

SINGAPORE

Nautilus

A Maritime and Port Authority of Singapore Quarterly

Ready for the future

Singapore is to maritime what Hollywood is to the movie industry cluster

Deepening roots

"We are still attracting new entrants" says Transport Minister Raymond Lim

Using the financial storm to prosper

Singapore's forte is survival



Metamorphosis

The growth & transformation of Maritime Singapore



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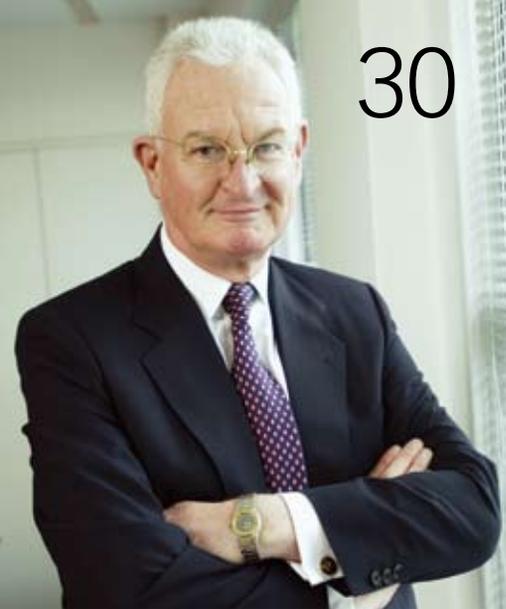
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Transform

Life gets more complex. There is more than meets the eye. But for the maritime sector in Singapore, that is good to know. Indeed, the evolution of Singapore's maritime ecosystem has been amazing to watch, as it metamorphoses from a physical port to a sophisticated maritime hub offering a whole spectrum of high-end maritime services.

Beyond numbers, companies have been growing in breadth and depth, becoming increasingly advanced and diverse. In addition, Singapore's mounting focus on maritime education and R&D is quickly transforming the country into a maritime knowledge capital for innovative thoughts and ideas.

In this issue of *Singapore Nautilus*, we celebrate how far Singapore has come since the implementation of a blueprint for the ultimate makeover – that of transforming a traditionally 'heavy metal' industry into a thriving international maritime centre.

'The Metamorphosis of Maritime Singapore' showcases how Singapore-based maritime businesses have evolved along with the growth of Singapore's maritime cluster. While 'Using the financial storm to prosper' posits that Singapore is forward-thinking with a port that is using the downturn to make new investments.

We feature companies who have recently made or increased their stake in Singapore, such as logistics provider Agility, who in April opened a third facility in the city-state after making the latter its regional headquarters; and specialist vessel protection mutual Shipowners' P&I club, who opened an Asian office in Singapore in the same month.

But why just celebrate how far we have come? There is much to look forward to. 'Ready for the future' argues that Singapore could be to the international maritime industry what Hollywood is to the movie industry, or what Wall Street is to the financial sector.

Stay tuned for the sequel.

Matt



MPA has a new chief

PRIOR TO JOINING the Maritime and Port Authority of Singapore (MPA) officially on May 1, 2009, Mr Lam Yi Young was the Director of Manpower at the Ministry of Defence, where he was in charge of the full spectrum of human resources issues for National Servicemen as well as employees of the Ministry of Defence and the Singapore Armed Forces.



"I am excited and honoured to join MPA and the extended maritime family in Singapore," he said. "I look forward to building on BG (NS) Tay Lim Heng's good work and continue to develop Singapore as an international maritime centre and global hub port."

Although the maritime industry is facing challenging times, Mr Lam is confident that, "with everyone in MPA working in partnership with the industry and unions, Maritime Singapore will ride through the waves and emerge even stronger".

Mr Lam currently sits on the Board of the Accounting and Corporate Regulatory Authority, and on the Governing Council of Dover Park Hospice. ☰

High-level visit strengthens maritime relations with China

THE DIRECTOR-GENERAL of the Department of International Cooperation, Ministry of Transport, People's Republic of China, Mr Ju Chengzhi was a recent guest in Singapore, hosted by the Maritime and Port Authority of Singapore's (MPA) Distinguished Visitor Programme.

During his five-day visit from April 20 to 24, Mr Ju called on the Permanent Secretary for Transport, Mr Choi Shing Kwok and also met with senior management at MPA.

Singapore and China have enjoyed excellent bilateral relations following the establishment of diplomatic ties in 1990 and have collaborated on a wide range of issues. China has also extended strong support to the Cooperative Mechanism on the Safety of Navigation and Environmental Protection in the Straits of Malacca and Singapore.

The Cooperative Mechanism provides a framework for users and stakeholders of the Straits to cooperate with the littoral States on issues relating to navigational safety and environmental protection in the Straits. China is currently contributing to three of the six projects to enhance navigational safety and environment protection of the Straits. ☰

Singapore wins Best Seaport in Asia at 23rd AFSCA

SINGAPORE HAS BEEN named Best Seaport in Asia for the 21st time at *Cargonews Asia's* Asian Freight & Supply Chain Awards (AFSCA), held in Hong Kong this year

"It is the support of shipowners, operators and international maritime communities that has helped maritime Singapore gain global prominence," said former MPA Chief Executive BG (NS) Tay Lim Heng.

"Winning the award for Best Seaport in Asia for the 21st time affirms the confidence the maritime community has in Singapore as its port of choice in Asia." ☰



Richard Tan, Director of Corporate Services at the Maritime and Port Authority of Singapore (MPA), receives the award for Best Seaport in Asia from George Goldman, vice president and managing director of APL for Hong Kong and South China.

4th MPA-RCN MoU spells further cooperation in maritime R&D

THE MARITIME AND PORT AUTHORITY of Singapore (MPA) and the Research Council of Norway (RCN) signed a Memorandum of Understanding (MoU) in June, renewing their bilateral agreement on maritime education, training and Research and Development for another three years.

“The renewal of the MoU attests to the success of Singapore’s collaboration with Norway in maritime R&D, and paves the way for further cooperation that will benefit the Singapore maritime cluster including the port, shipping, offshore and marine engineering, and the maritime services sectors,” said MPA chief executive Mr Lam Yi Young.

In addition to existing research in the fields of offshore and marine engineering, maritime operations and infocomm technology, the new MoU will also focus on the marine environment and sustainable energy technology.

One project already underway is the three-year Integrated Shipboard Wastewater Treatment System project, or MEMSHIP. Expected to be commercially ready in two years’ time, MEMSHIP will provide the shipping industry with a more cost-effective way to treat wastewater.

“With the renewal of the MoU, Norwegian technology and competence providers will further strengthen their network with the maritime community in Singapore to address global issues and opportunities in this industry,” said RCN director general Mr Arvid Hallen.

Another research project under the MPA-RCN MoU is a two-year collaboration between Nanyang Technological University and Norway’s Det Norske Veritas, involving the use of three-dimensional fracture and damage mechanics to develop more accurate and reliable criteria for assessing the integrity of subsea and land pipelines. 

3rd ECDIS Conference & Exhibition goes beyond navigation

AS THE INTERNATIONAL shipping industry prepares for the start of the Electronic Chart Display & Information System (ECDIS) mandation from 2012, the 3rd ECDIS Conference & Exhibition aims to “separate fact from fiction”.

In May, the International Maritime Organization’s Maritime Safety Committee made ECDIS a mandatory carriage requirement.

To help the shipping community manage the transition from Electronic Navigation Charts to ECDIS, this year’s ECDIS Conference & Exhibition will cover topics such as the impact of the mandation, the best way to transit to ECDIS with minimum disruption, the

carriage requirements from 2012, crew training, and the bridge systems of the future.

In addition, the three-day conference from October 19 to 21 will also provide pragmatic advice on getting the most out of a fleet’s transition to ECDIS and e-Navigation, and finding the right ECDIS for various operational and budgetary requirements.

The bottom-line benefits of turning this regulation into a business advantage include safer, more efficient and more cost-effective fleet operations. 

For more information or to register, visit www.ecdis09.com

Finance help for bunker surveyors

THE MARITIME AND Port Authority of Singapore (MPA) has introduced a new financial assistance scheme for bunker surveying companies.

This scheme will grant bunker surveying companies a one-time 30 per cent financial relief on the assessment fee when they attain their accreditation credentials with the Singapore Accreditation Council (SAC) under the Accreditation Scheme for Inspection Bodies.

More than 70 per cent of the bunker surveying companies in Singapore stand to benefit from the financial assistance scheme. 

Visitors to MPA



ABOVE
 RADM Pham Duc Linh, General Director, Vietnam Marine Police.



ABOVE
 Mr Ang Kian Guan (fifth from left), Acting Director of Ports, Negara Brunei Darussalam.

RIGHT
 Mr Do Duc Thien (eighth from left), Director of Maritime Administration of Hai Phong, Socialist Republic of Vietnam.

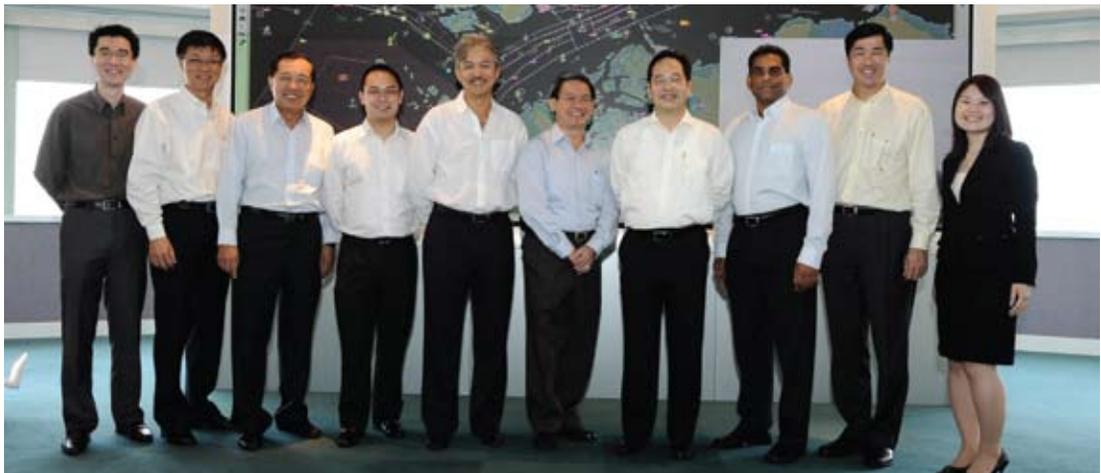


LEFT
 VADM Jeffrey Wieringa (third from left), Director, Defence Security Cooperation Agency and RADM Stephen Voetsch, Director, Navy International Programs Office, the United States Navy (second from left).



ABOVE
 Shaikh Daij Bin Salman Bin Daij Al Khalifa, Chairman/ Undersecretary for Ports Affairs, Ministry of Finance, State of Bahrain.

LEFT
 Board members, Messrs Thomas Tay, James Wong, Robert Yap and Wong Weng Sun (third to sixth from left), visit MPA's Port Operations Control Centre 2.



MPA's Distinguished Visitors Programme



ABOVE
The Chinese delegation headed by Mr Ju Chengzhi (seated, second from right), Director-General, Department of International Cooperation, Ministry of Transport, People's Republic of China.



MPA Staff Nite 2009



LEFT
BG(NS) Tay Lim Heng delivers his farewell address.

BELOW LEFT
A farewell gift for BG(NS) Tay Lim Heng.

BELOW
MPA Staff toast BG(NS) Tay.



May Day Model Partnership Award 2009



TOP
Ms Marianne Choo, General Manager, Singapore Shipping Association; Mr Teo Siong Seng, President, Singapore Shipping Association; Ms Josephine Teo, Member of Parliament, Bishan-Toa Payoh GRC and Mr Lam Yi Young.

ABOVE
SSA wins the May Day Model Partnership Award 2009, along with partners from MPA, Workforce Development Agency and Singapore Industrial and Services Employees Union.

Singapore Nautilus presents

3rd Singapore Maritime Lecture



ABOVE
Mr Lucien Wong, Chairman, MPA chairs the dialogue session with Dr Helmut Sohmen, Chairman, BW Group.



ABOVE
Dr Helmut Sohmen with Mrs Lim Hwee Hua, Minister in Prime Minister's Office, Second Minister for Finance and Transport, and MOT and MPA principals.

Singapore Maritime Week Regatta 2009

RIGHT
Launch of Singapore Maritime Week 2009 by Mrs Lim Hwee Hua.



SeaAsia



ABOVE
RADM Lui Tuck Yew, Acting Minister for Information, Communications and the Arts, Mr Raymond Lim, Transport and Second Minister for Foreign Affairs, Mr S S Teo, Chairman of Singapore Maritime Foundation, Prof S. Jayakumar, Senior Minister and Co-ordinating Minister for National Security, Mr Andrew Callaghan, Global Sales Director, Seatrade and Mrs Lim Hwee Hua at the opening of SeaAsia.

Maritime Youth Day at SeaAsia

Students being shown the exhibits at SeaAsia.



BELOW
Mr David Chin, Executive Director, Singapore Maritime Foundation; Dato' Jude Benny, Managing Partner, Joseph Tan Jude Benny and BG(NS)Tay Lim Heng at the SeaAsia Singapore reception.



a Maritime Week 2009 montage

International Maritime Awards Gala Dinner



LEFT
A VIP toast.

BELOW LEFT
Mr Choo Chiau Beng, Chief Executive Officer, Keppel Corporation and Tan Sri Frank Tsao, Senior Chairman, IMC Group.

BELOW RIGHT
Dr Helmut Sohmen and Mr Raymond Lim.



Chemspill Exercise 2009

BELOW
Api Api responding to a simulated chemical spill.

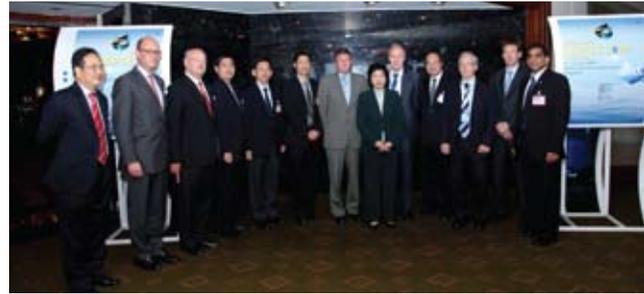


Shipowners' P&I Club Official Opening



LEFT
Mrs Lim Hwee Hua and the Club's Board of Directors at the opening event.

6th International Chemical and Oil Pollution Conference and Exhibition (ICOPE 2009)



ABOVE
Mrs Lim Hwee Hua together with MOT and MPA principals at the opening of ICOPE 2009.

International Symposium on Maritime Logistics and Supply Chain Systems (MLOG)



ABOVE
Mr Choi Shing Kwok, Permanent Secretary, Ministry of Transport, delivers the opening address

DNVPS Seminar



ABOVE
Mr Tore Morten Wetterhus, Managing Director, DNVPS, Capt Khong Shen Ping, Assistant Chief Executive, MPA and Mr Peter Swift, Managing Director, Intertanko.



The metamorphosis

Singapore provides fertile ground on which global maritime companies can flourish, leading to its transformation - growing in breadth and depth, into a diverse and sophisticated maritime hub.

The American writer, John M. Richardson Jr, once said: "When it comes to the future, there are three kinds of people: those who let it happen, those who make it happen, and those who wonder what happened."

Singapore's maritime and shipping community is firmly in the "making it happen" category and even in the midst of an economic downturn, the Southeast Asian city-state



of Maritime Singapore

continues its inexorable progress towards achieving international maritime hub status.

At the inaugural Maritime Lecture in 2007, Singapore's Minister Mentor Lee Kuan Yew neatly described the importance of the port, calling it the "raison d'être" of the country on which the future depended.

"The development of Maritime Singapore is about anticipating the future, adapting to change, creating and seizing opportunities, and

the pursuit of excellence," he said.

This ability to identify future trends has been a cornerstone of Singapore's strategy over the past few decades. It has enabled the city's maritime business to evolve with the changing times, growing in depth and breadth, and provide a much sought-after base for companies in the international shipping business.

The Maritime and Port Authority of

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“With many BIMCO members situated in Singapore ... it made sense to establish an Asian office in closer proximity to what is quickly becoming the centre of international shipping.”

– Thomas Timlen, Asia Liaison Officer, BIMCO

Singapore (MPA) has provided a firm hand on the tiller throughout, enabling Singapore to develop rapidly into a sophisticated and diverse maritime hub.

One organisation that was drawn to Singapore because of this pro-active approach is BIMCO. Late last year, the world’s largest shipping organisation opened the doors of its Asian representative office here. Thomas Timlen, BIMCO’s Asia Liaison Officer, says many factors make Singapore an attractive option for BIMCO’s representative office.

But the two most compelling reasons, he says, are the growth of Singapore into the most important maritime cluster in the region and the government’s significant backing of shipping and associated industries. The tremendous growth in Asia’s shipowners and the region’s importance as a supplier of seagoing manpower is another strong pull factor.

“BIMCO found this to be an excellent opportunity to enhance the organisation’s collaboration with regulators and shipping entities in the region in order to keep abreast of developments and concerns on both sides

of the table,” says Mr Timlen. “The recent opening of the Asian Shipowners’ Forum (ASF) secretariat and the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) Information Sharing Centre in Singapore are two good examples of how BIMCO’s presence here will facilitate dialogue with both regional industry and governmental entities alike.”

With growing numbers of BIMCO members deciding to base themselves in Singapore, the organisation felt the need to open an office in the island nation. “With the portion of the world’s merchant fleet owned and operated by Asian companies continuing to grow, it made sense to establish an Asian office in closer proximity to what is quickly becoming the centre of international shipping,” he adds.

MPA’s commitment to maritime education is another big plus in BIMCO’s book. “The synergies developed in maritime education during BIMCO’s long-standing relationship with MPA, which has supported BIMCO’s educational efforts in Singapore in several ways, have created great potential for the expansion of these efforts,” Mr Timlen says.

“For example, beginning next year, BIMCO will be conducting its popular Asia Shipping School in Singapore on an annual basis.”

In the meantime, the organisation will be holding various programmes across the region, including a BIMCO Master Class on Bills of Lading in Singapore in November this year.

“Here is a small country based in an opportune location that has cleverly grown by investing heavily in, and providing for its clients’ needs. Shipping is one area where we can really see the results.”

– *Tony Goldsmith, partner and master mariner at maritime law specialist Hill Dickinson*

Mr Timlen also welcomes MPA’s various research and development projects to protect the environment, and its schemes to support companies with proven track records, such as the Approved International Shipping Enterprise (AIS) scheme, Approved Shipping Logistics (ASL) scheme, Maritime Finance Incentive (MFI) scheme, and the Maritime Cluster Fund (MCF).

One company that directly benefits from these MPA incentives is UK-based maritime law specialist Hill Dickinson, which opened its Singapore office in March this year. Tony Goldsmith, partner and master mariner at Hill



Dickinson, says the firm is benefiting from the MCF.

“Part of our set-up costs will be reimbursed over a period of time, freeing up money which can be used to further develop our work in the

Laws of attraction

More than a world-class port, Singapore is a thriving international maritime centre, or IMC, with an ever-growing suite of maritime businesses and services.

The driving force behind this maritime ecosystem, the Maritime and Port Authority of Singapore (MPA) is developing Singapore as a leading IMC in Asia.

At the heart of the MPA’s strategy are efforts to attract a core group of shipowners and operators to establish or expand in Singapore. MPA also focuses on developing key sectors that support shipowners and operators, such as shipping finance, ship broking and marine insurance.

“If you are in this business [of shipping], then

Singapore is one of the best places on the planet to be located,” says NOL group president and CEO Ron Widdows. “I get an opportunity to see the Singapore government’s thought process at work, and it’s quite a fascinating thing. There is such a robust process behind Singapore absolutely the most attractive location from a maritime perspective.”

Mercator Lines managing director and chief executive officer Shalabh Mittal agrees. “Singapore has been a wonderful place to work in,” he says. “People are warm, hospitable and supportive. Above all, the encouraging incentives and friendly business environment offered by the government make the country a preferred choice.”

local market,” he explains.

Mr Goldsmith adds that the growing importance of Asia in the international shipping scene had prompted the firm to establish a regional foothold here.

“The Asian market is expanding in all areas, including shipping, an industry which has seen much growth in Singapore,” he says. “As a leading service provider in the maritime field, we felt it was important to have a base here as Singapore’s location is ideal for serving Asia, and its pro-business mentality is essential for growth. With the world’s busiest port and a thriving centre of commerce and industry, Singapore is the obvious place to be.”

Despite the global downturn, Mr Goldsmith notes that Singapore’s shipping scene has remained vibrant and positive, with shipping and associated companies still growing their presence here. In addition, the outlook for the legal maritime fraternity is also positive.

“The legal jurisdiction framework here is coordinated to grow and service the worldwide market,” he says. “There is a clear intent to offer an alternative to other shipping law centres, providing a sophisticated resolution forum in a jurisdiction that’s in the same time zone as a lot of shipping operators.”

Mr Goldsmith observes that Singapore’s “sophisticated and fair judicial system, and well-educated population [who is] able to deal with international disputes in a judicious fashion” will help the country evolve into a major

“Singapore is our long-term home, and we have never considered moving away from here. Today, most of the leading maritime service companies have a presence in the Republic and that greatly benefits our operations here.”

– Capt Bjorn Hojgaard, managing director, Thome Ship Management

maritime arbitration centre.

Another company that has made Singapore its home is Thome Ship Management, which has been here since 1976. Thome’s managing director Capt Bjorn Hojgaard said the ship manager is here to stay.

“Singapore is our long-term home, and we have never considered moving away from here,” he says. “Today, most of the leading maritime service companies have a presence in the Republic and that greatly benefits our operations here.”

Singapore has achieved a critical mass as an international maritime centre, with an impressive line up of owners, maritime service companies and related businesses, all located in a “fairly small area”.

He continues: “For tanker managers, which is Thome Ship Management’s specialised line of business, the fact that Singapore is one of the world’s busiest tanker ports makes it an attractive place, as we can be close to the owners and close to the vessels we manage.”

And just as Singapore’s maritime industry has evolved, so has Thome’s Singapore



“Initially, a major draw for IMC to Singapore was the AIS scheme, which offers considerable tax advantages aimed at attracting international ship-owning and ship-operating companies.”

– Kim Kyung Soo, deputy chief executive officer of IMC Corp

operations, recently expanding from tanker management to the bulk and offshore sectors. Thome has also been expanding geographically, using Singapore as the global headquarters to train officers to staff overseas outfits.

In a similar fashion, the IMC Group established its Singapore office in 1991 and has never stopped growing.

Kim Kyung Soo, deputy chief executive officer of IMC Corp, says that IMC’s Singapore office has grown and transformed from that of an operational centre of the Group’s international shipping business in the mid-1990’s to the regional Group Headquarters that it is today. The group’s non-profit activities are also centred in Singapore.

Initially, a major draw for IMC to Singapore was the AIS scheme, which offers



considerable tax advantages aimed at attracting international ship-owning and ship-operating companies, says Mr Kim.

The international conglomerate, shares Mr Kim, has stayed and continued to grow its operations here because of Singapore’s effective and transparent legal system, its government that is pro-business and pro-shipping, and



its large international maritime cluster. The country's good and safe working and living environment, excellent transportation and telecommunications infrastructure, and the overall high standards and competencies of its managers and workforce also made for compelling reasons to stay.

As Mr Goldsmith puts it: "Here is a small country based in an opportune location that has cleverly grown by investing heavily in, and providing for its clients' needs. Shipping is one area where we can really see the results."

And BIMCO's Mr Timlen believes Singapore will continue actively engaging and wooing the industry. "One might say MPA is already doing everything that the industry would like to see done by a national maritime administration," he says, referring to proactive initiatives to provide incentives for shipping companies, the strong support of education and training, facilitation of technological advances via support of R&D efforts, and the nurturing of dialogue and strengthening relationships between governmental agencies and the industry.

"It is refreshing to see that via constructive

"One might say MPA is already doing everything that the industry would like to see done by a national maritime administration."

– Thomas Timlen, Asia Liaison Officer, BIMCO

and innovative collaboration with all stakeholders, MPA is clearly seeking to position itself as part of the solution to the many challenges that we face as an industry, and in so doing MPA is actively enhancing Singapore's standing as an attractive maritime centre."

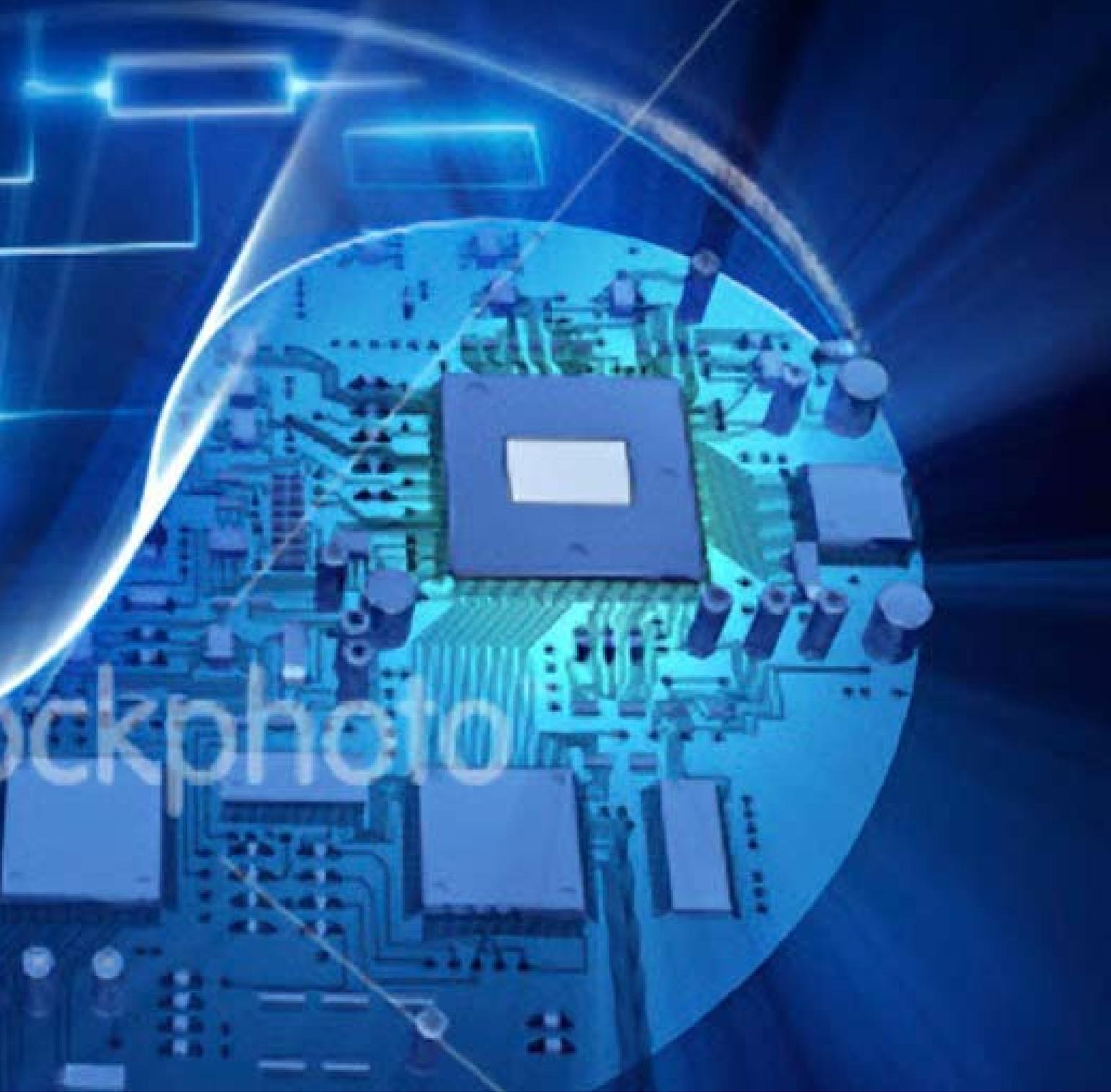
Singapore's continuous maritime transformation is in good hands. 🇸🇬





New generation

The Maritime and Port Authority of Singapore has laid the foundation for an intelligent port, where innovative solutions are used to enhance port operations and maritime services.



port intelligence

Staying at the forefront of technology is an integral part of Singapore's port operations.

For instance, the Electronic Chart Display and Information System

(ECDIS) and its safety functionalities, used in conjunction with electronic navigational charts, is able to assist in the preparation of voyage plans as well as prevent potential hazards by alerting ships.

To further enhance navigation in Singapore's

Maritime service providers can also track their vessels as well as customers' vessels around the clock through an Internet-based Vessel Tracking System, or I-TRACK.

port waters and its approaches, the Port Operations Control Centres (POCCs) harness technologies such as the Vessel Traffic Information System to monitor and broadcast navigational warnings to ships in the Singapore port and Singapore Strait.

Communication is made even easier by an Automatic Identification System, which allows easy contact between ships and the control centres.

The Maritime and Port Authority of Singapore (MPA) technology director Toh Ah Cheong shares that the collaboration between MPA and the Infocomm Development Authority of Singapore under the Inforcomm@SeaPort Programme led to innovative infocomm technologies for the maritime sector.

In addition to state-of-the-art POCCs, MPA has developed online facilities to streamline documentation and business processes.

One such online facility is e-commerce portal MARINET, which enables the shipping community to make online transactions with MPA for a number of services and submissions, such as the submission of vessel arrival and departure declarations, and dangerous goods declarations.

Meanwhile, to keep pace with changing needs, innovative IT platform BunkerNet is being developed to automate the bunkering delivery processes for oil majors, bunker suppliers and bunker vessel operators, enabling them to interface seamlessly and submit wirelessly their bunker delivery notes to customers onshore.

Maritime service providers can also track their vessels as well as customers' vessels around the clock through an Internet-based Vessel Tracking System, or I-TRACK.

This allows companies which offer a variety of services, such as bunkering, towing and chandling, to better plan their operations and resource deployment, and provide prompt and reliable

service to customers.

In fact, in an age when connectivity is key, Singapore was the first port in the world to provide ships with wireless mobile broadband connectivity. Known as Wireless-broadband-access for SeaPort, or WISEPORT, it allows ships to enjoy connectivity within Singapore's southern port waters.

Activities that were previously restricted to onshore, such as regulatory filings, electronic data exchanges and access to Internet-based applications, can now be done offshore as well.

"These industry-wide infocomm technology systems are catalysts for business transformation and operational excellence," says Mr Toh. "MPA hopes that the maritime community will continue to capitalise on this advanced port infocomm infrastructure to further boost the efficiency of their businesses as well as generate new business areas in Singapore."

Under MPA's Maritime Innovation and Technology (MINT) Fund, Singapore-based company Global-I recently developed a groundbreaking container tracking solution called GTrack to improve the visibility and security of high-value perishable cargo requiring cold chain logistics.

Technology is also leveraged in the event of an oil or chemical spill. To minimise damage and deploy emergency responses effectively, MPA uses spill prediction models to forecast the movement of the oil slicks or chemicals hours or days ahead.

Working smart, focusing on strategic areas of maritime R&D, Singapore's intelligent port looks set to stay ahead of the curve.

"MPA hopes that the maritime community will continue to capitalise on this advanced port infocomm infrastructure to further boost the efficiency of their businesses as well as generate new business areas in Singapore."

*— MPA technology director,
Toh Ah Cheong*

Ready for the future

In the next 15 years, Singapore can be a centre of excellence for maritime research and development (R&D), where innovative solutions transpire and ideas turn into market-ready reality

According to Professor Torger Reeve of the BI Norwegian School of Management, there is “competitive strength” in an industrial cluster, such as the movie industry cluster at Hollywood, the financial industry cluster on Wall Street, and the automobile industry cluster in Osaka.

The maritime industry is a global knowledge industry with only a few cluster hubs in countries like Norway, London, Greece, Singapore, China, Japan and Korea.

Singapore’s strategic location, excellent port, concentration of international shipping companies, aggressive maritime industrial policies, pro-business climate, entrepreneurial talent, and critical mass of industry and maritime services at all parts of the value chain make it a dynamic industrial cluster and engine for growth.

To remain the leading maritime cluster in Asia, Singapore must continue to be an attractive place to do business as well as



develop and retain new talent. In addition, it must maintain its edge in maritime technology and trade, with close knowledge links between businesses and academia as well as businesses and international customers.

This vision of a global maritime knowledge hub for Singapore was proposed at the final meeting of the 3rd Maritime Research and Development Advisory Panel (MRDAP) hosted by the Maritime and Port Authority of Singapore (MPA) on 27 and 28 April.

It is based on identified global trends in four key maritime business sectors; namely, port, shipping, maritime services, and offshore marine & engineering.

ABOVE
Professor Torger
Reeve of the
BI Norwegian
School of
Management

The maritime industry is a global knowledge industry with only a few cluster hubs in countries like Norway, London, Greece, Singapore, China, Japan and Korea.

To address these trends, the panel identified emerging technologies and their potential applications by the maritime industry and proposed, for instance, new maritime R&D programmes on clean technologies for more eco-friendly shipping.

Driven by both academic institutions and the maritime industry, maritime R&D will give rise to new initiatives that the maritime sector can leverage both technically and commercially.

“It is important to develop Singapore as a global maritime knowledge hub if we want our maritime

cluster to move to the next level of competition,” said former MPA chief executive BG (NS) Tay Lim Heng at the meeting in April. “Staying at the forefront of technology, therefore, is an integral part of Singapore’s growth as an international maritime centre.”

A vibrant maritime cluster offering a comprehensive range of maritime services, from shipping to maritime law, finance, training, insurance and brokerage, Singapore is well-positioned to realise the vision put forth by the 3rd MRDAP.

Chaired by Mr Sven Ullring, who is also a member of the board of directors of Keppel, the 13-member panel of the 3rd MRDAP comprised prominent personalities and experts from leading maritime organisations and research institutions.

“The way forward for Singapore is to become the maritime knowledge hub of Asia,” Mr Ullring told a local paper. “Research and innovation must be at the centre of it all.”

In 2002, the first MRDAP charted the Maritime Research and Technology Cluster Development



Roadmap in order to spur local maritime R&D initiatives. It also established the S\$100-million Maritime Innovation and Technology (MINT) Fund, to help industry players and research institutes transform concepts to commercial reality.

This has since led to many local maritime R&D initiatives such as the Offshore Research Technology programme by the Centre for Offshore Research & Engineering at the National University of Singapore, the Infocomm Development Authority of Singapore and the MPA and the Agency for Science, Technology and Research's Institute of High Performance Computing Maritime Research Programme. 

Staying at the forefront of technology, therefore is, an integral part of Singapore's growth as an international maritime centre.



LEFT
Mr Sven Ullring,
member of
the board of
directors of
Keppel, and
chair of the
panel of the 3rd
MRDAP



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Capital of ideas raises interest

Since it opened its Asian office in Singapore three years ago, Marine Money International has done much to help transform Singapore into an international maritime thought capital, where new and innovative ideas develop.

Nora Huvane described her work at the Singapore office of US-based Marine Money International with all the eloquence of a poet: “[It] is dedicated to the analysis of the art of marine financing through offering insights into the most innovative transactions, the dealmakers, the companies involved, and their assets and principals.”

Established in 1986, Marine Money is headquartered in the US, opening its first full-time Asian office in Singapore in 2006.

“Singapore is the ideal platform in Asia for Marine Money to base its headquarters and cover



“circle around influencing thought, developing new and innovative ideas, and bringing together industry leaders around the region”.

And bringing together major shipowners, operators, agencies, ship management companies and shipbuilders with leading banks, ship financiers, lenders, leveraged finance professionals and debt providers will create a platform on which a new understanding of issue and ways to identify applicable financing structures in the region can be found.

Believing that the ability to band together and discuss not only problems but also solutions and opportunities during challenging times creates an important sense of community, Huvane adds that Marine Money is a fundamental believer in the importance of community, particularly in relation to shipping finance, and strives to build these communities through its products and ancillary activities.

Through its publications and conferences, Marine Money strives to provide an opportunity for new entrants to announce themselves and their goals, as well as for established firms to maintain or reshape their reputation and image.

In addition, it provides a platform for those who are working day-to-day in the industry to propose solutions to the challenges faced by the ship finance industry as a whole, not only within particular regions but across the world.

While Marine Money’s forums extend to international waters, the Asian branch in Singapore concentrates on Japan, Korea and Hong Kong in addition to an annual flagship event held in Singapore.

Huvane notes that the two-day Singapore forum – which is timed to follow the staging of the Singapore Formula 1 race in September – has been gaining momentum in step with the company’s Asian business growth. Last year the event attracted 450 delegates, 40 per cent of whom flew in from outside Singapore.

“Over the last 12 months the shipping industry has moved through shock, fear, anger, pain to acceptance, and is ready to move forward again,” she says. “What better time to consider the options and potential for racing forward in the shipping industry than immediately following Singapore’s annual Formula 1 Grand Prix, a sporting event built around overcoming dramatic risks through skill and precision?” 📧

the needs of the region,” Huvane says.

Operating under a unique business model that centres on ideas rather than products, Marine Money International is further evidence that Maritime Singapore has been evolving into a next-generation sophisticated maritime hub, where ideas, people and opportunities abound.

Aspiring to bridge the shipping and capital markets, the company has carved a niche in producing publications and organising forums that promote dialogue and cooperation between various maritime stakeholders.

“By organising forums, we are aiming to make a valuable contribution to developing Asia’s understanding of the international shipping markets, as well as helping the international markets to understand Asia’s shipping industry,” Huvane says.

The impact of these forums and conferences on the ship finance market and community is considerable, says Huvane, since these activities



Shipowners' P&I eyes Asia as it sets up in Singapore

Specialist vessel protection mutual the Shipowners' P&I club opens a branch in Singapore as it builds on its presence in the Asian market.

Shipowners' P&I club, which is the leading liability insurer for owners of smaller vessels, has set up in Singapore to serve members across Asia. Right now, the club is focusing on business in Singapore, Malaysia, Thailand and Indonesia, with a view eventually to extending its operations into other countries in Asia.

Steve Randall heads the office as general manager, with David Heaselden as principal officer, supported by a team of underwriters and claims handlers.

Steve Randall will head up the office as general



“In these uncertain times, our Asian office demonstrates the certainty of our commitment to serving our members in the region for the long term.”

– Shipowners’ P&I Club chief executive, Charles Hume

manager, with David Heaselden as principal officer, supported by a team of underwriters and claims handlers.

Shipowners’ Asia Pte opened on April 27, with the club’s correspondents, Spica Services, offering a network of Asian offices to provide support in claims handling.

Shipowners’ P&I Club chief executive Charles Hume said the branch would offer members an extra dimension to services already available and make the club more accessible to them and their brokers.

Mr Hume added: “In these uncertain times, our Asian office demonstrates the certainty of our commitment to serving our members in the region for the long term.”

Shipowners’ has been active in Southeast Asia for more than 20 years and the region is already one of the club’s largest operating areas.

The London-headquartered club counts around 500 members and nearly 5,000 entered vessels

from Asia, which represents around 25 per cent of its total tonnage.

“It is a natural development for the club to start a full underwriting and claims-handling office to serve the regional membership,” said Mr Hume.

With offices already in London and Vancouver, the club’s chief added that the opening of the Asian office also represented the final step in the club’s strategy to provide a global service in three time zones.

Shipowners’, in its 2008 annual report, highlighted the importance of Singapore for its business with its role at the crossroads of Asian trade and business.

During the shipping boom in the 12 months to February 20, 2008, the club saw its entered number of vessels increase by 10 per cent to around 2,600 from a year earlier.

It also noted that larger units continued to be built in the region, with annualised gross tonnage for the region at approximately 3.1m equating to an average of 1,211 gt per vessel. This represents a 13 per cent increase on the 2007 policy year.

During the 2008 policy year, the club also benefited from the growth of the shipping industry, particularly in Malaysia, where owners in recent years have acquired additional tonnage through new buildings and acquisitions.

The club has benefited in particular from the expansion of the Malaysian oil and gas sector, where the club is involved with the majority of owners in the offshore sector.

Membership in Thailand has comprised mainly tanker owners operating along the Chao Phraya River and Gulf of Thailand, with membership increasing in 2007 and entered tonnage in the region up by around 7 per cent.

The majority of entered tonnage in Thailand has been more than 15 years old. ☒

This article first appeared in Lloyd’s List.

Agility keeps nimble with third facility in Singapore

Logistics provider's investment in a new regional distribution centre in Singapore is a vote of confidence in Singapore's position as the world's leading logistics hub.

Rapidly growing logistics provider Agility made Singapore its regional headquarters for Asia-Pacific in April, opening a third facility in the city-state.

The third-party logistics provider had also moved into the specialist oil and gas logistics business in Singapore in the latter part of 2007, after acquiring Synergy Shipping and Synergy Logistics that specialise in the transportation of oilfield tubulars and related drilling equipment.

"Singapore is the established logistics hub for Asia and the leading global shipping centre in the region," said Wolfgang Hollermann, Agility chief executive for Asia-Pacific. "It has long been our aim to strengthen Agility's operational capabilities through opening a new regional distribution centre and [recognise] the strategic importance of Singapore by establishing part of our Asia-Pacific headquarters in the city-state."

The new regional headquarters consolidates many of the regional and global management teams for business units, including logistics, operations and transformation, fairs and events, IT, project logistics, chemicals, and the oil and gas sector.

The new regional distribution centre in Changi North offers 14,500 sq m of bonded warehousing space over five floors.

This is a strong vote of confidence in Singapore's position as the world's leading logistics hub," said Lim Siong Guan, chairman of the Singapore Economic Development Board.

"Singapore is an important piece in Agility's growth plans," said Tarik Sultan, chairman and managing director for Agility. "We continue to grow our investments here because Singapore's excellent connectivity and operating environment

provides us with an ideal platform to manage our growing regional presence."

Continuing to invest

Agility is beefing up both its domestic and regional presence in Singapore at a time when the logistics business has been hard hit by the drop in both sea and air freight volumes. In Singapore, business is close to 20 per cent down and in China it said some customers are seeing 30 per cent fewer orders.

However, while business is down in the short-term, Agility has confidence in the longer term. "We do think that things will come back and grow, otherwise we wouldn't be making investments like this," said Mr Hollermann.

A product that is faring well in this time is sea-air freight, where customers are able to combine a mix of lower costs from sea freight and faster delivery times from air freight. The customers' goods are first shipped on sea freight to the Middle East and then are transhipped to air freight and on to Europe.

"It is a unique product and doing very well at the moment," Mr Hollermann said.

Despite the tough economic times, expansion remains very much on the cards and Mr Hollermann said that they look at opportunities on a country level, also regionally and even at a global level.

"This is probably the time for consolidation," he said.

In Asia-Pacific, this includes a deal under negotiation in China. The company is also looking at expanding in Vietnam.

"The growth plan is there, we just have to be careful," he said. 

A business-friendly way about MPA

The Maritime and Port Authority of Singapore (MPA) has in place a growing number of incentives and initiatives to help both new and existing players develop their business. This includes international shipping companies with established worldwide networks, a strong track record, demonstrable business plan and a commitment to expanding their shipping operations in Singapore.

Approved International Shipping Enterprise (AIS)

Companies under the AIS scheme enjoy tax exemption on qualifying shipping income for 10 years. Withholding taxes on charter hire payments to non-tax residents of Singapore are also exempt under this scheme, giving the company the flexibility of chartering in additional vessels to supplement its existing fleet.

Approved Shipping Logistics (ASL)

Companies under the ASL scheme are eligible for a concessionary tax rate of not less than 10 per cent on their incremental income derived from providing freight and logistics services for an initial period of five years. The ASL scheme is aimed at ship agencies, ship managers, international logistics operators and freight forwarders of shipping groups that provide services from Singapore.

Maritime Finance Incentive (MFI)

MFI encourages companies to use Singapore as their capital and funding base to finance both their maritime vessels and sea containers. Ship or container leasing companies, funds, business trusts or partnerships all get to enjoy tax concessions for up to 10 years on their qualifying leasing income under the MFI scheme. The manager of the asset-owning entity will be awarded a concessionary tax rate of not less than 10 per cent on its qualifying management income.

Maritime Cluster Fund (MCF)

Accessible to both companies and individuals within the maritime sector, the fund is available for the development of manpower, local training infrastructure and capabilities within the maritime industry.

A wide array of schemes and programmes available under the MCF are:

- The Course Fee Subsidy, which subsidises participants in maritime-related courses.
- The Maritime Attachment Programme (MAP), which reimburses companies sponsoring an employee on an overseas training attachment.
- The Maritime Postgraduate Scholarship Scheme (MPS) that jointly sponsors an employee to attend a full-time foreign maritime postgraduate course or full-time/part-time local maritime postgraduate course.
- The Graduates Attachment Programme (GAP) that encourages companies to provide on-the-job training to fresh maritime graduates at their local or overseas offices without having to expand their headcount formally.
- The Overseas Trainer Attachment Programme (OTAP), which reimburses companies that invite trainers from foreign offices to train their local staff.
- The MPA professorships that bring visiting professors and distinguished visitors within the maritime community to Singapore universities.
- The Maritime Industrial Attachment Programme (MIAP), which gives students added incentive to experience work in the maritime industry.

MPA set up the MCF in 2002 with a budget of S\$80 million and as of 2009 an additional S\$45 million has been injected into the fund. The added capital is to give a hand to new maritime businesses planning to set up in Singapore, or existing maritime businesses planning to expand into new lines of businesses, allowing these companies to defray eligible start-up costs.



Anchored in reality

Shipping leader Dr Helmut Sohmen does what needs to be done – even if it hurts

Dr Helmut Sohmen, chairman of the BW Group, a leading shipping company, told The Straits Times that shipowners need to face up to reality and act to eliminate excess capacity and cancel new orders.

'There's always a time lag between the first signs of spring and the flower and that happens with shipping as well... I predict another three difficult years at least.'

Dr Sohmen suggested that industry stakeholders should convene a forum to discuss cancelling new ship orders. A drastic move, but one that is needed as a recovery is unlikely any time soon.

'People like to fool themselves sometimes and usually they don't get very far. So my suggestion is to be realistic, even though it may hurt to be realistic, and take action now rather than later,' Dr Sohmen said.

He has close to 40 years of experience in the industry and helped to steer the company through the shipping crisis in the 1970s and 1980s.

He echoed the same sentiments at the third Singapore Maritime Lecture to about 340 industry leaders at the Suntec convention centre, as part of the Singapore Maritime Week.

The shipping industry is facing its worst crisis since the 1970s, with the global economic slowdown having dried up demand and frozen trade financing.

It has been compounded by shipowners who got carried away ordering vessels in the recent boom years. Many of the ships are still to come onstream. This has led to a massive overcapacity that has driven down freight rates and slashed margins.

Dr Sohmen suggested two ways to shave off excess capacity – scrap older vessels and cancel new orders.

'Start scrapping to try to reduce the overhang and to really eliminate some older tonnage... Don't hang in there believing things will get better very soon, because in my view it won't.'

He said cancellation of orders for new ships is taking place, but a lot of companies were keeping it quiet.

Cancellations usually involve three or four parties – the shipowners, shipyards, bankers and sometimes the charterers – he said.

'In the late 70s... the industry organised around

an organisation called the International Maritime Industries Forum.

'We tried to bring the four parties together to at least try to create an environment where negotiations about cancellations, contract terminations would be encouraged by all sides. Maybe something along those lines should be done again.'

With the World Bank and International Monetary Fund predicting the global economy to pick up only at the end of next year, he said 'there's always a time lag between the first signs of spring and the flower and that happens with shipping as well... I predict another three difficult years at least.'

Piracy is another challenge facing the industry. Dr Sohmen said shipowners are taking longer routes or following armed convoys for protection, but these are just short-term remedies.

The long-term solution lies with governments, but he felt that they have not shown a commitment to developing forces to deal with sea-based terrorism and that ultimately 'the cost-benefit is in favour of the pirates'.

Governments in coastal nations close to what he called 'the failed states', where some pirates come from, also need to do much more to police the shores.

The Austrian-born Dr Sohmen inherited World-Wide Shipping from Hong Kong shipping magnate Y.K. Pao – his father-in-law – and has been its chairman since 1986.

Under his leadership, it bought the Norwegian gas carrier operator Bergesen dy ASA in 2003 to form the BW Group, as it is known today.

His son Andreas Sohmen-Pao is now the managing director of BW Maritime with headquarters in Singapore.

When asked if he sees the business staying in the family, Dr Sohmen, who resides in Hong Kong, said: 'It is difficult to prognosticate on that front.'

'Decision-making will then not be in my hands... But I can say yes, we will remain flexible and open-minded. Every generation has its own particular parameters and its own particular vision.'

'All I can say is that I hope we will continue to be in the business for a while longer and successfully.' 📧



Singapore is prepared to ride out the storm

MPA Chairman Lucien Wong charts the way forward

In 2008, the port of Singapore was once again the world's top port in terms of shipping tonnage, container throughput and bunker sales, despite the economic downturn. Yet it is among the safest and most efficient ports in the world.

The Maritime and Port Authority of Singapore (MPA) oversees port and marine service providers round-the-clock, making sure that services are safe and reliable.

We continue to invest to maintain Singapore's position as a major hub port by making certain that we continue to offer competitive, efficient and reliable marine and port services, while ensuring sufficient capacity to meet future demand.

For these and other reasons, I believe Singapore will continue to be well-recognised as

an attractive port of call, and a leading hub for maritime businesses.

Maritime Singapore is already a vibrant maritime cluster with a suite of maritime ancillary services in shipping, law, finance, brokerage, insurance and training. However, to grow beyond the current core of businesses, there needs to be a clear vision for the next 15 years.

To further sharpen our competitive edge, the third Maritime Research and Development Advisory Panel (MRDAP) recently recommended policies and plans to transform our existing maritime cluster into a global maritime knowledge hub.

The objective is to develop more knowledge-intensive activities to add diversity and advantage to the Singapore maritime cluster by attracting a critical mass of global key industry players.

Practical steps involve increasing efforts in maritime R&D with closer collaborations between the institutes of higher learning and the industry, establishing new maritime R&D institutions for advanced research, attracting global talent, and building Singapore into a leading hub for maritime thought leadership and education.

MPA has been laying the cornerstones for the transformation of maritime Singapore. For instance, the Singapore Maritime Week, which just completed its fourth run, is an annual initiative by MPA to develop Singapore as a maritime thought capital, where industry captains and policy-makers gather to discuss topical issues.

Singapore Maritime Week 2009 attracted more than 13,000 local and international participants, positioning Singapore further as an important centre for maritime ideas and discourse. MPA is committed to building R&D alliances between the maritime industry and academia, as well as with other knowledge networks.

Challenges

But there are challenges ahead. Just last year, the shipping industry was booming on the back of soaring world trade. Freight and charter rates, ship rentals and the price of ships were heading only one direction - up.

Then the US sub-prime crisis took a foothold, and world trade plunged, which sent the shipping industry reeling. Fortunately, Singapore's fundamentals are sound, and we are prepared to

ride out the storm. Shipping is highly cyclical - what comes down will go up. MPA is committed to helping the industry.

In place are cost-assistance initiatives totalling about S\$28 million. These include measures to help lower business costs by reducing port dues and taxes.

To be well-positioned for the upturn, MPA has also set aside S\$45 million under a new business development vertical in its Maritime Cluster Fund to support the business development of maritime companies who wish to set up businesses in Singapore.

More than ever, this is the time for the maritime industry to build capacity and capability, so as to leverage opportunities when the markets recover. The expansion of Pasir Panjang Terminal and new lighter facilities at Marina South, and capital dredging to handle mega container ships are to ensure sufficient and timely port capacity.

To better manage future traffic growth, MPA is also building a new cutting-edge Port Operations Control Centre at Changi.

In addition, MPA has stepped up efforts in R&D and education, setting aside S\$25 million under our enhanced Maritime Innovation & Technology (Mint) Fund. Strategic R&D areas will focus on maritime telecommunications, port operations, clean energy and marine environment.

In 2009, we will continue to support institutes of higher learning to establish new maritime programmes, as well as work towards attracting reputable training providers to Singapore.

So that threats from piracy and armed robbery at sea do not escalate during this economic crisis, MPA will continue to ensure that the Malacca and Singapore Straits remain safe, secure and open for shipping, participating and actively supporting the work of the ReCAAP Information Sharing Centre.

MPA will also continue to promote cooperation between users and coastal States in ensuring safety and protection of the environment in the Malacca and Singapore Straits, foremost through the recently established Straits Cooperative Mechanism.

Finally, we aim to strengthen Singapore's position among the international maritime community through Singapore's re-election to the International Maritime Organization Council this year. ☎



Using the financial

Singapore has a way of coming out on top, says industry experts.

On any normal day in recent years, the terminals of Singapore's container port, busiest in the world in total tonnage, would throb with activity. Furiously working the cranes, Chinese, Indian, and Malay



storm to prosper

workers would guide in superjumbos and small harbor craft, relying upon one of the most sophisticated systems of monitoring vessel movement in the world. Last year, the port handled over 130,000 vessels, and most days, at least 400 ships come in and out of port.

But in Singapore, as in all of the world's major ports, normal hardly exists anymore.

With the global financial crisis hitting shipping and exports hard, two staples of the city-state's economy, Singapore's prime minister, Lee Hsien Loong, recently warned

his compatriots they would be facing the toughest downturn since World War II. Indeed, Singapore's exports plunged by some 35 per cent in January of 2009, a steep drop, and many shippers are storing their cargo for far longer in transit than in the past, depressing port revenues.

Still, Singapore, famous for its meticulously driven government, isn't exactly throwing in the towel. Instead, the port of Singapore sees the crisis as an opportunity, a chance to demonstrate how it can thrive, and gain a leg up on rising Asian competitors. "Singapore's forte is survival," says Ernie Bower, a partner at the Brooks Bower Asia consulting firm in Washington, which focuses on Southeast Asia. "Singapore will recover relatively quickly [from the crisis]."

Facing the global crisis, the port of Singapore apparently has a multi-part response strategy. First, it is trying to hold onto the container traffic it has, until the global economy improves. In its 2009 budget initiatives, the government rolled out a raft of plans. It announced that the Maritime and Port Authority of Singapore (MPA) would

slash port dues by twenty per cent for smaller harbour craft operating in Singapore, and ten per cent for larger, oceangoing ships docking in Singapore for less than ten days. These cuts, inaugurated on April 1, will last for year, and come on top of other concessions made in previous years to shippers in Singapore. The Singapore government also announced a forty per cent property tax rebate for industrial and commercial properties in 2009, a measure designed to encourage new business development even during a downturn.

And if these measures are not enough to keep companies working with Singapore, the government likely will come up with more.

"Singapore has the resources, wits and confidence in its governance to survive," says Walter Lohman, a Southeast Asia expert at the Heritage Foundation think-tank. "Their future will be determined by recovery of demand in global markets. They don't have a domestic demand that can replace it."

Yet even as it tries to keep longstanding business, the port is using the downturn to actually make new investments. Singapore has



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The port of Singapore sees the crisis as an opportunity, a chance to demonstrate how it can thrive, and gain a leg up on rising Asian competitors

a large enough cash stash to upgrade facilities and look for undervalued assets elsewhere during a downturn.

“Look to see Singaporean financial institutions and other government-linked companies expand positions in regional investments and carefully buy new companies,” says Bower. “In the meantime, stability will be retained by cautious pump priming at home.”

Indeed, this winter, the Singapore government started that pump. Besides its tax rebates, it announced it would boost outlays for capability development programs at the port, designed to keep the shipping industry ready for a global economic recovery. Dipping into its reserves for the first time in recent history, it also created a US\$14 billion economic stimulus package, by far the largest of any nation in Southeast Asia, according to an analysis by the U.S.-Asean Business Council, a trade group. It launched a new influx of money into the state’s Maritime Cluster Fund, designed to help pay the start-up costs of new companies setting up port-related businesses in Singapore or current Singapore-based companies that are expanding their operations.

The port also has increased its investments in R&D and education, boosting the money in the country’s Maritime Innovation and Technology Fund, designed to develop R&D in areas like port operations, maritime telecommunications, and maritime environmental issues.

“Shipping is a cyclical industry. It is vital that companies take this economic downturn as an opportunity to upgrade the skills of its staff in preparation for the next boom,” MPA Chief Executive Tay Lim Heng told *World Trade*.

Perhaps most important, unlike some other nations in the region that are retreating into

protectionism, Singapore actually is pushing harder for liberalization at this time. (The value of Singapore’s total two-way trade is three times as much as its GDP, showing its dependence on trade.) “Its neighbours are seeking to roll back the timetable for implementation of the Association of Southeast Asian Nations (Asean) Free Trade Agreement [but] Singapore will push hard for World Trade Organization progress,” says Bower.

The city-state, Bower believes, also will push for the Trans-Pacific Partnership Agreement (TPP), a trade facilitation agreement between the United States and several selected Asian nations, including Singapore.

Singapore’s strategies already appear to be paying off. With so many incentives being dangled, earlier this year, NYK Logistics, a leading Japanese freight forwarder and warehousing company, took advantage of the tax breaks to open a new container cargo facility, located in the massive Keppel Distripark complex.

And in its advocacy for trade, Singapore clearly has impressed Washington. At the end of President George W. Bush’s term, the U.S. vowed to push forward on the Trans-Pacific Partnership Agreement. And though the Obama administration has taken a more cautious view of trade deals in general, it has embraced closer links with Southeast Asia, and most likely will take up the TPP.

Meanwhile, Singapore has delivered the numbers. In January, the MPA announced that, despite the global downturn, in 2008 Singapore still reached a record tonnage of shipping, some 1.6 billion gross tons, as well as a growth in container traffic in 2008 as well.

Over the next year, in fact, Singaporeans will have much more to be proud about at their port. Though the MPA admits 2009 will be tough, the port, and the country in general, likely will see significant recovery in traffic in 2010. One comprehensive recent report by BNP Paribas, the giant French bank, predicted that the city-state’s economy would recover rapidly in 2010. “The recovery [will be] more V- than U-shaped,” Paribas economist Richard Iley predicted. ☺

This article first appeared in World Trade Magazine.

Deepening roots

Singapore continues to attract new international maritime companies, even as existing ones expand the scope of their services here.

It looks as though 2009 will be a tough year as a whole, and certainly for the shipping and maritime industries.

Figures for some of Singapore's key maritime entities for the first few months of this year make grim reading. As the world's largest containerport, its throughput for the first quarter of 2009 was 6.02m TEU, down 17.9 per cent from the same period a year earlier.



In a small positive, though, the rate of decline is slowing as industry executives report improving volumes, in particular on intra-Asian and regional trades.

One of Singapore's best known shipping companies, Neptune Orient Lines, has laid up ships, rationalised services and still reported a first-quarter loss of S\$245m. Top dry bulk operator Armada Singapore also found itself unable to cope with the fallout from the plunge in global dry bulk shipping markets, and was forced to seek protection from creditors at the beginning of the year.

Despite the problems it faces, Singapore is

forging ahead with its longstanding ambition to become an international maritime centre.

It is testament to this vision that international companies continue to set up in Singapore.

"We are still attracting new entrants," said Singapore transport minister Raymond Lim, speaking at the Maritime & Port Authority of Singapore's International Maritime Awards in April. "Some examples since the start of this year include a new subsidiary of Oslo-based shipbroker Inge Steensland; the establishment of BIMCO's representative office in Singapore; and the set-up of Rolls-Royce's global headquarters for marine business in Singapore."

He added: "We witnessed NYK expand its logistics capabilities in Singapore with the official opening of its new warehouse facility at Keppel Distripark. We were also pleased to welcome UK-based maritime law firm Hill Dickinson in March this year, and we will extend similar hospitality to our fifth marine mutual, the Shipowners' Club, which opens its Singapore branch office."

This year also saw 26 new companies enrolled in the Approved International Shipping Enterprise scheme, three 10-year extensions, three new companies on the Approved Shipping Logistics Enterprise Scheme, and two new firms under the Maritime Finance Incentives. All these schemes have played key roles in attracting international businesses to set up in Singapore.

The Republic has continued to roll out measures to expand the country's maritime industry clusters and to help businesses through the tough times.

Outlining these measures, Mr Lim said: "To reduce companies' business costs and to alleviate short-term difficulties, we have introduced an additional 10 per cent port dues concession for all oceangoing ships with port stays of less than 10 days.

"We also extended the waiver on withholding tax on overseas interest payments to finance the purchase of Singapore flag vessels under the Singapore Registry of Ships Block Transfer Scheme. At the same time, we have also broadened the scope of the BTS so that it may be enjoyed by owners of single vessels of at least 40,000 GT." "We will continue to identify ways to further boost Singapore's growth as an international maritime centre," he said. 📧

This article first appeared in Lloyd's List.

A splash of science

Competitive swimwear has evolved remarkably over the years. Speedo, famous for its Raceback design in 1928, was one the first manufacturers to focus specifically on swimwear for athletes.

Designed to reduce friction and drag, rather than to flatter the wearer or be stylish, sports swimwear has to fit and stay firmly in place, as its main function is to facilitate speed in the water. As such, competition swimwear has a high concentration of spandex for a consistent and streamlined fit, and is treated for chlorine resistance.

In 1956, Speedo made a major international splash at the Summer Olympics in Melbourne, where it introduced Nylon in its competitive swimwear.

In the 1970s, athletes broke world records with revolutionary Lycra swimsuits, but since around the turn of the 21st century, many companies have been basing their competitive swimwear designs on the skin of sea creatures such as sharks.

As such, the swimwear is covered with tiny triangular projections that point backwards so that the water spirals off the athlete's body,



The 1928 Racerback concept has survived to the present day

reducing drag by, some companies claim, up to six per cent.

Speedo's latest breakthrough was in January of 2008, with the launch of the LZR Racersuit.

Made of high-technology swimwear fabric composed of woven elastane-nylon and polyurethane, the LZR Racersuit was developed in association with NASA. Dr Herve Morvan, a lecturer in fluid mechanics, scanned over 400 athletes to pinpoint areas of high friction on their bodies before this super suit was created.



EXECUTIVE MBA in Shipping, Offshore & Finance

The Business School with Singapore's #1 MBA* programme

(*Ranked One of the Top 25 Global MBA programmes, Financial Times 2009)

The Executive MBA in Shipping, Offshore and Finance is developed jointly by BI Norwegian School of Management, Norway, and the NTU Nanyang Business School, Singapore, in close collaboration with the industry.

Combining the latest research and theory with a practical-oriented "hands-on" approach, this programme is designed to give participants an understanding of the key drivers, challenges and opportunities in the shipping and offshore industry, with an exposure to the fastest growing Asian markets.

The objectives of the programme are to:

- Develop strategic leadership skills in the shipping and offshore sectors
- Identify business opportunities within a company's value chain
- Gain a thorough understanding of the global shipping and offshore business

Nanyang Executive Education also offers the following programmes:

- Nanyang Executive MBA Programme
- Nanyang Executive MBA Programme with specialised tracks in Entrepreneurship, Innovation & Design Management
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- Modular format, 6 segments of 2 weeks every quarter
 - 3 segments in Oslo, Norway
 - 3 segments in Singapore
- Annual Intake in January
- Application deadline: end October

