

#### Week 12 (19 - 25 March, 2018)

#### **EDITORIAL**

Dear readers, it is Thursday and I am currently in Singapore. From minus 5 in Stockholm to plus 32 is a bit of a rude awakening albeit a pleasant one.

Anti-corruption is something that I am keen on addressing - I'm aware of the saying coined by Mao Tse Tung, "In the cleanest water lives no fish" but I still dislike very much how corruption empowers fools. We have corruption in shipping too and sometimes contracts are awarded for the wrong reasons.

Most recently the UK's serious fraud office indicted and convicted an otherwise reputable freight forwarder for corruption. The problem is how to say no if, for example, the potential customer tells you that if you don't do it someone else will. Perhaps it is a kneejerk reaction from the customer, but still, we in our business need to stand tall and tell such people off. We should all stand together so that customers of that kind cannot play us against each other.

In this issue of PCW, we have an interview with MACN which is a network dedicated to anti-corruption efforts. Apparently, they also enlist help from governments and I suppose if there is noise enough even politicians must listen.

I am also reminded here in Singapore about the fragile state of life, a friend of mine was diagnosed with cancer and suddenly went from being on "top of the world" to the "bottom of the barrel". It gives credence to the saying that you should live your life to the fullest every day. Let us do that and appreciate what we have before it's too late.

Wishing you a good read and until next time I remain...

Yours sincerely, Bo H. Drewsen

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# THE MARITIME ANTI-CORRUPTION NETWORK (MACN) — COPENHAGEN

## MS. CECILIA MÜLLER TORBRAND PROGRAM DIRECTOR

First of all tell us when your network was established, who initiated it and what is the purpose of the network.

MACN is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large.

Established in 2011 by a small group of committed maritime companies, MACN has grown to include around 90 members globally and has become one of the pre-eminent examples of collective action to tackle corruption.

MACN and its members promote good corporate practice in the maritime industry for tackling bribes, facilitation payments and other forms of corruption. MACN collaborates with key stakeholders, including governments and international organizations, such as the United Nations Development Programme (UNDP), to identify and mitigate the root causes of corruption in the maritime industry

Shipping & Logistics is a very broad business with many players involved. Tell us about your current membership base, who are they, what they aim to get out of MACN and what the membership advantages are.

Bribery and corruption regulation is becoming ever more rigorous. Additionally, stakeholders expect companies to play a significant role in addressing the root causes of corruption.

Members of MACN make an important contribution to the elimination of corruption in the maritime industry. In addition, by demonstrating their commitment to fair trade to the benefit of society at large, MACN members benefit from a heightened reputation among customers and partners.

Companies can join as a regular or associate member. Regular membership is open to vessel owners and operators that commit to implementing the MACN Anti-Corruption Principles.

http://www.maritime-acn.org/macn-members/

I understand that you have mainly focused on shipowners and shipping agents until now. Are you also looking at expanding your network to include freight forwarders, customs brokers and others in the logistics chain?

MACN seeks to engage more with the freight forwarding business and in partnership with relevant organizations such as CLC Projects. The logistics business is a key player in the interaction with customs and can play an important role to support and advance country-specific efforts MACN engages in to combat corruption.

How can you influence authorities to crack down harder on the pervasive problem of corruption, especially in certain parts of the world? Can you cite some cases where your network has made a difference?

MACN works with MACN's three priorities:

#### Capability building -

In order for Captains and other private sector actors to be able to say no to corrupt demands, they must feel supported by strong policies and principles. MACN provides a safe forum for engagement through which members can share challenges and best practices, collectively assessing the areas for improvement in their internal procedures and approaches and developing open-sourced solutions.

Following the MACN Anti-Corruption Principles, MACN develops shared methodologies, frameworks, training, and campaigns, helping each member company to strengthen its approach to tackling corruption. E.g. MACN has developed a training toolkit on anti-corruption, we develop toolkits for frontline staff, and just launched a blueprint Code of Integrity for members to use internally.

#### Collective action -

Collective action is an important tool to help the private sector take proactive steps to tackle corruption. Tackling systemic integrity challenges requires collective action, with companies joining forces and sharing information and approaches, but also engaging governments and civil society. The essence of the MACN collective action approach is that successful, lasting changes in the operating environment will take effect only if they are enabled and supported by and beneficial to key stakeholders. Through collective action, MACN members work in partnership with local authorities to develop solutions that are both beneficial to all and realistic to implement. In MACN collective action projects, member companies unite with stakeholders including port and customs authorities, NGOs, and local governments to undertake root cause analyses and then implement a range of 'recommended actions' that tackle corruption in ports and across the maritime supply chain.

MACN's collective actions have generated major outcomes, including for example: reductions in demands for facilitation payments in the Suez Canal; new regulations in Argentina that make it more difficult for officials to demand bribes; and improved ease of operations in Lagos, Nigeria, with the implementation of standardized operating procedures and grievance mechanisms in ports.

#### Culture of Integrity -

Culture of Integrity is an attempt not just to generate change for specific stakeholders (e.g. captains or port authorities) in specific corruption hot-spots, but to drive fundamental change in deep-seated attitudes regarding corruption, creating a permanent trend towards the eradication of demands.

While it is vital to address both internal capacities and to reject demands and specific geographic areas and actors that cause problems for shipping companies, MACN members recognize that culture governs deep-seated changes. To achieve its vision of a maritime industry free of corruption, MACN must reach out beyond its membership and collective action stakeholders to all actors in the maritime industry, and ensure alignment on anti-corruption thinking.

MACN has established an alliance with traditional maritime associations and organization and we are currently working towards a submission to IMO on the negative consequences corruption has on global trade, seafarers wellbeing. MACN is also engaging with cadet schools to offer integrity training to the next generation of seafarers.

Mao Tse Tung famously remarked once that "in the cleanest water lives no fish", do you believe that the problem of corruption in shipping is as big as ever or has it become reduced in recent years? The Suez Canal famous for the name the Marlboro Canal due to the boxes of cigarettes etc being handed over to some of the boarding pilots etc is that

#### a problem that has been addressed by your group as well?

I do think the maritime industry is more aware of the regulations on corruption, and that requirements from customers and stakeholders are increasing on managing the service with integrity. I think transparency will only increase and unlike in the past companies can't hide or push unethical behavior down their supply chain and the responsibility goes all the way. Our results from our collective action program show that.

I also think a lot can be done. It is easy to get stuck in arguments such as "the world will never change" "it has always been like this". The industry can move far by implementing strong anti-corruption programs, by supporting frontline efforts and by engaging collectively as we do in MACN where we can raise issue as an industry.

### Tell us about your own background in shipping and how you came to join MACN

I was one of the front drivers for its establishment in 2011 and I have served as chair of the network and as collective action lead in the MACN Steering committee. Prior to working full time with MACN, I worked close to nine years in compliance and shipping as senior compliance officer in Maersk. I have been responsible for anti-corruption efforts globally; trained management and staff worldwide; implemented whistleblowing systems; rolled out country-specific anti-corruption campaigns; and conducted risk assessments, audits, and misconduct investigations. In 2015 I was awarded Compliance Officer of the Year by C5 Women in Compliance Awards for my work within compliance.

Interviewee:

Ms. Cecilia Müller Torbrand

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Program Director

The Maritime Anti-Corruption Network

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### **RAILWAY NEWS**

#### NEW WEEKLY SPEED TRAIN SERVICE FROM Duisburg to Suzhou



Click here to view the route map at full-size.

Far East Land Bridge is beginning another new eastbound service in 2018. The first departure for the FCL speed train service from Duisburg to Suzhou will be on the second week of April. The transit time will be 16-18 days. *Read more...* 

### **SHIPPING NEWS**

## ZIM UPGRADES ZIM CONTAINER SERVICE PACIFIC (ZCP) AND INTRODUCES A NEW SERVICE (CFX)

ZIM is pleased to announce a change and upgrade of our flagship ZIM Container Service Pacific (ZCP), and the simultaneous launch of a new Canada Florida Express service (CFX), starting April 3rd. The combined synchronized change will improve transit time and service levels, and expand port coverage.

CFX is a weekly, fixed-day service deploying 2x1300 TEU's vessels. Connecting our Latin American hub in Kingston, Jamaica, with Florida and Halifax, the new service offers a fast and reliable service, smoothly connecting our regional network to ZIM mainliners. CFX rotation: Kingston- Miami - Halifax - Kingston. Read more...

### **RENEWABLES**

## VATTENFALL WINS TENDER TO BUILD DUTCH OFFSHORE WIND FARM HOLLANDSE KUST ZUID

Swedish energy company Vattenfall has won a tender for the construction of the Hollandse Kust Zuid offshore wind farm, which is expected to have capacity of 700-750MW, in the Netherlands. Read more...

### TPI AND VESTAS SIGN WIND BLADE SUPPLY AGREEMENT TO OPEN NEW FACILITY IN CHINA

TPI Composites, Inc., (TPI) (Nasdaq:TPIC), the largest U.S.-based independent manufacturer of composite wind blades, announced today that it has signed a multiyear supply agreement with Vestas Wind Systems A/S to provide blades from four manufacturing lines (with option to add more lines) for the new V150-4.2 MW wind turbine for global markets. *Read more...* 

### **MINING & MINERALS**

## AUSTRALIAN FIRM IN TALKS OVER £70M TEES VALLEY REFINERY DEVELOPMENT

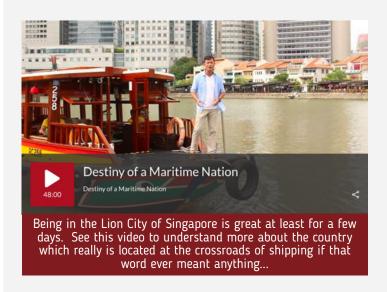
Discussions have been held with an Australian company over the development of a rare earth refinery in Tees Valley, which could create more than 100 jobs.

Tees Valley mayor Ben Houchen met representatives from Peak Resources to move forward the development of the facility, which will produce materials used in the manufacture of powerful magnets. *Read more...* 

## BULGARIA'S KAOLIN TO INVEST 30 MLN EURO IN NEW PROCESSING PLANT

Kaolin, the wholly-owned Bulgarian subsidiary of Germany's Quarzwerke GmbH, plans to invest 30 million euro (\$37 million) in setting up a new processing plant in the town of Dulovo, in the country's northeast. *Read more...* 

### **VIDEO OF THE WEEK**



### PHOTO OF THE WEEK



Editors note: A fantastic picture this week with thanks to Swire & China Navigation Co.

### **QUOTE OF THE WEEK**

"MEN FOR THE SAKE OF GETTING A LIVING FORGET TO LIVE"

- Margaret Fuller -

### **PROVERB OF THE WEEK**

"LIFE IS REALLY SIMPLE, BUT WE INSIST ON MAKING
IT COMPLICATED"

- Confucius -



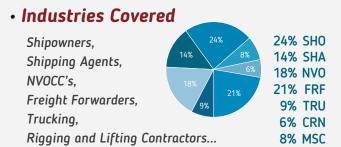


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