

# UPDATE

Schoeller Holdings | AAL | COLUMBIA

1.17

## On the same wavelength

### EDITORIAL

#### *Dear Reader,*

We are pleased to announce the fleets managed by CSM and UPT continue to grow. Undoubtedly, the luxury cruise sailing ship 'Running on Waves' is the most beautiful addition one could imagine (see page 2).

CSM was delighted to support Capital Link's first ever Shipping Forum in Cyprus. It took place in Limassol on February 9, 2017, at the Columbia Plaza, under the Auspices of the Ministry of Transport, Communications and Works (see page 3).

Within a couple of years AAL developed from a regional operator to a leading global player. Kyriacos Panayides, AAL's Managing Director, tells the full story (see page 5).

Yours sincerely

Demetris Chrysostomou

Marketing Director . COLUMBIA Shipmanagement

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## AAL certifications for ISO and OHSAS

AAL is the first shipping company in Singapore to be issued 2015 certifications – ISO 9001 for Quality Management and ISO 14001 for Environmental Management. Simultaneously, the company was also certified ISO 50001:2011 for Energy Management and OHSAS 18001:2007 for Occupational Health & Safety. Kyriacos Panayides, Managing Director of AAL, commented "With the market at its most challenging, we've taken the bold step to invest significantly in our management systems and tools and improve further the quality and range of services we offer as a point of differentiation between AAL and other carriers."





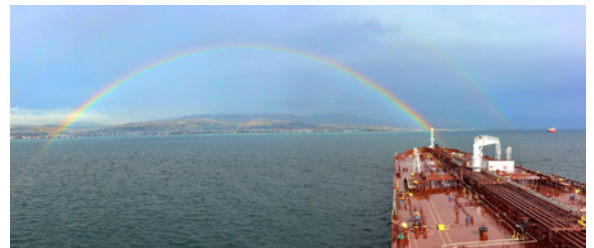
Effective April 1, 2017, COLUMBIA was awarded full technical management of the luxury tall ship, 'Running on Waves'. The ship offers its 45 passengers an exclusive hands-on sailing experience in the Mediterranean, and is unique amongst its kind due to its small draught. Andreas Hadjipetrou, Managing Director of CSM, welcomed the management of the 2011 – built vessel and said: "It is a pleasure to have 'Running on Waves' in our management. The uniqueness of this vessel, compared to the traditional types of ships we manage, reflects the transferable skills CSM's seafarers and engineers have to offer the global maritime community. We look forward to working closely with our clients in delivering an individual shipping experience packed with adventure for passengers."

## On the same wavelength

### Seven new vessels under CSM's management

Columbia has started the 1st quarter with seven new vessels under management" says Demetris Chrysostomou, COLUMBIA's Marketing Director. "In early 2017, a seventh bulker owned by a US-based client entered full management as part of a series of eight Supramaxes. This was followed by the full management of a geared 2,200 TEU container vessel from a London-based client, being the newest addition to their fleet. ASIA MARINE Philippines – the joint venture of CSM and REEDEREI NSB – was assigned the crew management for two tankers. Existing clients from Norway and Germany, have assigned CSM an

additional tanker each respectively. Finally we are pleased to advise that the largest container vessel in our fleet to date, a 14,000 TEU has been entrusted to CSM by a new Japanese client."



### UPT attracts new Pool Partners

Following the addition of three product tankers mid 2016 to its managed fleet of Handy size tankers United Product Tankers (UPT) was able to expand their operation further with five additional vessels. A French tanker shipping and storage company entrusted UPT with the Pool Management of two product tankers built in 2011. A German owner of product- and gas tankers became Pool Member with two tanker units built in 2006. Finally a Greek client entrusted a 2008 built product tanker to UPT.



# Capital Link's First Cyprus Shipping Forum

Capital Link's First Cyprus Shipping Forum aimed to raise awareness of the role of Cyprus as a regional maritime, logistics and energy hub. The objective was fully achieved by attracting 400+ delegates from Cyprus and abroad making the event a huge success.

Capital Link is known for the organisation of large scale high quality maritime and investor forums in key industry centers, such as New York, London, Athens and Shanghai, and as of 2017 in Limassol. Keynote speakers were Mr Marios Demetriades, Minister of Transport Communications & Works of the Republic of Cyprus, Mr Martin Stopford, non-Executive President of Clarkson Research Services Ltd and Mr Zhang Ye, President of Shanghai Shipping Exchange.



Mr Marios Demetriades stated "Cyprus offers today an attractive legislative and infrastructure environment for offering Maritime, Logistics and Energy services. It is already a leading Maritime Centre enjoying the third largest registry in the European Union together with a vital cluster offering services to almost 5% of the World's fleet. Following the commercialisation of its largest commercial port, Limassol, and the upgrading of its efficiency and competitiveness we expect that Cyprus will develop further as a key regional transport hub. Finally, the discovery of hydrocarbons in the Eastern Med offers the opportunity to Cyprus

to develop support services for the Industry not only covering Cyprus but the whole region."

As the Maritime industry edges past the trough of a very long recession, Mr Martin Stopford looked beyond the current cycle and addressed the major issues which the Maritime industry will face in the coming decades. These included the changing nature of shipping cycles and the underlying changes in seaborne trade and the shipbuilding industry. Finally, Mr Stopford addressed the changes that may be needed in the Maritime industry's business model in order to move forward in the coming decades.

Mr Zhang Ye presented on "China, the Global Economy & Shipping": "The downturn of world economy and shipping has brought huge challenges to the development of maritime industry, but the growth of China's economy and trade needs the world maritime service." Mr Ye gave a brief overview of Chinese shipping industry including the scale of Chinese fleet and shipping enterprises, the port layout and port enterprises, the scale and capacity of Chinese shipyards, the scale of ship financial lease in China, etc. He shared the national strategy of shipping development like 13th Five-year planning, Belt & Road, Free Trade Zone, maritime information, maritime indexes, etc. and analyzed possible opportunities and challenges.

After the event, Mr Andreas Hadjipetrou, Managing Director of CSM, stated "We are all very excited to see in Limassol, and especially at the Columbia Plaza, a full house event with top class delegates and in depth discussions on the most important shipping subjects. What was even more impressive was the fact that international and local companies were represented by their top figures who took pride in supporting Capital Link in Cyprus and promoting Cyprus as a shipping center. We look forward to next year's event!"

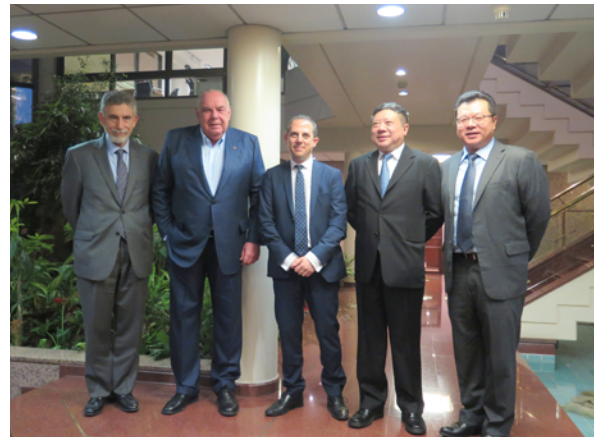
On May 5, CSM will be co-organizing together with Capital Link their 2nd Capital Link Shanghai conference which is expected to attract high profile delegates from China and abroad. Speaking at the conference will be CSM President Mr Mark O'Neil and AAL MD Mr Kyriakos Panayides.



## Mr Zhang Ye visits COLUMBIA

In addition to giving a presentation at Capital Link's First Cyprus Shipping Forum Mr Zhang Ye, the President of the Shanghai Shipping Exchange (SSE) visited CSM's Cyprus office. The purpose of his visit was to better understand the Cyprus shipping market and services that Cyprus provides as well as to introduce the SSE and to discuss possible business opportunities.

The Ministry of Transport and the Shanghai Municipal Government jointly founded the SSE in 1996. It's the first state-level shipping exchange in China and its founding represents a major step taken by the Chinese government to promote and invigorate China's shipping market, by matching the construction of the Shanghai International Shipping Center. The SSE aims to standardise transactions in the shipping market, to protect fair shipping market competition and to communicate shipping market information. It is also known for publicising a series of indices used in the domestic and international container and dry bulk markets. The SSE aims to function as the gateway for the shipping business in China.



IN THE PHOTO FROM LEFT TO RIGHT:

**Nicolas Bornois** – President of Capital Link,  
**Heinrich Schoeller** – Chairman of COLUMBIA Shipmanagement,  
**H.E Marios Demetriades** – Minister of Transport,  
 Communications and Works, Republic of Cyprus  
**Zhang Ye** – President of Shanghai Shipping Exchange  
**Terence Zhao** – President of Singhai Marine Services

## Shanghai Luoqing Terminal thanks AAL



At its first-ever formal ceremony held on 16 December 2016 at the Shanghai Guchun Park Hotel, the Shanghai Luoqing Terminal – Shanghai's biggest and most important breakbulk cargo hub – formally named and thanked key partners for their contribution to the terminal's trade performance in 2016. AAL, who has been regularly calling at the Port since its opening and in 2016 carried over 400,000 freighted tons of cargo through the port, was honored with a bronze model from the Terminal's General Manager, Ren Sheng Hua.

Christophe Grammare, Managing Director of AAL's Liner Services Division and from 2017 relocating from Australia to China taking the additional role of Chief Representative for China, explained: "Such positive recognition of our services is important, as China is the largest breakbulk market in Asia and we aim to offer our local customers the most convenient and competitive trade routes and services possible."





## From regional operator to leading global player: The AAL story

**W**hen a company wins six industry awards within two years they must be doing something right, particularly when voters comprise of customers, vendors and industry's stakeholders, as well as from a panel of industry's reputable judges.

Collecting the Global Freight Award "Breakbulk Operator of the Year 2016" made Kyriacos Panayides, AAL's Managing Director, very happy. "This award is a recognition of the quality of our work, of the way we approach business by being a trusted partner to our customers and vendors, and illustrates the return in offering a differentiated service model to the market", he says with a smile.

**A**ustral Asia Line, thereafter rebranded in 2015 to AAL Shipping was founded in 1995 in The Netherlands, and moved to Singapore in 2009. "AAL started as a small regional operator providing a multi-purpose liner service between South East Asia, Papua New Guinea, Queensland and the Northern Territories of Australia", explains Kyriacos Panayides. "Soon enough, its service expanded to offer a wider coverage, including main ports in the Far East. It's commitment to the trade with reliability in schedules, achieved a market dominance position in the Asia-Australia breakbulk and project cargo trade. We basically capitalised on that strong foundation to expand to new territories in the recent years. As a new entrant in the global arena, the industry majors supported us – for a good reason", Panayides states.

### A differentiated service model

"AAL's service proposition is unique – two divisions complementing each other. Combined, they offer 1) a 'Liner' service model that offers fixed scheduled port coverage with fixed frequency, 2) a 'Semi-Liner' service model, that offers fixed route sailings in key trade lanes, with the flexibility of changing or adding ports

allowing inducement, and 3) 'Tramp' shipping model, that offers tailor-made shipping solutions with any port, any direction worldwide, and for all types of dry cargo."

### A highly specialised fleet

"AAL operates the market's youngest fleet of multipurpose heavy lift vessels. It took some time convincing the project industry on the economies of scale you gain with these ladies on the Tramp operations, and there you have it now; being our strongest selling point when bidding for major projects. Moreover, the key to participating in worldwide trade is to have adequate fleet size and combining a variety of ship types suitable to each cargo fixture. This was achieved by having access to third party vessels, from ship owners that are known for their good shipmanagement practices. At any given time, our operating fleet comprises between 20 and 30 vessels, the additional ones chartered-in on time or voyage charter", says Kyriacos Panayides.

### A matter of infrastructure, experience and trust

"Transporting over-dimensional cargoes and some real heavy lift units is totally different from shipping containers, bulk or fuel oil products. We're competing in a very specialised and complex industry, thus it requires an equivalent complex organisation structure support. From the commercial/sales/chartering area to the post fixture operations, engineering and other support service departments. Setting up own offices and employing our own people in the main markets provided us direct access to the cargo stakeholders, as compared to relying on third party agents or cargo brokers. Customers require a 24/7 service and a local language, and this cannot be compromised." Panayides concluded by saying "It is all about the human aspect, demonstrating experienced know-how with track record capabilities in all aspects of this business. For this AAL is gifted... having the best team around the globe."

#### IMPRINT

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