Newsletter April 2010

April 2010

Domestic Issues

You will I know be interested to know about Ian Bouskill's progress. He is still absent from the office though contributing as best he can from home. His health is slightly better but a whole procession of "investigations" continue while the doctors assess precisely what treatment (surgery, drugs etc) would be most appropriate/effective.

Meanwhile Jennifer soldiers on manfully (womanfully!) but is contemplating retirement later this year. She is doing a stupendous job meanwhile. This means that I have in consultation with our Membership to make some clear decisions over the next months about the future and the running of IMIF.

It has been strongly put to me that the relevance of IMIF has never, even from its conception, been more relevant. All branches of the maritime industry are facing extreme problems and there is crucial need that clear thinking and avoidance of individual sectional interests should be maintained. What IMIF tries to do is to bring **all** participants together in a unique international, interdenominational "neutral" fashion.

I am personally convinced that IMIF should continue long after my own disappearance from the scene. It is **not** that I am contemplating rushing away but I have suddenly realised that perhaps I am not immortal and the time has arrived when I should create a leadership that will be ready and established for the longer future. After all I have now been Chairman for 29 years. My lack of succession planning is lamentable.

Our problem remains that of funding yet we manage to carry on on our annual income of just over £70,000. This leaves no margin for eg travel, which was a regular feature in the past, and when undertaken nowadays has to be paid from my own pocket.

It has been suggested that IMIF should approach our members, particularly the large companies, to try and institute a fund to put IMIF on a firmer financial footing. After all our costs and membership fees are a small fraction of those of other estimable, though very different organisations.

The argument in this difficult world will be that if you value IMIF and its efforts some increased financial support is required.

Thus over the next months I shall be reconvening a small "Steering Committee" to assist me in the forward planning.

The Market

We are all well aware of the fragile nature of the market.

Oversupply reigns and with only occasional 'blips' freight rates are low. Container Lines are slow-steaming and laying up. The dry bulk trade responds largely to the varying demands of China and at best rates are way below the dizzying heights of 2008. Tankers are doing better than the bulkers but, once again, the supply/demand situation is delicately balanced and looks likely to worsen.

I was somewhat surprised to read a statement by Germanischer Lloyd that "now should be a good moment to place orders for new eco-designed container ships." The theory was based on a prediction that the reduced fuel costs obtained by the new ships could result in a saving of $29 million over 25 years: this against a background of massive oversupply, lay-ups, slow steaming etc etc seems to me hardly a mouth-watering scheme!

It is depressing to me to read that the newly elected chairman of the European Shippers' Council Transport

Committee (no less) Michelin's Jean Louis Cambon is complaining already that slow steaming is threatening customer relations and supply lines. This antediluvian thinking completely ignores the desirability of "Big, fat and slow" ie utilising ships as a pipeline rather than as projectiles requiring maximum speed. The many merits of such a system – including convenient temporary warehousing coupled with a 'just in time' system - seem to have yet again by-passed shippers' 'thinking'.

Jim Davis

IMIF new members

We are pleased to advise of the following new members:

COSCO Maritime UK Ltd		Mr Shicheng Yang
		(Mr Simon Young)
		Mr Andrew Craig-Bennett
IHI Europe Ltd		Mr Akira Hori
Riviera Maritime Media Ltd		Mr Steve Labdon
		Mr Mike Porter
WISTA-UK		Mrs María Dixon

REPORTS

IMIF would like to thank Alan McCarthy for the first report, and Mr James Brewer for covering the remaining luncheons.

IMIF Buffet Luncheon Monday 5 October 2009

Hosted by:	Mr Mike Vernell, Partner, Watson Farley & Williams LLP	
Guest Speaker:	Mr Steve Allum, Principal Consultant, Renaissance Risk – in conjuction with Jardine Lloyd Thompson	
Subject:	Residual Value Insurance – 'The Market is Open!'	

Report by Alan McCarthy

Watson, Farley and Williams was the venue for the IMIF luncheon on 5 October, hosted in very comfortable and welcoming style by Mike Vernell, Watson's Senior Shipping Finance Partner.

Steve Allum, the Principal Consultant of Renaissance Risk in conjunction with Jardine Lloyd Thompson provided a timely intellectual stimulus worthy of Mike and Watson's excellent hospitality, focussing on the re-emergence of Residual Value Risk Insurance.

Jim Davis opened the proceedings by recounting how, over the years ship valuations have been somewhat of a movable feast, but with his usual directness, adamantly posited the true value of a ship in typical no nonsense fashion. Luckily there were no German Banks or KG investment funds in the audience to argue the case for the complex mathematics they now tortuously apply to substantiate their toxic container ship liabilities.

Steve began his talk by recounting the history of Residual Value Insurance ("RVI") and the general market perception that there has been a lack of markets for the product, that deals do not get done and that claims do not get paid. Happily he was able to redress these misconceptions. In his view the RVI market is now at $100 million, and is expected to increase to $300 million within 1 year, with a possible new participant having the capacity to increase it by a further $200 million. The self-fulfilling prophesy that deals do not get done may have been the case in the past, but current demand is now very strong and supply more readily available. With regard to non-payment of claims, any such reservations are now pretty much overcome with the improvement and standardisation of policy wording, especially in the case of lease transactions where the return conditions of the Bareboat Charter are generally exactly matched to the RVI policy.

RVI is a risk transfer product and by guaranteeing the value of a shipping asset at one point in time in the future, it provides an 'asset value floor' enabling the lender to concentrate more on operational risk than on asset value risk. RVI providers usually insure that part of the risk between estimated downside and expected value case studies. This is more readily quantifiable in 'normal' or low markets than it is in boom times when market values of ships can be unrealistically high. Current markets, where insurers do not anticipate substantial further declines in asset values, and underwriters can create a portfolio with a spread of asset types and tenors with a liquid turnover of projects are appealing to RVI providers.

There followed an interesting and active Q & A session during which Steve was able to provide some idea of the pricing and tenor of the RVI products which are now available, and to explain the important difference between RVI and Residual Value Guarantees – no profit sharing of the asset value upside on RVI. It was interesting for the listeners to hear how different insurers used different methodologies to calculate future ship values.

A very significant problem facing the shipping industry is the acute shortage of loan capital from the banks. The audience was left to ponder over a final glass of WFW vintage wine, before venturing out into a wet and gloomy London afternoon, if the re-emergence of RVI could be one of the stimulants needed to kick-start the ship lending sector back into life.

IMIF Buffet Luncheon Wednesday 21 October 2009

Hosted by:	Mr Michael Parker,Industry Head, Global Shipping & Logistics, Citi
Guest Speaker:	Mr Mark McVicar, Transport Equity Research, Nomura International Plc
Subject:	Ships and Shares; Oil and Water?

Transport, and of course shipping, is significantly under-represented on the world's stock markets, and in this sense, ships and shares are indeed often mutually alien species. We were also reminded by Mr McVicar that what there is in the way of equity includes the presence of some giant players – to name the main name, AP Moller Maersk. With so many economic and stock market uncertainties, it is unlikely there will be much in the way of additional listings for some time to come, but Mr McVicar meanwhile presented us with his always clear-headed and easy-to-understand analysis of the volatile market and its latest trends.

London shipping enterprises formed the original joint stock companies, but today, industries led by oil and pharmaceuticals lead the way. Global transportation, said Mr McVicar, accounts for 8% to 9% of OECD gross domestic product, but about 2% of the stock market. Much of the ownership of the sector is government or private, especially in railways, ports and airlines.

IMIF chairman Jim Davis could not resist intervening – Mr McVicar had started by welcoming comments at any stage – to remark that the contribution of shipping to the economy was enormous, but its unrewarding nature made it difficult to convince investors. Investment had almost disappeared in London, where a few years ago there was huge support.

So, putting the entire transport sector in context, Mr McVicar said that its global equity market value was now \$569bn, compared with all-sector global value of \$27.5trn. The transport side comprised only around 90 companies. Taking the magnifying glass out further, he calculated global pure shipping equity market value at just \$78.5bn, making it almost irrelevant in terms of stock market scale.

In contrast, the asset value of global shipping is big, with 26,820 ships worth a total of \$645bn. He reminded us that given the substantial order book of \$500bn (funded by a great deal of leverage), the industry may double in size over the next three or four years in terms of top-line value.

Among conglomerates, AP Moller Maersk has half of the public market, with the following top three groups based in Japan: NYK, Mitsui and K Line.

In general, the industry is not producing much return on equity. With tanker businesses, perhaps the best bet, dividend income was set to decline in 2010 to 16.6% from 19%, and return on equity could be down to 12.7% in 2010 from a current estimated 18%. Yield and return on equity from the conglomerates would be very small, and container shipping businesses were likely to show a 6.9% negative return in 2009, and 1.4% negative in 2010. Dividend for the latter type would be zero in 2009, creeping up to 0.1% the following year.

Since the beginning of the decade, the FTSE composite transport index has outperformed the all-world stock markets by nearly 200%, making quite a lot of money for investors. In September 2009, AP Moller managed to raise \$1.7bn within 48 hours, impressive for a business heading for a \$1.5bn loss in 2009, and one which does not have a great relationship with the stock market, having been a closed company for decades. .. not to mention \$20bn of debt sitting on its balance sheet.

It is not a cheap endeavour to list on the market, Mr McVicar continued. High levels of disclosure were necessary, and these were going to grow. Costs associated with listing, fees, and the preparation all had to be taken into account; and a company would have to surrender a certain amount of commercial confidentiality.

What do investors like? They are not frightened of cyclicality, but want to understand it so they can invest and disinvest at the right points. They seek strategic clarity, a high level of disclosure, responsible balance sheet and consistent management. They dislike cyclicality at the wrong point, strategic confusion, poor disclosure and restatements, operating and financial leverage together, conflicts of interest, and political and regulatory interference. "It is very much a long term relationship – not speed-dating," he concluded.

Answering a lively range of questions, Mr McVicar said that appetite for further listings would depend on overall economic circumstances, and how companies were able to manage their large order books. The world had plenty of liquidity compared with a year earlier, and, "the stock market is up – where else do you put the money?" He was pretty certain there would be a vulture transport or shipping fund set up to buy cheap assets.

Jim Davis led the thanks to Mr Parker and his colleagues at Citi for their hospitality, appropriately dispensed in a suite at the top of the Citi Centre which enjoys a commanding view of Canary Wharf and the City. Shipping firms that were once among the giants of that very City had now all gone and short-termism reigned, lamented Mr Davis, while admitting that how to obtain capital for an industry which produced such a low rate of return had become a huge question.

IMIF Annual Dinner Tuesday 10 November 2009

Held at Radisson Blu Hotel, Portman Square, London

Shipping is a resilient and wonderful thing. It is not a single enterprise, it is the whole lot of us in this global enterprise together, and we cannot solve the setback of the downturn individually, we have to solve it together.

This was the message of your chairman, Jim Davis, to the 330 senior people from the shipping and associated industries at the IMIF annual dinner. He did not hide from the problems, but his faith in the nature of the business reflected the more determined mood among his listeners than the rather subdued mood detected by your correspondent during the 2008 gathering, which coincided with the worst of the crisis.

Mr Davis extolled the role of IMIF "of which I have the honour to be chairman of 29 years." He said: "We are all in it together, it is a world situation. We must stick together to get out of an awful situation.

"We hit the buffers two years ago. We are still in a pretty ugly situation. It is going to take fortitude, imagination, and above all a realistic attitude from all of us – shipowners, shipbuilders, bankers, insurers and charterers." IMIF sought to get everyone together to consider the realities of the business. "So I am very proud we are still here."

Ahead of the downturn, the Baltic Dry Index had reached an unprecedented high of 7119. Today, it was a very sad state of affairs that we have a market that is dribbling along the bottom for tankers, and the bulker market was ghastly. "It is a rotten situation but it is true. The order book is 27% of the existing fleet, but the order book for dry bulk is 45%, theoretically, and I emphasise that there could be 698 new capsizes before 2012." As to containerships, that was a sorry story. Those huge ships of up to 12,000 containers do the work of 30 of the olden ships, and it was a disaster for the moment.

Mr Davis lamented the growth of piracy, not just off Somalia, but worldwide, and "we have not got the correct rules of engagement."

The criminalisation of seafarers for incidents over which they had very little control, as illustrated by the Hebei Two case, was "desperately wrong." He added, to applause: "If we want people to go to sea and run our ships, we must somehow protect our seafarers from unwarranted criminalisation."

IMIF in the past 12 months welcomed speakers who addressed among other key topics the structure of containerships, the realities of the credit crunch, the freight markets, charter parties, and the stock market since Big Bang.

He was concerned over the intensity of regulation and the passing of laws, which "were not necessarily going to do the things you want. " He hoped there would be moves towards deregulation. "We have been very safe. Our ships are not inherently unsafe. We have been amazingly good." Ships were not the greatest polluters, "but we have to be on the side of the angels, and great efforts are being made towards better engines, better fuel and so on."

The chairman reinforced the message he has been propounding for 20 years, which is that "if you want to build ships, you have to get rid of the old ones." Referring to national schemes to encourage scrapping of automobiles, he said: "To my delight, the car industry 'listened to Jim.'"

He concluded: "We are a basic industry. And it will come right. We have to be very patient over the next year, or year and a half. There will be a lot of problems, but keep your heads held high, and our great industries will come through."

Simon Sherrard, chairman of Port of London Authority and non-executive chairman of Bibby Line Group, paid tribute to Mr Davis and his ability to bring the shipping industry together. "You do it very successfully, and may you do it for a long time to come."

Dinner was preceded by grace said by His Eminence Archbishop Gregorios, archbishop of Thyateira and Great Britain, and by the Rev Tom Heffer of Mission to Seafarers.

IMIF Buffet Luncheon Tuesday 8 December 2009

Hosted by:	Mr Luke Readman, Chairman, Thomas Miller P&I Ltd
Guest Speaker:	Capt Pottengal (Muku)Mukundan, Director, ICC-International Maritime Bureau Director, ICC-Commercial Crime Services
Subject:	Piracy Today and the Challenges Ahead

Are we treating modern pirates with kid gloves? This was the question posed by Capt Mukundan, whose International Maritime Bureau piracy reporting centre has been in existence for 18 years, acting as a catalyst for change. This has worked well in reducing incidents off India and in the Far East, together with steps taken by the insurance industry, but there remained substantial concerns off Africa, he said. From Somalia, criminals were going out as far as 1,000 nautical miles and seizing large vessels with impunity, and taking four days to get them back to the coast. They were now challenging the trade routes into Mombasa and Dar es Salaam.

The task was to change the risk/reward balance for the pirates. At the moment there was almost 100% reward for very little risk (it has been reported that gangs have set up a sort of stock exchange in a place named Haradheere to fund their ventures). In the few cases where vessels had caught pirates, they had been unable to hand them over for prosecution, and had given them food and fuel to get back to Somalia.

From January 2009 to the date of Capt Mukundan's presentation, December 8, there were 383 attacks, 44 vessels hijacked, and 779 hostages taken. He highlighted the grim difference between piracy in Somalia, where "the financial model" was to keep the crew safe, and the Gulf of Guinea, where pirates were much more violent. In the latter area, pirates would shoot to kill, he said, citing an incident on November 24 when the chief officer of a 73,000 dwt tanker was shot dead, despite the robbers having got their loot. Most of the attacks were on ships at Lagos anchorage, with criminals stealing whatever they could get, and this was spreading to neighbouring countries including Benin. There was much under-reporting of attacks in the Gulf of Guinea, with perhaps only one-third coming to light because vessels feared reprisals, and the IMB was urging masters to let the piracy reporting system know of incidents.

The big risk area was now in the Indian Ocean, with the pirates ranging ever further from the coast. Vessels of all types, of all sizes and all flags had been attacked. The IMB director scorned the allegation floated in some quarters that there was a master-mind monitoring ship movements: the reality was that the pirates were opportunists, waiting for ships to pass by.

One successful attack in June was close to the Strait of Hormuz, but in the Gulf of Aden masters were more aware than elsewhere of what to do and of the role of the navy. “The story that is not told is of the numerous attacks that have been prevented,” said Capt Mukundan.

How do you identify a pirate “mother ship?” One blatant clue is the presence of a 7 metre ladder meant for boarding merchant ships, and equipment that might be described as fishing nets but was in fact ropes. Somalia does not possess a genuine fishing vessel capable of operating 1,000 miles out to sea. When one of these mother ships saw a naval vessel, they tied back the ladder and dropped it into the water.

Threatened cargoships can hit back by manoeuvring to create a bow or stern wave: “we have to make it tough for the little ship. In some cases, these guys have become seasick, and gone.” Defending ships have other weapons at their disposal, such as using their hoses to create a curtain of protective water, or installing razor wire. “As far as we know, no vessels with razor wire or using water curtains have been boarded.”

International navies had been very successful, but what to do with offenders they capture is tricky. Kenya has said that the accused are clogging up its courts and does not want to take any more for prosecution. The French have been handing men over to Puntland, an autonomous region of Somalia which has more settled governance than the “failed state” itself, and the IMB thinks this is a good idea because it amounts to the local community giving judgment on piracy actions, as opposed to the hero status conferred on wrongdoers transferred to New York or other western jurisdictions. “Puntland is doing something about it, and we should recognise that,” said Capt Mukundan.

Despite the IMO managing to get the United Nations Security Council to pass resolution 1851(2) a year earlier which enabled the seizure and disposal of vessels and equipment used for piracy or suspected as being used for piracy, naval rules of engagement were not aligned. If we do not take action, there is no hope for the Indian Ocean, said Capt Mukundan.

During question time, it was suggested that the prevailing winds tended to drive the small boats to cluster in certain areas, and in some cases the pirates might have “got lost.” Support for posting armed guards on ships came from some of those present, given the substantial value for instance of large tankers and their oil cargoes, but this meant changing the legal framework: if someone was killed and the captain was in the vicinity, he would face a lot of questions. There was also, as Intertanko had pointed out, a heightened risk of spreading oil pollution. Capt Mukundan further warned that arming some ships would make the unarmed vessels even more vulnerable.

Someone suggested that the UN set up a piracy court in the same manner as it runs a war crimes tribunal, but Capt Mukundan replied that the expense would far outstrip the cost of the crime.

One member of the audience suggested that the only answer to the mother ships was “to sink the bloody things,” and IMIF chairman Jim Davis urged zero tolerance, but there was no need to declare a war zone: it should be argued that the freedom of the high seas was going to be protected by the UN. The world must decide that conditions on the high seas should be kept in order.

Mr Davis extended warm thanks to Capt Mukundan for his thorough-going presentation, and to Mr Readman and his colleagues for their splendid welcome and hospitality.

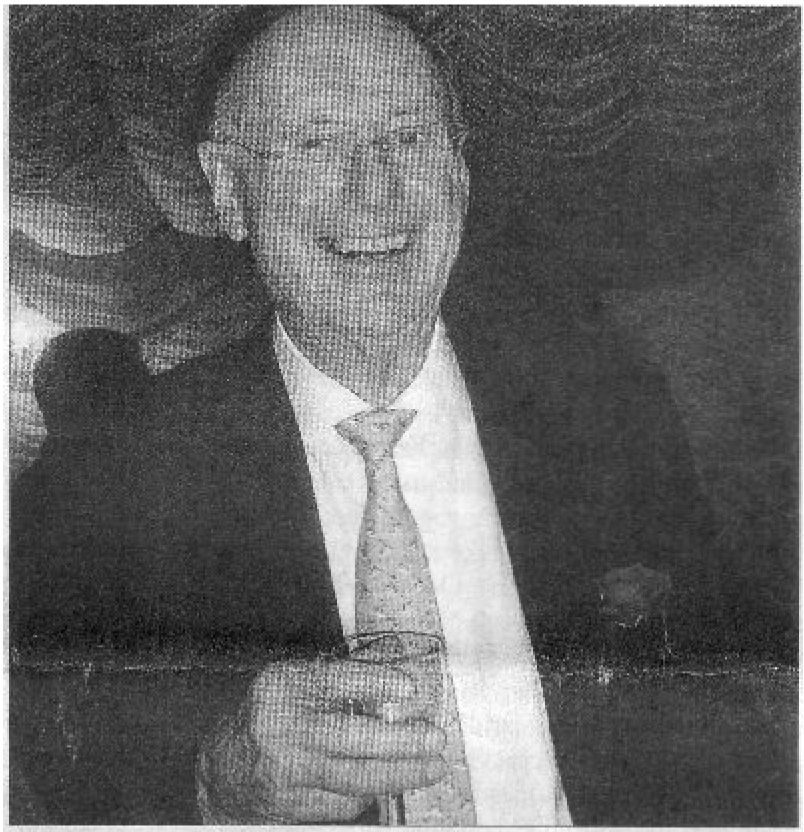
Press Cuttings

TradeWinds

13 November 2009

Terry Macalister's WAVELENGTH

Gentleman Jim voices concerns



JIM DAVIS: The IMIF chairman and industry veteran hates to be pessimistic but his take on the current state of shipping does not bode well. Photo: Yiota Gousas

Industry veteran Jim Davis predicts "blood on the carpet" for shipping over the next 18 months.

Did I really call International Maritime Industries Forum (IMIF) chairman Jim Davis "dotty" in one of my pieces?

"It's all right," he insisted. "I did not take offence. In fact, you might have just been pointing out the truth to me."

Well, whatever you think of Davis, you have to say that one, he's a charmer, and two, he is compassion incorporated.

I wish I could exercise such self-restraint when I am accused of barmy comment pieces but there's the difference - Jim's a gent.

And it was Davis Day earlier this week (the IMIF annual dinner in London) so it was a good time to touch base with the man who also has another strength.

He still really cares about shipping - even in his 82nd year and after 60 years in the industry, with half of those spent heading up the same maritime organisation.

So where are we in terms of the health of the industry?

"Well, it is very, very bad," he said, following this up with a string of (needless) apologies.

"I hate to be pessimistic - you know I always think you should remain cheerful. I'm essentially a bit of a Mr Micawber [the Dickens character] who thinks something will turn up. But it is very bleak and I think it is going to get worse."

Davis has just come back from a trip to Japan - he is chairman of the classification society there - where he was handed a bag of horrible statistics by finance house Nomura.

They show that 45% of the existing global bulker fleet, 27% of tankers and 20% of container vessels are still on order, even taking into account recent cancellations.

How can all that be absorbed in the current trading and economic climate, he asks? Some of this clearly depends on what happens to the global economy over the next 12 months.

Some Western countries are out of recession and consumer spending has returned, Goldman Sachs is piling on the profits again and the stock market is flying.

China is steaming ahead but most economists are still wary and central bankers still more concerned about keeping liquidity in the system than future inflation.

It is not too hard to find a pessimist willing to tell you how a double-dip recession is around the corner once the public-spending tap is turned off.

And of course, the shipping industry has its owe built-in structural problem - the oversupply that Nomura has been quantifying.

Davis says these are the worst industry conditions in his 60 years of active service and he predicts "blood on the carpet" over the next 18 months.

The banks have mostly held off foreclosing and seizing vessels so far but this period of grace is about to end.

I have to believe him. This is not the first conversation I have had to this effect but perhaps the first with someone who worked in maritime banking (Kleinwort Benson) as well as hands-on ship operating (most notably P&O).

A number of industry executives have said that banks are increasingly convinced they cannot hang on any more and are prepared to crystalise their losses.

Bankers are dropping their own Mr Micawber approach as they come under pressure from head offices to put accounts into shape.

In the meantime, I asked the IMIF man to give us something to celebrate in these harsh times. He told me that in 1972, when he gave up running P&0 Cruises, this branch of shipping was carrying 44,000 UK passengers on holiday. Now the figure is 1.3 million.

That's fun to remember. Now, if only I can remember taking Davis to task and why we ran a headline accusing him of losing his head.

I am too embarrassed to ask him. Anvway, the fact that I don't know likely indicates it's me, not him, who is dotty.

Lloyd's List

FRIDAY NOVEMBER 13,2009

last word

Still smarting

JIM Davis, pictured, is still smarting from grumbles about the quality of his jokes in this column recently, so guests attending the annual International Maritime Industries Forum dinner in London on Tuesday evening were understandably worried that the usual late-night banter could be off the menu this year.

That concern was reinforced when Davis, who banned after-dinner speeches many years ago, launched into an unusually serious analysis of the state of an industry that is struggling under the weight of a massive orderbook fuelled by reckless lending, the growing threat of piracy, criminalisation of seafarers, the safety risks posed by the new generation of boxships and whether shipping and short-term thinking of the stock markets can ever go together.

Speaking to the cream of London's shipping community, including International Maritime Organization secretary-general Efthimios Mitropoulos, Baltic Exchange chairman Mark Jackson and several of his predecessors, Lloyd's Register's David Moorhouse, the Chamber of Shipping's Angus Frew and Mark Brownrigg, and Rear Admiral Sir Jeremy de Halpert of Trinity House, Davis also questioned whether shipping was overregulated, bearing in mind its "amazingly good" safety record.

Scrap sermon scrapped?

BY THIS time, whispers were going round the room as to whether Davis was also going to avoid talking about his favourite subject, which has been another feature of IMIF dinners for as long as anyone can remember.

But Davis did not disappoint, as he finally turned to shipbreaking.

"It is not rocket science - if you are going to build ships, you have to get rid of the old ones;" he reminded his guests, including a fair number of bankers who have contributed to the economic crisis with their over-enthusiastic lending.

But if the shipping community has not paid much attention to the IMIF chairman's annual scrap and build sermon, "at least the car industry has listened to Jim; he noted.

And then of course, it was time for the jokes.

Parker versus Parker

LAST Word caught up with CMA CGM boss Jacques Saade as he chatted to Michael Parker and Michael Parker. And no, neither he nor we were seeing double. Saade was talking to the head of CMA CGM's UK subsidiary and his namesake, who is in charge of Citigroup's global shipping and logistics unit.

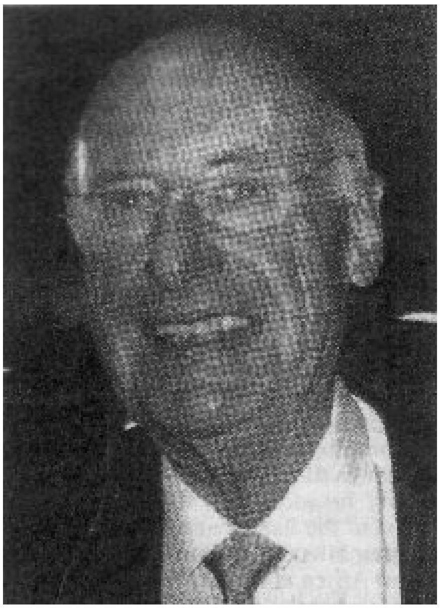
The CMA CGM chairman might be locked in tense discussions with lenders over a huge debt-restructuring package and forced to respond to rumours in the French press that some bankers wanted him to step down, but he was happy to be seen in the company of Citi's Parker, who regularly invites Saade to the IMIF dinner.

There was also optimism from Saade that the container trades are starting to turn, with Asia-Europe rate increases holding and north-south trades also looking better. But the stand-off with Korea Eximbank, which has halted the delivery of two ships over a loan-to-value dispute, continues.

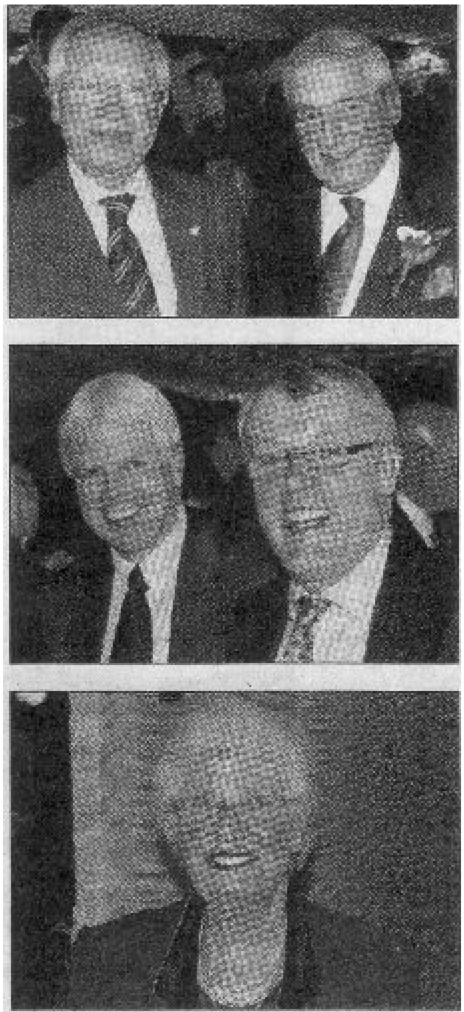
And finally

WERE we imagining it, or did one very well-known industry heavyweight (who shall remain nameless) show some sympathy for Somali pirates?

"It is our fault;' he was heard to mutter. "We destroyed their fishing industries. So what can you expect?"



ANYONE in shipping needs a cushion against the cyclical nature of the industry, but few have taken the same route as Ravi Mehrotra, whose other businesses include restaurants and shoes.



Top to bottom: IMO secretary-general Efthimios Mitropoulos and Foresight Group chairman Ravi Mehrotra; the apparently retired but nonetheless ubiquitous Michael Everard and Chamber of Shipping director-general Mark Brownrigg; and the ever-glamorous Inge Mitchell.

The formula clearly works, with no sign that turbulent shipping markets had persuaded the Foresight Group boss to scale back on entertaining.

A quarter of a century after Mehrotra arrived in London, the annual winter barbecue held in a huge marquee in the garden of his Putney home has become one of the most popular parties on the London maritime circuit.

International Maritime Organization secretary-general Efthimios Mitropoulos and the Indian High Commissioner were among those who paid tribute to their host and his remarkable success story, while IMIF chairman Jim Davies recalled Foresight's early years as Mehrotra built up his business empire.

The guest list included the Chamber of Shipping's Jesper Kjaedegaard, Angus Frew and Mark Brownrigg; Baltic Exchange chairman Mark Jackson and chief executive Jeremy Penn; and Lloyd's Register chairman David Moorhouse among the throng of several hundred who made their way to SW15 on a January evening. The indefatigable Inge Mitchell, who turns 83 this year, was looking as glamorous as ever, while Michael Everard continues to enjoy his new retirement.

Mitropoulos took full advantage of the occasion to remind shipowners that 2010 is the year of the seafarer and to hope this would herald better times for those at the sharp end of the industry. Climate change was another issue to which the industry must find a response, Mitropoulos urged.