



## ISSUE SPONSOR



- Paris and Tokyo MoUs annual reports: Ship inspections, deficiencies, and detentions
- Are owners inadvertently restricting their pool of seafarers?
- Sailing along with Celestyal Cruises on a 3-day cruise around the Aegean
- SPECIAL REPORT: What motivates young people to choose postgraduate studies in shipping



## Polys Hajioannou

THE TRADITIONAL FAMILY BUSINESS MODEL HAS PROVED SUCCESSFUL HISTORICALLY



## The speed-limit challenge

- THEODORE VENIAMIS
- PANOS LASKARIDIS
- SIR MICHAEL BIBBY
- PHILIPPE LOUIS-DREYFUS
- DR. NIELS HARTMANN
- YAVUZ KALKAVAN



## Management trends

- CAPT. KOSTAS KANELLOPOULOS
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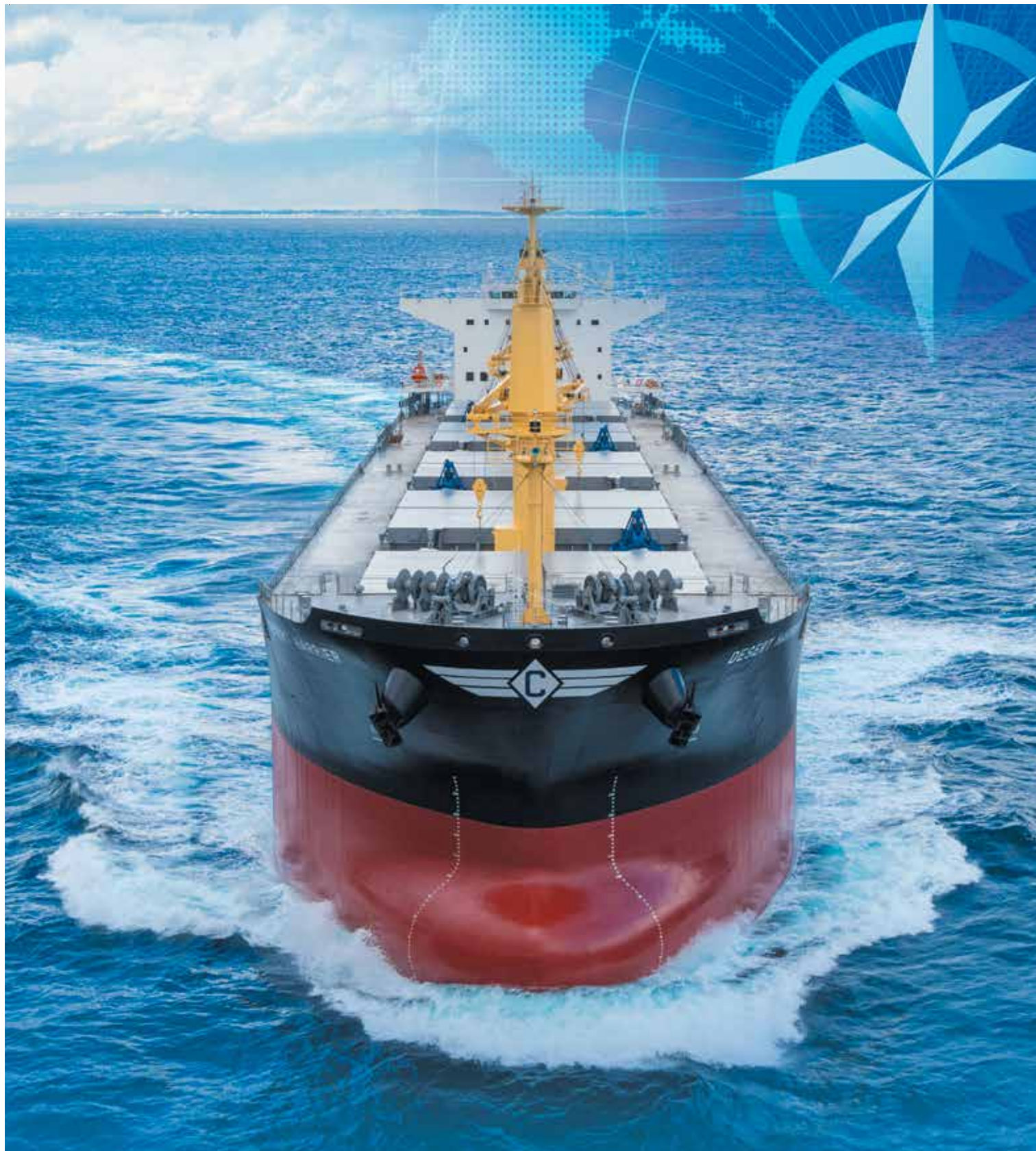
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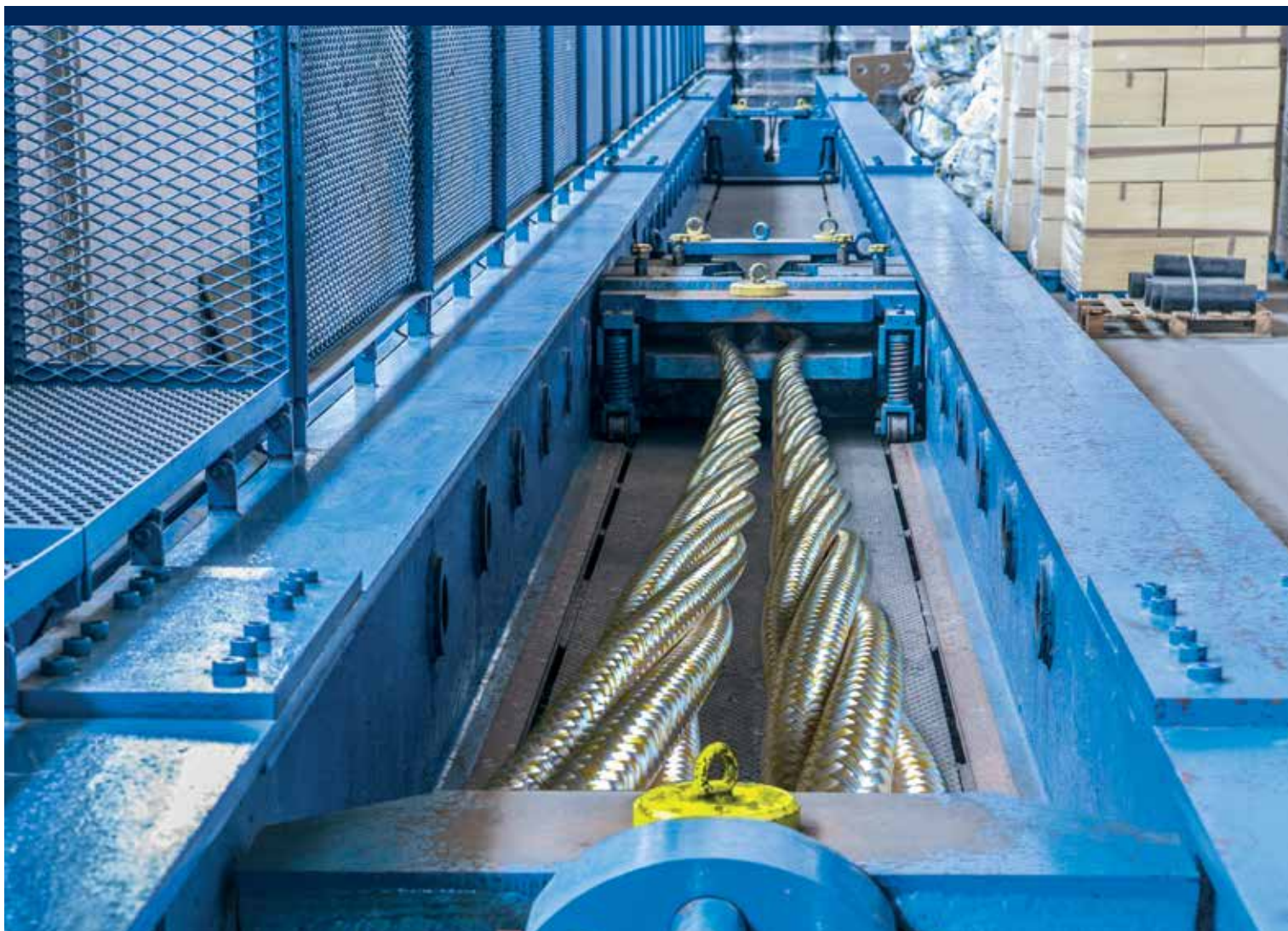


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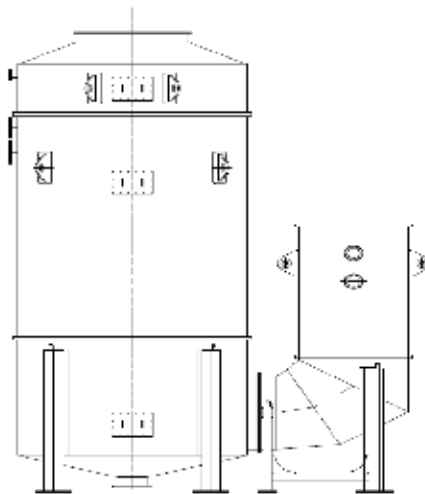
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ISSUE SPONSOR



**10 MARITIME NUMBERS**

**12 ON THE SEAFRONT**

**26 INTERVIEW OF THE MONTH**

The traditional family business model has proved successful historically

An interview with **Polys Hajioannou**

**30 SLOW STEAMING**

**The shipping community puts on the table the speed-limit challenge**

Slow steaming by mandating speed limits only is by no means a solution  
By **Theodore Veniamis**

**34** Reducing speed and GHG emissions to achieve the IMO's medium-term objectives  
By **Panos Laskaridis**

**36** We need regulations that address the root causes of climate change  
By Sir **Michael Bibby** Bt., DL

**38** Only the reduction of speed makes it possible to reduce immediately ships emissions  
By **Philippe Louis-Dreyfus**

**40** It is every shipping company's responsibility to optimize its own fleet performance  
By **Dr. Niels Hartmann**

**42** Banning excessive speed is simply the best solution to achieve the 2030 emission targets  
By **Yavuz Kalkavan**

**44** Slow steaming at the IMO  
By Prof. **Harilaos N. Psaraftis**

**50 MANAGEMENT TRENDS**  
**What are the key parameters shaping the shipping industry today?**

**52** Seafarers are the front-line asset of shipping and should be treated accordingly  
By Capt. **Kostas Kanellopoulos**

**56** The shipping market has always found a way to counter adverse consequences and emerge with new plans to self-regulate  
By **Theophanis Theophanous**

**60** For the marine sector innovation-led change is nothing new  
By **Sunil Kapoor**

**60 ADVERTORIAL**  
**Newport Shipping: A premium one-stop drydocking solution**  
40 years' experience in repairs and design

**64 INTERNATIONAL WATERS**

Paris and Tokyo MoUs annual reports  
By **Angeliki Koliomichou**

**76** Indonesia: The Garuda rises  
By **Angeliki Koliomichou**

**78 NEW BUILDINGS**  
Sealink Navigation Ltd: M/V DULCE DIVA

**80 TECHNOLOGY AND SHIPBUILDING**

**84** The enormous impact of tropical cyclones on ships and shipping logistics  
By **Dr. Nikos Mazarakis**

**86 ENERGY AND NATURAL RESOURCES**

**88 MARKET NEWS**

**90** Inmarsat enables and protects the IoT revolution  
By **Stefano Poli**

**92** Digitalization is not a fad  
By **Nabil Ben Soussia**

**94** Sailing along with Celestyal Cruises on a 3-day cruise around the Aegean  
By **Angeliki Koliomichou** and **Ilias Stefanidis**

**98 AVIATION INDUSTRY**

**100 SPECIAL REPORT**

**100** Are owners inadvertently restricting their pool of seafarers?  
By **Henrik Jensen**

**102** Metropolitan College:  
Private maritime education in Greece  
An interview with **Antonios Vidalis** and Capt. **Nikolaos Makris**

**106** What motivates young people to choose postgraduate studies in shipping  
The students' perspective

**118** **Isalos.net's Summer Lectures on Shipping**  
The young generation gets updated on the developments in shipping





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## MARITIME NUMBERS



**10,000,000 dwt**

**the newbuilt dry bulk ship capacity delivered in the first four months of 2019.**

**4,000**

**the number of ships expected to be fitted with exhaust gas cleaning systems (EGCS) by 1 January 2020 according to EGCSA.**

**£7.6 billion**

**the annual contribution of the UK ports industry to the British economy.**

**€42,300,000**

**the Piraeus Port Authority's earnings before tax for the corporate year 2018.**

**11,900,000**

**the TEUs transported per year all over the world by Hapag-Lloyd's 235 vessels.**

**21**

**the number of LNG carriers ordered from South Korean shipyards from the beginning of the year until end of June 2019.**

**30%**

**the percentage of sea-borne volume of crude oil transported through the Strait of Hormuz.**

**US\$11.6 billion**

**the estimated total investment required to develop the North Sea Route infrastructure.**

**555**

**the number of attacks on ships recorded between January 2009 and December 2018 in West African waters.**





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## ON THE SEAFRONT

This month's top news stories  
from [naftikachronika.gr](http://naftikachronika.gr)



### **Shipping is the absolute national priority for Greece**

The general election in Greece on 7 July brought New Democracy to power with a strong majority and Kyriakos Mitsotakis as the new Prime Minister. A day later, the Prime Minister announced the composition of the new cabinet consisting of 51 ministers and deputy ministers. Mr. Ioannis Plakiotakis, a well-seasoned politician fully acquainted with shipping issues as he had served as a shadow minister for maritime affairs in 2009 and again in 2016, was appointed Minister of Maritime Affairs and Insular Policy.

Mr. Plakiotakis, who comes from the island of Crete, studied biochemical engineering at the University of Wales, and then completed a Master's degree in biochemical engineering at the University of London, before completing another master's degree in business administration at City University London.

At the handover ceremony between outgoing Minister Fotis Kouvelis and Mr. Plakiotakis, the latter stressed that shipping is

the absolute national priority for Greece and presented the new government's main priorities for the Ministry of Maritime Affairs and Insular Policy.

For Mr. Plakiotakis, Greek shipping is "the healthiest and most extroverted sector of the Greek economy." Referring to the Greek shipping paradigm, he stressed that it is the creative outcome of the good "cooperation between Greek shipowners and Greek seafarers." Greek as well as international shipping has big challenges but also opportunities ahead, which must be addressed and exploited with caution, he said. Key challenges include the international regulatory framework, modern technological developments, intense market fluctuations that often cause turmoil in the market, but also the need to protect the environment.

The new minister made particular reference to the challenges and opportunities that are directly related to Greek shipping and shipping entrepreneurship, as well as the aspirations of the new leadership of the Ministry of Maritime Affairs and Insular Policy, which include the following:





- Increasing the Greek Ship Registry and reversing its downward trend before the situation becomes irreversible, and ensuring that an electronic registry is put in place and runs immediately;
- Enhancing the competitiveness of Greek shipping to "compete with countries like Malta" and reducing bureaucratic barriers in the maritime business sector;
- Upgrading maritime education by reinforcing public higher education without, however, "demonising private maritime education." Mr. Plakiotakis noted that we should look at what is happening in maritime education in neighboring countries such as Bulgaria and Cyprus, to which "many young Greeks go." For Mr. Plakiotakis, what is needed is an "upgrading of seamanship" through a holistic approach to maritime education which will aim at producing high-skilled officers;
- Showcasing Greece and in particular Piraeus as Europe's leading trad-

ing portal. According to Mr. Plakiotakis, there is a need to establish a direct link and interrelation between the national port strategy and the national logistics strategy;

- Attracting new activities to the maritime cluster of Piraeus;
- Revitalizing the shipbuilding and repair zone;
- Investing in the cruise and yachting industries;
- Further strengthening the country's ports and reassessing the implementation aspects of the equalization of transport costs.

Mr. Plakiotakis also referred to the need to capitalize on all the European Community resources, such as the new NSRF 2021-2027, "up to the last euro," saying these funds should be allocated for strengthening the country's ports but also implementing blue growth policies. Finally, he also referred to the need for the further reinforcement of the Coast Guard with human resources and logistics infrastructure.

Concluding his speech at the handover ceremony at the Ministry of Maritime Affairs

and Insular Policy, Mr. Plakiotakis reiterated that "shipping is an absolute national priority" and said he hopes to have good cooperation with the entire the shipping community.

### **Shipping high up on the agenda of the new EU president**

In her opening statement at the European Parliament shortly before the voting process which led to her election, Ms. Ursula von der Leyen, the first female European Commission president, gave a sign of her intentions and the issues that will dominate her agenda.

In accordance with the EU's institutional laws, the German politician's nomination was approved by the European Parliament's plenary winning, however, by a very slim majority. She won the support of 383 MEPs, nine votes more than required to secure an absolute majority.

It is clear that the European Parliament has demonstrated its power and dynamism, and the 27 Commissioners-designate are expected to undergo a vetting process by the competent parliamentary





Ursula von der Leyen was approved by the European Parliament as the new President of the European Commission on 16 July 2019.

Committees and get their vote of approval to form the College of Commissioners. During her first public speech at the European Parliament -Tuesday, 16 July- the new president of the Commission announced that in the new Commission's first 100 days in office its green policy called "Green Deal for Europe" will be publicised, incorporating the new European climate law and the specific targets to be achieved by 2050.

The Commission's intention and commitment is to reduce emissions of pollutants by 50% to 55% by 2030. The Emissions Trading System will be extended to the shipping industry, while there will also be a review of the air transport framework with a reduction in the concessions and exemptions given until recently to air carriers.

The new president stressed that the all the different systems for monitoring and "trading" pollutants will have to be unified and cohesive.

In this context, the European Investment Bank will become the European Climate Bank.

According to a first assessment, MEPs believe that the president's announcements coincide with the German automotive industry's commitments to the issue

of pollutants, which are not threatened by the new targets.

On the other hand, others claim that to assume this institutional position, the new president was obviously 'tutored' by Deutsche Bank and Goldman Sachs, as it is the banks and stock markets that benefit from the European Trading System rather than the Environment.

President von der Leyen put particular emphasis on the EU industry sector, which must now be supported in order to offer job opportunities, especially to young people. "We will need to invest in innovation and research redesigning our economies and updating industrial policy. To this purpose, I will begin to develop the new European strategy for the EU."

Mrs. von der Leyen underlined the need for fair trade while stressing her commitment to the current competition rules, which are the backbone of European economies. The new European Commission president clearly, if indirectly, criticized Chinese policy harshly saying that some are buying their global influence and creating dependencies by investing in ports and roads. "We want multilateralism," she added.



## Greece nominates Margaritis Schinas for EU Commissioner

Mr. Margaritis Schinas has been nominated as Greece's candidate for a Commissioner's portfolio. This highly experienced Greek technocrat has served, inter alia, as the head of various Commissioners' Offices, as the Chief Spokesperson for the European Commission but also as an MEP for New Democracy party.

He is very well acquainted with the issues of shipping since he was the head of Commissioner Logiola de Palacio's cabinet during the period of the Prestige wreck.

Mr. Schinas will be assuming an extremely important role in the EU, although he will not be able to support the Greek positions since the College of Commissioners acts as a European collective body that promotes the general interest of the EU rather than the national agendas of each of its members.

For those with inside information, his candidacy is a very serious proposal by the new Prime Minister, Mr. Kyriacos Mitsotakis, since the vast majority of the 21 newly elected Greek MEPs are inexperienced in matters of European politics.



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The European Parliament's competent Committees will hold hearings during which each Commissioner-designate will present his/her positions in order to be accepted as a body and assume their new responsibilities.

### The countdown to 1 January 2020 begins

Although the implementation of Sulphur Cap 2020 is still six months away, the shipping market is already undergoing significant changes, according to a recent Bloomberg report.

The price of desulphurized fuels, which are reprocessed by refineries into transport fuels for the shipping industry, has surged in Europe in recent weeks due to increased demand for these products in view of 1/1/2020. This development benefits some refineries while hurting others. As Steve Sawyer, chief analyst at Facts Global Energy points out, we are heading towards a new status quo, as the market is paying a higher premium for LSFO than a few weeks ago.

In Europe especially, there is increased activity in the VLSFO market as Italian Saras SpA, and the Israeli ORL Refineries have delivered their first loads. On the other hand, a significant number of shipmanagement companies are preparing for 2020 by storing desulphurized fuel cargoes. According to Bloomberg, at least one company has converted its tanks from HSFO to LSFO.

Finally, Mr. Sawyer expects sales of desulphurized fuels to reach 1 million bar-

rels/day in the coming period, given that shipmanagement companies will turn their back on non-compliant fuels, while the International Energy Agency, Energy Aspects, ClipperData, and Rystad expect similar increases in demand.

### Searching for balance in the market

According to a recent report issued by Clarksons Research, global shipping still has a long way to go before achieving the much-desired balance in the market.

According to the report, the increase in the world fleet reached 1.9% in the first half of 2019. On the other hand, newbuildings deliveries recorded a 9% increase compared to the same period last year, reaching capacity of 51 million dwt.

The global order book represents about 10% of the existing fleet, while it is positive that fleet growth in 2020 is forecast by Clarksons at 1.9%, representing the lowest growth rate in the last 20 years.

On the demand side, for the year 2019, world trade is projected to grow by 2.2% compared to the original projections of 3.2%. The drop in the growth rate is due to the tense US-China relations, the collapse of Vale's Brucutu mine dam, the cyclones in Australia, and the cuts in world oil production.

By segment, the tanker market is experiencing a better period this year compared to last year. However, the relatively short winter season and the big number of new-build deliveries affected profits significantly in the first half of 2019.

Over the same period, the dry market faced turbulence in terms of demand and supply, whereas the containership market data was encouraging as freight rates for 9,000 TEUs container ships reached \$ 36,000/day.

### Record low for newbuilding orders

Global ship newbuilding orders dropped to record lows in the first half of 2019, according to VesselsValue. The picture is as follows:

#### Bulkers

The total number of bulkier newbuild orders is down 73% for the first half of 2019 compared to the same period in 2018.

So far this year, Panamaxers have been the most popular size to order with an interesting order placed by Klaveness Combination carriers for two Panamax CABUs (83,600 DWT, 2020, Jiangsu New Yangzijiang) which will increase the global fleet to a total of 19 Caustic Soda/Bulk carriers. 17 of these are owned by Klaveness.

Despite the low earnings we saw earlier this year across the Capesize sector, 13 orders were placed by COSCO bulk for 208,000 DWT vessels at COSCO Shipping HI for USD 54 million each. In comparison to the 45 orders we saw this time last year for Capesizes, the 13 seems minimal.

#### Tankers

The total number of tanker newbuild orders is down 47% for the first half of 2019 compared to the same period in 2018. Countries leading the way in terms of number of orders are Greece and Singapore. The Greeks have been ordering any tanker size ranging from VLCCs down to MR2s with 90% of the orders placed at South Korean yards. Eastern Pacific placed an order for four option LR2s (110,000 DWT, 2021, New Times) for USD 48 million each.

Hyundai Mipo has seen the biggest influx of MR2 tanker orders placed since the beginning of the year. 23 of the total 33 MR2 orders were placed at Hyundai Mipo, a whopping 70%.

VLCC orders are down 60% for 2019 year to date, compared to the same period in 2018 despite having a good winter for rates.





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### Containers

The container sector follows the same declining trend as the rest of the cargo sector for newbuilds. Orders for the first half of 2019 were down a significant 49% compared to same months in 2018.

Of the bleak 48 containers that were ordered, 28 were by South Korea, clearly dominating the container newbuild market and vastly improving on their two orders from the first half of 2018. The domination is primarily due to Sinokor, who ordered 16 Feedermaxes (1,100 TEU, 2020) all built by Chinese shipyards, and four Handy containers (1,800 TEU, 2020) built by South Korea's second largest shipyard, Hyundai Mipo. These orders by Sinokor account for around 42% of all containers ordered so far this year.

### Gas

The total number of LNG newbuild orders has fallen by 39% in the first half of 2019 compared to the same period in 2018. The Greeks are leading the way with the number of orders placed. Since the beginning of the year, Maran Gas Maritime has ordered a total of five vessels (174,000 CBM, 2021, Daewoo), all on separate occasions.

The total number of LPG newbuild orders has fallen by 73% for 2019 year to date compared to 2018 year to date.

Only six orders have been placed so far in 2019. Mitsui and Co started the trend being first to order a VLGC LPG (84,600 CBM, 2020, HHI) in January of this year. Heading into the middle of the year and after a considerable uptick in rates throughout the spring months, KSS Line has been the most recent company to place an order of one option VLGC LPG (86,000 CBM, 2021, HHI) for USD 76 million.

### Offshore

Only one offshore newbuild order was placed in the first six months of 2019. The order was placed by the British company High Speed Transfers for an FSV/Crew Boat on the 22nd January 2019. When considered against the same period in 2018, where newbuild contracts were placed for six OSVs, one OCV and one MODU, the market has been quiet for some time.

In order to survive the oil price crash and subsequent downturn in the offshore mar-

kets, the industry has instead seen many vessels being sold for scrap and owners consolidating, which has led to many companies streamlining their fleets in order to reduce their operational costs.



### Trade wars a wound on the global economy

The G20 summit in Japan may have produced white smoke – for the time being at least – concerning the de-escalation of the trade dispute between the US and China, but new studies show that the possible continuation of such practices by both sides can prove catastrophic for the global economy. More specifically, according to a Bloomberg study, if the Sino-American trade dispute is not mitigated, global GDP losses are likely to reach \$ 600 billion by 2021.

Bloomberg analysts and economists have developed a model taking into account three scenarios. In the first scenario, in which tariffs remain at their current level, the Chinese and US GDP will drop by 0.5% and 0.2% respectively by 2021. In the second scenario, which estimates that the tariffs for the total US-China bilateral trade could increase by 25%, it is estimated that the corresponding losses will reach 0.8% (China) and 0.5% (US) respectively.

The last scenario, which is the "nightmare" scenario, includes 25% tariffs and a 10% shock on capital markets. In this case, the Chinese GDP will drop by 0.9%, that of the US by 0.7%, while 0.6% will be knocked off the global GDP by mid-2021. At the same time, the losses on the capital markets mentioned above will affect consumption and investment significantly.

### Confitarma in favour of measures introduced to support the Italian fleet

In a recent speech at the "Shipping: Innovation & Finance" conference, Confitarma's President Mario Mattioli said the immediate priority was removing the obstacles created by bureaucracy so that the Italian fleet can maintain its position and its international competitiveness.

Mr. Mattioli added, "if we want to improve the system, we cannot do it with old and obsolete rules and laws." He also stressed the importance of a dialogue between the Italian state and the European Union, whose relations have been problematic of late.

The head of Italian shipowners also underlined the need to establish co-operation among Italian shipping companies in order

to escape the small and medium-sized enterprise mentality to respond successfully to the internationally changing environment. Finally, he confirmed the Italian shipping community's common belief that cluster-building policies should address and cover all maritime economic activity rather than being exhausted on individual sectors.

### **UK Ship Register on a downtrend**

The forthcoming Brexit has driven many shipping companies to change their fleet's flag by "abandoning" the British register. Several companies are leaving Britain's shipping registry as the nation prepares to leave the EU this fall.

CMA CGM is a typical example, as according to a Reuters report, the French company had about 49 ships under British flag before the UK referendum in 2016. In light of Brexit, the company decided to transfer these 49 ships from the British registry to other European countries, such as France and Malta.

At the end of October 2018, Wallenius Wilhelmsen "abandoned" the British flag

for some of its ships to place them on the Malta Registry, and British interests P & O Ferries decided last January to shift the registration of its UK vessels to Cyprus. It is estimated that on 31 May 2019 1,229 vessels with a total tonnage of 10.5 million GT (gross tonnage) were registered under the British flag when at the end of May 2018 British-flagged ships were 1,315, with a total tonnage of 16.5 million GT.

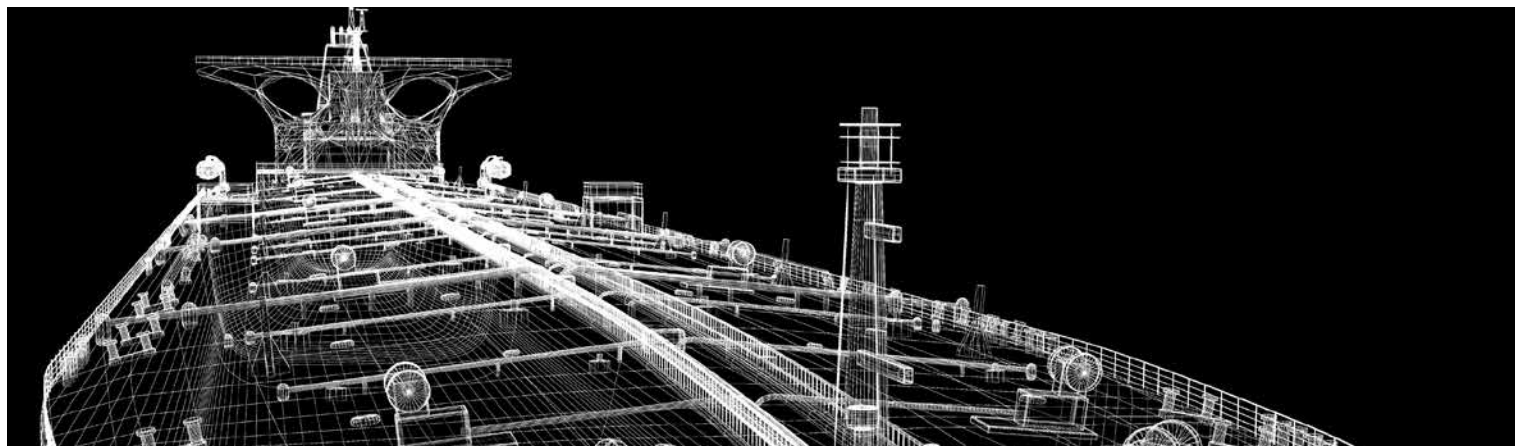
### **The Greek shipowning community supports the Athens Naval Hospital**

The Navy General Headquarters announced it had received on behalf of the Hellenic Navy medical equipment for the Cardiac Arrest Unit of the Athens Naval Hospital, kindly donated by the Social Welfare Company 'SYN-ENOSIS' and the John S. Latsis Public Benefit Foundation.

As announced in an NGH press release, on Wednesday, July 3, 2019, the Chief Gen. of the Hellenic Navy Rear Admiral Nikolaos Tsounis met with Mr. A. Boussios and Mrs. E.E. Stratakis, representatives of



SYN-ENOSIS, and Mr. D. Afentoulis and Mrs. E. Lianou, representatives of the John S. Latsis Public Benefit Foundation, who officially announced their donation to cover the needs of the Navy Hospital of Athens. The Hellenic Navy expressed its gratitude to the Greek Social Welfare Company "SYN-ENOSIS" and the John S. Latsis Public Benefit Foundation, whose donation contributes substantially to the improvement of the quality of the health services provided by the Navy Athens Hospital.



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### **Maritime economists from around the world convene in Athens to discuss the future of shipping**

The largest and most prominent international scientific Conference in the areas of maritime economics and management, including shipping finance, ports, logistics, and other maritime-related fields, was held in Athens from 25 to 28 June 2019, under the Auspices of H.E. the President of the Hellenic Republic, Mr. Prokopios Pavlopoulos.

The 27<sup>th</sup> Annual Conference of the International Association of Maritime Economists (IAME) was organised by the Research Laboratory for International Shipping, Finance and Management (ISFM Lab) of the Athens University of Economics and Business (AUEB), and the Master's Program with the same name (MSc in ISFM). The Conference Chairman was Professor Manolis Kavussanos, Director of the aforementioned Lab and Master's Program.

The Opening Ceremony took place on 26 June at the Onassis Cultural Centre, with keynote speeches delivered by high profile,

international key players of the Maritime Industry: Mr. Theodore E. Veniamis, Chairman of the Union of Greek Shipowners, Mr. Dimitrios Fafalios, President of INTER-CARGO, and Dr. Nikolas P. Tsakos, Chairman of INTERTANKO for the time-period 2014-2018. An intriguing discussion was moderated by Prof. Manolis Kavussanos, on the 'Significant policy and regulatory issues of the International Maritime Industry.' A Plenary Session followed, focusing on shipping finance - an area in which Greek shipping companies and academics possess notable expertise. The title of the Session was 'Shipping Finance in the 21st Century' and it hosted invited speeches by top executives of the international shipping market: Mr. Dimitris Anagnostopoulos, Member of the Board of Directors at Aegean Baltic Bank, Mr. Jerry Kalogiratos, CEO at Capital Product Partners L.P., Mr. George Politis, CEO at Capital Securities, and Mr. Stamatis Tsantanis, Chairman and CEO at Seenergy Maritime Holdings.

The academic program of the Conference included more than 260 scientific papers covering a vast range of scientific areas like energy resources in the maritime indus-

try, international policies and regulations, shipping markets, investments and finance, management and strategy in shipping, logistics and supply chain, port economics, policy and management, maritime safety and security, human resources and other maritime-related fields. Recent geopolitical and economic developments attracted great attention from scientists and market executives, as did other current issues faced by the international shipping industry, such as the enforcement of IMO 2020 Sulphur Regulation, sustainable development of the industry and the interest of young seafarers in pursuing careers at sea.

The aim of the Conference organisers was to also introduce delegates to Classical Greece and the Greek culture and maritime history. A range of cultural tours and networking events were held, with support from companies and organizations related to shipping, in places like Aikaterini Laskaridis Foundation, the Acropolis Museum, the historical ship-museum 'Hellas Liberty', the Yacht Club of Greece and Onassis Cultural centre.

The next IAME Conference will be held in Hong Kong in June 2020.

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## Challenges and opportunities in Short Sea Shipping

The annual international Shortsea Shipping Days 2019 conference under the title "Shortsea: Challenges Ahead" took place on Thursday, June 13, 2019, under the auspices of the European Shortsea Network (ESN) and the Hellenic Shortsea Shipowners Association (HSSA). The conference was coordinated by the Hellenic Shortsea Promotion Centre (SPC Greece) and organised by Newsfront/Naftiliaki.

### The backbone of EU maritime trade

During the conference, all the major issues facing the global maritime community were put on the table with a focus on the medium to long-term challenges, opportunities, and prospects in Short Sea Shipping (SSS). These challenges were analysed by Mr. **Charalambos Simantonis**, President of the HSSA, who focused on "the ability of the world fleet to sail under sustainable conditions," and on the need to establish international regulations. Mr. Simantonis noted that the HSSA "accepts the new regulations because we need to protect the generations to come," but he expressed concerns about the availability and compatibility of the new 0.5% fuels. He pointed out that the SSS industry needs the EU's support to make it more competitive, stressing the need for common rules and procedures within the EU. For his part, Mr. **Ioannis A. Xylas**, Treasurer of the Union of Greek Shipowners, underlined the importance and value of SSS for both Greece and Europe and stressed that the long-standing experience and know-how of Greek shipowners must be capitalized on to achieve the goal of sustainable

shipping. For the UGS, as Mr. Xylas pointed out, those responsible for shaping EU policies should see SSS issues in a broader perspective given that the latter is undergoing significant changes, but should also move towards removing the bureaucratic obstacles that affect the industry's development. Mr. **Costel Stanca**, President of the European Shortsea Network and Mr. **Antoine Kedzierski**, Policy Officer Shortsea Shipping, DG Move, the latter as the keynote speaker of the conference, emphasized that SSS is the backbone of maritime trade and that since 1995 already the EU has been taking measures to reduce bureaucratic barriers and to make SSS a leader in technological innovation.

### The Greek Paradigm

Among the crucial issues discussed by panelists at the conference was the importance of SSS for Greece. Prof. **Maria Lekakou**, (University of the Aegean) referred extensively to the Greek SSS paradigm, noting that it is the third most important maritime economic activity in Greece, yet only 25% of the ships operating in this industry are under the Greek flag. On the other hand, Mr. **Philippos Kostopoulos**, Managing Director of Arkas Hellas SA and President of the International Maritime Union, touched upon the interesting issues of the progress made by the Greek ports over the last ten years, and the need to develop the railway and road network in our country as a lever for the further development of our ports.

### Towards a greener shipping industry

Fuel issues also attracted considerable interest. Mr. **Panos Zachariadis**, Technical

Director of Atlantic Bulk Carriers Management Ltd., raised the question of whether the CO<sub>2</sub> reduction targets of the IMO are achievable. For him, the new regulations will only reinforce the problem. In reply to the question of Mr. **Stavros Chatzigrigoris** (Managing Director, Maran Gas Maritime, Chairman and President of MARTECMA) about whether the slow steaming option might act as a deterrent against investing in innovative shipbuilding plans, Mr. Zachariadis said that "slow steaming will not improve innovation" as shipowners will not have an incentive to adopt it. For him, speed optimisation has prospects of successful implementation, which is definitely not the case with reducing speed or imposing speed limits.

Mr. **Stamatis Fradelos**, Director of Business Development ABS, focused on the major challenges that international shipping will have to face in the coming years, including bio-fouling, black carbon, ship recycling, and undersea noise. He also referred to the prospect of declaring Mediterranean regions as ECA zones. To Mr. Chatzigrigoris' question about the likely timeframe for implementing such an undertaking, Mr. Fradelos replied it was 2-3 years.

Mr. **Vassilis Dimoulas**, Technology & Innovation Manager Greece, Cyprus, Malta, Bureau Veritas, referred to the extremely topical issue of scrubbers, stressing that banning open-loop scrubbers could be a critical issue for SSS due to their cost, while he noted the gaps in published research on issues of prime importance for shipping.

### The impact of technological change

Finally, another critical issue the conference focused on was the rapid technological developments in the shipping industry. Mr. **Giorgos Teriakidis**, Regional Business Development Manager DNV GL - South East Europe & Middle East expressed an interesting view on the development of autonomous ships when he said that "unless all stakeholders in the shipping industry take action, then others outside our industry will play an important role in developments," which can ultimately be to the detriment of the industry.



Mr. Alexander Prokopakis, CEO, Probankers, Mr. Fernando Kalligas, Member of the BoD, DESFA; Country Manager for Greece, Enagas, Mr. Stamatis Fradelos, Director Business Development, ABS, Mr. Stavros Hatzigrigoris, Managing Director, Maran Gas Maritime, Chairman, MARTECMA, Mr. Vassilis Dimoulas, Technology & Innovation Manager Greece, Cyprus, Malta, Bureau Veritas, Mr. Panos Zachariadis, Technical Director, Atlantic Bulk Carriers Management Ltd., and Mr. George Alexandratos, Owner, Apollonia Lines SA; Hellenic Chamber of Shipping - Maritime Hellas.



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Participants of the first panel (L-R): Dr. Nikos Mikelis (Non-Executive Director, GMS), Dr. Petros Varelidis (Advisor, Hellenic Ministry of Environment and Energy), Dr. Anand Hiremath (RSRP Lead Coordinator, GMS), Mr. George Gabriel (Union of Greek Shipowners), Mrs. Gudrun Janssens (Director of Maritime Safety & Environment, ECSA), Mr. Evangelos Chatzigiannis (SNP Trader, GMS), and Mr. Panos Zachariadis (Technical Director, Atlantic Bulk Carriers).

### Ship recycling: Entering an era of change and responsibility

On Wednesday 3rd July, the 1st Annual GMS Recycling Forum took place at the Divani Apollon Palace Hotel in Kavouri, in the presence of many important representatives from the entire spectrum of the Greek and international shipping community as well as capital providers and government representatives.

The conference's proceedings began with Prof. **Andreas G. Merikas**, GMS (Hellas), and Dr. **Anil Sharma**, Founder and CEO, GMS who presented their views on ship recycling. Mr. Sharma referred to "beaching" noting that this is not a new practice in ship recycling. He also underlined the need for States to ratify the Hong Kong Convention which has changed the ship recycling framework making it environmentally friendlier and has promoted the idea of high-quality recycling yards around the world. Her Excellency the Ambassador of India to Greece Ms. Shamma Jain noted that India holds the top position in ship recycling globally and that the goal is to have New Delhi ratify the Hong Kong Convention. Ambassador Jain also spoke about the strong links between the shipping industries of Greece and India underlining the need to strengthen cooperation between the two countries.

### Regulatory framework issues

Mrs. **Gudrun Janssens**, Director of Maritime Safety & Environment, ECSA, gave a brief overview of the regulatory framework

governing the ship recycling industry and underlined the need to establish a global instrument to enhance the safety of the workers in ship recycling facilities and the environment. She added that it is important for shipowners to have a number of certified facilities they can use to recycle their ships and expressed her optimism that India, Pakistan, and China will soon ratify the Hong Kong Convention (HKC).

The prospects of ECC validation and the presence of too many regulations governing the ship recycling industry were the two central themes of the analysis by Mr. **Panos Zachariadis**, Technical Director, Atlantic Bulk Carriers, and Mr. **George Gabriel** (Union of Greek Shipowners). For his part, Mr. Gabriel stressed that the ratification of the Hong Kong Convention by India would be an important step, and added that European regulations are in place and are being implemented until the HKC enters into force. He also stressed that "we need practical regulations". Mr. Zachariadis was on the same wavelength, however, he pointed out that "shipmanagement companies are receiving a barrage of environmental regulations and as a result, ship recycling regulations are not high on the list" of international interest. At the same time, he said that he was puzzled by the fact that there are two agreements in force, which are "an obstacle for ship-operators". Commenting in general on the existence of so many regulations that determine the day to day operation of shipping, Mr. Zachariadis said with emphasis, "we are very angry and disappointed" about this state of affairs. Mr. **George-Paul Perantzakis**, Fleet Direc-

tor, Naftomar Shipping & Trading Co. Ltd. Inc. also made an indirect reference to the regulations, pointing out that ships should be scrapped in a socially responsible way and stressing that "we must do what is best for the companies but also the environment".

### The challenge of ship recycling finance

The delegates also expressed concern over the economic environment surrounding ship breaking. Mr. **Evangelos Chatzigiannis**, SNP Trader, GMS, stressed that the factors that shape and affect the economic environment are none other than the supply and demand forces, in which one must include steel prices, the regulatory framework, as well as the fluctuations in exchange rates. For his part, Mr. **Stefanos Fragos**, Senior Representative, YieldStreet Marine Finance, noted that the short-lived market volatility has made funding quite attractive, while the fact that traditional shipping financiers such as banks have turned their backs on this industry, allows for more flexibility in developing new forms of finance. Mr. **Murali Subramanian**, CEO of Fim-Bank Group, said that the regulations governing ship recycling have a major impact on the financing of this market and spoke about the great potential of this industry for the banks, stressing that "banks need to take a fresh look at the shipping industry." Mr. **Anthony Lambros**, Director, Centrofin Management Inc., emphasized that "the work of cash buyers is complementary to ours" and added, "we are happy that they are doing the dirty work." According to Mr. Lambros, it is the market forces that lead ships towards the end of their useful life, and not the regulations. "The regulations should be applied internationally and should be green," he concluded. Finally, Mr. **John Dragnis**, CEO, Goldenport Holdings Inc. expressed the view that "We must respect IMO regulations on ship recycling as they are part of the industry," adding that high safety standards should govern all parties involved. With regard to the role of banks in ship recycling, Mr. Dragnis pointed out that two Dutch institutions with a long history in shipping finance have already introduced clauses on ship recycling in their contracts.

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## The traditional family business model has proved successful historically



The CEO of Safe Bulkers, a company which in 2018 celebrated sixty years of presence in the shipping industry and ten years on the NYSE, talks to *Naftika Chronika* about the challenges and developments the dry cargo market is facing with regards to the forthcoming IMO 2020 sulphur regulation. He also talks about the need for alternative means of financing and expresses his concerns about the on-going trade wars and the implementation of protectionist policies.

**Polys Hajioannou**,  
CEO, Chairman of the Board  
and Director of Safe Bulkers  
talks to **Ilias Bissias**  
and **Panagiotis Kapetanakis**

**It seems that since the beginning of the year, the dry cargo market has been looking for a compass amid worries over slowing global growth. However, many remain hopeful for an improved second half. What do you think the future holds for bulk carriers? What are the key factors likely to have a medium and long-term impact on developments?**

Since the beginning of the year, the dry bulk market is trading at low levels facing the headwinds of two major and out of the norm events, namely the continuation of the trade war between the US and China and the Vale dam collapse. Besides the actual effect on demand, the trade war is creating an overhang in the global economies, maintaining a sentiment of uncertainty. The dam disaster, on the other hand, has created a huge disruption in the trade of iron ore from Brazil and consequently has had a significant effect on the ton-miles in the cape sector, despite the healthy demand for iron ore.

Entering into the second half of the year, the developments in both these key driving forces of the market are positive. Recent news regarding the revival of the discussions between the US and China as well as the reactivation of the major Vale dam are spurring positive sentiment in the market. Furthermore, market developments in relation to the forthcoming IMO 2020 sulphur regulation are also expected to have a positive effect on the market. Since the beginning of the year, we have noted a sharp increase in the sales of exhaust gas cleaning systems, widely known as scrubbers, mostly scheduled to be installed towards the end of this year and prior to the implementation of the regulation. The downtime required for retrofitting the scrubbers is expected to take many ships out of the market during the second half of the year creating tightness in the supply of vessels and hence an increase on freight rates.



MV Kypros Sea — 77.100 mt dwt bulk carrier, built in Japan (2014).

**Safe Bulkers has already completed ten years since joining the New York Stock Exchange in May 2008. How do you assess the company's performance on the New York Stock Exchange so far?**

In 2018, we celebrated our family's 60-year presence in the shipping industry and Safe Bulkers' 10-year presence on the NYSE. Our fleet almost quadrupled since our IPO, our investor base expanded substantially, our corporate governance strengthened. We are now a better company. Being listed on the stock exchange provides for additional alternative means of financing. You also gain wider recognition based on

your performance. Our effort all these years has been to manage the company with the merits of listing but at the same time to base our decision making on the private family tradition. Transparency and the alignment of our interests with those of our public shareholders have always been high on our agenda and our means to differentiate from peers and build our reputation.

**Do you consider raising capital from the stock markets as a competitive solution for shipping finance? Which ownership models do you think can provide better access to finance?**





MV Pedhoulas Cedrus — 81.800 mt dwt bulk carrier, built in Japan (2018).

**The need to adapt to the further expanding regulations, the requirement to make additional, mainly environmental, investments, the complexity and the due diligence of financing require more sophisticated company structures which can usually be supported by larger companies.**

Access to the capital markets is an option that only listed companies can enjoy; however, we are very sensitive to diluting our shareholders.

**Do you think a traditional family business with faith in hands-on management policies will continue to exist in the years to come or does this model have a limited life expectancy?**

It is more about the size of the company and less about whether it runs privately or its stock is listed on a public market. The traditional family business model has proved successful historically. We still like to say that Safe Bulkers is run with the advantages and the experience of a traditional family business, which are a hands-on approach and low operating expenses. However, the need to adapt to the further expanding regulations, the requirement to make additional, mainly environmental, investments, the complexity and the due diligence of financing require more sophisticated company structures which can usually be supported by larger companies.

**We are a few months before IMO 2020 enters into force. What is your view on the results of the latest MEPC 74 and the MSC 101 decisions, which address all the critical parameters affecting fuel safety? What strategy will Safe Bulkers implement to meet the 2020 requirements?**

The IMO, and more specifically, the MEPC has been working intensively during the past two decades aiming to enforce regulations on the reduction of the hazardous emissions of ocean-going vessels. The IMO Sulphur Cap 2020 regulation is aiming to reduce sulphur oxides (SOx) emissions which are directly related to acid rain through the use of compliant fuels with 0.5% sulphur content, or the use of scrubbers which dilute SOx emissions and neutralize the acid effluent with the natural alkalinity of seawater, avoiding the airborne SOx emissions that have adverse effects on human health and the environment, are the two alternative means for compliance.

Safe Bulkers is quite ahead and is commit-



ted to the timely implementation of the IMO Sulphur Cap 2020 regulation. We are retrofitting scrubbers within 2019 in about half of our fleet, targeting to compete for such vessels based on the price differential between the low and high sulphur content fuel. For the remaining fleet, we are speeding up tank cleaning procedures in order to use compliant fuel, targeting to compete for those vessels on the basis of fuel consumption.

**One of the most crucial issues affecting shipping is the implementation of protectionist trade policies. In your opinion, how will these trade wars, particularly the US-China trade war, impact the future of shipping?**

We are concerned about the trade war and are closely monitoring recent developments. A negative turn in the talks between the US and China will deteriorate the global macroeconomic environment. Certain shipping sectors, such as containerships, may be affected more severely than others. However, we remain

cautiously optimistic, especially after the recent G20 summit in Osaka, where talks between the two countries had a positive conclusion.

**In recent years, Cypriot governments have implemented rebranding policies in Cypriot shipping seeking to promote Cyprus as a global shipping center and global ship management center. What is your view on these policies? Do you think Cyprus can operate competitively against Piraeus?**

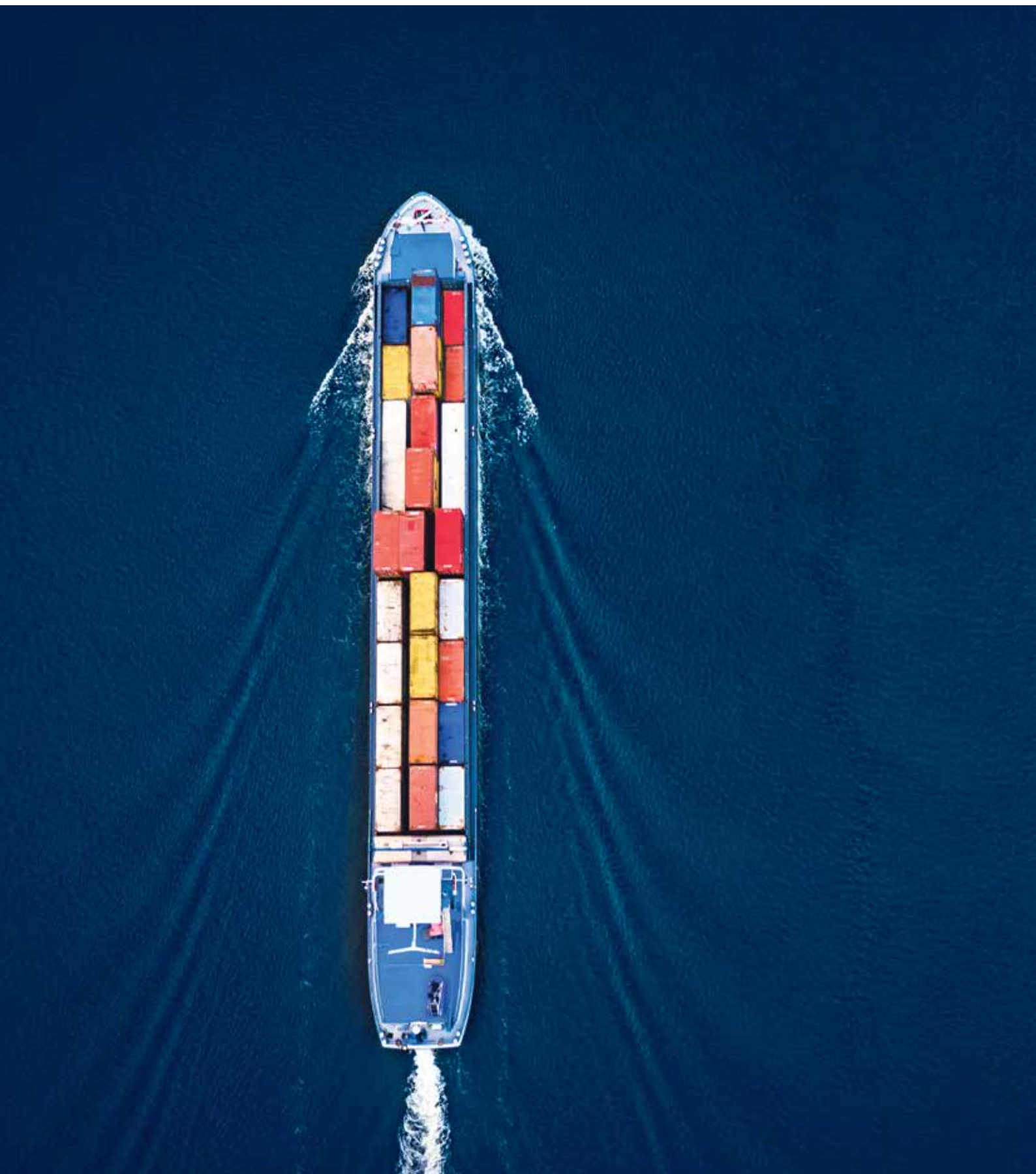
The Cypriot government has managed to attract the interest of the shipping community by offering initiatives to shipping companies to run their businesses from Cyprus. The regulatory bodies and the Cypriot registry have created an environment which adds value to the optimal management of a company. Limassol, in particular, as an international city with fast growth, can provide services of international standards. Cyprus offers an advantageous and stable legal framework approved by the European Union, a com-

**Cyprus offers an advantageous and stable legal framework approved by the European Union, a competitive shipping tonnage tax system, low bureaucracy, as well as a well-organized public sector and banking system.**

petitive shipping tonnage tax system, low bureaucracy, as well as a well-organized public sector and banking system which allow a shipping company to be set up and run efficiently.

We, as the largest ship-owner flying the Cyprus flag, run most of our ship management activities from Limassol in Cyprus while also maintaining our strong presence in Greece.







# To slow steam or not to slow steam

The shipping community puts on the table the speed-limit challenge



In recent years, environmental protection has been high on the agenda of the global shipping community. The upcoming environmental regulations for air pollutants emissions from ships -especially CO<sub>2</sub>- have brought to the table several proposals to meet the emissions targets and have become a milestone for shipowners who are urged to find ways to reduce them while remaining competitive. Among the possible measures through which global shipping could meet the requirements of the new environmental regulations is the so-called slow steaming.

*Naftika Chronika* has attempted to record the views on both sides of the slow steaming debate. In the following pages we host the opinions and positions of prominent representatives of institutional bodies and senior executives of the Greek and international shipping community. We ask whether the challenge of slow steaming and a reduction in speed -of mandatory or not implementation- can be a sufficient and workable response to the question of reducing Greenhouse Gas Emissions and improving the energy efficiency of ships.

Edited by  
**Panagiotis Kapetanakis**





### **Slow steaming by mandating speed limits only is by no means a solution\***

**Theodore Veniamis,**  
President of the Union of Greek Shipowners

We, as the Union of Greek Shipowners, proposed to the UN IMO through the Ministry of Maritime Affairs and Insular Policy a prescriptive short-term measure, which was warmly welcomed. It could be used in case the “super SEEMP” proposal of the shipping industry would not be considered, by UN IMO Member States, to be enough to achieve the UN IMO carbon intensity target of 2030. Our proposal offers two prescriptive alternatives which provide confidence that the UN IMO’s short-term target of 2030 will be achieved.

The first part concerns the option of adjusting the ship’s speed. However, as there are various shipping sectors (e.g., bulk/tramp shipping, liner shipping, fer-

ries’ industry) with different needs that have to be addressed, the second part of our proposal presents the option of reducing consumption. Both adjustments are related to the level of CO<sub>2</sub> emissions produced during the lowest slow steaming in recent years, for example in 2012.

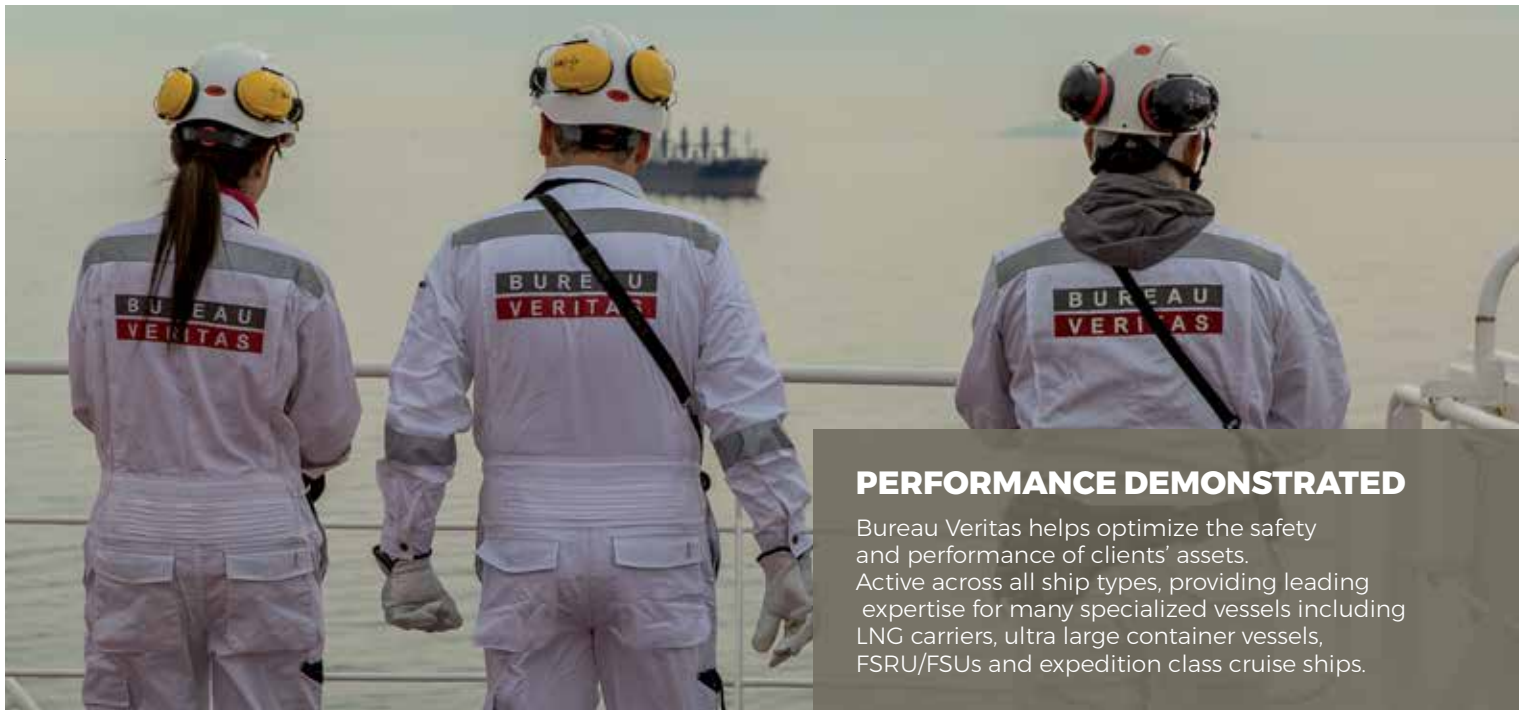
We believe that our proposal moves in the right direction, but needs further elaboration in order to offer shipowners a solution that suits them best and to appropriately adapt to the forthcoming change depending on what ships they own and in which shipping sector they operate.

Slow steaming as an outcome of mandatory speed limits for all ships is by no means a solution.

*\* The views of the President of the Union of Greek Shipowners were presented at a press conference given by Mr. Theodore Veniamis in the framework of the international maritime conference entitled “Greek Shipping Summit - 2020: The wind of Change in Global Shipping” (June 5, 2019 – Eugenides Foundation, Athens).*

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### **Reducing speed and GHG emissions to achieve the IMO's medium-term objectives**

**Panos Laskaridis,**  
President of ECSA,  
CEO of Lavinia Corporation/Laskaridis Shipping Company Ltd.

As time goes by it is becoming quite evident that the GHGs issue cannot be solved through improvements to existing marine technologies, which have been stretched to their limits, nor through any of the other magical solutions promised by environmentalists or politicians who have no idea of scientific and technological reality.

Technological solutions based on non-fossil fuels (batteries, hydrogen cells, biofuels, etc.) are still decades away from large-scale implementation in the central core of global transport, although such solutions may perhaps be able to cope with and serve local short-haul transport.

Consequently, only a significant ship speed reduction can effectively reduce GHG emissions.

Many vested interests have reacted to this proposal,

particularly those who are polluting the most, precisely because their ship's operation depends and is based on large ships and high speeds, and thus very high pollution.

The IMO has already addressed this issue and is expected in one way or another to impose speed reduction which will allow the shipowner to achieve emission reductions in a stable, repeatable, and annually measurable and controllable way. This however will come through a more elaborate procedure of either limiting consumption, power, improved EEDI or enhanced SEEMP or a combination of the above. However, no matter which method is finally chosen by the shipowner, it has to become part of the Company's ISM system, be compulsory and audited on a yearly basis.



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## We need regulations that address the root causes of climate change

**Sir Michael Bibby Bt., DL,**  
President of UK Chamber of Shipping

Prescriptive speed reduction regulation is the wrong approach to meeting the IMO's 2030 targets. There is no such thing as a one-size-fits-all approach in improving energy efficiency across all ships. We need regulations that address the root causes of climate change, and that is reducing CO<sub>2</sub> emissions and not speed.

Speed limit regulation has a number of pitfalls which could create a lag in the overall carbon reduction potential of the industry. For instance, very low speeds could lead to higher fuel consumption, increase vibration, and create problems with soot deposits in combustion chambers and exhaust systems. Speed limit regulation would also be difficult to administer and enforce, would distort the market or trade and possibly lead to a modal shift in short sea shipping as well as an increase in lifecycle GHG emissions due to the

construction of new ships. The existing fleet is already slow steaming, due to the 2020 Sulphur Cap. So, the effects of such a regulation in reducing further CO<sub>2</sub> emissions are unknown.

Finally, most importantly, it lacks the principle of a level playing field and will penalise the early movers. Effectively, it is a free ticket for inefficient vessels.

Therefore, as speed decisions are influenced by a number of factors, including technical and commercial, it should be left to shipowners to choose whether it would be an appropriate measure for them to deploy in reducing CO<sub>2</sub> emissions.

Having said that, there is room for speed - that is, speed optimisation. Optimising the supply chain and reducing waiting times in ports could reduce CO<sub>2</sub> emissions. Therefore, such an option should be further considered by the IMO.



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### **Only the reduction of speed makes it possible to reduce immediately ships emissions**

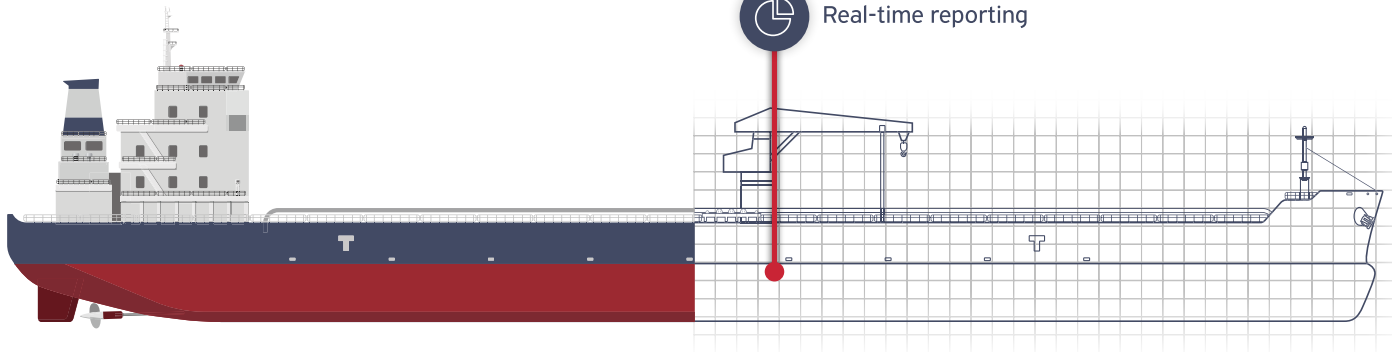
**Philippe Louis-Dreyfus,**  
Chairman of Louis Dreyfus Armateurs Group

For several years, I have been proposing to my fellow shipowners to commit with an already proven solution: slow steaming. Between 2011 and 2012, we all decided to reduce our ships' speed to cope with the rise in fuel prices coupled with lowering freight rates. This has had the effect of significantly reducing the CO<sub>2</sub> emissions of our industry. And this measure, voluntary then, raised only a temporary opposition from our customers who have been very accommodating ever since. Today, the stakes are different, and much more important. Shipping must finally contribute to the collective effort of humanity to reduce its CO<sub>2</sub> emissions. We owe it to our children, but we owe it to our shareholders and our bankers. Our activity can no longer satisfy itself with the alibi of being the least polluting transport mode.

I am convinced that innovation will help us reduce our emissions, that new fuels such as hydrogen and the optimization of logistics systems are the key to this ecological challenge. But I am equally convinced that we must act immediately to prepare the way for these innovations that will not be applied before 15 to 20 years. Otherwise, our industry will see its already weakened image in the minds of its stakeholders continue to deteriorate. Only the reduction of speed makes it possible to reduce CO<sub>2</sub> emitted by ships: immediately, substantially and without any investments. Would it only be to lock the current speed of our ships to prevent them from reaccelerating (thus emitting more CO<sub>2</sub>) someday, this is worth the fight. And if this measure only lasts the time we need to find better solutions, I will also be very happy!

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### **It is every shipping company's responsibility to optimize its own fleet performance**

**Dr. Niels Hartmann,**  
CEO, Hartmann Group, Leer

While slow steaming, of course, can be an effective means to lower a vessel's fuel consumption and thus emissions, I don't think a concerted effort in this regard can be fruitful for many reasons.

For example, the following key questions remain unanswered:

- What is the optimum speed for which vessel?
- What about situations where a vessel speeds up to meet a laycan, to reach a port before the weekend, etc.? This can be an economic issue as well.
- How should this be coordinated? To make

this work, there need to be penalties, because otherwise, the economics will decide the speed of any vessel.

- What about super-efficient newest generation vessels – do they also need to slow-steam?

And last but not least: Who defines what slow-steaming is? 80% of max speed? 75%? And why?

So, in short, I think it is every shipping company's responsibility, but also an economic necessity, to optimize its own fleet performance! Any regulation in this regard will be impossible to implement, let alone measure.



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### **Banning excessive speed is simply the best solution to achieve the 2030 emission targets**

**Yavuz Kalkavan,**  
Managing Director, Besiktas Group

LNG is the future of modern shipping. The IMO needs to regulate for the rapid switch from petroleum oils to LNG in shipping. The best way to manage this switch is to ban petroleum oils on new-buildings as soon as possible. Otherwise, it will take longer and be more difficult to change to LNG fuel. Once LNG is imposed as the only fuel on new-buildings, slow steaming would become the medium-term plan for the reduction of emissions.

One knot less speed is equal to a 27 percent emissions reduction. Banning excessive speed is simply the best solution to achieve the 2030 emission targets. Slow steaming needs no investment and, therefore, it is practicable and has the support of the shipping industry.

So, slow steaming would be enforced immediately as a realistic plan to reduce maritime emissions and would create immediate value.

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## Slow steaming at the IMO



At its landmark 72nd session of the Marine Environment Protection Committee (MEPC 72) in April 2018, the International Maritime Organization (IMO) took serious action towards reducing maritime greenhouse gas (GHG) emissions. The so-called Initial IMO Strategy includes, among others, the following elements: (a) the vision, (b) the levels of ambition, (c) the guiding principles, (d) a list of short-term, medium-term, and long-term candidate measures with a timeline, and (e) miscellaneous other elements, such as follow up actions and others.



**Harilaos N. Psaraftis,**  
Professor, Technical University  
of Denmark

Two important targets are included in the strategy: (i) to peak GHG emissions from international shipping as soon as possible and to reduce the total annual GHG emissions by at least 50% by 2050 compared to 2008 and (ii) to reduce CO<sub>2</sub> emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008. To reach these

targets, a wide variety of short-term, medium-term, and long-term measures are being contemplated. Among the set of short-term measures, those that are to be finalized and agreed on between 2018 and 2023, one can find the following:

“Consider and analyse the use of speed optimization and speed reduction as a measure, taking into account safety issues, distance travelled, distortion of the mar-



**A speed limit regime would exhibit reduced flexibility to further slowdown whenever the market becomes depressed, and this may result in more ships laid up.**

ket or trade and that such measure does not impact on shipping's capability to serve remote geographic areas."

The a priori rationale for the measure looks simple. Given the non-linear relationship between ship speed and fuel consumption (and hence emissions, GHG and other), reducing speed looks like a very promising alternative. So "speed reduction" comes naturally as an obvious candidate GHG reduction measure.

It is actually not that simple. In the debate at the IMO prior to MEPC 72, Chile and Peru objected to the use of the term "speed reduction" as a possible emissions reduction measure, on the grounds that this may constitute a barrier to their exports to Asia (and particularly to those that involve perishable products such as agricultural products and others). They suggested the use of "speed optimization" instead. In a compromise solution, both wordings were included in the IMO

decision text. However, what is meant by "speed optimization" in that text is far from clear and hence is subject to different interpretations.

It turns out that the term "speed reduction" is not well defined either. In many IMO submissions and some other documents such as studies, papers, etc. there is widespread confusion as to how this term is interpreted. Sometimes it is interpreted in a literal sense, that is, reducing speed irrespective of how the reduction is achieved. In that sense, it is often used as a synonym for "slow steaming," which is a voluntary measure. But other times the term is interpreted as mandating speed limits. In fact, a recurrent measure that has been and is being promoted by various Non-Governmental Organizations (NGOs) is to impose speed limits. The Clean Shipping Coalition (CSC), an NGO, proposed the measure to the IMO in 2010. However, that proposal was

rejected at the time. In spite of this decision, lobbying for speed limits has continued by CSC and other groups. As a result, speed limits were included in the roster of candidate short-term measures of the Initial IMO Strategy.

More players have recently joined the speed limit bandwagon. France submitted a document to the IMO supporting the idea. Greece submitted another document advocating mandatory speed adjustments or maximum allowed main engine fuel consumptions. Shortly before MEPC 74 (May 2019), a group of more than 100 shipping companies, many of them Greek, issued an open letter advocating speed limits. A Tradewinds poll showed 61% support for the measure. At both MEPC 74 and the intersessional meeting that preceded it, environmental groups protested in front of the IMO headquarters asking for ships to slow down to save the planet. A high school student gave a passionate speech to that effect. At the same time, industry giant Maersk and other stakeholders such as the UK Chamber of Shipping came out against the measure.

So, what are really the issues behind the speed limit debate? This article is an attempt to clarify them.

First, it is important to realize that speed reduction can be the outcome of several very different policies: (a) it can be caused by a mandatory speed limit, (b) it can be the voluntary choice of ship operators as a result of depressed market conditions and/or high fuel prices, or (c) it can be the outcome of other, non-prescriptive policies such as imposing a bunker levy, for





instance. Options (a), (b) and (c) are very different! Confusion as to which of these cases pertains not only may prevent one from examining the pros and cons of the various options, but it may also shift regulatory focus. It is one thing to see how to influence the factors that can lead to a rational speed and hence GHG emissions reduction, and another thing to contemplate a direct prescription of the outcome itself, in this case, a specific speed limit. Focusing on speed reduction as an outcome and not on the factors that can induce it makes a rational policy decision on the subject more difficult to achieve. I note that a bunker levy comes under the umbrella of Market-Based Measures (MBMs). MBMs, which also include an Emissions Trading System (ETS) -also known as cap and trade, have been discussed at the IMO between 2010 and 2013, but their discussion was suspended in 2013. MBMs are included in the Initial IMO Strategy as a candidate medium-term measure (to be finalized and agreed on between 2023 and 2030), as follows:

*“New/innovative emission reduction mechanism(s), possibly including Market-based Measures (MBMs), to incentivize GHG emission reduction.”*

Note the word “possibly,” which means that the fate of MBMs at the IMO is unclear at best. After the above ill-fated discussion, interest in MBMs, at least at the IMO, seems currently very scant.

### Slow steaming as a voluntary practice

Slow steaming is defined as the voluntary practice of sailing slower than a vessel's design speed. It is typically seen in periods of depressed market conditions and/or high fuel prices. In 2016 UNCTAD documented a continuing sluggish demand challenged by an accelerated massive global expansion in container supply capacity, estimated at 8% in 2015 - its highest level since 2010. More recently (2018), the two largest container carriers, Maersk and MSC, have agreed to further slow steam to cut costs, with some speeds as low as 13 knots. One can find many other examples.

Slow steaming is not only practiced in the container market, although it may seem to make more sense there due to the higher speeds of containerships. Slow steaming is reported in every market. On a global scale, and according to the third GHG study of the IMO, the reduction of global maritime CO<sub>2</sub> emissions from 885 million tonnes in 2007 to 796 million tonnes in 2012 is mainly attributed to slow steaming due to the serious slump in the shipping markets after 2008.

In addition to fuel price and freight rate, the operating speed of ships also depends on the value of the cargo carried, on the ship load factor and on other parameters. More expensive cargoes induce higher speeds, and this is the reason that containerships typically sail faster than tankers and bulk carriers. Speed may also vary according to



Fig. 1: Transpacific service.

Source: Project ShipCLEAN.



the direction of trade. The latter is especially so in liner trades, the difference in speeds reflecting different ship load factors and values of cargo in the two directions. Speed directional imbalances have been manifested in several trades worldwide and have been reported in several publications. For instance, ongoing research by this author and his colleagues in the context of the "ShipCLEAN" project has confirmed that liner cargo from South America to Asia moves at a much slower speed than cargo in the opposite direction. The project analyzed a Yang-Ming/Cosco transpacific service (see Figure 1). In it, an average eastbound speed of 17.5 knots and an average westbound speed as low as 12.5 knots were observed. Both speeds indicate significant slow steaming, especially in the direction from South America to Asia. In particular, the 12.5 knots speed corresponds to an engine load of about 10% of the maximum.

The fact that speeds are already slow from South America to Asia (and surely also elsewhere) is obviously due to market conditions that are caused by the chronic overcapacity in liner trades worldwide and by other factors that are trade specific. The speed directional imbalance has surely to do with the imbalances in the values of goods and/or load factors in the two directions, both of which are speculated to be significant. Whatever it is, these are speeds without any GHG reduction measure being imposed, raising the question of how worse the situation might get with the speed limits that Chile and Peru would like to avoid. Slow steaming, and without any speed limits being imposed, is already here, and in fact big time.

### **Speed reduction via a speed limit, or via a bunker levy?**

In Psaraftis (2019), a comparison was made between speed reduction achieved by a speed limit and speed reduction induced by a bunker levy. Note that this choice is not currently on the table at the IMO, as the speed limit is in the short-term measures category and the levy is in the medium-term class. This, of course, does not prevent us from comparing the two options. One of the results was that for any given level of levy, an equivalent speed

limit can be devised so that speeds and therefore CO<sub>2</sub> emissions are exactly the same. Note however that this equivalent speed limit is a function not only of the levy but also of a multitude of other parameters, including ship size, freight rate, length of route, ship capacity utilization and baseline fuel price. A main difference between the two options is that in the speed limit option no monies would be spent on a levy, and, in that sense, the ship operator's profits would be higher.

Another, perhaps obvious, result was that a common and uniform levy would result in different optimal speeds for different ships. A larger ship would, in general, imply a higher optimal speed, everything else being equal. Therefore, achieving equivalence such as the above by a common and uniform speed limit would be impossible. To do so, one would have to set size-specific (or maybe even ship type-specific, route-specific or even direction-specific) speed limits, which would make the whole exercise very difficult from an administrative viewpoint. Conversely, if a common and uniform speed limit is imposed, the limit may be superfluous for ship types and sizes and binding for some others, depending on the state of the market, the price of fuel, and a host of other parameters. In depressed market periods, the speed limit may be superfluous, and in boom market periods the limit would force some ships (likely at the large end of the scale) to slow down whereas others do not. A speed limit may also be superfluous in one route direction and binding in the other direction (this would be the case in the scenario of Figure 1 if a 15-knot speed limit were imposed).

A likely short-term effect of speed reduction, either by a speed limit or by a bunker levy, would be an increase in freight rates due to the contraction of the fleet's annual tonne-km supply curve. What the freight rate increase would be and who, among ship owners, would be the main beneficiaries of this rate increase would depend on the nature and structure of the speed reduction as it applies to the world fleet. Equally unclear is which option, a bunker levy or a speed limit, would result in higher freight rates. This would also depend on many parameters. However, the speed limit option may be preferable to some ship own-



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**Building more ships under a speed limit regime would also increase emissions due to shipbuilding and recycling (lifecycle emissions) and may have adverse implications on ship safety.**

ers, as, in addition to getting higher freight rates, they would avoid paying the levy (in voyage charter situations). The other side of the coin is that shippers would be hit

twice: they would pay more for their cargo and also suffer increased transit times and increased in-transit inventory costs. Also, the freight rate increase is likely to be short-lived, particularly in the speed limit scenario. In the long run, the expanded fleet that will have to be built to sustain trade throughput under a speed limit regime would be larger than a fleet without speed limits. This would ultimately result in fleet overcapacity and a subsequent drop in freight rates. A speed limit regime would exhibit reduced flexibility to further slowdown whenever the market becomes depressed, and this may result in more ships laid up. Building more ships under a speed limit regime would also increase emissions due to shipbuilding and recycling (lifecycle emissions) and may have adverse implications on ship safety. Last but not least, a speed limit scheme would offer

no incentive to improve the energy efficiency of ships or invest in energy-saving technologies or fuels. Two ships of the same type and size, one energy-efficient and the other energy-inefficient, would be forced to sail at the same speed, and this would unduly penalize the energy-efficient ship.

### **The way ahead**

The speed limit option was discussed at latest IMO meeting, MEPC 74 (May 2019), among other measures. To the disappointment of its advocates, the measure was not endorsed, as many stakeholders objected to it. But MEPC 74 did not reject it either, so the measure is still alive, at least theoretically. By contrast, the bunker levy option (and in fact any MBM option) is barely visible in the IMO agenda at this point in time, and it is not clear when (or even if) the relevant discussion will reopen.

Speaking about slow steaming, all is not lost. Maybe the term can characterize the pace of decision making at the IMO. Indicative is the fact that, after a fierce debate at MEPC 73 last October, the updated plan all the way to MEPC 80 in 2023 replaced the initially suggested word "prioritization" (of the candidate proposals) by the word "consideration." This choice of wording can explain why no decision was made on any measures. MEPC 74 did exactly what MEPC 73 instructed it to do: it just considered the measures. When IMO will move to the next click, from consideration to prioritization, or even to decision, is anybody's guess.

### **Acknowledgments**

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# Management trends

What are the key parameters shaping the shipping industry today?



The environmental regulations creating uncertainty, the scarcity of maritime finance threatening traditional, family-owned shipping companies, the shortage of officers for ocean-going vessels that could affect the smooth operation of the industry, new technologies that provide not only opportunities but also threats -including rising operating costs for the vessels-, as well as the return of protectionist policies in world trade, are, undoubtedly, five of the most pressing challenges ship management companies will be facing for the next few years.

The editorial team of *Naftika Chronika* magazine has asked distinguished members of the Greek and Cypriot shipping community to present their thoughts on the five major challenges that will pose a threat but also create opportunities for the ship management companies in the near future.

Edited by  
Charis Pappas

## Seafarers are the front-line asset of shipping and should be treated accordingly



By Capt. Kostas Kanellopoulos,  
Managing Director,  
Nereus Shipping S.A.



**Capt. Kostas Kanellopoulos** presents his views on the impact of new generation vessels, the employability of seafarers, the current working environment at sea, the supply of shipping finance in the near future, as well as the recent geopolitical developments and how they will affect world trade.

### 1. The shortage of manpower

Searching for the meaning of the term 'manpower,' one can find various definitions and descriptions which are similar as per below:

- Total supply of personnel available or engaged in a specific job or task.
- The supply of people who are able to work.
- The number of qualified people working or available for work or service.

Defining the term, guides us to the old rule of "supply and demand."

The recently published BIMCO/ICS Manpower report has given the Maritime industry warning that the global shortage of deck and engineer officers is set to grow over the next decade, with research

estimating the current shortfall in seafarer officers at 16,500, rising to 92,000 officers by 2020. There is however a surplus of 119,000 ratings.

Despite these very alarming figures, we could see something positive coming out of this situation.

- The shortage of skilled officers could actually lead to competition between the operators.
- Quality ship Managers could benefit from the shortage of good officers.

Although analyses and reports suggest that countries such as China, the Philippines, and India are the largest sources of seafarers qualified for international trade and will be able to cover ratings' demand, there is no assurance that the same will happen to alleviate the shortage of officers.

The combination of the demographic changes in the recruitment of seafarers, the lack of opportunities for career progression to officer level, the need of young officers to start or build a family, the sudden emergence of landside opportunities, the peculiarities of the working conditions on board influenced by increased workload, stress, loneliness, isolation and cultural diversity, the lack or inadequate media services, result in making the shipping industry unattractive for new job entrants in many countries. But the social dimension is not the only problem.



The new generation vessel is more energy efficient with an increased level of automation and less human intervention, which makes an officer's job less challenging. Automation has meant that officers monitor, rather than handle. Their role moved away from "doing" to that of "monitoring," resulting in a diminishing level of those operational skills gained by hard work and training.

Life at sea has always meant living in an isolated micro-community. With the introduction of technology and access to the internet, seafarers have become even more isolated, with fewer interpersonal relationships. The industry has not addressed the physical and mental effect of automation on seafarers' welfare. As the number of people on board the vessel drops and the vessel's functions are taken over by machines, physical demands decrease while mental demands increase. This leads to less social interaction between the remaining seafarers, which in turn leads to issues like loneliness and, possibly, depression.

The working environment at sea has become healthier and safer but less engaging.

International bodies and ships operators must filter any decrease in seagoing personnel to create a balance between the idea of the autonomous ship, its increased safety, and the welfare of seafarers.

In connection with the predicted increase in world seaborne trade, the global fleet will grow despite the larger ships being built. Apparently, the demand for officers will increase but will be offset by the adoption of automation.

As in other industries, automation in shipping will create new but different jobs.

To support high technology ships, the shipping company must have highly – skilled remote operators.

Thus, the future challenge is not the figures, but the digital skills experience of those who will be called to remotely operate – monitor the smart ships, including the pilots and riding teams.

To face this challenge, maritime education and training programs need a holistic design, while we also have to focus on the wellbeing and mental health of seafarers, who should be considered no less than those in shore-side jobs. Seafarers are the front-line asset and should be treated accordingly.

## **2. The availability of shipping finance from 2020 to 2030 as perceived by a non-expert in finance**

Without being any kind of expert in shipping finance, my long working experience in shipping allows me to emphasize certain issues regarding the availability of shipping finance in the next crucial decade (2020- 2030).

Financial Capital is usually defined either as debt or equity reported in the financial statements of each shipping company. Banks have traditionally provided most of the financing in the shipping sector in the form of ship mortgages (50%-80%). There were European banks dedicated to shipping finance before the Lehman Brothers scandal when the banking landscape changed dramatically. According to recent studies, Western banks have reduced their market share in total lending volume, which is reflected in the increase in financial and capital constraints rather than their banking mindset towards ship finance or Greek ship finance in particu-

lar. In the last decade, this gap has been filled by Eastern banks whose share seems to have risen from 15% to 33% in contrast to the European banks' share which has dropped from 83% in 2011 to 61% in 2015 respectively.

The above is a result of various factors that have influenced the Western banks' appetite to step back. These factors seem to be the capital constraints resulting from the introduction of regulations such as Basel IV, the European Central Bank's increased regulations, the amount of bank losses and high provisions, and the change in banking policy in order to minimize risks.

As a result, according to maritime experts, shipping banks loan portfolios stood at close to \$600 billion before the end of December of 2008. Consequently, this shipping finance gap had to be covered and indeed has been covered up until today by other players such as:

- Chinese and other Asian banks (with priority on public shipping companies or large private groups)



- Chinese and other Asian Leasing (ICBC, Mitsubishi, China Development, etc.)
- Shadow banking providers (Credit funds which exploited the opportunity of low-interest rates, and offered explosive rates of return as an attractive investment on high-risk opportunities in the shipping industry. We have to remember this new cult in Wall Street after 2009 with the appearance of credit funds)
- The emergence of new banks (banks newly established in Norway such as Pareto Bank, Carnegie Bank, etc. which have tried to offer a lower margin in the area of 4-5% to attract the appetite of smaller shipping companies).

The question for the next decade is not related to the supply of shipping finance but to whether the unregulated parts of the above eastern banks, the quasi-banking industry, or the credit funds will remain untouchable or they too will be regulated. Then the shift towards banks or at least towards the traditional relationship between banks and shipowners would return, making shipping loans as attractive as they were in the past.

However, we must keep in mind a number of parameters that always affect global growth and expansion, such as the geopolitical parameter of high political uncertainty that leads to a downward revision of the global economy and signifies a loss of dynamic and negative monetary policies across the banking system. Bearing in mind the above, and given the small world in which we live today, any investment in shipping should initially secure a long-term charter with first class charterers, especially in the wet/ gas industry where the numbers in capital investment are quite high.

**To support highly technological built ships the shipping company must have highly-skilled remote operators.**

### 3. Protectionism

Protectionism is not a new idea since it is often viewed as a political tool which every country and government uses in order to have a competitive advantage through the implementation of tariffs. Many countries promote such acts as a means to create new jobs for their domestic market, to increase the employment rates, and to elicit confidence in the government. Equally, the blue-collar working class in every country is a strong proponent of protectionism as they believe it brings job security and increased wages to them.

However, the rapid integration of the global economy has increased the productivity rates in most ASEAN countries, and as a result, it has put pressure on blue-collar wages and reduced hours of employment. It has also had a detrimental effect on Western economies leading to a loss of jobs. Naturally, those groups that lost their jobs will advocate the imposition of tariffs on imported goods via their trade-unions, which is something that will probably impact the manpower in their countries.

On the contrary, white-collar employees and 'educated' groups are opponents of protectionism and any kind of decrease in "free" trade and competition. "Open-border" trading, which is the competitive drive in many fields, (such as in technology, engineering, science, etc.), tends to be less of a priority for those countries that implement protectionism, and this leads to a decrease in the quality of services in their education system.

At the same time, the current trade war between the U.S. and China is having an immediate effect on the container segment of the shipping industry. Also, the waves of protectionism are likely to influence the wet sector, which is likely to take various forms depending on whom the tariffs are imposed. A recent example of this protectionism mechanism was the United States' threat that it would escalate tariff measures against Mexican imports a couple of months ago. This tariff started at 5% and is estimated to reach up to 25% by October 2019.

Mexico is the USA's third largest trade partner (China being the first and Canada the second). For the shipping industry, this partnership is significant as the USA is the largest buyer of Mexican crude with average import volumes above 600,000 bbl/day

in recent years. The natural alternative for Mexican crude would have been Venezuelan crude, which is currently sanctioned. These combined circumstances pointed to a likely increase of crude imports from outside the region to come to the USA, thereby increasing tonne-mile demand.

Regarding CPP, (clean petroleum products) and the gas side of things, Mexico is the largest export market for USA refined products and a likely counter-tariff from the Mexican side would affect that market as well. The forecast was that the USA would probably have to import more from Brazil or Colombia as alternative and similar grades to the Mexican crude. In the end, the Mexican tariff threat was resolved, and nothing happened.

The Chinese trade war is a bit more complicated as China is more of a manufacturing and agricultural trade partner to the USA than a crude oil trade partner. When the USA began exporting crude, China was one of the lead receivers of the crude, only to reach this point today due to the nervousness caused by the trade war.

China's concern is that an unexpected tariff imposed by the USA against Chinese goods and products would quickly escalate China's reaction by raising counter tariffs against the USA. An additional element is that a voyage from the US Gulf to China takes 50 days thus keeping the crude at sea and exposing it to global politics with an immediate impact on its price (or the tariff) by the time it reaches its final destination. This fear greatly reduces the number of potential deals that could be fixed from the USA to China, which in turn reduces the potential tonne – mile demand, which would help tankers' earnings.

The Asian countries that keep doing business with the USA have increased their tonne-mile demand, but not to the extent they would have if the China-USA business relationship had improved.

If the USA imposes tariffs against any of its Eurozone trade partners, it will have a direct negative impact on the USA crude moving to Europe. This would have a negative effect on the USA/Europe moves, but would be offset by the positive impact on West Africa / Europe trade. The net result is predicted to have a zero effect.

The most likely scenario is that the USA will smooth down the tariff "walls" for the sake of longevity and future sustainable growth after the Trump era.



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## The shipping market has always found a way to counter adverse consequences and emerge with new plans to self-regulate



By **Theophanis Theophanous**,  
Managing Director, Bernhard Schulte  
Shipmanagement (Hellas) SPLLC

**Mr. Theophanis Theophanous** elaborates on the environmental regulations that may hinder trade, the alternative methods of shipping finance that aim to counterbalance the post-crisis situation, the reasons why smaller-size shipowners struggle to secure finance, the importance of time and organization in sourcing and training the crew onboard, as well as the new challenges arising from recent geopolitical developments.

### 1. Environmental regulations

Ship fuel consumption produces exhaust gases; nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>), carbon monoxide (CO), carbon dioxide (CO<sub>2</sub>), and particulate matter (PM) all of which contribute to global warming and air contamination. Until recently, the environmental impact of shipping had been undocumented and unregulated as shipping is an industry that is mostly out of sight. However, in the last year, there has been more public focus on the shipping industry, which has made it into a scapegoat due to its environmental footprint. In turn, this created immense pressure on governing bodies to implement rigid, strict, and on many occasions, hastily prepared conventions. Regulations for ballast disinfection and control plus recording and minimising fuel emissions have already been largely enforced, causing industry unrest with a substantial effect on operations and trade not to mention the significant capital investment required for compliance.

The implementation of the 0.5% Sulphur Global Cap in 2020 is a major headache for owners and operators who are inevitably trying to establish the best techno-economical way to meet requirements: either using low-sulphur compliant fuel oil or investing in equivalent methods, such as Exhaust Gas Cleaning Systems.

Although these regulations aim to protect the environment, which is naturally a positive step, they also hinder trade and as such, the industry's prosperity. Formulating such regulations is certainly troublesome given the global scale of the industry. The various countries affected need to reach an agreement, and the key players, whether fuel suppliers, engine manufacturers, shipping operators or commodity traders, all with varying agendas, require time to catch up with each new requirement.

All this makes communication and agreement between parties an incredibly difficult task, leaving ship owners and managers to face tight deadlines and major investment requirements, which cause immense uncertainty and anxiety. The industry will surely self-regulate, but it could be the case that many small-scale companies will not be able to invest or adapt and therefore survive, while many of the ships currently in operation will rapidly lose value causing owners to have significant asset depreciation.

### 2. Availability of shipping finance

As a consequence of the financial crisis a decade ago, traditional major ship finance markets have been on a steady fall, leading several established banks to sharply reduce their shipping portfolio, and some of them to even terminate their shipping presence altogether by offloading their bad loans to private equity funds. Nevertheless, the adjustment process by over-

leveraged and hard-line banks has come near to its end, with few banks nurturing sizeable bad shipping loans nowadays. Consequently, the surviving traditional banks of the West and the recent entrants from the East are, once again, expected to drive ship finance higher, albeit at a low pace and on a path laid with challenges. Other methods of finance are also emerging to counterbalance the post-crisis situation. The main competition lies in Far East leasing, Chinese lenders have developed into strong players addressing the requirements of smaller owners and offering low finance cost, which in many cases are on par or even lower than the banks. As far as owners are concerned, there is a prevailing two-tier lending market model. Large scale owners can achieve low cost facilities with flexible terms, while smaller size owners struggle to even secure finance. In addition, private equity funds are currently not as attractive, mainly due to their elevated cost, despite offering more substantial loans than banks.

To conclude, a recovery is predicted in the ship finance sector; nevertheless, it is expected to be slow, as banks are still constrained by capital restrictions and have developed increasingly demanding risk and compliance departments. Furthermore, in the upcoming future, lenders' commitment will be determined by the performance of the various shipping sectors, as well as overall global economic and geopolitical factors.

In response, third-party ship managers have so far - and should certainly continue - tailored their service provision efforts in OPEX control and first-class vessel management to fully match the challenging market conditions. In addition, flexibility combined with a global scope will assist ship managers to further nurture collaborations with entities formed as a result of the ship finance squeeze, such as private equity funds which do not necessarily have ship management know-how, and to consolidate owners that need an established manager to gain from economies of scale, even via joint ventures offered between managers and owners.

### 3. The shortage of manpower

The first and foremost requirement to combat the shortage of manpower in the shipping industry, which will only worsen going forward, is planning. Especially in areas of rapid expansion, one must start well in advance, perhaps even more so for sectors such as LNG. Time and organisation are essential to source and train the necessary number of skilled seafarers and shore staff to be able to satisfy the requirements of each owner and build a crew pool in line with a company's or ship charterers' expectations.

A vessel is undoubtedly only as good as the crew who sail on her, and it would be impossible to maintain or enhance the condition of any ship without proficient human resources on-board and a dedicated support team ashore. A structured integrated training programme of life-long learning is an ideal way to develop and retain a skilled crew. Dedication to human resources and enlisting high calibre seafarers

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**Chinese lenders have strongly developed addressing the requirements of smaller owners and offering declining finance cost that in many cases is now on par or even lower than the banks.**

from cadet level upwards, not only assists ship-management service provision but also guarantees clients' a portfolio of competent, ambitious and well-trained professionals able to meet the most demanding requirements of any vessel.

#### 4. New technologies

New technology is regarded by BSM as absolutely fundamental in supporting work processes, innovation, and continuous improvement. Digitalisation provides faster,

centralised data access, reporting, and performance reviews, and significantly lessens the possibility of error while improving ship to shore co-operation. BSM is very proactive in this respect, with our own dedicated maritime specialised software company, MariApps, as well as a fast-developing Corporate Fleet Performance division, conveniently located in Athens.

MariApps Marine Solutions is an enterprise digital solutions company offering state of the art software applications for the marine industry. Its flagship product PAL was developed based on direct feedback from functional market experts, ship owners, and ship managers and has revolutionised daily operations onboard and ashore. MariApps is perpetually exploring technological development options to provide user-friendly solutions, offering imperative, work specific data access. High-tech solutions that generate and gather data from day-to-day operations enable decision making and actions to be implemented to enhance operational efficacy and efficiency. It also provides a better understanding of vessels performance and availability of critical vessel-related information anytime, anywhere via the web or a mobile device.

Owners can select to outsource, in line with their individual requirements, to a third-party ship manager and take full advantage of the innovative services on offer. BSM, in particular, is confident that in striving to constantly develop our work practices and our suite of maritime solutions, to stay ahead of the market, we are indeed well prepared for the future ahead.

#### 5. Protectionism

The paradox of powerful economies and traditional champions of free trade such as the US reviving strong protectionism measures has inevitably shocked the shipping sector. The result is troublesome, with such extreme measures being considered in many cases as trade wars. With so many countries involved, including traditional USA allies, such a move on tariffs risks provoking retaliation on a global scale. Therefore, it is inevitable that the uncertainty, confusion, and panic that these trade disputes create, heavily impact trade markets. Based on historical trends, however, the shipping market has always found a way to counter adverse consequences and emerge with new plans to self-regulate. Using sound market knowledge and expertise, owners will surely prevail once again despite the challenges ahead. With regards to third party Shipmanagement and trade barrier implementation, there should not be any direct effect, as opposed to owning companies, which may face a decline in trade volume and rates. Nevertheless, ships are expensive assets and heavy investments for owners and need to be effectively and economically run so as not to depreciate. Ship managers with a global presence who provide an array of services and solutions which benefit from economies of scale, with technical know-how, transparency, and flexibility may be more valuable than ever. Decisive action and adaptability are essential since wherever there is a hurdle, there exists a challenge to overcome it and an opportunity to thrive.

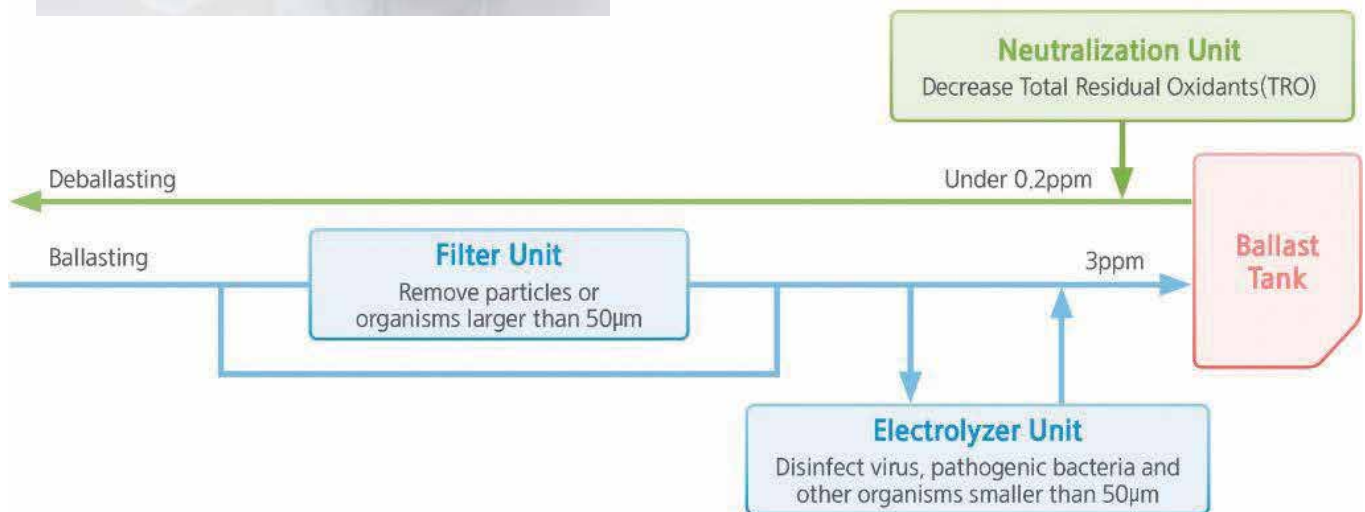
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## For the marine sector innovation-led change is nothing new



By **Sunil Kapoor**,  
Director, FML Ship Management Ltd.

**Mr. Sunil Kapoor analyzes the new technologies in shipping which are untested and unreliable, the increasing regulation and scrutiny in ship financing, the reasons behind the significant shortage in officers and crews, and the gradual escalation of protectionism, which is likely to disrupt the global trading system.**

### 1. Environmental regulations

Everyone's attention is on the new environmental regulations. The governments and the regulatory bodies will require companies to implement new technologies to ensure compliance with the new rules. However, when it comes to the Sulphur 2020 cap, there are not many solutions available as of now. The untested and unreliable new systems could result in confusion in the market and even cause breakdowns; subsequently, the shipping companies may lose money. Nonetheless, Fleet is working since the beginning of 2019 to ensure that all our vessels are ready to implement the new regulation on the first day of 2020.

### 2. Availability of shipping finance

Most traditional ship finance banks that historically dominated the market have been announcing their intention to exit shipping. Although this has been triggered by the financial crisis, there are other factors affecting their intention to shrink their shipping portfolios. These factors include the increasing regulation and scrutiny faced by the European banks and the substantial losses made in the industry. Although rare, some banks are looking selectively and conservatively to develop strong shipping portfolios with new small to medium-sized shipowners. Shipowners are now considering structures such as high-yield bonds, convertible debt, capital and operating leases, as well as preferred equity structures. Export credit agencies have been common participants in recent years, and private equity has also emerged as a solution following the financial crisis.

### 3. The shortage of manpower

The disparaging attitude towards seafarers has led to a remarkable shortage of officers and crews. Some of the reasons young individuals avoid a career at sea are

the deterioration in working conditions at sea, pirates creating a nuisance, work-related pressure due to the increasing number of audits and inspections, and salaries which are not worth the risk and time spent onboard. Without taking some drastic measures, it will be difficult to convince people to take up maritime jobs in the coming years.

### 4. New technologies

For the marine sector, innovation-led change is nothing new. Consider the impact that radar and satellite communications have had in the past one hundred years alone. The industry now faces a tipping point again, where technological developments such as autonomous and smart ships are turning science fiction into reality. On the other hand, whether it is cyber-attacks, a dearth of expertise needed to run an unmanned ship, or lack of infrastructure to support new fuel sources and technology, the industry must consider the potential pitfalls that new technology can cause. The transformation will invite a cycle of regulatory and legal change: regulators will have to rewrite the rules that have governed the safe, efficient, and remote operation of ships. The changes will not happen overnight, nor will the transition happen evenly.

### 5. Protectionism

Escalating protectionism and tariff battles can potentially disrupt the global trading system, which underpins demand for maritime transport. The IMF warned that a full-blown trade war between China and the US would weaken the global economy. Fears about a further escalation have rattled investors and hit stock markets. The IMF estimates that a renewed trade war could reduce global GDP by up to 0.8 per cent in 2019. If it tips the US or China into an early recession, the effects will be much more severe.

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## Newport Shipping: A premium one-stop drydocking solution

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Operating through a strategic network of twelve shipyards across the Atlantic, Pacific & Middle East trading zones, London-based Newport Shipping is a premium one-stop drydocking solution, with a unique 'pay-as-you-earn' financing facility.

We have 40 years' experience in repairs and design, and our team includes qualified naval architects and second-generation ship repair specialists. We're based in London, utilising the maritime expertise available from brokerage to legal services which is important given our contracts are subject to UK law. Along with this background, what sets us apart is our ability to offer turnkey approach," said Newport Shipping's Greek Office Managing Director, Stavros Leousis.

On-site operational teams staffed by Newport Shipping ensure standardised service delivery across all yards, with specialised maintenance capabilities and upgrades including scrubbers and ballast water treatment. And with a Key Account Manager overseeing an entire process from enquiry to delivery, Newport offers a secure, high quality one-stop-shop.

"We are a maritime service provider and the demands on owners are just ever increasing. What we do is step in to liaise with the shipyard directly on behalf of the

shipowner, who then has the comfort of knowing that he is getting professional management of their ship repairs."

Newport Shipping's personalised management has a further major benefit – 'pay-as-you-earn'.

"Under normal circumstances the owner would have to pay the shipyard anywhere up to 60% before the vessel leaves," said Mr Leousis. "Thereafter the yard may give them very short credit terms of 60 or maybe 90 days.

"We agree the work specification directly with the owner, supervise the repair and organise all of the spare parts. So, the owner is speaking to only one party. And then once the repairs are completed to their satisfaction, the owner will pay 40% of the cost prior to the vessel leaving and then we will defer the balance of 60% for a period up to 18 months thereafter."

"We are a unique company providing this service. We started some eight years ago, and after identifying the opportunity, have really expanded over the last 12 months."



**Stavros Leousis,**  
Managing Director,  
Newport Shipping's Greek Office



Newport Shipping UK LLP is a London registered entity which opened an office 2 years ago in Greece given the Greek Shipping market's important and prestigious position globally.

Newport is investing in continuing to serve its existing clients and expanding its Greek client base, welcoming new clients.



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Newport Shipping Group has purchased 100 scrubbers, with an option for 100 more, from Chinese manufacturer Weihai Puyi Marine Environmental Technology Co. (Puyier).

Offering comprehensive drydocking services from repairs and spare parts to specialised maintenance and upgrades, the 28 drydocks in Newport's growing shipyard network are capable of delivering 2,100 annual projects for every vessel type and fleet size.





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## INTERNATIONAL WATERS

News from the seas  
of the world



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## MARITIME ENTREPRENEURSHIP

### **Maersk to offer customers carbon-neutral transport**

A new carbon neutral product - the first of its kind in the industry - is being piloted with select Maersk customers who are highly engaged in sustainable solutions for their supply chain. H&M Group is the first company to trial it as part of the shift towards carbon-neutral transportation.

The biofuel in the pilot project is the same blend of used cooking oil and heavy which has been tested and successfully validated in a trial driven in collaboration with the Dutch Sustainability Growth Coalition (DSGC), and Shell this year.

"The biofuel trial on board Mette Maersk has proven that decarbonized solutions for shipping can already be utilized today, both technically and operationally. While it is not yet an absolutely final solution, it is certainly part of the solution, and it can serve as a transition solution to reduce CO<sub>2</sub> emissions today. With the launch of this product, Maersk seeks to help our customers with their goal of moving to sustainable supply chains," explains Søren Toft, Maersk COO.

The biofuel to be utilized is carbon neutral and provides H&M Group the ability to reduce their transport and logistics emissions towards their aspiration of carbon neutrality when accounting for only the emissions from the vessel.

### **MOL and Japanese shipyards design next-generation coal carrier**

Mitsui O.S.K. Lines (MOL) recently announced a vessel design it calls "EeneX,"

Edited by  
Angeliki Koliomichou



for a 90-type (90,000 DWT) next-generation coal carrier, developed in cooperation with Japanese shipyards.

The vessel's design draws on the shipyard's extensive knowledge of coal carriers as well as MOL's know-how in ship operation, with the goal of achieving safe, reliable and economically efficient transport of coal, an important energy resource for Japan. MOL proposes the EeneX brand under its concept of providing optimal, "stress-free" transport service for customers and the environment. The next generation coal carrier will have a double-hull structure, which allows cargo holds with completely flat sides and eliminates the work of scraping out coal, which boosts the efficiency of discharging operations and speeding up cargo handling. Moreover, unlike conventional coal carriers, on which the cargo holds are sometimes filled with ballast water to maintain the ship's stability during ballast voyages, the EeneX carrier has only dedicated cargo holds with safe stability. This saves the

effort of preparation time for ballasting into the cargo hold and reduces the risk of salt and rust contamination due to rust in the cargo hold.

The EeneX carrier design reflects MOL's proactive stance in providing safe, reliable, and stress-free transport of resources and energy.

### **A new shipping venture is established**

U-Ming Marine Transport Corporation, Taiwan Power Company (Taipower), Kuang Ming Shipping Corporation and K-Line have signed a Memorandum of Understanding on July 1, 2019, to establish a new joint-venture shipping company.

The new company is expected to be established in Taipei by the end of 2020. It aims to combine the respective partners' technical, business and financial resources and knowledge to strengthen the transportation of energy resources for the power generation business and to further

improve operational efficiency and reduce operating costs thus ensuring the reliable supply of Taiwan's energy resources.

The initial capital contribution is NT\$1 billion, which is contributed by Taipower (40%), U-Ming (32.5%), Kuang Ming (20%) and K-Line (7.5%). U-Ming will contribute a total of NT\$325 million.

In response to the global wave of climate change, Taiwan has been actively carrying out the energy transformation initiatives. This joint venture company will also be taking appropriate measures to face the rapid changes in the operating environment to stabilize the country's coal supply, and at an appropriate time to come, to further expand into the LNG shipping business.

### **Hapag-Lloyd and Ocean Network Express join blockchain-enabled platform TradeLens**

Hapag-Lloyd and ONE, the world's fifth and sixth largest carriers respectively, join CMA CGM and Mediterranean Shipping Company (MSC), both of which recently announced they are joining TradeLens. With these additions, the scope of the platform now extends to more than half of the world's ocean container cargo.

"Expanding digital collaboration is critical to the evolution of the container shipping industry," said Martin Gnass, Managing Director Information Technology at Hapag-Lloyd. "TradeLens has made significant progress in launching a much-needed transformation in the industry, including its partnership model. Now, with five of the world's six largest carriers committed to the platform, not to mention many other ecosystem participants, we can collectively accelerate that transformation to provide greater trust, transparency, and collaboration across supply chains and help promote global trade."

The addition of these two global carriers will help drive further adoption of TradeLens around the world now that TradeLens customers have access to major carriers in all three leading global vessel-sharing alliances on the platform. With an already significant presence in Asia, ONE is further strengthening and expanding its coverage through joint cooperation with TradeLens to help meet the challenging demands of the crucial Asia market.





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## GEOPOLITICS

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### **Piracy in the Gulf of Guinea continues to threaten seafarers**

Members of the shipping community, Flag States, Agencies and States in the Gulf of Guinea gathered recently at the headquarters of the International Maritime Organization (IMO) for a day-long symposium on Maritime Security in the Gulf of Guinea. The event, co-sponsored by BIMCO, IMCA, ICS, ITF, and OCIMF, featured speakers from regional maritime agencies as well as shipping officials, academics and military staff.

Concerns raised by industry were supported by figures from the International Maritime Bureau showing that the number of attacks in the Gulf of Guinea region had doubled in 2018. There has also been a marked increase in kidnapping for ransom and armed robbery incidents. Piracy expert Professor Bertand Monnet, who has interviewed pirate gangs in the Niger Delta, estimated that there were approximately 10 groups of pirates that were responsible for the majority of attacks in the area, and they were well organized and motivated.

Dr. Dakuku Peterside, the Director General and CEO of the Nigerian Maritime Authority and Safety Agency (NIMASA),

in his keynote address to the meeting acknowledged the maritime security risks present in the Gulf of Guinea, but stated that new initiatives underway to improve the joint capacity of Nigerian law enforcement and Navy capabilities could make seafarer kidnappings “history” within a matter of months. He went on to state that he is keen to improve international cooperation, particularly with the shipping industry.

Jakob Larsen, Head of Security for BIMCO, pointed out that regional states needed to play their part as well. “Nigerian piracy mainly affects a small geographical area of around 150 x 150 nautical miles. The problem can be solved easily and quickly, especially if Nigeria partners with international navies. Nigeria holds the key to solving this problem,” Larsen said.

Guy Platten, Secretary General of the International Chamber of Shipping, concluded, “It is unacceptable that seafarers are being exposed to such appalling dangers, and we need the authorities to take action now.”

### **Africa becomes a pole of attraction for foreign investments**

The economies of the countries of the African continent could benefit from the US-China trade dispute, given that the two largest economies on the planet are trying to “harness” the “Dark Continent.” Investors and trade partners in Washington and Beijing have focused on Africa, as in June the United States co-chaired a

summit in Maputo, the capital of Mozambique, to support US-African cooperation. US exports to Africa have fallen by 32% since 2014, but this trend has begun to change.

Only a few days later, Chinese Foreign Minister Wang Yi said his country’s investments in Africa should be sustainable and dismissed charges of a debt trap because of generous Chinese funding. At the same time, he underlined the “true friendship between China and Africa.”

The United States, China, and to a lesser extent Europe are struggling to strengthen their trade links with Africa, as the markets of the African countries show strong dynamics due to the young population and positive growth rates.

At the same time, several African countries are working together to create AfCFTA (African Continental Free Trade Agreement) as they see opportunities to attract investment amid ongoing trade and international protectionist policies. Economic analysts note the political will of part of the leaders of the African countries to deepen their co-operation, predicting that even under a temporary free trade agreement intra-African trade could directly increase by 33%.

### **Russia spreading trade “nets” in Asia**

China is expected to import a large volume of agricultural products from Russia in the future, as Chinese demand for soybeans and corn is particularly high. According to a Xinhua report, the agricultural sector is expected to be the new starting point of economic and trade co-operation between Russia and China.

Looking to further boost their cross-border trade through e-commerce, the two countries signed an MoU at the 6th China-Russia Expo held in China in June, to establish a bilateral e-commerce cooperation mechanism. Between January and September 2018, the value of cross-border e-commerce trade between China and Russia amounted to \$3.7 billion in 2018, up 23% from 2017.

In addition to China, Russia is also interested in Iran, and the two countries signed several trade agreements and memoranda of cooperation on the sidelines of the 15<sup>th</sup>

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Iran-Russia Joint Economic Commission held in Tehran. Among other things, these agreements concern the energy, transport, commerce, manufacturing, and IT sectors. The two countries, which are very important players in the international energy scene, have long promoted the further development of their relations and have already had a series of bilateral trade and economic cooperation summits. At this last summit, nine working groups and three special committees, with a large number of officials from both countries, convened.

The trade balance of Russia and Iran has been steadily increasing in recent years to exceed \$1.7 billion in 2018. Both sides expressed the conviction that there is considerable room for broadening and deepening the economic relations between the two countries. Hydrocarbons and nuclear power are the sectors where there is the highest degree of cooperation, as Russia is already working with OPEC members, of which Tehran is an important partner. Similarly, Iran has recently agreed to establish a free trade zone with the members of the Eurasian Economic Union, in which Russia participates.

### **Japan teams up with Russia in Arctic LNG-2**

Mitsui & Co., Ltd. has signed an agreement to enter into a share purchase agreement with PAO Novatek to acquire 10% of the equity in the project company Arctic LNG 2 LLC for participation in the Arctic LNG 2 project. The share will be acquired

through the Dutch Company, Japan Arctic LNG B.V., in which Mitsui has invested jointly with Japan Oil, Gas and Metals National Corporation ("JOGMEC"). The acquisition will be completed as soon as the relevant regulatory approvals have been obtained.

The project will develop natural gas and liquefaction facilities with a production capacity of 19.8 million tonnes per year from the conventional onshore gas field located on the Gydan Peninsula within the Arctic Circle, north of the Russian Federation. Novatek commenced production at the nearby Yamal LNG project in 2017, and this project will be the company's second LNG project in the Arctic Circle in Russia. Novatek's estimate of the total development cost is currently around \$21-23 billion. After participation and following a final investment decision with Novatek's partners, the project plans to commence production of LNG from around 2023. LNG from the project will be delivered mainly to Asia and Europe via the Northern Sea Route. Other partners of the project are a subsidiary of the French company Total S.A., a subsidiary of China National Petroleum Corporation, and a subsidiary of China National Offshore Oil Corporation Limited with a 10% stake each.

Mitsui's business activities in the LNG industry began with participation in an LNG project in Abu Dhabi in the 1970s. Since then the company has participated in LNG projects in various parts of the world, including Australia, Qatar, Oman, Russia, Indonesia, Equatorial Guinea, the United States and Mozambique.

## **BLUE ECONOMY**

### **A milestone merger in the shipbuilding industry**

China's two largest state-owned shipbuilding groups, China Shipbuilding Industry Corporation (CSIC) and China State Shipbuilding Corporation (CSSC), have confirmed a plan to merge, pending approval of the relevant authorities.

CSIC and CSSC were one conglomerate until 1999 when they were split in two. CSSC and CSIC operate businesses in China's south and north, respectively. The two companies' combined assets are worth over \$72.88 billion.

As the global shipbuilding industry is facing overcapacity as a result of the global financial crisis, many shipyards all over the world have declared bankruptcy, whereas others are reorganizing their activities.

The CSIC-CSSC merger follows the decision by the world's largest shipbuilder Hyundai Heavy Industries to acquire Daewoo Shipbuilding and Marine Engineering. If the CSIC-CSSC merger goes ahead, it is estimated it will create the biggest shipbuilder worldwide.

### **Piraeus port sets new profitability record**

According to the Annual Financial Report 2018 presented at the Annual General Assembly of the Piraeus Port Authority S.A. (PPA) the most important figures are the following:

- The turnover amounted to €132.9 million compared to €111.5 million in the corresponding period of 2017, showing an increase of 19.2%.

- Profit before tax amounted to €42.3 million compared to €21.2 million in the year 2017, showing an increase of 100%.

- The net result is shown improved by 147% to €27.9 million compared to €11.3 million in the year 2017.

- PPA S.A. will pay €4.8 million concession fee to the Greek State for the year 2018 compared to €4.1 million in 2017.



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- Cash amounted to €80.9 million compared to €61.9 million in 2017.

The General Assembly was chaired by the Chairman of PPA S.A. Mr. Yu Zenggang, who stated: "The year 2018 was the most successful year in terms of profitability. The successful financial results of the port contribute positively to the Greek economy as well as all the investments included in the Master Plan that will create growth and new jobs."

#### **Tangier Med:** **The leading African port**

MedPort Tangier terminal, the second terminal of APM Terminals in Morocco, was inaugurated recently as part of the Tangier Med Port complex. MedPort Tangier has an annual capacity of 5 million TEUs.

With this new capacity, Morocco is establishing itself as one of the most important transshipment locations in the world. Tangier Med Port is already ranked as the leading African port and is amongst the world's top 50 container ports due to its prime location along key trade lanes and increasing cargo flows to and from Africa. The construction of the state-of-the-art MedPort Tangier facility took two years and a total investment of USD 800m. This new transshipment terminal was designed, constructed and operated by APM Terminals, and will join existing hub facilities servicing Maersk and its partners. Built by utilizing the latest technology, the terminal is set to be one of the most efficient and safest in the world.

The new facility will help Tangier Med Port to increase its annual throughput capacity to nine million TEUs, helping to improve Moroccan connectivity and further support global trade.

#### **ICTSI Croatia invests in future-proof terminal**

Adriatic Gate Container Terminal (AGCT), the Croatian subsidiary of International Container Terminal Services Inc. (ICTSI) at the Port of Rijeka, is set to realize a comprehensive expansion plan in the period up to mid-2020.

In close cooperation with the Rijeka Port Authority, AGCT has drawn up plans for a two-phase dredging scheme with the first



phase fully-approved, entailing the dredging of 130 meters of quay over its Berths 1 and 2. This will facilitate the berthing of vessels with a length overall (LOA) of up to 400 meters. The work will be completed by mid-2020 and will provide 438 meters of berth, and a depth alongside of 15 meters.

Financing for the infrastructure works has been provided by the EU and PRA, with ICTSI undertaking all the necessary associated investment in quayside and landside handling systems, as well as the increased coverage of the terminal's state-of-the-art IT systems.

The second phase foresees additional dredging alongside the 438m of quay to a depth of 16.5 meters. Once completed, this project will make AGCT the first terminal in the northern Adriatic able to berth vessels of up to 20,000 twenty-foot equivalent units (TEU) capacity, with an LOA of up to 400 meters and beam of 59 meters.

Total terminal yard capacity will be increased up to 600,000 TEUs per year in line with demand.

#### **South Korea shipbuilders preparing for massive LNG carrier orders**

South Korea's major shipbuilders are expecting massive liquefied natural gas (LNG) carrier orders to be placed in the second half of this year.

From January until mid-June of this year, South Korean shipbuilders had secured 21 of 24 LNG carrier orders worldwide, while they expect further orders for more than 60 LNG carriers to be placed this year.

Samsung Heavy Industries Co. will be co-operating with Russian shipbuilder Zvezda to build ice-breaking LNG carriers for the Arctic LNG 2 project.

Moreover, Hyundai Heavy Industries Co. and Daewoo Shipbuilding & Marine Engineering Co. will attempt to win orders from U.S. energy giant Anadarko Petroleum Corp., which needs 16 LNG carriers for its LNG project in Mozambique.

South Korean shipbuilders are also awaiting orders for LNG carriers from Qatar, which is expected to need at least 40 LNG carriers for its North Field expansion project to develop its offshore gas fields.



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## PASSENGER SHIPPING

-

### **Carnival Corporation released annual sustainability report for 2018**

A few weeks ago, Carnival Corporation & plc, the world's largest leisure travel company, released its ninth annual sustainability report, detailing the key initiatives and progress made in 2018 toward its 2020 sustainability performance goals.

The company achieved its 25% carbon reduction goal three years ahead of schedule in 2017 and made further progress on that goal in 2018. As part of its ongoing strategy to reduce carbon emissions, Carnival Corporation introduced in December 2018 the world's first cruise ship able to be powered in port and at sea by liquefied natural gas (LNG), the world's cleanest burning fossil fuel.

Looking to the future, the company continues to chart its sustainability journey, using the United Nation's Sustainable Development Goals as a framework

to develop a new set of goals for 2030 to constantly improve environmental management, energy efficiency, health, safety, and well-being objectives.

### **Laying the keel for the new cruise ship IONA**

The keel laying ceremony of the new cruise ship for the British P&O Cruises has been yet another milestone at the Meyer Werft in Papenburg. It marked the official start for assembling the hull of the new luxury liner for the United Kingdom. The ship will be handed over to the customer in spring 2020.

The traditional keel laying coins were placed by Paul Ludlow (President P&O Cruises) together with Stephan Schmees (Executive Board Member Project Management Meyer Werft) and Jürgen Storz (Project Leader Meyer Werft). The new vessel measures 21.5 m in length, 19.4 m in width and 9.8 m in height. It weighs 461 tons and is part of the future fore ship of the new cruise liner.

With its rating of more than 180,000 GRT, the IONA will be the new flagship of the P&O Cruises fleet. It's one of the first ever cruise ships to be powered 100% by LNG, making it particularly environmentally friendly.

### **Qatar invests in cruise tourism**

The deepening and the extra berthing of Doha Port will contribute to boosting tourism in Qatar as it is going to increase the number of cruise ships and tourists coming to the country.

The Ministry of Transport and Communications of Qatar said that it had completed the dredging works at Doha Port as part of the country's National Tourism Sector Strategy 2017-2023, and now an extra berthing is provided to accommodate more than one giant cruise ship.

Doha Port plays a huge role in Qatar's tourism sector because it has become Qatar's gateway to marine tourism. During the 2018-19 season, Doha Port welcomed a record 144,707 passengers and crew on 44 ships.

### **Meyer Turku wins third Icon class ship contract from Royal Caribbean**

Royal Caribbean Cruises Ltd. and Meyer Turku shipyard have signed an agreement on the delivery of a third Icon class cruise ship, to be delivered by Turku in the spring of 2025. The previous Icon ships are to be delivered in 2022 and 2024. Icon ships will be approximately 200,000 gross tonnage cruise ships and will be powered by LNG. Meyer Turku has a long-standing history together with Royal Caribbean that was proven time and time again with many innovations and ships that were and still are the hallmarks of the cruise shipbuilding industry. These include, among others, the first Royal Promenade walkway built to Voyager of the Seas in 1999 and at the time revolutionarily large and complex cruise ships Oasis and Allure of the Seas in 2009 and 2010.

"We are very thankful to Royal Caribbean for their confidence in the Icon ship design and our ability to build such an exceptional ship even before the first Icon is delivered. Icon III further extends our order book until 2025, which gives the shipyard and the Finnish maritime cluster long-term stability," CEO of Meyer Turku Jan Meyer states. The construction of the first Icon ship will begin at the Meyer Turku shipyard in the spring of 2020.



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## Paris and Tokyo MoUs annual reports: Ship inspections, deficiencies, and detentions for 2018



The Secretariats of the Paris and Tokyo MoUs presented their 2018 reports on ship inspections and detentions that took place in the marine waters of European countries and the North Atlantic Basin from North America to Europe, as well as the Asia and the Pacific, respectively. These reports also include the performance of flag states and recognized international shipping organizations.



### Ship inspections, deficiencies, and detentions

During 2018, 17,952 inspections were carried out on 15,301 ships by Paris MoU PSC inspectors, representing similar levels to those of 2017 inspections (17,923). As regards the Tokyo MoU, in 2018, 31,589 inspections were carried out on 17,301 ships of 99 different flags (Graph 1).

The total ship deficiencies recorded by Paris MoU PSC inspectors in 2018 amounted to 40,368 and were mostly related (68%) to deficiencies in certificates and documentation, safe navigation, fire safety pollution prevention, working and living conditions, and safety management (ISM Code).

As regards the Tokyo MoU, total ship deficiencies in 2018 amounted to 73,441, of which 10,127 were related to the safety of navigation and 9,363 to lifesaving appliances, accounting for 45% of the overall deficiencies on board ships.

In 2018, the Paris MoU's PSC inspectors carried out 566 detentions, an 18% decrease compared to 2017, with the rate of detained ships reaching 3.15%. As regards the Tokyo MoU, 934 vessels of 63 different flags were detained by the inspectors. The rate of detention of ships reached 2.96%.

In 2018, 723 inspections were carried out by the Paris MoU PSC on ships under Greek flag, of which 97 were found to have deficiencies. Over the same period, 3 Greek flag ships were placed under detention by Paris MoU PSC inspectors. Tokyo MoU PSC inspectors carried out 328 inspections on ships under Greek flag during 2018, of which 168 were found to have deficiencies. Furthermore, 9 Greek flag ships were placed under detention by Tokyo MoU PSC inspectors.

### Inspections and detentions per ship type

With regard to ship type, during the past

year, 1,457 inspections were carried out on tankers by Paris MoU's PSC inspectors, with tanker detentions totaling 24. Also, 3,711 inspections were carried out on bulk carriers, with the detentions of these ships reaching 97.

There were 1,814 inspections on containerships in 2018, while detentions reached 34. The inspections on gas carriers by Paris MoU PSC inspectors amounted to 459, while detention amounted to 6 ships. There were 1,752 inspections on chemical tankers and 22 detentions.

Finally, inspections on passenger ships and RO-ROs reached 311 and 500 respectively, while the detentions amounted to 3 and 5 respectively (Graph 2).

As regards inspections by Tokyo MoU PSC inspectors, it is estimated that 2,041 inspections were carried out on tankers in 2018, while tanker detentions amounted to 35. In addition, 11,470 inspections were carried out on bulk dry bulk carriers last year, with bulk carrier detentions reaching 339.

Containerships inspections amounted to 5,705, while detentions reached 114. In gas carriers, there were a total of 839 inspections last year, while chemical tankers inspections reached 2,392 with 40 detentions. Inspections on passenger ships and RO-ROs reached 311 and 103, respectively, while there were to 7 and 2 detentions respectively (Graph 3).

### Performance by flag state

The Paris MoU White List for 2018 included 41 flags, compared to 40 in 2017. Among the countries listed on the White List are Greece, which is in 23rd place, Cyprus, the Isle of Man, the Bahamas, Singapore, France, the United Kingdom, the Netherlands, the Marshall Islands, Norway, China, Ireland, Belgium, Turkey, Finland, Sweden, Liberia, Panama, Russia, and Spain.

The Paris MoU Grey List included 18 flags

By Angeliki Koliomichou

in 2018, compared to 20 in 2017, while the Black List included 14 compared to 13 in 2017. Saudi Arabia, the USA, Libya, Algeria, Switzerland, Kazakhstan, Thailand, Vanuatu, Tunisia, India, Egypt, Curacao, Morocco, Saint Vincent and the Grenadines, Iran, Lebanon, Azerbaijan, and Tuvalu appear on the Paris MoU Grey List for 2018.

The Black List of the Paris MoU includes the Cook Islands, Belize, Saint Christopher and Nevis, Albania, Mongolia, Palau, Sierra Leone, Ukraine, Moldova, Cambodia, Tanzania, Togo, Comoros and the Democratic Republic of the Congo.

As regards the Tokyo MoU White List, 40 flags were listed in 2018 compared to 37 in 2017. Among the countries listed on the Tokyo MoU White List are Greece, Cyprus, Chile, Saudi Arabia, Kuwait, Sweden, Italy, France, Malta, Bermuda, Germany, Norway, and Singapore. Greece is ranked 26th on the Tokyo MoU list.

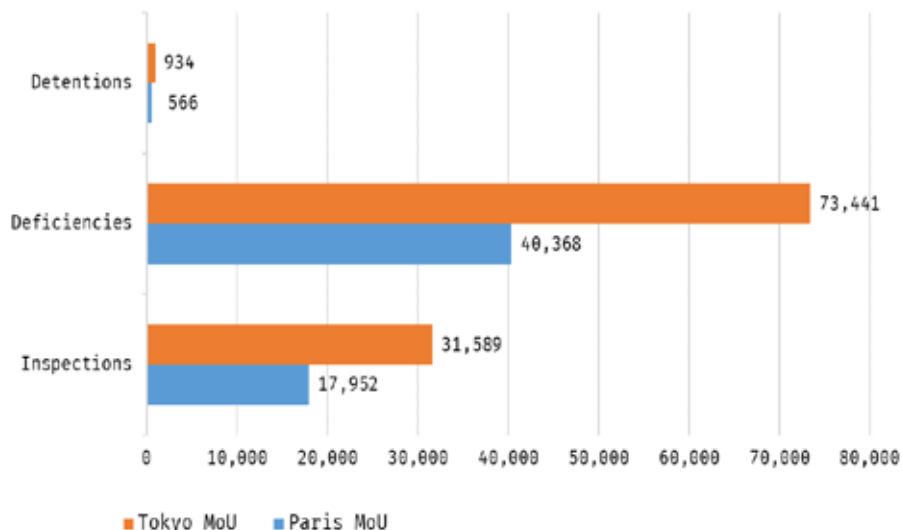
The Grey List of the Tokyo MoU includes 16 flags (Jamaica, the Cook Islands, Pakistan, Croatia, Iran, Turkey, Bangladesh, Switzerland, etc.), while its Black List contains 12 flags (Fiji, Tanzania, Cambodia, Togo, Palau, Mongolia, Indonesia, Sierra Leone, etc.).

### Paris MoU and Tokyo MoU differences in flag state rankings

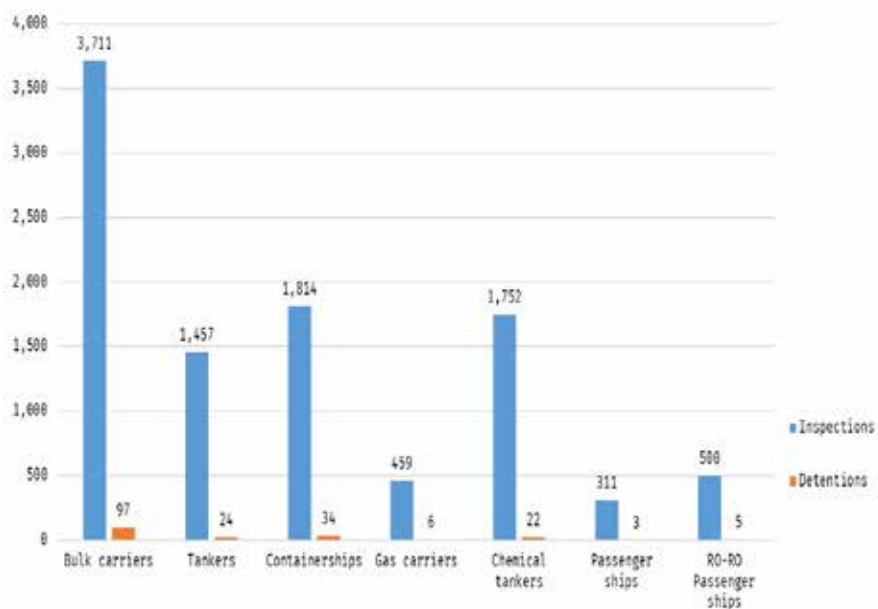
Belize and the Cook Islands are on the Black List of the Paris MoU, but they are included in the Grey List of the Tokyo MoU. Croatia is on White List of the Paris MoU whereas it is on the Grey List of the Tokyo MoU. Also, Barbados is on the Paris MoU White List, but on the Black List of the Tokyo MoU.

Turkey is on the Paris MoU White List, while it is included in the Tokyo MoU Grey List. Ukraine is on the Black List of the Paris MoU, but not on any of the Tokyo MoU lists.

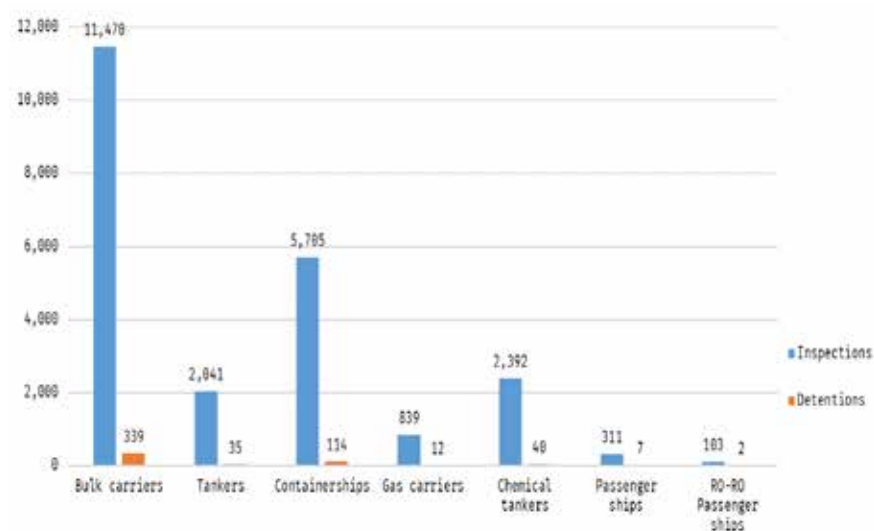
The US and Saudi Arabia are on the Tokyo MoU White List and during the same period on the Paris MoU Grey List. In addition, the island State of Fiji can be found on the Black List of the Tokyo MoU, but not on any Paris MoU list.



Graph 1: Ship inspections, deficiencies, and detentions (2018)



Graph 2: Inspections and detentions by ship type by Paris MoU PSC inspectors (2018)



Graph 3: Inspections and detentions by ship type by Tokyo MoU PSC inspectors (2018)





## Full steam ahead for the largest economy in South East Asia

The government of Indonesia, a young and dynamic democracy, is working on a far-reaching plan to rebuild the country's infrastructure from 2020 to 2024 and extend its economic development beyond the island of Java where Jakarta, the capital of Indonesia, is located.

By Angeliki Koliomichou

Indonesian President Joko Widodo announced that under this plan, investments to the amount of \$412 billion would be made for the construction of new power plants, 25 new airports, the upgrade of existing airports, and the development of hydroplane facilities to improve connectivity to the country's islands, many of which are isolated.

As international media report, given that investments in building ports are particularly complicated and costly in a country like Indonesia which is made up of 18,000 islands, the most appropriate solution is to build small airports which will provide connectivity for the outermost regions of the country. Mr. Bambang Permadi Soemantri Brodjonegoro, the Minister for National Development Planning of Indonesia, pointed out that it is only through connectivity that the country can achieve economic growth. 40% of the above investment will be funded by the Indonesian government, 25% by state-owned companies, while the rest will be financed by the country's private sector.

According to a Reuters report, about 60% of the investment will go towards the Indonesian transport sector; 17% towards the energy sector; 10% towards irrigation, 8% towards the communications sector and 5%

towards water supply and sanitation projects.

Once implemented, it is estimated that this investment plan will be the largest in Indonesian history, equivalent to 5.7% of the country's GDP from 2020 to 2024. Through the projects mentioned above, the government is aiming for about 6% growth in the Indonesian economy in the period 2020-2024.

Indonesia's investment plan to improve the country's infrastructure will contribute to attracting more tourist traffic to Indonesia, thus reducing the country's current trade balance deficit, which reached a record four-year high in 2018.

On the other hand, according to international media reports, in recent years, the Indonesian government has been struggling to finance large projects in the country as the state budget has been limited. This has resulted in several projects being shelved or delayed, which, as pointed out by international organizations, including the World Bank, has led to a big investment gap in the country, which limits its economic growth.

In addition, the slowdown in global economic growth, the US-China trade disputes, and the volatility of oil prices are seen by many analysts as a hindrance to Indonesia's economic reconstruction.



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The **BSc Programme in Maritime Studies** aims to equip students with a thorough knowledge of every aspect of the Maritime and International Trade business applied on a broad business administration knowledge base. **Graduates will have a variety of career options**, including import and export business, ship management, commercial management, insurance, freight forwarding, transportation and logistics, port agency, banking and finance as well as administrative posts in the private and public sectors.

The **MSc in International Trade and Shipping Management** delivers a comprehensive integrated overview of the core subjects essential to a thorough understanding of international trade and transport. Specifically, the course aims to **develop the generic business skills required by managers** working in the area of international trade, shipmanagement and maritime associated businesses and apply them to the challenges they continually meet. **This Programme is also offered via distance learning.**

The **LLM/MA in Maritime Law and Shipping Management** combines the areas of both Law and Business and as a result offers the opportunity to modern managers and lawyers to acquire the advantages of this essential skill-set. Graduates will be able to advise, litigate, negotiate and ultimately master the legal complexities and business challenges of International Trade and Transport. **This Programme is also offered via distance learning.**

The **MSc in Marine Engineering and Management** aims to develop this combination of essential knowledge and skill-sets, much needed today in marine engineering. Graduates are highly favoured for employment in shipmanagement and associated marine industries, such as company superintendents, surveying, insurance and shipbroking. They are also highly favoured for



other employment and career paths in industry besides the shipping industry. Amongst many, these include power stations, hospital engineering, and production line engineering.

The **Cyprus Marine Technology Academy (CyMarTA)**, of Frederick University, is pleased to announce the **approval by the Shipping Deputy Ministry of two very ambitious and innovative training programmes, which will enable successful candidates to obtain their Engineering Officer of the Watch (EOOW), 2nd and Chief Engineer's Certificates of Competency Licences (Merchant Navy).** The Licences are required by both National and International regulations for engineers to serve as sea-going Engineer Officers on ships, and is highly regarded as a qualification requirement to work shore-side in the management level of shipping companies. These **intensive fast-track 12 to 14 months 'bridging' programmes** are particularly designed for BSc graduates of Mechanical Engineering (or any equivalent appropriate engineering discipline). Graduates, in view of their academic background, are further developed into qualified marine engineers capable to address the constantly increasing needs of the technological advances in the shipping industry.

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## Sealink Navigation Ltd: M/V DULCE DIVA







## M/V DULCE DIVA

**NAME**  
DULCE DIVA

**REGISTRY**  
Class NK

**YEAR BUILT**  
2019

**DWT**  
64,000 MT

**DELIVERY DATE**  
09/04/2019

**NET TONNAGE**  
20,839 MT

**FLAG**  
Marshall Islands

**VESSEL TYPE**  
Bulk Carrier

Continuing its Newbuilding program, Sealink Navigation LTD. has recently added to its fleet one more newly built bulk carrier vessel.

The new ECO Ultramax M/V DULCE DIVA was built by Imabari Shipbuilding Co. Ltd. (Shin Kasado dockyard in Japan), has a capacity of 64,000 DWT and is registered under the Marshall Islands flag.



## TECHNOLOGY AND SHIPBUILDING

### **LeanShips project with Wärtsilä & partners achieves 3.5% fuel savings for ships with CPPs**

The technology group Wärtsilä, the Netherlands based Maritime Research Institute MARIN and Italian ship owner Grimaldi, have together successfully designed an Energy Saving Device (ESD), suitable for use by ships with Controllable Pitch Propellers (CPPs). Following model tests, and subsequent sea trials with Grimaldi's 'Grande Portogallo', a 165 metres long Pure Car & Truck Carrier, fuel efficiency gains of 3.5 percent were confirmed. This translates into a pay-back period of only 1.3 years. According to Grimaldi, "The initial noon reports suggest a 5 percent decrease in the fuel consumption, but in order to get a more realistic value we need to record a wider range of data".

The work was carried out as part of the LeanShips project, under the European Union's Horizon 2020 framework project for research and innovation. LeanShips aims at demonstrating the effectiveness and reliability of technologies that offer energy savings and emission reductions on a large scale. The result of the development work is a pre-swirl Stator, an energy saving solution, that for the first time ever was demonstrated to be suitable for use with CPPs. LeanShips was a four-year project and was completed in April 2019.

"This represents a major breakthrough in making ships with controllable pitch propellers more efficient, and therefore less polluting. We have earlier established some energy savings for ships with controllable pitch propellers, and now this new technology has been extended in line with the objectives of the LeanShips project," says Dario Bocchetti, Corporate Energy Saving Manager, Grimaldi Group.

### **Oshima Shipbuilding and DNV GL sign strategic cooperation**

Spurred by the IMO strategy to reduce greenhouse gas (GHG) emissions, Oshima Shipbuilding and classification society DNV GL have signed a long-term strategic cooperation to conduct research and development together on new bulk carrier designs. The first design to result from the cooperation, the "Oshima Ultramax 2030" leading to a 50% reduction in EEDI, was launched at the Nor-Shipping trade fair in Oslo.

The partners aim to continue the strategic cooperation through to 2030, developing and updating a road map towards the IMO zero emissions scenario, which will be gradually implemented through annual joint industry projects (JIPs), where other partners will be invited to join.

"Oshima and DNV GL have already had a close cooperation for many years, resulting in close to 200 ships delivered or on order from Oshima to DNV GL class, and with this strategic agreement we want to extend this cooperation even further," said Eiichi Hiraga, President of Oshima Shipbuilding. "We are delighted to deliver new, innovative designs together in the years to come."

The first delivery resulting from this cooperation was launched at the Nor-Shipping trade fair in Oslo: the "Oshima Ultramax 2030", a new, innovative design which has been developed in cooperation with leading engine manufacturer Wärtsilä. With an EEDI close to 50% lower than comparable vessels, this Ultramax design is one of the most efficient bulk carrier designs to date. It maximizes operational performance while minimizing emissions by utilizing LNG as fuel, an optimized hull shape and a sail to generate extra propulsion. In addition, the design offers ultra-low emissions in port, by using solar panels and a battery to cover the hotel load during waiting times and port operations.

### **ABB Turbocharging launches intelligent engine performance software for fleet-wide use**

Offering an easy-access web portal interface, ABB Ability™ Tekomar XPERT for fleet provides accurate insight into engine performance from fleet to vessel level with all key indicators available at a glance.

Edited by  
**Nikos Vergounis**





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Tekomar XPERT for fleet incorporates all standard features found in the original Tekomar XPERT application with additional fleet functionality specifically developed to support middle and top management decisions.

When installed on every vessel in a fleet, Tekomar XPERT can quantify deviations in engine performance and provide simple guidance on running engines at optimum levels of efficiency. The software also offers recommended corrective actions for the realization of potential fuel oil savings.

Deviations from actual service performance to shop trial reference are converted to a fuel penalty. This fuel penalty is broken down in reference to single parameters. For each parameter there is a recommended action to bring the performance back to optimum and realize the fuel oil saving. Following the advice provided by the software can result in significant fuel savings of typically 0.5 to 3 tons of fuel per day, per vessel.

This type of advanced diagnostics, combined with the sharing the information with onshore office, also allows ship operators to immediately focus on fixing potential problems, rather than initially spending many hours analyzing them.

Tekomar XPERT for fleet allows company-wide engine performance assessment with controlled and consolidated analysis across a fleet. It facilitates the benchmarking and ranking of engines, vessels and fleets and the user-friendly dashboard can be customized according to role.

Beat Güttinger, Head of Tekomar for ABB Turbocharging, says: "Tekomar XPERT for fleet makes keeping an overview on engine performance easy undertaking for fleet managers, ship operators and owners. This smart digital solution with the newly introduced Engine Health Index offers marine customers an instant overview of their entire fleet. Whether an operator oversees five ships or many more across an international fleet, they can benchmark their fleets, ships and engines and quickly drilldown into more details to identify potential low performers or late reporters. Tekomar XPERT for fleet takes away the time consuming analysis of engine performance and allows operators to immediately focus on fixing problems to reduce fuel consumption and minimizes downtime and maintenance costs."

Tekomar XPERT can be used with any marine main and auxiliary engine, irrespective of manufacturer, type, age or size. There is no hardware to install and the application can be dropped into the shipping company's normal IT system, accessible via PCs, tablets and mobiles.

Tekomar XPERT is subscription-based smart web solution, that is available through ABB Ability™, a unified, cross-industry digital offering. More than 1,400 vessels have been equipped with Tekomar XPERT to-date.

### "LNG London" bunker vessel begins operations in Europe

The LNG London (which is owned by LNG Shipping – a cooperation between Victrol and Sogestran) is on long-term charter to Shell. It will primarily be used by Shell for LNG bunkering in the ports of Amsterdam, Rotterdam and Antwerp.

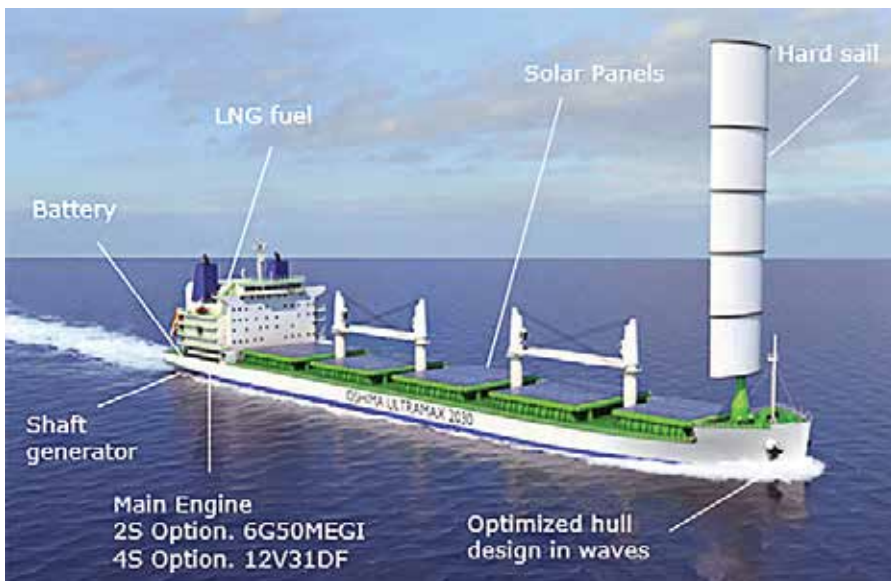
"The entry into service of LNG London shows our ability and commitment to providing safe and reliable supplies that help meet the growing need for cleaner-burning fuel," Tahir Faruqi, General Manager, Shell Global Downstream LNG, said. "We are pleased to have three LNG bunker vessels in our fleet and look forward to others joining them in the future."

LNG London will be loaded with LNG at the Gate terminal in Rotterdam. An innovative transfer system enables delivery of LNG to seagoing vessels, inland barges and ter-

minals onshore, while a restricted air draft allows the barge to sail via inland waterways to Antwerp and Amsterdam, if required.

### Installation of "Seawing", an automated kite system utilizing natural energy

K Line has decided to install the automated kite system "Seawing" developed by Airseas which was spin off from Airbus SE, the major aircraft manufacturer, to a large bulk carrier owned by the company. "Seawing" is mounted on the bow of the vessel and is unfolded by simple operation from the bridge under certain conditions of wind power and wind direction, and assists propulsion power of the vessel with utilize wind force effectively. In the installation of this system, K Line will carry out intense assessment "Seawing" performance and innovative technology for two years under the close cooperation of Airseas and confirm that this system can greatly contribute to the reduction of the environmental load associated with the ship's operation. In a case, the bulk carrier can reduce emissions by more than 20%, about 5,200 tons of CO<sub>2</sub> annually. In addition, K Line and Airseas cooperate on further improvement of their solution by utilizing the operation and performance data obtained from the ship operation and performance management system "Kawasaki Integrated Maritime Solutions" installed in K Line's fleet vessels.







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## The enormous impact of tropical cyclones on ships and shipping logistics

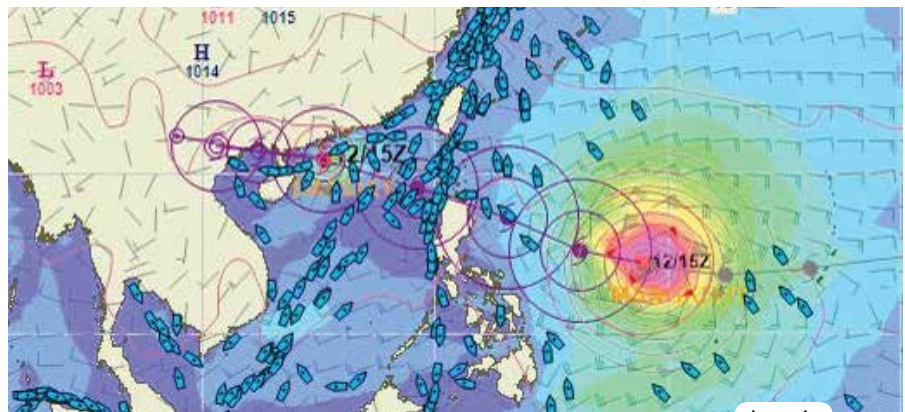


Image 1a

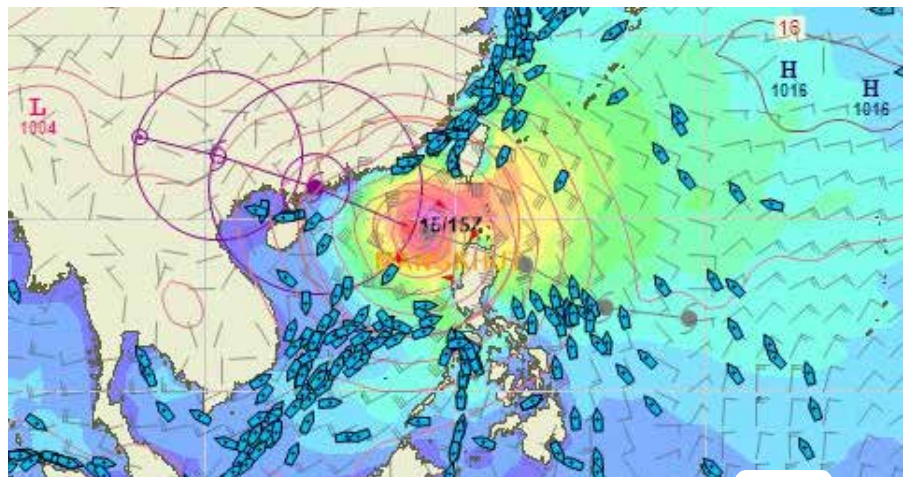


Image 1b



By Dr. Nikos Mazarakis, Professor of Marine Meteorology, Country Manager at StormGeo Greece A.S.

All too often, when watching the evening news, we may hear of a tropical storm raging in the open ocean but far away from land. While the millions shore-side breathe a sigh of relief, those onboard the world's fleets know they will have to be vigilant if the storm is heading their way or towards their intended route. Tropical cyclones have an enormous impact on ships and shipping logistics. Entire supply chains can be disrupted when ships are delayed due to the presence of a cyclone.



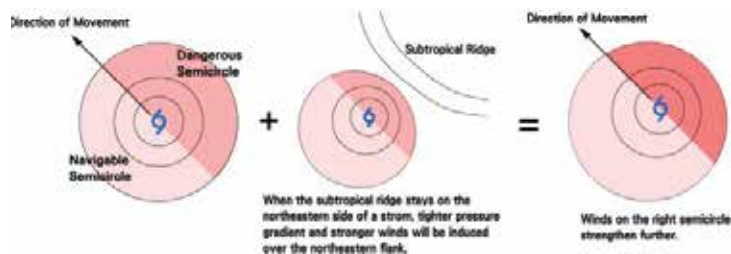


Image 2



Image 3

The images 1a and 1b show the heavy traffic of ships using StormGeo weather routing services off the coast of the Philippines. On September 12, 2018, with a cyclone over the Philippine Sea, there was an uninterrupted flow of traffic proceeding north and south through the South China Sea. Two days later, there is a gap where the cyclone has moved west, causing all traffic to stop. The storm wrought havoc in many regions, including the Philippines and Hong Kong.

This example illustrates how a tropical cyclone can cause significant stalling to ship movement—an occurrence that is replicated around the world.

While accurate forecasts depend on a blend of technology and experience, ship captains know that storms have navigable and dangerous semi-circles. The image above (2) shows a classic northern hemisphere storm and indicates that when sailing north and east of a cyclone, a ship is in the dangerous semi-circle due to a cyclone's propensity for recurvature. Storms may track WNW at 5-10 knots for days before recurvature starts, and that recurvature process starts out slowly. However, the recurving cyclone typically speeds up, sometimes in excess of 40 knots, which would bring all ships in its path into a dangerous situation. There are exceptions to this rule. Thus, all available data should be scrutinized when determining the best course of action for storm avoidance. Take the following situation (Image 4) from October 4, 2018:

The ship is heading eastbound towards the Mediterranean Sea, and proceeding along the shortest route seems to place the vessel into the dangerous semi-circle of the storm. However (Image 3) forecasts were very consistent in indicating that the storm would not take the typical NE course and would instead turn ESE-ward in the days to come. If the ship were to attempt to pass south of the storm's track (seen below), an additional 2.5 days of sailing and 80 MT of fuel oil would be needed (Image 5).

As an example of a cyclone in the Pacific, we can take this typhoon south of Kyushu on September 30, 2018, at 0000Z (Image 6). Surprisingly, this storm had an impact on all ships sailing through the western ocean. Within 24 hours, the storm moved NE at 40 knots. Ships sailing from the North American Pacific Northwest towards Asia were forced to take advance action to avoid the storm.

We see in this image that one ship (indicated by the yellow icon) took advanced action that enabled it to sail north of Hokkaido and avoid the typhoon (Image 7). The more customary track south of Hokkaido (represented by the red ship icon) shows the more customary route where ships would have encountered typhoon-force winds and phenomenal seas. At least 200NM would have been added for southerly clearance of the storm with at least a 12-hour delay and an additional 50 MT of fuel consumed. Even on this delayed course, nine-meter head waves would still be encountered with increased risk to the crew, vessel, and cargo.

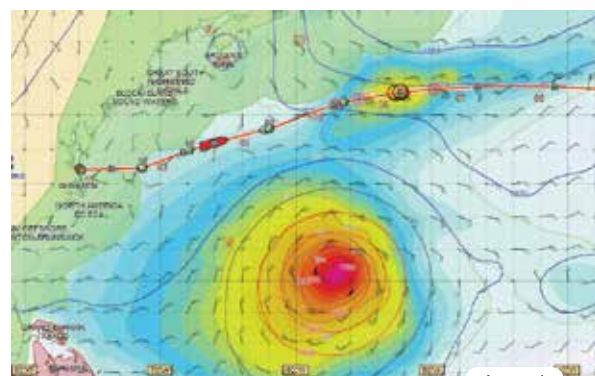


Image 4

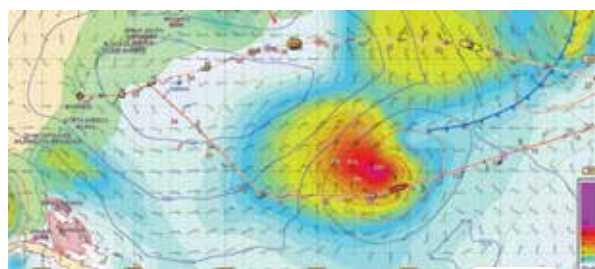


Image 5

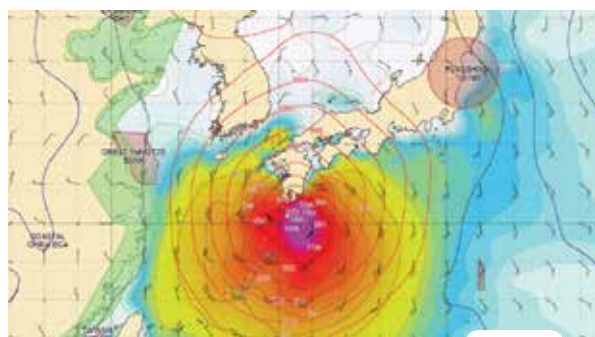


Image 6

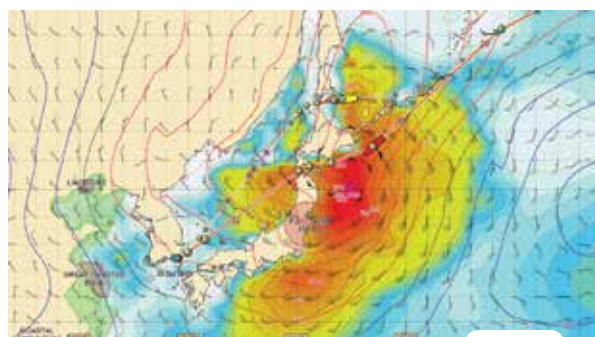


Image 7



## ENERGY AND NATURAL RESOURCES

Edited by  
**Giannis Theodoropoulos**

### **New petrochemical complex in Qatar**

Chevron Phillips Chemical Company LLC and Qatar Petroleum (QP) recently signed an agreement to pursue the development, construction, and operation of a petrochemicals complex in Qatar to produce ethylene and high-density polyethylene (HDPE). The facility will be developed and constructed in Ras Laffan Industrial City and is expected to have a 1,900 KTA ethane cracker and two high-density polyethylene derivative units with a combined capacity of 1,680 KTA.

Qatar Petroleum will own a 70 percent majority share of the joint venture, and Chevron Phillips Chemical will own the remaining 30 percent. In addition to the exclusive licensing of its MarTECH™ loop slurry process for manufacturing HDPE, Chevron Phillips Chemical will provide project management, engineering, and construction services to develop the project.

### **Total strengthens its US LNG business**

Total has signed an agreement with Toshiba to take over its portfolio of LNG. It includes a 20-year tolling agreement for 2.2 million tonnes per annum (Mtpa) of LNG from Freeport LNG train 3 in Texas and the corresponding gas transportation agreements on the pipelines feeding the terminal. Train 3 of the Freeport LNG plant is expected to start commercial operations by Q2 2020.

Under the transaction, Total will acquire all the shares of Toshiba America LNG corporation for a consideration of 15 million USD to be paid by Total to Toshiba and will be assigned all contracts related to their LNG business by Toshiba Energy Systems and Solutions Corp. for a consideration of 815 million USD to be paid by Toshiba to Total.

### **Saudi Aramco signs 12 agreements with South Korean partners**

Saudi Aramco and its affiliates signed 12 agreements with major South Korean companies to reinforce relationships with South Korea, expand international operations, and support the region's energy security with the expansion of Arabian crude oil supply to Asian markets.

Commenting on the agreements, Saudi Aramco President and CEO, Amin H. Nasser, said: "Only a few decades ago, Korean companies played a vital role in Saudi Aramco's upstream offshore growth development. Since then, they have moved into other sectors matching Saudi Aramco's diversification strategy. Today's agreements mark a new era of cooperation with our Korean partners who will play an increasingly important role in our strategy to capitalize on new initiatives that include long-term energy supply, maritime and infrastructure development, and breakthrough research and development in the automotive, crude to chemicals, and non-metallic sectors."

The agreements are part of Saudi Aramco's long-term downstream growth and diversification strategy, which were signed with the following South Korean companies: Hyundai Heavy Industries (HHI), Hyundai Oilbank, The Hyundai Motor Group, Korea National Oil Corporation, Hyosung, GS Holdings, Daelim Industrial.

### **Australia: Coal and iron ore bring optimism**

Soaring iron ore and coal prices will drive the value of Australian mining and energy exports to a record high over the next year, as the country's Department of Industry, Innovation and Science predicts in a recent report.

The latter says the trade dispute between the world's two biggest economies could provide a perverse boost to demand for those commodities.

More specifically, it predicts that continued supply disruption in the world's second-biggest iron ore-producing nation, Brazil, due to the collapse of the Vale mine dam, will keep ore prices elevated for several years.

Consequently, increased export volumes and a weaker Australian currency will bolster the value of mining and energy commodity exports in fiscal 2020, with the department predicting mining and energy exports would be worth \$285 billion in that year, according to the Department of Industry.

As Mark Cully, chief economist at the Australian Department of Industry, Innovation and Science noted, exports of such commodities helped the country avoid a huge recession. He warned, however, about the effects of the US-China trade dispute on global trade.



## **Anadarko Announces Mozambique LNG Final Investment Decision**

Anadarko Petroleum Corporation and the co-venturers in Mozambique's Offshore Area I, announced on June 18th a Final Investment Decision (FID) on the Anadarko-led Area I Mozambique LNG project.

The Anadarko-led Area I Mozambique LNG project will be Mozambique's first onshore LNG development, initially consisting of two LNG trains with a total nameplate capacity of 12.88 million tonnes per annum (MTPA) to support the development of the Golfinho/Atum fields located entirely within Offshore Area I. The project has successfully secured in aggregate 11.1 MTPA of long-term LNG sales (representing 86% of the plant's nameplate capacity) with key LNG buyers in Asia and Europe. Additionally, the project is expected to have a significant domestic gas component for in-country consumption to help fuel future economic development.

As previously announced, the Anadarko-led Area I Mozambique LNG project has been designated as "First Mover" by the Government of Mozambique, meaning Area I will also be responsible for constructing the support facilities to be shared between Area I and Area 4 projects, which will include the Materials Offloading Facility and the LNG Marine Terminal. In addition, Area I has approximately 5,000 workers on-site today progressing works associated with the construction of a resettlement village, camp expansion, airstrip, and Palma-Afungi Highway.

## **Shizen Energy signs agreement with Ideol for the joint development of commercial-scale floating wind farm**

Shizen Energy Inc. and Ideol SA have expressed formal intention to collaborate on the development of a commercial-scale floating wind project in Japan. Through the collaboration, the project aims to maximize the expertise and resources of both companies in order to contribute to the development and expansion of floating offshore wind power generation and renewable energy. Shizen Energy has contributed to the development of approximately 800 megawatts worth of renewable energy across Japan and is expanding its portfolio from Solar to Wind and Hydropower generation business. In addition, Ideol is the world's only engineering company which achieves floating offshore wind projects in two different sea areas, including one in Japan off Kyushu. Currently, Ideol and Shizen are jointly examining the implementation of floating offshore wind power projects in Kyushu and are also considering expanding the partnership to other regions in the future.

Masaya Hasegawa, founder of Shizen Energy, said, "Working on floating wind projects in Japan means to expand the country's potential of renewable energy significantly, as the country is surrounded by sea areas with deep water and complex geographies. This is an especially valuable challenge for Shizen Energy, whose aim is to co-create 100% renewable-powered world. We believe that our collaboration will accelerate the potential of renewable energy in Japan."



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## MARKET NEWS

# The most compact, powerful, and efficient turbochargers for marine two-stroke low-speed engines

By **Alexandros Karamitsos**,

Head of global sales for Product Line Low-speed Turbocharger, ABB



In response to increasing demand for compact and efficient turbocharger technology for marine engines, ABB Turbocharging has launched the most compact, powerful, and efficient turbochargers for marine two-stroke low-speed engines. The new A255-L and A260-L turbochargers optimized for small and medium bore two-stroke diesel and gas engines.

Scaled down from the proven and reliable A100-L and A200-L designs, the new turbocharger models offer smaller size and best in class performance while retaining key design features incorporating the latest rotor component technologies. Their compact design allows installation flexibility in modern, space-optimized engine rooms.

While delivering the high-power density normally expected from larger turbocharger alternatives, the new A255-L and A260-L offer the marine engine market turbocharger technology with more power density with a smaller frame size. For ship owners, these new turbochargers deliver high efficiency and lower fuel consumption and emissions. They also offer lower maintenance costs, allowing for an

optimized total cost of ownership.

ABB's new A255-L and A260-L turbochargers can be used on low-pressure dual fuel engines to optimize combustion improving engine efficiency and allowing for the reduction of GHG emissions. The high turbocharging efficiency provided by the new A255-L and A260-L turbochargers ensures that high air-fuel ratio is maintained in high-load operation, thus reducing the tendency for fast combustion, which can adversely affect operation and emissions. The A255-L and A260-L turbochargers also facilitate the utilization of emission abatement technologies for NOx and SOx reduction.

"The A255-L and A260-L turbochargers are designed to operate on all fuel types and engines specified for both IMO Tier II or Tier III emissions levels. Similar to other turbocharger products in our A200 series, a full range of matching components will be available to ensure an optimized on-engine specification. Our drydock-to-drydock service concept will also be available, with no need for intermediate turbocharger inspection."

## XT Management partners with Navarino to upgrade its fleet



Israel-based XT Management operates a fleet of vessels, consisting mostly of container ships. With expansion plans, the company is the latest to partner with Navarino in order to enhance its vessels' connectivity solutions. In this article, Avi Lavi, XT's CIO, discusses the factors that resulted in selecting Navarino as a technology partner.

"Previously, our fleet was equipped with Inmarsat Fleet Broadband," he says. "We started looking for new solutions due to a variety of reasons. Firstly, our crews' welfare is one of our top priorities, and so we

wanted to be able to offer them a more effective solution with higher speeds than Fleet Broadband.

We also wanted to implement a new ERP system, which necessitated quite a high amount of data transfer and data creation. Finally, we wanted to have the option to remotely install new software on board and to remotely provide effective support. To achieve this, we had developed a clear picture of what we would need – in short, we wanted to replicate nothing less than a shore office IT environment onboard our fleet.

Navarino had exactly the solution we



were looking for. The combination of higher bandwidth over Fleet Xpress with the full redundancy of Infinity Cube really was everything we had been looking for, for years and included exactly what we needed to achieve all our objectives, with nothing missing.

Following an initial meeting with Navarino at our Headquarters, we immediately decided to go for a trial of their solutions, which went really well, and we are currently in the process of installing FX with Infinity onboard a few more vessels. We are now able to do so much more for our vessels from our office, whether

it's creating a new server, adjusting firewall settings or a variety of other extremely useful actions remotely. In the near future, we intend to roll out the same installation across the fleet.

I believe that most modern shipping companies have the same connectivity and technology requirements these days - if a vessel is without communications for even a short time, it can be a big problem. This is why we chose Navarino - they provide very robust solutions, the speed of our connections has vastly improved, and equally importantly, their support is very fast, professional, and effective. When

searching for providers who could meet our needs, I had looked at several other companies, but did not find any other provider who could deliver all the things we required under one roof."

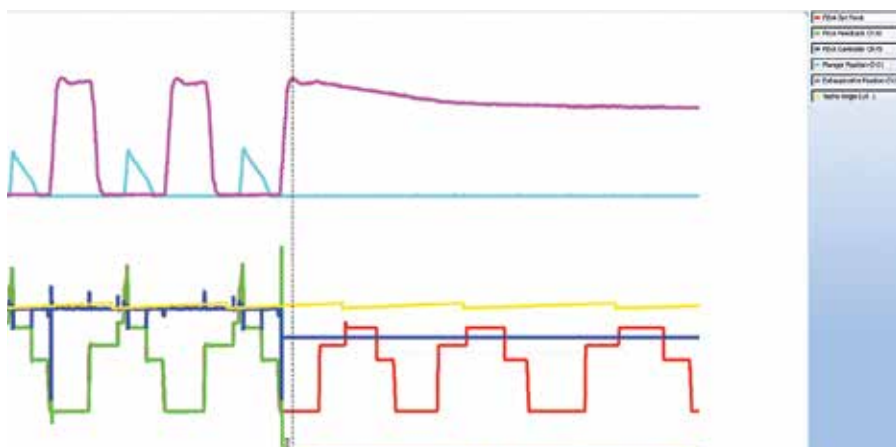
Ivo Terhell, Navarino's VP Sales Europe & Americas added: "It is an enormous privilege to work with a company like XT Management and we are very proud that they have selected Navarino as their technology partner. I am very pleased that we were able to deliver the enhancements that they were looking for so comprehensively and I look forward to having a long cooperation with Avi and his team."

## Interpret your data

By **Andriana Pappa**,  
Communications and Marketing,  
MAN PrimeServ Piraeus

Different people, from different companies and with different backgrounds meet up at PrimeServ Academy Piraeus during courses on a weekly basis. Many experiences are shared and many conversations take place, during which participants discuss the different aspects on their approaches when it comes to troubleshooting on board their vessels.

During courses at MAN PrimeServ Academy Piraeus, participants get the chance to get into very interesting real-life examples due to their connection to sea-going vessels. Below you can see a screenshot of a real-life customer's moment during which a vessel was off-hire resulting from a slow-down. What seems to be like a 5 year old's drawing, is actually the key to effective troubleshooting. Having the ability to read and interpret the data of the slow-downs in front of you is necessary - and this knowledge is transferred to you from our Academy instructors. The above example was connected to a vessel that had a 7 hour off-hire in June due to not being able to fault find. In order to test the effectiveness of our courses, the specific slow-down example was given to our participants one week later as a final exercise upon completing the course,



who within 35 minutes solved the matter and had the vessel up and running!

### **Invest in training - you can save a lot!**

The instructors of MAN PrimeServ Academy Piraeus have a unique dual-role within the organization. They are trained MAN instructors and at the same time members of the PrimeServ Piraeus technical service team. Their multifunctional role allows them to have the complete perspective on regular (and irregular) on-board situations transfusing the experience and knowledge to the participants during courses.

The global curriculum of PrimeServ Academies includes all the engine types of the MAN portfolio. The courses are developed by experts at the MAN headquarters, and are based on the unique OEM experience that MAN has plus the continuous investment in R&D.

As further noted by Head of Technical Service and PrimeServ Academy Piraeus - Mr. Vassilis Kois "In order to optimize the performance of your engine and safeguard your equipment, training is a prerequisite. MAN constantly promotes a network and direct exchange of knowledge between customers, suppliers and the R&D department. This network of information exchange and access to experts is the only way to secure that the training you are receiving is efficient and worth your investment in time and money."

Taking into consideration the drawing of the above mentioned toddler, information is available from all types of sources and tuning can be done in many different ways. However efficient solutions, combining the least possible costs (eg. minimum quality spares) and minimum response time can be achieved in such a simple way - by investing in training!

## Inmarsat enables and protects the IoT revolution

Research published last year by Inmarsat on digital transformation in shipping\* indicated that, on average, ship operators and managers plan to spend \$2.5 million on IoT-based solutions within three years.



By **Stefano Poli**,  
VP, Business Development,  
Inmarsat Maritime

A study from the satellite operator, which drew on a survey of 750 transport chain professionals including 125 ship owners, also indicated that maritime participants expected average IoT-driven cost savings of 14% over the next five years. However, the research strongly suggested that a greater maritime appetite for IoT-based solutions would emerge if more data could be delivered and analysed in real time. Asked why their organisation was not able to make better use of data collected from IoT-based solutions, 51% of maritime respondents overall blamed the time lag between collection and availability for use. This was 11% ahead of any other explanation.

This finding vindicates the thinking behind Fleet Data, recently launched by Inmarsat as the first IoT-based service allowing ship owners and managers to access vessel performance applications via a sensor agnostic platform using dedicated bandwidth in real time. Developed by Inmarsat and Danelec Marine, Fleet Data collects data from onboard sensors, pre-processes that data, and uploads it to a central cloud-based database equipped with a dashboard and an Application Process Interface (API).

In April, Inmarsat announced maritime software company NAPA as the first certified application provider for Fleet Data. The agreement will allow ship owners and managers to collect, transfer, and analyse real-time onboard data covering fuel consumption more efficiently through a dedicated application hosted on Inmarsat's new Fleet Data IoT service. NAPA will then use this data to offer services for vessel performance monitoring, analytics, and optimisation.

This partnership and the NAPA application will help overcome key difficulties faced by those frustrated with the challenge of aggregating vessel data on-board and getting it efficiently onshore to improve fuel optimisation. It will allow ship operators and managers to access, control and analyse their own data, through the NAPA application on Fleet Data and via a secure platform that is fully scalable, fleet-wide and available on both Fleet Xpress and FleetBroadband.

Furthermore, according to Mr. Pekka Pakkanen, Director, Development, NAPA Shipping Solutions, the NAPA Fleet Intelligence platform accommodates ship performance data from all kinds of data sources, such as noon reports or AIS, scaled according to

what is available. "However, the most accurate performance evaluations and predictions need both good quality and high frequency data, which is just what Fleet Data provides," added Pakkanen. "For us, the key is to provide value from the data collected, based on expertise in hydrodynamics, optimisation, and analytics. This scalable way of obtaining data opens new possibilities to enhance the benefits of this value-added service for the whole shipping industry."

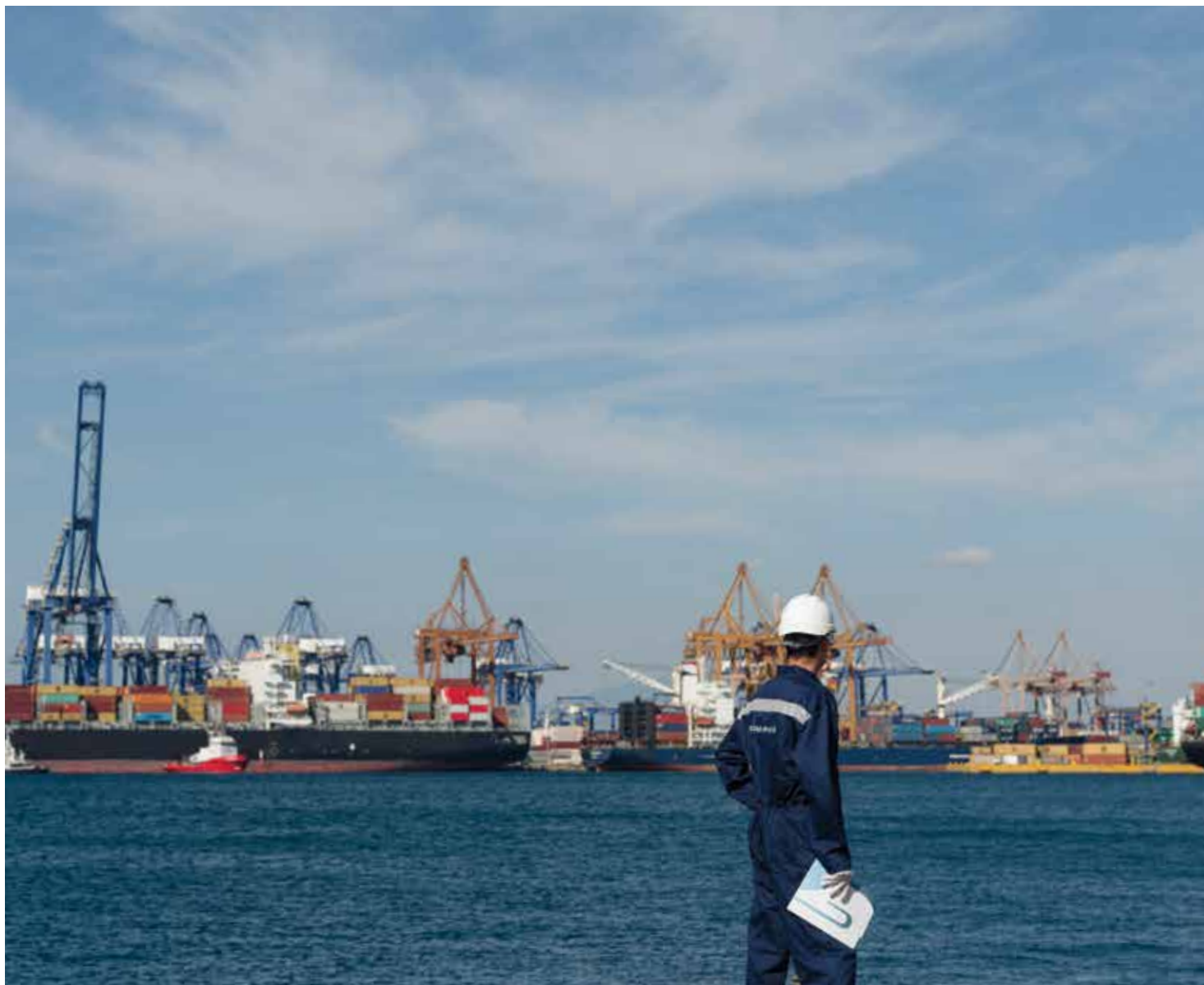
In addition to Fleet Data, Inmarsat is also providing dedicated bandwidth services for application providers across both its L-Band and Ka-Band networks and recently signed an agreement with SRH Marine SAIT to provide ECDIS updates via FleetBroadband. The industry's appetite for real-time remote vessel management describes only one side of its readiness to engage with IoT-based solutions, however. Shipping is often chided for its cyber vulnerabilities, and here, Inmarsat's recent research had some illuminating insights to offer. Its 125 survey respondents revealed themselves to be more concerned about data storage methods (55%), network security (50%) and potential mishandling of data (44%) than they are about targeted attacks (39%). Meanwhile, only 37% report initiatives to improve security training, with just 25% working on new IoT security policies.

These findings, too, align with Inmarsat's approach to the IoT on developing its Fleet Secure Unified Threat Management and monitoring service. At a time when crews are more eager than ever to connect to the IoT, often using their own devices, ship-board systems can be easily compromised by an infected laptop or memory stick. Few of the world's 1.6 million seafarers working today have an IT expert working alongside them at sea; Inmarsat research indicates that 76% of ships have no one on board taking responsibility for cyber security.

For these reasons, Fleet Secure includes Fleet Secure Endpoint to isolate infected systems and prevent ship network disruption, developed with digital security specialist ESET. It also comes with the mobile training app Fleet Secure Cyber Awareness, developed with Stapleton International and the Marine Learning Alliance so that seafarers can educate themselves on the tactics cyber criminals use to infiltrate the shipping infrastructure.

\*The Industrial IOT on Land and at Sea – published July 2018. For more information visit <http://research.inmarsat.com/>





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## Digitalization is not a fad



**Digitalisation can offer vessel operators a competitive edge, but maritime companies need to be aware of the potential risks and put in place effective back-up and security systems to ensure they reap the benefits.**



**By Nabil Ben Soussia,**  
Vice President – Maritime,  
IEC Telecom Group

Addressing the challenges of digitalisation is essential for maritime business planning. In fact, it is widely recognised that vessel digitalisation will be central to the fleets of the future.

Digitalization is not a fad – it represents a fundamental shift in how the sector does business. As demand for data increases exponentially, satellite communication is the only realistic and affordable option for ship-to-shore connectivity.

Digitalising a vessel is a fantastic process but a complex one, and it is crucial to incorporate comprehensive cyber security into your plans. Going digital is good but it is like putting all your eggs in one basket. This need could not be a problem as long as you build in different routes for handling that basket. The most important question you can ask yourself is “what if?”. The key components for any vessel digitalisation strategy must be reliable back-up systems and cyber-security. Yes, you can have big data on a vessel and everything in the cloud, but you have to secure the connection to deliver as close as possible to maximum connectivity. Remember, there is no such thing as 100% in the world of technology. You need to aim for several systems which can deliver 99.99%.

Smart boxes can deliver great advantages in terms of managing vessel data, overseeing vessel operating systems, and providing onboard connectivity. However, you must maintain that connectivity. In an office, when the internet goes down, staff can switch to things like 4G phone systems. On a vessel at sea, this is not an option – the connectivity must be maintained, and core systems prioritised.

The solution is to have two or three connections, customized applications, and access policies in place for each of those connections. Ka and Ku band offer high-speed connectivity but are less resilient

than L-Band, which has limited speed. With a combination of the two systems, you can achieve close to 100% connectivity.

Utilise an operating network such as Iridium CertusSM with its unique architecture, and your fleet has access to reliable, high-quality satellite connectivity, anywhere on the planet, regardless of the size of the vessel or its data needs. Located in low Earth orbit (LEO), with crosslinks enabling cross-satellite communication and L-band end-user transmissions, the network is unaffected by weather conditions or the need for ground stations.

Digitalised vessels with access to such high-performing, truly global satellite coverage can manage their operations electronically, enabling strong ship-to-shore links, real-time performance monitoring, seamless data transfer capabilities and prioritisation of safety operations and critical functions. In addition, they can conduct remote maintenance functions, deliver e-learning and telemedicine, and provide the crew with personal connectivity packages which enhance welfare provisions and boost retention rates.

Today's satellite communications need to be able to react to circumstances and deliver reliability whatever the circumstances. IEC Telecom's OneGate solution is a good example of smart box connectivity, which has the flexibility to switch from high speed to lower speed connections as needed, maintaining core processes and restricting non-essential traffic as required. OneGate also has built-in cyber security, enhanced by IEC Telecom's own network protection, to prevent and mitigate any cyber-attacks.

Reliable, high-speed connectivity for digitalised vessels is not something for tomorrow's ships. The technology exists today, and owners and managers who embrace it now are giving themselves a competitive advantage.





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## Sailing along with Celestyal Cruises on a 3-day cruise around the Aegean



By Angeliki Koliomichou  
and Ilias Stefanidis



In June, members of *Naftika Chronika*'s editorial team traveled on the "Celestyal Olympia" and lived a unique cruise experience that carried the signature of Celestyal Cruises. The "Celestyal Olympia" is one of Celestyal Cruises' two medium-capacity cruise ships offering three and four-day cruises that allow passengers to visit some of the most popular destinations in Greece in the space of a few days.





The swimming pools and the Helios Pool Bar on the 9th deck of the "Celestyal Olympia".



On a three-day cruise with another 1,473 passengers of 30 different nationalities as well as a 562-member crew, we had the opportunity to visit Mykonos, Kusadasi, Patmos, Heraklion in Crete and Santorini, with Piraeus as our port of departure. However, in addition to visiting the five destinations included in this three-day cruise, passengers were able to attend and participate in various events that took place onboard.

During the cruise, we had the opportunity to chat with the master of "Celestyal Olympia" Efstathios Romeos, who told us that his love of the sea had driven him to this profession, adding that he would unreservedly advise young people to pursue the maritime profession provided they had a real love for it. Having sailed for 11 years on Celestyal Cruises' ships, Capt. Efstathios Romeos noted that as a cruise ship master, he had a big responsibility to pro-



Capt. Efstathios Romeos,  
Master of the cruise ship "Celestyal Olympia".



Mr. Evangelos Syragakis, Chief Engineer  
of the cruise ship "Celestyal Olympia".



Deck officers on the bridge of the cruise ship.

protect human life. When we asked him how he thought technology would alter the working conditions at sea, the master of "Celestyal Olympia" replied that technology is undoubtedly a great help to a ship's master and officers, however, as he pointed out "the development of technology has a rather negative impact on seamanship."

We then met the Chief Engineer of the "Celestyal Olympia" Evangelos Syragakis, an officer with 32 years' experience on cruise ships. He told us that his decision to be a merchant navy engineer was a choice he made because, from a young age, he loved the maritime profession, especially ship technology. Mr. Syragakis believes that a successful engineer must be astute and smart, adding that the new generation is the future of Greek shipping. He reminded us that the Greeks are born for shipping, as they have an affinity to the sea and a sense of pride in their work. With regard to the rapid technological developments that have been taking place in shipping, he stressed that for the time being, automation cannot replace the human mind.

The 214.88 meters long "Celestyal Olympia" has ten passenger decks and a maximum capacity of 1,664 passengers in 418 outside staterooms - 9 of which are suites with their own balcony - and 306 inside staterooms. The highly professional crew of the "Celestyal Olympia" is always at the disposal of pas-







The "Cabaret Show" in the Muses Salon.



The Greek Feast BBQ Buffet on the second evening of the 3-day cruise.

sengers to cater to their every need offering excellent service with a warm smile.

Celestyal Cruises offers a three-day cruise to Mykonos, Kusadasi, Patmos, Heraklion Crete, and Santorini and a four-day cruise to Mykonos, Kusadasi, Patmos, Rhodes, Heraklion Crete, and Santorini. Celestyal Cruises also offers a 7-day cruise on the cruise ship "Celestyal Crystal" that stops in Mykonos, Milos, Santorini, Heraklion Crete, and Kusadasi.

Furthermore, Celestyal Cruises is preparing cruises in the Adriatic and new destinations in the Eastern Mediterranean for the forthcoming seasons.



One of the 9 suites with balcony of the "Celestyal Olympia".

**Celestyal Cruises is the main home-porting cruise operator in Greece and the preeminent cruise line serving the Greek Islands and East Mediterranean.**



## AVIATION INDUSTRY

News from the world  
of aviation

### Aegean consistently first

Aegean has been named "Europe's Best Regional Airline" at the 2019 Skytrax World Airline Awards, the Passengers Choice Awards. It is noted that the company won the Skytrax World Airline Award for Best Regional Airline in Europe for the 9th consecutive year, and for the 10th time in the last 11 years. This year's award ceremony was held on June 18th, 2019, during the Paris Air Show at Le Bourget, Paris.

Edward Plaisted, CEO of Skytrax, said: "This is a major recognition for Aegean Airlines front-line staff who are responsible for achieving such high customer satisfaction. Achieving this consistency to be voted as the Best European Regional Airline for a ninth consecutive year is not an easy task, and it is a great triumph for Aegean Airlines to have achieved this major recognition from customers."

Commenting on the Award, Dimitris Gerogiannis, CEO of Aegean, stated: "I would like to thank all my colleagues at AEGEAN who work tirelessly, to ensure we offer Greek Philoxenia to our guests straight from our heart. 2019 is a very significant year for us as it marks our 20th anniversary. Offering quality services to our passengers and promoting the virtues of Greece have been at the core of our philosophy from our very first flight."

Edited by  
Panagiotis Kapetanakis

The World Airline Awards are managed by international air transport rating organisation Skytrax Research of London, UK. 21.65 million eligible survey entries were counted in the final results, and more of 100 nationalities participated in the survey from September 2018 to May 2019.

### IAG announces intent to buy 200 Boeing 737 MAX

One of the world's largest airline groups announced a few weeks ago that it plans to build its future fleet with the Boeing 737 MAX with an intention to purchase 200 MAX jets. International Airlines Group (IAG) and Boeing said the two companies have been in discussions regarding the opportunity and signed a letter of intent at the Paris Air Show in a deal that would be valued at more than \$24 billion, per list prices.

IAG is the parent company of Aer Lingus, British Airways, Iberia, Vueling and Level that fly more than 113 million passengers a year combined. The group has been a long-time operator of Boeing twin-aisle airplanes. Earlier this year, IAG group committed to and finalized a major order for Boeing's newest long-haul model, the 777X, to complement its fleet of current-generation 777s and new 787 Dreamliners. In the single-aisle segment, IAG and its affiliates used to operate Classic 737 aircraft. Today, its fleet is almost exclusively Airbus A320 family aircraft. IAG CEO Willie Walsh has said the group would consider the 737 MAX as part of diversifying its future fleet to spur competition.

### Drones are revolutionising logistics

Air Canada Cargo is entering a new era in the transport of goods, as it has decided to invest in the development of a domestic, commercial network of unmanned aircraft, known as drones.

More specifically, the Canadian carrier announced a few weeks ago that it has entered into a sales agency agreement with Drone Delivery Canada Corp. (DDC), which specializes in developing drone delivery solutions. Through this agreement, Air Canada Cargo will use its marketing and sales platforms and



resources to market DDC's drone delivery services in Canada, giving the logistics community access to the growing potential of commercial drone deliveries.

As a first step, it will start delivering goods to remote communities and villages in Canada and government agencies across the country, while the goods and supplies delivered will mainly be pharmaceuticals and food.

Commenting on the agreement, Tim Strauss, Air Canada's Cargo Vice President, stressed the company's loyalty to unmanned aircraft technology and its ability to provide competitive freight services to non-traditional markets.

As Mr. Strauss said, Air Canada expects to see profits soon from the development of the drone network - something Amazon has not achieved so far.

### **Lufthansa Group adjusts its full-year outlook**

The Executive Board of Lufthansa Group is revising its financial outlook for the full year 2019. Ongoing strong performance in long haul only partly offsets the price deterioration in Europe caused by market-wide overcapacities and aggressively growing low cost competitors. The Group now expects the Group's Adjusted EBIT margin to reach 5.5 to 6.5 percent (previously: 6.5 to 8.0 percent), resulting in Group Adjusted EBIT amounting to between EUR 2,000 and 2,400 million in 2019. The outlook factors in a fuel cost increase of EUR 550 million despite the recent decline of the oil price.

Yields in the European short-haul market, in particular in the Group's home markets Germany and Austria, are affected by sustained overcapacities caused by carriers willing to accept significant losses to expand their market share. This is putting pressure on yields at the Network Airlines and Eurowings. Both will continue to vigorously defend their leading market positions while focusing on securing profitability at the same time.

At the Network Airlines, the long-haul business continues to be strong. The transatlantic route is generating particularly positive performance, and demand on the Asian routes remains high. Strength in the long haul, however, is being offset by

price pressures in Europe where demand has become increasingly price sensitive, resulting in lower yields. Network Airlines are addressing these pressures by further reducing their capacity plans, especially for Winter 2019/2020 where they schedule only marginal expansion. Network Airlines' unit revenues are expected to decline slightly on a currency-adjusted basis in the second quarter. In the full year, they are projected to decline at a low-single-digit percentage rate on a currency-adjusted basis.

### **Air passenger demand stays solid, but the trend has slowed**

The International Air Transport Association (IATA) announced global passenger traffic results for May, showing that demand (measured in revenue passenger kilometers, or RPKs) rose 4.5% compared to the same month in 2018. This was in line with the revised April traffic growth of 4.4% and above the recent trough of 3.1% year-on-year growth recorded in March. However, it remains below the 20-year average growth rate of around 5.5%. Capacity (available seat kilometers or ASKs) climbed by a modest 2.7%, and load factor rose 1.4 percentage points to 81.5%, surpassing last year's record load factor of 80.1%.

"Passenger demand growth has slowed compared to the past two years. This is in line with slumping global trade, rising trade tensions, and weakening business confidence. In this challenging environment, airlines are managing capacity carefully in order to optimize efficiency," said Alexandre de Juniac, IATA's Director General and CEO.

### **Airbus sees strong demand for its new commercial aircraft products**

During the 2019 Paris Air Show, Airbus achieved new business for 363 commercial aircraft, comprising 149 firm orders and 214 commitments. In addition to these totals, airlines and lessors also converted 352 existing aircraft orders - mostly from the A320 single-aisle aircraft up to the larger A321neo and also to the new A321XLR. This clearly reflects Airbus successful strategy in offering customers longer-



range aircraft in this segment. Moreover, Le Bourget saw successes for the A220 which won new business for 85 aircraft, and for the widebody A330neo for which Airbus received orders and commitments for 24 new aircraft.

The star of the show was clearly the new A321XLR - the next evolutionary step from the A321LR. The XLR is the world's most efficient and longest-range single-aisle aircraft, which will enable operators in this segment to access markets requiring even more range and payload. Overall, this newest model won orders for 48 aircraft, commitments for a further 79 aircraft and 99 conversions from A321 to XLR. These came from a wide range of launch customers from around the world. In the widebody segment, the new A330neo has built on its positive market reception with additional business from Cebu Pacific and Virgin Atlantic. Particularly pleasing was the sales momentum at Le Bourget for the A220.

## Are owners inadvertently restricting their pool of seafarers?



**By Henrik Jensen,**  
CEO and owner of crew specialist  
Danica Group

Ship owners and operators regularly ask me whether I consider there is a shortage of seagoing personnel. When we talk about ratings and junior officers, then the answer is no, I see no shortage, maybe even a surplus. However, when we look at the senior officer ranks, then my answer is different. Yes, I do believe there is something of a shortage, but it is not necessarily measured in numbers, but rather in competencies.

There are various reasons for this shortage. Some of the shortfall can be explained by the fact that a number of junior officers do fall out of the career path because they obtain shore jobs instead of progressing to senior ranks. In addition, capable and experienced officers are lost to our marketplace if they leave sea-going employment in their 40s or 50s.

In addition, however, I have a more controversial view – I believe that shipowners are creating the shortage themselves. “How can you say that?” you may well ask.

Well, I have vast and extensive experience in the recruitment of seafarers from Eastern Europe. Danica has regular contact with over 40,000 seafarers and pro-



vides more than 1,400 crew, mainly senior officers, who serve on some 220 vessels. When fulfilling a crewing brief, I have seen many cases where shipowners have asked for too many technical requirements for a specific role which has consequently limited the field of candidates for them. For example, recently we had a client who asked for a 2nd engineer with experience on a specific type of auxiliary engine as there was an overhaul job to be done on that particular engine in the coming weeks. They also insisted the seafarer should hold a US visa as the owner's crew manager wanted to save on costs. I asked the owner: "What will the second engineer do when the overhaul is completed?" My point was that, instead of prioritising specific technical experience, we should look for senior officers who can read manuals, utilise previous experience, and be team leaders.

So why do owners do this? Often it is because it is easier to define a technical competence requirement and easier to check it than to check personality and leadership skills which require a very dif-

ferent set-up at the crewing provider.

As an experienced crew manager, I consider the way forward to secure the crews of the future is to carefully identify and nurture each officer's capabilities. In Danica, we use psychometric testing to map a candidate's social and leadership competencies as well as their stress resistance. We also use IQ tests to ensure that the candidate has the ability to understand problems and learn new things.

We then take the process one step further. In addition to screening and interviewing applicants, our recruiters have been trained to assess how a candidate responds to the whole interview process, right from their behavior on arrival in our office. In a situation where a person is being interviewed and screened, it is natural for his behavior to be a little nervous, so if a candidate is over-confident, we might filter them out.

Equally, if a candidate is over-anxious, they will also be filtered out. We also observe how the candidate sits on the chair, whether they give short answers or how they come across in a dialogue with

**Instead of prioritising specific technical experience, we should look for senior officers who can read manuals, utilise previous experience, and be team leaders.**

the recruiter. For example, talking all the time or making a lot of jokes could indicate that the candidate may not be very mature. We are seeking to identify capable, genuine, sociable people who can operate effectively in a variety of situations. Once we have employed good staff, we ensure we continue to train and develop them to enable them to have fulfilling careers.

I believe the officers we need for our ships now and in the future do exist. It is our responsibility as an industry, to work together to ensure that we both recruit and retain the very best.



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## Metropolitan College: Private maritime education in Greece



**Antonios Vidalis**, Vice Admiral – HCG (ret.), Head of Metropolitan College Maritime Academy, and Capt. **Nikolaos Makris**, Master Mariner, Instructor at Metropolitan College Maritime Academy in an interview with **Angeliki Koliomichou\***



Maritime education is a matter of paramount importance, particularly in a country like Greece, which has a long maritime tradition and is the leading power in the global maritime scene.

The Metropolitan College in Piraeus, in collaboration with the Warsash School of Maritime Science and Engineering - Solent University, offers a comprehensive programme of maritime education for those wishing to become merchant navy officers (deck and engine).

Isalos.net spoke with Mr. Antonios Vidalis, Vice Admiral – HCG (ret.) and Head of Metropolitan College Maritime Academy, and Capt. Nikolaos Makris, Master Mariner, MBA Maritime Studies, MPhil (Reg.) Maritime Economics & Shipping Finance and Instructor at Metropolitan College Maritime Academy about the soft skills needed in today's shipping industry, the importance of the maritime instructor in modern maritime education, and about whether young people today consciously choose to pursue the maritime profession.

\* The interview with Messieurs Antonios Vidalis and Nikolaos Makris took place in June 2019.



## Why should a young person pursue a career in the maritime industry?

**Antonios Vidalis:** Shipping has been and still is the industry responsible for the transportation of the vast majority of cargoes worldwide. The passage of time, rapid technological developments, and changes in its institutional framework have transformed the way shipping operates today by creating a new global operating framework.

The new developments in global shipping have further increased staffing needs, with the result that shipping continues to be an industry of creation and opportunity for all those who, under any capacity, will try to find employment within the industry. Especially for young people in our country, the career in one of the hundreds of professions associated with the shipping industry continues to be a steady choice and a conscious professional orientation.

The new generation, with its advanced skills and fresh approach to maritime matters, seems ready to begin demanding careers in Greek shipping, which remains at the forefront of the global shipping industry. With the proper mix of traditional and modern ship management methods, I think that our young people working on board or ashore will have all the resources to experience the real professional, economic and social recognition that Greek shipping can offer.

We should also not overlook how important it is for Greek shipping to attract and employ young Greeks in the maritime profession. Beyond any progress that has or will be recorded, the viability of Greek shipping itself, which is our national capital, is directly linked to the continued presence of Greek seafarers on the ships of the Greek and Greek-owned merchant fleet. It is vital to ensure at all costs that the Greeks' aptitude and inextricable connection to the sea will be maintained in the future and will continue to contribute to the truly unique phenomenon of the Greek primacy in the global shipping industry. It is the duty and responsibility of all those involved in shipping to make every possible effort to support and enhance the presence of our young people on the ships of Greek shipowners.

## Do you think that nowadays the decision of young people to pursue the maritime profession is more conscious than it was in the past? What makes them choose a career in shipping?

**Antonios Vidalis:** To a large extent, I agree with the view that young men and women entering the maritime profession are more informed and determined to pursue a career at sea.

Our experience to date at Metropolitan College Maritime Academy confirms this view. Our daily contact with students and the constant communication with their immediate family environment show that the presence of the cadets at the Academy is not a result of random choice but of a conscious professional orientation.

The vast majority of young people, having heard the experiences of their seafaring families or using the information provided by the modern media, enter the Academy with a clear awareness of the profession they have chosen and the prospects that open up ahead.

Let me note, however, that a young person's conscious choice in itself is not enough to accomplish the deeper goal of maritime education, which lies not only in preserving the original desire but also in substantially reinforcing it with all the quality data pro-



vided by their studies here. In other words, the subject of maritime studies is not exhausted with the very high-quality and well-thought studies provided both at the level of instructors and the level of equipment and services of a modern educational institution, which has at its epicentre the student and his ongoing effort for success. Given that maritime studies form a trisectional learning field - academic, technical and professional - the learning synthesis focuses on demonstrating daily the necessity for the young seafarer to be an outstanding professional in the literal sense of the term; this means a future professional who will excel and leave his mark on the maritime market with his technical and work ethic characteristics.

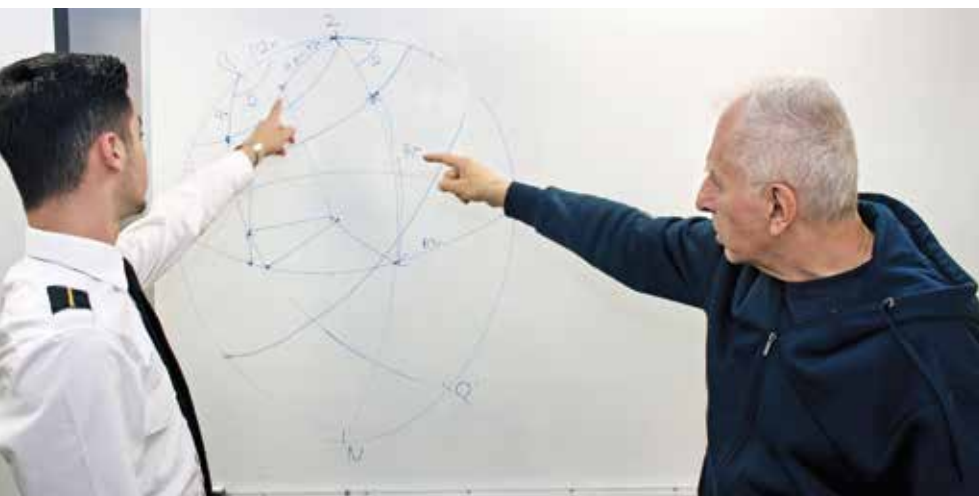
## How important is the maritime instructor in modern maritime education? How has the Academy dealt with the difficulty of finding skilled maritime instructors?

**Antonios Vidalis:** The maritime instructor is a historical concept that has played an essential role in the development of Greek shipping since the 18th century and his contribution to maritime education is still relevant today.

However, there is no doubt that nowadays, maritime studies are not- and cannot - be purely traditional anymore. As in shipping itself, where the mix of traditional and modern methods of doing business seems to be the safest mix through which Greek shipping can maintain its leading position internationally, so too in maritime education this specific synthesis of maritime knowledge and experience with contemporary academic studies is certain to produce a highly dynamic and successful model of teaching and learning.



Antonios Vidalis, Vice Admiral — HCG (ret.), Head of Metropolitan College Maritime Academy.



Capt. Nikolaos Makris with one of the cadets of Metropolitan College Maritime Academy.

The academic programme at Metropolitan College faithfully follows the philosophy of combining the elements mentioned above. And for this reason, our main concern is to fill faculty posts with instructors who can meet the requirements of this educational formula. However, it is not easy or straightforward to achieve a full synthesis of maritime instructors. Nevertheless, we can stress that the search for professionals, even active seafarers who combine real seagoing experience with an academic education has been fruitful to a considerable extent, and so far, the empirical picture shows the clear advantages provided by such an educational mix to the training of our cadets.

**To what extent and in what way does the Metropolitan College maritime training programme meet the requirements of the labor market?**

**Capt. Nikolaos Makris:** Metropolitan College, with which I have been collaborating for many years now, is, by Greek standards, a pioneering educational institution whose aim is to provide high-quality education. Its track record has proved its commitment to this goal, as it has produced accomplished professionals in various professional fields. Its long experience has made Metropolitan College the most trusted private provider of education in Greece, while at the same time it has laid the foundations for the development of the most complete School of Maritime Studies in Greece with both maritime

training and shipping study programmes. The maritime training programme at Metropolitan College is not the college's innovation; it is the transfer and provision in Greece of the unaltered in form and substance maritime studies programme of the renowned Warsash Maritime Academy of Southampton, one of the best maritime academies in the world. This programme retains the character of traditional shipping, while it simultaneously fully integrates modern international advances and training requirements. Combining such a programme with excellent technical equipment (Full Mission Bridge & Engine Simulators, ECDIS, Liquid Cargo, Engineering Plant, Navigation Lab) and teaching staff creates the right framework for students to meet the modern needs of the maritime profession.

**What are the soft skills required by the shipping industry today? How does the modern instructor train young cadets, given today's need for knowledge but also for bringing out their personalities?**

**Capt. Nikolaos Makris:** The special skills a modern seafarer needs to have to be successful and show his professionalism in the demanding profession he has chosen are consistency, versatility, adaptability, teamwork, and discipline. The role of the instructor in a modern maritime academy unfolds on two axes: a) the integrated theoretical and practical training of cadets in an environment that combines techno-

logical progress with traditional shipping and the art of seafaring; b) the instructor's ability to function as a professional who can inspire and convey the values and skills of the maritime profession.

In such an environment, such a teacher has at his disposal and uses all those tools (presentations, group work, student consistency in their duties, etc.) that enable him to evaluate each student's progress individually and to intervene creatively when and as required.

**What educational innovation have you introduced into the classes you teach?**

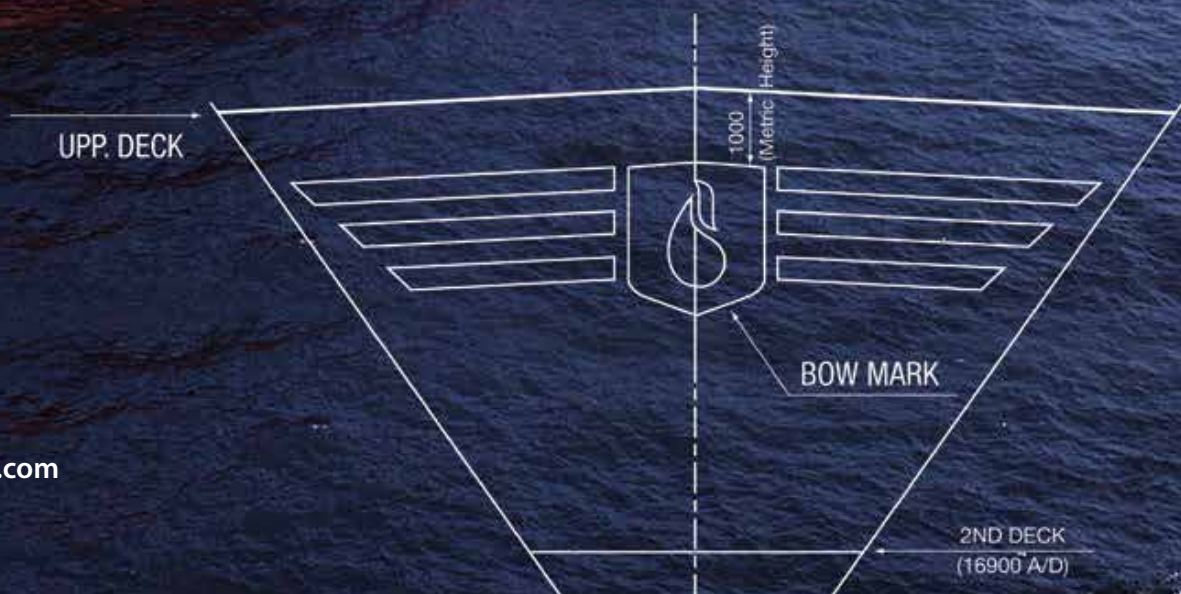
**Capt. Nikolaos Makris:** It is my deep conviction that knowledge does not mean learning by heart or unimaginatively repeating information without understanding it. This conviction, fortunately, is further enhanced by the structure of the study programme that is being implemented in the academy. The innovation on which my educational approach is based is focusing on the methodology for identifying and addressing the problem with speed and consistency, assessing the reliability of information sources and, ultimately, acquiring in-depth knowledge on the subject. At the same time, this approach includes the extensive use of Case Studies from various sources - e.g. USCG, EMSA, AMSA, MARS (Marine Accidents Reporting System), LLR (Lloyd's Law Reports), P&I Bulletins etc. - so that students also gain relevant experience in real situations, which complements academic education.







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## What motivates young people to choose postgraduate studies in shipping

### The students' perspective



The orientation of young people towards the maritime and shipping professions and the career prospects signified by a position in a shipping company -within or outside the national borders are leading many young people today to study programs whose subjects are related to shipping management, shipping economics, maritime law, and new technologies.

In the following pages, we present the views of students and graduates of postgraduate programs in maritime studies in educational institutions based both in Greece and abroad. Universities, Colleges and educational institutions are presented in alphabetical order.

Edited by  
Angeliki Koliomichou



## ALBA GRADUATE BUSINESS SCHOOL

MSc in Shipping Management

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### **Marios Promponas**

*Internship in Fleet Department, Springfield Shipping, MSc student (Full-time 2018-2019)*

#### **What made you choose this particular study program?**

As a candidate coming from a different industry wishing to get involved in shipping without any prior relevant qualifications, I was looking for an option that would provide a highly competitive curriculum and would help me acquire the in-depth knowledge and qualifications I lacked to attain a higher level. My search led me to the Alba Graduate Business School postgraduate program. However, the main reason that made me decide was my friends working in this field who highly recommended this MSc program for its quality, services, and reputation in the market.

#### **In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

The most significant advantage I gained is the variety of knowledge, not only in theory but also in terms of application to the industry. The secret ingredient was that this knowledge was obtained through exercising critical thought, which is one of the requirements for a successful, all-embracing professional career, particularly in shipping. Furthermore, the environment of Alba, which, as an institution takes pride

in its facilities and services, was critical in cultivating in me a sense of self-esteem and confidence.

#### **What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

The primary criterion in selecting a post-graduate program is the curriculum, comprising both the subject of the courses and the highly qualified teaching workforce. The courses must cover a wide range of instruction and approach the real needs and requirements of the industry, with teachers that are part of this industry, in other words, practitioners and renowned professionals with a competent academic background as all this guarantees tuition at the highest level. The opportunities provided by the teaching institution to connect the students with the market are another critical aspect.

#### **In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

The ideal age is when you become determined to work and serve your choice with passion. However, shipping is primarily an empirical field, so having first worked for a while in the industry and then going for a relevant MSc makes good sense.

#### **For what reasons did you choose to pursue postgraduate studies in shipping?**

As an islander, I have been brought up to admire the acumen of our seafaring people and to hold those who managed to bring and maintain Greek shipping to the top in high esteem. I wanted to be part of this pillar of the Greek economy, in a field so fascinating and well-rounded - an industry where one can be very active and combine knowledge with instinct and the experience which our nation has accumulated over the ages. Communicating with people all over the globe and being present in body and in spirit aboard the ships one caters for was no small enchantment for me either.



## ATHENS UNIVERSITY OF ECONOMICS AND BUSINESS

MSc in International Shipping, Finance, and Management

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### **Gerasimos Mandrekas**

*Internal Auditor at Navios Shipmanagement Inc., Graduate of full-time class 2017-2018*

#### **What made you choose this particular study program?**

To be honest, the program drew my attention as soon as it was established, during my undergraduate years in AUEB, as the combined fields of Shipping and Finance. Later on, I found its program outline to be even more appealing as it consists of several courses which belong to both fields while offering added flexibility through electives. Having a diploma in Accounting & Finance, I decided to pursue my interest in the shipping sector, capitalizing on my existing knowledge and expanding it.

#### **In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

Before my postgraduate program, I only had a vague idea of the shipping industry. Of course, I consider acquired knowledge on shipping terminology, practices, operation, financing, or law to be crucial for everyone, including me, to start a career in this particular industry. However, skills related to organizing, meeting deadlines ("soft/hard") and familiarization with software developed through a fair amount of assignments and a thesis are equally important.

**What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

As unoriginal as it may sound, the primary guiding criteria should always be a candidate's interests and plans. These interests will guide the candidate into making his/her choice of a single program or between more suitable programs. A candidate should also have in mind a university's networking potential, connection with the job market and the industry as well as its location and faculty.

**In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

I don't believe that there is an ideal age. In any case, postgraduate studies or studies in general, hone the skills of the individual regardless of age and position, improving their chances of personal or career advancement. My only advice to young candidates is to be open to job opportunities during their postgraduate studies by taking advantage of the university's collaborations or connections with the industry.

**For what reasons did you choose to pursue postgraduate studies in shipping?**

I have always been interested in this particular business sector, as at the core of it we have unconventional, highly complex, and volatile assets which result in an overall challenging and ever-changing environment. It is also, one of the few industries in Greece that is undoubtedly thriving, all things considered, and will most certainly continue to do so.

**CITY,  
UNIVERSITY OF LONDON**

MSc in Maritime Operations and Management



**Anastasia Georgala**

*Assistant Average Adjuster, Richards Hogg Lindley, Charles Taylor, Graduate of class 2015-2016*

**What made you choose this particular study program?**

I decided to pursue the MSc in Maritime Operations and Management based primarily on the academic reputation of the program. The program has an excellent reputation for its distinguished members, professors, and alumni, and is well known among employers. City University is one of the most prestigious universities in the shipping industry, with a strong global network and robust links with the maritime industry. Another significant factor for choosing this program was its flexible timetable. The courses are delivered on a weekend basis allowing students to combine work with studies. Other reasons for choosing this program include that it provides a wide range of courses, and gives the opportunity to students to broaden their network by attending courses both in Piraeus and London, which are accredited by prestigious institutes such as the Institute of Marine Engineering Science and Technology (IMarEST) and the Institute of Chartered Shipbrokers (ICS).

**In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

The most important skill that I gained is to effectively communicate in teamwork in order to resolve problems and strive for common goals. Teambuilding is a very important skill to have in the maritime industry due to its global and multicultural nature. This study program has also taught me how to deal with complex, unforeseen issues that may arise in the shipping industry and how to make informed decisions.

**What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

In my opinion, the most significant criterion when choosing a suitable post-graduate program is the reputation of that program, which is simply determined by its distinguished professors and successful alumni. It is essential for the candidate to choose a prestigious university that is well known among employers and has a strong international network. I also believe that since one of the main goals of earning a master's degree revolves around career advancement, candidates should carefully examine the career development and placement opportunities provided by each program. Other important criteria are the range of courses, the suitable timetable and the accreditations that each program has.

**In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

Although many students choose to continue their education immediately after obtaining a bachelor's degree, and thus at a younger age, I believe that there are advantages to waiting until one is older and has accumulated work experience. In my opinion, graduate students who have gained real-life work experience have a clearer path and idea of what they want, and they are better prepared to comprehend the various concepts in the graduate courses.

**For what reasons did you choose to pursue postgraduate studies in shipping?**

Being a Greek from Chios, a maritime island by tradition, it was only natural





ΑΠΟΓ



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that I would pursue a career in the shipping industry. It is an international industry that gives one the opportunity to travel to many different countries and to meet people from all over the world. Working in the shipping industry is very interesting and challenging at the same time, just as every day is different, and you never know what is going to happen next.

### HMC/ICS Greek Branch

ICS Professional Maritime Programme



#### George Daskalakis

FICS, Commercial Officer,  
M/Maritime Corp., Graduate  
of class 2014-2015

#### What made you choose this particular study program?

The ICS program was the most in-depth and hands-on program I could find which would be able to increase my academic depth of this fascinating industry.

#### In your view, what are the most important skills this program has contributed to your professional career?

It is a very concise and enriched program which can relay the most important aspects of each principle to the students. Having been a student at The Costas Grammenos Centre for Shipping, Trade, and Finance, I was well embedded in the nature of this industry's economics and finance aspects, and the ICS gave me

the day-to-day approach to shipping. Be it voyage estimations, charterparty negotiations, voyage orders, I found myself well prepared when I entered the industry.

#### What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?

The focus of each student and their aspirations are the most critical factors to be taken into account when deciding how to proceed in their academic and early professional life. One of the most prominent opinions, which I am a follower of, is that experience trumps "book-learning." However, as with everything in life, it's not such a black and white story. Experience is, of course, a great catalyst to success, but the hands-on experience of the ICS program which strongly supports the candidate who is willing to enter this industry is what a student should be guided by.

#### In your opinion, what is the ideal age to start studying for a postgraduate degree/professional qualification, and why?

The ideal age is a misguided concept. That being said, to be able to follow these degrees, one should be able to understand the basic concepts of what it means to work in the shipping industry. While it is hands-on, the chance to see most things you learn play out on a day to day basis in the office will make this knowledge/memory/experience stick with you forever.

#### For what reasons did you choose to pursue the ICS Professional Maritime Programme?

I chose the ICS Programme because I wished to deepen my experience with regards to the academic part of the business. At the time, I was working in the insurance department of a fantastic shipping company, which made my early professional years quite restricted. I decided I wanted to learn more about the employment of ships, how the trade of commodities works, how the management of a ship is executed, and how a ship management company is developed.

### METROPOLITAN COLLEGE, PIRAEUS CAMPUS

MSc International Maritime Business



#### Katerina Gemidopoulou

DPA Tankers Fleet, Enterprises  
Shipping & Trading S.A., MSc student

#### What made you choose this particular study program?

During my research on postgraduate programs, I focused on many key issues including the quality of the curriculum and the sequence of modules, the program's resources and facilities, expected career prospects, professional and academic qualifications of tutors, and the reputation of the establishment in the shipping industry, among others.

Needless to say, the MSc International Maritime Business offered by Metropolitan College ticked all the boxes. But what really made the difference in selecting this particular study program was the newly formed co-operation between Metropolitan College and the Solent University of Southampton - a leading provider of maritime studies in the UK and home to the world-renowned Warsash Maritime Academy.

#### In your view, what are the most important skills this postgraduate study program has contributed to your professional career?

This program has already provided me with the confidence and skills required to boost my career prospects and advance to the role of DPA Tankers Fleet, complementing my professional background and experience.



The program's major advantage is that it has a strong business focus and directly relates to the shipping industry providing deep insight, knowledge, networking opportunities, and resources.

It is worth mentioning that to further enhance its students' connection to industry experts, the Metropolitan College's Faculty of Shipping has launched the annual event "Shipping Leaders in Residence," a series of lectures that hosts top executives of the leading shipping companies in Greece and worldwide.

**What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

Choosing a post-graduate program is not always easy, but thorough research will certainly clear things up. There are plenty of options out there and to choose the most suitable, candidates must first prioritize their needs and think about what they want to achieve through a post-graduate program and why.

Attending open days will help you get a feeling of what studying at a particular venue could be like while talking to past students will provide a valuable insight to what the program is really like and what they have achieved since graduating.

From my point of view, flexibility was one of the most important criteria, as I had to combine studies and work. The Metropolitan College's option of attending the MSc International Maritime Business on a part-time basis allowed me to deal with this challenge.

**In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

The value of studying cannot be underestimated at any stage of your life. Although most students nowadays prefer to jump right into a postgraduate degree as soon as they complete their undergraduate studies, I feel that prior work experience is essential to get the most of what is being offered. Being a "mature" student myself, I can definitely agree that age is not an obstacle when you are motivated!

**For what reasons did you choose to pursue postgraduate studies in shipping?**

I have always been fascinated by the maritime industry and its international, multi-faceted character which offers a wide range of opportunities to pursue a fulfilling career. Especially in Greece, where we have a traditional, well-established, and strong maritime background, following a career path in shipping can be very exciting and rewarding in many ways.

**QUEEN MARY UNIVERSITY OF LONDON in collaboration with the HMC**

LLM in International Shipping Law (Piraeus, Greece)



**Fenia Konstantinou**  
*LLM student (Part-time 2018-2020)*

**What made you choose this particular study program?**

The fact that Greece is a country closely related to shipping made me think about choosing an LLM program based on maritime law. But, the main reason why I chose the program of QMUL was that I had already heard about it from friends and colleagues of mine, so I was familiar with the status of the particular university as one of the top UK universities regarding research and teaching. In addition, for me, it was important that the LLM included key modules that provide the essential know-how for a career in the maritime industry.

**In your view, what are the most**

**important skills this postgraduate study program has contributed to your professional career?**

As a Greek lawyer holding a Greek Bachelor's degree in Law and a Master's degree in Business Law and Administration, I think that the LLM in International Shipping Law essentially contributed to me acquiring the necessary knowledge and qualification that could help me specialize in Admiralty issues and English Law for the first time in my life. Until then, I had only dealt with fields of Greek law. The specialization and the chance to change career track but also the boost of the earning potential after having an LLM from a prestigious university are among the essential characteristics of the program.

**What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

Well, a short answer to this question; among the guiding criteria is the prestige of the university, namely its name and reputation, which is extremely crucial, as it may attract potential employers. Then, the structure and the modules that are taught, and of course, the university's network that can help its alumni to be absorbed in a working environment which is relevant to their studies.

**In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

I do not think there is an ideal age; it depends on the circumstances. For some people, it might be right after finishing their Bachelor and for others a few years later either because they want to specialize in a different field or because their job requires them to do so. For me, it was a matter of choice and of specializing in something new and extremely interesting.

**For what reasons did you choose to pursue postgraduate studies in shipping?**

What led me to choose the LLM program in Piraeus offered by QMUL was firstly my strong desire to study Shipping Law and

then the fact that it was the most suitable option for me, as it enabled me to stay within my country and acquire a Master's degree from one of the leading UK universities.

### UNIVERSITY OF THE AEGEAN

MSc: Shipping, Transportation and International Trade



**Giannis Pervanas**

*MSc student (2018-2019)*

#### **What made you choose this particular study program?**

I chose the specific study program, "Shipping, Transportation and International Trade" in Chios because it offers courses in economics, organization, administration and business finance, specialized law courses, applied transport economics, commerce and shipping, as well as advanced management courses on shipping and transport companies, the marine environment, and the management of intermodal transport network infrastructure. Finally, this program has a strong relationship with the labor market and many successful businesses in the sector.

#### **In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

The most important skills this master's program has given me are:

- Working collaboratively (as a team member) with people from different disciplines
- Managing a (research) project independently

- Time management and organization
- Oral and written communication
- Teamwork
- Critical and analytical thinking
- Information gathering, evaluation, and synthesis
- Adaptability

The study program aims at providing students with specialization and skills that will enable them to develop their potential to manage various demanding situations, make decisions in the intensely competitive fields of shipping, transport, and international trade, and be effective in their future work environments.

#### **What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

Personally, when I had to decide on which graduate program I should choose, I put these questions to myself:

- Do I find it interesting?
- What kind of reputation and ranking does this university have?
- Am I qualified for the program?
- What will help me most in my future career?
- In what language will I be studying?
- What about the tuition fees?
- What other optional "bonuses" will the university offer me? (Can I get an Erasmus scholarship?)

The university doesn't have to be perfect, but it has to be perfect for me. Having that in mind, you can overcome any doubt and follow your passion on any career path you choose!

#### **In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

A master's degree doesn't depend on your age; it is rather your inner voice, the true voice of your heart and mind that tells you whether you need to do it or not. Ask yourself a few questions before you actually begin the course, like: why do you want it? What will be the benefits of completing it? What difference will it make having a master's degree? And any other questions that will help you make a rational decision.

#### **For what reasons did you choose to pursue postgraduate studies in shipping?**

Marine transport moves billions of tonnes of cargo around the world each year, and it is one of the most critical sectors in the global economy. In today's globalized market, maritime transport has become instrumental to international trade and the global economy – more than 85% of total merchandise trade volume is transported by the international shipping industry. Given the continuous expansion in the global economy and international trade flows, the wider transportation sector offers exciting and rewarding career opportunities.

### UNIVERSITY OF GREENWICH (UK), in collaboration with NEW YORK COLLEGE ATHENS

MSc in Marine Engineering  
Management



**Efthymios Tournatzis**

*Fleet Manager at Navios Maritime,  
Technical department, Tanker division,  
Graduate of class 2015*

#### **What made you choose this particular study program?**

The shipping industry has no borders, it is the consequence of global markets and trade, it is a worldwide field, and any institution/university offering such studies measures itself against those standards. I chose this particular study program





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because of its multinational recognition and excellent academic record. The tutors are well known, reputable professionals in the shipping industry, and possess industry know-how as well as academic experience.

### **In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

I firmly believe prestigious and established postgraduate studies offer a variety of skills necessary for every professional. Besides being taught a lot of new things, I feel skills such as time management, teamwork, public speaking, and debating were all skills I learned during this postgraduate degree. By challenging myself to focus on both work and studies equally, I have learned to work well under pressure.

### **What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

Choosing a suitable study program is one of the most important decisions a person can make. Established universities such as the University of Greenwich, well-known programs of study such as this MSc, and industry professionals teaching the subject modules were all reasons why I chose this program. A competitive advantage versus other professionals is key to gaining the confidence to aim higher. I remain extremely proud of being part of the specific study program.

### **In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

Age is only a self-barrier, and possibly an excuse when it comes to education. I certainly understand and support that younger students should continue their studies after their undergraduate degrees, but I also encourage mature students to return to the world of academia. A good post-graduate study program may open new doors at any time during one's life. Never lose your thirst for knowledge no matter your age.

### **For what reasons did you choose to pursue postgraduate studies in shipping?**

Postgraduate studies were always in my plans, although I needed to find a program which met my high criteria and challenged me personally and professionally. Shipping has always been my passion and remains an extremely competitive industry. We live in a world where academic successes will always reassure colleagues and employers of our abilities; choosing strong programs of study is the real challenge here.

## UNIVERSITY OF PIRAEUS

### MSc in Shipping



**George Fakinos**

*MSc student (Full-time 2017-2019)*

### **What made you choose this particular study program?**

After graduating from NTUA as an Electrical and Computer Engineer, I was in search of the best postgraduate program. As the labor market in Greece is a bit saturated, after discussing it with friends already working in various companies, I decided to follow a path in the shipping industry. The MSc in Shipping at the University of Piraeus is one of the best programs in Greece, so I sent my application.

### **In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

Looking back at the last two years, I have learned a lot about the shipping industry, things that I knew, and things I thought I knew. This dynamic industry changes every day. To keep up, you need to have your phone glued to your hand and read every last article you can find. One event, one statement or even one tweet can change the market in ways you cannot imagine, so skill number one is: "always be up to date." Skill number two is: "team spirit." Throughout the courses, I have worked with amazing fellow students, conducting research on different maritime topics, including the cruise industry, alternative maritime fuels, and others. Team spirit is a "must" skill regardless of the professional career anyone will follow.

### **What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

Just follow your passion, no more, no less. The guiding criteria should refer more to the university one will choose. Find people that have attended the study program and ask as many questions as possible. Speak to professors and ask them about the courses and the program. Do not rely only on what you read on the university's internet page. Call them, send an email, or discuss face to face, to understand if you will find what you are looking for in their program.

### **In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

The ideal age to start studying for a postgraduate degree is around 25-27. The reason is that you have the time to work for a year or two in a company and experience the market. Find out what you really like to do, and where the gap in the market is. You will not have the experience to know and understand everything. However, you will have the opportunity to understand the basis of the industry.

### **For what reasons did you choose to pursue postgraduate studies in shipping?**



Having talked to many friends who work in various companies, I found that the shipping industry is the best option for a student who wants to work and live in Greece. Despite the economic crisis, Greek shipping is expanding, and Greek shipping companies are considered to be the best.

#### **UNIVERSITY OF PIRAEUS**

MSc in Shipping Management

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**Eirini Mantea**  
*MSc student (2018-2019)*

#### **What made you choose this particular study program?**

I chose this particular program firstly because shipping is one of the most important sectors in the global economy, and Greece is the world's largest shipping nation holding 16.3% of the global fleet. In addition, English is now the international language of business, especially in the maritime industry, which is a global sector. I am sure that a Master's in Greece, specializing in Shipping and taught in English is the perfect combination for success.

#### **In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

This program challenges me academically and provides me with the practical insights to become a global shipping practitioner. It has allowed me to share views and exchange opinions with top shipping professionals on the practicalities and cutting-edge developments in the shipping profession. I believe

that the most critical skills I have gained from the program are to be precise and accurate on what I am doing, to set targets and work hard to achieve them and to care more about everything I do.

#### **What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

For me, the most crucial criterion is employability or the ability to gain an advantage in the difficult job-searching arena. The program chosen should help one's career path. Second, another consideration, in my opinion, is the reputation and rank that the University and the post-graduate study course have. For example, I greatly appreciate the fact that Greece is the major player in the shipping industry, and that the Department of Maritime Studies of the University of Piraeus has an excellent reputation as it has been delivering knowledgeable personnel to the industry for more than 30 years.

#### **In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

In my opinion, it is not only a matter of age but also of real-life experience. I firmly believe that to get the best out of an MSc program, a minimum of five years working experience in general or three years in shipping in particular, is required. If, on the other hand, one lacks the experience but possesses the passion, the motivation, and the ambition to learn and work hard –like I believe I do– then he or she may use them as substitutes to working experience to pursue further studies.

#### **For what reasons did you choose to pursue postgraduate studies in shipping?**

Because shipping is a critical global sector, and Greece is the world's largest shipping nation. Shipping is a tradition in Greece, so there has always been a pool of capable and highly motivated people to man the ships. I feel that studying in the most prestigious Department for Maritime Studies in Piraeus, the capital city of Greek shipping, and

being given the whole set of opportunities the program offers – from lectures by top professors, to certification of students by classification societies and intense internship programs – I may easily join this global and multinational community where I feel I belong.

#### **UNIVERSITY OF READING, ICMA CENTRE, HENLEY BUSINESS SCHOOL**

MSc in International Shipping and Finance

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**Konstantina Vagena**  
*Tanker Broker, Clarksons Platou,  
London, Graduate of class 2013*

#### **What made you choose this particular study program?**

Three important reasons contributed to my final choice. First, its reputation in the market as the world leading program in shipping and finance. Second, its strong focus on the career development and aspirations of participants, the employability skills, and building a professional network. Third, its content, which entails both key commercial aspects of the shipping industry, such as chartering and ship-broking, as well as market analysis and finance aspects.

#### **In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

For me, the experience was transformative. The focus of the program on the most recent developments in the shipping indus-

try and the exposure to a large number of renowned practitioners in the sector contributed in my developing sound market awareness which is imperative in an increasingly competitive job market. I have also developed critical analysis, modelling, independent research, and technical skills, which major employers in the sector require. Finally, through the comprehensive career support embedded in the program, I managed to improve my communication and networking skills. All this was instrumental in securing a full-time role in one of the leading firms in the industry shortly after graduation. The Program Director also played a role in introducing me to the firm.

### **What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

For me, the most important criterion is the practice-centered nature of the program (e.g., scenario-based projects, practice-focused teaching approach, guest speakers, career development, networking opportunities). The way to confirm this is by talking to current students and alumni of the program who can provide vital insights which personally helped me a lot. The size of the program is also critical. In smaller programs, there tend to be more employment opportunities for each candidate, and the interaction among participants and the educational experience tend to be superior.

### **In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

Irrespective of the program of choice, securing some relevant work experience (even a few weeks) before one embarks on a shipping MSc program is a game changer. In an increasingly competitive job market, being proactive and gaining some practical exposure counts for employers. Assuming that one has gained some work experience during their undergraduate studies, the best time to enroll on a Masters is straight after.

### **For what reasons did you choose to pursue postgraduate studies in shipping?**

I consider the prospect of a career in the shipping industry exciting not only due to the importance of shipping in the world economy and social welfare but also because the volatile nature of the industry offers great opportunities for a rewarding career path for those who are willing to put in hard work. Being Greek myself and as both the UK and Greece are important maritime clusters, the opportunity to gain exposure in both worlds through this program was key in my decision to study shipping.

**UNIVERSITY OF WEST ATTICA  
(Department of Industrial Design  
and Production Engineering)  
& UNIVERSITY OF THE AEGEAN  
(Department of Shipping Trade and  
Transport)**

MSc in New Technologies in Shipping and Transport



**Anastasia Dimakopoulou**  
*Secretary, DNV GL, MSc student  
(2017-2019)*

### **What made you choose this particular study program?**

This postgraduate program combines shipping with new technologies. My study background, which is related to my job, is the reason I chose it. I have studied computer science, and the combination of this science with shipping is becoming more and more necessary.

### **In your view, what are the most important skills this postgraduate study program has contributed to your professional career?**

When I applied for the postgraduate program, I was employed by a classification society and wanted to enrich my background. This program offered me a unique opportunity to learn new skills in ship management and shipping operations in general, to understand maritime legislation, how to use new technologies in shipping and transport, and how to solve complex problems during challenging workplace assignments. Also, I'm already counting a publication concerning new technologies as a participant in a university writing team. I hope that the successes will continue.

### **What do you think a candidate's guiding criteria should be when choosing a suitable post-graduate study program?**

Firstly, you should know which area you have to focus on. The cost and time it takes to reach the target is another major factor. Also, you cannot ignore the employability rate of this program. It has been estimated that about 80% of the graduates find a job in shipping almost from the first semester of study in this sector. So, this particular curriculum is perfect for someone who wants to have a successful professional career.

### **In your opinion, what is the ideal age to start studying for a postgraduate degree, and why?**

The sooner, the better! I believe that if you finish your studies at a young age, you have more chances to have a good business or academic career. An academic career especially takes time.

### **For what reasons did you choose to pursue postgraduate studies in shipping?**

I love my job, and I love the sea! If you want to evolve, you need to study. Especially in an evolving society, "you have to be trendy," and you have to know what you want. Whenever an opportunity comes your way, it is not enough just to grab it; you have to develop it and to develop with it so that you can be proud of yourself and the people who helped you on this journey.





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## Isalos.net's Summer Lectures on Shipping

The young generation gets updated on the developments in shipping



**More than ninety young graduates and executives attended the Summer Lectures on Shipping organized by Isalos.net, which took place in July 2019 at the Aikaterini Laskaridis Foundation.**

Following the success of the Isalos.net Summer Lectures in 2018 the organizing team hosted at the hospitable Historical Library of the Aikaterini Laskaridis Foundation in Piraeus a three-week Summer Lectures series. The main purpose of these lectures delivered by well-known executives in the shipping industry was to enable young people to develop a broader understanding of the day-to-day management of ship operations and shipping companies.

The lectures included thematic sections related to commodities and ship chartering, marine insurance, maritime finance, ship operations and management, human resources management, and ship inspections.

It is worth mentioning that admission to the Summer Lectures on Shipping was free – upon application – and that the main sponsor of the event was Tototheo Maritime.



## Snapshots of the 6 lectures



### 1. Commodities και Ship Chartering

On Monday 8 July 2019

- **Mr. Nikos Pentheroudakis**, Teaching Fellow, ALBA Graduate Business School
- **Mr. Petros Kefalonitis**, Management Executive, Super Eco Group & Lecturer, HMC / ICS Greek Branch
- **Dr. Mariniki Psifia** - Head of Research, Latsco Marine Management Inc.



### 2. Marine and Cargo Insurance

On Wednesday 10 July 2019

- **Dr. Iliana Christodoulou Varotsi**, Visiting Lecturer, ALBA Graduate Business School
- **Mr. Gordon Robertson**, Director Greece, North of England P & I Club
- **Mr. Vasilios Kakamoukas**, Claims Manager, The Britannia Steam Ship Insurance Association Limited



### 3. Shipping Finance

On Monday 15 July 2019

- **Mr. Yannis Syrigos**, CFO, Iolcos Hellenic Maritime Enterprises Co. Ltd.
- **Mr. Vassilis Sakellis**, Managing Director, Alassia Newships Management Inc.
- **Mr. Ioannis Alexopoulos**, Teaching Fellow, ALBA Graduate Business School & Managing Director, Eurofin S.A.



### 4. Ship Operations & Management

On Wednesday 17 July 2019

- **Mr. Evangelos Sfakiotakis**, Technical Director, TMS Tankers Ltd.
- **Capt. Georgios Tsouris**, Ops Manager, Deputy DPA-CSO, Blue Planet Shipping Ltd.
- **Capt. Nikiforos Stouraitis**, COO & Head of QASS, Polembros Shipping
- **Mr. Kimon Konstas**, Commercial & Operations Director, Arkas Hellas S.A.

On Monday 22 July 2019

- **Mr. Kostas Katsoulieiris**, Senior Executive (Claims), North of England P & I Club
- **Capt. George Vlachos**, Training Consultant, Cosmos Nautical Training Center, and Mediterranean Maritime Academy
- **Mrs. Aikaterini Xenou**, Crewing Manager, Alassia News-hips Management Inc.
- **Mr. Alexandros Koimtzoglou**, R & D Project Manager, VENLYS
- **Mr. Costas Triantafyllou**, Assistant Executive Coordinator, HELMEPA



On Wednesday 24 July 2019

- **Capt. George Pantelidis**, Marine Manager, Blue Planet Shipping Ltd.
- **Mr. Dionysios Peppas**, HSQE Manager, Pantheon Tankers Management Ltd.
- **Mr. Zissimos D. Hartas**, Safety & Quality Manager, Chios Navigation (Hellas) Ltd.

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