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CONNECTIVITY

One-fifth of the world's containers connect here. The world's largest transhipment hub. 200 shipping lines. 600 ports. 123 countries. This is Singapore. This is PSA.
The Singapore Nautilus is the new information staple for the maritime community. It replaces the Port of Singapore and Nautilus magazines, which have been the maritime read for the past 10 years. Singapore Nautilus will be the maritime quarterly to keep abreast of Singapore’s growth as a maritime hub.

Singapore Nautilus will record the buzz of the local maritime scene and profile personalities and companies making waves overseas. It will also offer commentaries on topical and emerging issues of interest to stakeholders.

The inaugural issue focuses on the dynamism and cosmopolitan nature of Singapore’s maritime ecosystem. We feature the maritime organizations, industry associations, shipping groups, maritime businesses and ancillary services in Singapore to plug into the rapid growth of Asia and Asian shipping. Captains of industry interviewed tell us why Singapore?

The Port and Starboard feature on the oil and gas industry, as do advances in electronic navigational charts for ferry routes between Singapore and Indonesian islands, convey the breadth and depth of Maritime Singapore at sea, while ship financing and marine insurance in Singapore provide a glimpse of the diverse maritime ecosystem ashore. At the same time, the maritime community’s active outreach and engagement of our youth is part of the rejuvenation process of Singapore’s maritime DNA.

Driving Singapore’s global maritime aspirations is the Maritime and Port Authority – primed as a mission-focused organization.

The new Singapore Nautilus has something for everyone.

Cheers!

Matthew Lee
Director, Planning and Communications Division, MPA

Matthew

Celebrate Maritime!
Singapore attracts more big name brokers and insurers

This year has seen an unprecedented increase in the number of maritime service providers setting up shop in Singapore.

Oslo-based ship broker Fearnley, together with maritime insurers, Norwegian Hull club and Nordisk Defence Club, added considerable weight to the Scandinavian contingency earlier in the year when they established their own regional offices in Singapore.

The moves coincided with the decision by other big names such as the Baltic Exchange and the North of England P&I Club, as well as broker Braemar Seascope, to establish their own presence in the region.

Russian bunker supplier sets up shop

Russia’s Bunker Supplier CEA Bunker has established its own trading office in the world’s largest bunker market — Singapore.

Operating under the name of CEA Bunker Pte Ltd, the recently-formed company aims to use its Singapore-based point to establish its criteria in Asia and expand its customer base.

CEA Bunker was set up in 2001 in Russia, and the Singapore expansion is a major step towards its recognition in the global sector.

The initial business potential of CEA Bunker Pte Ltd is in the bunker trader industry, and there are no immediate plans to bring bunkering vessels into Singapore.

ASF establishes secretariat in Singapore

The Asian Shipowners’ Forum (ASF) has established its permanent secretariat in Singapore.

The ASF officially announced its decision in late May, thereby further underlining the maritime importance of Singapore as a central voice for the shipping community, which includes shipowners’ associations from Australia, China, Chinese Taipei, Hong Kong, Japan, Korea and from the Federation of ASEAN Shipowners’ Associations.

Established back in 1992, the ASF has rotated its secretariat on regular occasions, and the decision to set up in Singapore was welcomed by the President of the Singapore Shipping Association, SS Teo who commented, “We have believed for a long time that the ASF needed a permanent office in Singapore to reflect the growing influence of the shipping industry in the region”.

Teo said he hoped the establishment of the secretariat would not only be beneficial to Asian shipping, but also to the global maritime community.

“If Asia can play a more proactive and constructive role in the international shipping scene, then this will help with the growth of the global shipping industry and world trade”, he concluded.
German investor sets up new shipmanagement company

HAMBURG INVESTMENT GROUP Lloyds Fonds has opened up a new shipmanagement company in Singapore, Lloyds Fonds Singapore Pte Ltd.

The company is to offer commercial management facilities aimed at the open-ended funds market, but will also offer its services in the closed-end fund market backed by the official go-ahead from its German-based parent company.

Commenting on the establishment of the new company in Singapore, Group Chairman Torsten Teichert said, “Singapore offers direct access to one of the leading and fastest-growing regions in the shipping finance market”.

Lloyds Fonds Singapore Pte Ltd is headed up by Managing Director Ragiv Dhees, while Group Executives Jan Hagemann and Matthias Scholler will take on identical roles based in Hamburg and Singapore respectively.

Hanjin sets up new tanker company

KOREAN LINE Hanjin Shipping has established a tanker operating subsidiary company in Singapore that officially started operating on 1 July 2007.

The new company, known as Hanjin Overseas Tanker Pte Ltd, has an initial investment of US$5m and will carry out independent overseas sales and ship operating business functions.

More importantly, Hanjin Shipping plans to relocate part of its Korean-based tanker business, such as petroleum products carriers and chemical tankers, to the newly-formed Singapore subsidiary.

In an official announcement, Hanjin said, “The establishment of the new Singapore subsidiary will strengthen overseas sales and expand tanker business.

“Singapore is quickly emerging as the centre of tanker business thanks to the recent relocations of tanker-related companies”, the announcement concluded.

Singapore shipping trust potential gathers global interest

SINGAPORE'S THIRD SHIPPING TRUST, known as Rickmers Maritime, was listed in early May, taking the initiative first established by national carrier Pacific International Lines Pte Ltd (PIL) in April/May last year, a major step forward into the global arena.

Rickmers Maritime, sponsored by German-based Rickmers Group, made its debut on 4 May 2007, and on its first day of trading, closed two cents up on its issue price of SGD$1.59.

The gain, albeit small at just over 1.2%, showed a more positive sign when compared with the earlier shipping trusts, Pacific Shipping Trust sponsored by PIL, and First Ship Lease Trust, officially listed on 27 March, 2007.

Both these trusts, the first two set up in Singapore, experienced a price downturn within the Initial Public Offering price in the first week of operation.

Rickmers Maritime successfully raised US$284m through its initial offering and the initial placement, and the Singapore public offer was oversubscribed by 3.06%.

While around 50% of the investor interest came from Asia, of equal importance was that 30% came from the United States and the remaining 20% from Europe.

Rickmers Maritime is following close on the heels of two already established shipping trusts, offering a yield of 8.23% to investors through to 2009, whereas the other trusts are retaining part of their income for reinvestment purposes.

A fleet investment programme has been committed to the acquisition of four new 4,250 teu containerships, and the purchase option on another containership with a capacity of 3,450 teu, presently owned by the sponsor.

All these ships have long term charter deals up to eight years, underlining a secure commercial earning revenue that is already generating increased investor interest.

Rickmers Maritime has also generated sponsor agreement to purchase any, or all of these vessels, together with any others that will come under the Trust control in the near future.

Furthermore, the newly-formed company has already started marketing up to nine containerships of 4,250 teu capacity, due for delivery between 2008 and late 2009, for long term charter deals.
NOL order for megaships puts line into major leagues

SINGAPORE’S LARGEST SHIPPING COMPANY Neptune Orient Lines has placed a newbuilding order valued at around US$1bn for the construction of eight 10,000 teu containerships, thereby placing the line and its liner shipping arm, APL, among the big league keen to develop their fleets to the new generation capacity.

The new ships will be built in two separate batches in Korea – one at the giant Hyundai shipyard in Ulsan, the other by Daewoo. Delivery is expected to be during 2011, and the vessels are intended for the Asia/Europe trade, which is presently growing in market volumes at almost 20% each year.

Historic breakthrough in Straits co-operation

SINGAPORE HOSTED a landmark international meeting in early September, launching a new Co-operative Mechanism to enhance navigational safety and marine environment protection in the Straits of Malacca and Singapore.

Hailed as a ground-breaking initiative and historic milestone, the Co-operative Mechanism is the first concrete realisation of UNCLOS Article 43. It is developed by Indonesia, Malaysia and Singapore, in consultation with the International Maritime Organisation and various users and stakeholders of the Straits. The Mechanism has received strong international support, with countries such as Australia, China, Japan, Republic of Korea, United Arab Emirates and the United States making firm commitments to contribute.

FROM L TO R: Mr Hastjarja Harjigoni, Director General, DGST, Ministry of Transportation, Indonesia, Mr. Eddy Pratomo, Director General for Legal Affairs and International Treaties, Department of Foreign Affairs, Indonesia, Mr Efthimios E. Mitropoulos, Secretary-General, International Maritime Organization, BG (NS) Choi Shing Kwok, Permanent Secretary, Ministry of Transport, Singapore, BG (NS) TAY LIM HENG, Chief Executive, Maritime and Port Authority of Singapore, Dato’ Captain Ahmad Othman, Director General, Marine Department, Malaysia and Mr Muhammad Razif Ahmad, Director (Seafarers and Ports Division), Marine Department, Malaysia.
APL expands portfolio to encompass new US trade route

SINGAPORE-BASED APL, which is owned by Neptune Orient Lines and is among the world’s top ten container shipping lines, has expanded its global trade initiative by launching an innovative service to and from the United States East Coast using the Suez Canal transit.

The new service, which started operating in July with eight ships each around 4,000 teu capacity, will serve the Southeast Asia region, and concentrate on East/West shipments over Singapore.

To date, APL’s shipments on this trade route have moved either via the United States West Coast then overland to the strong East Coast market, or via the Panama Canal.

But APL has found out there are competitive transit times available for cargo over Singapore if ships voyage via the Suez, and given proposals to increase Panama Canal dues, the Suez route could become an increasingly popular alternative.

As long as the cargo is generated to and from Singapore and the Southeast Asia region, there is little or no difference in transit times to and from the United States East Coast.

The new APL service, run in partnership with Japanese line, MOL and Korea’s Hyundai Merchant Marine, is a major first for the Singapore-based shipping line, which has seen the development potential for a trade route that is continuously hampered by rising overland and Canal toll fees.

APL is marketing the new service as its Suez Canal Express.

Thome and Vanguard in FPSO deal

THOME OFFSHORE Management (TOM), a wholly owned unit of ship manager Thome Group, has signed a wide-ranging service agreement with Vanguard Field Development Solutions of Singapore (Vanguard), a leading offshore industry service company, to provide FPSO conversion and project management services.

Vanguard is an independent offshore services company with a strong track record in FPSO/FSO conversion, supply and operation.

Thome Offshore intends to work with Vanguard as the offshore specialist group is looking for opportunities in the growing FPSO/FSO conversion and management sector.

Vanguard has already identified several projects on which it will work with Thome Offshore.

As part of the new agreement, Thome Offshore will assist with the conversion of an Aframax tanker into an FPSO, and to operate that FPSO once delivered to the field. Vanguard, with Thome’s assistance, has identified two other currently trading oil tankers suitable for future conversion into FPSOs, which will be deployed on oil and gas fields.

Vanguard Field Development Solutions will convert the Aframax tanker Vanguard Viking1 (double hull, 101,972 dwt, built 1991) at a Singapore shipyard with work expected to start in December 2007. The converted unit will be delivered to Vanguard, her owners, by the end of 2008.

Under the terms of the deal, Thome Offshore will assist Vanguard Field Development Solutions to undertake the conversion of this vessel, and the other vessels being purchased, one of which is set to be leased by Vanguard to Nexus Energy of Australia to produce condensate from the Crux field in the Timor Sea.

The Australian Exchange-listed group is aiming to begin production from Crux by the second quarter of 2010 subject to a final development decision. The Crux offshore gas field is about 700km west of Darwin.
At the IMO-Singapore Meeting on the Straits of Malacca and Singapore. From L to R: Mr. Jusman Syafii Djamal, Minister for Transportation, Indonesia, Mr. Raymond Lim Siang Keat, Minister for Transport & Second Minister for Foreign Affairs, Singapore, Professor S. Jayakumar, Deputy Prime Minister, Co-ordinating Minister for National Security and Minister for Law, Singapore, Mr. Efthimios E. Mitropoulos, Secretary-General of the International Maritime Organization and Hon. Dato’ Hj Zakaria b. Hj. Bahari, Secretary General of Transport, Malaysia.

A toast to the April launch of MaritimeOne, a Singapore initiative to promote the maritime industry to the younger generation. From L to R: Mr. Patrick Poon, Honorary Secretary & Chairman, General Affairs Committee, Singapore Shipping Association, Mr. SS Teo, Chairman, Singapore Maritime Foundation, Mrs Lim Hwee Hua, Minister of State for Finance & Transport, BG(NS) Tay Lim Heng, Chief Executive, MPA, Mr Michael Chia, President, Association of Singapore Marine Industries and Mr David Chin, Executive Director, Singapore Maritime Foundation.

HM King Harald V of Norway signs the guestbook at the Singapore Pavilion at Nor Shipping 2007 while Mrs Lim Hwee Hua, Singapore Minister of State for Finance and Transport looks on.

Jim Fitzpatrick MP, Parliamentary Under-Secretary of State, Department for Transport, UK, on a tour of the Port Operations Control Centre, flanked by MPA Group Director, Hub Port, Capt Khong Sheng Ping (L) and MPA Director, Policy, Mr. Yee Cheok Hong (R).
LIFE MATTERS

Life is sustained by our environment. Tanker owners and operators looking to meet stringent environmental standards and to improve asset integrity can benefit from our services. When reputations are increasingly linked to environmental performance, you can rely on us to help you manage your environmental matters.
Singapore has a vision to become a dynamic international maritime centre, growing beyond the core maritime business structures already in place such as its thriving port, ship registry and shipyard activities. The aim is to develop the present expertise to include more knowledge-based fields such as, marine insurance, ship finance and legal services.

Adding the impetus to this ambition is an air of optimism and buzz that seems to permeate throughout the Republic’s maritime industry. It is

For companies involved in the maritime sector, having a presence in the ‘crossroads of Asia’ is crucial

By Paul Richardson
an exciting time to be part of Maritime Singapore, and for good reasons.

Singapore continues to register huge increases in vessel calls, container throughput, bunker sales, and has been voted Best Seaport in Asia for an impressive 19 times. September statistics show that vessel arrivals have grown by some 10% year-on-year, container throughput by 13% and bunker sales by 13.5%. All indications point to yet another record year for the performance of the port in 2007.

There are also packed orderbooks for the offshore and marine engineering sector, and the continuing stream of new companies setting up in Singapore shows little sign of dwindling.

The core cluster of blue chip shipping companies in Singapore has grown over the years. There...
are now more than 90 reputable shipping groups with a presence in Singapore, with representation of ship owners from more than 25 countries worldwide.

The island has also been busy welcoming new entrants in ship finance, marine insurance, ship management and shipbroking sectors, among others, into its maritime fold.

Some 15 banks have set up ship financing operations in Singapore, of which five are among the top 10 shipping banks in the world. The new players on the block include top names such as DVB Group Merchant Bank, HSH Nordbank, Natixis, Pareto Securities Asia and HVB.

As Ragini Dhanvantray of Rikvin Group, a Singapore-based specialist in registration formalities describes, “Almost every major international shipping bank has set up a shipping desk in Singapore.”

One senior executive at DVB claimed, “For us, Singapore is the natural choice for Southeast Asia”.

Apart from the banks, ship financing in
“Singapore offers the perfect location to perform business functions connected with tanker industry in the Southeast Asia location”
— INTERTANKO

Singapore has also begun charting a course for “new territories”. The Maritime Finance Incentive (MFI) introduced by the Maritime and Port Authority of Singapore (MPA) in 2006 has helped to stimulate the introduction of alternative ship financing products. To date, five companies have been awarded MFI status. While it is still early days, the initial results from these companies show promise.

The marine insurance market in Singapore has also gotten off the blocks. For instance, the number of Lloyd’s Syndicates in Singapore that undertake marine insurance activities has increased from just two in 2002, to about five to date. A number of marine mutuals have set up representative offices in Singapore, including the Norwegian Hull Club and the North of England P&I Club.

Singapore’s growth as a ship management centre has seen marked progress. Many reputable independent and owner related ship management companies such as Anglo Eastern, Barber Shipmanagement, Columbia Shipmanagement, Eurasia, Fleet Management, V Ships, AET Shipmanagement and Tanker Pacific have set up operations in Singapore.

OSM Shipmanagement, a Norwegian shipping specialist, has set up its first full technical management service centre in Asia in Singapore.

OSM senior executives conclude, “Singapore is the place for shipmanagement companies to set up in Southeast Asia. Here, the vibrancy for business expansion exists and the manpower potential and recruitment potential is unmatched in Asia.”

There has also been an increase in shipbroking activities from companies such as Fearnleys Asia, Simpson Spence & Young Singapore, Braemar Seascope and Freight Investor Services.

But what is it about Singapore that has made it such a magnet for maritime businesses?

Different maritime companies have different reasons and different considerations for setting up operations in Singapore.

- The Singapore maritime industry contributes some 7% in direct value-add to Singapore’s GDP.
- Singapore is home to more than 5,000 maritime establishments, which together provide some 100,000 jobs.
- Singapore’s port achieved strong growth in 2006 and expects even stronger growth this year.
- In 2006, Singapore continued to be the busiest port in the world, handling more than 1.3 bn gross tons of shipping tonnage of vessel calls.
- Last year, the container terminals handled an impressive 24.8m teu of containers.
- The Singapore Registry of Ships is one of the largest in the world, with more 3,400 vessels totalling some 38m gross tons on its books.
- Singapore is the world’s largest bunkering port with more than 28.4m tonnes of bunker fuel delivered in 2006.

Maritime Singapore Facts & Figures
We have customers with huge fleets and we have customers with very few vessels. Our customers operate globally and we serve them through some 300 offices covering any port their vessels may call at. We work closely with our customers in a partnership involving a mutual understanding of roles. Many customers view us as an integral part of their successful operations.

We have the expertise and we have a global network of professionals who care about you and your vessels wherever they may be at any time.
operations in Singapore. The business-friendly fiscal regime here certainly ranks high on the list of considerations. However, many also cite a number of intangible benefits for being in Singapore, such as its safe and clean living environment, excellent transport and communications infrastructure, and a strong government support for the maritime industry that is not commonly seen elsewhere in the world.

A clear example of this commitment is the appointment of the Maritime and Port Authority of Singapore (MPA) as the “champion agency” to develop Singapore as an International Maritime Centre in 2003. This move provides maritime businesses with a ‘one-stop’ focal point for interaction with the government, simplifying the process for businesses and enabling stronger partnerships.

Apart from this flurry of business activities, there is a growing public awareness of the maritime industry in Singapore that adds to its vibrancy.

Led by the MPA, and backed by strong support from industry associations such as the Singapore Maritime Foundation (SMF), the Singapore Shipping Association (SSA) and the Association of Singapore Marine Industries (ASMI), the maritime community in Singapore has begun to take very pro-active steps to raise public profile of the industry and enliven its landscape.

Recently initiated events such as Sea Asia, Maritime Week and MaritimeONE (Outreach Network), have helped to bring recognition to the Singapore public and the global community of what Maritime Singapore has to offer.

The sense here is that the growth and buzz that we have seen so far is but the tip of the iceberg.

The dynamism of Maritime Singapore looks set to continue to grow.
The Singapore petrochemical hub

Singapore sits at the confluence of two great rivers of oil. Flowing in are the huge volumes from the rich oil fields of the Middle East, and gushing out are the refined petrochemicals products for the world’s greatest consuming nations such as China, Japan and the United States.

Consistently rising demand for fuel oil and petrochemicals over recent years has seen Singapore climb the oil and chemical league, and

The Asia Pacific hub of the petrochemicals industry is expanding capacity to meet the growing demands of a thirsty market.

By Greg Knowler
last year, the contribution by these sectors to the manufacturing output of Singapore reached a huge US$48.8b, for the first time exceeding that of the electronics sector, the traditional economic leader.

Singapore is today among the world’s top three refining centres, and one of the top 10 petrochemical hubs. Bulk liquid throughput at its terminals ranks in the top three.

The country is further fuelling its growth by moving towards a more diversified chemical industry and higher value-added downstream activities as it continues to strengthen its base.

At the southwestern tip of the country lies Jurong Island, which the Singapore Economic Development Board (EDB) calls the “nerve centre” of the chemicals cluster, and it is easy to see why.

More than 90 companies are engaged in a range of manufacturing activities, with “plug and play” infrastructure that is protected by a multi-layered security framework, and includes a chemical logistics park which provides incentives for investors.

The 3,200 hectare island – actually seven small islands joined together – is the new home of the oil and gas industry in Singapore.

The master planner behind its development is JTC Corporation, a statutory body under the Ministry of Trade and Industry, whose Corporate Director of Specialised Parks Development Group, David Tan believes, “The chemicals industry has a bright future”, and that the Corporation is, “seeing a new wave of petrochemicals projects.”

Construction has begun on a multi-billion dollar Shell ethylene cracker and mono-ethylene glycol plant, which is the largest single outlay by the company in Singapore.

Tan adds, “With Shell online, it will bring our ethylene capacity to about 2.8 million tonnes a year. This will attract more downstream petrochemical plants, and the cracker plant will provide crucial raw materials to those downstream players.”

Other giants looking to invest further in Singapore include ExxonMobil, which is also looking at developing a cracker project in Singapore.

These investments form one of the cornerstones of Singapore’s strategy to further entrench its already firmly held position as the hub of the Asia Pacific chemicals industry.

With ExxonMobil’s cracker up and running, the ethylene capacity would be close to 4m tonnes a year and this would create significant investment in petrochemical projects downstream.

Talk of Singapore as an important oil bi-product manufacturing and storage centre often elicits surprise as the entire island state has a ground area of just 693 sq km, yet despite the scarcity of land, Singapore has one of the world’s highest storage capacity per sq m available.

But not everything in this business is related to the country’s ground mass.

Incredibly, work has also begun on new
underground rock caverns that will add about 10% more storage space when fully developed, with Phase I expected to be operational by 2011.

The huge storage capacity in Singapore has attracted the world’s top tank terminals companies, and none come bigger than Vopak.

The Dutch company is the world leader in the storage business and uses Singapore as its Asia Pacific storage hub serving predominantly the multinationals.

Paul Govaart, President of Vopak Asia, believes trade in the oil and petrochemicals business of Asia is centred in Singapore, and comments, “The city is at the crossroads of the source countries and the consuming countries, and that is the reason we are here.

“With the current tightness of supply, we are seeing all kinds of players coming into the business. It is a real commodity business and at the centre of the play here in Asia is Singapore. It is an unrivalled hub.”

This “turntable” status of Singapore can be seen in the development of the chemicals business. A good 80% of the chemicals produced in Singapore are not for the local market.

Govaart believes, “There are two lines of business here. One is the distribution business where cargo coming in by ship is transhipped in smaller loads to the Southeast Asian markets. That generally develops in line with the growth of the regional economies.

“The other is the industrial business that is connected to the industrial plants. Ships bring in oil that is refined into petrochemicals and transferred to the various industries. The Shell and ExxonMobil crackers are examples of this, and they will support the further development of downstream factories at Jurong Island.”

Singapore also happens to be the world’s largest bunker market with sales reaching 29m tonnes of fuel oil a year.

A reliable supply chain is critical to the support of this business and this is where global companies such as Chemoil Energy come in.

Chemoil’s business strategy is to capture margins at every stage of the supply chain, and that includes sourcing the oil, transporting it in tankers, storing and blending the product, then delivering it to customers.

Chemoil’s Chief Financial Officer, Jerry Lorenzo reckons, “Singapore is key in this part of the world. We are seeing huge growth in China and India and it is important to be well positioned.”

Last year, Chemoil’s overall sales volume was 13.7m tonnes and the company holds an estimated 10% share of the Singapore market, and the company is intensely focused on increasing this market share through expanding storage facilities, improving loading and offloading of vessels and quickening their turnaround.

Opportunity to ramp up its share of the global bunker market surfaced when the oil majors began to cut production of bunker fuel, choosing to focus instead on the higher value lighter and more refined fuel.

Raymond Murga, Chemoil’s Finance Director, said this gave his company, and other traders, the opportunity to jump in and increase their production, and continued, “Few traders have the global presence we do. Small traders will have problems funding their operations in high oil price markets.”

Environmental concerns have taken centre stage around the world and of growing importance to various industries are biofuels and Singapore has lost no time positioning itself to capture this end of the market.

“We already have three biodiesel companies constructing facilities on Jurong Island,” said the JTC’s Director Tan.

Tan reckons, “the bulk of the fuel is for Europe and the US, but if companies here need to move further into biofuels, the infrastructure is here”. According to Vopak’s Govaart, he believes the environmental focus sweeping the world has created demand for different types of fuels.

“Biofuels are a very positive development for us because they are creating demand for our facilities.

“The need for blending and mixing has been created to meet the specifications of each individual market, and Singapore is the third biggest refiner in the world.

“That’s the real strength of Singapore’s position.”
Some thirty years ago shipboard navigation constituted a mass of ageing instruments by which qualified mariners navigated their ships around the globe. But lengthy solar and lunar sight calculations performed with the use of antiquated sextants took over an hour to work out a ship’s position, an important point that could have changed by almost 20 miles in that timeframe.

Horizontal angle calculations between prominent landmarks relied entirely on the individual navigator’s expertise in knowing how to use an ancient azimuth mirror, and vital information was down to one person’s professional capabilities.

Similarly radar, although accepted worldwide many years previously, remained an unknown animal to experienced seafarers, with onboard maintenance in the hands of a so-called technician who had other responsibilities apart from changing daunting fuses in a complicated electrical switchboard.

But all that changed at sea with the onset of computerisation, and eventual satellite navigation, digital navigation charts and electronic chart display.

No longer was it necessary to perform arduous manual tasks – the job of navigation was relatively easy, and importantly far more efficient. Paper navigation charts became a thing of the past, and the need to plot a ship’s position and importantly plan routes and courses on paper disappeared.

Naturally, and in line with these developments, land-based facilities also adopted the same proactive approach to safety at sea and improved navigation technology, and it is refreshing to report that one of the busiest shipping locations in the world has taken a prominent and conscientious role in promoting such forward thinking.

The Maritime and Port Authority of Singapore (MPA) has initiated the Inclusion of the Official Singapore Electronic Navigational Chart (ENC) into the UKHO Admiralty Electronic Chart Display and Information System (ECDIS) Service, or UKHO Admiralty ECDIS Service. This collaboration taps into the global distribution network of the UKHO to enhance the prominence of Singapore’s ENC, enabling mariners all over the world to gain access to official important navigational data covering a major shipping route.

The UKHO regards the inclusion of Singapore’s ENC into its Admiralty ECDIS Service, as a milestone in the development and promotion of ECDIS, underlining a strong commitment of the MPA and the UKHO to increase worldwide access to official ENC’s.

Basically, the ECDIS is a navigation information system which is approved by the International
Maritime Organisation (IMO) as a paper chart equivalent. The ECDIS hardware and software must comply with the IMO’s ECDIS performance standards.

Vessels equipped with ECDIS need not carry paper charts for the voyage as required under the Safety of Life at Sea (SOLAS) Convention.

In simple terms, ECDIS comprises three main components:

- ECDIS Software (to read ENC for display on the monitor)
- ECDIS Hardware
- Electronic Navigational Chart (ENC).

As a navigational tool, ECDIS can be interfaced with navigational sensors such as GPS.

It is capable of providing a 24 hour/allweather information system, as well as anti-grounding and anti-collision warnings, and other information, all in real-time.

It has the capabilities to carry out route planning, route monitoring and estimated time of arrival (ETA) computation.

Beyond the collaboration with UKHO, the MPA has moved to partner its counterparts to ensure that at least the waters around Singapore and adjacent countries are as safe as possible.

Safety of passenger and freight ferry services between Singapore and the Indonesian islands of Batam, Bintan and Karimun has been given a further boost, with the launch of the Barelang (Batam-Rempang-Galang) – Singapore Electronic Navigational Charts (ENCs).

The Jawatan Hidro-Oseanografi (JANHIDROS) and the MPA will jointly administer the ENCs through a Memorandum of Understanding (MOU).

Some sixty passenger-carrying ferries run between Singapore and the Indonesian islands of Batam, Bintan and Karimun everyday, High Speed Craft (HSC) that cut across the busy shipping lanes of the Singapore Strait to reach their destinations.

To further enhance navigational safety for these craft, as well as for ships transiting the Strait, JANHIDROS and MPA began as early as 2001 to promote the use of ENCs and ECDIS on these ferries.

The close collaboration between the two organisations resulted in the joint production and successful sea trial of the Barelang-Singapore ENCs, which cover the key ferry routes as well as terminals in Riau and Singapore.

Mr Harijogi, Director General of Sea Communication of the Republic of Indonesia, said, “The availability of Barelang-Singapore ENCs will enhance the smoothness of maritime traffic flow in the Singapore Strait. The ENCs also support the IMO’s effort for mandatory carriage of ECDIS. The ferry services as well as international shipping using the Strait will benefit from this initiative.”

Tay Lim Heng, Chief Executive of MPA, added, “The Singapore Strait is a busy waterway and traversing it can sometimes be a challenge. The Barelang-Singapore ENCs will enhance navigational safety in these waters.

“The launch of the ENCs marks yet another milestone in the close and long standing maritime partnership between Singapore and Indonesia, as we work together to fulfil our shared vision for the overall safety of navigation in the Malacca and Singapore.”
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...across all vessel types and shipping cycles
Capitalising on the maritime boom

Investors look to shipping stocks as high profile listings have begun to command attention

By John Radcliffe

Singapore is doing more than any other country in the region to set up a two-way street where both the shipping business and the community at large can benefit from the maritime industry’s recent good fortune.

Having attracted shipping companies and related industries with a portfolio of incentives,
now the attention is turning towards the financing
behind the scenes.

Beyond local banks who have made forays
into ship financing, such as DBS, and foreign
entrants such as Royal Bank of Scotland, which is
actively financing the shipping community, some
shipping companies have also successfully used
the Singapore Stock Exchange to raise money for
fleet expansion with highly respected names like
Mercator Shipping and Varun heading up the most
recent list.

But it is the high profile listing of shipping
companies on the US, Hong Kong and Singapore
bourses in recent years, plus the hugely success-
ful listing of port operations that has brought the
sector to the attention of the average investor on
the street.

Following the German KG firms and their
Norwegian equivalent, Singapore has been quick
to capitalise on the sentiment with the introd-
cution of its Maritime Finance Incentive.

It’s a simple concept: Offering financial
incentives to private shipping funds and leasing
companies together with public funds listed on the
Singapore stock exchange.

One significant local player has led the
drive in publicly listed funds. This is the Pacific
International Lines subsidiary Pacific Shipping
Trust. The Trust was listed in May 2006, and
pretty much had the field to itself while bystanders
watched local reaction.

Foreign participants only began to move in
this year, namely Schoeller Group, Rickmers
Maritime, a German KG Fund and the HSH
Nordbank sponsored First Ship Lease Trust.

After the initial enthusiasm demonstrated by
the stocks all being oversubscribed, Rickmers
Maritime emerged as having made the strongest
gains, seemingly to have benefited from its being
a descendent of the well known ship operator,
Bertram Rickmers.

As the Singapore Stock Exchange has grown
strongly this year, in common with other Asian
bourses, the new companies will need to pump up
their liquidity.

Rickmers Maritime recently voiced out to man-
geage expectations, stating that a trust should not be
expected to display similar volatility as a company
play on the exchange. “A trust does not perform
like an equity, it’s more like a bond,” said Quah
Boon Huat, chief financial officer of Rickmers.

One significant local player
has led the drive in publicly
listed funds. This is the Pacific
International Lines subsidiary
Pacific Shipping Trust

Although not a direct comparison with similar
property trusts or REITs because of the longer term
contracts involved, there is a general perception
that the concept will gain greater acceptance over
time in much the same way that REITs have.

But, ultimately, punters will want to see the
trusts grow, and grow Rickmers Maritime is. In
August parent company Rickmers entered the
mega-boxship league with the announcement that
it had ordered four 13,100 teu ships from South
Korea’s Hyundai Heavy Industries for delivery in
2010.

Under the parent’s agreement with Rickmers
Maritime the latter gets first option on any ves-
sels over 3,450 teu, and the Trust is taking up the
option. The ships are being chartered out to AP
Moller-Maersk at what has been described as a
competitive rate, although exact figures have not
been made available.

The acquisition of the vessels, the first since
the IPO of the trust, represents exponential growth
of some 128% from 40,910 teu to 93,310 teu. In
terms of contracted revenue, the growth looks
even more spectacular at US$1.4b.

First Ship Lease Trust (FSL) was first out of the
stocks when it did a buy and lease back agree-
ment for three vessels from James Fisher in a deal
worth US$45m. Unlike its two main rivals FSL has
not limited itself to the box ship market. Rather
it looks to business from third parties along a
broad portfolio of chemical tankers, bulkers and
containerships.

FSL just needs a few more deals of a similar
size to the James Fisher deal to get its desired
US$200m for the year since the IPO, a target the
company is comfortable with.

Growth at Pacific Shipping Trust (PST), with
its Pacific International Lines sponsor, has been
more tempered. The main reason for this appears
to be that PIL has the same generous offer of first
refusal that the Rickmers tie-up does, but PIL is
not as active in the market.

But things are beginning to move. PST made
one acquisition from PIL for two 4,250 teu vessels in a deal that was tied up in May this year. On top of that, PST is also in advanced negotiations with perspective sellers to acquire more tonnage, and this time not just containerships.

On the back of a rapidly improving bulk carrier market, an acquisition programme is going through to acquire tonnage in the dry bulk sector, backed up with what market analysts believe will continue to be “fast improving charter rates for some considerable time”

As to the future a little more investor education is the needed tonic, and perhaps a greater number of players. Investors might construe that the sector is a bit too much of a niche until some more names start appearing on the exchange.

Marine insurance in Singapore is reaping the benefits of operating in a city nestling between the two largest emerging markets in the world – China and India.

The rapid economic development in these two giant nations, and across the Asia Pacific region, is driving the growth as the transport of goods increases in support of the economic activity.

Singapore is now the busiest container port in the world, and the maritime industry in the city

Marine Insurance companies are continuing to head for Singapore, as the market increasingly recognises the benefits of setting up shop in the region.

By Greg Knowler
contributes about seven percent to the Singapore GDP, providing some 100,000 jobs. The country’s ambition to become an International Maritime Centre has long been realised, and it has achieved hub status in container handling, bunkering and petrochemicals.

More than 40% of the world’s commercial tonnage is controlled by Asian owners, and for Lloyd’s of London (Asia) Associate Director Jon Song, this makes Singapore a good place for an insurer to be.

“It enables insurers to be in the same time zone as their clients,” he said.

A huge chunk of the Lloyd’s book is in the marine sector and Song said the market will continue to grow with hundreds of newbuildings floating into service in the next few years, increasing cargo throughput and growing energy transport needs.

The Lloyd’s Asia platform was established in 1999 and its presence enables Lloyd’s syndicates to write both local and offshore business from the city through the establishment of local service companies. Several syndicates are now operating on the Singapore platform.

This vibrant market has seen an increasing number of marine underwriters and P&I correspondents hanging out their shingles in the city. Singapore’s stable political and pro-business environment, simple tax regime, unparalleled infrastructure and geographic location have encouraged the growth in the marine insurance sector.

In some areas, this growth has been in impressive double digits.

Mark Lim, Executive Director of the General Insurance Association of Singapore (GIA), said in the first six months, the gross premiums of local marine hull insurance grew by 45% over the same period last year, totaling SGD$55 million.

“There is huge potential here for our members. The local business in this area is very strong,” he said.

The GIA membership includes some of the region’s leading players in the marine general insurance business. It has 29 members and gross premiums of SGD$2.3 billion. The association is working closely with other parties to develop Singapore into a regional marine insurance hub and in 2006 it established strong partnerships with the Maritime and Port Authority of Singapore (MPA) and Singapore Maritime Foundation (SMF).

“There is huge potential here for our members. The local business in this area is very strong.”

— Mark Lim, General Insurance Association of Singapore

“Marine insurance falls into one of the clusters Singapore wants to develop and we work hand-in-hand with the government. We recently formed the Regional Development Committee (RDC) on which sit all the major players in the insurance industry – pensions associations, loss adjusters, brokers, and representatives from the MPA and the SMF.”

The RDC also involves the Monetary Authority of Singapore

The fast expanding container volumes are boosting the purchase of cargo insurance, and Lim said this was now a very competitive area.

“The GIA is doing around SGD$200 million gross premiums a year but here again there is a lot of room to grow.”

But rapid growth comes at a price. One of the challenges that the government and the marine insurance industry have had to address is the shortage in skills, and it wasn’t long before it became a top priority.

The GIA and the SMF organised a series of maritime knowledge sessions, sponsored by LCH (S) Pte Ltd. The four-series sessions enhanced, educated, trained and provided all Marine Insurance Practitioners with the necessary practical skills and knowledge of the current shipping trends to underwrite and assess marine insurance products.

The GIA has also created a framework to attract talented young individuals to the industry and groom the leaders of tomorrow.

“We have begun to elevate the profile of the business, showcasing and positioning it in such a way as to attract and retain new talent,” said Lim.

The “tomorrow” that these leaders face is filled with promise. With the support of the Singapore government, the city’s marine insurance providers have established a solid foundation over the past few years, and this will steady the industry through the boom times that lie ahead.
The Maritime and Port Authority of Singapore (MPA) was established on 2 February 1996 with the mission to develop and promote Singapore as a premier global hub port and International Maritime Centre (IMC), as well as to advance and safeguard Singapore's strategic maritime interests.

It is statutory board under the purview of the Ministry of Transport, and the sole agency driving Singapore's port and maritime development.

In fulfilling this mission, the MPA's responsibilities cover five key areas:

- As the Port Authority, its responsibilities include navigational safety, maritime security, and the prevention of marine pollution in Singapore's waters.
- As Port Regulator, the MPA licences and regulates port and marine services including container terminal operators, bunker suppliers, and towage and pilotage service providers.
- As Port Planner, it is responsible for drawing up the blueprints for port development, including port waters.

The Maritime and Port Authority of Singapore moves ahead with a new vision and is mission-focused.

By Paul Richardson
As IMC Champion, the MPA spearheads initiatives to attract maritime businesses to Singapore.

As Singapore’s National Maritime Representative, it advises the government on maritime matters and represents Singapore at various international maritime forums.

To achieve its mission objectives, the MPA has adopted a strategy of partnership with industry players/stakeholders and related organisations. It encourages open and transparent communication with the industry, regularly consulting with the industry on policy formulation and schemes to facilitate industry growth. It has also initiated collaborations on a number of key issues such as maritime manpower development, and in developing the maritime R&D sector.

This approach has struck accord with the maritime community. In July this year, the MPA was ranked as the most pro-enterprise agency based on survey feedback from the industry. The survey was conducted by the Action Community for Entrepreneurship and covers some 24 government agencies.

To ensure that it remains the “preferred partner” for the maritime community, the MPA has sought to improve on its own internal processes and strategies.

In 2006, the MPA underwent some intermediate organisational changes to both strengthen organisational capacity in growth areas and develop the next generation of leaders. But the biggest and most far-reaching changes have come through 2007.

Via a far ranging dialogue with internal stakeholders held in the first and second quarters of 2007, a series of important changes were made to the MPA’s organisational structure, that would provide MPA with a greater focus on and alignment with its three mission objectives, namely the hub port, international maritime centre and strategic maritime interests.

Commenting on the process, BGN(S) Tay Lim Heng, Chief Executive of MPA, said, “While the MPA leadership could have directed the changes, we wanted to ensure that there was a shared vision across the organisation, for buy-in and success. Hence, we also involved key [internal] stakeholders who would be most affected... In the process, through inter-division focus groups, members learned about and understood the work of other divisions and their colleagues along the way – and this will help promote inter-division synergy.”

As a result, the MPA’s divisions and departments have been re-aligned to fall under three Clusters, namely Hub Port, International Maritime Centre and Strategic Maritime Interests, supported by the Technology and Corporate Services Divisions.

With these organisational changes in place, the MPA has moved further to fine tune its overall strategy by aligning individual and departmental goals to fit its corporate objectives.

Adopting the Balanced Scorecard (BSC) approach, the MPA has established a management system that enables it to further clarify its visions and strategy, and translate them into measurable goals and outcomes.

The MPA’s vision is to be the leading maritime agency driving Singapore’s global maritime aspirations.
Moving on from this, the MPA has set out a concise vision for the next two to three years, which is to become a leading maritime agency driving Singapore’s global maritime aspirations.

As BG Tay explains, “This vision envisages MPA to be a well-regarded leader in the international community, spearheading the nation’s efforts to be a premier international maritime centre and hub port of choice, and the agency for the advancement and safeguarding of our strategic maritime interests. However, this vision cannot be realised without a strategic plan to achieve it; otherwise it will simply remain just a vision.”

The strategy to achieve that vision is through its five key strategic focus, or what the MPA has termed the 5Ps, namely:

• Nurturing Competent and Committed People
• Building Strong Partnerships
• Developing a Pro-Business Environment
• Improving Operational Processes
• Achieving International Prominence

There is a strong recognition at the MPA that people are a critical factor in determining success. “We value our people and nurture them to realise their full potential”. This is the MPA’s commitment to its people.

To bring out the best in people, the MPA develops competencies, nurtures talent, promotes employee engagement, and develops a learning organisation.

MPA’s aim to build strong partnerships with others are expected to bring about deeper relationships, and help attract and anchor businesses in Singapore. Such partnerships are essential to the building of Singapore’s maritime cluster.

Initiatives such as the Maritime Cluster Fund and MaritimeONE for manpower development, and the Maritime Innovation and Technology (MINT) Fund for promoting maritime R&D, have helped to develop closer partnerships.

It is also believed that connection and communication with partners through forums, functions and one-to-one industry engagement is a fundamentally important process in building partnerships.

In developing a pro-business environment that promotes and facilitates industry growth, the MPA works closely with other government agencies to ensure that Singapore remains a choice location for maritime companies seeking to set up regional operations.

One such recent initiative is the Maritime Finance Incentive (MFI) which is aimed at increasing ship finance activity in Singapore.

The MFI provides a source for shipping companies to tap an alternative source of funds, instead of relying on owners’ equity and debt financing.

Where the processes are concerned, the MPA aims to achieve greater efficiency, effectiveness and user-friendliness. The MPA believes that its internal operating processes and requirements could impact on business operations.

Thus, such processes are constantly reviewed.

Singapore’s international prominence as a maritime nation is an integral part of its development as a maritime centre. There are increasing numbers within the maritime community that view Singapore as offering an ideal platform to bring out the Voice of Asian Shipping.

Such commitment is an important first step towards realising a vision of becoming the leading maritime agency driving Singapore’s global maritime aspirations.
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Tsutomu Kikuchi
Chairman, NYK Group South Asia Pte Ltd

“Singapore is an important foothold for the NYK Group to develop worldwide business.”
— Tsutomu Kikuchi, Chairman, NYK Group South Asia Pte Ltd

NYK first set up in Singapore in 1983
Japan's largest shipping group is NYK, which is headquartered in Tokyo, and has a huge network of regional headquarters and offices around the world. This prestigious and highly-motivated ship operator first came to Singapore in 1983 to set up NYK Lines (Singapore) Pte Ltd, a regional headquarters operations after the company recognised the true potentials, and future development possibilities on offer in the region.

Some seven years later, NYK increased its initial presence through the establishment of its Singapore Logistics Centre, after being convinced its fast growing intra-Asia and global trade businesses, could be expertly served over Singapore - which was a prelude to the development of a huge portfolio of shipping services that use the State as their Southeast Asia hub centre.

More recently, a decision to establish NYK Group South Asia Pte Ltd, has meant that true regional potential has been further recognised, as today the Group’s entire Southeast Asia shipping operation is run out of Singapore.

The Chairman of NYK Group South Asia Pte Ltd is Tsutomu Kikuchi, and Singapore Nautilus asked Mr Kikuchi on his views, and finds out more on NYK’s strategy in Southeast Asia.

**Singapore Nautilus:** What potential do you see in Southeast Asia and in Singapore?

**Tsutomu Kikuchi:** As far as Singapore is concerned, NYK has set up RHQS (Regional Headquarters) for its Liner/Logistics/Bulk/Roro sector each and also THQ (Trade Headquarters) for Asia liner trade here.

In addition to them, NYK has a ship management company and a FTC (Finance Treasury Center) company as well. This is due to the excellent business environment such as solid infrastructure,
qualified employees, preferred tax system, security etc. in Singapore. I think the potential in this respect will be enhanced further. But, one of my concerns is the recent increase of various costs.

SN: Could you tell us more about your current projects?

TK: Singapore is an important foothold for the NYK Group to develop worldwide business with much energy. NYK is currently increasing the number of Singapore Flag vessels by establishing many Singapore SPCs (Special Purpose Companies).

Concurrently NYK has established a financial subsidiary called NYK FTC (SINGAPORE), which is handling all the financial matters of those SPCs, and now the funds NYK FTC is supplying for SPCs amounts to around US$600m.

SN: On the container shipping side, Singapore is the world’s largest and busiest transhipment port. What do you think attributed to its success?

TK: Singapore’s success as a transhipment port is due to her ability to provide a huge number of connection possibilities and the efficient manner in which this is achieved. Having a good port IT system has helped users cope with their increasing handling volume which is a definite plus. Regional ports are emerging too, and are becoming as efficient; vessels have become larger and turnaround time is a major factor in order to keep schedules. Singapore needs to continue to innovate to improve its ability and services as it has done so successfully over the years.

SN: Maritime manpower is an important issue, and we would like to know what you feel Singapore has to offer in this sector. For example, Singapore’s maritime training facilities, incentive for manpower development, etc?

TK: Many major Companies have set up Headquarters in Singapore. The industry is in need of manpower to cater to its daily work. Recruitment is difficult especially within the current tight labour situation in Singapore which also unfortunately creates job movements which are not easy tasks to manage. Incentive for manpower development is a good encouragement for Companies to co-invest particularly for mid management staffing. We would also like to see supply of junior staffing, i.e. frontline personnel who are as important as the decision makers. As such some thought should be placed towards attracting school leavers to the industry, including provision of some basic and generic maritime job understanding.

SN: Last but not least, could you tell us a little about yourself, and what your role was before taking up your present role in Singapore?

TK: Before coming to Singapore, I was Chairman/MD of NYK Group Oceania and was stationed at Sydney for three years. Before that, I was a PD (president director) of NYK Line Indonesia. So, my recent movements are South Asia-Oceania-South Asia. I love South Asia.
Singapore-headquartered, Sea Consortium is one of the leading names in the container feedership business, and this year celebrates its 35th anniversary.

Operating a fleet of 64 vessels and boasting an annual container volume of 2m teu, the company has established itself in major container trade areas that include not only Southeast Asia, but also the Indian sub-continent, the Middle East, Europe and the Mediterranean, and more recently, South and East Africa.

There are also plans in the pipeline to move further afield to such areas as South America and develop local feeder services there.

Sea Consortium owner Tim Hartnoll, son of the founder of the company, Chris Hartnoll, is in no doubt of the potential of Singapore as a major maritime centre, and is positively convinced about the incentives that have been provided both by the Singaporean government and the private sectors.

He believes, "One of the big plus points of having a shipping business in Singapore is that the government has identified the importance of our industry and has moved to provide the biggest possible incentives to establish a base here.

"Under an improved incentive shipping scheme, commonly referred to as the AIS, the Singapore government is offering a package of tax breaks that mean companies like Sea Consortium can take advantage of zero rated corporation tax procedures.
advantage of zero rated corporation tax procedures that relate to their own shipping businesses."

A number of joint tax treaties have also been set up between Singapore, and countries that include India and Bangladesh, a strong trading ground for Sea Consortium, and an area where the company has identified a high growth rate.

Mr Hartnoll is also of little doubt that the door-step approach scenario, whereby both government officials and business-related communities are easily approachable and accessible, is another big plus point in running a shipping business out of Singapore.

"Here in Singapore, there is a huge range of shipping potential on offer, and there is tremendous support over a wide range of activities.

"Simply, it's an open door policy. In our case at Sea Consortium, we have a whole network of support here through banks, lawyers, crew manning agencies, technical and operational support, bunkering facilities as well as drydocking sites to help run our

Singapore has a huge range of shipping potential on offer and there is tremendous support over a wide range of activities.

One of the big plus points of having a shipping business in Singapore is that the government has recognised the importance of our industry

fleet of both owned and chartered vessels.

"We run a volume driven business and naturally we have to have an IT Support system in place that makes that happen.

"With 27% of the local population employed in the transport-related sectors, there is a ready and available supply of personnel trained in all aspects of the industry, and that includes the hugely important backup and backroom departments.

Concludes Mr Hartnoll, "Our passion is meeting customer requirements. Our cradle of existence is in the Middle East and the Indian sub-continent, where we are the dominant party."

"In Southeast Asia and Singapore, we are certainly among the top names in the feedership business, but it says a lot that after 35 years, we still see the country as our headquarters, and will do for the foreseeable future."
Earlier this year, prominent speakers at the Sea Asia Conference in Singapore, organised by Seatrade and the Singapore Maritime Foundation (SMF), outlined the need for the Asian shipping industry to play a bigger role in maritime issues on a global level.

Rightly those highly respected executives were united in their belief that there is a real requirement to address concerns such as regulatory and environmental issues, and that the Asian shipping community was, “not punching at its full weight”.

International Chamber of Shipping chairman, Spyros Polemis went as far as saying, "the lack of voice in the Asian shipping industry at the international stage is in contrast to the increasingly active role played by the Asian governments at the International Maritime Organisation and others”.

Certainly Asian shipping needs a voice and a much stronger recognition in the maritime world, because buried within the region is a huge potential of maritime influence.

Around 40% of the world’s shipping fleet is based in Asia. The world’s largest shipbuilders and shiprepairers are in Asia, the world’s largest ports are in Asia, and there is a huge trend of ancillary industries like banking and insurance setting up in Asia.

Singapore’s own potential is promising. There is a maritime diversity existing in the country that is beyond that of most neighbouring countries.

Singapore’s shipbuilding yards continue to prove their creditability in this industry, with shipyards like Jurong, Keppel and Sembawang to name a few, showing healthy orderbooks through the oncoming years. Similarly, in the shiprepair sector, the same yards offer services that continue to be among the best in the world.

Shipmanagement companies continue to set up shop in Singapore, and activities in other maritime sectors, such as marine insurance, ship finance and legal services, have been growing steadily.

There is a united belief among the maritime community in Singapore, that co-operation is needed to nurture this potential further, and one way is through nurturing talent. Indeed companies like, Pacific International, K Line, Torm and FSL, have taken the lead by setting up scholarship programmes to promote maritime education. This year, almost 50 companies have offered over 70 internships to Maritime Studies undergraduates, and the figure is expected to almost double next year.

But what makes Singapore stand out in the entire Asian arena is its ability to offer a diversified product.

With Singapore Government backing, names like the MPA have received the incentive to bring to the forefront the importance of the maritime industry, and to this end government-led “partnerships” have paved the way for future development. Associations such as the SMF, the Association of Singapore Marine Industries (ASMI), and the Singapore Shipping Association (SSA) have all equally committed support to ensure Singapore remains among the top maritime nations worldwide.

On an international level, Maritime Singapore has achieved a positive acceptance in the global marketplace with many big maritime names, with associations like INTERTANKO and BIMCO figuring high on the list.

The diversity of maritime expertise and experience available in Singapore, coupled with a culture of co-operation and dialogue within its maritime community, makes Singapore an ideal location for exchange and discourse on regional and global maritime issues.

Add to this equation, the intellectual buzz generated by events such as Sea Asia and Maritime Week, and the establishment of the Asian Shipowner’s Forum (ASF) secretariat, Singapore is poised to become a key platform to facilitate the emergence of the Asian Voice of Shipping.
The success of any industry depends almost entirely on manpower and personnel ambition. Recognising the importance of personnel input, and the need to nurture the keenness and interest of those of the future generation towards a maritime career, the maritime community of Singapore has banded together to engage the youth and attract them to the maritime industry.

With the Maritime and Port Authority of Singapore (MPA) at the forefront of this initiative, Singapore has made efforts, particularly over the last two years, to bring home the importance of these initiatives.

Educating the maritime leaders of tomorrow has become a top priority as the growth in shipping places heavy demands on the Lion City’s human resources.

By Paul Richardson
The MPA has organised a Maritime Open House, while a Maritime Youth Day has been held at Sea Asia.

In addition, MaritimeONE (Outreach Network), a platform whereby the youth of today can interact with potential employers, has proved a huge success.

Launched in April 2007, MaritimeONE is an industry-led initiative for promoting the maritime industry and attracting quality manpower to fuel the growth of Singapore as an International Maritime Centre (IMC).

It is a tripartite partnership between the maritime industry, institutes of higher learning and the MPA, and is open to participation by all maritime stakeholders. It is thus in essence, a major community effort to attract talented youths to join the industry.

To their credit, a number of big names in the shipping community have participated actively in this initiative, and have moved to providing educational backing that will help the nurture process through its progression.

Companies like product tanker owner/operator TORM Singapore, Japanese shipping line, “K” Line and FSL Trust Management are figuring high on the
list of active partners in a MaritimeONE scholarship programme, providing financial backing to continued education in maritime-associated subjects.

This year, four Nanyang Technological University (NTU) undergraduates pursuing degrees in the Bachelor of Science (Maritime Studies) course, became the first recipients of the MaritimeONE scholarships.

Two first-year undergraduates were awarded the “K” Line-MaritimeONE Scholarship worth S$50,000 each. While another first-year student was conferred with the FSL Trust Management-MaritimeONE Scholarship, also valued at S$50,000. TORM Singapore provided a S$38,000 grant, under the TORM-MaritimeONE Scholarship, to a third-year undergraduate.

MaritimeONE is not the only initiative aimed at driving the young interest in the maritime sectors.

The Association of Singapore Maritime Industries (ASMI) has also launched its programme initiative providing Polytechnic and NTU courses for maritime Singapore students.

The ASMI programme has been set up by its members who include not just shipping lines, but also shipyards – an important maritime industry sector covering both shipbuilding and shiprepair.

Even the unions have gotten into the picture, especially on the seafaring front.

Supported by the Singapore Maritime Officers’ Union, the Singapore Organisation of Seamen, the shipping industry and the MPA, the SAIL (Seafaring Alternative...an Investment for Life) Scholarships and the Tripartite Maritime Scholarship Scheme (TMSS) have seen an overall increase in the quantity and quality of its applicants.

Sponsorship from the shipping community for the two scholarships have come from Neptune Shipmanagement Services (Pte) Ltd (NSSPL), PACC Ship Managers Pte Ltd, Pacific International Lines Pte Ltd (PIL) and Petroships Pte Ltd.

This year, 18 local students were awarded the SAIL and TMSS scholarships, and will embark on specialised maritime programmes at the Singapore Maritime Academy.

These and many other collective efforts by the maritime community in Singapore, underscore a certain enlightenment of the Singapore government and the various maritime industry players of not only the need to actively engage the youth to draw their attention towards the maritime industry, but also to invest in nurturing Maritime Singapore’s next generation.

Such shared goals and ambitions are necessary to ensure Singapore’s maritime future.

This year, the MPA has received over 400 applications for its scholarships, more than double the number last year.
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- Global Connectivity
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The world’s largest containership is the Maersk-owned, Emma Maersk, which is understood to have a container carrying capacity of 11,000 containers.

Did you know that if you were to stack all those containers end to end, it would reach a staggering total of 42 miles – which could go round almost the entire circumference of Singapore?

The world’s largest cruiseship is the Royal Caribbean Line-operated, Freedom of the Seas. This huge floating hotel has a staggering length of 349 metres and accommodates its 4,300 passengers over 15 separate decks. The ship was built at a cost of just over USD800m in Norway and handed over in 2006 to her owners.

The ship has two lobbies up to 11 decks high, a surf-rider, an ice-skating rink, a rock-climbing wall and a Royal Promenade which is four decks high.

With a gross tonnage of 160,000 tonnes, Freedom of the Seas has superseded the world’s previous largest passenger liner, Queen Mary 2, which clocks in with a gross tonnage of 151,400 tonnes and has a passenger carrying capacity of 3,000.

The world’s largest oil tanker is the Knock Nevis, which was formerly the Norwegian-operated, Jahre Viking.

This floating oil transportation unit measures an incredible 458 metres in overall length, has a breadth of 69 metres, and below the waterline in loaded condition, the hull extends for 25 metres.

The vessel is presently deployed in the offshore oil fields, particularly in the Middle East and North Sea areas.

According to the American Association of Port Authorities, a ship laden with one metric ton of goods sails further and creates less pollution on one gallon of fuel than an equally laden plane, train or truck.

It is over 200 years since the first sailing ship came into San Francisco Bay on the West coast of the United States, but in September, KiteShip Corporation put on a demonstration on the San Francisco waterfront to show that sail power could well be the answer to soaring fuel costs and environmental concerns that ship operators face today.

A huge kite was used to propel a 140 tonne workboat across the bay from the Golden Gate Bridge to Alameda in a demonstration aimed at convincing shipowners of the benefits of taking a step backwards and returning to propulsion basics.

KiteShip executives reckon the use of sail power can reduce fuel bills between 10 and 25%.

Another company involved in developing the sail propulsion product to fit modern day transportation needs, is Hamburg-based SkySails.

SkySails reckon by using the SkySails Systems and operating under optimum wind conditions, a saving of as much as 50% in fuel bills can be achieved.
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