



# SHIPPINGNetwork

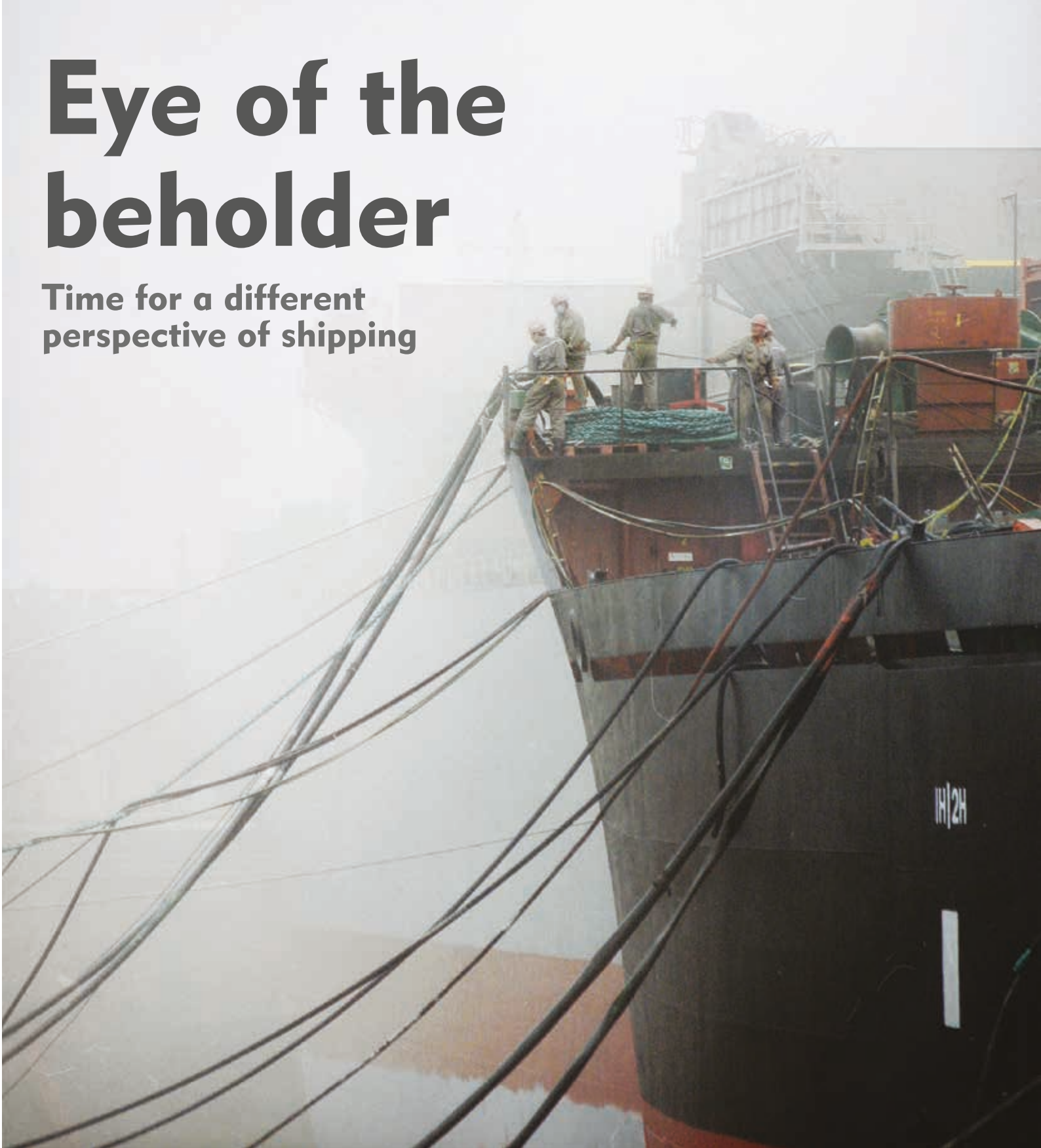
The official magazine of the Institute of Chartered Shipbrokers

*Promoting professionalism in the shipping industry worldwide*

Issue 44 March 2016

# Eye of the beholder

**Time for a different perspective of shipping**



Battle for the waterfront | London's vision | Outreach in New York | Care for the Australasian community



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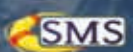


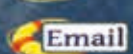
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# A fulfilling career from a chance encounter

Shipping wasn't on his career radar, but **Thomas Day** says he's glad he fell into the business



**Thomas Day**

A career in shipping was never an answer to the aptitude tests we took at school; neither was it an option at the employment fairs that popped up now and then at University. I never stopped to think where my cereal had travelled from and I certainly never gave thought to where the materials to build my student flat originated. Now, having spent the past four years in shipping, it amazes me I didn't stop to think about this sooner and I'm delighted that I stumbled into the industry.

I was once asked what attracted me to shipping. I replied that it was the appeal of a sociable industry, a place I could use my degree and interest in macroeconomics, and one of the few industries with a link to real world commodities. Looking back, I can see that wasn't an entirely honest answer.

What really attracted me to the industry was an internship, albeit unpaid, in a recession, the fact that previous work experience wasn't a pre-requisite (useful when you spent your University holidays as a lumberjack and the first year after University in recruitment), the convincing arguments of an excellent employee of the same company (thanks Jon!) and the chance of a full time job at the end if I managed to fix a ship. Thankfully I did fix a 30-day steel run from North China to South East Asia at \$500/day, not enough commission to cover the phone bills but enough to be offered a job.

## DÉJÀ VU

New starters looking to enter the shipping market today are facing similar conditions to when I joined. The world is now in another recession; dry bulk shipping is oversupplied and demand looks to be waning; and companies, for the most part, are looking to consolidate and not expand. A newly added headwind is the cheap fuel price which, for broking at least, reduces income and makes trading conditions harder. New starters should not expect a big salary and will likely face a fairly long probation period; as broking houses live by their commission they need to be sure individuals can become profit-generating before committing.

But once in, most people love the shipping industry. Day-to-day the role varies immensely and there are hundreds, if not thousands, of different roles within shipping. Given the range of geographical locations, commodities and ship types you can be assured of an eclectic mix of personalities and opportunities. One morning you can be negotiating a 3,000mt coaster for a



**Employment 'radars' often overlook a career in shipping**

ten day trip within North Europe and later that afternoon looking for a 110,000 mt baby capesize to load a cargo in the US Gulf destined for China.

It's a steep learning curve to begin with, not least the endless supply of acronyms you need to learn to enter into any conversation and the variety of commodities/ports/trade flows and ship types. But once the basics are learnt many more doors open. Knowing that each day you come to the office you're likely to learn something new keeps even the most experienced shipping folk engaged.

The same person mentioned above asked me more recently what kept me in the industry. I can now answer honestly: "it's a sociable industry, a place I can use my degree and interest in macroeconomics, and one of the few industries with a link to real world commodities." And I would go further and add it's the excitement of each day being different, being constantly challenged, the wonderful people you meet day to day, the chance to build a fulfilling career, and the huge amount of diversity. I may have initially fallen into shipping, but I haven't looked back since. **SN**



**Koch Carbon's Thomas Day won the Port of London Authority Award in 2015 and has since become a member of the Institute**

**"Knowing that each day you come to the office you're likely to learn something new keeps even the most experienced shipping folk engaged"**



# Take inspiration from shipping

It's all too easy to get blasé about the truly awe-inspiring nature of the shipping industry. When we're head down, getting on with the day-to-day tasks that collectively make the sector tick over, the sheer size, importance, and inspirational nature of the business of commercial shipping is lost in a miasma of the mundane.

But we should never lose sight of the bigger picture: ship investments that think nothing of running into millions of dollars; newbuildings so huge that you could fit your house, likely the neighbour's and possibly the whole street in; vast movements of commodities and goods that make the world the place it is today. Make no mistake, shipping is seriously significant.

Often, a step back offers some valuable

perspective. It's that alternative outlook that we celebrate in this issue. Our photography competition asked for images of the big, the bold, the beautiful and anything in between in shipping to provide that seemingly elusive alternative perspective. The results were inspiring and give a unique insight into how Institute members around the world see the industry.

But photos can only give a taster of what's out there; to really appreciate commercial shipping, get out on a ship, down to a busy working port, into a shipyard, or talk to a seafarer to view the shipping world through different eyes. Be inspired by shipping, I know I am. [SN](#)

Carly Fields, FICS  
Editor

## A fulfilling career from a chance encounter

Shipping wasn't on his career radar, but Thomas Day says he's glad he fell into the business

## Focus

The results of the Institute's photographic competition

## Bringing together the sea and the shore

Urban Strategies' Joe Berridge takes a look at what's happening on the world's waterfronts

## Delivering a vision of London's future

Port of London's Robin Mortimer explains how the Thames will cater to the next generation of users

## Roll up, roll up for Big Apple family fun

Felicity Landon finds out how New York manages to stay in touch with its watery roots

## Giving back to the community

Iain MacIntyre delves into the symbiotic relationship of Australasia's ports and their communities

## It's a team sport, not a singles game

Ports, academic institutions and businesses need to embrace 'cross pollination', finds Felicity Landon

## Monalisa: from masterpiece to masterplan

Technology to improve voyage planning has come on in leaps and bounds explains Vittorio Lippay

## Striving to shake off stereotypes

VIMC's Kaity Arsoniadis-Stein extols the benefits of Canada for shipping businesses

## International deals prove commitment to learning

Institute strikes co-operation agreements in UK and China to boost global exam centres

1

4

16

18

20

22

24

26

29

30



"The goals include creating the busiest Port of London ever, increasing throughput from the current 44.5m tonnes to around 60m-80m tonnes"



## A step up on the employment ladder

Simon Ward meets the man who beat a pack of lawyers to a job because he had Institute membership

## 160 years and counting

Paul Burt reflects on the changing welfare environment on a 'rather ordinary' anniversary

## Cold year ahead for all sectors

Andrew Lansdale finds little reason to be cheerful looking at shipping's short term prospects

## Legal Eagles...

Holman Fenwick Willan's specialist shipping lawyers answer your legal questions

## Calendar

Branch events listings

## Institute International branch news

## The Secret Broker

Bring back generosity, respect and modesty

## The Stern

Offering a different perspective on the maritime industry

### Key contacts

Editor of *Shipping Network*: Carly Fields FICS

Institute of Chartered Shipbrokers  
85 Gracechurch Street, London EC3V 0AA, UK

Telephone: + 44 (0) 20 7623 1111  
Fax: + 44 (0) 20 7623 8118  
Email enquiries: [membership@ics.org.uk](mailto:membership@ics.org.uk)  
For advertising enquiries please contact the Editor on: [editor@ics.org.uk](mailto:editor@ics.org.uk)

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# FOCUS

This issue of *Shipping Network* is a visual celebration of our industry. Featuring entries from around the world, these photos showcase the dynamic and dramatic business of shipping in all its magnificent glory.



Community category winner  
**Nikolaos Michalakopoulos**  
Service boat in Kolkata, India

CATEGORY

COMMUNITY



^  
Highly commended  
**Danny Cornelissen**  
Home for Christmas



^  
Highly commended  
**Tilly Connell**  
Port



>  
Highly commended  
**Dimosthenis Gkizas**  
Community

CATEGORY

# ENVIRONMENT

Category winner  
**Konstantinos Stais**  
Shipwrecked at the beach





Highly commended

**Petros Kefalonitis**

V

<

Highly commended

**Capt. Stratos Zafeiriadis**

Transiting the Panama Canal

CATEGORY

# PORT AT WORK



<

Category winner  
**Noutsi Lefkothea**  
Grace

Highly commended  
**Andrianos Ioannis Vlachakis**  
Jebel Ali STS  
>



Highly commended  
**Danny Cornelissen**  
The port at work  
<  
v



CATEGORY

# SHIPPING SERVICES



Category and competition winner  
**Nikolaos Michalakopoulos**  
Dry Docking in Vietnam



Highly commended  
**James Hopton**  
YoungShip Dubai's vessel visit  
to BBC Nordland  
V



V

Highly Commended  
**Nikolaos Michalakopoulos**  
Dry Docking in Greece



# Bringing together the sea and the shore

Urban Strategies' **Joe Berridge** takes a look at what's happening on the world's waterfronts



Joe Berridge

The great port cities of the world are becoming great waterfront cities. All over the world as shipping functions move into modern, customised facilities, the traditional ports they left behind are being transformed. From London to New York, Sydney and Singapore, the relationship between the city and the port – that was in many cases its reason for being – is changing dramatically. Mostly for the good, it must be said, but there are huge implications for all those who use the water for their business.

## Topic: Regeneration

**Keywords:** Ports, housing, development

**Background:** The fight for waterfront space has stepped up a gear and it will take some innovative thinking to meet everyone's expectations

The Port Authority of London, like such agencies across the world, has been thinking how best to manage the River Thames for the benefit of the many constituencies that now use the river for work and pleasure, recently releasing a 'Thames Vision', a prototype for other port and waterfront cities. But what has been happening on the world's waterfronts, and why?

Following the invention of the shipping container in the late sixties, great swathes of traditional port lands were abandoned. Indeed, many port authorities like London's or the Port Authority of New York and New Jersey were shorn of much of their land assets closest to the central city. This resource of inner-city port lands has now been mostly redeveloped in the world's major cities, although Sydney, Toronto and several others still have large, strategically located sites undeveloped. Singapore is even



Toronto's sugar refinery-inspired Sugar Beach overcomes industrial and recreational conflicts

Credit: Chris Tyler

in the process of relocating its first generation container port, right next to downtown and Marina Bay, to make room for urban expansion and to provide more efficient facilities.

Urbanisation of former ports has, however, meant that in most cities a new population and urban edge has moved down to the water, with all the consequent demands for access, water use and freedom from noise and dust. Urban water frontage is in short supply.

It's remarkable the extent to which the image of world cities has moved consistently to 'the view over water' – London's Eye and Canary Wharf, Sydney's Opera House, the great prow of Manhattan. Barcelona, Singapore, Shanghai, Hong Kong, have all been drawn to the water's edge. Water is now a critical component of a city's competitive offering, a key element in the quality of life so important as an attraction to human capital and global investment. What is interesting of course is what's not typically in the picture: ships and shipping.

## OUT OF SIGHT

The ports have moved out and are almost unseen, despite their critical importance. Moved out to Port Elizabeth, Botany Bay, Jurong, Tilbury and London Gateway, to name a few, where technology, innovation and expansion can advance unimpeded. Shipping is no less important; bulk freight underpins the global economy, but is largely invisible. We'll come back to that, because the lack of everyday presence in the public life of a city has some liabilities as well as many benefits.

The increased level of development on those former port lands is most evident, but so is the use of the water itself. London has seen an explosion of recreational use of the river; traditional uses of rowing and sailing have been joined by new activities like paddle boarding. This growth in use is partly opportunistic, taking over space abandoned by the retreat of the traditional port, partly reflecting lifestyle preferences and significantly reflecting

the reality of dramatically increased residential and workday populations along the Thames. London's population is projected to increase by 1.5m in the next decades, with a substantial proportion of that increase to be housed in waterfront boroughs to the east of Tower Bridge, so these demands for water use and access are only going to increase.

New York City's former port has a very different geography but the same things are happening. The city has recently created some very large parks on the edges of its older waters at Governors Island and Brooklyn Bridge Park, parks that have become resource centres for a wide range of active and passive recreational water uses.

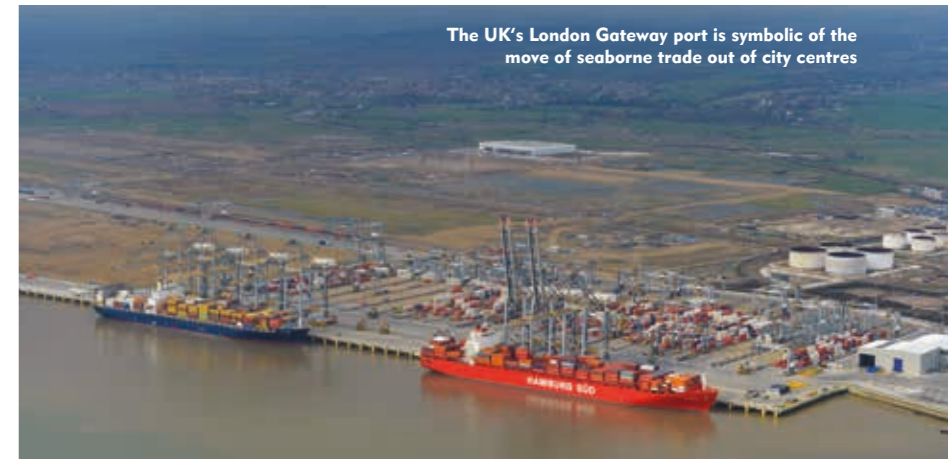
What's interesting is that the perceived conflicts between industrial and recreational uses have now largely been mitigated by environmental and safety legislation. Toronto has just opened Sugar Beach, immediately across the slip from a sugar refinery. Many European cities and New York have created floating swimming pools, sometimes weather-protected year-round, that provide an intimate connection to the water.

London has no equal in the number and range of river events, though some other cities have intriguing precedents, like Toronto's floating film festival held at the same time as its international film festival. Providence RI has an amazing festival of floating lights on its river.

All that new waterside living and working population is also beginning to create unique transport demands, that often can best be served on the water. London has seen a growing increase in the use of the river for public transport, something likely to increase as more resident and workday population can be easily served by the river.

New York and Sydney offer interesting comparisons in large population water transport. Both have a wide range: from fast long distance (up to an hour) commuter service, like the Staten Island Ferry or those leaving from Sydney's Circular Quay, to bespoke ferry services to specific destinations. These cities also have active water taxi services; Vancouver, for example, boasts vessels of very small capacity offering quick crossings. New York, with increasingly busy commuter water activity, seems to have a more privatised, de-regulated ferry environment, allowing more of a market-responsive free-for-all in water transport.

The one form of traditional maritime activity that seems to be bucking the trend of dispersal is the cruise ship business; it's booming, and demographics and consumer preferences suggest that boom is likely to continue. London is creating a new cruise ship pier at Enderby Wharf, which will be a great asset for London and local tourism given the proximity of Greenwich destinations. New York, Sydney and Vancouver have all provided multi-ship, large vessel berths very close to their central city, recognising the importance of that tourism market to the overall city.



The UK's London Gateway port is symbolic of the move of seaborne trade out of city centres

## OUT OF MIND

But all this new waterfront activity may not be entirely good news for the shipping industry. There will be increasing conflicts between maritime and recreational use of the scarce urban waterfront. More seriously, the move to remote, secure, large-scale container ports has actually removed water goods transport from the public agenda, something not healthy given the critical importance of ports to urban economies.

Perhaps it's time for the industry to promote more vigorously the environmental sustainability of waterborne transport, both for its own very carbon-light profile and as an alternative to both congested rail and diesel-driven road transport.

And one final issue that is going to affect all who use the water beside our cities – climate change resilience. All sea-edge and tidal cities must prepare for a future of rising sea levels and increasing storm intensity. London is no stranger to such realities and has been admirably innovative in such actions as the installation of the Thames Barrier. The easterly growth of the metropolis – and the limited life-span of the Barrier itself suggest, however, the need for longer and wider range resiliency planning. New York City received a major blow from Hurricane Sandy in 2012, which has spawned the most serious resiliency planning of any city I know, extending out beyond the harbour and into the Atlantic approaches, at a scale comparable to the outer Thames Estuary. The impact of such major initiatives on commercial shipping activity can best be managed if the industry is an active part of these ideas.

And ultimately it will all be about broader public education of the critical role of water and water-borne activity in our cities. One wonderful example in New York City is instructive. A new 'academy' high school focussing on marine education has been located in a former heritage military building on Governors Island. Each incoming class plants an oyster bed, each graduating class harvests it, as part of a plan to have a billion oysters cleaning up New York's legendary harbour. They can't actually eat the oysters yet but each graduate will be determined that one day they can. I can't imagine a better way to teach young people the crucial role of water in our lives. **SN**

Joe Berridge is a partner at Urban Strategies, an urban planning and design firm working on waterfronts around the world, including Toronto, New York, Cardiff and Singapore, and most recently helping the Port Authority of London develop their vision for the Thames. For more information go to [www.urbanstrategies.com](http://www.urbanstrategies.com) or follow Joe at @joe\_berridge on Twitter.



London is creating a great asset with its new cruise ship pier at Enderby Wharf

# Delivering a vision of London's future

Port of London's [Robin Mortimer](#) explains how the Thames will cater to the next generation of users



Robin Mortimer

The Thames is one of the world's most famous rivers, known for international trading and enjoyed by many millions every year as they work on it, travel on it, row on it or simply appreciate scenic views as they walk along the river's bank.

Recognising the importance of the river to a wide spectrum of people and organisations, the Port of London Authority (PLA) launched the Thames Vision, as a first of its kind project to create a 20-year development framework to help the river community succeed.

**Topic: Waterways**

**Keywords: London, River Thames, planning**

**Background: Perhaps better known for its historic past, the River Thames has set out an ambitious all-encompassing plan for the next 20 years**



The Thames Vision team has worked to bring together the river community, which is no easy feat, given its large geographic area, running 95 miles from the North Sea right through central London to Teddington Lock, covering 400 square miles.

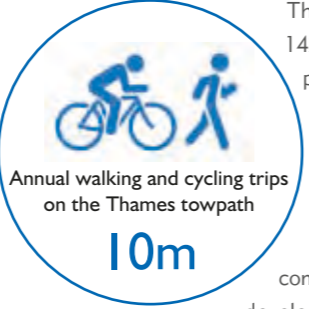
We held a series of consultations to bring together as many river stakeholders as possible, to identify collective ambitions and to stimulate discussion. This allowed individuals, groups and sectors to meet, converse and advise on their views on the true value of the river, their top priorities, and what the PLA and others can do to help it succeed.

The results have been astounding. Not only have we received a high level of direct input into the consultations, but the process itself has helped strengthen the sense of a community in achieving common goals.

**SUPPORTING EVIDENCE**

While the river community discussed their views, the PLA also commissioned SQW and Oxford Economics to produce reports that would establish the current 'Amenity and Economic Value' of the port, along with an independent trade forecast and capacity study.

"The goals include creating the busiest Port of London ever, increasing throughput from the current 44.5m tonnes to around 60m-80m tonnes"



The economic report surveyed 142 port companies and identified positive news for the growth of the Port of London in that there are 185 investment projects planned over the next five years worth just over £2.5bn.

The Port of Tilbury has committed significant investment to develop the new 70 acre London Distribution Park, helping to drive up cargo volumes. Builders' merchant Travis Perkins recently took up one such warehouse site, which supports approximately 600 new jobs.

Ford Motor Company is in the process of investing £500m in the development of its new panther diesel engines at its Dagenham site, while over the next five years its Thames jetty operation will see a multi-million pound investment.

International port operator DP World is investing £1.5bn into the DP World London Gateway container port and is building Europe's largest logistics park with global logistics company United Parcel Service (UPS) being the most recent to join the ranks at the distribution park.

The economic report has shown the tidal Thames is thriving with over 43,000 jobs linked to port operations, creating £4bn gross value-add per year. The majority of the new investment identified among port operators and processors are predicted to increase revenue and employment.

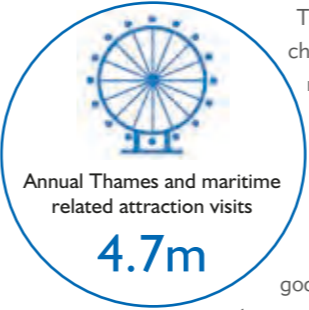
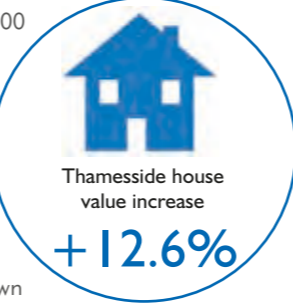
The Amenity Study has shown riverside tourist attractions welcome 23.4m visits a year, while river passenger journeys increased from 6m in 2012 to 10m in 2014.

There are over 10,000 tourism related jobs in riverside wards, adding £2.4bn gross value-add to the UK economy, underlining the importance of the Thames as a magnet for both Londoners and visitors to the capital.

**LONG TERM PLAN**

Having documented collective ambitions and fed in the data from the studies, the Thames Vision team developed the Vision's 'Emerging Goals and Priority Actions', which, following further stakeholder feedback, will act as a framework of activities to take place over the next 20 years.

From the consultations and data collected, the Vision team have proposed a series of goals that reflect the needs and wants of river stakeholders.



There are some challenging goals though not impractical by any means, given the direction of the activity seen on the Thames in recent years.

The proposed goals include creating the busiest Port of London ever, increasing throughput from the current 44.5m tonnes to around 60m-80m tonnes. Stakeholders believe this can be achieved mainly through sustained private sector investment in terminals, dredging the river and infrastructure improvements to ports, linking roads, rail infrastructure and river crossings.

Inland freight can be sustained at 2014's record level of 5.5m tonnes by making freight by water the default choice for movement of waste and construction goods and by protecting select Thames wharves for port use. Noting the importance of having skilled people supporting such activities, the Vision suggests building the skills of the next generation of mariners should be a priority, and this can be achieved through the Thames Skills Academy.

Further, the Thames is to become the cleanest it has been since before the industrial revolution, largely as a result of the Thames Tideway Tunnel. The improvements will help increase bio-diversity across Thames-based Sights of Special Scientific Interest.

The Thames Vision has also recommended a goal

of passenger travel doubling to 20m trips per year by making pier use, timetables and traffic management systems more efficient, while maintaining safety.

Leisure users will not be forgotten: greater participation in sport and recreation on the water will be encouraged through the creation of sport opportunity zones and additional visitor moorings. A goal to embrace and celebrate the river by making the riverside a magnet for ramblers, historians, artists and others is included as well.

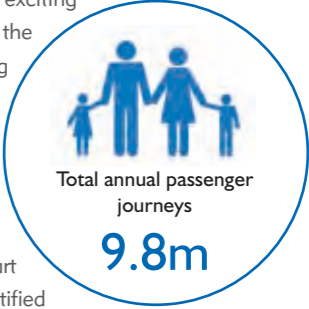


**A WORTHY FUTURE**

The River Thames is often reflected upon for its great history, with its booming port in the docklands and its frost fairs, held on the tideway of the River Thames at London in some winters between the 17th century and early 19th century. But in fact the most exciting story lies ahead with the Vision expecting the port to be larger than ever, with a doubling of passenger travel journeys and thriving environmental, sports and cultural activities.

With the River Thames community's broad backing of the Emerging Goals and Priority Actions, the Vision team will soon start work with stakeholders to achieve the identified goals, making for some truly exiting times for the wonderful natural resource that is the Tidal Thames. [SN](#)

*Robin Mortimer is the chief executive of the Port of London Authority. For more information go to [www.pla.co.uk](http://www.pla.co.uk)*



Statistics source: Port of London Amenities report

Port of London Authority – Goals and Actions required		
<b>Port of London</b>	<b>Environment and heritage:</b>	<b>Inland freight:</b>
<b>Goals</b>	<b>Improved tidal Thames environment</b>	<b>More goods off roads and onto the river</b>
<ul style="list-style-type: none"><li>To become the busiest ever Port of London, handling 60-80m tonnes of cargo each year.</li></ul>	<b>Goals</b> <ul style="list-style-type: none"><li>For the River Thames to be the cleanest since the industrial revolution, with improved habitats in the water and on adjoining land.</li></ul>	<b>Goals</b> <ul style="list-style-type: none"><li>More goods and materials moved between wharves on the river – every year sustaining the record level of 5.5m tonnes carried by water in 2014.</li></ul>
<b>Actions required</b>	<b>Actions required</b>	<b>Actions required</b>
<ul style="list-style-type: none"><li>Sustained private sector investment</li><li>Continued improvements to the main navigation channels</li><li>Lower Thames crossing downstream of Tilbury, by 2025</li><li>Widening of A13, by the end of 2018</li><li>Electrification of the Barking to Gospel Oak line, by summer 2017</li><li>At least three further Thames crossings to the east of Tower Bridge, that allow river trade; the first by 2022</li><li>Closure of level crossings affecting operational terminals, by 2020</li></ul>	<ul style="list-style-type: none"><li>Tideway to build and bring the Thames Tideway Tunnel into operation by 2023</li><li>Water quality improved to 'good'</li><li>Joined-up Thames Path running from Teddington to the sea</li><li>Improved biodiversity of nature reserves: wherever practicable all sites of special scientific interest along the river brought into 'favourable' condition</li></ul>	<ul style="list-style-type: none"><li>Establish the Thames as the default choice for transport of waste and construction materials; and increasingly containerised goods</li><li>Protect and reactivate safeguarded wharves with at least Peruvian, Orchard and Hurlingham wharves brought into operation over the next decade</li><li>Work with Transport for London and the Greater London Authority to extend the River Concordat to promote freight movements by water</li><li>Establish a Thames Skills Academy by autumn 2016, to provide a sustainable model for skills development on the Thames</li></ul>

# Roll up, roll up for Big Apple family fun

Felicity Landon finds out how New York manages to stay in touch with its watery roots



Felicity Landon

For an exciting adventure, go behind the scenes of the bustling Port of New York & New Jersey on our Hidden Harbor Tour of Port Newark! Or, take a Family Fun Day Boat Tour and “See giant container ports close-up, plus ships, tugboats, cranes, a lighthouse and the Statue of Liberty!”

Sound exciting? Clearly residents and visitors in New York and New Jersey think so.

“Since the Working Harbor Committee (WHC) was founded in 2002, we have taken well over 28,000 people out on the water to educate them about the importance of the maritime industry and why it is critical to the economic health and quality of life in the New York and New Jersey area,” says Roberta Weisbrod, WHC chair.



New York welcomes visitors to its working port

maritime industry leaders help to educate the youngsters about careers and the educational requirements for them, and students are given a 52-page guide to maritime occupations.

Overall, the WHC’s mission is “to strengthen awareness of the working harbour’s history and vitality today, and its opportunities for the future”. It co-ordinates the annual Great North River Tugboat Race and Competition as well as an annual indoor event to educate the public on a topic of interest in the maritime industry.

### GETTING THE MESSAGE OUT

Carleen Lyden-Kluss is executive director of NYMAR, the New York Maritime Consortium, an association of maritime companies working to promote the benefits of the region as a maritime business centre. She says the

significance and value of New York maritime is often undervalued by the global maritime community.

“We don’t have an institutionalised framework to promote the New York maritime centre the way many other markets do,” she says. “The Lord Mayor joins Maritime London’s road trips; we don’t have that same facility and, as a result, what New York has to offer and the benefits of doing business in New York are not as clearly understood as they should be.”

Ms Lyden-Kluss believes the New York maritime cluster simply hasn’t talked about itself enough – but that’s set to change this year, with a high-profile launch at Posidonia of a project “which will really highlight New York’s strengths”, she says.

The Waterfront Alliance – based in Water Street, New York – is a NGO made up of nearly 900 businesses and civil organisations “dedicated to a revitalised, vibrant and healthy New York and New Jersey harbour”.

President and chief executive Roland Lewis says: “The Waterfront Alliance recognises the vital importance of our port, certainly for jobs and the economy, but also for our environment. Kayakers, environmentalists, sailors and many, many others in our coalition recognise that, in addition to the hundreds of thousands of jobs created by the port and the transport of the vast majority of goods we all rely on – from iPhones to underwear to autos - by moving those goods efficiently by water, untold thousands of trucks are kept off our roads, along with the pollution and congestion they bring.

New York’s Waterfront Alliance is made up of nearly 900 businesses and civil organisations



“The New York/New Jersey port is the largest on the east coast. For the continued health of our economy and our environment, it is essential that we protect and grow our port and the varied maritime support services that make it function.”

New York City began because of its magnificent natural harbour, he says. “Our port is still essential for its future.”

### BROADENING KNOWLEDGE

Not everyone within the region has a good understanding of how ports operate and why they are important to the regional economy, says the Port Authority of New York & New Jersey (PANYNJ).

“Perhaps equally important, there is a significant lack of understanding as to the opportunities that exist within the maritime industry as a whole in terms of careers and opportunities to be a part of something truly unique and transformative,” says Thomas Hannan, PANYNJ’s manager, strategic analysis & industry relations.

The port authority runs a number of programmes designed to help bolster the port’s standing on the national and international stage as well as locally, he says. “These programmes are important not only to the work currently under way and planned – all focused on growing the port in a sustainable way – but also to our

ability to attract and retain young people, who will be the future backbone of the industry,” he says.

The port authority says it must engage with three different communities on a regular basis if the port is to be successful long-term: port stakeholders in order to maximise the ‘value added’ for customers and enhance the port’s competitive position; government and elected officials to ensure they have a good understanding of the value of the port to the region and the impact of their actions on the port; and educational institutions, to ensure a knowledge of the port ‘and a continuation of its illustrious history’ by accessing the next generation of maritime leaders and employees.

Specifically in this latter area, the port authority’s education and outreach programmes encourage students to embark on the careers necessary to the industry and has established partnerships with the NY Harbor School and the Urban Assembly School for Global Commerce, which includes offering summer internships, job shadowing and port tours and also holding an advisory position.

In addition, the authority has a summer internship programme for college and graduate students which employs older students from throughout the region for six weeks each summer, while its staff participate in local organisations which celebrate New York’s rich maritime history – including the Working Harbor Committee. [SN](#)

## Investing in projects for everyone’s benefit

From dredging to rail services, New York City Economic Development Corporation (NYCEDC) has invested in numerous projects that benefit the port and, ultimately, New York City residents.

Among these is a project to reactivate the 72-acre South Brooklyn Marine Terminal (SBMT). In December, NYCEDC issued a request for proposals for maritime businesses to operate at SBMT, which will bring this important piece of the Sunset Park industrial ecosystem online by the end of 2016.

SBMT has berthing space for cargo ships and barges and is the only marine terminal east of the Hudson River with direct rail access to the national rail system, giving it the potential to reinvigorate southern Brooklyn’s transportation networks and reduce cross-harbour trucking.

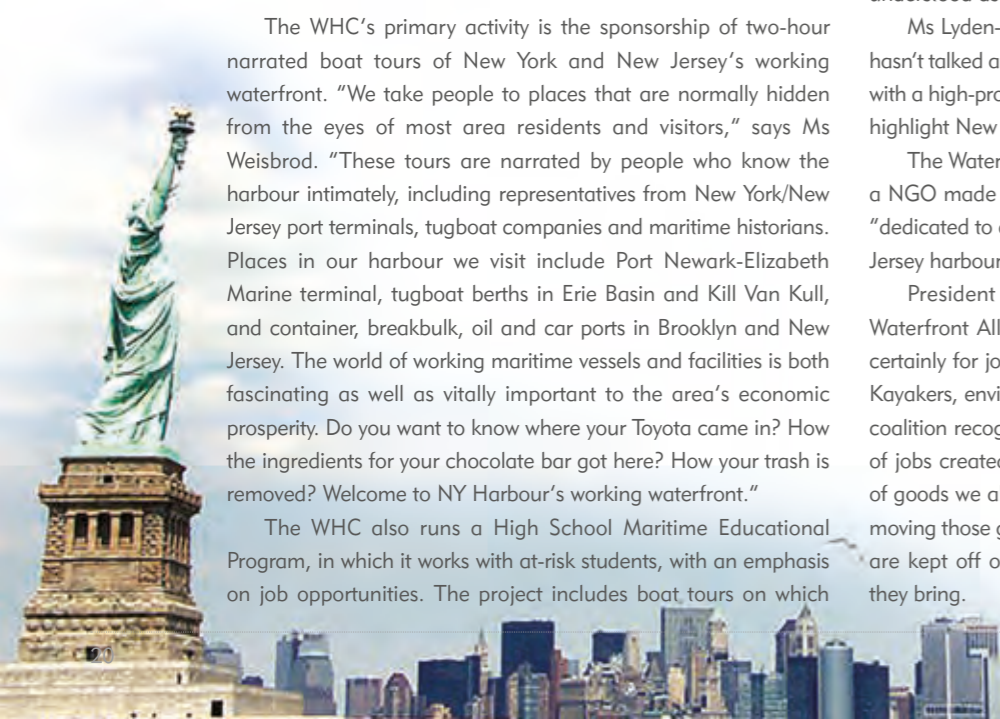
NYCEDC set up a task force made up of representatives from local community groups, businesses and elected officials to develop goals for the site.

“Sunset Park is home to some of NYC’s most productive and valuable

stretches of working waterfront and bringing maritime uses to SBMT will make the waterfront even more active,” said NYCEDC president Maria Torres-Springer. “SBMT will play a vital role in our efforts to provide NYC businesses with additional transportation and logistical capabilities necessary to move products across the region and country, driving economic growth, helping to improve the resiliency of our freight and transportation networks, and creating even more opportunities for the Sunset Park community.”

Council member Carlos Menchaca said: “Our waterfront, one of our biggest assets, requires a development plan designed with meaningful community engagement. Preserving South Brooklyn Marine Terminal for quality maritime use is one of several requirements in the agreement I reached with the Economic Development Corporation last year.

“The final version of the request for proposals came with close consultation with a task force of Sunset Park business owners and community organisations that facilitated input and direct community outreach at public meetings.” [SN](#)



# Giving back to the community

Iain MacIntyre delves into the symbiotic relationship of Australasia's ports and their communities



Iain MacIntyre

Synonymous with the large investment in infrastructure necessary to shift vast amounts of cargo, ports also appear to be seeing increased value in non-core investments made within their communities. Contrasted against what would be considered traditional economic drivers for the sector, these human investments deliver different and wider returns.

One prime example in Australia is the Port of Melbourne Corporation's (PoMC)-funded Port Education Centre, through which schools, community groups as well as industry can gain a close-up understanding of the dynamics of global trade.



## INNOVATION PRAISED

The centre's Melbourne Port System Industry Induction, provided in collaboration with stakeholders, has been described as an "innovative programme", which considers the supply chain as a wide-ranging system of functions and interests. The individual roles of customs, freight forwarders, shipping lines, stevedores, cargo owners, land transport operators and container park operators are explored so as to widen understanding and lift efficiency and productivity within the Melbourne port sector.

Located on the Yarra River, the centre is also regarded as one of the few vantage points where visitors can experience the scale of a passing large ship at close proximity to the port's operations and is one of numerous community-driven initiatives, adds Mr Easy.

"Melbourne's port has been a vital part of the city since its earliest days. Fostering and growing this connection continues today through PoMC's community sponsorship programme which supports a wide range of activities with a port city, maritime or educational theme. Our programmes continue to evolve and are reviewed on an ongoing basis.

"Our port boat tours are typically fully subscribed and hosted by PoMC staff who are our best ambassadors for linking the role of the port to the everyday lives of our community stakeholders."

## BRISBANE FUNDING

Among other examples of ports turning their focus to the community in Australia, the Port of Brisbane (PBPL) awarded over A\$100,000 in funding for local projects and initiatives as part of its Community Grants Program in 2015.

PBPL chief operating officer Peter Keyte says the initiative, now in its third year, received a record number of applications from local schools, community organisations and conservation groups.

"This is a wonderful opportunity for PBPL to give back to our local community," he says.

"The grants programme will support a range of activities including education programmes, environmental management initiatives, facility upgrades and the purchase of valuable equipment."

Across the Tasman Sea, the Port of Tauranga is very active in this space, with notable involvements including regular contributions to annual half ironman and fishing tournaments, a rescue helicopter, educational scholarships and charities.

According to its recent annual report: "Port of Tauranga appreciates the community support for its operations and returns that support through a range of sponsorship investments and donations."

Elsewhere in New Zealand, Ports of Auckland is understood to have raised NZ\$260,000 for a variety of charities in its last financial year, as well as sponsoring such events as a waterfront run, regatta, youth sailing opportunities and business awards among others.

"As a city port we like to support events and activities that will benefit the Auckland community, and give the public an opportunity to get behind the 'red fence' [port boundary]," states its annual report.

Although not having the budgets of the country's two largest ports, regional ports are also playing their part, as evidenced by the NZ\$100,000 Port Nelson put towards community initiatives in its latest financial year.

Port Nelson chief executive Martin Byrne tells Shipping Network the general aim is to divide this funding into four particular areas: business, sports, art and other charitable organisations.

"Business tends to be the likes of the local Institute of Directors and in the past the local Chamber of Commerce as well as sponsoring conferences such as Aquaculture New Zealand and things like the Air NZ Wine Awards this year. For those, we see tangible business benefits through brand exposure across a number of organisations, many of whom have a commercial link to our business.

"In terms of sports, we try and focus on the youth level where we can, as much as anything to help inspire the younger members of our community to get out and active.

"The arts are things like the Light Nelson Festival which are great not-for-profit local events and in the other area we have recently supported the likes of Big Brothers Big Sisters here in Nelson as well as the St John Ambulance and the Nelson Women's Refuge."

## BIG BROTHERS BIG SISTERS

Fully illustrating the wider benefits potentially on offer through such corporate sponsorships, Mr Byrne says the most meaningful and rewarding for both himself and other Port Nelson staff has been Big Brothers Big Sisters.

"They are an amazing group that operate in many countries and focus on providing mentors for children from 5-18 years old who typically come from one-parent families. The mentors – the majority are men, given the main request are for mentors for young boys – give their own time up each week to spend some time with the boys, whether it be fishing, sports, tramping or whatever it may be.



"The programme is also supported by the New Zealand Police and many other fantastic organisations as well. We got involved in it one year when they approached us and since then I have joined the local board here in Nelson.

"Some of our staff are mentors and we also assist in other fundraising events they run as well - so there is a lot more to it than just handing over a cheque each year. Generally speaking, we like to get involved with organisations who have similar values to our own."

He says the St John's involvement has also struck a chord.

"They ran a programme two years ago where they got local business leaders, myself included, to do a 12-hour night shift with their staff and to see just what work they do in their day-to-day efforts. It was a real eye-opener, particularly given around 75% of their staff are unpaid volunteers, and since then we have started supporting them on an annual basis as well."

Noting that "most New Zealand ports are fairly active" in providing funds to community events and organisations, Mr Byrne observes that these efforts can take many different forms.

"I know some prefer 'big ticket' sponsorships, such as Port Taranaki with their National Provincial Championship rugby team, rather than perhaps a smaller number of sponsorships across a wider group of organisations. But it is very much each to their own and as long as there is funding assistance being given, that is all good."

However, a key piece of advice he would offer any port considering such involvements is to "look at your values and look at requests from organisations who have a nice fit with those".

"Some parties are simply after funding and no other link with your business and some, unfortunately - who you sponsor for a number of years - can get quite complacent and not deliver the value they initially promised for that financial support, which results in that relationship coming to an end.

"We like forming ongoing relationships with organisations who want to partner with us, such as Big Brothers Big Sisters and St John, and not simply take our money and leave it there." **SN**

"We like to get involved with organisations who have similar values to our own,"  
Martin Byrne,  
Port Nelson



Port Nelson chief executive Martin Byrne is pictured centre as part of the port's St John Ambulance sponsorship

# It's a team sport, not a singles game

Ports, academic institutions and businesses need to embrace 'cross pollination', finds **Felicity Landon**



Felicity Landon

Social integration and a 'licence to operate' – these are huge issues for ports today, says Greta Marini, strategic advisor port city community affairs at the International Association Cities and Ports (AIVP). And that statement reflects a significant shift in attitude since AIVP was first created nearly 30 years ago.

Back in the late 1980s, the dominant topic for discussion was what could be done with old, derelict port areas and how to develop waterfront projects; there were no real discussions about shared projects or collaborative working.

## Topic: Integration

**Keywords:** Innovation, crossover, shared knowledge

**Background:** There's an untapped pool of resources that could be plumbed to drive invention and improvements in the maritime industry

"What we have seen in the past five years is a real shift in the relationship between ports and cities, with more integration and more dialogue," says Ms Marini. "You can see everywhere that ports are really in better dialogue with citizens and the city."

While it's appealing to think that this is all about being 'nice', it's also because ports increasingly realise that they have to have the support of the population, she says. "Ports know they have to explain what they are doing because otherwise they just get problems with their 'licence to operate'. Of course they must be business friendly and react quickly for business and their clients. But they also need to collaborate with institutional bodies.

"Ports really can't be 'on their own'. They have to reflect their activity and also what they can offer, together with other stakeholders – and that means not only the port community but also institutions and citizens."

Ports and their cities are increasingly looking for synergies and for new possibilities to work together to develop and provide added value for the port operations, says Ms Marini. "It is about creating business on the port area which is completely linked with the city, with services, and with quality of life. It is about crossovers and synergies – it is a huge challenge we are embracing."

**"RDM Rotterdam is described as 'the showcase and accelerator of innovation in the port and city of Rotterdam'"**



Credit: Aleksy Chernov

**Barcelona Port Authority has included an interpretation centre as part of the renovation of its historic headquarters**

A recent 'Port Centre' report co-authored by Ms Marini attributes the break between port and city, and the widening of that break, to a growing ignorance of maritime and port activities among the population. "The technical and structural revolution generally goes on outside the city, although it is sometimes very close at hand in the case of ports located in the heart of the urban space," says the report. "It is accompanied by ever stricter safety and security measures applied by the port authorities, who must comply with ever more demanding environmental regulations. The added value is not clearly perceived by the city's inhabitants."

## WORKING TOGETHER

AIVP is a network of port cities worldwide, with more than 200 member organisations and representing 42 nationalities. At its 25th World Conference Cities and Ports, to be held in Rotterdam in October, there will be a particular focus on 'crossovers' – including how crossovers between cities and ports can stimulate innovative business climates, how smart technologies can be used for green logistics and industries, and how joint urban and port planning can facilitate flexible and sustainable city-ports.

Ms Marini says there is a growing interest in creating innovation-focused, business friendly environments where schools, training centres and research facilities work alongside each other, creating and inventing new technologies which could be the next step for the port.

"One part of the Rotterdam conference will be dedicated to social innovation, which means we are also assessing the shift in the types of jobs inside the port. More and more we will need people who are qualified in terms of new technologies and how to use software, so that means a change in training and preparing the next generation for a ports industry which will be more automated."

Ms Marini describes Rotterdam as an example of 'daring to think differently'. The AIVP conference will take place at RDM Rotterdam, described as 'the showcase and accelerator of innovation in the port and city of Rotterdam'.

The former wharf of the Rotterdam Drydock Company (RDM) has been redeveloped into an innovation cluster in the heart of the port area, housing a combination of business, education and events. Companies ranging from start-ups to world players in the maritime and offshore industries have set up there to develop, manufacture, test and demonstrate prototypes and new products. There is 'cross-pollination' between the companies and the students, lecturers and researchers of Rotterdam University of Applied Sciences and the Albeda College for vocational education, and innovation is supported by state-of-the-art machinery and equipment, and a hydraulic laboratory.

## AWARD WINNING THINKING

The 2015 ESPO Award on Societal Integration of Ports was won by the Port of Dublin in recognition of its strategies to make schools and universities aware of their local port and its activities.

Dublin's Port Communities Educational Support Programme helps to increase employment options within the disadvantaged communities that provided the port's workforce in the past. The programme includes early learning initiatives, technology in schools, scholarship programmes and support for sports teams.

The Port of Guadeloupe received a special mention from the ESPO judges for its 'Discovering my port' project. The project helps people to learn about the importance of port-related activities in an island environment, about the impact of those activities on the local economy and about the development plans and the port commitment to preserve the environment.

Meanwhile, AIVP had a small 'think tank workshop' in Livorno to tie in with the inauguration of the Port Centre of Livorno last November.

The opening of the Port Centre, inside the Fortezza Vecchia, a beautiful old fortress between the cruise



**Rotterdam Drydock Company in an innovation cluster in the heart of the port area**

terminal and the city, represented the final part of the 'Porto Aperto' programme for school children launched eight years earlier. The Port Centre acts as the starting point for them to discover and understand the activities and jobs offered by the port.

More than 100 delegates from the Livorno region and other port cities in Italy attended the inauguration centre, followed by the workshop on developing a more sustainable and integrated relationship between port city and citizens.

In the US, Houston Port Authority has committed to working with students from the Houston College of Architecture to design and build a new security checkpoint structure for the port's entrance channel. It says this is a 'win-win arrangement' that will enable the port to secure wider legitimacy for its project and reduce costs, while giving students valuable hands-on experience.

Barcelona Port Authority, for its part, plans to include an interpretation centre as part of the renovation of its historic headquarters. The centre will provide information on the port and its activities, as well as multi-purpose spaces. **SN**



**Livorno has inaugurated a Port Centre to help explain the activities and jobs offered by the port**

Credit: Robert Pittman

## Filling in knowledge gaps key to success

Lack of knowledge about a port's activities and its contribution to city life, especially in economic terms, is often a source of misunderstanding, indifference or even hostility on the part of citizens, says AIVP in a best practice guide.

The port and port authority should strive to be an active player in city life, it says – regularly participating in the city's cultural and/or social activities, and organising events such as music, cinema, sports, sailing or 'port days' in the city/port interface areas, preferably at sites with direct views of the working port.

AIVP says it is also important to make port activities known to the citizens – for example, through the organisation of events and 'port days' or weeks. The report highlights examples of this type of event at Antwerp, Brussels, Valparaiso and Le Havre. When organised repeatedly, these events can be a forum for regular interaction between the port and population, says AIVP.

Other activities it recommends include guided tours by boat and/or bus, the creation of pedestrian or cycle paths with access to viewpoints, building viewing platforms and creating 'port centres' that enable visitors to learn about the day-to-day life of the modern port – educating visitors and opening young people's eyes to the career opportunities.

The impact of the mega-container ships is a classic example of where port and city must work together, points out Greta Marini at AIVP, and it will be a key topic for discussion at AIVP's June meeting.

"In terms of impact, the arrival of the mega ships is huge – for the port, it means investing in the cranes and infrastructure to handle them, even though you don't know if the company (shipping line) is going to stay, while for the city, mega ships mean thousands of containers being offloaded in one go, for transport by road or rail. That is a big issue for port and city that must be discussed; you need to consider the whole picture." **SN**

# Monalisa: from masterpiece to masterplan

Technology to improve voyage planning has come on in leaps and bounds explains [Vittorio Lippay](#)



Vittorio Lippay

If there's one advancement that shipping needs to embrace in the 21st century, it's the fast move forward into the digital era. It needs to immerse itself into an interconnected world that is designed to deliver the highest possible level of predictability to all players involved in ships' voyages.

Today, the chain of information for ship voyages moves from stakeholder to stakeholder; owner, master, coast guard, port authorities, pilots, tugs, linesmen, agents, and stevedores all wait their turn for relevant information. It is only when the ship is headed their way that they receive what can only be described as fragmented information biased by many uncertainties. Even port authorities are informed of the exact ETA of a ship just a few hours ahead of its arrival.

Imagine now a new model of information flow, where each stakeholder knows his or her part in a voyage in advance, where real time corrected information on when, who, what, and how flows to each player as the voyage takes place, with that information identified by a uniquely assigned code number.

That vision has the potential to become reality: an European Union-supported project has proven that computers, ship communications and tracking technologies combined are now able to support a global platform for effective sea traffic management.

## WORK OF ART

Sea traffic management is a concept which aims to harmonise sea traffic through more proactive involvement of all stakeholders, all the while allowing them their independence. Each stakeholder is invited to share certain key information about a voyage within a specifically designed digital infrastructure, known as the Motorways & Electronic Navigation by Intelligence at Sea platform, or MONALISA.

The MONALISA project was devised under the supervision of the Swedish Maritime Administration and recently tested for validation in its second version, MONALISA 2. Towards the end of last year, MONALISA 2 was tested using the European Maritime



Credit: Sjöfartsverket

Once the voyage is underway, the ship's data set is continually updated

Simulator Network (EMSN) with navigators from all over Europe on virtual bridges. In contrast to the centralised traffic control systems commonly seen at airports, MONALISA 2 utilises a delocalised traffic management system based on data from several Sea Traffic Control Centres. This concept leaves ultimate decisions to the master.

The platform processes data from different sources and then redistributes that processed data to stakeholders according to their respective roles and interests. Sea Traffic management is then realised through four operational sub-concepts: Strategic Voyage Management, Dynamic Voyage Management, Flow Management and PortCDM.

Strategic Voyage Management serves to plan, optimise, and validate the cost-effectiveness of the intended voyage using the inputted information in a voyage-planner linked to the platform. The Sea Traffic Control Centres and the port authorities involved, as well as potential service providers, all contribute to the formulation of the route, estimated time of arrival, estimated time of berthing, estimated time of departure, and organise ancillary operations.

The Dynamic Voyage Management concept updates, adapts, and validates voyage plans and their execution continuously as the various parties exchange information on the voyage before and during the trip.

The Flow Management concept forms a real-time traffic image for the sea traffic coordination centres, primarily to provide situation awareness, security monitoring, area management and traffic direction with the eventual aim of formulating optimised ETA/ETDs.

But it's the final concept, the Port Collaborative Decision Making concept, or PortCDM, that is of most interest to shipbrokers and agents.

## COLLABORATION COUNTS

Port Collaborative Decision Making is the key sub-concept that defines the success or otherwise of the Sea Traffic Management system.

Port CDM is designed to imitate the experience of airport CDMs, where ground operators and airports are synchronised. But while airport CDMs work on a top-down principle, shipping, because of its highly competitive nature, requires a more diffused decisional network where each CDM partner shares enough of his or her knowledge to optimise the processes, but no more than that.

A 2015 research paper from non-profit research institute Viktoria Swedish ICT found four 'actors' that need to be interconnected in the port environment. These are: actors inside the port; actors inside the port connected with others who plan and organise ship voyages outside; transporters coming and going from outside, and ports in their interrelations. Agents and shipbrokers sit neatly in the first two collaborative arenas.

The research established that these four arenas must be connected by a common language and a harmonised communication system via a platform expressly devised to exchange agreed data sets on each action.

The Swedish research team found the ETB and the ETD of a ship to be the two nodal points. In PortCDM, the "all fast" moment – the actual time of arrival – triggers a well-oiled machinery of loading, discharging, bunkering and so on, which runs without loss of continuity and efficiency towards the cast off. The key is to be able to arrange the steaming speed of a ship in the final phase of a voyage so as to make its ETB fit neatly with ETD of the previous vessel at the assigned berth.

To get to this point, as soon as the voyage is planned, the information is fed into the platform for the destination port. This timely message relay allows the destination port to synchronise and optimise its operations in advance. Once the voyage is underway, the ship's data set is continually updated so that any gap between ETB and ATB or ETD and ATD can be ascertained and immediately acted on. This serves to optimise the efficiency level of a port and helps owners, charterers, and shipbrokers to make cost effective decisions in favour of ports.

## CROSS-BOUNDARY POTENTIAL

The findings of last year's simulations were very promising. Mathias Karlsson, of Viktoria Sweden ICT, states: "The potential is there, not only for the strategic management part, but also for the different vessel tracking services and traffic monitoring beyond vessel tracking services' waters."

Over 300 delegates from over 20 countries examined the final outcomes of MONALISA 2 during a conference in Gothenburg in November 2015. Both the Panama Canal and Singapore Port authorities expressed great interest in the concept, which promises to provide early routing and traffic information between Singapore and the US East Coast, which would manage canal traffic more efficiently.

A further European Maritime Simulator Network



Credit: Sjöfartsverket

"Much success of the Sea Traffic Management concept will depend on the involvement of the shipbroking community and its contribution to shaping the practical aspects of the project"

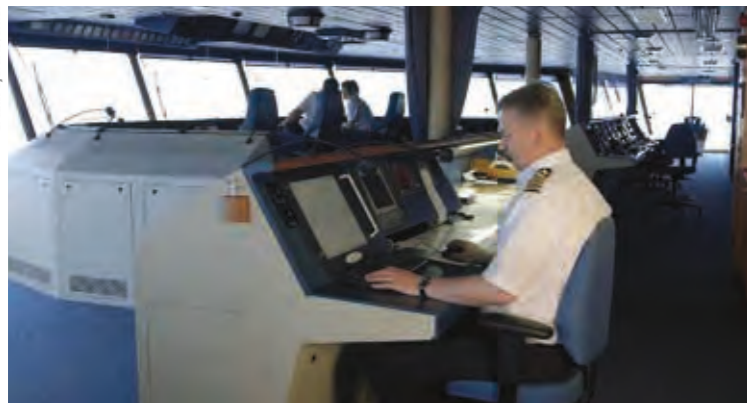
session is scheduled for May this year with an increased number of interconnected simulation centres.

The next phase of the MONALISA project is the adoption of the new Sea Traffic Management (STM) Masterplan 2018. This new plan sets out a path to validating the e-navigation at sea in 2017 through five directional centres with test beds in the North (Baltic, plus Norway) and the Mediterranean. The 13 ports involved are Kvarken, Gothenburg, Oslo, Bergen, Stavanger, Valencia, Barcelona, Genoa, Civitavecchia, Naples, Venice and Limassol. Limassol could then develop to be a local PortCDM hub for limited implementation of the concept in several ports in the Middle East and North Africa. ECDIS manufacturers are going to install e-navigation equipment aboard 300 ships for the project – at no cost for the volunteers.

Ulf Siwe, of the Swedish Maritime Administration, believes that the STM concept developed in MONALISA 2 will be fully implemented globally by 2030. This, he states, will lead to a high level of predictability for all sectors of shipping in terms of voyage planning, which will allow for better and more advance decision making. "Long term and short term operational planning will profit from accurate information on routes and port calls. Congestions in straits and canals can be foreseen, and ports will become more reliable and predictable to shippers, thus moving more goods to sea."

Much success of the STM concept will depend on the involvement of the shipbroking community and its contribution to shaping the practical aspects of the project. Ultimately, STM will fundamentally change the role of shipbroking and port agency in relation to voyage planning.

The introduction of new technologies always has unforeseen knock-on effects; Sea Traffic Management, perhaps one of the 21st century's great achievements, is likely to promote a host of new enterprises for those who take an early interest in its potential. **SN**



Credit: Sjöfartsverket

The findings of last year's simulations were very promising

# Striving to shake off stereotypes

VIMC's **Kaity Arsoniadis-Stein** extols the benefits of Canada for shipping businesses



**Kaity  
Arsoniadis-  
Stein**

When it comes to stereotypes about Canada, some are hard to shake. A land of rugged wilderness, snow and ice. However, there are some stereotypes worth taking on - such as Canada isn't a player when it comes to global shipping.

Vancouver, home to Canada's largest port, and the most diversified in North America, is working to blow that stereotype out of the water. "Teekay has obviously thrived here," says Art Bensler, executive vice president and general counsel at Teekay, operator of one of the largest conventional tanker fleets in the world.

The company moved its operations from Long Beach, California to Vancouver in 1991. At the time, seven employees made the trip. Now Teekay has \$12bn in assets and four publicly traded companies on the New York Stock Exchange and another on the Oslo Exchange.

It hasn't looked back. "Vancouver is a great spot for a head office because you have a good source of qualified financial specialists, accountants and the legal support that goes with it," says Mr Bensler.

"Canada is admired around the world for its rule of law, stable political system, and the way different cultures are integrated and respected here." Vancouver is also home to Seaspan's Ship Management headquarters. It, too, has thrived. "We are the largest independent container ship leasing company in the world," says Peter Curtis, chief operating officer.

Conventional thinking has been that companies need to be in traditional shipping "clusters", such as London or Oslo. However, owners are now seeking locations offering tax advantages and proximity to their customers.

"The advantages of agglomeration are less than they used to be because of the excellence of communications. The benefits offered in newer or smaller locations become more attractive," says Trevor Heaver, Professor Emeritus at the University of British Columbia. Prof Heaver is the co-recipient of the 2015 Onassis Prize for Shipping.

However, lightning speed communications still run into the road blocks of time zone differences. Heaver points out that Vancouver allows executives to communicate directly with business centres on three continents in a given day.

The Vancouver advantage has also been enhanced by changes to the Canadian Income Tax Act in 2014. The move made Canada one of the most attractive regimes in the world by giving shipping companies what they need most: flexibility.

"Vancouver is now a place where companies can focus on running their businesses without significant constraints of local and national tax regulations," says Mr Heaver.

The new tax legislation allows shipping companies to conduct a wide range of activities that do not attract a taxable presence in Canada.



Vancouver has been ranked as the third most liveable in the world

## MARITIME CENTRE

A re-energised Vancouver International Maritime Centre (VIMC) is working hard to encourage members of the global shipping industry to expand into Vancouver. The VIMC has received strong financial support from both the Federal government and the Province of British Columbia.

"The Centre is already beginning to fulfil its mandate and attract more international shipping companies back to British Columbia, along with the businesses and jobs that support them," says British Columbia Finance Minister, Michael de Jong.

The most recent company to set up offices in Vancouver is Singapore-based international shipping operator, AAL. "The proactive and fast response time from the VIMC team have given me great assistance and guidance. It was really best at introducing us to the right people, with the right contacts, making sure we understood things in the right and proper way, and helping me with my immigration process," says Bernard Huizenga, AAL's business development manager.

Canada offers a stable and safe environment in which to do business. Its banking system is ranked by the World Economic Forum as the soundest on the planet, and the country's economy is among the strongest in the G7. As a city, Vancouver has been ranked by the Economist Intelligence Unit as the third most liveable in the world. All of this comes back around to those Canadian stereotypes.

Vancouverites like to remind their fellow Canadians that snow rarely touches their downtown streets yet rugged wilderness is easily accessible to hikers and skiers on the mountains that tower over the city.

As Teekay's Mr Bensler points out, Vancouver isn't just an attractive place to do business. "It's also just a great place to live." **SN**

*Kaity Arsoniadis-Stein is executive director of the Vancouver International Maritime Centre.*



## Written by professionals for professionals

Shipping has become more complex to the extent that the name shipbroker, which at one time was thought to apply only to those engaged in chartering dry cargo tramp ships, now embraces separate disciplines in tanker chartering, ship management, sale and purchase, port agency and liner trades.

As an independent international professional membership organisation, the Institute of Chartered Shipbrokers strives to promote a world class program of education and training to ensure that all its members are knowledgeable about their business. As a result, the Institute produces and publishes a comprehensive series of books on shipping business.

The Institute's sixteen books are unique in that they have been written by professionals for professionals in the shipping industry. They now undergo a regular review where they are peer reviewed, revised and updated by professionals in their particular discipline and peer reviewed again, so that an accurate revision can be achieved.

The books themselves will continue to be part of the TutorShip course, but our goal is to make them more widely available to the general shipping industry, which has long requested our books as general reference titles.

Members are entitled to a 50% discount on all of the Institute's publications.

To place an order, please complete a book order form and return it to us.

For book order forms and support, please visit: [www.ics.org.uk/learning](http://www.ics.org.uk/learning)

Members receive  
a 50% discount  
on all books



# International deals prove commitment to learning

Institute strikes co-operation agreements in UK and China to boost global exam centres

The Institute has rounded off a year of achievement by striking new agreements to support educational excellence in the UK and China.

The deals will see London-based exams hosted by the UK Chamber of Shipping and the Institute recognized as strategic partner by China’s Ministry of Transport and the Shanghai International Shipping Center.

Under the agreement with the UK Chamber, the Institute will use its central London facilities as the venue for its 2016 exam programme in London, providing a first class venue for the next intake of students.

“The UK Chamber is proud to continue supporting the work of the Institute by providing the venue for its examinations,” said Guy Platten, UK Chamber of Shipping chief executive. “The Institute provides a vital role in helping develop the next generation of shipping professionals and reinforcing professional standards in the world’s leading maritime industry hub.”

The Institute has also signed a Tripartite Co-operation Agreement with China’s Ministry of Transport and China (Shanghai) Pilot Free Trade Zone, to launch the International Shipping Professionalism Development Program. The agreement creates the first shipping training programme recognised by the top shipping qualification authority in China with international recognition by the Institute.

The aim of the programme is to help the city develop local talent and build its shipping services industry to international standards.

Deputy director of the Shanghai Pudong New Area, Da Nian Jian said the Institute’s global reputation, mature

training programme and qualified tutors, would help promote professionalism and standardisation in Shanghai’s shipping industry.

“These agreements reinforce the founding principle of the Institute, of making education and qualification as accessible as possible, while reflecting the need to support emerging maritime centres.”

Julie Lithgow

### STRENGTH TO STRENGTH

“The past year has seen the Institute go from strength to strength, but this has only been possible thanks to the support of our partners around the world,” said Institute Director Julie Lithgow. “These agreements reinforce the founding principle of the Institute, of making education and qualification as accessible as possible, while reflecting the need to support emerging maritime centres.”

The agreements cap a momentous year for the Institute in which it doubled its examination programme and won a BIMCO Award in recognition of its investment in new learning,

increasing student numbers and innovative teaching techniques. The Institute also took part in the International Maritime Organization’s World Maritime Day programme, sharing the message about the vital role of shipping in delivering goods and services around the world with primary school students.

Students now have a choices of two examination sittings in the academic year, in April and November. This, in conjunction with the new agreements detailed above, is a testament to the Institute’s ongoing commitment to delivering accessible professional learning for shipping around the world. Congratulations to all the November sitting Institute students whose results appear here and our thanks to the tutors, mentors and former students that have once again helped us live up to our founding principle of making education and qualifications as accessible as possible. [SN](#)

The Institute is to help promote professionalism and standardisation in Shanghai’s shipping industry



## PROFESSIONAL QUALIFYING EXAMINATIONS COMPLETED

Student name	City	Country	Student name	City	Country
Anna Belebema	Douala	Cameroon	Sampson Arigbede	Lagos	Nigeria
Nicole Wilson	Montreal	Canada	Eirik Vormedal	Haugesund	Norway
Sebastian Suarez Lee	Bogota	Colombia	Furqan Farooq	Karachi	Pakistan
Antonia Kalaitzi	Limassol	Cyprus	Aamir Roshan Ali	Karachi	Pakistan
Aleksander Romaniuk	Limassol	Cyprus	Kashan Haq	Karachi	Pakistan
Sergey Dobrinov	Limassol	Cyprus	Jahangir Shaikh	Karachi	Pakistan
Marinos Yiangou	Limassol	Cyprus	Max Kanu	Freetown	Sierra Leone
Artiom Zerebcov	Hamburg	Germany	Arjun Aggarwal	Singapore	Singapore
Anna-Maria Fitschen	Hamburg	Germany	Prabakaran Balasundaram	Singapore	Singapore
Godwin Ayatteh	Accra	Ghana	Amit Kumar Chaudhary	Singapore	Singapore
Serafeim Papadopoulos	Athens	Greece	Shalini Ghimirey	Singapore	Singapore
Panagiota Xintara	Athens	Greece	Amardeep Grewal	Singapore	Singapore
Ioannis Photiou	Athens	Greece	Weijie Huang	Singapore	Singapore
Apostolos Ntaskas	Athens	Greece	Patrick McGrath	Singapore	Singapore
Andreas Androulakis	Athens	Greece	Siddharth Radhakrishnan	Singapore	Singapore
Irene Chatzara	Athens	Greece	Steven Rogers	Singapore	Singapore
Afroditi Papagiannaki	Athens	Greece	Rajesh Saha	Singapore	Singapore
Theodoros Panagopoulos	Athens	Greece	Rahul Singhal	Singapore	Singapore
Sasa Samardzic	Athens	Greece	Theodossios Scholiadis	Cape Town	South Africa
Vasiliki Zdravou	Athens	Greece	P R D P Perera	Colombo	Sri Lanka
Ioanna Kapelouzou	Athens	Greece	Rathuwithanage Rathuwithana	Colombo	Sri Lanka
Efthymios Theodoros Loudaros	Athens	Greece	Nimesha Weliwita	Colombo	Sri Lanka
Konstantina Alexandraki	Athens	Greece	Erica Voldi	Gothenborg	Sweden
Konstantinos Thiakoulis	Athens	Greece	Lawrence Chukwu	Malmo	Sweden
Kyriaki Kresta	Athens	Greece	Eirini Moustakopoulou	Geneva	Switzerland
Anastasios Vamvakas	Athens	Greece	Vadim Boyko	Odessa	Ukraine
Ho Fai Ng	Hong Kong	Hong Kong	Iryna Gavrylenko	Odessa	Ukraine
Rohan Masurekar	Hong Kong	Hong Kong	Sergey Kovalyov	Odessa	Ukraine
Ang Li	Hong Kong	Hong Kong	Andriy Olyenyev	Odessa	Ukraine
Li Wang	Hong Kong	Hong Kong	Oleg Shyyanovsky	Odessa	Ukraine
Xiaolong He	Hong Kong	Hong Kong	Irina Veretennikova	Odessa	Ukraine
Dany D`Souza	Mumbai	India	Mubashshir Baig	Dubai	United Arab Emirates
Ajaykumar Singh	Mumbai	India	Balamurali Balakrishnan	Dubai	United Arab Emirates
Mikhail Dharamshi	Mumbai	India	Chiranjib Chattopadhyay	Dubai	United Arab Emirates
Jyoti Reshamwala	Mumbai	India	Jayakumar Parameswaran	Dubai	United Arab Emirates
Kamalakannan Shunmugamani	Chennai	India	Narayana Pariyarath	Dubai	United Arab Emirates
Manisha Poojary	Bangalore	India	Thilak Sargunan	Dubai	United Arab Emirates
Madhav Katiyar	Mumbai	India	Shalini Shibu	Dubai	United Arab Emirates
Arunabh Kumar	Mumbai	India	Debaditya Talukdar	Dubai	United Arab Emirates
Adwit Gosain	Mumbai	India	Christopher Warner	Felixstowe	United Kingdom
Bijay Shekhar	Visakhapatnam	India	Panagiota Alevizou	London	United Kingdom
Pawel Niciak	Dublin	Ireland	William Bates	London	United Kingdom
Brian Glanville	Dublin	Ireland	Martin Ellis	London	United Kingdom
Sinead Ryan	Dublin	Ireland	Tom Lace	London	United Kingdom
Alexis Morley	Dublin	Ireland	Alexandros Mitsios	London	United Kingdom
Christopher Ewings	Dublin	Ireland	Kaihui Ni	London	United Kingdom
Rahma Khamis	Mombasa	Kenya	Dian Nikolov	London	United Kingdom

STUDENTS SUCCESSFULLY COMPLETING FOUNDATION DIPLOMA IN NOVEMBER 2015

Exam	Name	City	Country
Dry Cargo Chartering	Viknesh Pillay	Singapore	Singapore
Liner Trades	Fredrick Ndolo	Mombasa	Kenya
Liner Trades	Robert Miyawa	Mombasa	Kenya
Liner Trades	Mwango Thomas	Mombasa	Kenya
Liner Trades	Carlos Kambu	Mombasa	Kenya
Offshore Support Industry	Thomas Chapman	London	United Kingdom
Port Agency	Isidos Mbah	Douala	Cameroon
Port Agency	Shasheetha Rajapakse	Ja-Ela	Sri Lanka
Port Agency	Lovepreet Bajwa	Mumbai	India
Port Agency	Charlotte Gifford	Grimsby	UK
Port Agency	Xiaozhou Li	Hong Kong	Hong Kong
Port Agency	Daniel Piechnik	Copenhagen	Denmark
Port Agency	Williams Puplampu	Accra	Ghana
Port Agency	Hugo Brent	Vancouver	Canada
Port Agency	Alice Maina	Mombasa	Kenya
Port Agency	Desmond Lutchman	Durban	South Africa
Port Agency	Kgolagano Matshego	Johannesburg	South Africa
Ship Operations and Management	Gregory Kanonis	Athens	Greece
Tanker Chartering	Karan Makin	Jalandhar	India

STUDENTS SUCCESSFULLY COMPLETING ADVANCED DIPLOMA IN NOVEMBER 2015

Exam	Name	City	Country
Dry Cargo Chartering	Prasenjit Maity	Chennai	India
Dry Cargo Chartering	William Weaving	London	United Kingdom
Dry Cargo Chartering	Bing Saw	Singapore	Singapore
Dry Cargo Chartering	Keng Hwang Goh	Singapore	Singapore
Dry Cargo Chartering	Yangbo Yi	Singapore	Singapore
Liner Trades	James Maina	Mombasa	Kenya
Liner Trades	Janani Dissanayake	Colombo	Sri Lanka
Port Agency	Jeremiah Tsumah	Mombasa	Kenya
Port Agency	Moses Mangale	Mombasa	Kenya
Port Agency	Liam Kimeu	Mombasa	Kenya
Port and Terminal Management	Vishal Chavda	Chennai	India
Ship Operations and Management	Rei Ishihara	Antwerp	Belgium
Ship Operations and Management	Justin Evans	Durban	South Africa
Ship Sale and Purchase	Dimitra Bazioti	Athens	Greece
Ship Sale and Purchase	Marina Bei	Athens	Greece
Ship Sale and Purchase	Suresh Nautiyal	Dubai	United Arab Emirates
Ship Sale and Purchase	Irene Skinitis	Athens	Greece
Ship Sale and Purchase	Muhammad Haniff	Singapore	Singapore
Ship Sale and Purchase	Theoni Agiotafytaki	Athens	Greece
Tanker Chartering	Rohit Limaye	Mumbai	India
Tanker Chartering	Nikolay Nikolov	Dublin	Ireland

# A step up on the employment ladder

Simon Ward meets the man who beat a pack of lawyers to a job because he had Institute membership



Simon Ward

Some weeks back, I attended a reunion lunch in Liverpool for employees of the company where I started my career in shipping. The company itself is no longer in business, and the city itself is much changed.

It was a pleasure to catch up with former colleagues, and take the opportunity to revisit Liverpool after a long absence. The trip also provided me with some valuable insights into the value of Institute membership.

The company where I first became a broker was a member of the Institute of Chartered Shipbrokers. It insisted all employees took the Professional Qualifying Examinations and paid for them to do it. The company saw this not only as a valuable investment in the education and training of its staff, but also a recognition of the importance of having MICS after names on its employees’ business cards. That knowledge and those letters have proved invaluable to me over the years and I have always encouraged



Credit: Bob Edwards

Liverpool played host to the reunion

This impression was further cemented when, to his discomfort, he realised that the other interviewees were bright young things with both a university education and legal qualifications.

DIFFERENT LIGHT

However, during the course of his interview he realised that he was in a more favourable position than he first thought. His experience in shipping combined with his Institute membership, which he had maintained since qualifying, were viewed as not only equivalent to a university and legal education, but better than them. He got the job and is very happy now in a challenging and fulfilling role.

His comments to me following this story were equally encouraging. He pointed out that although at the time he grumbled and complained about studying for and completing the exams while working, he did gain valuable knowledge and the process opened new doors to the wider shipping industry. Having studied so hard to pass he has been reluctant to drop his membership even though he is no longer a shipbroker. Without it, of course, he could not be in his current position.

I was also flattered, I have to admit, because when he learnt of my close involvement with the Institute he viewed me with greater respect, not just because of what I had done in my shipbroking career, but through my association with the Institute.

So the lessons here are, I hope, obvious. Firstly, the knowledge obtained doing the Institute’s Professional Qualification Examinations is unique and invaluable. Secondly, life changes, and you never know when you might need that knowledge. Thirdly, membership commands the respect not only of bosses, colleagues, brokers and clients but also of future employers, so it is worthwhile remaining a member because it could turn out to be the difference between success or failure when moving on in your career. Finally, anything that could make even me look better to others must be special. **SN**

“His experience in shipping combined with his Institute membership, which he had maintained since qualifying, were viewed as not only equivalent to a university and legal education, but better than them”

fellow employees and colleagues to follow the same path. I am a great believer in the power of education to increase the knowledge and professionalism of the shipping community, and I continue to spread the word, whether through lecturing for the Institute in Greece, at PREP weekends in the UK, or wherever else I find myself.

But it was on meeting a former colleague at the reunion lunch that I discovered how important employers outside the immediate shipbroking community value Institute of Chartered Shipbrokers’ membership. I worked with this former colleague for four years. He told me a story which both surprised and encouraged me that investing in professional education remains worthwhile, both for companies and individuals.

He had left shipbroking some time ago to pursue a career in liner shipping, working in operations and logistics. After he had been there some time, he was encouraged to apply for a job in the claims department, where the successful applicant would be given significant responsibility to resolve the many issues that arise in the company’s day to day business. He was initially reluctant to apply because without a university degree, or any formal legal training, he felt underqualified for the position.

# 160 years and counting

Paul Burt reflects on the changing welfare environment on a 'rather ordinary' anniversary



Paul Burt

Taken by itself the number 160 cannot compete with 100, 150, 200 or even 101 for its quality of noteworthiness. So if Mission to Seafarers' age is numerically rather ordinary the same cannot be said for what it stands for and does.

Caring, often heroically, for the members of a profession that is often dangerous and always stressful for 160 years and counting is a record to celebrate, and it deserves a worthier reference point than a fairly ordinary number.

Step forward Samuel Plimsoll (of Plimsoll mark fame), who began his campaign for legislation to combat overloading of merchant vessels in the 1850s, the same decade that the Rev John Ashley founded The Mission to Seafarers. In the years before Rev John Ashley and Samuel Plimsoll the life of a seafarer was defined more often than not by the twin evils of danger and mistreatment.

In 1854, just two years before the start of The Mission to Seafarers, an American newspaper estimated that in the course of the previous 18 months shipping losses of various types occurred at the rate of 'one vessel lost every 11 hours, one stranded every 44 hours, one abandoned every 75 hours, and one sailing and never heard from again every 10 days.' Thanks to Plimsoll and those inspired by him, and the march of improving technology, these numbers, in due time, fell dramatically, but not to zero. Even 160 years later, all four of these categories of loss remain in evidence. Seafarers live and work in their shadow even though the chances of being a victim of one of them are now much slimmer.

However, these odds do not play out uniformly around the different seas and oceans of the world. The chances of being abandoned, abused or attacked are very significantly greater in some parts of the world than others, and in the ports in question The Mission to Seafarers chaplains spend most of their time not in seafarer centres, or visiting clean and well-ordered messes and bridges, but in among the scared and despairing crews of very substandard ships operated by substandard owners.

## CHANGING TIMES

Regulation and technology could be described as the main drivers of change in ships and their operation over the last 160 years. The Maritime Labour Convention (2006) and the container crane would be strong contenders as the respective present day emblems of this double track trajectory of change in shipping as it has moved towards ever greater safety and efficiency.

**"The chances of being abandoned, abused or attacked are very significantly greater in some parts of the world than others"**



Credit: Dave Goodman

The Mission has been flying the flag for seafarers for 160 years

As far as The Mission to Seafarers chaplains and volunteers are concerned it is the impact that changes in regulation and technology have had on crews that shapes much of their work. Being a seafarer is a lot safer today than it was 160 years ago, but it has continuing and new pressures, both in terms of responsibility and accountability (masters are more than 100 times more likely to be arrested than professionals in land based occupations), and also in terms of the psychological stresses that come with unrelenting sailing schedules, smaller crews and much more limited opportunities for going ashore.

Interesting as it is to note that The Mission to Seafarers is about as old as the benefits to shipping that flowed from Plimsoll and his pioneering of regulation, another maritime event occurred in 1856 that in its own way is even more suggestive of historical reflection and contemporary assessment. In that year, Ferdinand de Lesseps convened a commission to report on the design and construction of what would become known as the Suez Canal; a waterway that was to be "always free and open in time of war as in peace, to every vessel of commerce or of war, without distinction of flag..." The story of empire, world trade, and the unfolding of history itself would be very significantly different without this canal whose easing of the way from west to east (and from east to west, of course) offered a pointer towards where the maritime industry itself would be heading 160 years later – a dynamic that might be termed 'the shift eastwards'.

In 1856, Singapore and Hong Kong were strategically important, but relatively undeveloped outposts of empire. In 2016 they vie with each other and London to be the world capital of shipping, and their growing prominence in many of the sub-sections of the industry such as financing, insurance, and chartering is likely to increase.

## EASTERN SHIFT

As its chaplains and volunteers carry out their ministry of caring in ports and anchorages all around the world, The Mission to Seafarers is almost uniquely placed to witness the human dimension of all this change, especially the 'shift to the east'. When Rev John Ashley took his little schooner out to the ships anchored in the Bristol Channel many of the men he met on board, especially the officers, were British and most were Western European. Even in the 1960s there were over 100,000 British merchant seamen. The chances of a Mission to Seafarers chaplain encountering a Western European seafarer on board a vessel engaged in long range (and even much short range) trade today, however, are small. Crewing has seen its own 'shift to the east' as shipping companies seek to control costs by employing Filipinos, Indians, Burmese, Chinese and Indonesians.

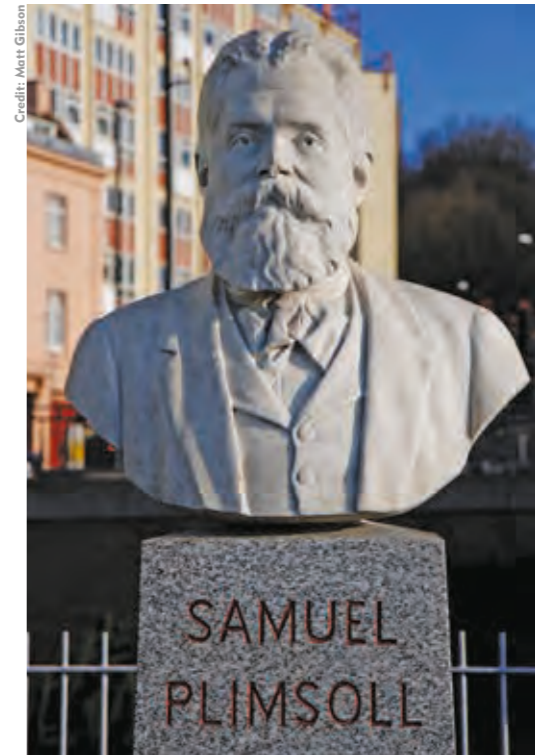
In recent years, The Mission to Seafarers has responded in its own way to the 'shift to the east' by ensuring that its patterns of presence and priority keep pace with this change. Whereas the typical Western European seafarer of 60 years ago might have supported with his salary just his own wife and children, the typical Filipino or Indian seafarer supports his own and his extended family, perhaps as many as 15-20 people, who live their lives without the safety net of social security as it is experienced in the West. In response to these realities, The Mission to Seafarers has set up a community support programme in Manila which provides free advice and access to professional advice, such as lawyers, doctors, debt and finance advisors, for seafarers' families when need arises.

In India, its chaplains devote time to tackling the deep-seated problem of seafarers being exploited by criminal manning agents linked to fraud and organised crime by lobbying the maritime establishment and politicians, and by adding an educational and advocacy brief to their own responsibilities towards seafarers.

## VICTORIAN AIMS

When The Mission to Seafarers started 160 years ago as an example of that distinctively Victorian phenomenon – an association of like-minded, Christian, visionary people, independent of the government, committed to making life better for others through the establishment of a society - it took advantage of the opportunities for expansion and internationalisation that the growing British Empire afforded. And it was able to do so as part of that self-confident and powerful culture that relied on maritime dominance for its success. If not quite an arm of the establishment, it could certainly claim to be an expression of the conscience of the most successful maritime nation the world had ever seen.

The Mission to Seafarers in 2016 carries out its mission in a world that looks very different politically and culturally, and in which the maritime industry itself is radically different. Yet the fundamentals



Credit: Matt Gibson

**"Being a seafarer is a lot safer today than it was 160 years ago, but it has continuing and new pressures"**

Samuel Plimsoll began his campaign for legislation to combat overloading of merchant vessels in the same decade that the Rev John Ashley founded The Mission to Seafarers

remain. The sea must be respected, dangers still lurk, seafarers suffer from isolation and anxiety, and wives (and, increasingly, husbands) and children count the days until the breadwinner comes again through the front door. A few years after The Mission to Seafarers came into being a commentator remarked: "The vast parish of the waters is no longer an altogether neglected parish." This understated endorsement of a remarkable ministry fits rather well with the self-effacing style and relative invisibility of the work of Mission to Seafarers. But 160 years after its beginnings 'the vast parish of the waters' continues to be 'no longer altogether neglected'. **SN**



Credit: Aussie Active Photologue

The Mission's seafarers' centres can be found all over the world



# Cold year ahead for all sectors

Andrew Lansdale finds little reason to be cheerful looking at shipping's short term prospects



Andrew Lansdale

Red ink appears to have become prevalent in many dry bulk account's book so far this year. Coal demand is down considerably and China is expected to consume much less iron ore than in recent years. This has also affected imports of coking coal.

Similarly, El Niño has ensured a warm winter in the Northern Hemisphere and this has reduced exports of thermal coal and natural gas for power stations.

Likewise, pollution concerns and an increase in hydro-electric output has seen coal imports fall by close to 90m tonnes.

And while we are discussing the weather, our readers may be interested in the following report: The Arctic Ocean is warming up, icebergs are growing scarcer and in some places the seals are finding the water too hot, according to a report to the Commerce Department in Washington from the US Consulate in Bergen, Norway. Reports from fishermen and explorers all point to a radical change in climate conditions and hitherto unheard-of temperatures in the Arctic zone.

Exploration expeditions report that scarcely any ice has been met as far north as 81 degrees 29 minutes.

Soundings to a depth of 3,100 metres showed the Gulf Stream as still very warm. Great masses of ice have been replaced by moraines of earth and stones, the report continued, while at many points well-known glaciers have entirely disappeared.

Very few seals and no white fish are to be found in the eastern Arctic, while vast shoals of herring and smelts, which have never before ventured so far north, are being encountered in the old seal-fishing grounds.

**"Last year saw the first reduction in seaborne trade for more than 15 years"**

Within a few years it is predicted that due to the ice melt, the sea level will rise and make most coastal cities uninhabitable.

You must be forgiven for assuming that this was a recent report. In fact it was recounted by Associated Press and published in the Washington Post on November 22, 1922. What it does prove is that what goes around comes around.

## COMMODITY CALAMITY

But in the commodity sector, not only is iron ore and coal down in terms of volume, so are all other commodities, down by some 1% in 2015. This has affected all sizes of bulk carrier and it is safe to say that because of the endless supply of newbuildings



Credit: Kees Tom

LNG is a bright light in the darkness of the shipping market

## Boxed up



Credit: China Shipping Container Lines



CSC is expected to make an annual loss approaching half a billion dollars

The sorry tale does not end with dry bulk and tanker trades; container ships are also taking a beating. World containerised trade is still growing, albeit at about 2% per annum. But tonnage supply is growing at more than 8% and thus earnings on the main Far East to Europe route are dragging along the bottom at about \$600 per teu. This has also affected timecharter rates for independent owners. Liner companies are bleeding; companies such as China Shipping Container Lines are expected to make an annual loss approaching half a billion dollars.

Last year saw a record expansion in container fleet size with more than 200 new ships being delivered. This included nearly 50 ultra-large ships, 66 feeder ships and nearly 100 vessels with sizes averaging more than 8,000 teu. 2016 will be slightly better as some owners have been able to defer deliveries of some 30% of the orderbook through to 2017 and 2018.

In terms of demolition, scrappings have not kept pace with fleet renewals. According to BIMCO, only 90 ships of close to 200,000 teu were sold for scrap last year and the majority were smaller than 3,000 teu. "We are not making it easy for ourselves," the organisation wrote. **SN**

being delivered freight rates will continue at below break-even level well into the second quarter of this year.

The fleet size rose by more than 2.5% last year and is expected to grow by nearly 3% this year and 2% in 2017. And this is a calculated net increase after anticipated cancellations, slippage, conversions and scrappings. And in this regard, there is little incentive in the demolition market.

Demand for scrap has reduced significantly as steel demand has been lower. Prices which were in the \$600 per ldt region a year ago are now in the \$200 range.

China still insists that 'it's all about me', and it is. In the last couple of years, China has moved from an investment and exports market to one based on consumption and services. Investment and export are on downward slopes, while consumption and services are on upward slopes; they crossed in 2013.

And as this change of direction is well underway, shipping had better get used to it. Last year saw the first reduction in seaborne trade

## Tanker talk



In oil markets, crude became cheaper and cheaper in 2015 and has continued to cheapen this year. Oil companies and traders bought as much as they could and the Saudi Arabians have refused to cut back on production as they aim to drive shale oil producers out of business. Now that the Iranian embargo has been lifted and even more oil is available, prices will surely stay close to \$20 per barrel for some time yet. Storage facilities have filled up and it would need a future \$15 per barrel increase in prices before a viable contango will be seen again. Therefore it is extremely unlikely that floating storage will be contemplated.

And then there is the approaching over-tonnaged position in tanker trades. The International Energy Agency predicts an increase in world oil demand of 1.2m barrels per day (bpd) this year. This equates to about 30 new VLCCs. But this year, there will be more than 80 VLCC equivalents of one million and two million bbl tankers being delivered.

Credit: Dragon tactic



Iran's re-admission to world trade could be a boon for the tanker trade

Fearnley Securities has forecast a fall in earnings down to \$45,000 per day this quarter and \$25,000 per day in Q3. This should increase to \$30,000 daily in Q4, but average \$25,000 per day in 2017 and 2018.

But the equation must now also include Iranian output. Since the end of January, 3.1m bpd from Iran is being placed on the market and exported to the Far East and to Europe. The country cleared some 60m barrels held in waterborne storage by February and supply from its main South Pars field commenced. **SN**

for more than 15 years. Some commentators are voicing the opinion that China's growth is closer to 3% than 7%.

So where is a little light glowing in the darkness? The answer seems to be three letters: LNG.

The analysts at Clarksons have reported that there will be a gradual increase in activity during this year. Fifty percent of the 2016 increased production was due to take place in the first quarter, although we are still awaiting confirmation of all of them. But they include the second train at Gladstone and, also in Australia, the first trains at both Gorgon and Australia Pacific. In addition, two Malaysian projects and the US' Sabine Pass are also to come on stream. The long-shutdown Angolan production is due to be up and running during the coming quarter.

Of the 39 LNG newbuildings due to be delivered this year, 35 are tied in with current and forthcoming production sites and the remaining four will be 'open'. But the spot market, such as it is, is growing. The 184 fixtures in 2015 was a 24% increase on 2014 and a 90% improvement on 2013. So the dim gaslight is glowing firmer. **SN**

# Legal Eagles...



Do you have a burning legal question for the HFW Shipping Network team? Email [legaleagles@ics.org.uk](mailto:legaleagles@ics.org.uk) for them to answer your question in the next issue of the *Shipping Network*. Questions should be of a general nature and not specific to a particular live issue.

Holman Fenwick Willan's crack team of specialist shipping lawyers answer your legal questions



Guy Main



I am a broker and I've read a lot about the sanctions against Iran being lifted and about Western companies travelling to Iran and the opportunities there. So is it back to business as usual?



Daniel Martin



In the last few weeks Iran has experienced widespread sanctions relief. In fact, some commentators are saying that this is the most significant roll back of restrictions in history. As a result of these developments there is little doubt that Iran now presents a host of commercial opportunities.

However, in keeping with the multi-faceted and multi-national nature of the sanctions, there are still a number of restrictions which remain in place, and brokers need to continue to exercise caution, to ensure they do not inadvertently infringe the remaining restrictions.

Key is that the current sanctions relief does not significantly change the position under US sanctions. Because US persons continue to be prohibited from engaging in most transactions relating to Iran, brokers need to ensure that no US nationals, US companies or individuals in the US are involved. Where brokers themselves employ US nationals or travel regularly to the US on business or on holiday, they need to ensure that they do not get involved in any Iranian business.

Brokers should ensure that no US Dollar payments need to be made (eg in respect of freight or hire, and also in respect of their commission). This is because the US Dollar payment will need to be cleared by a US financial institution (even where the transaction has no other US connection) and the US financial institution is itself subject to US domestic restrictions which require the financial institution to block the payment and report it to the US regulator.

A further point to stress is that, while a large number of individuals and entities have been removed from the EU and US sanctions lists, a number of Iranian individuals and entities remain listed because of proliferation, human rights and/or terrorism concerns.

As a result, all businesses which are engaging with Iran still need to complete the same due diligence which they were undertaking prior to the recent sanctions relief. In the case of shipbrokers, that means checking any Iranian interests against the sanctions lists. The likes of Islamic Republic of Iran Shipping Lines (IRISL) and National Iranian Tanker Company (NITC) have been removed from EU and US sanctions lists, but entities linked with the Islamic Revolutionary Guard Corps (IRGC) such as the port operator Tidewater Middle East remain listed.



Credit: Sturge G

Similarly, while shipping companies and traders are focusing on the cargoes which are now permitted (such as crude oil, petroleum products, petrochemicals and natural gas exports from Iran), it is important for brokers and their clients to be aware that some of the EU sanctions and US extraterritorial sanctions which imposed restrictions on the import and export of particular goods remain in place.

The remaining prohibitions focus on a narrow band of cargoes (such as exports to Iran of certain software and certain graphite, and raw and semi-finished metals) and continuing due diligence is needed to ensure that prohibited goods are not shipped.

Given the continuing focus on due diligence, brokers need to ensure that they continue to keep records of the checks which they carry out, in case there is a problem in the future.

Finally, it is important to be aware that, despite the extensive and well-publicised sanctions relief, banks, insurers and others remain cautious about engaging in trade with Iran, largely because of the impact of the continuing US domestic restrictions, but also because of the risk that sanctions might "snap back into place". This means that brokers and their clients need to continue to liaise with their banks and insurers to check that those institutions will provide full payment services and unqualified cover for any intended Iran trade, and that any additional risks are fully understood.

In conclusion, the sanctions relief presents plenty of opportunities, but caution, due diligence and advice from experts are all still required. **SN**

*While every care has been taken to ensure the accuracy of this information at the time of publication, the information is intended as guidance only. It should not be considered as legal advice.*



Following a breach of contract where, as a result, one party is to pay compensation to the other, as at what date is the level of compensation assessed?



The historic approach of the English Courts is that compensation (damages) is assessed as at the date of the breach of contract. For tortious claims, the equivalent date is the one on which the tort took place. This is the so called "breach-date rule". If, for example, a charterer was in repudiatory breach of a time charter-party as from February 1, 1980, compensation would generally be assessed by the Arbitral Tribunal or the Court as at that date.

The aim of damages is to put the victim in the position he would have in but for the breach, as far as money can do this. The breach-date rule did not always achieve this.

Over the past 40 years or so the English Courts have adapted a more flexible approach. Now, at the time of judgement, all the relevant factors are taken into account, including those which took place after the breach. A recent decision of the Court of Appeal illustrates this well.

The case of *Fulton Shipping Inc of Panama v Globalia Business Travel S.A.U (Formerly Travelplan S.A.U)* (The "New Flamenco") [2015] EWCA Civ 1299 concerns the wrongful early redelivery by her time charterers to the owners of a small cruise vessel about two years early, on October 28, 2007. As there was no available charter market the owners sold the vessel, also in October 2007, for a price of \$23.765m. The owners then commenced arbitration proceedings against the charterers for the profit they said they would have made under the balance of the charterparty, had the charterers not redelivered the vessel early. The dispute went through an arbitration and first instance appeal in the High Court, and onto the Court of Appeal. The latter's decision was handed down in December 2015.

Before that, the arbitration was heard. This was in May 2013, some years after the crash in the shipping markets of late 2008. The Tribunal held that at the end of the agreed charter period, November 2009, the vessel would have been worth \$7m – that is, some \$16m less than the price at which the vessel was sold in October 2007.

The owners claimed for their lost profit and sought to argue that the proceeds of the sale should not be taken into account when calculating owners' loss, since the sale was an action entirely independent of charterers' breach. The charterers replied that the owners were obliged to (and did) mitigate their loss as a result of the repudiatory breach and early redelivery and, as a result, the sale price achieved in October 2007 should be taken into account when considering the owner's overall loss, if any. Clearly, the charterers

were arguing for events after the breach-date to be taken into account.

The Court of Appeal decided that the sale of the vessel in October 2007 came about as a result of the charterers' breach. Thus, the benefit gained by the owners in selling the vessel at that time did have to be taken into account when deciding the level of damages.

Had the vessel not been sold in October 2007 and if there had been no available (period) charter market at that time to assess the level of loss, any actual trading of the vessel, including market fluctuations, would have been scrutinised in assessing the level of damages. It follows that the sale (and proceeds) should be considered in the assessment of damages.

The Court's decision in *The New Flamenco* outlines that in assessing the level of damages payable to the victim of the breach, the financial effect of the consequences of the breach (rather than any which did not occur as a result of the breach) should be taken into account. **SN**

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*The articles were written by Daniel Martin and Guy Main. Daniel is a partner and Guy a senior admiralty manager, both in the shipping group in HFW's London office. Guy is also a Fellow of the ICS and, before joining HFW, he spent 18 years as a shipbroker.*



**"The Court's decision in *The New Flamenco* outlines that in assessing the level of damages payable to the victim of the breach, the financial effect of the consequences of the breach should be taken into account"**

holman fenwick willan hfw



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# Calendar

Bailey Lighthouse, Howth, Dublin

## APRIL EVENTS

### 6 April

Ireland Branch  
Networking evening with  
guest speakers  
Dublin

### 13 April

Ireland Branch  
Branch committee  
meeting  
Dublin

### 16 April

Cyprus Branch  
Shipping Seminar to the  
local WISTA members  
Limassol

### 21 April

Liverpool Branch  
Annual Dinner  
Hilton Hotel, Liverpool

### 29 April

South Wales and  
West Branch  
Annual Dinner  
Mercure Holland House,  
Cardiff

## MAY EVENTS

### 19 May

South Africa Branch  
Branch luncheon

### 20 May

North East of England  
Branch  
Annual Spring Dinner  
Newcastle Civic Centre,  
Newcastle

## JUNE EVENTS

### 3 June

Cyprus Branch  
Annual Dinner  
"Columbia Plaza",  
Limassol

### 3 June

Hong Kong Branch  
"Pacific Basin Soccer  
Sixes"  
Hong Kong Football Club

### 5 June

Greece Branch  
Posidonia Shipsoccer  
Tournament  
Athens

### 6-10 June

Greece Branch  
Posidonia Exhibition  
Athens

### 23 June

London Branch  
Summer BBQ  
London

# BIMCO’s Sand gives his market predictions

In December, the Institute’s Denmark Branch organised a social evening with BIMCO’s Peter Sand to discuss *‘The Future of Shipping’*.

Mr Sand delivered a well presented and directed explanation on what the future might bring to the shipping industry.

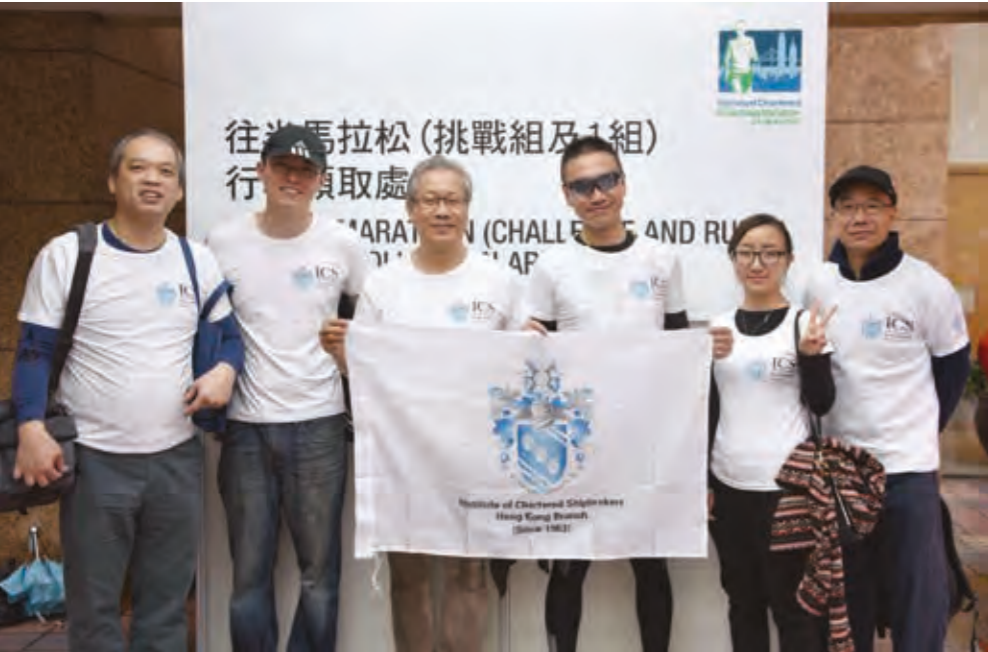
The event, held in Copenhagen, encouraged lovely debate and Branch chairman, Luis Bernat FICS, thanked the participants for sharing their thoughts. “No doubt, the future belongs to those who dare and shipping is a daring industry,” he said.

The next Denmark Branch event will focus on *‘Education: the gate leading to anything worth-having’*. [SN](#)



The Denmark Branch enjoyed Peter Sand’s presentation

# Hong Kong’s Josh Li’s still in the running



Hong Kong Branch web administrator Josh Li MICS participated in the Standard Chartered Hong Kong half marathon in January.

He completed the race in 1 hour, 51 minutes and 48 seconds and ranked 374 – in the top 5% – of a total of 7,546 participants in Group 1, which was for fast runners.

The Branch organised a team to greet Josh after the race and congratulate him on his great achievement. Next year, the hope is that the Branch will be able to form a team to participate in the 10 kilometres race. [SN](#)

The Hong Kong Branch cheer Josh on in his half marathon attempt

# Canada commodities conference a sell-out

The Institute’s Canada Branch hosted its second annual Dry Bulk and Commodities Conference to a sold-out crowd in December, against the stunning back drop of the Vancouver Convention Center.

Doubling the attendance from its’ inaugural year and despite today’s challenging shipping markets, the event was well supported by local sponsors and featured top industry speakers.

Dena Rantz, Canada Branch chair, said: “It is important for us as a maritime community on the West Coast to provide opportunities and events which bring together our local industry to share knowledge and network.”

The speakers at the conference focused on commodities, including grain, potash, coal, and logs, with an insightful overview of the current dry bulk market and its future outlook.

The conference was followed by the Branch’s annual Christmas Pub night to thank all those that support the Institute over the year. [SN](#)



Canada Branch chair Dena Rantz receives her Fellowship certificate from Pacific Basin’s Peter Amat

# Record exam sitting for Liverpool branch

The Liverpool Branch held its annual meeting in December at the Khrua Thai Orchid Restaurant in the Wirral.

The evening began with the formalities of the AGM and in his chairman’s address Spencer Barton-Hope said that the Branch had had another busy year.

Academically, April was another record year for the Institute as a whole and for the Branch on a local level with 11 students sitting a total of 28 papers. Four students passed their examinations to membership: Vikki Whitfield from Frank Armitt & Son; Robert Wood from EMR; and James Cowley and Colin Bansor from Quality Freight. Congratulations to all of them.

Well done to Lauren Caldwell from Frank Armitt & Son for winning the Armac Award for the best results in her Port Agency paper. This is the third year running that a Liverpool Branch student has won this award.

In addition, four students sat five subjects out of a potential 16 in the November exam sitting and with the full range of subjects on offer in both exam sittings the next academic year, the Branch looks forward to further successes.

Mr Barton-Hope expressed his thanks to those members who gave up their time to invigilate the exams. [SN](#)

# Greece takes in the view from the bridge

The Institute’s Greece Branch held its 11th Annual Forum in December at the Eugenides Foundation, considering the topic *‘View from the bridge: Shipping faces cloudy horizons’*.

Over 400 shipping professionals attended the event to hear speeches from a number of eminent industry leaders.



The Annual Forum proved as popular as ever

Vice chairman and secretary of the Institute’s Greece Branch and managing director of the Hellenic Management Centre, Natalia Margioli-Komninou delivered the welcome address, highlighting the need for well-qualified and well-trained professionals, equipped to counter the economic, operational and structural challenges that the shipping market is facing.

International chairman of the Institute, Michael Taliotis, added his welcome to attendees and congratulated the Greece branch on its accomplishments, focusing on the impressive growth numbers, and student successes and distinctions.

Niver Lines Shipping chairman, Leonidas Demetriades-Eugenides, reviewed the existing financial conditions worldwide, while Phoenix Shipping & Trading



International chairman Michael Taliotis FICS welcomed guests

managing director George Gourdomichalis, expressed that the view on the horizon was oversupply; lack of demand; a slowdown in world GDP and trade; uncertainty in China and the emerging economies and regions; and geopolitical instability.

Other speakers included Vassilis Mantzavinou, general manager of UniCredit Bank A.G. (Greece); Manos Lorentzos, managing director of Seascope Hellas and chairman of the Hellenic Committee of Lloyd’s Brokers Associates; Susan Oatway, FICS, lead analyst at Drewry Maritime Research; Lars Juul Jorgensen, managing director of Lorentzen & Stemoco (Athens); and Simon Ward, FICS, director of S&P at Ursa Shipbrokers.



(L-R) Dimitris Tsahalidis, Natalia Margioli, and Michalis Tsagliotis enjoy the proceedings

Once again, the event closed on a celebratory note with an award ceremony, where candidates that participated in the April 2015 Institute examinations were honoured for their outstanding performance. The candidates distinguished internationally were Ioannis Domvros of D. Rediadis Law Office; Zacharias Kapelakis; Kyriaki Kresta; Petros Sachperoglou of Harren & Partners; Anton Shpakevich of Seapower Maritime Inc; Iro Tegou; and Marialena Zoitopoulou.

The 11th Annual Forum of the Greece Branch was held with the kind contribution and support of AB Maritime, Capital Ship Management Corp, Chios Navigation Hellas, Clarksons Platou Hellas, Eastern Mediterranean Maritime, Element Shipmanagement, European Product Carriers, GAC Shipping, Horizon Tankers Limited, Seenergy Maritime Holdings Corp, Springfield Shipping Company Panama, Target Marine, Marshall Islands Registry, Tsakos Energy Navigation, Tsavlis Salvage Group, and Ursa Shipbrokers. [SN](#)

## East India enjoys Annual Day

The East India Branch celebrated its 20th Annual Day at the Radisson Hotel in Chennai in December with a large gathering of shipping professionals. Chairman of the Branch, Capt K P Rajagopal was joined by K Shankar, chief guest and president of India Cements; Capt R Venkat, past chairman of the Branch; Capt V Ganeshyam, vice chairman of the Branch; and Ravee S Titte, Branch secretary on the panel. [SN](#)



K Shankar, president of India Cements, was the chief guest

## University students benefit from roadshow

Liverpool Branch organised a roadshow in January for Maritime Studies students at Liverpool John Moores University.

Leif Ollivierre from the Institute's Head Office gave a talk to students on the importance and relevance of the Institute in today's world.

He was assisted on the day by two local Members: Vikki Whitfield MICS and John Monaghan MICS, both of whom recently passed their examinations and subsequently joined the Institute.

Vikki and John shared their experiences of studying for

examinations and explained how being a Member of the Institute helps them in their day-to-day work, in addition to how it will benefit them in their future careers.

They then fielded a Q&A session with students, which covered a full range of questions from ethics to career progression and job opportunities. The day was well attended with 35 students who, the Branch believes, gained a lot from the talks. The Institute was thanked by Dr Charles Roberts, head of Marine Management and Logistics, for giving up time to meet the students and share knowledge. [SN](#)

## Out and about with Hong Kong Branch

The Hong Kong Branch supported the Asian Logistics and Maritime Conference in November at the Hong Kong Convention and Exhibition Centre. The Conference attracted a record number of attendees of over 2,000 participants from some 30 countries and regions.

Branch chairman YK Chan attended the conference along with exam officer Manson Cheung and education officer TL Yip to promote the Institute as a professional membership body. The Branch was the only professional institute with its profile listed in the organiser's brochure and displayed on the panels with other maritime partners.

The Branch also supported the Hong Kong Maritime Industry Council (MIC)'s participation in an Education and Careers Expo held in January 2016.

The Branch's young executive Member Emma Yang of Clarksons Platou spoke at a seminar organized by the MIC to address the challenge of being a shipbroker. Other speakers included Capt. Marso Law, convenor of Maritime Professional Promotion Federation; Devin CI Sio, barrister-at-law and arbitrator, Maritime Law; and Bosco Chow, Second Officer, Orient Overseas Container Line.

The success of the seminar was demonstrated by the large

number of students that stayed behind to ask questions from the speakers about the prospect of working in the shipping industry.

Meanwhile, Mr Chan in his capacity of Maritime Arbitrator attended the inauguration ceremony of China Guangzhou



Students of the Hong Kong Polytechnic stop by to learn about the Institute

Arbitration Court of International Shipping at Nansha in November 2015.

The organiser of the event also invited him as the chairman of the Hong Kong Branch to the stage to open the ceremony with other honourable guests. [SN](#)

## A true gent with jazz in the blood

The Institute reflects on the loss of a true gentlemen and a mentor for many in shipping

The South Wales and the West Branch of the Institute is mourning the recent death of its immediate past secretary and former Branch chairman, David Moore FICS.

David passed peacefully away at the age of 92, after suffering a long illness and incapacitation following repeated strokes.

David entered shipping in 1941 when he joined Bethell Gwyn Ltd in Newport as a ship's agent. He was with the company just a few years before he was called up for army service with the escalation of the Second World War.

Following his de-mobilisation in 1946 he returned to Bethell Gwyn before leaving in 1953 to continue his profession with John Cory and Son Ltd in Cardiff Docks. Here he enjoyed a full and illustrious career, rising to director status by the early 1970s, and it was during this time that he qualified by examination as a Member and later as a Fellow of the Institute.

Following his retirement from shipping in 1983 he took up a role within the Cardiff Chamber of Commerce where he worked part time to promote new members for the Chamber.

Late in 1986, the previous Branch secretary, Joseph Kaltenbach, passed away and David willingly took up the role. At this time the Chamber administered the South Wales Branch activities, including organising the branch dinners.

David retired from his chamber position five years later, but continued as the Branch secretary, operating from his home in Creigiau, near Cardiff. From this point, David singularly took over the arrangements of every Branch event, including annual dinners, and was instrumental in engineering the smooth merger of the South Wales branch with the Bristol and West Country Branch in 2000.

In recognition of his service to the Institute, and in order to highlight the esteem in which he was held, David was presented with the sworn Shipbroker's Medal in 2005, the highest

accolade that a shipbroker can receive within their profession. David remained as secretary of the new South Wales and the West branch until 2012, when, due to poor health, he decided it was time to finally call it a day and enjoy more spare time.

David had a lifelong passion for music and enjoyed playing the drums within a local jazz band. The extra free time allowed him the opportunity to play a bit more of his beloved 'lawn bowls', playing for his local club St Fagans every Saturday

and Wednesday during the summer, and at the Cardiff indoor bowls arena during the winter. He also enjoyed spending more time with his family: his devoted wife June, his children Andrew and Susan, and as a grandfather to their children.

He was a genuine family man and he will be greatly mourned by June and the family. It goes without saying, that he will also be greatly missed by those that dealt with him within the Institute. He had an impact on so many lives

within the shipbroking and wider shipping communities and was a true gentleman who remained dedicated to his duties despite great adversity towards the end of his service. [SN](#)



**"To highlight the esteem in which he was held, David was presented with the sworn Shipbroker's Medal in 2005, the highest accolade that a shipbroker can receive within their profession"**

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# The Secret Broker

**Bring back generosity, respect and modesty**

Well that's the back of 2015. It couldn't come soon enough. Apart from Christmas there was not very much to be happy about if you weren't in the tanker market. The year opened with the collapse of Japanese-based tonnage provider United Ocean Group.

For "tonnage provider" read an entity that provides ships, sometimes ordering newbuilds, usually with no intention of doing anything other than turning the deal around and making a profit using someone else's money and farming out technical management. It sank with only \$1.18bn in debts.

Unfortunately, all the signs are there for the dry market to continue falling away. At the start of February, the Baltic Dry Index registered its lowest ever level of 291. This directly caused the prices of bulkers to fall and prompted many cash rich buyers to enter the fray.

Take, for example, the 2005-built, 177,000 dwt capsize *Bulk Singapore* which was placed in the market for sale at the end of January. Mid-2008 this ship was valued at around \$184m; in September 2015 she was valued at \$37m; in February she was expecting to achieve less than \$10m. It's a gamble but, in the belief that the cycle, by its very nature, must turn, the potential capital appreciation is too attractive to ignore. Of course, deep pockets are required to survive the interim. Like Easter, the much vaunted recovery seems to be a movable feast.

Any upturn can only occur when some equilibrium can be recognised between supply and demand of tonnage. Hopefully this will be fuelled by more scrapping. We saw 4.4m dwt scrapped in January 2016 – up 53% on December 2015 – and it's expected that scrapping in 2016 will exceed the 31m dwt scrapped in 2015.

At the same time, however, recycling prices have fallen 41% since January 2015 to about \$260 per lwt in February 2016. However, when taking into consideration the cost of another Special Survey, drydocking and the lack of profits available through trading, a trip to the beach seems quite desirable.

### UP AND DOWN

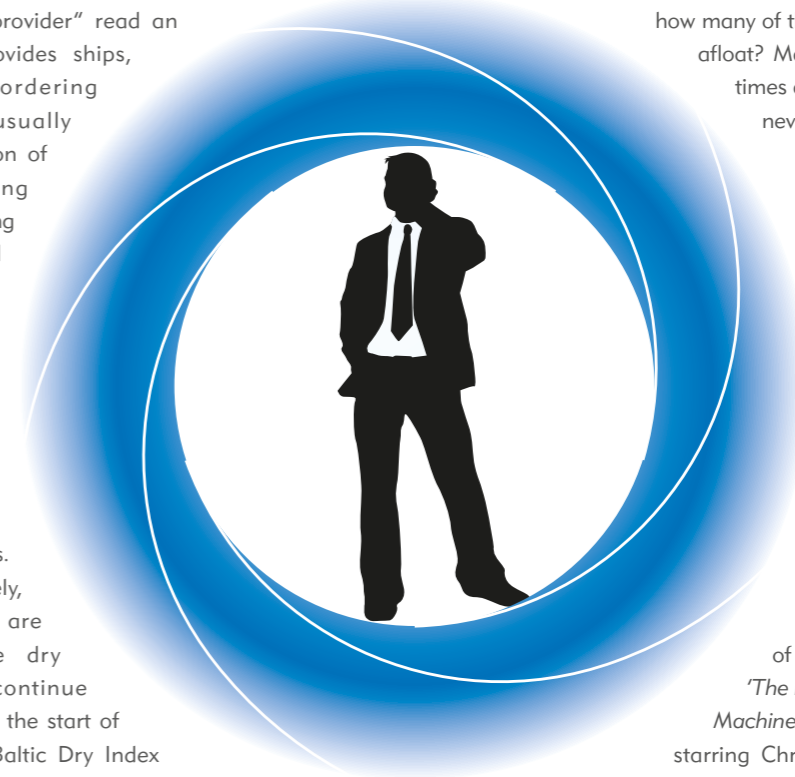
The important thing to remember is that dry bulk is a cyclical business. It goes up, it goes down and increased scrapping and lay-up may accelerate an upturn. While the newbuilding order book still causes concern, perhaps we should ask how many of these ships will actually end up afloat? Many booked in more euphoric times at second class yards will likely never come to fruition.

Of course we must never forget how we arrived at this point. Too many ships were ordered on the back of abundant finance available from private equity and hedge funds. Inevitably comparisons will be made with the heady days of the sub-prime mortgage debacle which led to the 2008 collapse of the financial markets.

This caused me to think of a book I read some years ago 'The Big Short: Inside the Doomsday Machine' – now a film, 'The Big Short', starring Christian Bale and Brad Pitt. It basically epitomises what happens when greed takes over and respect does not exist. How it's possible, when everything is collapsing, as it did when the world of finance imploded, to create ephemeral business opportunities costing investors billions of dollars and still turn a personal profit when others are losing millions. It was a very good read and, I understand, a very good film.

The analogy can now be applied to the over-ordering of bulk carriers by investment funds, guided by greedy groups of 'expert' individuals who still stand to make substantial profits, even if their shareholders don't. The promised returns are just not on the horizon. Where is the economic recovery which was sold to these investors? It's not in China.

Unlikely though it seems, let's hope that 2016 does offer some sort of recovery due to more scrapping, cancelled contracts and no further orders being placed at the yards, no matter what the comparative price inducement. Unfortunately, though, if there is a turnaround there is still a downside: most of those culpable for quite a lot of this orchestrated heightened activity will be in a position to profit from any upturn. So, they won't lose either way. That, it seems, is modern business practice; it seems that the key attributes for success in our current environment are greed, contempt and arrogance. Whatever happened to generosity, respect and modesty? **SN**





# the stern

## STAY OUT OF THE COLD

There was much hype back in 2009 when the first foreign merchant ship made the inaugural journey through what's now commonly known as the northern sea route.

Global warming and retreating summer ice offered a chance to make the shipping lane above Russia a commercially viable route, shaving days off the journey for cargoes moving from the Pacific to the Atlantic.

But a new study on the commercial opportunities and challenges of Arctic shipping by researchers at Copenhagen Business School's Maritime Division has found that the navigation season on the northern sea route (NSR) will be too short to warrant large scale investments in ice-class vessels until at least 2035.

In reaching that decision, the researchers compared an ice-reinforced 8,000 teu containership operating on the NSR to three open water containerships operating on the more common Suez Canal route with container capacities of 8,000 teu, 10,000 teu and 15,000 teu, respectively.

Their study assumed that the ice-reinforced ship operated along the NSR during the navigation season and the Suez Canal route when the NSR was icebound.

They calculated the comparative costs per container taking into account more than a dozen variables including vessel specification and size, engine type and capacity, average speed and distance, navigation season, transit fees, and load factors.

While the researchers did concede that the NSR becomes more competitive with a higher oil price and with a longer navigation season, the overall finding was that the annual navigation season as it currently stands is too short to offset the higher fuel consumption and capital costs of ice-reinforced ships.

So, it seems that the cold still continues to bite on the northern sea route, with no let-up for at least 20 years; that's a time line that might make more than a few shipowners shiver. **SN**

## THROUGH THE LENS – IT'S A SHIP, JIM, BUT NOT AS WE KNOW IT

You couldn't make it up: America's controversial futuristic warship hit the waves for sea trials at the end of last year with none other than Captain James Kirk at the wheel. For those not familiar with American science fiction, Capt James T. Kirk ran the starship *Enterprise*, an exploration vessel of a 23rd-century interstellar 'United Federation of Planets'.

This Capt Kirk is likely less acquainted with intergalactic travel and more familiar with commanding a naval ship, but he might be feeling that his latest captaincy is edging closer to his on-screen namesake.

Classified as a destroyer, the *USS Zumwalt* is designed to escort larger ships and protect them from threats. It's the first of a \$12.3bn three-ship trial program to see if the next generation of destroyers can improve on the original series.

With its sharp angular sides and a profile that might appear more normal if it were flipped on its head, *USS Zumwalt* has embraced automation: the crew runs at 154 sailors and officers, almost 100 less than needed to man the previous model. It also boasts superior power generation that will allow it to fire laser weapons or electromagnetic rail guns, that is to say, it will once the Navy develops them. Its propellers are

powered from the electricity through electromagnets, conserving energy for other tasks.

Unsurprisingly, the design is not without its critics and already the original 32-ship programme has been cut back to just three ships. And while it'll likely be great for stealth, it may not be as manoeuvrable on the high seas. The findings of the sea trials will go some way towards proving, or not, that it can survive the open seas. At a cost of \$4bn to build, it's an expensive mistake if it can't. **SN**



Credit: US Navy

Is it a bird? Is it a plane?  
No it's the *USS Zumwalt*

## SHIPPING SPEAK

“We are now at the stage where people are struggling to remember an era when it was **this difficult**; we've gone through what it was like in the 90s, the 80s and the 70s, so expressions like ‘**living memory**’ start to apply.”

*Jeremy Penn, Baltic Exchange chief executive, discusses the record low Baltic Dry Index and the dire state of wide parts of the shipping industry.*

“You can guarantee that, just as was the case in the 1980s when recession was the **mother of invention** and companies such as industry leader Pacific Basin were born, Hong Kong shipping will emerge fitter, more creative and with a **new generation** of shipping companies to **seize the opportunities** ahead.”

*Tim Huxley, Wah Kwong, explains that why Hong Kong is in for the long haul.*

”

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## Capesize Broker – Singapore

Are you well-versed in the capsize market, having built up your own business? Do you have leadership experience? This is a fantastic opportunity for the right candidate to progress their career with a highly skilled and reputable ship broking company. Applicants must have at least 5 years' experience.

To apply, please go online:  
[www.jobs.spinnaker-global.com/go/HQ00009924](http://www.jobs.spinnaker-global.com/go/HQ00009924)

## Dry Broker – Italy

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- Fast response to enquiries
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**For further information and a quotation,  
contact your broker or ITIC's  
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International Transport Intermediaries Club Ltd  
90 Fenchurch Street, London EC3M 4ST

tel + 44 (0)20 7338 0150 fax + 44 (0)20 7338 0151  
e-mail [ITIC@thomasmiller.com](mailto:ITIC@thomasmiller.com) web [www.itic-insure.com](http://www.itic-insure.com)