

July 2002

As I write 2002 has just passed the halfway stage and surely there is not too much good news about. Rumbling 'Wars' all over the place coupled with Terrorism fears and general disquiet over Third World problems, asylum seekers etc etc are just a few of the situations confronting the Global Economic scene. Demand is running low as consumer confidence, sharply illustrated by the Stock Markets' descent, has meant that Freight Rates have remained depressingly low in all sectors. Supply of ships exceeds demand while newbuildings continue to pour into the market. Today even it is reported that newbuilding orders from the Greeks alone amount to some 58 ships at a cost of nearly \$2billion during the last 6 months. What can one say? Maybe obsolescence, coupled with double hulls wet and dry will gradually help with bringing supply demand more into line but my fear is it will be a long haul.

In fact one wonders whether one could benefit from a more positive attitude towards the new building explosion. It could be viewed as a healthy rejuvenation of an ageing World Fleet, but beneficial only if there is an increasingly Draconian attitude towards older ships by Flag States, Classification Societies, Port State Control, Charterers Insurers etc etc. The old ships must be taken out of the Market. I have over the years argued against the concept that an old ship is by definition a bad or substandard ship.

On the other hand if such an arbitrary ruling is the only way to achieve a better situation of Supply : Demand then maybe IMIF should support it. There is a myriad of difficulties - particularly financial - to be faced but more thought should I believe be given to such a scheme.

Perhaps in view of its "Institutional" character I should mention a change in our Annual Dinner to be held on 7th November. The Inn-on-the-Park due to "staff changes" omitted to record our regular fixture. We shall therefore be having the Dinner at the Radisson SAS Portman Hotel in Portman Square, still very convenient. A plus feature is that the room is bigger (that at the Inn-on-the Park was very nice but we were threatening to push the walls down as our numbers grew). I hope the Portman will protect our established ambience. One is always somewhat fearful of change.

J G Davis - CBE

New Members
We are pleased to confirm the following additional IMIF new members
International Registries (U.K) Limited..... Mr. A.E. Julian
Seacrest Shipping Company Ltd..... Mr. S.M. Polemis

Monday 25th March 2002 12.30-14.30

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Venue	:	The Chamber of Shipping, 12 Carthusian Street, London EC1M
Hosted	:	by Mark Brownrigg
Speaker	:	Mr Basil Ph Papachristidis, Chairman Hellenic Steamship Corp.
Subject	:	A view of this industry from the outside

IMIF members and delegates met round a Chamber of Shipping luncheon table glistening with silverware and crystal to hear what Basil Papachristidis, that well respected shipowner, would have to say. Jim Davis welcomed him, explaining that Basil had flown in from Athens that morning to speak to them on what was, coincidentally Greek Independence Day. Basil thanked him, commenting that he himself was old enough to remember the founding of IMIF and its Far Eastern missions, commenting that few people had either the command or the eloquence for the industry as Jim Davis. He then began his presentation.

Background

I've become passionate about a few things in recent years. One has been vessel routing and traffic control; another has been newbuilding standards, and another has been market structure and behaviour. I've held forth on these matters whenever the opportunity has arisen and I'm going to make passing allusion to these issues during my comments today but it was only recently, after speaking to students of City University Business School (a venue Jim knows well), that I decided what to talk about today.

The subjects that typically interest students or observers of shipping are such things as:

- The ability of the industry to demonstrate returns
- The effect of consolidation on the freight market and
- The regulatory environment and its effect on the industry

I tried a different approach with the students: I looked at the performance of *this industry from the outside* (as opposed to speaking as a shipping person) and I feel I might have struck a chord.

Alternative Approach

I find it remarkable that we always consider shipping problems from our vantage point as an industry in microeconomic terms - and that we don't discuss our industry as seen or judged by society. How often do we ask ourselves such questions as: "What economic & social impact do we have on the community we purport to serve?", or "How do we contribute to economic growth, especially growth in the developing world?"

Matter of Conscience

Since most of us here are in shipping or related industries, we're obviously all-profane, crass businessmen, who might not normally be expected to act with conscience and sensitivity, let alone altruism. That is probably too harsh an indictment - even for shipowners! To be sure we are in business for its material rewards, but like most other human beings, we are also in need of professional and moral gratification in the course of our lives and, interestingly, these two sets of goals actually coincide.

In our search for material gain, we are increasingly aware that our survival in business depends, at least in part, on our ability to demonstrate an enlightened corporate attitude towards our clients and the community whose transport needs we serve - and, as to moral gratification, shipowners realise they may not be able to change the course of history, but they will be judged by their offspring according to their professionalism, their ethics, and their social responsibility. (I'd like to point out that my own son, Phrixos, is here today. At the tender age of 18, he's already checking up on his old man. That's how closely-monitored a business environment shipping is working in! And I'm sure he'll hold me to any pronouncements I make!)

.....and of Political Reality

And all this is in keeping with the political reality of our times. The society we live in is genuinely concerned with such matters as:

- safeguarding human life;
- upholding the dignity of working people;
- preserving the environment;
- raising ethical standards in the conduct of commerce & industry
- preserving the interests of the consuming public; and
- enhancing the economic well-being of developing countries.

Contrary to how the average citizen behaved 50 years ago (when Jim Davis started out in shipping - as a young man), these are goals people have strong feelings about, and, where possible, actively pursue.

Issues to be Embraced

So, as serious, responsible and rational shipping people, we need to concern ourselves not only with our return on investment, but also with matters that touch the core of our social responsibility, such as:

- the *efficiency* of our transport systems;
- the enlightened management of *human resources*
- the proactive *leadership in safety*; and
- the judicious balance between *social & economic goals*.

Let me deal with these briefly, one by one.

1 Efficiency

The economic impact we have (or, more specifically, our efficiency as an industry) must be the starting point of any exercise in introspection. So far, it's probably safe to say that shipping has been an efficient industry. It has conformed to the definition of perfectly competitive markets. We have evidence of this proposition in the time series of freight rates (in both dry and wet markets) which clearly show a price elastic long-run supply schedule (freight rates have been fairly flat for some time - and the absence of "pure rents") but experience is starting to show this has been bought at a price. There is a case to be made that the market behaviour of owners has been seriously negatively affected by the competitive market they have operated in for most of modern shipping history.

Let me explain. Ask any owner how he's made his money in shipping today: he'll invariably say "buying and selling ships" (ie we view ourselves as commodity traders). We see ships as a commodity. We see no scope for (nor make any effort towards) adding value in the way we carry cargoes. The performance of transport service is a mere interlude to the real show of buying and selling ships. In other words, we are demoralised to the point of being passive agents who actually do not regard the act of performing transportation services as a legitimate and potentially lucrative pursuit.

This abdication of initiative is tragic. Shipping is the lifeline of trade and industry to the world. Society may have benefited from cheap transportation in the past but risks being deprived in future of greater economies achievable through investment, technological progress and innovative commercial arrangements. In my view, society will require a more proactive attitude on the part of the ocean transport industry to rise to the economic and political challenges that face us. The process of consolidation taking place is an encouraging development. Pools in all sectors of bulk shipping are taking shape. Financial consolidation is also underway in earnest. Consolidation (whether financial or just commercial) provides a platform for: - enhancing efficiency (through "industrial" Shipping), - innovative commercial relationships (eg contracts of affreightment), - and the

advance of technology (vessels with special features). It also opens access to capital markets through :

- a larger size of financial units,
- focused strategy (as opposed to opportunistic position-taking),
- and the resulting enhanced profitability.

It's incumbent upon us to realise that our stewardship of the world's transport systems depends on our ability to deliver an efficient and economical service. We can only assure this by adjusting our mind sets and looking at shipping as a serious industrial pursuit requiring commercial discipline.

2 Employment

Our attitude towards human resources and our labour markets is also vitally important, and needs redressing in many quarters. If our efforts are inspired and judiciously channelled, as international business, we can provide employment where it is needed, resisting, as we can, the efforts of certain groups to thwart job flow to developing countries; also we can transfer technology to countries in need of industrialisation; and we can enhance efficiency in the allocation of resources across national boundaries.

This requires an adaptation in the policies of governments but also a commitment on the part of industry. We need to shed, once and for all, the notion that labour from the developing world is not capable of matching the productivity found in developed countries. Our most daunting challenge is the commitment of capital and human resources to training and career development in the countries that will inevitably supply our maritime labour in the future. The success with which we manage this industry's human resource requirement may be more important than any other determinant of the future of shipping, and - significantly for us here in Europe - of who its main actors will be.

3 Safety & Quality

In matters of safety & quality, there is a legitimate expectation that we show responsibility and, yes, leadership. We all acknowledge that the safety of our seafarers is our most important concern and a sacred duty but our deeds sadly (and almost criminally) do not match our rhetoric! Our attitude in this matter is, at best, passive. We must learn to guide proactively (rather than react lethargically to) the development of regulations where needed (eg routeing & traffic control, on which the safety of our seafarers depends and where so many lives have been lost); the development of higher safety and quality standards in the ships we build (affecting the safety of our seafarers in the future); and the enforcement of regulations aboard our ships and by our maritime administrations (where we are flagrantly in default). Castor and Erika were well built ships - we shall have to wait and see what the current ones are like 15 years on.

There is also a need for a disciplined pursuit of solutions through multilateral arrangements eschewing regional or unilateral measures. Most of all, our standards must not just represent an intellectual exercise, but must permeate our work ethic and the very culture of each and every shipping entity.

4 Social vs Economic Goods

But there is one intellectual exercise we need to come to grips with as an industry - and this one hasn't even come onto our radar screens yet. It concerns our role in striking an enlightened balance between the pursuit of economic and social goods by our policy-makers. Shipping is engaged in the carriage of potentially harmful goods, such as crude oil, LNG, nuclear waste etc, and it creates other environmental hazards through the emissions it generates, the materials it employs, etc. It therefore **MUST** concern itself with the matter of the compromise society must make between social and economic goods. So far, industry in general - and shipping in particular - has not shown the ability to put its mind to this problem. It doesn't even recognise the nature of the issues, let alone promote a framework for their analysis, or articulate credible arguments on components of the problem.

There are difficulties, to be sure. There are the technical difficulties of quantification (how to measure the value of a cubic meter of clean air); there are the political issues of consensus (how to reconcile divergent assessments of that value?) - and this is especially acute in the context of North-South dialogue. (Whether a cubic meter of pure water in West Africa equates to a cubic meter of pure water in Scandinavia is doubtful.) But the private sector has the intellectual resources to assist in the quantification and even the political challenges posed in this area and shipping, as the bridge between the developed and the developing world, can lead by its example in safety & environmental policy, and can demonstrate that responsible behaviour in these areas is, in fact, good business. We must engage our maritime administrations in a study of these issues and guide international arrangements pro-actively and with well-prepared arguments.

A Case for Parallel Thinking

So I told my student friends that their ability to succeed in shipping will probably hinge as much on their ability to understand their political environment, and to embrace their social responsibilities as on their ability to time their investments shrewdly. And if there is a message for us - today's practitioners in all this, it is that we need to do some lateral thinking, we need to examine our performance the way society does (or would do if it is temporarily not focusing). By doing so, we stand a chance of increasing our own efficiency and profitability as an industry; of ensuring access to the capital and human resources this industry will need in the future; of reducing the loss of life at sea and damage to our environment; and contributing to an understanding of the issues governing our political choices. And, if we really rise to the challenge, we may even succeed in inspiring more enlightened practices by the next generation of shipping people to whom we have an important duty in terms of the example we set - and the industry we pass on and on whom the well-being of future-

generations will depend.

Discussion

JGD - Basil, at a previous IMIF luncheon presentation by the editor of Fairplay, Paul Gunton, I commented afterwards that it was so well constructed and so similar to my own way of thinking that I could have written it myself. After what we have just heard I simply have, to repeat that same commendation.

RM -it was indeed a very fine speech. We carry 98% of trade around the world - Society wants our freight but doesn't want to know who we are. We are no different from street cleaners, as long as we don't make a noise it's fine, but when we do we are in trouble.

JGD - The problem is that there isn't a concerted voice

BP - Some are trying, Intertanko, Intercargo, BIMCO, but, yes, we are so divergent. But I'm not concerned. The public doesn't know we exist - we have been put upon by circumstances, and by the charterers who abuse us through their power.

RM - but we are meant to be silent, like the janitors.

BP - We have to stop bellyaching - we must get our act together and to stand up to the charterers - we need to create larger units and to capture the imagination of our customers. We can't do it now, individually we are too small.

JGD - We certainly need to increase public awareness - something you are doing, Mark.

MB - We certainly are. The public are unaware not only of the cost of transport but of the very concept of transport. We are trying to defragment the industry - we are promoting messages to the kids in school and out to the country.

JGD - We are an under appreciated, unrewarded industry.

PW.- referring back to the analogy of us being street cleaners, attending to the dirty streets, we should ask "Who made them dirty in the first place", or is that too flippant?

JGD - We provide the nerve and blood system of society and no-one thinks about it. We are taken for granted. Has anyone else anything to add ?

RG - We need to look to the bigger picture, to Basil's outside view.

JGD - Well we've been reading about your new tankers, Basil, 442,000t - double hulled, double thick steel - it's a brave act.

AC - Double hulls were brought about by politics -some regard them as the exploding bomb of the future. When it happens you the owners and charterers will be blamed. As government agents we are trying to establish a consensus between the developing and the developed countries. Cyprus wants something in between. The problems start, not with the owner but with the government. For example Greenpeace will go for the owner when the fault actually begins with the government.

BP - So we are willing to forgive the owners - not so! We should stop being the victims. Its up to the industry, the shipping Chambers, to put pressure on the Government to go to the IMO to correct things. Its in our hands, we must stop bellyaching, we must pick up the pieces and create our own future.

MB - For decades we were not good at promoting ourselves, there was no PR and a lack of explanation. As to whose demand it is, it is 'society' which demands the huge movement of oil.

BP. We are a conservative industry, not pro-active, not good at leading any change, lethargic rather than re-active. DSo - Well there is Stelios (Haji-loannou) with Easyjet, he has broken the mould. 'Go' has flopped and his tankers are doing well. I greatly admire him, a man who is innovative and going to be the success of the future.

JGD - well we started Greek and we have ended Greek. My special thanks to our generous hosts, the Chamber of Shipping and my equally special thanks to our guest speaker, Basil Papachristidis.

applause!....

<i>Delegates that attended:</i>	
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Jim Davis CBE	Chairman, IMIF
Mark Brownrigg	Chamber of Shipping (host)
Basil Ph Papachristidis	Hellespont SS Corp (speaker)
Belinda Adye	Marsoft
Koichi Akatsuka (Capt)	Japanese Shipowners'Association
John Faracias	Shipping Int. Monthly Review
Alan Brauner	Sinclair, Roche and Temperley
Nigel Barton	Citibank
Andreas Chrysostomou	Cyprus High Comm. (Marine)
Tony Dowling	Jackson Parton
Ian Fisher	The Royal Bank of Scotland

Alkis Goulandris	Bray Shipping
Richard Greiner	Moore Stephens
John Kontogiannis	Greek Shg Coop. Committee
Ravi Mehrotra	Foresight Ltd
Phrixos Papachristidis	
Andrew Patnnos	Jackson Parton
Richard Sayer	Ince and Co
Deep Singh	Bluewater Corp
David Southwood	Heath Lambert Marine
Lambros Vamavides	The Royal Bank of Scotland
Philippa Wright	Foresight Ltd
Ian Bouskill	Secretary, IMIF

Thursday 11th April 2002 12.30-14.30

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Venue	:	Heath Lambert Marine, 133 Houndsditch, London EC3
Hosted	:	by David Southwood, Managing Director, Heath Lambert Marine
Speaker	:	Richard W J Schiferli, Secretary, Paris MOU on Port State Control
Subject	:	"Paris MOU after 20 years of Port State Control: Failure or Success?"

JGD introduced Richard Schiferli, Secretary to the [Paris MOU](#) on *Port State Control*, a long time friend of IMIF, formerly serving at sea with Holland America Line, "or should that be Wholly American Line now", JGD added. Richard thanked the ladies and gentlemen (I'm glad to see there are ladies present in this male dominated industry, he said) and David Southwood for the opportunity to speak today.

We are in the middle of organising a PSC meeting in Halifax, Canada but I welcome the chance to

give an insight into the Paris MOU. Let me start by saying that sub-standard shipping still pays. Of course there are no substandard owners here, only good ones. Substandard owners don't attend the conferences. However the fact remains that good shipowners are being put under real pressure by the substandard owners. The substandard owners don't care about safety, the environment, or living conditions on board.

We need to establish the proper order of responsibility. The first body, without any doubt, must be the owner. Next come the Flag States. Third come the Classification Societies. Class has denied responsibility in the past but that must change. PSC also has responsibility - if others fail PSC steps in. There are others, insurers, bankers and charterers - all have a responsibility which they often ignore. If a ship is in a bad state bankers shouldn't finance it and charterers shouldn't hire it.

PSC is laid down in International Maritime Conventions, with regional agreement laid down in the Paris MOU on PSC and it is legally binding for EU members though the EC Directive on Port State Control. The incident which triggered the whole thing off was Amoco Cadiz on the French coast. Various authorities came together on 1st July 20 years ago to discuss how to prevent a repetition.

The Paris MOU has certain commitments. It will enforce the IMO/ILO conventions, it won't make new legislation, it has an inspection target of 25%. Originally we would inspect all ships, old, new, good, bad - but now the inspections are much more targeted. They are not announced and are regarded as onerous, but in principle do not take place more than once every 6 months.

The overriding priorities for inspection are many. You cannot decide whether you have to visit a ship or not you must visit it if requested. This can come from the pilot service, or if the vessel is known to be carrying hazardous cargo, or at the request of another Port State, or from a complaint by the captain or a crewmember. Sometimes there is an inboard dispute. If we're called we have to respond. If there has been a collision or a grounding we have to establish the cause. There are 60,000 ships on our database. The targeting factor comprises various elements and is linked to generic factors - the history of the ship. Is its flag on the "Black List"? Is it an older ship? Is the Classification Society recognised? Has the ship had a lot of previous detentions? These factors will all earn high points and merit an inspection

. Back over the years, in 1982 when the MOU started we didn't have guidelines and didn't put much information in our Annual Reports. Then we were asked what was going on so in 1993 we published a list of Flag States; in 1994 quarterly detention lists; in 1998 monthly detention lists; in 1999 we started the "rustbucket" of the month campaign - which was very successful, the papers picked it up and the public - liked it. In 2000 instead of, reporting on the past we published the 'white-grey-black' list.

There have been many conferences to try and sort shipping out - and always they come up with Port State Control as the answer. Now on our website you have Equasis information on a weekly basis and many other statistics. We feel it is important that the Flag States take up their responsibilities

including checking the crew living conditions on vessels flying their flag. Next month we shall be publishing the new "white" list as opposed to others, Cambodia for example, which advertises that you can get flag clearance from them simply by registering over the Internet! After "Erika" the EU brought about the Erika 1 package. This will be included in the Paris MOU effective date 22 July 2003. The consequence will be

1. That ships with multiple detentions are banned.
2. For "Black Listed" flag vessels if a ship has 3 detentions within the preceding 24 month period it will be banned.
3. For a ship flying a flag regarded as "very high risk" and having 2 detentions within the previous 36 months it will be banned. This applies to oil, gas and chemical tankers, bulk carriers and passenger ships.
4. Finally there is a Review panel comprising the Secretariat and 3 MOU members to consider requests for a review of detentions from Flag States or Classification Societies.

So 20 years on - a failure or a success? In some ways one could argue that it has been a failure. Deficiencies are still up (around 1,700 in the past few years despite ISM/OP.CO/ILO) but on the other side of the coin the Paris MOU has started discussions with the IMO on substandard shipping resulting in FSI.

PSC will not only check the documentation but will introduce operational control checks asking owners 'How are you supporting your vessel and crew?' We shall establish other PSC regions, when a vessel changes its area we shall institute spot checks on the the ship. We shall be looking very carefully into the responsibilities of the Classification Societies. We are already addressing the problem of 'Flag' We now have a dialogue on 'transparency'. We intend to monitor very closely the involvement of charterers and insurers.

There will be a more prominent role for PSC in international instruments - including STCW and ISM. The question to ask is "What would the situation now be without PSC. PSC has been recognised but after 20 years there has been no public reward. We simply keep on doing what we do.

Q &A.

JGD - Thank you Richard, I always feel that the work of PSC. is under acknowledged, but that was a brilliant summary. It is recognised that human error accounts for many maritime accidents, in fact most of them are down to human error. And if a Rolls Royce is involved in an accident you don't examine the car first - you check the driver. I was pleased to see in last year's Paris MOU Report that you were checking crew accommodation conditions. I've always said that if you look at the galley and the shower room of a ship you will very quickly establish just how that ship is really run. I fully support you but let's ask one of the great names, Goulandris, what you think.

AG. - Well, you are really preaching to the converted at IMIF. We could do with an insight as to how

you train your inspectors. Also, most good masters and officers like to be rewarded, so PSC should make a point of praising a job well done and cut back on the negative only' comments. I would also ask, do you put the responsibility of ISM on the Class Society, do you involve class societies?

RS. - We have training seminars two times a year and debates and we prepare for our next targeted campaign. The next one will tackle ISM. During the last Committee meeting the results weren't to Paris MOU's liking. We felt PSC can do better than that, so let's do it ourselves. We have requested resources from the members and are starting expert/specialised training, also distance learning. We hope the Commission will approve. As to ISM we differentiate between class and who issues the certificate. Class can audit but we will look to who issues it.

BN - Concerning responsibility, and quality owners, there are still a few, mostly family firms, but if the cash is lacking to maintain quality the banks should do something about it, they should take responsibility. Unfortunately there are no bankers here today to answer this, however you said that some ships do set out without insurance cover. When we check who the owners of a ship are it is often a bank!

RB. - The Paris MOU is held up as the leading MOU, how does this translate internationally?

RS. - The Paris MOU is made up of a list of countries. However it has no status in the IMO so may not have direct dealings in IMO. We will negotiate with whoever has the chair (this year it is the UK).

CS. - Is there any correlation between ships around certificates by flag state and ships with ISM certificates by Class?

RS. - Many North European Flag States choose to certify, they do it themselves.

JGD. - Thank you again for a brilliant tour de raison, you have done an amazingly good job on small resources. We should rigidly support IMO. PSC does a good job too, we should thank both organisations.

RS finished the presentation in the most literal way, presenting Jim Davis with an honorary Paris MOU necktie in recognition of his many years of moral support for PSC.

<i>Delegates that attended:</i>	
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Jim Davis CBE	Chairman, IMIF
David Southwood	Heath Lambert Marine (host)
Richard Schiferli	Paris MOU (speaker)

Orlando Allard, Capt.	Panama Maritime Authority
Robin Bradley	IACS
Alan Brauner	Sinclair Roche & Temperley
David Cross	Fairwind Shipping
Andreas Chrysostomou	Cyprus High Commission
John Faracias	Shipping Intl. Monthly Review
Alkis Goulandris	Bray Shipping
Richard Greiner	Moore Stephens
Helen Gurr	Liberia Int. Ship Registry
Nigel Kemble-Jackson	Heath Lambert Group
John Kontogiannis	Greek Shg. Co-op. Committee
Trevor Leney, Capt	Andros Maritime Agency
Peter Mackintosh	Wellington Agy
Junichi Matsamura	Japan Ship Centre
Richard Meade	Fairplay
Boris Nachamkin	Seatrust Shipping
Otto Noriand	Northern Nav. Int
Gregory Parissis, Dr	Levant Mar. Co
Costas Rousos	Cyprus High Commission
Chris Spencer	C F Spencer & Co
Martin Stopford, Dr	H Clarkson & Co
Struan Robertson	SR&T
Tsuneo Tsunoda	Class NK (London)
Philippa Wright	Foresight Group
Ian Bouskill	Secretary, IMIF

**Seatrade Awards Presentation Ceremony Dinner, Guildhall, City of London
Monday 25th March 2002 12.30-14.30**

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Seatrade Personality of the Year 2002

Once a year the Seatrade Organisation hosts what I can only describe as a truly glittering Awards Ceremony Dinner in London's splendid medieval Guildhall. Delegates from all sectors of the international maritime world, commercial, regulatory, scientific and academic meet to witness and scrutinise entrants under the scheme as they submit for judgement their ideas and concepts designed to promote the industry's commitment to cleaner, safer, more productive seas. This year the scheme attracted 91 entries from 18 countries from which a shortlist of competitors was chosen by the learned judges and assessors. During the course of the evening these select few would discover which of them would be chosen to receive a coveted award in the four classes, Safety at Sea, Countering Pollution, Innovation in Ship Operations and New IT Applications - presented by Her Royal Highness The Princess Royal.

The other award, selected not by a panel of judges but by Seatrade itself, is for the "Seatrade Personality of the Year" award. IMIF's Chairman, Jim Davis CBE attended the Dinner, seated at the top table in his role as Chairman of IMIF. What he was not aware of was the fact that Basil Papachristidis, good friend of IMIF and a recent speaker at one of the IMIF luncheons had actually nominated our Chairman for this award. As it happens the suggestion had already been made that IMIF might like to take a table at the Dinner, not for any award but rather to celebrate Jim Davis's 50th year in Shipping. The only problem was that IMIF, treading as always its financial tightrope, could not really afford to pay for a table. Discreet approaches were made to IMIF members immediately accessible to ask whether they might be prepared to participate in the Dinner, flying the IMIF flag, but actually to meet the cost of their own ticket. Nothing was said to these generous self-funding members about the nomination as other "Personalities" had also been nominated for the award, and Christopher Hayman had made it quite clear that no-one would know the final decision until the actual moment it was announced.

An excellent meal was served, and awards under the four categories were made with accompanying fanfares of trumpets from the gallery. Now came the moment of truth. Christopher Hayman began to describe the current personality but only in the broadest of terms. "As the sole person present who actually knows who the "personality" is to be each year", he said "I always amuse myself by seeing how long it takes for the recipient to recognise themselves from my deliberately vague description". When Christopher mentioned that this year's recipient had been nominated by "that well known and very important shipowner Basil Papachristidis" then at least the IMIF table was alerted to the outcome. Christopher went on to describe Jim's career, culminating in his long and devoted service to IMIF. Jim was called up to the podium.

For once our articulate Chairman was at a loss for words. Having been presented with the award he even made to leave the podium without saying anything until he was called back by Christopher Hayman. He thanked everyone present, admired the trophy and finally regained his composure. Half turning Towards HRH the Princess Royal he declared "Ma'am, your illustrious mother and I share one thing in common . We both started in our respective careers in the same year. Of course fifty years on I don't expect to be feted nationally with a fly-past and other excitements that are being

arranged for Her Majesty. However this award will be more than enough for me - it's exactly what I wanted". Lots of applause from around the Great Hall. All in all a most gratifying exercise, bringing well deserved recognition to Jim Davis and reflected acknowledgement to IMIF. The evening was sufficiently enjoyable for IMIF to have already provisionally booked a table for next years Seatrade Dinner - final date to be advised.

Delegates who attended..

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Joe Aitken	Bank of Scotland
Richard Greiner	Moore Stephens
Ed Harris	Landesbank Schieswig Hoistein
Ravi Mehrotra	Foresight Group
Michael Parker	Citibank NA
Susan Parker	Lloyds Cruise International
(as guest of Basil Papachristidis who had to be elsewhere unexpectedly)	
Jean Richards	Fairwind Shipping Ltd
Struan Robertson	Sinclair Roche & Temperley
David Southwood	Heath Lambert Marine
Flavian d'Souza, Capt	Foresight Group
Martin Stopford, Dr	Clarkson Research Studies Ltd
Peter Vroon	Vroon BV
Ian Bouskill	Secretary, IMIF
*IMIF would like to thank these members who supported this event for IMIF at their own expense.	

Monday 29 April 2002

**Luncheon with David Jamieson M.P. Parliamentary Under-Secretary of State
for
Transport (Shipping)**

The main object of this luncheon was to initiate a proper relationship between IMIF and the Minister. He and his associate claimed to have read the introductory literature which had been sent them though it was clearly appropriate to re-emphasise IMIF's origins, its history and its objectives. The international nature of IMIF was stressed because hitherto Mr Jamieson's knowledge and relationship had been near-totally confined to the UK, its fleet and its concerns (e.g. "Sea Blindness", Maritime London, Tonnage Tax, recruitment, etc etc). His expressed desire was to "to raise the profile" of shipping, its importance as an invisible earner and employment opportunities. One sensed a considerable ignorance of the wider issues of shipping, its totally International nature and the interdependence of its component industries, Shipbuilding, Banking, Insurance, Classification etc etc. He was full of praise for the performance of MCA and the effect was having of bringing in (or back) vessels to the UK flag.

Other items discussed were possible revival of coastal shipping, attitudes to the new EU ports directive (specifically Light Dues exactment), Ports in general, including pilotage etc. Michael Hendry asked some pertaining questions about subsidies for short sea routes. Also there was considerable discussion about foreign crews and seafaring as a way of life which is becoming ever less appealing.

The minister revealed rather more knowledge and a lively interest in Road Congestion, the Railways and Urban Transport.

There was in addition

- discursive discussion on the possible taxation of foreign nationals and
- Ports state control

There was much discussion and comparatively little indication of action. However it was a fairly useful exercise in forming a relationship and is hoped that the minister left a better informed.

Delegates attending:

For IMIF

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Jim Davis CBE	Chairman, IMIF
David Southward	Managing Director, Heath Lambert Marine & Deputy Chairman, IMIF
Michael Hendry	Chairman, Cenargo Group

Peter Kitching	Chairman, The Baltic Exchange
For DTLR	
David Jamieson MP	Parliamentary Under-Secretary of State, DTLR
Patricia Davies	Assistant Private Secretary, DTLR

* IMIF would like to thank David Southward and the Heath Lambert Group for hosting this luncheon.

Wednesday 22nd May 2002

	
Venue	:	Norton Rose, Camomile Street, London EC3A
Hosted	:	by Harry Theochari
Speaker	:	Eric Ellen of First Approach
Subject	:	"Maritime Crime - whose Fault, whose Responsibility?"

"Criminality is always with us, whether it is piracy, fraud, money laundering or terrorism. Our guest speaker today knows all about this. He has had a long and distinguished career with the police, enhanced , I might add, by his marrying a very charming "police-person" who is also with us today". Thus Jim Davis introduced Eric Ellen, former policeman, and founder of the ICC International Maritime Bureau, the first ICC anti-crime bureau set up in 1981.

Eric briefly confirmed this biopic.

Retirement I find is a very flexible term. I retired from the police force in 1980, and again from the bureau in 1999. I also discovered that as one ages some things start to go. For some it's their hair, for others their eyesight or hearing. With me it was the voice. Having left the bureau I decided to give up public speaking and it is only because of my long friendship with Jim that I agreed to speak when he asked me. In many ways I have been somewhat a maverick and my relationship with the shipping industry has not always been what it should. In the early days insurers roundly abused me when I accused them of covering up for murder, arson and fraud in shipping at that time.

At our first maritime conference in 1998 the late Lord Justice Kerr was Chairman and he gave me

protection from irate bankers who did not like what I was saying. I may have been discouraged but one insurer, alas now dead, wrote in Lloyd's List that while the industry might not like what I was saying, at least give the chap a chance. I took the opportunity afforded me then and that's why I'm here today. I have to say that now I have "retired" I am busier than ever. Some of you may still think it is time I really retired. If it was not for the frauds occurring as a result of suspect shipping documents I might well be at home now tending the garden.

Let me start what I want to say by telling you of a particular example relating to fraud. In 1990, banks in the Middle East suffered huge financial losses in a fraud totalling at least \$US500M when they granted lines of credit to a metal trading company, Solo Industries. They were failing over themselves to get a slice of the business unaware that they were to become victims of a letter of credit kiting scheme. A metal trader named Patel allegedly orchestrated the fraud. He is now believed to be in Iran. Altogether 850 bills of lading were examined and every one of them was found to be fraudulent. In most cases the cargo did not exist and where it did exist the value of the cargo was manipulated, by 5, 10, or 20 times its worth or, by changing its description, the same goods were sold many times over. During the investigation we found a link with "Allied Deals". That of course was the scam reported last week following the arrest in New Jersey of the principals of that Company. Apparently this time the loss on fraudulent bills of lading is over \$US 1 billion and banks in Germany, the USA and Taiwan are said to be among the losers in a fraud that appears to be identical to the Solo case!

One has to ask how they managed to get away with it. The problem as I see it is that UCP is creaking, not with age, but rather because it cannot keep up with the massive changes in money laundering legislation and the dramatic increase in fraud. Over 20 years ago I submitted to the Banking Commission of ICC a 50page proposal for a "secure" bill of lading. It was rejected then and would be now because any Tom, Dick or Harry can issue bills of lading. UCB could, however take account--of fraud and this I would urge them to in the next revision. The other problem is that the shipping industry is so difficult to communicate with, which leads to other very worrying aspects I shall refer to.

Let me give you an example first of the gap between the regulators and UCP. A bank in NY fell victim to a US\$50M fraud again carried out using fraudulent bills of lading. A relatively small amount compared with the sums already mentioned. However it was reported to the authorities as possibly being an exercise in money laundering. The Regulators streamed into the bank and demanded additional checks, which I have to say the banks don't particularly like. These include checking 50% of all trade documents and carrying out due diligence checks on customers - and the customers' customers.

My company, as an independent third party is carrying out some of these checks and so my wife and I now fly to NY once a month to do this. It's amazing when doing these checks how quickly you begin to know the bank's customers and how you can recognize the genuine trader from the suspect one. You begin to ask why the customer is doing the business in the first place. Is he a major player or an

agent? Why is the money going in this or that direction? This kind of information is important whether you are a banker, insurer or a shipping company. In this day and age you must know your customer - failure to do so may have significant implications. Equally, due diligence does not have to cost you an arm and a leg. A simple customer profile can assist and a dedicated employee can do much to assist in this. When necessary go to the professionals and pay the price because the consequences of your failure to do so could cost you very much more. Recent advances in technology within the industry make many of the checks simple - on line tracking systems, well maintained, are easy to process.

However not all of the bills being checked are liner bills of lading and when I telephone ship owners for information they often say that they can't help as they have chartered out the vessel. And this brings me to that other worrying aspect I mentioned earlier. I ask them "To whom has the vessel been chartered?" and they reply that they don't know and they ask me to contact their agent. Now as I said when talking about knowing your customers the same applies even more to ships. I put it to you that it is an owner's duty to know who has chartered his ship. You have to know. This will of course make it more difficult for fraudulent bills of lading scams to be perpetrated against you. But of equal significance I have to say, Ladies and Gentlemen, that if you don't know who has chartered your ship then one day the al-Qaeda may well steer your vessel loaded with explosives, into a US port and the authorities will have no option, if there is the time, but to sink it. I urge ICC to look into this matter properly. The banks, I know, don't like it but it is essential now that they confirm details of their customers, their customers' customers and their suppliers.

There are other frauds, of course. Containers are not so easy to break into without detection nowadays but there is a problem with port procedures which leads me very nicely into the other aspect I should like to discuss today, which is security.

As a former policeman I am interested in security and in early September 2001 I took a cruise from England to the US. We were going to New York via Boston and when I arrived at the terminal there was a long queue to go through the metal detectors. To my surprise, to speed things up, about fifty of us were taken from the queue, walked around the detectors and allowed directly on board. Before we reached Boston on the 8th September whilst at sea an Immigration Officer cleared the 2,000 or so crew and passengers. He was not linked by computer, and we were cleared with the minimum of fuss and bother. Likewise at Boston there was little or no checking as we left the vessels on our sightseeing tours. The next day we moored not far from the World Trade Centre buildings in New York. Two days later they were destroyed. The effect of 11/9 was immediate. Food ran out in the restaurants almost immediately as the tunnels closed. We decided to leave via Boston, without tickets, with passport and again no proper check made. There was no connection between the ship and the terrorists, of that I am sure, but this lack of attention to security will only facilitate things for the terrorists.

Whose fault is it? Your industry has not previously taken security very seriously and does not have a body responsible for security to support or guide the industry. The IMO does excellent work but the very nature of that organisation precludes prompt action. There is no maritime policing as such. A

few policemen with hob-nailed boots does not make for international security at sea and despite the best efforts of nations, where piracy occurs countries are reluctant to operate outside their own territorial waters, indeed some countries can't afford to put up a single helicopter. Some look after their own patch, others won't deal with it even if you can see the pirates and request aid - they won't attend the Mayday, just pass it on. I have the latest figures for piracy from IMB and they don't make for pretty reading. We are looking at 380 cases of piracy a year with, in the last six years 66 seamen being murdered and 790 assaulted or taken hostage. And, with the exception of Japan, nothing much is being done.

Something I do know a little about is port policing and when I referred earlier to containers I voiced my doubts about port procedures. The problem is that many ports have replaced policemen by private security firms. I wrote in Lloyd's List that this was not a good idea and received a writ for my troubles. The fact is that the seaports are the gateway to the U.K. and if we neglect the proper policing of ports purely because it costs more to employ a policeman than a security guard then we do an injustice to the people of this country. It makes no sense to provide tight security at our airports and less than efficient security at our seaports. I appreciate that you cannot have total security - it's just not possible, but somehow you must take precautions commensurate with the need. If Cheney in the U.S. says an attack is bound to happen you may feel he is making a political comment but you cannot afford not to heed the warning. IMIF should be able to assist in promoting this message. And if any of you should require assistance with this please don't hesitate to ask.

Whose fault, whose responsibility? We must all take our fair share of the burden. The one thing we cannot do is to sit back and do nothing. If there is a major problem with bills of lading, particularly between regulators and UCP, let it be remedied by negotiation. Make ships more secure and do not let ports become the unguarded open door to the United Kingdom.

Discussion:

JGD - You mentioned containers. True they are not so easy to break into nowadays but misdeclaration of the contents has increased. All sorts of things can be hidden in a container and there are swarms of measurers to check whether you are paying the rightful freight. Is no one checking what goes into containers?

EE. - As I said, anyone can issue a bill of lading. The main thing is the weight - banks won't pay without the weight being declared so false figures are issued. It's all wrong. A bill of lading ought to be sacrosanct.

JM - Will things become easier with electronics?

EE - No it won't, you need to know your customer.

JGD - And what about piracy, another of your areas of concern, I'm thinking of the Straits of Malacca, huge ships and small crews.

EE - It's a real problem, 7600 miles of coastline with only half the craft and half the aeroplanes to monitor it. There have been several very nasty cases - there was that hijacked crew, the pirates set them adrift on a painters raft, you know, the thing they swing over the side for painting the ship, left them without water or toilet facilities for two days, or that vessel out of Bangladesh with a cargo of sugar. She was taken into China. The cargo was sold - and the vessel's still there.

JGD - What IMIF could do is to give more publicity to all these situations.

EE - Well there is the Egyptian case on now. £825M was passed through UK banks - all the deals were fraudulent. You should be checking 1 that money isn't being laundered for terrorists, 2. you should check who is chartering the ships and 3 check the bills of lading.

JH. The trouble is that we (the bankers) have nothing to do with the actual bills of lading.

JGD - what about intelligence?

EE - Intelligence doesn't always work. I was in the Philippines and was told, on good authority, that the North Koreans had purchased rocket propelled grenades to use against the South Korean Olympic Games. I quickly passed this information over to the CIA. 12 months later, 7 months after the games had taken place, I received a call from the CIA asking me for the sources of this information.

JH. Obviously it is important to know your customer - we only deal with people with a long held reputation, but as financiers we are one step away from the day to day operations.

EE. If the banks could check say 2% of their bills of lading?

JM. We know our customers but our worry is, when the ship is sold, trying to vet the buyer of the ship - it could be an opportunity for money laundering.

LE. You should involve a good lawyer.

JT. If a lawyer is involved they should do their own check - 'due diligence' is not good enough.

NB. Citibank is very careful in preventing money laundering but due diligence doesn't allow us to always check a third party so now we just don't hold escrow accounts any more, it's that simple.

EE. The bank we now assist in auditing in NY - if they can't make a satisfactory check they just don't do the business.

NB. The rules are so penal now - and personal!

JGD. -Where piracy is concerned in the old days 'Pax Britannica' could intervene but now the IMO can't.

EE. Even when you have the evidence its difficult. One owner hired a plane to find his ship and tracked down the Chinese pirates. The local consul requested Royal Navy assistance from Hong Kong Patten said "No". He then went over Patten to the Foreign and Commonwealth Office. They said "No!" None of them wanted to offend China.

GB. Don't tell me about Hong Kong investigators. We had an incident where a crime was committed by one of the crewmembers. The investigators went to Indonesia to interview the victims, then back to Hong Kong. They made no attempt to contact the criminal or do anything about it. What about Interpol?

EE. Interpol is simply a communication centre.

GB. Shipping is the poor relation compared with aviation.

EE. Overall shipping is powerful but massively fragmented - nothing is happening.

JGD. IMIF could raise the issue - it needs someone to squawk.

RL. The difficulty in raising the profile of these incidents is the lack of political will. IMO has discussed transparency - but there are 1401160 different regimes that need to be changed to bring everything into line.

EE. Well if any of you do think you could do with some help please don't hesitate to get in touch.

JGD. Well you have certainly given us pause for thought - there is lots to think about. My very special thanks to Norton Rose who have yet again looked after us so very well. We are immensely appreciative of all your assistance.

Delegates that attended.	
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Eric Ellen	First Approach
Harry Theochari	Norton Rose
Jim Davis CBE	Chairman IMIF
Joe Aitken	Bank of Scotland
Nigel Barton	Citibank SA

Alan Brauner	Sinclair Roche & Temperley
Gerry Buchanan	Wallem Ship Management Ltd
Peter Cowling	Wallem Ltd
Norman Douglas	Le Lloyd
Lin Ellen	First Approach
John Faracias	Shipping Int. Monthly Review
James Gareh	Informa Maritime & Trans.
Richard Greiner	Moore Stephens
Helen Gurr	LISCR
Rex Harrington	Eurofin
Jeremy Hodgson	Deutsche Schiffsbank AG
Rob Lomas	Intercargo
Junichi Matsumura	Japan Ship Centre (JETRO)
Paddy McKnight	The Japanese Shipowners' Assoc
Jim Myies	Bank of Scotland
Susan Parker	Lloyd's Cruise International
David Southwood	Heath Lambert Marine
Jonathan Turley	Holman Fenwick & Willan
Paul Williams	Norton Rose
David Sunter	Norton Rose
Scott McCabe	Norton Rose
Richard Howley	Norton Rose
Roger Heward	Norton Rose
Ian Bouskill	Secretary, IMIF

Press Cuttings

The First IMIF buffet luncheon in 2002

The Greeks have a word for it:... This first IMIF buffet luncheon for 2002 took place at the spacious Boardroom of the chamber of shipping. It was a rare chance to listen to Basil Ph. Papachristodes and his advanced, but also down to earth you as about industry. Bankers, leading lawyers, high-calibre financial advisers, insurance of brokers, technical experts, association representatives, shipowners and journalists were stunned by the content, style and delivery of Mr. Papachristodes' talk. After recent talk to students at the city University business School, he brought forward the same issues for which he has become passionate: "the one has been a vessel routing and traffic control; another has been new building standards and another has been marketed structure and behaviour", and those which obviously are of interest to the students and observers, things as such as: "the ability of the industry to demonstrate returns: the effect of consolidation on the freight market and the regulatory environment and it affects to the industry".

He progressed on by categorising/prioritising the basic and pragmatic issues which we must embrace: "efficiency of our transport systems, in lightning and management of human resources, proactive leadership in safety and judicious balance between social and economic goals". His assumptions led to interesting questions and I can say how himself and his son Phrixos felt when the audience had fully congratulated him for his unique thinking. After all, it was the Greek day of independence, the 25th of March 1821 and that added this success. It has for Greece at the beginning, originated from Jim Davies and the audience and it with coffee and Turkish delight, on the menu, oh yes!

Paris MOU after 20 years of port state control

Now in less than a month from the first IMIF talk, the second above a luncheon took place at Heath Lamberts Marine's City HQ's. The same the more or less participants - - most of whom have broken the time record in confirming a place, attended a luncheon which was hosted by David Southward the Group's Executive Director. The issue and the subject was carefully reminded in the previous one by Mr. Papachristodes. Captain Richard Schiferli, Master Mariner and General Secretary of the Paris MOU on Port State Control, delivered a masterpiece presentation on the 20th anniversary of Paris MOU, under the big question: Failure or Success? It couldn't be a better time to stage this event, as we are presenting our international readership this month without Safety in Shipping Special Survey.

Captain Schiferli, examined at the issue of substandard ships and the danger which comes not only from these rust buckets, but also from the physical owners, he referred to the responsibility of the Owners/Operator, the Flag State, the Classification Society, the Port State Control and all the others involved such as the Insurers, the Bankers, the Charterers and the Cargo owners. He explained the existing situation with Convention and Agreements, how the same are legally binding for EU

members through EC Directive on Port State Control, all the agreements on the Paris MOU, the important issue of overriding priority for inspection and the consequence. He so only went through the target factors and very clearly demonstrated the transparency of the PSC information. An issue which later attracted question, was that of the responsibilities of Flag States. The performance was evident using the White and Black lists and an in-depth explanation followed on the consequences for Black Listed flags. Jim Davies was again on Friday, and agreed presence as powerful as ever.

"Maritime Crime - whose Fault, whose Responsibility"

On 22nd May Harry Theochari of maritime lawyers Norton Rose hosted the latest IMIF luncheon. The guest speaker was Eric Ellen, former policeman and founder of the ICC International Maritime Bureau, the first ICC anti-crime bureau whose talk recovered three aspects of maritime crime. Mr Ellen was worried about the lack of proper checks on the shipping documentation which still happens now. He recalled that in 1990 bangs were defrauded by US\$ 50 million by metal trading company, Solo Industries using false Bills of Lading.

Investigations had linked Solo with another group "Allied Deals". "And last week the principles of Allied Deals in New Jersey were arrested" said Mr Ellen "accused of a defrauded the banks of more than US\$ one billion in a fraud that appears to be identical to the Solo case"

But also worried Mr Ellen was the fact that when he was investigating the fraudulent bills of lading he had to contact shipowners to ask who was chartering their ships at particular time. Too many of those owners had no idea, he would say. They left all that to their agents. From a security viewpoint that was bad news. "I have to say that if you don't know who has chartered your ship then one day the al-Queda may well stare your vessel, loaded with explosives, into a US port and the authorities, if there is time, will sink it!" The third aspect he discussed was piracy with 380 reported cases a year, and 66 seamen murdered in the past six years and 790 assaulted or taken hostage. It was a most thought-provoking talk, reminding those present that there are other problems besides bad weather and low freight rates to content with in the shipping industries.

Jim Davies named at sea trader personality for 2002

Shipping International Monthly Review is naturally pleased to note that at the prestigious Seatrades Awards Ceremony Dinner held on the 22nd April in London's Guildhall Jim Davies CBE, chairman of IMIF was named "Seatrade personality for 2002".

He was recommended for the award by Basil Ph. Papachristodes who unfortunately could not be at the dinner himself. Mr Christopher Hayman, director of Seatrade, referred to Jim Davis's 50 year career with his beginnings with P&O on the Far East, his high-profile role as Shipping Director of the Merchant Bank Kleinwort Benson, his long association with the Missions to Seafarers and the World Maritime University. "But it is as of the chairman of the International Maritime Industries Forum, a post he is held for 20 years now that he is best-known. Jim Davies is IMIF!" Jim Davis received the award, presented to him by her Royal Highness the Princess Royal for his outstanding and tireless commitment to the search for solutions in some of the industries most intractable problems. Except in the award Jim Davis declared himself for once at a loss for words. He was honoured to of being chosen as recipient of such a special award in front of so many of his friends. Turning to the

Princess Royal, Jim Davis commented that he had at least one thing in common with her distinguished mother. "We both started in our respective careers in the same year", he said "but while I don't expect to receive all the triumphant adulation now being directed at Her Majesty, I can say that this award will make a very acceptable substitute".

Shipping International Monthly Review has been singing Jim Davis's praises in the introduction to our various questions and answer sessions for some time past and now he has been officially recognised. Well done Jim!

Words of wisdom

We have been lucky enough to obtain from Jim Davis - "Shipping's Ambassador", ["Shipping guru", "Shipping's Elder Statesman", described by some as "the conscience of the Shipping Industry", and most notably Chairman of the IMIF, the Shipping Industry's role model] some pertinent replies to both our special surveys in this issue on Shipmanagement and Shipfinance. At this crucial moment, his vast experience in the shipping field is useful to have access to. Among his many positions, Jim Davis holds a) The chairmanship of Global Ocean Carriers Limited and Luxus Holdings Inc., b) Directorship of Foresight Limited, and past president of the Institute of Export. c) President of the Danish-UK Chamber of Commerce, d) He is vice-president of the Marine Society, a member of the Council of the Missions to Seafarers e) he is a Governor of the World Maritime University and a member of the International and London Committees of Bureau Veritas and also a member of the General Committee of Lloyd's Register.

You will definitely need days to study his full curriculum vitae. Hence the title of this piece is based on his replies and his unique c.v. that bears these "Words of Wisdom". From a man of such calibre, from a man who has gone through every aspect of the shipping industry, we can look confidently to see how things stand.

Why Attica* (Piraeus) in general has become the world's biggest and most competitive shipping centre?

The reason for Attica's success lies - as always in commerce in the people who operate from there. The virile optimistic and entrepreneurial Greeks are as ever among the leaders in world shipping. This plus the fact that "Greece" consists of hundreds of islands, among the World's most enchanting, means that the Greeks in contrast sadly to the British have never lost their attachment to the sea.

To what extent, the Greek state and in particular the MMM (Ministry of Mercantile Marine) together with all the other ministries involved, have contributed to this silent success? In your view, what is needed to further improve the state of affairs in shipmanagement? Is it better education and more Greek crew members? Improved and safe telecommunications? Furthermore on the technical management, how can Greece's ship repair yards be contributing to the ship management?

It would be hardly appropriate for a British person to comment other than to say that the Greek state appears to be more sympathetic and proactive towards shipping than does their own government.

Why in London lost its ship management glory, given the fact that many City conglomerates, with a worldwide status/base, lawyers, bankers, and brokers, to name but a few professions, have moved

in Attica (Piraeus)? And what, if, the Hellenic register comes a member of IACS?

London has not lost its prominence in Maritime matters. There are admittedly fewer owners and a diminished fleet, but in areas of Banking, Insurance, Classification the IMO and Law. London remains unchallenged. The arrival of more Branch offices and representation in Athens is an extension of what has always been, with the need for regular face-to-face dealing.

Pathetically I would say however that in my banking years, I found it more easy to maintain my objectivity by not staying myself nor having permanent representation in the seductive atmosphere of Greece. Instead regular visits were more useful.

Most shipping decisions consequently affecting ship management are taken by the IMO. Given that Greek shipping is the world's largest, is in the time to have a Greek Secretary-General?

The fact that IMO has to maintain a resolute independence and non-alignment means that it is perhaps vital that Greece as the world's largest shipowners should not hold the pivotal role of IMO Secretary-General.

And finally, what other pros and cons between ship management companies based in Greece with those abroad, namely: Cyprus, IOM, Singapore, Switzerland.

Once again it is the quality of people not location and is paramount.

* (many offices are now at (Syngrou, Athens, Kifissia, Glyfada and Voula)

Lloyd's List

Diary...

Ever Scrapping

The latest newsletter of the International Maritime Industries Forum reminds us that its chairman "scrapping Jim" Davis has a managed half a century of honest endeavour in the shipping industry. Many congratulations.

This evergreen Cassandra has been able to return to his favourite topic with enthusiasm, what with the overbuilding in the container trades. We are glad to note, that despite an unhealthy exposure to green activists, he still affixes to ship demolition as "scrapping". "Recycling Jim" makes him sound like a totter, which 'e ain't.

TradeWinds

Letters to the Editor

Wavelength: perils of tanker newbuild craze (24 May, Page 2)

Not surprisingly, I was fascinated by Terry Mcalister's article in the 24 May edition. He set out - in 2002 form - the arguments that the international Maritime Industries Federation (IMIF) has been

propounding since since (sic) the 1970s.

At the time, the rush into oil tanker newbuildings was initiated by owners' desire not to be left behind in the race for that great big, newly introduced toy -- the VLCC. But today the buzzwords are double hull.

Whatever the real, as opposed to perceived, merits of double-hull ships, they are represented by medium-term market demand. Owners who were earliest to receive double hulls are achieving better charter rates than those that we are the whole single hull ships -- although insignificantly better.

They are depending, perhaps even gambling, on markedly better rates when the older ships go to the breakers but this may take much longer than first thought.

In the meantime, a massive number of newbuildings could flood the market and prevent rates from ever reaching higher levels. Financing houses, leasing companies, banks, builders and even nations are once again fuelling the building craze, effectively -- as they have previously done -- shielding owners placing orders from much of the risk.

I hope I am not catching crotchety in my old (actually middle) page but it is exasperating to acknowledge that so a few lessons have been learnt from the past experience and the constant teaching of the IMIF.

Terry Mcalister while I learned said: "companies ordering the major tranches of tonnage are jeopardising the tanker markets for the next 20 years" Terre opines this may be an exaggeration but I fear that it may prove to be an uncomfortable fact

Jim Davies

Chairman, IMIF

Lloyd's List

Wednesday April 24th 2002

Royal treatment

AND so to the Guildhall for the annual of Seatrade awards dinner where industry's great and good get together to celebrate some of the innovative designs to hit the market.

Get the other this year was the Princess Royal who gave an elegant speech, without notes, about the industry, its weakness of being "out of sight, out of mind" and the needs of seafarers.

The Princess, of course, is President to the missions to seafarers, which, with the Royal National Lifeboat Institutions, benefited from donations from the awards dinner.

Winning category

As far as the awards themselves were concerned there were four categories this year covering safety at sea, countering marine and atmospheric pollution, innovation in ship operations and information technology.

Where is included Inmarsat for the provision of an acknowledgement channel for an Inmarsat Epirb, Det Norske Veritas for its Active Operator Guidance system, ABS Nautical Systems for the SafeNet ChemSTOW product and paint manufacturer ScanCoat Trading for its SealCoat product.

Not everyone was happy with the choice of winners including to class societies and satellite communication provider Inmarsat, with some punters muttering privately they felt the awards should

really be used to encourage the small innovative companies who would receive more of opposed on the back of award. But then again the judges decision is final.

No joke of the Davis

International Maritime Industries Forum boss of Jim Davies seemed strangely a bamboozled on hearing that he had won Seatrade personality of the year award. He admitted that he was not usually loss for words but was not going to tell any Irish jokes, normally a permanent fixture in any Davis speech.



Big winners

Seatrade awards at the bigger brains

With three supporters at Monday nights Seatrade award dinner. Cold cut system of Sweden had more guests than has staff in the company. Despite his small size, its innovative fire extinguishing system, which uses a watered yet an abrasive to cut through bulkheads and extinguishing fires behind, has put the company onto the shortlist for the safety at the award

Lars Larsson, Cold Cut's President had the misfortune to be seated next to Fairplay's bon viveur -- never a good omen for hopeful winners -- so we shared his disappointment when he was beaten into runner-up place behind Inmarsat. Even the Princess Royal making an unprecedented return visit as a guest of honour -- expressed amazement in the few words they shared that the company had only two staff (but then she does not come from a firm that traditionally has a large staff).

But it was not unlike the small fry. The 18 employees at UltraStrips Systems, shortlisted for the Countering Marine and Atmospheric Pollution award, lost out to SealCoats (300 staff) solvent-free coating system. And O'Brian Maritime Consultants (10 staff) is were one of the runners-up behind DNV's 5,500 employees, rewarded for the class society's Active Operator Guidance system. In a new can agree this year, for IT applications, Exis technologies (seven employees plus four consultants) lost out to ABS nautical systems (35 employees), whose SafeNet ChemStow optimises chemical cargo storage.

If that figure of 35 itself a sound small, it is a sign that it companies rely on brains, not brawn; of the four shortlisted companies for that prize, only one was larger than that. But the personality of the year accolade went to someone who could never be called small. Jim Davis, for it was the, receive his prize from the princess and remarked how they had "worked together" in the past -- as if that they were a comedy duo. But the chairman of the international maritime Industries Forum refrained for once from telling one of his famed jokes, thing almost lost for words.

It was a night of few words that many opportunities. And it showed that, irrespective of size and budget, companies and individuals of all sizes can make equally valuable contributions. When it comes to safety, pollution and innovation, they'll be always room for winners.