

EDITORIAL

This is the last newsletter of 2016, we have sent a total of 10 newsletters in the 2 1/2 months since we started. We have strived to make the newsletters useful. We have included the contact details of the VIPs who we interview and we have kept a cap on the number of banner ads in each issue. We plan to maintain this policy in the new year, but we are also open to any input or suggestions that you may have.

Nearing the end of the year we have faced some delays finalising a few interviews with shipowners. Those interviews will have to wait until early 2017. Some owners are busy with budget planning, which is understandable in today's market where the fighting and consolidation is in full swing, bottom lines are under pressure.

We are however, fortunate that **Blue Water Shipping** (one of the major international project freight forwarders with HQ in Denmark) has responded in time for this weeks issue. They have also provided interesting pictures in connection with one of their specialities, transportation of renewable energy.

In this year's final issue we also have a couple of interesting shipping profiles for you, one from **France** and one from **Malta**. Both profiles are of shipping people with diverse experience in the shipping industry. Both are also willing to receive an approach from you if you feel that their services are needed.

We also have a very special topic in this final issue introducing World Bank's **Doing Business** report. It is not common knowledge what the world bank actually does. This report gives a window into one of the services that they provide. In this case they provide intelligence and know-how that can be very valuable to business people. There is generally a lot of information and intelligence out there and it doesn't have to come at a high cost, sometimes its a matter of networking.

We wrap up this issue with sector news and the video and photo of the week. Enjoy!

First issue in the new year is scheduled for Thursday, the 5th of January. We wish you a Very Merry Xmas and a Happy New Year.

Kind regards

The Project Cargo Weekly Team

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A PROJECT FREIGHT FORWARDER STRONG IN RENEWABLE ENERGY PROJECTS WORLDWIDE

- Where did the name Blue Water come from?
- Where is your company head quartered and who are the owners today?
- When was the company established and what is your turnover and headcount approximately?

Blue Water Shipping's headquarter is located at the quayside in Esbjerg, Denmark. The company is named after Blaavand - the western most point of Denmark (Blaavand is Danish for Blue Water). The idea of naming it Blue Water came from founder and Managing Director Kurt Skov (he is still Managing Director today). He established the company in 1972. Turnover in 2015 was approximately 670 million EUR. Today we are around 1,400 employees.



- When did Blue Water start focusing on renewable energy?

Our focus on renewables started in the middle of the 90's with wind turbines being shipped out of the port of Esbjerg. Being located with headquarter in Esbjerg it was a natural development for Blue Water Shipping to start focusing on this new and growing activity.

- Several freight forwarders clame to be specialised in renewable energy, what makes you stand out?

We have been part of renewables for more than 20 years now. For years, Esbjerg has been the World's biggest load-out port for wind turbines - both onshore and offshore. We have handled about 70% of all wind turbines for offshore wind farms through our terminal and our Stevedoring company. We have followed clients into the global markets and today we execute wind farm projects worldwide.

Through the years, we have made great efforts in developing competencies to add value to the clients in the renewables sector. We do not see ourselves as a freight forwarder only - we see ourselves as a knowledge based company with a wide range of competencies to support the clients needs.

One of our additional values is our unique IT system where our clients can follow the location and status of their components at all times. The system has been tailor-made by our own in-house IT specialists with input from our own staff and clients. The system is based on the lessons learned over the course of many years.

Besides shipping for the wind industry we have also been involved in shipments for solar energy as well as underwater turbines, but wind still represents the majority of the volume we handle.

- **Give us some examples of projects you have handled worldwide within the renewable industry.**

This autumn, we completed all shipments and port services for a historic project in USA. It was the first offshore wind farm in the country on Block Island for Alstom / GE and Deepwater Wind. We were very proud to be part of this milestone project in North America.

We are presently in the final stages of delivering a 76-turbine project in Wales that has been ongoing for the past year.

We have recently started delivery for the White Rock onshore project in Australia. The first phase will consist of 70 turbines.



- **Do you have your own surveyors, port captains or do you hire ad-hoc specialists when you secure projects?**

As mentioned previously, we see ourselves as a knowledge-based company with many in-house competencies. Part of this is also in-house specialists such as Surveyors and Port Captains - in addition to Naval Architects, Chartering specialists and Project Managers, etc.

- **Do you see a change in the origin of renewable project cargoes? Has production moved outside Europe or is it a mix?**

Production has moved outside of Europe, today it is a mix of origins globally. In particular for onshore it is a global market. Offshore wind is still mainly originating in Europe.

- **How do you choose which shipowner to use? Is it based purely on price these days?**

We choose our suppliers based on a mix of factors. Price is obviously important in today's market, but also solutions, flexibility, track record and HSE. Tying up with local partners is also important for us.

- **Do you have your own offices abroad?**

We have our own offices abroad in many locations. Blue Water Shipping has more than 60 offices around the world today. In locations where we do not have our own local offices we tie up with partners where we can mix our global network and track record with our partners' local knowledge and expertise.

- **Renewable energy is now more than wind power, its solar energy, tidal energy, etc., do you see an increase in these kinds of segments? Which segment is the biggest for Blue Water Shipping?**

For Blue Water Shipping the majority of renewable energy is wind power. We have completed shipments of solar power equipment, but it is still limited. We have recently been involved in a project off the French Atlantic coast where we managed the installation of an underwater turbine.

We are following new technologies and the opportunities it can have very closely.



- **Wind turbines can be extremely long, sensitive and easily damaged, do you have any preferred shipowners that you work with?**

We have a list of preferred owners that we work with for projects. It is very important for us that we work with owners who have experience and a cooperative and quality oriented approach.

At the same time the market is very dynamic and we are always looking for the right solution for each single project and shipment. There may be other solutions in today's market than traditional project vessels. As an example we were the first forwarder to ship wind turbines on ro/ro vessels. This mode of transport is now becoming more common on many projects due to the handling and port facilities. The right option is not always the most obvious one - and we are continuously working on solutions for each single project or fabrication facility. Through our own experience with terminal handling, stevedoring and shipping competencies we can look at many different solutions and create a tailor-made solution to each specific requirement.

- **Who in Blue Water should be contacted in each region for a quotation?**

Contact me. We will assign inquiries to a regional Business Development Manager and Key Account Manager after having defined the requirement.

- **Tell us about yourself. How many years did you work in Blue Water and how did you end up in shipping in the first place? What interests you about shipping as opposed to say banking or finance? Have you been stationed abroad for company?**

My name is Peter Ehrhorn. I am 42 years. I started as a trainee in Blue Water Shipping in 1995. After finishing my training, I was stationed in Baku, Azerbaijan for three years where I was

involved in some of the first oil & gas projects in the Caspian Region – including the first oil rigs to be shipped through the Russian Inland Waterways – Volga-Don.

From 2002 to 2005 I was posted at the Blue Water office in Dubai – still with a lot of focus on the Caspian Region.

From 2006 to 2012 I was Director in CHC Denmark – a helicopter company providing flights for crew transfer on oil rigs in the Danish sector of the North Sea.

From 2012 to 2013 I was Director in Thorco Shipping in Svendborg.

Since 2013 I have been with Blue Water Shipping in Esbjerg. Today I have Global Responsibility for Renewables Activities, Chartering and Special Projects.

Interviewee:

Peter Ehrhorn

Global Head of Special Projects,

Chartering & Wind Logistics

Blue Water Shipping

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PROFILE OF A SHIPPING PERSON: MR. NILS HAMMAR, MARSEILLE, FRANCE

- Nils Hammar, I understand you are a Swedish national, how did you end up in France?

Correct. I was lucky to have a year in Paris just after my military service. Twelve years later this helped to be considered suitable for a position in France. After six years in Paris, I spent a long period outside Europe. I returned in 1996 to CMA CGM in Marseille. As my wife is French, we have settled down close to Marseille after my retirement.

- Tell us about how you got into shipping originally, your background and why / how did you choose shipping instead of say banking or finance or even journalism?

I was indeed rather undecided in the beginning. After studies at the Stockholm High School of Economics, I had the luck to be chosen by Unilever as a Management trainee. After a couple of interesting years of marketing soap and washing powder, I felt that I wanted to try something else. Transport and shipping had always attracted me, so I joined Scandinavian Airlines airfreight department. The task was interesting: to show that airfreight, even though more expensive than sea, could bring great economies by reducing the stocks. At the time SAS was however a very hierarchic and conservative company. Unfortunately my immediate boss considered a young graduate as a threat, and I was isolated in a corner. After a short period of frustration, I applied for a post in Cargolux, which had just been acquired by the Salén shipping group. And they proposed instead a post in Salén Reefer Services. And since then it was shipping all along.



- Elaborate on the various positions you have held with various shipowners & shipping companies and tell our readers a bit about what your responsibilities were. In which countries did you live and tell us a bit about actual life there. I understand you know quite a bit about West Africa.

Salén was an excellent company to work for. During my first two years I was responsible to sell our reefer services to the Eastern block, i.e. USSR and Eastern Europe. It was exciting to travel in these areas in the beginning of the 70's, during the cold war. Then Salén bought a liner service, the Swedish East Africa Line, which was in a joint service with the French shipping company Delmas-Vieljeux. As Salén had no experience in liner shipping, they decided to close the Stockholm office and send two guys to Paris. And I was one of them. At the time we operated with general cargo vessels from North Europe, all around Africa (the Suez Canal was closed from 1967 to 1975) to East Africa and all the way up to the Red Sea. When the Canal finally reopened, we introduced, as a complement, a direct ro/ro service to Jeddah. In 1978 I had to choose between a future in Sweden with Salén or to go with Delmas.

I chose Delmas, who proposed me a post, on condition that I first accept to be seconded to the container terminal in Apapa, Lagos in Nigeria. At the time there was major port congestion, with some 420 vessels (most of them loaded with cement) waiting on the roads for a berth. Our task was to organize the container traffic, in order to ensure that the regular container lines could get in and out in reasonable conditions. After five years, Delmas offered me the post as Owners Representative in Lagos. Later I assumed the management of WASA (West African Shipping Agency), owned 40% by Delmas. A very interesting period in a country full of problems, but also with a great job satisfaction when you were able to solve at least a few of them.

Delmas was then taken over by the Bolloré group in 1991. After 14 years in Nigeria, they sent me to New York to manage a small shipping line, the AAEL (America-Africa-Europe Line). Our biggest shippers were the U.S. oil industry to Nigeria and Angola. We shipped all sorts of break-bulk cargo and containers, and, surprisingly, the second-hand clothing business, which is huge. Every three weeks we had 300 to 400 40'containers stuffed to the brim with shirts, jeans, shoes and more.

I am sorry to say that the line never managed to make a steady positive result. After my departure in 1996, it was

reorganized, struggled for another couple of years before being closed down. An ex-colleague who was now working with CMA in Marseille, proposed me to apply for a post with them. That is how I ended up with CMA, which later became CMA-CGM. I was responsible for the Eastbound container flow from North Europe to the Mediterranean, the Middle East and the Far East. To be frank, containers become a bit boring in the long run.

In 2003 we booked a first paper factory from North Europe to Ningbo in China, including a very important part of huge break-bulk pieces. About 12 shipments over a period of one year, all loaded on CMA-CGM's regular container service. Everything went perfect and the concept was a great success. It was followed by a number of other projects. When I was due for retirement, I proposed to the management to create a special project department, in order to develop and strengthen CMA-CGM's presence in the break-bulk sector. When I finally left three years later, there were five full-time staff in the department. Today they are in several offices world-wide with 30/40 staff.



- I understand that you are still active as a consultant and chairman of Martin Bencher Group, tell our readers about what a consultant and chairman actually does.

When I left CMA-CGM, the Martin Bencher Group was the biggest customer for break-bulk cargo. The management of MB was kind enough to propose me to take a seat on the board, and I ended up as Chairman. It is a very positive and interesting company, which gives me great inspiration and satisfaction. The role of the Chairman is of course to give (hopefully good and sound) advice to the management of the company. At my own time I have a very pleasant retirement with quite a lot of moving around, including a yearly visit to Sweden in the spring for 2-3 months.

- In your view has the power of networking become more important in shipping in recent years? What is your take on the future of shipping given the consolidations we have seen most recently with CMA CGM snapping up APL, Cosco snapping up CSCL and just last week Maersk snapping up Hamburg Sud? With giants such as these what advice can you give our readers (especially the small or medium sized companies)? What can they do to get their voice heard?

Clearly networking is very essential for business in general. You can pick up a lot of interesting business by communicating positively. The consolidation trend will probably continue for quite some time, in all sectors of shipping. The shipping companies were already quite big. I don't think it will make a big

difference for the small or medium sized forwarders. They will just have to try to establish a good and reliable relation with the players who are still around.

- How do you keep fit? I understand that you are 65+, how do you find the energy to take on consultancy and chairmanship roles in a shipping business that is highly competitive?

You can easily add another 10 years. Having an activity that interests you is great stimulation. On top of the business I have a small 9-hole golf course 4 km from my house, where I go 3 or 4 times a week. I also have the Mediterranean which is a 500m walk away and is swimmable for 8 - 9 months per year.

- Do you plan on ever leaving shipping totally?

Nope!

- Finally what kind of good advice can you give youngsters thinking of a career in shipping?

Shipping is a fascinating world, although it goes up and down all the time. If you want a thrill keep going and Good Luck!



Interviewee:

Nils Hammar

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PROFILE OF A SHIPPING PERSON: MR. JOE G. PICCININO, SLIEMA, MALTA

- When did you originally start your career in shipping and why did you choose shipping?

I started in shipping in 1966 when the first deep water quay in the Valletta port started to operate. The port had four berths and three sheds. Handling of general cargo vessels was very labour intensive and port work was often disrupted due to stoppages by stevedores. I became more and more captivated as I saw my peers deal with a militant Port Workers' Union and I realised that positive developments would have to come no matter what. I was also lucky to encounter a couple of mentors who encouraged me and who by sharing their long standing experience, further instilled in me the shipping 'bug'.



First gantry crane being discharged at Freeport Terminal Malta (FTM) - early 1990

- **Tell us about your development in shipping, how did you get started? What you later on worked with and what kind of duties you had during your many years in shipping in Malta?**

Six months on I was put in charge of an adjacent quay which consisted of a bevy of scattered warehouses which received cargo on open barges that were loaded alongside vessels that were berthed on stream. After six years I was moved back to the deep water quay and put in charge of two sheds. Within two years I was promoted to Assistant Quay Superintendent. This involved the berthing of different vessels - conventional, lolo, ro-ro, bulk and cruise liners. I was also for deployment of labour, procurement of mechanical equipment and haulage/storage/delivery of cargo. During the same period was also running the Valletta container terminal as Operations Manager. After a change in ownership of the Valletta Port Operator I was appointed as Senior Operations Manager. During this period I compiled the Facility Security Plan and eventually was appointed as the Port Facility Security Officer up to my retirement in May 2006. After my retirement I was approached to act as a consultant in relation to a Valletta port reconstruction project. There were also instances where the Malta Law Courts appointed me as reporter with regard to personnel accidents or fatalities that occurred in the Malta ports.



Loose cargo/container vessel port - to a deep water quay, Valletta - late 1980/early 1990

- **Did shipping change during your years?**

Initially and after prolonged trade union disputes, there were slight improvements in the way that conventional cargo was handled. From all types of conventional cargo being handled manually to forklift/pallet plus 4t trailers and 6t cranes. Heavier lifts were either handled by two cranes or heavier cranes were subcontracted. Unitized cargo caused an upheaval and found us unprepared in Valletta until a small second hand gantry crane was installed at Laboratory Wharf. This move eased the pressure for some time but as vessels started to get longer and wider the gantry crane was ditched and a larger mobile heavy crane was commissioned. Regrettably there followed a history of long stoppages and excessive downtimes that eventually was slowing operations. Concurrently ro-ro traffic was picking up and this wharf proved to be very well adapted for this type of freight.



Receiving of certificate after a training programme on the Management of the Exclusive Economic Zone held at the International Ocean Institute (1991)

- **Tell us about Malta as a hub for shipping. I understand that Malta has 2 major ports, the container port at Marsaxlokk and the container & ro-ro port in Valletta.**

The need for a proper container handling terminal was felt from the late 60s. Private enterprise and Government financial aid were instrumental in the formation of the Malta Freeport Terminal which gradually grew into a fully-fledged container/ro-ro terminal and today it is considered as the main Mediterranean hub. The Valletta port activity has mostly been centred around Cruise Ship operations which year after year has increased both in the number of vessels handled, duration of stay, and passenger arrivals. The other wharfs handle a sprinkling of ro-ro vessels,

unitized cargo, a catamaran that transits between Malta and Sicily, and bulk (mainly grain) carriers.



Typical conventional cargo vessel starboard-to quay and another roro vessel, port-to adjacent quay. Both in Valletta harbour – late 1980

- **Did you have chance to travel during your career in shipping, and for what purposes?**

During my carrier I travelled to the Nederland's (Rotterdam and Amsterdam), France (Le Havre, Nantes San Nazer, Boulogne sur Mer and Dunkirk), Singapore (Brani, Keppel, Jurong), and Belgium (Brussels).

These travels where in connection with visits to ports and terminals as well as tutorials at related Port Authorities or Maritime Colleges in relation to Port operations, management, logistics, safety and security.

- **If any of our readers would need help and advice regarding doing business in Malta or need shipping advice would you be able to offer assistance?**

I would gladly assist/help your readers in regards to doing business in Malta, especially in matters that are related to shipping.



Inverviewee:
Joe Piccinino
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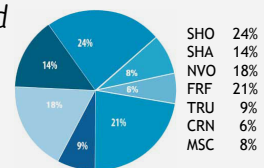
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