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SINGAPORE

Nautilus

A Maritime and Port Authority of Singapore Quarterly



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EDITOR-IN-CHIEF
Matthew Lee

EDITORS
Corrine Ng, Greg Knowler

EDITORIAL COMMITTEE
Khong Shen Ping, Tan Beng Tee,
Toh Ah Cheong, Richard Tan,
Yee Cheok Hong, M. Segar Abdullah

EDITORIAL CO-ORDINATOR
Isabell Tay

CONTRIBUTORS
Eric J. Brooks, Chris Davis, Rahita Elias,
Edward Ion, T.M. Sin, J.T.I. Tanzil

ADVERTISING CO-ORDINATOR
Rorena Chia

PUBLICATION LAYOUT
Nick Berriff

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Marshall Cavendish Business Information Pte. Ltd.
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Times Centre
Singapore 536196



MPA
SINGAPORE

MARITIME & PORT AUTHORITY OF SINGAPORE
460 Alexandra Road
#18-00 PSA Building
Singapore 119963
Tel: +65 6375 1600
Fax: +65 6275 9247
www.mpa.gov.sg

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Website: www.scma.org.sg

Bond

D*evil May Care* is the latest addition to the *Bond* franchise. But a cavalier attitude has no place beyond the realms of fiction. And definitely not in the Singapore port which services some 1,000 vessels at any time - one departing or entering port every two to three minutes. Prevention, preparedness and effective response are the guiding principles of the port sentinels. Northstar, Chempill and JOSE are more than codes. These multi-agency exercises ensure effective and efficient responses to marine incidents 24 hours 007 days a week, should prevention fail. Whereas the ReCAAP Information Sharing Centre maintains an intergovernmental eye over the waters of Asia for modern day *Jack Sparrows*. Pirates beware! In April, the maritime community rallied together to offer a *Quantum of Solace* to crew of the *Lady Belinda*. Shore side business certainty and support beckons to maritime companies seeking a staging point for the burgeoning Asian market. In this fourth issue of *Singapore Nautilus*, we throw the spotlight on the Italians and the iconic Baltic Exchange in Singapore, get up close with a community stalwart and welcome the Dane back from the cold. *Maritime Singapore* is poised to grow - the whole commercial spectrum in step with intellectual capital, with Sea Asia upping the ante. Meanwhile, it is gadgets galore with M.I.N.T. - an investment for tomorrow. The MPA was recognised for its contributions to and role *In Maritime's Special Service*. The community can be assured of the agency's dedication to its mission objectives and relentless drive to grow the maritime ecosystem in partnership with all stakeholders.

For your eyes only.

M(att)



MPA honoured with May Day award



THE MARITIME AND PORT AUTHORITY of Singapore received the prestigious Plaque of Commendation for 2008 from the Labour Movement of the National Trades Union Congress at its May Day Awards.

The award is conferred on organisations that promote and support good industrial relations, workers' workfare and welfare, union membership growth, workers' training and skills upgrading, job re-creation programmes and other NTUC programmes and projects.

SingTel, MPA connect to boost telecom hub

THE MARITIME AND PORT AUTHORITY of Singapore (MPA) and Singapore Telecommunications Limited (SingTel) have signed a Memorandum of Understanding (MOU) on Maritime Telecommunications Technology

Research and Innovation.

The two parties will collaborate to promote maritime technology R&D as part of Singapore's development as a maritime telecommunications hub and international maritime centre.

The MOU brings together SingTel's global satellite infrastructure and expertise and the MPA's on-going efforts to further develop Singapore's port and maritime industry.

One of the key projects explores the seamless integration of SingTel's maritime satellite broadband solutions with the MPA's Wireless-broadband-access for SeaPort (WISEPORT) facility. This will give vessels close to shore higher bandwidth connections with land-based broadband services such as the WISEPORT's mobile WiMAX service and WiFi, resulting in cost-savings for the shipping community.

Clarification

Our article on the Asian Shipowners' Forum (ASF) in the previous issue refers. We wish to clarify that this is the first time a Secretary-General of the ASF has been appointed and that it does not rotate with the ASF chairmanship.

It was also mentioned in the article that Sri Lanka was being considered for membership of the ASF. We wish to clarify that this point was erroneously attributed to ASF Secretary-General, Mr Wang Chen.

Singapore showcases maritime hub at Posidonia

SINGAPORE'S AMBASSADOR to Greece Philip Eng led 15 major players from the Singapore maritime industry to the biennial Posidonia exhibition outside Athens in early June.

The exhibition, held at the Hellenikon Exhibition Centre at Old East Athens Airport, is regarded as a premier networking event that brings together top executives from across the global shipping community.

The Prime Minister of Greece, Kostas Karamanlis, and George A. Voulgarakis, Minister of Mercantile Marine, the Aegean and Island Policy (Greece), opened the event. Both dignitaries visited the Singapore Pavilion after the official opening of the exhibition and were received by Ambassador Eng.

The pavilion was supported by the MPA and International Enterprise Singapore and showcases Singapore's multi-faceted maritime clusters and diverse capabilities.

"Posidonia is by far the largest and most significant shipping and maritime show in the world," said David Chin, Executive Director of the Singapore Maritime Foundation.

"Given the support of all our participating companies in the Singapore Pavilion and the success of this event in profiling Singapore as an international maritime centre, we are already looking forward to the next show in 2010."

ICJ ruling ends Singapore-Malaysia dispute

THE INTERNATIONAL COURT OF JUSTICE (ICJ) has ruled that Pedra Branca belongs to Singapore, Middle Rocks to Malaysia, and South Ledge belongs to the country whose territorial waters it is located in, ending a long-running dispute between the two Southeast Asian nations.

The ICJ handed down the sovereignty judgment on May 23rd 2008. Singapore's Prime Minister Lee Hsien Loong said in a statement that Singapore fully accepted the judgment and added that he was glad Malaysia "has also consistently said that it will accept the judgment".

Both Singapore and Malaysia's leaders had previously said that they would accept the ICJ's decision and stressed that whichever way it went it would not affect bilateral ties.

Pedra Branca is located 24 nautical miles to the east of Singapore at the eastern approach to the Singapore Strait, through which many ships pass daily.

MPA wins Seatrade, Frost & Sullivan awards

THE PORT OF SINGAPORE clinches two new awards.

The latest additions are the Port Authority Award the MPA received at the inaugural Seatrade Asia Awards held in Singapore in May, and the Best Seaport in Asean award that the port picked up at the Frost & Sullivan Asean Transportation and Logistics Awards.

The Seatrade Asia award was received by Peter Ong, Chairman of the MPA and Permanent Secretary for Trade and Industry.

"We are honoured to win the Port Authority Award," he said. "It is an endorsement of the MPA's on-going efforts at engaging and working closely with the shipping and maritime community at large to ensure safe and efficient port operations for seaborne trade."

Director of corporate services Richard Tan, who received the Frost & Sullivan award on behalf of the MPA, said it reaffirmed Singapore as the preferred port of call among the maritime community.

He added that "We will continue to work closely with our maritime partners to ensure that Singapore remains a leading global transshipment hub port offering quality infrastructure, excellent services and a pro-business environment."



Global growth consulting company Frost & Sullivan's Asean Transportation and Logistics Awards is an annual event held to recognise outstanding performance by companies in the transportation and logistics industry in Southeast Asia and is now into its third year.

In addition, the MPA and New Earth were joint recipients of the Seatrade award for maritime protection. According to Mr Toh Ah Cheong, Director (Technology), MPA, "[This award] recognises MPA's contribution and commitment to marine environment protection and our on-going efforts at driving research development in [...] clean technologies."

Winners of Asian Freight & Supply Chain Awards 2008



LEFT
Capt Khong Shen Ping, Group Director (Hub Port), MPA (second from left) with the Best Seaport: Asia Award.

Visitors to MPA

RIGHT
MPA management hosting Mr Teo Ser Luck (centre), Senior Parliamentary Secretary, Ministry of Community Development, Youth and Sports & Ministry of Finance, Singapore, at POC2.



BELOW
Mr Liu Shijin, Vice President, Development Research Center of the State Council, People's Republic of China.



ABOVE
Mr Aiyaz Sayed-Khaiyum, Interim Attorney General and Minister for Justice, Electoral Reform, Public Enterprises and Anti-Corruption, Republic of the Fiji Islands.



LEFT
Mr Xu Shao Hua, Party Secretary of CPC Zhanjiang Committee, People's Republic of China.

Tripartite MOU meeting on maritime R&D, education and training



ABOVE
Delegates of the China-Norway-Singapore Management Committee Meeting.



LEFT
(Seated, L to R) Ambassador Janne Julsrud, Royal Norwegian Embassy; BG (NS) Choi Shing Kwok, Permanent Secretary, Ministry of Transport, Singapore and Mr Hong Xiaoyong, Deputy Chief of Mission, People's Republic of China.

Queen Victoria makes maiden call at Singapore

RIGHT
Ship Captain Nick Carter receives a plaque from BG (NS) Tay Lim Heng, Chief Executive, MPA during Cunard Queen Victoria's maiden call at Singapore on March 18th 2008.



Young Seafarers' Networking Event



LEFT
The Young Seafarers' Networking Event, part of the MaritimeOne initiative

MPA at the inter-agency dragon boat race



MPA inter-divisional games





Primed and ready

As the world's busiest port, Singapore ensures that it stays ever ready for any emergency by conducting regular drills and exercises that test and hone its ability to respond effectively to any marine incident, be it a fire at sea, chemical leak or oil spill.

By Rahita Elias

"Mayday, mayday, mayday – this is the *SuperStar Aquarius*. We have a fire onboard. Request assistance."

This distress call to the Marine Safety Control Centre (MSCC), received at 1045hrs on May 23rd 2008, kicked off Northstar VI. The MSCC of the MPA sprang into action and began alerting the other agencies involved in the largest emergency exercise to be held in the Lion City.

Singapore holds Northstar exercises biennially to test the command, control and coordination of a multi-agency response to major emergencies. However, Northstar VI was very different from the previous exercises that were all land-based.

Northstar VI was the first exercise to be held at sea with MPA as the incident manager. While

Singapore is a major international maritime hub, and we are setting ourselves out to be a major cruise centre for the region. That being the case we have a responsibility to ensure the safety and security of the boats that are in our waters.

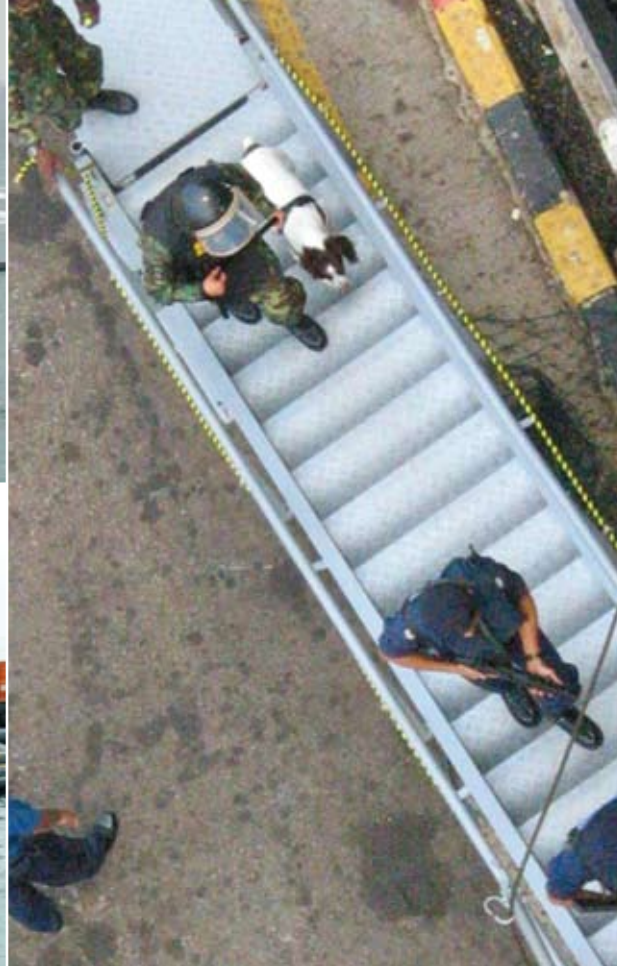
— Mr Wong Kan Seng

Northstar VI was an exercise, all those involved responded with the urgency and professionalism

needed in a real life emergency. For realism, the *SuperStar Aquarius* with its 13 decks of accommodation and recreational facilities for over 2,800 passengers and crew members was the scene of action.

David Wendell, Vice-President, Nautical Operations, Star Cruises, says, "At Star Cruises, passengers and ship crew safety is our top priority on a cruise. We are always very supportive of such a joint safety exercise as it provides us with an excellent platform to demonstrate our readiness and preparedness to face onboard and seaward emergency situations."

After observing the sea-based rescue efforts, Singapore's Deputy Prime Minister, Mr Wong Kang Seng, said, "Singapore is a major international maritime hub, and we are setting ourselves out to be a major cruise centre for the region. That



We recognise the importance of working with governments and other stakeholders, hence we have been participating in the JOSE and Chemspill exercises for the past few years. This is also a very good opportunity for our responders to gain practical experience and exposure to further improve their skills and competence.

— Tan Swee Huang

being the case we have a responsibility to ensure the safety and security of the boats that are in our waters.”

Northstar VI is just one of many exercises that the bustling Singapore port carries out regularly to

hone the island nation’s preparedness in handling maritime emergencies.

Captain M Segar, MPA’s Director (Port), says, “Exercise Northstar VI is part of the MPA’s overall efforts to impress upon the international maritime community that Singapore is a safe port, even as it continues to grow as a major shipping hub, and reinforce the point that safety of life at sea is a priority of the MPA.”

Certainly, the safety and security of ships in Singapore’s waters are of paramount importance to the MPA. As the champion agency for the maritime industry, it is actively working to ensure that the world’s busiest port continues to function smoothly, safely and efficiently.

Because of this commitment to safety and security, Singapore was among the first nations to get onboard with the implementation of the International Ship and Port Facility Security (ISPS) Code for both its port facilities and its flagged ships. The Code, adopted by the International Maritime Organization in December 2002, is a set of maritime and port security regulations that apply to ships deployed on the international trades and port facilities that serve these vessels. It requires them to perform security assessments, have complete security plans

and appoint designated security officers.

When the ISPS Code came into force on July 1st 2004, Singapore was ready. Its port facilities and all vessels flying its flag were already ISPS compliant. The port continued to run smoothly as it made the seamless transition to Code compliance.

“The smooth operations experienced at the Singapore port was attributed in part to the MPA taking early steps in ensuring that Singapore’s port facilities and Singapore-flagged vessels complied with the ISPS Code by the deadline. The full co-operation of the maritime industry in implementing the ISPS Code early also contributed to the high success rate of compliance and minimal disruption to port operations and shipping traffic,”

says Capt Segar.

“The MPA recognises that effective security requires the sustained and integrated efforts of each and every stakeholder. Therefore, we will continue working with port operators and shipping lines to ensure that they continue to adhere to the ISPS Code requirements.”

To test the ISPS compliance of Singapore’s maritime community, the MPA conducts regular security drills and exercises. Emergency response exercises, like Northstar VI, involve MPA and other relevant government agencies as well as the private sector to ensure all stakeholders are ever ready to tackle any major maritime incident.



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While Operation Northstar VI simulated a fire onboard a luxury liner, Chemical Spill Exercise (Chempill) 2007 held in September tested Singapore's Chemical Contingency Plan (Marine). This exercise, conducted off the Cyrene Beacon,

involved some 100 people. The hour-long exercise focused on the deployment of equipment and personnel from both the landward and seaward sides plus a tabletop activation of the MPA's Emergency Operations Committee at its Port Operations Control Centre 2.

Among those involved in Chempill Exercise 2007 was Aegean Bunkering (Singapore). Capt G. M. Salahuddin, Aegean's Marine Superintendent, says, "Our company took part in Chempill 2007 to support the MPA as a ship operator and to gain more knowledge about oil and chemical spills and response."

Singapore Oil Spill Response Centre (SOSRC) also played a pivotal role in the exercise. SOSRC's Chris Richards says that the most important ingredient in a successful oil spill response is, "Planning, planning, planning. Even though you cannot know beforehand what the details of an incident will be, it is possible to do a lot of preparation to ensure a quick and efficient response. Training, including exercises and drills, is all part of the planning process."

Cooperation with other stakeholders is also important.

"Although we do a lot of our own training as well as responding to real incidents, the real value

to SOSRC of exercises such as Chempill 2007 is cooperating with and maintaining a good working relationship with the MPA and all the other agencies involved. It is always good to refresh our understanding of all the aspects of a response operation and not just the on-site activities," says Mr Richards.

Tan Swee Huang, Spill Response Specialist, East Asia Response Ltd (EARL), agrees. "We recognise the importance of working with governments and other stakeholders, hence we have been participating in the JOSE and Chempill exercises for the past few years. This is also a very good opportunity for our responders to gain practical experience and exposure to further improve their skills and competence."

JOSE, short for Joint Oil Spill Exercise, is another multi-agency emergency response exercise. Held every two years, the last one took place in September 2006. The scenario involved the "grounding" of a fully laden 80,000 dwt oil tanker, which then started "leaking" some 5,000 tonnes of crude oil into the sea.

Capt Segar explains that "one of the main goals of JOSE is to improve the coordination among the different agencies and private companies in effectively cleaning up the oil spill and

minimising damage to the environment."

Exercises such as Northstar VI, JOSE and Chempill all impart invaluable lessons to its participants, who understand the need to hone their emergency response skills and capabilities.

As Ms Tan puts it, "Practice makes perfect; having regular exercises are important so that all parties are familiar with the procedures and their roles and responsibilities during an actual incident."

Exercise Northstar VI is part of the MPA's overall efforts to impress upon the international maritime community that Singapore is a safe port, even as it continues to grow as a major shipping hub, and reinforce the point that safety of life at sea is a priority of the MPA.

— Capt M Segar

About Northstar VI

Exercise Northstar VI was the largest emergency response exercise to be held in Singapore, involving 13 government agencies and a host of private marine service providers.

About 2,500 personnel from the various agencies, as well as grassroot communities took part in a fire and rescue scenario on board passenger cruise ship SuperStar Aquarius while it was anchored in Singapore's Eastern Anchorage, mid-way between Marina South Pier (MSP) and Tanah Merah Ferry Terminal (TMFT).

The goal of Northstar VI was to test Singapore's preparedness in handling a maritime emergency, while highlighting and demonstrating the comprehensive marine contingency plans and readiness of all relevant agencies in responding to such incidents. It aimed to help the key stakeholders to test and review contingency plans under realistic conditions. The collective insights gathered have further strengthens inter-agency collaboration and cooperation with the industry.

The MPA took the lead as both the incident manager and crisis manager to coordinate the multi-agency response to the onboard fire.

It coordinated such activities as shipboard fire-fighting and passenger evacuation by the ship's crew, the transfer of passengers and casualties to designated landing points and the deployment of the MPA's Api Api vessels in the fire-fighting efforts.

The port authority coordinated rescue operations by ferry, towage service and marine service operators, Ministry of Defence (MINDEF), Immigration and Checkpoints Authority (ICA) and Police Coast Guard (PCG). Each had a vital role to play. The ferry operators were mobilised to evacuate passengers, while the PCG boats created a cordon around the ship and regulated traffic flow. MINDEF and ICA coordinated the search and rescue operations.

The multi-agencies landward operations were also coordinated by the MPA. These included the management of close to 1,000 evacuees and casualties at landing points by the Singapore Civil Defence Force, ICA, Ministry of Health, Singapore Police Force (SPF), and the Singapore Cruise Centre; plus a Family Assistance Centre for passengers and crew, managed by the SPF.

Although the exercise focused mainly on the on-site response and management of landing points, it also included other off-site control points. One off-site point was the Changi General Hospital, where the more seriously "injured" were sent for further treatment. Another place was a nearby Family Assistance



Centre where "families" of passengers and crew from the SuperStar Aquarius were able to receive up-to-date information on their family members.

Northstar VI was a "big picture" exercise, covering the entire chain of events immediately following a major maritime incident from the start of the emergency to the follow-up action for not just passengers and crew, but also for their next of kin.

As a result, the exercise helped all the agencies that would have been involved in such an incident to assess their operational readiness and effectiveness.

It also highlighted areas that could be further improved and the agencies involved are taking to heart the lessons learnt from Northstar VI. These lessons will enable Singapore's agencies and maritime community to respond even more effectively and efficiently to any maritime emergency in the island nation's busy waters.

SINGAPORE maritimeweek 2008

SINGAPORE MARITIME WEEK is the leading annual maritime event in Singapore. Driven by the Maritime and Port Authority of Singapore (MPA), this week-long celebration of all things maritime is fast becoming the "must-attend" event in the hearts and minds of the maritime community. The line up of international conferences, dialogues, exhibitions and social events reflect the vibrancy and diversity of Singapore as a major international maritime centre.

The third Singapore Maritime Week will be held from 10 to 17 October 2008. Main events to look forward to include the 2nd Singapore Maritime Lecture to be delivered by International Maritime Organisation Secretary-General E E Mitropoulos, and the Singapore International Bunkering Conference 2008.

More information on Singapore Maritime Week is available at www.mpa.gov.sg or you may email to smw@mpa.gov.sg



Singapore International Bunkering Conference 2008

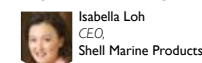
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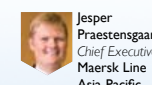


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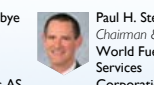
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Maersk Line
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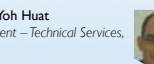
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K-Line



Capt. Toy Yoh Huat
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APL



Gavin Kramer
Regional Director, Asia Pacific,
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Jens Maul Jorgensen
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And many more (see inside for full agenda and complete speakers list)

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Providing support to seafarers

A merchant seaman spends much of his life plying the world's oceans far from home, but in times of trouble those manning vessels calling at Singapore will find help close at hand.

By David Hughes

Looking at Singapore's massive container ports you get an overwhelming impression of powerful technology at work on the grand. The many feederships that take the boxes transhipped from 8,000 plus TEU motherships are big vessels compared with the norms of 40 years ago. And the huge gantry cranes automatically discharging or loading these ships give weight to the feeling that technology is everything.

Except it isn't. While automation means a massive terminal like Pasir Panjang can be operated by a handful of workers and the ships sailed by much smaller crews than ever before, the human element hasn't been designed out. We still rely on seafarers to ensure 90 per cent of world trade is carried out efficiently.

Unfortunately, the realities of the modern shipping industry - high security ports and fast turnarounds - mean that to most of the populace seafarers are invisible.

Very rarely do seafarers make the news but recently one group did. Twenty-two seafarers were stranded on board the North Korean-registered bulk carrier *Lady Belinda*, anchored off Bedok from

January to several weeks ago. The stricken bulk carrier, fully laden with iron ore, had been towed into Singapore in January. The Maritime and Port Authority of Singapore (MPA) then detained the vessel as it was not seaworthy.

The all-Indian crew hadn't been paid for months and by March were running out of food. A support group was formed to assist the crew. This included Singapore Maritime Officers' Union (SMOU), MPA, the Singapore Organisation of Seamen (SOS), the High Commission of India, and The Mission to Seafarers. SMOU president Robin Foo said that he was appalled at the condition of the vessel which had a visible hole at its stern just above the water line. He added, "It is really distressing to see that seafarers are still being unscrupulously exploited, and the unsafe working conditions on board the unseaworthy vessel is a cause for concern for the industry." Eventually the crew received US\$102,000 in wages, owed to them since December 2007, in large part thanks to the efforts of the SMOU and the other bodies involved, and they were able to return home.

The *Lady Belinda* case was a good example of Singapore's maritime community pulling together when there was a particular problem but a lot of work goes on, unsung, day-to-day to support the seafarers on ships calling, normally for only a matter of hours, at the world's busiest container port.

In the past, when ships used to stay days or even weeks in port, the organisations that support seafarers tended to provide large missions or clubs just outside the port. These large premises were expensive to run but were in days gone by well used. Things have changed dramatically and provision in Singapore has adapted to reflect the new realities.

Three of the main port areas now have drop-in centres aimed at providing telephone, computer,

counselling services, refreshments and just a place to relax briefly ashore. At the end of last month a new centre, The Seacare Drop-In Centre for International Seafarers, opened in the Pasir Panjang port area. This centre, sponsored and operated by Seacare Co-operative Ltd and the Singapore Organisation of Seamen, is situated in the Pasir Panjang Terminal Building. The provision of drop-in centres was pioneered by the Mission to Seafarers in 2003 when it opened its Care Centre at Jurong port. Also in 2004, the MPA Welfare Committee agreed to set up and sponsor a similar centre at Finger Pier, within the combined Brani, Keppel, Tanjong Pagar complex, in association with six seafarer missions. Together, the missions

pay the salary of the centre manager. All three centres are within the port security areas meaning that even seafarers who are unable to leave the port area due to immigration controls can access services. Mission to Seafarers port chaplain Mervyn Moore explains why he believes the new drop-in centre concept is the best way to support seafarers during their brief call in Singapore saying, "The turn-about time of vessels is so short nowadays that most seafarers can only manage a short time ashore. The new "drop-in" concept makes it possible to pop into a centre to download email, make phone calls home, have visual contact with loved ones through webcam facilities, or simply to relax away from on-board noise. It also enables chaplains to meet with seafarers for counselling or simply to chat in a more convivial atmosphere than on board. Continues chaplain Moore: "While these centres don't bring in as much revenue as the "breakfast and bed" type, they are less costly to run and maintain and provide exactly what seafarers need - facilities that shrink the "separation gap' between them and home."

Mind you, whilst drop-in centres are cost-effective they are not cost-free. This is worth remembering the next time the voluntary organisations involved ask for the maritime community's support.

Article courtesy of SPH - The Business Times



PICTURE COURTESY OF SOS/SEACARE

Seafarers from all over the world arrive in Singapore in the tens of thousands every year as their cargo ships transport the lifeblood of the world's economy in and out of the Southeast Asian hub. Its role as the world's busiest port means the Maritime and Port Authority of Singapore (MPA) understands the needs of merchant seamen and plays its part in making the lives of the sailors a little more comfortable.

Topping the list of activities was the International Sportsweek for Seafarers in May, an annual event that provides seafarers in Singapore with an opportunity to get together and participate in recreational and sports activities. Throughout the week, seafarers of different nationalities from ships calling at Singapore came together and competed in a wide range of sporting activities, including football, basketball, table tennis and various track and field events. In another initiative to recognise the contribution made by seafarers to the shipping industry, the MPA and the Singapore Organisation of Seamen, in conjunction with World Maritime Day, have been distributing hampers to crew on board vessels calling at the port.

The hampers come in the form of "goodie bags" containing food, magazines and movie discs. To add local flavour, this year's hampers will include local specialities such as chicken bak kuah (barbecued meat) and kueh lapis (cake).

But the maritime industry is a complicated business and sometimes seafarers are left stranded as legal disputes keep



ships in port long after the vessels' scheduled departure. This is where the Singapore Stranded Seafarers Fund (SSSF) comes in. Set up in July 1999 with S\$300,000, of which S\$200,000 was funded by the MPA, the fund provides financial aid to crew if their employers fall into bankruptcy or insolvency. The SSSF is a last resort to ensure the crew is provided with essentials to sustain them onboard the ship until they are repatriated or the dispute is settled.

The SSSF is used for seafarers onboard Singapore-registered ships stranded in Singapore and overseas.

MINTing ideas

Research and development is a major thrust in Singapore's development as a maritime centre and the MINT Fund is pioneering a new approach in its championing of R&D initiatives.

By Rahita Elias

Singapore is developing itself into a centre for excellence for maritime R&D in line with its aspiration of becoming an International Maritime Centre. As the industry champion, the Maritime and Port Authority of Singapore (MPA), in consultation with an advisory panel, drew up a maritime R&D roadmap to this goal.

The Maritime R&D Advisory Panel, first formed in 2002, comprises prominent research luminaries from the maritime industry, academia,

and public agencies. It recommended a Maritime Technology Cluster Development Roadmap which called for the enhancement of maritime R&D capability in tertiary/research institutions (TRIs) and the development of a strong technology cluster in the maritime industry.

Mr Toh Ah Cheong, Director (Technology) for MPA, explains, "R&D is essential in the generation of intellectual property (IP) and new innovations and services. MPA, being the champion agency for the maritime industry, would like to encourage the maritime industry to invest in R&D and work with TRIs in Singapore to develop the technology cluster, and in doing so, grow the industry."

MPA seeks to support R&D where the technology has an "innovation element".

"It can be either a new or an existing technology that can be modified for further commercial applications," says Mr Toh.

MPA adopts a cluster approach to funding, whereby companies and institutions are encouraged to co-operate on the projects.

"This way, we involve the entire industry vertical linking the suppliers, the customers, equipment manufacturers to work on R&D projects together



so that they can all benefit."

Mr Toh underlines the importance of the cluster approach. "The companies in the cluster and the TRIs can combine their resources, such as domain operational knowledge, R&D expertise and resources, to generate greater value rather than if the R&D was done in isolation. All these will generate greater cluster awareness and dynamics, thus building up the Singapore maritime sector."

To reach the goals set out by the roadmap, the S\$100 million Maritime Innovation and Technology (MINT) Fund was established in September 2003. Both TRIs and industry players have benefited from the Fund as they transform research concepts into commercial reality, helping Singapore's maritime landscape grow and flourish.

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The Fund promotes R&D through a multi-pronged approach by targeting the major components of the R&D value chain, ranging from R&D manpower development to innovation test-bedding and even seed funding to encourage the commercialisation of the R&D results and innovations.

"Another attractive feature is the Fund can support partnerships with other agencies to promote R&D and innovation development in the maritime industry. For example, MPA has collaborated with the Infocomm Development Authority (IDA) to set up the joint MPA-IDA InfoComm@SeaPort Programme to promote the development and implementation of infocomm technology innovations that create industry-wide benefits," says Mr Toh.

A major MINT initiative is the Test-bedding, Research, Innovation and Development for New-maritime Technologies (TRIDENT) platform, through which MPA provides industry funding.

One company that has benefited from TRIDENT is QMax Communications, which provides the network for the WISEPORT mobile wireless broadband network.

"We applied for MINT in order to obtain support to further enhance our R&D capabilities," says Ms Tan Lee Ying, QMax Communications' Manager, Business Development.

"With WISEPORT," she adds, "Singapore has become the first country in the world to have wireless broadband access via Mobile WIMAX for her sea port. Using 802.16e WIMAX technology, users

LEFT
Mr Toh Ah
Cheong

We will encourage major maritime players to set up R&D centres or develop R&D capabilities here, and the TRIs to include maritime R&D as a focus research interest and drive maritime R&D.

are able to enjoy seamless mobile connectivity while in the coverage areas.”

MINT also helps companies reduce their up-front R&D costs. This applies to American Bureau of Shipping’s (ABS) Singapore Offshore Technology Center (SOTC), which is the classification society’s first R&D centre outside the United States.

Mr Wu Jer-Fang, Head of SOTC, says that ABS’ partners like Nanyang Technological University (NTU) and the Institute of High Performance Computing have also benefited from MPA’s

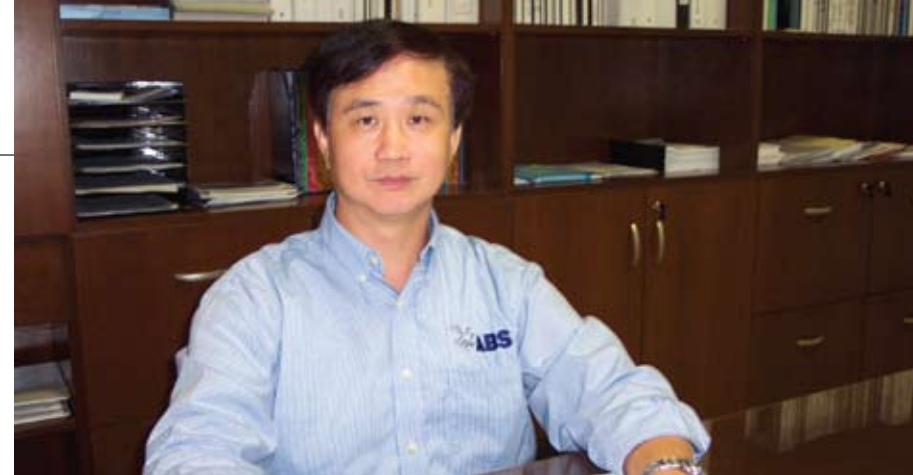
funding.

“In these partnerships, we provide the research idea and work with our partners. We contribute domain knowledge as well as engineers. In all, it’s a mutually beneficial situation with MINT contributing to the funding of the project

Beyond cash, MPA’s backing for a project has its own intrinsic value. For budding technopreneurs, says Roy Tan, chief executive officer of New Earth, the agency’s stamp of approval adds credibility to their fledgling projects.

New Earth’s genesis started when Mr Tan and his partners were still in NTU as students developing an idea to recycle all kinds of industrial waste, including maritime wastes such as dredged material, shipyard wastes, and oil sludge, into usable environmentally-friendly building materials through an innovative process they had created. Their idea caught the imagination of MPA, which funded their research project from the very start.

“With MPA backing, it was like an endorsement. Because people know that they have done their



due diligence, it added a lot of credibility to our project,” says Mr Tan.

Therefore, when he and his partners approached big companies such as oil major Exxon Mobil about being involved in test-bedding New Earth’s Crystallisation Technology, these world-class companies got on board. Their efforts have paid off, and New Earth is now going to build its first commercial plant.

New Earth, says Mr Toh, is a prime example of what MPA hopes to achieve in funding maritime R&D. It illustrates how the seed of an idea can germinate into an R&D project that is developed and test-bedded to generate IP and become a feasible

business proposition.

Bolstered by the success of New Earth and other such projects, MPA has revved up its R&D promotional efforts.

“Given the positive response to our efforts, we have now moved to the next level of R&D promotion. We will encourage major maritime players to set up R&D centres or develop R&D capabilities here, and the TRIs to include maritime R&D as a focus research interest and drive maritime R&D. We are also working with several national agencies to raise maritime R&D to a national level. The MINT Fund will underpin our vision of a vibrant maritime R&D sector,” says Mr Toh.

ABOVE LEFT
Wu Jer-Fang,
Head of ABS’
SOTC

ABOVE RIGHT
Roy Tan, chief
executive officer
of New Earth



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Moving with the times

Success for Baltic Exchange's Asia-Pacific office

It took a long time for the Baltic Exchange to set up its Asia-Pacific office, but once the doors were opened and trading began, it became obvious that the company had made the right move in a rapidly changing shipping world.

By Chris Davis

The Baltic Exchange's Asia-Pacific Representative Office in Singapore, its first office outside London in 250 years, has proved to be a winner among the company's fast-growing maritime business.

"Opening our office in Singapore was an important step in ensuring the Baltic was fully attuned to the needs of the shipping market in the Asia-Pacific region through close contact with the growing number of Baltic Exchange members," said Baltic Exchange Chief Executive Officer Jeremy Penn.

The decision to open an office outside London was based on strong fundamentals and sound business requirements for future demands in the maritime industry.

"It allows us to provide timely information in the local time zone," he said. "With ever increasing amounts of shipping activity taking place across Asia, it is vital that the Baltic is able to publish some of its information during the Asian working day using locally based shipbroking panels."

Feedback received from shipping participants in the Asian region firmly indicated the Singapore operation was meeting the much needed requirements and would continue to work closely with the shipping industry.



PICTURE COURTESY OF BALTIC EXCHANGE

Singapore's position in shipping and the fact that it is a good communication hub for the rest of Asia made the Baltic Exchange decide to locate our office in the Lion City.

"Singapore's position in shipping and the fact that it is a good communication hub for the rest of Asia made the Baltic Exchange decide to locate our office in the Lion City," he said. The office is run by Philip Williams, an experienced shipbroker who has previously worked for Braemar Seascope (Perth), Navios and Fiona Maritime Agencies.

"The Baltic's provision of benchmark shipping rates serves both the physical market and the derivatives market. However, this success depends on the continuing worldwide consensus that supports the Baltic rates. By extending our operations through our Singapore office we are able to demonstrate our determination to maintain that consensus in Asia and to make sure we are responsive to the needs of the market in this time zone, recognising its specific requirements and

making engagement with the Baltic as natural in Asia as it is in London or Athens," said Mr Penn.

The Singapore office complimented the dynamics of the ocean freight market, which in recent years had shifted significantly and Asia now plays a leading role.

"With Singapore as a shipping hub, there are many areas where the Baltic Exchange can complement Asia's tanker, dry bulk, freight derivatives and other areas of trading and shipping activities," said Mr Penn.

"It is obvious the Singapore government and maritime authorities are committed to providing an attractive environment for the shipping industry in all of its forms. Singapore is also the Asian centre for the tanker market and activity

With ever increasing amounts of shipping activity taking place across Asia, it is vital that the Baltic is able to publish some of its information during the Asian working day using locally based shipbroking panels.

levels in the dry bulk sector are increasing at a significant pace.”

Brokers and other businesses connected to the shipping industry, including those traditionally based in London and other parts of Europe, are expanding their operations to Singapore.

He explained that responsibility for reporting lay with the six Singaporean shipbroking panelists who provided detailed and unbiased freight pricing on ocean routes.

Reporting on routes TC4 (Singapore to Japan) and TC7 (Singapore to EC Australia) takes place during the Asian working day with the Baltic publishing the information at 1600hrs Singapore time. All other Baltic tanker market information continues to be published at 1600 hrs (London time). The Baltic produces independent shipping market assessments, and using a panel of international shipbrokers, the Exchange provides daily assessments on over 50 dry and wet routes, weekly sale and purchase and demolition assessments.

“Our goal is to be responsive through meeting the aspirations of the industry and make sure we listen carefully to what people want and react by providing the necessary services that are good for the market place and the overall shipping industry,” said Mr Penn.

The history of the Baltic Exchange dates back to 1744, when the first use of the name was at the Virginia and Baltic Coffee House in Threadneedle Street, London. It is widely considered the gold standard for shipping rates, providing daily freight market prices and maritime shipping cost indices, as well as a market for freight futures, known as Forward Freight Agreements (FFAs). The Exchange also provides

The Baltic Exchange’s Asia-Pacific Representative Office in Singapore, its first office outside London in 250 years, has proved to be a winner among the company’s fast-growing maritime business.

Supervision of the shipping market is through self-regulation and the Exchange expects its members to conduct their business within a set of defined guidelines and work practices encapsulated in its 260 year old motto “Our Word Our Bond”.

port information, serves as a sea-vessel marketplace and is a conduit for dispute resolution.

“Not only does it tell you what a ship would cost on a given day, there is also a school of thought that the freight indices are leading indicators of the state of the world economy,” Mr Penn said.

The Exchange also provides a wide range of information that includes market reports and something known as the forward curve that reports the rates from the forward freight agreement market. It is a rapid indicator of changes to market sentiment – market opinion affects the freight market just as much as the actual supply and demand of ships and cargoes – fleet supply covering the types of ships available, the number of deliveries and ship scrapings.

Mr Penn said the Exchange has a long-standing reputation for having a light hand on the business tiller. Supervision of the shipping market is through self-regulation and the Exchange expects its members to conduct their business within a set of defined guidelines and work practices encapsulated in its 260 year old motto “Our Word Our Bond”. The Baltic Exchange’s unique membership structure includes the world’s leading ship broking, owning and chartering companies as well as banks and commodity houses.

Mr Penn said as the region’s strategic maritime hub, Singapore had made significant developments as a clearing facility for FFAs, which have expanded important freight derivatives trading and risk management activities in Asia. Following the opening of its Singapore office, the



PICTURE COURTESY OF BALTIC EXCHANGE

LEFT
Baltic Exchange office in London

Baltic Exchange signed an agreement with The Singapore Exchange (SGX) to provide benchmark

The Singapore office complimented the dynamics of the ocean freight market, which in recent years had shifted significantly and Asia now plays a leading role.

prices for the settlement of FFAs for dry bulk and wet tanker dirty routes on SGX over-the-counter (OTC) clearing.

Looking ahead, Mr Penn said the Singapore office would expand its operations and services to keep pace with the growing needs of the Asian shipping industry.

“We will continue to do in Singapore what we have done for over 200 years in London – listen to what our members and the industry says and help them achieve their aspirations in every possible way,” he said.



The confluence of three

The world's sea lanes and financial markets meet in Singapore and GFI Group's Asian freight and coal business stands astride this vast intersection that drives global shipping flows.

By Eric J. Brooks

Singapore's status as a global port, financial centre and hub for fossil fuel shipments makes it a meeting ground for the three industries. With maritime, energy and financial markets all experiencing unprecedented upheaval, GFI Group – a company that unites the worlds of shipping, commodity trading and sophisticated finance – has found a home in a city that is strong in all these areas.

From a modest beginning five years ago, Simon Pallant, GFI's Managing Director, Freight and Coal, has overseen the vast expansion of

The city-state's well-developed port, legal and financial infrastructure dove-tailed with supportive government policies to create an ideal trading centre.

the intermediary services provided by GFI in Singapore to Asia's shipping, energy and financial markets. The growth was so dizzyingly fast that the company's employee base multiplied some 30 times from five employees in 2003 to 160 today.

A 15-year industry veteran, Mr Pallant has worked both the physical and financial ends of the market and considers them to be symmetrical reflections of one another.

"I started off chartering ships and basically the mechanics of fixing ships doesn't change," he says. "It gave me a basic knowledge of the market's low end. Then I moved into the derivative market and you can't understand one end of the market without understanding the other."

It was the maritime-friendly policies that made Singapore an attractive place for GFI, and Mr Pallant believes the city is an easy place to start and grow a business.

"GFI is involved with many government bodies so if you are into maritime derivatives, you are very well placed here. For example, when GFI employs a Singaporean national and we want to send him to New York for training, the Maritime and Port Authority covers half the cost."

Despite the Lion City's straddling of the Pacific and Indian Ocean freight trades, there were other factors that supported GFI Singapore's rapid expansion. The city-state's well developed port, legal and financial infrastructure dove-tailed with supportive government policies to create an ideal trading centre.

GFI's Asia expansion was rapid. The company began providing intermediary services in a region that needed heaps of coal but lacked a central meeting place for all those involved in the coal trade – importers, exporters, ship owners and financiers. In Asia, Singapore has always been a prime meeting place for the coal business.

With East Asia's surging demand for fossil

fuels, shipping flows adapting to China's new status as a coal importer and the increasing volatility of the commodities, Asia executives began to take an interest in GFI's freight products, Mr Pallant says, both the "vanilla products" as well as structured ideas.

With coal trading's complexity and price volatility both on the rise, GFI is constantly innovating new coal and freight trading instruments. With its strong shipping centre underpinning its role as one of Asia's most important financial centres, a company like GFI can easily leverage on Singapore's derivative markets and experienced pool of financial trading talent.

He points out that it is often the differential in shipping rates between various ports that determines the direction ships will carry coal. This has an important implication: shipping costs have traditionally been subservient to the underlying commodities but high energy prices are reshaping the business.

"Up to 55 percent of the delivered cost of raw materials can be freight, so the freight element has become significant. In the case of coal, the coal price curve appears relatively flat; instead it is the freight curve that decides how it moves."

When transport financing overwhelms the underlying commodity, liquidity in trading instruments creates liquidity in the market, Mr Pallant says. Consequently, shipping markets are going from merely facilitating marine industry shipping flows to determining their actual direction.

This mirrors Singapore's own evolution. Its financial sector grew up as a handmaiden to the shipping industry but now its energy, equity and derivative markets often determine the way goods flow from one ocean to the other.

With its strong shipping centre underpinning its role as one of Asia's most important financial centres, a company like GFI can easily leverage on Singapore's derivative markets and experienced pool of financial trading talent.

Not just Italian stallions and racing bulls

The secret of Siba Ships lies in having a young fleet of well-designed ships, good land logistics and an ownership structure that enables long-term success.

By Eric J. Brooks

Siba Ships has been around for five decades, but it is in the last six years that its operations have really taken off. In that time, the world's leading livestock carrier has grown its carry volume by a stunning 900 percent.

That means more than 450,000 animals a year travel between the Australian livestock source and the insatiable Asian markets. With Singapore situated in the middle of this busy trade lane, it was only a matter of time before Siba Ships based itself in the city-state.

The Italian company opened up its Singapore subsidiary in 2006, but Managing Director Mauro Balzarini said geography was not the only reason to set up shop in the city.

In the two years since Siba arrived, it has made full use of the shipbuilding and maritime supply industry in Singapore to build several new ships. It currently boasts the youngest, most modern fleet of any livestock carrier in the world and has set a target of transporting three million live animals by 2012.

Mr Balzarini took over from father and founder Emilio Mr Balzarini a decade ago, continuing the impressive expansion of the company. While a large part of the business is accounted for by bulk and tanker trade, the livestock sector is growing at triple digit rates.

"The obvious difficulty and biggest challenge is to do this job with a full respect for animal welfare," Mr Balzarini says. "That, for our company policy, is the biggest thing. It also has commercial value because livestock that is well taken care of is worth more at its destination than neglected animals. So for this reason, we are not only the biggest by volume but also the youngest livestock transporter by ship age."

Granted, Mr Balzarini does not underestimate the importance of location, modern livestock diseases, animal sourcing or ship design. He recalls how disease affected the company, a big exporter from the European Union (EU), when mad cow disease emerged. "What we now do to mitigate health and safety risks is export livestock only from the safest country, which is Australia."

Singapore was the logical choice for managing its operations between Australia and Asia.

In the two years since Siba arrived, it has made full use of the shipbuilding and maritime supply industry in Singapore to build several new ships.



"Singapore is a major shipping centre in the same time zone as Perth and close to all our fast growing markets in Southeast Asia and the Middle East," Mr Balzarini explains.

Mr Balzarini adds that the reputation of Singapore's port also carries weight. "The Singapore flag is safe, the country is safe and its laws are strong. These things make it a good place to locate a shipping company headquarters."

Compared to other possible locales for its Asian market operations, Mr Balzarini says transport connections are good and its transport, legal and logistical advantages are as important as its location.

For instance, Siba's 2008 fleet is being complemented by the addition of two of the world's newest, most advanced livestock carriers that are being built to customised specifications by Labroy Marine. The Singapore-built vessel is due to enter into service in the fourth quarter, while a second ship is expected early next year.

Noting that other operators generally convert old ships and lose efficiency as a result, Mr Balzarini admits that finding shipyards willing to build to his company's unique specifications itself takes commitment.

These specs include special features for housing livestock, ventilation, automated feeding systems, waste treatment and compartmentalised areas for

The Singapore flag is safe, the country is safe and its laws are strong. These things make it a good place to locate a shipping company headquarters.

sick animals. Perhaps the biggest costs arise from Siba's insistence on single-tier ship decks.

"If livestock is confined to a double-tiered ship's 1.2 metre ceiling, it is not good for animal welfare because ventilation is inadequate, especially on indoor decks."

This tendency to take the long-term view is very much the result of Siba being a private, family-owned firm that does not answer to shareholder demands for maximised, short-term profits.

One cannot sell the long-term benefits of cattle welfare to shareholders concerned with the ability to sell shares at a profit during the next quarter.

Superior transport services only win market share over a period of years. Fifty years of ocean slid beneath its animal-filled decks as Siba Ships steadily gained ground over its rivals. With its young new fleet, the livestock carrier is well placed to continue its rapid growth well into the next five decades.



ABOVE
Mr John Lu (right) receiving the Lifetime Achievement Award at Cargoneews Asia's Asian Freight & Supply Chain Awards (AFSCA) 2008.

Uniting Asian Shippers

The owners of cargo in Asia have John Lu to thank for uniting them into one effective body capable of taking on the many challenges that lie ahead.

By Greg Knowler

For a man who has been at the sharp end of shipper issues in Asia for more than a decade, John Lu displays a modesty seemingly out of place in the rough and tumble world of freight rate negotiations.

"My philosophy to life is the Taoist approach – that one should be a good person, care about others and make contributions to the community," says the Chairman of the Singapore National Shippers' Council (SNSC) and Founder Chairman of the Asian Shippers' Council (ASC).

"In business, my philosophy is also to seek and achieve harmony. And I believe in being honorable and to always try to work out a win-win strategy for long-term partnerships."

His ability to seek lasting and rewarding business relationships is perhaps what has enabled Mr Lu to successfully guide the region's shippers through the last tumultuous 10 years. It has been a

period characterised by the continued outsourcing of manufacturing to Asia and conflicts between shippers and the lines over terminal handling charges and the arbitrary imposition of freight rates, bunker adjustments and other surcharges.

But his unwavering faith in the power of the community set Mr Lu on a course that would result in the uniting of 18 shipper councils across Asia into five regions, each with a convener, that represent the ASC. Its permanent secretariat is in Singapore.

"We are now running the ASC like a business, not just a gathering once a year," he says. "There is very close communication between the countries, the sharing of information and more regular meetings. We don't have to wait a year before coming together."

"The united front presented by the ASC has given the council a stronger platform from which to pursue shipper interests."

Shipping lines have operated in groupings known as conferences, forums or agreements that have long been exempt from antitrust legislation, allowing them to collectively determine freight rates and surcharges. The European Union Competitiveness Council, however, adopted the European Commission's proposal to repeal Regulation 4056/86 that allowed carrier groups to set common freight rates and to cooperate on capacity.

The EU will remove that anti-trust immunity in October, effectively outlawing price fixing between carriers on routes in and out of Europe.

For Asia's huge shipper community, October will signal the dawn of a new era.

"It is very exciting to see a system that is centuries old coming to an end," Mr Lu said. "I am so happy that a century old system could be changed so substantially in just a few years."

Mr Lu was born in China in 1945 and his family moved to Hong Kong in 1949 where he was raised and educated. His father was an astute businessman, heading up the family concern, a conglomerate with interests in trading, manufacturing, warehousing and property development, among others.

He emphasises that his mother was a "full time homemaker", and with nine children to raise, she was no doubt the busiest in the Lu household.

After serving an apprenticeship in the family business and completing university in 1969, Mr Lu helped his father set up a textile manufacturing plant in Singapore, a pioneer investment during the infancy of the Lion City's industrialisation age.

We are now running the ASC like a business, not just a gathering once a year. There is very close communication between the countries, the sharing of information and more regular meetings. We don't have to wait a year before coming together.

It was then that his passion for shippers' rights was born, long before he officially took up the cause as head of the SNSC in 1997.

"In the textile business I was involved quite intensively in international trade and I saw the influence of the shipping conference system and its impact on businesses," he says.

That impact has continued to affect shippers and there are several issues that concern the councils: Aspects of regulatory reforms; Freight and surcharges cost factors; Transportation security issues that inhibit the smooth flow of cargo; International trade regulations (usually customs); and strengthening the international shippers' network.

That Singapore is the best place to address these concerns is beyond doubt.

"Singapore is a shipping hub port with integrated services for the liners, ports and logistics players," he says. "Our country is small yet one of the most internationalised cities in the world and we are extremely efficient. We are also the maritime centre of Asia, with leaders in the maritime clusters based in Singapore, forming the nerve centre."

Mr Lu is also a Board member at the Maritime Port Authority of Singapore, enabling him to represent shippers at the highest maritime level.

"We are the international trading community who are the customers of the maritime service providers. Our interests and objectives need a voice," he says.

With the growing influence of the ASC, that voice now carries across the region and forms a vital link in the chain that connects shippers around the globe and protects their vast interests.

And for that, they have Mr Lu to thank.



Return of the Dane

Four years away from Singapore was too long for this Dane who heads up the region for the world's biggest carrier.

By Rahita Elias

The first night Jesper Praestensgaard returned to Singapore in September 2007 after a four-year absence, he, his wife and their three children made a beeline for the Newton Hawker Centre. In one fell stroke, they got to enjoy the two things the family had missed most about Singapore - its spicy food and toasty climate.

"I thoroughly enjoyed the food. I think it's spectacular that in one city like Singapore you can have any and every kind of food," Mr Praestensgaard says.

The archetypal tall blonde Dane adds that he also missed Singapore's weather. "I love the climate. When you are born in Denmark where you have six-month winters and must treasure the few sightings you get of the sun, the tropical climate is very enticing."

While Singapore's climate and cuisine were major draws for Mr Praestensgaard, the reason for his return was a new position as Chief Executive for Maersk in South East Asia. Since then his responsibilities have expanded and he is now Chief Executive for Maersk Line in Asia Pacific.

That position gives him a front row seat to the world's busiest shipping routes.

"Growth into Europe and the US will continue, driven by Asia," he says. "Intra-Asian trade is also growing quite rapidly. Therefore while the dependence on Europe and the US is still there, it is declining in relative terms."

Mr Praestensgaard says the industry will grow "a little less than the long-term average of 8.7

percent" this year, and Singapore is benefiting from this growth.

"Singapore has a very solid position as the region's hub port, even though there is strong competition from the region and the rest of the world."

The self-confessed admirer of Singapore says that he is impressed with the island nation's efforts especially on the maritime front.

"It's incredible that a country as affluent as Singapore can still show the growth rates that it does, particularly in the maritime industry. For instance, I am very impressed when I see some of the expansion plans for the port. It really shows Singapore's commitment to the maritime industry in expanding the port capacity. But the expansion is also necessary because it's a tough competitive world out there."

Mr Praestensgaard notes that being a hub is just one element to Singapore's International Maritime Centre (IMC) aspirations. And while the country has achieved much in pursuit of this goal, it needs to keep honing its competitive edge.

"The IMC goal post moves constantly because competition will always be there. What Singapore needs to do, and has been doing, is to make sure that it doesn't declare victory too soon and constantly evaluate what needs to be done next."

But he has little doubt that Singapore will become an IMC. "It has been proven in the past that when Singapore sets a goal, everybody rallies around it and executes it efficiently. Now that Singapore has sets its sights on becoming an IMC, I am sure the MPA is very focused on executing it with its usual efficiency."

Mr Praestensgaard took over the Asia Pacific region at a difficult time with Maersk undergoing a comprehensive reorganisation following the P&O Nedlloyd acquisition.

The global reorganisation of Maersk Line saw the loss of some 3,000 jobs worldwide, including nearly 400 from this region. This organisational rejuvenation meant that individual country offices are now more empowered to manage their own markets and be more nimble at meeting their customers' evolving demands.

"We realised that we would be much stronger if we had strong ownership, empowerment and accountability in each country."

The decision as to who stayed and who went, says Mr Praestensgaard, was both "painful and difficult".

It has been proven in the past that when Singapore sets a goal, everybody rallies around it and executes it efficiently. Now that Singapore has sets its sights on becoming an IMC, I am sure the MPA is very focused on executing it with its usual efficiency.

"It's always a painful process when you are shrinking an organisation. What we have to keep in mind is that Maersk Line was in great difficulty so what we did was out of necessity. It was for the survival of the business."

The global reorganisation has been completed. "We announced the reorganisation in early January this year, and by April 1, everybody had certainty about their future in the company," he says.

But as things settled on the personnel front, the operating environment is on the back of rising oil prices. In January this year, Maersk launched its floating Bunker Adjustment Factor (BAF) formula that customers can access online.

"The BAF formula has been very well received by our customers," he says. "Most of them acknowledge that they have to share the risk but they just want transparency and know that that the BAF can actually go down as well as up."

Overall, skyrocketing fuel prices have forced the industry to increase its BAFs and have prompted some carriers, Maersk included, to adopt a slow steaming strategy to conserve fuel.

"Container shipping has an exponential fuel consumption curve. By reducing the speed by 10 percent, we can save up to 40 percent on bunkers."

He adds that it is economically feasible to add additional vessels to strings while saving on bunkers through slow steaming. "This practice more than pays for the extra ship. In this way, the new tonnage is going to be absorbed without adding capacity which should help the supply-demand balance."

PICTURE COURTESY OF RECAAP ISC



The ReCAAP Information Sharing Centre comes of age

The former Japanese Prime Minister Keizo Obuchi first mooted the concept of a regional agreement against piracy and armed robbery at the ASEAN+1 Summit Meeting in Manila in November 1999. The concept was proposed at a time of concern over piracy and armed robbery against ships in Southeast Asia and the Malacca Strait in particular, including hijackings and kidnap-for-ransom cases involving Japanese vessels and citizens, some of which resulted in loss of life. The Japanese recognised that piracy and armed robbery in the region posed a threat to maritime navigation, and could compromise the secure transport of cargo and energy supplies through vital regional sea lanes. So concerned were they that they organised the Asia Anti-Piracy Challenge 2000 in Tokyo to discuss ways to tackle the problem. Two documents were promulgated at this conference, the Tokyo Appeal and the Model Action Plan, both of which formed the basis for ReCAAP (the Agreement).

The Agreement was finalised in Tokyo on 11 November 2004 by 16 countries, namely the 10 ASEAN countries, the Northeast Asian trio of China, Japan, and the Republic of Korea, and the

Almost two years after the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia Information Sharing Centre (ReCAAP ISC) was set up in Singapore, a maritime security expert assesses the ReCAAP initiative and the ReCAAP ISC's contribution to regional cooperation.

By Joshua Ho

ABOVE:
The launch of
the ReCAAP ISC

South Asian trio of Bangladesh, India, and Sri Lanka. It required 10 ratifications from the 16 negotiating countries to come into force and called for an Information Sharing Centre (ISC) to be set up in Singapore. On 4 September 2006, the Agreement came into force, and the Information Sharing Centre was launched on 29 November 2006 in Singapore. To date, 14 ratifications have been obtained.

The Agreement consists of the three pillars of:

- (1) information sharing between Contracting Parties,
- (2) capacity building among Contracting Parties by sharing best practices to leverage their strengths, and
- (3) cooperative arrangements with like-minded organisations to strengthen the ability of Contracting Parties to manage incidents at sea.

The ReCAAP ISC is the first multilateral government-to-government anti-piracy and armed robbery effort in the region and is an International Organisation (IO) with local staff and overseas secondees from Contracting Parties.

Besides the establishment of the Information Sharing Centre in Singapore, other key features of the Agreement include the formation of a Governing Council to oversee the ISC's operations. The Governing Council consists of one representative per Contracting Party and operates by consensus. The Agreement also called for each Contracting Party to designate a focal point to act as its point of contact for the ISC. The ReCAAP ISC is the platform for information exchange with the focal points, and is linked via the Information Network System (IFN), a secure web-based network. Funding for the ISC comes from voluntary contributions from Contracting Parties.

The ReCAAP could even serve as a model for other regions facing the scourge of piracy and armed robbery.

The ReCAAP has many strengths and one main weakness. Let me first elaborate on the strengths.

Firstly, the ReCAAP's requirement for each Contracting Party to identify and designate a focal point means that, Contracting Parties which might not have had a habit of inter-agency coordination

now have to look at their organisations for dealing with armed robbery and piracy and identify their relevant inter-agency processes. This is because the specified roles of focal points include:

- (1) managing piracy and armed robbery incidents within their territorial waters,
- (2) acting as points of information exchange with the ISC,
- (3) facilitating their countries' law enforcement investigations, and
- (4) coordinating surveillance and enforcement for piracy and armed robbery with neighbouring focal points.

As focal points could be the country's coast guard, marine police, navy, port authority or Customs, the ReCAAP has in fact jump-started processes for inter-agency cooperation on maritime issues in its member countries.

Another strength of the ReCAAP is its capacity building programme. Maritime organisations within a country often operate in self-contained silos with little interaction between organisations. The ReCAAP helps break down these silos and inculcates greater awareness within Contracting Parties through capacity building initiatives such as exercises, training workshops and technical assistance programmes to share best practices.

Thirdly, the ReCAAP ISC is an inclusive organisation. Although piracy and armed robbery affect governments, the shipping community bears the brunt of its consequences. Recognising that expertise on how to deal with the issue could well reside in organisations outside of government, the ReCAAP ISC enters into cooperative arrangements with a variety of organisations involved in activities consistent with the purpose, functions and spirit of the Centre. These include governmental, intergovernmental, international, and non-governmental organisations, and research institutes. Some partner organisations the ReCAAP ISC has engaged include the Asian Shipowners' Forum (ASF), the Baltic and International Maritime Council (BIMCO), the International Maritime Organisation (IMO), and the International Independent Tanker Owners' Organisation (INTERTANKO).

Significantly, the ReCAAP also recognises that knowledge could also reside in countries not currently parties to the Agreement. As such, the ReCAAP is open for accession by any State, paving the way for the ReCAAP to grow when more



PICTURE COURTESY OF RECAAP ISC

ABOVE:
Participants at
the 2nd ReCAAP
Governing
Council

The ReCAAP [...] can be seen as a building block to regional integration as it brings together regional countries to address the common security challenge of piracy and armed robbery.

like-minded states join it. In fact, the Netherlands has formally conveyed its intention to sign the Agreement.

Although the ReCAAP has many strengths, there is one main weakness that many commentators have lamented. This is that the effectiveness of the ReCAAP could be limited, as the major sea lanes in the region, the Malacca Strait, the Sunda Strait and the Lombok Strait, lie either partially or wholly within the territorial and archipelagic waters of Indonesia and Malaysia, both of whom have not ratified the Agreement. As armed robbery incidents occur within their waters, information from these two countries would contribute greatly to the fight against piracy and armed robbery. To its credit, the ReCAAP ISC has been working hard to address this by establishing links at the operational level with the Malaysian Maritime Enforcement Agency and BAKORKAMLA in Indonesia. Already we see signs that operational-level cooperation from these two countries is forthcoming, as the Indonesians have acknowledged the utility of cooperating with the ISC at the IMO, and both the Royal Malaysian Police and the Malaysian

Maritime Enforcement Agency (MMEA) have invited the ReCAAP ISC to make presentations at their international seminars in Kuala Lumpur. This is certainly fulfilling the spirit of the August 2005 Batam Meeting of the Foreign Ministers of the three countries, where both Indonesia and Malaysia expressed support for ReCAAP.

In conclusion, the ReCAAP, and its ISC, can be seen as a building block to regional integration as it brings together regional countries to address the common security challenge of piracy and armed robbery. The ReCAAP ISC does this through the sharing of information via the ISC-Focal Point Network, a capacity building programme that builds on Contracting Parties' strengths to share best practices, and by engaging in cooperative arrangements and activities with like-minded organisations. The ReCAAP ISC's operating principles of respect for sovereignty of member countries, offering value through effectiveness, and transparency of operations, facilitates cooperation among Contracting Parties and could well serve as the blueprint for future functional cooperation in areas of interest to regional countries. Beyond that, the ReCAAP could even serve as a model for other regions facing the scourge of piracy and armed robbery. The ReCAAP ISC has already been invited to a sub-regional meeting organised by the IMO in Tanzania and was formally cited as "an inspiration" in the pre-amble to the draft MOU on regional cooperation on piracy discussed at the meeting.

Joshua Ho is a Senior Fellow at the S. Rajaratnam School of International Studies and the Coordinator of the Maritime Security Programme at the School. The views in this article are the personal views of the author and do not reflect the official position of the Maritime and Port Authority of Singapore or the Government of Singapore.



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The Asian voice in world shipping

Sea Asia, the region's iconic maritime event launched in Singapore in April 2007, is set for a spectacular return in 2009.

By Edward Ion

ABOVE:
S. S. Teo,
Chairman,
Singapore
Maritime
Foundation

Asia's voice in global shipping is growing more powerful with each passing year. Most of the cargo on ships across all maritime sectors now either originates in Asia or is bound for the region.

This shift in global trade patterns has generated an insatiable need for knowledge as those in the maritime business race to keep up with a fast-moving industry.

Maritime industry events are the most effective forums in bringing busy executives together, and as a major maritime hub, Singapore is fast establishing itself as the focal point for the who's who in maritime.

It is only the second time the event will be held, but Sea Asia is shaping up to be one of the

most significant maritime events on next year's Singapore calendar. Sea Asia will be held on April 21-23, 2009, at the Suntec City Convention Centre.

Organised by Seatrade and its partner, the Singapore Maritime Foundation (SMF), the theme of the 2009 Sea Asia captures the changing nature of the industry: The Asian Voice in World Shipping: Clearer and Stronger. Two years on, the need for a stronger, clearer Asian voice at leading international shipping organisations such as the IMO is now of critical importance.

Focusing on thought leadership and the meeting of minds, the Sea Asia 2009 conference will be a platform on which the major issues confronting the global maritime industry will be debated.

Even though Asian shipowners today own or control nearly half the world merchant fleet, this has yet to translate to the voice and presence at many international maritime fronts.

Progress has been made in the bid to gain greater influence in discussions and decision-making. For instance, the influential Asian Shipowners Forum (ASF) has now set up a permanent office in Singapore and an ASF secretary general has been appointed. One of the ASF's jobs will be to represent its membership on the international stage.

The opening Sea Asia 2009 discussion will

Sea Asia [is a] cornerstone event for Singapore, with the island State becoming the choice venue for international maritime events in Asia.

focus on vital issues such as these, and explore how the message can be heard all around the world.

This makes Sea Asia the cornerstone event for Singapore, with the island State becoming the choice venue for international maritime events in Asia.

According to Chris Hayman, Chairman of Seatrade, the strength of the conference content will continue to differentiate Sea Asia from other shows.

"Our conference theme and speaker list will be produced in the first half of 2008 and already there are some strong topics emerging," Hayman said.

"These include greater emphasis on container ports, terminals and logistics. There will be a session on containers, terminal development and logistics, including strong input from the users of liner shipping services."

Aside from the opening Voice of Asia session, there will be other sessions on finance, a technical

session focusing on shipyards and ship repair and a host of other industry specific topics.

"Sea Asia 2007 was a tremendous highlight and now we have to build on it," Hayman added.

"Having established the show as the cornerstone event in the Asia maritime calendar, we are now looking forward to producing an even bigger and more vibrant Sea Asia in 2009."

Such was the success of last year's Sea Asia that the majority of exhibitors from the 2007 show have committed themselves to the 2009 event, which will also have a significantly increased floor space to accommodate the demand.

Sea Asia 2007 was hailed by maritime leaders in Singapore and beyond as a remarkable launch event, but already there are strong signs that the 2009 event will be even stronger.

The growth of 50 percent projected by the organisers for next year's show means around 10,000 people are expected to attend. There will be 45 countries participating with more than 350 exhibitors and 1,200 conference delegates.

Seatrade and partner, SMF have set themselves some ambitious targets for Sea Asia 2009, but they are confident of surpassing those goals as the event establishes itself as the leading international maritime gathering in Singapore.

The Suntec floor space will be almost doubled to 4,500 sq metres and judging by the sign-up indications, there will be even more exhibitors from all over the maritime world.

A string of national pavilions are planned, with an impressive array of networking opportunities in relaxed and pleasant surroundings. One notable new addition is the Norwegian Marine Exporters Group, which recently confirmed Norway's first national pavilion at Sea Asia 2009.

The exhibition will have top-level participation. Already the confirmed, fully signed up exhibitor list reads like a Who's Who of the global shipping industry. Those attending include Lloyd's Register, ABB, ClassNK, DNV, GL, Keppel and Sembawang Shipyards, plus many more.

The principal sponsors for Sea Asia 2009 are DnB Nor, the world's leading ship finance bank, Lloyd's Register and Singapore's PSA Corporation. Other thoroughbred sponsors include ABS, GAC, Ince & Co, PIL, Shipserv and The Standard P&I Club.

LEFT:
S.S. Teo, Chris
Hayman and
BG (NS) Tay Lim
Heng



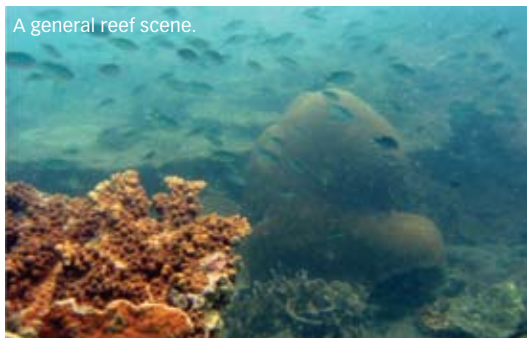
Singapore has coral reefs? is an oft-heard response from the average Singaporean. The term coral reefs calls to mind visions of azure clear waters, perhaps satellite images of the Great Barrier Reef off Australia that stretches 3000 kilometres and is visible from space. Yet, the answer is yes, Singapore has coral reefs; in fact current records include some 200 species of coral from 56 genera, comparable with nearby Thailand, Philippines and Malaysia, where reef extent is much greater.



Red feather star feeding in the currents of Raffles Lighthouse.

Coral reefs are natural systems that support a high diversity of marine life, most of which are reliant on hard or scleractinian corals that have a calcium skeleton.

Reefs are affected by the effects of climate change, including increases in temperature, storm frequency and coastal erosion. Direct habitat loss has resulted from conversion of shallow water environments to land but coral cover has also reduced with increasing depths over time, reduced light penetration and under water visibility.



A general reef scene.



Sea dragon nudibranch feeding on a hydroid.

Our reefs support over 20 species of soft corals, 130 species of fishes, 250 species of mollusks, 30 species of echinoderms, 30 species of algae and over 800 species of crustaceans. Additionally, new records of various organisms are still being discovered proving that there is still much to be explored in Singapore's backyard!

Singapore's reef area is estimated to be around 30 square kilometres and these are concentrated around the southern islands.



Coral sex! A coral colony releasing egg and sperm bundles during a mass synchronous spawning event.

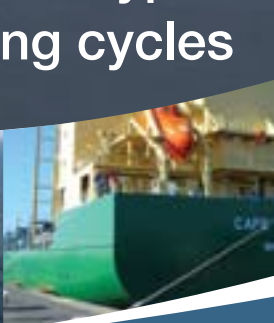
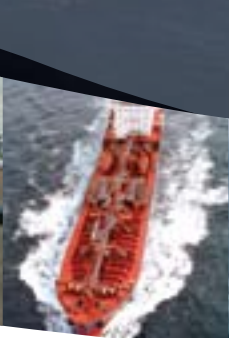
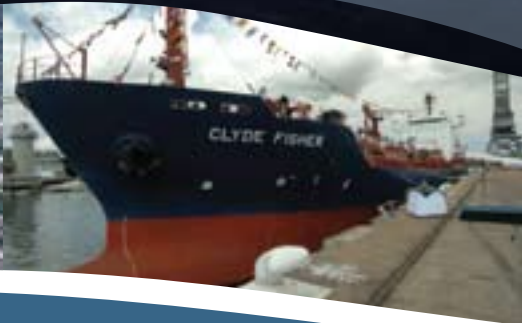
Live coral cover around Pulau Satumu, located about 15km from the main island of Singapore and from where Raffles Lighthouse beckons, ranks among the highest in Singapore. Sightings of sharks, turtles, large groupers are common, as are schools of fishes and diverse macro-invertebrate life. Mass synchronous coral spawning events have also been recorded on these reefs since 2003 – a good indication that corals are 'sexually active' on these reefs!

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