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ONE HUNDRED **2013**

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ONE

HUNDRED 2013

MOST INFLUENTIAL PEOPLE IN THE SHIPPING INDUSTRY

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INTRODUCTION

In praise of the good shipowner

What are the traits that define this paragon of industry virtue?

ONCE upon a time, not so long ago, we had an editor who was actually a master mariner. His name was Michael Grey. We asked him to define who it was that Lloyd’s List was writing for. His reply? The good owner.

So who is this mythical beast, the good owner?

Perhaps a useful point of departure would be to describe him in the obverse. It’s much easier to recognise a bad owner.

So let’s first explore what a good owner avoids. We can think of 10 points immediately.

1. A good owner avoids buying ships when rates are \$120,000 per day;
2. A good owner does not renege on charterparty commitments because they are onerous;
3. A good owner does not spend a weekend in a corporate golf retreat in Thailand while his company is in bankruptcy court in Texas;
4. A good owner does not leave his crew stranded in Suez for six months with out pay or supplies, blaming his banks for the crisis;
5. A good owner doesn’t regard the Maritime Labour Convention as a nuisance that requires minimum attention;
6. A good owner doesn’t launch an initial public offering on Wall Street, proclaiming a highly leveraged business model, then default, while the shareholders take a bath;
7. A good owner does not reflag to Mongolia to avoid minimum safety standards;
8. A good owner doesn’t accept a cargo

of nickel from Indonesia to China without ensuring proper checks to avoid liquefaction.

9. A good owner doesn’t find itself in Chapter 11 twice, at least without changing his company’s name;
10. A good owner tends not to boast about his service to his country when he enjoys the most favourable tax regime known to man, particularly when his country is bankrupt and being bailed out by taxpayers elsewhere — on the other hand, maybe there are good owners that do this?

It is easy to say what is wrong with shipping. There have been so many examples. And it is always tougher in life to define the good than to nail the bad.

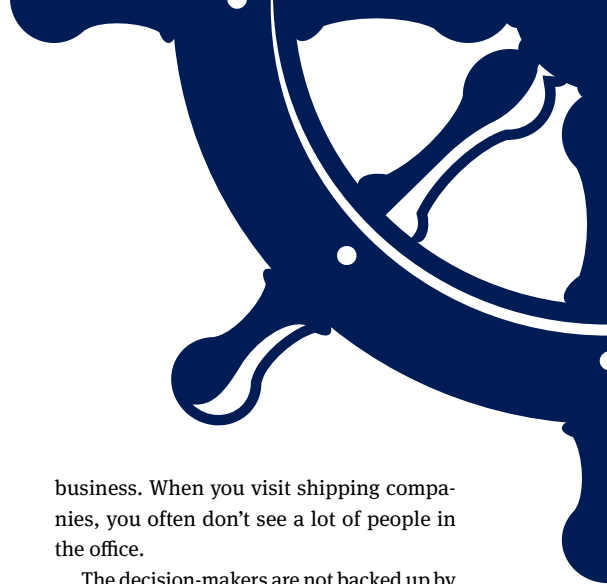
Good owners surely exist, but they have

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hardly had unblemished careers. John Fredriksen spent time in police custody while a famous case in Norway was being investigated.

Even Maersk Mc-Kinney Møller faced deep struggles at one point in his long career.

Yet all these owners could be said to be the best, which suggests that an unblemished life is not what we're after.

It seems that to be a good owner — the paragon to which we're referring — comes down to how he or she manages trouble, rather than whether he or she has avoided trouble in the first place.

That said, you want a good owner to have been truly successful at least once in a long career. And by success, I mean more than operating ships in lucky markets when rates bring in cash with ease.

It was easy to look successful if you

happened to have deployable capesize vessels in late 2007.

Success in shipping means sustained profits over time, which means good owners need to have their own views about when to invest and when to hold back, and the ability to act on that.

This is no easy profession and the winners tend to be complex people.

Martin Stopford, Clarksons' former head of research and author of *Maritime Economics*, suggests that the good owner is schizophrenic — or, more precisely, possesses multiple personalities.

One the hand, the good owner must be both an operating manager and an accountant, someone with the spirit of detail who understands the moving parts of the business, and keeps a vigilant eye on costs.

Shipping, in many respects, is a lonely

business. When you visit shipping companies, you often don't see a lot of people in the office.

The decision-makers are not backed up by an army of bureaucrats you might see, for example, in an average industrial company making refrigerators. Therefore, a grasp of the functions of business and an instinctive grasp of cost, working capital and status of cashflow is essential.

Moreover, the good owner — in this incarnation of his personality — knows a lot about ships: how they're maintained, the timetable and cost of compliance, the impact of fuel costs and the cost, say, of employing security guards.

Very frequently, when you meet a good owner, you are stunned not by an impression of smooth business acumen, but by practical knowledge.



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He will be able to tell you how to optimise costs in lay-up; that a certain port has not yet built the capacity to accommodate his new post-panamax ships, despite claims by the local government; the cost of repatriating seafarers that fall sick on board; and a host of other essential facts that sometimes demand attention.

The good owner is conversant with all these matters.

Equally, a good owner knows his customers' business to the degree that he can sense demand and opportunity.

He knows the pressures and opportunities his customers are facing in their own markets; whether customers' business is cash rich or under financial strain; even the regulatory constraints his customer faces.

That's one incarnation: good with detail, capable of commanding a range of practical knowledge, understanding the customer, and able to make decisions without a lot of paperwork and bureaucratic support.

The other personality is bit more dramatic.

Good owners are not afraid of risk. They are big personalities, able to sit down to dinner with bankers — who may be worried about the market and possibly losing their jobs — and convince them to lend half a billion dollars for a fleet of 10 new ships. And then go home and sleep soundly.

You've noticed, of course, that there's no magic bullet in this profession. There's no Steve Jobs who comes up, time and again, with the right answer to consumers' need.

John Fredriksen's Frontline had to split itself in two and he had to commit large sums of his own capital — rather than go begging to his bankers — to solve the problem of how to keep the company from bankruptcy.

This was necessary, because even he didn't foresee the mess in the tanker market.

There are times when Mr Fredriksen has made remarkably canny calls. But it is survival from his mistakes that makes him most interesting.

Even here, he has been unafraid of taking risk — the object being that the only way out of a bad call is to take risk in another direction. His diversification into offshore has balanced his fortunes.

Mr Fredriksen's solution to Frontline — retaining the older tonnage and much of the debt in one company, while creating a new company packed with newbuildings on order and devoted to buying new eco tonnage at current low prices — is as bold as anything he's done.

No one is paying attention to the fact Frontline nearly went bust two years ago.

Like all individuals who strike out on a new path, there are many others who will urge caution or a half-way measure. The good owner has to have the kind of personality that rides roughshod over silly people and simply knows that his plan is the right thing to do

The fact he has devoted his own capital to address his problems and set out in a new direction also reassures bankers, who are famously skittish in the post-Lehman market.

Mr Fredriksen is able to get funding for his both wet and dry shipping companies and has almost singlehandedly revived the dwindling fortunes of several good shipyards in China and Korea.

To sum up a second side — this big personality incarnation — of the good owner, he is able to live large, spot big risks that are going to pay off, and not only sell these risks to the money people, but get them to go along with him for the ride.

The type of convincing involved has little to do with a spreadsheet and a business plan — although this, of course, has to be acceptable too; it has more to do with reassurance and trust. It's a matter of character.

If the bankers trust the owner, sense his full operating knowledge of the business, respect his common sense and his courage, they're likely to take the bet with him.

By necessity, this big personality side of the good owner is contrarian. He makes moves while others have not yet dreamed of them, and he's not afraid to go against the grain.

It's hard to tell yet whether Nils Andersen's decision to invest in a fleet of 18,000 teu ships will be the market winner that Maersk intended it to be. Those ships could well be problematic. But the bold move to build them is characteristic behaviour of the good owner.

Likewise, Chang Yung-fa of Evergreen held back for years from ordering ultra large boxships. Of course, Evergreen eventually did invest in ultra large container carriers, but note the timing.

Dr Chang's refusal to invest in bigger ships kept Evergreen in better condition than most

peers during the shocking downturn of 2008-2009. When he finally did allow Evergreen to invest in the ULCCs, it was at the end of the ordering cycle and the shipyard price had come down. He got a sweetheart deal.

Notice that we're talking about individuals. Shipping is a lonely profession. Individuals go out on a limb, but boards rarely do. And, when they do, they are usually following the inspiration — or folly — of a single person's vision.

Thanks to the nature of shipping success — investing at the right time, in appropriate ships and spotting the demand that justifies the risk — decisions can look instinctive, the kind of decision that is impossible for a collective body like a board to get right.

Like all individuals who strike out on a new path, there are many others who will urge caution or a half-way measure. The good owner has to have the kind of personality that rides roughshod over silly people and simply knows that his plan is the right thing to do.

Finally, you cannot be a good owner and forget that you are responsible for the wellbeing of many individuals on your ships, who operate in a dangerous profession.

No good owner ever took the difficulty of working at sea for granted. He looks after his people, and often they reward him with loyalty.

In that regard, we have decided this year to give the spectacular shipping owner a rest at the very pinnacle of this list.

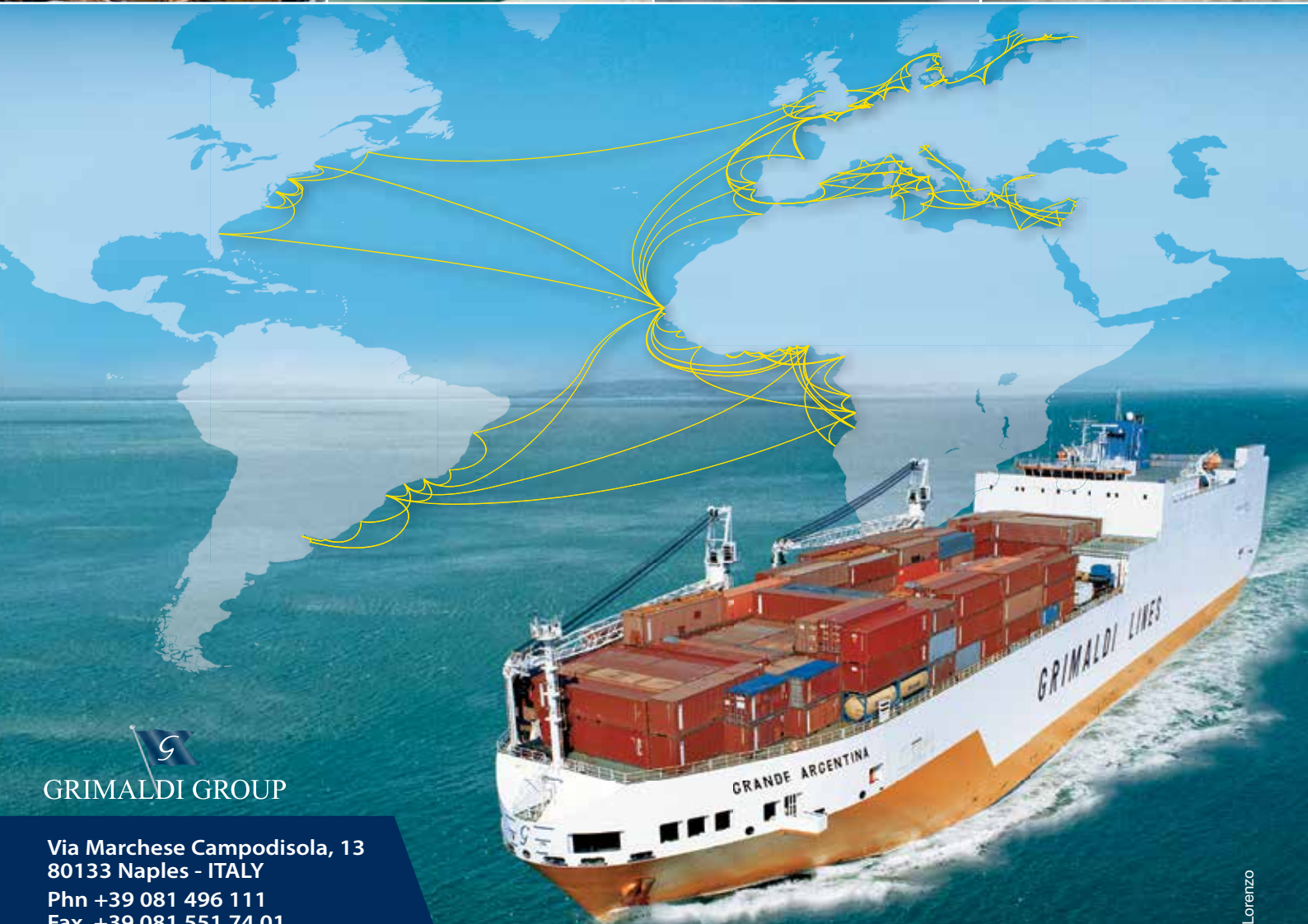
Instead we celebrate, in this year of the onset of the Maritime Labour Convention, the very individuals that allow good owners to be owners at all.

Whether you own a ship, own cargo, set shipping policy, or provide finance or legal support, take time out to reflect this year on the individuals who form the real backbone of shipping — and, as such, global trade.



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Brave guardians of seaborne trade

Seafarers ultimately must be applauded for their service to society



KHAN Jubair Niaz has qualities no more remarkable than those of the common seafarer.

These turn out to be extraordinary indeed.

Capt Niaz, from Bangladesh, studied seafaring in Southampton. The 20-year career that followed became one of steady escalation of responsibilities, competent and not particularly eventful.

Capt Niaz found himself as master of *A Whale*, a 319,000 dwt vessel known as a combination carrier — able to function as a tanker or a dry bulk ship — in Suez, waiting for cargo.

The cargo never came. The vessel's owner, Nobu Su (Lloyd's List Top 100, rank 92) faced financial difficulty and its shipmanagement arm, Singapore-based NOS Shipmanagement, found its cash frozen and unable to provision its ships.

It took a while — as it very likely always does — for the crew to understand it had been abandoned by its owner. Capt Niaz faced a crisis. No pay, and eventually no money for

bunkers and provisions for months. He faced an increasingly restless crew, with ever more desperate cries for help.

Capt Niaz broke up fights and once withstood a threat by the restive crew. During a particularly blazing Suez morning, the crew organised a widely distributed mobile phone photo of a proxy *A Whale* sailor hanging himself in despair.

Capt Niaz somehow diverted the growing discontent and fashioned it into hope. He argued the crew's case all the way to the lawyers representing Mr Su in Houston, to the Liberian Registry, the International Transport Federation, and, among other news organisations, Lloyd's List.

United Kingdom charitable group Sailors' Society provided vital aid to the crew and their families — who were depending on money sent back home.

Four months into *A Whale* crew's ordeal, Mr Su set up a unit in Houston and two weeks later, filed for court protection under United

States Chapter 11. Funds frozen by Mr Su's Taiwanese bankers were eventually released.

By that time, *A Whale* was rationing power to save bunkers and faced running out of food and drinking water. Even so, the crew received funds in stages over a week or more. They were eventually paid off and most went home.

Capt Niaz, back home in Bangladesh, worries that the measures he took to avert disaster will make him unemployable with another owner.

While crews are sometimes forced to accept the uncertainty and discomfort of abandonment (another Nobu Su ship, *B Ladybug*, remains stranded off of Malta), they also provide a first line of defence to others in an emergency.

Meanwhile, Hapag-Lloyd-owned *Yantian Express* happened, last May, to be in the Indian Ocean not far from position of *MOL Comfort*, which split in half in rough seas off the coast of Yemen in June.

The crew sought shelter in the stern,

where they were plucked off, during repeated attempts, by the seafarers on board the Yantian Express.

Seafarers shrug off risk as ticket of entry to a life at sea. Certainly, they draw little attention to their contribution.

They are guardians of seaborne trade, which represents 90% of global trade. They enable and protect shipowners' business. At sea, they stand as first and last defence against environmental damage. They venture on to the ocean, in spite of the risk of attack by pirates.

And, in an emergency, their required quick judgment brings a higher risk to their freedom than in any other profession, should things go wrong.

Just ask Apostolos Mangouras, the master of single-hulled tanker *Prestige*, who saved his crew in abominable conditions stormy seas, as the ship broke up off the coast of Galicia in November, 2002.

One of the Aframax's cargo tanks had ruptured when Capt Mangouras called for permission to enter harbour, but authorities in three countries refused passage into calmer waters.

Timely delivery to harbour would almost certainly have greatly contained the catastrophic spill that the ship's break-up in high waves and sinking eventually unleashed.

This November, some 11 years later, Capt Mangouras was cleared of the charge of criminal damage to the environment in a Spanish court, but still convicted of criminal disobedience to Spanish authorities and given a jail sentence that he is unlikely to serve, due to his age.

Lloyd's List, incidentally, awarded Capt Mangouras a Shipmaster of the Year award in 2004.

And, as always, in the case of seafarers' courage, the exception underscores the value of the rule, as the ongoing trial of *Costa Concordia* captain Francesco Schettino and his alleged crimes suggest. The courage of several crewmembers, who stayed on board to save many lives, has remained largely unsung.

Good crews are a godsend to cash-strapped shipowners. Oil companies now demand a difficult-to-enact, scrupulous and complex set of checks to vet vessels on hire. Now dry bulk cargo owners are mulling a similar procedure.

The Maritime Labour Convention came into force in August, a humane code and a long time arriving.

The MLC's goal is worldwide protection of seafarers, and it is a ground-breaking set

of rules, called a fourth pillar of regulation for quality shipping, alongside International Maritime Organization conventions of Solas, STCW and Marpol.

Despite the MLC, seafarers today still live in a comparable invisibility compared to other workforces. It has been pointed out many times that it would be unthinkable if hundreds of airline workers were held hostage for an extended period of time anywhere in the world.

The media is rightly blamed for negligence for giving kidnapped seafarers only passing notice (there are now 50 seafarers still being held in Somalia, according to SaveOurSeafarers, a support group).

But the blame can be fairly passed around. Governments have been sluggish in response. Even the secretive nature of ship-owning — in which it is tough to find out who actually owns a ship in some cases — is partly at fault.

Seafarers ultimately must be applauded for their service to society.

Like emergency ward doctors and nurses, they make decisions that affect the wellbeing of many. Like aircraft pilots and crew, they are responsible for the safety of all on board and in harm's way. Like soldiers, they're asked to endure any hardship.

In the wake of disaster, they take the brunt of society's rage, sometimes with no more protection than refugees. And modern innovations — such as containerisation — that allow for quick port turnarounds translate into less time ashore.

Yet the romance of going to sea surely exists, allowing hard-working and intelligent young men and women a chance at an independent life: to see the world, scan the blue horizon, feel the sharp fresh salt touch of the sea, stand in awe of the power of a storm, and yet work through it.

They will then know — in a way no banker or a lawyer ever can — the pleasure of simple, selfless merit and the fact the world moves by their sweat and under their watch.



Lloyd's List Seafarer of the year 2013, Khan Jubair Niaz, the former master of A Whale



Man of the moment

Scorpio's Lauro makes a stellar Top 100 debut



Emanuele Lauro: in 2013 Scorpio outstripped his expectations

EMANUELE Lauro makes a stratospheric debut in the Top 100, after a year that has made his Scorpio Group the shipowner on everyone's lips.

Scorpio has largely aimed itself at shipping sectors that are attractive by common consensus – notably medium to large product tankers and ultramax bulk carriers – but has done so faster and harder than anyone else.

More than 100 ships have been ordered or bought as resales. In doing so, the group has magnetised capital investors interested in the eco-ship story, while offending more genteel owners who fret that over-ordering could set back market recovery.

Scorpio Tankers, which floated in the US in 2010, has racked up orders for 65 new-buildings of medium range, long range and handymax product tankers, as well as very large crude carriers, all for delivery in 2014-2015.

The company also ordered up to 10 very large gas carrier newbuildings in South Korea and has since sold the contracts in return for a 30% stake in Dorian LPG.

The aggressive move for slots is being replicated in the dry bulk segment by newer affiliate Scorpio Bulkers, also headed by Mr Lauro, which has been trading on the over-the-counter market in Oslo and in December 2013 was expected to gain a listing in the US.

The dry arm had already contracted and agreed to purchase 28 ultramaxs, 21 kamsar-maxes and three capesizes, and its unclear if the spree is over.

A decade ago, fresh out of school, Mr Lauro took over the rump of the family shipping firm, as the heir to his grandfather Glauco Lolli Ghetti.

By his own admission, Mr Lauro was not equipped to run any sort of company. Instead,

"It's all about capturing as many opportunities as possible"



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he hired good outside talent, a task hindered by the fact the fleet comprised two elderly ore-bulk-oil carriers.

Today, he is the first to admit he could not have achieved his present status alone.

He has attracted an enviable team and appears to relish working with his number two, former OMI president Robert Bugbee.

Those who know Mr Lauro speak of a striking character who combines humility and ambition in equal measure.

“He has a deliberate strategy of partnering with people who have expertise in the right places and great respect for people who have accomplished more in life than he has,” said one observer. “But that’s coupled with amazing drive to achieve his own goals.”

According to Mr Lauro, in 2013, Scorpio outstripped his expectations. “We were aiming to do something very meaningful,” he said.

He also likes to aim high. “You put

yourself under pressure, but then if you achieve only 75% of what you want, it may be good enough.”

Despite having burst on to the world stage as a major shipowner comparatively recently, Mr Lauro has laid a solid foundation over the past decade with wisdom and patience.

He made money initially from the rising market by chartering in tonnage and becoming a significant operator.

As well as creating a significant presence as a manager, Scorpio worked on KG deals in Germany and invested in dry bulk logistics in Indonesia and terminals in India.

During the boom years, he avoided buying expensive vessels and kept close to zero leverage.

“Now it’s all about capturing as many opportunities as possible,” he said.

Although to the outsider Scorpio may seem focused purely on rampant growth, insiders say Mr Lauro is not necessarily fixated on being the biggest owner.

“We don’t run this company with big egos and if we realise there is a good way to get better value and that entails leaving the steering wheel to someone else, that is fine,” he said.

The deal to sell its VLGC contracts to Dorian provides a perfect illustration of his point.

“This is not an ego game, it’s a maximising returns game,” he said.

Mr Lauro and Mr Bugbee have mobilised support from investors with deep pockets and there is a duty to look at all options with a view to maximising returns for shareholders.

“You have to keep a flexible mindset and Scorpio Tankers and Scorpio Bulkers are not family companies, so it would be wrong to say we will never sell them.

“However, I am 34 years old and I don’t think I am going to retire at the next market spike in 2015 or 2016. Whenever that is, it is not going to be my exit,” he said.

DENMARK



003

NILS ANDERSEN AND SØREN SKOU | AP MOLLER-MAERSK

▼ 1

Maersk sets the news agenda

Carrier makes headlines with massive ships, a planned alliance and a Hollywood blockbuster



Nils Andersen: Maersk's cost reduction are not some short-term fix but a long-term effort

MAERSK'S ambition to become a global brand took a major step forward in 2013, thanks to a series of events that thrust the company into the headlines

The record-breaking 18,000 teu Triple-E ships, the first of which was named after shipowner Maersk Mc-Kinney Moller, were the subject of a six-part Discovery Channel series documenting the world's largest containerhips from concept to delivery.

The ships attracted media attention at every port of call as they made their inaugural voyages from Asia to Europe

Then came Captain Phillips, the Hollywood blockbuster starring Tom Hanks as the master of *Maersk Alabama*, the small containerhip hijacked by Somali pirates in 2009.

Little mention was made of Maersk during the film and many cinema-goers may have assumed it was a US shipping line.

Nevertheless, the Maersk name and white star logo featured prominently in a movie based on the real-life kidnapping of the ship's master and rescue by the US Navy

That, of course, is not why AP Moller-Maersk group chief executive Nils Andersen and Maersk Line chief executive Søren Skou remain high up the list of the most influential people in shipping.

However, the company's confidence in allowing the cameras to follow the construction of the Triple-Es, when most lines shy away from such publicity, and for working closely with the director of Captain Phillips to ensure the horror of the attack was accurately portrayed, show that Maersk understands the need to explain to a wider audience the contribution of shipping to the global economy.

Whether it is cheaper prices in the supermarkets and department stores of the rich nations that can be achieved through the economies of scale of bigger ships, or the risks that seafarers face ensuring that food, clothing and basic household goods reach the poorer parts of the world, shipping impinges on everybody in one way or another.

Maersk is keen to get that message across.

Nevertheless, it is not a charitable organisation. Both Mr Andersen and Mr Skou have focused intensively on budget cuts to return the group and its large, but often under-performing container shipping arm, to a healthy profit.

In an interview with Lloyd's List, Mr Andersen made it clear that cost reduction was not some short-term fix but a long-term effort. Otherwise, he warned, "you will be squeezed out of business".



Søren Skou: has worked hard to help Maersk get its message across

That thinking was undoubtedly behind possibly the biggest news of the year — the agreement between Maersk and its two closest rivals, Mediterranean Shipping Co and CMA CGM, to form an alliance and establish a joint fleet to serve the Asia-Europe, transpacific and transatlantic trades.

A vessel-sharing agreement on this scale requires regulatory clearance, which may be a challenge, but the goal is to start operations in the second quarter of 2014. With little prospect of consolidation through another round of mergers or acquisitions, and with lines now accepting that more costs must be chopped from their networks because of such unpredictable pricing in the container trades, Maersk knows there is no room for sentiment in such a cut-throat business.

By all accounts, it was the Danish line that approached the other two about collaboration, perhaps realising that it needed the cargo of other lines to fill its Triple-E ships.

The line was voted company of the year by Lloyd's List and global ocean carrier of 2013 by Containerisation International, recognising the leadership it has shown through initiatives such as its customer charter and the P3 proposal, and in the technological innovations of its Triple-E ships.

Maersk Line's strong financial results for the second and third quarters of 2013, at a time when most carriers were struggling to make a decent return, show that its focus on fleet efficiencies rather than trade growth has paid off.

Maersk has shows leadership through initiatives such as its customer charter and the P3 proposal, and in the technological innovations of its Triple-E ships.



Fredriksen goes large on orders

Billionaire rolls the dice on an ecoship-led recovery with \$5.2bn orderbook

SHIPPING billionaire John Fredriksen has rolled the dice on an ecoship-led recovery, amassing the world's biggest newbuilding orderbook during 2013.

Excluding his offshore interests, more than 80 vessels for his private and public companies are contracted at 17 shipyards across Asia, worth more than \$5.2bn.

Add to that tally nearly \$3bn in third-quarter orders at his oil rig operator Seadrill, and it's clear that Fredriksen, at 68, clearly has no intention of missing the boat while shipping markets are on the cusp of a cyclical upswing.

Mr Fredriksen pounced amid the worst shipping crisis since the 1970s, as shipyards were cutting prices to loss-making levels in order to win new business, after the 2008 financial meltdown and resulting market chaos shrunk orders and bank finance dried up.

Using share proceeds from Seadrill, Mr Fredriksen demonstrated the shrewd timing that has characterised his 50-year career in shipping.

He accelerated newbuilding purchases from a trickle in 2012 to a flood during 2013, splashing out on economic containerships, liquefied natural gas carriers, bulk carriers and product tankers that use less fuel than older vessels.

With prices gaining throughout the year, many of the ships have risen in value even before their keels are laid.

The orderbook easily represents Mr Fredriksen's largest shipping investment ever, exceeding a five-year spending spree in the late-1990s that provided the foundations for the formation of Frontline, the tanker shipping business for which he is best known, owned via Hemen Holding.

Frontline's spin-off, Frontline 2012, in which many of these newbuilding orders are placed, is readying for a 2014 listing. Mr Fredriksen is also buying into other companies, including Flex LNG, and made a bold move into the gas carrier segment with a tie-up with Stolt Nielsen's Avance Gas.

The liquefied petroleum gas market is staging a recovery on the back of rising US shale gas production, as propane and butane



Powerful force in shipping: John Fredriksen

exports from America surge. Ever the speculator, Mr Fredriksen was among the first to order and consolidate.

Entry into the LPG carrier sector is just one example of how Mr Fredriksen is continuing his diversification away from his first love of big tankers.

This year, he also boosted his stake in Europe's biggest travel company, Tui, via Monterey Enterprises; while his Norwegian-based Marine Harvest, the world's largest salmon farmer, expanded its stake in rival Grieg Seafood.

Where Mr Fredriksen goes, others tend to follow, but few seem able to mirror his

success, incapable of gaining the first-mover advantage.

Unlike many other Norwegian shipowners, Mr Fredriksen didn't inherit wealth, but started out as a courier at an Oslo shipbroker as a teenager and finished his education at night school.

His stint at the shipbroking company, where he delivered Boe-coded messages to his superiors, showed him that knowledge was the passage to wealth.

After stints in Lebanon, New York and Singapore, he developed the big oil contacts that to this day give him a commanding position in tanker circles.

Since 1975, the Onassis Foundation, continuing the tradition of its founder Aristotle Onassis in shipping, through Olympic Shipping and Management manages a fleet of fifteen vessels manned by Greek officers with the purpose of continuously implementing public benefit projects which promote the Hellenic Civilisation.



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Mr Fredriksen's narrative always includes a mention of his near four-month stint in a Norwegian jail in the mid-1980s for alleged bunker fraud — he paid a fine and did not admit guilt — and how his fortune was first made shipping oil for Iran during a period of a US embargo.

He has also come close to losing his shirt several times in his career,

saving himself more by good luck and a market rebound than any deliberate strategy.

Having been shunned by financial circles 30 years ago, Mr Fredriksen and his dividend-producing public companies are now welcomed by investors and investment banks.

Mr Fredriksen is said to be worth \$11.5bn

by Forbes, which is a little less than a few years back, and he is looking at basing his new Frontline 2012 operational arm in London over Oslo.

As private equity and hedge funds move into shipping during 2013, Big John's audacious newbuilding gamble pits his famous gut instinct against the spreadsheets-and-numbers men.

GREECE



005

JOHN ANGELICOUSSIS | ANGELICOUSSIS SHIPPING GROUP

▼ 1

An icon of shipowning acumen and standards

Long-term relationships key to Angelicoussis' shipping success

JOHN Angelicoussis remains in our top five as Greece's leading owner and an international icon of traditional, private shipowning acumen and standards.

That is not to say his business is failing to move with the times — but in today's fast-shifting shipping industry, it is also a fact that you sometimes have to pedal fast to stay still.

The Angelicoussis Shipping Group remains an independent bulk shipping giant in both the dry and wet markets.

Dry arm Anangel Maritime Services manages a fleet of 45 bulkers, with an aggregate of 8.2m dwt, and the group is the world's largest owner of capesizes, with 35 units.

On the wet side, Maran Tankers Management has a fleet of 41 vessels totaling 10.3m dwt and, with 26 very large crude carriers, vies with Japan's MOL as the world's largest non-governmental VLCC operator. Only Iran's NITC has more of this tonnage.

Within the tanker fleet, 10 vessels are under management for Mr Angelicoussis' sister, Anna Angelicoussi Kanellaki, although her group is gradually establishing its own Pantheon Tankers management outfit.

Tough times in his traditional stomping grounds seem to have had little effect on Mr Angelicoussis, although he has shied away from contracting new dry bulk and tanker tonnage lately.

However, there is evidence he is still



John Angelicoussis: no stranger to the capital markets

interested — the group was among the finalists competing for an aframax project put out to tender by Norwegian oil company Statoil in 2013.

The most notable shift in the focus of the group has been the tilt of the fleet towards

the liquefied natural gas shipping business, where, again, Mr Angelicoussis is emerging as a leader.

At November 2013, his Maran Gas Maritime deployed a fleet of seven LNG carriers, five of them modern steam turbine-powered

ships ordered a few years ago. Already, 17 newbuildings are on the way, eight of them twin-skeg vessels of 174,000 cu m capacity that offer much-improved efficiency.

Mr Angelicoussis clearly has an appetite for risk and is said to be lightning-quick when it comes to making investment decisions, although this is mitigated in several ways.

Notable throughout his shipping activities has been his ability to forge longer-term business relationships with major players.

In the VLCC sector, for example, nine vessels are bareboat chartered to Chevron, including Maran's latest two newbuildings.

His entry into the LNG sector has been no different.

A 2005 joint venture with Qatari giant Nakilat, which provided an umbrella for his first four LNG carriers, was recently upgraded with two additional diesel-electric powered newbuildings.

The joint venture was also refinanced with a \$662m Islamic finance package that boosted Nakilat's stake, although the Greek owner is said to retain overall control.

Another key relationship is with BG Group, which has chartered 15 of the new ships including 14 of those still to be delivered.

Australia's Woodside Petroleum, which has already taken two of the new vessels, may well emerge as another key partner.

What is most noticeable is that, unlike Norwegian shipowner John Fredriksen, Mr Angelicoussis has pursued a relatively cautious policy of chartering most of his LNG exposure well in advance.

At the same time, however, he clearly has the appetite to expand the LNG business even further.

If intelligence from shipyards in the Far East is correct, the diversification of the group into non-traditional areas could continue.

Mr Angelicoussis is believed to be flirting with new investments, either in DP2 shuttle tankers or drillships, or both.

A further tangible sign of growth is that construction has started on new 12,000 sq m offices in Athens that will house all the group's companies.

The 65 year-old owner continues to be of great importance for the Greek flag, contributing a huge slice of the fleet under the country's colours.

His ships provide the highest number of berths for Greek cadets of any shipping company, while the group's training programmes at present include between eight and 10 trainees on each of the operational LNG carriers.

Mr Angelicoussis is no stranger to the capital markets. He led Ananagel-American Shipholdings to the stock market in 1987 and the dry bulk company remained listed on Nasdaq until 2002.

He would probably say that sticking with tried and tested solutions is a conscious choice that has been formed out of experience with alternatives.

Meanwhile, looking ahead, his daughter Maria has been increasing her influence within the company.

Amid the many politically or markets-linked personalities in the upper echelons of the Lloyd's List 2013 Top 100, Mr Angelicoussis may represent a blast from the past — but it is quite a blast.

SWITZERLAND



006

ROGER JANSON | CARGILL OCEAN TRANSPORTATION

▲ 1

In command of shipping at Cargill

US agribusiness shipping arm headed by Janson has breadth and dominance

DUBBED the quiet giant, Cargill gets on with the business of shipping around 2% of all the world's freight to nearly 1,000 ports around the world as silently and unobtrusively as possible.

Roger Janson heads up Geneva-based Cargill Ocean Transportation, the shipping arm of the massive US agribusiness. He commands a division that controls around 400 ships at any one time, moving at least 200m tonnes a year of raw materials including coal, iron ore and grains, as well as other energy fuels and containerised goods.

The breadth and dominance of closely-held Cargill cannot be overstated. The largest private company in the US gives up no financials for its shipping arm, but has disclosed that its bunkers bill alone exceeds \$2bn a year.

Internal presentations label Cargill as the

world's biggest dry bulk shipper, with 40% of business for its own account, and the rest for external customers, and growing each year.

With more than 260 dry fixtures attributed to Cargill and reported to the Baltic Exchange in the first 10 months of 2013, that is easily one deal daily disclosed to the market, in addition to those contracts that stay private. Cargill also holds a long-time dominant role in the trading of forward freight agreements, and is among the top three traders in the dry market.

What made Cargill capture maritime attention this year was a return to ship ownership, 12 years after selling its last vessel to focus on a strategy centred on a mix of single-voyage and longer-term period charters.

Cargill placed its first newbuilding order earlier this year, long after many other large dry bulk charterers did. Unlike rivals,

the move was timed perfectly: the letter of intent to build at least three capesize vessels at China's Shanghai Waigaoqiao Shipbuilding with an option for another three was signed just as newbuilding prices hit a 20-year low.

The joint venture partnership that launched Cargill's return to shipowning was formed nearly two years before the first contract was signed, and Mr Janson has not disclosed who the partner is. In interviews this year, he's downplayed the purchase and reiterated that Cargill does not want to become a traditional shipowner again.

The newbuilds were described merely as an asset play that will be eventually sold. But Cargill's fleet was again expanded in September with the purchase of a second-hand, 2005-built capesize.

Mr Janson has also hinted of longer-term



Roger Janson and his team appear to have invested in steel at precisely the right moment

The breadth and dominance of closely held Cargill cannot be overstated

Since ordering the capes in March for \$46m each, unsustainable, loss-making newbuilding prices have surged, while secondhand vessel values are on the way up as well.

Mr Janson is slowly growing into the job as logistics leader for the commodities supergiant, since taking up the post in mid-2011.

Born in the Netherlands, Mr Janson is a long-time Cargill man, who started as a trainee in Amsterdam and previously led the European grain trading and oilseed crushing division. He is now more visible at industry forums, giving public support and playing a leadership role to high-profile sustainability initiatives that paint shipping in a more responsible light.

Cargill has championed slower speeds to lower emissions and, via its stake in ship-vetting agent RightShip, has graded vessels via their efficiency. It will not hire older ships that use more fuel, in order to lower the company's carbon footprint.

charter deals that include a purchase option at their conclusion, suggesting Cargill is again open to risk management avenues that include ownership.

With spot rates for the big bulkers rallying

during the last three months of the year, Mr Janson and his team appear shrewdly to have judged the market revival to invest in steel at precisely the right moment, as well as picking an upwardly mobile asset class.

SWITZERLAND



007

GIANLUIGI APONTE | MEDITERRANEAN SHIPPING CO

▲ 7

MSC tipped to be the big winner from the P3 partnership

Carrier will join forces with Maersk and CMA CGM — if the regulators say yes

MEDITERRANEAN Shipping Co founder and president Gianluigi Aponte has had an extraordinary year, positioning the world's second-largest containership operator to move into the number one slot within a few years

The line's boxship fleet now stands at almost 2.2m teu, some four times its

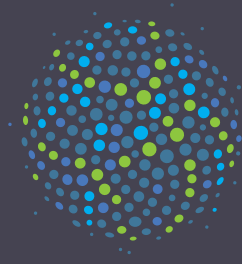
capacity 10 years ago. With MSC's bank balance boosted by \$1.9bn from the sale of a 35% stake in its ports division Terminal Investments Ltd, Mr Aponte quietly resumed ordering new ships earlier this year, although mostly through lease arrangements rather than directly.

The renewed fleet expansion appears to

have been driven by the proposed P3 vessel-sharing agreement with MSC's two arch rivals, Maersk Line and Mediterranean Shipping Co

The prospect of these three carriers getting together would have been inconceivable a few years ago, having been at each other's throats in the battle for market share.

But with container lines forced to take as



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much cost out of their networks as possible because of the volatility of freight rates, the three carriers now hope to operate a joint fleet in the Asia-Europe, transpacific and transatlantic trades once competition hurdles have been overcome.

Many in the industry tip Mr Aponte as the biggest winner from this partnership.

There is a widespread perception, even within Maersk circles, that the Danish line needs MSC cargo for its Triple-E ships more than the Geneva line needs Maersk.

MSC has never been one for consortia, although it teamed up with CMA CGM on the Asia-Europe trades a couple of years ago.

Now, however, it is preparing to join the biggest vessel-sharing agreement ever seen in container shipping, assuming the 10-year partnership gets the green light from the anti-trust authorities.

The negotiations are led by Mr Aponte's son Diego, who is taking on a more high-profile role in this famously secretive group.

Nevertheless, Mr Aponte Sr remains the driving force behind MSC, which is no longer regarded as a cut-price operator but one good enough to team up with Maersk, a player that would never want to be associated with a sub-prime line.

Mr Aponte received Containerisation International's lifetime achievement award in October, recognising his entrepreneurial skill building MSC into one of the top container lines in the world purely through organic growth, without any support from acquisitions.

He dedicated the award to his 40,000 staff.

MSC Cruises is also firmly established as a major operator, ranked number three in the world in terms of passenger capacity. Nevertheless, the cruise business accounts for only about 5% of group turnover and container shipping remains the powerhouse.

Privately owned MSC does not publish its financial results. However, Mr Aponte told Lloyd's List in an interview in March that 2012 had been "quite a good year for the majority of us", including his company.

He said 2013 should be better, as the US began to recover and emerging economies performed well.

Nevertheless, the immediate challenge facing MSC and the rest of the industry was to manage the supply and demand situation in 2013, whereas 2014 is expected to be "a good year" as delivery of new tonnage slows.

Mr Aponte said at the time he had no intention of going for growth and would let the container business tick over for the time being.



Gianluigi Aponte: widely tipped as the biggest winner from the P3 partnership

Although he declined to be drawn on when or whether MSC might resume newbuilding investments, within months MSC was apparently talking to shipyards and finance houses about 18,000 teu ships.

Famous for knowing just when to make a move, Mr Aponte appears to have decided that 2013 was, after all, the right time to embark on another round of newbuilding activity.

Aponte is famous for knowing just when to make a move



Frangou's star continues to rise

Navios boss has not put a foot wrong since her 2004 capital markets move

ANGELIKI Frangou's star continues to rise, after a year in which her Navios Group added about 50 more ships to its empire.

Still, she insists, Navios has a restrained and disciplined philosophy.

"Just because you buy 50 ships does not matter," Ms Frangou tells Lloyd's List. "Yes we have a conservative approach, in essence because we protect our downside.

"Shipping is cyclical and will continue to be so. It is not a matter of if, but a matter of when the cycle will change. By working hard to control our downside, we know the upside will take care of itself."

Hard work, but also a great deal of savvy and original thinking, has marked the march of a woman who, upon raising about \$200m from the capital markets in 2004, was still virtually unknown.

That changed the following year with the takeover of Navios and since then Ms Frangou has seemed hardly to put a foot wrong in creating a group that today has an enterprise value of almost \$5bn and a fleet of more than 130 ships.

These are spread across four significant companies, three of which are publicly listed on the New York Stock Exchange and one that is focused on logistics in South America.

The pace has sometimes been relentless and 2013 was one of the busier years for growth and expanding the group's already formidable toolbox.

An aggregate of well over \$2bn was raised in various types of debt and equity financing.

The company has avoided balance sheet problems and has met its obligations to banks throughout the crisis, a fact that Ms Frangou underlines has been essential to the brand and a competitive advantage.

This strength was evident in establishing a new joint venture, Navios Asia, with one of the two largest Japanese shipowners, initially to operate a joint fleet of six bulk carriers.

A widely monitored deal that has taken most of the year to complete gives all three listed Navios companies a stake in a

'distressed' fleet of five product tankers and five feeder container vessels taken off the hands of lender HSH Nordbank.

That was also a first foot-hold for Navios in the boxship sector and — given the group's deliberate way of positioning itself as a leading player in its various businesses — no-one should have been overly surprised that this step has since been built upon.

The group's dry bulk master limited partnership, Navios Partners, has acquired a fleet of five post-panamax container-ships for \$275m. The vessels are covered by 10-year charters at day rates of \$30,150. Ms Frangou has made it plain she is open to expand opportunistically on the container shipping front.

For an example of how rapidly Navios

can establish itself in a sector if the conditions are seen as ripe, you only need look at affiliate Navios Acquisition, the new vehicle with which Ms Frangou entered the tanker industry in 2010.

By mid-November 2013, she was able to declare that, in the year to date, the company had increased its operational fleet by 79%, from 19 to 34 tankers.

A recent \$163m deal for three modern Chinese-built very large crude carriers takes the total Navios Acquisition tanker fleet to 44 vessels in the water and on order, including 11 VLCCs.

Ms Frangou is renowned for coupling a grasp of the big picture facing shipping with a detailed understanding of both financing and technicalities, stemming from an



Angeliki Frangou: By working hard to control our downside, we know the upside will take care of itself

BLOOMBERG

engineering background and experience on Wall Street.

That blend of vision and interest in ground-level issues can be seen in Navios South American Logistics. It is the only major company of the group so far unlisted, but could yet turn out to be the jewel in Navios' crown.

The fast-growing port terminal, storage, barging and cabotage shipping business is focused on the Hidrovia region and is a majority-controlled subsidiary of Navios Holdings.

Navios Logistics' growing value was highlighted by a recent 20-year deal with Vale to store and tranship 5m tonnes-6m tonnes

of iron ore annually, as well as other commodities, for the world's largest iron ore producer.

The project will entail investment of about \$150m to expand Navios' existing terminal infrastructure and is anticipated to generate operating profits of at least \$35m each year for the company.



Positive year for dynamic Greek owner

Economou's sound defence steers DryShips through the financial crisis

HIS reputation has been built on an aggressive attacking game, but lately George Economou has been called upon to play defence, and has done so to good effect.

With the core dry bulk and tanker markets remaining mostly in the doldrums, the past year has been a difficult one, but overall it has been a positive one for the Greek shipowner.

Dynamic management now appears to have steered his flagship DryShips operation through the worst of the crisis.

Recent moves have included selling several contracts for large dry bulk vessels from the company order book. As part of that exercise, Mr Economou acquired a pair of the public company's newcastlemax newbuildings for his own substantial private empire, which controls a fleet of about 60 ships.

The Nasdaq-listed company's four remaining newbuildings — ice-class panamax ordered from Rongsheng Heavy Industries — are increasingly looking as though they will not be delivered, due to severe delays at the Chinese shipbuilder. That will lighten the owner's capital expenditure burden still further.

A key to DryShips' buoyancy has been Mr Economou's relations with the banks. A particularly important agreement has been reached with the company's HSH Nordbank-led consortium in order to ease the repayment schedule, as well as some financial covenants on a \$630m loan facility.

The deal also allows \$55m in restricted cash to be applied to upcoming instalments.

DryShips has also launched an at-the-market equity offering for up to \$200m with



A key to DryShips' buoyancy has been George Economou's relations with the banks

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Evercore Group and has already used this to raise funds, although Mr Economou has made it clear the entire facility may not be drawn upon if there is no need.

He is expecting a better 2014 for the bulk shipping markets and, if so, the spot market orientation of his bulker and tanker fleets stand to be among the biggest winners.

DryShips' key card, though, has been its majority ownership of ultra deepwater offshore drilling company Ocean Rig and this continues to expand.

Recently it exercised an option to construct another seventh generation drillship, its fourth of a series at Samsung Heavy Industries and ninth modern drillship overall.

Ocean Rig, too, has benefited from strong refinancing and a favourable modification of loan conditions that will allow it greater flexibility in future.

Now on the horizon are moves to float a new master limited partnership spin-off that will include some of the drillships, and launching of a quarterly dividend in 2014.

Both are likely to be greeted positively by analysts and investors – not least by DryShips, which, with a near-60% stake in Ocean Rig, could reap as much as \$60m annually at the intended level of payout.

Behind the scenes, Mr Economou's team have worked hard to shift the management

headquarters of Ocean Rig from Oslo to Athens – an act that may, in future, go down as the foundations of a real presence for Greece in the offshore industry.

Meanwhile, the shipowner has been working on a new dry bulk venture that could be publicly launched in the US or Norway.

With this in mind, his Cardiff Marine group has been negotiating a string of orders for new newcastlemax bulkers with yards in China for delivery in 2016.

While the final tally is unknown, sources close to Mr Economou confirm that at least 10 vessels of this class have been negotiated.

BRAZIL



010

MARIA DAS GRAÇAS FOSTER AND SERGIO MACHADO | PETROBRAS

▲ 7

Two executives charged with keeping Brazil's energy juggernaut on course

Petrobras aims for energy self-sufficiency as demand for oil products races ahead



The power at Petrobras: Maria das Graças Foster pictured with her predecessor Jose Sergio Gabrielli.

LONG-TIME Petrobras executive Maria das Graças Foster was promoted nearly two years ago as chief executive of the world's seventh-biggest energy company, after the Brazilian behemoth kept failing to meet

production targets. Petrobras is relying on Ms Foster, an employee of 31 years who graduated in chemical engineering, to meet the oil giant's ambitious goals of energy self-sufficiency through more than doubling

crude oil production to 4.2m barrels per day by 2020.

A staggering \$236.5bn investment programme from 2012 to 2016 is underpinning the plan – an amount bigger than

the gross domestic product of the Irish Republic.

Nearly half that money is earmarked for challenging ultra deepwater production development, as Petrobras accesses pre-salt reserves nearly 300 km offshore to tap oil and gas.

A two-year stint as oil secretary at the Brazilian Ministry of Mines and Energy between 2003 and 2005 gave Ms Foster some political insight and experience, which she will need to temper the expectations of the Brazilian government, Petrobras' largest shareholder.

Logistics loom large as Brazil, with its population exceeding 200m, looks to meet rising oil products demand that has grown faster than its GDP for the past decade.

Front and centre of that logistics challenge is Sergio Machado, chief executive of the Petrobras transport subsidiary, Petrobras Transporte.

Transpetro, as it is known, is Latin America's largest shipowner, with 56 vessels. The subsidiary is not only responsible for all seaborne logistics, but also operates Petrobras' 28 marine and land terminals and gas pipeline network.

Petrobras' national energy dominance is created by protectionist policies that see the giant control most of the shipments into and

out of the country.

Petrobras is the world's ninth-biggest hirer of tankers for single voyages in the past three years, with some 266 charters reported to the market in the first 10 months of 2013.

So far these ships have transported 6.73m tonnes of refined products, from diesel to jet fuel, and 19.15m tonnes of crude this year, in Petrobras' role as both exporter and importer of energy fuels.

At any one time, Petrobras has about 250 vessels on the water, chartering twice as many ships from third parties as owned tonnage.

Transpetro is part-way through a \$5.5bn fleet modernisation programme called Promef, with its 49-ship newbuilding plan now the world's fourth-largest portfolio of orders.

Twenty-four tankers are being built for Petrobras under the first phase, while another 26, including eight gas ships, are earmarked for the second phase.

Along with offshore industry requirements, Petrobras has single-handedly revived Brazil's moribund shipbuilding industry in the past three years, with more than 60,000 people directly employed at about 50 yards, thanks to government rules mandating that vessels, production

platforms and rigs are produced locally when possible.

Deepwater drilling rigs are planned to be built from 2016 at Brazil yards, with seven of the 28 contracts finalised with a local company in which Petrobras has a stake.

Doubts about the capacity, expense and skills base of yards saw Petrobras reach out to overseas companies to access technical skills and some business has gone offshore anyway.

Petrobras even took over one shipyard in Brazil for a conversion project of four very large crude carriers to floating production, storage and offloading units.

So far the Promef programme has been more miss than hit. But Petrobras is determined to fulfil the local quota obligations and says it will take vessels as needed from the international market if delays lengthen.

Today, Petrobras produces 2.4m barrels of oil equivalent and has 12 refineries, with capacity of 2m barrels per day. Over the next seven years, Petrobras aims not only to double crude production, but also to expand refining by 70%.

Whether the energy giant can successfully navigate the sea of red tape and bureaucracy that characterises the country's maritime sector is not so clear.



Glaseburg packs a global punch

Glencore Xstrata merger unites vast wet and dry freight interests

LARGER-THAN-LIFE mining billionaire Ivan Glaseburg packs plenty of punch in global shipping.

The head of newly merged Glencore Xstrata brought together gargantuan wet and dry freight interests when the mining company and energy trading house joined forces earlier this year.

The world's largest seaborne exporter of thermal coal sold 78.3m tonnes last financial year, a drop of 14% on-year.

Flat freight rates are lowering arbitrage opportunities and hence profits for its energy products division.

Nevertheless, Glencore Xstrata volumes

accounted for about 5% of all clean product tankers reported as hired for single voyages this year and 132 bulk carriers were chartered by the powerhouse, according to the Baltic Exchange's fixture list.

Glencore Xstrata's shipping needs are mostly managed through its Singapore-based subsidiary ST Shipping & Transport, with 50% of its vessels said to be employed for in-house trading.

The company admits its tanker division took a battering during the market downturn of 2009 and 2010, thanks to its long position on oil freight.

The wrong assumption that vessels

chartered long-term would cost less than hiring them on the spot market resulted in losses that Glencore described as "substantial".

The result is a dramatic change in fleet composition and a recalibration of its freight risk management strategy.

Not only is the fleet size being halved, but expensive time charters — especially for product tankers — are not being renewed when they lapse.

Post-merger, the 2013 fleet numbers 137 ships, 88 fewer than the 225 vessels Glencore controlled three years ago.

Some 80 ships are now on older time



Ivan Glasenberg: at the helm of the newly merged Glencore Xstrata

charters and about 30 vessels are owned by Glencore Xstrata.

The company plans to trim its fleet to just 105 vessels by the end of 2014 and by 2016, only 18 ships will remain on the more expensive time charters.

As Glencore Xstrata moves grains, oils and other fuels for third parties and on its own account, its growing presence in the single-voyage market can only enhance its influence and market-moving capabilities.

The company is a sought-after blue-chip client for listed companies seeking to highlight income reliability in an era of contract defaults.

Proof that Glencore will follow the arbitrages is its new presence in LNG, as traders exploit cheap gas prices in the Atlantic, buying gas to ship and sell in Asia at more than three times the price.

SAUDI ARABIA



012

KAHLID AL-FALIH | SAUDI ARABIAN OIL COMPANY

▼ 4

Landmark merger rings VLCC changes

Saudi Aramco at forefront of global tanker trade flows

SAUDI Aramco, the world's largest crude exporter, is at the forefront of changing global tanker trade flows for both crude and oil products.

Not only are US imports of Saudi crude averaging 16-year lows this year, affecting the tanker market, but also very large crude carrier hiring patterns are changing, after a landmark local shipping merger.

Saudi Aramco, led by president and chief executive Khalid Al-Falih, this year merged its shipping arm Vela International Marine with the National Shipping Company of Saudi Arabia, known as Bahri. Vela's 14 very large crude carriers join with Bahri's fleet of 17.

Crucially, the new company takes over Vela's long-term shipping contract to transport all Saudi crude sold on a delivered basis.

With Saudi Aramco estimating its future shipping needs at 50 VLCCs, and about 80% of its crude thought to be sold on a delivered basis, it is clear the Saudis now need to hire fewer VLCCs from the spot market.



Khalid Al Falih: Saudi Aramco is also influencing global product trade flows as it leads refinery expansion in the Middle East

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**TOP TEN**

Top 10 players in finance

Big players in a shrinking pool

01 TORSTEN TEMP | HSH NORDBANK

FOLLOWING a police raid on HSH Nordbank's Hamburg headquarters, part of an investigation into mafia money laundering, and with six former directors in the dock after a questionable collateralised debt-obligation deal, Torsten Temp will be glad to see the back of 2013. Nevertheless, with a portfolio of \$36bn, Mr Temp remains head of shipping at the outfit with the most skin in the game.

02 CHRIS BOEHRINGER AND HERMANN DAMBACH | OAKTREE

THIS was the year that private equity emerged as a real force in ship finance and Oaktree has headed the pack, buying companies and secondary debt to emerge as a serious industry force. Mr Boehringer, who works out of London, and Frankfurt-based Mr Dambach, will have no shortage of opportunities to pick up distressed assets in the coming 12 months.

03 KRISTIN HOLTH | DNB

IT IS not actually illegal in most jurisdictions to appoint a woman to head of a ship finance function. But as far as anyone can recollect, DNB's Ms Holth is only the second woman ever to hold such a position. Far from a token appointment, Ms Holth is known as an effective operator who has ensured that DNB remains one of the success stories among shipping banks.

04 CHEN BIN | CEXIM

AS EUROPEAN banks pull out of shipping, their Asian counterparts are rapidly moving to fill at least some of the gap. Cexim started the year with a \$12bn shipping book and Chen Bin has predicted that it will have reached \$14bn by the time 2013 closes. Meanwhile, Cexim has also unveiled a three-year strategic alliance with the China Classification Society.

05 SVEIN ENGH | CIT

CIT is a big name in transport finance and leasing on the other side of the pond, but had until recently given shipping a miss after some bad experiences in the 1990s. Now it is back and Mr Engh and his team expect to close 15 shipping transactions by year-end. Another highlight was the signing of a strategic alliance with Norwegian investment bank RS Platou.

06 KRISTAN BODDEN AND GABRIEL TOLCHINSKY | KKR

ANOTHER illustrious name paying attention to shipping all of a sudden is Kohlberg Kravis Roberts, which in August announced it was putting up 45% of the initial \$580m capital required by a specialist shipping bank headed by Mr Bodden and Mr Tolchinsky. The two men are both former partners of Helios Advisors.

07 LAMBROS VARNAVIDES | RBS

RUMOURS suggest that shipping is out of favour with the top brass at RBS and that a fair chunk of its \$16bn shipping book is heading for an internal bad bank. Nevertheless, Mr Varnavides, who retires on his 64th birthday next year after around 40 years in the game, remains a hugely respected figure in ship finance circles.

08 PAUL LEAND | AMA CAPITAL PARTNERS

ALTHOUGH it wasn't love at first sight between US private capital and German KG houses, the two sides are finally starting to work together, as exemplified by Mr Leand's AMA Capital Partners, which owns 49.9% of Lloyd Fonds. "Make sure you have common thinking in what you want to achieve. Make sure you get along with people, because there is going to be constant interaction," he advised a recent conference in Hamburg.

09 HALVOR SVEEN | MARITIME & MERCHANT

LAUNCHING a shipping bank offering plain vanilla loans seems counterintuitive in the current climate, but former Pareto man Mr Sveen has done just that with Maritime & Merchant, backed by some big-name owners including Arne Blystad and Henning Oldendorff. The game plan now is to secure a target capitalisation of \$300m, probably through an initial public offering next year.

10 DAGFINN LUNDE | DVB

ANOTHER veteran shipping banker due to retire is DVB's Dagfinn Lunde. Among his key messages to the industry this year has been the contention that his bank, at least, is still open for business. "If everybody thinks there is a lack of finance, it's because there is a lack of good projects," he told the Connecticut Maritime Association gathering. That said, even DVB is downsizing its shipping exposure right now.

That is significant, given that pre-merger industry analysis shows Vela as the fourth-largest VLCC voyage charterer in 2012.

The move by Saudi Arabia does more than safeguard national interests; it is no secret in shipping circles that the Vela deal was a lifeline for Bahri.

On the clean side, Saudi Aramco is also influencing global product trade flows as it leads refinery expansion in the Middle East. Three Aramco projects, at Jubail, Yanbu and Jizan will add a combined

additional refining capacity of 1.2m barrels per day.

The additional gasoline production in Saudi Arabia is set to be consumed locally, cutting imports. The Yanbu and Jubail refineries, which will be both on line by 2014, will add to a diesel surplus and for the first time produce the low-sulphur diesel that can be sold to Europe.

The Saudis will compete with the US, India and Russia for sales to Asia, the US and Europe, adding to tonne-mile demand for the clean products sector

The move by Saudi Arabia does more than safeguard national interests; it is no secret in shipping circles that the Vela deal was a lifeline for Bahri

US



013

MIKE DUKE | WALMART

▼ 2

Keeping consumers happy across the world

Walmart is the driving force behind a huge number of containership services

MIKE Duke, the relatively anonymous chief executive of Walmart, will have relinquished the reins on the giant US retailer by the end of January 2014, giving way to the equally unknown Doug McMillon.

Frankly, neither men are shipping experts and it seems unlikely that either knows one end of a containership from the other.

So why include them in this, the list of the most influential figures in shipping?

Well, 'scale' is the short answer.

Walmart sells just about anything, everywhere, keeping consumers happy all over the world with vast mountains of 'stuff', ensuring container lines remain desperate to stay on the right side of their account managers.

The massively diversified nature of global shippers mean that no one group can legitimately claim to influence the lines completely, but in Walmart's case, it is fair to say their volumes give them a fair amount of clout in the shipping lanes. That is influence, whether these are 'shipping men' or not.

We are also including Walmart on our list as an indicative nod to the power that shippers like Walmart are now wielding when it comes to efficiency, sustainability and the

changes all that implies at the business end of the shipping industry.

Much has been made of the need for reliability and how customers like Walmart are the driving force behind efforts like the Daily Maersk and, to some extent, the latest round of 18,000 teu-plus containerships.

However, the power is actually one step removed again. It is the consumer, Walmart's customers, who is demanding ever-more efficient supply chains, the greening of globalisation and transparency

in where and how their goods reach them.

The shipping industry, particularly container shipping, embarked on reducing carbon footprints even before fuel costs necessitated slow steaming. But more can, and will be done.

Walmart – and Walmart's suppliers – understand it is necessary to be on the front foot in this respect and the fact that box lines understand this, and are having to prepare for this, is a marker of the influence to which we are referring here.



AP Photo/M. Ebenhack

Mike Duke will have relinquished the reins on the giant US retailer by the end of January 2014



Cosco's Ma faces myriad challenges

State-owned company scrambles to stem its recent losses

IT HAS been an eventful year for China Ocean Shipping Group.

Ma Zehua officially succeeded Wei Jiafu as chairman to lead the country's biggest shipping conglomerate in July, during possibly the toughest period in the 52-year-old enterprise's history.

Cosco started 2013 on a mission to secure the listing status of its flagship unit China Cosco Holdings on the Shanghai Stock Exchange, after recording two consecutive annual losses.

It scrambled to prune its assets and garnered billions of dollars through divesting logistics, container manufacturing and property assets.

Meanwhile, however, its core dry bulk and container shipping businesses continued to fail to impress, amassing \$328m in net losses in the first nine months this year.

Strenuous asset sales may enable Cosco to stem its losses and escape delisting, considered a stigma for state-owned companies, but investors' concerns over its long-term sustainability and corporate governance will not dissipate any time soon.



Ma Zehua

The company has provoked the wrath of domestic investors and the public, first with its losses and limp share performance, then when officials launched a graft probe into its top executives.

Compared with his predecessor, Capt Wei, known as a vocal and flamboyant figure, Mr Ma is softly spoken and reserved in public.

In the company's half-year results

briefing, Mr Ma, exuding rare emotion, said he accepted responsibility for Cosco's mistakes, admitting that a lack of acumen had led to ill-considered business decisions.

He said the company planned to diversify to mitigate against the volatility of the shipping industry.

The group is highly focused on shipping-derived sectors, including ports, shipbuilding, logistics and other shipping services.

Capt Wei once complained that Cosco could not dabble in other industries at will, drawing a comparison with the AP Moller-Maersk Group, which owns an oil-drilling business.

That hurdle was set at the top. Beijing specifies strict playing fields for each of the 100-plus core state-owned companies, which must not stray beyond that invisible cordon.

The question for 2014 is whether Mr Ma, having inherited billions of dollars' worth of losses from Capt Wei, can fulfil his predecessor's diversification goals and, more importantly, whether he can reward Cosco's investors without axing many more assets.



Ferreira focuses on China's valemex ban

Jury is still out on a costly experiment in seaborne dry bulk logistics

THE world's largest iron ore producer changed global commodities trade flows for ever during the mining super-cycle.

As hundreds of millions of tonnes of iron

ore were shipped from Brazil to Chinese steel mills, the one-way traffic led to ballasting from Asia to Brazil for business, a hitherto unheard-of practice.

These days, the miner is best known for its five-year-old policy turnaround that returned it to an industrial shipping model abandoned by most in the 1970s, seeking to order, build

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and control its own fleet of ore carriers.

Chief executive Murilo Ferreira inherited from his predecessor Roger Agnelli an armada of 35 oversized valemex ore carriers, which China then banned from calling fully loaded at its ports.

Unfortunately, China was the very market the valemexes were designed to serve and only a handful of the ships have yet to be delivered.

Mr Ferreira and Vale are in the third year of a bruising battle with China's authorities as local shipowners lobby against Vale, which controls 25% of the world's 1.3bn tonne seaborne ore trade, and against its valemex tonnage.

Vale hung out the 'for sale' sign on its fleet more than 18 months ago, after the scale and influence of Chinese mill and shipowner

objections became apparent. So far, a dozen older vessels have new owners after two sale and leaseback deals.

Also weighing on Vale's freight logistics execution is this year's bankruptcy of STX Pan Ocean, owner of 10 of its valemexes.

In 2009, Vale signed a 25-year, \$5.8bn consecutive contract with STX Pan Ocean, the largest freight contract in history.

If anything, Vale and Mr Ferreira deserve their place in the top 100 for the big Brazilian's audacious 20-year-plus physical hedge.

Essentially, Vale is betting that the cost-per-tonne of shipping ore on its vessels will, on average, be cheaper and more efficient than using the spot market until 2022 and beyond.

Studies published earlier this year suggest Vale overpaid as much as \$158m for shipping in the first 18 months of using valemexes, less



Murilo Ferreira

BLOOMBERG

than half its fleet built and trading.

Rising capesize rates later in 2013 place Vale on firmer ground but the jury is out on whether this grand experiment in seaborne dry bulk logistics holds water.

INDIA



016

SHRI MUKESH AMBANI | RELIANCE

▼ 1

Quieter year for Reliance

Ambani enterprise keeps steady focus on LNG projects

RELIANCE'S legendary Shri Mukesh Ambani drops a couple of places this year, due to the company's relative quietness compared to last year.

His company has found it hard to match the deals in 2012 that saw it plan to invest \$1bn in a new gas import facility, which will be a floating import terminal off the country's east coast, handling gas coming from the exciting new export projects in the US.

However, Reliance is progressing nicely with that project, alongside other serious moves that see Mr Ambani's company work with oil major BP on a deal to build three new liquefied natural gas import terminals, which could potentially double India's capacity to import LNG.

Mr Ambani is no stranger to such megadeals — hardly surprising, given that he is officially India's richest man, worth an estimated \$22.3bn, and is among the top 20 richest people in the world, according to Forbes.

What helps keeps him in the list of shipping's most powerful players is his ownership of the largest refinery in the world, at Jamnagar.

Crude and product tankers continue to

benefit from Reliance's Jamnagar refinery, with product exports in particular helping to reshape the global trade, stirring a newfound excitement in the industry not seen for many years.

Mr Ambani joined the company in 1981, so, after more than 30 years, many speculate he could step down any time soon — perhaps 'doing a Bill Gates' and devoting his time to philanthropic endeavours.

Whatever his decision, the company's position is now certainly robust enough to withstand the loss of its leader, should he decide to move on at some point in the next few years.

Ambani is no stranger to such megadeals — hardly surprising, given that he is officially India's richest man, worth an estimated \$22.3bn



Shri Mukesh Ambani

WIKIMEDIA



Xu in command at China Shipping Group

Sizeable challenges lie ahead for Li's successor

XU LIRONG took the helm at China Shipping Group, tasked with the job of staunching the mounting losses at its two flagship units, China Shipping Container Lines and China Shipping Development.

The two subsidiaries, both dual-listed in Shanghai and Hong Kong, dodged a full-year loss only by non-operational manoeuvres last year, CSCL selling and leasing back 28% of its containers and CSD making accounting adjustments and property revaluations.

CSCL, which recorded a Yuan1.7bn (\$279m) deficit in the first three quarters, has ramped up efforts to cut assets for cash, including a profitable terminal unit, and is likely to see the divestments pay off and help it to stay in the black.

However, CSD, with Yuan1.2bn losses during the same nine-month period, has projected a full-year loss.

Mr Xu, 56, began his maritime career in 1975, has worked mostly with China Ocean Shipping Group and spent a stint as president of Shanghai Shipping Exchange.

He transferred from Cosco Group to CSG in 2011 and took on the top job at China's second-largest shipping conglomerate in November, when predecessor Li Shaode retired.

Apart from the profitability pressure, Mr Xu is leading the charge at an exciting time, as both CSCL and CSG are striving to transform into more international players.

Having placed orders for five 18,400 teu containerships at Hyundai Heavy Industries in May, CSCL became the first line to contract the leviathans after Maersk Line.

It has partnered with United Arab Shipping Co to use these vessels on an Asia-Europe loop.

CSD, operator of 70 tankers and 120 bulkers, is looking to deploy more product tankers on international trades to unshackle itself from overreliance on domestic demand.

This is only the first industry downturn for 16-year-old CSG, which has fared better



Xu Lirong

than the majority of other Chinese carriers since the crisis.

However, under the leadership of Mr Xu, it must further demonstrate that it is a respectable and formidable contestant to international rivals.



Cexim steps up activity to become China's top ship financier

Beijing looks to policy banks to finance high-value orders at mainstay yards

LED by chairman Li Ruogu, the Export-Import Bank of China has become the top Chinese ship financier with increased activities at home and abroad.

The expansion has come amid a tighter monetary environment in China. Beijing has

purposely controlled lending to curb excessive investments in some industries plagued by overcapacity and shipbuilding is high on the list.

Against such a macro background, top commercial banks such as Bank of China

have gone quiet in ship finance to preserve liquidity.

On the other hand, the government has asked policy banks to provide sufficient financing for high-value orders at a selection of mainstay yards.

Beijing hopes these efforts can help stronger players to climb the value chain and compete with South Korean rivals for deals for ultra large boxships, gas carriers and offshore vessels.

Weaker players would be squeezed out along the way, easing overcapacity.

Cexim has set a target to increase lending to shipowners to \$3bn this year from the 2012 level of \$2.1bn. Such figures, which did not include direct lending to yards, ports and logistics firms, fluctuated between \$1.8bn-\$1.9bn per annum during 2009-2011.

The pledge is likely to expand the policy bank's shipping portfolio from the end-2012 level of around \$12bn.

The monies might not be for everyone. Cexim has publicly stated it would only support deals at 60 out of an estimated 1,500

Chinese yards. Nevertheless, it has been enough to support a newbuilding recovery in China.

Over the past year, the bank has agreed a \$30m secured-term loan facility with Diana Shipping to build two ice-class bulkers contracted at Jiangnan Shipyard.

It has also sealed a deal to provide \$308m in a \$440m club deal to Seadrill, which placed orders for two jack-up rigs and two tender barges at Cosco Nantong shipyard.

Other high-profile deals include its participation in a \$1.5bn club loan for six liquefied natural gas carriers under construction at Hudong Zhonghua, which will be jointly owned by China Shipping Development and Mitsui OSK Lines on delivery.

Cexim has also sealed a 10-year deal to provide \$510m financing to China Merchants



Energy Shipping for its 10 very large crude carriers booked at Shanghai Waigaoqiao Shipbuilding and Dalian Shipbuilding Industry Co.



019

GRAHAEME HENDERSON | SHELL

UK

▲ 4

Shell broadens its scope

Somali peace projects and LNG plans make for a busy year



Grahaeme Henderson

IT HAS been a busy year for Shell's shipping boss Grahaeme Henderson, a wide scope of activities ensuring he and the company remain high in the pecking order of shipping's powerful elite.

In February, Shell, BP, Maersk, Stena

and the Japanese shipping companies NYK, MOL and K Line announced they were collaborating with the United Nations Development Programme to create jobs and build capacity in Somalia.

Mr Henderson explained: "By working with the UNDP to help provide alternative livelihoods, we hope to support local communities and help reduce the threat to seafarers in the area."

Then, in March, Shell hosted the media on an LNG carrier in Qatar, demonstrating just how significant shipping is to the energy major.

"Simply put, without these ships, vital energy, in the form of cleaner burning LNG, would not reach the customers who need it," said Mr Henderson.

"Shipping is central to Shell and also to our integrated gas growth."

Also that month, the company launched the first 100% LNG-powered barge, a big enough event to draw Shell chief executive Peter Voser to the naming ceremony in The Netherlands.

A couple of months later came Lloyd's List's inaugural shipping summit, at which

Mr Henderson was a panel member. Among the key topics for discussion was safety.

"Safety is not a competitive area... It's got to be led from the top, with chief executives visiting ships and making clear that safety is their absolute... priority," said Mr Henderson.

Shell's second LNG-powered barge launched in September.

Later that month, Mr Henderson presented a talk about the industry piracy initiative to the United Arab Emirates and DP World piracy conference.

"I have always advocated that the offshore mitigation of piracy must happen through collaboration between industry, governments and navies," said Mr Henderson.

"A similar collaboration is required on land and must include the people of Somalia."

In October, he launched a document on making Shell's fleet more efficient, a forensic piece of analysis in which Shell Shipping and Maritime identified more than 105 steps for improving operations on various voyages.

Shell then scooped its second consecutive innovation gong at the Lloyd's List awards.



Zodiac Group Monaco emerges from restructured Sammy Ofer Group

Third generation steps forward after Ofer brothers split their late father's fleet

EYAL Ofer, elder son of the late shipowner Sammy Ofer, is now principal of the international shipping group, Zodiac Group Monaco, following a reorganisation of the fleet that he and his brother Idan inherited from their father.

They now run separate shipping groups, after spending the past year reorganising Sammy Ofer Group Monaco, one of the world's biggest shipping empires, paving the way for two new dynasties that will operate autonomously and set their own agendas.

Eyal Ofer remains chairman of London-based Zodiac Maritime, part of the reformed Zodiac Group Monaco.

Idan Ofer is no longer involved in this business, with his shipping interests transferred to Eastern Pacific Shipping in Singapore.

The transition coincides with other changes in Zodiac, which today is among the top UK-flag operators in tonnage terms.

Rami Zingher, the low-profile but highly



Under Eyal Ofer's supervision, his two sons have taken over the day-to-day shipping operations.

respected head of the family's global fleet, who worked closely with the late Sammy Ofer over the decades, has now retired.

Under Eyal Ofer's supervision and direction, his two sons, Daniel and David, have taken over the day-to-day shipping operations.

Daniel Ofer has succeeded his mentor Capt Zingher as managing director of Zodiac Maritime, while his brother David is running Zodiac Tankers, a new division set up earlier in the year, following the decision to rebalance the fleet and transfer crude and

product tanker tonnage from Singapore to London.

At the end of 2013, Zodiac Maritime controlled a fleet of more than 130 vessels, comprising 48 containerships (including some of the world's largest), 29 bulk carriers, 14 crude tankers, 11 product tankers, 12 chemical tankers, four liquified petroleum gas carriers and 12 car carriers.

Eyal Ofer's other shipping interests include a significant stake in NYSE-listed cruise operator Royal Caribbean, where he has been a director for more than 15 years.



Sharing out the family silver

Ofer brothers restructure their late father's empire to prepare for future growth

IDAN Ofer, younger son of shipping magnate Sammy Ofer, has, with his brother Eyal, divided the international shipping group founded by their late father, and established his own shipping business with a base in Singapore.

With dynastic planning in mind, the two have spent much of the past year

reorganising the Sammy Ofer Group Monaco fleet, with the management of some assets transferred to Eastern Pacific Shipping of Singapore, originally established in the 1980s and chosen to become the core management hub for Idan Ofer's new independent Quantum Pacific Shipping Group.

They now run completely separate shipping organisations, with Eyal Ofer controlling London-based Zodiac Maritime and Idan Ofer controlling Singapore-based Eastern Pacific Shipping. The Tanker Pacific brand is being retired.

Eastern Pacific Shipping is headed by industry veteran and former P&O Bulk



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executive Steve Kunzer, who is working with chief finance officer Ken Cambie and commercial director Knut Estensen.

At the end of 2013, the fleet consisted of 106 vessels, including 37 containerships, 29 bulk carriers, 11 crude oil tankers, 10 product tankers, 11 chemical and gas tankers and eight car carriers.

Idan Ofer, who now lives in London, has other shipping interests. He is the majority shareholder in NYSE-listed ultra deepwater drilling contractor Pacific Drilling, a major global player in the ultra deepwater drilling sector, with a fleet of five ultra deepwater drillships in service and three on order.

He owns a controlling stake in Israel



Idan Ofer

Corp, Israel's largest public holding company listed on the Tel Aviv stock exchange, that has a 99.7% stake in Zim Line, the Haifa-headquartered container line that has struggled in recent years in a highly competitive and troubled sector. Restructuring talks with stakeholders including banks, ship-owners and shipyards could result in Israel Corp's shareholding in Zim being reduced to less than 50%.

Together with Udi Angel, Mr Ofer also jointly owns XT Group, which has a sizeable shipping fleet. This is the former Israel-based Ofer Holdings Group that was renamed in 2012 in order to avoid confusion with Sammy Ofer Group Monaco.

MONACO



022

PETER G. LIVANOS | GASLOG

▲ 4

GasLog goes from strength to strength

Livanos-backed publicly listed LNG operation expands order book

GASLOG, the liquefied natural gas carrier owner and manager founded by Peter Livanos, has laid a clear trail for itself for the next few years and is looking even stronger than it was 12 months ago.

It has added four newbuildings to the orderbook with the support of long-term charters to BG Group, a strategic partner, and its revenue backlog has increased to about \$2.1bn, with two of its forthcoming newbuildings still uncommitted.

The growing platform of secure revenue has, in turn, given Mr Livanos and his team greater latitude to think about being more opportunistic in their approach to chartering the two newbuildings, due for delivery in 2014 and 2015.

Market-watchers have already seen a flash of what the company can do when opportunity comes along.

In 2013, GasLog moved smartly to acquire a 2010-built LNG carrier from financially troubled STX Pan Ocean for about \$160m and has integrated the vessel into its fleet as *GasLog Chelsea*.

Executives are excited about other consolidation opportunities in the sector.

That the company is growth-minded is also indicated by the fact it holds no fewer than six options with favoured builder Samsung Heavy Industries, recently extended into first quarter 2014.

GasLog, which also manages the BG-owned fleet, may be the flagship of Mr Livanos' shipping empire, but his focus on shipping has never been monolithic.

His Ceres group's activities cross various sectors and he has sought synergies and partnerships through joint ventures, pools and other business relationships.

One of many examples is Ceres' alliance with JP Morgan Asset Management in a global maritime investment fund.

A product of this has been a series of medium range eco product tankers ordered in South Korea. Four were recently sold to Scorpio Tankers, but another 12 are understood to be on order.

Mr Livanos' dry bulk vehicle, DryLog, is estimated to control or operate about 60 bulkers.

In crude oil tankers, his Tanklog Holdings is the second-largest shareholder in Euronav.



Peter Livanos

Another co-operation with the Saverys family is a joint venture that controls seven containerships, six of them chartered to Maersk Line.



Prokopiou fuelled up for 2014

Shipowner well-positioned to reap benefits of market recoveries in wet and dry bulk trades

GEORGE Prokopiou began 2013 as Greece's second-largest private shipowner but word on the street was that a large number of newbuilding deliveries and the persistently dreadful tanker market might be taking their toll.

However, Mr Prokopiou heads into 2014 enormously strengthened. Accords with a number of banks have eased his group's debt-servicing path, together with a new master limited partnership that is likely to be the future stable for the group's entire liquefied natural gas carrier fleet.

In the past five years, 64 brand-new tankers and dry bulk carriers have been delivered and the giant newbuilding programme was completed with no cancellations, leaving companies Dynacom Tankers and dry arm Sea Traders with very modern fleets.

Few major shipowners seem in a better position to reap the benefits of market recoveries in the wet and dry bulk trades and the group has already benefited from rises in rates for very large crude carriers, suezmaxes and capesizes in the second half of 2013.

On top of this, three 2013 deliveries of new LNG carriers from Hyundai have served to

double the active fleet operated by gas shipping offshoot Dynagas Ltd, and four more newbuildings due for delivery from the same yard in the next two years.

Dynagas has made strides in fully financing its current newbuilding programme and securing long-term charters.

These developments were capped by the initial public offering of Dynagas LNG Partners that raised \$225m and sees the company now listed on the Nasdaq exchange.

While Dynagas Partners starts with an initial fleet of three steam turbine LNG carriers delivered in 2007-2008, it has options to acquire all seven of the group's new dual-fuel diesel-electric powered vessels, heralding a potential fleet of 10 ships.

Beyond that, the positioning of the operation as a listed MLP will offer greater flexibility and access to funding to develop Mr Prokopiou's activities in a sector where he is bullish about future demand.

Dynagas made history in 2012 as the first company to perform a transit of the Northern Sea Route with an LNG carrier, the Ob River.

The shipowner's strategy in the sector from the beginning has been to construct



George Prokopiou

ice-class, winterised LNG carriers and Dynagas' distinctive fleet is well-placed to meet growing demand for Arctic operations, just as Mr Prokopiou foresaw as long as a decade ago.



Sinopec suffers reputational blow

Top charterer criticised over handling of pipeline leak

SINOPEC Group has reinforced its status as the top charterer in oil shipping. But the state giant's reputation has taken a serious hit after explosions at one of its pipelines in November.

In what is understood to be Sinopec's deadliest accident to date, at least 55 lives were lost following blasts at the Donghuang

II pipeline in Qingdao. What has angered residents the most was that the explosion occurred seven hours after the leak was first detected, but the relevant authorities did not issue any warnings.

While Sinopec stresses it immediately alerted the local government about the leak, the fact that it failed to evacuate residents

who lived near the pipeline has drawn heavy local criticism.

The incident came as Beijing is examining possible misconduct of executives at China's state-owned enterprises. Sinopec chairman Fu Chengyu, a businessman with a good reputation, might be facing the biggest challenge in his career.



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TOP TEN

Top 10 Ports

Shake-up for global terminals as shipping companies divest



01 TAN CHONG MENG | PSA INTERNATIONAL

COMPARED with some of its closest rivals, PSA International has enjoyed a stable 2013, as the state-backed port giant only made small tweaks in its sprawling global portfolio while continuing to upgrade infrastructure at its home base of Singapore. Throughput growth in Singapore has hit a plateau — a problem that looms over all top ports — but overseas footholds, which contributed 48% of PSA's total volume in 2012, continued to generate decent growth. This should be pleasing to its chief executive Tan Chong Meng.

02 MOHAMMED SHARAF | DP WORLD

MOHAMMED Sharaf was appointed DP World chief executive in 2005 and has overseen the company's growth into international business. This year, DP World has added 1m teu of new capacity to its flagship Jebel Ali facility, opened the 1.6m teu London Gateway terminal and its Embraport facility in Brazil is undergoing testing. Although it has divested facilities in Asia-Pacific and India, this money is being reinvested. By 2020, DP World plans to handle total volumes of 100m teu.

03 KIM FEJFER | APM TERMINALS

APM Terminals has several new terminal development projects under way in both mature and emerging markets, including a new hi-tech terminal on Maasvlakte 2 in Rotterdam. It is also upgrading existing facilities in Asia-Pacific, Europe, the Americas and Africa/Middle East and has become a shareholder in Russian market leader Global Ports. Kim Fejfer has been APM Terminals chief executive since 2004.

04 ERIC IP | HUTCHISON PORT HOLDINGS

HUTCHISON Port Holdings was the world's second-busiest terminal operator in terms of equity teu throughput in 2012, handling 44.8m teu. This year, HPH has expanded its container-handling bases in Australia and Huizhou and HPH Trust purchased Asia Container Terminals Holdings for HK\$3.9bn (\$502m) from joint owners Dubai-based DP World and Singapore-based PSA. This is Eric Ip's first appearance in the port personalities list, with the news that he is to succeed John Meredith as managing director of Hutchison Port Holdings from January 1.

05 LI YUNPENG | COSCO PACIFIC

CHINA Ocean Shipping Group's efforts to avoid having its flagship dry bulk and container unit delisted from the Shanghai Stock Exchange meant its port division also had to make cuts. Having disposed of China International Marine Containers, Cosco Pacific — the Hong Kong-listed port arm that owns and manages the majority of the group's terminal assets — pocketed a net gain of \$393.4m. The man in charge is Li Yunpeng and he has yet to announce what Cosco Pacific intends to do with the cash, but future port quests are expected.

06 VIKRAM SHARMA | TIL

IN 2013, Terminal Investment Ltd's owner and biggest customer, Mediterranean Shipping Co, sold a 35% stake in its terminals division to investment fund Global Infrastructure partners and a group of co-investors for \$1.9bn. The cash will bolster the MSC group's cash reserves and MSC container volumes will trigger new terminal opportunities. Vikram Sharma joined TIL in 2006 and was appointed chief executive in 2008. He has 30 years of industry experience.

07 FU YUNING | CHINA MERCHANTS

CHINA Merchants Holdings (International) has been one of the most aggressive players in the port sector in 2013, an increasingly visible rival to other global operators. In addition to its Terminal Link acquisition in January, CMHI this year racked up a string of port acquisitions in Africa and Asia. Enjoying strong support from its parent China Merchants Group — led by chairman Fu Yuning — CMHI is well positioned to access the cash to fund its appetite for expansion.

08 CHANG YUNG-FA | EVERGREEN

TO SUPPORT its liner service better, Evergreen owns and manages four transshipment hubs in its port portfolio, comprising two domestic stakes in Tai Chung and Kaohsiung and overseas interests in Panama and Taranto, Italy. As Evergreen Line ramped up investments in its box-ship fleet, it remains to be seen whether the world's fifth-largest line has plans for terminal expansion, as founder Chang Yung-Fa is well known for reviewing all the details before committing to expenditure.

09 TAI SOO SUK | HANJIN

HANJIN Shipping operates six terminals in South Korea and eight others overseas that give it a geographically diversified coverage in Japan, Taiwan, Vietnam, US and Europe. Incoming president and chief executive Tai Soo Suk faces the challenge of deleveraging the company. Mr Suk, a Korea Air veteran who will take helm at the world's eighth-largest box line in March, may also make a call on whether or not to prune some terminal assets for cash.

10 EMANUEL SCHIFFER | EUROGATE

WITH weak volume growth at European terminals in the past couple of years, it has been a quiet period for Eurogate, which maintains a portfolio of 11 terminals in North Africa, the Mediterranean and the Baltic. Under the stewardship of Emanuel Schiffer, Eurogate is in a strong position to capitalise when growth does pick up, however. Mr Schiffer's career has spanned the port, shipping and logistics industries. He began his career as an assistant engineer at German shipping line Hapag-Lloyd before joining Bremer Lagerhaus Gesellschaft in 1978. In 1999, BLG and Eurokai established Eurogate.

But as for shipping, the numbers say it all when one discusses the chartering power of Unipac, the trading arm of Sinopec. According to shipbroker Poten & Partners, Unipac fixed 527 very large crude carriers on a spot basis in 2012, making it the most active player.

When considering all sizes of dirty tankers, Unipac also replaced Shell as the top spot charterer last year. The company had 707 fixtures, totalling 159.3m tonnes, compared to Shell's 701 shipments, totalling 73m tonnes.

Such dominance means Unipac can often enjoy lower rates than other cargo owners. In some cases, the company would even charter in vessels from shipping lines and then re-charter out to cargo owners, making profits from the spread.

After ending its contracts of affreightment with the Tankers International pool, Unipac has teamed up with General Maritime to reduce its spot exposure.

The Unique Tankers pool, formed in February, is composed of Genmar's seven very large crude carriers and 10 suezmaxes. Unipac does not invest in vessels itself but provides stable charter hires to the pool.

The deal shows Unipac is more than willing to deal with non-Chinese owners, despite Beijing's aim of shipping more oil on Chinese-owned vessels.

Unipac sees lots of incentives in playing by market rules in the dismal market, not to weaken its bargaining power by sticking to owners of the same nationality.



Fu Chengyu

BLOOMBERG

CANADA

025 GERRY WANG | SEASPAN

=0

The irresistible rise of Gerry Wang

Seaspan boosted by its co-founder's links with the Chinese shipping community



Gerry Wang

BLOOMBERG

capacity of more than 790,000 teu, including 31 newbuildings scheduled for delivery by the end of 2016.

More 14,000 teu ships were contracted during the year for long-term charter to Taiwanese carrier Yang Ming and it is probably only a matter of time before Seaspan orders 18,000 teu vessels, as long as the right counterparties can be found.

Behind the rapid growth of Seaspan is chief executive and co-chairman Gerry Wang, who co-founded the company with Graham Porter.

They met in Vancouver when both working for the Washington Group, hitting the headlines a decade ago with the first declared orders for 8,000 teu ships.

Mr Porter remains on the board and is also chairman of Tiger Group, a Hong Kong-based ship investment company.

Mr Wang, who grew up in Shanghai, has forged close links with the Chinese shipping community, Seaspan recently ordering more 10,000 teu ships from Yangzijiang Shipbuilding to take advantage of attractive newbuilding prices.

Seaspan's participation in Greater China Intermodal Investments, an investment vehicle it established with asset manager The Carlyle Group, and Blue Water Commerce, has added to its financial muscle.

"Financing is our bread and butter," Mr Wang has said on numerous occasions.

However, he also believes Seaspan's success reflects other strengths as well.

"Building and operating ships of 9,000 teu or larger requires a lot of in-house technical experience. Seaspan's depth in this area is really one of the keys to winning business, as the liner operators focus more and more on the operating efficiency and reliability of those big ships," he says.

Wang, who grew up in Shanghai, has forged close links with the Chinese shipping community

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Evergreen blooms again

Taiwan line starts to reassert itself in the container shipping industry

CHANG Yung-fa, now in his mid-80s, does not travel so much any more, but the Evergreen Group chairman and founder remains an influential figure in the world of container shipping as the Taiwan-based line reasserts itself in the industry.

Always something of a maverick, Evergreen continues to follow a different path to other global players, building up its fleet of L-class 8,500 teu ships when most have gone for much larger workhorses, and now starting to take delivery of 13,800 teu vessels on a long-term charter basis when the big three have moved up to 16,000 teu and 18,000 teu vessels.

Some industry commentators think Evergreen is right to maintain fleet flexibility, even speculating that the line is preparing to reintroduce the round-the-world services that it pioneered, once the enlarged Panama Canal opens.

Others, though, believe the line will suffer in the long run from Dr Chang's well-known antipathy to ultra large boxships.

The Evergreen founder, who spent years battling liner conferences, has also long resisted tight-knit consortia agreements, instead preferring a loose affiliation to the CKYH alliance of other major Asian carriers.

However, the P3 Network being set up by

Maersk, Mediterranean Shipping Co and CMA CGM could force all global lines to rethink their strategies.

Bronson Hsieh, a member of Dr Chang's inner circle, acknowledged as much towards the end of the year when he said the P3 initiative might result in increased collaboration across the industry and he was keeping an

open mind on how best Evergreen should respond.

Although Mr Hsieh would not rule out the possibility of joining an alliance, Evergreen may decide in the end it would rather maintain its independence wherever possible.

For Dr Chang, that would probably be the preferred option.



Chang Yung-fa has so far resisted tight-knit consortia agreements



The face of maritime Singapore

Teo's influence spreads beyond the family box line

THERE are many reasons to include Teo Siong Seng in the top 100, all of them highly compelling.

Mr Teo inherited the baton from his father Teo Woon Tong, also known as Chang Yun Chung.

His intention has been to sharpen the

family's edge identifying and obtaining niche areas for growth, as he oversees operations of Pacific International Lines, where he is managing director, and of Singamas Containers Holdings, among other family-owned entities.

PIL, which amassed its expertise and

reputation in emerging markets and north-south trades, recorded 25% capacity growth, the biggest among the world's top 20 lines in the 12 months to July 2013, rising to become the 15th-largest line, according to Alphaliner.

Containership newbuildings, ranging between 3,800 teu and 6,600 teu, have been

ordered to further growth in PIL's established areas.

Avoiding toe-to-toe combat with major carriers on main lanes has always been PIL's secret to success. The line drives a fair amount of liftings from intra-Southeast Asia, China/South Korea-Middle East and Africa trades.

The biggest ships it operates are in the 6,600 teu — also known as africamax — range serving routes into the Middle East and Africa.

A small-tonnage fleet gives PIL tremendous flexibility to manoeuvre in Africa, one of the world's most promising but complex trades, where political tumult could easily make the burgeoning continent a minefield for foreign companies.

However, Mr Teo's influence carries a great deal further over the family's enterprises. He has been the face and driving force behind Maritime Singapore, a flourishing shipping centre that now carries undeniable weight.



SS Teo

Such dedication is reflected in the myriad hats worn by Mr Teo, including a two-time Nominated Member of Parliament, president of Singapore Shipping Association, chairman of Singapore Maritime Foundation and a dozen others of which is it difficult to keep track.

Something with which Mr Teo is less often associated is his strong ties with China on both official and civil accounts.

PIL started serving China's trade needs when the country was still enveloped in the Cultural Revolution furore, largely insulated from the outside world. At that time, Mr Teo was only a teenager.

Now PIL is the pioneering carrier in China-Africa trades. Both PIL and Singamas have vast investments in China, including a ship-recycling yard and container factories, among others.

Mr Teo, 59, has won numerous accolades and trust for his entrepreneurship. He is an honorary citizen in two Chinese cities, and sits on the economic and trade councils of three Chinese provinces or municipalities.

He is also the independent director of the flagship subsidiaries of China's two largest shipping conglomerates, China Cosco Holdings and China Shipping Container Lines.

RUSSIA



028

SERGEY FRANK | SOVCOMFLOT

▼ 7

Another year but still no sell-off for Sovcomflot

Frank looks to hardening product tanker rates in 2014

SOVCOMFLOT reported a loss in the second quarter of 2013, an extreme rare event for the world's largest tanker operator by fleet size, proving that not even the biggest players in the sector are immune to the impact of the industry downturn

Chief executive Sergey Frank admitted the tanker shipping market "remains extremely challenging", effectively facing the global shipping industry's fifth consecutive year of recession.

"On the other hand, some green shoots — in particular, a recent improvement in product tanker rates — may indicate the market has bottomed out," he said.

"Given all this, we remain cautiously optimistic for 2014 and expect a slow recovery in the global tanker market to have begun by then in earnest."

Sovcomflot remains committed to its growth strategy, aimed at building a

substantial presence in industrial shipping segments such as liquefied natural gas and liquefied petroleum gas and upstream offshore services, he said.

Mr Frank was born in Novosibirsk in 1960 and is married with two sons. He has combined his career in shipping with high-level political involvement.

In 1998, he became minister of transport under Boris Yeltsin's presidency and stayed in that post for four years after Vladimir Putin took over in 2000.

His CV also includes a spell as chief financial officer of Far East Shipping Co, chairman of state airline Aeroflot and director of Novorossiysk Shipping, adding up to wide-ranging senior transport experience.

His leisure preferences include classical music, particularly the Russian composers Pyotr Tchaikovsky and Sergei Prokofiev, although he is also a fan of UK rock acts



Sergey Frank

Genesis and Sting. Meanwhile, another year has gone by without Sovcomflot being privatised, a step that the Kremlin, which owns 100% of SCF's shares, has reportedly been considering since 2004.

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Japan's new macroeconomic direction boosts NYK

Conglomerate reaps dividends from diversity



Yasumi Kudo

NIPPON Yusen Kaisha president Yasumi Kudo and his company have had a good year.

Like many other Japanese firms, the shipping giant has seen higher exchange and

investment gains after Prime Minister Shinzo Abe took office at end-2012.

Mr Abe's macroeconomic policies have led to a weaker yen but stronger trade and share prices, benefiting Japanese carriers with large international operations.

However, those policies have their limits; the Japanese yen has its floor and share prices have their ceilings.

Individual Japan-based carriers still have their work cut out for them.

In NYK's case, diversification has paid dividends. Its fleet of car carriers and liquefied natural gas tankers has been the cash cow business, providing stable income.

As long as the main segments of merchant shipping — namely dry bulk, oil shipping and containers — are not in the doldrums at the same time, the carrier stands a good chance of making a profit. NYK has proved the theory workable in recent earnings reports.

In the fiscal year that ended on March 31, freight rates in container shipping recovered from the dismal levels seen a year ago.

The carrier managed to make annual net

profits of ¥18.9bn (\$229.5m), reversing year-ago losses of ¥72.8bn.

In the April-September period, box rates weakened but dry bulk rates surged.

NYK flipped to ¥20.5bn in the black from year-ago losses of ¥4.1bn.

This was not sufficient, however. Mr Kudo has forecast persistent oversupply of commercial vessels. "With the exception of car carriers and certain special vessel types, oversupply is the usual state of affairs for the majority of vessel types," he said in a speech to mark the company's 128th anniversary.

In other words, the company needs more cash cows and so diversification remains at the heart of NYK's strategy.

In the four years to the end of the 2017 financial year, NYK plans to expand its liquefied natural gas carrier fleet to 80 ships from 66 ships and its car carrier fleet by 10 ships to 130 ships.

And Yusen Logistics, its freight forwarding arm, aims to increase its ocean volumes by 18% on-year to 650,000 teu for the current fiscal year to 650,000 teu.



Oldendorff backs vanilla ship mortgages for second-tier players

German dry bulk firm takes a stake in Maritime and Merchant

OLDENDORFF Carriers is Germany's largest dry bulk player yet, despite its size and ostentatious open-plan office perched atop the Radisson Blu Senator Hotel in Lübeck, it religiously avoids media exposure.

The company does not publish financial information, making both it and owner Henning Oldendorff perhaps less well known than they should be.

Son of the firm's founder Egon, the

younger Mr Oldendorff is tall, good-looking, and favours business-casual attire when he makes his relatively rare forays into the public shipping circuit.

He joined the business at the top, being

named chief executive in 1980, aged just 23, months after his father turned 80. He became the company's 100% shareholder after his father died in May 1984.

Lately, Oldendorff has hit the headlines for taking a 30% stake in Maritime and Merchant Bank, an Oslo start-up that aims to provide plain vanilla ship mortgages for second-tier shipowners.

The project is in its early stages, and it remains to be seen whether it will emerge as a force in ship finance. Based on information in the public domain, Oldendorff Carriers operates up to 450 vessels, about 35 of them owned and the rest

chartered in.

It has 28 newbuildings on order, due for delivery in 2014 and 2015. That may well send a buying signal to others; Mr Oldendorff's asset-play abilities are legendary.

Oldendorff's fleet size has increased substantially, from 300 in 2008, despite the downturn, presumably helped by relatively low charter rates.

It is believed to hold contracts of affreightment with some major manufacturers, trading companies and other export-importers worldwide, with ships active in both the east-west and north-south trades.

Lately, Oldendorff has hit the headlines for taking a 30% stake in Maritime and Merchant Bank

AUSTRALIA

 =031 SAM WALSH | RIO TINTO

▲ 1

Walsh taps into new seam at Rio Tinto

Miner is in second phase of expanding Australian throughput to 360m tonnes

RIO Tinto dominates shipping in the Pacific basin. The miner, led by new chief executive officer Sam Walsh, is the Australia's biggest exporter of iron ore and second-largest charterer of dry bulk vessels.

Along with major rivals BHP Billiton and Fortescue, the miners are on track to export around 570m tonnes from Australia this year, equivalent to more than 3,200 large capsize shipments.

That is an advance of 16% on the previous year and outpaces global world trade in iron ore, forecast to rise 8% this year to 1.22bn tonnes.

Rio Tinto's power and influence in shipping is easy to see in the numbers. The miner accounts for about 12% of global demand for capesizes, while its vessels comprise 40% capacity of the global fleet of some 9,800 bulk carriers.

The big ships carry about 90% of the world's iron ore, about nearly 30% of dry bulk trade, and a staggering 13% of all global freight shipped by sea.

The miner controls its seaborne logistics through Rio Tinto Marine, mostly operating from Singapore and Melbourne,



Sam Walsh shaved \$1.5bn from Rio Tinto's bottom line in this year's first half

with the division shipping 177m tonnes in 2012, including 85,000 containers.

Rio Tinto has a small owned fleet, ordered at the top of the market, but mostly relies on single voyages and time charters for its seaborne logistics needs.

The miner was reported as hiring 207 ships in the first 46 weeks of the year, including voyages that carried nearly 30m tonnes of iron ore, mostly to China. Last year Rio Tinto's reported iron ore voyage fixtures totalled 35.4m tonnes, growing from 29m tonnes in 2011.

Sam Walsh presided over the mining super-cycle for Rio Tinto as the head of its

iron ore division, which reported record-breaking output nearly every quarter. So he seemed a logical choice for promotion to chief executive in January, when Tom Albanese departed.

Razor in hand, Mr Walsh has already shaved \$1.5bn from Rio Tinto's bottom line in this year's first half and, in October, completed port expansions at Cape Lambert. The miner is in the second phase of expanding Australian throughput to 360m tonnes, from 290m tonnes.

Along with Cargill and BHP Billiton, other large cargo interests, Rio Tinto has a 30% stake in ship-vetting agency RightShip.



BHP Billiton goes large on chartering activity

Expanding iron ore production sees mining major hire record number of bulkers

EXPANDING Australian ore production for the world's largest miner is translating into a chartering upswing for BHP Billiton, as it hires record numbers of bulk carriers to ship the raw material to its Asian customers.

Iron ore volumes on ships reported as hired by BHP Billiton for single voyages in the first 10 months of 2013 are already 26% higher than all of last year. That matches increases in iron ore output from the Australian miner, which surged 23% in 2013's third quarter.

BHP has grown iron ore production at a faster pace than its two larger competitors, Vale and Rio Tinto, and now accounts for 9.9% market share.

Overseeing the growth phase is Jimmy Wilson, president of the iron ore division since March 2012, who has already held managerial and operating roles spanning energy



Jimmy Wilson

coal, stainless steel, nickel and aluminium.

BHP was among the first to consolidate its ocean freight marketing and shipping activities in Singapore, and reports that 65 % of its sales are now done on a cost and freight basis.

Unlike Vale or even Rio Tinto, BHP is not a shipowner, and the company line is that it is unlikely it ever will be, regardless of the market conditions.

However, the miner is not averse to backing owners' orders with some longer-term charter deals as part of its risk management strategy.

After placing a \$20bn port export expansion project on hold at Western Australia's Port Hedland, BHP instead seeks to drive rises in throughput through efficiencies in its logistics chain.



A paternal force at Teekay

Evensen continues to nurture daughter companies

IF EVERY parent's dream is to provide a better life for their offspring, then Peter Evensen could be in the running for (corporate) 'father' of the year.

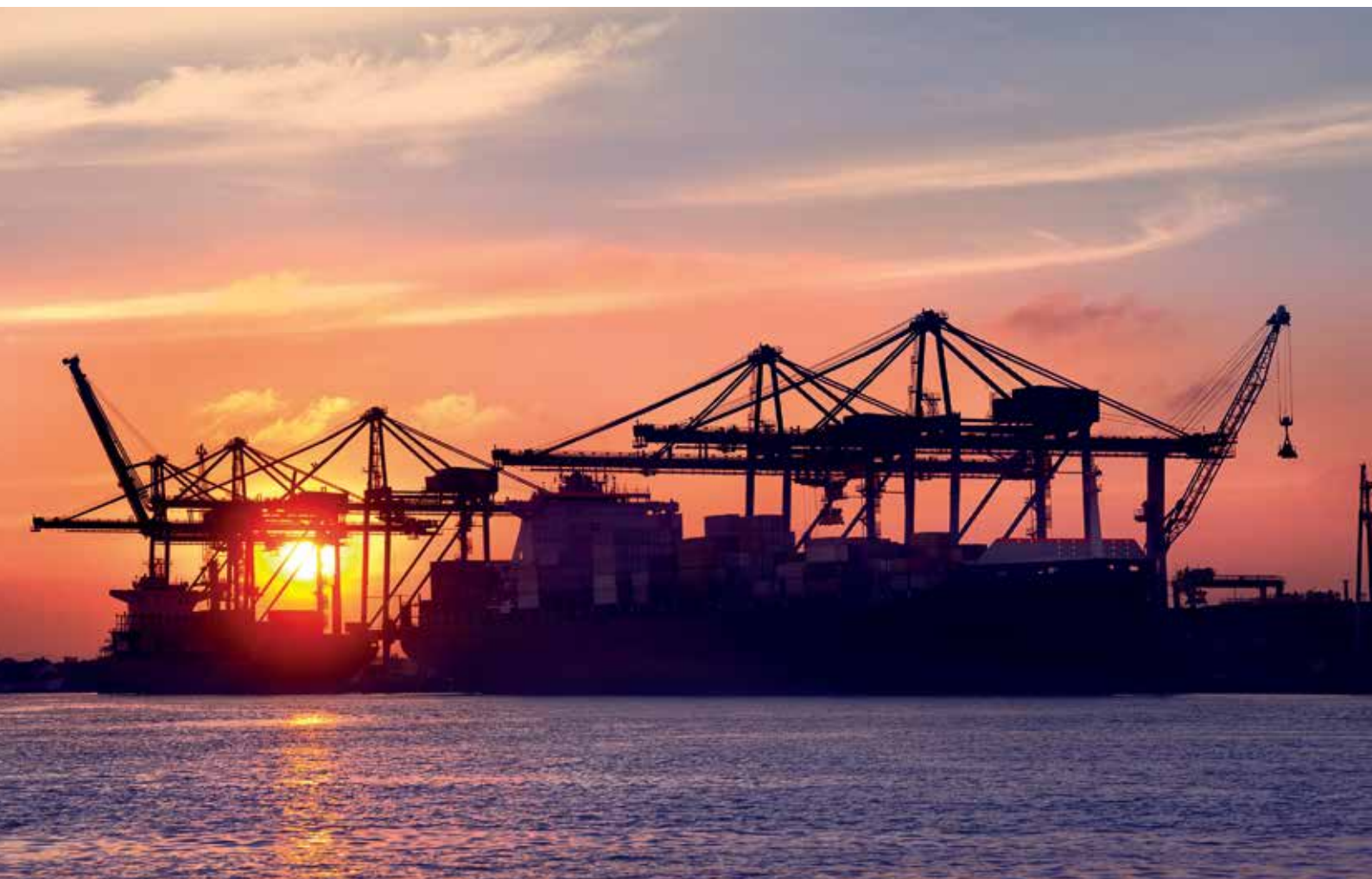
Overseeing his daughter companies — Teekay LNG Partners, Teekay Offshore Partners and Teekay Tankers — from his perch at Teekay Corp, Mr Evensen continues to work through his plan of bestowing gifts upon the next generation.

While share prices at the corporate level continued to post a slight net loss in the third quarter, Mr Evensen remains committed to pushing through his plan to sell



Industry peers appear to believe is Peter Evensen's vision

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assets to these daughter companies, creating more cashflow and bigger distributions to shareholders.

That strategy has been at least a year in the making and so far peers believe in Mr Evensen's vision.

At a recent conference, Scorpio president Robert Bugbee bestowed the unofficial 'I Told You So Award' on Mr Evensen, saying Teekay's "sum of the parts" corporate structure had paid off richly.

Mr Evensen has been "vindicated", as his are the few companies that can boast higher stock prices today than in the pre-crisis first quarter 2007, Mr Bugbee said.

That assertion is certainly true for Teekay Offshore (with a stock price of \$29 in March 30, 2007, compared to \$33.50 at the close of trading on November 15) and Teekay LNG (at \$37.71 and \$40.53 for the same periods).

Technically, Teekay Tankers wasn't around for the first quarter of 2007, but since

its creation in December of that year, it has behaved more like a foster child, when compared to its siblings.

During that time, Teekay Tankers has suffered through a weak tanker market, which has depressed asset values, and has seen its stock drop from around \$21 at its birth to \$2.71 today.

Still, there's one in every family and market players continue to bet on Mr Evensen's paternal instincts.

JAPAN



033

KOICHI MUTO | MOL

▼ 9

MOL rides the storm to deliver a strong first-half performance

Straight-talking Muto brings strength and change

DESPITE a tough year for Mitsui OSK Lines with the loss of *MOL Comfort*, an 8,100 teu containership that split in two and sank in the Indian Ocean, the diversified Japanese shipping giant is doing something right, having reported a profit of ¥21bn (\$213.5m) for its first half ending in September.

The result beat MOL's own forecast of ¥20bn and reversed its year-earlier loss of ¥13bn. The immediate reason for the improvement was better results in the company's bulk shipping division, due mainly to better capex rates.

However, the result also reflected paced changes and moves to develop operational strength instigated under MOL president Koichi Muto's watch.

Like its main rival in Japan, Nippon Yusen Kaisha, MOL intends to dispose of up to 70 vessels by demolition, sale or turning back charter agreements, including 50 dry bulk ships and 20 tankers, leaving it with a fleet of 180 vessels by March 2014, the date also set by NYK.

However, it turns out that the company's box fleet, the largest in Japan and 10th-largest in the world, may be the company's biggest immediate problem.

Mr Muto said in September that despite actions by owners to reduce capacity, the fast clip of deliveries of big containerships continued to weigh down on rates.



Koichi Muto has supported MOL's emphasis on corporate social responsibility

MOL Comfort broke in two in heavy seas off the coast of Yemen in June. All 23 crew were rescued, but the two halves of the ship drifted in the Indian Ocean for weeks before both eventually sank.

MOL made a point of providing clear and timely information on developments, a reflection of Mr Muto's general policy of openness. This reassured cargo owners, who reiterated their confidence in MOL's service in a recent survey of shippers.

MOL Comfort, one of six vessels of the same design, was built by Japan's Mitsubishi Heavy Industries and delivered in 2008. It was classed by ClassNK, which is still investigating what led to the vessel's unusual fate.

Meanwhile, Mr Muto has supported his company's emphasis on corporate social responsibility, delivering aid for free to the typhoon-ravaged Philippines and sending aid to families of seafarers working for the company's crewing subsidiary there.

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A close-up photograph of a NORDEN watch. The watch has a black dial with white hands and hour markers. The text 'WATER RESISTANT 50M QUARTZ' is visible on the dial. A date window shows the number '28'. The watch is set against a background of a ship's deck and a wooden structure.

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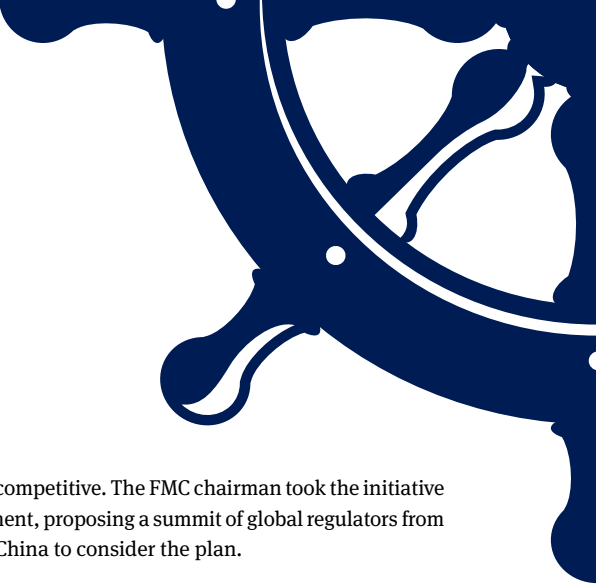


NORDEN

TOP TEN

Top 10 Regulators

A year of lively debate about the future constraints on shipping

**01 THE EUROPEAN BODY POLITIC**

THE European political apparatus has moved to the top of this year's regulatory top 10 for its carrot-and-stick approach. The huge and seemingly multi-tentacled bodies of the European Union have had huge impacts on shipping over the past year, whether for redesigning infrastructure projects to improve transport chains and shipping, or in developing its own recycling regulations. Most recently, Brussels has announced an investigation into anti-competitive behaviour by the largest container lines. All these developments show that the EU triumvirate — Parliament, Council and Commission — is flexing its muscles.

02 THE SHIPPING LOBBY

IT HAS been a year of stronger rhetoric as shipping organisations' members demand more for their money — and, perhaps because these bodies are also under immense pressure from pending regulations, they need to be seen to be doing more. The lobbying efforts of the International Chamber of Shipping are rippling across the industry as chairman Masamichi Morooka and secretary-general Peter Hinchliffe tackle a legislative tidal wave. At BIMCO, new president and chairman John Denholm and secretary-general Angus Frew have yet to make their mark but are engaging with their audience. Intertanko and the managing director Katharina Stanzel is re-emerging as a more focused lobby group.

03 KOJI SEKIMIZU | IMO

THE International Maritime Organization secretary-general Koji Sekimizu has started to make himself heard this year. His recent statements about Northern Sea Route transits, his blog and his oblique comments about the future role of the IMO indicate he has started to claim his ground in shipping's regulatory debates. In recent speeches, Mr Sekimizu has addressed the role of the IMO in achieving sustainability goals, suggesting the UN organisation plans to work for the first time with ports and other actors in the shipping sphere.

04 ROBERTO CAZZULO | IACS

CHAIRMAN of the International Association of Classification Societies Roberto Cazzulo is promising to tackle the challenges facing operational performance. Mr Cazzulo, the chief operating officer of Italian classification society Rina, has voiced his commitment to harmonising the common structural rules and to bringing container ships into these guidelines.

05 MARIO CORDERO | FMC

MARIO Cordero took over from Richard Lidinsky as chairman of the US Federal Maritime Commission in April, weeks before the world's top three container lines unveiled plans for a huge vessel-sharing agreement. This will place regulators on the front line as they decide whether such an extensive joint fleet operation will benefit customers,

or whether it is anti-competitive. The FMC chairman took the initiative in making that judgment, proposing a summit of global regulators from the US, Europe and China to consider the plan.

06 CHRIS WELSH | GLOBAL SHIPPERS' FORUM

CHRIS Welsh is a newcomer this list, but over the years, he has been a pivotal figure in several landmark events. The secretary-general was at the centre of some major industry developments, leading the campaign by cargo interests to reform maritime competition law in Europe so container lines no longer benefited from anti-trust immunity. Brussels banned the conference system in 2008. Since then, Mr Welsh has worked to establish a worldwide network of shipper organisations through the Global Shippers' Forum.

07 US AGENCIES

US LEGISLATORS make a habit of doing their own thing, creating added complexity in a shipowner's world, especially when it comes to environmental regulations. Yet there is reason to celebrate the final rules on ballast water regulation from the US Coast Guard and the environmental protection agency. Without the need for a convention to be ratified, these rules — and the more stringent requirements over the technology — offer more certainty and reassurance for shipowners sending tonnage to US waters.

08 NORTHERN SEA ROUTE ADMINISTRATION

NEW rules for Arctic activity in Russia may offer more transparency, but they have yet to deliver the transits that Russia has bragged it can secure.

09 CHRISTINE LOH | HONG KONG

CHRISTINE Loh is the Hong Kong government official charged with developing a plan for the Pearl River emission control area. Ms Loh, the under-secretary for the environment, is also overseeing the draft legislation for an environmental law regarding vessels burning low-sulphur fuel. That is to be presented to Legco, Hong Kong's legislative body, this fiscal year.

10 STEPHEN COTTON | ITF

STEPHEN Cotton has finished his first half-year as acting general secretary at the helm of the International Transport Workers' Federation, setting out an agenda that includes extending the organisation's reach to the forwarding and warehousing sectors, which are essential to global supply chains. Mr Cotton is on good terms with many shipowners and terminal operators who share the ITF's commitment to reasonable levels of pay and safe working conditions, and aims to put those relationships to good use as the ITF takes on new campaigns.



Sekimizu starts to make his mark

IMO secretary-general pushes back administrative burdens and presses for greater openness

THERE is a growing feeling that Koji Sekimizu is beginning to lay out his table at the International Maritime Organization, where he is secretary-general.

Mr Sekimizu took up the post two years ago after the incumbent Efthimios Mitropoulos stood down after two terms in office. Amid strong competition, Mr Sekimizu was voted in on a mandate based on him being a safe pair of hands.

However, he is now beginning to make his mark.

Not only is he the first secretary-general to have his own blog, he has been pushing through the work to reduce unwieldy administrative burdens in the industry and to also create an air of more openness.

However, observers feel there may be more to come from Mr Sekimizu. His speeches are more often from the heart than from a script and reveal something of a desire to make his mark at the IMO.

He talks about a new updated Safety of Life at Sea convention, a new International Safety Management Code and a strengthening of the IMO in terms of sustainability.

Since Rio +20, the UN environmental talks that marked the 20th anniversary of the

Earth Summit, Mr Sekimizu seems to have picked up the ball of sustainability and is trying to run with it.

He links sustainability and corporate social responsibility with oversight of the whole transport chain, particularly the link between shipping and ports. This suggests

he sees the IMO expanding its influence beyond its core remit.

Mr Sekimizu steps up in the Lloyd's List top 100 as he remains a safe pair of hands but he may also be about to launch the IMO into a new era of streamlined regulations and extended influence.



Observers feel there may be more to come from Koji Sekimizu



Rickmers Group taps new finance sources

Company turns its back on KG model to explore private equity and high-yield paper

THESE are not easy times for German shipowners, particularly those in need of finance. But among the select few that have grown their businesses in the face of

adversity is Bertram Rickmers. His Rickmers Holding group stands out for its successful efforts to tap new sources of money, turning its back on the failing KG model and instead

exploring what are, by German standards, almost revolutionary means of securing funding, including private equity and high-yield paper.



Bertram Rickmers

In a bond issue in June, Rickmers Holding raised €175m (\$236.2m), a sum subsequently expanded by €50m to €225m.

The notes, traded on the Frankfurt stock exchange, have a maturity of five years and an annual coupon of 8.9%, which is not particularly cheap. The local ratings agency gave it a subinvestment grade.

Be that as it may, the development makes it one of just a handful of German owners – after Hapag-Lloyd and cruise operator Peter Deilmann – to turn to the capital markets.

In September, Rickmers launched a joint venture to buy containerships with funds affiliated to New York-listed alternative investment manager Apollo Global Management.

The Apollo joint venture has the capacity to invest up to \$500m, and investments are expected to be made in secondhand tonnage over a period of several years.

It is likely that inspiration for these schemes came from industry veteran Ron Widdows, former head of Neptune Orient Line, who was enticed to Hamburg last year to head Rickmers Holding and its heavylift and project cargo affiliate Rickmers-Linie.

The Rickmers companies are the latest incarnation of a family business that long predates German unity, that started with a shipyard established in Bremerhaven in 1834.

Economics graduate Bertram Rickmers, born in 1952, represents the family business' fifth generation.

UK



036

BARRY ROCHE | PROTECTION GROUP INTERNATIONAL

▲ 3

Pioneering a smarter approach to tackling piracy

PGI's focus spans intelligence, technology, cyber crime, training and security

UK PRIME minister David Cameron's effective legalisation of armed guards led to a grudging acceptance of the industry in late 2011 and exponential growth in 2012.

A fall in the number of attacks reported in the Gulf of Aden and the Indian Ocean could have led shipowners to become less concerned about employing private maritime security companies.

Instead, with the Somali pirate threat still present and new attacks emerging in West Africa and Southeast Asia, this does not seem to be the case.

With BIMCO's announcement that it will accept PMSCs that have gained the International Organisation for

PGI is 'no longer one-dimensional and neither is maritime security'



Security force: Barry Roche joined PGI in 2009

Standardization's ISO PAS 28007, there is a strong argument to suggest maritime security has become an institutionalised part of shipping.

The past few years have not been without their victims, however, and as regulation has tightened, some PMSCs have struggled to survive.

This evolution has led to several larger PMSCs taking the lion's share of the market

— none more so than Tiverton-based Protection Group International.

The firm first made it into the top 100 in 2011 under its founder Dominic Mee, who stepped down, allowing current chief executive Barry Roche to feature last year.

Mr Roche joined PGI in 2009, when the company was still named Protection Vessels International.

He says the firm's aim of creating a solution for piracy has allowed it to develop from PVI, which had a purely maritime focus, to PGI, which amalgamates nine groups under one brand.

PGI now focuses on emergent security threats covering five areas: intelligence, technology, cyber crime, training and security.

"We are no longer one-dimensional and neither is maritime security," he says.



037

FU YUNING | CHINA MERCHANTS GROUP

CHINA

▲ 6

China Merchants continues to flex its muscles

Ports coup adds to conglomerate's growing clout



Fu Yuning has been the chairman of China Merchants Group since 2010

2013 has been a banner year for China Merchants Group. Its maritime and shipping divisions have been a driving force in boosting this diverse conglomerate's reputation and revenues.

In January, China Merchants Holdings (International), the group's Hong Kong-listed port arm, acquired a 49% stake in Terminal Link, the ports operation of French container line CMA CGM, and this high-profile \$538m transaction has transformed the rising power into a global operator.

In addition to the gains afforded by the Terminal Link deal, CMHI has also expanded its foothold in the southern hemisphere, coveted by both mature and emerging

operators, and an aggressive buying binge helped it rack up assets in East and West Africa, as well as southern Asia and Taiwan.

All this is in addition to ports muscle in China, where it is the second-largest shareholder in Shanghai International Port Group and where it has interests in eight other Chinese ports, including Hong Kong.

However, ports activity is only one string in CMG's maritime bow.

China Merchants Energy Shipping, currently the smallest among the four state-owned tanker operators by vessels on water, finally proceeded with plans to order 10 very large crude carriers and 12 ultra-max bulkers, which puts it on track to be

the second-largest tanker player after China Shipping Development.

Although CMES recorded losses in 2012 and the first three quarters of this year, it is one of the better-run tanker companies in China and around the globe because of its diversified clientele, access to international financing and proximity with Hong Kong's traditional, tight-knit maritime community.

All of these factors leave it well positioned for the tanker market turnaround, as and when it arrives.

CMG other maritime interests also include also China International Marine Containers. It is the largest shareholder in the world's biggest container maker, which has sealed sizeable deals with Mediterranean Shipping Co and CMA CGM.

Meanwhile, the group's shipbuilding subsidiary, China Merchants Industry Holdings Co, has grabbed a share in the offshore boom, having been contracted to build eight jack-up rigs so far, four of them this year.

Full credit for CMG's success must go to the man at the top, Fu Yuning.

Chairman since 2010, Dr Fu, who graduated from Brunei University with a PhD in offshore engineering, is a reform-minded entrepreneur who sees merit in efficient administration and good governance.

Under his leadership, CMG is expected to continue its rise in this listing.



Banker with his hand on the tiller

French civil servant whose decisions are likely to have a formative impact on ship finance

WHAT is a French career civil servant doing on a list of top shipping notables?

Well, whether the name Christian Noyer means anything to you or not, his decisions are likely to have a formative impact on ship finance in the years ahead.

As well as his day job as the governor of the Banque de France, Mr Noyer sidelines as chairman of the Bank of International Settlements, the body responsible for the Basel III deal on banks' capital adequacy.

He also sits on the governing council of the European Central Bank, which is currently conducting an Asset Quality Review of European banks that targets shipping, among other problem areas.

Let's leave such minor distractions as his role as an alternate governor at the International Monetary Fund out of the reckoning for the time being.

Overhauling the international financial



Christian Noyer

architecture is a key task for the health of the entire financial system, but its

consequences are likely to be painful for owners.

Basel III and the AQR will almost certainly mean shipping becomes subject to a higher risk weighting, making bank money harder to come by if it is available at all.

Mr Noyer was born in 1950 near Paris. Educationally, he is a product of not one but two of France's heavyweight schools, the Institut d'études politiques de Paris and the Ecole nationale d'administration, and even has some sea time under his belt, courtesy of a national service stint in the navy.

With a CV like that, his ascent up the bureaucratic ladder was assured, starting with an extended stint at his country's treasury, broken only by the inevitable post in Brussels and culminating in his appointment to the top job in 1993. He switched to the central bank in 2003, where he has remained since.



P3 membership marks turning point in CMA CGM's turbulent times

Jacques Saadé has led the French line's return to credibility

JACQUES Saadé started his first container service in 1978, a single loop with just four Mediterranean port calls, when he set up Compagnie Maritime d'Affrètement. Today, CMA CGM is the world's third-largest container line, with a global workforce of 18,000.

In the intervening 35 years, CMA CGM has experienced some turbulent times, but 2013 has been a turning point for the family-owned business.

CMA CGM may be the smallest partner in

the planned P3 Network between the world's top-three container lines, but the joint fleet operation with Maersk Line and Mediterranean Shipping Co is clear proof that the Saadés have re-established the French line's credibility.

Credit rating agency Moody's has upgraded CMA CGM bonds, at the same time giving a glowing report about the line being "one of the most efficient companies in the container shipping space because of its

ongoing and successful efforts to improve its cost structure".

Debt levels are still high, but the balance sheet has been boosted by the sale of 49% of the group's ports business Terminal Link to China Merchants Holdings International, for €400m (\$538m), at the start of the year.

Around the same time, CMA CGM's lengthy restructuring saga finally drew to a close, with banks agreeing to a refinancing package.

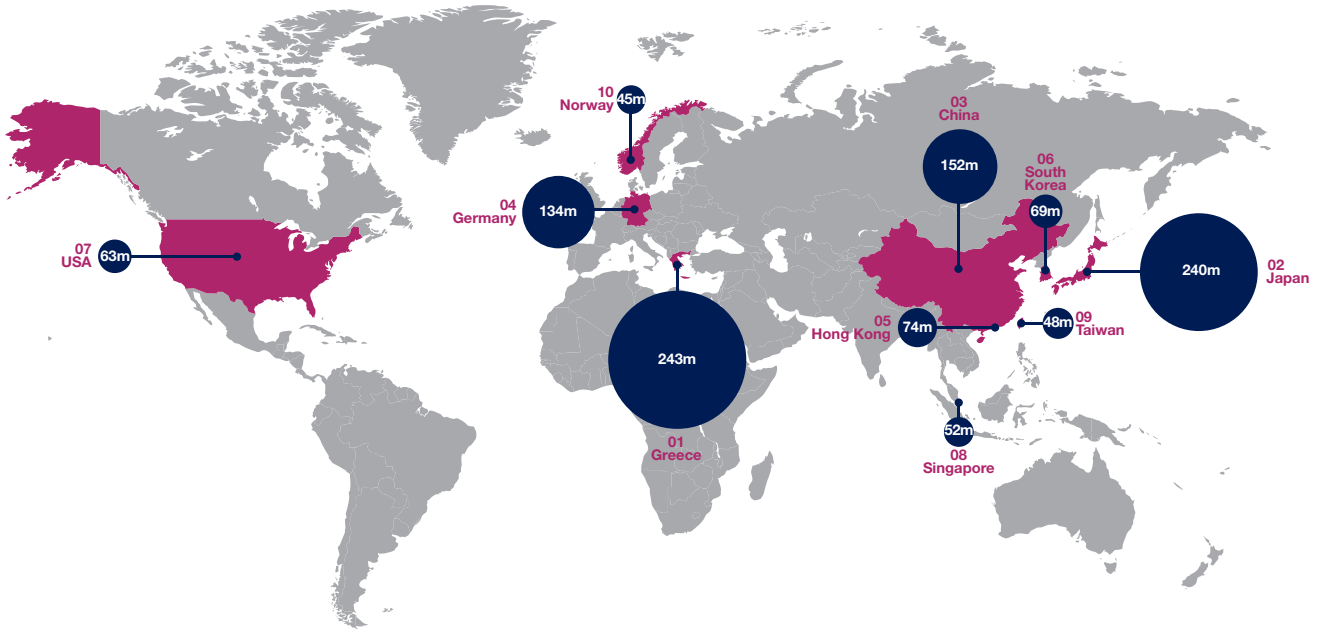
The coffers were also strengthened by

STATISTICS

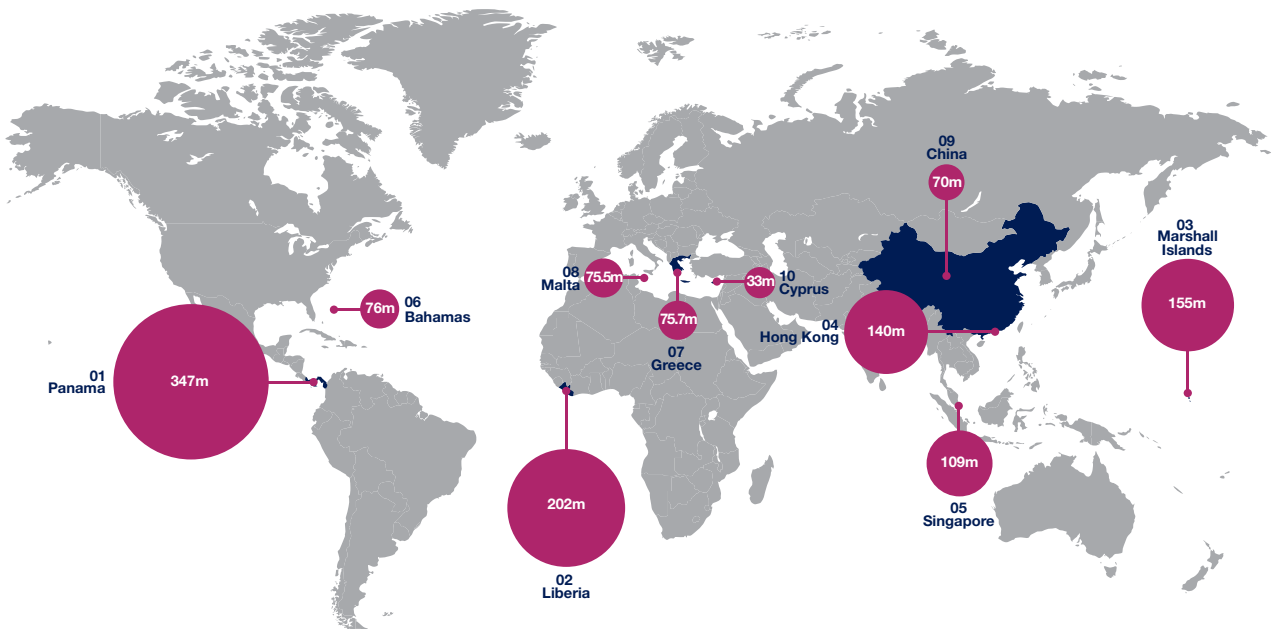
The world of shipping in 2013

A global overview of maritime strength using Lloyd's List Intelligence data

TOP TEN SHIPOWNER COUNTRIES BY DWT

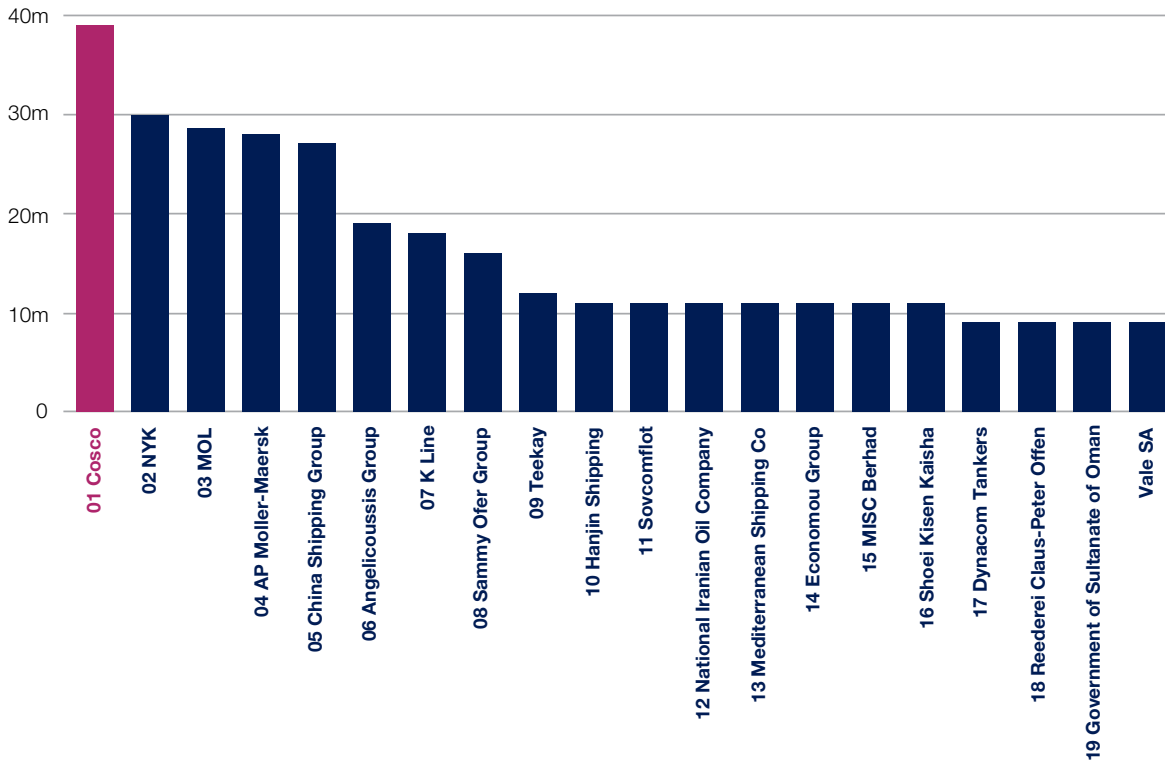


TOP TEN FLAGS BY DWT

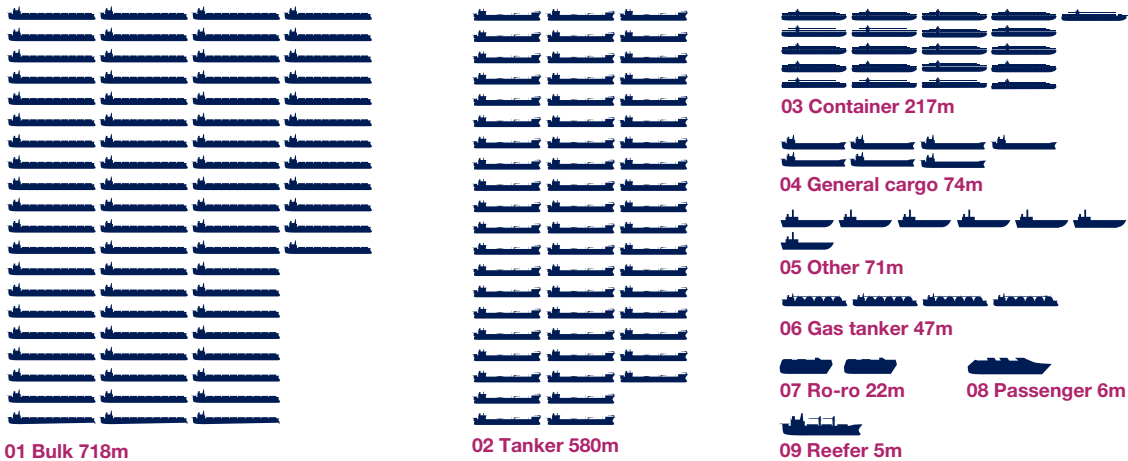




TOP TWENTY BENEFICIAL OWNERS BY DWT



WORLD FLEET SHIP TYPE BY DWT



Source: Lloyd's List Intelligence

additional equity injections worth \$150m from the French sovereign wealth fund Fonds Stratégique d'Investissement and \$100m from Turkey's Yildirim Group, which already had a 20% stake in the group.

A long-running dispute with the German shipowner Claus-Peter Offen was settled, enabling CMA CGM to go ahead with an order for three 16,000 teu ships, adding to the trio already in service and another three in the pipeline. For a brief time this year, these were the largest boxships in the world.

Mr Saadé and Farid Salem, who together have built up CMA CGM into one of the world's top lines, remain very much in charge, but with Rodolphe Saadé raising his profile and leading key initiatives such as the P3 negotiations to set up the largest vessel sharing agreement yet seen in the container shipping industry.



Jacques Saadé has re-established the French line's credibility

AP CLAUDE PARIS

K Line looks well positioned for a dry bulk recovery

Asakura's cost-cutting programme brings turnaround



Jiro Asakura

WHAT a difference a year can make. K Line was the worst performer among the three Japanese integrated shipping giants and struggled to raise funds for capital expenses last year.

But the carrier has now returned to

profitability and is well positioned for a dry bulk recovery — if there is one to come.

Leading the turnaround is president and chief executive Jiro Asakura, who took office in 2011. Mr Asakura has overseen a cost-cutting programme that started in April 2012, which reduced expenses by a massive ¥33bn (\$329.9m).

Those efforts are wide-ranging, including deploying bigger ships in alliances, eliminating non-profitable services' routes in the box shipping division, and reducing spot tonnage, fetching more mid- and long-term contracts in dry bulk and oil shipping business. Slow steaming has also been adopted across the sectors.

The macro environment has also been favourable. The policies Prime Minister Shinzo Abe has ushered in since taking office at end-2012 have resulted in a weaker yen and stronger share prices, leading to higher exchange and investment gains for K Line.

As a result, K Line's bottom line has

improved significantly. In its fiscal 2012 that ended in March, K Line posted annual net profits of ¥10.7bn, versus the year-ago losses of ¥41bn. The carrier then recorded net profits of ¥14.7bn in the April-September period, against ¥1.1bn in the red during the same period last year.

K Line is now set to enter another expansion cycle. It will add 22 bulk carriers to its fleet in its 2013 financial year, 10 bulkers in 2014 and eight in 2015. If the dry bulk woes are truly over, as some analysts predict, those ships will bring in decent profits for K Line in the years to come.

The carrier also has moderate expansion in other sectors. It has ordered five 14,000 teu containerships, four 7,500 ceu car carriers and two 182,000 cu m liquefied natural gas carriers for delivery in 2015-2016.

All those plans are not without risks, however. With persistent overcapacity in dry bulk and box shipping, it remains to be seen whether K Line can actually benefit from those expansions.



Optimism reigns at OOCL

Tung remains bullish, despite the carrier posting its first losses for three years



Andy Tung

ANDY Tung, who took the top job at Orient Overseas Container Lines in 2012, oversaw the company's first letting of red ink in more than three years, with a loss of \$22.6m for the first half.

However, OOCL's operational credentials have hardly been impaired; it was a loss-making first half for most lines, despite an impressive profit by Maersk.

Mr Tung, who for years was OOCL's chief operating officer, inherited a company that has emphasised cost control and efficient operations for years, turning away cargoes during the 2011 rates war instead of pushing for market share, a temptation not resisted by most of its peers.

It has also chosen its exposure to various markets carefully, building intra-Asia volumes into about half of its total.

OOCL and its parent, Orient Overseas (International) Ltd, are majority owned and primarily managed by the Tungs, a shipping dynasty founded by CY Tung.

Andy Tung is the eldest son of CH

Tung, the former chairman of the group who became chief executive of Hong Kong after the territory was handed back to China.

His uncle, CC Tung, is chairman of OOIL. His brother, Alan Tung, is acting chief financial officer of OOCL.

Despite the first-half loss, Andy Tung said in August he was optimistic about the company's full-year 2013 performance.

In any event, OOCL has a higher level of retained cash than most of its peers. As competition builds and other lines weaken, one step for Andy Tung to take would be to use that cash to acquire a rival.

However, since acquisitions brought the shipping company a world of trouble in the 1980s, when it faced severe financial difficulties, it is more likely Mr Tung will opt for organic growth, particularly to service the expanding Chinese economy.

One avenue might be for the Hong Kong line to gain a bigger share in Chinese trade with Africa and Brazil.



BW Group expansion into LPG raises capital

Father and son see further opportunities for growth

ANDREAS Sohmen Pao and Helmut Sohmen, the father and son team behind the gas shipping company BW Group, stay in the list of shipping's power brokers this year, having pressed forward with expansion into liquefied petroleum gas shipping.

Towards the end of the year, BW LPG, the newly formed unit of BW Group, completed the initial public offering of its shares

and started trading them on the Oslo Stock Exchange. The offer price of Nkr47 per share implied a market capitalisation of BW LPG of just over \$1bn, and raised around \$280m — a tidy sum for the BW bosses to spend on newbuildings.

BW LPG can now build on its position as the world's largest owner and operator of very large gas carriers, owning and operating 36 vessels.

BW Maritime chief executive Andreas Sohmen Pao is driving the strategy forward, saying parent company BW Group sees "strong opportunities for growth within the LPG segment" and invites "new investors to join us and invest alongside the BW Group".

It is a journey many are willing to take, as the IPO comes at a relatively healthy time for the LPG market, which is spurring other owners to order vessels.

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New York-listed Scorpio, for example, recently exercised its options to order two VLGC newbuildings in South Korea.

Also biting at BW's heels are newly formed companies Avance Gas and Dorian LPG.

Such competition is healthy in the LPG market — a segment hitherto filled with smaller owners running tiny fleets of two or three ships.

Mr Sohmen Pao and Mr Sohmen will, no doubt, be keeping an eye on these ambitious competitors as LPG shipping develops in 2014.



Andreas Sohmen Pao and Helmut Sohmen

TURKEY



043

ROBERT YILDIRIM | YILDIRIM GROUP

▲ 3

A penchant for ports

Turkish mogul Yildirim's Yilport Holdings has been busy investing in hubs

TURKISH mogul Robert Yildirim has always been open about his passion for ports.

Speaking in October 2012, he told Lloyd's List he like ports better than ships, despite the \$600m he ploughed into French box carrier CMA CGM in 2011 that originally earned him his place in this list.

"Ships you can always buy in the market... you pay some money, you buy a ship. Ports, you cannot always build new ones. Legislation is a problem; it's difficult. Opportunities are coming in ports and I like it; it's a steady business."

Two year-end 2012 deals confirmed Mr Yildirim's penchant for port investments.

Last December, Turkey-based ports group Yilport Holdings acquired an 86.6% shareholding in Gemport, the 600,000 teu capacity multipurpose terminal on the south coast of the Sea of Marmara, and purchased RotaPort in the Marmara Sea area, a hub with warehousing capacity linked to its grain and cement terminals.

The Turkish industrial group is also investing in Iskenderun port, near the Syrian border. Further port deals may well be in the offing.

Commenting on the company's expansion plans at the time of the Gemport deal, Mr Yildirim said: "We had bought a 50% share in Malta Freeport for €200m (\$272m) and we are in negotiations with ports in Africa and Latin America. We are not hurrying, though, since



Two year-end 2012 deals confirmed Robert Yildirim's penchant for port investments

we have to find the ones with the best returns.

"With Yilport Gebze, Yilport Gemlik, Malta Freeport and RotaPort, we [have] managed to reach a portfolio value of \$2bn. We will invite foreign investors to our portfolio right after we reach a critical and sustainable size," he added.

According to Mr Yildirim, Yilport has an annual container-handling capacity of 5.5m teu in five ports, and this is expect to reach 7.5m teu in the next five years, which, he says, is a record for a Turkish company.

Another notable Yildirim deal in 2013 was the August acquisition of Mechel Chrome, the chrome division of Russian Mechel. The Turkish group is now the owner of Mechel Chrome's vertically integrated Voskhod Mining Plant in Kazakhstan and Tikhvin Ferroalloys Plant in Russia.

Cornered at this year's Lloyd's List global awards, the Turkish businessman — with a steely glint in his eye — pointed to a growing interest in minerals. And, knowing Mr Yildirim as we do, there is certain to be more activity in this space.



Oaktree cements its role as a heavy-hitter in maritime

Philanthropic founder positions private equity player for new shipping play

OAKTREE Capital Management is the most important player in shipping that is not, in essence, a shipping concern.

The secretive private equity house has become involved in a range of shipping-related investments in recent years, most famously securing control of General Maritime at a favourable price after the US tanker outfit went into Chapter 11 in 2011.

It has also picked up a small fleet of product tankers after the restructuring of Torm, unveiled a joint venture to buy eight boxships to be managed by Rickmers in December 2012, and — somewhat less happily — bought what was left of German heavylift specialist Beluga, now rebranded Hansa Heavy Lift.

Founder Bruce Karsh was born in October 1955 and graduated summa cum laude in economics at Duke University in 1977, going on to pursue postgraduate studies at University of Virginia School of Law.

He started his career at law firm O'Melveny & Myers before moving to insurer Sun

It has been quipped that if you mention the given name 'Bruce' to a rock fan, the surname 'Springsteen' instantly springs to mind and that in distressed debt circles, 'Karsh' matches that stature

Life, and then to manage distressed debt at TCW Group.

Mr Karsh established Oaktree with other TCW alumni in 1995 and has clearly prospered since. The most recent Forbes billionaires' list estimated his personal net worth at \$1.65m.

It has been quipped that if you mention the given name 'Bruce' to a rock fan, the surname 'Springsteen' instantly springs to mind and that in distressed debt circles, 'Karsh' matches that stature.

A religiously observant Jew, Mr Karsh engages in philanthropy through the Karsh Family Foundation, which has funded several causes to help children and young people. He is married to Martha, also an attorney, and the couple have three children.

Although Oaktree likes to keep off the media radar screen and no-one is sure what its shipping game plan is, industry-watchers are bracing themselves for more shipping deals to come in 2014.



Sharma builds on ship recycling success

GMS says it is involved in about one-third of all ships sold for demolition

ANIL Sharma is the world's largest cash buyer for ship recycling, and has done much to augment the credibility and transparency of the tight-knit, closed demolition market.

Dr Sharma's willingness to be the industry's public face for ship recycling, as well as

translate the likely outcome of proposed regulation, has seen him quietly and effectively dismantle many of the emotive arguments put by strident critics.

At a time when record numbers of ships are heading to breakers' beaches, the Indian-born founder, president and chief

executive officer of 21-year-old GMS is the biggest middle-man in ship recycling. He straddles industry self-interest and regulatory scrutiny with a pragmatic and practical approach to the environmental concerns that weigh on the sector.

As a cash buyer, employees from Dr



Anil Sharma

Sharma's four offices worldwide buy vessels for scrapping and resell them to recycling yards, mostly in the five countries of India, Bangladesh, Pakistan, China and Turkey that undertake about 90% of business.

GMS says it is involved in about one-third of all ships sold for demolition in an industry where global sales were seen topping an estimated, record-breaking \$6.5bn in 2012.

The counter-cyclical demolition market is soaring: the fleet oversupply that depressed freight rates to the lowest in two decades resulted in more than 1,300 vessels scrapped last year. Demolition sales might be down

20% in 2013, but high fuel costs means inefficient vessels are exiting trading at a younger age than ever.

Dr Sharma is aggressively positioning GMS as the market leader at a time when pending European and global regulation is set to change how shipowners contract and sell their vessels to cash buyers.

His newly introduced Responsible Recycling Initiative is a little-used, greener scrapping option accounting for less than 1% of his sales this year. But the environmental initiative stands as an alternative so owners can, if they want, show compliance.

SOUTH KOREA



046

JAEHO KO | DSME

▼ 1

DSME ups the stakes in shipbuilding

Barrage of orders shields South Korea-based shipyard from industry headwinds

THE delivery of Maersk Line's Triple-E behemoths this year threw a spotlight on South Korea-based shipbuilder Daewoo Shipbuilding & Marine Engineering and its Okpo yard, attracting attention inside and outside the shipping industry.

But for anyone who has paid close attention to DSME, the world's third-largest shipbuilder by orderbook, the 18,270 teu containership delivery is only the jewel in its crown.

Propping up its foundations is DSME's continuing resilience to industry headwinds, compared with that of its bigger compatriot competitors, Hyundai Heavy Industries and Samsung Heavy Industries.

DSME clinched \$11.8bn worth of orders in the first 10 months, 91% of its annual target.

Its total order backlog stood at \$44.7bn at end-October, surpassing SHI's \$37.6bn.

DSME's profitability has also improved, up 62% on year in the third quarter, at a time when most listed shipbuilders have seen sinking bottom-line figures or persistent losses.

Investors have also been reassured. DSME's share price on the Korea Exchange had climbed almost 30% by late November.

Jaeho Ko, DSME president and chief executive since April 2012, must be commended for securing the yard's success.

A law major from Korea University, he



Jaeho Ko must be commended for the yard's recent success

joined DSME in 1980 as a marketing associate and worked his way up.

A 2000 spin-off from the now-defunct Daewoo Group, once the country's second-largest chaebol, DSME is bracing itself again 13 years later for a change in management control.

The Financial Services Commission and Korea Development Bank are looking to sell their stake in the company to resolve

legacy issues from the Asia financial crisis, when Seoul bailed out the indebted Daewoo Group.

After offloading 5% interest in November, the FSC retains a 12.15% stake, expected to be sold en bloc with all or part of the 31.4% KDB-owned stake.

The sale could be one of shipping's biggest cliffhangers in the next few years: who will snap up DSME?

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Rob Brummer
Senior Director, West Central Asia
Liner Operations Cluster, Maersk Line

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Grimaldi remains poised for growth

Brothers' business acumen ensures group remains on a sound platform



Emanuele, left, and Gianluca Grimaldi

ALTHOUGH the European economy remained insipid for much of 2013, Emanuele and Gianluca Grimaldi have done more than most to ensure their company is prepared for economic turmoil.

It is fair to say business has not been at its best this year, some of the Grimaldi Group routes and divisions, such as the Baltic Sea operator Finnlines, continuing to struggle. However, the group remains on a sound platform, thanks to the shrewd business acumen of the Grimaldi brothers.

The company remains poised for growth. It has several newbuildings for delivery in the next 24 months with Atlantic Container Lines having ordered a set of five larger ro-ro container vessels to renew its fleet.

It has sought growth as organically as possible, but has also stepped into acquisitions. Two years ago, it formed a joint venture with Mediterranean Shipping Co and Moby Lines to acquire Italy's state-owned ferry operator, Tirrenia di Navigazione.

The Grimaldi Group of companies has remained focused in the ro-ro and passenger

markets and now owns a wide range of vessel types, including ro-ro/multipurpose vessels, pure car and truck carriers, ro-pax ferries, and cruiseships.

In many ways, the Grimaldi Group exemplifies European Union efforts to expand shortsea shipping through the Motorways of the Seas, as the group now has a network of subsidiaries linked around Europe and further afield.

This was exemplified this summer, when Grimaldi opened a new passenger terminal in Barcelona, capable of handling 3,600 passengers boarding or disembarking a vessel simultaneously. The Italian operator was awarded a 15-year concession as the Spanish port strengthens its ferry and shortsea shipping ties.

Emanuele Grimaldi has been a powerful voice for the region's shipowners, lobbying hard against some of the environmental regulations, such as next year's drop in sulphur content in fuels.

In October 2013, he was elected president of the Italian Confederation of Shipowners, Confitarma.

Although Mr Grimaldi said he was committed to the continued growth and competitiveness of the Italian fleet, he pointed to the huge bureaucratic costs and procedures that shipowners face, under international and national regulations.



Döhle cousins sail into new waters

Ernst Russ Shipbroker, formed in May, aims to be market-leading joint venture

PETER Döhle Schiffahrts started life in 1956 as an agency business and came into its own during the containerisation revolution of the following decade.

The group is now led by the second generation, namely Jochen Döhle, son of the man who gave the concern its name, and his cousin, Christoph Döhle.

Together they control a fleet of 450 container vessels, multipurpose vessels and bulk carriers, making them the fifth-largest German owner.

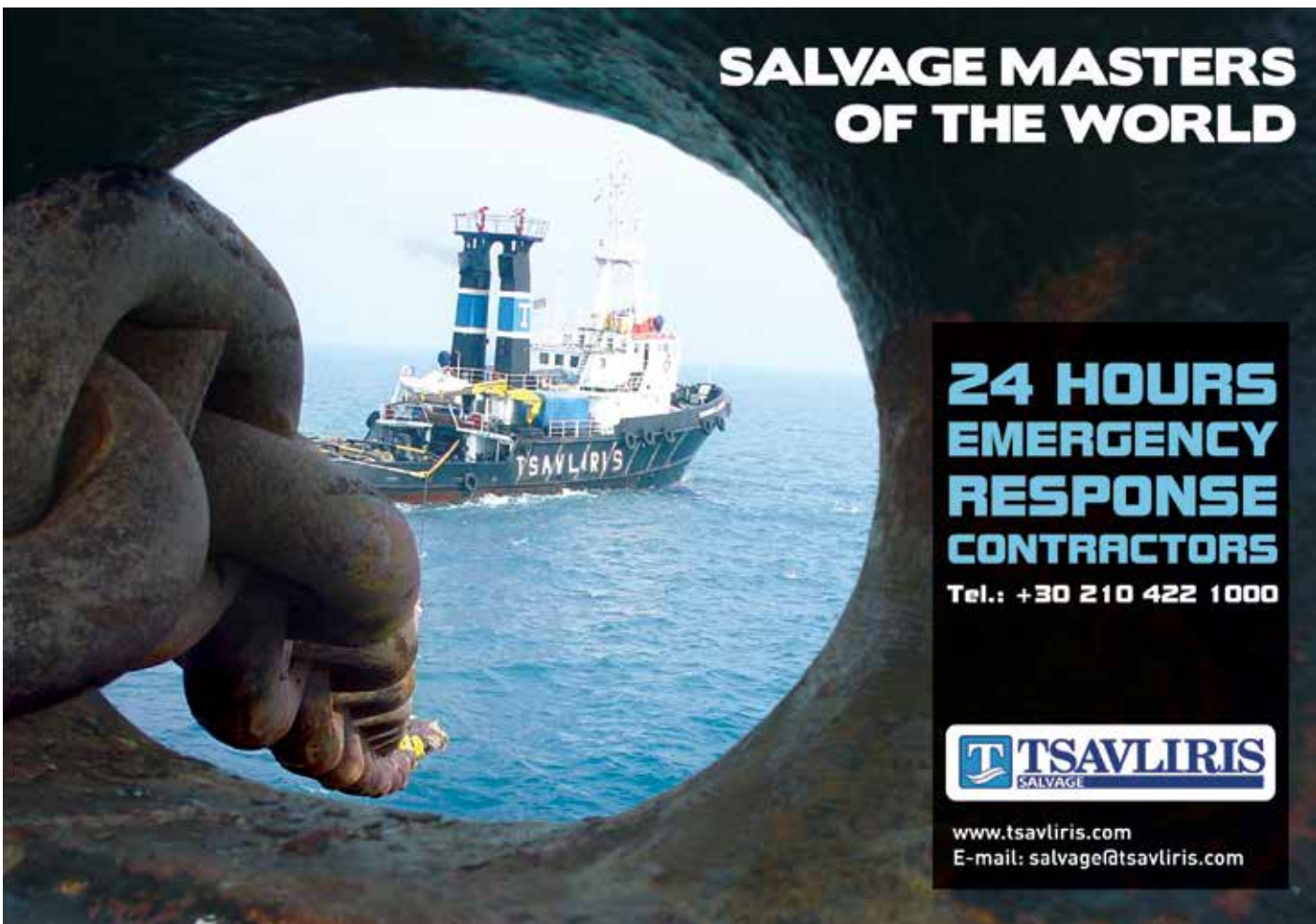


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TOP TEN

Top Lawyers

Leading the way in everything from mergers and investments to casualty and piracy issues

**01** RICHARD CRUMP | HFV

HOLMAN Fenwick William's senior partner specialises in dry shipping and casualty matters. This year, Richard Crump has broadened his practice and become more involved in offshore matters, including advising a number of offshore contractors. While maintaining his traditional shipping practice, this year he has also advised on several shipping construction disputes regarding offshore supply vessels.

02 LAWRENCE RUTKOWSKI | SEWARD & KISSEL

LAWRENCE Rutkowski is head of Seward & Kissel's maritime and transportation finance group. The Columbia Law School graduate has been with the firm since 1992, advising clients in the transportation industry. Mr Rutkowski has worked on matters ranging from the formation of joint ventures, including those involving the investment by private equity firms, to restructurings and bankruptcy.

03 HARRY THEOCHARI | NORTON ROSE FULBRIGHT

NORTON Rose Fulbright global head of transport Harry Theochari is experienced in international ship finance and has wide experience of all forms of funding. In the past year, he has advised on billions of dollars in private equity investments into shipping. He has also been instrumental in building Norton Rose Fulbright's New York ship finance practice, following the tie-up with Fulbright & Jaworski in June.

04 SUBRAMANIAM VENKITESWARAN

SUBRAMANIAM Venkiteswaran was enrolled to practise in the Bombay High Court in 1962, and since the late-1960s, has specialised exclusively in maritime and aviation disputes. He appeared as an expert witness on Indian law in arbitration and court proceedings overseas and is presently helping to rewrite India's Merchant Shipping Act. He is the non-executive chairman of the Board of Directors of P&I Correspondents Pvt, the Indian correspondents for a number of leading P&I Clubs.

05 STEPHEN ASKINS AND JAMES GOSLING

THERE are two lawyers that stand out as leading piracy experts. Both have graced this list before and this year we are ranking them equally. Stephen Askins of Ince & Co has been involved in a number of piracy and hijack cases, off East and West Africa. His main area of experience and expertise is in casualty response and investigation and given his military background, he also specialises in the issues surrounding the use of armed guards. Holman Fenwick Willan partner James Gosling specialises in all aspects of maritime crisis management, as well as marine insurance and coverage and more general shipping-related commercial and contractual disputes.

06 FAZ PEERMOHAMED | INCE & CO

THE Ince & Co partner embarked on a second career, qualifying as a lawyer following his career at sea as master with Maersk. He is known for giving shipowners and insurers some sound advice in shipping litigation matters. In the past year, he has been involved in some of the most complex casualties seen this century, including *Prestige* and *Costa Concordia*.

07 STEFAN RINDFLEISCH | EHLERMANN RINDFLEISCH GADOW

EHLERMANN Rindfleisch Gadow partner Stefan Rindfleisch has spent much of 2013 working on transactions relating to restructuring ship finance for German and international companies. Mr Rindfleisch continues to advise on mergers and acquisitions and other transactions in the maritime field involving mainly US-based investment funds and German shipping companies.

08 MIKE MALLIN | HILL DICKINSON

WITH a masters certificate and more than 30 years' experience as a shipping lawyer, Mr Mallin heads Hill Dickinson's Hong Kong office, which opened in October 2013. He deals in all aspect of marine law, with particular specialism in problems arising out of maritime casualties. Recent notable work includes acting for the owners of *Costa Concordia* and their liability insurers.

09 RICHARD GUNN | REED SMITH

REED Smith partner Richard Gunn is head of the firm's casualty and admiralty practice. Before going into practice, he was a master mariner and also worked in shipping industry. He is involved in all aspects of casualty work, including collisions, groundings, explosion and salvage, as well as the contractual disputes arising from these issues. His opinions have been used in disputes in a number of foreign jurisdictions. Recent cases include *MOL Comfort*, *Bareli* and *CMA CGM Libra*.

10 DAVID BENNET | CLYDE & CO

DAVID Bennet's clients include major oil and gas companies, rig and vessel owners, charterers and P&I clubs. In addition to significant arbitration work, Mr Bennet has recently acted in two Court of Appeal cases (one for the owner, one for the charterer). In addition, the Clyde & Co partner regularly advises on the drafting of charter terms, including in relation to supplytime, and rig contracts.



Jochen Döhle

Döhle subsidiaries include insurance broker Döhle Assekuranzkontor, crew management firm DPM Döhle

Personalmanagement, liner agency Döhle Schiffahrtslinien-Agentur and Isle of Man-based shipmanager Döhle (IOM).

Joint ventures include shipping software house DokuShip Information Systems, shipmanager Hammonia and Hamburg-based bunker supplier Hanseatic Bunker Services.

In May, together with other well-established Hamburg names Ernst Russ and Stüwe, Döhle set up Ernst Russ Shipbroker, described as an equal partnership that aims to become one of the leading shipbroking companies in container, multipurpose and dry bulk chartering.

Döhle is bringing its chartering activities for boxships up to 1,400 teu globally to the party, whereas Ernst Russ offers heavylift and multipurpose tonnage and drybulk chartering, and Stüwe offers shipbroking,

sale and purchase and dry cargo chartering expertise.

Beyond shipping, the group owns the El Principal vineyard in Chile's Maipo Valley, said to produce a more than quaffable range of reds.

The cousins like to keep a low profile and little is known about their private lives. Even basic biographical details have been kept away from the public domain.

From statutory declarations, we know Jochen Döhle was born in October 1955 and sits on the numerous other boards for well-known maritime cluster concerns, including Eurogate, Eurokai, Splosna Plovba, JJ Sietas, Deutsche Schiffsbank and KG house HCI.

Christoph Döhle was born in October 1965.

SOUTH KOREA

	049	DAE-YOUNG PARK SAMSUNG HEAVY INDUSTRIES	NEW
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Samsung rides out the downturn

Shipyard reaps rewards from shift away from commercial vessels

SAMSUNG Heavy Industries has entered Lloyd's List's Top 100, as the South Korean shipbuilder is one of the first among its peers to ride out the downturn after years of efforts to switch focus from merchant vessels to offshore production facilities pay off at last.

Over the past few years, the Geoje-based yard has scaled down its business relating to commercial vessels, whose newbuilding prices are highly exposed to cyclical risks.

Offshore orders, building drillships and other energy-related facilities, have accounted for around half its revenues since 2010.

As of end-October, drilling rigs and energy production facilities made up 69% of its \$37.6bn orderbook. Leading that drive is Dae-young Park, the offshore veteran appointed SHI president and chief executive in December 2012.

Mr Park, who joined the company in 1977, has been a senior executive in SHI's offshore divisions for more than 10 years.

Because SHI is now facing increased competition from Chinese yards in low-end offshore production units, Mr Park



Steering Samsung: Dae-young Park

will need to enhance his company's ability to win high-end offshore orders, such as those for drillships and floating LNG units.

The buoyant energy markets mean SHI has been able to maintain its operating margins thus far. It recorded margins ranging between 1.6%-7.1% during the 2006-2009 period.

Once it had completed its shift to offshore, its margins increased to 10.8% in

2012, 8.7% in 2011 and 8.3% in 2012 and in the first three quarters of 2013.

The shipbuilder has avoided all orders for bulkers, whose margins are weak, due to keen competition from Japanese and Chinese rivals.

Aside from offshore deals, SHI is soliciting only orders for liquefied natural gas carriers and large boxships that offer decent margins.



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Keeping Panama's canal on the straight and not so narrow

Quijano in the home stretch as completion of expansion project draws closer

CONSTRUCTION work on the \$5.2bn Panama Canal expansion programme is due to be completed in 2014, shifting the focus to a commercial opening of the global trade artery to larger vessels from 2015.

Jorge Quijano, who took on the top Panama Canal Authority (ACP) job in September 2012, has been carefully preparing the way for that looming deadline.

He attended a series of meetings at the end of 2013 with key customer associations whose ships will transit the waterway linking the Pacific and Atlantic Oceans.

He has met, among others, the Union of Greek Shipowners, the International Association of Independent Tanker Owners and the International Association of Dry Cargo Shipowners and the Japanese Shipowners Association.

Hence Mr Quijano's position at number 50, unchanged from last year, but still reflecting his pivotal role in facilitating the global maritime industry.

Given the industry sensitivity to Panama Canal transit toll tariffs, Mr Quijano said such meetings with the industry will continue through January 2014, "to enable us to arrive at a final tolls proposal within the first half of 2014".

Mr Quijano is a veteran of Panama Canal operator ACP, having started there in 1976, and has long formed part of the senior management team.

His principal task has been overseeing the expansion project, which by the end of August 2013 had seen 3m cu m of concrete poured in the construction of the new lock complex.

"This signals the progress of the construction of the new locks, which is the most important project of the expansion programme," he said.

"The expanded Panama Canal will allow the waterway to provide a better service to our customers and be more competitive."

The Panama Canal, which celebrates its centenary in August 2014, is being expanded to



Jorge Quijano

accept container vessels of up to 12,500 teu, up from the present 5,000 teu, and to attract new or additional traffic from the liquefied natural gas and dry bulk sectors.



Tough shipowners' leader brings unity

Most credit Veniamis with striking a tax deal that is good for the Greek economy and the industry

SHIPOWNER Theodore Veniamis is often dubbed by admirers and detractors alike as being "the right man, in the right place, at the right time".

Heading the world's largest national shipowners' body at any time would be a strong argument for inclusion in our Top 100.

But becoming president of the Union of

Greek Shipowners just before the global financial crash and the emergence of Greece's crippling debt crisis ensured Mr Veniamis would occupy a hotter seat than most of his predecessors.

He gets much of the credit for a deal with Greece's bruised coalition government that has brought foreign-flagged, Greek-owned ships into the country's

tonnage tax regime for the first time. Mr Veniamis has also enlisted the support of 80% of the country's shipping fraternity for a voluntary agreement to pay double the mandatory tonnage tax contributions for a period of three years, irrespective of the ship's registry.

The bargain reflects Mr Veniamis' repeated assurances that the country's



Theodore Veniamis

powerful shipping community will not turn its back on the plight of its less fortunate countrymen, as well as a pragmatic determination to defend itself against more draconian tax-raising measures.

For now, the government is solidly backing the industry and fears of an exodus of shipowners to other countries have receded.

Often seen as tough and taciturn, Mr Veniamis has also spearheaded a considerable fundraising effort to help support Greek families put at risk by the plunge in living standards, and he has lent his

weight to the message that the shipping sector can be a driver of Greece's recovery, if handled properly.

In addition, he has been instrumental in nudging international ship-vetting giant RightShip to change its procedures to make it more compatible with, and open to input from, classification societies and flag states.

On top of all this, Mr Veniamis has found time to preside over an expansion of his Golden Union Shipping company, with a number of recent orders and new financing initiatives.

NORWAY



052

HENRIK MADSEN | DNV GL GROUP

NEW

The king of class

Madsen talks like a man who knows he has the weight behind him to build an empire



Henrik Madsen: in the driving seat at the world's largest marine classification society

HENRIK Madsen has something to smile about, having taken control of the largest business risk assurance and maritime classification society in the world.

With the merger of Oslo-based Det Norske Veritas and Hamburg's Germanischer Lloyd, his business holds more vessels under classification than any other and its commercial

business empire spans the oil and gas renewable energies, maritime and land-based power.

It is probably a misnomer to call the newly formed DNV GL Group, or any of its major competitors for that matter, classification societies these days.

More revenue is gleaned from commercial risk assessment and business assurance and

consultancy work than from its highly competitive but still core maritime classification role.

DNV GL Group is a joint venture. The DNV Foundation, which owned DNV, has a 63.5% share while Mayfair, the investment group owned by Germany's Gunter Herz family, holds the rest. It is clear that DNV has the upper hand.

As the final details emerged about the merger, it has been DNV and Mr Madsen doing the talking, and he talks like a man who has won the fight and knows he has a lot of weight behind him to build up the empire.

But although the world may look rosy for DNV GL Group, when it comes to classification, it will have to stay on its toes or risk losing ships.

It may end up like Bureau Veritas, the only marine risk assurance and class society that is listed on an exchange. Shipping is today a small part of what it does. Its energies are better placed elsewhere to secure shareholder value.

One final point. The new name — The DNV GL Group — is fairly laborious, particularly when talking about the many divisions within it, such as GL Noble Denton. It will be interesting to see how it eventually gets shortened.



Tanker firm's chief is highly active

Ridgway has been involved in many facets of BP Shipping's business

BP IS a major tanker charterer, but its inclusion on the list of shipping's most influential players is this time underpinned by its shipping division's remarkable investment in tanker tonnage.

BP Shipping chief executive John Ridgway has been so active that many have wondered whether his intention, along with other oil majors, is to take over tanker shipping altogether.

The company stormed into the newbuilding market, ordering as many as 13 aframax tankers at South Korea's STX Offshore and Shipbuilding, with delivery dates scheduled for 2014 and 2015.

The intention, say experts, is fleet renewal, with the focus on the most modern, fuel-efficient tonnage at all times.

It is hardly surprising, therefore, that Mr Ridgway moves up the list and, given BP's influence over the charter markets, further climbs cannot be ruled out.

BP Shipping's success is largely down to



John Ridgway

the vision of Mr Ridgway, who joined BP in 1971 as an officer cadet.

After 13 years at sea, interspersed with gaining a college education and rising to

the rank of captain, he spent a year studying for his Masters degree, then started a shore career within the BP Group in 1984, mostly within BP Shipping.

Mr Ridgway's experience is extensive; he has been involved in many facets of BP Shipping's business.

However, he has other strings to his bow, having been chairman of the Marine Preservation Society and president of the American Petroleum Institute's Marine segment.

Today, he is a committee member of the Britannia Steam Ship Insurance Association Limited Alaska Tanker Company and is influential in various other industry bodies.

Mr Ridgway was deputy chief executive of BP Shipping from January 2001 until December 2008, when he became chief executive.

It is a role that allows him to channel more than 40 years' experience of shipping.



HHI undergoes a reshuffle

Lee promoted to chairman as board builds more flexible management structure

HYUNDAI Heavy Industries' longtime chief executive was promoted to chairman of the world's biggest shipbuilder by revenues in November.

Jae-Sung Lee has taken up a post that has been vacant since 2011, when Min Kye-shik left the position. Mr Lee will now cede direct responsibility for shipbuilding, marine and plant businesses to president Kim Oe-Hyun, while Kim Jeong-rae will take charge of HHI's engine, electronic, construction equipment and green energy businesses.

A company spokesperson said the reshuffle was an effort by HHI's board to build a more flexible management structure and respond more quickly to market changes.

Equally, the change was a signal to investors that HHI's array of businesses would be managed with more hands-on involvement.

This charter member of South Korea's big three shipbuilders — along with Samsung Heavy Industries and Daewoo Shipbuilding and Marine Engineering — has been doing splendidly in terms of orders.

The company's orderbook is gaining

nicely, up 67% on year in the third quarter, the result of a steady flow of shipping and offshore orders.

However, it also saw its third-quarter profits crash 96% to about \$24m compared to the year-earlier period, largely because it is more exposed to building merchant ships than its two major national rivals.

At the time of writing, HHI's stock is on an upward trend, at Won271,500, above the 45-month low of Won183,500 in July, but well below the five-year high of Won547,000.

In shipbuilding, of course, a rough

quarter is hardly cause for panic. What matters is that the yard is flush with orders, cashflow is sturdy enough to fund the large upfront capital expenditure and the order-book is diversified enough to hedge against bad times in one or two sectors.

The company's backlog, as of September 30, amounts to \$57.9bn, including \$21.8bn for merchant ships, \$20.5bn for offshore orders and \$9.3bn in orders for industrial plant.

HHI has about 50% of its revenues coming from offshore orders, but it has proved to be a serious competitor with DSME in building the biggest containerships.

It will, in fact, have built the biggest ever boxships ordered, when it undertakes

its five 18,400 teu vessel order for China Shipping Container Lines.

HHI is competing well with Samsung in winning sophisticated liquefied natural gas carrier orders. In October, HHI signed an \$850m contract with Malaysian state oil giant Petronas for four LNG carriers.

Mr Lee's strategic positioning of the shipbuilder should help put it more firmly in the red as ship prices edge up again.

However, HHI will have to keep fighting to stay on top, as the pressure from DSME and SHI is intense.

And there is pressure from China, too, where Shanghai Waigaoqiao recently received an order for three 16,000 teu boxships.



Jae-Sung Lee



Logistics and maritime services mix keeps Wilh. Wilhelmsen firms afloat

But deepsea ro-ro arm feels the impact of poor car sales and dip in high and heavy volumes



Thomas Wilhelmsen

IF IT has been something of a mixed year for Thomas Wilhelmsen and his family company, it also says something when a company that is effectively 150 years old can

be recognised as a financial newcomer in Europe.

Mr Wilhelmsen himself is highly respected in Oslo, mingling comfortably with his staff, having worked with many of them as he took on various roles within the business, before assuming the role he holds today on his father's retirement.

That said, Mr Wilhelmsen is also not a man to talk too much about his private life.

The family business remains on a strong footing, perhaps due to the diverse mix of logistics and maritime services in which the group as a whole is involved and the wide spread of partners it has in different fields and locations.

Either way, the Wilh. Wilhelmsen name remains a stable one in the industry.

Although part of the company has been listed in Oslo for many years, the recent listing of the shipping division and the steady rise since then of its share value led it to be named best new issuer in Europe.

Despite the stock price of this new division looking promising, the deepsea ro-ro

markets served by Mr Wilhelmsen's company have been less than sensational, due to poor car sales and weaker shipments for high and heavy volumes.

Wilhelmsen Maritime Services has also felt the impact of shipowners' and managers' cautious approach to spending.

However, this has not stopped the Norwegian shipowner ordering new post-panamax tonnage, among the biggest car carriers ever ordered, and getting more deeply involved in logistics.

Today, Wilh. Wilhelmsen is so much more than a shipowner.

The company has investments in Qube, an Australian logistics company; Abnormal Load Services, which deals with the transportation of the large and unusual; and now in the offshore logistics markets, through its 35% stake in Norse Group.

This steady approach is one reason why this industry veteran has found it relatively easy to go to the bond markets in Oslo to raise more capital to fund the newbuilding orders and to win awards for being young.



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TOP TEN

Top 10 insurance players

A year of engagement with governments

**01** ANDREW BARDOT | IG

THE International Group of P&I Clubs is arguably the most important institution in terms of marine insurance, and Andrew Bardot has held his post as chief executive there for several years now. This year, his attention has been on the cruiseship *Costa Concordia*, on the ongoing wreck removal and reinsurance ramifications and on addressing ways of improving cost control in major wreck-removal incidents, including more effective co-ordination with states and maritime administrations. There has been a continued focus and engagement with governments on sanctions measures impacting on shipowners and P&I club cover.

02 OLE WIKBORG | IUMI

OLE Wikborg has enjoyed another year as president of the International Union of Marine Insurance alongside new secretary-general Lars Lange. A successful conference in London this year showcased IUMI's efforts to have a more consistent presence throughout the year. Its political forum has now been active for more than a year, lobbying on key issues such as containership safety, places of refuge, engine damage caused by catalytic fines and low-sulphur fuels. As senior underwriter and a director at the Norwegian Hull Club, Mr Wikborg has a prominent role at one of the largest pure marine insurers in the world.

03 DIETER BERG | MUNICH RE

DIETER Berg is head of marine at the world's biggest marine reinsurer. He has spoken at countless events and is constantly quoted by the media. Not one to shy away from controversial issues, Mr Berg has shaped the debate on some of the most important issues of the day, including the possibility of reforming the International Group's general excess-of-loss reinsurance programme.

04 MARCUS BAKER | MARSH

AS CHAIRMAN of Marsh's Global Marine Practice, Marcus Baker is responsible for Marsh's marine business globally, comprising marine cargo, marine hull, P&I, and liabilities. With more than 600 personnel globally, this represents one of the largest of Marsh's Global specialty businesses. Mr Baker was chief executive of Marsh's marine and energy practice in Europe, the Middle East and Africa, having joined the company in 1994.

05 CLIVE WASHBOURN | BEAZLEY

AFTER more than 25 years' experience in the marine insurance industry, Clive Washbourn is an influential market figure at the centre of many of the industry's most significant debates. Playing a major industry role as chairman of the Joint War Committee, Mr Washbourn is also seen as one of the leading figures across the marine market through his work as head of marine with Beazley, whether in offshore energy, hull and machinery, cargo or, indeed, war. A respected figure in Lloyd's, his results are envied by many.

06 PETER TOWNSEND | SWISS RE

PETER Townsend has taken on the role of Joint Hull Committee chairman with gusto. He was passionate and outspoken at the International Union of Marine Insurance's annual conference in London this year, bluntly telling the blue ocean hull market that it was a laughing stock and that things had to change after 17 years of loss. When he joined Swiss Re in 2009, where he is vice-president, property and specialty, Mr Townsend returned to the underwriting side of the industry, having previously been head of marine hull at broker Aon. Before becoming a marine intermediary, he worked on Lloyd's marine syndicates for 22 years.

07 IAIN HENSTRIDGE | AMLIN

IAIN Henstridge has worked in the marine market since 1986, predominantly at Lloyd's. He joined Amlin in 2009, as leading class underwriter on marine hull and war, from Catlin, where he was the senior class underwriter for marine hull and war risks. Mr Henstridge spent 17 years underwriting marine hull at Catlin, where he developed the combined account to be one of the largest at Lloyd's.

08 MARK EDMONDSON | CHUBB

MARK Edmondson is now marine class underwriter at Chubb Syndicate 1882 at Lloyd's. He stepped down as chairman of the Joint Hull Committee during 2013, but chaired the JHC's catalytic fines working group, which released a comprehensive guidance paper for underwriters in September. His other positions include being a member of the Lloyd's Market Association Marine Committee and of Lloyd's Register's General Advisory and Classification Committees.

09 SIMON STONEHOUSE | BRIT INSURANCE

SIMON Stonehouse has more than 27 years' experience in marine underwriting, giving him a strong grounding in statistical research, analysis and risk management. He is well known in the international marine market and chaired the Joint Hull Committee before Mark Edmondson. Now, he chairs the JHC's risk assessment subcommittee and is a member of the Joint War Committee. Mr Stonehouse regularly speaks at industry events, where his insightful and well thought-out arguments often generate debate.

10 TOM BOLT | LLOYD'S

TOM Bolt, performance management director Lloyd's, has conducted a damning systematic review of Lloyd's marine hull account, concluding that neither pricing nor deductible levels had kept up with inflation. He followed up the findings with a presentation at the International Union of Marine Insurance conference in London, where he gave the audience in front of him a stern talking-to. Mr Bolt joined Lloyd's in September 2009, having previously been managing director of Marlborough Managing Agency.



All change at Nakilat

Al-Sulaiti replaces Ghannam at the helm of Qatari LNG shipping giant

THE gas shipping industry was shocked in early November when Qatar Gas Transport Co (Nakilat) announced a change of leadership for the first time in almost a decade.

Abdullah Fadhlah al-Sulaiti was promoted to managing director, taking over from Muhammad Ghannam, who had led the world's largest liquefied natural gas shipping fleet for nearly eight years.

Speculation about the change of leadership has been rife, some suggesting Mr Ghannam was pushed.

However, others said the new order reflected the company's drive to reinvigorate itself as it maintained its position as the world's leading transporter of LNG against competition from new entrants and from established rivals expanding their fleets.

Mr Ghannam remains with Nakilat, dispensing expert advice in the new managing director's office.

This, in itself, is enough to keep Mr

Ghannam in the top 100. His influence is sure to be behind major deals conducted by the company over the next year as the new incumbent finds his feet.

The dominance of the company over LNG shipping means it would be remiss to leave Nakilat out of a roll-call of industry power brokers.

Since it launched in 2004, Nakilat has expanded to own more than 50 vessels. Mr Ghannam has overseen the company's rapid development since March 2006.

The company likes to hammer home its reliability of supply and has this year signed a slew of long-term deals with key importers such as Japan and China.

Mr Ghannam's signature is on those deals, and on the July deal in which Nakilat secured \$662.4m of finance to expand the fleet of the joint venture it runs with Greece's Maran Ventures.

With all that experience, his new role is unlikely to be a silent one.



Muhammad Ghannam



Costamare recaptures Greek container crown

Konstantakopoulos has led company to new peak in fleet size, quality and efficiency

THIS was the year that Costamare, now with about 60 vessels in service and on order, recaptured the mantle of having Greece's largest fleet of containerships, held in the past few years by Danaos.

Neither company will be paying much attention to such data, as their priorities lie elsewhere.

As far as Costamare is concerned, the

company that pioneered a Greek presence in the containership charter market back in the 1980s has always emphasised profitability, sustainability and performance rather than size for its own sake.

Yet it is a milestone that encapsulates the company's continued growth during what has been an attractive period to invest.

Chairman and chief executive Kostis Konstantakopoulos has led Costamare to a new peak in terms of fleet size, quality and efficiency.

The past year has been one of the most active in Costamare's history. It has taken delivery of nine out of a series of 10 post-panamax newbuildings that are among the first of the new shallow-draught,



Kostis Konstantakopoulos

wide-beam eco-design container vessels worldwide.

The new ships will contribute more than \$1.3bn in revenues during their long-term charters to Mediterranean Shipping Co and Evergreen.

There have also been innovative new joint ventures to fund and manage the company's growth.

Costamare has entered into a joint venture with US-based investment firm York Capital Management to co-invest up to \$500m in buying container vessels in the next two years.

The innovative structure enables Costamare to choose the exact participation in each acquisition from a minimum 25% to

maximum 49%.

So far, it has chosen the high end of this range for its participation in two new 9,000 teu boxships ordered at Hanjin's Subic Bay yard and several secondhand acquisitions from the market.

In addition, it has forged a co-operation with V.Ships, creating a special cell within V.Ships Greece to provide technical management for a large portion of the Costamare containership fleet.

The move will offer a range of anticipated benefits to Costamare and could provide an umbrella for smaller Greek owners looking for efficient management solutions in and beyond the boxship sector.

US



058

WILBUR ROSS | WL ROSS

▲ 7

Ross ramps up shipping investments

US billionaire sets up first industry-specific fund to focus on shipping opportunities

WILBUR Ross isn't going anywhere.

The private equity billionaire may have initially been viewed by the shipping community as an interloper, a symbol of alternative investors coming in for quick returns amid industry upheaval, but 2013 is the year Mr Ross solidified his vision for future investments.

This year, WL Ross created its first industry-specific fund – a \$500m joint venture with Astrup Fearnley – that will concentrate largely on shipping opportunities.

Mr Ross already tapped those resources this year with his investment in dry bulk and will remain opportunistic in his future shipping investments.

“Because we intend to do a lot, we wanted a special vehicle to supplement our normal funds that invest in all kinds of things,” Mr Ross told Lloyd's List in October.

Betting on a recovery in the dry bulk sector, WL Ross joined Conti and Solus Alternative Asset Management this summer in a \$100m acquisition of eight China-built eco-friendly bulk carriers for Nautical Bulk Holdings.

At a recent Marine Money event, Scorpio president Robert Bugbee called



Wilbur Ross

the acquisition “fantastic” and referred to Mr Ross as the “comeback kid”.

This year also saw WL Ross' Navigator Gas go public with the offering of up to \$200m in common stock.

The company, described by Mr Ross as a “very bright spot from a business performance and a value” perspective, operates 30 fully- or semi-refrigerated handysize liquefied petroleum gas carriers.

The filing also provided the public with its first glimpse of the company's performance this year.

For the first six months of 2013, Navigator Gas generated \$102.8m in operating revenue, down from \$146.7m for the full year in 2012.

The company is sitting on \$86m of cash and carries a moderate amount of debt, worth \$502m.

Mr Ross' shakiest holding is Diamond S, a company that operates 40 vessels, due mostly to the fact that the turnaround in spot rates for suezmax ships is taking longer than expected.

“You never get every forecast right,” Mr Ross said. “Some will be better. Some will be worse. On balance, we are happy where we are and that's part of the reason why we continue to invest.”

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London Gateway opening marks another milestone for DP World

Chairman reins in box terminal operator on a course for expansion

LONDON Gateway's commercial opening in November marked another milestone for both DP World and its chairman, Sultan Ahmed bin Sulayem, as the £1.5bn (\$2.4bn) container hub and logistics park welcomed its first scheduled vessel.

Mr bin Sulayem is head of the Dubai-based container terminal operator, ranked fifth in 2012 for total volumes at 54.5m teu and fourth by equity throughputs at 33.4m teu.

Although DP World disposed of some non-core Hong Kong assets earlier in 2013, the group headed by the keen scuba diver and equestrian endurance rider remains on course for expansion. Hence his move from 61 to 59 in Lloyd's List's 2013 Top 100 roll call.

The signature 3.5m teu final phase London hub along the River Thames will be joined in the asset bank by DP World's joint venture Embraport facility in Santos, Brazil, which was set to become fully operational in the fourth quarter of 2013.

Equally important, Rotterdam World Gateway – in which DP World is partnering



Sultan Ahmed bin Sulayem was the visionary behind Jebel Ali

Mitsui OSK Line, Hyundai Merchant Marine, APL and CMA CGM – will bring 2.4m teu of handling capacity on the Dutch port's Maasvlakte 2 site.

At full operation, it will be able to handle 4m teu per year.

Mr bin Sulayem joined what was to become DP World in 1982 at Port Jebel Ali after graduating in the US, where he studied business administration, majoring in economics.

He was the original business architect and visionary of the success at Jebel Ali, a Middle East transshipment hub that handled 13.3m teu in 2012 and of the new terminal with 4m teu capacity set to open in 2014.

But it is not all about expansion. In June 2013, DP World extended the five-year maturity date of its \$1bn revolving credit facility at more attractive market terms by 12 months to the second quarter of 2018.



Oetker sees shipping deliver a star performance

Hamburg Süd now delivers more than 50% of total group turnover

OETKER Group makes both beer and frozen pizzas, a product range that should endear it to students everywhere.

However, Oetker is also an important player in shipping, particularly in Germany.

Its interests include Hamburg Süd, Brazil's Aliança and tramp activities branded as Rudolf A Oetker and Furness Withy Chartering.

Indeed, shipping proved a surprising

star performer among Oetker's diversified businesses last year, increasing its share of group turnover to 50% of the \$10.9bn total, up from 47.5% the previous year.

However, the privately held concern

chooses not to release profit figures.

Although merger talks between Hamburg Süd and Hapag-Lloyd have now been eclipsed by the negotiations between Hapag-Lloyd and Chilean carrier CSAV, observers believe that when the German lines were contemplating closer working relations, the strength of the smaller German line came to the fore. The Oetker family appeared to have the upper hand and this is among the reasons for the Oetker Group's elevation in this year's listing.

Holding company Dr August Oetker is based in the North Rhine-Westphalia town of Bielefeld.

Founder August Oetker acquired a local chemist's shop in 1891 and made a

The Oetker Group's entry into shipping dates back to the 1930s, when the family bought shares in Hamburg Süd, going on to take majority control

fortune from a proprietary brand of baking powder.

Today, the group owns 400 separate businesses. In a 2013 ranking of Germany's 500 largest family firms, it ranked 13th.

Its entry into shipping dates back to the 1930s, when the family bought shares in Hamburg Süd, going on to take majority control.

The dynasty is now led by August's great grandson, Richard Oetker, born in January 1951 in Bielefeld, who studied brewing and agronomics at Munich's technical university.

He is widely seen as the mastermind of the group's international expansion in recent decades.

Following a brutal kidnapping in 1976, which left him permanently injured, he is now a committee member of Weisser Ring, an organisation that works for victims of crime.

GREECE



061

NIKOLAS TSAKOS | TSAKOS ENERGY NAVIGATION

▲ 11

Tsakos' tanker standing rises

Shipowner has done more than most to educate investors and analysts in the industry

NIKOLAS Tsakos eases upwards in our rankings, both for his steady steering of flagship company Tsakos Energy Navigation (TEN) through the market crisis, as well as for his emergence as a key spokesman for the industry globally.

Still only 50 years old, the shipowner can claim to have practical experience of the capital markets in four separate decades and has done more than most to educate investors and analysts in the industry.

In 2013, TEN celebrated 20 years as a publicly listed entity. A forerunner, MIF, set sail on the Oslo Børs in 1993 and a few years later, the company was listed as TEN in New York, since when it has racked up more than \$1bn in net profits.

In the past two years, the company has dipped into the red as a result of the market doldrums that have sunk some competitors. But it has kept a tight grip and has accumulated cash for growth.

The operation has been strengthened by its debut in the shuttle tanker sector. Two suezmax tankers recently began work for Petrobras under charters that are worth a total of \$520m in revenues over the next 15 years.

The company is believed to be close to

winning another major long-term employment project with a European oil company and is expanding its footprint in the LNG business.

Lately, Mr Tsakos' considerable speaking talents have been used to deliver a robust message that the fundamentals of the tanker industry must change.

Sources at Intertanko confirm that, as one of the association's two vice-chairmen, more onus has been put on his shoulders of late in promoting industry positions.

In the 20 years of TEN's existence, Mr Tsakos

said recently, oil prices have increased five-fold, while the Dow Jones index has soared from 3,500 points to 15,000. During the same period, tanker earnings have sunk and operating expenses increased.

According to Mr Tsakos, as much as \$30bn has been lost by crude tanker owners in the past five years and changes are needed to an "archaic system" whereby an owner puts up millions of dollars to run a loss-making tanker and has to wait many months for remuneration.



Nikolas Tsakos rings the closing bell at the NYSE to celebrate the 20th anniversary of TEN's listing



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Buying at the bottom of the market

ER Schiffahrt drives Quayside Maritime Partners' joint venture with Bernhard Schulte

PERHAPS less well known than his older brother Bertram, 49-year-old Erck Rickmers is another scion of the Rickmers dynasty that can trace its history back five generations to a shipyard founded in Bremerhaven in 1834.

The younger Mr Rickmers' shipping interests include chairmanship of ER Capital.

The holding company owns ER Schiffahrt, an owning and management company with a fleet of 120 container, dry bulk and multi-purpose vessels.

It also owns ER Offshore, which manages 13 specialist ships for oil and gas transport and the KG house Nordcapital, which operates 140 closed funds in transport, energy and real estate, with a portfolio of around €6bn (\$8.1bn), and private equity player Equitrust. Nordcapital has not taken on new business in 2013 and it is for this reason that Mr Rickmers slides in the 2013 ranking.

Day-to-day control will, from the new year, rest with Jochen Klösge, a recent hire from Commerzbank, who is presumably seeking a new job, as his former employers have decided to pull out of the shipping industry.

Recent projects include Quayside Maritime Partners, a joint venture between ER Schiffahrt and Bernhard Schulte Shipmanagement, which was unveiled in August.

The joint venture plans to take advantage of the current historic low in vessel values, acquiring tonnage to sell on when the market recovers.

Erck Rickmers was born in Bremerhaven in April 1964 and educated at Louisenlund, a progressive boarding school. After military service, he served an apprenticeship at Reederei Ernst Russ and worked as a shipbroker in London.

He set up Nordcapital, in partnership with Bertram, in 1992, and has headed the business alone since 1996.

ER Schiffahrt came on the scene two years later.

Unusually in the shipping industry, Mr Rickmers holds centre-left political inclinations. From 2010, he served as a member of the Hamburg state parliament for the SPD, the German equivalent of the Labour party, prior to stepping down



Erck Rickmers

last year to concentrate on business interests.

He is married with five daughters and lives with his family in Hamburg.



Buono goes with the flow

SeaRiver boss keeps a low profile at ExxonMobil shipping arm

JACK Buono represents the global tanker elite, heading Houston-based SeaRiver Maritime, the shipping arm of ExxonMobil, the world's largest listed oil and gas company.

In an industry where cargo is king, ExxonMobil's 32 refineries and daily petroleum product sales of 6.2m barrels per day place the oil giant among world's top 10 charterers of crude and product tankers.

Mr Buono keeps a low profile at SeaRiver,

which was reorganised and restructured nearly two years ago.

He is also one of 11 members of the executive committee of the powerful and equally low-profile Oil Companies International Marine Forum, which runs the Sire ship-inspection programme, representing all the world's major oil interests.

ExxonMobil's chartering entity, the Delaware-incorporated, wholly owned

Standard Tankers, has scant financial details available.

Its last reported turnover was £1.36bn (\$2.2bn) for the year ending 2011, down from £2.4bn in 2008. The entity had a pre-tax loss of £122,820, its first time in the red for the past four years.

ExxonMobil is not listed directly as the shipowner of any substantial tonnage, as it charters vessels to meet its logistics needs.

However, SeaRiver is building two US-flagged suezmax tankers at Philadelphia's Aker shipyard, a Jones Act order that revived the shipyard's fortunes.

With 45% of ExxonMobil's refining capacity in the US and 30% in Europe, the oil giant has been well placed to benefit from changing commodity flows for refined products this year.

Crude liftings are mostly from the Middle East, West Africa and Mexico, according to analysis.

ExxonMobil also has a significant presence in the liquefied natural gas market via its partnership with Qatar Petroleum, which operates the world's largest LNG carriers and has a share in Australia's Gorgon project.

In May, ExxonMobil unveiled plans to build a \$10bn LNG export terminal from Texas that could ship as much as 15.6m tonnes of the liquefied gas, benefiting from the shale boom in the US that has reshaped seaborne wet markets in the past three years.

With 45% of ExxonMobil's refining capacity in the US and 30% in Europe, the oil giant has been well placed to benefit from changing commodity flows for refined products this year

MONACO



064

ROBERTO GIORGI | V. SHIPS

▼ 23

V. Ships and the virtues of shipmanagement

Sector's mouthpiece Giorgi has been rather quiet in 2013

V. SHIPS remains the posterboy for shipmanagement, and therefore it is an organisation to which many have to look for leadership about the Maritime Labour Convention, which came into force this summer.

Despite extensive trade media coverage about the challenges presented by MLC, V. Ships president Roberto Giorgi has been rather quiet this year, securing fewer press mentions in 2013 than in previous years, although he may not see that as a bad thing.

However, Mr Giorgi is never shy to speak at events about the virtues and challenges of shipmanagement, a sector that many believe is in its ascendancy, given shipowners' tendency to outsource operations.

Mr Giorgi has been president of V.Ships since 2005, but his career did start at sea, first as a cadet and then a deck officer with Italy's Sitmar Cruises, then owned by the Monaco-based Vlasov Group. V.Ships, a manning offshoot of Vlasov, was formed in 1984.

The charismatic Mr Giorgi has been responsible for launching the V.Ships involvement in the cruise sector, and building up the V.Ships shipmanagement operations from offices that have remained steadfastly in Monaco despite parent V.Group now being majority owned by the



Roberto Giorgi is never shy to speak about the virtues of shipmanagement

European branch of Canadian pension firm Omers.

Mr Giorgi was president of InterManager, the trade association for third-party

and in-house ship managers, from 2008-2010, and this year his biography on the V.Ships website points to him being a member of the board of directors of the Skuld P&I Club.



Chamber becomes more vocal but has yet to fulfil its potential

Morooka proclaims ‘false modesty is not a virtue’



Masamichi Morooka

INTERNATIONAL Chamber of Shipping chairman Masamichi Morooka goes up a few notches, simply due to the body he chairs becoming more outspoken — yet there is a feeling the ICS has yet to fulfil its potential.

Lloyd’s List has been impressed by the number of press releases it receives from ICS and with the vigour with which Mr Morooka and ICS staff push home the shipowners’ message.

Given the perceived lack of awareness of how regulations are impacting shipowners financially — with the risk that the regulations create unwanted and unforeseen consequences — it is no surprise to see Mr Morooka engaging in the debate over more reasoned legislation in the future.

A foil to legislative zeal is something the shipping industry needs.

Yet, to some extent, this is the safe route for Mr Morooka. As chairman of one of the most influential shipowners’ associations, he is in a position to forge closer collaboration with other owners’ associations, something that has failed to materialise in public.

When Mr Morooka became ICS chairman in the summer last year, he did so aiming to build awareness of ICS’ work among shipowners, saying “false modesty is not a virtue”.

There is no doubt this work continues, though it must be remembered that ICS is an association of shipowners’ associations; the shipowners themselves are not members.

This may be a problem, given that other organisations such as Intertanko, Intercargo, Interferry and BIMCO have direct shipowner membership.



Building a new future for Chinese state yards

Wenming drives CSSC to win recognition in the high-end market

MANY in the shipping industry were dismayed when John Fredriksen ordered a raft of capesize bulkers last December at Shanghai Waigaoqiao Shipbuilding Co, one of the stellar units under China State Shipbuilding Corp.

The order released the valve on what is now seen to be a budding recovery.

It is still too soon to tell whether the newbuilding euphoria — which started with the SWS orders — will be as rewarding

as investors predicted, but it is certain the CSSC yards have managed to reap some of the greatest benefits from the owners’ ordering binge.

With support of the state, quality CSSC yards — such as SWS, Hudong Zhonghua Shipbuilding, Jiangnan Shipyard, Guangzhou Shipyard International and Guangzhou Longxue Shipyard — were able to bag orders with narrow margins, quickly building up their edge in an increasingly

two-tier industry, in which a wedge is being driven between winners and losers for the next upcycle.

Although it is diversifying into the off-shore sectors like other top-tier Chinese shipbuilders, CSSC has not eased its pace in making breakthroughs in commercial vessel construction.

Hudong Zhonghua’s domestic predominance in large-scale liquefied natural gas carries has yet to face serious challenges



Hu Wenming

from compatriot yards and it is close to winning more orders for the Queensland Curtis project jointly operated by BG Group and China National Offshore Oil Corp.

SWS, via an intra-group transaction, clinched its first orders in 16,000 teu containerships.

The three newbuildings, contracted by sister company CSSC Shipping (Hong Kong) at \$130m each, to be chartered to CMA CGM, are a leap forward for China's shipbuilding industry, which has never before built box-ships larger than 10,000 teu.

This was said to be the original idea of Hu

Wenming, chairman of CSSC since August 2012.

Mr Hu was determined to help CSSC yards win recognition in the high-end market, starting a shipowning vehicle that can place orders on which no other shipowner would take a chance, after CSSC's own design met with lukewarm response at Posidonia 2012.

He joined CSSC from Norinco Group, one of China's largest ordinance makers. As shipping wakes up from protracted dormancy, one of his priorities will be to end the profit depletion that the company has endured since 2012.

DENMARK



067

CARSTEN MORTENSEN | NORDEN

▼ 1

Eco-ships champion puts Norden's money where its mouth is

Mortensen orders newbuilds, improves existing ships and gets involved in carbon disclosure

CARSTEN Mortensen has become one of the biggest supporters of the so-called eco-ship, as once again Norden enters the newbuilding market with a zeal that has shocked some.

The reasoning is, well, reasonable.

Shipyards prices are low, the yards are more willing to accept more complex orders that will lead to more fuel-efficient vessels being built, and Norden has always maintained a philosophy of operating a young fleet.

Norden is also in a good position to put its money where Mr Mortensen's mouth is. It is the envy of many owners, as it has substantial cash and credit reserves, and a good standing with its banks.

While it is a company comfortable with ordering new tonnage when some suggest such a move could exacerbate oversupply, Norden also looks to retrofit and improve tonnage it already has that would otherwise be difficult to operate efficiently when the global fleet composition begins to change.

Mr Mortensen is not only steering a very clean ship, he is doing so with a level of transparency that puts others to



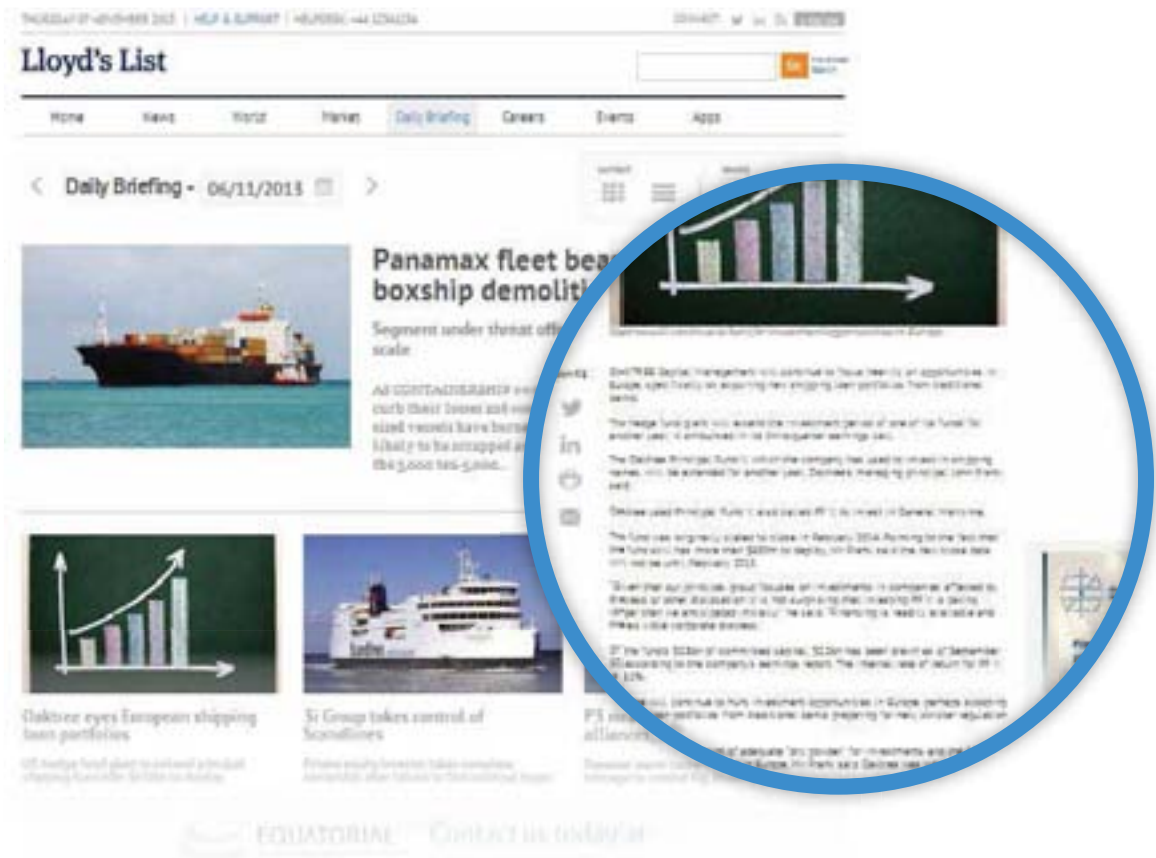
Carsten Mortensen has won high marks from supporters of CSR

shame. It has won high marks from supporters of corporate social responsibility and is one of the leading companies — and one of the very few ship-

owners — involved in the carbon disclosure project.

Mr Mortensen's Norden is just so squeaky clean.

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TOP TEN

Top 10 Classification societies

A new class of class is emerging



01

HENRIK MADSEN AND TOR SVENSEN | DNV GL GROUP

THE merger of DNV and GL positions the new entity at the top of the list this year, amid promises from management about strengthening its position and taking a leading role in the class debate. The merger of Det Norske Veritas and Germanischer Lloyd tells us a lot about the competitive nature of classification, but also about the changing roles the businesses are forging for themselves in shipping. The merger of the two IACS members means the remaining 10 member societies will see their annual fees to the IACS budget rise to meet the shortfall. Henrik Madsen is chief executive and Tor Svensen is joint head of maritime.

02

CHRISTOPHER WIERNICKI | ABS

THE US-based class society, led by chairman and chief executive Christopher Wiernicki, may be best known these days for its involvement in the US offshore sector, but that has to be put into context with its other businesses. It is shaping up to become the largest class society for offshore work in the Middle East. It is also seemingly the class society of choice when it comes to the largest boxships. Not only has it overseen the construction of *Emma Maersk* for AP Moller-Maersk, but also it still classes that fleet, as well as the new 18,000 teu vessels being delivered.

03

NOBORU UEDA | CLASS NK

CLASS NK, with chairman Noboru Ueda at the helm, is still going strong and growing, but has been pipped by the GL DNV merger. The uncertainty surrounding the investigation of the *MOL Comfort* casualty has also made an impact. The class society has made a point previously of highlighting the number of vessels transferred to ClassNK from its competitors, 514 in 2012, representing 16.6m gross tonnes. It made a show of signing over tonnage in Hamburg, home of GL in 2012 and again in Oslo this year, home of DNV.

04

RICHARD SADLER AND TOM BOARDLEY | LLOYD'S REGISTER

STEADY work over the year has led to the promise of great things in 2014 now the marine office has shifted to Southampton and is now more closely linked to the university there. Richard Sadler is chief executive and Tom Boardley is maritime director.

05

UGO SALERNO AND ROBERTO CAZZULLO | RINA

HOLDING the International Association of Classification Societies chair for the year in which IACS finalises the harmonisation of its common structural rules has helped the Italian classification society

Rina to build up its presence in this list. However, the role of IACS chair is only for one year. Rina's chairman and chief executive is Ugo Salerno, while Roberto Cazzullo is chief operating officer.

06

DIDIER MICHAUD-DANIEL AND PHILIPPE DONCHE-GAY | BUREAU VERITAS

THIS year, Bureau Veritas has remained somewhat steady. However, this is no bad thing, given the volatility of the market. Didier Michaud-Daniel is chief executive and Philippe Donche-Gay is head of maritime.

07

SUN LICHENG | CCS

THE growth of a Chinese cabotage fleet is of huge benefit for the China-based class society, which still needs to win friends overseas. A seeming resurgence of the country's shipbuilding activities is also helpful to the class society, led by president Sun Licheng. The recent bonus of oil major BP issuing it permission to perform a condition assessment programme on tankers over 15 years old is further proof that this class society has come of age.

08

PAVEL SHIKHOV | RUSSIAN REGISTER

THE Russian Maritime Register of Shipping, with Pavel Shikhov as chief operating officer, has focused on strengthening its Arctic position, but is this enough? Russia seems to rely on its extensive ice-class experience, which although very strong, is not unique in a market that sees many sectors look for risk assurance. The Arctic arena is beginning to get crowded with consultancy services offering expert advice and although Russia has a home advantage, the competition from other class societies in this potentially lucrative area is getting intense.

09

CHON YOUNG-KEE | KOREAN REGISTER

FOR its numbers alone, Korean Register of Shipping sits in the top 10, although the reports of job cuts and a paring down of activities does not bode well. Long-standing KR president Oh Kong-Gyun has retired, with Chon Young-Kee taking the post as chairman and chief executive. Next year, will see the results of this new management and restructuring will show whether the KR house is in order.

10

ARUN SHARMA | INDIAN REGISTER OF SHIPPING

THE Indian Register of Shipping has been making strong ground recently and seen in IACS circles as the dark horse. Of the smaller IACS members, this is the one some insiders are saying we should watch. Arun Sharma is its chairman and managing director.



Tough times hit shortsea shipping and ferry pair

Future prospects look hopeful for Stena duo Olsson and Hagman

DAN Sten Olsson slips in this year's top 100 ranking, reflecting the hard times confronting all north European operators involved in shortsea shipping.

Stena Bulk and Concordia Maritime, the listed division operating in the tanker markets, has also suffered from poor trades.

Yet there are indications that this dip in Mr Olsson's standing in the Lloyd's List top 100 may be a temporary aberration.

Stena Line chief executive and Stena Sphere director Carl-Johan Hagman has begun to make his mark in the business and more is expected soon.

Mr Hagman has been tipped to take over from Mr Olsson in the main operations of the business in the future.

Stena Bulk's involvement in the biofuel trade is likely to come to fruition as it broadens its early scope on long-term arrangement with oil majors — and that diversity may help the company in future.

For Stena Line, the struggling ferry operator in north Europe facing the tough challenge of a switch to low-distillate fuels, a programme to trial methanol as a marine fuel may become a big winner if all goes well.

Mr Hagman has a tough job to do — but if he is to step into Mr Olsson's shoes, he will have to do well.

He is a well-respected Swedish shipping business man and the belief is that if anyone can do it, he can.



Dan Sten Olsson



Georgiopoulos braced for 2014 balancing act

Embattled industry veteran survives 2013 without filing for bankruptcy

ALTHOUGH Peter Georgiopoulos survived 2013 without a bankruptcy filing, 2014 will be a balancing act as the high-profile industry veteran battles on two fronts.

On the dry bulk side, Georgiopoulos' Genco Trading & Shipping continues to face the risk of a debt restructuring next year as a \$55m amortisation payment looms.

The landscape for the discussions has changed, after agent bank DnB Nor Bank ditched its exposure to the company's credit facility to a group of alternative investors.

As that process unfolds, Mr Georgiopoulos will also need to navigate General Maritime through new negotiations with its bankers, while undertaking a \$950m fleet acquisition from Maersk Tankers.

It is a hefty lift, for sure, but the chairman of the two companies has not been counted out by industry insiders.

Scorpio president Robert Bugbee predicted during a conference in November that Mr Georgiopoulos would be the "comeback kid," as dry bulk rates improve.

As for Genco, the company's stock has been on a rollercoaster ride this year — starting in January at \$3.58, riding the surge in dry bulk spot rates in September to \$4.70, then dropping down to the \$2.30 level in November.

During that time, the dry bulk operator successfully negotiated with its lenders to extend covenant waivers and push off all amortisation payments until next year.

That move, which required Genco to prepay \$100m in debt, created breathing

space for the company to battle depressed shipping rates.

Mr Georgiopoulos is also credited with coming through Genmar's Chapter 11 filing quickly and with remaining at the top of its corporate structure — although shipping hedge fund giant Oaktree Capital Management owns 98% of that company's equity.

Whether he can pull off the much-anticipated equity raise and tankers acquisition remains unclear, but Mr Georgiopoulos has proved, especially this year, his ability to battle through adversity.



Peter Georgiopoulos has been tipped as the 'comeback kid' when dry bulk rates improve.

GERMANY



070

MICHAEL BEHRENDT AND ULRICH KRANICH | HAPAG-LLOYD

▼ 5

Succession planning at Hapag-Lloyd

CSAV talks revealed as Behrendt and Kranich prepare to retire



Michael Behrendt and Ulrich Kranich

HAPAG-LLOYD'S Michael Behrendt and Ulrich Kranich are both retiring in the coming year, which leaves several key issues about the future of the German line to be resolved.

Mr Behrendt will be succeeded as chairman of the executive board by Rolf Habben-Jansen, chief executive of AP Moller-Maersk's forwarding group, Damco.

Mr Kranich, who has been with Hapag-Lloyd for 38 years, is a member of the executive board and was appointed chief operating officer in 2008.

He will be replaced by Anthony Firmin,

who joined the Hamburg line nearly two decades ago.

Neither retirement is a surprise.

Both Mr Behrendt and Mr Kranich extended their contracts for a year when it looked as though Hapag-Lloyd might combine with Germany's other major carrier, Hamburg Süd, to create the world's fourth-largest container line.

However, talks broke down at the beginning of the year, apparently after Hapag-Lloyd shareholder Klaus-Michael Kuehne made demands that were unacceptable to the

Oetker family, which owns the north-south specialist.

Then came news in early December that Hapag-Lloyd was in talks with Chile's CSAV, another north-south carrier. If that resulted in a full merger, the combined line would rank number four in the world, with a fleet of almost 1m teu.

In the meantime, Hapag-Lloyd remains in the hands of local Hamburg investors — and prospects for an initial public offering in 2014 are receding, given still-uncertain prospects for the container shipping trades.

Despite a relatively quiet year until the CSAV news, Hapag-Lloyd is a highly respected line that has tried to lead the way in rate-restoration efforts. It won Containerisation International's Shippers' Choice Award for 2013.

Mr Behrendt has been the public face of Hapag-Lloyd since 2002, when he was appointed executive chairman. He will join the supervisory board after a year's break.

Mr Kranich is less well known outside the world of container shipping but insiders regard him as one of the most knowledgeable executives in the business, with an in-depth knowledge of the container shipping trades.

His election as chairman of the exclusive Box Club in March 2012 is proof of the high esteem in which he is held by industry peers.



RightShip proves its point

Controversial vessel-efficiency index defies the sceptics

WHEN the vetting group RightShip announced in 2012 it had developed a vessel-efficiency index that charterers could use to select the best tonnage, there was general scepticism in the industry; many argued the initiative was a waste of time.

Critics questioned how a methodology designed for newbuildings could apply to the existing fleet.

RightShip was created by tonnage charterers for charterers as a way to select the safest and soundest ships available. And chief executive Warwick Norman now feels the organisation has proved its point.

Applying a tool to select fuel-efficient tonnage, whether for altruistic motives to reduce CO₂ emissions or for the basic fuel-saving implications, was a natural step, Mr Norman says.

However, RightShip amounts to a lot more than its environmental benchmarking



Warwick Norman

efforts. The main focus is, of course, on vessel-quality vetting.

The next move for RightShip is to use Big

Data to predict which vessels will be more at risk of problems or poor performance.

The move may again be a controversial one. However, RightShip is seeking to win shipowners' hearts and minds, particularly when it comes to Greek owners with a heavy focus on dry bulk.

It has revised its vetting procedures to improve information sharing, particularly from owners who may want to redress deficiency comments, thus making the vetting process more transparent.

Although RightShips has been around for 12 years and is an established player in the drive for quality shipping, it still has a mountain to climb.

Then again, Mr Norman has form when it comes to climbing mountains. This year, he trained to take part in a charity trek to conquer Africa's highest peak, Mount Kilimanjaro.



Brussels trio keep a check on shipping

Commissioners Almunia, Kallas and Hedegaard have regulatory clout

THERE is no doubt about the regulatory weight of the European Union.

It is perhaps the biggest fundamental threat to the idea of a level playing field that most international shipowners' associations advocate.

At times, however, it is a threat to itself, given the instances where various directorates appear to challenge each other to be master of European shipping.

During 2013, Joaquin Almunia's competition authority looked into issues of

European state aid, having taken control of that from elsewhere in the commission, with a notable focus on shipping's tonnage tax regimes.

For now, it has deemed it wise not to interfere with shipping too much, but shipping never trusts a happy legislator.

Its attentions may now turn back on to the liner trades, as they fall under suspicion for collusion over rate fixing.

Meanwhile, on the environmental agenda, Europe is working a lot more

closely with the ideals of the International Maritime Organization as it develops the means by which ships — and thus shipping as a whole — can measure fuel consumption. (For fuel consumption, read measuring CO₂ emissions, then reporting and verifying these measurements.)

The question is, to what end?

Connie Hedegaard, who holds the carefully worded job title commissioner for climate action, is responsible for ensuring that industry and society are pulled in the



Connie Hedegaard, Joaquín Almunia and Siim Kallas

same direction into a world with lower CO2 emissions.

It has been her insistence that, should the IMO continue to stall and fail to draw up a suitably robust market-based measure, the European Commission will continue to work on a regional alternative.

The means to monitor fuel consumption and therefore CO2 emissions is being developed by the Commission, with a view to sharing this with the IMO.

However, if the IMO stalls again in its discussions and the two organisations are no longer in agreement with each other, then the threat of regional action becomes real once more.

Meanwhile, Siim Kallas and the transport directorate have perhaps

been shipping's main European allies. The reworking of the Ten-T infrastructure projects and the support that he and his directorate are now showing for new technologies to meet tough emissions challenges have been welcome moves.

Shipowners are finding that providing they know how the European funding system works, they can get support to install scrubbers, participate in projects to trial methanol as a marine fuel and look at liquefied natural gas as a fuel.

All three directorate heads have a fundamental and important role to play in shaping European shipping, acting as the carrot and stick of European policy.



Diversification aids Capital rise

Football strongman Marinakis is seen as a heavy hitter capable of major deals

In his native Greece, Evangelos Marinakis is known primarily as the strongman behind the country's dominant football club, Olympiacos; in shipping, he is identified mainly as chairman of a Nasdaq-listed company, Capital Product Partners. But that is only part of the story.

Mr Marinakis' private shipping group, Capital Maritime — the sponsor of the publicly listed company — is a financially strong entity in its own right.

At mid-2013, it had total assets of close to \$1bn and net debt was recently put at 23% of the fleet's market value. It privately owns and operates five tankers, two bulkers and two boxships and it has been in the vanguard of Greek companies clinching highly competitive eco-vessel orders, spanning three different market sectors.

Its substantial newbuilding programme includes six high-specification medium range chemical product tankers and three wide-beam 9,100 teu container vessels. Options could extend the programme even further.

Recently, Capital has also been linked with significant capesize and newcastlemax dry bulk carrier orders.

In the past two years, Mr Marinakis has masterminded the transformation of Capital Product Partners from a product tanker specialist into a diversified outfit, with the necessary secure cashflow to support one of the industry's more attractive levels of return to investors.

A key deal in this respect was the 2013 acquisition of five Hyundai Merchant Marine-chartered containership newbuildings from the private Capital Maritime fleet.

The group has not only created a pipeline of possible acquisition opportunities to feed its publicly listed affiliate in future, but has also supported it by becoming a key charterer.

By all accounts, the commercial acumen embedded in Capital Maritime has ensured that both public and private entities win from the relationship.

Group company Capital Ship Management is rated as a top shipmanager and this is reflected in the calibre of many of the group's outside charterers, prominent among which is BP Shipping.

Mr Marinakis is seen as a heavy hitter among Greek owners and it is nice to report that he has been using his influence and



Evangelos Marinakis

financial strength for good purposes. Already an active supporter of numerous Greek and international charity and humanitarian projects, he recently teamed Olympiacos with Unicef to raise money for, and awareness of, the need to vaccinate children.



Vitol taps arbitrage flows of crude and products

Independent oil trader keeps its shipping activities close to its chest

THE world's largest independent oil trader is driven by arbitrage flows, which are becoming more important in tanker shipping for shaping new trade routes and increasing tonne-mile demand.

Vitol shipped 261m tonnes of clean petroleum products and crude oil on nearly 5,500 voyages last year and is said to have about 10% of the physical tradeable market, estimated at about 90m barrels per day.

Privately held Vitol closely guards its shipping activities and makes strong efforts to prevent its fixtures reaching the market.

Even though the oil trader is the biggest user of product tankers and mostly hires ships on the spot market, the Clarkson database of tanker fixtures registers just

five for this year. The global fleet of product tankers will ship more than 800m tonnes of refined products this year, while crude volumes are estimated at about 1.9bn tonnes, showing the commanding position in which Vitol operates.

Along with coal and iron ore, the two commodities are the biggest seaborne volumes.

Vitol is benefiting from the emergence of the US as a net exporter of refined products as shale gas reduces energy costs, increasing refiners' competitiveness.

Combined with new refineries opening in the Middle East, refined products need to be shipped even greater distances to market and the profits to be made from the

voyages are at the heart of Vitol's shipping business. Head of shipping Paul Thomas is overseeing 12 new eco-design medium range product tankers, ordered in 2011, of which four have been delivered so far this year.

They will be operated by Vitol's shipping arm, Mansel Shipping, in a joint venture with South Africa's Grindrod.

Vitol is also employing six product tankers from newly listed Ardmere Shipping.

If its influence was not already wide enough, Vitol is also a presence in physical bunker supply through V-Marine, launched in March.

The oil trader bought the Cockett Group the year before.



Former Bourbon chief continues to prosper

Chateauvieux maintains interests in shipbuilding, gas and dry bulk

JACQUES de Chateauvieux has kept a low profile in 2013, after announcing last December that he was stepping down from the board of Groupe Bourbon for unspecified personal reasons.

He has prospered, nevertheless, if the annual "rich list" published in French business magazine Challenges is anything to go by. His fortune is estimated at €800m (\$1.1bn), up 32% on 2012.

Le comte Jacques d'Armand de Chateauvieux, to give him his full title, was born on February 13, 1951, on the French

Indian Ocean possession of La Réunion, and is fluent in the local creole.

A graduate of business school l'Institut Supérieur de Gestion, the physically diminutive Chateauvieux later secured an MBA from New York's Columbia University.

Early jobs included positions with airline Union des Transports Aériens and Boston Consulting Group.

At 28, he took over Bourbon, then a Réunion-based sugar concern co-founded by his father, and utterly transformed the company, with moved into retail, then into

maritime services. After a Paris listing in 1998, Bourbon established itself as number two player globally in offshore support, with other activities including bulk transport and towing.

While no longer involved day-to-day, Chateauvieux still holds a 26% stake through his Jaccar Holdings vehicle.

A father of six by his wife Caroline, the devout Catholic makes no secret of adherence to the religious order Opus Dei, and is said to prefer watching rugby with his sons to dining out in swanky Paris restaurants.

Jaccar — the name is an uxorious contraction of Jacques and Caroline — is involved in shipbuilding in China in partnership with Sinopacific Shipbuilding Group and in France, Nigeria and Vietnam through a 45% stake in Chantiers Piriou.

It also owns what was once Eitzen Ethylene Carriers, now rebranded Evergas, and has ventured into gas and dry bulk through its wholly owned Singapore subsidiary, Greenship Holdings.



Jacques de Chateauvieux

US



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TOM CROWLEY | CROWLEY MARITIME

▲ 24

Titan establishes its position among the salvage elite

Salvor hit the headlines battling to right the capsized *Costa Concordia*

TOM Crowley was a new entrant in the Lloyd's List Top 100 last year, coming in at number 100 in the list of most influential people in shipping.

His inclusion recognised the fact that Crowley Maritime subsidiary Titan Salvage, in partnership with local contractor Micoperi, had just landed the biggest wreck-removal contract ever awarded, to remove the capsized *Costa Concordia* cruiseship from the Italian coast.

At that stage, there was plenty of uncertainty over whether Titan could succeed in righting the ship. Twelve months later, it is clear it has made tremendous progress.

The last year has demonstrated Titan is among an elite handful of salvage companies that can handle emergency response or wreck-removal work involving the new generation of very large vessels in service, whether a passenger liner or containership.

During the year, the US Jones Act company also ordered up to eight product tankers to be built by Aker Philadelphia that have an option to be fuelled by liquefied natural gas, a first for this type of ship.

At the helm of Crowley Maritime is Mr Crowley, one of the few US nationals in the Top 100. He leads a diverse group, whose activities range from container shipping and logistics to product tankers,



Tom Crowley

shipmanagement, harbour towage and salvage.

Events of the past year have pushed him well up the rankings.

Mr Crowley is the scion of a shipping family whose interests date back to the late 19th century. He was just 27 when he succeeded his father as head of the company and has reshaped the group over the past two decades to build a broad-based portfolio.

He is now a member of the Box Club and on the board of the Washington-based World Shipping Council.

Mr Crowley regards family ownership a distinct advantage in shipping, enabling him to make long-term decisions that could not be justified on a short-term basis.

That is why Titan was able to accept the *Costa Concordia* contract when most public companies would have regarded the work as far too risky.



Diana is epitome of dry bulk steady ride

Palios has stuck to his game plan

WHILE Simos P. Palios comes down a few rungs in our league table this year, that is more a reflection of the list-compiler's inevitable preference for fireworks, rather than anything very negative on the horizon for his company, Diana Shipping.

Diana has been the epitome of a steady ride through the dry bulk cycle and has the strongest balance sheet among US-listed dry bulk companies.

The past year has seen the company slip into the red as it felt the brunt of the market doldrums.

However, the owner retains more than \$300m in its war chest for further purchases and has made recent all-cash acquisitions that can be leveraged to increase available funds.

Mr Palios and his team have stuck solidly to a pre-announced game plan, picking up relatively modern vessels in ones and twos

throughout the industry slump, and at a measured pace that is intended to ensure assets are obtained at a decent average price, rather than at any point betting that a trough has been reached.

In the first 10 months of 2013, the company vacuumed up another five bulkers from the market, as well as inking a shipbuilding contract for two newcastlemaxes, taking the fleet on to 40 ships, including units still to be delivered.

As Mr Palios has articulated, the management still considers that acquiring tonnage offers investors the best bang for their buck and analysts expect the owner to continue on the acquisition trail for at least another year, while mulling the timing of reinstating a dividend payment.

Kudos also goes to Diana for being reliably pessimistic about the outlook for the industry and so far it has not been proved wrong.



Simos P. Palios

Mr Palios' most recent assessment is that 2015-2016 is the earliest realistic time frame for a proper recovery and analysts are likely to pay special heed to the first sign of a sunnier mood from this bearish pundit.

He is also chairman and chief executive of boxship offshoot, Diana Containerships.



Dynamic year for Norwegian entrepreneur

Sveaas sees two Scandinavian shipping businesses active on the Oslo exchange

THIS has been a dynamic year for Christen Sveaas, even if it may have not been as profitable as he would have liked. He is not a man to stand in the spotlight of his shipping activities, relying on his management teams to do that.

Through his fully owned investment firm Kistefos, the Norwegian entrepreneur has influential stakes in two

Scandinavian shipping businesses, namely Gothenburg-based Transatlantic, with its Denmark-based division Viking Supply Ships, and Oslo-based Western Bulk.

Both businesses have been active on the Oslo exchange, either through a new listing, or bond issues.

Transatlantic, listed on the Stockholm exchange, continues to suffer, having seen

freight rates in its shortsea operations plummet, leading to continuing losses.

The offshore supply ships division has not fared much better, as it too suffered a lengthy period of poor rates in mild winters.

Mr Sveaas gained control of Transatlantic through a merger of his Norwegian privately owned business

Viking Supply Ships with the Stockholm-listed one when the latter was ailing and was in need of equity.

He has subsequently forged a new Viking Supply Ships and, as far as is known, is awaiting the right time to list the division separately in Oslo.

Meanwhile he has brought in Henning Jensen, Kistefos managing director, as chief executive of the main shipping operations of Transatlantic.

Little has changed over the year with Transatlantic. The company is undergoing a restructuring programme that may see it sell off some of its shortsea business divisions, and Mr Sveaas is likely to have to step in once more with equity as the process continues



Christen Sveaas

and the company uses the markets to secure more cash.

It has been Western Bulk that has pushed Mr Sveaas into the Lloyd's List top 100 this year. The re-listing in Oslo this year was heralded as the first of many on the exchange. The company operates a fleet of young, competitive Japanese-built bulk carriers.

The take-up was not what Kistefos and the Western Bulk management team had hoped for, but that was likely due to the unique operating structure of the company, which is focused on hedging charter risks.

So while Mr Sveaas has seen his shipping businesses become more active over the year, he may have more to do to realise the full potential of his investments.

GERMANY



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TORSTEN TEMP | HSH NORDBANK

▼ 9

Temp leads groundbreaking Navios warehousing deal

HSH Nordbank is back in the shipping game, albeit more modestly

THE once and future king of shipping banks may be down, but it certainly isn't out.

HSH Nordbank was among the major casualties of the shipping industry downturn and ceased lending altogether in 2008.

However, it resumed activity three years later and remains in the game, albeit at a level far more modest than that seen in glory days before the collapse of Lehman Brothers.

"You know, shipping is a good business. Any kind of asset-based finance is a good business," its head of shipping Torsten Temp told Lloyd's List earlier this year.

"The markets will come back to being stable again."

This year has seen an innovative warehousing deal with Navios Group, in which Angeliki Frangou's company took on 10 distressed vessels on extremely favourable terms.

Mr Temp hopes to secure more such arrangements.

Currently the bank's shipping book reportedly runs to €27bn (\$36.5bn), of which €17bn remains with the core bank. The remainder has been hived off to its restructuring unit.



Torsten Temp: shipping is a good business

The number of vessels financed has fallen, from 3,200 in 2010 to just 2,400 today.

Torsten Temp was born in Wilhelmshaven in Germany on May 20, 1960.

His academic background combines philosophy and Germanistik, a discipline that evades precise translation, but which includes German literary studies, history and linguistics.

He also holds a qualification in the rather more down-to-earth area of freight forwarding.

Mr Temp spent his early career with logistics major Kuehne+Nagel, moving on to various forerunners of HypoVereinsbank, which was acquired by Italy's UniCredit in 2005.

Within two years, he was responsible for the parent concern's shipping activities, and moved to HSH in 2010.

Mr Temp is married and has three children. He lists his leisure activities as listening to classical music, playing golf and reading non-fiction books, particularly books on history.



Spectacular comeback from Pappas

Dry bulk owner joins Oaktree in more than \$1bn of new shipping investments

ONE way and another, Petros Pappas was one of the most prominent personalities in shipping worldwide during 2013.

Altogether, the past year and a half have represented a spectacular comeback for a shipowner who sold almost his entire fleet in the early stages of the dry bulk boom.

Widely regarded as an astute owner, he has also demonstrated patience in waiting for the right time to reinvest in the industry. Judging that the moment has arrived, since 2012 he has been involved in well over \$1bn of new shipping investments.

Most eye-catching has been a partnership with the world's biggest hedge fund manager, Oaktree Capital Management, to build and acquire vessels in three different sectors.

Oceanbulk Shipping, representing the partnership, has placed orders for up to 10 capesize and newcastlemax bulk carriers of new eco design with top shipbuilders in Japan and China, along with up to 10 ultramax and one kamsarmax bulker.

Oceanbulk has also acquired about half a dozen modern secondhand capesize and supramax bulkers.

Beyond the deal with Oaktree, Mr Pappas has also placed orders for one further capesize vessels and one kamsarmax newbuilding.

Outside his traditional dry bulk focus, he has linked with Oaktree to order post-panamax containerhips and acquire product tankers from the market.

A new venture, Product Shipping & Trading (PST Tankers), has quickly amassed a fleet of 14 vessels.

Although he may have been quiet in shipping for several years, evidence of Mr Pappas' top-tier status is everywhere.

He was able, for example, to attract former Jefferies head of shipping Hamish Norton as Oceanbulk Carriers' chief financial officer and head of corporate development.

Similarly, as the quiet but influential chairman of Nasdaq-listed Star Bulk Carriers, he was able to lure Athens Stock Exchange head

Spyros Capralos as chief executive.

Star Bulk has been re-energised lately by several orders for newcastlemax, capesize and ultramax vessels, and has attracted some heavy-hitters as investors, including Oaktree.

Mr Pappas is well and truly back in the game.



Petros Pappas



Sami sorts the wheat from the chaff

Association has grown to include 176 private maritime security company members

THE Security Association for the Maritime Industry has been extremely vocal and active in representing its members since it was launched in April 2011 and founder Peter Cook has been the figurehead for this.

Last year, Mr Cook was a new entry in the top 100 at 19, marking the exponential growth of the private maritime security industry.

When Sami launched, Mr Cook hoped it would attract 35-50 members. Last year, its

membership stood at 180. Today, it has 176 private maritime security companies as members and some 30 industry, equipment and technology affiliates.

Last year, Mr Cook said the first 12 months of trading had been a success but the second would be about separating the wheat from the chaff.

Sami has certainly had to work harder to remain a relevant force to its membership – it

is no longer a single buoy of credibility to help PMSCs to stay afloat.

The need for regulation has opened other avenues of representation for PMSCs.

One blow for Sami last year was the International Maritime Organization decision to give the mandate to create an international standard to the International Organization for Standardization.

However, Sami fully supports that decision

and Mr Cook was a representative on the drafting committee.

One decision that may have worried Sami this year is BIMCO's move to open its doors to PMSCs as associate members.

It is unclear whether this move, or a similar one mooted by the UK Chamber of Shipping, will have a negative impact on Sami's membership numbers.

A focus for Sami this year has been its work at the IMO, where it is seeking to secure observer status. Whether Sami is successful or not is crucial to how the association will be perceived, both by its members and by the wider industry.



Peter Cook

One decision that may have worried Sami this year is BIMCO's move to open its doors to PMSCs as associate members

CHINA



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REN YUANLIN | YANGZIJANG SHIPBUILDING

▲ 2

Yangzijiang powers on as larger, older shipyards struggle

Yuanlin has an uncanny ability to spot opportunity

IN 2012, Ren Yuanlin joined the top 100 list, nominated for his outstanding business acumen in navigating Yangzijiang Shipbuilding through an industry blizzard that had toppled several players, most of them bigger and older than his Jiangsu-based yard.

In the past year, Mr Ren has built on that achievement. Yangzijiang continues to outshine its competitors with resilient profitability and remains popular with western shipowners.

Yangzijiang is one of the top-tier shipyards to benefit from a rebound in the newbuilding market, which started late in 2012 and is largely underpinned by the eco-ship craze.

In the first three quarters of 2013, it secured 52 contracts worth \$2.1bn and \$2.54bn worth of options.

Many of the orders are for ultramax, kamsarmax and newcastlemax vessels that burn less fuel while offering extra cargo-carrying capacity.

The Singapore-listed company has maintained a gross profit margin for shipbuilding well above 20% since the onset of the downturn, a remarkable achievement, given how far newbuilding prices have fallen.

Its net profits have suffered only marginally

— incredible in an industry swamped in red ink — thanks to its involvement in non-core sectors, including securities investment, micro finance and shipbreaking.

Executive chairman Mr Ren is a pragmatic and shrewd entrepreneur who foresaw that a protracted crisis was under way, fortified his business for the headwinds and was quick to grasp opportunities as they emerged.

Yangzijiang aims to become “an integrated

marine-service provider” based on diverse income sources.

With an edge in dry bulk and container-ships, the shipbuilder is close to winning its first batch of liquefied petroleum gas carriers.

Yangzijiang has also set up shipping and shipmanagement firms and, while enjoying high returns on its financial investments, is also dabbling in real estate by redeveloping former yard sites.



Ren Yuanlin has been quick to grasp opportunities as they have emerged

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TOP TEN

Top 10 Shipbrokers

Heavy hitters hope their world is turning from famine to feast

01 ANDI CASE | CLARKSONS

AS THE world's biggest shipbroker, Clarksons dominates all shipping sectors. The 131-year-old company has a presence in 16 countries, its 36 offices employing nearly 1,000 people worldwide. Shipbroking revenues exceeded \$232m in the 2012 financial year, a three-year low, and 35% less than the \$355.7m reported for the 2008 market peak. Clarksons, where Mr Case is chief executive, leverages its unrivalled access to major cargo and owner interests to build industry-leading intelligence in energy and minerals commodities flows.

02 JOHN WELHAM | SSY

ESTABLISHED in 1880, Simpson Spence & Young is another traditional London-based shipbroker, and the world's largest independent. Its global influence in determining market rates and values is evident by the prominent role of SSY brokers serving as panelists, contributing to all but one of the Baltic Exchange's indices. SSY's strength lies in its dry cargo division, with more than 110 staff across 13 offices. As a private, conservative company, SSY is among the lowest-profile of the top 10.

03 JAMES KIDWELL AND DENIS PETROPOULOS | BRAEMAR

LONDON-LISTED Braemar's shipbroking division Braemar Seascope, which employs nearly 290 people worldwide, reported revenue of £46.63m (\$76.6m) for the year to February 28, 2013. However, the next six months of 2013 saw earnings from its technical services division eclipse shipbroking, as the strategy to expand its salvage, ship agency and other related services started to pay off. After several years in Singapore, executive director Denis Petropoulos has established Braemar's Far Eastern footprint. James Kidwell is chief executive of Braemar Shipping Services.

04 MICHAEL TUSIANI AND STEVEN GARTEN | POTEN & PARTNERS

POTEN'S New York base and US focus equate to close connections with the world's largest energy and gas companies, including ExxonMobil, the biggest listed major, and Chevron. Nearly 70 staff are employed at its Third Avenue offices and it has a presence in London and the shipping centres of China, Greece, Singapore, Australia and Houston. Chairman Mr Tusiani, who has been with Poten since 1973, stepped down as chief executive this year, to be replaced by Mr Garten.

05 PETER ANKER | RS PLATOU

OSLO-BASED RS Platou Shipbroking, led by managing partner and chief executive Peter Anker, traces its roots back to 1936, its chartering and sales and purchase division augmented by investment banking

services and project financing teams. The shipbroker packs the most punch in its finance division, where it has had more success than rival Clarksons in securing business as equity raising increased this year.

06 TIM JONES | BARRY ROGLIANO SALLES

PARIS-BASED Barry Rogliano Salles has wide influence, both in wet and dry shipbroking. Chief executive Tim Jones' contacts in industrial ore shipping are extensive and impressive and the Geneva and Dubai-focused tanker team wins clean products business from oil majors shipping into Europe and Asia. BRS also has interests in AXS Marine, a web-based tool for charterers, and Alphaliner, an information platform for the liner industry.

07 PETER KERR-DINEEN | HOWE ROBINSON

ABOUT 100 brokers work for this 130-year-old London bastion of shipping, which moved its head office to Singapore in 2009, as it followed the cargo — and the business — to the Far East. The privately held broker is the third-largest shareholder in the Baltic Exchange, after Clarksons and Embiricos Shipbrokers and, like SSY, prefers to stay under the radar. It's chairman is Peter Kerr-Dineen.

08 NIGEL RICHARDSON | EA GIBSON

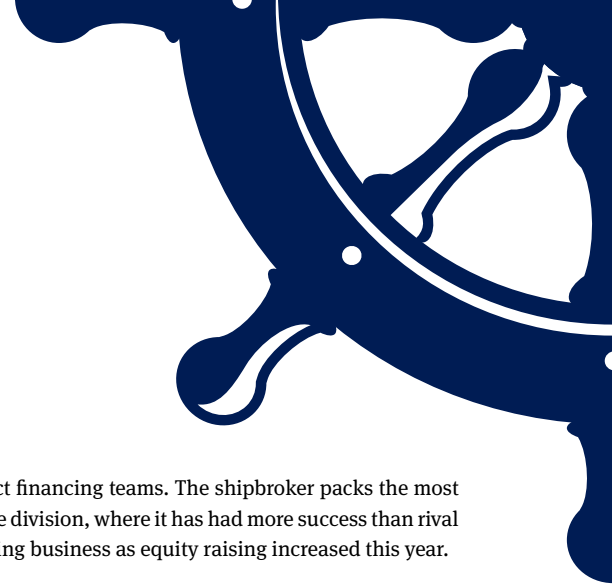
FROM its origins in UK coal shipping in the 19th century, EA Gibson has a forged long-time involvement in tanker broking and has more than 160 staff. Gibson is a subsidiary of London-listed energy services provider Hunter and posted revenues for the last financial year of around \$45m. Managing director Nigel Richardson has spent more than 30 years at Gibson, rejuvenating its clean and dirty tanker divisions and establishing the shipbroker in the LPG and LNG sectors.

09 JOHNNY PLUMBE | ACM SHIPPING

DIVERSIFICATION from ACM Shipping's tanker shipbroking base has paid off for the London-listed company, led by executive chairman Johnny Plumbe. It branched out to gas and dry bulk shipbroking during the market downturn and extended its outreach to Australia and Dubai in recent years. ACM Shipping has focused on rebuilding its sale and purchase desk, now its fastest-growing sector.

10 JOHN BANASZKIEWICZ | FIS

THE outspoken co-founder of 11-year-old FIS, John Banaszkiwicz has, at times, injected controversy and energy into the conservative world of shipbroking. His background at Cargill International meant his focus in broking was on risk management and the commoditisation of shipping, and it led the way in dry freight derivatives broking and later commodities swaps.





Non-shipowner takes the helm at Intercargo

Platsidakis represents a fleet of more than 1,000 bulk carriers worldwide

JOHN Platsidakis has the distinction of being the first non-shipowner to serve as chairman of the international dry cargo owners' association, Intercargo.

A banker by profession, he spent a decade as a ship financier with the Bank of America before joining a major Greek shipping company in 1987.

Since 1989, he has been with the mighty Angelicoussis Group and has done an extraordinary job securing bank finance for the group.

Even in the recent depressed banking market, he has been highly successful at sourcing finance for the owner.

He was instrumental in negotiating last year's biggest debt facility, a \$1.3bn syndication led by Citi, Commonwealth Bank of Australia, Credit Suisse, Deutsche Bank, DNB Bank and Nordea to finance nine liquefied natural gas carriers for delivery between 2013-2015.

He has also put together deals with China- and South Korea-based institutions to support the group's newbuilding programme.

As managing director of Anangel Maritime Services, the dry bulk arm of the group, he has been a stalwart of Intercargo for some time, ascending to chairmanship of the association last year. Here, he represents a fleet of well over 1,000 bulk carriers worldwide and is emerging as an influential voice in the industry at a time of considerable challenges.

High among his concerns is the spate of losses and seafarer deaths associated with cargo liquefaction, particularly involving nickel ore cargoes loaded in Indonesia.

Lamenting shipping's lack of public clout, he has been publicly sceptical about some measures mooted for tackling emissions from ships.

He is also going in to bat for the industry over corruption among port state control inspectors in some countries, and is heading a drive to press tardy flag states to circulate casualty investigation reports within a reasonable time frame.



John Platsidakis



Swashbuckling captain steers Clarksons through the storm

Case keeps profits steady while almost doubling his company's share price

ANDI Case has segued from top-dog shipbroker to chief executive of the world's largest shipbrokers with ease as he starts his sixth year at the helm as chief executive of Clarksons.

Appointed at the height of the shipping

super-cycle, just months before a market collapse, Mr Case has navigated Clarksons so successfully though the turmoil that the listed company has nearly doubled its share price in the past year, while revenues and profits have stayed steady.

Described as "looking the part of a swashbuckling shipbroker" and "well-fed, with long unruly hair, expensive shirt unbuttoned" in a profile by an English national newspaper, Mr Case keeps a low profile and doesn't seek headlines.

With his annual salary plus bonuses seen nudging £4.5m (\$7.3m) in past years and £2.7m in 2012, Mr Case is also one of the highest-paid shipbrokers in the world.

Clarksons, with market capitalisation of £392m, claims to have increased market share during the downturn and is poised to benefit from lifting freight rates and asset values.

The shipbroker leverages its size to capture market intelligence, a significant focus across its operations, helping Clarksons in its aim to dominate in every shipping sector.

Its investment banking arm, Clarkson Capital Markets, appears on steadier footing after a restructuring, while losses have also

slowed at Clarkson Securities, which trades derivatives, with staff trimmed to reflect lower futures volumes.

Like many of the larger shipbrokers, Clarksons is looking to diversify its revenue base from shipbroking, which, during this year's first half, provided 82% of money received.

The 161-year-old shipbroker's November purchase for £12.7m of a specialist tools supplier to the industrial maritime and offshore sector expands its port services division.

Clarksons has more than 1,000 staff in 34 offices worldwide, and reported shipbroking revenues of \$232m in 2012, down from \$263.4m the prior year.



Andi Case

CHINA



085

ZHANG YE | SHANGHAI SHIPPING EXCHANGE

▼ 12

Shanghai exchange on expansion path

President Zhang aims to ensure SSE is a foundation for other benchmarks and services

SHANGHAI Shipping Exchange president Zhang Ye introduced the Shanghai Containerised Freight Index to the world in 2009, and it has since grown rapidly to become the most widely quoted index of box rates from China.

Mr Zhang has been busy in 2013 ensuring the SSE is not a one-note success, but a foundation for other benchmarks and services. The first derivatives trade based on the SCFI was settled three years ago.

While the SSE Freight Co's box index is the most liquid in the world, daily trading volumes have fallen to 1,000 lots compared to 50,000 lots in the first six months of operations.

Part of the reluctance on the part of traders is the extreme volatility of the index, reflecting the wild ride that rates have undergone this year.

The box index has been successful enough to prompt the Baltic Exchange to set up an office to manage client relationships in Shanghai in September.

Meanwhile, the SSEFC, which has been assessing dry bulk and tanker trades for some time, has faced criticism that it began the assessments before it was ready to challenge the Baltic Exchange.

The SSEFC's contract for trading Chinese coastal coal cargoes from Qinhuangdao began trading in October, with 45,000 lots of derivatives settled on its first day. It will take some time to determine whether the monthly contracts are a success.

Unlike other products traded on the Baltic or the SSE, the coastal trade contracts are traded in yuan and targeted at physical traders and end-users, rather than banks and speculators, as participants need to carry out shipping services when their contracts are settled.

These days, the voluble Mr Zhang is definitely on the expansion path. In February,

he said he planned to set up a dollar trading contract in Hong Kong for box derivatives. But the announcement of the Shanghai Free Trade Zone has caused him to set his sights on his home town instead.

Mr Zhang, a delegate of the Shanghai Municipal People's Congress in addition to his SSE duties, has received a range of accolades, including those of Shanghai Municipal Leading Talent, Hongkou District Leading Talent and Top 10 Finance Leaders in Shanghai.

He was also included in the Top 100 Most Influential People in Shipping by Lloyd's List in 2010, 2011 and 2012.



Zhang Ye has been busy in 2013 ensuring that the SSE is not a one-note success



Saverys takes majority control of CMB

Saverco extends control over Bocimar and Euronav

MARC Saverys has wielded his power this year, taking majority control in October of the Compagnie Maritime Belge group — and thus the affiliated bulk carrier operator Bocimar and listed very large crude carrier specialist Euronav — ensuring his place among shipping's elite power brokers.

Mr Saverys' vehicle Saverco, in which he has an interest of 99.6%, has built its shareholding in CMB to 50.16%.

He has been no stranger to ship finance deals either, CMB signing a \$300m senior secured reducing revolving credit facility last December to refinance current debt and part-fund six handysize newbuildings on order in South Korea for delivery in 2013 and 2014.

Success breeds success. The bulk carrier unit Bocimar booked a small profit of \$5.4m in the third quarter, after a loss-making first half.

The company has expressed optimism for a dry bulk recovery — something on which many experts agree.

You get the impression, however, that Mr Saverys is in the business for love. He graduated in law from the University of Ghent in 1976 and from there joined the chartering department of Bocimar.

In 1985, he set up the dry bulk division of Exmar and, after a change of control in 1991, became managing director of CMB, a position he still holds.

He has been chairman of the board of Euronav since its incorporation in 2003. The company has admittedly been struggling, due to weak tanker freight markets.

Not satisfied with keeping it simple, he holds various directorships in companies that belong to the CMB and Euronav groups and is chairman of Delphis and a board member of Sibelco and Mediafin.

On top of that, he is founder and chairman of the private foundation Durabilis.

Mr Saverys is busy man indeed.



Marc Saverys



Competitive chairman weathers a difficult year

Ueda aims for growth at ClassNK and defends its standing after the MOL Comfort loss

FOR Noboru Ueda, the respected chairman of ClassNK known for his competitive personality, this has not been a good year.

The formal merger of Det Norske Veritas and Germanischer Lloyd means ClassNK has now yielded the crown as the world's largest class society.

The rank might be just a name to some, but apparently not to Mr Ueda.

ClassNK has already set itself a target

to retake the top position from the DNV-GL group in two to three years.

The Japanese class society, which had 215m gt under its class as of end-May, plans to add around 10m gt per annum on a net basis in the coming years.

ClassNK has forecast 80% of the growth coming from newbuildings and the rest from other classes.

It plans to increase the proportion of overseas clients to at least 50% from the current

level of 40%, by targeting owners in Europe and the US.

However, ClassNK has more urgent matters on hand besides expansion: to amend its reputation as a certifier of large containerships.

MOL Comfort became the largest boxship lost at sea when it split in two off Yemen without any known collision on June 17, then sank in the following weeks.

The 8,110 teu, 86,692 gt vessel was one of



Noboru Ueda

six same-type ships that Mitsubishi Heavy Industries built for Mitsui OSK Lines in 2007-2008, classified by ClassNK.

At that time, the series was hailed as the first using high-tensile strength steel, jointly developed by MHI and Nippon Steel under ClassNK's standards.

ClassNK has maintained that the six ships' design and plan approval process were fully compliant with house rules and the International Association of Class Societies regulations.

However, it found deformities measuring about 20 mm in height on the bottom shell plates in the sisterships' midship areas.

Reinforcement work has already been carried out.

It is not yet known whether the deformity could have triggered the casualty, or whether it is related to the steel.

ClassNK, MHI and MOL are still investigating, with technical assistance from Lloyd's Register.

However, such a casualty does not usually end well for parties involved. When the investigation is completed, interested parties could launch lawsuits to limit their liabilities.

ClassNK's reputation has been hit, but the worst might not be over yet.

UK



088

JEREMY PENN | BALTIC EXCHANGE

▼ 5

Baltic Exchange rejuvenates its benchmarks

Penn revamps indices for capesizes, panamaxs and supramaxes

JEREMY Penn joined the Baltic Exchange in 2003 with almost no shipping knowledge. Ten years on, he is the exchange's chief executive, vice-chairman of Maritime UK and treasurer and director of Maritime London.

This year, the exchange has taken important steps to rejuvenate its benchmarks.

Mr Penn said over time, the ships that form the basis for the benchmarks have become out of date, prompting the exchange to update the information it has on vessels and on routes.

"The benchmarks must reflect the reality of the market," he said.

The project is close to concluding with capesizes and hopes to add updates to panamax and supramax. By the end of next year, all the indices will be significantly revamped.

Following the London Interbank Offered Rate or Libor scandal, Mr Penn has also held discussions with the International Organisation of Securities Commissions and the European Union, looking at their guidelines for producing benchmarks.

He believes the market is moving into a more regulated world.

Mr Penn sat on the steering group for the inaugural London International Shipping



Jeremy Penn believes that benchmarks must reflect the reality of the market

Week. Speaking before the event, which has been viewed as a success by the industry, he said London had perhaps been less effective at promoting its position than some other cities.

"LISW is an opportunity for London to redress the balance and showcase the complete, integrated suite of services available in what remains the leading global city on so many fronts," he said.



Blystad backs start-up shipping bank

Norwegian tycoon's venture offers mortgage services to second-tier owners

ARNE Blystad is one of Norway's richest men, with a fortune estimated by a local business magazine at Nkr10bn (\$1.6bn) prior to the shipping downturn.

A scion of a shipping family, his businesses today represent the proud continuation of those founded by his father, Mr Blystad Sr, in the late 1940s.

The younger Mr Blystad rose to prominence in his own right in 1986 when, with his brother Wilhelm Pihl Blystad, he tried and failed to buy Anders Jahre's Kosmos, then the largest shipping company in Norway.

Deeply in debt, Mr Blystad moved to the

US and rebuilt his fortunes, returning to his native country around the turn of the century again a rich man.

His shipping assets are held through the Singapore subsidiary, Songa Shipping, and Oslo's Blystad Shipholding, though he is also involved with Saga Shipping, Spence Energy and Offshore Heavy Transport and has smaller stakes in several offshore and energy businesses.

This year he has been in the news as one of the backers of a start-up shipping bank that will offer mortgage services to the kind of second-tier owners that established lenders now turn away.

Blystad has a 30% stake in Maritime and Merchant Bank in Oslo, although that represents a small investment for the time being.

M&M is initially capitalised with \$6m, probably enough to fund the application process to become a registered bank, and has a target capitalisation of about \$300m through an initial public offering next year.

More recently, Mr Blystad interests picked up two 2009-built chemtankers, increasing the size of the fleet it controls to 14.

Born in January 1955, Mr Blystad is married to Marianne Heien Blystad, a lawyer.



Alleged pirate still under arrest in Brussels

As three-pronged approach deter attacks, 'reformed' piracy figurehead is down but not out

LLOYD'S List has included a named pirate in the top 100 since 2010, when Garaad Mohammed, a pirate who gave an exclusive interview to Lloyd's List, ranked seventh in the Top 100.

Mr Mohammed fell in the rankings over the next two years and this year he is replaced by Mohamed Abdi Hasan, better known by his nom de guerre, Afweyne.

However, the position of pirate figurehead has dropped significantly in the Top 100 rankings, Afweyne edging in at the end of this year's list.

This is because piracy levels have dropped to a seven-year low: the last successful attack in the Indian Ocean took place April 2012.

The reason for this is certainly not because pirates have lost interest in hijacking

vessels and crew for ever-increasing ransom payments.

Success boils down to the so-called three pillars of anti-piracy: international naval efforts, best management practices and use of armed guards on commercial vessels.

The spate of attacks in the region late this year highlights how the three approaches have worked together to deter attacks.

Although successful prevention is positive, the attacks hit home the point that pirate action groups remain active and have only failed to hijack a vessel over the past 19 months because of forcible preventive measures taken by the shipping industry and by naval forces.

We have chosen Afweyne to represent

Somali piracy this year as he has certainly been the most prominent pirate personality of the last 12 months.

According to piracy expert Michael Frodl, Afweyne reinvented Somali piracy for the 21st century.

Mr Frodl says the former Somali government official spent 10 years studying how opportunist groups were not making enough money and figured out how to professionalise piracy.

Publicity around this year's Hollywood blockbuster Captain Phillips put piracy on the map for the general public and helped Belgium to lure Afweyne with the promise of another film, this time one that would showcase his life and new status as a self-proclaimed "reformed" pirate.

Although Afweyne remains in the hands of the authorities in Belgium, the business model he created continues to exploit chinks in shipping's armour.

Thus the alleged pirate, whether reformed or not, perfectly epitomises the status of piracy today: down but not out.

Next year, Lloyd's List may have to include a representative for piracy in West Africa, where the level of attacks on shipping shows no sign of improving.

The position of the piracy figurehead has dropped significantly in the top 100 ranking because piracy levels have dropped to a seven-year low



091

SHINJIRO MISHIMA | JAPAN MARINE UNITED

JAPAN

NEW

Japan Marine United emerges from consolidation to record a bumper year

Chief executive Mishima takes advantage of reduced costs and enhanced capabilities

INDUSTRIAL officials have long called for consolidation in the fragmented Japanese shipbuilding industry, which has sometimes struggled to compete with larger rivals in South Korea and China.

However, few have put words into action and pursued large-scale merger and acquisition activities.

Japan Marine United is an exception. The shipbuilder is the merger of the yard operations of IHI and JFE, two Japanese industrial conglomerates.

The two companies reached agreement in early 2012 after nearly four years of negotiation, and formally launched the entity this January.

Now Japan's second-largest shipbuilder by capacity, JMU has been able to reduce costs in purchases of raw materials due to a larger operational scale.

It has also enhanced capabilities in participating in larger projects, engineering and product development of more ships.

Led by president and chief executive Shinjiro Mishima, JMU has enjoyed a bumper first year. The shipbuilder has picked up orders of all sorts amid the recent newbuilding recovery.

According to Clarksons data, JMU has so far this year secured orders for 54 bulk carriers, including 30 capesize vessels and other smaller ones, two very large crude



Shinjiro Mishima

BLOOMBERG

carriers, two car carriers and two general cargoships.

The future prospects are bright for the Japanese yard. With most of its slots filled for the next two years, JMU has shifted its focus to higher-margin orders.

It is particularly seeking to cater to demand for large boxships and liquefied natural gas carriers.

Moreover, JMU is banking on the offshore sector at home and abroad. Its Keihin yard has been a production base for platform

supply vessels. For larger projects, it has teamed up with IHI, one of its parents, and engineering firm JGC to buy a 25% stake in Brazil's Estaleiro Atlantico Sul.

The Suape-based yard has trouble producing ships due to a lack of technical expertise but holds a large orderbook of seven drilling rigs, 12 suezmax tankers and eight aframax.

JMU could be the partner to help the Brazil-based yard to realise its full potential.



Tanker owner Nobu Su sails a sea of troubles

Flamboyant TMT boss declines to bow to bankruptcy

THE arc from bubble to bankruptcy has been negotiated with typical flair by Taiwanese tanker owner, Nobu Su, who chairs Today Makes Tomorrow.

Portions of the hard assets affiliated with TMT — 17 ships, all under individual companies — have been under US bankruptcy court protection since June.

The vessels include seven 320,000 dwt oil and ore carriers, one very large crude carrier, one 276,000 dwt bulker, one cape-size bulker, one 84,000 dwt bulker, three handysize bulkers and three 27,200 dwt car carriers.

Mr Su's problems with his tankers and other vessels are familiar to many owners in the tanker sector, which is vexed by overcapacity.

As his Taiwan-based bankers began to seize his vessels in ports around the world,

Mr Su opened a unit in Houston, Texas and two weeks later filed for court protection under US Chapter 11.

The ships are now operating again under court supervision, after Mr Su put up a substantial portion of his own fortune for collateral.

Meanwhile, several of Mr Su's ships that were unable to operate sat for some time at anchor while the crew remained unprovisioned and unpaid.

The master of one, the 320,000 dwt *A Whale*, which was stranded in Suez for months, went public and aired the distress of his crew.

Eventually, funds freed by the Texas judge were used to pay the crew.

At the moment, it is impossible to tell whether Mr Su will re-emerge from his troubles, but stranger things have happened in shipping.

Meanwhile, with each uptick in the VLCC market, like the one ongoing in November 2013, Mr Su moves closer to making his business viable again.

Ever flamboyant, Mr Su has hardly been bowed during his scrape with receivership.

The owner claimed to have made losses of \$1bn when Royal Bank of Scotland cleared forward freight agreements for TMT in 2008.

"I find it extraordinary that the new leadership of RBS is refusing to conduct a full investigation into the way RBS handled my company's affairs in 2008," Mr Su said earlier this year.

When contacted, RBS said it had not received a claim. "It appears that these are the same claims that were settled, along with the bank's counterclaims, nearly a year ago on confidential terms," it added.



Class warrior champions the cause of IACS

Boardley leads debates on ship design and structural standards

TOM Boardley undoubtedly helped to raise the profile of the International Association of Classification Societies during his year as chairman.

The marine director of Lloyd's Register handed over to Rina's chairman Roberto Cazzulo in July, but he made sure during his term in office that classification societies were included or consulted in any debate on ship design or structural standards.

And rarely have the certification bodies had a busier time, with a new generation of mega-size containerships entering service and many more on the drawing board that bring new challenges to those responsible for ensuring vessels are fundamentally seaworthy.

Yet questions still have to be answered about, for example, *MOL Comfort*, a modern 8,100 teu boxship that split in two while

sailing across the Indian Ocean, both halves then sinking.

Owner Mitsui OSK Lines appointed Lloyd's Register as its adviser during the investigation. The ship had been classed by another society.

LR chief executive Richard Sadler and Mr Boardley remain a central figures in the ship classification world.

Mr Boardley was also very involved

in London International Shipping Week, designed to showcase the UK's maritime industry.

He is an active member of the UK Chamber of Shipping and tipped to have a high-profile role if, as expected, London hosts another such event in 2015.

Tom Boardley undoubtedly helped to raise the profile of IACS during his year as chairman



Tom Boardley is a central figure in the ship classification world



Good year for oil and shipping man

During the past year, bunkering giant Aegean has expanded its network to the US east coast

FROM its origins in 1991, Dimitris Melissanidis' Aegean Group has evolved from a domestic presence in Greece to become an international player in the fuels and shipping business.

The past year has been a good one for the self-made tycoon. His Aegean Oil retail chain of 550 petrol stations in Greece consolidated market share and he led a Greek-Czech consortium that succeeded in buying a one-third stake in the national betting franchise OPAP, a jewel in Greece's stumbling privatisation programme.

However, it has been his flagship Aegean Marine Petroleum Network that has caught the eye.

An indication of Mr Melissanidis' clout was the luring of heavy Wall Street hitter Peter Georgiopoulos after AMPNI's initial stab at going public foundered in 2006.

With Georgiopoulos as chairman, but the founder as largest shareholder, the company got the job done the following year and has been growing ever since.

It now claims to be the world's largest physical supplier, with nearly 60 double-hull tankers and about 30,000 supply operations each year.



Dimitris Melissanidis

The group is said effectively to be extending monthly credit to Greek owners of about \$1bn.

Currently it has a global presence in 21 markets around the world and has also entered into a strategic alliance with an offshoot of Sinopec to extend its reach to China.

A recent deal expanded Aegean's footprint for the first time to the US, where it is acquiring the bunkering business of Hess along the east coast.

The move will surely be a platform for further expansion in North America. Hess is the largest supplier of bunker fuels on the east coast, serving about 300 customers, ranging from bulk carriers to cruise lines, and averaging about 1.8mtonnes annually in sales.

Lately, the company has been able to negotiate new revolving credit facilities of \$1bn, significantly boosting its financial flexibility and underpinning its growth ambitions. In the process, AMPNI added no fewer than eight new institutions to its banking group.

The group's own tanker company, Aegean Shipping, has just been certified by Lloyd's Register to four international management system standards as it prepares for an expansion of its fleet of tankers.

Activities also include a shipping agency division and the Hellenic Environmental Centre, which provides oil residue solutions for ships in Greek ports.



Manila reforms courses to avert Brussels ban on Filipino crew

Marina improves training, certification and watchkeeping for would-be seafarers

WHEN will the European Maritime Safety Agency make a decision about the quality of Philippines maritime education?

It has been two years now since Emsa visited the Philippines to audit its maritime colleges and threatened to impose a blanket ban if schools there were unable to improve on Standards of Training, Certification and Watchkeeping.

Maximo Q Mejia, now head of the Maritime Industry Authority known as Marina, replaced Nicolas Conti, following a preliminary visit by Emsa in April.

A decision by the European regulatory body was expected by October, but Lloyd's List understands it has been deferred.

It is crucial for the Philippines to avoid a blanket ban that could be imposed on accreditation of Philippines maritime graduates on European-flagged vessels.

The country supplies more seafarers to the world fleet than any other and is an important source for jobs in a nation that – despite

healthy growth reported in 2012 and expected for 2013 – is still poor.

The Philippines' maritime bureaucracy underwent dramatic reorganisation under President Benigno Aquino in 2012, giving some, but not all, responsibility to Marina for overseeing quality in Philippines maritime colleges.

The government has also closed several maritime academies deemed to be below standard.

Mr Mejia is the man appointed to finish the job and Marina's expanded powers should give him the clout to do so.

An academic, Mr Mejia was most recently head of maritime law and policy at the World Maritime University in Malmö, Sweden, where he has taught since 1998.

Earlier in his career, he was seconded to the Office of the President from the Philippines Navy to act as deputy executive director of a special taskforce on maritime development.



Maximo Q Mejia

Among his achievements are a law and diplomacy masters degree from Tufts University in the US and a master of science in maritime safety at WMC.

He graduated with merit from the US naval academy at Annapolis, Maryland.



Leading a stellar Greek line-up

Fafalios strives for greater safeguards for industry and, particularly, seafarers

NOW serving his second term as chairman of the Greek Shipping Co-operation Committee, Haralambos Fafalios heads a particularly starry line-up of Greek personalities at the body that has been in existence for more than three-quarters of a century.

As in the past, the committee likes to emphasise that it maintains close ties with the Union of Greek Shipowners and

generally the two organisations present a united front on domestic and international issues.

That does not mean the chairman is without strong individual views, or that the committee has failed to carve out its own niche.

Hailing from a leading Chios shipping family that has been active in the business since the 19th century, Mr Fafalios

is revered for his historic knowledge of maritime affairs and the nitty-gritty of the business, particularly in the dry cargo market.

Brother Dimitris Fafalios chairs the International Association of Dry Cargo Shipowners (Intercargo) technical committee.

With such a background, Mr Fafalios is way of factors that fuel too much new



Haralambos Fafalios

ordering of ships and other mistakes that have been responsible for more than one shipping market crisis in the past.

He has also been effective in using his position at the committee, and on a seat at other influential fora, to draw

attention to industry problems and ills. He is especially concerned about the plight of seafarers. As such, he has been highly active in urging a more effective response to piracy and the escalating dangers they face in West Africa.

Mr Fafalios has also agitated for more effort to overcome the spectre of tragic losses recently caused by cargo liquefaction. "Not enough is being done," he says.

He is also scathing about more general safety issues and some emerging environmental legislation.

"We are not comfortable with the EU's position on vessel recycling and will make our position very clear on a subject that could severely damage the maritime sector," Mr Fafalios wrote in the committee's 2012-2013 annual report.

"One may talk about higher standards in shipping, but constructionally the levels are falling, as ships seem to be less than fit for purpose... The IMO Gold Standards and the IACS Common Structural Rules must be used to raise the robustness of ship design, not bring it down to the lowest common denominator."

HONG KONG



097

ERIC IP | HUTCHISON PORT HOLDINGS

NEW

Ip move up at Hutchison

HPH poised to have new managing director

ERIC Ip is a new entry to the top 100 list. At the end of December, he will take over from John Meredith as managing director of Hutchison Port Holdings.

In 2012, HPH was the world's second-busiest container terminal operator in terms of teu throughput on an equity basis, with volumes of 44.8m teu.

Mr Ip, who graduated from Coventry University in the UK, is currently deputy group managing director of HPH, an executive director of Hutchison Ports Holdings Management, which manages Hutchison Port Holdings Trust, and chairman of Yantian International Container Terminals.

He has more than 30 years of industry experience and has spent the past 20 years within the Hutchison group.

Mr Ip will probably remember 2013 as a year of industrial action. In September, hundreds of crane operators downed tools in Yantian International Container Terminal for three days.

This followed a major 40-day crane operator and stevedore strike at HIT Container Terminal in Hong Kong, which is jointly operated by Cosco and Hutchison Port Holdings Trust.

The strike began in March and is estimated to have caused a 20% drop in throughput at HPH Trust's Hong Kong operations during the second quarter.

HPH's new and expanded bases include an additional berth each at Westports Malaysia and Lazaro Cardenas in Mexico and two new berths in Sydney, as well as additional capacity in Huizhou, China.

This year has also seen HPH Trust buy Asia Container Terminals Holdings for HK\$3.9bn (\$503m) from joint owners Dubai-based DP World and Singapore-based PSA.

Mr Ip appears to share Mr Meredith's concerns about the deployment of ultra large container vessels.

Mr Ip has said in the past that big investments would be necessary to enable

ports to receive megaships and yet the economic returns to those ports were not obvious.

What really matters to terminals is volume of containers, not the number or size of vessels, said Mr Ip.

"As far as I am concerned, I would rather evenly distribute my resources instead of focusing on one ship and trying to work faster," he said.

Ip has said in the past that big investments would be necessary to enable ports to receive megaships and yet the economic returns to those ports were not obvious



Shrewd businesswoman keeps Contship in the pink

One-to-one discussions with customers keep supply chain partner on track



Cecilia Eckelmann-Battistello

CECILIA Eckelmann-Battistello is famous as the pink lady, from the colour of a former fleet of container vessels, but also as a shrewd Italian-born businesswoman who shattered the glass ceiling in the world of shipping.

As head of Contship Containerlines — later sold off — she ordered ships in the fleet to be painted hot pink and other vivid hues and the trucks that belong to Contship Italia's inland transport arm Sogemar are now also painted bright pink.

Contship Italia group has a range of container port interests in the Mediterranean and is linked with Eurogate, the German container terminal operator headed by her husband, Thomas Eckelmann.

In September, European shortsea and feeder operator Unifeeder swooped on Mediterranean specialist United Feeder Services, where Mrs Eckelmann-Battistello is chairwoman.

She said at the time: "UFS has developed a large presence in the Mediterranean feeder market.

"Building a comprehensive network of services from Iberia to the Black Sea, we have

served clients with many different requirements and built a reputation as a reliable feeder operator.

"UFS brings significant experience and knowledge into the future relationship with Unifeeder that will benefit both companies."

Core business Contship Italia is an integrated supply chain partner, involving marine terminals, inland dry ports, train operations and logistic services.

Customer focus have been the watchwords throughout Mrs Eckelmann-Battistello's career.

"One-to-one discussions with our customers provide the opportunity to exchange information, updating each other with the latest developments in the industry," she says.

"It is vital for us, being based in Italy, that we continue to improve our understanding of the challenges that our valued customers continue to incur so that we, in turn, can prepare to support their needs in Italy and beyond."

In Italy, despite the travails of the nation's economy, Contship continues its development plans for all of the maritime terminals and for the intermodal transport segment.



German owner proves he can hang on in there

Offen weathers a stormy year

IT WASN'T a great start to the year for Claus-Peter Offen, who famously purchased his first ship at auction in 1971 and went on to become one of the world's largest boxship

tonnage providers.

Despite this, he has proved his ability to hang on in there.

In January, bankers asked his Reederei

Claus-Peter Offen concern to sell 14 containerships ranging in size between 1,800 teu-2,800 teu, at that point fetching around \$6,000 per day, only one-third of what was

required to cover outgoings. Earnings have improved since then, but only by around 20%, which leaves them well short of breaking even.

Mr Offen remains unabashed, arguing that his 40 or so post-panamax boxships are all on secure long-term time charter up to 2023, leaving him well-placed to ride out the downturn.

In June, he settled a dispute with CMA CGM over an order for five 12,600 teu ships, placed on the understanding that the French carrier would charter two and buy the other three.

In the event, he agreed to upsize the vessels to 16,000 teu, allowing the parties to come to terms.



Claus-Peter Offen

The following month, Mr Offen ruled out the forced sale of six panamax containerships owned by a distressed KG fund in which he has an interest, known as the Santa P fund, although he admitted that market prospects for the vessels, which range in size from 4,839 teu to 4,922 teu, remain bleak.

Born in Bavaria in 1943, Claus-Peter Offen is the son of shipowner Emil Offen. He was apprenticed straight from school at Hamburg shipbroker Carl Bock and worked in shipping in London and Paris as a young man.

As well as the boxships for which Reederei Claus-Peter Offen is best known, he has, since 2008, also had a finger in the product and chemical tanker pie.

GLOBAL



100

SEAFARER CHARITIES |

NEW

Final shout for seafarer support

Welfare groups provide a vital service

BEHIND every seafarer is a support network. This year's top 100 pays tribute to the vital role of seafarer charities in supporting crews and their families.

From caring for the victims of piracy and providing assistance to crews stranded in foreign ports, to raising money for seafarer families in the wake of a catastrophic typhoon in the Philippines, these organisations step in during times of need.

The largest international charitable port-based welfare service is the Mission to Seafarers. Founded in 1856, it offers care for crews in more than 260 marine terminals in 71 countries and is entirely funded by voluntary donations.

Its Flying Angel seafarers' centres have communication rooms with wi-fi that allow seafarers to keep in contact with their families.

Meanwhile the Sailors' Society, formed in 1818, has been celebrating 195 years of maritime social welfare this year. It serves the modern shipping industry through port chaplaincy and welfare programmes all around the globe, with more than 70 chaplains working in 20 countries.

Its efforts in supporting the crew of A



Intervention from the Sailor's Society helped the stranded crew of A Whale earlier this year

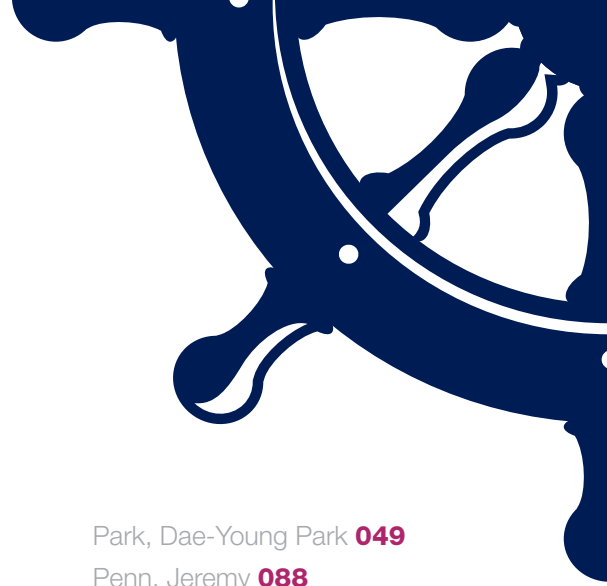
Whale, a stranded combination carrier in Suez caught in the middle of the bankruptcy of Taiwanese owner Nobu Su, is a just one of several emergency cases in which the Sailors' Society engaged this year.

The Apostleship of the Sea, an international Catholic maritime agency, another UK-based charity, has chaplains that operate in nearly 300 ports around the world,

offering practical and spiritual support to crew of all faiths.

While we cannot name every single seafarer welfare organisation, Lloyd's List applauds the good work of each and every group. Furthermore, we urge the individuals and companies mentioned in this year's list, as well as those in the industry at large, to continue in support of their efforts.

The Lloyd's List One Hundred 2013



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