

## The American perspective, as seen by ABS

Jamie Smith, ABS Americas Division President, offers their take on the current and future outlook for shipping in the USA.



**JAMIE SMITH**  
Americas Division  
President, ABS

Shipping has been battered everywhere around the globe over the past few years. How well have shipowners weathered the storm in America? Better or worse than their international colleagues and competitors?

Access to capital has been difficult, impacting new investments in the marine sector, and further complicated by the changing regulatory landscape. If you talk to any owner, US or international, I do not think any of them would say that they have not been affected by the market challenges in the marine industry over the past few years. Some have done better than others. Those that have done better have found new ways of operating, whether that be through a new operational model or through finding new efficiencies.

By preparing today and selecting the right technology and strategy for their unique fleet profiles, owners will be in a stronger position tomorrow.

Have American shipowners taken any noteworthy measures in order to survive the downturn, and prepare for the future?

Similar to international owners, US owners are looking for every opportunity to find an edge in a competitive landscape, while also maintaining

regulatory compliance. US owners are considering innovative techniques and technologies to help make their fleets more efficient and productive. By working directly with owners, ABS is helping them prepare for the future by supporting more informed fleet decisions on many of the regulatory compliance challenges that they face today, such as selecting the right ballast water management technology and developing an effective air emissions strategy. By preparing today and selecting the right technology and strategy for their unique fleet profiles, owners will be in a stronger position tomorrow. For new vessels, we are seeing an increased focus on the application of LNG as fuel and further development of bunkering infrastructure to support that application. We will likely continue to see more adoption of LNG and other types of alternative fuels as the industry prepares for the future.

The Jones Act remains firmly in place. This unique piece of legislature is sacred to many in the industry, and sinful to others. Just how big of an impact does it have on the competitiveness of American shipbuilding, and American shipping? Do you see the Jones Act evolving, or even disappearing, over the next years?

As a classification organisation with a mission to promote the safety of life, property and the natural environment, ABS is focused on supporting a safer and more sustainable fleet. ABS cannot predict the future of the Jones Act, but is well positioned around the US to support this unique trade.



As the focus of trade shifts toward Asia, and the equatorial countries began to enter the global economy, how will American shipping respond?

In terms of risks to the US shipping sector, the opportunity is also the biggest challenge.

The US has a considerable contribution to make to the future of shipping, even though this may not be in the direct provision of tonnage. The US will continue to play an important role in many areas, including operational technology, financial services, communications, information technology and software. As shipping adopts more digital and data driven solutions, there will be more opportunity for US companies to contribute to the global shipping industry.

America is a leader in the digitalisation of industry. Is American shipping keeping up?

The answer is that shipping in general has not yet realised the full implications of digitalisation, but its adoption as a means of competitive differentiation will make this essential. Digitalisation will have a transformative effect on the industry's

operations and competitiveness as well as reshaping supply chains in ways we have yet to fully appreciate. The installed communications infrastructure and logistics expertise provide a platform for shipping to adopt a data-centric approach to their operations that could increase efficiency and simplify compliance, as well as potentially attracting the next generation of mariners and shoreside staff the industry needs.

What do you see as the brightest spot in American shipping going forward? The darkest?

One of the brightest is the ability of American companies to innovate and even to disrupt established ways of working and communicating. We have seen this in consumer technologies and other sectors with companies such as Airbnb, SpaceX and Palantir Technologies. While shipping sometimes lags in adoption of technology, the pace of change is faster than ever. Constant innovation is a differentiator going forward.

In terms of risks to the US shipping sector, the opportunity is also the biggest challenge. If US shipping and shipbuilding do not embrace innovation at the right time, it may be difficult to catch up with those who are able to transform their operations with new technologies and digitalisation.