



# Lloyd's List

# ONE

# HUNDRED

## EDITION FIVE

MOST INFLUENTIAL PEOPLE  
IN THE SHIPPING INDUSTRY



(Left) Nigel White, Technical Manager Hydrodynamics and  
(Right) Zhenhong Wang, Lead Specialist from LR's Marine  
Technology & Engineering Services Structural Analysis and  
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# Surprise, surprise

## Why 2014 has been a year of big dreams and chutzpah for shipping

REMEMBER the Monty Python riff: “No-one expects the Spanish Inquisition?”

Well, here we are.

Are containerhips getting too big? Try 20,000 teu monsters.

Has peak oil ensured that the price of crude will stay high for ages? Enter the shale gas “revolution”.

And what about all those shipping giants that last year were saying offshore was the place to be?

Now oil prices are down to where you can finally afford to drive to see your Aunt Martha at Christmas; offshore looks a little threadbare, shipping more attractive.

It might then be a good time to buy up the available slots in South Korea and reliable shipyards in China. Oh, but Scorpio’s already done that.

And dry bulk shipping has a beautiful future, except not in 2015, which had been looking promising until about yesterday.

Now, dire is the word that comes to mind.

Mix and stir and you have the recipe for a very interesting year since we last published our Lloyd’s List Top 100.

Look no further than the unexpected events that have characterised 2014’s agenda of surprises.

Our top dog, Xi Jinping, China’s president, stands for the new confidence and influence of his nation, illustrated by the Chinese Ministry of Commerce’s blockbuster decision in June to scuttle the planned P3 Alliance between Maersk, Mediterranean Shipping Co and CMA CGM.

Although China’s economy is slowing, it’s been a good year for the nation on the world stage, and in maritime affairs as well.

MofCom’s P3 opinion served as the year’s most influential global antitrust decision, and mirrored the drives to squash anti-competitive actions by domestic and foreign companies within China.

Before Xi took power, initiatives such as the Maritime Silk Road from China to Africa smacked of five-year plan bombast. Under Xi, it looks formidable.



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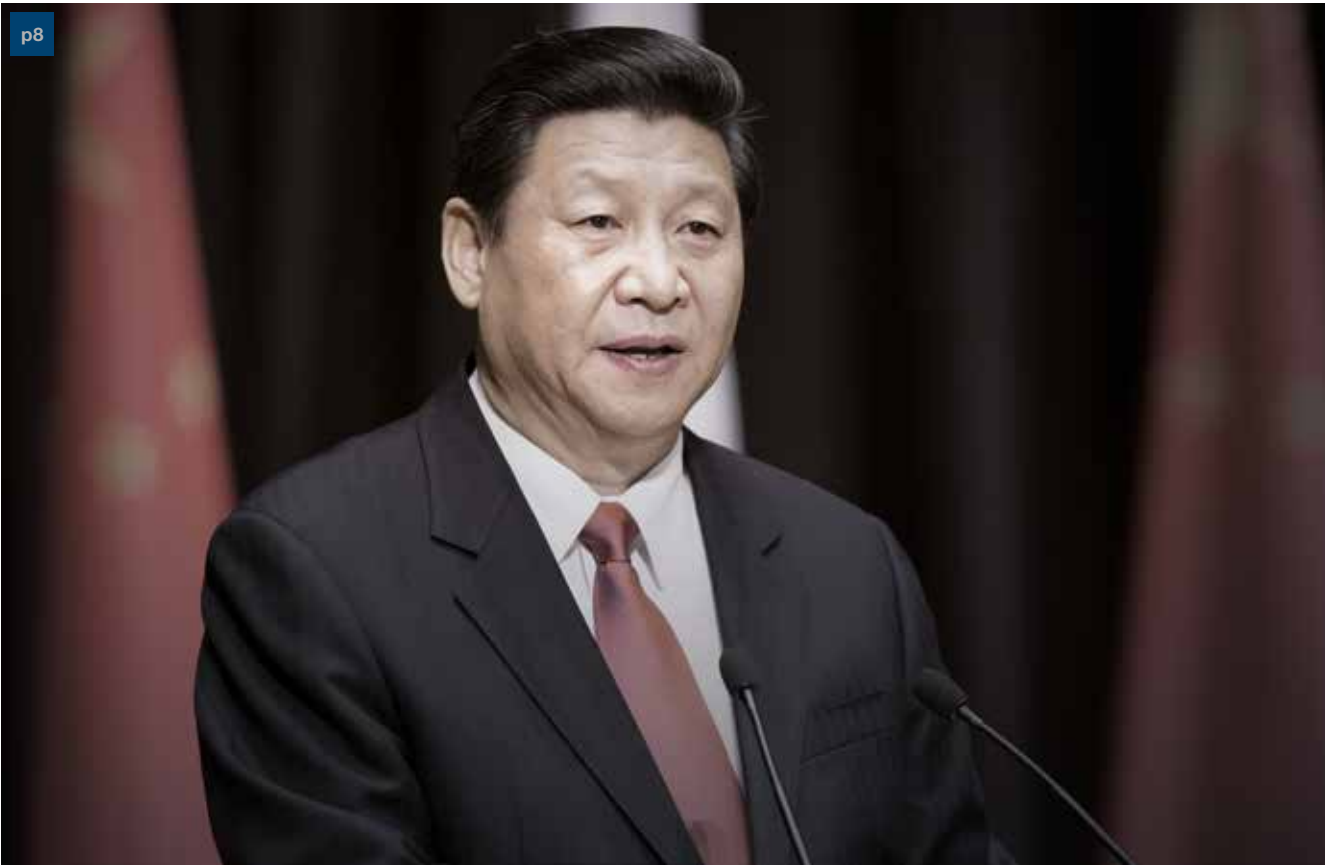
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And how do you like that oil price? At the time of writing, West Texas Intermediate crude, the benchmark, was at \$67 per barrel. The factors driving prices down are not particularly unexpected — but they feel like a surprise.

The Organisation of the Petroleum Exporting Countries, on Saudi Arabia's initiative, has refused to limit its output in a bid to drive the price below where US shale gas producers can no longer afford to frack their way to riches.

Who knows how long this can go on before Opec gets weak knees or discovers rebels among its ranks, but until it does, the price of crude is on an elevator going down.

Oil at \$60 per barrel will spark enormous changes in the shipping markets, shifting volumes on trade routes, deflecting offshore investors back to shipping stocks, and even improving China's growth rates as energy costs sink, restoring import demand.

Another message from the shipping world that's hard to ignore: if you're feeling over-extended, just extend some more. You'll always find the money.

With private equity backing, main-street investors and banks can always be encouraged to pony up.

Shipping is one of the last arenas in global business in which an individual can launch a Grand Plan and find the funding avenues to keep on going.

After cornering the chemical tanker newbuilding market, Scorpio's Emanuele Lauro has moved on to dry bulk and most recently into the largest of the ultra large containerships.

It's a bid that would have made Onassis proud.

We're still waiting to see how it pans out, particularly in

dry bulk, where two new monster mash-ups have entered the scene as competition.

Step forward Star Bulk Ocean Carriers, the result of a merger between the eponymous company and Oceanbulk creating the largest US-listed dry bulk operator, and two John Fredrikson entities, Golden Ocean and Knightsbridge, which will soon seal a merger creating another dry bulk giant.

The dry bulk world is a risky place to be just now.

Star Bulk is striding ahead, but faces a funding shortfall for its newbuildings of \$102m. Few worry that it will find the funds.

George Economou, the Greek shipping tycoon and founder and chief executive of New York-listed DryShips, had to scramble this fall to plug a funding gap for a \$700m bond repayment.

He eventually launched a new stock issue, with a pledge to buy \$80m of new shares with his own money. He made the payment deadline in December.

If 2015 does turn out to be troublesome for dry bulk rates, many big dry bulk operators will have to find ways to obtain new cash, or hoard the larder they have achieved through savings such as cutting dividends.

But who knows.

The Spanish Inquisition was a bad, bad thing. But shipping surprises can come on the upside, too.

Markets turn around quickly; geopolitical events create risk and opportunity and the canniest shipowners always survive, somehow.

It is these survivors, from China to Greece to Wall Street, that colour the industry's identity.

Long may they prosper. 🌐





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# China under Xi Jinping has hit its stride with an unfamiliar confidence

01

Xi Jinping  
China

THE moment that P3 — the ill-fated alliance between the world's top three containership operators — was struck down by China's Ministry of Commerce, the shipping world knew it was dealing with a new kind of national regulator.

The humongous alliance would have allowed Maersk, Mediterranean Shipping Co and CMA CGM to weave together their giant fleets into a force of unbeatable scale and pricing power.

The proposed alliance would set up operations centres in Singapore and London with more than 200 employees and would combine three fleets of ultra large carriers that would allow for unheard-of opportunities to translate scale into pricing power.

Regulators in the US gave it the nod. So did the European Union, and although the EU's nod actually meant "go ahead for now and we'll check in again later", it looked like smooth sailing.

In public, the three carriers were sanguine about approval — and floated rumours, avidly picked up by the trade press, that the MofCom had already handed down an approval. But back channels in Asia were buzzing hints that China wouldn't so easily hand out a free pass.

MofCom's June decision rejecting the alliance had the feel of a judge's gavel hitting the block. Such is the nature of the shipping industry that monopolistic practice is more or less taken for granted. Shipowners see the right to wield this kind of power as the compensation prize for running a business the world needs and that, in downcycles, is utterly unprofitable.

That is why other carriers and owners in the dry bulk and tanker sectors faced the P3 with acceptance. But when China

debunked the myth, many immediately cried: "That makes sense!"

Most interesting about the China slap-down is that almost at once the global shipping community accepted the legal argument. The way the P3 had planned its network centres smacked of a monopoly. And why hadn't the US or Europe noticed this elephant in the room?

With his administration now in the third year of its 10-year run, China under Xi Jinping has hit its stride with an unfamiliar confidence. The self-assurance naturally finds corollary in shipping, the world's original global industry. And the P3 decision happened to land the impressive blow struck for global free markets in 2014.

But not so fast — isn't China basically a capitalistic state monopoly under a veneer of Marxist rhetoric, a nation that allows state-owned behemoths like Cosco to limp from quarter to quarter, keeps shipyards alive to save jobs and provides soft support for its shipbuilders on a massive scale through policy institutions?

Well, yes — and get used to it, because it's only part of the story. By its actions, Mr Xi's China is saying to the world: "We endure your contradictions, now accept ours."

## NEW INFLUENCE

The laboratory in which China will experiment with its new influence has prominent exposure in shipping. Mr Xi's government in June-July allowed an oil rig owned by a China National Overseas Oil Co subsidiary to drill in contested waters in the South China Sea near Vietnam, which objected immediately.

The stand-off grew into a myriad of flotillas of small armed boats, with China's twice as large as Vietnam's. Public opinion in Vietnam reached a peak of outrage, with protesters storming what they thought were factories owned by interests in the People's Republic (although many turned out have Taiwan owners).

Eventually, CNOOC withdrew the rig, saying its initial explorations were complete.

Various bodies have warned that China's grab of swathes of the South China Sea could disrupt shipping in one of the world's most trafficked trade lanes. We doubt it, historical claims of legal legitimacy linked to moldering maps notwithstanding.

The South China Sea is more like a gymnasium where the new hunk is challenging the incumbent gym rats at every point on the circuit.

But it's only a sideshow. Under Mr Xi, China is more interested in soft power. Consider the government's initiative to forge the "maritime Silk Road", a kind of reverse version of the old land-based trail from the Levant to China.

This one starts in China and culminates in Africa, where China has been developing influence for years and dolloping out aid. Along the way sit ports of call offering commercial ingress to the economic powers of the future, from Southeast Asia to the Middle East and nations on the east coast of Africa.

China's shipping leadership is not without its drawbacks. If anyone can say definitively how a stringent new tax on foreign shipping interests in China will play out, we've yet to see it. Circulars by law firms have been unable to make sense of the fine points and no-one knows how it will be enforced.

The stand-off between China and Japan is worrying, and, like the one in the South China Sea, could conceivably create mischief to maritime trade.

But overall, expect shipping under Mr Xi to be a robust affair, pursuing commercial imperialism much in the way that the British Empire did in its heyday.

It's not all about flexing muscles. The P3 decision underscored that necessity of fairness in global maritime trade, and signalled China's global durability, the growing clout of a nation upon whose interests the sun never sets. ☀



## Danish duo raise the bar for Maersk Line as competitors struggle to keep up

02

**Nils Andersen  
and Søren Skou**  
AP Moller-Maersk

MAERSK Line's financial results continued to defy gravity throughout 2014, with the Danish carrier expected to post a full-year operating profit in excess of \$2bn after three consecutive strong quarterly results,

The July to September outcome of \$685m was the highest since mid-2010 for the world's largest containership operator, while its return on invested capital soared to 13.5% from 10.8% in the previous three months.

This was the eighth consecutive quarter in which Maersk had beaten its target of a five-point margin over the industry average. Indeed, in the third quarter, the gap was 8.5%.

Maersk Line's results have not been lifted by the market, which remains fragile, but by a forensic look at every aspect of the business to take costs out of the system and remove waste. Maersk is not relying on a price recovery to sustain the bottom line, but a far more efficient network that keeps ships' utilizations high.

Behind this performance are AP Moller-Maersk group chief executive Nils Andersen and Maersk Line chief executive Søren Skou, who are proving to be a formidable team.

Not everything went their way in 2014, however. The planned P3 network of Maersk, Mediterranean Shipping Co and CMA CGM was abandoned in June after China's Ministry of Commerce concluded it was anti-competitive. But within weeks, Maersk had negotiated the 2M vessel-sharing agreement with MSC that

will start in January with joint operations in the three main east-west trades.

For Mr Andersen, the results of the group's logistics division Damco remain a disappointment, with 12 months of losses.

But it is Maersk Line's exceptionally strong financial results at a time when most other lines are not doing well that has kept the two men in charge among the elite group of the most powerful people in shipping.

Industry analysts point out, though, that this has been no sudden success story, with work starting in the wake of the difficult P&O Nedlloyd takeover to transform Maersk Line's financial performance.

It has been a long haul, with some roller-coaster results and the line still deep in the red as recently as 2011, when it lost \$553m and an effective

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Maersk is not relying on a price recovery to sustain the bottom line, but a far more efficient network that keeps ships' utilisations high

embargo was imposed by the group on any further ship investments until the results improved.

There have been no new orders since the Triple-Es in 2011, but that is about to change as Maersk prepares for new capacity requirements from 2017. Discussions have already started with shipyards, with the first orders expected to be signed in the early months of 2015



for both very large ships and smaller vessels needed for emission control area trades.


The line also continues to head the field on environmental matters, recently announcing a new CO<sub>2</sub> target. The objective now is a 60% reduction in carbon emissions per container transported by 2020 compared with the 2007 baseline. The previous target had been

40%, which was reached this year.

That's why Maersk Line ships will continue to steam very slowly, whatever happens to bunker prices. For it is not just a matter of fuel efficiency, but reducing pollution, say the two men who have transformed Maersk Line into a world-beater in every sense.

Whether good results or bad, Maersk has become one of the most

financially transparent shipowners in recent years in an industry still instinctively secretive, with both Mr Andersen and Mr Skou comfortable in the limelight and willing to show true leadership while restoring Maersk Line's financial fortunes after some difficult years.

Nils Andersen and Søren Skou were among the first three in the Top 100 in both 2012 and 2013. 

## “We are not sending any signals to anybody; we just try to have a fair price.”

03

### Opec and the oil men

FOLLOWING the decision by the Organisation of Petroleum Exporting Countries not to cut production on November 27, secretary general of the cartel Abdalla El-Badri told reporters in Vienna: “We are not sending any signals to anybody; we just try to have a fair price.”

If Opec were sending signals, we could guess where those emissions would be directed. The US shale gas industry has changed the global political calculus of Big Oil and its impact on markets — shipping markets included.

Plainly within Opec's sights, shale gas production has been the primary cause of oil's dramatic price drop of almost 40% to around \$70 in the first week of December from \$115 in June.

The cartel's strategy, led by Saudi Arabia, the world's biggest oil exporter, is to keep the price of oil down long enough for US oil drillers using fracking and other costly methods to extract oil from shale deposits in places like North Dakota and Texas to be pushed out of the business.

Opec does have tremendous firepower over pricing, but the organisation itself is under internal pressure. Venezuela, another cartel member, faces

default on sovereign debt in the wake of collapsing oil revenues. Nigeria has had to raise interest rates.

Iran has stayed officially silent on the move, but an Iranian news agency reported that oil minister Bijan Zanganeh said the decision wasn't beneficial to all Opec members. That would imply that keeping the price down for a period long enough to wreak havoc on shale gas producers will be difficult.

For the short term, the benefit to the global economy looks good. Financially unstable oil producers will suffer. But oil prices at less than \$70 per barrel will be a windfall for consumers and businesses, who will put those savings from lower energy costs toward purchases and investments.

Shipping will also share this smorgasbord. Lower bunker prices will help cash-strapped owners and give pricing power to healthy ones. Cheaper oil has already led to heightened import demand, keeping very large crude carrier rates at levels owners have not enjoyed for years.

“The positive market fundamentals for tankers thus just got better,” said research group RS Platou in a note following the Opec move.


The benefit of rising import demand for goods will depend on how long the low oil price persists. Both the person on the street and governments will have more spending power.

Consumption by the former could stimulate appetite for goods in rich countries and increase export demand from Asia. Governments will be able eye physical stimulus packages, conceivably giving rise to heightened demand for iron ore and other commodities. And they will be more inclined to keep interest rates where they are, or retain bond-buying programmes.

Or all of this could be this year's flash-in-the-pan. Opec could relent, curtail its output as it has in the past, and bring the price of crude to a level comfortable enough to satisfy its more fractious members. That would leave its shale gas opponents free to frack another day.

But even if Opec succeeds in restraining the shale gas industry, it hard to see a scenario in which that industry retreats for long. Its own production costs have tracked downward over time. A relatively young industry, it will continue to find production savings. Fracking is here to stay.

The rivalry between the cartel and outside producers has just begun. That has to be a net positive for the world economy — and for shipping.

This is the first time Opec has appeared in the Top 100, though dominant member Khalid Al-Falih, chief executive of Saudi Aramco, featured in 2011, 2012, 2013 and again this year. 



## Financing is deemed one of this shipowner's key strengths

04

**John Angelicoussis**  
ASG

JOHN Angelicoussis goes up one place this year as his group continues its expansion in virtual defiance of most of the fancier trends in the industry.

Mr Angelicoussis' experience of the public capital markets predated virtually all of today's crop of listed shipping companies. He wrestled to make Anangel-American Shipholdings a success on Amex between 1987 and 2001 and since taking the company private has never pursued another listing.

He is also known to dislike much of the influence that private equity and hedge funds have wielded in shipping

during the last few years, particularly in their impact on the order book.

So far his group has been able to ignore fashionable funding alternatives as financing is deemed one of the owner's strengths. A strong relationship with a number of leading banks has often enabled him to secure financing ahead of other companies.

While Mr Angelicoussis may appear to be in the classic mould of private shipowners and likes to keep away from the spotlight, he and the group are not entirely unwilling to engage in more exotic pursuits.

Its Maran Nakilat joint venture with Qatari gas transporter Nakilat goes back to 2005 and has been one of the most active spots in the Greek owner's empire. Initially formed for the group's first four steam turbine-driven liquefied

natural gas carriers, three new LNG carriers were added in 2014, expanding the fleet to 11 vessels.

The joint venture also obtained refinancing of \$807m provided by Qatar Islamic Bank and Barwa Bank. Nakilat has increased its stake to 40% but Mr Angelicoussis' Maran Ventures retains majority control of the venture.

One collaborator describes the owner as "willing to expand in new sectors provided that he maintains control of his assets." That includes an aversion to using the services of third-party managers.

The joint venture vessels sit within an overall Maran Gas Maritime fleet of 11 LNG carriers on the water and a further 15 newbuildings under construction at Daewoo Shipbuilding & Marine Engineering and Hyundai

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Heavy Industries. The number is poised to grow as Maran has clinched an agreement with DSME to exchange two very large crude carrier newbuildings, ordered earlier in 2014 by Maran Tankers, for two more LNG carriers. Two VLCC options have also been traded in favour of LNG options.

It is the second time that, in effect, the group has replaced VLCC contracts

with LNG orders at the yard, having done a three-vessel swap in 2011. It shows the owner's flexibility and decisiveness in the face of changing market signals.

Remaining loyal to just two or three major builders is another trait seen as giving the owner the edge on obtaining better prices and cooperation. The group has been fond recently of ordering an extra vessel or two in

order to receive a better average price from the yard.

Maran Gas Maritime, now well-established as a blue-chip manager of LNG carriers, is expanding from a secure base as most of its vessels are long-term chartered, the majority of them to BG Group. It is understood that the company is eyeing at least a tranche of BG's next round of chartering requirements.

## So much of the risk appetite folded into shipping markets comes from presumption that OPM can be summoned

05

### Other People's Money

HISTORICALLY, ship financing has been like an evening that has a louche trajectory, starting at the Four Seasons and ending up at Rick's Café in Casablanca, with everybody looking for a way out.

The question of who ultimately pays in shipping has never been more relevant than it is today. Private equity has underwritten the latest surge in newbuildings, replacing positions abdicated by European commercial banks. But that's only part of the story. Before you get to Rick's, there's the bond and equity markets.

That's where you find dosh to convince the banks to roll over your debt and, if you're a private equity investor, pay you back for your long-suffering support – presumably at a gain of 20%.

So much of the risk appetite folded into shipping markets comes from presumption that this personage – Other People's Money – can be summoned. The past two years have been mostly favourable to shipowners armed with a story and a private equity

backer to raise funds in New York. When investors lost confidence in common shares, vehicles promising stable payouts like master limited partnerships have come into vogue.

But it will be a frightening thing if, in two years, confidence in shipping equities remains low and private equity investors, itching to get out, start looking for other avenues.

The risk in relying on mighty OPM to open the till is easy enough for private equity to shoulder because losing a billion here or there is a painful but thinkable setback for PE investors with many more billions across other sectors.

One possibility for these (by definition) short-term investors would be to exit for better prospects and simply admit the loss. That's a big downside, but a bearable one.

It's less endurable for shipowners, whose assets are priced according to supply. A sweeping private equity exit

would flood the market with second-hand sales, deflate ship prices, create havoc with loan-to-value ratios and force consolidation.

Most of this would end in a season of misfortune, wrong-footing all but those rare shipowners with durable free cashflow and a winning business model.

But shipping isn't an all-or-nothing game, if public markets can be convinced of its long-term earnings viability. That's why wooing OPM has become a beguiling characteristic of the master shipowner.

George Economou, the chief executive of DryShips, laid down the example for all to follow in October. Facing a stark deadline of December 1 to pay \$700m to convertible bondholders, he first launched and then pulled a secondary stock offering to help pay the debt.

Problem was, news of the offering was driving down the shares of sister

Buying shares in shipping companies will have to become a lot more attractive to common shareholders than it is today



Maran has evolved into a pure LNG operation having disposed of an earlier interest in the very large gas carrier segment of the LPG sector. This concentration on specific types of vessel can also be seen in the other arms of the Angelicoussis Shipping Group.

Tanker company Maran Tankers controls a fleet of 37 tankers in service

and 26 of these are VLCCs, with seven suezmaxes and four aframax.

The 48-ship dry bulk fleet of Anangel Maritime Services is dominated by 39 capesizes and very large ore carriers. Of the remainder eight are mini-capes, with just one panamax.

Each of the three companies is among the leaders in its sector.

Mr Angelicoussis' concentration is also evident in wanting to maintain shipping as the core of his business. In addition to his position in the industry globally, his impact on Greek shipping is broad and profound. He is a supporter of the Greek flag, the country's maritime education system, and other organisations, including Helmepe and the Greek Technical Managers' Association, Martecma. 🌐

company Ocean Rig, also controlled by Mr Economou, but in the distinctly different business of oil drilling. DryShips is a major investor in Ocean Rig's stock.

Mr Economou returned to investors, this time with a bouquet of roses and an engaging smile – accompanied by a pledge of \$80m of his own money. The gambit worked. Mr Economou repaid the debt.

Compare Mr Economou's overture to the message sent in a recent \$181m secondary offering for Capital Products Partners. In the deal, the limited

partnership repurchased \$60m worth of common share units held by the partner, Capital Maritime.

The share price sank, as it often does during an add-on offering, but the payout, revealed at the 11th hour of the offering, contributed to the fall. "You typically want to see the partnership participate [in the offering]," an investor told Lloyd's List. The limited partnership's stock was down 4% on Dec 1 to \$7.82, near its 52-week low of \$7.31.

The stock markets are all reacting to macro factors – DryShips, Ocean Rig and many others are trading down

– from the fall in oil prices to the failure of a dry bulk rebound to emerge in the second half of 2014.

But for shipping markets to make a smooth transition to the next phase of capitalisation, buying shares in shipping companies will have to become a lot more attractive to common shareholders than it is today. That will depend on a better explanation than eco ships, cost efficiencies and "cautious optimism" about global demand from listed owners.

The alternative is Rick's Café, waiting for a miracle to happen... 🌐





## Change of guard at MSC as Gianluigi Aponte hands over to son Diego

06

### Aponte Family Mediterranean Shipping Co

GIANLUIGI Aponte officially handed over to his son Diego in October, promoting him to president and chief executive of Mediterranean Shipping Co. But few expect the man who has built up MSC into one of the biggest shipping groups in the world to be far from the action, regardless of the formal change at the top.

Indeed, the statement announcing Diego Aponte's appointment also said his father would assume a new role as group executive chairman and would continue to oversee all group-related activities and "help his son shape the future of MSC".

What the Aponte family has done, though, is to confirm succession plans for a company that has gone from strength to strength over the past year, particularly as far as its container shipping business is concerned.

MSC now operates a fleet of 460 ships of around 2.4m teu, double the capacity of just eight years ago, with

another 31 on order including the largest in the world. MSC Oscar, which will join the fleet in January, has an intake of 19,224 teu, a new record. The ship will be deployed in MSC's Albatross service.

The carrier is second only to Maersk Line in the global rankings.

Indeed, there has been plenty of talk lately about the fact that MSC could soon overtake the Danish line in terms of fleet capacity, given its orderbook. For while Maersk has ordered nothing since its Triple-E vessels in 2011, MSC has contracted a large number of newbuildings via long-term lease deals in recent months. Maersk, though, is expected to resume a newbuilding programme soon, and so may still retain the number one slot.

What is more remarkable about MSC's expansion is that growth has been achieved organically, without any acquisition activity, in contrast to Maersk.

How the two arch rivals compare in terms of financial performance is impossible to tell. For while Maersk publishes detailed accounts, and in recent years has managed to out-perform all those that also release their results, the Geneva

company gives nothing away about its profitability.

Despite having little on which to judge the MSC business, which includes cruiseships and ports as well as container shipping, most industry pundits regard Mr Aponte Sr as one of the sharpest minds in the business, with a hands-on approach that means he understands every facet of the industry.

But it may have been hard for the single-minded Gianluigi Aponte to have accepted that even MSC could no longer operate alone in the cut-throat global container trades. So it was Diego who led the negotiations, first with Maersk and CMA CGM, on the P3 Network. When that project folded in June after China vetoed the alliance, MSC went ahead with the 2M alliance with Maersk that will cover the main east-west trades.

In both cases, it was made clear by the participants that the younger generation was taking the lead on these initiatives.

Diego Aponte joined MSC in 1997, sharing an office with his father for much of the time as he prepared to eventually take over. He was chairman of the ports

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division Terminal Investment Ltd when MSC boosted its bank balance by \$1.9bn through the sale of a 35% stake.

Mr Aponte Sr, now in his mid-70s, is convinced shipping companies are best in family hands.

While Diego has focused on the container shipping and ports sectors, his elder sister Alexa concentrates on

the cruise line, along with her mother, and her husband Pierfrancesco Vago who is chief executive of MSC Crociere. He, though, had €33m (\$41.1m) of assets seized by the Italian authorities in October over allegations of tax irregularities.

That is the sort of publicity that no company likes, let alone media-shy MSC

Despite clear signs of a more relaxed attitude towards publicity, MSC and the family that owns it usually prefer to keep out of the spotlight, whether in the case of good news or bad — the exception being cruiseship naming ceremonies.

Like their father, Diego and Alexa have kept a relatively low profile, with

## Focused, private and disciplined — could this be the secret to his long-term influence in shipping?

07

### Eyal Ofer Zodiac Group

DISCIPLINE is the word that continuously comes up when discussing Eyal Ofer's influence in the industry.

Where some are flirting outrageously with other people's money, here is a private man with enough financial clout and market nous to play the cyclical game seriously by his own, more traditional rules.

No rushing in, or out. No pandering to short-term shareholder demands. The consensus view from those who know him best is that is a man who understands the markets with forensic detail and will hold the line, or play aggressively, as and when he needs to.

History helps here; after all, he learned from the best, but he is also able to call on a phenomenally diverse input of market information, thanks to his position as one of the most well-connected men in the business.

"They [the Offers] are the most savvy market players out there," said one of his peers on this list. "They make the right calls, they hold their nerve and they play it well. They have the discipline and deep enough pockets to allow them to make moves that very few others can make."

The elder son of the late, great Sammy Ofer is very much in the mould

of his father and, under his supervision and direction, his two sons, Daniel and David, are following suit.

While Eyal Ofer is the name on the list, this is still very much a family business, supported by a close-knit group of some of the sharpest minds in the business.

When Eyal and his younger brother Idan decided to split their business interests and the fleet, they effectively created two new dynasties that were free to pursue their own agendas.

That division was a well considered and equal distribution of assets and while the different strategic directions of the two groups are now starting to emerge, we found very little to separate the two this year.

Their position in this year's Top 100 is in effect a joint ranking, with Eyal only outranking his brother by virtue of seniority. While one could argue that the split fleet should dilute their individual influence, we can concede that prior entries into this most subjective of annual rankings perhaps underestimated the purposely private power they hold in the industry.

Ironically it took a seismic splitting of the business to shed some light on the full scope of their influence and power.

The current Zodiac fleet now consists of well over 130 vessels and there's a healthy orderbook wrapped up that figure, so we fully expect to see that


growing imminently. "Quiet but active" was the word from inside the Ofer camp.

They are diversified across containers of all sizes, crude, product, LPG and chemical tankers, capesize, handy and panama bulk carriers and a dozen or so PCTCs for good measure.

This does not include Eyal Ofer's offshore company, OMNI Offshore Terminals, nor his interests in Royal Caribbean Cruise Lines, where he is the second-largest shareholder. Nor does it touch on the significant real estate holdings or substantial other non-shipping investments.

Scale is obviously an important factor to consider when it comes to Eyal Ofer. Market chatter suggests funds have come knocking on his door this year, presumably interested in tapping the internationally respected management that seems to make consistently profitable plays.

The fact that we have not seen any such approaches result in action suggests they don't see the need. When you have that depth of market penetration as a private player and the cash to move with scale when you see the opportunity, why would you alter a tried and tested formula built over generations?

Eyal Ofer featured in the Lloyd's List Top 100 in 2013. Prior to that, at the Ofer family featured collectively in 2012 and 2011. Sammy Ofer featured in 2010. 

no biographical details of them on MSC's website.

But Diego Aponte, who is already stamping his authority on the business, will undoubtedly find himself at the centre of attention in the coming months and years as the rest of the industry watches to see how he matches up to his famous and hugely-successful father 🌐

Despite clear signs of a more relaxed attitude towards publicity, MSC and the family that owns it usually prefer to keep out of the spotlight, whether in the case of good news or bad



# A global entrepreneur who plays the shipping markets with focused determination

08

**Idan Ofer**  
Quantum Pacific  
Shipping Group

“I LIKE to think of myself as an industrialist,” Idan Ofer said earlier this year, when talking about his involvement in Qoros, a China-based auto manufacturer that is a joint venture between Israel Corp and Chery Automobile.

Given the parlous state of the European car market, this would not seem a sensible moment to launch a

new car brand, but Mr Ofer has built a career and a fortune on being able to spot an opportunity at the right point in the market — in this case with China auto exports — and is prepared to play the patient investor.

Deep pockets help in this approach, but like his elder brother Eyal, he is revered as an intelligent, informed player who is prepared to move with scale and aggression where he sees an opportunity.

It is, of course, his shipowning interests that land him on this list, but it should not be forgotten that his business

interests outside of the maritime sector are extensive, spanning real estate, chemicals, power, technology, fertiliser and part of the more innovative end of the automobile industry.

He’s also a philanthropist, notably gifting the London Business School a newly refurbished Sammy Ofer campus this year, and was a founding partner of the influential environmental think tank and non-governmental organisation, Carbon War Room.

With the division of shipping business interests between Idan and Eyal Ofer now firmly established, the two separate shipping dynasties are taking shape and starting to differentiate themselves.

Over the past year, Idan Ofer’s Singapore-based Eastern Pacific has upped its gas carrier fleet by four vessels, with rumours of more to follow, while Eyal Ofer’s Zodiac has scaled back slightly.

Idan Ofer also beat a number of other contenders in the race to secure the Blenheim Shipping Aframax tanker fleet.

Late in the year, reports emerged that Mr Ofer’s Quantum Pacific Group was acquiring a significant stake in the mega-containership newbuildings that were ordered over the summer by the Monaco-based Scorpio Group for bareboat charter to Mediterranean Shipping Co.

Perhaps the biggest headline of the year was the abandonment of a \$200m equity raise in Oslo for Quantum Crude Tankers.

The unfortunate investor backlash was more a case of right place, wrong time and insiders insist the appetite to return to this deal is still there when a window of opportunity opens again. Whether they return to Oslo or New York remains to be seen.

With a diversified fleet currently totalling 119 vessels including newbuildings, such temporary setbacks are just that and it should not be forgotten that





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discipline and a long-term view are very much traits that run in the Ofer family.

Idan Ofer, who now lives in London, has several other shipping interests. He is the majority shareholder in NYSE-listed ultra deepwater drilling contractor Pacific Drilling, a major global player in the ultra deepwater drilling sector, with six drillships and two deepwater units under construction at Samsung Heavy Industries.

He owns a controlling stake in Israel Corp, Israel's largest public holding company listed on the Tel Aviv stock exchange, that reduced its shareholding in Zim from just under 100% to 32% as

Those who know him best talk of a man with a vision and passion for everything he gets involved in

part of a restructuring of the Israeli shipping line.

Together with Udi Angel, Mr Ofer also jointly owns XT Group, which has a sizeable shipping fleet.

Those who know him best talk of a man with a vision and passion for everything he gets involved in. Given the breadth of his interests, that requires

some serious energy and focus, but somehow growth is also always on the agenda.

Speaking to the Financial Times earlier this year, he said: "The thing I'm most proud of [in business] is what usually takes five to 10 years — building a new business from a clean sheet."

Watch this space. 🌐

## Lauro heads one of the biggest bets in shipping



09

Emanuele Lauro  
Scorpio Group

LAST year, Emanuele Lauro vaulted into our Top 100 for the first time straight at no.2 after Scorpio Group ratcheted up more newbuilding orders than anyone else in the dry bulk and tanker sectors. The Scorpio franchise has also proved a phenomenal fundraiser in the equity markets.

A vast newbuilding programme of product tankers is well under way for Scorpio Tankers, which at the time of writing has 51 owned vessels in the water and another 26 under construction. It also holds a 16% stake in Dorian LPG.

Meanwhile Scorpio Bulkers has just taken delivery of the first two units in its own 80-strong order book of capesizes, kamsarmaxes and ultramaxs.

As the new ships continue hitting the water, Mr Lauro can reflect on a bumpier than hoped-for 12 months. A lower ranking than last year seems warranted. But, taking the tanker and dry

bulk plays together, Scorpio's is still one of the biggest bets in shipping.

If there are clouds, they are mainly on the dry bulk side. Scorpio Bulkera took one of the worst beatings among bruised shipping stocks in the latter part of 2014.

However, even there, the fundamentals of the investment strategy seem to be very much intact. "The entry price is low and we are going to have quality assets and low leverage," says Mr Lauro.

"The quality of the yards that we chose and of the resales that we bought is still enviable. The fleet list is probably the best dry cargo fleet out there and we

are looking forward to the deliveries as the company will start to shape up."

On the lack of confidence in the dry bulk sector, in particular, Mr Lauro says: "I think we just have to stomach it. Of course, you can never be proud of your investors losing money."

Candidly, he admits a loss-making ploy of chartering-in dry bulk tonnage in 2014 was a case of pure bad judgement. "You should always raise your hand, admit it and own up – with a plan to fix it," he says of problems.

He also believes "there is never a more appropriate time to take action than when you realise you made a mistake. We

don't believe in just hoping and waiting for things to get better in order to act."

This was illustrated recently when Scorpio Bulkera raised \$150m in equity from existing backers, with 10% of that amount being put up by Mr Lauro's private company. As painful as it will have been to sell shares below net asset value, the move covered most of the company's estimated funding gap for the newbuilding programme.

Another success has been financing its orderbook. By about end-2014 or very early 2015, it is expected the last unfinanced bulkers will have been covered.

## His legendary gut instinct remains intact, but what does the shipowner's shipowner have to prove?

10

### John Fredriksen Seatankers

HAS John Fredriksen got the stomach for shipping any more? It seems unthinkable to consider a top 10 list of the most influential in shipping without Big John on it.

But, in the wake of his very public divorce from long-term partner Tor Olav Troim earlier this year, we have to consider what the 70-year-old tycoon has left to prove to anyone, himself included.

The post-Troim empire is little dented in terms of scale and scope of influence, so while Mr Fredriksen may have slipped slightly down our ranking this year, it's fair to say that Mr Troim is the one with something to prove here.

But the split has highlighted some fundamental differences of opinion between the two men when it comes to risk and strategy, raising the inevitable question whether Mr Fredriksen will continue at the helm or start selling and see out his days as an investor.

Despite a career built on instinctive, ballsy plays, many of those who know the two men best suggest Mr Fredriksen was the more risk-averse element in the latter stages of the sometimes fractious 19-year partnership.

Perhaps that had more to do with Mr Troim's offshore ambitions and his desire for ever more financially sophisticated operations.

Mr Fredriksen is still, at heart, a traditional shipowner with a broker's eye for a deal, more concerned with the movement of oil than the oil markets themselves.

He is still certainly prepared to take a risk, but he seems less inclined to go where his expertise and legendary gut instinct does not allow him to understand the nuances.

Mr Troim meanwhile had looked increasingly uninterested in traditional shipping for some time and his quest for a less commoditised, less leveraged space seems to be taking him into the realm of the industrialised tech firm, using language more associated with the energy hedge funds.

Both will no doubt welcome the relative peace and an end to the

old-married-couple bickering that ultimately became intolerable.

However, they will inevitably miss what each of them brought to the table.

This was a relationship where, by all accounts, one plus one equalled more than two and the achievements of the dynamic duo are plain to see.

While Mr Fredriksen has arguably been lower-profile of late, he has not exactly been looking like a man about to embrace retirement.

Timing, of course, is his speciality and that means knowing when not to move as well as when to make a big, transformative splash.

The merger of Golden Ocean and Knightsbridge will give him a consolidated dry cargo operation and with rumours flying of imminent LNG purchases and a single, merged Frontline-Frontline 2012 operation on the cards, he seems to be returning to simplified shipping.

Of course all that could be ably handled by the trusted ranks of talented management that Mr Fredriksen has a habit of finding and putting in place, should the right exit deal present itself in due course.

Meanwhile, Scorpio Tankers seems to be on a solid footing. It recently increased its dividend by 20% and the company is still expanding, with two long range (LR2) newbuilding resales being acquired for \$60m as recently as the third quarter of 2014.

Another respect in which Mr Lauro's footprint has grown has been an apparently successful diversification into the containership sector, with the ordering of a series of three 19,200 teu boxships for long-term charter to MSC, plus options for another three.

Recently it was reported that Idan Ofer's Quantum Pacific Group is

becoming a partner in the ships.

As the grandson of legendary Italian owner Glauco Lolli Ghetti, Mr Lauro, who is still only 35, has an impressive pedigree in shipping. But he somewhat humbly admits to drawing inspiration from many other personalities in the industry, as well as from his collaborators.

"I take pride in the people that I have been able to surround myself with, so whatever recognition might come my way, it should be a shared recognition," he says.

"It's not about the number of orders, or the amount of money we have raised, or the number of ships we have in pools.

"I think the thing we got right was to realise that the industry was changing and realise that across the board, in the different segments, there are fundamental changes.

"Now Wall Street plays a big role. You need to adapt to a changing industry and not be left behind, and to understand that investors are prepared, smart, do their homework and can contribute to the industry.

"You have to be prepared to give up control," he says. "Some can't contemplate that at all." 🌐

*Mr Lauro appeared in the Top100 for the first time in 2013.*



This year's ranking of the richest people in Norway by Kapital Magazine puts Mr Fredriksen's fortune at more than \$16bn and while shipping has always been his passion, investments elsewhere, notably in fish farming, are no small minnows.

The fact that he has also been increasingly putting his spare capital to work in less risky property and high-yield bonds may also suggest that words like succession and legacy have been playing on his mind.

This year's ranking of the richest people in Norway by Kapital Magazine puts Mr Fredriksen's fortune at more than \$16bn

Mr Fredriksen's influence and reputation remain intact this year and he is still the measure by which most other entrepreneurial shipowners rank their achievements.

How much longer will that be the case? Well we certainly hope it's a little while longer because frankly there is no obvious successor to the crown in sight yet. 🌐

## PSA International marks another year of steady progress

### 01 Tan Chong Meng, PSA International

IT HAS been another year of “steady as she goes” for PSA International as the state-backed port giant continued to make technical adjustments to its portfolio to meet the needs of shipping line alliances and larger vessels.

In terms of developments, chief executive Tan Chong Meng has overseen the opening of the LYG-PSA Container Terminal in Lianyungang, which has a full-build-out design capacity of 2.8m teu.

This is the operator’s first foray into the Yangtze River Delta region.

This year, it was also awarded the concession to develop and operate a new terminal in Jawaharlal Nehru and work started on its Mersin expansion project.

### 02 Eric Ip, Hutchison Port Holdings

ERIC Ip took over as managing director of Hutchison Port Holdings from John Meredith in January.

Last year the port company maintained its position as the number one global container terminal operator by total volumes with 76.1m teu handled in 2013.

In terms of developments over the last year, HPH Management sold the bulk of HPH Trust’s stake in Hong Kong’s Terminal 8 in March for \$319m to China’s Cosco Pacific and China Shipping Terminal Development.

In June Hutchison Port Holdings subsidiary Barcelona Europe South Terminal held a ground-breaking ceremony for the next phase of its development.

### 03 Kim Fejfer, APM Terminals

KIM Fejfer-led APM Terminals maintained its position as the world’s second-busiest terminal operator in terms of total throughput last year as its facilities handled 68m teu.

In the first nine months of 2014, APM Terminals, following broad growth across its portfolio of terminals, saw volumes jump 7% from 27m teu to 28.9m teu.

In the third quarter, the port operator completed the sale of the 100% share of APM Terminals Virginia in the US and a 50% share in Terminal Porte Océane, Le Havre, France, for a combined gain of \$359m.

Additions to the network came mainly from the acquisition of NCC Group by Global Ports Investments, in which APMT has a 37.5% stake, in Russia during 2013 and completion of the jointly owned Brasil Terminal Portuario in Santos.

Next year, APMT will benefit from the first full year of operations at hi-tech Maasvlakte II in Rotterdam.

### 04 Mohammed Sharaf, DP World

LAST year, Mohammed Sharaf oversaw the addition of 1m teu to DP World’s flagship Jebel Ali terminal and opened the 1.6m teu London Gateway facility and phase one of the 1m teu Embraport terminal in Brazil.

This year DP World has opened the 4m teu Terminal 3 development at Jebel Ali and a new automated terminal in Brisbane. It has also announced plans for the \$2.6bn acquisition of Jebel Ali Free Zone assets.

Next year will mark the start of operations at Rotterdam World Gateway, which it will run in partnership with Mitsui OSK Lines, Hyundai Merchant Marine, APL and CMA CGM.

### 05 Fu Yuning, China Merchants

CHINA Merchants has been aggressively expanding its ports portfolio in recent years and further growth is expected in the future.

Its early 2013 purchase of a 49% stake in Terminal Link, the CMA CGM port-management arm, for \$534.8m has propelled China Merchants into the top five port players by equity throughput last year.

In 2014 it continued its overseas expansion by co-investing \$601m with a major mainland construction company in a second phase of port development in Sri Lanka.

It also announced plans to issue up to HK\$15.4bn (\$2bn) worth of mandatory convertible securities to shareholders, in a bid to fortify its balance sheet for future acquisition and development.

### 06 Li Yunpeng, Cosco Pacific

COSCO Pacific, the Hong Kong-listed port arm of Chinese state giant Cosco Group, is looking at further expansion opportunities in China and other countries after purchases of stakes in two terminals earlier this year.

While not ruling out expansion in developed nations, where it has enjoyed strong throughput growth this year, the company will focus more on terminals in emerging economies for their growth prospects.

Having completed deals for 40% of Hong Kong-based Asia Container Terminals (Terminal 8 West) and 25% of an

iron ore terminal in Dongjiakou, two transactions totalling \$269.7m, Cosco Pacific still held cash reserves of \$929.2m as of end-June.

In early December, it also signed a deal to develop a new terminal in addition to existing facilities in Piraeus.

## 07 Vikram Sharma, TIL

IN TERMS of new terminal investments it has been a quiet year for the Mediterranean Shipping Co majority-owned Terminal Investment Limited after Infrastructure Partners took a 35% stake in the company for just over \$1.9bn in 2013.

The only announcement of note is TIL's investment in a 29% share in APM Terminals Callao. The deal appears to make sense as MSC is the port's largest customer.

It is also reported to be one of the bidders to build and operate terminals at soon-to-be-privatised Haifa and Ashdod in Israel.

In May the operator was also given permission to re-organise operations at Antwerp.

It will take a stake in a new company, PSA DGD, which will operate a terminal at Deurganck Dock that will provide improved access to the largest vessels.

The terminal operator also hit the headlines this year when a dispute over calls of non-MSC vessels at its terminal in Valencia spilled out into the press.

## 08 Fang Meng, China Shipping Terminal Development

OVER the last few years, the China Shipping-owned terminal operator has faced the same issues that many shipping company-owned port businesses face; the parent company is looking to sell assets to reduce debts.

In 2013 it sold a majority stake in strategically located Lianyungang port to PSA for around \$120m and disposed of terminal assets to a Hong Kong affiliate for a \$142m gain.

However, this could well be the end of its terminal divestment and this year it expanded its footprint when China Shipping Terminal Development bought a 20% stake in Hong Kong's Terminal 8 West.

## 09 Chang Yung-fa, Evergreen

THE main development for Evergreen's terminal business over the past year has been Evergreen Line's decision to axe calls at its Taranto facility.

The shipping line said the decision to cut calls to the port was part of a contingency plan it had implemented while the Port of Taranto Authority dredges the port's harbour to allow larger vessels to call at the port in the future.

Evergreen's box terminals are mostly designed to support its liner activities. In total, it operates four transshipment hubs, comprising two domestic stakes in Tai Chung and Kaohsiung, and oversees interests in Colon and Taranto.

It remains to be seen whether Evergreen's fleet expansion plans will be matched by investment in container terminals over the coming years.

## 10 Tai Soo Suk, Hanjin

TAI Soo Suk took over as president and chief executive of Hanjin Shipping in March and is faced with the challenge of trying to deleverage the company and return it to profitability.

This challenge is being met through a syndicated loan, by rolling existing loans and asset sales.

Hanjin, which aimed to earn Won600bn (\$542.7m) from liquidation of non-core business, has so far made Won309.5bn from selling controlling stakes in 29 bulk carriers and seven liquefied natural gas tankers.

But the carrier also plans to make Won300bn from sales of shares in terminals, and is to divest from a terminal in Algeiras, Spain. 🌐



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# Star Bulk boss has the biggest dry bulk outfit on Wall Street, yet still eyes further expansion

11

Petros Pappas  
Star Bulk



COMEBACK stories always impress, either through how far their heroes fall in the first place, or else how steep the ascent is in the present. Petros Pappas' story belongs to the latter category and is still on the upswing.

Not long ago, Mr Pappas was quietly awaiting his chance to make a shipping market re-entry, while functioning as chairman of Nasdaq-listed Star Bulk Carriers, then seen as a solid but perhaps slightly humdrum owner of a few capesizes and supramaxes.

As chief executive of Star Bulk since last summer, he is now at the helm of the biggest dry bulk outfit on Wall Street, and skips a group that in all manages 139 vessels.

"That's a lot of vessels," he says, before immediately adding that the intention is to acquire more. "We believe in consolidation, provided you can manage the complexity. Bigger fleets enjoy cheaper prices for products and services, and better access to finance."

At the same time, Mr Pappas is the first to underline that the empire is being built with the help of other people's money.

Oaktree Capital Management is currently majority owner of 103-ship Star Bulk, with 57.4% of the company's shares. The Pappas family and affiliates hold 9.3%, with Angelo, Gordon & Co and Monarch Alternative Capital having stakes of 6.2% and 5.4% respectively.

Star Bulk, which in the past 12 months has absorbed the Pappas-Oaktree Oceanbulk bulker joint venture and an additional 34 bulkers from hedge-fund controlled Excel Maritime Carriers, has already been in talks about a further fleet merger but signs toward year's end pointed to those prospects

cooling for the time being.

With valuations across the industry being in the doldrums, Mr Pappas is fully aware that this ramps up the difficulty of doing some deals.

"If the price of the share is below net asset value, you can merge with companies as long as they don't have dramatic funding gaps or other types of problem that would pull you down in the eyes of investors," he says.

"And investors are much more savvy than a few years ago. They know what to look at better than they ever did before."

At the moment, Mr Pappas sees prime merger candidates as smaller, family-controlled companies that "do not have an ego problem" and want the advantages of being part of a bigger whole.

The operational, technical and commercial platform exists to grow further and this extends beyond Star Bulk's owned fleet, he says.

Outside the dry bulk sector, Mr Pappas is partnering Oaktree in a series of newbuilding containerships. Eight 10,000 teu vessels will be delivered from Hyundai Heavy Industries within 2015

and two 11,000 teu units will follow in 2016 from Hanjin Heavy Industries' yard in the Philippines.

Another joint venture, Product Shipping & Trading (PST Tankers), has a fleet of 17 product tankers. Both ventures "potentially" could be taken public in 2015.

He is also a participant in Madison Crude Carriers, a venture believed to involve Monarch, that has ordered two very large crude carriers at HHI for 2016.

"Shipowners are used to taking quick decisions but things are moving very fast in shipping now. It's nothing like 30 years ago," he says.

According to Mr Pappas, the dynamic expansion has kept the group's offices "focused and excited". Does he feel pressure?

"My workload has tripled," he tells Lloyd's List. "But I am always mentally relaxed as long as I think we are doing the right thing."

"Although some friends in shipping might disagree, I think that going public and going with funds gives you an advantage over the competition, provided you manage the situation correctly." 🌐

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# Commodities super trouper holds the spotlight

12

Roger Janson  
Cargill

IF CARGO is king, Roger Janson is true shipping royalty, now in his fourth year as head of the ocean transportation business for agribusiness giant Cargill.

As well as dominating the world's food commodities flow, Cargill's seaborne trade presence is enormous.

The Geneva-based division oversees shipment of nearly 250m tonnes of dry bulk, oil and oil products for 30 separate divisions of privately held, Minnesota-based Cargill, and for other clients.

Cargill accounted for 284 of the 4,000-odd dry bulk fixtures for the three largest vessel sizes reported in the spot market in the first 11 months of 2014, fractionally more than miner Rio Tinto and freight trader Oldendorff Carriers.

At any one time, agribusiness has some 600 vessels on the water carrying 100 different types of bulk commodities such as grains, ore and coal, vegoils and oil products on around 50 tankers on time-charter.

The mantra of risk management also makes the 149-year-old company the largest user of forward freight derivatives to hedge against volatility in the physical dry bulk market, especially the capesize sector.

Against the headwinds of its poorly performing energy business and declining profits, price gyrations for capesize ships are understood to have impacted on Cargill's bottom line in the ocean transportation division this year.

Nevertheless, Netherlands-born Mr Janson continues to downplay his division's move into ship ownership — the company ordered two vessels last



Netherlands-born Mr Janson continues to downplay his division's move into ship ownership as nothing more than an asset play


year — as nothing more than an asset play.

Cargill makes a point of being seen to support sustainability initiatives in shipping.

This year's efforts involved collaboration with three other partners, Royal Dutch Shell, class society DNV

GL and green advisory firm Xynteo, to look at the use of liquefied natural gas for its ships.

The LNG-fuelled ships initiative follows Cargill's earlier research into alternate power sources.

Cargill also has a part-stake in ship vetting agency RightShips. 

# ‘Winter hug’ statement reflects Cosco’s improved but still struggling performance

13

Ma Zehua  
Cosco

NOTHING signalled this year’s change of stance by China’s biggest state-carrier than one statement made by its boss, Ma Zehua.

Speaking at the annual Cosco-sponsored World Shipping Summit (China), he said: “As far as markets are concerned, we are not just experiencing winter. We are living in the polar areas. Everyone needs to hug each other to get some warmth.

“We should work not only with domestic firms, but also with foreign firms.”

This was a reminder that Cosco’s long-running fight against Brazilian miner Vale is now over. Cosco’s opposition had been instrumental in the blocking of Vale’s 400,000 dwt very large ore carriers from entering China ports by the Ministry of Transport, following lobbying by the China Shipowners’ Association.

In September, under Mr Ma’s watch, Vale and Cosco signed an agreement for strategic co-operation in shipping iron ore. Vale will sell and lease back four of its valemex giants to Cosco and will lease 10 additional ships built by Cosco.

The realism implied by Mr Ma’s ‘winter hug’ statement reflects Cosco’s improved but still struggling performance.

The company reported a profit in the third quarter of \$264.7m, compared with a loss the year before. But the profit was due less to performance than scrapping subsidies, a feature that also boosted earnings performance in Cosco’s state-owned peers.

Mr Ma has overseen Cosco’s fleet renewal this year. As of the end of September, China Cosco operated 185 containerships and 258 dry bulk ships,



and was waiting for delivery on 10 containerships and 40 new dry bulk vessels.

Following asset sales in 2013, which allowed China Cosco to report a full-year profit, the giant escaped the onus of being delisted on the Shanghai Exchange for consecutive year losses.

Mr Ma’s influence in the company has been far-reaching. The graduate from Shanghai Maritime University — who is also a “senior economist”, according to his curriculum vitae — officially succeeded Wei Jiafu as chairman in July 2013.

Since then, the company has been steadily on the mend, improving its debt-to-equity ratio, which now stands at 111%, and getting rid of the “onerous contracts” in the dry bulk portfolio. Cosco this year ordered five more fuel-efficient box carriers of 14,500 teu for 2017 delivery.

Most of the scrapping (18 ships of 500 teu-4,000 teu) was done in the

container shipping division, bringing in Yuan1.65bn (\$268m). Nevertheless, the Hong Kong-listed flagship of Cosco still reported a loss for the first nine months of Yuan654m, reflecting difficult market conditions described by Mr Ma in November.

“Shipping will stay in the trough for a long while. We will continue to see oversupply, low rates, rising costs and narrowing margins [in the dry bulk and container sectors],” he said.

Nevertheless, the Vale deal showed a side of Cosco welcome to change. After years of daunting losses stemming from unchecked expansion at the height of the dry bulk rates market, could it be that Cosco under Mr Ma is finally finding its feet again?

It’s too early to tell, but the possibility is enticing to shareholders that have stuck with Cosco through its dark days. 🌐

# Saudi Aramco seizes more control over oil supplies flowing from Saudi Arabia in 2014

14

Khalid Al-Falih  
Saudi Aramco

SAUDI Aramco's Khalid Al-Falih retains a high position in shipping's power elite, due to the progress the company has been making this year to take as much control as possible over the crude oil supply coming out of Saudi Arabia.

His company's shipping arm, Vela International Marine, received shareholder approval to merge its fleet with that of National Shipping Co of Saudi Arabia, also known as Bahri, in what is the largest merger in Saudi Arabia.

The merger puts the larger entity among the very top of the biggest very large crude carrier fleets in the world, with more than 30 vessels.

The larger fleet allows Mr Al-Falih's company to retain more control over the oil supply chain from the Kingdom, producing the crude and transporting it to customers.

Given the US' emergence this year as the world's biggest oil producer, ahead of Saudi Arabia for the first time in decades – but with no allowance to export that crude – Saudi Aramco is aware of the importance of its export chain to global customers.

And it is not just in the crude industry where Saudi Aramco's influence is felt.

The company is altering global trade flows of refined oil products, expanding its refining capacity through refineries at Jubail, Yanbu and Jizan.

The refineries will have an impact on global tanker trades as greater volumes of products are exported from Saudi Arabia to Western consumers, generating employment over long distances for product tankers.

Crucially, the expansion comes at a time when Europe will need ever



As the man at the helm, Mr Al-Falih retains overall responsibility for the company's impact on the tanker industry

greater quantities of low-sulphur diesel to meet new environmental regulations on cutting pollution from ships' bunker fuel.

As the man at the helm, Mr Al-Falih retains overall responsibility for the company's impact on the tanker industry, a position he has held since 2009.

He also serves as a founding member of the board of trustees of the King Abdullah University of Science and Technology.

On top of that, he is a member of the Asia Business Council and JP Morgan International Council, among memberships of various other boards.

With oil prices falling, all eyes are on the Organisation of the Petroleum Exporting Countries, and its influential swing producer, Saudi Arabia.

Mr Al-Falih, therefore, stands at the centre of global economics, and consequently among the very top of shipping's most influential movers and shakers. 🌐

# Deliberate and methodical, the head of the Navios operations has been busy expanding her empire, one way or another

15

Angeliki Frangou  
Navios Group

IF ANGELIKI Frangou slips a few places this year, that stems more from the restless churn of a global industry and the volatility of market perception than any shortfall on the part of her Navios Group.

As a scion of a Chiot shipping family, Ms Frangou has demonstrated an innate grasp of shipping cycles that has helped bring her group to its current, dizzying peak. But she is also reputed to be deliberate and methodical in planning the next stages of growth, backed up by a powerful in-house risk management team.

For activity, perhaps the past 12 months or so have not rivalled calendar 2013, when about 50 ships were added to her empire. But quarter by quarter, all the companies in the group have reported new transactions, enhancing their position.

Most eye-catchingly, tanker arm Navios Acquisition has now launched Navios Midstream Partners, initially to acquire and own four of its very large crude carriers.

The initial offering of units priced lower than anticipated in a market that has been generally unkind to shipping stocks. But Ms Frangou has already said the move made sense and is being looked at as a yield vehicle for the long run.

She now reigns supreme as the only shipowner acting as both chairman and chief executive of four publicly listed shipping companies.

Navios Group controls 149 dry bulk carriers, 50 tankers and 12 container vessels.



That does not count Navios South American Logistics, in which the group holds a 63.8% stake.

The logistics business, which is destined to eventually become a five stock exchange-listed entity, includes a bulk terminal in Uruguay and a fuel terminal in Paraguay. It holds a \$1bn 20-year port service contract with Vale that is anticipated to generate at least \$35m yearly in operating profits.

The South American operation also includes barge and pushboat convoys in the Hidrovia region, with a fleet numbering more than 360 units for both wet and dry commodities, oil and LPG.

In addition, Navios is active in the Argentine coastal cabotage trade, with six product tankers and it holds Brazilian cabotage contracts for another six tankers.

Navios' origins lay in dry bulk and this was where its development was concentrated in the early years of Ms Frangou's decade of stewardship. It

continues investing in its prime sector, as underlined by the recent acquisition of another capesize for Navios Holdings.

But it is fascinating to watch how the group continually finds ways to increase its upside potential while working hard to protect its downside, a favourite mantra of Ms Frangou's.

In the past 12 months, she has shown an increased appetite for containerships and for very large crude carriers, and there is every sign that there is more to come.

The group's impressive heft and scope are cited as directly contributing to profitability, not least through enabling it to continually improve competitiveness by virtue of its in-house capabilities and economies of scale.

According to Navios, it beats the industry averages for daily operating expenses in all sectors — ranging from a claimed 10% advantage in managing its VLCCs up to a staggering 32% opex margin for Navios Holdings' bulkers. 🌐



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# Hard-working entrepreneur has been busy battling adverse markets to come up with funding solutions

16

George Economou  
DryShips

GEORGE Economou stepped up to the plate in November to inject \$80m of his own funds into Nasdaq-listed DryShips as part of a \$350m equity fundraiser that removed any lingering doubts about the dry bulk and tanker company's ability to refinance its convertible bond, maturing December 1.

For good measure, the company was also able to summon up a \$120m loan from offshore drilling subsidiary Ocean Rig, where Mr Economou — for the time being — is also chairman and chief executive.

These are facts that hint at the optionality that the hard-working Mr Economou has at his disposal, even when he is playing a mainly defensive game, as was the case again in 2014.

He drops in our rankings because much of his energy in the latter part of the year was used up on battling adverse markets to come up with funding solutions — but also because we suspect it's our window of opportunity to do so before he starts making headlines again for other reasons.

Within 2015, the Greece-based entrepreneur is aiming to separate his public dry bulk, tanker and offshore drilling operations into three clearly defined businesses. The plan includes launching an initial public offering for the newly-formed tanker company.

He is also eyeing expanding the separated dry bulk and tanker businesses by consolidating them with about 60 tankers and bulkers from his private Cardiff Marine empire.

If there is help from the market, it is likely to come from the tanker side,



where the public and private entities control a total of 40 vessels.

As far as dry bulk is concerned, Mr Economou has an impressive record of calling the market in recent years. But, as straightforwardly as ever, he admits that “for the first time” he got it wrong in 2014, by twice expecting periods of significantly better rates than those delivered by the market.

He also expects the offshore drilling sector to “suffer for a while”, but Ocean Rig has built up a healthy backlog of contracted revenues that will position it well to navigate any rough period.

His group is also involved in the liquefied natural gas sector, with five carriers, and is believed to be looking at more.

In his own words, Mr Economou is “a guy that has vision but this is always kept in relation to reality.

“In business, you have to sell — but only a little. If you oversell, you become a fool. I’m never going to be a guy who oversells,” he tells Lloyd’s List.

“I’m not putting on a show. I have no axe to grind. I don’t have to prove anything to anybody. I just want to beat everyone out there — in terms of performance.”

# A year of mixed fortunes for China Shipping Group

17

Xu Lirong  
China Shipping  
Group

UNDER the second year of Xu Lirong's chairmanship, China Shipping Group has seen mixed results on several fronts.

China Shipping Development and China Shipping Container Lines, the state giant's two main listed units, both flipped to the black in January-September and look set to post a full-year profit. But both units remained plagued by weak rates.

CSD, the tanker and bulker arm, recorded extraordinary gains of Yuan115.4m (\$18.8m) mainly due to scrapping subsidies from Beijing. Without those one-off items, the company was actually Yuan30.1m in the red.

In the case of CSCL, the company posted one-off gains of Yuan952.5m on some sales of stakes in logistics units and scrapping subsidies. It would have recorded net losses of Yuan288.9m if not for those extraordinary item.

Moreover, China Shipping Group's corporate practices were also questioned by the official watchdog.

As part of China's anti-graft campaign, the National Audit Office reviewed the 2012 financial results of the group and eight of its subsidiaries. It found the group to have accounting standards and financial management, as well as some suspect illegal cases.

While few officials were convicted, China Shipping Group has banned its executives from carrying out private



business to improve business ethics and integrity.

"We need to put the management under scrutiny, establish the ethic standard and enhance auditing efforts, in order to prevent or at least minimise corruption," Mr Xu said in a statement published in July.

There have still been several bright spots, though, as far as forming

partnership and consolidation are concerned.

CSCL, United Arab Shipping Co and CMA CGM have established the Ocean Three network, which is expected to begin operation in end-2014. It has agreed to operate a web platform serving container shippers across the logistics chain with Alibaba, the Chinese e-commerce giant that had a record initial public offering earlier this year.

CSD is set to see Wuhan Iron and Steel Group become its second-largest shareholder via a shares swap deal. The company has also gained control of Shanghai Beihai, a former sister firm that operates 11 tankers totalling more than 700,000 dwt.

All those moves could pay dividends for China Shipping Group in the future. ☺

While few officials were convicted, China Shipping Group has banned its executives from carrying out private business to improve business ethics and integrity



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## The key players in a tough year for claims

### 01 Dieter Berg, Munich Re and the International Union of Marine Insurance

DIETER Berg is senior executive manager marine at Munich Re, thought to be the world's largest marine reinsurer. He manages to combine the day job with a high public profile in marine insurance affairs. Notably he plays an important role at IUMI, having commenced a three-year term of office as its president at this year's annual conference in Hong Kong, which wins him this year's top slot.

### 02 Simon Beale, Amlin

RECOGNISED for his expertise as a specialist marine hull underwriter since his time at Lloyd's, Amlin chief underwriting officer Simon Beale has been with the firm since 1994 and in his current role since 2012. He wields additional influence as a board member of the Lloyd's Market Association and with a seat on the Council of Lloyd's.

### 03 Marcus Baker, Marsh

AS CHAIRMAN of Marsh's global marine practice, Marcus Baker is seen by his peers as "one of the most influential brokers". He has more than 30 years' experience under his belt, and is boss to a team of about 600. Marsh has notably been eyeing up the insurance potential of Arctic shipping of late.

### 04 Andrew Bardot, International Group of P&I Clubs

MORE than just a trade association, the IG is responsible for the world's largest reinsurance contract. A lawyer by training, Andrew Bardot ensures that the IG has a say in all controversies facing the marine insurance sector. This year, the controversies included the IOPC's controversial decision to wind up its 1971 fund and the perennial issue of sanctions.

### 05 Tony Kersey, RSA

TONY Kersey, the global marine claims leader for hull at RSA, has been with the same employer throughout his 44-year career, from which he officially retired this year. Affectionately regarded by his peers as the granddaddy of marine insurance on the claims

side, rumour has it that he may soon return to the market in some capacity.

### 06 Rolf Thore Roppestad, Gard

FOLLOWING the untimely death of Claes Isacson last year, Rolf Thore Roppestad took over the reins at Gard, one of the largest marine and energy underwriting operations in the world, and sources say he has hit the ground running, with the company recently reporting strong growth.

### 07 Clive Washbourn, Beazley

NO LONGER chairman of the Joint War Committee, Clive Washbourn nevertheless continues to carry clout as one of the key London underwriters. "Doesn't necessarily follow the market," commented one source, approvingly.

### 08 Paul Cunningham, Talbot

ANOTHER claims expert, Paul Cunningham of Talbot, is mentioned in some circles as "the Tony Kersey of the future" on account of his extensive knowledge. That is expertise is being put to good use through his chairmanship of the Lloyd's Market Association marine claims group that examines marine-insurance headaches, often for the benefit of the market as a whole.

### 09 Ton Schox, Cunningham Lindsey

TON Schox is global marine practice leader at Cunningham Lindsey, the world's biggest average adjuster, the crucial, if less obviously sexy, end of the marine-insurance scene. Mr Schox and his team have had a busy time sorting out the fallout from the MOL Comfort casualty, and have been instrumental in exposing a number of cargo side scams of late.

### 10 Federico Deodato, PL Ferrari

PL FERRARI is probably the largest dedicated P&I broker in the world, following its management buyout from Aon in 2008. Federico Deodato has spent more than 30 years with the firm, having spent the early part of his career at sea. 🌊

# Under chairman Fu Chengyu, Sinopec will be a central player in the formation of China's new VLCC empire

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Fu Chengyu  
Sinopec

SINOPEC, China's largest oil producer, is also the world's biggest charterer — through its Unipec trading unit — of very large crude carriers, increasingly from the China-owned fleet.

In 2013, 47% of charters by Unipec, Sinopec's trading arm, were with the four national tanker franchises, subsidiaries of four state-owned conglomerates, up from 40% in 2010.

It's natural, then, that under chairman Fu Chengyu, Sinopec would be a central player in the formation of China's new VLCC empire.

In August, two state-owned firms, China Merchants Energy Shipping and Sinotrans & CSC formalized an agreement for a new company, China VLCC, to take over CMES' nine VLCCs on the water and 10 on order.

The two sides say further expansion is on the cards: many expect Nanjing Tanker — the Sinotrans & CSC subsidiary that is now under court-ordered restructuring — to be a takeover target.

The forces behind the deal are China's State-owned Assets Supervision and Administration Commission, the owner of both CMES and Sinotrans & CSC, and Sinopec, which is CMES' number two shareholder.

Via Unipec, Sinopec is a major customer, and therefore influence, with foreign tanker owners as well. In one example, the Unique Tankers pool, formed in 2013, is comprised of seven VLCCs and 10 suezmaxes owned and operated by Genmar. Unipec does not invest in vessels itself, but provides stable charter hires for the pool.



As its global influence increases, Sinopec continues to be under intense scrutiny in China's ongoing anti-corruption campaign

As its global influence increases, Sinopec continues to be under intense scrutiny in China's ongoing anti-corruption campaign, with investigations reaching high into the company.

In late November, Mr Fu was shown on a programme by state-owned China Central Broadcasting fielding questions from Communist Party discipline officials.

The show was meant to portray a routine investigation, and Mr Fu

has not been accused of any crime. However, in early December, Sinopec's oil division chief was fired amid an ongoing investigation by anti-corruption watchdogs.

Mr Fu has been making all the right noises. In September, at forum in Tianjin, he said: "The biggest difference between [the systems of] China and Western countries is that we pursue the goal of getting rich together." 🌐

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# Chairman of China's key 'policy' lending institution gets around

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Li Ruogu  
Export-Import  
Bank of China

NOTEWORTHY among signing ceremonies dominated by the pen of Li Ruogu, chairman of China's key 'policy' lending institution for international purposes, was the inking of a co-operative deal in July to provide ship finance worth \$295m to China's Mingsheng Financial Leasing to build three ultra large containerships at a South Korea yard.

This unusual arrangement seemed to take the Export-Import Bank of China out of its usual mandate to support businesses for export within China.

However, the China and South Korea deal coincided with diplomatic overtures made by the government of Xi Jinping to its eastern neighbour in July, which culminated in the signing of a bilateral free trade agreement in November.

Mr Li certainly gets around. Cexim is a key agent in this most recent phase of China's expansion as an economic power. In one example, Cexim provided \$300m in debt financing for a China-Asean Investment Co-operation Fund to transfer 10m tonnes of cement production capacity into Asean countries from China in the next three years through various projects in Malaysia, Vietnam and Myanmar.

A goal for the projects is to help cement manufactures in Hebei province "go out", ie, create a conduit for excess capacity in China to find a customer base and an export outlet. The China-Asean fund said in a release that the project would aid government plans for "maritime Silk Road". Cexim has been increasingly active in these types of aide and infrastructure projects.

China's government announced in November that it would create a \$16.3bn fund to finance construction for projects,



The range of Cexim's activities in Europe can be illustrated by a series of deals all inked this June with Greek owners

including ports infrastructure, to develop the south-south trade route to be overseen by Cexim and other policy banks including the China Development Bank. The mission has taken Mr Li from Sri Lanka to Uganda to Myanmar this year.

Mr Li's quasi-diplomatic role is underscored by his education — Master of Law at Peking University, member of the China BRICs Business Council and Master of Public Administration at Princeton University.

Cexim has continued its activities in support of local shipbuilding. Ship exports account for about 10% of Cexim's total disbursement. Still, that's a lot of money. As of June 2014, Cexim had \$14.5bn in commitments and almost 400 vessels; 45% of the portfolio

involves European owners, while 37% is connected to owners from Asia.

The range of Cexim's activities in Europe can be illustrated by a series of deals all inked this June with Greek owners. The policy bank agreed a framework for \$300m in finance for Thenamaris, the tanker, dry bulk, boxship and LNG carrier owner, for future ships to be built in China.

At the same time Thenamaris raised about \$100m in finance from both Cexim and DnB on a series of four ultramax bulkers from Sinopacific Shipbuilding.

Cexim also extended \$57.4m in export credit with Petros Pappas of Oceanbulk (now merged with Star Bulk) for two capesize ships to be built at Shanghai Waigaoqiao Shipbuilding. 🌐

# The head of the massive GlencoreXstrata empire is aiming for a full house

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Ivan Glasenberg  
GlencoreXstrata

GLENCOREXSTRATA, one of the world's largest exporters of coal and a global oil trader, is now operating in an environment where analysts estimate one-third of the commodity is being sold at loss, while crude prices have collapsed 40% in five months.

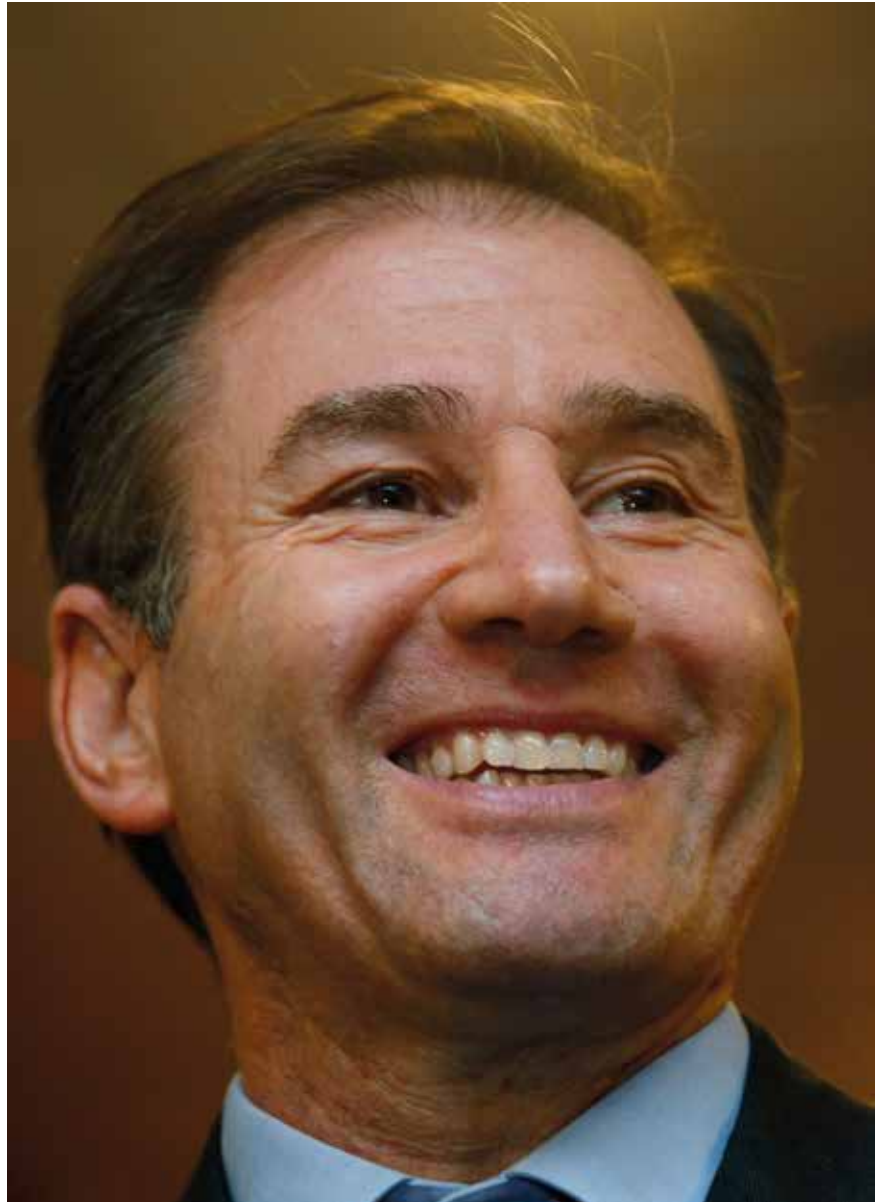
The decision by chief executive Ivan Glasenberg to shut some of its coal mines in Australia for a three-week slot over the Christmas period to help curb a global oversupply that's dragged down prices to a five-year low is being closely watched.

Notwithstanding Asia's waning commodities appetite, trading mega-giant Glencore – which went public in May 2011 and swallowed up Xstrata in a \$29.5bn takeover shortly thereafter – has been described as like a casino where the house always wins.

Trading and arbitrage tentacles discreetly stretch across a vast empire of wet and dry bulk commodities, with Mr Glasenberg's bold move to seek out mining rival Rio Tinto's reception to a merger offer several months ago a clear signal of his further expansionary ambitions.

Even though he was rebuffed by the Rio board, few expect Mr Glasenberg to retreat. The forward charter book to ship Glencore commodities to customers was at more than \$1bn at the end of 2013, with 56% of this for services to be received over 2014 and 2015, the company's latest annual report showed. That's less than the \$1.4bn committed to future hire costs in the prior year.

About \$596m of the \$1bn figure was for associated companies, most likely Singapore-based ST Shipping & Transport.



The shipping arm of Glencore has reduced its exposure by half to the time-charter market amid the collapse in tanker rates in the past three years, while maintaining a dominant presence in the spot market.

Spot charters of tankers to ship oil and oil products reported to the market over the past 11 months totalled 438, while 21 tankers have been taken on period charters. That compares to 503 on the spot market for the same period in 2013, and 18 time charters.

Glencore's presence is more modest, but rising, for its coal shipping business – dry bulk spot fixtures reported to the market are at 65, versus 45 for all of 2013.

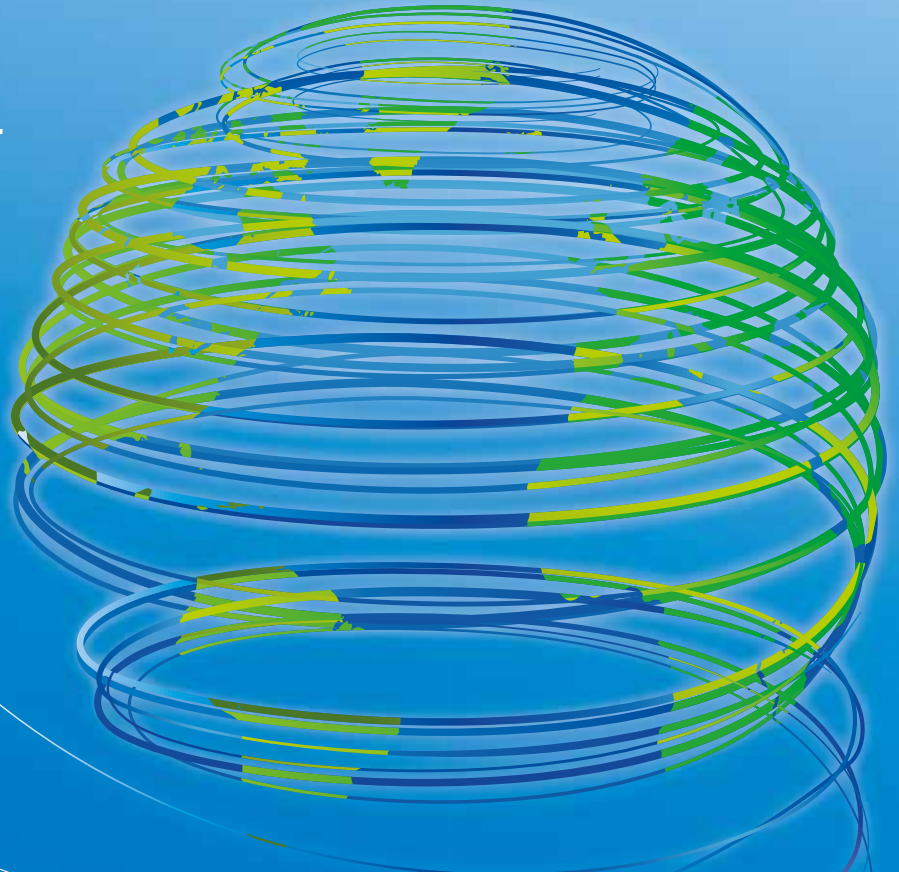
With coal production at just over 138m tonnes last year, these levels suggest most sales are on a free-on-board basis. Volumes of crude shipped (385.9m barrels) and oil products (728m barrels) show GlencoreXstrata's core shipping business lies in the wet trades. 🌐



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# Livanos has emerged as a key mover in LNG shipping

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Peter G. Livanos  
Greece

PETER G. Livanos has a rich pedigree in shipping but is emerging as even more of a key mover in liquefied natural gas shipping and the big tanker sector.

He is chairman of New York Stock Exchange-listed GasLog, which he controls, and in August became chairman of NYSE-aspirant Euronav, in which his Tanklog Holdings is the largest shareholder.

At Euronav he swapped places with longstanding chairman Marc Saverys who is now deputy chairman, the logic apparently being to give Mr Livanos, who successfully took GasLog public in 2012, a more prominent role in bringing the company to the market.

The Belgian tanker company purchased 19 very large crude carriers from Maersk Tankers during 2014, establishing itself in the top five VLCC owners worldwide. Overall it now has 53 tankers and is seen as having the scale desired by the capital markets for backing a play on the crude tanker recovery.

Euronav has already shown its power in marshalling the finance for its expansion through bringing in investment funds as well as lining up traditional bank loans. The planned IPO in October was postponed due to discouraging capital market conditions but it is expected to go ahead as soon as there is a window of opportunity.

The last year has also been a busy one for GasLog which acquired six LNG carriers from BG Group which is chartering them back for periods averaging six years in duration.

GasLog also launched a master limited partnership and the spin-off has acquired five vessels from its sponsor. Meanwhile GasLog has a fleet of



At Euronav he swapped places with longstanding chairman Marc Saverys who is now deputy chairman

10 LNG carriers on the water and, after orders for two more 174,000 cu m ships at Samsung Heavy Industry, there are 10 under construction.

According to the company's recently-unveiled '40:17' vision, GasLog is determined to grow its fleet to at least 40 LNG vessels by 2017 as demand for LNG transport continues growing, a subject on which the company is bullish. Some analysts are actually expecting the Monaco-based owner to exceed that rate of expansion. GasLog has been sounding very confident about

short-term acquisition opportunities and about the uplift it might be able to get from the shorter-term charter market, even though its policy is to lock in most of the fleet under longer time charters.

Mr Livanos is also engaged in dry bulk shipping through DryLog Ltd which controls a number of bulkers as well as operating the C Transport panamax and cape pools. 2014 was an exciting year for the shipowner and his ascent is likely to continue during the next 12 months. ☺

# Walmart's supply chain is crucial for transpacific box volumes

22

Doug McMillon  
Walmart

STOKING the engines of global capitalism and trade is Walmart, the world's biggest retailer and largest user of containerised ocean shipping and a fleet of 5,000-plus containerships that transport consumer goods worldwide.

With third-quarter sales of \$118bn, 40m customers alone visit its 4,300 stores in the US each week.

Doug McMillon was appointed as president and chief executive in February, replacing Mike Duke. While Mr McMillon doesn't wield direct influence in containerised shipping, Walmart's supply chain is particularly crucial for Asia-US container trade volumes – the biggest route for shipments of consumer goods, including televisions, clothes and furniture.

Global container trade will grow by 6% in 2014 to 170.7m teu, rising a further 6.7% in 2015, according to the latest forecasts from Clarksons, the biggest shipbroker.

The transpacific trade, used by Walmart to ship many of its goods to the US, is forecast to swell 5% this year to 14.5m teu on improved US economic growth, Clarksons' figures show.

Nearly 600 containerships are deployed on this route on 81 services, further underscoring Walmart's influence.

The retail giant was the top importer of containerised goods to the US in 2013, at 731,000 teu, according to the Journal of Commerce.

Overall, global demand growth for container trades is expected to outpace global supply of containerships in 2014 – though the oversupply of vessels, which has cut freight rates, isn't expected to be fully eliminated.

The opening of new, wider Panama Canal locks early in 2016 offers Walmart a chance to re-route its container shipments to the east coast from the west coast, so any logistics decisions it takes will be closely watched in trade and shipping circles. 🌐



# A quiet year can still be a busy one, with regulatory and safety issues at the fore

24

Grahaeme Henderson  
Shell

SHELL remains on top when it comes to the world of shipping liquefied natural gas, although competition is high and there are some regulatory concerns. Grahaeme Henderson continues to hold

sway in a shipping organisation that utilises possibly the largest operating fleet among any energy major, yet barely owns any vessels.

It is also the company behind the huge *Prelude* FLNG unit, currently under construction in South Korea and destined to sit off the Australian coastline, converting natural gas into LNG for export to the Far East.

*Prelude* is described as the largest-ever vessel to be built, though some question this, as the unit will not be self-propelled. What is undeniable is the Australian government having questions about so much of its natural gas being exported, rather than processed ashore and used ashore, thus creating employment.

Potential growth of significantly cheaper shale gas from the US west



# A swashbuckling purchase is the talk of the town

23

## Saverys family Compagnie Maritime Belge

THE Saverys family retains its position of influence in the shipping elite through its control of the Compagnie Maritime Belge group, running bulk carrier operator Bocimar and listed very large crude carrier specialist Euronav.

The family also controls gas-carrying company Exmar and the feeder business Delphis, founded in 2004 by Alexander Saverys, who this year was handed the chief executive job at CMB by his father Marc.

It is Euronav, however, that catapulted the Saverys family into the headlines this year.

Euronav created a stir by buying Maersk Tankers' fleet of 15 VLCCs for around \$1bn early in the year, which secured it the deal of the year gong at the Lloyd's List awards.

A classic piece of opportunistic risktaking justified the award; the deal was completed in just two weeks, amid speculation that rival shipowner Peter Georgiopoulos was the frontrunner to buy the tankers.



The question now is whether the Saverys' gamble will pay off — whether an expanded fleet for Euronav is justified.

The signs are good at the moment for crude tankers.

VLCC earnings on the industry's Middle East to Asia spot market trade were around \$45,000 per day at the end of November, leading many to predict a strong fourth quarter for the 2m barrel tankers.

Euronav filed a preliminary prospectus for an initial public offering with the Securities and Exchange Commission in early November, the second attempt by the company for a New York IPO in just two months, after the first attempt was

thwarted by volatile capital markets.

Many believe that following completion of a successful US IPO, Euronav could become one of the preferred bets on a recovery in the crude tanker space, given its large fleet of vessels on the water.

Not bad for a company hit particularly hard by the downturn of the last few years, posting losses after heavy losses.

The question now is what the Saverys family and Euronav have up their sleeves and whether this can match the impact the company made in the first few weeks of 2014.

The family's attention will also have to be directed onto its liquefied petroleum gas business, in the form of LPG carrier company Exmar.

Following record earnings for very large gas carriers in 2014, Exmar remains confident that the VLGC market has bright prospects in 2015.

On top of that, the midsize gas-carrier market is robust for owners, thanks to consistently high LPG volumes being traded in the Indian Ocean, Atlantic Ocean and North Sea.

With Exmar's new floating liquefaction project off Peru making progress, the Saverys family can expect another busy year in 2015. 🌐



coast could also have an impact, as might Japan's proposal to restart some of its nuclear reactors.

Any changes to the proposed use of the Prelude unit will impact the deployment of the Shell LNG fleet.

On a positive note, Shell is keen to note that during 2014, Mr Henderson has had a busy year — though it does seem less so than 2013, hence the slip in his positioning in this year's Top 100.

During the year, he co-launched, with the UNDP and other industry organisations, a second phase of the capacity-building initiatives in

Somalia, helping reduce piracy in the region.

Mr Henderson spoke during the Lloyd's List summit last year about his plans to achieve additional savings in the company's operations, and this has been ongoing, as has an initiative to reduce serious incidents. A contractor safety programme, bringing in hundreds of shipping and maritime companies, has helped Shell reduce the frequency of serious incidents by 25%.

He was also appointed by the World Economic Forum as a member of the Global Agenda Council on Oceans up to 2016. 🌐

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# 2014 was all about stability for one of Greece's most expansion-minded shipowners

25

George Prokopiou  
Dynagas

GEORGE Prokopiou has long been one of Greece's most expansion-minded shipowners but 2014 was all about stability. Hence Mr Prokopiou stays more or less steady in our rankings.

Dynagas Partners, the one-year-old master limited partnership that is listed on Nasdaq, has grown as expected with drop-downs from Mr Prokopiou's privately-held liquefied natural gas carrier fleet.

The public vehicle has added two modern LNG carriers to its initial fleet of three and it holds options to acquire the remaining five newbuildings belonging to the group.

So far it has comfortably raised funds in the capital markets to pursue its expansion plans and has kept investors satisfied



with increased distributions warranted by the growth of the fleet.

Mr Prokopiou is known to be eyeing more investments in the LNG shipping sector.

Four out of the five LNG carriers in the Dynagas Partners' fleet are ice-class certified and it can claim to be currently

the only LNG shipping company equipped to transit the Northern Sea Route.

In addition to his group's LNG focus, Mr Prokopiou controls a powerful fleet of tankers and bulk carriers, respectively under the aegis of Dynacom and Sea Traders.

Each boasts one of the most modern fleets in its sector, after a 64-vessel newbuilding programme completed in early 2013.

The group has been uncharacteristically quiet on the newbuilding front in recent months, although there are signs that Mr Prokopiou is again starting to talk seriously with builders.

Recently it was understood he may have entered into letters of intent for ordering suezmax tankers in China.

These would represent his first new tanker orders for some time, but at the time of writing there had been no confirmation of the project. 🌐

# Influential Vale chief executive made a game-changing deal with Chinese shipping

26

Murilo Ferreira  
Vale

MURILO Ferreira, chief executive of Vale, managed finally to broker a compromise deal with China this year that finally allows the miner's fleet of the world's biggest bulk carriers to discharge their iron ore cargo at the country's ports.

The biggest producer of iron ore supplies nearly one-third of seaborne trade.

However, it found its new fleet of 35 valemaxes — twice the size of



conventional capesize ships — banned from the country they were designed to call at.

Beijing banned the vessels after government-owned Chinese shipping companies complained about the loss of business on the lucrative Brazil-Asia route.

It's been an expensive mistake for Vale that Mr Ferreira inherited from predecessor Roger Agnelli.

Mr Agnelli committed in excess of \$9bn between 2007 and 2009 to build or charter, on a long-term basis, a fleet of dry bulk vessels to lower freight costs, including 35 of the world's biggest very large ore carriers.

The 31st valemex ship was delivered in July.



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## Beijing, Brussels or Washington: who is making shipping toe the line?

### 01 China's Ministry of Commerce

ON JUNE 18, China's Ministry of Commerce showed its muscle, making clear that the vessel-sharing agreement involving Maersk, Mediterranean Shipping Co and CMA CGM would not be allowed in China. This was despite the P3 alliance getting the go-ahead from other institutions. The power it showed surprised many, and led to new vessel-sharing arrangements.

### 02 Federal Maritime Commission

WITH the development of vessel-sharing agreements in the liner trades, the Federal Maritime Commission profile remains high, given the outspoken views of at least one of the commissioners. The five US maritime commissioners are not always in agreement, but collectively they remain a force in the industry.

### 03 Koji Sekimizu, International Maritime Organization

KOJI Sekimizu, the secretary-general of the International Maritime Organization, has had a busy year, along with his secretariat colleagues, as they continue to push member states to ratify the conventions and other agreed instruments. Mr Sekimizu's standing has, by many accounts, grown within diplomatic circles.

### 04 The shipping lobby

THE shipping lobby — BIMCO, the International Chamber of Shipping, Intertanko and the European Community Shipowners' Associations — scored some important wins this year at the IMO, regarding changes to the ballast water regulations and the development of the Polar Code, though it could be said it is still having something of an identity crisis.

### 05 Violeta Bulc and Miguel Arias Cañete, European legislative body

A QUIET year due to elections may not leave the whole of the European politic body out of the regulatory list, but it certainly lowers its position. A new guard has now come in, with Violeta Bulc from Slovenia becoming the commissioner responsible for DG Move, covering transportation, and Miguel Arias Cañete of Spain becoming commissioner for DG Clima.

### 06 Philippe Donche-Gay, IACS

IACS is still in the mix, though it needs to ensure that its role remains transparent and credible while its members engage

in increased squabbling. In recent months, IACS has tried to respond to concerns over post-panamax containership structural strengths, following the *MOL Comfort* casualty and to work on other key responses to international regulations that have emerged. The role of IACS is at a critical junction. The IMO is pushing its rulemaking to be more goal-focused and less prescriptive. As a unifying body of class, it is IACS' interpretations of how certain international regulations can be turned into specific rules that will enable the class societies to add to their own regulations.

### 07 The US Coastguard, the Environmental Protection Agency and California Air Resources Board

THESE three US environmental legislation bodies still lead the way when it comes to direct strong national rulemaking and enforcement. US rules may create hardship for some, but they are clear and the penalties for non-compliance are generally tough enough to ensure that shipowners and operators toe the line.

### 08 Sanctions power leaders

THE impact of Ukraine sanctions is beginning to have an impact on shipping, though the long-term effect is less certain. This may be a generic entry, but European and US sanctions on Russia have created concern about some of Russia's oil and gas projects. The sanctions have also hit imports into Russia and some shippers have found that the Russian retaliatory ban on Western food imports to Russia has created a steep drop in freight.

### 09 Christine Loh, the Hong Kong government

HAVING been distracted by Hong Kong's pro-democracy demonstrations, it seems the administration has not had its eye on the maritime regulations it was hoping to further develop this year. Development of an SOx emissions-control area seems to have died down briefly, but the administration certainly has not gone away.

### 10 Des Gutterdige, executive secretary, QACE

A SURPRISE entry, perhaps, this is a potential new breed of policeman, looking to raise its profile. Does QACE have any teeth? It came about as a result of the European probe into class-society collusion. The investigation mainly drew a blank, but QACE was created to oversee any organisation recognised by the European flag administrations to perform statutory inspections. To have European RO status, an organisation needs to fund QACE and to be inspected by it. 🌐

Vale now owns 16 and is hiring 15 on a 20- to 25-year basis.

Mr Ferriera partly resolved the impasse in which Vale's biggest customer has refused access to its ports for nearly four years.

Even so, the compromise deal

leaves unfulfilled Vale's original aim of returning to vertically integrated industrial shipping, the model that emerged in the 1970s, when miners were heavily invested in ownership.

China Merchants Group and Cosco each signed so-called

co-operation agreements with Vale this year in which Vale will use the shipowners under 25-year contracts of affreightment.

In Cosco's case, four of Vale's existing VLOCs will be used, 10 of the same 400,000 dwt vessels will be built

## India's richest man shows innovative flair as Reliance opts for very large ethane carriers

27

Shri Mukesh  
Ambani  
Reliance

RELIANCE's leader retains a high ranking in the Top 100 as the company shows innovative flair with its order this year for six so-called very large ethane carriers at South Korean yard Samsung Heavy Industries.

It's a new vessel type to add to the gas shipping segment, and one that Reliance is determined to be part of early.

The vessels will be capable of carrying 84,000 cu m of ethane, taking advantage of the high volumes coming out of the US on the back of the energy production boom there.

Reliance's six newbuilding orders show it is confident this could eventually

be a prosperous trade, although it is likely to remain niche for a few years yet.

Some have suggested around 20 VLECs will be needed once the trade is more established in a few years.

Alongside its new interest ethane carriers, Reliance continues to drive its liquefied natural gas interests forward, progressing with its partnership with oil major BP on a deal to build three new LNG import terminals, which could potentially double India's capacity to import LNG.

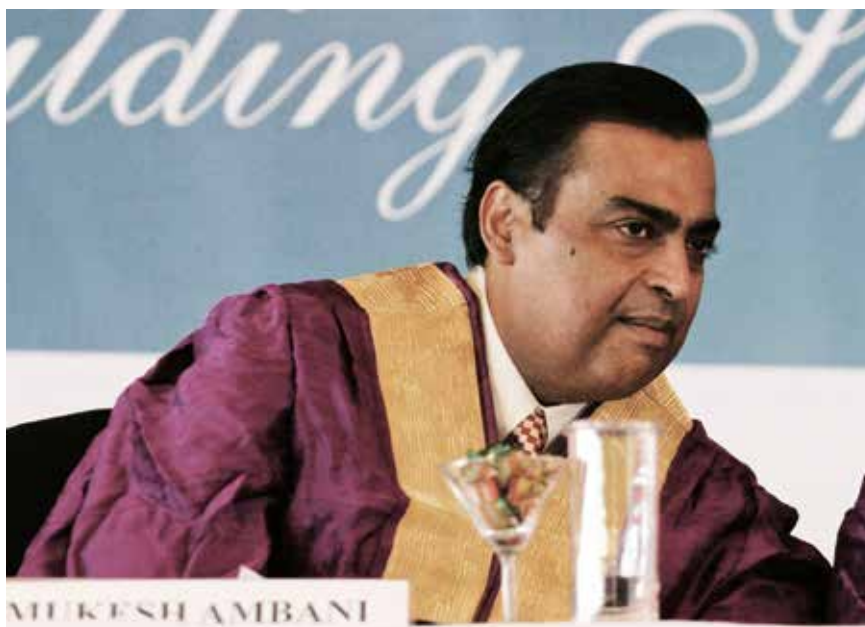
The need to import LNG and the volumes required depend on the performance of the huge KG-D6 offshore natural gas field – a veritable treasure trove owned by none other than Shri Mukesh Ambani.

Still India's richest man, worth an estimated \$22bn, and politically influential, he also holds the keys to tanker market developments, through his ownership of the world's largest refinery at Jamnagar.

The refinery generates product tanker employment through exports and crude tanker employment through imports of crude to feed the hungry distillation units.

As a vessel charterer, Reliance further extends its influence over the tanker industry.

After more than 30 years with Reliance, Mr Ambani still appears to hold the same enthusiasm for the industry as when he started, showing little sign of slowing down significantly if the companies activities within the shipping and energy industry are anything to go by. 🌐



Still India's richest man, worth an estimated \$22bn, and politically influential, he also holds the keys to tanker market developments

by Cosco and China Merchants will also construct 10.

This move assures the longer-term viability of the valemaxes, widely viewed as white elephants now the market collapse in capesize rates minimises the economies of scale that

the bigger ships first offered, leaving spot freight costs largely lower or at the same level as the VLOC breakeven levels.

This year, Vale opened its logistics and distribution centre in Malaysia, where it will store and blend ores to

supply the Asian market.

This was a hastily arranged plan B, developed several years ago when it became clear the Chinese ban on its valemaxes meant it would not be able to offer the service from the country's key ore ports that it had planned. 🌐

## French line ends 2014 with a takeover and strong financial performance as it prepares for Ocean Three after P3 setback

28

Saadé family  
CMA CGM

JACQUES Saadé and his family ended 2014 with a flourish after suffering what appeared to be a considerable setback in the summer when the P3 Network with Maersk Line and Mediterranean Shipping Co was rejected by China. The top two decided to team up together, excluding the French line from a smaller, less ambitious alliance.

But the Saadés have been written off too many times in the past, only to prove their critics wrong and show they are born survivors.

Within weeks, CMA CGM had forged a new alliance with United Arab Shipping Co and China Shipping. They have worked together before and are a good match in many ways, each having 18,000 teu-class ships in the pipeline and an entrepreneurial drive that sets them apart from some of the more establishment-minded carriers.

Rather than be the junior partner in P3, CMA CGM will be the largest member of Ocean Three. Those who know CMA CGM well think the chemistry between the Ocean Three lines will be better, and that this is the preferable outcome for the French company.

In late November, CMA CGM confirmed it was acquiring German



shortsea operator OPDR from Germany's Bernhard Schulte Group, adding to its portfolio of regional lines. The deal should be finalised by April 2015. CMA CGM plans to keep the OPDR identity and run the business from Hamburg.

The group has been one of the more successful financially this year, achieving a threefold increase in net profits to \$201m in the third quarter as cargo volumes reached an all-time high.

The younger generation is also now playing a more prominent role, with the two men who have built up CMA CGM into the third largest container line, Jacques Saadé and Farid Salem, easing up a little.



Instead, 44-year-old Rodolphe Saadé was promoted to vice-chairman in May, with official confirmation that he will take over from his father as group chairman "when the time comes".

He led the talks with Maersk and MSC on the P3 alliance, and then was instrumental in negotiating the replacement Ocean Three vessel-sharing agreement that could begin services by the end of the year.

His sister Tanya Saadé Zeenny was appointed executive office, with her responsibilities widened to include global accounts and marketing, in addition to being in charge of communications. 🌐

# Newbuilding programme to add 70 ships to a 500-strong fleet

29

Henning Oldendorff  
Oldendorff Carriers

HENNING Oldendorff is the majority shareholder of privately held, German-based industrial shipping giant Oldendorff Carriers, with an annual turnover believed to be between \$4bn and \$5bn.

Oldendorff keeps a low profile, but the company ships 300m tonnes of bulk materials such as coal, grains and iron ore each year on around 500 ships, or 3% of the world's total seaborne freight.

In the bulk shipping sector, Oldendorff is the biggest operator of supramax and panamax bulk carriers, among the top three for the larger, capesize sector, and has the fifth-largest orderbook after the Scorpio Group, China's Cosco, John Fredriksen, and Singapore's Navig8.

Over the next three years, the Lubeck-based company's newbuilding



programme will see as many as 70 ships added to its fleet, now at about 500 vessels, with first bulk carriers delivered this year.

Oldendorff is known as an operator rather than an owner, and these new ships, worth at least \$4.4bn according to back-of-envelope calculations, are

seen more as an asset play than any strategic shift in direction.

The majority of ships were ordered at the beginning of 2014, with prices rising between 4% and 9% in value depending on the vessel size over the year, with others sold at a profit before delivery.

Oldendorff was among the first to use risk management strategies to deal with the cyclical, and turbulent shipping market this century: of the 125 vessels it now has on longer-term period charters, about 85 of them are on index-based deals.

Day-to-day running of the company is left to Peter Twiss, a former banker whose corporate background blends a traditional shipping culture with the latest financial instruments to keep deals above the water.

Mr Oldendorff also hit headlines in the past year with his involvement in the Oslo-based Merchant and Maritime Bank, and an increased presence in the Middle East as he bought the stake of its joint venture partner Eships in an Abu Dhabi-based logistics and shipping business. 🌐

# Boss of a vast maritime empire needs to think on the macro

31

Peter Evensen  
Teekay

PETER Evensen oversees a vast maritime empire and needs to focus on the big picture, not the micro side of the business.

As chief executive of Teekay Corp, the parent company to Teekay LNG Partners, Teekay Offshore Partners,

Teekay Tankers and Tanker Investment Ltd, he says his role is simple: "Set the direction, inspire and cultivate our leaders, and then get out of the way."

As Mr Evensen explains: "It's much easier to slow the train than get it moving faster and Teekay has always been on the move, growing and developing its service offering. We are now leaders in three key segments – gas, offshore, and tankers and we believe

we can do pretty much anything in those areas."

One example of Teekay's long-term view came to fruition, or at least into focus, with Teekay LNG's third-quarter results, which saw net income jump 200%, an increase due to that company's reliance on stable, long-term contracts.

Teekay LNG's joint venture with China LNG Shipping for the Yamal LNG project, ensures too that Teekay's – and



# President of the shipping giant has had another busy year

30

Yasumi Kudo  
NYK

NIPPON Yusen Kaisha president Yasumi Kudo has had another busy year.

NYK remains one of the few integrated shipping giants in the world and, as such, tends to make for interesting analysis.

Business-wise, one could say Mr Kudo has presided over some good results.

Back in July, the company announced a 19% rise in net profit in its first fiscal quarter to ¥10.2bn (\$99.8m).

But despite the rise in profits, NYK only managed to narrow its loss in recurring income for its liner division, to a shortfall of ¥100m in the quarter from a shortfall of ¥600m in the same period the year before.

NYK attributed a lukewarm performance in the containership section to declining freight rates “due to the delivery and deployment of ultra large containerships, mainly on European



routes”, causing a shift in smaller tonnage to other routes.

A member of the G6 alliance, NYK looks ready to leave it to two of its partners to take the first step to ships of 18,000 teu or more, but has decided to charter eight 14,000 teu ships that will be delivered between February 2016 and early 2018.

Like other Japanese shipping companies, it appears to have profited from higher exchange and investment gains, generally attributed to policies implemented by prime minister Shinzo Abe since late 2012.

The NYK business seems to have benefited from a diverse portfolio that

cuts across car carriers and liquefied natural gas tankers.

Challenges have included increased scrutiny from regulators in Japan, Europe and North America, with Mr Kudo publicly stressing the importance of legal compliance in regards antitrust laws.

“The shipping industry continues to operate in a complicated environment in which businesses that are subject to antitrust law exist side by side with those that are not,” Mr Kudo said at the start of the year.

“However, the current trend seems to be toward narrowing the range of businesses exempted from the application of antitrust law.”

In recent times, Mr Kudo has also spoken publicly about oversupply issues, suggesting it is “the usual state of affairs” in shipping, arguing the key to survival is cutting operational costs and spot availability.

It hasn’t been all smooth sailing, but NYK remains a key player in international shipping and Mr Kudo can be justifiably proud about that. ☺

Mr Evensen’s — sights remain on the industry’s most ambitious moves.

Mr Evensen’s flair for the sweeping and large-scale is on display daily on social media, with Teekay’s Twitter feed promoting its operations.

Teekay is one of the few ship operators to embrace the median.

“[It shows that] Teekay is a proud company of high standing, and that it is made up of 6,500 proud, smart, motivated colleagues who will get the job done right,” Mr Evensen continues.

“Ultimately, marketing is pretty simple: it is a direct conversation with stakeholders about a shared interest or product, not a sales job.



“We have many, many more stories to tell about what we do and how we do it and we let others decide for themselves if they want to work with us.”

Still, it is ultimately about executing

and Mr Evensen’s days — no matter the time-zone — are geared towards ensuring those thousands of employees are doing just that, while he avoids the micro.

“Never a dull moment,” he says. ☺

# Private equity man is a rising shipping player

32

Rajath Shourie  
Oaktree

PRIVATE equity interest in shipping may now have peaked, according to some observers. But Oaktree Capital Management shows no sign of going away.

The firm is the world's largest distressed-debt investor, with more than \$80bn in assets under management.

No figures are in the public domain for its shipping exposure, but they are estimated to run to low single-digit-billion dollars.

Oaktree has had an interest in shipping since the late 1990s, when it began working with Greek owner Peter Georgiopoulos.

In the two subsequent decades, it has persistently bankrolled Peter G's projects such as General Maritime, Genco and Baltic Trading, through thick and — more recently — thin.

But that was just a starting point.

Oaktree's shipping involvement now spans the spectrum of crude and product tankers, bulk carriers, chemical carriers, containerships, heavylift, offshore support and shipping debt.

Several Oaktree units are known

to invest in shipping without any one person being in overall control, and some ship finance players say that a lack of co-ordination is sometimes apparent.

For instance, it is the US private equity wing that has collaborated so closely with Mr Georgiopoulos.

Its European counterpart handled the takeover of Germany heavylift specialist Beluga, which has not been a great success.

The European arm also works with Rickmers in container shipping, and oversees Oaktree's chemtanker joint venture with Navig8.

# Russian giant walks the line between sanctions and wooing the banks

33

Sergey Frank  
Sovcomflot

SERGEY Frank, president and chief executive of Russia's largest shipowner, is navigating the 26-year-old company during difficult economic times amid growing geopolitical turmoil over the Federation's action in Ukraine and Western energy sanctions.

The company released figures showing it was back in the black in the first half of 2014, but Mr Frank still faces his toughest challenges, even after steering the world's fifth-largest owner of tankers through five successive years of poor rates.

His most pressing task will be to raise more money to fund projects that expand and diversify Sovcomflot from its traditional shipping base to support the Kremlin's energy projects.

It is clear that Sovcomflot, in which the Russian Federation is the main



shareholder, has missed the IPO boat and the chance to partially privatise, just as fresh European and US sanctions on Russian energy-related activities make funding harder to secure.

Under Mr Frank's leadership Sovcomflot has put a line underneath the corruption scandals and later court action that attracted unwelcome headlines over the past five years.

By consolidating with other Russian owners, Mr Frank helped to develop the world's second-largest product tanker fleet, some 50 of its 158 ships of ice-class standard.

Sovcomflot provides global leadership in the evolving field of Arctic shipping, and leading test shipments through the northern sea route.

Mr Frank is no doubt keeping sweet with his western bankers with newbuilding contracts of nearly \$840m in first half of the year, all backed up with time charters.

Along with others, the company's orderbook is worth nearly \$1.4bn.

After working hard to promote Sovcomflot on a global footing and expanding into new sectors — a new very large crude carrier launched 12 months ago — the company does appear to be looking inwards, to Russia's energy sector, for new business.

It is forging a role as an industrial shipper for Gazprom and other national companies and it aims to secure contracts for offshore, hydrocarbon fields in the Arctic regions, a goal now in jeopardy as sanctions deter oil major partners. 🌐

Oaktree's distressed debt unit, which is based in Los Angeles and London, is involved in a joint venture with Greek owner Petros Pappas, and has bought shipping loans from Lloyds Bank and senior debt in Eagle Bulk and Excel Maritime.

For the purposes of this Top 100, Rajath Shourie, managing director and co-portfolio manager within Oaktree's distressed debt group, has been chosen as a figurehead for the firm and is therefore appearing in the list for the first time.

But others came into consideration, too.

London-based Chris Boehringer, also from the distressed debt side, was named by several people as one of Oaktree's key shipping players.

Other sources say that Mr Boehringer's colleagues Mahesh

Balakrishnan and Jennifer Box deserve a shout-out too.

According to an Oaktree spokeswoman, Rajath Shourie — Raj to his friends — contributes to the analysis, portfolio construction and management of the distressed opportunities, value opportunities and strategic credit strategies.

On joining Oaktree in 2002, he specialised in the aircraft and airline industries for a number of years, and led the firm's investments in financial institutions during the global financial crisis.

In July 2014, following the merger of Star Bulk and Oceanbulk to create the largest dry bulk company listed in the US, Oaktree emerged with 61.3% of the combined company and Mr Shourie got a place on the board.

He has also worked with a number



of Oaktree's other portfolio companies, and serves on the boards of Taylor Morrison, one of the largest private homebuilders in North America, Store Capital, a speciality real estate investment trust, and Nine Entertainment Company, an Australian television network. 🌐

## BW Group has landed major deals and shaken up its management

34

Andreas  
Sohmen-Pao  
BW Group

BW GROUP's entry this year is higher than it was last year, largely due to the range and depth of deals struck.

But first, we must mention the retirement of BW Group and industry heavy hitter Helmut Sohmen, who announced his retirement in November as chairman of BW Group and BW Offshore.

Mr Sohmen has served the group for 44 years, 28 of them as chairman.

He described it as a privilege to have overseen BW's growth from a tanker and dry bulk business to a significant maritime oil and gas player involved in liquefied natural gas, liquefied petroleum gas, crude, products, chemicals and floating production storage and offloading units.

His son Andreas Sohmen-Pao is stepping seamlessly into the role, having resigned recently as chief executive of BW Group.

And what a busy watch he had as the top man in management, especially this year.

In May, BW formed a joint venture with PAG, an Asia-focused investment fund manager, to buy 10 medium range tankers from Singapore's Elandra Tankers.

This closely followed a deal to buy 10 chemical tankers, comprising two secondhand ships and eight newbuildings, from Norway-based Stream Tankers, which itself swiftly followed a deal to form a joint venture with Singapore's Pavilion Energy to buy and charter LNG carriers to support Singapore's ambitions to become a gas shipping hub.

BW LPG, whose largest shareholder is BW Group, listed in Oslo late in 2013 raising \$280m in new equity



for expansion, is making a big splash by targeting rising volumes of LPG being shipped out of the US Gulf.

Something tells us that BW has a few more surprises up its sleeve in 2015. 🌐

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**Gianluigi Aponte, Founder**

# Secretary-general has been leading change at the IMO, yet more still needs to be done

35

**Koji Sekimizu**  
International  
Maritime  
Organization

THE top 100 of most influential and powerful names in shipping would be incomplete without the secretary-general of the International Maritime Organization.

The IMO is a rare body, established to oversee an almost exclusive commercial activity; its ability to create widely applicable global rules has been overshadowed in recent years by political interfering in environmental legislation.

The IMO is, however, at somewhat of a crossroads. It has to change to ensure it remains relevant in this modern era. Budgets are tightened, and a focus launched by the previous secretary-general has paved the way for a drive to lessen red tape and make the organisation more relevant.

Koji Sekimizu has held the post of secretary-general for three years and

there are some clear and definitive positive comments within diplomatic circles about his achievements.

He is the first secretary-general to regularly write his own blog, he is a seasoned diplomat who has quietly led the IMO through this current period of change. He has a reputation of not reading off his prepared script and talking with a candid passion about sustainability and more harmonisation across industries.

Yet his time left at the IMO is short, just another year to finish his four-year term and he has said he will not stand for re-election.

For many this is disappointing, Mr Sekimizu came into the job being seen by most as a safe pair of hands, but has quietly created a platform for the IMO to push ahead with much needed change.

But there is a lot more to be done. The IMO needs to ensure its rules are more thought through and easy to be applied. It needs to create a dominant



leadership with respect to other supranational rule making bodies that could create regulations that impact shipping, notably the European Commission and the UNFCCC.

Mr Sekimizu has another year remaining as IMO secretary-general and a year to create his own, albeit short, legacy and perhaps raise his, and his successor's, profile in our top 100 next year. 🌐

# MOL's president has a big headache: the line's underperforming container division

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**Koichi Muto**  
MOL

MITSUI OSK Lines is having a tougher-than-expected year, as its underperforming container shipping division seems to continue giving president Koichi Muto plenty of headaches.

The Japanese shipping conglomerate posted a net profit of ¥11.5bn (\$105.3m) in April-September, the first half of its fiscal year. That was down

45.5% on year and slightly lower than its previous forecast of ¥12bn.

The main culprit is MOL's container division. While the MOL Comfort incident hasn't had any material financial impact, the division posted an ordinary loss of ¥10.8bn, compared to its original forecast of ¥7bn.

MOL is now predicting the division to make a loss of ¥100m in the current fiscal year against its previous forecast of a ¥1.5bn profit. Barring any positive surprise, this means MOL will have only made one yearly



profit in container shipping during FY2008-2014.

The company cited unprofitable inbound trades on east-west routes and congestion on intra-Asia routes as the reasons for worse performance. However, considering that many container lines — including Nippon Yusen Kaisha and Kawasaki Kisen Kaisha, the other two Japanese giants — managed to improve operational results during the same period, MOL's continued weakness in this sector does raise some eyebrows.

Elsewhere, MOL's liquefied natural gas division also recorded a surprising loss in the six months. It put two aged

LNG carriers on dry dock before scrapping them due to a lack of employment opportunities. This setback is expected to be temporary, though, as most of MOL's LNG fleet is backed by long-term charter contracts.

In its latest mid-term management plan, the company has vowed to double its net profit by the end of this decade via investing more in the LNG and offshore sector, reducing spot exposure to dry bulk and tanker markets, and reducing expenses in the container business.

Most of its strategies do seem to be working. Its dry bulk division has seen significant recovery after transferring more than 100 ships to Singapore-based

subsidiaries. The petroleum tanker unit is also returning to profitability amid continued efforts in pool operations.

Still, MOL will need to show better overall operational results in merchant vessels sectors, if it wants to maintain investors' confidence to fund its LNG and offshore expansions.

To achieve this, the company needs to bring its container division back to profitability. The company has been acquiring more post-panamax ships, but further optimisation of networks is likely necessary. And megaships of up to 20,000 teu, which could be ordered by end-2014 through a long-term charter deal, certainly won't hurt either. ☺

## A man with many fingers in many pies

37

Li Jianhong  
China Merchants  
Group

CHINA Merchants Group chairman Li Jianhong also chairs China Merchants Bank Co, China Merchants Holdings (International) and China International Marine Containers (Group).

That's a substantial responsibility.

Previously he held key roles at China Ocean Shipping (Cosco), including those of managing director of Nantong Shipyard and general manager of the Cosco Industry Co.

Mr Li also has a long background in naval architecture and engineering, as well as having qualifications as an economist and holding an MBA.

China Merchants continues to look at new ways to grow its business.

Back in September, China Merchants Energy Shipping (of which CMG is the parent) teamed with Sinotrans and CSC Holdings for a joint venture to create the world's largest very large crude carrier entity (China VLCC).

According to CMG, the deal supports Beijing's efforts to develop a national



shipping industry with collaboration between carriers and cargo owners.

"This new venture will help achieve China's strategic goals in [the] national development of a shipping industry and secure energy imports," Mr Li said at the time.

"We'll be able to make greater contributions... as China becomes a stronger, more powerful maritime nation."

In mid-November, Lloyd's List reported China VLCC had almost doubled its operating fleet in less than two months, setting it on course to become one of the world's largest players in the very large crude carrier sector.

CMG was also front-and-centre of developments with Vale, in this case, agreeing to build 10 very large ore carriers for moving the mining giant's cargo via contracts of affreightment.

In August, CMES recorded half-year net profits of Yuan253.5m (\$319.8m) in the six months, slightly higher than its previous forecast, compared with the year-ago losses of Yuan137.5m — clearly good news for CMG overall.

Mr Li has also had to take on some extra responsibility temporarily, taking charge of CMG's overall management after the departure of Fu Yuning to China Resources. ☺

# President of the iron ore division at the world's biggest miner has major expansion plans

38

**Jimmy Wilson**  
BHP Billiton

BHP Billiton, the world's biggest miner, third-largest shipper of iron ore and dominant exporter of metallurgical coal, competes with agribusiness giant Cargill to generate the most dry cargo business in seaborne trade.

Jimmy Wilson, president, iron ore, oversees a division that shipped about 203m tonnes of iron ore by sea for the 12-month period ending June 30.

Coal shipments over the same time-frame topped 45m tonnes for metallurgical coal used in steel-making, and nearly 74m tonnes for thermal coal supplied to power stations.

Marketing activities take place from Singapore, after global operations shifted from the Hague several years ago, with 15 employees listed as members of the Baltic Exchange, reflecting the size and scale of shipping operations from the Asia base.



Risk management is key for BHP Billiton, an early adopter of iron ore swaps and regular user of forward freight agreements to manage risk. Freight exposure was put at 4,863 time charter days in the miner's most recent annual report, which provides scant details about its shipping operations.

BHP Billiton has sold off its owned fleet and, with the exception of a few Australian-flagged vessels for cabotage

trades, primarily uses the spot market and period charters to meet its shipping needs.

With iron ore prices collapsing more than 40% this year to five-year lows, amid an oversupply of the commodity, freight costs are becoming even more important to maintain a competitive advantage and market share.

BHP Billiton, like its Australian rival Rio Tinto, is pushing ahead with expansion plans at iron ore mines in Western Australia, betting that lower-cost production will pressure junior miners and inefficient Chinese local producers.

By 2017, BHP plans to lift iron ore output from Australia to 290m tonnes, despite slowing demand from China, its biggest customer, suggesting that despite contraction in its coal activities, its trade arteries will continue expanding over the next three years.

A planned spin-off of BHP Billiton's non-core divisions and trimmed capex plans revealed towards the end of 2014 isn't expected to impact its core iron ore activities. 🌐

# Pioneer of containerisation remains in the driving seat as Evergreen mounts fightback

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**Chang Yung-fa**  
Evergreen Group

CHANG Yung-fa, one of the undisputed pioneers of container shipping, remains very much involved in the company he founded nearly 50 years ago.

Evergreen Line may no longer be number one in the world, having been pushed off its perch by four European operators to fifth place, but it is still the

largest Asian container and is flexing its muscles once again after appearing to lose direction.

Dr Chang, now in his late-80s, was eventually persuaded to drop his opposition to both super post-panamax ships and alliance membership, having resisted following the rest of the industry for several years.

As someone who always had an independent approach to the business, eschewing membership of conferences and consortia, and preferring the



flexibility of smaller tonnage, Dr Chang took some time to change his mind.

Soaring oil prices made him realise that no global carrier would be able to survive without the economies of scale of much bigger ships, and partnerships with other carriers.

Evergreen now has a series of 13,800 teu vessels already in service, another 10 ships of 14,000 teu on order, and is considering 18,000 teu units. It is also now a full member of the CKYHE alliance, alongside four other Asian lines.

What is not known, though, are the succession plans for Evergreen.

Alongside Dr Chang is first vice group chairman SS Lin, while seven vice group chairmen make up the close-knit board that runs the Taiwanese group.

Of those, 63-year-old Bronson Hsieh is regarded as number three in the corporate hierarchy, and increasingly the public face of Evergreen as Dr Chang eases up.

But whether he will eventually take over as group chairman is unclear, as

is the future ownership of the group whose complicated structure includes three publicly-listed companies. Much more, though, remains in private hands.

That begs the question of whether any of Dr Chang's four sons will one day take control — even though only one of them has any involvement in their father's business empire at the moment — or if ownership will be passed on to those who helped Dr Chang build Evergreen into one of the world's top container lines. 🌐

## As head of the world's largest cash buyer of ships for recycling, Dr Sharma is not afraid to be the public face of the industry

40

Anil Sharma  
GMS

ANIL Sharma is president and chief executive of Global Marketing Systems Inc, the world's largest cash buyer of ships for recycling.

It's a controversial industry and, since he founded GMS back in 1992, Indian-born Dr Sharma has shown he's not afraid to be its public face, explaining and outlining its nuances and complexities to industry forums, regulators and non-government organisation opposers.

GMS says it sells one in every two ships to Bangladesh recycling yards, and one in every three in India, buying an average of 100 ships for scrapping each year.

Although the International Maritime Organization's 2009 convention on ship-breaking has yet to enter into force as key countries have not ratified it, Dr Sharma's company is working to establish the green codes of conduct enshrined within the code as proof the industry can lead by example.



Although a little-used service by shipowners, GMS has also provided technical assistance to a handful yards in Bangladesh so they can meet their own international standards, and show compliance with convention guidelines. Nearly half of India's yards are already compliant.

So far in the January through to November period, 826 vessels of 31.2m deadweight tonnes have been scrapped, on track to be the lowest levels by volume since 2010. India remains the biggest destination for ships to be recycled, with about 26% of

vessels for scrapping ending up at its yards.

With scrapping prices averaging \$482 per lightweight tonnes during this year for tankers recycled on the sub-continent, that's higher than the 2013 average of \$428 per ldt.

GMS recently gained fresh headlines when non-executive director Nikos Mikelis, a former IMO official for recycling, challenged European regulators to see first hand the improvements made on the Indian sub-continent in scrapping, in order to offset moves to ban the practice of beaching ships. 🌐



# President and chief executive can take credit for a revival in the company's fortunes

41

Jiro Asakura  
K Line

K LINE president and chief executive Jiro Asakura is widely regarded as having overseen a revival in the company's fortunes since taking charge in 2011.

It started with a ¥33bn (\$329.9m) cost-cutting programme, beginning back in early 2012, as well as with efficiency efforts such as deploying bigger ships in alliances, eliminating non-profitable services in the box shipping division and slashing spot tonnage, among others.

Very recently, K Line has been busy with newbuildings.

This included an order with Hong Kong-based Tai Chong Cheang Group for an 182,000 dwt bulk carrier at Imabari Shipbuilding.

A further 11 capesize bulkers are expected in the three years from April 2015.

K Line also announced another five 14,000 teu containerships to its fleet, each 365.9 m long and due for delivery from Imabari Shipbuilding in 2018, bringing the total number of ultra-large containerships in its orderbook to 10.

K Line and TCC have also established a ship-booking joint venture, with Mr Asakura noting it sought to build on their "strengths and shared values".

At the start of the year, Mr Asakura talked of policies "for taking the steps necessary to move from a protective to an offensive approach".

But there were also challenges during 2014.

K Line recently agreed to pay \$67.7m in penalties for violating US antitrust laws regarding the sale of ocean services for ro-ro cargo, the company stating the fine would cause it to record a loss in



the quarter ending in September 2014 of about ¥7bn.

Prime minister Shinzo Abe's policies are widely said to have improved trading conditions via a weaker yen and stronger share prices, but his government is facing an uncertain electoral future.

That said, K Line's fortunes seem much better than a couple of years ago and Mr Asakura probably can take much credit for this revival. 🌐

# Mining chief executive shows no signs yet of handing over the reins

42

Sam Walsh  
Rio Tinto

AS IRON ore prices hit four-year lows and GlencoreXstrata circles Rio Tinto as a possible merger target, Sam Walsh is still shipping record-breaking volumes of the steel-making raw material from Western Australia to steel mills in China.

Rio Tinto dominates the Australia-China seaborne route, the world's biggest commodities shipping trade lane, making Mr Walsh, the mining



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giant's chief executive, an influential figure in global shipping circles.

As the world's second-largest iron ore producer, Rio Tinto spent nearly \$1.9bn in 2013 on shipping, with that figure likely even higher in 2014, given sales are up by 20% year-on-year.

Some 46.7m tonnes of iron ore was shipped on capesize vessels chartered by Rio Tinto in the first 10 months of 2014, while figures for the first nine months reported by the miner put sales at 174m tonnes.

The miner accounted for 276 of nearly 1,700 capesize fixtures reported to the Baltic Exchange, making it by far the largest spot charterer of the biggest bulk carriers. (BHP Billiton was the second-biggest, with 179).

Rio moves its commodities through Singapore-headquartered Rio Tinto Marine, which reports its figure as part of the 'other operations' business unit. That makes it difficult to ascertain how the division has weathered the market downturn, or what

percentage of sales are made on a delivered basis.

While Mr Walsh is approaching retirement age, he shows no signs yet of handing over the reins, given his reputation as a safe pair of hands.

After merging with Xstrata, Glencore is now eyeing Rio Tinto. Although Rio's board rejected initial overtures in September, there's speculation of another approach after the six-month regulatory period expires. ☹

## Light at the end of the canal — but there is still work to be done beyond its expansion

43

Jorge Quijano  
Panama Canal  
Authority

PANAMA Canal administrator Jorge Quijano is now into the second year of his tenure and, as with his first, it has been another eventful 12 months for the man at the helm.

This year, the near-80 km canal reached its centenary, but celebrations were somewhat muted, as once again the completion of its multi-billion-dollar expansion was put back — and then put back again.

It was, of course, hoped that the first commercial vessel would traverse the canal's new third set of locks this year, to coincide with its 100th birthday, but this wasn't to be.

The project has been hampered by labour disputes in recent years, which came to the fore in 2014, with works coming to a complete standstill not once but twice.

Industry observers noted at the time of Mr Quijano's appointment, as a 37-year veteran of the canal, who oversaw the construction of the new locks, his experience on the ground would be vital in bringing the two sides to the



Once again the completion of its multi-billion-dollar expansion was put back — and then put back again

negotiating table to get things moving.

These inclinations proved to be correct, with Mr Quijano's brinkmanship reportedly key to resolving this year's disputes to ensure that one of the most widely anticipated project's in shipping's illustrious history is now nearing completion.

As it stands, the multi-billion-dollar project is now slated for completion in the first quarter of 2016. In November, the final shipment of three out of a total

of 16 gates for the new locks arrived in Panama, which was heralded by Mr Quijano as another major milestone for the canal's expansion. Their arrival means the project is now approximately 82% complete.

However, with delays to the project resulting in the Panamanian waterway losing a significant amount of traffic to its rival the Suez, Mr Quijano, by his own admission, says there is still much work to be done. ☹

## LNG prowess powers this year's class list

### 01 ABS

ABS has managed to compete hard against DNV GL and Lloyd's Register in the drive to be the class society of choice when it comes to liquefied natural gas fuel.

It has approved designs for a gas-powered drillship, will class the first dual-fuel boxship feeder vessels and has been chosen by LNG America to approve an LNG bunker-barge design.

Altogether, 2014 was a strong year for ABS that started with former chairman and chief executive Robert Somerville landing the Lloyd's List North America Awards life-time-achievement award.

This is a class society that remains competitive, even if it retains a less than transparent air.

### 02 DNV GL Group

THE new combination of DNV and GL has yet to really show its strength. Indications from Lloyd's List Intelligence data suggests a notable drop in the number of vessels registered as owners shift fleets elsewhere.

There is growing concern that the new group's focus on non-maritime sustainability and environmental issues may detract from its classification role.

The industry is still waiting for the separate GL and DNV class rules to be unified. Like its competitors, DNV GL is fighting to be seen as the class of choice for an LNG-fuelled future.

### 03 Lloyd's Register

IT HAS been a busy year for Lloyd's Register, whose move to Southampton and new Global Technology Centre are promising developments for an organisation that is now so much more than a class society.

In the maritime field, LR revealed its assessment of global fuels mix for 2030, issued new voluntary notation for vessels constructed with varying degrees of readiness to be converted to run off LNG, and issued new containership rules.

It also found itself on the top of the Paris MoU white list for flag authority's recognised organisations.

### 04 ClassNK

THE purchase of software firm NAPA has underscored ClassNK's expansion into more direct consultancy work. It is also reaping rewards from new overseas offices and from its

unashamed drive to become a class society recognised globally, rather than in Asia.

But these developments continue to be overshadowed by the MOL Comfort casualty. ClassNK's report into the incident has done nothing to ease concerns.

Now, as shipowners look for 20,000 teu vessels, it will be interesting to see whether ClassNK manages to secure some of this new business.

### 05 Bureau Veritas

BUREAU Veritas is holding sway due mainly to the role its head of maritime Philippe Donche Gay plays as head of the International Association of Classification Societies.

The Paris-listed entity has, however, made inroads in maritime through its classification of the container ship CMA CGM Marco Polo and the other vessels in its class and within the offshore industry following the acquisition of US loss adjuster and risk-assessment firm Matthews Daniel.

### 06 Russian Maritime Register of Shipping

THE Russian Register of Shipping remains the class society one thinks of when looking at ice-class regimes. Russian development of Arctic reserves bodes well for the country's register but there are more international players coming into the arena, including the register's keen IACS competitors.

### 07 Rina

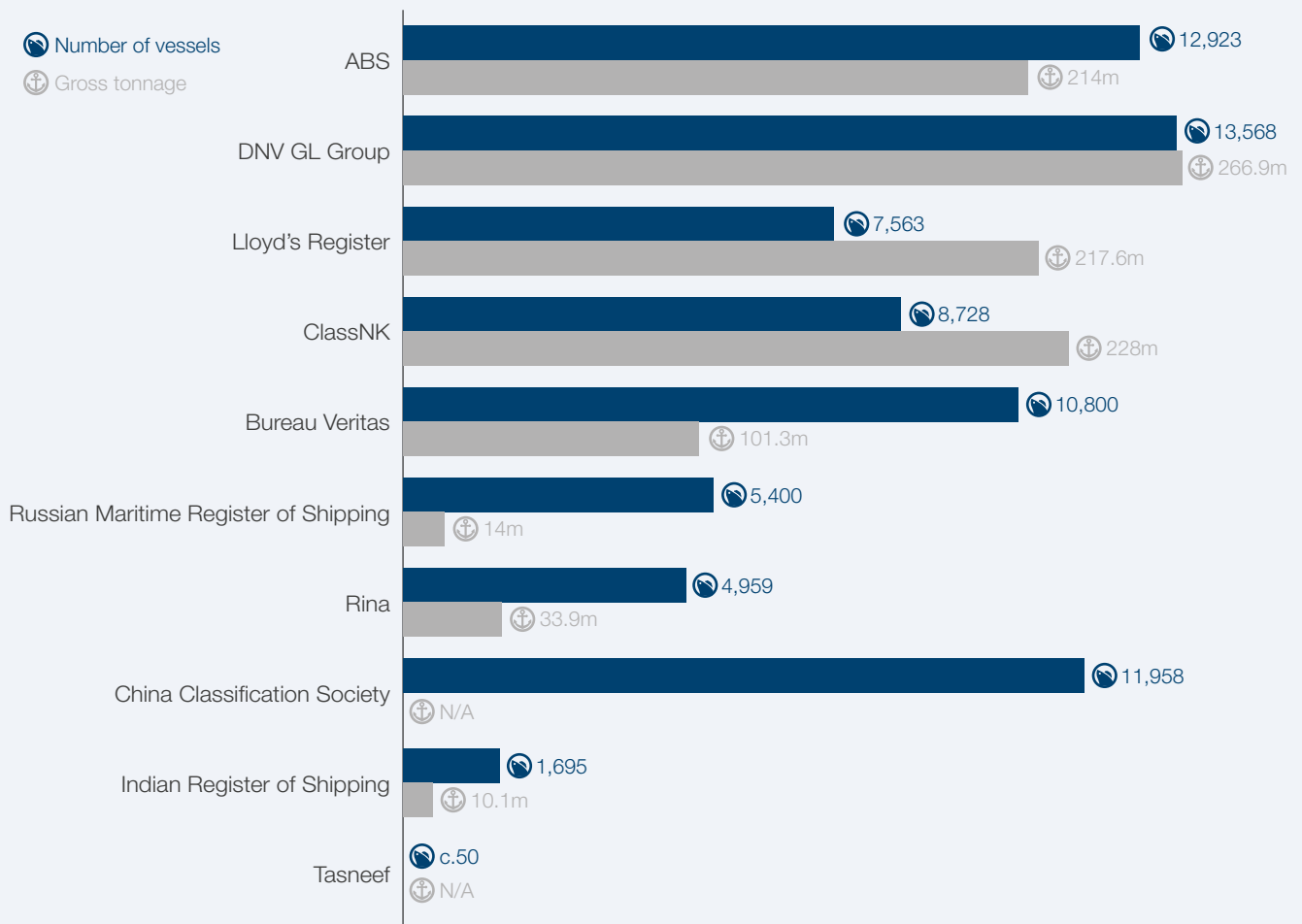
RINA had the IACS chair for the first half of 2014, chief operating officer Roberto Cazzulo starting an IACS assessment of larger boxship designs.

Early in the year, Rina said it might list in three years. It has also been working very closely with the new class society Tasneef in the Middle East, dual-registering a number of vessels and taking United Arab Emirates class society's surveyors for training in Europe.

### 08 China Classification Society

CHINA Classification Society is benefiting from growth in Chinese ships and from the strength of Asian shipyards, which are class societies' main clients during a vessel's newbuilding stage.

It has also played a part in China's development of a white list of shipyards that will be eligible for state support.



Fleet size, where given, comes from each classification society's figures in September/October 2014.

## 09 Indian Register of Shipping

A DARK horse, and one that seems poised to benefit from the opening up of Indian shipping clusters in the years to come, the Indian Register has recently announced a restructuring.

This will enable it, like so many other class societies, to focus on consultancy work, and to expand into new industrial markets such as oil and gas.

## 10 Tasneef

TASNEEF is the one to watch. Just after last year's Top 100 was published Tasneef, which was formed by the United Arab

Emirates government in 2012, classed its first commercial vessel.

It now has a growing number of commercial vessels under class, some due to newbuildings being delivered, others by switching class.

Tasneef has also been empowered by the United Arab Emirates maritime authority and Bahrain to inspect all non-International Maritime Organization vessels for compliance with the new Gulf Co-operation Council code for small vessels.

This is a huge undertaking and one that will see its work spread across the GCC countries and perhaps into the 22 countries that form the Arab League. 🌐

# Seaspan founder poised to order 18,000 teu ships as container lines seek to upgrade fleets

44

Gerry Wang  
Seaspan Corp

GERRY Wang has made a considerable impression on the container shipping industry since he burst on the international scene a dozen years ago with a business formula to challenge the German KG model, and he looks like ending 2014 with a flourish.

Having signed a charter deal with Maersk Line in the summer for 10,000 teu ships, the founder and chief executive of New York-listed Seaspan is poised to enter the 18,000 teu sector after considering a move into this category for several years.

The time finally looks right, as those carriers with global ambitions explore ways of keeping up with the industry leaders. A long-term lease deal with Seaspan looks an attractive option.

Now head of a company with a fleet of almost 90 ships either in service or on order, with combined capacity of 626,300 teu, Mr Wang nevertheless remains as outspoken as ever.

Few would be as bold as Mr Wang when he publicly admitted a few weeks ago that port congestion in southern California and other parts of the world was a positive development as far as he was concerned, since it increased demand for tonnage.

He expects ship speeds to increase as oil prices fall, although not back to the levels of earlier years, and remains confident that despite the latest interest in mega-sized boxships, the workhorses will remain the 10,000 teu to 14,000 teu class on which Seaspan has concentrated.

While Mr Wang remains the public face of Seaspan, its success owes much to the enduring partnership with Graham Porter, who co-founded the company.



The two met in Vancouver when both were working for the Washington Group. Mr Porter remains on the board and is also chairman of Tiger Group, a Hong Kong-based ship investment company.

Seaspan's participation in Greater China Intermodal Investments, an investment vehicle it established with asset manager The Carlyle Group, and Blue Water Commerce, has recently been extended. 🌐

# Hong Kong player faces tough decisions as container shipping forms four global alliances

45

Andy Tung  
OOCL

ANDY Tung is the most public face of the powerful Hong Kong shipping family that controls Orient Overseas (International) Ltd, parent company of Orient Overseas Container Line.

Now chief executive of OOCL after many years as chief operating officer, he is at the helm during yet another period of upheaval for the global container shipping industry as it

evolves into four super-sized alliances. OOCL is a member of the G6 alliance alongside four other Asian carriers plus Germany's Hapag-Lloyd.

During the coming year, the G6 group will face unprecedented competition from two new alliances that are about to commence operations; the 2M group of Maersk Line and Mediterranean Shipping Co, and the Ocean Three partnership of CMA CGM, United Arab Shipping Co and China Shipping.

All have ships of 18,000 teu or larger either in service or on order.





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The G6 lines have yet to decide whether to make that move and benefit from the economies of scale of the much bigger vessels.

OOCL, ranked number 14 in the world, has recently taken delivery of a series of 13,200 teu ships, but has nothing larger in the pipeline.

However, OOCL is thought to have been in contact with shipyards about 18,000 teu vessels, as have other members of the G6 alliance.

The year ahead will undoubtedly be tough for mid-sized carriers as the top lines pull ahead of the pack in terms of market power and financial results.

The decisionmaking process of a six-strong alliance is always going to be more challenging than for a consortium with only two or three members. At the same time, no line with global ambitions could survive any more without some form of operational collaboration, as Mr Tung acknowledges.

He has always praised the G6 alliance's benefits, saying that joining it was "a critical moment" for OOCL.

"The alliance structure is in some way really like a marriage, consistent and long-lasting," he was quoted as saying recently. And as the scion of

one of Hong Kong's richest families, with plenty of shipping knowhow and enviable connections, he knows what makes the business tick.

OOCL is known for its careful approach to growth, emphasising minimal debt and sticking to the trades it knows best.

Andy Tung is the first son of CH Tung, a former chief executive of Hong Kong. His grandfather was the OOCL founder CY Yung.

Group chairman CC Tung is his uncle and his younger brother Alan is a member of the executive committee. ☉

## CSSC chairman's aggressive measures have helped drive conglomerate back into the black

46

**Hu Wenming**  
China State  
Shipbuilding  
Corp

CHINA State Shipbuilding Corp chairman Hu Wenming has moved up rapidly in our Top 100 list. This is not really surprising, considering the fact he has taken some aggressive measures to bring the Chinese state-owned conglomerate back to profitability.

When Dr Hu took chairmanship in mid-2012, all was not well for CSSC. The world's second-largest builder of commercial vessels then was hit hard by weak newbuilding prices. All of its listed units either fell into the red or saw its profits eroded significantly.

But things changed within months. From end-2012, several CSSC group yards — led by Shanghai Waigaoqiao Shipbuilding — began to win a series of bulkier orders with narrow margins, and the newbuilding recovery eventually spread to other sectors.

SWS was especially an example of success. Within 18 months, the yard

managed to push up the newbuilding prices for capesize bulkers by around one-third and fill its slots until 2017.

Moreover, under Dr Hu's watch, CSSC established a leasing unit in Hong Kong to help group yards enter high-end markets and expand business when many carriers were still under financial stress.

CSSC Shipping would place newbuilding orders at group yards backed by long-term bareboat charter commitments. In 2013, the leasing unit booked vessels worth more than Yuan17bn (\$2.8bn) at other CSSC units. It is now targeting to place newbuilding orders totalling Yuan23bn in 2014.

Orders from CSSC Shipping include three 18,000 teu boxships on charter to CMA CGM and some jack-up drilling platforms, the two segments that its parent group had sought to enter.

As a group, CSSC recorded net profits of Yuan907.8m during the first three quarters of this year, more than doubled from the year-ago level of Yuan377.5m. Much of this can be attributed to Dr Hu's business ideas. ☉





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# John Fredriksen's righthand man goes solo with a lot to prove

47

Tor Olav Trøim  
Golar LNG

TOR Olav Trøim has a lot to prove. His famously fractious double act with John Fredriksen brought him more success in 19 years than many in shipping experience over an entire career, but his position on this ranking as a solo act reflects the fact that he was very much the junior partner in the band.

While we fully expect to see him rapidly head north on this list as he builds his own empire, starting with Golar LNG, there is much to do before he can begin to bother the top 10.

Given the near legendary status of Mr Fredriksen today, it can easily be forgotten that the first decade or so of the Seatankers empire was built out of hard graft and a singular focus on Frontline.

Mr Trøim's own journey is likely to be different, and less focused on

traditional shipping, but he still has that same period of empire building ahead of him before the spin-off projects can spiral.

Of course he's not exactly starting from scratch here. Golar LNG is an established presence in the market, with real potential to capitalise on the "fuel of the future", and Mr Trøim appears to be playing the long-term game with a strategic move into floating LNG units.

He was always more comfortable with offshore technology than Mr Fredriksen and the opportunities for structured finance in a less commoditised space plays to his proven strengths.

Few expect him to stop there, however, and there will inevitably be other projects in the pipeline. Mr Trøim's technical expertise, his appetite for risk and his reputation as someone who will ruthlessly execute a plan mean he is currently the darling of investors looking for an opportunity.



His reputation as someone who can build a shareholder-friendly business and navigate the capital markets with ease will help him build his own investor base, but he will no doubt be keen to mark himself out as his own man now that he is out there by himself.

Much has been made of the disagreements in strategic direction between Mr Trøim and Mr Fredriksen; now he has the opportunity to call the shots, it will be interesting to see what he can deliver. 🌐

# Union of Greek Shipowners' leader is likely to wear chain of office into next year and beyond

48

Theodore Veniamis,  
UGS

The leader of the Union of Greek Shipowners is likely to continue to wear the chain of office into next year and beyond

GREEK shipping seems to go from strength to strength and Theodore Veniamis, as much as any individual, is its representative, making him an obvious choice for a high rung on our

ladder of the industry's most influential personalities.

As president of the Union of Greek Shipowners, Mr Veniamis got much of the credit for hammering out a 'voluntary' deal with the country's conservative government that vastly increased debt-saddled Greece's tonnage tax income from the industry in return for what was supposed to be stability regarding the industry's taxes and structures.

This seemed to be unravelling in early 2014 after a surprise grab to boost



Consolidation has been a hallmark of 2014, when six of the largest and highest-profile shipbrokers in Europe became three

### 01 Andi Case, Clarksons

THE world's biggest shipbroker gains even more clout in 2015 once its acquisition of Norway's RS Platou is finalised.

The deal brings together two shipbrokers that had combined revenues of nearly half a billion dollars in 2013, that bring together 240 years of operations and have nearly 1,500 employees in some 20 countries.

Importantly for Clarksons, the London-based shipbroker gains RS Platou's thriving investment-bank business, an area it has long coveted but failed to fully successfully establish under its own Clarkson Capital Markets subsidiary.

RS Platou Markets did deals worth \$7bn last year, and has quadrupled its revenues over the past four years to the equivalent of \$81m, or 44% of revenues.

Clarkson Capital Markets, on the other hand, had \$18m in revenues and narrowed its losses in 2013.

Andi Case, who commands £3.9m (\$6.1m) in remuneration, is to remain as chief executive of the broking behemoth, whose shipbroking division posted \$251m of overall revenues totalling £198m.

Three-quarters of the \$281.2m offer would be in consideration of shares listed in London, with 16.66% in loan notes and the remaining 8.34% in cash, with the deal finalised in the first quarter of 2015.

### 02 James Kidwell, Braemar ACM chief executive

BRAEMAR Shipping Services led the way for industry consolidation this year, as the first to complete its integration with London-based competitor ACM Shipping in July.

That merger brought together Braemar's £144.8m revenues, of which shipbroking contributed 32% — the most of its four divisions.

Shipbroking employs 920 people worldwide and includes ACM Shipping's tanker-focused brokerage and half-share in a tanker freight derivatives business with GFI.

ACM Shipping added a further £29m in revenues to the combined group, which has already slimmed down the shipbroking and research team, paying out \$900,000 in transaction costs and another £2.1m for restructuring, mainly for redundancies, in the first months of union.

As with all new combinations, grumbling has surfaced as Braemar staff relocate to new premises, leaving the cheerful din of a converted church in London.

ACM Shipping co-founder Johnny Plumbe remains an executive chairman of the merged company, less than two years after he rejected a buyout offer from Norway's RS Platou.

RS Platou has now been bought by Clarksons.

### 03 John Welham, Simpson, Spence & Young executive chairman

SSY is left the largest man standing among the world's independent shipbrokers with a listed team of 120 people across nine countries in its dry cargo division alone, indicative of its breadth and depth.

The sale and purchase team is one of the world's largest in shipbroking, with a futures division trading freight derivatives and commodities swaps also among the top three in this category.

Executive chairman John Welham, who has been with the company 40 years, absorbed the US operations of smaller shipbroker Lalemant this year to strengthen SSY's North American presence.

### 04 Peter Kerr-Dineen and Henry Liddell, Howe Robinson-ICAP

HOWE Robinson, the 131-year-old London shipbroker that moved its corporate headquarters to Asia in 2010, is best known for its strong presence in the dry cargo and container ship sectors.

It is now looking to augment that expertise by joining with the shipping division of interdealer broker ICAP, which employs nearly 200 people across 10 offices worldwide, where it covers tankers in addition to dry bulk business.

ICAP acquired JE Hyde in 2007, followed by Capital Shipbrokers a year later, then Island Shipbroking in 2012 to complete the ICAP Shipping division.

But with revenue slumping across ICAP's commodities division, the interdealer is now looking to offload shipbroking. The deal is expected to be in place by the second quarter of 2015.

### 05 John Schmidt, McQuilling Partners chief executive and president

THE privately owned tanker shipbroker and marine services consultancy is one of North America's most prominent. It recently established a joint venture with India's Seaways Shipping and Logistics, adding that country to the others in which the company has a base.

## 06 Nigel Richardson, EA Gibson

FOCUSING on gas and energy trades, EA Gibson, the 115-year-old shipbroker owned by Hunting, saw revenues rise by £3.5m to £23.4m in this year's first six months.

With underlying profits at £300,000 so far, and a revival in tanker and gas market fortunes, Gibson Shipbroking may return to profit this year after last year's \$1.5m loss.

Nigel Richardson has been at the helm of London-headquartered Gibson, which has operations in three other countries and a strong focus in the booming liquefied petroleum gas carrier sector.

## 07 Michael Tusiani, Poten and Partners

THE mid-sized New York-headquartered energy brokerage and consultancy has the world's biggest oil and gas companies as its clients.

Michael Tusiani, with Poten since 1973, is on first-name terms with shipping's largest names as a result.

Employee-owned, the shipbroker employs more than 160 people, mostly at its Houston and New York offices, but also from branches in Europe, Australia and Asia.

With the US shale play revolutionising global energy trade flows, Poten is among the shipbrokers and consultants best positioned to benefit from additional exports of liquefied petroleum and natural gases.

## 08 John Banaszekiewicz, Freight Investor Service

THE founder of London-based FIS, with its focus on commodities swaps and freight derivatives, might be more involved with his beloved Burnley football club these days but he deserves his place among the top 10 shipbrokers for helping promote financial risk management strategies to shipping, for better or worse.

FIS may lack the influence and profile since freight trading's halcyon days of 2006 to late 2008 but ex-Cargill John

Banaszkiewicz still enjoys challenging the traditional, conservative, London shipbroking elite with his maverick attitude and approach to the business.

The slight recovery in FFA dry trading volumes this year and volatility in commodities prices may also work in FIS' favour.

## 09 Anders Hald, Maersk Broker

COPENHAGEN-based Maersk Broker may share the same name as the giant Maersk shipping conglomerate but the brokerage is independently managed, and operates as a standalone business with its own board.

In addition to dry cargo, sale and purchase and container broking, Maersk Broker is starting to focus on renewable energy, offering broker and agency services for the offshore wind segment.

Wholly owned by the Maersk family, the brand name has been a double-edged sword since the broker was founded by AP Moller in 1914.

Although Maersk is no longer the sole customer, it is still a key customer, accounting for less than a fifth of its revenues, with the rest of business generated from 18 offices worldwide.

## 10 Thomas Kaas Christiansen, Lorentzen & Stemoco

ALTHOUGH it is among the smallest brokers in this top 10, now that RS Platou has been swallowed up by Clarkson, L&S is one of the remaining handful of larger, Oslo-based shipbrokers operating worldwide.

Founded in 1919, privately held L&S claims to be the first international shipbroker to establish in China, with its Norwegian base adding offshore broking services to its gas, dry cargo and tanker sectors.

Like many smaller brokerages, L&S is struggling to stay profitable but its focus on the gas and tanker sector leaves it better positioned than many to ride the anticipated upswing in 2015. 🌐



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revenues by the outgoing finance minister Yiannis Stournaras, who has since become governor of the Bank of Greece. The industry also faced a number of other unwelcome changes by the government.

But the voluntary nature and fine print of that initial deal have been resurrected and calm appears to have been restored for now, together with Mr Veniamis' reputation for being a leader that can get things done in the corridors of power for the industry's overall good.

This is reflected in the fact that the UGS' general assembly has endorsed an exceptional formula that is widely expected to see Mr Veniamis elected for a third term as president in 2015.

That would make him the longest-serving Greek shipowners' leader since the reign of Stratis Andreadis, which ended in the 1970s and caused the UGS to introduce a maximum two-term presidency.

While this provides one powerful reason for Mr Veniamis' rise in our rankings, another is the expansion of his own footprint as a shipowner, the extent of which is still becoming clear.

Golden Union Shipping is now ranked as one of Greece's five largest dry bulk owners.

It has been busy in the past year in the secondhand market, with an emphasis on capesizes and kamsarmaxes. But

it also has an extensive orderbook of at least six capes and eight kamsarmaxes on top of an existing fleet of more than 30 bulkers in the water.

According to one leading shipbroker: "[Golden Union Shipping] acquired 11 capesize vessels in the last 16 months and I don't think there is another company worldwide that has pursued capes so aggressively with such profitable deals."

Mr Veniamis and his company are seen as having particularly strong relationships with financial institutions and builders in China, but also with major commodity traders and charters worldwide. 🌐

## Brothers head family shipping empire that has carved out a distinctive space in the industry and a strong leadership role

49

### Emanuele and Gianluca Grimaldi Grimaldi Group

EMANUELE and Gianluca Grimaldi make a formidable pair.

But while Gianluca prefers to stay in the background, his brother is prepared to speak his mind.

In a recent conference in Italy, Emanuele Grimaldi was characteristically to the point when he said weaker unviable shipping companies should be left to perish rather than to be supported by banks that are reluctant to pull the plug. In a comment that shows his support of commercial Darwinism, he accused banks of timidity and preventing a much needed consolidation in shipping.

He was also to the point when at the same conference he said the continued poor performance in the Greek ferry market pointed to a much needed a clean-out just to raise its level of safety.

Emanuele Grimaldi has long been critically outspoken about European regulators' involvement in creating what he sees as obstructive regulations for shipping, and critical for a number of years of the soon to be mandatory low sulphur emissions rules in European waters.

The Grimaldi family fortune has grown because the company has focused almost exclusively on what it is good at, regional trades in Europe, North Africa and the Atlantic, with a clear focus on ro-pax operations, and a family ethos that suggests direct strong action when it is needed.

Emanuele Grimaldi is directly involved in the group's activities, and for a little over a year now has been chief executive of Finnlines, the Helsinki-listed ro-pax operator where it is the controlling shareholder.

It was no surprise to hear that Finnlines therefore is planning to bid for Polferries, the Polish state-owned operator which Poland is once again trying to sell off.



Grimaldi Group also owns Atlantic Container Lines, which has been in the news of late as it builds up a new fleet container/ro-ro vessels which are the largest of their kind yet built. Deliveries start in mid-2015.

Emanuele Grimaldi is also president of the Italian Shipowners Association, Confitarma. 🌐

# Costamare Inc is enjoying one of the most successful periods in its 40-year history

50

Kostis  
Konstantakopoulos  
Costamare

UNFLASHY and not given to much public fanfare, Kostis Konstantakopoulos has nonetheless guided Costamare Inc. to one of the most dynamic and successful periods in its 40-year history.

The boxship specialist has been able to deliver consistently positive results and has shrewdly expanded and renewed its fleet, despite the overall poor state of the container shipping market.

Rewards have duly come. The company has been one of shipping's better performers on the stock market and its achievements were recognised in 2014 with the title of 'Company of the Year' at the Lloyd's Global Awards.

The Greece-based operator has increased its payouts to investors as revenues have increased, deriving from a fleet expansion that saw 10 eco newbuildings of 9,000 teu delivered in 2013-2014, as well as some selected secondhand acquisitions.

The newbuildings alone, all long-term chartered to Mediterranean Shipping Co and Evergreen, will contribute revenues of more than \$1.3bn.

Costamare has enhanced its firepower with a partnership with York Capital Management, with which it has already entered nearly \$1bn of new investments.

Chief among these are five newbuildings of 14,000 teu, all chartered long-term to Evergreen, and four newbuildings of 11,000 teu for delivery in 2015-2016.

Unlike many tie-ups between Greek owners and hedge funds or private equity firms, Costamare is a true co-investor, with participations of up to 49% in the ships acquired together.



Although the expansion has been impressive, Mr Konstantakopoulos is known to be choosy about deals, taking up only the pick of the crop, rather than going for growth at any cost

The company has also made raising funds and finance look easy with successful offerings of preferred stock, a recent 10-year sale and leaseback transaction with a leading Chinese financial institution, and a separate Strategic Co-operation Memorandum and Framework of Agreement signed with China Development for \$1.5bn.

Towards the end of 2014, the company announced its intention to launch a master limited partnership Costamare Partners LP.

Although the expansion has been impressive, Mr Konstantakopoulos is known to be choosy about deals, taking up only the pick of the crop,

rather than going for growth at any cost.

He is also an enthusiast of more efficiency, greater flexibility and performance benchmarking in shipmanagement. Adding to its operational strength, Costamare has its own shipmanagement companies in Greece and China, as well as a unique joint venture with V.Ships Greece.

His company reportedly now has its eye on entering the ultra large containership segment. As more international carriers launch tenders for building big ships, Costamare, by all accounts, has emerged as one of the top contenders for such contracts. 🌐

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Pic: Mrs GINA LI



# ExxonMobil subsidiary is one of the world's top 10 charterers of wet tonnage

51

Jack Buono  
SeaRiver

SHIPPING operations at ExxonMobil, the world's biggest listed oil company, might be kept low-profile, but Jack Buono, president of its Houston-based tanker subsidiary SeaRiver Maritime, heads one of the world's top 10 charterers of wet tonnage.

While the collapse in oil prices in the last half of 2014 is punishing oil majors and jeopardising upstream projects, ExxonMobil's refinery business, also the world's largest, becomes more profitable thanks to cheap crude, potentially boosting oil products shipments.

Even as ExxonMobil joins other energy majors in cost-cutting, Mr Buono's SeaRiver Maritime is making its presence felt in the booming market for Jones Act tankers, where a shortage of US-built, flagged and crewed vessels

has seen spot and period rates spike to a record this year.

The first of two Jones Act afra-max-sized tankers ordered at Aker's Philadelphia shipyard by SeaRiver has begun supplying Alaskan crude to west coast US refineries. The second is expected to be delivered by the end of 2014. The two tankers, costing \$200m each, are four times costlier to build in the US than Asian shipyards.

SeaRiver Maritime has chartered 305 tankers on the spot market in the first 11 months of 2014 to transport crude and oil products, according to shipbrokers, although not all fixtures are reported to the market.

Still, that accounts for nearly 27m tonnes of cargo and doesn't include the oil giant's presence in liquefied natural gas, where it has long-term charter arrangements to support its extensive global network there.

Many tanker fixtures are to ship products from refineries worldwide



in which ExxonMobil has an interest, including some of the world's biggest and most advanced, in Saudi Arabia.

Expansion projects in the kingdom, including ExxonMobil's refineries, are seen to be changing global trade flows in petroleum products over coming years, as ultra-low sulphur diesel shipped from Middle East is forecast to displace traditional suppliers to Europe, including India and the US. 

# Yilport boss want his outfit to be among world's top 10 port operators by 2025

52

Robert Yildirim  
Yildirim Group

TURKISH mogul Robert Yildirim has a big year ahead. He has just over a year to decide what he will do with his investment in French shipping line CMA CGM, which amounts to a 24% stake following a 2011 investment of \$500m in convertible bonds and an additional \$100m injection in 2012.

The investment period in the company is five years, running to January

2016. In an interview with Lloyd's List earlier this year, Mr Yildirim said he and the Saadé family are still considering their options, which include the Saadé family buying Mr Yildirim's stake, selling it as part of an initial public offering, or selling it to a third party.

It seems the Saadé family favours buying back his stake, he said at the time.

Overall, Mr Yildirim said he was happy with his investment in the shipping line.

"The company has produced some fantastic results and I am going to stay



until the end of my investment period and then we'll see what will happen," he said.

"The restructuring of the company went well and that's why we are positive and I am happy that I have been part of the company during the restructuring and the growth."

While the confident Mr Yildirim is clearly happy with his decision to invest in CMA CGM, his true love is ports. He

is president and chief executive of the Yildirim Group — parent company of the fast-growing Yilport Holding.

Yilport has the ambition of being one of the world's top-10 port operators by 2025. It plans to achieve this target through organic growth and acquisitions.

Port consultancy Drewry is obviously taking these ambitious plans seriously — it recently named Yilport as one

of the up-and-coming port operators that will challenge the market leaders over the coming years.

With the company's portfolio of assets now valued at around \$2.5bn, it is looking for new sources of finance in order to speed up the expansion process.

It is currently raising funds through a private placement but could one day consider an IPO. 🌐

## Clarksons chief creates a stir through shipbroker consolidation

53

Andi Case  
Clarksons

ANDI Case heads up the world's biggest shipbroker — one that is about to get even bigger through its acquisition of rival Norwegian broker RS Platou for \$440m.

Mr Case has steered the deal towards its inevitable conclusion: a full integration of the service offered to clients, with Clarksons taking advantage of RS Platou's particularly successful financial services division.

When it comes to broker consolidation, there's clearly something in the air.

In the space of just a few days, ICAP Shipping went public about its planned merger with Howe Robinson, and Clarksons is pushing ahead with its purchase of RS Platou.

Earlier this year, Braemar Seacore completed its merger with ACM Shipping.

But the Clarksons deal stands out, as it's a tie-up of a London-headquartered firm and a Norwegian business, opening the deal up to critics who say such an international partnership could struggle to gel once the honeymoon period is over.



Mr Case's Clarksons, with its more than 130-year history and around 1,000 staff worldwide, clearly has a lot at stake.

Early rumblings of discontent over the deal from members of RS Platou's London broker team cannot be infusing everyone with total confidence that the move will be an unbridled success.

But Mr Case, at the helm of Clarksons for seven years, has the

depth of experience to navigate the company through what could initially be choppy waters as its deal with RS Platou beds down.

Having raised an initial \$50m from a share placing in November, 2015 will surely bring another similar placing as Clarksons completes its consolidation deal, compounding Mr Case's position as one of the world's most influential shipbrokers as the enlarged group starts operating. 🌐



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# As chairman of Intertanko, the head of TEN will have a considerable voice in the tanker industry

54

**Nikolas Tsakos**  
Tsakos Energy  
Navigation

DAYS after being voted the new chairman of tanker industry organisation Intertanko, Nikolas Tsakos was able to point to an impressive lift-off in charter rates for almost all types of tanker.

We're guessing that was probably coincidence and therefore should not be counted in assessing the rising influence of the Greek shipowner.

Nonetheless, his new job gives him a considerable voice in the tanker industry and the backing of a shipping association that has proved it can make a difference.

Those who have followed Mr Tsakos' three-decades career don't expect him to spark a revolution at Intertanko, with which he has been involved for many years.

His traditional Chios shipping background is evident in a taste for stability and time-tested procedures. But he



has never been afraid to seek out new paths as well, the most obvious aspect being his vast experience in the public markets that began during his 20s when he floated Global Ocean Carriers on Amex, to be followed later by tanker company Tsakos Energy Navigation.

A balanced approach will see Mr Tsakos keen to further Intertanko's traditional technical and environmental agenda, including important topics such

as vetting, ballast water treatment and emissions.

However, he will also want to build on the association's new determination to push for a more equitable system of payment from charterers. Mr Tsakos says he is also hoping to attract other big-hitters to Intertanko meetings.

At his own company, US-listed TEN, the owner has spoken out against speculative ordering of tonnage and the company has led by example.

TEN has significantly strengthened its profile through recent build-for-charter alliances with oil companies — for aframaxs, long range product tankers, and suezmax shuttle tankers — but has shied away from ordering without ready employment.

Mr Tsakos is co-founder, together with his father Capt. Panagiotis Tsakos, of the Maria Tsakos Foundation (named after his late sister), a charitable organisation for the well-being and education of young men and women, focusing on maritime studies and tradition. 🌐

# Yard's president and chief executive shows flexible strategy in difficult times

55

**Jaeho Ko**  
Daewoo  
Shipbuilding &  
Marine Engineering

DAEWOO Shipbuilding & Marine Engineering has been the best performing yard among South Korea's Big Three this year, which also include Hyundai Heavy Industries and Samsung Heavy Industries.

Still, its overall performance was weaker on year. Like the other two

shipbuilding giants, DSME has not been able to escape from the offshore woes.

The company secured new orders for 49 ships worth \$7.8bn during the first 10 months of this year, much lower than 43 units worth \$11.8bn in the year-ago period in value terms.

Falling upstream investments of energy majors seriously hurt DSME. It failed to win any offshore orders in the months from January to October, compared with 11 units worth \$8.1bn a year ago.



With weak offshore market conditions, the company has refocused on merchant vessels and reaped some rewards. 🌐

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Supported by stronger demand for liquefied natural gas and liquefied petroleum gas carriers, DSME won orders for 46 commercial vessels worth \$7.7bn in the 10 months, versus the year-ago level of 30 ships worth \$3bn.

The total orderbook reached 156 vessels totalling \$47.7bn as of the end of October, compared to 136 ships totalling \$44.7bn a year ago.

However, it could be too soon to

judge whether such a shift can actually enhance DSME's profitability. Some of its deals, such as the Kogas tender, were apparently done at low prices.

In summary, newbuilding prices for commercial vessels have remained low. Those orders could later drag down DSME's operating margin, already hurt by some low-price offshore deals.

In the January to September period, net profits of DSME were Won128.6bn

(\$115.6m), down from the year-ago level of Won193.9bn.

Since being appointed as president and chief executive in April 2012, Mr Ko has proved to be flexible in his business strategy. More often than not, his approach works well for DSME.

Still, against the adverse business environment, it could be some time before the company can enjoy a full-fledged recovery. 🌐

## A passion for sustainability, but will it overshadow the group's classification roots?

56

Henrik Madsen  
DNV GL Group

HENRIK Madsen and DNV GL have just finished a global tour promoting its first year as a merged company and 150 years since the start of Det Norske Veritas, the Norwegian class society that merged with Germanischer Lloyd to create the biggest class society when simply looking at numbers.

As chairman, Mr Madsen holds sway over this new empire, which is majority owned by the DNV Foundation and former GL owner Mayfair as the minority shareholder.

Yet while the group has been polishing its message this last year there is still work to be done. The two class society rules are yet to be harmonised and by all accounts, there is a trickle of shipowners seemingly leaving the new class behemoth to register their ships elsewhere. DNV GL said it had expected this, but to what extent? DNV GL hopes perhaps that deals like the one with Ahrenkiel will help reassure the market.

Mr Madsen is driving this new organisation forward with a great amount of energy and skill. He is infusing throughout the organisation his belief that DNV GL should play



While DNV GL still stands at the pinnacle of class in terms of numbers and its forging a path it believes is the right one, it cannot lose sight of its maritime classification roots

a key role in shaping an ethos for a sustainable green future. However, this may be part of the problem when one looks at DNV GL from a classification perspective.

The combination of GL and DNV has created an organisation that is putting so much focus on its belief in sustainability and the consultancy services it can offer in achieving this

future vision, that the class function may be left somewhat in the shadows.

While DNV GL still stands at the pinnacle of class in terms of numbers and its forging a path it believes is the right one, it cannot lose sight of its maritime classification roots. Being big and taking pot shots at its competitors is not going to be enough to retain the class title. 🌐

# SHI president and chief executive expected to pursue merger

57

## Dae-young Park Samsung Heavy Industries

THE ranking of Samsung Heavy Industries is slightly down this year after the South Korean shipbuilder stumbled on its way to becoming an integrated industrial conglomerate.

Having shifted its focus to merchant vessels from offshore units in recent years, SHI has been hit hard by falling upstream investments by energy majors this year.

For the first 10 months of 2014, the company received new orders totalling \$6.6bn, or only around 45% of its annual target. The figure was also sharply lower than the \$12.4bn orders that SHI had won during the year-ago period.

The main reason behind the fall in performance is a collapse in offshore plant orders. The company received offshore orders worth \$2.9bn in January-October, compared with the year-ago level of \$8.7bn, according to official and industry figures.

SHI's offshore woes reflect not only on its business side, but also on its financial side.

During the January-September period, the company's net profits fell 84.5% year on year to Won106.2bn (\$95.3m). This is primarily because SHI needed to book provisional losses of Won580bn for cost overruns in two offshore projects.

Moreover, the company's proposal to merge with Samsung Engineering failed due to shareholders' opposition.

The two affiliates of Samsung Group, South Korea's largest chaebol, which is expected to see a transition of power from chairman Lee Kun-hee to his children soon, were planning to combine their business to serve energy firms better.

The new entity would have aimed to handle onshore and offshore plant projects as an engineering, procurement and construction service provider, with an annual sales target of Won40trn in 2020.

However, the proposed venture failed to win shareholders' confidence.

As shareholders can ask SHI and Samsung Engineering to buy their shares back if they oppose the merger, the two companies had set thresholds for buyback costs. Shareholders of SHI were seeking



Won923.5bn, lower than its Won950bn threshold. But Samsung Engineering shareholders wanted to sell shares worth Won706.3bn, far above the Won410bn the company was willing to pay.

SHI president and chief executive Dae-young Park, who had worked in the offshore sector before his appointment in 2012, is expected to pursue this merger some time again in the future when market conditions improve.

The company does not seem keen on turning back to the merchant vessels business, having shied away from low-margin orders. This will at least help SHI keep a decent balance sheet in the near term. 🌐

# Ports boss keen to expand on recent expansion

58

## Sultan bin Sulayem DP World

IT was another milestone year for DP World and chairman Sultan Ahmed bin Sulayem as the terminal operator opened the 4m teu Container Terminal 3 at its flagship Jebel Ali facility.

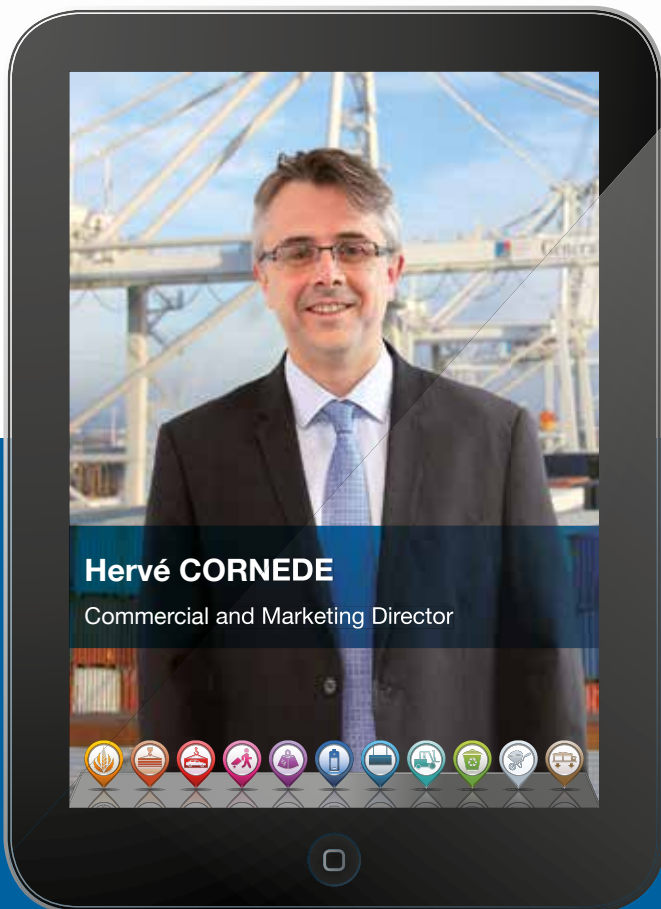
The new terminal brings Jebel Ali's total capacity to 19m teu, making

it one of the largest facilities in the world. The terminal will become fully operational next year. Its draught of 18 m means it will be able to handle the new generation of ultra-large containerships.

In terms of container volumes in 2013, Drewry figures show that DP World reported a 1.5% year-on-year decline in total throughput to 53.7m teu and a 1.8% drop off in equity throughput to 32.8m teu as it divested



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## The men and women controlling the purse strings

### 01 Kristin Holth, DNB

The most important man in ship finance is a woman. According to the latest statistics on the sector, DNB is now largest ship finance bank in the world, with a portfolio of \$28.3bn. Company lifer Ms Holth has been with DNB since 1984, and landed the head of shipping role in 2013.

### 02 George Diao Gang, Bank of China

Ship finance's shift towards the Far East has been widely remarked since the onset of the industry downturn. Now an Asian bank has entered the rankings of the top five shipping banks by portfolio for first time, with \$20bn exposure. Mr Gang is director of ship finance at Bank of China.

### 03 Wilbur Ross, WL Ross & Co

Private equity's interest in the shipping space may have peaked in many cases, but in the words of one source: "Wilbur Ross just keeps buying more." While his shipping bets such as Navigator and Diamond S have so far not approached the spectacular returns the billionaire investment legend has made in other distressed industries, word is that he is ready to double down.

### 04 Chris Boehringer, Oaktree

The other main PE investor in shipping has of course been Oaktree and its Harvard and Insead-educated shipping specialist Mr Boehringer can be taken as a figurehead for the firm as a whole. With Oaktree since 2006, his CV includes stints at Goldman Sachs and Warburg Dillon Read. He speaks Japanese.

### 05 Jeffrey Pribor, Jefferies

Being the chief financial officer of a major company forced to file for Chapter 11 would be the kiss of death for many careers. But Mr Pribor bounced straight back from what happened at General Maritime early last year to become head of maritime at investment banker Jefferies, where he now has a finger in many shipping fundraisers and New York IPOs.

### 06 European Central Bank audit team

While no shipping banks were killed in the making of the motion picture, the ECB stress test was one of the defining events in ship finance in 2014, with special attention paid to the shipping books at a number of the objects of the ECB's unwanted attention. Don't mess with anonymous middle-aged guys in grey suits.

### 07 Torsten Temp, HSH Nordbank

Not a great year for Mr Temp, who has seen his bank knocked off the number one spot for shipping exposure, and is now seemingly faced with a forced sell of several billion dollars of non-performing loans. But let's not forget that HSH is still the second-largest lender to the industry and still matters.

### 08 Michael Parker, Citigroup

While not in the top bracket as a direct lender, Citigroup has been highly active in the market for secondary debt, acting as the middle man for a \$520m chunk of Genco debt on behalf of unknown buyers and acting as agent for Nordea's exit from Eitzen Chemical. Mr Parker — an Oxford PPE — has been with Citi since 1977, and head of shipping since 1997.

### 09 Torsten Teichert, Lloyd Fonds

Anything but the stereotypical conservative Hamburg ship financier, Mr Teichert previously worked as an advisor to a centre left politician and wrote a PhD on the work of controversial novelist Hubert Fichte. His current intellectual task is to devise schemes to rescue Germany's obviously broken KG system. Many will thank him if he pulls it off.

### 10 Steven Fewster, ING

While not as high profile as some of his rivals, Mr Fewster and his team are specialised in project and structured finance and feature regularly in the mandated lead arranger and bookrunner tables compiled by Dealogic. ING had closed 49 shipping transaction in the year to date at the time of writing, holding only \$3.6bn itself. 🌐

interests in Tilbury, Adelaide, Aden, Vostochny and ACT (Hong Kong).

But these declines have not affected its position among the top operators, ranking number five in the world in terms of total throughput and number four for equity throughput.

It has also continued to invest and, in 2013, it added terminals in Embraport, Brazil, and London Gateway in the UK. This year it has announced further investments in Belgian logistics hub

Triligiport and work has begun on its new terminal at Jawaharlal Nehru. It has also opened new facilities in Brisbane and Saigon.

In mid-October, DP World also announced plans for the \$2.6bn purchase of Jebel Ali freezone assets.

Next year, Mr Sulayem will oversee the opening of a new high-tech facility on the Maasvlakte 2 development as part of the Rotterdam World Gateway consortium, along with shipping lines Mitsui

OSK Lines, Hyundai Merchant Marine, APL and CMA CGM.

At the nine-month mark, DP World saw volumes increase 10.1% year on year to 44.8m teu, thanks to the opening of London Gateway and Embraport.

As for future investments, Mr Sulayem says the operator will look to continue to invest in emerging economies, such as in Africa and South America. However, the right infrastructure must be in place before it does so. 🌐

## Habben Jansen faces twin challenge of returning German line to profit and CSAV integration

59

**Rolf Habben Jansen**  
Hapag-Lloyd

ROLF Habben Jansen is a newcomer to the Top 100, but as chief executive of Hapag-Lloyd, he is now in charge of one of the biggest and most highly regarded container lines in the world.

Furthermore, he takes over at a time of considerable change for the Hamburg line as it absorbs the container business of Chile's CSAV. That deal, described as a merger but in effect a takeover, was finalised in early December, has elevated the Hamburg line from sixth-largest to number four in the world in terms of fleet capacity, but still some way behind the top three.

As a Dutch national, Mr Habben Jansen will also be the first foreigner to head the Germany's largest shipping company — although he speaks fluent German. Anthony Firmin, the line's chief

operating officer, is British, while CSAV will have board members, further diluting the German influence.

Mr Habben Jansen, who joined Hapag-Lloyd from AP Moller-Maersk's forwarding group Damco, where he was chief executive for four years, took over in mid-2014 from Michael Behrendt, who subsequently moved up to chairman of the supervisory board. Industry veteran Ulrich Kranich also retired during the year.

His immediate priority will be to amalgamate the CSAV business, and then to improve the financial performance of a company that has under-performed in recent years.

"If you look at what we have been going through over the past several years, then we have not made any money. And it's going to be tough in 2015, too," he readily acknowledges.

As a member of the G6 alliance alongside five Asian carriers, Hapag-Lloyd will also be considering the need for another round of newbuildings, and whether



now is the time to go for 18,000 teu-class vessels.

Assuming the results eventually improve, the new chief executive is likely to prepare for an initial public offering that will enable the Hamburg investors who came to the rescue of Hapag-Lloyd, when it was the target of a takeover approach from Singapore's NOL in 2008, to dispose of their shareholdings, should they wish.

But first, Mr Habben Jansen will need to close the profit gap with Maersk Line. As a former AP Moller-Maersk man, he may be able to bring a bit of inside knowledge about how best to achieve that. 🌐

As a Dutch national, Mr Habben Jansen will also be the first foreigner to head the Germany's largest shipping company

# Shipping, covered



Lloyd's List provides an informed perspective on the stories that matter and the issues that are shaping the maritime industry.

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# Lloyd's List

# New leadership brings stability to Qatari gas-shipping giant

60

**Abdullah al-Sulaiti**  
Nakilat

ABDULLAH Fadhlah al-Sulaiti replaced Muhammad Ghannam as managing director of Qatar Gas Transport Co last year, in the company's first change of leadership in a decade.

It was, though, never going to be a sweeping change of culture, given the conservative nature of Qatari gas shipping.

More of the same, then, as Mr al-Sulaiti guides the Middle Eastern country's flagship company on the same, solid, path it has trodden for the last few years, its major position in the LNG shipping industry largely unfazed by slight market downturns.

A testament to that stability was credit rating agency Standard & Poor's

reaffirming Nakilat's corporate credit rating as AA- with a stable outlook in October, despite the challenges facing LNG spot shipping.

Nakilat largely escapes the market challenges due to its stable cashflow and long-term charter contracts with quality charterers.

Consistent profitability and strong experience in running LNG ships are among Nakilat's strengths, S&P said in its rating — something that Mr al-Sulaiti is unlikely to want to dent any time soon.

What really separates Nakilat out, though, is its importance to Qatar's overall economy, its vessels connecting the LNG supply chain from upstream to downstream. Not bad for a company started only 10 years ago.

With gas an ever more important part of the global energy mix, Nakilat's role as a provider of LNG to importers as



diverse as China, the UK and Japan, can only grow.

And with it will grow Mr al-Sulaiti's reputation.

Don't be surprised, therefore, if he climbs a few places on next year's list of shipping's most influential people. 🌐

# Not best of years for forward-thinking German owner

61

**Bertram Rickmers**  
Rickmers Holding

BERTRAM Rickmers' holding company, Rickmers Holding, is the latest incarnation of a family business that started with a shipyard established in Bremerhaven in 1834.

The economics graduate, born in 1952, represents the fifth generation of the business and has previously featured in the Lloyd's List Top 100 in every year since 2010. He is the elder brother of Erck Rickmers.



Unlike many on this list, he did not inherit the key concerns that bear his name and, indeed, had to buy Rickmers-Linie back from Hapag-Lloyd, which had owned it in the 12 years prior to 2000.

The group is now involved in a range of maritime activities, including shipmanagement, crewing, liner shipping, breakbulk, heavylift, project cargoes and maritime asset management.

But it hasn't had an easy year. First-half pre-tax profits plunged 95%, from €22.7m (\$29.9m) to just €1.1m.

With a debt load now topping €1.5bn, Rickmers has also confirmed it

is talking to its bankers with a view to restructuring, preferably through pushing back repayment deadline.

The irony is that, financially speaking, this has been one of most forward-thinking German owners, characterised by its turn away from traditional KG funding and its orientation towards the capital markets and private equity.

It even underlined that stance by hiring in US management talent in the form of Ron Widdows.

The high-profile Neptune Orient Line chief executive was enticed away from Singapore to head up Rickmers

2012, and stood down earlier this year. Some found the short notice he gave of his intentions slightly surprising.

Mr Widdows' initiatives includes a joint venture to buy containerships with funds affiliated to New York-listed alternative investment manager Apollo Global Management.

He also oversaw a domestic high yield bond, initially placed in June 2013, which was recently topped up for the third time, taking the cumulative total to €275m.

Unfortunately it has just been downgraded to speculative CCC by an important German ratings agency. 🌐

## Investor says it is too early to consider a step out from his colleagues

62

Wilbur Ross  
Diamond S/  
Navigator

WILBUR Ross wants to know, specifically, who is talking about a private equity exit from shipping.

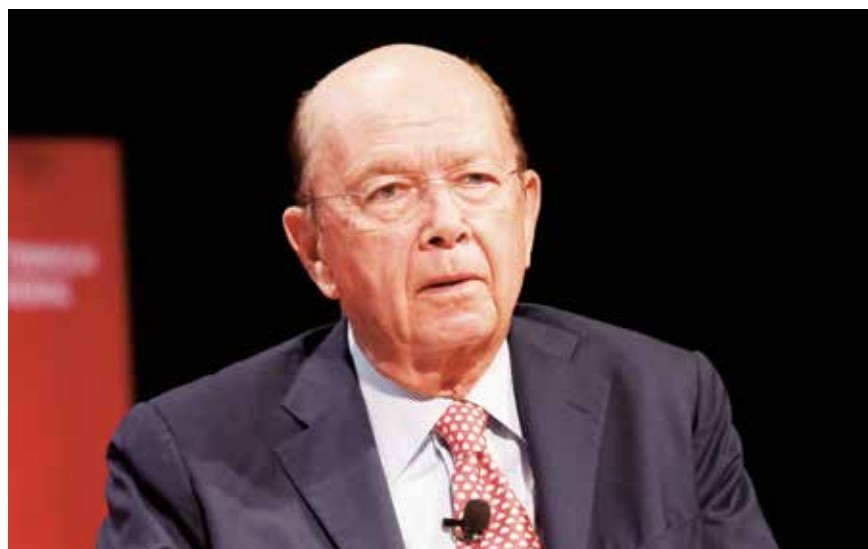
"It has been hanging around for some time without substance or quotation marks attributed to it," he says. "I don't know of anyone in private equity in total exiting mode."

Despite constant theorising of how the industry will react when private equity investors cash in on their shipping plays, Mr Ross, who oversees his investments of Navigator Gas and Diamond S, says it is too early to consider a step out from his colleagues, mainly because those investors have yet to see a return.

"What's the point of exiting if you're not seeing a profit?" he asks.

Oaktree Capital Management remains in its investment, as does Apollo Global Management and Blackstone, Mr Ross adds.

Mr Ross, with his recent announcement of the purchase of four suezmax



vessels and four very large crude carriers, signalled that he is committed to the industry and the expected recovery in rates.

"One thing we really learned in shipping is that it changes to a very large degree, very rapidly and without much warning," the billionaire investor says.

"That tendency will continue, but I think it will be from a higher base than what we've seen in the last couple of years."

Mr Ross saw first-hand that volatility this year, when in March he pulled his plans for an initial public offering for product tanker company, Diamond S, citing a weak pricing environment.

That offering would have raised up to \$227m to help fund 10 new product tankers.

Mr Ross declines to discuss the possibility of another listing for Diamond S.

"We're optimistic that we really have reached a turning point," Mr Ross says of his outlook. 🌐

# Newbuilding tankers set to be delivered to BP as market recovery emerges

63

John Ridgway  
BP Shipping

THERE is little change for BP Shipping on 2014's ranking list, except this year brings the company closer to the holy grail of tanker market recovery — albeit by taking baby steps.

The company, led by chief executive John Ridgway, has continued its major role as tanker charterer this year, and will soon see some of its newbuildings delivered from the yards.

It's an impressive haul — as many as 10 aframax crude tankers being built at South Korea's STX Offshore and Shipbuilding, delivery dates scheduled for 2015 and 2016, and four suezmax tankers being built due for delivery in 2016.

On top of that there are 14 chemical and oil tankers, sized 40,000 dwt-50,000 dwt, scheduled for delivery in 2016 and 2017 from Hyundai Mipo.

This sweeping fleet renewal comes as many experts in the tanker market are talking of a gradual recovery.

While it can sometimes feel like two steps forward, one step back, there is gradual progress being made, a number of tanker companies testifying to that through improved earnings in the third and fourth quarters of the year.

Mr Ridgway, who joined BP in 1971 as an officer cadet, rising to the rank of captain, began his shore-side career within the BP Group in 1984.

After 30 years, he has seen quite a few cycles within the tanker industry, so the latest turn of the wheel from down at the bottom through to somewhere closer to the middle ground must come as no real surprise to him.

The question is whether BP Shipping has made the right punt on market recovery occurring sometime in 2016 or 2017, when the company's newbuildings will all have been delivered on to the water.



Mr Ridgway's extensive experience in the tanker industry would lead one to believe he probably knows what he's doing. 🌐

# Cousins who combine shipping with good red wine

64

Jochen and  
Christoph Döhle  
Peter Döhle  
Schiffahrts

BEST known for its effective control of shipmanager Hammonia Reederei, Peter Döhle Schiffahrts is named after the father of Jochen Döhle, who now runs the company with his cousin Christoph Döhle.

Hammonia hasn't had a great year, with impairment charges on its pooled

vessels just about doubling its net deficit to €42m (\$58m) from €22m previously.

But there were some silver linings, including winning the technical management of a number of Zim boxships following the restructuring of the Israeli carrier.

Hammonia has this year also established a separate outfit, Hammonia Containership Co, with the aim of purchasing secondhand vessels with private equity money.

Other Döhle subsidiaries include insurance broker Döhle



Assekuranzkontor, crew management firm DPM Döhle Personalmanagement, liner agency Döhle Schifffahrtslinien-Agentur and Isle of Man-based shipmanager Döhle (IOM).

Joint ventures beyond Hammonia include shipping software house DokuShip Information Systems, and Hamburg-based bunker supplier Hanseatic Bunker Services.

Together they control a fleet of 500 containerships, multipurpose vessels and bulk carriers, making them the fifth-largest German shipping concern. Of these ships, around 100 are fully owned and a further 100 are part owned.

Beyond shipping, the group owns the El Principal vineyard in Chile's Maipo Valley, which is said to produce some decent reds. The cousins like to keep

a low profile and little is known about their private lives. Even basic biographical details are not in the public domain.

But thanks to statutory declarations, we know Jochen Döhle was born in October 1955 and sits on the numerous other boards for well-known maritime cluster concerns, including Eurogate, Eurokai, Splosna Plovba and KG house HCI. Christoph Döhle was born in October 1965. 🌐

## Outspoken supporter of seafarers recognised for his energy and enthusiasm

65

Roberto Giorgi  
V.Ships

ROBERTO Giorgi is a man who wants to push the voice of the seafarer out into the industry and further afield.

A strong supporter of organisations such as YoungShip and a vocal critic of seafarer criminalisation, he understands the challenge of finding ever more youngsters to train up for careers at sea, and retaining them in an industry that seems to work hard on doing the opposite.

Shipmanagement and other areas of operational outsourcing are growing within the shipping industry. Shipowner costs are always a key factor, but also the introduction of new stakeholders, such as finance houses, in shipowning companies have led to increased use of shipmanagement firms.

Mr Giorgi has seen the expansion of V.Ships' activities in recent years. However, the consolidation in the shipmanagement industry as bottom lines shrank has not emerged as much as he thought it would, Mr Giorgi envisages more collaboration between shipmanagement firms

He cites the growth of Marcas, a procurement network launched by V.Ships and now developed into a



buyer's platform, with V.Ships inviting other shipmanagement firms to join what has now become a consortium. This summer, another shipmanagement giant, Anglo Eastern, joined Marcas, bringing its purchasing power up to about \$1bn.

Mr Giorgi says it is the shipmanagement firms that will need to lead the way in meeting the recruitment challenge shipping will see develop in the next 15 years.

Experts have been warning that as global trade increases and leads to rising volumes at sea, so the number

of crews and officers needed to meet the demand for more tonnage will be greater.

According to Mr Giorgi, the whole industry is responsible for building and raising the positive profile of a career at sea, for explaining the wealth of careers to which being at sea can lead, and helping ensure seafarers are treated with dignity.

Over the past year, Mr Giorgi has also become executive chairman of luxury yacht broker Frazer Yachts, a company in which V.Ships has a minority stake. 🌐

# Commendable work in finding a common voice among differing national shipowner associations

66

**Masamichi Morooka**  
International Chamber of Shipping

MASAMICHI Morooka has been chairman of the International Chamber of Shipping for two and a half years.

He is also chief executive and president of NYK Bulk and Projects, the division of Nippon Yusen Kaisha formed when NYK-Hinode Line merged with NYK Global Bulk last year.

This is the company that now has two heavylift module carriers built with a unique air-lubrication system that pumps air bubbles under a ship's hull to reduce water friction and improve fuel consumption.

But it is Mr Morooka's efforts within ICS that bring him into the Top 100 for the third year in a row.

He is one position down from last year, but up from his first year on the list.

Over the last two years the International Chamber of Shipping, which does not directly represent ship-owners but their national associations, has led something of a media campaign.

We saw this last year and we have certainly seen it crystallise more this year.

There is plentiful evidence in the Lloyd's List news inbox that ICS has a revitalised and more direct approach to its lobbying.

This year, the group has taken a direct position on many of the key issues that are impacting, or likely to impact shipowners.

However there are concerns that this campaigning may be a bit thin at times.

While it has a strong and welcome position on many of the crucial issues facing shipping, its position on the raft of environmental rules being a prime example, at times its message has been unclear.



Representing various national ship-owners' groups is not an easy task; they do not all see eye to eye, and this has to be considered when looking at the work of the ICS.

To borrow a very English idiom, running the ICS may at times be like herding cats.

So from that perspective, Mr Morooka is doing well to find common ground. 🌐

# An entrepreneur whose interests span well beyond shipping

67

**Evangelos Marinakis**  
Capital

EVEN though Evangelos Marinakis' influence can be seen in diverse spheres, his shipping activities, which span a total of 60 vessels under his Capital group, start with a solid base of commercial and technical management expertise.

Shipmanager Capital Ship Management is one of Greece's most

highly certified management outfits, and recently became the first shipping company worldwide to be successful assessed by Lloyd's Register against the IMO Strategic Concept of a Sustainable Shipping Industry.

The company has also launched a joint project with LR and Daewoo Shipbuilding & Marine Engineering to examine LNG as a fuel and its use on an ultra-large containership design.

Containerships have come to the fore as Mr Marinakis has nurtured his Nasdaq-listed master limited





partnership Capital Product Partners, originally a pure product tanker owner, to become a mixed fleet of 30 vessels.

In 2014, the public company took over three 9,000 teu eco-flex container ship newbuilding contracts, together with five-year charters to CMA CGM, from private company Capital Maritime. At the same time it agreed to acquire two medium range tanker newbuildings from Mr Marinakis' private company, with first refusal on another six sister vessels under construction.

Looking ahead, three eco-design very large crude carriers controlled by Mr Marinakis have also been mentioned as possible candidates for Capital Product.

Altogether, Capital Maritime inked more than \$1.1bn of investments in shipping since 2013 and has been commercially strong enough to become a key charterer for the public company.

The entrepreneur holds a special place in the life of Greek shipping's home port of Piraeus due to his

chairmanship of local Olympiacos football club, a serial Greek champion.

In 2014, he was elected first member of the Piraeus municipal council on the ticket of the new mayor, Yannis Moralis, with a large percentage of the vote. He has pledged to promote Piraeus as an international business centre and to develop the port as a hub for cruising.

However, he and the new mayor have declared themselves implacably opposed to a current government initiative to sell off a majority shareholding in the port authority. 🌐

## Keeping it clean when the going gets tough

68

Thomas  
Wilhelmsen  
Wilh. Wilhelmsen

ONE glance at the latest edition of the Wilh. Wilhelmsen in-house magazine shows how challenging recent years have been for Thomas Wilhelmsen and his group of family businesses.

Thomas is the fifth-generation Wilhelmsen at the helm of a business that is now two Oslo-listed companies focused on automotive and other ro-ro logistics, ship-related services and an interesting mix of other investments.

The group makes no attempt to hide its recent difficulties, and this is perhaps a trait that Mr Wilhelmsen shares with many other senior Norwegians, in a country in which transparency is central to business culture.

Changing trade lanes, changing rates, more dynamic cargo mixes and rising costs are affecting the group as the entire shipping industry faces cost controls.

Wilhelmsen's shipping groups are having to face the continued impact on revenues of the group's maritime services.

Mr Wilhelmsen talks about the need to reduce the number of high-cost



officers at sea, and to find ways for the group's businesses to save money, and to cut costs.

News emerged during the year that Wilhelmsen was seeking to sell off part of an engineering business to a Nordic private equity firm.

This did not happen, but the group said was still looking to spin off some of its engineering businesses in the future, presumably looking to bring in an investor to raise capital.

The bottom-line challenges facing WW, and the fact that this year the group has issued its first sustainability report, probably explain why Thomas

Wilhelmsen has developed new business standards for all group employees.

The I Comply statement means as staff work through the uncertainty of restructuring and other cost-cutting strategies they have pledged to resist the lure of unethical business practices.

Times may be hard for Wilh. Wilhelmsen, but its fifth-generation leader is determined to make sure that by the time the business is reporting more positive results it does so knowing that its achievement has come from doing the right thing, rather than doing whatever it takes to survive. 🌐

# FMC's five commissioners take hawkish line as ocean carriers form global alliances

69

## Federal Maritime Commissioners Washington

RARELY has the Federal Maritime Commission been in the news as much as this past year, when the agency hit the headlines on numerous occasions, thanks largely to its five politically-appointed commissioners.

They have found themselves at the centre of global attention as the world's top container lines formed themselves into a handful of alliances covering the main east-west routes, and needed FMC clearance to operate in the US trades

FMC chairman Mario Cordero, plus Richard Lidinsky, and William Doyle, are all Democrats nominated by President Barack Obama. Michael Khouri and Rebecca Dye are Republicans.

As well as their ideological differences, they have also demonstrated independent thinking that has left some of the world's biggest lines uncertain

about Washington's view on these new-style consortia.


Having cleared the proposed P3 alliance by four to one, before Beijing's bombshell veto, FMC commissioners then had mixed views on the alternative 2M alliance between Maersk Line and Mediterranean Shipping Co.

With both Mr Lidinsky and Mr Doyle expressing reservations, the lines sent two top executives to Washington for urgent face-to-face meetings with FMC commissioners and staff in a bid to prevent any delays to the approval process.

This proved successful, with only Mr Lidinsky voting against 2M on the grounds that questions remained unanswered. He then raised fresh objections to the apparent fast-track green light

of the Ocean Three alliance between CMA CGM, China Shipping and United Arab Shipping Co by FMC staff without consulting the commissioners.

Mr Lidinsky is now proposing a second summit of global regulators in order to discuss with antitrust regulators in Brussels and Beijing how best to ensure these new-style alliances are not anti-competitive.

The FMC has its critics, with some shipowners questioning why a specialist agency is needed at all to administer the 1984 Shipping Act. But, like it or not, the FMC and its commissioners have shown in 2014 that it is still a force to be reckoned with when considering the interests of the US public during this period of consolidation in the container shipping trades. 

Like it or not, the FMC and its commissioners have shown in 2014 that it is still a force to be reckoned with

# Energy trader is a heavy hitter in shipping

70

## Paul Thomas Vitol

PAUL Thomas presides over Vitol, the world's biggest oil and energy trader, which has an annual turnover of \$307bn.

The Netherlands-registered conglomerate makes more than 6,000 ship voyages annually, handles 5m barrels daily of oil and oil products, and has at least 200 ships on the water at any one time.

With 276m tonnes of crude oil and oil products sold on a delivered basis last year, Vitol is probably one of the top three charterers of tankers, if not the leading charter for product tankers.

Voyages reported by Vitol showed on-year growth of 10% in 2013, according to the latest figures available.

Given the oil trader's low profile, it's difficult to measure its exact shipping contribution.

However, some 850 Vitol fixtures, mostly tankers, have been reported to the market in the first 11 months of 2014. That makes it likely that Vitol is one of the top 10 users of tankers and, as it also shipped 51m tonnes of coal

Some 850 Vitol fixtures, mostly tankers, have been reported to the market in the first 11 months of 2014

last year, the trader has a smaller presence in dry bulk trades.

Vitol thrives on arbitrage profits, and volatile oil prices in 2014 have created the kind of environment in which the company traditionally profits.

It is the biggest supplier of jet fuel into the European market, the world's biggest seaborne trade for the middle

distillate, where it commands a market share of about 30%.

Mansel Shipping and Elandra, two of the company's shipping subsidiaries, also appear to have made successful asset plays in medium range tankers this year.

Elandra sold 10 new MR tankers to the BW Group in a mid-2014 deal.

Mansel operates product tankers under long-term ventures with listed European shipowners.

Cooling global growth and slowing economies in Europe and Asia may have put profits under pressure, yet Vitol made its biggest purchase this year, acquiring Shell's Australian downstream business for \$2.6bn. 🌐

## Oetker family feud over shipping portfolio holds back Hamburg Süd

71

Richard Oetker  
Oetker Group

GERMANY'S Oetker family has built up Hamburg Süd into one of the most respected lines in the industry, with a clear business focus on the refrigerated cargo north-south trades, and a modern, well-run fleet.

But as the top global containership operators started to group into four major alliances, Hamburg Süd looked as if it could be left out of the consolidation process as one of the few not to have teamed up with another big player.

That may have reflected well-publicised talk about splits within the Oetker clan over the future of the family's shipping assets. The eight children of the late Rudolf Oetker by three wives, who each own 12.5% of the diversified business, were apparently divided over whether to keep investing in Hamburg Süd, or just maintain the status quo and maybe even withdraw from shipping altogether.

With a turnover of €5.3bn (\$6.6bn) in 2013, the shipping division is the largest in the group that is now headed by Richard Oetker. No financial results are published.

The opportunity to merge with Hapag-Lloyd, considered and dropped on at least two occasions, appears to have slipped away altogether now the larger



Whatever their personal views on whether or not shipping is a good business to be in, the immensely-wealthy Oetker family remains a powerful force in the industry

line has decided to team up with Chile's CSAV, another north-south specialist.

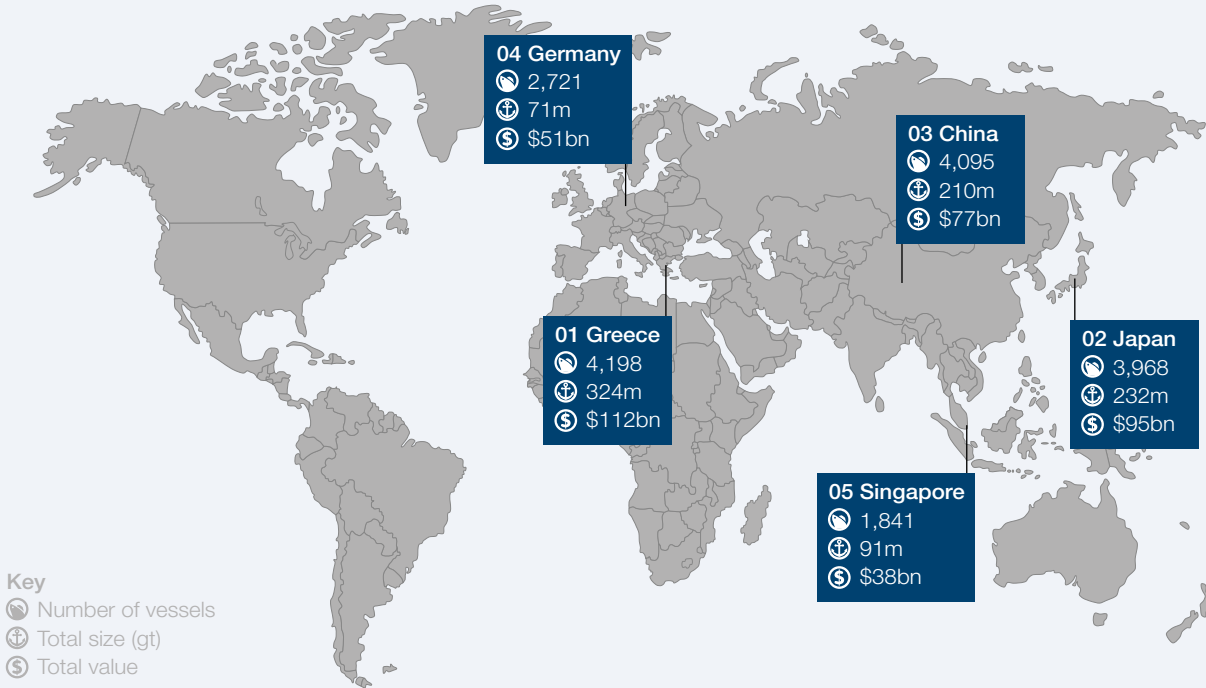
But in July, Hamburg Süd revealed it was in talks to acquire the container division of Valparaiso-headquartered Chilena de Navegación Interoceánica. Then, towards the end of the year, the line announced it had signed a co-operation agreement with United Arab Shipping Co, one of the members of the Ocean Three alliance alongside CMA CGM and China Shipping.

Ranked number 12 in the world by Containerisation International and headed by the highly-respected Ottmar Gast and former Maersk Line executive Peter Frederiksen, Hamburg Süd appears to have thrown off the distractions of a family feud and found fresh momentum.

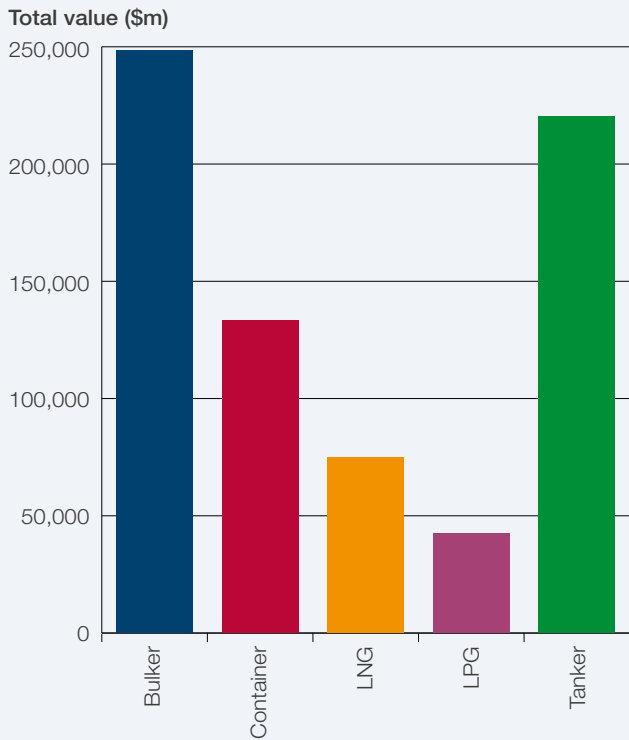
And whatever their personal views on whether or not shipping is a good business to be in, the immensely-wealthy Oetker family remains a powerful force in the industry. 🌐

# Shipping is a numbers game

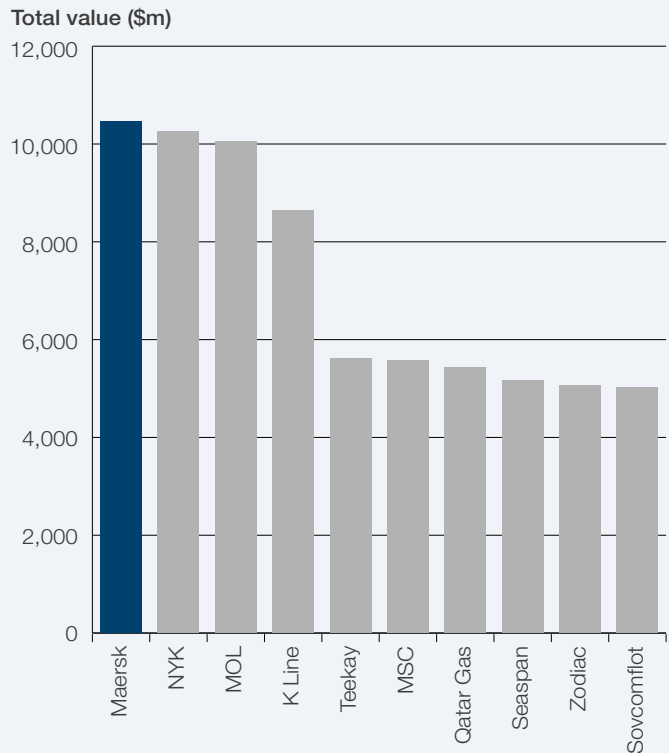
## Five nations at the forefront



## Value of the world fleet



## Top 10 highest valued fleets



Source: WQ

## Private equity, financial restructuring and merger and acquisition activity has shaped this year's list

### 01 Harry Theochari, Norton Rose Fulbright

While some may suggest private equity's ardour with shipping is on the wane, activity over the past year suggests otherwise. Publicly available information has put a figure of private equity deals in shipping as hitting around the \$12bn-\$15bn mark. Norton Rose Fulbright has been involved with deals totalling more than \$5bn. The firm's global head of transport, Harry Theochari has been in the thick of it all, clocking up air miles and closing the deals.

### 02 Larry Rutkowski, Seward and Kissel

A regular in the Lloyd's List top 10 lawyers, legal sources tell us it has been another active year for Seward and Kissel partner Larry Rutkowski. As head of the firm's maritime and transportation finance group, Mr Rutkowski works on matters ranging from the formation of joint ventures, asset finance transactions, secured and unsecured lending, securities transactions, mergers and acquisitions and cross border leases to restructurings and bankruptcy.

### 03 Shardul Thacker, Mulla and Mulla

Highly regarded for his work in the liquefied natural gas sector, particularly for interesting and highly geared finance deals in relation to infrastructure projects, energy, ports and ships, Shardul Thacker heads Mulla and Mulla's banking and maritime practice group. Having practised for more than 40 years, he is the Indian counsel to leading Indian and international banks.

### 04 Richard Crump, HFW

The senior partner at Holman Fenwick Willan surprised the industry this April when he upped sticks and relocated to Singapore, underlining the firm's commitment to Asia's growing dominance in shipping. Richard Crump specialises in shipping, focusing on dispute resolution arising from charterparties, bills of lading, shipbuilding, collisions, fire and explosion, salvage, amongst others.

### 05 Stephen Askins, Ince & Co, and James Gosling, HFW

Piracy may have shifted from east Africa to West Africa and attacks may be down on recent years but changes to the UK terror act presents questions about the payment of ransoms. No list of top lawyers would be complete without the piracy experts and as with previous years, Ince & Co's Stephen Askins and James Gosling of HFW remain at the centre of things.

### 06 Stefan Rindfleisch, Ehlermann Rindfleisch Gadow

Another regular in the list, the partner at the London and Hamburg-based firm is known for his work on transactions for German and international shipowners. Stefan Rindfleisch also advises private equity, hedge funds and institutional investors on their investment activities in the shipping sector.

### 07 Michael Kingston, DWF

The DWF insurance partner was named maritime lawyer of the year at the 2014 Lloyd's List global awards in relation to his work on the Polar Code. According to the judges at this year's event, "his activity around the international safety regulations in the Arctic has helped produce an ice regime being considered for the Polar Code that will define maritime activity in this environmentally sensitive region."


### 08 Brett Esber, Blank Rome

The Blank Rome partner practises in the areas of international and domestic commercial transactions, corporate law, and finance. In the past year he has worked on multi-million dollar transactions for US flag operators, oil majors and US shipyards. Recent representative matters includes his work for an international liner shipping company in investigation before the US Federal Maritime Commission. He is a new addition to this list.

### 09 Sotori Mori, Yoshida and Partners

The legal fallout from *MOL Comfort* casualty has commanded its fair share of Lloyd's List headlines since the June 2013 incident. Sotori Mori of Yoshida Partners is among those at the centre of the casualty and is therefore a new name addition to this year's list.

### 10 Greg Chase, Reed Smith

A name that came up on a number of occasions and is therefore a new addition to this list. The Reed Smith associate has acted for lenders in some of the larger ship finance transactions in the market. Greg Chase is a member of the shipping group in the firm's New York office and has advised clients on a number of finance and private equity matters 

# RightShip's Norman has been officially hailed as an Australian export hero of 2014

72

Warwick Norman  
RightShip

WARWICK Norman is officially an Australian export hero of 2014. This is according to the Export Council of Australia, which has honoured him and five others with the title.

Mr Norman continues to be chief executive of Melbourne-based RightShip, the vetting group owned by three of the largest dry bulk cargo owners, BHP, Cargill and Rio Tinto.

RightShip has spent 2014 further honing its idea of using big data as a means of identifying risks in tonnage selection, and offering a tool whereby

charterers and shipowners alike can see patterns and trends that could lead to an incident.

It has also remained steadfast in its defence of the existing vessel design index, which it has added to its vetting matrix to allow charterers to identify and select more fuel-efficient vessels

The EVDI is the essential ingredient of the shippingefficiency.org website launched four years ago by RightShip in conjunction with the Carbon War Room. It has been continually expanding to include operational factors, and now ports are promising incentives for vessels that have positive ratings on it.

Despite all this, Mr Norman has had a quiet year this year, thus explaining his slight drop in the Lloyd's List Top 100. 🌐



# PIL managing director and Singamas president is a serious player with global shipping influence

73

SS Teo,  
Pacific  
International  
Lines

WITH so many shipping interests, Teo Siong Seng is a serious player.

Not only is Mr Teo the managing director of Pacific International Lines, he is also president of PIL's Hong Kong-listed subsidiary Singamas Container and an independent non-executive director of China Shipping Container Lines.

Other roles include being a key player with Maritime Singapore, president of Singapore Shipping Association and chairman of the Singapore Maritime Foundation – all this on top of being a nominated member of the Singapore parliament.



PIL is a privately owned box carrier specialising in intra-Asia and north-south trades, owning almost 150 vessels, its largest ships being in the 6,600 teu range serving routes into the Middle East and Africa.

A small-tonnage fleet gives PIL flexibility to manoeuvre in Africa, where geopolitics or other disasters such as

Ebola could create significant business disruption.

Under Mr Teo's watch, PIL also has been on the front foot when it comes to the markets, launching its first bond market issue back in July with a Singapore currency bond worth \$241m.

The issue was part of a medium-term note programme of up to \$1bn (\$806m) announced by PIL on the Singapore Exchange.

PIL recently teamed up with Cosco Container Lines, Evergreen, K Line and MOL for the Asia and South Africa trade route, with the new service set-up aimed at seeing a reduction in the number of ships used on the two loops.

PIL has also reached agreement with China Shipping Group covering container shipping, leasing and manufacturing. 🌐

# Class society boss will take centre stage when London showcases UK maritime expertise

74

**Tom Boardley**  
Lloyd's Register

TOM Boardley will assume additional responsibilities during the coming year on top of his day job as marine director of Lloyd's Register, moving to centre stage when he becomes president of the UK Chamber of Shipping.

His 12-month term will overlap with London International Shipping Week, ensuring that he plays a pivotal role during this latest fixture on the global maritime calendar.

Following a successful inaugural event to showcase the UK's maritime industries in 2013, the biennial showcase will host another week of receptions, dinners, seminars and presentations in September.

Mr Boardley's pending election as president of the UK Chamber will mark the first time a classification society representative has fronted the UK's leading shipowner association, and reflects

moves to broaden the membership base to represent the full range of UK shipping activities.

At LR, Mr Boardley and chief executive Richard Sadler have overseen the move to Southampton, where its marine division is now headquartered in the newly-established Global Technology Centre on the university campus, with ambitions to establish a world-class centre of marine technology and engineering excellence.

The high regard with which LR is held was underlined earlier this year when Mr Boardley gave a presentation to container shipping bosses during a meeting of the elite Box Club in Shanghai on the MOL Comfort casualty.

Japan's MOL had already appointed LR to dual-class ships of similar design to the ill-fated boxship that split in two in mid-2012, working alongside ClassNK.

He continues to travel widely, recently attending the Cosco shipping summit in Chongqing.


Before joining Lloyd's Register in 2009 with responsibility for worldwide



marine operations as well as strategy and business development, Mr Boardley worked for several top container lines, including P&O Containers, NYK Line and CMA CGM.

He also had a brief spell running a container terminal in Vancouver.

He was chairman of the International Association of Classification Societies for a year to mid-2013.

Mr Boardley has an engineering degree from Oxford University and is a fellow of the Royal Institute of Naval Architects. 

# Jones Act player rides the shale gas revolution

75

**Tom Crowley**  
Crowley

ALL eyes these days seem to be on the Jones Act sector, and with that attention, the spotlight has swung closer to the company that shares Tom Crowley's surname.

With the shale-gas revolution in North America, comes a scramble for highly sought-after assets that are deployed to shuttle the commodity within US waters.



Energy players traditionally focused on inland infrastructure continue to expand their reach off the coast, scooping up maritime assets to fit into that delivery puzzle. Crowley Maritime has positioned itself in a prominent spot in some of the larger Jones Act moves this year.

Most notably, and recently, pipeline giant Kinder Morgan Energy Partners expanded its tanker fleet with the acquisition of two tankers from Crowley for about \$270m.

Earlier in the year, Crowley was on the other side of the sale and purchase transaction.

In April, Jones Act player Aker Philadelphia Shipyard agreed to sell its profit-sharing interests in hulls 17 and 18 for \$40m in cash to Crowley.

Looking beyond North America and the tightly-held Jones Act sector, Crowley acquired a majority share of Accord Ship Management, a company with offices in Hong Kong, India and

the Netherlands. This has launched Crowley's foray into international ship management.

Crowley, through its subsidiary Titan Salvage, continues to work on the largest wreck removal on the capsized Costa Concordia cruiseship off Italy.

Crowley leads a diverse group, whose activities range from container shipping and logistics to product tankers, shipmanagement, harbour towage and salvage. 🌐

## Industry veteran has been hired as chairman as the first step of business restructuring

76

**Kil-seon Choi**  
Hyundai Heavy  
Industries

KIL-SEON Choi probably couldn't have imagined he would come back to chair Hyundai Heavy Industries, where the 68-year-old had spent most of his career. But things have just become too bad at the South Korean shipbuilding giant.

Having taken too many low-value orders since 2012, the Seoul-listed yard booked heavy provisional losses during April-June and suffered its worst financial results then. In August, HHI hired Mr Choi as its chairman as the first step of business restructuring.

Mr Choi then carried out a series of management reshuffles that saw himself and Kwon Oh-gap, former chief executive of subsidiary Hyundai Oilbank, both appointed chief executive.

Lee Jai-seong stepped down as chairman and chief executive, and so did chief executive Kim Oil-hyun, who now works as a consultant. What's more, roughly 30% of its senior officials were laid off in October.

HHI posted another record loss in the three months from July to September, which again included large

provisions. The move seemed to be designed to give the new management team a clean plate from which to work.

Mr Choi had earlier served as HHI's chief executive and president from 2005 to 2009, before moving on to chair the Korea Offshore Shipbuilding Association and Korea Plant Industries Association. The industry veteran, well respected in the South Korean shipbuilding industry, was basically asked to step in as HHI's saviour.

This won't be easy, as the company has to fight through the downturns in both shipbuilding and offshore sectors.

Orders for merchant vessels have slowed down since the second half of this year, while energy majors have cut upstream investments amid falling oil price. This means HHI will face lower sales for some time, as it is not in any position to sell slots at low prices, having already suffered huge operational losses.

Therefore, even though the shipbuilder is not facing any immediate cash crunch, it has started to replenish liquidity. HHI has sold all its shares in Kepco Plant Service & Engineering for Won111bn (\$100.2m), while affiliates Hyundai Samho Heavy Industries and Hyundai Mipo Dockyard have made similar moves.



Moreover, the wage negotiations between HHI and its union have gone on more than six months without settlement in sight. Both sides remain far apart on issues including base salary, bonuses and retirement age. Union leaders have gradually scaled up industrial action since late-November, the first of such seen by HHI in 19 years.

Mr Choi's résumé showed he could be the person to turn the ailing shipbuilder around. But he has his work cut out for him. 🌐



# The offshore-support giant's founder is back in the saddle

77

Jacques de Chateaufvieux  
Groupe Bourbon

WELCOME back, Jacques.

Le comte Jacques d'Armand de Chateaufvieux, to give him his full title, resumed control this year of Groupe Bourbon, having stepped down for unspecified personal reasons at the end of 2012.

In March, his personal holding company Jaccar unveiled a takeover bid for the world number two offshore-support concern that he invented in its modern form.

Given that Jaccar started from a 26% stake, the outcome was never in doubt and in June it was announced that Jacques de Chateaufvieux and unspecified allies had secured 53% of the voting rights.

The Jaccar website now lists Bourbon as an affiliate.

Jaccar — the name is a contraction of the names Jacques and Caroline, his wife — is also involved in shipbuilding in China in partnership with Sinopacific Shipbuilding Group and has investments in Vietnam, China and Singapore.

It also controls Sapmer, a major tuna-fishing operation that has recently come in for some stick from the environmentalist group Greenpeace for its alleged role in helping to deplete the world's stocks of fish.

M de Chateaufvieux was born on February 13, 1951, on the French Indian Ocean possession, La Réunion.

At 28, he took over Bourbon, then a Réunion-based sugar concern co-founded by his father, and transformed it, moving into retail, then into maritime services.

After a Paris listing in 1998, Bourbon established itself in the global offshore



market. Its other activities include bulk transport and towing.

M de Chateaufvieux, a staunch Catholic and member of Opus Dei, is a father of six.

But although he has contacts at the top of French society, and is one of the country's richest men, he reportedly shuns Michelin-starred Paris eateries in favour of watching rugby with his sons. 🏈

# The new guard in Europe is taking a close look at shipping

78

European political body  
Europe

THE European elections and the subsequent selection of a fresh gang of commissioners in Brussels under a new president, Jean-Claude Juncker, means there is not too much to say about the old guard or the new this year.

In terms of the new guard that could influence international shipping, we have Violeta Bulc from Slovenia taking over the role of commissioner responsible for DG Move, which covers transportation;

The commissioners are the start of the European regulatory process. They are the people expected to understand shipping

Miguel Arias Cañete of Spain has taken the commissioner role for DG Clima, which is responsible for developing the European climate action response that may still include market-based measures for shipping; and Denmark's Margethe Vestager is now the European Competition Commissioner.

The European regulatory body also consists of its Council of Ministers and the European Parliament. This triumvirate of power means any regulatory proposal from the commission can easily be changed as it is developed.

This year's main developments have been Brussels' work on a proposal

for a system to get all ships to monitor, report and have verified annual CO<sub>2</sub> emissions.

The commission's original proposal has been debated by the parliament, where fears that smaller ships and a requirement for NO<sub>x</sub> emissions to be included, came and went.

Now the work is at a point where the proposal is being debated by the council, commission and parliament ahead of a final rule, with the added potential ingredient that all ships that will be included must record, somehow, the amount of cargo or transport work each ship has done while emitting that CO<sub>2</sub>.

The commissioners are the start of the European regulatory process. They are the people expected to understand shipping, but one should never ignore just how European Parliamentarians, and the region's ministers, can throw additional spices into any developing regulation. 🌐

## UASC chief executive has overseen an order spree that will add 17 vessels, representing 272,300 teu, to the line's fleet

79

Jørn Hinge  
United Arab  
Shipping Co

UNITED Arab Shipping Co's chief executive Jørn Hinge is a new addition to the Top 100 list on the back of the shipping line's rapid expansion plans and heavyweight backing from gas-rich Qatar.

At the moment, UASC is ranked as the world's 16th-largest container shipping line, with a fleet measuring just over 300,000 teu.

But Mr Hinge has overseen an order spree that will add 17 vessels, representing 272,300 teu, to its fleet.

Assuming it maintains its current fleet, the additions will propel UASC into container shipping's top 10.

When asked about its future plans for vessel orders, Mr Hinge jokes that the line has spent all its money.

"Right now, we have no further plans," he says. "This is it now. It looks like a huge order and it is a big order compared with the size we are coming from."

The vessels ordered are also noteworthy for their size, with six of the ships being 18,000 teu behemoths, which will be some of the largest on the water. The order also has an eye on the future, as the ships are LNG-ready.



UASC also this year formed the Ocean Three Alliance, along with world number three CMA CGM and China Shipping. The carrier grouping is one of the four global co-operations that will offer services on the east-west trade lanes.

Later in the year, it also formed an alliance with Hamburg Süd, which will improve its access to the north-south trades.

In 2014, it was revealed that Qatar had taken a controlling interest in the shipping line, grabbing a 51.3%

stake. The change in ownership was the result of Qatar's contribution to a series of capital increases to support the carrier's expansion plans.

Mr Hinge himself is a UASC stalwart, having worked for the carrier since 1994, when he joined as chief operating officer.

Prior to joining UASC, Mr Hinge worked with the East Asiatic Company in Copenhagen between and 1994, holding various managerial positions in South America, North America and Europe. 🌐

# Hamburg-based entrepreneur has impressive shareholdings

80

**Klaus-Michael Kühne**  
Kühne+Nagel

LOGISTICS entrepreneur Klaus-Michael Kühne is one of the few people of the Top 100 list who represents both the carrier and customer side of the business.

Mr Kühne, whose estimated net worth is put at almost \$10bn by Forbes, joined the world's largest sea freight forwarder Kuehne+Nagel in 1963 and now serves as honorary chairman.

He currently has a 53.3% stake in the logistics giant through his holding company Kuehne Holding.

As well as his participation in K+N, he also has a 20.8% stake in

Hamburg-headquartered Hapag-Lloyd, which recently merged with CSAV to become the fourth largest shipping line in the world.

He gained his shareholding when he, along with the city of Hamburg and other German interests, stepped in to keep the shipping line out of foreign hands.

On an equity basis, Mr Kühne's two shareholdings, prior to the completion of the merger with CSAV, represented some 3.4m teu of container moves in 2013.

To put that figure in context, in 2013 CSAV handled 1.9m teu.

Despite new shareholders joining Hapag-Lloyd as a result of the merger, Mr Kühne is still likely to play a key role in the shipping line's future as he isn't afraid to protect his interests.

He has already suggested that further consolidation in the industry is required, mentioning NOL, which has previously been in discussion with Hapag-Lloyd, as a potential partner for the German line.

His willingness to shape the future of the carrier is evidenced by the failure of the deal that would have bought Hapag-Lloyd together with its neighbour, Hamburg Süd.

Talks between the two carriers collapsed in March 2013, with some blaming Mr Kühne for setting conditions that were unacceptable to Hamburg Süd's owners, in seeking to maintain the same level of control in any enlarged entity.

That said, others blamed the failure of the deal on disagreements between Hamburg Süd's owners. 🌐

# Diana boss wins respect for consistency and transparency of his approach

81

**Simos P. Palios**  
Diana Shipping

SIMOS P. Palios continues to prove a steady hand at the tiller of dry bulk owner Diana Shipping, and its younger offspring, Diana Containerships.

While those following the companies may not be able to look forward to a thrill-ride, Mr Palios has won respect in the industry for the consistency and transparency of his approach. Diana Shipping has continued its policy of steadily accumulating bulkers and has reached 39 vessels on the water, with a further three newbuildings scheduled to arrive in 2016.

The past year has been a relatively quiet one in terms of acquisitions, with

just four snapped up since the latter stages of 2013. But this is said to result more from the difficulty in locating vessels that technically match the owner's requirements.

Besides, Diana has also been repurchasing its own stock and in mid-2014 it also invested another \$40m in Diana Containerships. At the same time, Mr Palios and other members of senior management contributed another \$12m to the private placement that netted a total \$92m for the boxship company.

Diana Containers, in which Diana holds a 25% equity stake, purchased three more vessels in 2014.

Both companies have plenty of funds for significant additional asset acquisitions. Although the containership offshoot made a significant contribution to Diana Shipping's recent

results, the aim will be to take both forward as completely independent companies focusing on their respective sectors.

Mr Palios continues to earn kudos with market-watchers for having been reliably bearish about the timing of any recovery for bulker rates and Diana's reputation will continue to be polished the longer it takes for a recovery to materialise.

Although very much behind the scenes, Mr Palios is known in Greece for interacting with various people from other political, business and social sectors, and for using regular private lunches at his headquarters to support a range of causes, including the promotion of the country's shipping cluster. 🌐

# Yuanlin is thinking hard about how fortify the yard against volatile shipbuilding prices

82

Ren Yuanlin  
Yangzijiang  
Shipbuilding

YANGZIJIANg Shipbuilding, the China-based, Singapore-listed builder, is still alive and doing well. That, in the hurly burly of modern China shipbuilding — particularly for non-state-owned players — is an outstanding accomplishment in itself.

One-time peer Rongsheng Heavy Industries, once the most promising non-state shipbuilder in China, declared with admirable chutzpah this year that it in fact was now an energy company, eschewing shipbuilding after years of struggling to obtain new orders.

In contrast, Yangzijiang is heading toward its best year for new orders since 2007, on track to reach a \$3bn milestone.

Rongsheng's problems had much to do with reputational fallout due to

its position as the builder of most of the valemex ships for Brazil's Vale and Oman Shipping. China's carriers wanted to see the ships blackballed from China's ports and, until recently, the Ministry of Transport complied. Rongsheng seemed to be sidelined, although there was never any overt connection between its order drought and the Vale job.

It may not be fair stack up Rongsheng's misfortunes against Yangzijiang's successes. All the same, it seems that Yangzijiang's founder and chief executive Ren Yuanlin has enjoyed immunity from false moves. Mr Ren has long said that he plans to diversify into other businesses, including trading and shipmanagement, to mitigate against too much shipbuilding exposure.

Even in a strong year for orders, risk in shipbuilding persists. Following a third quarter year-on-year decline in profits of 6%, Mr Ren said that Yangzijiang had

miscalculated in signing for too many options with shipowners in March and April, when prices were below current market rates.

Mr Ren has denied allegations thrown at him by in May by Tianjin Guoheng Railway Holding, a listed railway in China, including insider trading and manipulation of stock price. In January, he bought a 12% stake in the railway through one of the companies he controls. The case is still ongoing. Mr Ren described the charges as "mischief".

Looking ahead to 2015, Mr Ren is thinking hard about how fortify Yangzijiang's buffer against volatile shipbuilding prices. He plans to reduce revenues from shipbuilding to 60% from the current 80% within three years.

The environment, six years after the global financial crisis, is still uncertain for shipbuilding. Mr Ren is keeping this in mind, despite his yard's relative success. 🌐

## Still looking for a long-term solution

83

Peter  
Georgiopoulos  
General Maritime

THIS time last year, Peter Georgiopoulos was still vying for the ambitious move to purchase a fleet of very large crude carriers for his private tanker company, General Maritime, while trying to figure out a long-term solution to his over-leveraged dry bulk company, Genco Shipping & Trading.

Mr Georgiopoulos failed to pull off the former, Euronav coming in late to acquire the 15 VLCCs from Maersk for \$980m, and was forced to file a pre-packaged bankruptcy on the latter.

Today, Mr Georgiopoulos oversees a Genco with a lighter debt-load, having exited Chapter 11 in New York in July after beating back a push from equity investors who challenged the company's plan.

Genco has a new stock ticker, a new board and a new set of executives and, most importantly, a more manageable balance sheet.

Its group of senior lenders equitised the company's \$1.01bn term loan, bringing down Genco's current debt to \$373m.

And, in November, Genco reshuffled its corporate structure, naming chief finance officer John C Wobensmith president, succeeding Robert Gerald Buchanan.

And, with that bankruptcy in his rear-view mirror, Mr Georgiopoulos has

started adding to his fleet through a potential merger with sister company Baltic Trading.

Genco in October hired advisors to pursue that strategy as a way to keep up with a dry bulk sector that moves towards larger fleets through consolidation.

If successful, Mr Georgiopoulos will oversee that sector's fourth-largest fleet, behind Star Bulk's 103 vessels, Scorpio Bulkers' 78 newbuildings on order and the 72 vessels operated by the combined Knightsbridge company.

Although the company has not commented on the merger with the closely affiliated Baltic, Mr Georgiopoulos need not worry about getting trumped by a competitor at the last minute. 🌐

# Swedish owner has a traditional response to challenges and a flair for innovation

84

Dan Sten Olsson  
Stena

DAN Sten Olsson's sphere remains quite broad and despite facing several challenges it certainly remains innovative.

The Stena Sphere, the name the company uses for the group of company's owned by Dan Sten Olsson's family, consists of businesses focused on ferries, tankers, gas carriers and offshore platforms.

It is also active in scrap metal and real estate.

In the tanker business, Concordia Maritime, the only part of the Stena companies that is listed, has had a bumpy ride. The recent announcement that it has formed a pool with Stena Bulk says a lot about the company's dependency on the latter business.

Stena Bulk has been forced to continue its adaption this year, strengthening its activities in bio oil shipping, as well as its activities linked with Angolan oil major Sonangol.

Stena Bulk has also joined the fast-growing World Ocean Council, a global alliance involved in corporate social responsibility, sustainability and the oceans.

The other challenges in the group are in Stena Line, the north European ferry operator that will have to deal with a switch to low sulphur fuel as of January 1, 2015.

Rising operating costs and fears for overheads due to the new emissions rules have led Stena Line to react in a traditional way, looking to lay off seafarers in northern Europe and to reassess its network of routes, and then to innovation.

The company said at the end of the summer it was looking at cutting back on


seafarers to reduce operating costs, with up to 100 facing the axe.

The company also said certain routes may be axed if fuel prices are high enough to render them unsustainable.

Mr Olsson has always been outspoken about the emissions rules that have been developed by the Intentional Maritime Organization, then mimicked by European legislation.

Yet while he spent the last five years complaining, his ferry is now making some revolutionary changes.

Early next year Stena Germanica will be converted to run off methanol, a fuel derived from natural gas, but unlike LNG it can be stored as a liquid at ambient pressure and temperature.

And as an experiment, Stena recently said that another vessel will connect to and use Göteborg's central heat and hot water system when it berths in the Swedish port. 

# Foster has been left to clean up the fallout at the world's 12th-largest oil company

85

Maria das Graças  
Silva Foster  
Petrobras

WHAT is said to be Brazil's biggest bribery and corruption scandal has engulfed Petrobras and Sergio Machado, head of its transport unit, Transpetro, leaving chief executive Maria das Graças Silva Foster in damage control mode as she cleans up the economic and political fallout at the world's 12th-largest oil company.


A US Securities and Exchange Commission investigation is under way into state-run Petrobras, with Mr

A US Securities and Exchange Commission investigation is under way into state-run Petrobras, with Mr Machado denying alleged irregularities in news reports

Machado denying alleged irregularities in news reports.

Now one of the world's most indebted companies, Petrobras has 293 production fields, covers 92% of Brazilian oil production and operates 12 refineries.

A \$221bn investment programme is meant to be taking place between 2014 and 2018.

Petrobras is also a top-three importer of oil products from the US Gulf, with 63 of the 300-odd charters 

of tankers reported to the market in the first 11 months of this year dedicated to single voyages on this fast-growing route.

Brazil's shortage in oil products also sees Petrobras sourcing gasoline and diesel from as far afield as India (74 fixtures), Kuwait (19 fixtures) and north-west Europe (21 fixtures) this year.

Exports of petroleum products to Brazil from the US have soared to

179,000 barrels per day in 2013, from 54,000 bpd in 2008, US government statistics show, making the Latin American country the fourth-largest importer after Mexico, Canada and the Netherlands.

Petrobras has been downgraded by ratings agencies this year, and several refinery projects that would decrease its reliance on products imports have been delayed, keeping the tonne-mile demand rising, a positive for shipping.

One new refinery, the Abreu e Lima refinery, was scheduled to start production in November, serving the northern Brazil diesel market.

Delays are also expected for the eight newbuilding tankers ordered by Petrobras at the local Eisa shipyard, likely increasing time-chartered business.

Of the 47 Petrobras orders at Brazil shipyards, some were made as early as 2006, with the first four of those orders launched in November. 🌐

## A calm and diplomatic force at the dry cargo association

86

**John Platsidakis**  
Intercargo

JOHN Platsidakis was a shipping banker with Bank of America before jumping over to the other side of the fence. He has been with the Angelicoussis Shipping Group for the last 25 years and has contributed to much of the group's success in financing its growth, as well as being managing director of its dry cargo arm, Anangel Maritime Services.

He has also been a longstanding member of the boards of the Union of Greek Shipowners and the Hellenic Chamber of Shipping. He has a particular focus on maritime education.

But he is on our list chiefly as chairman of the dry cargo owners' association, Intercargo, and is the first non-shipowner to hold the position. A stalwart of the executive committee

since 2002, Mr Platsidakis is said to bring a calm and diplomatic hand to helming the association, but faced a mini-crisis in 2014 when, in swift succession, Intercargo lost both its long-running general-secretary, Rob Lomas, and technical manager Ian Harrison, who defected to Intertanko, which shares floor space with Intercargo in the same London building.

Yet Mr Platsidakis appears to have steered the association back on track. By October, Intercargo had a highly experienced shipping person as its new secretary-general, David Tongue, who was a free agent after 12 years as director of regulatory affairs at the International Chamber of Shipping.

It also proved up to the task of being the member of the Round Table of shipping organisations tasked with organising the latest tripartite meeting with shipbuilders and classification societies.

Mr Platsidakis heads an association representing more than 160 owners of bulk carriers and well over 1,000 vessels, with a mission to ensure the industry's voice is heard in numerous regulatory and technical matters.

Sources close to the association suggest that it is making progress in a number of areas of concern to members, such as safe loading rates at terminals, cargo liquefaction, the conduct of port state control officials in some countries, and prompt circulation of casualty investigations. 🌐

Mr Platsidakis is said to bring a calm and diplomatic hand to helming the association

# Strong leadership has faced controversy over MOL Comfort investigation

87

Noburu Ueda  
ClassNK

CLASSNK has flourished under the continued strong leadership of Noburu Ueda.

Its fleet size, as a percentage of the number of classed relevant vessels, has continued to grow and the company has begun to strengthen its consultancy services to support its class-related revenue. The purchase in early 2014 of Finnish software firm NAPA has underscored this additional focus.

NAPA offers solutions to aid in ship design, from concept to more detailed plans and analysis, and software for optimising ship operations with what is now known as ClassNK-NAPA Green.

A further purchase, of a Canadian software firm, aims to strengthen this growing area of consultancy.

The move brings ClassNK alongside some of the other leading class societies in terms of broadening its range of software solutions.

However, 2014 has continued to be marred by the industry's evaluation of ClassNK's involvement and

responsibilities following the *MOL Comfort* casualty, in which the 2008-built 8,110 teu containership split and sank in bad weather in June 2013.

ClassNK has offered some thoughts on the casualty this year, but these have failed to dampen questions regarding the role of the Japanese companies involved in the design, construction and eventual operation and oversight of what was, at the time of its build, a new ship design.

Mr Ueda's ranking in the Lloyd's List Top 100 is the same as last year, but is lower than in 2012 and in 2011. 🌐

# Baltic Exchanges boss does battle for UK shipping and London

88

Jeremy Penn  
Baltic Exchange

JEREMY Penn, chief executive of the Baltic Exchange is a busy man, fronting not just the shipping industry's most well-known institution but also London International Shipping Week.

He is the new chairman of the steering group of LISW 2015, having been a member of the steering group at the inaugural 2013 event.

The other hats he wears are as non-executive director and treasurer of Maritime London and board membership of Maritime UK.

If you want something done, ask a busy man. Mr Penn knows where shipping should focus.

At a meeting of industry bigwigs in September, he underlined the need for government and industry to work

There are high expectations of real progress on some of the industry's most crucial talking points, such as pollution controls, design innovation and boosting member state flags

together as shipping looks to shape itself to meet the demands of the next decade.

"It is all about innovation in shipping but this can only be achieved if there is joined up partnership between industry and government," he said.

Mr Penn, chief executive of the Baltic Exchange since 2003, knows that LISW is the perfect opportunity for the industry to showcase itself in partnership with the government.

With around a year to go until the event, planning is well under way, and there are high expectations of real

progress on some of the industry's most crucial talking points, such as pollution controls, design innovation and boosting member state flags.

Meanwhile, he will be doing his day job, ensuring that the Baltic Exchange remains the source for accurate, independent and timely information through daily dry and tanker assessments, daily fixtures, forward curves, options pricing and freight market news.

For all these reasons, Mr Penn remains among shipping's most influential players. 🌐

# German banker has endured a nightmare year

89

**Torsten Temp**  
HSH Nordbank

THIS has been something of an *annus horribilis* for HSH Nordbank, for long seemingly secure in its standing as the number one lender to the shipping industry.

For a start, it has lost that particular crown, slipping below DNB as the shipping exposure in its good bank core division falls to just \$22bn — with the use of the word ‘just’ in this context, of course, being relative.

However, that figure compares with \$36.5bn when this report was being compiled last year, underlining both the speed and scale of the sell-off.

Nor is this the only stumbling block in the Hamburg and Kiel-based regional bank’s path. While it did come through the European Central Bank stress test — and at one stage there was ample speculation in the German media that it ran the risk of failing — the ECB has ordered it to write down the book value of its assets.

HSH isn’t saying how much it has been ordered to write down, but the scuttlebutt on the Binnenalster is talking in terms of up to \$5bn, which is far from small change. Some 500 jobs are going as a result.

Finally, 2014 saw six former board members, including erstwhile chief executive Jens Nonnenmacher, standing trial in Hamburg on various charges

of breach of trust and fraud. While they were acquitted, their conduct came in for criticism from the court.

The man at the the helm of the bank’s shipping activities is Torsten Temp. Born in Wilhelmshaven in 1960, his academic background combines philosophy and Germanistik, a discipline that includes German literature, history and linguistics. He also holds a qualification in freight forwarding.

Mr Temp spent his early career with logistics major Kuehne+Nagel, moving on to various forerunners of HypoVereinsbank, acquired by Italy’s UniCredit in 2005. Within two years, he was responsible for the parent concern’s shipping activities, and moved to HSH in 2010. 🌐

# Surfing into shipping’s power elite on wave of shipbroker consolidation

90

**James Kidwell**  
Braemar ACM  
Shipbroking

JAMES Kidwell makes it into 2014’s list of shipping’s power elite as chief executive of Braemar ACM Shipbroking, the shipbroking company formed this year from the merger of Braemar Seascope and ACM Shipping.

The merger sparked a wave of consolidation in the shipbroking industry, the latest being ICAP Shipping’s move to buy fellow broker Howe Robinson.

The Braemar-ACM deal needs to bed down before the market can determine whether it has been successful.

But in the meantime it has helped to drive the debate over whether publicly listed shipping companies are a better business model than private ones.

It is no easy task: grumblings from disgruntled staff opposed to such a deal are an inevitable consequence of change

Whichever model is right, it marks a major shake-up of the broking business, reflecting moves among shipowners to merge fleets to enlarge market share and strengthen the bottom line.

The focus for the brokers is to build on each other’s strengths; in the case of Braemar ACM, the strengths lie in tanker and dry cargo chartering and sale and purchase.

The idea is that the new company enhances worldwide market coverage in these sectors as well as in offshore and containers.

As a finance man, rather than a former shipbroker, Mr Kidwell has to walk a fine line between catering to the needs of the staff in the new enlarged company and streamlining operations to produce the most effective setup possible.

It is no easy task: grumblings from disgruntled staff opposed to such a deal are an inevitable consequence of change.

However, change in the shipbroking world is here whether people like it or not, and there could be even more consolidation to come in 2015 as others watch Braemar and ICAP with increasing interest. 🌐



# Former rebel chief heads anti-piracy fight in Nigeria

91

## Government Ekpemupolo Poacher turned gamekeeper

PIRATES unfortunately remain a very real presence in today's shipping industry, and Lloyd's List has featured one of their number in the Top 100 since the inception of the list in 2010.

Those previously listed have both been Somalis.

Thankfully the scale of the problem in that country has declined dramatically, with just 10 incidents in the first three quarters of this year, according to the latest report from the International Maritime Bureau.

The principal hotspot has now switched to the other side of the

continent to the Gulf of Guinea, with most malevolent activity seeming to emanate from Ghana.

We asked a couple of security specialists to suggest a representative figure linked to the local piracy problem.

"The networks in Nigeria are notoriously elusive, secretive and hard to penetrate. No names, I'm afraid," one told us. "Difficult one that, as if the Federal Government of Nigeria knew who was behind it all he'd likely be in jail or made a rich man," said another.

Instead, both independently put forward an acknowledged reformed vessel hijacker who is now a businessman working with the government in order to eradicate the scourge.

Somewhere along the way, Government Ekpemupolo — also known by the nickname Tompolo — has managed to become one of the country's richest men, dubbed 'the billionaire militant' in the local press.

Born into the local royal family in the Niger Delta in 1969, Mr Ekpemupolo emerged in the 2000s as one of the leading commanders of the Movement for the Emancipation of the Niger Delta.

MEND were involved in many attacks on shipping in the 2000s, claiming political rather than criminal motivation. But the organisation signed an amnesty five years ago.

Tompolo now has a contract with the ministry of transport provide maritime security and has "tamed the western Delta", our sources tell us. 🌐

# Lifetime achiever and octogenarian has reinforced Imabari's status as Japan's largest shipbuilder

92

## Toshiyuki Higaki Imabari Shipbuilding

WE HAVE welcomed Imabari Shipbuilding chairman Toshiyuki Higaki to our Top 100 list as a long overdue tribute.

Having received a Lifetime Achievement Award in 2013, the 86-year-old has overseen Imabari's efforts in reinforcing its status as Japan's largest shipbuilder over the past year.

In the fiscal year ended on March 31, Imabari received new orders for more than 150 vessels — its best yearly performance ever. The Japanese yard has nearly filled its slots up until end-2017 with such strong newbuilding demand.

A large part of Imabari's success can be attributed to a weakening yen.

The Japanese currency has depreciated against the US dollar by more than 40% over the past two years, enabling yards in Japan to offer lower prices to foreign owners.

This is not the whole story, though. Imabari has enjoyed a strong recovery in newbuilding demand for bulk carriers, its bread-and-butter sector. But the shipbuilder has also managed to expand in other niche areas, with its orderbook now composed of at least three liquefied natural gas carriers and 15 14,000 teu containerships.

To expand its construction capacity, Imabari has established a joint venture named MI LNG with Mitsubishi Heavy Industries. The venture, 51% owned by MHI and 49% by Imabari, has already won its first order from Nippon Yusen Kaisha in May.

Imabari has also benefited from the fact that affiliate Shoei Kisen can act as a deal facilitator. The owner is able to order vessels from Imabari yards and charter them to vessel operators that are not interested in making capital investments in ships. Of the 14,000 teu boxship orders, at least eight will be owned by Shoei Kisen, also chaired by Mr Higaki.

With so many orders on hand, Imabari has sought to optimise its group operations to meet requirements on the production side. In February, it merged with subsidiary Koyo Dockyard.

The shipbuilder has also increased capitalisation to ¥30bn (\$253.6m) as a first step to expanding its labour force. However, with an ageing population in Japan, Imabari may need to hire overseas workers to ramp up its production. 🌐

# Left-leaning owner comes through court battle

93

**Erck Rickmers**  
ER Capital

TOP of Erck Rickmers' in-tray this year will almost certainly have been the ongoing legal battle between his company ER Schiffahrt and Hamburg KG house MPC Capital over the sale of a fleet of 14 boxships, following the early termination of their charters.

The most recent reported court decision was in ER Schiffahrt's favour. But the event itself was something of a rarity; Hamburg's shipping community doesn't often slug out disputes in open court.

Mr Rickmers, who is 50, is the younger brother of the possibly

better-known Bertram Rickmers, who merits his own entry in the Top 100.

Both of them are bona fide fifth-generation shipping men, tracing family involvement back to a shipyard founded in Bremerhaven in 1834.

At the head of Erck Rickmers' interests is ER Capital, which acts as holding company and owns ER Schiffahrt, an owning and management company with a fleet of 101 container, dry bulk and multipurpose vessels.

It also owns ER Offshore, which manages 13 specialist ships for oil and gas transport and the KG house Nordcapital.

Mr Rickmers was born in Bremerhaven in April 1964 and educated at Louisenlund, a progressive boarding

school. After military service, he served an apprenticeship at Reederei Ernst Russ and worked as a shipbroker in London.

He set up Nordcapital, in partnership with Bertram, in 1992, and has headed the business alone since 1996. ER Schiffahrt came on the scene two years later.

Mr Rickmers is one of a number of Hamburg shipping industry people to align themselves with the SPD, the Germany equivalent of Labour in Britain.

Between 2010 and 2012, he even served as a member of the Hamburg state parliament for the centre-left party, prior to stepping down to concentrate on business interests.

He is married with five daughters and lives with his family in Hamburg. 🌐

# A very private shipping player has had a very public year

94

**Randee Day**  
Day & Partners

FOR a restructuring and financial advisor who typically works with shipping clients privately, Randee Day has had a very public year.

Ms Day, president of Day & Partners, was tapped this year to sit on the boards of two companies that restructured their debt through bankruptcy proceedings: Excel Maritime and Eagle Bulk Shipping.

Those appointments signal not just Ms Day's connections to the C-suites of the shipping industry, but her ease with the hedge funds and private equity investors that have taken a controlling interest in these companies, post-Chapter 11.

In the case of Eagle Bulk, Ms Day was appointed to the new board in

October, after the courts approved that company's restructuring plan, which provided for Eagle Bulk's lenders — mostly US hedge funds — to convert \$1bn of debt to 99.5% of the reorganised equity.

With Excel, Ms Day serves on a board largely controlled by Oaktree Capital Management and Angelo Gordon, although that entity will continue only until all of Excel's vessels are delivered to Star Bulk Carriers, an Oaktree-linked entity that purchased that fleet in August.

For Ms Day, these public postings are the latest in a string of high-level appointments.

In 2010, for example, she took over DHT as interim chief executive, following the restructuring of that company. She held that position for about a year.

And in 2012, Ms Day worked as industry advisor to the team from

Moelis, working on the General Maritime prepackaged restructuring process.

Moelis also tapped Day & Partners as an advisor for the restructuring of NewLead.

As head of her consultancy group, which specialises in restructuring and opportunistic transactions, Ms Day has positioned herself at the centre of the crossroads where private equity investors and operators meet.

Speaking at the most recent Marine Money forum in New York, during a panel discussion on private equity's shipping interest, Ms Day described how best to bring these two sides together.

The successful venture, like "the dating game", relies on chemistry, expectations and communications, she said.

"But, at the end of day, in spite of how attractive you are with chemistry, it's really all about the money." 🌐

# First year in post has been focused on internal reform

95

**Eric Ip**  
Hutchison Port Holdings

ERIC Ip has been managing director of Hutchison Port Holdings for just under a year after taking over from the formidable John Meredith.

Regarded as outgoing and approachable, he has reportedly spent his first year looking internally rather than externally, making a lot of changes within the Hutchison management structure.

In 2014, HPH Management sold the bulk of HPH Trust's stake in Hong Kong's Terminal 8 in March for \$319m to China's Cosco Pacific and China Shipping Terminal Development.

At the time the deal was announced, analysts suspected further asset sales from parent company Hutchison

Whampoa, a retail, telecommunications, real estate and hotels, ports and energy group, as it sought to better balance investments with disposals.

That said, Hong Kong port's volumes have been declining in recent years, and it looked to be one of those that would suffer most from the formation of the global alliances. And some have suggested that Hutchison Whampoa chairman Li Ka-Shing may have doubts about Hong Kong's future growth prospects.

Last year, the port company maintained its position as the number one global container terminal operator by total volumes with 76.1m teu handled in 2013 across a portfolio of facilities stretching from Felixstowe in the UK to Hong Kong, Sydney and Bilbao.

When judged by equity teu, taking into account throughputs based on

percentage of ownership, Hong Kong-based HPH edges down to second place to Singapore's PSA International, which has a stake in Hutchison, to 45m teu but remains one of the world's most influential container port businesses.

Of the global operators, consultant Drewry named Hutchison as one of the top four in terms of pipeline projects. Other than selling its stake in Terminal 8, the only other main portfolio announcement came in June when Hutchison Port Holdings subsidiary Barcelona Europe South Terminal held a groundbreaking ceremony for the next phase of its development and it took delivery of new quay cranes and shuttle.

On completing the expansion work in the first quarter of 2015, BEST will have a contiguous 1,500 m berth with a draught of 16.5 m, allowing four mega-vessels to dock simultaneously. 🌐

# Difficulties continue for Kistefos owner as his companies suffer in poor markets

96

**Christen Sveaas**  
Kistefos

CHRISTEN Sveaas is the Norwegian entrepreneur that owns Kistefos, an investment groups with a portfolio that includes Western Bulk and Transatlantic.

Western Bulk, which listed on the Oslo exchange last year, has been caught off guard a couple of times when markets have swung the wrong way to its chartering risk assessment, raising questions about its approach to risk.

It is, nonetheless, a different type of owner and one that seems to thrive on

market swings, which, given the dry bulk markets this year, is probably a good thing.

Western Bulk has opened up new offices globally and widened its focus into larger dry bulk sizes. Its profits mostly come from its chartering operations, the risk assessment being the evaluation of the portfolio of chartered in vessels with those that are chartered out on contracts.

It also has a shipholding division, with a number of leased vessels on order through Japanese trading houses.

Transatlantic, and its Viking Supply Ships subsidiary, is a bit more problematic for Mr Sveaas. The Stockholm-listed Gothenburg-based shipowner has been struggling for six years, despite an ongoing

dramatic restructuring, sale of tonnage, taps into loans provisions, bonds and equity increases that have been largely supported by Kistefos.

Viking Supply Ships is a specialist company in harsh condition offshore work. It has a fleet of anchor handling vessels and, following the decision of Mr Sveaas to bring Kistefos-owned SBS Marine into Viking Supply Ships in 2011, a fleet of platform support vessels.

The PSV fleet is now being considered for sale. Denmark-based Viking Supply Ships has long been marked for a separate listing, but clearly the market conditions have yet to be ideal for this to be brought to fruition. 🌐

# A year of mixed blessings, following the collapse of OW Bunker

97

Dimitris  
Melissanidis  
Aegean

THE collapse of OW Bunker is likely to have brought mixed blessings for Dimitris Melissanidis' Aegean Group.

On the one hand, as one of the bankrupt bunkering company's creditors, Aegean Marine Petroleum Network, the group's New York-listed company, was owed about \$7.8m – although that was said to be “fully recoverable”.

At the same time, and more intriguingly, it is surely an opportunity for OW's rivals to fill the hole left by its demise.

OW's mainly intermediary role and the painful fashion of its demise are likely to prompt customers to be more cautious in future about who they deal with, and that could see an enhanced share of the market for physical suppliers, like Aegean.

AMPN is the largest independent physical supplier in the world, not counting oil majors and state energy companies.

Aegean is the largest independent physical bunker supplier in the world, not counting oil majors and state energy companies

Aegean has already employed a number of OW's Greece-based staff in anticipation of further growth.

The company is, in any case, in expansion mode and is targeting the addition of two new locations for next year, expanding an existing network spanning 27 markets geographically.

The company has forged a strategic alliance to extend its reach to China and a year ago significantly strengthened its presence in North America by taking over Hess Corporation's bunkering business on the US east coast.

The new US subsidiary subsequently secured a \$150m working capital facility from ABN Amro to help develop the business there.

Mr Melissanidis, who founded AMPN and is the company's largest shareholder,

is also active in the energy and shipping markets with a number of private ventures, including a large nationwide chain of gas stations and the family's own tanker company, Aegean Shipping Management.

Four “green” handymax tankers were delivered to Aegean Shipping in 2014, doubling its fleet.

The group also includes Hellenic Environmental Centre, which provides oily residue collection from ships and offshore platforms, and treatment services.

It has its own fleet of tankers and the world's largest floating separator in the world, the 100,000 dwt Ecomaster.

HEC has invested €60m (\$73.9m) in a new state-of-the-art collection centre after acquiring the former BP terminal in Piraeus. 🌐

# Singapore player with a foothold in many ports

98

Fock Siew Wah  
PSA

AS GROUP chairman of a leading international ports company, Fock Siew Wah's responsibilities are considerable.

He became group chairman of PSA International in November 2005, just months after first becoming a company director.

He was also special advisor to the Singapore finance minister and has considerable transport sector experience

To give some indication of PSA's global standing, the company participates in port projects across Asia, Europe and the Americas, with

flagship operations in Singapore and Antwerp.

On a personal level, Mr Fock's interests are equally diverse, being a 🌐

member of the Temasek advisory panel, as well as chairman of Singapore-Sichuan Investment Holdings and Pavilion Capital Holdings.

This is combined with his long career in banking, finance and transport, including leading roles with JP Morgan Overseas Union Bank.

He was also special advisor to the Singapore finance minister and has considerable transport sector experience.

Under his watch, PSA has expanded. Recent PSA developments have included investing in Liangyungang port in Jiangsu Province, China, buying a 49% stake at the 2.8m teu terminal from China Shipping Container Lines for Yuan673.8m (\$109.2m).

LPCT formally opened in June and is expected to connect the Shandong and Jiangsu regions with Europe, Asia and the Americas. Back in May, a PSA subsidiary, Bharat Mumbai Container Terminals, signed a concession to develop Jawaharlal Nehru Port's fourth container terminal.

In October this year, PSA Sines (Portugal) celebrated its handling of one million TEU within a year, for the first time in its history.

In terms of business growth, PSA International recorded an increase in container movements to 61.81m TEU during 2013, up 2.9% from 2012, despite what Mr Fock described as "a difficult year".

"PSA has performed creditably amid a difficult year in 2013, which

saw unsettling volatility, much uncertainty and uneven growth across the global economic landscape," he said, referring to "good progress on our portfolio of ports in China and Colombia".

Despite ongoing challenges, Mr Fock has expressed confidence in the company.

"I remain confident in our ability as a group to overcome the challenges that come our way," he said.

At the end of November, Mr Fock, who is a new entrant to the Lloyd's List Top 100, was conferred the national distinction Commander of the Order of the Crown from King Philippe of Belgium for his merit, dedication and services rendered to the country. 🌐

## Behind every great man there stands a great woman

99

### Cecilia Eckelmann-Battistello and Thomas Eckelmann Contship Italia and Eurokai

CECILIA Eckelmann-Battistello and Thomas Eckelmann can be regarded as one of the shipping industry's most influential couples.

Mr Eckelmann represents the sixth generation of German port entrepreneurs, beginning with Cordt Eckelmann who, in 1865, built three wooden barges to lay the foundations for the family business.

Today, through its Contship Italia and Eurogate investment holdings, the Eckelmann Empire continues via Europe's largest privately-owned

terminal operator group Eurokai, fronted by Thomas Eckelmann as chairman.

The performance of the Eurokai Group in 2013 was described by Mr Eckelmann as "very gratifying", with container throughput exceeding 14m teu for the first time and revenues on the up.

Group profits, however, more than doubled from \$35.9m to \$75.8m, due in particular to a substantial increase in earnings from Contship Italia, which his wife, Mrs Eckelmann-Battistello, has run since 1996.

Under her guidance as chairman and chief executive, Contship Italia, with the Italian ports of Gioia Tauro, Cagliari and La Spezia included in its portfolio, has continued to flourish in a country that is among the hardest hit by the economic crisis in Europe.

Mrs Eckelmann-Battistello's success in reaching the top in an industry that is still very much a male preserve — she is one of only three women in this year's top 100 list — was acknowledged this year by the Marisa Bellisario Foundation.

She was presented with the Bellisario Award in recognition of her achievement as the most influential woman in shipping, and her entrepreneurialism in developing the business.

The foundation defined Mrs Eckelmann-Battistello as a woman who is "strong-minded and stubborn, ambitious but well-balanced", with her international career, goals and achievements representing "a model of professionalism, competence and determination that are an example for future generations". 🌐

The foundation defined Mrs Eckelmann-Battistello as a woman who is "strong-minded and stubborn, ambitious but well-balanced"

# Lawsuits have become order of day

100

Nobu Su  
TMT

BATTLING to retain a piece of his one-time financial empire, Taiwanese tanker owner Nobu Su has turned showing up in court into a spectator event.

A suit filed in November through Mr Su's F5 investment company is seeking damages for dilution of shareholdings following the merger of Star Bulk and Oceanbulk, and the subsequent

purchase by the merged entity of Excel Maritime Carriers' 34 bulkers.

The Taiwanese owner was a co-founder of Star Bulk alongside Petros Pappas in 2006 and served as co-chairman and then director until 2008, when he resigned after a "falling-out" with the Greek owner. He has blocked the merger from the outset.

Also in November, Mr Su was defeated in London High Court in a lawsuit brought by Greek shipowner Polys Haji-Ioannou involving the sale by Mr Su, with an agreement to repurchase at a higher price, of forward

freight agreements to the Greek owner in 2008. Mr Su failed to repurchase because of a cash crunch.

In July, Mr Su brought a suit against New York-listed Vantage Drilling, in which he owns a 33% stake. Vantage sued the Taiwanese owner in 2012 in Houston, Texas, for breach of fiduciary duty and fraud involving a dispute over a deal transferring ownership to Vantage of four jack-up rigs and two deepwater drillships.

Vantage says Mr Su had lied about the financial dispensation of the contracts on some of the vessels. 🌐

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