

UPDATE

Schoeller Holdings | AAL | COLUMBIA

3.15



A class of its own

EDITORIAL

Dear Reader,

Good news from around the world: In Europe COLUMBIA Cruise Services (CCS) is proud to have won the tender process for FTI Cruises' flagship MS Berlin (see page 2).

In Asia and North America AAL continues its expansion by establishing AAL Korea in Seoul and by opening a new office in Vancouver, Canada. Furthermore AAL has been named "Best Shipping Line – Project Cargo" for a second year running (see page 3).

Back in 1963 the Cyprus Government realised the political, economic and social importance of shipping. The island's strategic location enabled establishing itself step by step as an international shipping centre. The "Maritime Cyprus 2015" Conference proved it again (see page 4).

Yours sincerely

Demetris Chrysostomou

Marketing Director . COLUMBIA Shipmanagement

IN THIS ISSUE

2

FTI Cruises awards MS Berlin to CCS
for Full Management

Technical upgrade at Maria Tsakos
TCM Academy

3

AAL Korea opens new office
in Seoul

AAL named "Best Shipping Line –
Project Cargo"

4

Maritime Cyprus 2015

5

Flexibility is key to
UNITED PRODUCT TANKERS'
success

Launch of AAL Canada

AAL has just announced the opening of a new office in Vancouver, Canada, to further enhance its services to the region's key industry sectors, including LNG, oil, mining and forestry.

"Vancouver is a major shipping hub and gateway into Canada, and it makes strategic and commercial sense to have a physical presence here as we strengthen our commitment to the North American market. We have the team and infrastructure in place to add real value for our customers – whatever their industry sector, or cargo booking requirement" said Felix Schoeller, General Manager of AAL's Pacific Service.

FTI Cruises awards MS Berlin to CCS for Full Management

In July COLUMBIA Cruise Services (CCS) won the tender process for the Full Management of FTI Cruises' flagship MS Berlin commencing in late October. CCS already manages the vessel's hotel crew since April 2013.

Olaf Groeger, Director of CCS said: "We at COLUMBIA are very excited to work together with FTI and are looking forward to expanding our services with and for FTI in the years to come."

MS Berlin is a small classic cruise ship for 400 passengers looking for a blend of personal service, attractive destinations and local insights provided by competent lecturers. The vessel mainly operates in Western and Northern Europe, the Mediterranean and the Red Sea. The board language is German.



Being the fourth largest tour operator in the German-speaking region and number nine in Europe FTI Group is a key player in the tourism industry. Approximately 5,000 employees are located at company headquarters in Munich, with branch offices in Austria and Switzerland as well as subsidiaries around the world.

Technical upgrade at Maria Tsakos TCM Academy

In 2013 Tsakos Columbia Shipmanagement (TCM) launched the Maria Tsakos TCM Academy to provide state-of-the-art training facilities for the fleet's officers, crews, shore staff employees and associate companies. TCM has recently selected Kongsberg Maritime's latest generation ship-handling and Dynamic Positioning simulators to further advance the range of its training services.

The all-new Kongsberg K-Sim Navigation simulator platform is based on a new cutting-edge technology platform enabling more realistic training scenarios and enhanced user benefits for both instructors and students. Moreover, it features an advanced physical engine and state-of-the-art hydrodynamic modelling, allowing vessels, objects and equipment to behave and interact as in real life in all possible weather conditions.

"When you are at sea mistakes are not allowed. The protection of human life and environment are non-negotiable matters" says TCM's Managing Director, Cpt P. Drosos. "The simulator offers you an unprecedented opportunity: to operate and react in a virtual – yet fully realistic – environment where mistakes become lessons learnt. It's an exceptional educational experience not available on-board. It also serves as the best proactive measure to initially educate and ultimately test and evaluate the officers' competence and readiness to undertake higher rank duties and responsibilities".



AAL Korea opens new office in Seoul



In early September AAL announced the opening of a new office in Seoul. The move confirms the company's commitment to strengthening its infrastructure across key markets.

AAL has been servicing the Korean market since its inception 20 years ago; a local presence was established in 2005 by appointing an owner's representative. The new AAL office will add further commercial and technical capabilities to support the company's growing global operations and to provide its customers with more value added services.

Wolfgang Harms, Deputy Managing Director of AAL and its Chief Representative in the North Asia Region explained: "Establishing AAL Korea was the next logical step for us in the region, and bolsters our wider international growth strategy. This move also enables us to deliver service excellence to our Korean customers, with greater on-the-ground commercial and operational support, and a smoother interconnection with our rapidly growing network across Asia."

He added, "We have a very strong business base in Korea, built on good relationships with local customers and mutual trust. We see great potential going forward within all types of industries, and we want to invest further in our presence and the development of our brand in this important region."

Jae Hong Kim, Representative Director of AAL Korea commented, "Korea is a pivotal Asian market for our global clients. With two decades of working locally, we understand our customers' needs and, through our bespoke tramp and regular liner services, offer flexibility, efficiency and reliability. We also provide open access to key global markets and a single-minded commitment to safe and efficient cargo handling."

AAL named "Best Shipping Line – Project Cargo"

For a second year running AAL has been named "Best Shipping Line – Project Cargo" at the prestigious 2015 Asian Freight, Logistics and Supply Chain (AFLAS) Awards, held recently in Hong Kong.

The AFLAS Awards recognise leading service providers including air and shipping lines; air and seaports; as well as logistics operators, 3PLs and other associated industry professionals. The nomination and voting process allowed the more than 15,000 readers of "Asia Cargo News" and e-news subscribers to vote for the leading companies in the market, and determine the winners, making the results the opinion of service users rather than a panel of judges.

Kyriacos Panayides, Managing Director of AAL, commented: "We are delighted and honoured to have won in the Project Cargo Category of the AFLAS Awards for the second consecutive year. The fact that the awards are judged by service users makes this win particularly important, as it's recognition of our hard work and our commitment to delivering the best possible transportation solutions and value to our customers."



powered by partnerships



Maritime Cyprus 2015

In mid-September the "Maritime Cyprus" Conference was held in Limassol, attended by more than 700 shipping personalities from around the world. The main aim of the "Maritime Cyprus" Conference is to operate as a forum where important and current issues relating to international shipping are presented by distinguished speakers and subsequently discussed by the international shipping community. COLUMBIA Shipmanagement has been actively participating in this biennial event ever since it first took place in 1989.

In his Opening Address, the President of the Republic of Cyprus Mr. Nikos Anastasiades, referred to the Cyprus shipping sector as the only sector in Cyprus whose size goes far beyond the size of Cyprus as a country. It is highly acknowledged that shipping acted as a catalyst towards the steady recovery of the Cyprus economy. Shipping and its sustainable growth is thus one of the main concerns and priorities of the Cyprus Government. The President referred to the need to focus on the future of the Cyprus shipping sector in order to safeguard its steady and substantial growth.

As the Department of Merchant Shipping states "Cyprus recognised, as early as 1963, the political, economic and social importance of shipping. Since then, successive governments implementing the correct policy, managed to attract shipping entrepreneurs and to develop the island into a fully-fledged shipping centre combining both a sovereign flag and a resident shipping industry, which is renowned for its high quality services and standards of safety."

Today the Cyprus registry ranks tenth among international fleets with 1,857 ocean going vessels of a gross tonnage exceeding 21 million. Cyprus also is a major shipmanagement centre with a total of around 60 shipmanagement companies operating in its territory. Mr Heinrich Schoeller was an entrepreneurial pioneer in this field as he set up his first shipmanagement company on the island in 1972. A large number of international shipmanagement companies followed his example and put down roots in Cyprus, greatly increasing the use of the Cyprus Registry. For recognition of his contribution to the evolution of Cyprus as shipping

centre Mr Heinrich Schoeller was awarded with "The Cyprus Maritime Prize" at the Maritime Cyprus Conference in 2003.

One of the highlights of this year's conference was a discussion seeking to identify the factors of the current and prospective world stage which could influence the industry as well as the trends in shipping. Mr George Lakkotrypis, Minister of Energy, Commerce, Industry and Tourism, Republic of Cyprus stressed the tremendous potential for positive developments in the shipping industry due to the discovery of hydrocarbons in the Eastern Mediterranean. The exploration of hydrocarbons and the development of offshore installations not only provides the Republic of Cyprus with emerging opportunities but could also act as a catalyst for dialogue and regional cooperation.



CSM booth at Maritime Cyprus

In addition to the above, while it was stressed that it may be impossible to predict the future of the world trade, it was speculated that trade flows between Europe and the Far East will likely remain stable, while trade between China, India, Indonesia, Korea and Japan will develop increasingly complex patterns. In addition, it was suggested that the potential accelerated and internally generated growth in Africa could be a geopolitical game changer, as well as of other emerging markets, including Indonesia and Mexico.

Flexibility is key to UNITED PRODUCT TANKERS' success

Whereas crude oil tankers carry just one liquid and ply between wells and refineries product tankers are "multi-optional" vessels. Firstly, they can carry several refined oil products, e.g. gasoline and gasoil for motorcars, diesel oil for the industry, naphtha for the petrochemical industry or aviation fuel. Secondly, they often load their cargo at different refineries and unload it in various harbours near consuming markets. Thirdly, the cargo owner can change the itinerary at predetermined reference points during the vessel's voyage. When the tanker is passing the Gibraltar strait e.g. he can declare that the vessel's final destination will be West Africa instead of New York (or vice versa).

Managing all these options is United Product Tankers' daily business. UPT is specialised in providing commercial and pool management services to the tanker industry, with vessel owners providing transport capacity, oil companies and commodity traders looking for it and UPT arranging the respective fixtures.

The fleet entrusted to UPT by ship owners and financial institutions comprises modern, double hull product tankers between 33,000 and 75,000 tdw. In 2014 UPT managed 40 vessels – either individually or as members of the UPT Handy Pool or UPT Panamax Pool – and fixed some 600 voyages for its 80 customers. In total 1,400 ports were called at (including multiple calls) and a cargo volume of 30 Mio metric tons of oil products was shipped around the world.

Service at short notice

"We had ships en route to New York that turned around the day before their arrival and headed for West Africa" explains Stefan Ciegelski, one of UPT's Managing Directors. "For us this is not a problem, we rather see it as an opportunity to prove our customer oriented service and that we are worth the rates we're asking for."

UPT considers itself to be a service provider to ship owners and charterers alike. "Of course we could say if the fixture is from the Mediterranean to the USA we can't change it, but that's not what our customers are looking for. With the oil price fluctuating as it currently does cargo owners want to take advantage of that and sell their products where they can get the highest price. By offering this flexibility we satisfy customers with an excellent service, and at the same time improve vessels' income for the ship owners."

Changing a vessel's destination entails a whole stream of activities: new harbour agents have to be nominated, the delivery of supplies and spare parts must be rearranged, flights for crew members rebooked etc. The UPT Cyprus office carries out all post-fixture operations as well as financial and accounting services, UPT's offices in Hamburg and Stamford are in charge of the chartering side of the business.

Part of a chain

"We're not operating as an island, we're part of a chain and depending on each other. If our vessel doesn't arrive on time, our customer's deal may fall through and the fixture is cancelled. Continuous and frank communication with all parties therefore is a must. We have a sound reputation for keeping our promises and deadlines and in our business reputation is crucial", says Stefan Ciegelski.

UPT's IT-system caters for these needs. It offers all authorized users in all offices an online, live access to all voyage, financial and operational information related to the UPT vessels. The moment a charterer inputs a new voyage, an operator updates an estimated time of arrival, or an accountant issues a freight invoice, this information is visible to all users. It also allows the management to have a permanent, always updated view of the financial results of each vessel as well as of the Pools.

IMPRINT

COLUMBIA Shipmanagement Ltd.

21 Spyrou Kyprianou Avenue . Yermasoyia . 4042 Limassol - Cyprus . tel. +357 2584 3100 . fax +357 2532 0325 . marketing@csmcyc.com