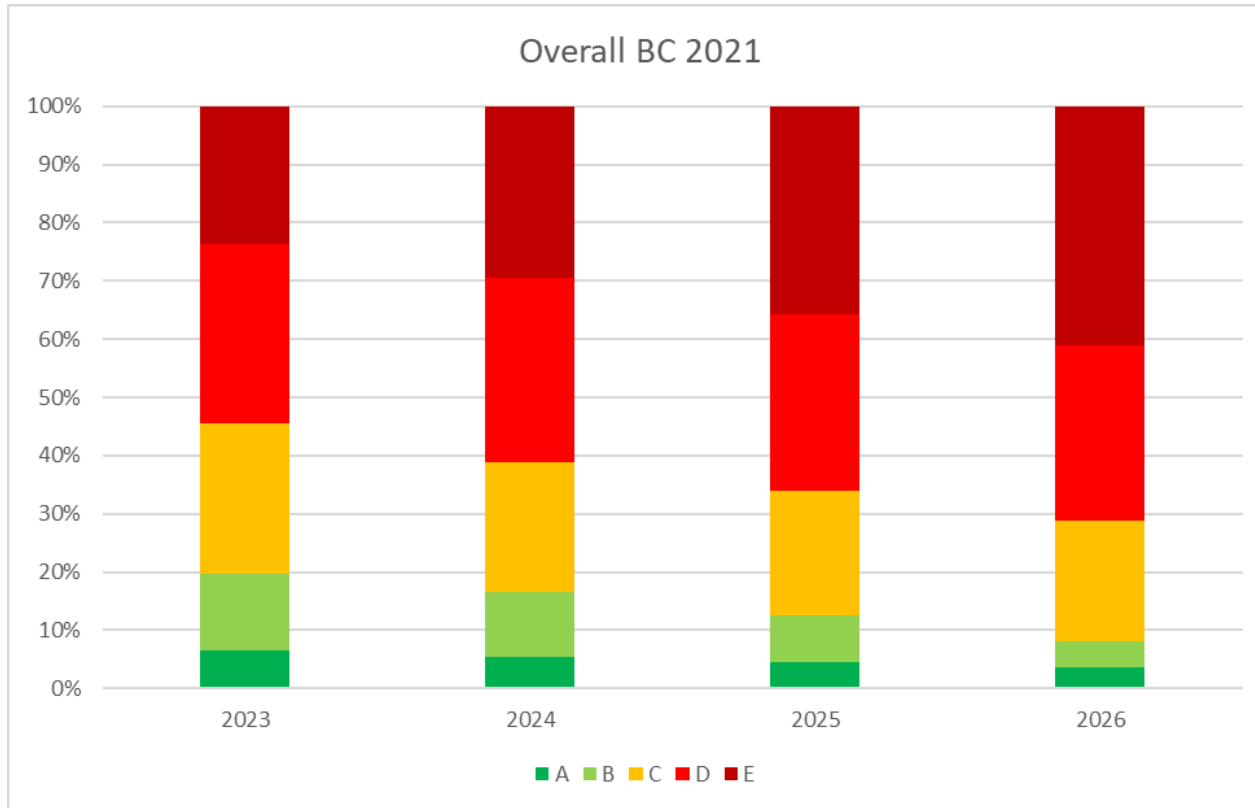


- Ships of **5000gt and above** shall have SEEMP on board on or before **1 January 2023**,
- Ships will be rated A to E using IMO DCS (first reporting year 2023) in May 2024
- Bands become more stringent YoY (2026 -11% vs. 2019, 2027 onwards tbc)
- For a ship rated as **D for three consecutive years or rated as E**, the SEEMP shall be reviewed to include a plan of corrective actions to achieve the required annual operational CII.
- The SEEMP shall be subject to verification and company audits

$$CII = \frac{\text{Annual } CO_2 \text{ Emission}}{\text{Capacity} \times \text{Distance travelled}}$$



# CII, outlook and impact on ship types



- Nearly **55%** of bulk fleet **D or E** in **2023**, **~70% in 2026**
- Nearly **40%** of container carrier fleet **D or E** in **2023**, **~50% in 2026**
- Nearly **45%** of tanker fleet **D or E** in **2023**, **~50% in 2026**

# Operational measures - CII alignment

## Various option

Trim optimization

Route optimisation

Speed optimization

Propeller polishing and hull cleaning

Engine de-rating





# Energy Savings Technologies – CII alignment

Cat A, B and C

Category A: Always effective technologies that reduce vessel resistance

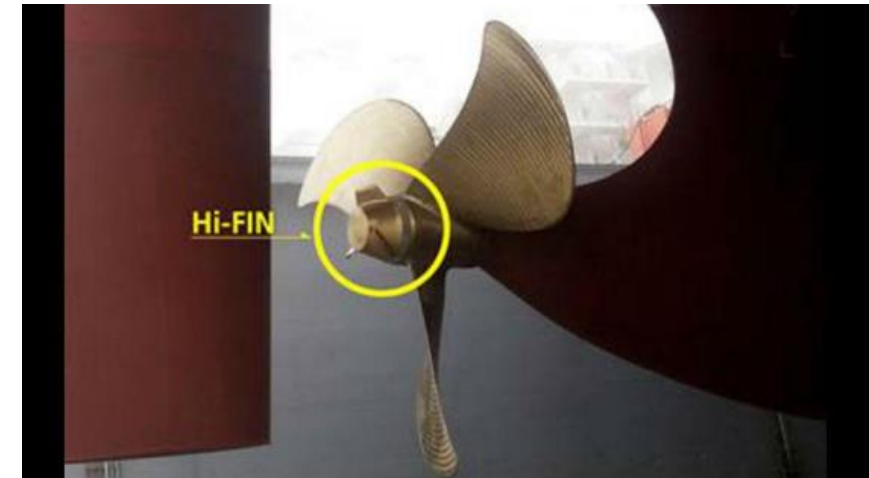
- low friction coatings,
- hull optimisation,
- propeller and rudder optimisation

Category B: Technologies that reduce the propulsion power

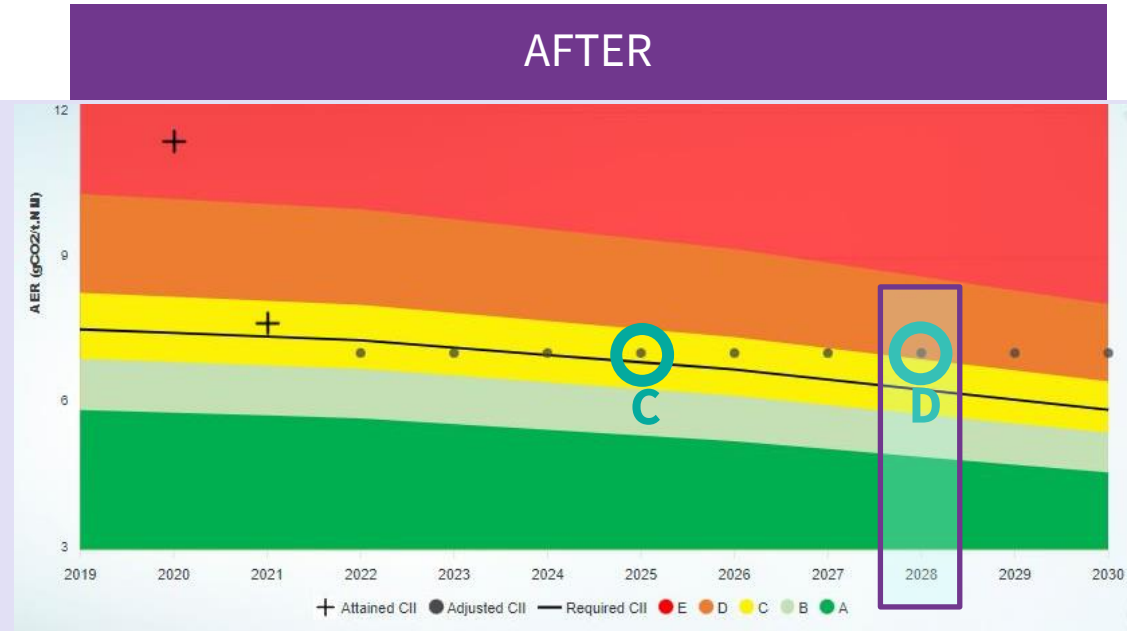
- hull air lubrication
- wind propulsion

Category C: Technologies that generate electricity

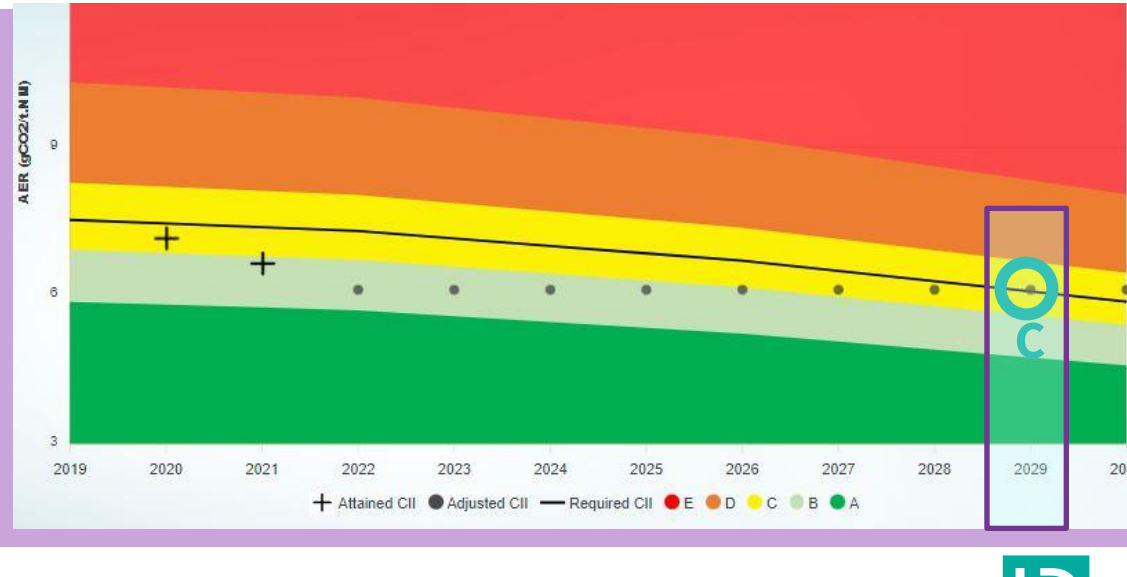
- heat recovery systems and photovoltaic cells



# VESSEL 1



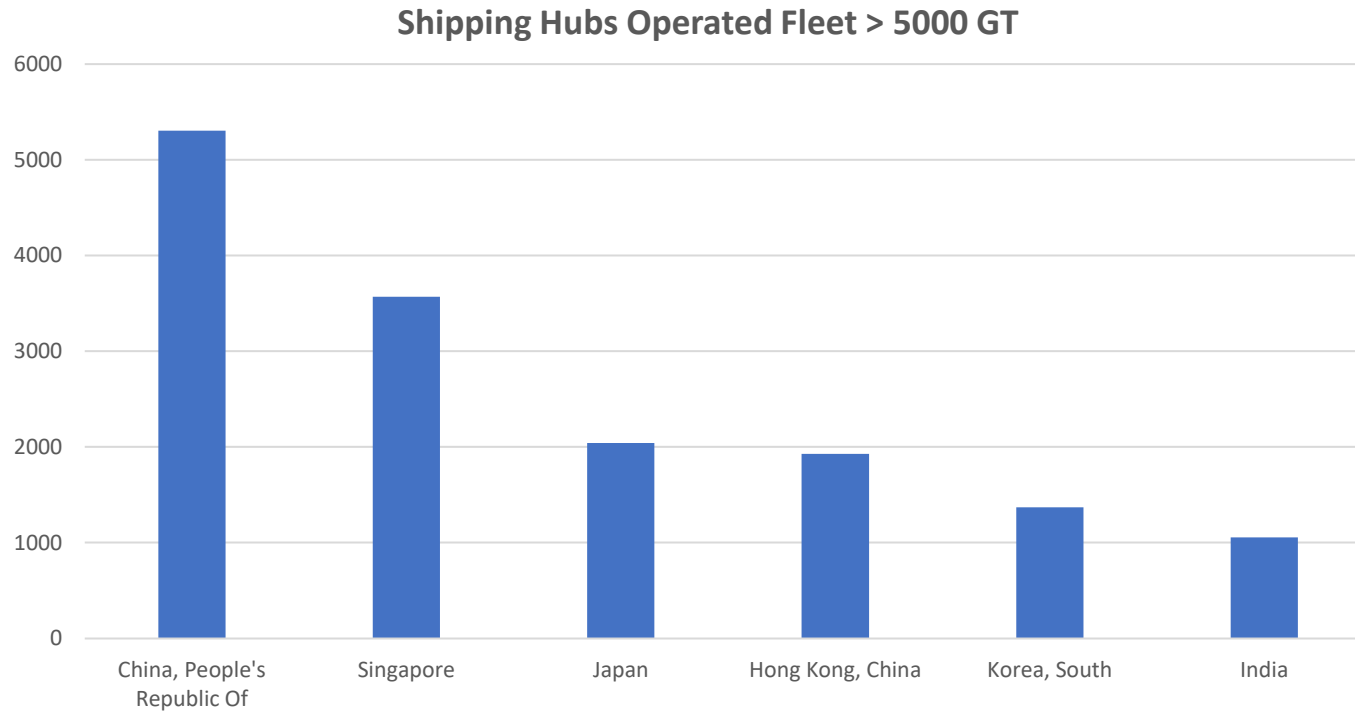
# VESSEL 2



## Impact on CII ratings (Application of ETS comparison)



# Energy transition – TAM – Asia – ships > 5000 GT



## Singapore

Bunkers sold: Approx 48 M M/T per annum

Port activity levels

	Cargo	Repairs	Bunkers	Supplies	Others
<b>2020</b>	41,374	2,002	40,585	30,018	35,611
<b>2021</b>	41,907	1,944	39,447	27,232	26,163
<b>2022</b>	43,224	1,423	37,662	27,737	46,752



**Thank you**



**ROTTERDAM.  
MAKE IT  
HAPPEN.**

## WE CONNECT YOU TO ROTTERDAM

CONTACT US



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# SINGAPORE TRADE MISSION

## KICK-OFF MEETING

Smart & Sustainable Shipping

April 22nd, 2023 – Embassy of the Kingdom of the Netherlands



Kingdom of the Netherlands

TRADE AND  
INNOVATE WITH  
THE DUTCH



Port of  
Rotterdam

ROTTERDAM.  
MARITIME CAPITAL  
OF EUROPE.

City of Rotterdam

ROTTERDAM  
PARTNERS



**Q&A SESSION**