

# Lloyd's List

## One Hundred | Edition Seven

The most influential people in the shipping industry  
Maritime intelligence | informa



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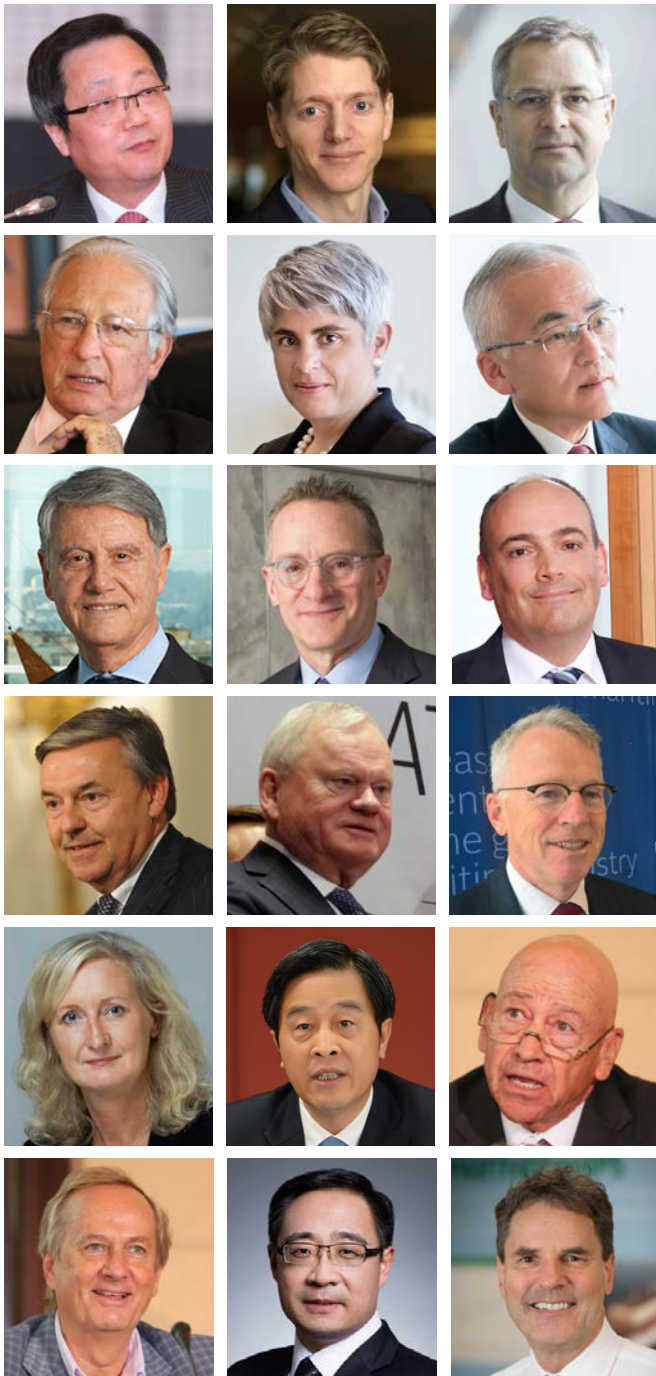
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# SHIPPING'S KINGPINS HEDGE THEIR BETS AND PLAY FOR FLEXIBILITY

Defensive pragmatism and reactive prudence is driving our annual ranking of the industry's most influential figures, but next year's list may look very different as a result

LAST year's edition of the Lloyd's List Top 100 argued that it would be exogenous events, not self-inflicted folly, that would drive industry fortunes in 2016.

By and large, we have been proved right.

Certainly the seeds of our misfortune — and many of the year's headline events — can be traced back to irresponsible decisions that lead to overcapacity.

But in reviewing the actions of our industry kingpins over the past 12 months, it seems our list of the boldest and the brave are doing as little as possible this year. Events are happening to them, rather than as a result of strategic moves or proactive decisions.

Shipping's agency in determining its own fortunes has always been limited, but right now it feels like the industry is collectively playing defensive moves in reaction to forces outside of its control.

Consolidation is certainly happening, albeit reluctantly in many cases. Cost-cutting continues, scrapping is soaring and prudence permeates every part of the industry, but these are less active decisions, more inevitable reactions to the circumstances in which we find ourselves. And none

of it is happening swiftly enough or with sufficient determination to positively affect change.

The macro picture is riddled with risk and shipping is playing for flexibility in the absence of any clear direction forward.

It is easy to see why.

For the first time in decades, growth in world trade is falling below global economic growth. Economic prospects in key emerging markets remain uncertain and it is not obvious where a powerful new engine of growth is to be found. Protectionism and isolationist sentiments are eroding the very basis for global collaboration on which our industry relies.

That was true before the prospect of 'Trumponomics' became a reality for everyone — now we are looking at a protectionist vision of the future that could stall globalisation and even send it into reverse.

Add to that the threat of digital disruption from platform-based business models, seismic shifts in supply chain logistics technology, a pipeline of regulatory requirements that will only grow in complexity and cost, and limited

sources of finance. It is understandable that this is an industry looking to hedge its bets.

This annual ranking of influence among the movers and shakers of our industry really is not about the relative positions year on year, however entertaining or maddening you find them. The list is our opportunity to step back and measure the forces at play in our industry and take stock of the trends and likely outcomes of the year's events.

Our Top 100 therefore reflects the fact that disruption and uncertainty continue to reshape business strategy and, in many ways, have led to a retrenchment in activity. But it also reflects a more realistic outlook ready for real change.

In a market that, even in the most optimistic analysis, has only risen from 'catastrophic' to 'gloomy' in the best sectors and headed in the opposite direction for most others, nobody is claiming to have had a good year.

The manner in which some have ridden out the storm, however, is telling.

The current appetite for consolidation and an apparently inexorable shift towards scale, transparency and corporatisation that will allow companies access to finance is clearly still key for many.

But big is not always considered beautiful for shipowners and what of the squeezed middle and increasingly niche small players well outside of our elite Top 100 scope? These players still represent the backbone of the industry, but the fortunes of this fragmented demographic are increasingly frail.

Are traditional concepts of discipline and timing sufficient, or is the fact that the single focus for many companies right now is to have enough cash to pay debts and merely survive indicative of shipping's corporate strategy in crisis?

None of the industry figures on our list this year have escaped unscathed by the problems facing the rest of the market, but it is fair to say that some strategies have fared considerably better than others. We can and should learn lessons from success as well as failure.

But if 2016 was a year in which external events overshadowed the shipping industry, our list for 2017

## The Lloyd's List Top 100 explained

Any ranking of the industry's most influential people is going to be subjective, so we do not pretend ours is definitive. It is meant to be the beginning of a conversation, not the final word.

There are all sorts of yardsticks for measuring influence. Ours is based largely on analysing the industry events and business decisions of the past 12 months, but inevitably that comes with context, which we consider too.

Our ranking is borne out of a collective editorial discussion within the Lloyd's List newsroom and it is our intention to produce a useful snapshot of the forces at play within our industry and some forward-looking nods to the trends into which each profile delves.

It is not comprehensive; it is unlikely to be fair; but it is, we hope, a compelling annual examination of our industry and the personalities that drive it forward.

So tell us what you think: Is Søren Skou more influential than Xu Lirong? Does John Fredriksen deserve to outrank John Angelicoussis? Do cargo interests like Cargill's Jan Dieleman belong on the list at all? Who did we miss? What did we get wrong?

Join the conversation by e-mailing us at [editorial@lloydslist.com](mailto:editorial@lloydslist.com)

and beyond is likely to be made up by those who were not prepared to passively accept their fate to be buffeted uncontrollably by economic headwinds.

As one of our 100 noted earlier this year, when you claw your way back from the worst market ever, the road is long, rocky and tough. It requires stamina, adaptation and determination from all shipowners.

The market has improved, based on growing demand, but the sector cannot rely on this alone — it is out of its own hands.

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Capt Xu: a rough time to take on his new job.





## Can Capt Xu leave his handprints on the ‘Avenue of Stars’ of China’s shipping history?

WHEN the 17-year-old Xu Lirong started his career as a Cosco seafarer, it had probably never occurred to him that four decades later, he would chair Cosco Shipping — arguably the largest shipping conglomerate in the globe.

With more than \$90bn in assets, the leviathan — created by the merger of Cosco Group and China Shipping Group — operates more than 1,100 ships in various types of more than 85m dwt in total capacity.

In tonnage terms, the company has the world’s largest bulker and tanker fleets, as well as the fourth-largest containership fleet.

Its port arm is the world’s number two container terminal operator in terms of lifting volume, and its shipbuilding business is among the top players in the country.

For Capt Xu, who became the youngest master mariner in China at the age of 27, the responsibility on his shoulders is humongous.

It is a rough time to take on his new job.

Today’s markets provide few bright spots. The bulker and containership sectors, in which Cosco Shipping is heavily exposed, have been limping along at low freight rates. Accordingly, the shipbuilding industry has seen ordering activity fall to the weakest level since the 1980s, pushing many yards to the verge of collapse.

The parlous market conditions have been reflected in companies’ poor financial results. For example, China Cosco Holdings, which holds the parent conglomerate’s box shipping and port assets, recorded Yuan9.2bn (\$1.3bn) net losses for the first nine months of this year. Chances for the unit to reverse its red ink in 2017 are “difficult to say”, said Capt Xu during a recent interview with Lloyd’s List.

To add insult to injury, perhaps, the victory of Donald Trump in the US presidential election has brought another layer of uncertainty to the shipping industry. Mr Trump’s protectionist inclination against global trade can hardly be expected to provide any support for the profitability of the Chinese carrier.

However, there are still reasons for optimism.

When a Chinese state-owned enterprise is a shipping business, timing is almost everything, as far as its leader’s success is concerned.

Sixty-three is Beijing’s mandatory retirement age for chairmen of the country’s major public sector companies. For Capt Xu, there are still four years to go in his chairmanship, long enough for a market recovery to start.

In fact, the dry bulk market has already shown signs of a recovery, with the Baltic Dry Index moving back to more than 1,000 points in November. This is on top of a gut feeling, shared by many, that the recent recession, since the 2009 banking crisis, has been so lengthy and deep that a revival should not be far off.

More importantly, of course, a wise business leader would never let the fate of his company, as well as his own, remain at the mercy of the market, or simply luck. He would seek to take the initiative against his competitors.

The giant’s sheer size, greater industry impact and staunch government support has granted Capt Xu the potential to seize such an initiative — particularly in an arena where smaller players such as Hanjin Shipping have started to collapse.

The new chairman recently called for an anti-dumping probe into record low freight rates that are wrecking the container

shipping trades, and says his company is considering publicising the breakdown of its cost details and boiling them down to a “genuine shipping cost per teu”.

Cosco Shipping’s bold decision to ditch the CKYHE Alliance has proved to be a wise move in hindsight. Not only has it helped the new alliance avoid the uncertainty caused by Hanjin’s collapse, but the move also allows the Chinese company to team up with bigger partners that have greater global presence.

### Making of a legend

The Chinese shipping industry, while perhaps not as long-established as in some Western nations, is not without its own legendary figures.

The recent two moguls were Wei Jiafu, the renowned former chairman and chief executive of Cosco, and Li Kelin, founder of China Shipping and dubbed the founding father of the country’s container shipping industry.

Now the baton has passed to Capt Xu.

Both Capt Wei and Capt Li had established themselves by successfully capturing the trade boom created by China’s extraordinary economic growth before the 2008 global banking crisis. But neither of them resigned from their positions without regrets, partially due to the market slump thereafter.

While the same kind of industry flourish is unlikely to return during Capt Xu’s tenure, the merger has created a timing of his own.

The clock is ticking for Capt Xu to leave his handprints on the ‘Avenue of Stars’ of China’s shipping history. He just needs the right efforts, plus a bit good fortune.

*Capt Xu appeared in the Top 100 in 2015, ranked third. Cosco appeared in the Top 100 in 2010, 2011, 2012, 2013 and 2014.*

## Hanjin bankruptcy suggests Seoul might need to rethink South Korea's growth model

THE pitfalls of South Korea's growth model have been laid bare by the demise of Hanjin Shipping, previously the world's seventh-largest box carrier.

Catching many by surprise and drawing much criticism in the shipping spectrum, state-run Korea Development Bank led a group of creditors to halt liquidity to Hanjin at end-August. The carrier subsequently filed for bankruptcy, throwing countless shippers, freight forwarders and logistics firms into chaos across the globe.

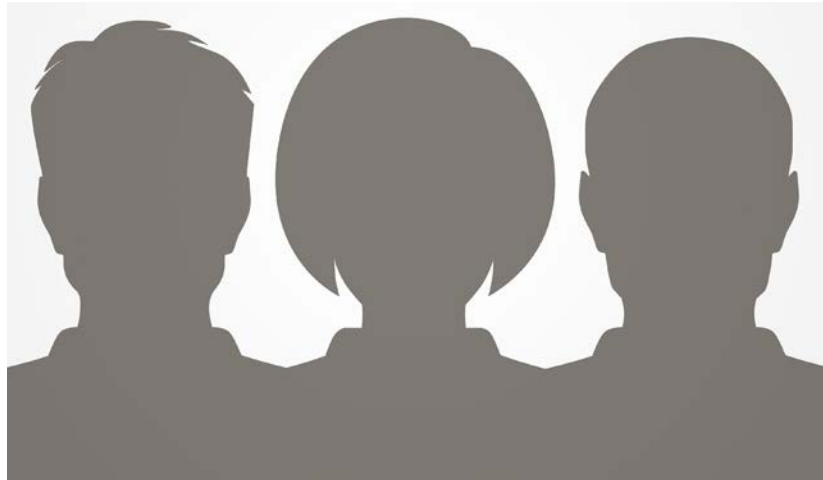
In retrospect, KDB's move does not seem like a carefully planned shift in policy that signals Seoul will take a more market-based approach from now on. Rather, it underlines how the government stumbles on industry policy-making after the country's carriers and shipbuilders have suffered years of heavy losses.

Traditionally, Seoul is heavily involved with South Korea's industry development, with the government often supporting large conglomerates — called chaebols in Korean — whenever legally and politically possible. It can be argued that this model has transformed the country into a world-class industrial powerhouse from a poor country post-Second World War.

As for maritime transport, Seoul has been pumping liquidity into South Korean yards and carriers via state-linked financial institutions for years. The country has grown to become one of the top two shipbuilding nations, as well as a top 10 shipowning nation.

It was not until a persistent, severe industry downturn hit shipping in recent years that the government found itself in a hole that seemed nearly impossible to climb out of.

Even when taking Hanjin into account, KDB and Export-Import Bank of Korea, another policy



**Hanjin/KDB/Korea Inc:** difficult to gauge how Seoul will steer the troubled industries forward.  
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bank, have been continuing to raise lending to Korean shipping players overall.

Additionally, some of the largest South Korean yards and carriers have been forced into financial restructuring during several rounds of industry downturns earlier this century, and KDB and Kexim have become the largest shareholders of some of them along the way.

Since last year, legislators and the public have started to question whether subsidising shipping with taxpayer money is a lost cause. Especially when even credit agencies were also expressing concerns over the balance sheets of the two lenders, who effectively enjoyed sovereign ratings.

This has made South Korea's maritime transport policy a political issue. Last year, we chose then deputy premier and financial minister Choi Kyung-hwan for our Top 100, as he was the top economic policymaker. But Mr Choi no longer holds those positions as South Korea faces political turmoil this year.

In April 2016, President Park Geun-hye's Saenuri Party lost control of the parliament, making South Korea's first female president

effectively a lame duck. Then, in late autumn, a close friend of Ms Park was arrested for interfering with state affairs for personal gains. There have been strong public calls for the president to resign, and even some in her own party want her out, according to media reports.

In December, South Korean MPs voted by a huge margin to impeach Ms Park.

With the head of state's position itself in question, it has become difficult to gauge how Seoul will steer the troubled shipping and shipbuilding industries forward.

On one hand, Ms Park made public comments about Hanjin Shipping's demise and South Korean shipbuilders previously. Policy initiatives on how to restructure the shipbuilding industry were announced. There has even been a Won14.7trn (\$13.3bn) package to improve port and logistics infrastructure across the nation, though the private sector is expected to foot half of the bill.

On the other, state banks seemed to have stopped injecting capital into troubled firms indefinitely, with Hanjin being a case in point. KDB has also sent STX Offshore and Shipbuilding into court receivership, >>

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having led a group of creditors that took control of the yard in 2013, as the former STX unit failed to return to profitability.

But the decision-making process has been confusing. Less than two months before pulling the plug on Hanjin, KDB agreed to become Hyundai Merchant Marine's largest shareholder via debt swaps. HMM had a weak brand and worse assets, according to Alphaliner analyst Tan Hua Joo.

As Ms Park could be ousted, it has obviously become difficult for Seoul to decide whether it would take a more market-based approach or double down on its industry policy.

And not to forget that any industry measures will take years to be carried out. Ms Park is due to leave office in February 2018, and her term looks likely to end prematurely at the time of writing.

That is not to say South Korea will cease to become a maritime

power soon, though. The country enjoys budget surplus, low debt and low inflation, while its gross domestic product growth still outpaces many other advanced economies. But before new political leadership emerges, South Korean yards and carriers will likely have to muddle along.

*South Korea was represented in the Top 100 by deputy premier and minister of strategy and finance Choi Kyung-hwan in 2015.*

03

## ROBERT UGGLA and SØREN SKOU

Maersk Group

2 (2015: 1)

Two at the top of new line-up are set to steer Danish powerhouse in a new direction

WHILE Søren Skou is a familiar face in the Top 100 list of most influential people in shipping, Robert Uggla is not. But between them, the two are set to steer Danish powerhouse Maersk in a new direction, and one with a clear message of intent.

That message was delivered emphatically late in the year when, having sat on the sidelines of the

current round of container line consolidation, Maersk announced it was to acquire Hamburg Süd from Germany's Oetker Group.

Combined, the enlarged carrier will have a fleet capacity of 3.8m teu, putting it well ahead of its nearest rivals. The price has not been disclosed, but is reported to be close to \$4bn, with Maersk

paying cash and no asset sales needed to cover the cost.

The two sides had apparently been talking since the spring, and final agreement on the transaction was reached at the end of a turbulent year.

But the Maersk Group now aims to reassert itself across the transport and logistics world, with Maersk Line



**Uggla:** ready to start wielding real influence.



Skou: the public face of the group.

at the heart of a new expansion and leadership drive. For as well as the Hamburg Süd takeover, which is expected to be finalised in late 2017, Maersk also wants to take a role in propelling container shipping into the digital age.

All this follows a surprise shake-up at the top during the summer that saw group chief executive Nils Andersen ousted after some disappointing financial results, and an apparent absence of any long-term strategy that would return the group to growth.

Mr Skou, already chief executive of Maersk Line, and one who knows both the AP Moller-Maersk portfolio and the wider business inside out, was appointed group chief executive while keeping his existing job.

About the same time, Robert Uggla was named chief executive of AP Moller Holding, the largest shareholder in AP Moller Maersk.

Few think the two events were unrelated.

Thanks to his Swedish father and surname, Mr Uggla has been able to keep a relatively low profile compared with the up-and-coming generation of some other shipping dynasties as he has learned about the industry, eventually heading up Maersk's

towage and salvage division Svitzer before his promotion this year.

But his pedigree is impeccable. As the grandson of the legendary Maersk Mc-Kinney Moller, Mr Uggla is a member of one of the world's most successful shipping families, and now looks ready to start wielding real influence as he takes over from his mother Ane Maersk McKinney Uggla.

He is likely to stay more in the background, though, with Mr Skou the public face of the group as it embarks on arguably the biggest restructuring in its history.

For what Maersk Group plans to do is to withdraw from energy-related activities over the next two years to focus on transport and logistics, with Maersk Line at the core of the new set-up.

In a move that could have ramifications for the entire industry, the ports business APM Terminals and forwarding arm Damco will no longer be operated at arm's length from container shipping operations.

This will not only enable the group to obtain far better synergies but, say analysts, offer a real challenge to the big logistics providers, with far more sophisticated online customer services than most ocean carriers are currently able to provide.

As Mr Skou candidly admitted: "While 100% of customers need inland transport to and from the port, we only sell to 10% of them."

Although a huge opportunity, this is also not as easy as it sounds, he readily acknowledges.

"We have to figure out how to do that and provide value at the same time. If we just call a trucker instead of our customer calling a trucker, we are not adding any value and we are never going to get paid for it. Digitalisation enables us to do things we could not have done before in terms of finding very cost-effective ways of handling the business."

Container lines have been talking about web-based services for years, while they have also tried — and usually failed — to manage the complete door-to-door supply chain.

This time, though, one senses that Mr Skou is determined to make it happen. If Maersk is successful, the whole industry will be forced to follow.

Although all this is occurring in the midst of the worst recession the container shipping industry has ever known, Maersk has had the opportunity to rethink its strategy while competitors are caught up in merger and acquisition >>

activity, the formation of global alliances, or basic survival.

In contrast, Maersk and its partner Mediterranean Shipping Co are already operating their 2M alliance, and have been able to focus on their core business during the wider upheavals. Both have deep pockets to get through this downturn, which many would blame on Maersk for starting the rush towards 18,000 teu-class ships.

Maersk is unlikely to ever admit its Triple-Es were a mistake that has contributed to the massive supply and demand imbalance, but the group is clearly committed to keeping its leadership position, both in terms of fleet size and business processes.

In container shipping, this is the line against which other

carriers benchmark themselves.

Now Maersk is poised to put itself in an even stronger position with the acquisition of Hamburg Süd, which will both provide greater purchasing power leverage that in turn will drive down costs and push more volume through APM Terminals' port facilities.

Mr Skou had made no secret of Maersk's renewed interest in acquisitions, pointing out that with demand so weak, growth could only be achieved through takeovers.

"The world does not need a lot of new containerhips; what it needs is consolidation," he said.

Maersk Line looks set to report a loss in 2016 after sliding into the red in the second and third quarters, with Mr Skou warning it will be impossible for the industry

to make money again until freight rates start to recover.

Nevertheless, Maersk Line remains the leading carrier, not only measured by market share but also in terms of financial performance. That puts the world's number one ocean carrier and its affiliates in a pivotal position,

"We think that this is a major turning point for the industry," said Mr Skou of both the tentative signs that the freight markets may have bottomed out and, of course, Maersk's pending acquisition of the world's seventh-largest container line, which will add both breadth and depth to the Danish group's maritime interests.

*Mr Skou and other Maersk Group executives featured in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

04

## SAADÉ FAMILY

CMA CGM

10 (2015: 14)

### Second generation steps up as consolidation strengthens French line's power base

THE Saadé family's impressive ascent up the rankings of the most powerful people in shipping follows an extraordinary year for CMA CGM, the world's third-largest container line and one now widely regarded as among the best in the industry.

Yet just a few years back, many thought CMA CGM would not survive, as its debts ballooned and it sought outside investors to provide much-needed cash infusions.

The family, though, never gave up, and instead fought to save the company founded by Jacques Saadé in 1978.

He and his brother-in-law Farid Salem have led the expansion drive over the years that has included numerous acquisitions of regional carriers to complement CMA CGM's deepsea services, most recently German shortsea operator OPDR in early 2015.

But the younger generation is now becoming increasingly influential, with Jacques' son Rodolphe and



**Rodolphe, top and Jacques Saadé:** son is the more visible face, but father remains fully engaged.





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daughter Tanya Saadé Zeenny both long-serving board members,

It was Rodolphe who negotiated the biggest deal the group had ever contemplated.

In late 2015, CMA CGM beat off competition from Maersk Line with a winning bid for Singapore's NOL and its container shipping and ports arm APL. The takeover was completed in September to consolidate the Marseilles group's position among the world's container shipping elite.

That \$2.4bn acquisition won Rodolphe Saadé Lloyd's List's 2016 Newsmaker of the Year award, while CMA CGM was named Company of the Year.

While Jacques Saadé and Farid Salem remain fully engaged in the business, it is Rodolphe Saadé who has become the more visible face of CMA CGM over the past few years.

He oversaw the financial restructuring that brought in Turkish businessman Robert Yildirim and the French sovereign wealth fund Fonds Stratégique d'Investissement as outside investors, and was appointed group vice-chairman in 2014.

But it has not been plain sailing since then, with a major setback in 2014. As one of the architects of the proposed P3 network with Maersk and Mediterranean Shipping Co, Mr Saadé junior was applauded for teaming up with the leading two in what looked like final confirmation that CMA CGM's problems were over and it had joined the top table.

Then came the shock news that the Chinese authorities had blocked P3, and the even bigger blow that Maersk and MSC had decided to set up the 2M alliance instead, leaving CMA CGM out in the cold.

But Rodolphe Saadé very quickly formed the Ocean Three alliance with China Shipping and United Arab Shipping Co.

Next came the acquisition of NOL, which is now being integrated into its new parent company. This takeover, along with CMA CGM's pending new partnership with three powerful and carefully chosen Asian carriers — Cosco Shipping, Evergreen and OOCL — in the planned Ocean Alliance that will replace Ocean Three next year,



**Tanya Saadé Zeenny:** long-serving board member.

is helping to reshape the industry.

Mr Saadé cites three factors that have contributed to CMA CGM's success.

"We believe that to be profitable in a difficult environment, you need to make sure that you have the right team, the right assets and that you try to diversify your portfolio of trades," he said. "A combination of these allows a company to stay afloat."

CMA CGM says its strategy is designed keep costs down and to minimise losses, even when conditions are as grim as they have been throughout 2016, with the APL acquisition enabling the group to find further synergies, just as previous smaller takeovers have done.

But even though Mr Saadé expects to see further consolidation activity, CMA CGM is likely to remain on the sidelines.

"There are definitely potential targets but we have quite a lot on our plate with the integration of APL," he said. "Today, we are very busy with APL and spending all our time and energy on this project."

Nor are there many candidates that would fit CMA CGM's profile.

"We have a good portfolio of brands, good coverage around the world and we are leaders in many markets, so we are fine with what we have. We will leave others to be the consolidators," he insisted.

But far from welcoming the decline in competitors, Mr Saadé regrets their disappearance and the likely concentration of power into just a handful of mega carriers, with the associated lack of choice.

"We need to have diversity, with a number of lines offering good

services to customers, and the more lines we see getting into financial difficulties, the more reason customers have to be concerned. At some point in time, the push for lower rates needs to stop."

But the Saadé family accepts that lines themselves have contributed to the problem through excessive ordering. CMA CGM was considering action to remove some surplus tonnage by sending a number of APL ships, built in the late-1990s and ranging in size from around 5,500 teu to 6,500 teu, to the breakers.

"Part of the answer to the oversupply problem is in our hands. We will have to eventually send more vessels to scrap, and idle more ships to achieve a better balance of supply and demand. Otherwise more Hanjins will happen," Rodolphe Saadé warned.

However, the outlook is not unrelentingly bad, with signs that the worst may now be over, and growth potential in a number of regions and countries, including Africa, the US and China.

"So we do not need to be over-pessimistic. The industry is sound and still growing every year, but what is needed is a smarter way of balancing supply and demand," he said.

"If both shipping lines and customers were to behave differently, the industry would be in better shape."

In the meantime, 2016 looks set to be the year that the Saadé family unquestionably joined shipping's elite.

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*The Saadé family, and Jacques Saadé, appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*



## DEPUTY CROWN PRINCE MOHAMMED BIN SALMAN

3 (2015: 2)

Saudi Arabian and Opec oil

The power behind the executives holds the oil price dynamics in his hands

NO-ONE can deny the influence of the Organisation of the Petroleum Exporting Countries, led by Saudi Arabia, on the global oil market. Equally, no-one can deny how complex Opec's situation and internal workings have become.

An Opec meeting in April 2016, led by Saudi Arabia, was called to discuss a production freeze among Opec members, amid low oil prices.

Saudi Arabian oil minister at the time, Ali al-Naimi, was keen to rebalance the market. He said a freeze could be possible, even without Iran's agreement.

However, Saudi Arabia's deputy crown prince Mohammed bin Salman disagreed with the move, replacing Mr al-Naimi with Khalid al-Falih, chairman of national oil company Saudi Aramco. That dramatic move showed that

the deputy crown prince pulls the strings — the power behind the executives, if you like.

As such, he can also change his mind on output strategy.

After much to-ing and fro-ing throughout 2016, as Saudi Arabia and Opec figured out the best way forward, it appears that an agreement — of sorts — to limit production has been reached, on paper at least.

In this vein, in late September, a deal was hammered out to reduce the cartel's production to 32.5m barrels per day from around 33.24m bpd, with output levels for each member to be determined in November.

The move was aimed at stabilising oil prices, which remain nearly 60% below their 2014 peak.

Big compromises have had to

be made. Saudi Arabia said Iran, along with Libya and Nigeria, could be allowed to pump at maximum levels, as others limit production.

The price war that led to record output levels last year was driven by the deputy crown prince and his kingdom's desire to put US shale oil drillers out of business. This contributed to the imbalance.

In early November, Opec said things had improved, that the oil market had shown signs it was heading towards a more balanced situation, despite continuing volatility and challenges on several fronts. The cartel added that, despite its fragile state, the oil market was in the process of readjusting.

Meanwhile, tanker owners will feel the impact on the tanker industry of a cut to oil output from Opec.



**Deputy crown prince Mohammed bin Salman: pulls the strings.**  
© 2016 Hasan Jamali/AP



A potential cut to production will have a negative impact for tankers, according to Concordia Maritime, a product tanker company owned by shipping giant Stena.

“Generally speaking, we like to see as much oil as possible,” Concordia Maritime chief executive Kim Ullman has said.

D’Amico International Shipping chief executive Marco Fiori questioned Opec’s ability to reach a final binding agreement, saying if a cut is made, a delicate balance has to be struck. Opec has to cut production just enough to reach a certain price, but not overshoot that price.

A high oil price would let US shale oil drillers back into the game. This, however, would offer an intriguing development for crude tankers, as it could spur a US to China VLCC route.

So, the deputy crown prince holds these dynamics in his hands, hence his position among shipping’s elite powerbrokers.

On top of that, he oversees Saudi Arabia’s plans to put oil giant Saudi Aramco’s shares in an initial public offering.

Saudi Arabia will sell less than 5% of Aramco’s shares via a partial IPO, the deputy crown prince has said.

His vision is to turn Saudi Arabia into an investment-driven economy, enabling it to exist in five years without such over-dependence on oil.

Saudi Arabia is evidently on the cusp of major changes to its energy industry as the deputy crown prince forges ahead with modernisation — changes that astute owners operating in the tanker industry would do well to monitor closely to keep a step ahead of the competition.

*This is deputy crown prince Mohammed bin Salman’s first appearance in the Top 100. Opec appeared in the Top 100 in 2011 and 2012. Saudi Aramco appeared in the Top 100 in 2011, 2012, 2014 and 2015,*

06

## JOHN FREDRIKSEN

Seatankers

2 (2015: 4)

The billionaire and his companies are embroiled in some serious backfoot action to ride out the tough markets

IT is fair to say that 2016 will not go down as a vintage year for the Seatankers Group, the management entity led by billionaire John Fredriksen that handles his plethora of investments in the shipping and offshore industries.

That is certainly not to say it has been a year of disaster — far from it — but the sheen on tankers has temporarily dulled, dry bulk losses have mounted and offshore... well, offshore has had better years.

Consequently, John Fredriksen and his companies are embroiled in some serious backfoot action — largely characterised by deferring newbuildings, to ride out the tough markets and get into position for the uptick when it comes.

Cancellations are also a feature of the group’s voyage through today’s shipping markets. Most recently, John Fredriksen’s tanker company Frontline terminated contracts for four very large crude carrier newbuildings due for delivery from South Korea’s STX Offshore & Shipbuilding in 2017.

Fortunately, Frontline has been released of all obligations



**Fredriksen: has some headaches to deal with.**  
© 2016 Richard Drew/AP

relating to the contracts, and has received all instalment payments made to STX, less a \$500,000 cancellation fee per vessel.

Dry bulk, housed in Mr Fredriksen’s Golden Ocean, has seen its share of newbuilding deferrals on the back of the dry bulk freight market rout.

Mr Fredriksen’s Golden Ocean has deferred six dry bulkers by seven to nine months, to be delivered through 2017.

With another six dry bulkers under construction, Golden

Ocean’s focus is on continuing to negotiate with the yards on delaying the other newbuilding orders. A second-quarter net loss of \$39.2m evidently necessitates drastic and decisive action.

As for the usually reliable money-spinner Seadrill, hefty declines in revenue are characterising the business due to weakness in the offshore oil and gas sector.

Seadrill, therefore, has no option but to continue to defer newbuilding deliveries of its rigs



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and offshore vessels, looking to create cash savings of around \$340m for 2016, comprising \$305m in sustainable cost savings and \$35m in deferred spending.

So, Mr Fredriksen certainly has some headaches to deal with at this point in the shipping cycle, with the container market nightmare adding to his woes.

But, as you might expect, the flipside is the opportunity to sniff out the best deals.

Historically low tanker prices simply mean the market will continue to present attractive opportunities, with Frontline determined to look at snapping up on-the-water and resale assets.

Low cash breakeven levels, and access to attractively priced capital, give the company significant operating leverage to take advantage of price dislocations in the market.

In a world of limited access to finance, Frontline still seems to be able to pull a few strings. As such, bank financing is supporting its growth and renewal strategy, despite the dip in fortunes for tankers.

Bank financing to the tune of \$548m has been secured and Mr Fredriksen is in the final stages of obtaining approval for further bank financing of up to \$325m, to finance 20 of

Frontline's newbuilding contracts.

There is even light at the end of the tunnel for Golden Ocean.

Better freight rates are expected in dry bulk in 2017, as supply-demand fundamentals show signs of improvement.

Some have suggested dry bulk rates will be 40%-50% higher in 2017 compared with 2016.

There is, as they say, all to play for, and few in shipping have as much experience of successfully navigating the industry's dizzily high peaks and depressingly low troughs as Cyprus' very own Mr Fredriksen.

*Mr Fredriksen also appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

07

## JOHN ANGELICOUSSIS

Angelicooussis Shipping Group

2 (2015: 5)

Top Greek owner still believes in playing the long game

JOHN Angelicooussis steams serenely on as the world's largest purely private and independent shipowner.

It was not always so. Back in the 1980s, his father ushered the dry cargo operation into an initial public offering that put Mr Angelicooussis at the helm of a publicly traded vehicle for 15 years.

While the Greek owner is too wise to say "never", his mantra now is "if you don't need it, don't use it". Mr Angelicooussis clearly likes to be master of his own destiny and so far, despite the giddy size reached by the Angelicooussis Shipping Group, he has not needed to reach out to the capital markets.

Also, he equates public money and investment funds with binges of overordering that have ruined the freight market.

There are resemblances to the "old ways" of traditional Greek shipowners in Mr Angelicooussis' approach but these are not necessarily the all-defining characteristics of a group that includes a 32-ship liquefied natural gas carrier fleet as



**Angelicooussis:** taking a positive view of the outlook for each of his three chosen sectors.

one of its three branches.

Not much more than a decade in existence, Maran Gas Maritime is now viewed as one of the very best LNG carrier managers around and is one of the owner's chief sources of pride.

Its development illustrates a number of aspects of the Angelicooussis approach that can be discerned across all its sectors of business.

The origin of Maran Gas lay in a lightning-fast decision to pick

up two LNG carrier newbuildings in 2004 because they were at an attractive price and on the market. The expansion in LNG has been rapid and determined, with all but the first five units having been ordered since 2010.

But the boldness of the investment has been hedged through long-term chartering of the vast majority of the vessels. In addition, a joint venture with Qatar's Nakilat has housed a number of the vessels. Although this has moderated the group's exposure, the co-owned vessels remain 60%-controlled by the Greek owner.

As well as longer-term charters, diversification is a key principle to spread the risk of the owner's seeming addiction to big, modern vessels.

Last December, Mr Angelicoussis acquired seven newbuilding capesizes at prices of about \$35m apiece, a huge discount to their ordered prices, reputed to have been about \$54m to \$55m each.

Of the 52 bulkers under dry arm Anangel Maritime Services, four are very large ore carriers, 40 are capesizes and the remainder so-called 'baby' capesizes of 114,000 dwt.

According to Mr Angelicoussis,

the first capesize orders by the group were "disastrous", as the value of the vessels swiftly plunged, but they also offered an object lesson that the investment would turn out well over the long term if the ships are kept.

At the same time, the group has been investing in big tankers for its Maran Tankers operation, with a programme of 10 very large crude carriers and six suezmaxes at favoured builder Daewoo.

If there is a ship with which Mr Angelicoussis is most identified, it is the very large crude carrier, which he describes as the easiest of vessels to operate and fix, as well as being the cornerstone of crude tanker market fortunes.

If recent, rare public pronouncements are to be believed, he discerns good reasons for taking a positive view of the outlook for each of his three chosen sectors — LNG shipping, tankers and dry bulk. Indeed, he favours further growth rather than inaction for the Angelicoussis Shipping Group.

While many shipowners have made a point about diversifying heavily into other sectors, Mr Angelicoussis cites cautionary experiences that suggest it is better to stick to what he knows.

"In the shipping industry, I know how to correct my mistakes," he said at a Marine Money forum in New York in 2016. "If you have good relationships with first-class yards and then you have clout, you can always correct mistakes."

Those close to Mr Angelicoussis say the owner is harder-working than ever and he has said he is, if anything, increasingly passionate about the shipping business.

Stamina is an important ingredient on the business side, too. "You have to stay there for the long run, as you may enter the cycle at the wrong time," he said. "Many people throw in the towel when they shouldn't. The market quickly changes."

Although Mr Angelicoussis seems as vibrantly involved in the business as ever, he declares himself proud of his daughter Maria, who has been working alongside him for more than nine years, after initially pursuing a medical career.

He says they work together "very nicely", although he says his daughter is "more conservative" than he is when it comes to investment decisions.

*Mr Angelicoussis also appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

08

## APONTE FAMILY

Mediterranean Shipping Co

2 (2015: 6)

Low-profile family invests heavily in cruiseships as container trades stumble

THE Aponte family prefers to stay out of the headlines if possible and 2016 has seen Mediterranean Shipping Co's owners keep a particularly low profile, but for all the right reasons.

Best known as operator of the world's second-largest containership fleet and partner in the 2M alliance alongside Maersk Line, MSC has been on the sidelines of the biggest upheaval the industry has ever seen.

Having grown organically and never engaged in merger or



**Gianluigi Aponte:** group's founder and executive chairman.

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**Diego Aponte:**  
group's president  
and chief executive.

acquisition activity, and having already inaugurated its vessel-sharing agreement alongside the Danish carrier, MSC has been able to fully focus on its business without all the distractions that have diverted the attention of top management at virtually every other container line.

But even MSC could not be immune from the dreadful market conditions that have driven one line into bankruptcy and forced others into a fight for their survival.

That is when it is good to have a solid hedge against the struggling container trades. While the global economy may be weak, it has not dampened demand for holiday cruises, and MSC is now one of the world's top cruiseship companies, with a huge €9bn (\$9.5bn) investment programme under way.

MSC Cruises is the world's largest privately owned cruise company and fourth overall, with a current fleet of 12 ships, which carried 1.7m passengers in the latest fiscal year. Another 11 ships are due to be delivered between June 2017 and 2027.

At the helm of one of the world's most successful shipping empires are MSC Group founder and executive chairman Gianluigi Aponte, his son Diego, who is the group's president and chief executive, and daughter Alexa Aponte Vago,

the chief financial officer whose husband Pierfrancesco Vago runs the cruiseship division.

While that side of the business is poised to almost double ship numbers over the coming decade, it remains small compared with MSC's containership fleet of 470 vessels of 2.7m teu capacity. These include the largest ships measured by capacity currently afloat, the 19,224 teu Oscar class, the first four of which were named after Gianluigi Aponte's young grandchildren.

The container line expects to carry 16m teu this year, and has undoubtedly benefited from its partnership with Maersk in terms of reputation and performance.

For many years, MSC was regarded as a line with unreliable ships and a poor punctuality record. Not any more. Today, it is delivering good on-time arrival figures, while 70% of MSC's boxship fleet is less than 10 years old, contributing to its environmental credentials, as has its retrofitting programme. The group has won an award for its 'green ship' approach to vessels.

But there is no escaping the dire state of the container shipping trades right now and, as consolidation activity accelerates, MSC says it believes it is more important than ever to have the right relationship between shipper and carrier, and to be seen as a partner of choice.

As technology advancement and digitalisation gather pace, MSC says it is also actively working on various initiatives that will improve service to customers.

But while container shipping remains at the heart of this Geneva-headquartered, family-owned business, it will no doubt come as a considerable relief that it has a diversified portfolio that includes not just cruise shipping but passenger ferries and terminals as well.

Although MSC does not release any financial figures, it says these have all done well in 2016. MSC has also confirmed it is in negotiations with Hyundai Merchant Marine to buy Hanjin Shipping's 54% stake in Total Terminals International, which operates a terminal in Long Beach. MSC currently controls the remaining 46% stake in TTI through its unit Terminal Investment Ltd.

For many years, the Apontes were considered industry mavericks, and that is perhaps how they would still like to be seen. But as the container shipping industry struggles to transform itself into one that can produce decent financial returns, MSC is emerging as a central pillar of the shipping establishment and one that shows that family ownership, commitment, dedication and a passion for the business, pays off.

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*The Aponte family also featured in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

## MICHAEL BEHRENDT/ ROLF HABBEN JANSEN

Hapag-Lloyd

When the dust finally settles, the new chief executive will be the head of the world's fifth-largest container line

ROLF Habben Jansen has retained his reputation as one of the most acquisitive men in the world of container shipping and follows in the footsteps of predecessor Michael Behrendt.

Mr Habben Jansen took over his role from Mr Behrendt, who moved up to become chairman of Hapag-Lloyd's supervisory board.

Mr Behrendt was responsible for the initial stages of Hapag-Lloyd's expansion, overseeing the acquisition of CP Ships in 2005 then instigating and putting the finishing touches on the merger of the container shipping arm of Chile's Compañía Sud Americana de Vapores in 2014.

But this was only the beginning. At the time of the CSAV merger, Mr Behrendt indicated that further acquisitions would be on the cards.

Determined to keep Hapag-Lloyd at the top of the ranks of leading carriers as others have merged and

expanded, Mr Habben Jansen has managed the integration of CSAV and has launched another merger during his relatively short tenure as head of Germany's largest boxline.

Hapag-Lloyd took itself to the market in 2015 after several previous attempts to list the company had failed.

The listing came at a difficult time, and the company was forced to accept a lower offer price than it had hoped for, but Mr Habben Jansen was not deterred. While Hapag-Lloyd shares trade below their IPO price now, he is convinced the listing was the correct move.

In an interview with Lloyd's List in April, Mr Habben Jansen said while consolidation was good for the industry, Hapag-Lloyd had no immediate plans for further mergers or acquisitions. "We will only participate in consolidation if there is the right opportunity," he

said. "We believe we have a specific size where we can be successful."

The opportunity to attain that size appeared sooner rather than later. Within months, Hapag-Lloyd announced it was in talks to merge with UASC. After a capital-raising exercise, the boards of both companies agreed to the merger, which is due to complete by year-end.

The deal brings with it UASC's fleet of modern ultra large tonnage, an area in which Hapag-Lloyd had lagged behind other carriers. Mr Habben Jansen had resisted buying ULCs, insisting instead that alliances gave access to sufficient slot space without having to buy that capacity.

Now he will have that tonnage and a new shareholder, with UASC taking a 28% stake in Hapag-Lloyd, in a similar fashion to the way CSAV became a major shareholder when its fleet was acquired.



**Behrendt, left and Habben Jansen:** chairman and chief executive have overseen line's expansion.



In the same interview, Mr Habben Jansen said he expected the ongoing shake-up in alliances would become clear shortly. Part of that shake-up was Hapag-Lloyd leading out with a new alliance to be known as The Alliance.

Originally consisting of Hapag-Lloyd, Hanjin, Yang Ming and the three Japanese carriers, the original six members will soon be reduced

to three: Hapag-Lloyd (with UASC), Yang Ming and the Japanese lines, which have agreed to merge as a single container operator.

When the dust finally settles, Mr Habben Jansen will find himself at the head of the world's fifth-largest container line, with a fleet of large vessels and the leading position in one of the three major alliance structures. That is quite some effort

for someone who has been with the company for less than three years.

A Dutch national, he is the first foreigner to head Germany's premier shipping company. He joined Hapag-Lloyd from AP Moller-Maersk's forwarding group Damco, where he was chief executive for four years.

*Mr Habben Jansen also appeared in the Top 100 in 2014 and 2015.*

# 10

## EYAL OFER and SONS

2 (2015: 12)

Zodiac Maritime

Father and two sons have deliberately defended their brand value



**Ofer family, from left, Daniel, Eyal and David: a very traditional and sustainable model of shipping.**

DISCREET discipline and conservative strategies make for a successful and sustainable business, but humdrum headlines. Influence in shipping, however, is not always about parading your power plays.

In a market that, even in the most optimistic analysis, has only risen from 'catastrophic' to 'gloomy' in the best sectors and headed in the opposite direction for most others, nobody is claiming to have had a good year. The manner in which some have ridden out the storm, however, is telling.

Eyal Ofer and his increasingly influential sons, Daniel and David, represent a very traditional and apparently very sustainable model of shipping as a long-term business. The absence of headline moves should not be mistaken for an aversion to well-judged risk; indeed, one of the

main benefits of being private is in not pandering to the short-term demands of shareholders.

Zodiac Maritime focuses on risk management to a large extent by engaging in long-term contracts, securing cashflow and profit margins while doing business with trusted, high-quality partners at scale.

It is a recognised master of hedging against the swings of the market, but when that market has been so poor for so long, even the best long-term owners feel it and those high-quality partners start to lose their lustre.

In the race to rescue Korea's failing lines earlier this year, Zodiac Maritime found itself entwined in difficult discussions, with 10 ships on charter to HMM. A debt-for-equity swap was agreed, but it was Zodiac Maritime that was central to the Korean company's efforts to

agree revised charter terms as one of its major tonnage providers.

Despite the doom and gloom, Zodiac Maritime has continued to plough ahead with deals, albeit at a relatively low level compared to last year, when it closed the year off with a mammoth acquisition from Scorpio.

According to one recent report, Zodiac Maritime was ranked as the second-largest spender in dry bulk tonnage over the past 12 months, splashing out \$247m, but in a market characterised by little activity, such figures really only reflect the parlous state of affairs generally.

Zodiac Maritime has also pushed ahead with scrapping, shedding around 1.5m dwt in 2016.

Overall, though, this is still an industry-leading operation that has managed to quietly grow through tough markets. When the Ofer fleet

was split in 2011, Zodiac Maritime had around 100 vessels. Today that has grown to more than 140.

The Ofers' position on this list, however, is not simply one of scale. We have said it before, but the consensus view from those who know Eyal Ofer best is that he is a man who understands the markets with forensic detail and will hold the line, or play aggressively, as and when he needs to.

That skill and experience is being carefully and efficiently handed down the generations to Daniel and David, who appear to be increasingly taking control of the business, albeit with one of the best advisors in the business on hand for guidance.

Their power to influence rests on their reputation as the most savvy market players who make the right calls, hold their nerve

and they play it well. Where some other established owners have let their reputations slip through questionable behaviour in a tight spot, the Ofers have deliberately defended their brand value, and with it, their position on this list.

*Eyal Ofer appeared in the Top 100 in 2013 and 2014 and had a joint entry with Idan Ofer in 2015. The Ofer family appeared in the Top 100 in 2011 and 2012. Sammy Ofer appeared in the top 100 in 2010.*

11

## IDAN OFER

Quantum Pacific

1 (2015: 12)

Younger brother's shipping companies have been actively pursuing deals this year despite the downturn

OVER recent years, we have tied Idan and Eyal Ofer's position on this list, finding little to separate them by way of fleet or reputation. But the brothers' business philosophies have diverged and they now deserve to be treated individually.

While both have significant business investments outside of shipping, Idan Ofer's portfolio is far more diversified. More industrialist than shipowner, his broad business interests range from power plants to car manufacturing and more of his wealth is in public companies.

Idan Ofer has stakes in the Israel-based conglomerate, Israel Corporation, which owns Israel Chemicals and Kenon Holdings, which was spun off from Israel Corp and owns Zim, a power company, and 50% of Qoros, a China-based automaker. He is also the controlling shareholder of US-based Pacific Drilling, which services deepwater drillers.

This last asset has been a big reason his wealth has fallen so much in comparison to recent years. While Idan Ofer's position on the Lloyd's List influence list is not built on wealth, we are reliably informed by the team behind Bloomberg's 'Billionaires List' that his net worth is no longer tracked, having fallen below their threshold



**Ofer: broad business interests range from power plants to car manufacturing.**  
© 2016 Shizuo Kambayashi/AP

of \$3.5bn to \$3bn this year. The equivalent Bloomberg figure cited for his brother Eyal Ofer is \$8.1bn.

A large part of that relates to Pacific Drilling's share price slump of 80% in the past year, thanks to the price of oil.

While Idan Ofer arguably takes a more hands-off approach to shipping than his elder brother, the maritime sector still dominates his interests and the highly experienced executive team in charge of his shipping companies have been actively pursuing deals this year despite the downturn.

One of the most eye-catching maritime moves this year, though, was not an investment in ships, but technology. Idan Ofer was one of

a clutch of billionaires revealed to have backed a new quantitative hedge fund that mines global shipping data to track and trade international commodity flows.

Although somewhat secretive about its activities, the company is building systems to capture detailed ship movement information to ultimately create a real-time map of world trade, and then use that insight to trade securities. If this investment pays off, he could see his influence in shipping increase significantly as he helps spearhead the digital disruption that many have forecast for several years.

Much like Zodiac, though, Idan Ofer's shipping influence is not simply in dealmaking or fleet growth, but his reputation as an astute business leader and quality operator. He has built a career and a fortune on being able to spot an opportunity at the right point in the market, but also relishes building businesses up from nothing.

His shipping interests come with a reputation second to none and, much like Eyal Ofer, he guards his quality branding fiercely.

*Idan Ofer appeared in the Top 100 in 2013, 2014, and had a joint entry with Eyal Ofer in 2015. The Ofer family appeared in the Top 100 in 2011 and 2012. Sammy Ofer appeared in the Top 100 in 2010.*

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 Dynacom and Dynagas founder is as dynamic as ever
 

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LIKE all the legendary shipowners, George Prokopiou has proved his appetite for risk on more than one occasion, but he can also take his time building up a position in new markets.

That has been the case with the rise of his Dynagas franchise in liquefied natural gas shipping. When it was launched with a trio of newbuilding steam turbine LNG carriers in 2006-2007, the Greek owner was initially content to trade the vessels in the fledgling spot market, building up vast operational experience of different charterers and terminals around the world. He also had the foresight to order vessels capable of trading in ice-bound regions.

The result is a unique ice-class and winterised fleet that can provide conventional LNG shipping as well as operations in sub-zero areas. Dynagas remains the only company — as of end-2016 — with current capability and experience of transiting LNG carriers via the Northern Sea Route.

Dynagas Holdings, the owner's private company, now boasts a fleet of four LNG carriers in service, while another six have been dropped down to New York Stock Exchange-listed affiliate Dynagas LNG Partners. Currently the vessels are on charter to Gazprom, Shell, Statoil and Yamal.

The publicly listed LNG partnership, led by Mr Prokopiou's son-in-law, Tony Lauritzen, was one of the better-trading shipping stocks in 2016.

Dynagas has an enviable backlog of secure charter revenues but it has not lost its interest in the growing spot market in LNG. It is a pivotal member of the Cool Pool, the LNG carrier pool of three companies — also including GasLog and Golar LNG — that was launched in 2015. The alliance proved its clout in the past year, helping itself to nearly one-third of all spot fixtures.



**Prokopiou: at 70, the owner remains as dynamic as ever.**

Mr Prokopiou has had a keen interest, too, in the floating storage and regasification unit sector for some time and has twice come close to ordering landmark regasification vessels in China. The latest project, for two such vessels at Hudong-Zhonghua Shipbuilding, was reported by Lloyd's List in June 2016. While it has not yet been put into effect, it is "still a project", the owner advises.

The group's pioneering position in Arctic LNG shipping helped Dynagas to emerge as a key shipping partner for Russia's Yamal project. With the support of long-term charters to Yamal, it is building five Arc-7 ice-breaking LNG carriers in Korea for delivery in 2017 and 2019.

Subsequently, 51% of each of the \$300m newbuildings have been sold to two Chinese partners, China LNG Shipping and Sinotrans, with Dynagas remaining the largest single stakeholder with 49%.

The joint venture may stand Mr Prokopiou's group in good stead for future business with Chinese powerhouses. However, he is already to the fore among western shipowners in terms of his standing in China.

Much of his Dynacom Tankers fleet and the bulker fleet of dry arm Sea Traders have been constructed at Chinese yards — to the tune of about \$3.6bn.

While the flow of Chinese finance for western shipowners has slowed in the past couple of years, Mr

Prokopiou recently sealed his first finance from this source with a \$195m facility from China Export-Import Bank for six suezmax tankers under construction at New Times Shipbuilding. He also holds options for a further six suezmaxes at the yard.

The vessels, Dynacom's first newbuilding orders for a while, will join a fleet currently standing at 51 tankers.

Sea Traders, meanwhile, has reached 40 ships that were all bulkers until two 2010-built panamax containerships were snapped up in 2016. This was a reminder that while much of Mr Prokopiou's business has been built up with steady planning and ambitious newbuilding programmes, a strong streak of opportunism remains alive.

At 70, the owner remains as dynamic as ever, whether it is handling his own yacht or jetting around the world for business. He has also emerged as a strong voice for industry fundamentals, prized at conferences for his plain speaking and dry humour.

Three of his daughters — Elisavet, Ioanna and Marina — are already well-established in the business, while Mr Prokopiou has recently been seen proudly escorting his youngest, Maria-Elena, to key industry events. It is hard to imagine a better guide to the business.

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*Mr Prokopiou also appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

## Tub-thumper-in-chief for the big crude tankers reckons 2016 will be fantastic for Euronav

IF there is one role Paddy Rodgers can be relied upon to adopt with alacrity, it is to be tub-thumper-in-chief for the big crude tankers.

The fall in fortunes over the summer should not obscure the fact that 2016 will still be a “fantastic year” for Euronav, he tells Lloyd’s List.

He has a point. Too much emphasis is often placed by industry eggheads on a dip in fortunes over a few months, rather than standing back and taking in the wider picture.

Rates are certainly volatile, but tankers such as very large crude carriers are still invariably pulling in earnings healthily above operating costs, which should lead to full-year profits.

People within the sector tend to listen when Mr Rodgers talks these days. How did he and Euronav assume this role, when during the last downturn they were one of the companies suffering the most, with heavy losses quarter after quarter?

Opportunism played a large part in the company’s rise to prominence, he explains.

In the last downturn, “lots of people fell by the wayside”, placing Euronav further up the tanker pecking order. By simply surviving, Euronav’s status rose.

There was also a concerted effort by Euronav and Mr Rodgers to be placed in the spotlight.

“We had to raise our profile because we decided to expand our investor base, and that naturally creates a leadership position.” The company was listed on the New York Stock Exchange in January 2015, to run alongside its Euronext listing.

As an industry leader, running a large fleet, Mr Rodgers is acutely aware that the tanker market is not all roses. While dips should not spell doom and gloom, they equally cannot be ignored. You could call it bullishness tempered slightly by clear-eyed realism.



**Rodgers:** acutely aware that the tanker market is not all roses.

In this vein, he predicts that next year will be more volatile, with rate weakness in the second and third quarters.

He forecasts there will be pockets of elevated vessel supply, which will impact freight pricing and owner sentiment.

Set against this freight market environment, liquidity is king, and Euronav is liquid enough to ride out the rough times and consider investing to expand its asset base in readiness for the uptick.

Indeed, at the start of November, Mr Rodgers signed off a deal that saw the company buy out its joint venture partner in the ownership of a VLCC, a smart move that expanded his owned fleet quickly, without cutting new steel or scouring the market for a secondhand ship.

Expansionist moves are born from Mr Rodgers’ belief that we are not in for a prolonged tanker market downturn.

He anticipates freight market improvement at some point towards the end of 2017, as the balance of vessels and cargoes comes more in line.

So, what will average rates be in 2017?

Predicting rates is a “mug’s game”, is his candid response.

One thing he does predict, however, is that liquefied natural gas is unlikely to be the bunker fuel of choice for large crude tankers.

“I’m not sure LNG is top of anybody’s list in terms of a solution to the sulphur cap, not in our sector,” he says.

The sulphur issue is more likely to be resolved through equipment on board, or through a switch to low-sulphur fuel, he explains.

The high costs of meeting these stringent environmental regulations for shipping do not frighten the company, he says.

In fact, nothing much frightens Mr Rodgers and Euronav these days, as the company rests relatively comfortably on more than 12 months of extraordinary earnings, prior to the latest freight market dips.

“We look forward to a strong fourth quarter,” he says.

*Mr Rodgers appeared in the Top 100 in 2015. Euronav appeared in the Top 100 in 2011 and 2012.*

## Co-founder and co-chairman sees Oaktree stay the course on all its 'known' investments

HOWARD Marks, co-founder and co-chairman of Oaktree Capital Management, has taken a step back in this year's rankings, but that is more a reflection of private equity's overall waning influence, rather than Oaktree's engagement in the sector.

In fact, Oaktree has stayed the course on all its 'known' investments, and lately has come up with new, more creative ways of serving the industry.

This is in sharp contrast to many private equity firms, particularly small to medium-sized, that have hurriedly liquidated most of their shipping portfolios. Two recent high-profile defections were those of Monarch Alternative Capital and 12 West Capital.

Of course it helps to be able to remain fully invested and absorb otherwise substantial unrealised losses if you have \$100bn-plus of assets under management like Oaktree does.

A review of Oaktree's three most visible investments in US publicly traded equities gives us a measure of the magnitude of such loss.

Oaktree's investments in Star Bulk Carriers, Gener8 Maritime and Eagle Bulk Shipping had a market value of \$468m on September 30, 2015. A year later, and after Oaktree bought an additional \$27m in Star Bulk shares in a public offering, the three shareholdings had a market value of just \$204m.

Peter Georgiopoulos and General Maritime (the predecessor company to Gener8 Maritime) were Oaktree's foray into shipping, dating back to the 1990s. Although Oaktree has remained loyal to Mr Georgiopoulos, it appears that Star Bulk chief executive Petros Pappas has been anointed as the 'go-to' partner for all matters shipping.

In addition to Star Bulk, Oaktree has teamed up with Mr Pappas in



**Marks:** shares his wisdom through a series of written memos to Oaktree clients.

Oceanbulk Containers, which owns 13 neo-panamax containerships, and Product Shipping & Trading, which owns 17 product tankers.

But Oaktree's most interesting — and very recent — project with Mr Pappas involves the creation of a 'Chinese-leasing' lender to established small and medium-sized shipowners, who might otherwise be squeezed out of the traditional commercial banking system.

Oaktree will provide the firepower, aka the money, whereas two trusted lieutenants of Mr Pappas will provide the brains and expertise in sourcing each deal.

Among other 'known' investments by Oaktree in the shipping sector, we note Torm, Navig8 Chemical Tankers, and merchant commodities trader Hartree. In each case, Oaktree is either a joint partner or controls the majority shareholding.

Perhaps the most important attribute of Mr Marks — and the reason we include him in our annual survey, although he does not oversee the firm's shipping investments — is his affinity to share his wisdom through a series of written memos

to Oaktree clients, who in reality include everyone willing to subscribe.

In his latest memo, entitled 'Go figure', which was published a few days after the surprise election of Donald Trump to the US Presidency, Mr Marks talks about the benefit of having a pro-business president in charge, who will welcome businessmen and Wall Streeters to serve in his administration, in sharp contrast to recent years.

He also warned about Mr Trump's stance on international trade pacts, where a president has unusually broad power to take unilateral action.

This is also the area that might affect shipping the most. Given that the person responsible for implementing President-elect's trade agenda would be the commerce secretary and fellow billionaire investor Wilbur Ross, who made a huge jump in our rankings this year and almost leap-frogged Mr Marks, we will keep a closer eye on his future memos.

*Mr Marks also featured in the Top 100 in 2015. Oaktree has appeared in 2013, and 2014.*

15

## JAN DIELEMAN

Cargill

0 (2015: 15)

Head of shipping unit commits to reducing emissions

JAN Dieleman was appointed head of Cargill's shipping unit in March, replacing Roger Janson, who had been in charge since 2011.

He joined from the company's power division at a time of struggling dry bulk markets that saw historically low freight rates and, as a charterer, took the opportunity of fixing short-term contracts to lock in those low rates.

In the lowest deal seen in the market this year, Cargill reportedly fixed a capesize vessel for just \$600 per day, albeit for a short voyage from Narvik in Norway to Hamburg in Germany. That is still way below operating costs for the most expensive type of vessel to operate.

According to Moore Stephens, average operating costs for a capesize was \$6,780 per day in 2015.

Just before Mr Dieleman assumed the shipping role, the group signed an agreement with MV Cargo to build a new grains terminal in Yuzhni, Ukraine, to take advantage of increased supplies from the region.

In an investment worth \$100m, the new terminal would be able to accommodate larger vessels of up to 100,000 dwt. Completion is slated for 2018.



**Dieleman:** appointed head of Cargill's shipping unit in March.

Cargill is one of the largest dry bulk charterers in the market, moving commodities from grains to coal and oil. It fixed 282 vessels in the spot and period markets this year to the end of October, largely in line with the 295 vessels contracted over the same period last year, according to Clarksons' data.

In September, Cargill joined the Trident Alliance, a group of shipowners and operators working to ensure robust implementation

of sulphur regulations.

"We are committed to creating a more sustainable shipping industry," Mr Dieleman said in a statement. "We are pleased to charter vessels that comply with maritime sulphur regulations to reduce our environmental impact and increase efficiency."

This is Mr Dieleman's first appearance in the Top 100.

*Cargill appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

16

## LI JIANHONG

China Merchants Group

19 (2015: 35)

Chairman leads state conglomerate through continued rapid expansion

DESPITE many shipping sectors dwelling in the industry's worst downturn in decades, China Merchants Group has continued its rapid expansion.

The state conglomerate has completed its acquisition of Sinotrans & CSC Holdings, formerly

China's third-largest shipping group, in a deal that creates a behemoth with a total asset topping Yuan700bn (\$101.5bn). CMG also owns financial assets that include China Merchants Bank.

It will likely take years before the two can fully integrate, but

the economies of scale will not be ignored: the combined entity owns a fleet of 321 vessels with 33.8m dwt on the water and 45 ships with 9.6m dwt on order, according to Clarksons, on top of logistics and port assets.

The group's ambition does not stop there. CMB Financial





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Leasing, a subsidiary of CMB, is also interested in expanding its shipping portfolio. It has bought several product and chemical tankers from Navig8 firms in leaseback deals.

CMG had also tabled a bid to purchase the Royal Bank of Scotland's shipping portfolio. Even though the deal eventually did not go through, the attempt showed CMG's strong ambition in expanding overseas.

The vigour can also be seen in China Merchants Port Holdings. The port arm has been the most proactive in seeking out business opportunities in 'One Belt, One Road', President Xi Jinping's flagship project in building transport links between Asia, African and Europe.

CMPH has invested in Colombo in Sri Lanka, Kaohsiung in Taiwan, Lagos in Nigeria, Djibouti City, Lomé in Togo and Kumport in Turkey since 2010. This is in addition to a 49% stake the Hong Kong-listed firm owns in CMA CGM's port operator unit Terminal Link.

On the domestic front, it paid \$658.7m for 21% of Dalian Port in early 2016. The company is now the second-largest shareholder of the port operator in North China.

In 2015, the port subsidiaries of CMG handled 83.3m teu and 353m tonnes of dry bulk and general cargoes.



Li: remains the group's top decision-maker.

And we should not forget about China Merchants Energy Shipping.

The tanker and bulker arm of CMG has been relatively quiet in recent quarters, with much of its efforts seemingly focusing on intra-group integration.

That said, the Shanghai-listed firm has managed perhaps the largest consolidation in dry bulk shipping this year.

CMES agreed a \$382m deal to merge its valemex business with ICBC Financial Leasing. The two companies now have a combined fleet of eight valemaxes in operation and 20 on order.

Behind those dazzling moves is CMG chairman Li Jianhong, who has worked in several Chinese state shipping firms in his career. He no longer chairs CMPH and CMES but remains the group's top decision-maker.

Supplemented by vice-chairman Zhao Huxiang, who also chairs Sinotrans & CSC, now a CMG subsidiary, Mr Li will continue to steer the transport and financial conglomerate forwards.

*Mr Li also appeared in the Top 100 in 2014 and 2015. China Merchants Group appeared in the Top 100 in 2012 and 2013.*

## 17

## WILBUR ROSS

Diamond 5

47 (2015: 64)

Financier could become the Trump administration's point man responsible for renegotiating US trade agreements worldwide

BILLIONAIRE financier Wilbur Ross is getting a big bump in the rankings this year as a result of President-elect Trump's decision to nominate him for the post of commerce secretary.

If confirmed, as expected, Mr Ross will become the new administration's point man responsible for renegotiating the country's trade agreements worldwide.

The result of such negotiations will greatly influence world trade and the shipping industry as a whole and will dwarf any influence Mr Ross could have through his holdings in three shipping ventures.

Prior to his nomination, Mr Ross had been an economic adviser to Donald Trump and an ardent supporter of his views on trade. He has, however, offered a more nuanced spin.

Some choice quotes:

"Protectionism is a pejorative term, it's not really meaningful."

"There's trade, there's sensible trade and there's dumb trade. We've been doing a lot of dumb trade."

"The trouble with regional trade agreements is you get picked apart by the first country, then you negotiate with the second country and get picked apart,"



**Ross:** could become point man responsible for renegotiating US trade agreements worldwide.  
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and then go with the third one and get picked apart again.”

During a recent ship finance forum in New York, Mr Ross used Walmart, the giant US grocery chain, as an example of how the US should negotiate bilateral trade agreements. Like Walmart, the US should use its size and stature as a “strategic” customer to promote the export of goods from the US.

He specifically referred to domestically produced liquefied natural gas as potentially the future source of choice for European and Far Eastern utilities, “at no additional cost to the end-user”.

Whether these policies will benefit America, perhaps at the expense of world trade growth, remains to be seen. But all eyes will, for sure, be on Mr Ross.

When it comes to shipping per se, it has been a pivotal year for

WL Ross and Co, the private equity firm where Mr Ross serves as chairman and chief strategy officer. Several newbuilding deliveries were added to the companies in which the firm has invested.

The group’s investments in shipping are through Navigator Holdings, Diamond S Shipping, Diamond S Shipping Group and Nautical Bulk Holdings.

WL Ross has a 39.5% ownership stake in publicly traded LPG specialist Navigator Holdings. Although the company in 2016 fell victim to softening rates in the LPG seaborne transportation market, it is halfway through an eight-vessel newbuilding programme, which will increase the total size of its fleet to 38 units.

Among the newbuilding vessels, four are the largest ethane/ethylene carriers in the world, with a capacity of 35,000 cu m.

Diamond S Shipping is the owner of 12 suezmax crude oil carriers, including four vessels that were delivered in 2016.

Sister company Diamond S Shipping Group owns 33 medium range petroleum product carriers. It had a quiet year, following its decision in 2015 to abandon plans for a listing on the New York Stock Exchange.

Nautical Holdings completed its own newbuilding programme of nine ultramax bulk carriers, with the last two units having been delivered in 2016.

WL Ross now has exposure in most sectors of the shipping industry, from industrial shipping to commodity shipping.

Mr Ross is media savvy and regularly attends industry forums as a keynote speaker. He was an aspiring writer while at Yale University but had to abandon his dream since he was required to turn in 500 words daily for his fiction class and quickly realised he “had run out of material”.

Mr Ross is a champion of proper corporate governance. In the most recent survey by Wells Fargo, Navigator Holdings was ranked third in best industry practices among a group of 52 companies.

It will be a busy 2017 for the 79-year-old.

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*Mr Ross appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*

18

## HENNING OLDENDORFF

Oldendorff Carriers

11 (2015: 29)

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Head of company sees smart moves lead to quiet expansion

WHILE many other dry bulk companies have been burdened with reduced cashflow and having to shed assets amid the most severe downturn in history, Germany’s Oldendorff Carriers, run by Henning Oldendorff, has been quietly acquiring vessels, taking advantage of low asset values.

In the 12 months to October, it bought at least 17 secondhand and resale bulk carriers, for delivery from the beginning of this year to early 2017, at “historically attractive prices”.

It also took delivery of 13 eco-style newbuildings in 2016, leading to a more fuel-efficient and

environmentally friendly fleet, while the overall age of the expansive portfolio has also been reduced.

Thanks to a good relationship it maintains with yards, it has managed to successfully postpone a number of newbuildings into next year, while cancelling others, with largely no penalties.

In September, it completed its third US private placement bond issue, raising \$60m. This continues to be an “attractive funding source” for the company, it said at the time.

Oldendorff expects to deliver a positive net profit in 2016, further strengthening its cash reserves and maintaining low leverage.

The private company, which has been around for an impressive 95 years, owns about 125 vessels, while operating 375 more. In 2011, it owned just 30. Annual turnover in 2014 was \$5bn, dropping to \$4.5bn last year.

Being a family-run business has its advantages, in that profits are not paid out as dividends but rather reinvested when the time is right. That means it can withstand



Oldendorff: has been quietly acquiring vessels.

cyclical downturns and take advantage of the opportunities a weak market presents.

In a sign of the times, it has revamped its website. It has also expanded its global

presence, with offices in 16 countries, including Turkey and Chile, the new growth areas.

*Mr Oldendorff also appeared in the Top 100 in 2013, 2014 and 2015.*

19

## ANGELIKI FRANGO

3 (2015: 16)

Navios

Group leader epitomises the phrase ‘when the going gets tough, the tough get going’

ANGELIKI Frangou, the leader of Navios Group and doyenne of Greek shipping, has her work cut out for her.

Following several busy years amassing a diversified fleet of oceangoing vessels (140, at the last count), she is now playing defence against brutal headwinds for dry bulk carriers and containerships.

Nothing she has not seen before, except on a bigger scale and with public shareholders to be held accountable.

On the plus side, Navios Group started 2016 with only two newbuilding deliveries, and it is poised to enter 2017 with no outstanding capital expenditure. The absence of newbuilding orders will go a long way for parent entity Navios Maritime Holdings to shore up its balance sheet.

Navios Holdings has already taken concrete steps to reduce its liabilities. With the help of a \$70m fully collateralised loan from a daughter

entity, it was able to tender for \$61m in face value of preferred shares and repurchase \$59m in face value of corporate bonds.

The total cost to retire \$120m of liabilities was only \$39m in cash, plus the issuance of 7.6m of common shares. In a purely financial transaction, Ms Frangou exhibited the entrepreneurial ingenuity typical of independent-minded Greek shipowners.

On the minus side, Navios Holdings faced a revolt from common shareholders when the first attempt to obtain the intercompany loan was perceived as under-collateralised.

In its defence, Navios Holdings took ownership of the mishap by terminating the original agreement and entering into a new agreement to all parties’ satisfaction.

Navios Group has four publicly listed companies. Parent company Navios Maritime Holdings owns 40 bulk carriers and operates an additional 26 vessels under

long-term charters, most with purchase options attached.

Navios Maritime Acquisition owns a fleet of 36 crude oil carriers, petroleum product tankers and chemical tankers. Navios Holdings has a 46.3% share ownership of Navios Acquisition.

Navios Maritime Midstream Partners is a master limited partnership that owns six very large crude carriers. Navios Acquisition is its sponsor and general partner. Navios Acquisition also has a 57.9% limited partner interest.

Last but not least, Navios Maritime Partners owns 32 vessels (24 bulk carriers and eight containerships). Navios Holdings is its sponsor and general partner and it has an 18.1% limited partnership interest.

The two tanker entities have performed well in 2017, with Navios Acquisition generating \$44.8m during the first nine months of the year, and Navios Midstream earning \$18.8m during the same



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# MARINE INSURANCE

## Top 10

The top movers and shakers in the marine insurance world

**01 / Marcus Baker**, *broker, Marsh*

A BIG-shot broker, Mr Baker heads the global marine practice at Marsh, arguably the most influential firm in that niche. He leads a team of 600 marine specialists that places around \$3bn in premiums each year. Word has it he has been achieving some pretty keen rates for his clients, with buyers sometimes securing double-digit declines in rates as underwriters compete on premium.

**02 / Rolf Thore Roppestad**, *chief executive, Gard*

ALTHOUGH the title would have been lost if the mooted merger of Britannia and the UK Club gone through this year, Gard remains the largest International Group affiliate, by owned gross tonnes. Mr Roppestad has kept the club's surplus steady and has returned tens of millions of dollars to members, despite a painful investment loss that was amplified by the depreciation of the Norwegian krone.

**03 / Dieter Berg**, *senior executive manager, Munich Re and IUMI*

ANYBODY who doubles up as senior executive manager marine at Munich Re, one of the world's biggest insurers, and president of the sector's trade association, the International Union of Marine Insurance, automatically books a slot on a list of this kind. IUMI has been in expansion mode in 2016, establishing its first permanent presence outside Europe in the shape of an Asian hub in Hong Kong. Mr Berg was naturally on hand to do the honours.

**04 / Lee Wai Pong**, *regional advisor, Thomas Miller Singapore*

FORMER seafarer Lee Wai Pong, currently regional advisor for Thomas Miller and the Miller-managed UK P&I Club, is something of an elder statesman in the Asia market, with almost 40 years in shipping behind him. He has served as chairman of the local branch of the Mission to Seafarers and was, until earlier this year, an executive director of the Singapore Chamber of Maritime Arbitration.

**05 / Mark Edmondson**, *head of maritime, Chubb*

IT has been a good year for Mr Edmondson, who was appointed in February to lead the marine team at the London-based wholesale insurance division of the revamped Chubb. Mr Edmondson is another prominent committee man, acting as deputy chair of the Lloyd's Market Association joint hull committee and chair of the IUMI ocean hull committee.

**06 / Peregrine Storrs-Fox**, *risk management director, TT Club*

TT Club insures around 80% of the containers on the planet and has an insurable interest in 45 of the world's top 100 ports. The marine mutual was the winner of the Insurance Day Maritime Insurance Award at the Lloyd's List Global Awards, with Mr Storrs-Fox accepting the accolade on behalf of the club. He will have had his work cut out dealing with the aftermath of the Tianjin blast in China, which represented a low-single-digit million-dollar hit for TT, which experienced a sharp jump in its combined ratio as a result.

**07 / Clive Washbourn**, *executive director, Beazley*

MR Washbourn remains hugely popular with his peers, being mentioned by several of those we sounded out for his sheer prowess at his job. A former chair of the joint war committee, he has worked for his current employer since 1998. This year he saw him take a short sabbatical in April and May, for reasons that were not announced. Tim Turner provided cover.

**08 / Richard Tomlin**, *Atrium*

MR Tomlin still writes at the box for Atrium syndicate 609, with a worldwide marine property portfolio that includes hull all risks, hull total loss interests, ship construction, ports and war risks. Atrium leads approximately 40% of specialist vessels placed within Lloyd's. Mr Tomlin is also chair of the LMA joint hull committee.

**09 / Peter Townsend**, *head of underwriting, AmTrust*

MARINE insurance legend Peter Townsend has a new employer, after being lured from Swiss Re by AmTrust to launch its London marine business last year, where he took over the reins in November after working out his contractual six-month notice period.

**10 / Mike Talbot**, *class underwriter, XL Catlin*

THE 2015 iteration of this list featured Mr Talbot's boss, Lee Meyrick. That was largely in recognition of the latter's role in the XL/Catlin merger that year. But the fusion seems to have gone smoothly, and this year, sources spoke highly of Mr Talbot's work as a major leader of hull business in the London market. He appears to be doing the heavy lifting on the combined firm's marine side. The 35-year sector veteran also sits on the Joint War Committee.



**Frangou:** remains the most capable executive to steer her empire to calmer seas.

period. Both companies have kept their dividend payouts intact.

On the other hand, Navios Partners has not reinstated cash distributions to unit holders following their suspension at the end of 2016. Reflecting adverse conditions for dry bulk carriers and containerships, the partnership reported a net loss of \$50.5m for the first nine months of the year. That figure included a combined \$36.5m in impairment charges and losses on vessel disposals.

The weakest link of all has been the parent company. Navios Holdings reported a loss of

\$61.4m for the first nine months of 2016 and had to suspend all dividends, common and preferred.

As for plans for a separate listing of Navios Logistics, which is currently housed under the parent company, they have decidedly taken a back seat, following a dispute with Vale over a 20-year 'take or pay' port services contract.

The contract would generate annual earnings before interest, taxes, depreciation and amortisation of \$35m. The dispute is currently under arbitration proceedings.

Ms Frangou owns 28.5% of Navios Holdings and has no stake holdings in the daughter companies. The group structure is free of any management fees to third-party related entities, a thorny issue for many of its peers.

She has a substantial part of her net worth aligned with the interests of public shareholders. As difficult a year as 2017 is shaping up to be, Ms Frangou remains the most capable executive to steer her empire to calmer seas.

*Ms Frangou also appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

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## GEORGE ECONOMOU

DryShips

3 (2015: 17)

Chief executive eyes clearer skies for DryShips but power now resides in private empire

CAPITAL markets are unlikely to have lost their lustre for George Economou, even though his two Nasdaq-listed companies, DryShips and Ocean Rig, have had a torrid time of it recently due to the woes of the dry bulk market and the collapse of the offshore rig market.

DryShips, in particular, has absorbed more man-hours and personal treasure than the Greek magnate would have wished. But, as the end of 2016 approached, much

of the acrid smoke surrounding the company seemed to be clearing.

Mr Economou has faced criticism for the extent of related party transacting with DryShips. At the same time, he has made the difference in keeping the company in business until today.

In the past, this has included stumping up substantial fresh equity and stepping up to the plate to buy many of DryShips' vessels at market prices. More recently, though, it

has been through providing new credit to the publicly quoted entity and cutting deals with lenders to buy existing loans at a discount.

It took a year to reach an agreement with a majority of the company's banks but by December 2016, DryShips was able to announce that more than 90% of the outstanding debt is in the hands of its founder.

The company sounded confident of reaching amicable settlements >>

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with the commercial banks holding the remaining \$16.5m of debt not yet bought by Mr Economou.

Nor has the old ingenuity disappeared. Seemingly from nowhere, a few days before the bank deals were reported, DryShips unveiled a deal with Kalani Investments that eventually saw the company raise \$100m from issuing new shares.

The funds from the outside investor, said to be linked to a Canadian group that has previously invested in the company, can be used for general purposes and for repaying indebtedness.

A fleet of 13 panamaxs with an average age of 12 years and six offshore support vessels is a far cry from DryShips' heyday. But with Mr Economou firmly in control of its debt, the company seems to be off the danger list and the intention is likely to be to flaunt it as a clean platform for reinvesting in a brightening dry bulk market sometime in 2017.

Currently, the publicly listed shipping company represents the all-too-visible tip of the iceberg of Mr Economou's shipping activities, as the balance has shifted decisively towards his private empire.

His TMS group now controls a fleet of 81 privately held vessels of about 10.8m dwt, with another 20 on order for delivery by the end of 2017.



**Economou:** footprint in shipping remains undiminished.

The fleet is well-diversified, with 41 bulkers, including 30 capesizes that make Mr Economou the second-largest Greek capesize owner, 34 tankers, five liquefied natural gas carriers, and a single containership.

Mr Economou's main exposure to the suffering boxship market is as a significant investor in John Coustas-led specialist containership company Danaos.

Further diversification is in store with the arrival of four very large gas carrier newbuildings from Hyundai Samho Heavy Industries but the orderbook mostly comprises tankers, with just two newcastlemax bulk carriers rounding it out.

Any further expansion is likely to be opportunity-driven, although on a more strategic note, Mr Economou and son Christos, who has had oversight of the gas side, may very well seek to

expand the group's foothold in LNG shipping if the stars align.

Fallout from the shipowner's arm-wrestling with DryShips' banks is hard to detect. There is "no bad blood", say insiders and all but four of the newbuildings are said to have been financed well in advance.

Another grueling year lies ahead. The dire offshore market has left half the fleet of Ocean Rig cold-stacked in Greece and Mr Economou secured delivery postponements for two of three further drillship newbuildings built by Samsung Heavy Industries. It has already been hinted that Ocean Rig might require substantial loan restructuring.

While Mr Economou slips a few places in our rankings, overall his footprint in shipping remains undiminished.

*Mr Economou also appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

21

## LORD MANCE

Justice of the UK Supreme Court

NEW

Justice of the UK Supreme Court was on the panel who found for ING in the OW Bunker case

TONY Blair's decision to create a UK Supreme Court to replace the Appellate Committee of the House of Lords certainly divided legal opinion when first suggested more than a decade ago.

Fuddy-duddies felt the time-honoured way of doing things

was not broke and thus not in need of fixing; even m'learned friends living in the 21st century considered it a pointless and unnecessarily costly affectation, possibly born of the prime minister's exaggerated regard for all things emanating from the United States.

It has now been up and running since 2009, and is accepted as pretty much part of the furniture in terms of civil litigation, for shipping cases as much as anything else.

Among the 12 serving Justices of the Supreme Court is Jonathan Mance, a quintessentially



Mance: a quintessentially Establishment figure. © ILA



Establishment figure who was one of the panel of five who last May found for ING in the OW Bunker case, the most convoluted and gripping-for-the-geeks shipping legal action for many years.

*PST Energy 7 Shipping LLC and another v OW Bunker Malta Ltd and another* effectively squared off Greek owner Petros Pappas, on behalf of the wider shipowning community, against the Dutch merchant bank, in its capacity as assignee for the receivables of the world's biggest bunker trader, which went bust in 2014.

Hundreds of shipowners found themselves potentially on the hook to pay twice for the same bunker stem, as both physical suppliers and ING sought to collect on outstanding invoices. Just to make matters worse, there were dozens of vessels arrests worldwide from assorted claimants.

The case — fully funded by the UK Defence Club — centred around a specific interpretation of the UK Sale of Goods Act 1979. At times, some of the legal wrangling approximated scholastic philosophy in its sheer metaphysical complexity.

In the end, Lord Mance and colleagues Lords Neuberger, Clarke, Hughes and Toulson upheld three earlier decisions, mandating that bunker supply agreements do not constitute contracts within the meaning of SoGA.

Long story short, the bank was entitled to the cash, leaving bunker suppliers around the globe out of pocket by somewhere substantially north of \$700m.

Of course, that is not the end of the story. While the ruling was undoubtedly a fillip for ING, other jurisdictions can and have reached differing conclusions, often tending to favour local companies. This one will run and run.

Lord Mance also gave a rare dissenting viewpoint in *Versloot Dredging v HDI Gerling*, arguing pointedly — and, in the eyes of many, entirely correctly — that dishonesty is flatly unacceptable when making an insurance claim, under any circumstances whatsoever.

The issue at hand was that which lawyers call 'fraudulent device', and virtually everybody else calls 'lying'. For more than a decade, it had been understood that use of a fraudulent device to secure advantage was enough to render a claim fraudulent.

To widespread astonishment among insurers, *Versloot* saw the Supreme Court effectively decide by a four to one majority that this is not always the case.

Lords Sumption, Clarke, Hughes and Toulson found that it was "disproportionately harsh" to deprive an assured of a claim by reason of fraudulent conduct, if a fraudulent device used at the claims stage subsequently proved unnecessary, because the claim was always in fact recoverable.

The one vote against was good old Lord Mance, who forthrightly fulminated: "Abolishing the fraudulent devices rule means that claimants pursuing a bad, exaggerated or questionable claim can tell lies with virtual

impunity." The proverbial Person on the Clapham Omnibus would find it hard to demur.

Lord Mance rules on a lot else besides shipping, of course. Top of his inbox at the time of writing was most likely an appeal lodged by Mirror Group Newspapers and Times Newspapers in the phone hacking scandal that has been a huge story in Britain in recent years.

He also delivered judgment in one of 2016's most high-profile privacy rulings, arguing that there is no public interest in naming an international superstar entertainer whose marital partner had allegedly engaged in threesome sexual activity.

While this conclusion was reached in the best interests of the couple's children, it was widely regarded as superfluous, given that full sordid details were readily available to the prurient via social media. Indeed, the ostensible indiscretions were already being widely discussed.

Born in 1943, Lord Mance is the son of Sir Henry Mance, a one-time chairman of Lloyd's. The apple has not fallen far from the tree, given the central importance of his work to many denizens of Lime Street.

After education at Charterhouse, one of Britain's most elite public schools, and thereafter the prestigious University College Oxford, he was called to the bar in 1965, and became a bencher in 1989. A life peerage followed in 2005.

He is also a notable quango-sitter, having served as chair of the Banking Appeals Tribunal and the Consultative Council of European Judges, president of the British Insurance Law Association, and trustee of the European Law Academy (2003).

Lord Mance is married to Dame Mary Arden, with whom he shares his profession, as she is currently a Lady Justice of Appeal. The couple have two daughters and a son.

Outside of work, he is reportedly keen on tennis, languages, and music.

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*This is Lord Mance's first appearance in the Top 100 list.*

## Head of shipping places safety right at the top of his agenda

A BUSY year for Shell's head of shipping saw him start handing over management of Nakilat's liquefied natural gas carrier fleet to Nakilat Shipping Qatar in October.

Grahaeme Henderson said the world-leading Nakilat fleet included some of the largest and most technically advanced vessels of their type, and their cargo helps ensure energy security for millions of people around the world.

Another milestone event was the tie-up with BG Group.

Having completed the \$70bn BG acquisition in February, Mr Henderson said he was focused on improving efficiency and safety when transporting cargoes via his new-look fleet.

With more production points and customers across the globe, the efficiency gained from more flexibility in moving cargoes is at least one of the benefits that result from such scale, he argued.

Any visit to Shell's London headquarters or to a Shell vessel shows just how important safety culture is to the company.

Shell Shipping — with its 2,000-strong fleet that includes ships, barges, drilling rigs and offshore vessels — has recognised its wide exposure to potential high risk, and the damaging headlines that can bring.

Therefore, Shell's Maritime Partners in Safety programme is highly cherished and an area that Mr Henderson places right at the top of his agenda.

The programme is a network of 500 maritime partners with whom Shell does business, with the focus on raising safety standards. The partners include shipowners, supply boat operators, charterers and a range of others.

Shell's approach has been



**Henderson:** making headway when it comes to safety and efficiency.

to introduce annual safety workshops in London, Rotterdam, Singapore and Houston to thrash out safety issues. The three mantras are: visible leadership; procedural compliance; and learning from incidents.

As a result of the programme, Shell's serious actual and potential incidents have been reduced threefold since 2011, says Mr Henderson proudly.

However, it has not been an entirely smooth process of rolling out the programme.

"To begin with, many people saw this as just another programme," Mr Henderson tells Lloyd's List. "We were going up the hill at one time on this."

Now, though, serious progress

is being made. "We are now definitely over the hill and people are starting to believe in this."

Seatrans Ship Management is one of Shell's 500 maritime partners involved in the annual discussions on safety.

Coming together as an industry on the topic "is the biggest step change", says Seatrans managing director Gisle Rong.

It is hard to change an ingrained culture in the shipping industry. But Shell and Mr Henderson are evidently making headway when it comes to safety and efficiency, meriting a high place among shipping's top influencers and power brokers.

*Mr Henderson appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*

While the industry stalwart still operates a diversified maritime business, his core focus is LNG shipping

LIKE his father George P. Livanos before him, Peter Livanos has always been involved in a variety of shipping sectors. Today, though, his focus in the shipping business seems increasingly to be sharpening in favour of liquefied natural gas.

At the end of 2015, he resigned the chairmanship of Euronav, after leading the tanker giant's initial public offering in New York from that position.

By early 2016, he had sold out the remainder of his ownership position of the Belgium-based very large crude carrier and suezmax owner and there is little sign of any specific intention to return to the tanker sector.

Dry bulk company DryLog still has around 20 bulkers, according to databases, including legacy Japanese-built and owned long-term hire-purchase vessels. Mr Livanos has also had a stake in Dry Bulk Handy Holdings, a longstanding joint venture with Chile's CSRV.

The bulkers are commercially-managed by CTM, nowadays led by cousin John Radziwill, who took over the pooling company in 2013.

Altogether there are "a few too many" bulkers for his liking. "I wish we had less of them at this point in the cycle," Mr Livanos said, although he envisages keeping a presence in the dry cargo market.

Meanwhile, there seem to be no immediate plans to reinvest in oil tankers in any big way. Mr Livanos is unsure that shipowners are being compensated sufficiently for the risk of owning crude oil tankers.

Euronav had been overwhelmingly the vehicle for his tanker investments since 2005, when Mr Livanos sold his tanker fleet to the Belgium-based company for about \$1bn in cash and stock.

In the energy shipping field, though, Mr Livanos is concentrating



**Livanos:** one of the movers and shakers in LNG shipping.

his attention on GasLog, the Monaco- and London-based LNG shipping company he founded and currently chairs. "In my mind, in my family's mind, LNG is absolutely the future of shipping," he said.

"The core focus is on developing the LNG business. We have a very good macro story for the next 10 years. Gas as a transportational fuel is even more exciting."

Through GasLog, Mr Livanos is one of the movers and shakers in LNG shipping. The company currently owns 13 LNG carriers in operation and another five on order, while spin-off GasLog Partners owns a further nine vessels. In total, the fleet including newbuildings gives it an estimated 5%-6% share of the total LNG shipping market.

The company has always been one of the more bullish in terms of market prospects in the whole LNG sector and last year went public with its goal of controlling a fleet of at least 40 vessels by 2017.

That now looks unlikely, as the pace of expansion has slowed against the backdrop of a softer LNG charter market, but there is still a sense of a gathering force. Mr Livanos is still looking to grow the fleet and is eyeing a tightening market for LNG vessels as new

projects come on stream.

The company has been expanding its portfolio of charterers, recently ordering a ship at Samsung Heavy Industries for seven-year charter to Centrica, a first-time client. It has also targeted an entry into the floating storage regasification unit business, whether through ordering purpose-built FRSUs or converting one or more of its existing vessels.

Progress on a couple of projects had reached the point late in 2016 where the company was able to announce an order for \$16m worth of long lead equipment items needed for a conversion at Singapore's Keppel Shipyard.

Never one to seek the limelight, Mr Livanos nevertheless led the flotation of GasLog in 2012 and also took over chairmanship of Euronav in 2015. The stints at leading both publicly listed companies were part of a bid to differentiate them from other stock-listed shipping firms that, in Mr Livanos' view, in some cases suffer from poor governance.

"People are paying a premium for governance and I think they are paying a premium for governance and transparency," he said.

*Mr Livanos also appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*



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Chief executive presents a potential influence on the industry via Amazon's logistics ambitions



**Bezos:** relentless drive by Amazon to seek new economies of scale in its global supply chain.  
© 2016 Ted S. Warren/AP

THIS annual list of industry influencers has traditionally seen Walmart, the head of the world's biggest retailer — and largest user of containerised ocean shipping — appear as something of a proxy for the power of the shipper.

Our argument has consistently been that as long as the liner companies struggle to manage oversupply, the likes of Walmart and its peers are going to have the upper hand.

The liner companies have made themselves less flexible by increasing the size of vessels in the fleet, but demand for reliability is only increasing from the shipper side, who now view the lines as floating logistics support for their delicate just-in-time delivery balance.

That argument stands, but in the clash of retail titans currently playing out in stores and online, e-commerce leader Amazon arguably now has the greater influence over the future direction of container shipping.

Amazon's well-documented strategy of hustling logistics players to innovate more customised delivery options has so far had a limited direct impact on the behaviour of liner operators beyond the price squeeze.

But the company's relentless drive to seek new economies of scale and impose technology-driven solutions in every area of its international supply chain has real implications.

When Maersk unveiled its corporate restructure earlier this year, the wide-ranging digitisation plan that lay at the heart of new efficiency drives was directly in response to its customers "looking for end-to-end solutions, including inland transportation".

Maersk recognises its flaws but realistically it can be considered leader in a poor sector, so it is not alone in needing to innovate. Pressure to reform and digitise from shippers, particularly the likes of Amazon and Walmart, is only growing.

But unlike Walmart, Amazon — led by chief executive Jeff Bezos — also presents a potential influence on the industry via its own logistics ambitions, which appear to be quietly creeping into all areas of the supply chain.

In early 2016, Amazon registered as a non-vessel operating common carrier, effectively a freight forwarder, to move shipments between China and the US.

A few months before that announcement, Amazon China unveiled its new service, AmazonLogistics Plus, which was aimed at providing an all-round logistics solution for Chinese companies, including storage, shipping and cross-border logistics.

Since then, not much has been heard and the move could be interpreted as little more than the US's biggest online retailer taking more control of its business.

A more radical interpretation has seen whispered discussions of digital disruption and an attempted 'Uberisation' of shipping via an asset-light platform being taken more seriously.

Certainly, if the rise of Uber has taught us anything, it is that companies can find radically more efficient ways of managing capacity with the right application of technology.

While Walmart and Amazon will inevitably battle it out for a position on this list, based on volume of goods shipped, it is Amazon that currently looks more influential for shipping and potentially far more disruptive.

*This is Amazon's first time in the Top 100. The power of the shipper, as represented by Walmart, appeared in 2013, 2014 and 2015.*

Chairman sees Chinese energy giant still the top charterer for dirty tankers



Wang: under his chairmanship, Sinopec looks set to continue playing an important role.

IN Wang Yupu's first year as chairman, the Sinopec Group appeared rather downbeat.

In the broad energy downturn, revenues and profits of the Chinese state energy giant were down significantly.

As the world's second-largest oil refiner, Sinopec was shielded by the refining margins provided by its downstream operations. Still, with weak oil price, revenues were down 34.1% and profits fell 30.6% in its last fiscal year, according to Fortune.

On the magazine's Global 500 list, Sinopec is ranked number four, the lowest in three years.

But these indicators do not exactly suggest Sinopec was performing badly. In terms of profitability, Sinopec has actually outperformed other Chinese conglomerates due to its smaller exposure to upstream exploration and production activities.

And, as China is gradually overtaking the US as the world's largest crude importer, Sinopec will only become even more important in the tanker sphere.

According to Poten & Partners, Unipeac, the trading and chartering arm of Sinopec, has remained the world's largest charterer of dirty tankers. And its dominance is growing.

For the first half of 2016, Unipeac fixed 441 dirty tankers to ship 88.3m tonnes of oil, or 13.8% of the total. This was higher than its proportion of 13.4% in 2015.

In total, 511 Unipeac fixtures of very large crude carriers were reported during January-June, while only 118 fixtures of Indian Oil, the number two in the segment, was reported.

In the suezmax segment, Unipeac was the world's number three charterer, same as in 2015; for aframax, Unipeac was number five, even higher than number eight in 2015.

With all its prowess as a charterer, Sinopec has not shown much interest in owning ships. Its direct exposure to oil tankers has been a 20% stake in China Merchants Energy

Shipping, the parent of China VLCC — one of the world's largest owners in this segment.

But the more noteworthy development is its increasing exposure to liquefied natural gas shipping, as China seeks to raise use of the cleaner energy to reduce pollution.

The two LNG carriers that Sinopec teamed up with China Cosco Shipping and Mitsui OSK Lines to order have both been delivered, and they are shipping Sinopec cargoes from ExxonMobil's Papua New Guinea project.

The same partners have also ordered six vessels to carry Sinopec cargoes from the Australia Pacific LNG project. The first of them was delivered in October 2016.

Under Mr Wang's chairmanship, Sinopec looks set to continue playing an important role in oil and gas shipping.

*Mr Wang previously appeared on the list in 2015. Sinopec appeared in the Top 100 in 2012, 2013 and 2014.*



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## ANDREW SUKAWATY and RUPERT PEARCE

4 (2015: 22)

Inmarsat

The former chief executive and long-time chairman, and the current chief executive are developing services and business offerings to their main customers

HAVING rolled out its Global Xpress satellites and launched the associated Fleet Xpress, Inmarsat now needs to capitalise on its \$1.6bn investment to keep its investors happy.

The company is already planning the launch of its next batch of satellites, its sixth generation in a few years, so needs to have got this new phase of its service spot on.

But trying to get this revenue off traditional users alone is going to be difficult, especially shipowners.

This may be why the group has turned to engineering firms and other suppliers to the shipping industry as it promotes its new Gateway terminals, where the focus is on data, data, data.

London-listed Inmarsat is run by chief executive Rupert Pearce and former chief executive and long-time chairman Andrew Sukawaty.

Mr Pearce has been chief executive since January 2012, with seven years in the company before that. Prior to this, he worked in corporate finance, with a focus on mergers, acquisitions and private equity.

The company is pushing him more to the front of the line as it develops its services and business offerings to its main customers in the maritime, aviation, enterprise and government industries.

One of the main reasons may be the high level of finance needed for the development and launch of satellite systems.

With its Global Xpress satellite constellation launched, Inmarsat is now preparing the ground for the next generation of L-Band services in 2020, at a time when it has still to see the Global Xpress offering pay off.



**Sukawaty, left and Pearce:** looking to develop a third revenue stream from Fleet Xpress.  
© 2016 Anthony Devlin/AP

Experts say the first three to five years is critical. The Fleet Xpress service on which Inmarsat has set its future will hopefully have proved itself. The initial signs are positive, the company suggests more than 5,000 vessels now have the FX service installed, allowing them to make the benefits of Ka-band and L-Band.

It also means the company can draw its revenues à la Apple.

The gateway terminals are smart terminals, according to Mr Pearce and the opportunity is for service providers to get apps accredited by Inmarsat, and then secure dynamic bandwidth from Inmarsat that allows them to offer flat costs to

shipowners and in-app purchases, such as extra navigational charts and information.

Inmarsat is also looking to develop a third revenue stream from Fleet Xpress, what it calls content prepositioning or subscription. For this, think of a service like Netflix or Spotify, which can be tied to crew welfare.

The next 12 months will see how successful Inmarsat is in making these new offerings work. Luckily most of the executives that Mr Pearce, Mr Sukawaty and their team are trying to convince have smart phones, so that learning curve is half the battle won.

*Mr Sukawaty appeared in the Top 100 in 2015.*



## Chief executive proves what you plant now you will harvest later

IT HAS been a topsy-turvy year for Emanuele Lauro, one of the most flamboyant executives of his generation. His proactive strategic decisions, however, could reap huge benefits in years to come.

Ask the shareholders of any publicly traded shipping company, — or, in Mr Lauro's case, two, Scorpio Tankers and Scorpio Bulkers — and they will tell you that a chief executive's success or failure ultimately is measured by the stock tape. Or how much wealth they create for their shareholders.

By that measure, 2016 was not kind to Mr Lauro. Stocks of both companies have lost 50% or more of their value since the beginning of the year.

Although most public executives faced similar predicaments, it was Scorpio Group that made one of the most audacious bets by placing big and early orders for product tankers and bulk carriers. 2016 was the year both companies were finally transformed into fully operational units, with the bulk of the newbuilding vessels having been delivered.

What set Mr Lauro and his executive team apart was their willingness to make bold decisions

especially in the face of adversity.

Case in point, Scorpio Bulkers' decision to sell its entire capesize fleet. Divesting of 28 vessels cost the company a hefty dime — or about \$500m, to be more precise. The sale, however, extended Scorpio Bulkers' cash runway during the worst dry cargo freight market period ever.

Another example was its decision to aggressively raise cash through public equity offerings to further bolster its liquidity, ahead of its peers.

Mr Lauro has candidly admitted past bad business decisions, but he does not want to stand still and plans to be around when the market turns.

"The big question of when the market would recover remains unanswered. However, we focus on ensuring we will be able to participate in this recovery when it happens to the benefit of the company and our shareholders," he said.

"As we have said before, our balance sheet is prepared for an extended weak dry cargo market, while our modern fleet is well positioned to benefit from any rate recovery."

It was a different story for Scorpio Tankers, which benefited from strong markets during the first half of the year.

The company stuck to its fixed-dividend policy, despite siren calls for a full payout model, adopted by many of its competitors. Now tanker markets have turned south, these same competitors scramble to "adjust" their dividend policies or declare no dividend at all.

Not so for Scorpio Tankers, which can afford to make its fixed dividend, even during a cyclical downturn.

Perhaps the most important decision made by Mr Lauro during the year was to begin addressing Scorpio's corporate governance practices.

The two companies announced sweeping changes to their management agreements with related entities, in an effort to streamline them with standard industry practices.

The original management agreements had not been shareholder-friendly, and Scorpio paid a heavy reputational price for that.

*Mr Lauro also appeared in the Top 100 in 2013, 2014 and 2015.*

**Lauro:** plans to be around when the market turns.



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# SHIP FINANCE

## Top 10

### DNB remains the largest lender to the industry

**01 | Kristin Holth**, *global head of shipping, offshore & logistics, DNB*

DNB gets top billing for having a super-active year in both commercial lending and investment banking. It has been shrinking its shipping book, just like everybody else, with the portfolio standing at \$25bn at the end of 2015, compared to an external estimate of \$28.3bn at the end of 2014. Even so, that is a lot of money, and it remains the world's largest lender to the industry. Ms Holth joined one of DNB's predecessors as soon as she left business school, and has stayed there ever since. She took over as head of shipping in 2013.

**02 | Liu Liange**, *vice-chairman and president, China Exim Bank*

MR Liu recently told a conference in Beijing that China Exim Bank had extended shipping loans worth Yuan170bn (\$25bn) since 2013 alone. If DNB has continued its recent direction of travel, Cexim may already enjoy shipping exposure higher than its Norwegian rivals. Mr Liu has previously worked for the People's Bank of China, acting as its London representative between 1999-2000, and the Asian Development Bank.

**03 | John Haefelfinger**, *head of corporate and specialty lending, Credit Suisse*

CREDIT Suisse has quietly been growing its book and this year it overtook RBS as the largest lender to the Greek market. It even got as far as tabling a bid for RBS's \$6bn Greek shipping book, although it pulled out at the due diligence stage. Much of the build-up has been the work of Mr Haefelfinger, but he is working out his notice, after being chosen as managing director of Basellandschaftliche Kantonalbank from next year.

**04 | Wiley Griffiths**, *vice-president, Morgan Stanley*

MORGAN Stanley maintained its commanding position among top-tier Wall Street firms for shipping investment banking in 2016. Led by Wiley Griffiths, Morgan Stanley played lead underwriting roles in the equity offerings of Ardmare, Seaspan, Nordic American Tankers, and Costamare.

**05 | Michael Parker**, *chairman of EMEA corporate banking, Citi*

IF anyone can be described as a British establishment figure in a positive sense, that would be Michael Parker. While working for a US bank in London for nearly 40 years, the Oxford graduate in politics, philosophy and economics has often spoken out for the UK shipping community, whose mood remains decidedly downbeat after Britain voted to exit the EU. Mr Parker was promoted

to Citi's corporate banking chairman of EMEA in April 2016 while retaining his position of global shipping head.

**06 | Soo Cheon Lee**, *chief investment officer, SC Lowy*

MR Lee is another standard-bearer for the advance of Asian ship finance. The firm has its fingers in numerous pies, but is strong in shipping, and has played a part in several Korean restructurings. Prior to founding the outfit with Michel Lowy in 2009 — Mr Lee is the 'SC' component of the name — he was a managing director at Deutsche Bank and, before that, a research analyst at Cargill.

**07 | Oliver Faak**, *global head of ship and aircraft finance, NordLB*

LIFE has given German ship finance lemons, and Norddeutsche Landesbank's Mr Faak has come as close as anybody to making lemonade. In August, Mr Faak signed off on a \$1.5bn securitisation deal with KKR and an unnamed sovereign wealth fund, which at a stroke lifted both performing and non-performing loans on around 100 vessels off NordLB's balance sheet. Also this year, NordLB joined forces with Offen Group and Caplantic to launch Crystal Ocean Advisors.

**08 | Stephen Fewster**, *global head, transportation finance at ING Bank, ING*

ING has featured prominently in the shipping press this year. The Dutch investment bank acts as assignee for the debts of OW Bunker, and has been relentless in making good its claims. Mr Fewster has been in the situation of watching another department of his own bank arrest vessels on which his department has lent money. He has also hit the headlines for his controversial decision to pull the plug on Flinter.

**09 | Christa Volpicelli**, *managing director, Global Transportation Group, Citibank*

CITIBANK was very busy in investment banking in 2016, with a very strong finish as the sole or joint book runner for Golar, Costamare, and Hoegh LNG Partners. Ms Volpicelli leads the firm's US-based shipping investment banking practice. She joins Kristin Holth as the two female power-bankers in our list.

**10 | Chris Weyers**, *head of maritime investment banking, Stifel*

MR Weyers has "done a fabulous job positioning Stifel as a top-tier shipping investment bank", we are told. Stifel was particularly active this year, and had a streak of being in almost every secondary offering, including Scorpio Bulkers, Ardmare and Seaspan, even at times when it was hard to raise money.

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## IVAN GLASENBERG

Glencore

3 (2015: 25)

Chief executive is trying to cut debt and spending at the Switzerland-based commodities giant, with some success

IVAN Glasenberg, described by many media outlets as shrewd and competitive, joined Glencore in 1984 in the coal department, before working his way up to become chief executive in 2002.

Forbes says he is worth \$4.4bn.

With his tenacity and drive, South African Mr Glasenberg has what it takes to get the commodities empire back on track after a rout in global commodities caused Glencore's shares to dive to the lowest level since it went public in 2011.

The company, one of the largest traders in the world, has plans to shed assets worth \$4bn-\$5bn, while targeting a reduction in net debt to between \$16.5bn-\$17.5bn by the year's end.

Although it has lower committed available liquidity of \$14.9bn as of the end of June, from the \$15.2bn it had at the end of last year, it says this "comfortably" covers its bond maturities for the next three years.

Lower production of commodities such as oil, coal, copper and zinc in Glencore's portfolio means it has less freight requirements and, as such, has curtailed spending on chartering ships.

As of June 30, it has committed \$380m for "future hire costs to meet future physical delivery and



**Glasenberg:** has what it takes to get the commodities empire back on track.

sale obligations and expectations", the miner and trader said in its half-yearly report. That is lower than its commitment of \$894m as of December 2015.

Of the \$380m, \$126m is with associated companies, while 58% of the total charters are for services to be received over the next two years, it said.

"Significant expenses" for the company included \$65m related to restructuring and closure costs, primarily for the disposal of its Optimum operations, and \$40m related to Glencore's share of exceptional items recognised directly "by our associates, primarily due to asset impairments on coal shipping activities", it said.

Glencore had to revise down its guidance for coal production this year by 5m tonnes to 125m tonnes, due to lower output from South Africa, combined with weather-related cuts in Colombia.

Its production and processing of agricultural products, however, rose 43% to 6.4m tonnes versus a year earlier.

Glencore owns ST Shipping and Chemoil and, despite the slide in spending and shipments, is still a huge charterer of bulkers and tankers. A company official declined to provide details of its shipping activities.

*Mr Glasenberg also appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

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## TADAAKI NAITO

NYK

3 (2015: 26)

Chief executive faces the headwinds of crashing iron ore prices and an environmental disaster

JAPAN's unlikely silver medalists for the men's 200-metre relay at the Rio Olympic Games form the inspiration for NYK president Tadaaki Naito as he guides

the country's largest shipping company into the future.

In his message as NYK celebrated its 131st anniversary, Mr Naito noted that unlike members of the

Jamaican and US Olympic teams, who had all individually clocked times of less than 10 seconds in the 100 metres race, none of the Japanese team members had

a sub-10 seconds time; nor did any of them qualify individually for the 100 metres final.

Despite the statistics, the Japanese team won the silver medal, with a time of 37.60 seconds, due to skill and teamwork.

Similarly, NYK has continually applied creativity and ingenuity in response to changes in the shipping industry, Mr Naito noted.

“It goes without saying that more than ever before, we must be on our guard, refine our creativity and ingenuity, and differentiate our businesses and services” as NYK competes against formidable rivals, he added.

However, he remains optimistic about the future. “A growing global population means more international shipments of energy, food and all other kinds of cargo and, by transporting cargo, we provide a source of stability for the global community,” he said.

Ahead of that, however, Mr Naito is very much grounded in the present. He cautioned that the “path to realising dreams is very steep, with many bumps along the way”.

And he added: “We may need to carry out reforms, which could be painful at times” especially to “overcome the raging seas of today”.

The current “raging seas” saw NYK posting a net loss of ¥229.8bn (\$2.2bn) in the six months ended September 30, 2016, compared with a net profit of ¥59.3bn in the year-ago period, weighed down by a significant jump in extraordinary losses. Looking ahead, it trimmed its



**Naito:** reforms can be painful at times.

full-year revenue forecast to around ¥1.9trn, versus ¥2.0trn previously.

NYK has also agreed with Mitsui OSK Lines and Kawasaki Kisen Kaisha to merge their container shipping business via establishing a joint venture. NYK, MOL and K Line will respectively hold 38%, 31% and 31% stakes in the ¥300bn joint venture, which will control a fleet of 1.4m teu, or about 7% of the world’s total capacity. The combined fleet will rank sixth among the global liner shipping operators.

Within the group, NYK decided to adapt to changing conditions by adjusting the size of each business and the allocation of management resources.

Examples of that approach include the sale of Crystal Cruises and the liner trade segment’s withdrawal from well-established Australian routes. Mr Naito highlighted that NYK had not ruled out the possibility of re-entering these businesses; rather, it had chosen to downsize. But if conditions

change, it may rejoin the market.

With freight rates in a slump due to demand growth being more than offset by an oversupply of dry bulk carriers, the group has moved to an asset-light business model and reduced spot vessels, which operate under short-term cargo contracts and are susceptible to fluctuating freight rates.

NYK has identified growth areas, even as it reduces exposure to potential loss-making sectors.

With the energy business expected to grow significantly over the next 10 years, NYK plans to allocate more than 70% of total investment to projects in the liquefied natural gas value chain and the offshore business.

Mr Naito added that natural gas, which emits a lower percentage of carbon dioxide than oil or coal, will become an important energy source over the next several decades.

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*He also appeared in the Top 100 in 2015. NYK appeared in the Top 100 list in 2010, 2011, 2012, 2013 and 2014.*

## 30

### NARENDRA MODI

Indian Prime Minister



Prime minister has repositioned India as the next big marketplace while China hits the brakes

WHEN Indian Prime Minister Narendra Modi made a \$500m investment in Iran’s Chahbahar port in May 2016, it marked a turning point in New Delhi’s

approach to its maritime strategy and the role of sea trade in the country’s geopolitics.

Mr Modi earns a position in these rankings for repositioning India

as the next big marketplace while China hits the brakes, and for reviving the concept of the Indian Ocean region as a commercial and geopolitical cluster.



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**Modi:** views India's maritime resurgence as the backbone of India's economic revival.  
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The development of India's coastline and ports, and linking them to trade routes and coastal economies of neighbouring countries, is Modi's answer to Xi Jinping's 'One Belt, One Road' initiative.

The anchor project under the Modi administration is the Sagarmala Port Development Project, which proposes to revamp old ports and build new ones along India's 7,500 km coastline and its 1,200 island territories.

The project has identified 173 projects under the programme, with a total outlay of \$60bn for port modernisation, improving port connectivity, developing industries linked to port areas and advancing coastal communities. It is expected to help the country save around \$6bn in logistics costs every year.

"We aim to complete all these projects by 2020. When completed, they will have created 10m new

jobs and increased our coastal shipping volumes by five times from current levels of 60m tonnes a year," India's shipping minister Nitin Gadkari said earlier this year.

Another billion-dollar project has been awarded to Adani Ports and Special Economic Zone, India's largest private port operator, to build an international deepwater container port at Vizhinjam in the country's south that will rival container transshipment mega hubs in Sri Lanka and Singapore.

India has also established a special purpose vehicle to take up maritime projects overseas, signed a coastal shipping agreement with Bangladesh and is working on the use of inland waterways with Myanmar.

The bulk of the new maritime policies are being driven by Mr Modi's vision, and are anchored in his 'Make in India' plan to

boost domestic manufacturing for everything from light bulbs to LNG carriers.

The growing significance of the Indian market was underscored by the largest foreign investment into the country in October, when Russia's Rosneft and commodity trading giant Trafigura acquired Essar Oil's refining and port assets for \$13bn.

"India's economy continued to recover strongly, benefiting from a large improvement in the terms of trade, effective policy actions, and stronger external buffers, which have helped boost sentiment," the IMF said in its latest World Economic Outlook.

Mr Modi views India's maritime resurgence as the backbone of India's economic revival. He has said the project's roots are in ancient maritime routes and cultural links in the Indian Ocean, which touches the shores of more than 40 countries and nearly 40% of the world population.

But his work is far from over.

India is in severe need for regulatory reform and incentives to bring in foreign investors. It remains caught between the ambitions of a free market economy and the constraints of protectionism, which are issues that Mr Modi needs to solve quickly.

*This is Mr Modi's first appearance in the Top 100.*

31

## KRISTIN HOLTH

DNB

NEW

Head of shipping remains the only female in this role at any major shipping bank

EVEN within an industry so obviously male-dominated as shipping, ship finance stands out as something of a laggard as an equal opportunities employer.

Yet paradoxically, the head of shipping at the bank that has been the biggest lender to the sector in recent years has been a woman.

Kristin Holth stepped into the top shipping job at DNB in 2013, following the promotion of her predecessor Harald Serck-Hanssen. Immediately prior to that, she had — for almost six years, from 2007 onwards — worked as a general manager at its New York operation, and her CV also includes a stint in London.

As far as can readily be ascertained, she remains the only female head of shipping at any major shipping bank. Ironically, she is a protégé of perhaps the only woman ever to have reached that level of seniority before, namely Anne Øian of Bergen Bank, one of DNB's forerunners. >>



**Holth:** admits the socially liberal policies of her native Norway have facilitated her ascent.

Like every other bank that has lent substantial sums to shipowners, DNB will have had ample cause to regret some of its past decisions.

It is also subject to major exposure to energy and offshore, to boot, which is inevitable for Norway's largest bank, given the weight of those sectors in the Norwegian economy.

The cumulative impact of past policies has proved a drag both on DNB's bottom line and its share price.

Impairments are predicted to run to Nkr18bn (\$2.2bn) over the next three years, with offshore supply vessels and rigs admitted to account for a goodly chunk of that total.

However, the outlines of its fightback strategy are already visible, after it was announced in August that DNB has decided to merge its operations in Estonia, Lithuania and Latvia with those of Sweden's Nordea, another name that will be familiar to those who follow ship finance.

The deal is subject to regulatory approval, and is expected to close in the second quarter of 2017. Assuming it gets the go-ahead, the combined entity will be the second-largest bank in the Baltic states.

DNB openly admitted the move had been motivated

by the quest for economies of scale, with larger banks best placed to make the most efficient use of their resources.

DNB's shipping portfolio stood at \$25bn at the end of 2015, compared to an external estimate of \$28.3bn at the end of 2014. But even though the trend is downwards, other major shipping banks are downsizing even more rapidly, which means DNB retains its position as largest lender.

Lloyd's List last caught up with Ms Holth in Oslo last May, when she predicted restructuring and possibly even consolidation as something that many of Norway's dominant shipping and offshore players may have to consider before long.

Even though many shipping banks have rushed to the exit in recent years, with their numbers increasing markedly over the past 12 months, she insisted she was still open to deals, especially with blue-chip owners.

Ms Holth portrayed DNB's stance instead as more one of cautious long-termism, with a focus on core clients, activity on the capital markets and collaboration with export credit agencies taking precedence over plain vanilla mortgages for now.

However, every indication is that the book will look a fair bit slimmer when the next set of numbers are revealed, if only because of the paucity of attractive transactions out there.

As far as offshore is concerned, Ms Holth has made some pessimistic on-the-record comments this year, even predicting in one interview that the current crash could take the shape of a very long U, or even an L. Offshore companies face an extended period of low liquidity, she added.

Ms Holth was born in 1956 and has no family ties to shipping. Her father owned an estate north of Oslo, not far from the airport, and farming and forestry activities put the food on the table.

Her years in higher education were spent at Norwegian School of Management, where she studied international finance and earned an MSc in Business. She joined one of the forerunners of DNB in 1984, and has been there ever since.

While she insists she is not a feminist, she readily admits the socially liberal policies of her native Norway have facilitated her ascent, opening possibilities that might not be open to her counterparts from other countries.



Chair ensures China's policy lender remains an important player in ship finance

CHAired by Hu Xiaolain, a former Chinese central banker, Export-Import Bank of China has continued to grow its presence in ship finance.

Latest figures from Cexim showed the policy lender provided credits in excess of Yuan730bn (\$105.8bn) to maritime transport projects since its foundation in 1994. In 2016, Cexim ranked number six globally as a shipping bank, with a total portfolio of \$1.6bn.

One of Cexim's main stated goals is to support China's shipbuilding and shipping industries. Under Ms Xu's chairmanship, the state lender is still keeping a large exposure to the depressed sectors, even as some criticised the fact its loans can be more difficult to obtain than others.

Its high-profile deals in 2016 included a loan facility of \$75.7m with returning customer Diana Shipping, which is being used to fund the Greek owner's three bulker orders in China.

Moreover, the bank has agreed to lend \$4.2bn to China Cosco Shipping Group for its 59 newbuildings ordered after the second half of 2014 for fleet renewal. The orders include very large crude



Hu: solid performance by bank.

carriers, 400,000 dwt ore carriers and 19,000 teu containerships.

And, in October, Cexim signed loan deals worth Yuan24bn for 58 "high-tech, high value-added" vessels, including valemaxes, 174,000 cu m liquefied natural gas carriers, boxships of 14,500 teu and 20,000 teu, among others.

All these moves have shown the bank remains committed to ship finance, even though it is not as aggressive as compatriot leasing firms in expanding its shipping portfolio.

Also, for obvious reasons, Cexim has been a strong supporter of President Xi Jinping's flagship 'One

Belt, One Road' project, which aims to enhance transport links between Asia, Europe and Africa.

The bank has lent to port projects in Mexcio, a subway in Singapore, power generation for railways in Ehiopia and Djibouti, and water transport in Bangladesh, among others.

Cexim might not be as big a newsmaker now compared to when the lender first emerged as a international ship financier earlier this century. But its solid performance means Ms Xu will continue to have a spot in our Top 100.

*Ms Hu first appeared on our list in 2015.*

It is time to see whether the expansionist president can steer the company away from unwanted risks

ZHAO Guicai succeeded the leadership from Cong Lin in January 2016 to become the second president of ICBC Financial Leasing since its establishment in 2007.

As one of the founding members of the lessor, the 49-year-old joined its state-backed parent, Industrial and Commercial Bank of China, in 1990.

Since then, he has taken various manager roles inside the bank. Prior to the latest move, Mr Zhao was the head of ICBC Brazil, which he helped to set up six years ago.

The bank's comment on Mr Zhao: "he has rich experience in finance operation and corporate management, with deep

understanding and sharp insight about the global financial market".

It is logical to reckon that Mr Zhao's earlier experience in Brazil has made a significant contribution to ICBC Leasing's recent rapid expansion in the country.

In October last year, the lessor signed a \$2bn leasing

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agreement with Petrobras for two offshore platforms.

In April, it inked a 27-year contract of affreightment with Vale, for 10 400,000 dwt ore carriers it later ordered, having already bought four secondhand valemaxes from the mining giant.

At the signing ceremony in Beijing, Mr Zhao said the COA agreement marked “a new milestone”.

China’s bank-backed leasing houses, though starting up with local clients, have been growing at a blistering pace overseas, with severe overcapacity prolonging the shipping downturn and driving out western lenders.

Compared with domestic ECA loans led by China Exim Bank, the leasing structure can be more flexible — higher loan-to-value ratio, off-balance sheet financing and lifting of restriction that vessels must be built in China.

The \$869m sale and leaseback deal between ICBC Leasing and BP Shipping for 18 South Korean-built oil tankers has been used as a good example to demonstrate such flexibility.

Moreover, lessors backed by major Chinese banks, such as ICBC Leasing, have managed to offer lending prices to a level that is very close to commercial loans. Not only can they leverage on the big-name clients and projects to drive down the borrowing cost from their bank creditors, but



**Zhao:** deep understanding and sharp insight about the global financial market.

bond issuance has also become an increasingly favoured tool to raise cheap funds globally.

In May 2016, ICBC Leasing, rated A2/A/A, raised \$1.3bn with a US dollar-dominated bond through a three-tranche offering. The \$500m note with a three-year maturity was priced at 157bp over Treasuries; the five-year \$500m note was fixed at 170bp and the \$300m 10-year note was priced at 200bp over Treasuries, according to FinanceAsia.

Between end-2009 and April 2016, ICBC Leasing’s shipping assets soared from Yuan4.3bn (\$631m) to Yuan60bn, of which 73% were assets from abroad.

However, there are risks underneath the rapid growth.

ICBC Leasing’s rig project in Brazil is heavily exposed to the Petrobras corruption scandal, as well as the depressed offshore market.

Its deal with BP, which is essentially an operating lease,

has shifted the residual-value risk of the vessels from the original owner to the lessor. And the current dropping tanker price doesn’t offer too much comfort.

That said, the future is still full of opportunities, as more traditional shipowners, with mounting financial pressure, are looking to deleverage their balance sheet in order to survive the market trough.

Chinese lessors have already risen as a major player in today’s ship financing arena, and their role will only grow bigger in the foreseeable future, if they can keep the risk in check.

For Mr Zhao, who has been a successful leader in guiding ICBC and its subsidiary lessor to overseas adventure, it is now time to see whether he will be equally good in steering the company away from the perils of the sea.

*Mr Zhao is a new entry in the Top 100.*

## 34

### EIZO MURAKAMI

K Line

4 (2015: 30)

President and chief executive revises management plan amid structural change in sector

KAWASAKI Kisen Kaisha Ltd will celebrate its 100th anniversary in 2019 and president and chief executive Eizo Murakami has the task of navigating the current rough seas to get there.

Volatile markets require leaders to act quickly and,

demonstrating this trait, Mr Murakami revised a management plan that was barely a year old.

“We revised the plan in order to respond to the structural change in the business environment,” he explains.

Called K Value for our Next

Century — Action for Future, the new medium-term management plan calls for structural reform involving reducing exposure to some areas, while increasing investment in growth sectors.

Further demonstrating its flexible mindset for challenging industry



**Murakami:**  
longer-term plan  
is to expand stable  
profit businesses.



conditions, the Japanese shipping line is teaming up with peers Nippon Yusen Kabushiki Kaisha and Mitsui OSK Lines to form a joint venture to combine their container shipping businesses.

The move comes amid expectations of continued challenging times. K Line posted weaker year-on-year results in the six-month period from April to September, with its container shipping sectors leading the losses. The Japanese shipping group's net loss stood at ¥50.5bn (\$499m), reversing the ¥11.7bn net profit seen during the same period last year.

Its financial forecast for the full fiscal year ending March 31, 2017, was also revised, with expected net loss raised to ¥94bn from ¥45.5bn previously and operating revenue lowered to ¥970bn from ¥1.03trn.

The earlier 2015 plan assumed that amid a moderate recovery of the global economy, the Chinese

economy would make a soft landing and logistics demand would increase, mainly in emerging markets, while global energy demand would expand against the backdrop of population growth and other factors.

But the recovery scenario for the global economy faded rapidly during the second half of 2015, fuelling concerns that growth in logistics demand will remain low. As supply continues to build with newbuilds, current low and volatile freight rates are now expected to take time to stabilise.

Mr Murakami revised the fleet upgrading plan, especially for dry bulk carriers, in response. From a plan to increase the number of key vessels from 526 in 2014 to 564 in 2019, the target was revised to a reduction to 514 vessels — down 50 from the 2014 figure.

Of those 50 vessels, 43 are dry bulk carriers. Small and medium-sized vessels, including

panamax, are to be reduced by 30% in the near term and halved over the medium term. Among capesize vessels — which account for 90% of cargoes transported under medium- and long-term contracts — K line intends to dispose of high-cost vessels.

However, in sectors where it sees promise, Mr Murakami is adding assets. K Line is building 10 new 14,000 teu containerships by 2018, while disposing of two small and medium-sized vessels and speeding up the concentration of its fleet on the east-west routes.

The target number of liquefied natural gas carriers for 2019 was reduced from 61 to 57 because of delays in projects due to the fall in crude oil prices but the revised figure is still up by 14 compared to 2014. It is scheduled to be completed in 2020 or later to meet medium- to long-term growth in energy demand.

For car carriers, 15 ships with a capacity of 7,500 units are to be introduced.

But longer term, Mr Murakami's strategy is to expand stable profit businesses such as the car carrier business.

The veteran joined K Line in 1975 and held a series of increasingly senior positions such as senior managing executive officer and representative director, for the containership, port business and car carrier businesses.

*Mr Murakami first appeared in the Top 100 in 2015.*

35

## PETROS PAPPAS

Star Bulk

4 (2015: 31)

One of the most astute dry cargo shipowners of his generation is a realist first and foremost

PETROS Pappas, one of the most astute dry cargo shipowners of his generation, is a realist first and foremost. As long as he takes care of things under his control, he can

wait for the rest to fall into place.

As he steers his company through the worst crisis in dry cargo shipping in recent memory, if not ever, he understands that

demand growth by itself would not be sufficient for a swift return to better, more profitable days; shipowners have to pitch in too, by continuing to aggressively



# CMPort's road to becoming a leading global port service provider

China Merchants Port Holdings Company Limited (CMPort) is making steady progress in its quest to play a much bigger role on the global maritime stage.

CMPort, previously China Merchants Holdings (International) Company Limited, was the first mainland red chip enterprise listed on the Hong Kong Stock Exchange and is the largest container port operator in China, with investments in Mainland China, Hong Kong and overseas.

Conglomerate parent company China Merchants Group, founded in 1872, has incorporated three major business streams; property development, finance services and transportation, the latter including ports/related services, toll roads, energy shipping and logistics, ship repair and offshore engineering.

CMPort's nationwide port network spans the Bohai Economic Zone, Yangtze River Delta, Xiamen Bay Economic Zone, Pearl River Delta and coastal hub ports in Hong Kong, Shenzhen, Ningbo, Shanghai, Dalian, Qingdao, Tianjin, Xia-

men Bay and Zhanjiang.

Having broadened focus to encompass the worldwide market, CMPort expanded in 2010 to develop a business network now comprising 28 ports across more than a dozen countries and regions.

Throughput in 2015 was 83.66 m teu, 3.5% higher than the previous year. First half 2016 throughput – more than 46 m teu – shows an 11.1% improvement on the corresponding 2015 period.

While CMPort's strategic vision is to become a world-class port services provider, its investment strategy is focused on regional hub ports with strong import/export growth that will attract foreign investment.

The company has embraced China's 'One Belt, One Road' initiative by exploring a comprehensive port development model that will lay a solid foundation for establishment of 'checkpoints' along the Maritime Silk Road.

Its Sri Lankan joint venture, Colombo International Container Terminals

Limited (CICT), has delivered impressive year-on-year growth of 33%, with throughput handled in its second year (2015) of operation of 1.56 m TEU, and 0.92 m TEU in the first half 2016.

CMPort has secured a strong foothold at the hub of the Eurasia continent through its 65% equity with consortium partners in Kumport, Turkey's third largest container terminal, in 2015. It is also involved with Djibouti port (PDSA) in constructing a multi-purpose port at Doraleh, planned to become a free trade zone.

The company's Togo joint venture, Lomé Container Terminal S.A., showed more than 15% growth in comparative year-on-year container throughput in the first half 2016.

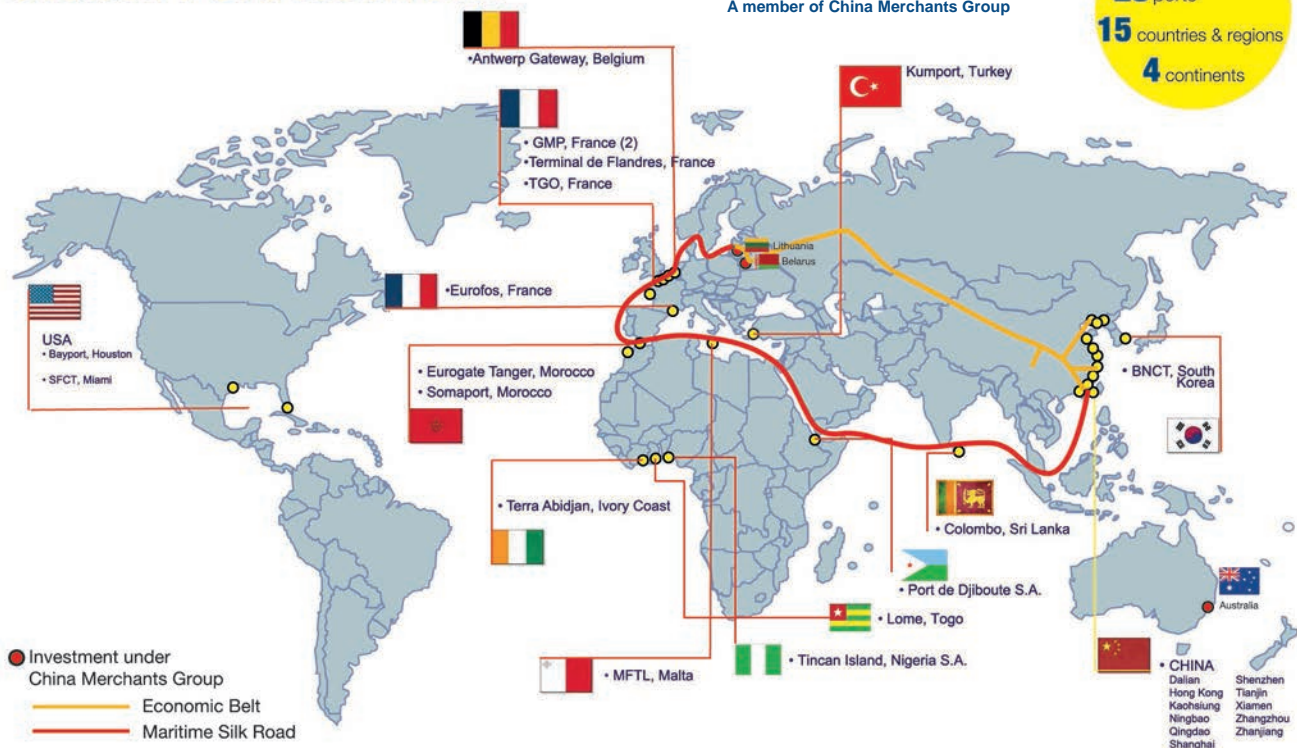
CMPorts is building a comprehensive port ecosystem that can sustain the business as a major port service provider and, through integration of technology and capabilities between homeports and the terminals and logistics network, achieve group synergies.

## China Merchants Ports Holdings Global Port Network



A member of China Merchants Group

**398+** berths  
**28** ports  
**15** countries & regions  
**4** continents



scrap their older tonnage.

Although optimistic, he warns his peers about complacency with each market uptick.

“I think there is a basis to become very positive about the market after 2018 or 2019, but for 2017, I don’t see a reason to be that positive. The additional dwt capacity to enter the market in 2017 will require incremental demand of 4% to 5%, which we will probably not see,” he said at a recent conference call.

He went on only to add: “The problem is if we become very positive about the market, people might stop scrapping, not to mention potentially [start] ordering. If we stop scrapping, it will delay a sustained upturn in the market.”

Star Bulk Carriers, his primary shipping conduit, in conjunction with partner and majority shareholder Okatree Capital Management, has definitely lived up to its end of the bargain when it comes to vessel disposals. From a peak of 103 vessels, Star Bulk now owns 73 vessels, including five under construction.

Many of the vessels disposed were 1990s vintage ships sold for demolition. Today, Star Bulk owns just two 1990s-built bulk carriers.

When it comes to his other ventures with Oaktree, Oceanbulk Containers and Product Shipping



**Pappas:** warns his peers about complacency with each market uptick. © Nasdaq

& Trading, 2016 was a quiet year from a sales and purchase point of view — aside, of course, from the seemingly never-ending OW Bunker legal saga.

Product Shipping and Trading still owns 17 product tankers, while Oceanbulk Containers will own a total of 13 containerships by the end of 2017. It would be interesting to see how the five vessels that were scheduled for delivery at the end of 2016 (two) and during 2017 (three) will be employed, given the recent turmoil in the containership sector. These units were originally ordered without fixed charters attached.

The only real activity on the S&P front was the sale of two very large crude carriers under construction to Euronav. The vessels were ordered under

the umbrella of Madison Crude Carriers, a partnership with private equity firm Monarch Alternative Capital. They were sold last July, following Monarch’s apparent exit from the shipping sector.

Perhaps the best quality that describes Mr Pappas is the respect and loyalty he gets from his investing partners, and his employees. He is known for never raising his voice, and always seeking the opinion and counsel of his co-workers.

He also wants to treat his public shareholders right. Star Bulk achieved the highest corporate governance ranking among its peers in the most recent Wells Fargo survey.

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*Mr Pappas also featured in the Top 100 in 2013, 2014 and 2015.*

36

## KITACK LIM

International Maritime Organization

▶ (2015: 36)

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The ever-effusive and apparently omnipresent ‘SG’ has secured support among the member states and won over key industry figures

A YEAR into his role as head of the International Maritime Organization, Kitack Lim is certainly making his presence felt.

The ever-effusive and apparently omnipresent ‘SG’ has secured support among the member states and won over key industry figures with a sustained charm offensive and willingness to listen.

He is yet to deliver a major victory, but to expect that so soon would be unfair.

For those impatient to see tangible progress, particularly on the big ticket issue of climate change, it is important to remember that the secretary-general does not dictate the UN organisation’s policies or even its agenda.

That is the prerogative of the member states, and winning over 172 governments in a climate of nationalism and political volatility is not a quick win, no matter how charming your brand of international diplomacy may be.

Mr Lim has succeeded in setting out a compelling vision for the IMO, both internally and to the wider industry. He now needs to deliver it.

Implementation and capacity-building exercises are important ingredients to get right, and Mr Lim's personal mission to improve communication and IMO visibility are laudable projects that will no doubt help. But his tenure at the IMO will ultimately be judged on the outcome of the environmental debate.

The adoption of a roadmap aimed at the reduction of the greenhouse gas emissions from the maritime sector by the IMO's Marine Environment Protection Committee in 2016 was a significant step in the right direction.

The plan has received the backing of both BIMCO and the International Chamber of Shipping and, crucially, aligns the IMO with the roadmap being used by the supranational body, the UN Framework Convention on Climate Change.

The next steps require a steady hand from Mr Lim and the hope that he can steer the IMO to agree a global set of measures that reduce emissions while maintaining a level playing field for shipping.

Such a task was going to be difficult, even prior to the US elections, but President-elect



Lim: succeeded in setting out a compelling vision for the IMO.

Trump's promise to unilaterally withdraw the US from the Paris accord may change the trajectory of the debate and complicate matters further still.

Then there's the internal IMO dangers to worry about. While 2016 has seen the troubled ballast water convention finally move ahead, the industry is all too aware of the dangers of ill-conceived regulatory measures coming out of Albert Embankment.

The prospect of an ill thought-out market-based measure being imposed via unilateral or regional regulation could seriously distort global shipping markets, while

actually decreasing efficiency.

To his credit, Mr Lim is well aware of such hazards and has spent much of his first year trailing the prospect of 'big data' and KPIs entering the realm of IMO decision-making.

If he can deliver a new approach to regulation that joins the dots between economic impacts, societal implications and the environmental agenda, then, as we promised last year, he will rapidly shoot up this list of industry influencers.

*This is Mr Lim's first appearance in the Top 100. The IMO was represented in 2010, 2011, 2012, 2013, 2014 and 2015.*

## 37

### SERGEY FRANK

Sovcomflot

3 (2015: 40)

Chief executive succeeds in keeping SCF's 'shareholder' sweet, especially on the financial front

REPORTS that 100% Kremlin-owned Sovcomflot is about to be privatised have materialised at regular intervals since at least 2004, the same year in which Sergey Frank took over as chief executive.

But, 12 years later, it still hasn't happened, while Mr Frank retains his firm grip on the top job. At least as far as anyone can ascertain from the outside, he has no obvious internal rivals, so the position is likely to be his for just as long as his friends in high places want him to have it.

Obviously, he has succeeded in keeping what SCF euphemistically refers to as its 'shareholder' sweet, especially on the financial front. Even at the peak of the tanker downturn, losses tended to be lower than would be expected for a company of SCF's size, and it has been consistently profitable since 2013, despite the vicissitudes of the LNG market.

No doubt it helps to be a national champion concern, with implicit state backing and close working relationships with

Russian energy giants such as Rosneft and Gazprom.

But let's put it like this: SCF is one of the few shipping companies that has very little problem borrowing from western banks, with a series of deals this year netting it a \$253m credit line and a \$750m bond issue.

Other highlights include the company's decision to unwind SCF Swire Offshore, its offshore supply vessel joint venture with Swire Pacific, with the Russian concern now in control of all three of the three-vessel fleet.



# REGULATION

## Top 10

The shape and direction of shipping is moulded by many different influences

**01 / Kitack Lim, secretary-general, International Maritime Organization**

A YEAR into his tenure as secretary-general means the industry has a feel for what Kitack Lim wants to achieve. His stock is high at the moment, with the ratification of the ballast water management convention, and its carbon roadmap for shipping, but it remains uncertain if he can retain the notion of the IMO as a fair and transparent UN agency, as it becomes embattled over greenhouse gas policy.

**02 / Donald Trump, president (elect), USA**

THE uncertainties of Trump are raising the anxieties in some shipping quarters. His nationalistic expressions in the run-up to the election and his outspoken criticism of trade agreements such as the Trans-Pacific Partnership, could lead to increased nationalism and protectionism, neither of which is likely to create growth in the shipping industry.

**03 / Esben Poulsson, chairman, International Chamber of Shipping**

ICS has taken a subtly different approach to lobbying in recent years. In the past, it would flip-flop over the vagaries of the ballast water convention and carbon dioxide discussions. With Esben Poulsson, however, comes a new sense of energy within this group and it is keen to ensure regulators understand shipping's capabilities and limitations more clearly.

**04 / Violeta Bulc, European Commissioner for Transport, European Commission and EMSA**

DG Transport head Violeta Bulc is likely to review maritime legislation, make good on some of the investment opportunities available and, most importantly, get the miserable attempts at creating a digital single window right. EU-wide reporting through a digital single window was supposed to ease red tape burdens but has only made it worse. The commission is due to look at whether the EU MRV rules should be amended to meet the goals and requirements of the IMO's data collection requirements.

**05 / Sun Licheng, chairman, Robert Ashdown, secretary-general, International Association of Classification Societies**

THE main purpose of IACS is to interpret IMO rules into coherent class rules for its members and therefore the industry. It remains uncertain, though, how a rotating one-year chairmanship benefits the industry in the long run, but a subtle and significant structural change leading to the designation and appointment of a secretary-general, and a refocus on its standards, is certainly working in the right direction.

**06 / Federal Maritime Commissioners**

THIS essentially non-political agency represents a powerful force in shipping, keeping the maritime industry aware of the need to put customers' interests first. Some say the FMC has never played a more vital role than today, as the world's top container lines group themselves into three major global alliances that are on a scale never seen before.

**07 / Patrick Verhoeven, secretary-general, European Community Shipowners' Associations**

ECSA is caught between a rock and a hard place, with its involvement in getting European parliamentarians and commission staff to understand shipping and join the global agenda more fervently, while representing regional shipping on an international platform. It does a good job at linking the issues of regional maritime politics into a global industry that remains convinced that international global rules and a level playing field are the best ways to move the industry forward.

**08 / CO2 lobby**

THE influence of CO2 lobby groups on the global maritime industry is growing, with many lobby groups trying to pressure the IMO to take stronger action. More corporations are also buying into environmental ethics, and this will lead to increased pressure from cargo owners on shipowners and operators. Corporate boards are starting to take stock of developments at UNFCCC and making their own environmental moves.

**09 / Nationalist protection policies**

THE trend for nationalistic protection measures will be an unwelcome long-term influence on shipping. Taiwan, South Korea and China offer financial support to shipowners and shipbuilders, which distorts global competition. One of the longest-running protectionist policies has been in force since 1920: the US Jones Act. There has been murmurings of a UK-style Jones Act post-Brexit, with seafarers' union Nautilus International claiming it would have "clear social, economic and strategic benefits".

**10 / Anne Berner, minister of transport and communications, Finland**

Finland may hold the claim for being the IMO member state that brings the ballast water convention into force in 2017, but its real influence on shipping is its openly positive attitude to autonomous transport, including ships. It is pushing ahead with changes to its regulations to allow unmanned road vehicles and is supporting multi-corporate research projects that will lead to unmanned ships.



While Mr Frank purposely keeps a low profile in the western media, we do know that he was born in Novosibirsk in 1960, is married, and has two sons.

His early career CV includes stints as chief financial officer of Far East Shipping Co, chairman of state airline, Aeroflot and director of Novorossiysk Shipping.

After accumulating this wide array of high-level transport experience, he entered the world of Russian politics in 1998, when he became minister of transport under Boris Yeltsin's presidency.

He stayed in that post for four years after Vladimir Putin took over in 2000, before switching to his current employer.

His leisure preferences include classical music, particularly the Russian composers Pyotr Tchaikovsky and Sergei Prokofiev, although he is also a fan of UK rock acts Genesis and Sting.

*Mr Frank appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*



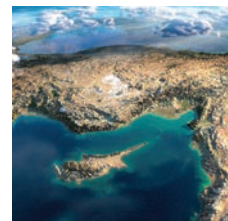
**Frank:** retains his firm grip on the top job.



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President and chief executive steers MOL to a profit for first half to end-September

INTO his second year as president and chief executive of Mitsui OSK Lines, Junichiro Ikeda has shown he will not shirk from making tough calls as the group confronts challenging market conditions.

Following a company review, the group decided to reduce its fleet size from 883 vessels to 827 vessels within a year, with its dry bulkers and containerships taking the biggest hits.

To minimise exposure to the prolonged sluggish dry bulker market, MOL decided to transfer business operations of its small to mid-size bulkers from Singapore to Tokyo and keep only about half of the mid- and long-term chartered-in vessels as the key fleet.

To reduce the number of surplus vessels, the group will reduce its capesize bulker fleet by about



**Ikeda:** no stranger to shipping cycles.

10% by cancelling some charter-in contracts and selling some owned vessels. In total, MOL intends to trim the number of dry bulkers it operates to 351 from 403.

With market stagnation and freight rates on several key routes at lows, the group is also

looking to reduce its number of containerships to 87 at end-March 2017 from 95 in 2016 after selling some of its surplus vessels.

Going beyond that, it is forming a joint venture to merge its container shipping business with those of Nippon Yusen Kabushiki Kaisha



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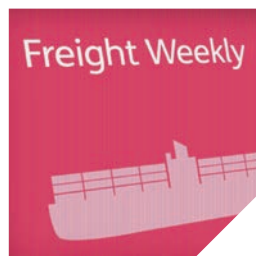
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and Kawasaki Kisen Kaisha, which will also include the trio's overseas terminal operations. The combined fleet will rank sixth among the global liner shipping operators.

Meanwhile, MOL also managed to move back into the black for the six months between April and September, mainly supported by one-off gains on disposal of subsidiaries and associates. The Japanese carrier recorded a net profit attributable to shareholders of ¥16.1bn (\$158.8m) during its first half of the fiscal year ending March 31, 2017, versus a net loss of ¥241m in the year-ago period.

Mr Ikeda has also identified places where MOL intends to grow

and sees long-term stable profits. The group intends to expand its fleet of liquefied natural gas carriers, including ethane carriers, to 81 from the current 69.

Perhaps the robust response from Mr Ikeda is only to be expected. He is no stranger to shipping cycles, having joined MOL in 1979 and rising through the ranks to head its liner division in 2010. He then became a director and senior managing executive officer in 2013 before assuming his current position in June last year.

Mr Ikeda also sees MOL's history as an advantage. Describing the current year as only one of the 133 years seen so far by the group,

he highlights MOL has "faced heavy seas time and time again over the past decades, such as the rapid appreciation of the yen, resource price bubbles and busts, the financial crisis stemming from the Lehman shock, skyrocketing bunker prices, and ongoing losses".

He is looking beyond the current challenges. "This year will mark a turning point in our history if everyone — executives and employees alike — is ready to meet the challenges of the next 100 years," Mr Ikeda says.

*Mr Ikeda also appeared in the Top 100 in 2015. Mitsui OSK Lines has appeared in the Top 100 in 2010, 2011, 2012, 2013, and 2014.*

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## MURILO FERREIRA

Vale

6 (2015: 33)

Chief executive faces the headwinds of crashing iron ore prices and an environmental disaster

MURILO Ferreira, chief executive of Vale, is facing less optimistic times as he nears the end of his term.

Iron ore prices are still low despite a moderate rebound and, along with the Samarco incident, this has kept the miner wishing for better times gone by.

Even as Vale expanded production in the third quarter of 2016, the company lowered its output forecast for 2017. The mining giant also stated its 2016 output will be around the lower end of its 340m tonnes to 350m tonnes guidance.

Additionally, the \$14.4bn S11D project in northern Brazil — which is in the process of starting up, with the first commercial ore shipment expected in the first quarter of 2017 — is likely to take double the time than earlier expected to ramp up the process.

Vale expects the mine to take four years, instead of the original two, to maximise margins, with full production of 90m tonnes per year expected by 2020.

More than half the investment



**Ferreira:** Finishes his term in April 2017.

in the new project is on a mine-to-ship logistics corridor, featuring truckless operations that will help save on fuel, a three-kilometre-long train and a port terminal capable of loading five vessels simultaneously.

But the move seemed to have backfired. The fundamentals for the miner changed and the huge investment in S11D remains of little significance as lower freight rates and weaker Brazilian currency dramatically reduced the breakeven cost for producing and delivering iron ore to China, the largest

importer of the commodity

The worries do not end here.

With the Chinese government's policy to shift the nation away from investment-led growth to consumption-driven growth, actual demand for iron ore from China in the coming years remains a question. Added to that is the renewed vigour to control environmental pollution, which may have a significant impact on steel production processes.

According to the World Steel Association, global steel demand

will grow by a meagre 0.5% to reach 1.5bn tonnes, while steel demand in China is projected to decline by 1% in 2016 and by 2.0% in 2017.

Mr Ferreira, however, was quick to get back on his feet and tighten ties with China by signing a 27-year contract of affreightment with China Cosco Shipping group, as well as ICBC Financial Leasing, the leasing arm of Industrial and Commercial

Bank of China, to transport 16m tonnes and 160m tonnes of iron ore a year respectively, starting from the first half of 2018.

Although the move assures long-term viability of Vale's conveyor belt of Chinese-owned very large ore carriers — the valemaxes — BIMCO believes it will remove cargoes from the open market.

The move will result in lower

volume growth on the Brazil to China iron ore trade, which is one of the greatest driver of freight rates in the spot market.

Mr Ferreira, whose term contract as chief executive ends in April 2017, took over the position in May 2011 replacing Roger Agnelli.

*Mr Ferreira also appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*

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## LOH BOON CHYE and JEREMY PENN

51 (2015: 91)

SGX/Baltic Exchange

Chief executive leads SGX's first high-profile acquisition in recent years

AT a time when weak economics is prompting many in the industry to consolidate and even one major insolvency, Singapore Exchange — better known for stocks and shares — made a successful foray across continents to acquire a 272-year-old British icon, the Baltic Exchange.

Led by chief executive Loh Boon Chye, SGX made a non-binding bid in February and entered into exclusive talks to buy the Baltic in May after seeing off competition from the likes of the London Metal Exchange, CME Group, China Merchants Group, and Platts.

From then on, the process moved like clockwork as SGX made a £77.6m (\$96.6m) offer in early August, with Baltic Exchange shareholders approving in September. After being cleared by the UK's Financial Conduct Authority in October, the deal was approved by a UK court in November.

SGX's plans to capitalise on the Baltic connection to expand freight indices and derivatives in Asia saw it clinching Newsmaker of the Year 2016 at the Lloyd's List Asia Awards.

The deal marks SGX's first high-profile acquisition in recent years, after not finding much success in expanding via asset acquisition. In 2011, its S\$8.8bn (\$6.15bn) offer to buy out the Australian Securities Exchange for a merger was rejected by regulators.



**Loh, left, and Penn:** SGX and Baltic Exchange chief executives completed the purchase deal.

Soothing potential sensitivities, SGX has reiterated that it has no plans to move the Baltic's London headquarters.

However, the sale has been surrounded by political rhetoric, lamentations about the loss of another London institution and whether it is just another European brand slipping into the hands of rich Asian corporations.

Consilience Energy Advisory Group chief executive Liz Bossley represented some of those feelings when she told an industry audience in October that the Baltic Exchange indices are the "lifeblood of the future of the London maritime industry" and wondered why the sector was not "up in arms", trying to seek to keep control of these indices.

"I am concerned that [the sale of the Baltic Exchange] is the thin end

of a very large wedge that threatens London's status as a maritime sector," she said at the time.

It would seem one mitigating factor for the sale came from shareholders, some of whom were in a very bad financial position when the offer from SGX was made.

One of the immediate benefits of the sale has been the locking down of corporate governance at the Baltic Exchange, in that nearly every panellist has now signed a three-year contract that is renewable thereafter to continue to report routes and rates.

It is also expected that panellists will now work to expand the offering to the marketplace.

But SGX may find it has a few more wrinkles to iron out. A clash of cultures, between tradition and technology, is not totally out of the question.



SGX is also venturing into the controversial space of administrating market benchmarks amid tighter regulation in the post-Libor scandal era, and inherits the aches and pains of a shipbroking community struggling to stay relevant in the electronic age.

Meanwhile, AM Nomikos Group chief commercial officer Mark Jackson will take over from Baltic Exchange chief executive Jeremy Penn in January 2017.

Mr Jackson is a former chairman and director of the Baltic Exchange and it will be in large part down to

him to help smooth the transition and keep the company at the forefront of the multi-billion-dollar freight derivatives market.

*This is Mr Chye's first appearance in the Top 100. The Baltic Exchange, represented by Mr Penn, appeared in 2010, 2011, 2012, 2013 and 2014 and by Guy Campbell in 2015.*

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## GAUTAM ADANI

Adani Group



Chairman has a busy year, pursuing projects from coal mining and trading to power generation

AS the biggest ports operator in India, Adani Ports and Special Economic Zone has been reaping the rewards of its faith in reinvigorating Indian ports.

Amid a depressed world of shipping, Adani ports registered a 7% growth in volumes in the quarter ending June this year, as compared to an overall growth of 4% in the industry in India.

The operator, which is fast expanding its port facilities in the nation, expects cargo traffic to increase by 10%-15% in the current fiscal year 2016-2017.

That is just one reason why the Gujarat-based company should be a new entrant in the 2016 Top 100.

Led by chairman Gautam Adani, the company, which is a part of India's largest corporate heavyweight Adani Group, also dabbles in shipping. The group has a fleet of two capesize vessels and nine small general cargo vessels, according to Lloyd's List Intelligence data.

Adani grabbed most of the headlines when its Abbot Point coal terminal expansion project got approved by the Australian government, making it one of the largest coal terminals in the world.

The Abbot Point expansion project will enable coal to be shipped from proposed mining projects in the Galilee Basin and would add another 35m tonnes of thermal coal exports per year



**Adani:** known for his high-risk appetite for business.

from the port, on top of the current 50m tonnes of capacity.

Another development that has put Adani centre-stage in the market is the start of construction of the mega container port Vizhinjam International Container Transshipment Terminal, a deepwater, green field site in Thiruvananthapuram, capital of India's southern province of Kerala.

Adani Group, which is leading the drive to complete a string of pearls in India, also operates a clutch of cargo terminals across the country, including its flagship Mundra Port on the west coast, cargo facilities at Hazira, Tuna-Tekra (Kandla), Dahej, Goa, Dhamra, Visakhapatnam, and the Ennore Container Terminal, near Chennai, which is under construction.

Business tycoon Mr Adani, who has positioned Adani Group to face up to new competition, is known for his high-risk appetite for business.

Under his watch, the group is today a key player not just in ports but in businesses ranging from coal mining and trading, exploration for gas and oil, to power generation.

Mr Adani also seems to have taken care of succession in the group, with one of his two sons, Karan Adani, already active in the business.

The junior Adani is the chief executive of Adani Ports and Special Economic Zone and is in charge of strategic development for all the group's ports across India and abroad.

*Mr Adani is a newcomer to the Top 100 in 2016.*

Intertanko chairman is an owner who practises what he preaches with his company TEN



**Tsakos:** has demonstrated sincerity through his actions.

NIKOLAS Tsakos has brought to the role of Intertanko chairman a clear message aimed at preserving tanker market health combined with a flair for humour honed over three decades of presenting the industry to the capital markets.

It is difficult to recall the message — that owners should refrain from speculative ordering of new tankers — being promoted quite so consistently and conspicuously by a major industry player.

At a Posidonia 2016 forum, for example, Mr Tsakos used his trademark sardonic wit to suggest, tongue-in-cheek, that Intertanko supported a “virtual newbuilding addict centre”.

Owners tempted to repeat-offend by placing new orders could be taken to the centre in a rented area at troubled Korean yard STX “to relive the experience of breaking a champagne bottle, take a photo, eat kimchi and sushi, and we will have mamasan and karaoke”.

They could then “go home happy” but the market would suffer no harm from piling up unwanted capacity.

Ridicule can be a powerful weapon, but Mr Tsakos has also

demonstrated his sincerity through his own actions. His company, Tsakos Energy Navigation, has scrupulously laid off ordering fresh tonnage unless part of a project with an end-user.

Its ongoing 15-vessel newbuilding programme is the most dynamic in the company’s history but the spree does not include a single vessel that owes its origins to a Tsakos contract without employment cover.

By October 2016, about half the new vessels had been delivered, with eight more tankers scheduled to join the fleet over the following five quarters, boosting the company’s minimum secured income to \$1.5bn, providing healthy cash visibility going forward.

Including those vessels still under construction, TEN’s fleet consists of 65 double-hull vessels, with 45 vessels trading in crude, 15 in products, plus three shuttle tankers and two LNG carriers.

The expansion includes a series of nine purpose-built Aframax tankers ordered with the backing of long-term charters to Statoil.

Also delivered in October was the company’s second LNG carrier, *Maria Energy*, which has been

employed for a minimum 18 months and maximum three years to Cheniere Energy, generating gross revenues in excess of \$70m if options get exercised.

The delivery of its second LNG carrier came only a few weeks after the first vessel, *Neo Energy*, secured its own medium-term charter.

TEN now looks better placed than before to expand its LNG activities.

Mr Tsakos says the medium-term goal is to turn TEN into “a much more industrial company”.

Reflecting this, management has been aiming to maintain a commercial balance for the New York Stock Exchange-listed tanker owner so that 70% of the company’s fleet is employed on longer-term business that will cover TEN’s costs, leaving spot market earnings to go straight to the bottom line.

Mr Tsakos is also a keen advocate of profit-sharing arrangements between owners and charterers, ensuring that tanker owners are properly paid for their risk and efforts, but long battles with clients are avoided.

*Mr Tsakos appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

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## KENNETH HVID

Teekay Corp

0 (2015: 43)

New chief executive has big shoes to fill but aims to make his mark

THIS entry was supposed to be Teekay Corp chief executive Peter Evensen, but in the tradition of the fabled 'curse of the Top 100', he announced his resignation at the end of October, effective from January 31, 2017.

Stepping into his shoes is Kenneth Hvid, currently serving as the president and chief executive of Teekay Offshore Group, a company that provides service to Teekay Offshore Holding.

Mr Hvid has worked closely with all the business segments in Teekay in his previous role as chief strategy officer, with more than 25 years of experience in the shipping and offshore industry.

Mr Hvid is on the list of shipping's elite decision-makers because Teekay Corp and its subsidiaries intensified business activities in the last quarter of the year.

Teekay Tankers sold its last medium range tanker in October in order to focus entirely on mid-size vessels, at the same time as Teekay LNG Partners embarked upon raising new funds in the Norwegian bond market.

As if that wasn't enough activity for one month, one of its newbuilding LNG carriers won a 15-year time charter contract to haul cargoes from the groundbreaking Yamal LNG export project in Russia's icy Arctic waters.

Just prior to that, in September,



**Hvid:** has worked closely with all business segments in Teekay as chief strategy officer.

the group wasn't exactly quiet, with Teekay Offshore Partners awarded new three-year shuttle tanker contracts of affreightment with oil majors BP, Royal Dutch Shell and OMV.

So, a busy few months. However, it was the group's enviable financing that was perhaps most noteworthy in 2016. Strong support from its financial stakeholders resulted in Teekay Corp completing all its financing initiatives in June 2016, including \$350m in extended bank facilities and \$100m in equity capital.

The completion of those financing initiatives resulted in a reduction of its financial leverage and enhanced its liquidity position, a move that strengthened the entire group of companies.

Financing of the individual companies also stood out throughout the year: Teekay Offshore completed

all its financing initiatives in June 2016, which together with expected operating cashflow and debt facilities are expected to cover all its medium-term liquidity requirements and fully finance all of Teekay Offshore's impressive \$1.6bn of committed growth projects.

Teekay LNG's position has been no less impressive. Since May 2016, Teekay LNG has secured lender credit approvals on more than \$900m of new debt financings.

The expectation from incoming chief executive Mr Hvid is that once Teekay Offshore's and Teekay LNG's growth projects are delivered, they are expected to add significantly to annual cashflow from vessel operations.

*Teekay has appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

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## ANDREAS SOHMEN PAO

BW Group

3 (2015: 41)

Group head has overseen changes, with each of the individual business segments now clearly delineated

IN what has been a turbulent year for the tanker market and energy transportation segment, BW Group remains an industry stalwart, with one of the world's

largest fleets of crude and product tankers, and gas carriers.

The former chairman of BW Group, Helmut Sohmen, was awarded the lifetime achievement

award at the Lloyd's List Asia Awards for 2016. His son Andreas Sohmen-Pao now heads up the group, even though much of its day-to-day operations



**Sohmen-Pao:** taken on the added responsibility of promoting Singapore's maritime ambitions.



Mr Sohmen-Pao said it makes sense to be in the dry bulk business if the company plans to stick it out for the long run.

BW Group's venture into the floating vessel market saw it win a 15-year deal to supply a floating storage and regasification unit for the second Pakistan LNG terminal.

However, the group also suffered from the decline in the upstream oil sector, with BW Offshore reportedly laying off a large number of employees this year. Still, the company was able to successfully complete the balance sheet restructuring of BW Offshore.

BW Group said it plans to continue growing its business in LNG, LPG, crude, product tankers, chemicals, dry bulk and offshore, while navigating today's challenging markets.

It has a fleet of 168 vessels, comprising 12 VLCCs, 21 LRs, 26 MRs, 15 chemical tankers in the Womar pool, 49 LPG vessels and 17 LNG vessels, according to its website.

*Mr Sohmen-Pao appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*

have been passed on to chief executive Carsten Mortensen.

Mr Sohmen-Pao has taken on the added responsibility of promoting Singapore's maritime ambitions.

In January, he was appointed chairman of the Singapore Maritime Foundation, and in September, was asked by the Maritime and Port Authority of Singapore to chair the strategic IMC 2030 advisory committee that is charting the future direction of Singapore as an international maritime centre.

BW Group itself has been undergoing changes, and each of the individual business segments has been clearly delineated under business verticals like very large crude carriers, product

tankers, liquefied petroleum gas and liquefied natural gas.

New appointments included Jakob Bergholdt as the group's chief financial officer and Tina Revsbech as the head of BW Pacific.

Oslo-listed BW LPG has expanded its position as the world's largest very large gas carrier fleet owner to 49 vessels with the takeover of Aurora LPG, and further industry consolidation cannot be ruled out.

In a surprise move, BW Group ventured into the dry cargo business in March with the setting up of BW Dry Cargo, which will be run out of Denmark. The dry bulk unit has already started cherry-picking assets on the cheap.

At a conference in Singapore,



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President and chief executive firmly believes in the future of LNG as a marine bunker fuel

YEE Yang Chien makes his second consecutive appearance on the list as the head of Malaysia's MISC Berhad, one of the largest owners of tankers and gas carriers, and a strategic transporter for state-run oil major Petronas.

Mr Chien steered MISC through a turbulent 2016, when tanker industry earnings declined sharply and operating costs ballooned, and as companies brace for another tough year ahead.

Since his appointment as MISC's president and chief executive in early 2015, Mr Chien has positioned the company for growth with a five-year master plan focused on the four core businesses of liquefied natural gas, petroleum, offshore solutions and marine and heavy engineering.



Chien: shift towards LNG as bunker fuel is not a question of 'if' but 'when'.

"Last year, MISC was a \$10bn asset company with no debt. One year on, we are a \$12bn asset company with only a net debt of about \$1bn," Mr Chien said. He said MISC's financial capacity to grow is its greatest strength and it continues to find ways to grow despite tough markets.

MISC's core advantage remains in its LNG carrier business, with 28 carriers, having transported 8.3% of the world's LNG in 2015. In 2016, it took delivery of the first of five Moss-Type LNG carriers from Hyundai Heavy Industries.

As shipping markets remain challenging due to oversupply

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and more companies go into distress, MISC expects LNG to emerge as a marine fuel.

“It is my personal belief that the shift towards LNG as bunker fuel is not a question of ‘if’ but a question of ‘when,’” Mr Chien said. He said owners and operators have to ensure they are prepared and do not get caught in the shift.

In 2016, S&P Global Ratings upgraded MISC to ‘BBB+’ from ‘BBB’ on the back of strong solid cashflows and tighter capital spending in a tough market.

Its tanker unit AET renewed its lightering contract of affreightment

amid stiff competition. The company’s lightering business in the US Gulf has been a key revenue source, which was helped by a recovery in US oil exports this year.

Surprisingly, MISC has also made inroads in the beleaguered oil upstream industry.

MISC completed the acquisition of the Gumusut-Kakap semi-floating production system, a major deepwater oil project contributing up to 25% of Malaysia’s oil output.

Its unit MISC Offshore Floating Terminals Ltd has made its maiden venture into Thailand’s offshore oil and gas market with

a 10-year contract for Chevron and it also deployed its MaMPU 1 unit, an oil tanker converted into a production and storage vessel.

Mr Chien said growth opportunities are scarce, given cutbacks in the oil sector, but there still are opportunities to be exploited.

“Nonetheless, we relish a good challenge in the present difficult market conditions, as I believe this is when MISC as a group will show its true capability and prowess,” he told Lloyd’s List.

*Mr Chien also appeared in the Top 100 in 2015.*

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## JEAN-SÉBASTIEN JACQUES

Rio Tinto

3 (2015: 43)

New chief executive of Rio Tinto could hardly have found a more challenging time to start his new job

WITH upbeat sentiment creeping into the market, Rio Tinto, the world’s second-largest iron ore miner, remains cautiously optimistic on the world commodity markets, although the reality could be less rosy.

The Anglo-Australian miner’s third-quarter iron ore production declined to 80.9m tonnes, down 5% on the previous year, with the miner lowering its 2016 guidance.

Having completed its Golden Jubilee celebration since Rio first contracted its shipment of iron ore from Dampier for the Yawata Iron and Steel Company in Japan, the miner now expects to ship between 325m tonnes and 330m tonnes in 2016, down from its earlier guidance of 330m-340m tonnes.

Rio has also been less active in the chartering market, with 239 reported dry bulk fixtures this year to November, down from 296 in the same period last year, according to Clarksons.

The group appointed the 44-year-old Jean-Sébastien Jacques as the new chief executive in March this year, replacing Sam Walsh, who retired on July 1.



**Jacques:** following strategy to slash costs and trim dividend payments.

The new chief executive of Rio Tinto could hardly have found a more challenging time to start his new job, with the entire industry in crisis due to tumbling commodity prices that have squeezed both small and big players in the mining sector.

Although the commodity market finally came to its senses in the second half of 2016, the French

executive continued to follow the strategy laid out by his predecessor to slash costs and trim its dividend payments after the company wrote off more than \$30bn spent on acquisitions that turned sour.

Mr Jacques may cut a more conservative figure, but his management credentials are seen as impeccable.

He was involved with divestments >



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of the Palabora mine in South Africa, the Northparkes mines in Australia, the Eagle and Bengalla mines in the US, as well as the withdrawal from the Pebble project.

One of his achievements has been the development and first shipment of ore concentrate from

the Oyu Tolgoi copper and gold mine in Mongolia, which should be fully operational by 2020.

Although this is Mr Jacques' first foray into the iron ore market, he seems to have correctly gauged market sentiment, softening the company's rhetoric on the

expansion of its Pilbara iron ore operations, and was in no hurry to set a timeline for the company to reach its long-term target of exporting 360m tonnes.

*Rio Tinto has appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

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## JORGE QUIJANO

Panama Canal Authority

▲ 2 (2015: 49)

Administrator's experience before heading the ACP was crucial when mediating between parties

IT was June 26, 2016, that marked the date the Panama Canal's much-anticipated third set of locks finally opened its gates to the world, heralding a new era for shipping through the Americas.

Nearly two years behind schedule, the multi-billion dollar infrastructural project — the largest of its kind ever undertaken — was subject to numerous setbacks, ranging from union disputes to cracks in sills and even the wrong mix of concrete during construction.

For such was the catalogue of problems the project endured, one would be forgiven for thinking it was cursed from the start. Indeed, many thought it was. Amid the furore, however, one man kept his calm and was always adamant that Panama would get the job done.

Having spent most of his adult life working on the canal, Panama Canal Authority (ACP) administrator Mr Quijano is a true veteran of the now century-old waterway in every sense of the word. He is a patriotic and proud Panamanian, only too aware of the responsibility that lies on his shoulders, in charge of what is essentially the lifeblood of Panama's economy.

Discussing his duty for just a few short minutes, his passion for canal and country is clear. But this alone was not enough to manage the numerous disagreements between the ACP, unions and contractors that besieged the



**Quijano: a patriotic and proud Panamanian.**

latter stages of construction.

Mr Quijano's experience on the ground prior to taking the top job at the ACP, and brinkmanship, is said to have been crucial when mediating between parties. Moreover, the fact that the expanded canal has opened and (whisper it quietly) no major incidents or complications reported thus far, Mr Quijano should be applauded.

Since its opening, the revamped Panama Canal is now on a level playing field with its rival for Asia-US east coast traffic, the Suez Canal, now that boxships of up to 14,000 teu are able to transit the new locks.

And, despite its Egyptian rival enhancing its product by offering two-way traffic along its main stretch, the Panama Canal has already begun to win

back customers. Existing loops and strings serving the north-south trades are busy upgrading services with larger vessels.

But, by Mr Quijano's admission, the new locks are a long-term investment and these are very early days. At the very least, they have provided Panama with new opportunities.

Whether these are new all-water services to handle cargo currently being moved overland from US west coast ports to the heartlands and east coast, or the chance to become an integral part of the US's plans as a major energy exporter as a gateway to the world, the future of Panama's artery looks to be flowing in the right direction.

*Mr Quijano also appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

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## GRIMALDI FAMILY

Grimaldi Group

6 (2015: 54)

Family sees growth in cargo and passengers from new routes and increased shareholding in ferry lines

WHO, in this day and age of tightening belts, can play host to some 600 people for a three-day event in Italy, taking over an entire five-star hotel, and flying some out from as far afield as Morocco, Israel and the US?

The Grimaldi Group can.

The annual Euromed Convention has become a firm fixture on the maritime calendar.

The Naples-based company, which has brothers Emanuele and Gianluca at the helm, has seen cargo growth of 20% and passenger growth of about 90% since last year, as it added new routes and increased its shareholding in some ferry lines.

The brothers are the second generation of Grimaldis, having taken over the privately owned firm from their father, Guido. Gianluca, the older of the two, heads up the deepsea division, while Emanuele runs the shortsea lines.

Their children are also part of the shipping firm, learning the ropes to continue the successful family tradition.

Revenue and profits reached record levels in 2015 and results will not be far behind this year.



**Grimaldi brothers:** Gianluca, left, heads the deepsea division; Emanuele runs the shortsea lines.

The first half of 2016 was in line with last year, but the second half was marred by higher fuel costs, as well as political uncertainty in Europe, combined with elections in the US — two regions in which the company is active.

Despite this, the company is considering placing an order for four new ro-ro vessels in early 2017, to be known as G5GG, which are set to be the biggest and greenest of them all.

Meanwhile, three of its five-vessel new G4 fleet, built for transatlantic subsidiary Atlantic Container Line, are flagged in the UK. The third of these — *Atlantic Sea* — was named at a ceremony

in Liverpool, where ACL has its new UK headquarters, by Princess Anne.

The Grimaldis definitely know how to put on a show.

This has led to a loyal customer base — not to mention employees, some of whom have been with the group for a lot longer than a decade.

The company is looking forward to 2017, when it will turn 70. It will also be 100 years since the birth of founder Guido and a book to commemorate the tale of his vision and entrepreneurial endeavours will be launched.

*One or more members of the Grimaldi family have appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

49

## NICOLAS BUSCH and GARY BROCKLESBY

Navig8 Group

5 (2015: 44)

New deliveries, sale and leaseback deals, as well as access to finance, cap a busy year for the duo

THE Navig8 Group continued its rapid fleet growth in 2016, backed by a high-performing tanker unit, with its demonstrated position earning it access to finance for newbuildings under the guidance of group chairman Gary Brocklesby

and chief executive Nicolas Busch.

The two co-founders, who began the company in 2007 after already forming and then selling tanker operator FR8, further asserted Navig8's position as a groundbreaking vessel operator.

The company, which has been around for less than 10 years, consists of divisions focusing on the different sectors of the maritime industry. Navig8 boasts a fleet of more than 300 vessels that consist mainly of tankers, with chemical

carriers and a bulk division also contributing to its numbers.

Its chemical tanker unit, Navig8 Chemical Tankers, more than tripled its profits in the second quarter of 2016 compared to the same period in 2015, backed by the delivery of 22 newbuildings at the end of June. In early November, the company secured a \$54m credit facility for two of its newbuilds.

While the unit, which is traded over the counter in Oslo, has had a solid financial performance, it is not immune to the downturn that has permeated the shipping industry. The company's profits decreased from the third quarter of 2015 the same period this year due to weaker spot earnings. And Navig8 Chemical Tankers recently cancelled an order made in 2015 for five medium range newbuildings from STX Offshore and Shipbuilding.

As Navig8's chemical tankers excelled, its product tanker unit, which also trades over the counter in Oslo, hit a rough patch in 2016. Navig8 Product Tankers incurred a \$5.83m loss during the third quarter, erasing a \$17.8m



**Busch, left and Brocklesby:** chief executive and group chairman were not immune to the downturn.

profit during the same period in 2015, with operating costs and interest expenses hitting profits.

Although the company also had a weaker second quarter and experienced a close-to 100% profit decline in the first nine months of 2016, that did not stop it from getting access to financing.

The company's foothold in the market was evidenced by its ability to secure credit line facilities at a time when the maritime industry is struggling for credibility and attention from potential lenders.

In April, Navig8 Product Tankers agreed to a \$130.3m loan to finance four newbuildings, while in July, it secured another \$66m to pay for the two LR1 vessels under construction.

It also concluded a \$30m rights offering in early December.

Amid a strained charter market, Navig8's companies also became heavily involved in the sale and leaseback business.

Navig8 Chemical Tankers is set to earn \$74m from selling and leasing back two stainless steel chemical tankers from a subsidiary of SBI Holdings.

Shortly before that in August, Navig8 Product Tankers also locked down a sale and leaseback deal for three LR1 product tankers with Bank of Communication Finance Leasing. The sale will give the division \$118.8m.

*Mr Busch and Mr Brocklesby also appeared in the Top 100 in 2015.*

## 50

# KOSTIS KONSTANTAKOPOULOS

2 (2015: 52)

Costamare

Leader has fortified his company against a brutal boxship market

FOR those who do not already know Kostis Konstantakopoulos, he is among the industry leaders they are less likely to meet any time soon on a conference panel or at a party.

The 46-year-old engineering graduate has long shown he is a believer in actions speaking louder than words and generally he lets others do the talking in public.

Insiders say Mr Konstantakopoulos prefers to focus on the fundamentals and is a straight-shooter who is always as good as his word.

His company, New York Stock Exchange-listed containership specialist Costamare Inc, has certainly been active. The

award-winning owner has expanded and renewed its fleet steadily in the past few years, producing stellar financial results.

In 2016, it took delivery of its largest-ever vessels, a series of five 14,424 teu ships that have gone on to 10-year charters to Evergreen and will lift the company's earnings capacity.

The quintet are among more than \$1bn worth of investments the company has made with US hedge fund York Capital Management under the pair's framework agreement for co-investing in the sector and Costamare holds a 40% interest in each of the new vessels.

The investment period governed by the agreement has been extended to 2020 and, despite a weakening of sentiment generally in the container shipping market, the partnership is said to be live and with appetite for further acquisitions if the opportunities are compelling.

For the most part, however, the past year has showcased the fact that Mr Konstantakopoulos and his team can play defence as well as offence.

The owner decided to trim its dividend payouts to help fortify itself against the consequences of a deterioration in containership market conditions. By October, the

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# MARITIME LAWYERS

## Top 10

Strong competition from Singapore, Hong Kong and New York

### 01 / Craig Neame and Jim Cashman,

*Holman Fenwick Willan*

CRAIG Neame has been head of shipping at HFW since April 2016 — the year in which HFW collected the Maritime Lawyer of the Year award at Lloyd's List Global Awards. Cases that went to the higher courts, and will be familiar to readers of Lloyd's Law Reports, include Spar Shipping AS v Grand China Logistics Holding (Group) Co Ltd, The Global Santosh, and Glory Wealth Shipping Pte Ltd v Flame SA. Jim Cashman, partner at the firm, secured victory on the landmark “collateral lies” DC Merwestone marine insurance case.

### 02 / Harry Theochari, Norton Rose Fulbright

NO stranger to this list, Harry Theochari's statesman-like passion for the industry has renewed impetus as Brexit starts to come into view. In addition to leading the global transport team at Norton Rose Fulbright, Mr Theochari is vice-chair of Maritime London and newly part of a group advising the UK government on leaving the EU. It will open a new office in Monaco in 2017.

### 03 / Simon Rainey QC, Quadrant Chambers

SIMON Rainey has been successful in court on a variety of high-profile cases, including two prominent decisions on charters: NYK Bulkship (Atlantic) NV v Cargill International SA (The Global Santosh) at the Supreme Court and in October 2016 in Grand China Logistics Holding (Group) Co Ltd v Spar Shipping AS at the Court of Appeal.

### 04 / Robert Bright QC, 7 King's Bench Walk Chambers

ON May 11, 2016, the industry eyed the Supreme Court for judgment on the OW Bunker test case, The Res Cogitans. Robert Bright QC triumphed in arguing this case for OWB Malta and ING Bank, against a spirited legal strategy from the vessel owners and their lawyers. The repercussions of the case have been huge for the industry, with bunker contracts now sharply in focus. Bright's punchy performance in Court provided Lloyd's List with some memorable quotes in our reporting of the case.

### 05 / Gina Lee-Wan, Allen & Gledhill

GINA Lee-Wan holds key positions in the Singapore Shipping Association, the Singapore Maritime Foundation, the Singapore Chamber of Maritime Arbitration, and the Singapore War Risks Mutual Class of Standard Asia. Her involvement in public service over the years led to her winning one of the Maritime and Port Authority of Singapore's Excellence in Public Service Awards in 2016. Allen & Gledhill picked up the Lloyd's List Asia Maritime Law Firm of the Year award 2016 and Ms Lee-Wan was voted Maritime Lawyer of the Year in the 2013 awards.

### 06 / Gary Wolfe, Seward & Kissel

A LAWYER since 1977 and a Seward & Kissel partner since 1992, Wolfe is one of the key corporate securities and capital markets specialists on the Big Apple shipping law scene. He is a past chair of the Admiralty and Maritime Law Committee of the New York County Lawyers Association, a member of the Admiralty and Maritime Law Committee of the Association of the Bar of the City of New York and president of the US Business Council for Southeastern Europe.

### 07 / Anthony Woolich, Holman Fenwick Willan

ANTHONY Woolich, head of competition and regulation at HFW, advises clients across the spectrum of competition and regulation, including sanctions and export controls. Each of these areas have all piqued interest in the industry this year, amid consolidation, the status of Iraq, and some macro-political surprises. In 2016, Anthony was on the front-foot advising clients on the impact of Brexit; importantly positioning the firm as advisers before the referendum result was known.

### 08 / Rosita Lau, Ince & Co

RECENTLY honoured as the Individual Maritime Lawyer of the Year at the Lloyd's List Asia Awards, Rosita Lau combines her busy shipping law practice with significant public contributions to the industry, including her membership of the Hong Kong Maritime and Port Board, where she is involved with Hong Kong's role in China's 'One Belt, One Road' strategy. She is qualified to practise in three Asian jurisdictions, in addition to her English law qualification.

### 09 / Kristian Gluck, Norton Rose Fulbright

BANKRUPTCY law is a practice that has been much in demand from shipping firms this year, and Mr Gluck has been singled out for the effective way he saw through the rehabilitation of Daiichi Chuo, the Japanese dry bulk owner. He also worked on the OSG Chapter 11 filing a couple of years ago. But he will happily represent creditors as well as debtors, and take on complex restructurings, either in or out of the bankruptcy court.

### 10 / Su Yin Anand, Ince & Co

ALREADY at partner level with a major shipping law firm and the author of chapters in a couple of heavyweight legal textbooks, Su Yin Anand is the go-to woman for the arrest of ships in Hong Kong, Singapore and various other jurisdictions. Ms Anand won the Next Generation award at Lloyd's List Asia Awards 2016. She is also the co-founder of the Young Professionals in Shipping Network (Hong Kong), often known as YPSN, and the maritime website.

company had completed debt-financing agreements covering \$760m through raising new loans as well as refinancing or extending existing debt. That included deals with lenders to extend for three years about \$400m of debt maturing in 2017-2018.

New loans included \$40m raised on existing vessels that were previously debt-free and about \$170m of newbuilding finance, lately a new three-year facility of \$87m to finance yard installments on two of the six newbuildings still on order for the company.

Costamare's orderbook includes two 3,800 teu vessels being built for long-term charter to Hamburg Sud, but the most recently financed duo are among a series of 11,010 teu ships that, approaching the end of 2016, had no secured employment.

Against the backdrop of a poor containership chartering scene, that speaks highly to Costamare's clout and reputation.

More defensive coverage resulted in the owner securing an agreement with Hanjin Heavy Industries in the Philippines to defer delivery of the



**Konstantakopoulos:** prefers to focus on the fundamentals.

four remaining 11,010 teu vessels until the first quarter of 2017.

While conditions in the sector are depressed, Costamare has an enviable reputation as an operator and has relationships of more than 20 years with several of the largest international container lines.

But it has also been selective in its counterparty choices. That stood Costamare in good stead when Hanjin Shipping collapsed in 2016. At the time, the Korean company was the only one of the top 10 global carriers with which Costamare

had no chartered tonnage.

Mr Konstantakopoulos and his family have shown they aim to support Costamare from the front when necessary. The family, which controls about 66% of the company, has opted to reinvest all dividends in the past couple of quarters under Costamare's new dividend reinvestment plan, whereby any shareholder can voluntarily take dividends fully or partly in the form of additional shares.

*Mr Konstantakopoulos appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

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## KLAUS-MICHAEL KÜHNE

Kuehne+Nagel

12 (2015: 63)

As he approaches his 80th birthday, the honorary chairman has an estimated net worth of more than \$10bn

KLAUS-Michael Kühne's interests run deep and wide. A shipowner and shipper, he also has involvements in hotels and even a football team in Hamburg.

As the honorary chairman of Kuehne+Nagel, Mr Kühne represents one of the most powerful forces in sea freight and logistics. And as an investor in Hapag-Lloyd, he owns around one-fifth of the German container lines.

Mr Kühne, whose estimated net worth is put at more than \$10bn by Forbes, joined the family firm, the world's largest sea freight forwarder Kuehne+Nagel, in 1963. He handed



**Kühne:** still likely to play a key role in the shipping line's future.

over day-to-day operations to chairman Karl Gernandt and chief executive Detlef Trefzger before becoming honorary chairman.

However, he still owns a 53.3% stake in the logistics giant through his holding company, Kuehne Holding.

As well as his participation in K+N, Mr Kühne has a 20.2% stake in Hamburg-headquartered Hapag-Lloyd.

He gained his shareholding when, along with the city of Hamburg and other German interests, he

formed the Albert Ballin consortium to step in and keep the shipping line out of foreign hands.

Since then, Hapag-Lloyd has gone public and announced earlier this year it would take over United Arab Shipping Co. The merger will give UASC's shareholders a 28% stake in the company, making UASC the largest shareholder in the enlarged Hapag-Lloyd.

Despite approaching his 80th birthday, Mr Kühne is still likely to play a key role in the shipping line's future,

as he is not afraid to protect his interests. K+N chairman Mr Gernandt sits on the Hapag-Lloyd board.

Mr Kühne was an early advocate of consolidation in the container shipping industry. He advocated a merger with APL that never came to fruition, but the Singaporean line's takeover by CMA CGM kicked off the current wave of consolidation sweeping through the liner business.

*Mr Kühne appeared in the Top 100 in 2011, 2014 and 2015.*

52

## SAVERYS FAMILY

CMB

18 (2015: 34)

The Belgian family has kept control over a number of shipping operations, carrying the legacy into the future

IF there is a family that epitomises the role of generational investment in the shipping industry, it would have to be the Saverys family.

The Belgian family, whose involvement in shipping spans four generations, continues to be a formidable force in the shipping industry, after reverting its staple company into the private domain.

2016 saw the Alexander Saverys-led Compagnie Maritime Belge navigating (almost) through the private realm. The family's most prized company was delisted after Saverco — the Saverys' family-owned company led by former Euronav chairman Marc Saverys and CMB's majority shareholder at the time, with 50.8% of the shares — bought more shares to raise its stake in the company, taking complete control at the end of December 2015 in the hope of readjusting the company's focus.

With CMB, its containership subsidiary Delphi — which currently owns 20 vessels, according to Lloyd's List Intelligence — and its dry bulk unit Bocimar, which suffered significant losses in 2015, also went into the private realm.

Beside the CMB delisting, the Saverys family involvement with



**Saverys: epitomise the role of generational investment in the shipping industry.**

publicly traded shipping companies is far from over, with majority stakes in some of the most prominent shipping companies.

Saverco is still the largest single stakeholder of Euronav, owning a 10.69% stake, with Marc Saverys serving as vice-chairman. The New York-listed company saw its third-quarter profits almost completely evaporate; it generated a \$72,000 profit compared to last year's \$72.2m in the same period, as depressed freight rates severely dragged down earnings.

At the same time, the company has seen improved freight rates in the fourth quarter of 2016.

Back in Europe, Nicolas Saverys has maintained his position as by far the largest single shareholder

of Brussels-listed Exmar, where he also serves as the chief executive.

The company, which operates a fleet of LNG and LPG vessels, as well as offshore accommodation barges, saw narrower profits for the first nine months of 2016 compared with the same period last year, falling from \$31.5m to \$29.2m. Increased operating profits from its LNG and LPG activities were not enough to elevate revenues, which stood at \$195.5m in 2016 compared with \$249m last year.

Exmar came close to hitting a milestone in September, when its floating liquefaction unit, Caribbean FLNG, passed a performance test.

*Members of the Saverys family also appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*

Union president has tirelessly insisted on the importance of the shipping industry remaining in Greece

THEODORE Veniamis has been president of the Union of Greek Shipowners, the world's most important national shipowners' body, since 2009.

His reign as Greek owners' leader has coincided snugly with both mayhem in the shipping markets and meltdown in Greece's economy, making his role an even tougher one than faced by some of the previous 15 incumbents in the job.

But Mr Veniamis is clearly seen by his peers as the right man for defending the Greek shipping community's interests in tough times. UGS members went so far as to vote through a special provision allowing him to be elected for a third three-year term, beginning in February 2015, when the body's rules since 1974 had restricted its leaders to a maximum of two terms in office.

He understands the weight of Greek shipping history on his shoulders. At a major celebration of the UGS centenary in Athens in November 2016, he said every president in the association's history had put his individual stamp on the role.

However, the strength of the UGS was its collectivity. It has been consistent over the years in standing up for free trade and not asking for any favours.

"Shipping is the only sector of the national economy where [Greece]



Veniamis: right man for defending the Greek shipping community's interests in tough times.

can be a champion, as long as it is allowed to remain competitive," Mr Veniamis told an audience including the country's head of state, president Prokopis Pavlopoulos, and prime minister Alexis Tsipras.

Mr Tsipras went on to praise the Greek shipowning community for its ability to make the right moves at the right time and he urged shipowners to show faith in Greece by investing in the country.

Since early 2015, Tsipras-led coalition governments have significantly moderated their approach to the shipping industry, having initially called for swingeing increases in taxation on owners. Inside maritime circles, Mr Veniamis' negotiating skills have been given much of the credit for this.

The UGS president has tirelessly insisted on the importance of the

shipping industry remaining in Greece but lately this has been threatened by an EU investigation into Greece's tonnage tax system.

While it was expected that the European Commission within 2016 could launch a formal case against Greece for allegedly violating guidelines on state aid, a new round of consultations between the two sides was set to delay any final decision on how to handle the case into 2017.

Mr Veniamis makes it plain that he sees the probe not only as an attack on Greek shipping in its homeland but as a faux-pas by Brussels that has the potential to undermine European shipping. He has warned the relevant EC Commissioners that over-zealous application of the guidelines on maritime transport could spark an exodus of shipping to the Far East.

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Partly this is a reflection of the enduring strength of Greek shipping. According to the 2016 Unctad Review of Maritime Transport, there is a more than 60m dwt gap in capacity between the top-ranked beneficially owned Greek fleet, the world's largest, and the Japanese-owned fleet in second place. Moreover, Greek owners represent almost 50% of the EU fleet.

Added to this, though, Mr Veniamis has made calculated references to the "legal tricks" surrounding shipping taxation in other European countries, hinting that Greeks are not the only European owners with cause to be nervous if Brussels seeks to tighten the screws. Others are watching the affair closely and quietly hoping for Greece to successfully defend itself.

Meanwhile, as head of the Golden Union group, Mr Veniamis is no

small shipowner in his own right.

The group currently is listed with about 40 bulkers and there are a further seven large panamaxs listed as being on order from Avic Weihai Shipyard and Cosco Dalian for 2016-17 delivery.

Golden Union has more than doubled its fleet size since 2014.

*Mr Veniamis also appeared in the Top100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

54

## ANDY TUNG

Orient Overseas Container Line

4 (2015: 50)

Chief executive believes joining Ocean Alliance is enough to secure a better future for OOCL

TO Orient Ocean Container Line, Hong Kong's prominent shipping line, the most significant move of this year is joining the Ocean Alliance, along with CMA CGM, Cosco Shipping and Evergreen.

In today's container shipping industry, scale has become a vital factor. The new alliance offers OOCL — a mid-sized player, ranking eighth among the global box carriers — a crucial leverage to stay in the race with top giants such as Maersk Line and Mediterranean Shipping Co.

With a combined fleet of 3.5m teu to start operation in April next year, the Ocean Alliance now has the capacity to launch a face-to-face competition with the 2M Alliance, current market leader, in major trades.

Moreover, the new grouping will also allow each of the four carriers to operate core loops where they will carry cargo on their own vessels, and call at terminals chosen by themselves. This is a significant unravelling of some problems that have long beset previous alliance partnerships.

Andy Tung, now chief executive of OOCL, is beyond all doubts a key figure behind such set-ups.

"This new alliance will provide an improved services in terms of port coverage, transit time and



**Tung:** what we are looking for is cost-competitiveness.

frequency. So we feel strongly that this is an improvement for each of us as we come together," Mr Tung said during the recent 2016 World Shipping Summit.

But a question has emerged over whether being part of the bigger alliance is enough to brighten the prospect of his company, which posted a \$56.7m net loss for the first half of 2016 — the worst interim results since 2010.

Does OOCL itself also need a merger to get bigger, following several other players — CMA CGM, Cosco Shipping and the

Japanese three majors — that have already made the moves?

Mr Tung offered no direct answer to the question. "Size does matter, but at the end of day, what we are looking for is cost-competitiveness. And there are many ways to achieve it."

The Tungs have the tendency to let actions speak for themselves. The company's six 20,000 teu ultra large containerships, to be delivered by Samsung Heavy Industries in 2017, can be one way to obtain the cost edge — at least in theory.

In addition, the ULC orders





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will well serve the strategy of OOCL, which currently specialises in intra-Asia and transpacific trades, to expand its Asia-Europe services — where these behemoths can be effectively deployed.

With the support of its three strong allies, Mr Tung's calculation seems to be sound and flawless. Except it is not without

concern in the longer run.

Bronson Hsieh, chairman of the Taiwanese carrier Yang Ming, recently warned of the risk of ordering ULCs by mid-size carriers, which are more easily abandoned by their bigger partners when a shipping alliance expires. They might end up filling those gigantic vessels independently if that scenario occurs, Mr Hsieh said.

The Ocean Alliance agreement has a maturity of five years.

Nevertheless, the Hong Kong-based carrier remains strong in its cash position despite the latest loss, leaving plenty of room for building scale if it looks to.

*Mr Tung appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

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## GERRY WANG

Seaspan Corp

9 (2015: 46)

Co-founder, co-chairman and chief executive faces a setback as Hanjin Shipping collapse exposes flaws in the Seaspan business model

GERRY Wang has enjoyed phenomenal success since he and his business partner Graham Porter first stormed onto the international shipping scene some 15 years ago,

With what appeared to be a simple formula of only contracting new containerships against long-term charter commitments from blue-chip customers, Mr Wang was soon challenging the mostly German shipowning establishment, with its penchant for ordering newbuildings on a speculative basis, driven by tax breaks under the now discredited KG system.

While that approach has backfired as demand slumped and charter rates crashed, New York-listed Seaspan Corp, of which Mr Wang is co-founder, co-chairman and chief executive, has gone from strength to strength.

Seaspan is now the world's largest owner and manager of containership tonnage, with a fleet of more than 115 vessels, including 15 newbuildings, ranging from 2,500 teu to 14,000 teu, to give combined capacity of around 935,000 teu. Of these, 94 are owned and the rest managed on behalf of other owners.

Customers to whom these ships are chartered are, indeed, some of the best in the industry, including Maersk Line, Cosco, Mediterranean Shipping Co and MOL. But among its client portfolio is — or was — Hanjin



**Wang:** growing at times of crisis is embedded in our DNA.

Shipping, which filed for receivership at the end of August, leaving Seaspan with a large hole in its accounts.

Mr Wang has never been shy about expressing his opinions very forcefully, and he did not hold back in his anger about Hanjin, both during negotiations with creditors and after the South Korean line went bankrupt.

He refused to concede to pressure to cut charter rates on the three 10,000 teu ships the company had leased to the line in 2014 at \$43,000 a day for 10 years, plus four more managed on behalf of its partner Great China Intermodal Investments, part of the global asset manager Carlyle Group.

Mr Wang said recently that Hanjin owed Seaspan about \$20m in arrears, excluding the cost of unloading the cargo from the ships, but future lost revenue will

be much more, considering the company will almost certainly have to accept much lower charter rates for the vessels returned from the stricken South Korean carrier.

So 2016 will not be remembered as a good one for Seaspan, which, after so many years of steady growth underpinned by what looked like a water-tight business model, has suffered a serious setback as creditors scramble to recover whatever they can from the remains of Hanjin.

But Mr Wang remains characteristically upbeat about prospects. As he points out: "Seaspan was founded during the Asian financial crisis and growing at times of crisis is embedded in our DNA."

*Mr Wang appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014, and 2015.*

Chairman is facing the worst shipbuilding crisis since he first entered the industry in 1979

DONG Qiang, who assumed the chairmanship of China State Shipbuilding Corp in March last year, is probably facing the worst shipbuilding crisis since he first entered the industry in 1979.

Newbuilding orders have slumped to record low levels. Frequent delays and cancellations in delivery have made life even more unbearable for shipyards.

The state conglomerate's major listed units have let their latest financial results speak for themselves.

CSSC Holdings, the Shanghai-listed flagship unit of CSSC, recorded Yuan436m (\$64.3m) in net losses between January and September, reversing from the Yuan171m net profit during the same period last year.

The company contains four major subsidiary yards of CSSC: Waigaoqiao Shipbuilding, Hudong-Zhonghua Shipbuilding, Chengxi Shipyard and Chengxi (Guangzhou).

In the 2016 interim report, CSSC Holdings elaborate its predicament.

"The difficulty in delivering newbuilds has become a core problem that destabilises our development," it said.

In the first six months, CSSC Holdings delivered just 19 new ships, or 2.51m dwt, hitting only about 25.5% of its annual target in tonnage terms.

Among the troubling deliveries, a major headache is 10 jack-ups on the orderbook of Waigaoqiao.

"Our offshore projects have been affected hugely. The completed ones cannot be delivered. Those still under construction are forced to slow down or even suspend the building process, leading to significant revenue decline," the company added.

"[Delays in deliveries and payments] have put our cashflow under parlous conditions."



**Dong:** set a high performance goal for his company.

Another major unit, Shanghai- and Hong Kong-listed CSSC Offshore & Marine Engineering Co, fared relatively better, on the back of its strength in building navy vessels. But excluding one-off items such as government subsidies, it still posted a net losses of Yuan152m for the first nine months.

Running against the hardship, one initiative CSSC has taken is to control and reduce building capacity, according to its vice-president Sun Yunfei.

Mr Sun said during the recent China Exim International Ship Financial Forum in Beijing that his company has already suspended several capacity expansion plans, including the Zhongshan project at Guangzhou Shipyard International and the Changxing Phase II shipbuilding project. Total investment of those projects amounted to Yuan20bn.

"If the Yuan20bn were invested, the consequence would be beyond imagination," he added.

However, as one of the two largest state-owned shipbuilding conglomerates in China, CSSC's status is still much better than most of its compatriot privately owned rivals, thanks to the support from Beijing's state-owned banks and shipowners.

To give some examples: of the

30 40,000 dwt valemax carriers ordered by China Cosco Shipping Group, China Merchants Group and ICBC Financial Leasing, 14 ships were placed at Waigaoqiao; and last month, CSSC just signed a Yuan5bn financing framework agreement with China Exim Bank.

With the rising casualties of smaller Chinese builders and the struggling South Korean competitors, CSSC might well be an eventual beneficiary of the ongoing industry culling.

The Chinese shipbuilder has recently entered a partnership with Italy-based Fincantieri to design and construct two cruiseships for a joint venture that includes Carnival Corp, the CIC Capital Corp and CSSC. The vessels will be built at Waigaoqiao, with the first one scheduled for delivery by 2022.

At a management meeting held in January, Mr Dong set a high-performance goal for his company: to double the revenue in 2016 by 2020.

It is still too early to say whether this target is achievable. But at least the chairman will likely have a relatively low base to start from.

*Mr Dong appeared in the Top 100 in 2015. CSSC appeared in the Top 100 in 2010, 2011, 2012, 2013 and 2014.*



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**ERIC IP****Hutchison Port Holdings**

39 (2015: 96)

Despite juggling many roles, the executive director has continued to steer HPH's effective management of its terminal assets

IT has not been an easy year for Hutchison Port Holdings or any other port operator, with what many in container shipping describe as one of the worst years in the industry's history.

But under the leadership of Eric Ip, who is executive director of Hutchison Port Holdings Management, the trustee-manager of HPH, the trust seems to be weathering the storm relatively well.

The trust managed to post a 10% rise in net profit attributable to unitholders for the first nine months of 2016 to HK\$2.2bn (\$287.5m), albeit mainly due to one-off gains.

Stripping those out, net profit attributable to unitholders was down 17% year on year, which is still admirable given the number of companies in shipping and maritime-related industries drowning in a sea of red ink.

Mr Ip is a busy man, having to juggle a slew of other responsibilities as group managing director of Hutchison Ports and chairman of Yantian International Container Terminals Ltd.

But all these seem not to have affected HPH's effective management of its terminal assets.

When South Korea's Hanjin Shipping filed for court-led



**Ip:** committed to helping clients adhere to Solas regulations.

receivership at the end of August, all hell broke loose across the global shipping logistics chain.

HPH's Hong International Terminals put into place procedures to help establish some order amid the chaos by assembling a team of 70 staff to provide emergency services, ensuring that shippers and freight forwarders could retrieve Hanjin containers.

The trust said in its nine-month earnings report that "management is taking appropriate action to manage the exposure and does not expect it to have material negative impact to HPH Trust".

Aside from robust crisis management procedures, Mr Ip is also ensuring that HPH is all set to comply with the International Maritime Organization's

amendments to the Safety of Life at Sea convention, ahead of it coming into force on July 1, 2016.

Mr Ip noted that HPH was committed to helping clients adhere to the regulation and was working with the shipping community and local authorities to make a smooth transition and full compliance before the enforcement date.

The trying times for HPH are by no means over, as the container shipping slump looks to persist into 2017.

But with Mr Ip's 30-plus years of insight and experience in the industry, the port operator stands a more than decent chance of making it through.

*Mr Ip appeared in the Top 100 in 2013, 2014 and 2015.*

58

**TRACEY GUNNLAUGSSON****ExxonMobil/SeaRiver**

1 (2015: 57)

New chief executive heads SeaRiver Maritime, the oil major's marine affiliate based in Houston

THIS year sees a new face at ExxonMobil, one of the world's largest oil companies and spot market tanker charterers.

Tracey Gunnlaugsson replaces Jack Buono as chief executive

of SeaRiver Maritime, the oil major's marine affiliate based in Houston, Texas. A former seafarer and industry veteran, Mr Buono stepped down on July 1, 2016.

Ms Gunnlaugsson chairs the

board of International Marine Transportation Ltd, an ExxonMobil subsidiary in Singapore, and the ExxonMobil Global Marine Center that advises the oil major's global affiliates on the commercial,

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technical and operational aspects of shipping and marine transportation.

SeaRiver operates three US-flagged tankers under the Jones Act for moving Alaska North Slope crude from Valdez port to the US west coast and also moves refined products from the US Gulf coast to the US east coast.

It also handles worldwide chartering for ExxonMobil, and in 2016 managed more than \$2.5bn in freight, had 650 vessels in marine affiliate service on any given day and was moving around 2bn barrels of crude or refined products annually.

ExxonMobil still ranked as the fifth-largest spot charterer for dirty tankers in the first half of 2016, retaining its 2015 position with a 4% market share, according to analysis by brokerage Poten & Partners.

It had the largest oil and gas reserves among oil majors, with a total resource base of 91bn barrels of oil-equivalent at the end of 2015, surpassed only by state-run companies like Saudi Aramco.

ExxonMobil's new oil projects will add more cargo in 2017 — like the Hebron project in Canada, its Upper Zakum project in the United Arab Emirates, and its shale gas fields in the Permian and Bakken basins.

Like most oil majors, ExxonMobil has been increasing its foothold in natural gas and contributing to LNG



**Gunnlaugsson:** joined Exxon Shipping Co in 1991 as a deck officer.

vessel traffic. Its biggest highlight in 2016 was the \$2.5bn takeover of InterOil Corp and its LNG assets in Papua New Guinea, which is one of the cheapest LNG-producing regions in the world and adding to cargo volumes in Asia.

Still, the low oil price environment has created some challenges for the company lately.

ExxonMobil lost its perfect AAA credit rating for the first time since the Great Depression when Standard & Poor's ratings services cut the rating from a AAA to AA+, due to the prolonged downturn in oil.

Another of its largest businesses, oil refining, is also expected to see softer margins as global product markets remain oversupplied.

Ms Gunnlaugsson joined Exxon Shipping Co in 1991 as a deck officer

and, in 1999, received an honourable discharge from the US Navy as Lieutenant, US Naval Reserve.

She graduated from the US Merchant Marine Academy, Kings Point, New York, with a Bachelor of Science degree in marine transportation, and has a Master of Science degree in management from Salve Regina University in Newport, Rhode Island.

Ms Gunnlaugsson has held a variety of positions at ExxonMobil's businesses, including commercial operations, products supply, chartering, terminal and pipeline operations in Canada and downstream businesses in Canada, the US, and Colombia.

*This is Ms Gunnlaugsson's first entry in the Top 100. Her predecessor, Mr Buono, appeared in 2012, 2013, 2014 and 2015.*

## 59

## ANIL SHARMA

GMS

1 (2015: 58)

### Leading cash buyer advocates sustainable ship recycling

ANIL Sharma has the distinction of being both a cash buyer of ships for recycling and a shipowner.

As the president and chief executive of Global Marketing Systems Inc, Dr Sharma remains the undisputed maverick of the recycling industry, advocating high environmental and social standards across the ship recycling sector.

Since the establishment of Dr Sharma's company in

1992, GMS says it has handled approximately 35% of the total volume of ships recycled in the Indian sub-continent region.

Dr Sharma — the vintage tonnage king — was very much on form this year, as the number of vessels sold for recycling increased significantly as shipowners tried to alleviate oversupply.

Moreover, this year has smashed the previous record

for demolition volumes, with almost 39m dwt scrapped between January and October alone, according to Clarksons.

The fleet oversupply that depressed freight rates to the lowest level resulted in a flow of scrap candidates this year, with the highest number of sales being from the dry bulk and container sectors.

GMS negotiated around 165 ships and offshore structures in the first >>

**Sharma:** made great headway in developing a responsible ship recycling programme.



10 months of 2016. Its statistics also claim the company has scrapped 50% of all offshore units sold for recycling so far this year.

According to GMS, the largest number of vessels sent for

recycling in 2016 came from the dry bulk segment, especially panamaxs, closely followed by container vessels, which witnessed a rise in recycling in the second half of the year.

Further, GMS has also championed green recycling by sending the highest number of vessels to Hong Kong Convention-compliant yard facilities this year for safe and responsible ship recycling.

The cash buyer has made great headway in developing a responsible ship recycling programme in conjunction with the International Association of Classification Societies and has initiated several drives to assist shipbreaking yards to gain compliance with the IMO's Hong Kong Convention.

*Mr Sharma also appeared in the Top 100 in 2013, 2014 and 2015.*

60

## PETER GEORGIPOULOS

Gener8 Maritime

13 (2015: 47)

The future ain't what it used to be for this ex-poster boy of public shipping companies

IN last year's survey, we chronicled Peter Georgiopoulos' full-force return to deal-making and wondered if 2016 would be the year of redemption for the flamboyant executive.

Little did we know that 12 months later, he would have resigned as chairman of the board of Genco Shipping and Trading, a company he founded, which still carries the letter 'G' on its stacks.

Although he never held the title of chief executive at Genco, his departure was nonetheless stunning. Mr Georgiopoulos may have wound down his dry cargo activities but he is still a force to be reckoned with when it comes to tankers.

And this time he is implementing a different, but still grandiose strategy.

His big bet is that owning "one of the youngest and most modern very large crude carrier fleets among its public company peers" will pay big dividends,



**Georgiopoulos:** avoiding leveraging up the company with excess debt.

given the record low order activity this year, and especially when the new International Maritime Organization sulphur emission regulations come into play.

Gener8 Maritime, the reincarnation of the original General Maritime, following a joint venture with Navig8 Crude Tankers and a very successful initial public offering in June 2015, had placed a massive order for 21 modern eco

VLCCs with a price tag of \$2.1bn.

Eighteen of the 21 vessels have been delivered, with the remaining three expected to be delivered in early 2017.

The new, fuel-efficient vessels are already outperforming non-eco VLCCs, to the tune of \$3,000 per day. The fuel savings will only grow if the new emission rules mandate use of the more expensive diesel oil.

In addition to owning a big fleet

of 42 vessels (including the three VLCC newbuildings), which provides Gener8 with operational scale and fuel cost efficiency, this time Mr Georgiopoulos is avoiding levering up the company with excess debt.

Once bitten, twice shy, they say.

The short-term prospects for crude oil carriers may look bleak, with the bulk of newbuilding deliveries expected

during the first half of the year, and the just-announced Opec production cut being phased in.

But beyond 2017, and with this year marking the lowest orders in the past 20 years, the odds for a sustained bull market look favourable.

Of course only the future will tell if Gener8's operating leverage and moderate debt

strategy will (literally) pay dividends. Perhaps the sequel will be better than the original.

In addition to being chairman and chief executive of Gener8, Mr Georgiopoulos is chairman of bunker supplier of Aegean Marine Petroleum.

*Mr Georgiopoulos also appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

61

## EVANGELOS MARINAKIS

Capital Maritime & Trading

4 (2015: 65)

With capesize moves, owner is now firing on all fronts

OVER the past year or so, Evangelos Marinakis has surely consolidated his reputation for being among the industry players able to seal positive deals, even in tough times for shipping and financial markets.

The latest notice of this was a flurry of capesize acquisitions in autumn 2016 that could be extended, as the Greek owner was reportedly looking at further buys in the dry bulk sector.

By the end of November, his Capital Maritime & Trading company had already splashed about \$110m on five modern capes from Korean, Japanese and German owners.

Capital is making its countercyclical reinvestment in dry bulk after selling off a substantial fleet of bulkers in timely fashion during the booming market conditions prior to the financial crash. But in the meantime, the Greek owner is still expanding his footprint in tankers and has also established a significant presence in the container shipping sector.

After re-entering the container space in 2010 with the purchase of two 1,700 teu feeder vessels, another 19 boxships have been acquired, all but two of these as newbuildings. Most have been post-panamax and 10 of these have been dropped down to Nasdaq-listed Capital Product Partners, in which Capital is general partner.



**Marinakis:** reputation for being able to seal positive deals.

Another five, though, were acquired together with US-based investment fund Monarch Alternative Capital as a partner and were subsequently sold at a profit, which has been a rarity among funds' recent joint ventures in shipping.

This will have enhanced Mr Marinakis' image on Wall Street as an effective shipping rainmaker.

In its move into container shipping, the group has avoided any serious mis-steps, whereas others have stumbled as the market has turned against boxship owners. The market sighed in relief when Capital Product last summer revealed a less damaging than expected rate renegotiation with Hyundai Merchant Marine, charterer of five of the containerships.

At the same time, 12 new tankers have been added to the group fleet, including eight more medium range

tankers, two very large crude carriers and two aframaxes. The latter pair of ice-class tankers were acquired as resales at Daehan Shipbuilding in 2016 and chartered for five years to Texas-based oil company Tesoro.

Mr Marinakis' tanker interests now span 41 vessels of 4m dwt, including the public company's fleet.

Overall, the group — which has about \$3bn of managed shipping assets on its books — has been expanding its portfolio of prominent charterers that includes the likes of BP, Exxon, Maersk, CMA CGM, Cosco and many other top names.

Commercial relations are founded on superior technical performance of the group's vessels, with the average rate of observations or deficiencies after inspections as low as 0.4%.

Capital has also been a valued technical partner in recent projects such as ABS' Smart Bearing Solution

testing and a taskforce together with LR and DSME to develop LNG as a fuel for ultra large containerships.

Mr Marinakis' private company has a strong commercial as well as technical profile and has frequently stepped in to support

Nasdaq-listed Capital Product with at- or above-market charters. Capital Maritime's net debt to capitalisation at mid-2016 was just 14%.

The shipowner has added to his extensive activities outside shipping by successfully bidding

for one of Greece's four national television broadcast licences. His company Alter Ego tendered the winning €73.9m (\$78.7m) offer.

*Mr Marinakis appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*

62

## FOCK SIEW WAH

PSA

▲ 37 (2015: 99)

Group chairman is focused on retaining key container shipping clients

IT has been a turbulent year for the container shipping industry, which has been plagued by weak global trade and vessel overcapacity.

Amid the choppy waters, though, PSA International, under the stewardship of group chairman Fock Siew Wah, charts a steady course with a diverse portfolio of assets.

Mr Fock has been with the group since 2005 and has continued to ensure that the Singapore-based terminal operator is diversifying its port-related businesses across the globe, and fortifying its transshipment hub in the city state.

This strategy has been uncannily prescient, particularly in 2016, where industry consolidation ran rampant and as shipping lines continued to depart from former alliances and join new ones.

In light of CMA CGM's acquisition of Singapore's Neptune Orient Lines, PSA Singapore set up a joint venture company with the French line to use and manage four mega container berths at the Pasir Panjang Terminal phases 3 and 4.

The CMA CGM-PSA Lion Terminal JV effectively means the port operator has secured one of the world's largest shipping lines as a key customer with the Port of Singapore.

The same could be said of the joint venture between Cosco Pacific — now renamed as Cosco Shipping Ports — and PSA, which is investing in new container berths in the city state.

Established in 2003 to operate two berths at the Pasir Panjang terminal, Cosco-PSA Terminal is scheduled to



**Fock:** confident group will welcome brighter days in the not too distant future.

commence operations at the three new mega berths at PPT's phases 3 and 4 expansion project by 2017.

Cosco Shipping Ports is the port operator arm of the state-owned shipping conglomerate China Cosco Shipping Group, which owns one of the largest fleet of containerships in the world.

The Singapore-based group has also been eyeing innovation as it unveiled a venture capital arm, PSA unboXed.

With an initial fund size of S\$20m (\$15m), the unit will invest in and nurture about 10 to 20 start-ups keen on creating innovative logistics solutions in container and cargo-handling operations and transaction solutions for maritime trade and finance ecosystems.

In its latest overseas venture this year, PSA International delved into the intermodal space after acquiring a 15% stake in China United International Rail Containers as part of its diversification initiative.

CUIRC has 10 railway container

terminals in operation at regional economic centres in Kunming, Chongqing, Chengdu, Zhengzhou, Wuhan, Xi'an, Dalian, Qingdao, Ningbo and Tianjin.

The investment, according to the port operator, will tap into China's globe spanning infrastructure projects, such as the 'One Belt, One Road' and Western Region Development Programme, as engines of growth in the railway container terminals sector.

Mr Fock noted in PSA International's group chairman's message that, despite the trials and tribulations faced by the group so far, and regardless of the headwinds to come, he was confident the group would forge ahead and "be there to welcome brighter days in the not [too] distant future".

With all the measures PSA International has taken so far, one would be inclined to believe him.

*Mr Fock also appeared in the Top 100 in 2014 and 2015.*

63

## ABDULLAH FADHALAH AL SULAITI

 2 (2015: 61)

Nakilat

Company head took management control of LNG carriers from energy major Shell

THE head of Nakilat, a company that is officially called Qatar Gas Transport Co, has one driving force: to create an integrated maritime industry in his gas-rich home country of Qatar.

The year 2016 has seen Mr Al Sulaiti move closer to this ambition, with a bold move that compounds Nakilat's leading position in liquefied natural gas shipping, and cements his position among the entire shipping industry's top decision-makers.

He took management control of his LNG carriers from energy major Shell, a crucial move that signalled Nakilat's confidence as a ship operator on the world stage.

The transition saw Shell hand over management of the vessels to Nakilat Shipping Qatar Ltd, a wholly owned subsidiary of Nakilat.

Shell's role since 2006 has included the shipmanagement of Nakilat's 14 Q-Max and 11 Q-Flex ships and the sharing of its shipping expertise.

Nakilat and Mr Al Sulaiti evidently feel the company now has the expertise to perform the role in-house and so the



**Al Sulaiti: further along the road to establishing an integrated maritime industry in Qatar.** © Nakilat

vessels will be transitioned in three phases starting in 2016.

The milestone move consolidates the operation of the fleet, taking Mr Al Sulaiti further along the road to establishing an integrated maritime industry in Qatar.

Taking full control of the fleet builds on last year's steps towards boosting Qatar Inc, which saw Nakilat sign an agreement with Qatar Development Bank to collaborate on encouraging smaller local businesses to enter the maritime industry to provide services for Nakilat and its shipyards.

In August, its Nakilat Damen Shipyards Qatar joint venture delivered five ships as part of an 11-vessel order for the New Port Project.

The likelihood is that 2017 will bring further Qatar Inc-inspired moves from Mr Al Sulaiti, supported by persistently high profits generated by the long-term charter contracts of his LNG carrier fleet — a fleet of which he and his company now have full control.

*Mr Al Sulaiti appeared in the Top 100 in 2014 and 2015. Nakilat appeared in the Top 100 in 2012 and 2013.*

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## TOR OLAV TRØIM

 2 (2015: 62)

Golar

As John Fredriksen's right-hand man for years, director's breadth of shipping involvement is impressive

IT has been a busy few months in the Golar gas empire, in which Tor Olav Trøim casts a particularly large presence.

As a director of Golar LNG, he is intimately involved in the activities of Golar Power, the exciting new partnership created by Golar LNG and private equity firm Stonepeak in mid-2016 and causing a stir in the gas value chain.

A particularly notable deal for Golar Power was the 25-year charter for new floating storage regasification unit Golar Nanook, signed in October 2016 and expected to contribute welcome annual earnings of around \$39m for Golar Power.

The influence of experienced shipping decision-maker Mr Trøim facilitates Stonepeak's

plans to eventually invest up to \$500m in Golar Power, focusing on FSRUs, a particularly hot area in energy shipping.

On the liquefaction side is new entity One LNG, a venture with Schlumberger created in July 2016 to turn low-cost gas reserves into LNG, targeting an ambitious five projects in five years.

Mr Trøim's experience in Golar





# Hong Kong Maritime Industry Week 2016

Hong Kong Maritime Industry Week 2016 has been successfully concluded.  
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LNG is certainly extensive. He has been a director of the company since 2011, having previously served as a director and vice-president from its incorporation in May 2001 until October 2009, after which time he served as a director and chairman of the company's listed subsidiary, Golar LNG Energy Ltd.

As John Fredriksen's right-hand man for years, his breadth of shipping involvement is impressive, ensuring he retains his place on the list of the industry's elite decision-makers.

Alongside his directorship of Golar LNG, he is chairman of the board of master limited partnership Golar LNG Partners.

Such experience is now invaluable, considering the challenging liquefied natural gas shipping market.

A net loss of \$99.5m in the second quarter of 2016 for Golar LNG highlighted how tough the market was in 2016.

Mr Trøim and Golar, however, are resolutely focused on long-term developments, which in LNG



Trøim: experience in Golar LNG is certainly extensive.

shipping means another 250 tonnes of cargoes expected to flow onto the market over the coming years.

Expect further headline-grabbing joint ventures and partnerships as

2017 gets under way and Mr Trøim helps Golar onto surer footing.

*Mr Trøim appeared in the Top 100 in 2010, 2014 and 2015.*

65

## MOHAB MOHAMED HUSSIEN MAMEESH 📌 28 (2015: 37)

Suez Canal

The admiral has engineered two-way traffic for the first time in the Suez Canal's history

ADMIRAL Mohab Mohamed Hussien Mameesh is the man who brought military efficiency to the expansion of the Suez Canal.

As chairman and managing director of the Suez Canal Authority, Adm Mameesh oversaw the massive engineering project that saw the addition of a 35 km parallel canal and dredging of another 40 km of existing canal to allow two-way traffic for the first time in the Suez Canal's history.

The new canal has a daily capacity of 97 transits, up from the current 47 ships per day. Transit times have also been reduced by up to seven hours, as it is no longer necessary for

northbound vessels to stop in the Great Bitter Lake in order to allow the southbound convoy to pass.

The project cost more than \$4bn and the SCA expects revenues from the canal to rise to \$13bn by 2023. Last year, it earned \$5bn from transit fees and there are some questions over whether it will be able to hit its target at a time when world trade growth is sluggish and only expected to grow at a rate of around 4% a year.

Moreover, the Suez Canal now faces intensified competition from its Central American rival since the Panama Canal opened its third set of locks in July, allowing far larger vessels to transit the isthmus.

Carriers have been avoiding Suez transit bills over the past year by taking advantage of low bunker costs to take a long route south of Africa on return voyages to Asia. Cheap fuel has meant they can increase speed to maintain schedules but still pay less than they would by taking the shorter route through the canal.

In response, earlier this year the SCA offered a discount of 30% on fees for vessels using the Suez Canal from the port of New York and its southern ports heading to Asia, from March 7 through to June 5.

This discount was extended after an initial period, then





**Mameesh:** brought military efficiency to the Suez Canal expansion. © 2016 AP/Hassan Ammar

Before taking the role at the SCA, Adm Mameesh was commander of the Egyptian Navy from 2007 to 2012. He also served on the Supreme Council of the Armed Forces, the main governing body following the Egyptian Revolution of 2011.

As well as military degrees, Adm Mameesh is well qualified for his role, with a civilian degree in logistics and ports management from the Arab Academy for Science and Technology and Maritime Transport.

*Adm Mameesh also appeared in the Top 100 in 2015.*

increased in July. Containerships departing from Norfolk, Virginia, and North American ports further north heading to the

port of Kelang in Malaysia and east Asian ports thereafter were granted a 45% reduction on the Suez Canal's normal tolls.

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## SUSAN DIO

BP Shipping

2 (2015: 68)

### Head of shipping division drives beginning of fleet renewal programme

SUSAN Dio has been the head of BP's shipping division for more than a year and has identified marine talent, quality of tonnage, and the regionalisation of regulation as her top three priorities.

"We see the growth of marine talent is going to continue to be a challenge," she says, adding that gender diversity is also an issue.

"It's about making sure that our young generation sees seafaring careers as exciting, progressive, rewarding."

Although Mrs Dio is trained in chemicals and refining, she comes from a maritime family. Her father was a submariner and her son works in the Gulf of Mexico.

BP Shipping is committed to reducing emissions and expects to be ready for ballast water rules when they come into force next year. It has begun a fleet renewal programme, although numbers will be fairly stable even as it takes delivery of newbuilding vessels.

The newbuilding programme is aiming to inject newer, more efficient tonnage into BP's fleet to meet its shipping demand, as



**Dio:** growth of marine talent is going to continue to be a challenge.

the company returns to owners some chartered-in vessels that are reaching their 15-year mark.

The oil major has already taken delivery of 10 new vessels.

The rest of the orders are scheduled to be delivered through 2017, with the remaining few, namely the liquefied natural gas carriers, due in 2018-2019.

The new ships have enhanced safety features, such as better protection against piracy; they are also kitted out with enhanced crew

comforts, such as workout and relaxation spaces, says Mrs Dio.

BP Shipping's existence is simply to move oil, chemicals, refined products and gas from production installations to end-users in a safe and reliable manner. And, as gas becomes a more important fuel, the unit will review the make-up of the fleet, although the final decisions rest with the BP Group.

*Mrs Dio first appeared in the Top 100 in 2015. BP Shipping has appeared in the Top 100 in 2010, 2011, 2012, 2013 and 2014.*

67

## HEINRICH SCHULTE

Schulte Group/Schulte family interests

1 (2015: 66)

Chairman heads Limassol-based shipmanager with 600 vessels on its books

THE Schulte Group is centred on Bernhard Schulte Shipmanagement, the Limassol-based outfit that is one of the largest shipmanagers in the world by fleet size, with 600 vessels on its books.

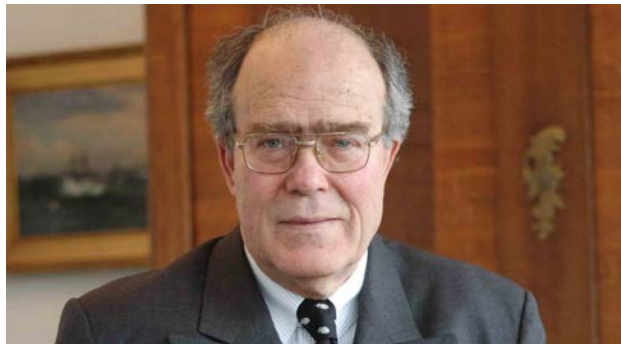
Say what you like about shipmanagement — and most people in the sector never fail to point out its low margin nature — but it provides a degree of insulation from the vicissitudes of ownership, especially in the current climate.

BSM is obviously still eyeing expansion opportunities. In March this year, it launched Hanseatic Cruise Services with Cyprus-based Optimum Ship Management, a unit of Celestyal Cruises.

In best ‘does-what-it-says-on-the-tin’ fashion, the 50/50 joint venture will provide shipmanagement services to the cruise sector.

Ownership is believed to rest with Bernhard’s son Heinrich, who is chairman of the advisory board, where all important decisions are approved, and grandsons Johann (born 1982) and Hermann (born 1984).

The story of one of Germany’s leading shipping dynasties can be traced back to 1882 or 1883



**Heinrich Schulte:** chairman of the advisory board, where all important decisions are approved.

— sources vary — when Johann Hermann Schulte and Nanne Christoph Bruns formed Schulte & Bruns, a shipbroker and agency, in the port of Papenberg.

At some point around the turn of the 20th century, S&B acquired a dozen sailing ships for the Baltic timber trade, and a new owner was born.

The company found its niche in importing timber from Scandinavia and Russia, and is very much alive and kicking, even as offshoots went on to arguably greater things.

It recently announced the merger of its shortsea operations with those of Hartmann Group, by way of both S&B and Hartmann taking equal stakes in S&B subsidiary Schulte & Bruns Chartering from the start of 2017.

But the best-known bearer of the surname emerged in 1955, when the third generation’s Bernhard Schulte started his own spot market-oriented company and did well out of the Suez crisis the following year. Its descendant is today’s BSM.

There is also another offshoot. Heinrich’s brother Thomas joined his father’s firm in 1968 but, like dad, set up on his own account by breaking away to establish Reederei Thomas Schulte in 1987.

Today, this company — an owner, manager and crew manager — is controlled by Thomas’ son, Alexander. It seems to have been active on the S&P market, although more on sales side than the purchase side.

*The Schulte family was also in the Top 100 in 2015.*

68

## ANDI CASE

Clarksons

1 (2015: 67)

In a challenging financial year, the chief executive has managed to maintain his company’s prime position

AS the shipping industry’s downturn affected all its different sectors to varying degrees, shipbroking has not been able to escape adversity.

Despite a financially challenging year, Clarksons, led by chief

executive Andi Case, maintained its position as the top shipbroking firm and a reliable source of market analysis and data.

Mr Case and the shipbroking company he leads need no

introduction to anyone who has been following the shipping industry over the past few years. With a combination of shipbroking, financial services and port services provision, as well as a robust

>>

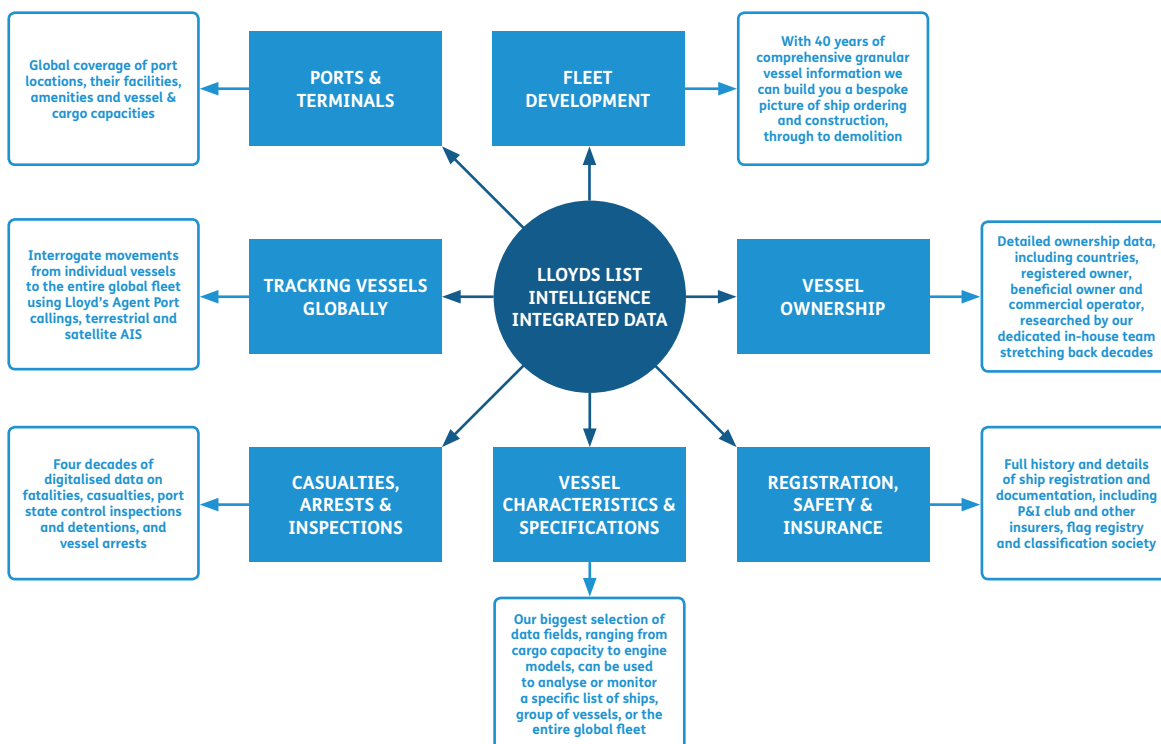


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**Case:** helped maintain Clarksons' position as the top shipbroking firm.

acquisition and paid out a £9.1m dividend in November. That means Clarksons should pocket around £12.6m from the sale.

Times may be harder than usual but Mr Case has consolidated his company's prime position in the shipbroking market thanks to the 2015 acquisition of its shipbroking rival RS Platou. This strategic move will help ensure that position despite the financial underperformance it has seen this year.

In late October, Mr Case took stock options in two separate rounds that gave him a total of 273,330 Clarksons shares. However, he sold 135,400 Clarksons shares in two separate rounds at £19.5 per share, to meet tax requirements. After the option and the sales, his stake in the company's share capital stands at 2.42%.

*Mr Case is by now a familiar face in the Top 100, with appearances in 2010, 2011, 2012, 2013, 2014 and 2015.*

research operation, Mr Case oversees one of the most inclusive maritime services companies.

While the industry relies heavily on Clarksons' intelligence network to learn about charter rates, shipbuilding and the global orderbook, shipbroking remains the company's greatest source of revenue.

The activity accounted for £116m (\$144.5m) out of the £147.2m total revenue for the first six months of

2016 and £19.3m of the £21.8m of underlying profit prior to taxation.

Although the London-listed company's underlying profit for the first half of 2016 slumped by 7.6% compared to the same period in 2015, it will benefit financially from the sale of the Baltic Exchange to the Singapore Exchange in November, as it owns a 14.5% stake.

The Singapore exchange spent £77.6m (\$96.1m) on the

69

## SHRI MUKESH AMBANI

Reliance Industries

37 (2015: 32)

Tycoon's company is cashing in on India's growth story on the back of a solid economic rise

MUMBAI-based tycoon Shri Mukesh Ambani's Reliance Industries Pvt Ltd continues to drive India's massive oil imports and refined petroleum product exports from the country's western coast, generating strong demand for dirty and clean tankers, although some of the volumes have weakened due to low oil prices and competition from Middle Eastern and US refiners.

Reliance Industries was the eighth-largest charterer of dirty tankers in the spot market in the first half of 2016, rising from 11th place a year earlier, according to rankings compiled by brokerage firm Poten & Partners.

Poten said Reliance Industries accounted for 3.2% of the total spot market dirty cargoes during



**Ambani:** confident of placing output from new projects in domestic markets.

the period and was also the third-largest charterer of very large crude carriers after China's Unipac and India's state-run oil refiner Indian Oil Corp.

Reliance said it processed five new crude grades in the financial

year 2015-2016, leading to more than 145 crude grades processed to date and a total of 66 different crude grades processed during the year, opening up trade routes from crude suppliers across the globe.

It said it exported \$19.3bn of



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refined products in fiscal 2015-2016, and its jet fuel production fuels an aircraft every 4.3 minutes, according to the company.

In November, Reliance took delivery of the first of six very large ethane carriers, the largest vessels ever built for the transportation of ethane on an industrial scale.

The 59,087 dwt *Ethane Crystal* was built at Samsung Heavy Industries in South Korea and will be operated by Mitsui OSK Lines.

The VLECs will be used to transport record volumes of the fuel from the US to India, opening up a new trade route, MOL said.

With the remaining vessels set to be delivered in coming months, Reliance is on track to become one of the largest importers of US ethane sourced from shale formations, for use in its petrochemical refinery.

Reliance Industries operates the world's largest oil refining complex, the Jamnagar refinery in western India, with capacity to process more than 1.2m barrels of oil per day. The refinery is the driver of major oil trading routes from as far as South America and Africa, and product tanker routes that deliver cargoes as far as Europe.

Amid stiff competition from foreign refineries, Reliance's Jamnagar refinery has consistently delivered above-average profit margins, and its large size means it uses economies of scale to supply around 1.5% of the world's transportation fuels.

The construction of new units like a petroleum degasifier and an ethane cracker in 2017 will ensure the refinery can produce more high-value clean products and chemicals that can be exported to overseas

markets or feed domestic demand.

With more than \$27bn in petrochemical investments, Reliance is cashing in on India's growth story on the back of solid economic growth.

"Reliance is confident of placing all our incremental output from the new projects in the domestic markets to meet India's growing demand," Mr Ambani has said.

Reliance Industries is also looking to win a contract for a liquefied natural gas or LNG floating regasification facility for the Mumbai Port Trust, according to local media. This would expand its offshore capabilities at a time when the upstream business is challenged and while it ramps up its telecommunications business.

*Mr Ambani appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*

70

## ANDREW MACKENZIE

BHP Billiton

17 (2015: 53)

Top executive steers mining giant through an environmental disaster and a troubled year

BHP Billiton has dropped a few notches in its rankings for 2016 due to several setbacks, including the Samarco mining disaster, lower production, executive reshuffles and the ongoing malaise in the dry bulk sector.

The world's largest miner by market capitalisation and one of the largest producers of iron ore has seen its shipments fall, contributing to lesser employment for dry bulk vessels.

BHP's iron ore shipments fell to 21.2m tonnes of iron ore and 1.7m tonnes of coal in the nine months ended October 31, from 38m tonnes of iron ore and 2.7m tonnes of coal in the same period a year ago, according to Clarksons.

Its troubles can be traced back to November 5, 2015, when a mining dam in Brazil collapsed, killing 19 people and triggering



**Mackenzie:** making his mark as a tough but pragmatic leader. © Wikimedia Commons/Royal Society

one of the worst environmental disasters of its kind, comparable to BP's Macondo oil spill.

The Fundão dam was operated by Samarco Mineração SA, a joint venture between BHP and Vale SA, two of the world's largest iron ore producers. Since Samarco's closure, both companies have

seen their production levels fall.

Samarco accounted for an estimated 2% of global iron ore traded by sea. In the financial year ended June 30, 2016, BHP's share of production from Samarco was 14.5m tonnes, which made up around 3% of the group's underlying earnings before income tax. >>

The Anglo-Australian miner spent \$764m transporting iron ore in the financial year ended June 30, 2016, as compared to around \$1.1bn spent in the previous year, due to a decline in iron ore production by 2% to 227m tonnes.

It expects iron ore production for the financial year ended June 30, 2017, to be higher, in the range of 228m tonnes-237m tonnes, on a BHP Billiton share basis.

BHP is also grappling with falling iron ore and coal prices, which have reshaped demand and deflated freight rates, and it faced several executive reshuffles that saw Jimmy Wilson, the iron

ore chief, quit in February 2016.

But Australian miners have aggressive production plans for the coming months, helped by lower production costs. BHP too is fighting back, with Andrew Mackenzie making his mark as a tough but pragmatic leader.

His strategy saw BHP lower overheads through fewer layers of management and optimise its portfolio of assets. BHP expects to achieve productivity gains and increase cashflow in financial year 2017.

The 59-year-old, who joined BHP Billiton in 2007 as group executive and chief executive of non-ferrous

operations, assumed the role of top executive on May 10, 2013.

His industry experience can be traced back to 1983, when he joined BP and spent 22 years climbing the corporate ladder before he resigned as vice-president of BP's petrochemical arm. He also worked with Rio Tinto before joining BHP Billiton.

Mr Mackenzie remains upbeat on commodity markets. "We have seen early signs of markets rebalancing," he asserts.

*This is his debut appearance in the Top 100. BHP Billiton appeared in the Top 100 in 2010, twice in 2011 with entries for Ian Ashby and Niels Wage, and in 2012, 2013, 2014 and 2015.*

71

## CLIVE RICHARDSON

V.Group

0 (2015: 71)

Chief executive proves there is more to shipmanagement than managing ships

NEW ownership and two acquisitions, raising the company's total fleet to around 1,000 ships, made 2016 one of shipmanager V.Group's busiest years in recent memory.

Under the guidance of chief executive Clive Richardson, the company acquired offshore sector specialist Bibby Ship Management in March and then Selandia Holdings in mid-November, increasing its footprint in India.

Following this expansion, Mr Richardson said the company has around 700 ships under full management and about 300 under crew management only.

Despite the downturn in the shipping markets, particularly the offshore sector, Mr Richardson said the Bibby acquisition was well-timed, as it allows the company to make preparations for when the offshore market conditions improve, which he is convinced they will.

These two new acquisitions, V.Group's first since 2009, catapulted the company's fleet ahead of that of its main



**Richardson:** calmly frank about the prospects of shipmanagement sector.

competitors, Anglo Eastern Univan, which, at the end of October, had about 600 vessels under technical management and a further 100 under crew management contracts.

On the back of these acquisitions, Advent International — a US-based private equity firm that had been interested in V.Group for around a decade, according to Mr Richardson — bought the

company in early December, continuing V.Group's tradition of private equity ownership.

While V.Group and its competitors, such as Wallem, Anglo-Eastern Univan, Bernard Schulte and OSM, are all seeking new ships to bring under their management umbrella, there is the continued potential for further acquisitions.





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Richard Meade  
Editor, Lloyd's List



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“We have already got a presence in quite a lot of individual maritime service lines. We will deepen our presence in these services, rather than broaden it. And we will do that organically and through acquisition,” Mr Richardson told Lloyd’s List.

The company has a number of subsidiaries that act as both in-house service providers for the V.Group fleet, as well as a regular third-party service provider to other shipowners.

V.Group’s level of provision as a third-party service provider is also set to grow on a more organic footing, one that will make good use of its size.

Mr Richardson is calmly frank about the prospects of the shipmanagement sector, which he says will remain on a growth trajectory, regardless of the current downturn.

The growth of shipmanagement, which represents less than one-fifth of the global fleet,

is continuing, driven by the ongoing change in shipowning structure, said Mr Richardson.

While he could not predict if the annual 1%-2% growth rate in global fleet under shipmanagement would accelerate, he did expect shipowners to change their current tendency and stand in favour of outsourcing shipmanagement within the next five years.

Traditional owners with in-house management continue to be replaced by those with one eye on outsourcing while still keeping another eye on quality. It seems very few owners have brought shipmanagement back in-house.

The future is about additional pooling of resources and being able to make better connections between all the services that shipowners want.

V.Group already has the capability to offer technical compliance and is developing the ability to

offer clients guidance on vessel performance improvement, based on leveraging the V.Group fleet and real-time performance data at the group’s disposal.

There is also growth in what Mr Richardson calls “corporate pools”, a form of corporate offshoring for the shipping industry that can add value, particularly to cash-strapped owners. This could be for accounting services, marine technical services, and the Chennai-based performance analysis team.

V.Group, like shipmanagement in general, is ascending, but at the moment it is doing so in an industry that remains cash-strapped as market woes continue.

Mr Richardson’s assertion that the future of shipmanagement is good may be true, but the road is unlikely to be smooth.

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*Mr Richardson also appeared in the Top 100 in 2015.*

72

## ROBERT YILDIRIM

Yildirim Group

1 (2015: 73)

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### Turkish entrepreneur presses ahead with plans for Yilport to join top 10 terminal operators

ROBERT Yildirim has made no secret of his ambitions for Yilport, which he wants to become one of the world’s top 10 terminal operators by 2025.

The Turkish businessman first came to international attention in 2010, when he bought bonds issued by CMA CGM at a time when the French group needed outside investors after accumulating huge debts.

He is now pursuing a rapid growth strategy, which includes plans to expand into the US, if an unsolicited bid for Ports America, made in the early part of 2016, succeeds.

Mr Yildirim has also expressed interest in the US terminals of CMA CGM, should they be put up for sale in order to help fund the acquisition of Singapore’s NOL and its liner shipping arm APL.



**Yildirim:** top priority is family-owned Yildirim Group and its ports subsidiary Yilport.

“In order to be in the game, you need to be an international operator,” he told Lloyd’s List.

Those port companies that only operate one or two facilities have no bargaining power when it comes to negotiating with the global container lines, he contends.

And being able to stand up to such powerful customers is even more important at a time when ocean carriers are determined to drive down terminal charges.

Mr Yildirim, of course, has a stake in both camps. Although his \$600m worth of convertible

bonds in CMA CGM matured at the end of 2015, the two sides agreed he should keep his stake in the French group for another two years during the integration of NOL.

The investment in CMA CGM has proved an astute one, with the Saadé-controlled group now one of the most successful in the industry and leading container shipping's consolidation efforts.

But Mr Yildirim's top priority is family-owned Yildirim Group, of which he is president, and its

ports subsidiary Yilport, which now owns and operates 23 terminals around the world and has more acquisitions in its sights.

However, whereas most of the industry heavyweights tend to target big concession opportunities, Yilport is on the lookout for smaller port operations. Having said that, Mr Yildirim wants majority control so Yilport can wield real influence and not just be a passive investor.

If Mr Yildirim is to achieve his target of moving up in the world

from about number 17 to join the top 10 group of terminal operators within eight or nine years, that means on average two or three acquisitions a year.

In 2016, these included the takeover of Portugal's Tertir group, the purchase of the remaining shares in Sweden's Gävle Container Port, plus a 50-year concession to run Puerto Bolívar Port in Machala City, Ecuador.

*Mr Yildirim also appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*

73

## ESBEN POULSSON

International Chamber of Shipping

7 (2015: 66)

New head of the ICS takes up role that has been described as 'herding cats'

ESBEN Poulsson is a newcomer to our Top 100 list, after taking up the reins as chairman of the International Chamber of Shipping in June.

ICS is the principal international trade association for shipowners, with a membership comprising national shipowners' associations from 37 countries, representing all sectors and trades and more than 80% of the world merchant fleet.

Heading up such a grouping has been described as 'herding cats' and Mr Poulsson will need to strive to find common ground between members.

At the time of his appointment, Mr Poulsson said his primary task would be to ensure that ICS continues to represent the considered views of the entire industry. "This means reflecting and reconciling the opinions of different ship types and trades, different national viewpoints, and the interests of shipping companies big and small."

Mr Poulsson is also continuing the association's revitalised and more direct approach to lobbying launched under predecessor Masamichi Morooka and the group continues to take a direct position on many of the key issues that are impacting, or likely to impact shipowners.

ICS has been particularly vocal



**Poulsson:** continuing the association's revitalised and more direct approach to lobbying.

on climate action, and that is likely to continue into 2017, even if not all are on board with the direction in which the ICS is heading.

Among its members of national shipping associations there is, according to Lloyd's List sources, an unofficial "coalition of the willing", keen to meet these increasing societal demands on shipping to tackle its CO2 emissions in a robust manner, while there remain those that are far less enthusiastic.

Mr Poulsson has said he intends to work with member states of the International Maritime Organization to ramp up progress relating to CO2 emissions in global shipping.

ICS backed the decision by the IMO's 70th Marine Environment Protection Committee in October to

adopt a roadmap for the reduction of the greenhouse gas emissions from the maritime sector.

Mr Poulsson has also stressed the shipping industry needs to prepare itself for the inevitable entry into force of the IMO Ballast Water Convention and to continue to work with governments, including the US, to handle implementation issues effectively.

More generally, Mr Poulsson has said ICS will continue to fight for the maintenance of global rules for the shipping industry over regional solutions, and continuous improvement in the safety record and environmental performance.

ICS plans to mark the 50th anniversary of the *Torrey Canyon* sinking in March 2017 with a

spotlight on tanker safety, itself a controversial move for some of its more publicity-shy members worried about attacks from the environmental lobby.

Mr Poulsson has more than 40 years of experience in shipping. He is chairman of Enesel Private Ltd and holds non-executive director positions at X-Press Feeders and Hafnia Tankers.

He is also non-executive chairman of Cambiaso Risso

Asia and senior adviser at Straits Tankers.

He was elected president of the Singapore Shipping Association in June 2015, having been a council member since 2007. He also sits on the board of the Maritime and Port Authority of Singapore and is an advisory panel member at the Singapore Maritime Foundation.

In September 2016, Mr Poulsson resigned as an independent director of Singapore-listed First

Ship Lease Trust amid disputes with other board members over human resource matters.

At the time, Mr Poulsson said he was of the view that a well-functioning board should work in a consensual manner, and felt he had no choice but to step down.

This is Mr Poulsson's first time in the Top 100.

*The ICS has appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

74

## ERCK RICKMERS

ER Schiffahrt

RETURN

Fifth-generation shipowner has transformed shipmanagement arm into an internationally recognised business

ERCK Rickmers recognised at an early stage in the shipping crisis that the only way to survive was to adapt.

The fact that he bears one of the most famous names in the industry, and is a fifth-generation shipowner, was no guarantee that his business empire would be able to ride out, arguably, the worst recession that Germany's once thriving maritime sector had ever known.

The change of direction started about two years ago, when Mr Rickmers' shipmanagement arm ER Schiffahrt decided to develop from a traditional German KG-related company to an internationally recognised business, offering a broader range of services. It currently controls about 90 vessels, including both containerships and bulkers.

"We have taken the good things, the experience and know-how, the long history and reputation, and transformed ourselves into a company that is much more focused on an international client base with a specific approach to these client needs," said Nils Aden, chief executive of ER Schiffahrt, a division of ER Capital Holding, which also includes Nordcapital and ER Offshore.

"We clearly defined our role as shipmanagement," Mr Aden



**Rickmers:** famous name is no guarantee of surviving Germany's worst maritime recession.

said. "That means we have clients even within the ER Group and the other companies within the group can also potentially choose to select a different shipmanager.

"Last year, the holding company bought three ships that initially stayed with their previous manager. In former times, that is something that would have not been thought possible."

Understanding the need to forge a different and closer relationship with customers appears to be paying off, with Erck Rickmers faring better than his older brother Bertram, who heads up the Rickmers Group.

The two had planned to merge their shipmanagement activities at one stage this year, but

quickly dropped the idea. Soon afterwards, Rickmers Group's financial problems became public.

Mr Rickmers was born in Bremerhaven in April 1964 and educated at Louisenlund, a progressive boarding school.

He set up Nordcapital, in partnership with Bertram, in 1992, and has headed the business alone since 1996. ER Schiffahrt was established a couple of years later.

Between 2010 and 2012, he served as a member of the Hamburg state parliament for the centre-left party, prior to stepping down to concentrate on business interests.

*Erck Rickmers appeared in the Top 100 in 2010, 2011, 2012, 2013 and 2014.*

## OTTMAR GAST

Hamburg Süd

Oetker name set to disappear from container shipping as Hamburg Süd sale to Maersk agreed



**Oetker, left and Gast:** Hamburg Süd's brand name to be retained by Maersk.

ONE of the oldest names in shipping is set to disappear from the container scene within a year.

The Oetker Group ended months of speculation about its commitment to the business by announcing at the beginning of December that it had agreed to sell Hamburg Süd to Maersk.

The decision sent shockwaves through the Hamburg maritime community but was less of a surprise to those involved in the container trades, which are suffering their worst-ever downturn.

Yet all is not lost for Hamburg, with Maersk promising to retain the brand and keep Hamburg Süd's headquarters in the city.

Maersk Group chief executive Søren Skou also said he hoped the top management would stay on, arguing the deal was not about back-office synergies but building on the strength and reputation of Hamburg Süd, the world's seventh-largest line, with savings obtained through purchasing power on the back of more cargo volumes, rather than lower administrative costs.

While Oetker family involvement in the sector lives on through Alexander Oetker's private dry bulk specialist AO Shipping, the

move ends an association with container shipping established in the 1930s, when Rudolf August Oetker, grandson of the family group's founder August Oetker, acquired shares in Hamburg Süd.

How different the situation seemed 12 months ago, when Hamburg Süd appeared to have its future clearly mapped out.

Under the direction of Richard Oetker, head of the family, and executive board chairman Ottmar Gast, the north-south specialist had set out plans to expand into the east-west trades, and had also signed a global co-operation agreement with United Arab Shipping Co.

That followed what appeared to be the end of a split between the eight children of the late Rudolf Oetker by three wives, who each own 12.5% of the diversified business.

Despite a turbulent period, business had been going well, with turnover up almost 17% in 2015 to €6bn (\$6.3bn), helped by the acquisition of Chilean line CCNI, while volumes rose more than 21% to 4.1m teu. Bottom-line figures are not disclosed.

But the whole outlook started to look very uncertain

by late-2016, as the container shipping industry became engulfed in the biggest shake-up it had ever experienced and Hamburg Süd remained on the sidelines of the consolidation process.

Interest in joining the Ocean Three alliance came to nothing, given the pending termination of that particular consortium, while its partnership with UASC also ended.

Behind the scenes, though, Richard Oetker and Mr Gast had been talking to Maersk for several months, with the perhaps inevitable decision to sell rounding off an extraordinary year for the entire industry.

The Oetker name will soon be diminished in shipping, although Mr Gast may well stay on.

But either way, the pair have undoubtedly made a major contribution to the rationalisation process now in full swing, even if the outcome is not what many would have wanted.

Mr Oetker and Mr Gast appeared in the Top 100 together in 2015, while the Oetker family also featured in 2010, 2011, 2012, 2013 and 2014.

*Mr Oetker and Mr Gast appeared in the Top 100 together in 2015, while the Oetker family featured in 2010, 2011, 2012, 2013 and 2014.*

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# JUNG SUNG-LEEP

DSME

7 (2015: 69)

Head of the troubled shipbuilder is cautiously optimistic that 2017 may be a better year

JUNG Sung-leep has had his hands full running Daewoo Shipbuilding and Marine Engineering in 2016.

As chief executive, Mr Jung has not just been sitting in the office issuing directives to personnel; instead he has shown a willingness to roll up his sleeves and deal with the troubled shipbuilder's issues head on.

In September, Mr Jung personally headed to Angola to meet with executives of the country's national oil company Sonangol to negotiate the delivery dates of two drillships it had built.

A few weeks later, he went to Dubai, along with officials from Korea Development Bank and Korea Trade Insurance Corporation, to negotiate payment for the drillship pair, as Sonangol faced financial



Jung expects newbuilding orders to come in between \$2bn to \$2.5bn for 2016.

difficulties due to the protracted low oil price environment.

Amid these actions, though, prospects for the shipbuilding sector look relatively dismal and DSME, like many of its compatriots, is in the process of implementing painful restructuring measures.

Led by lead creditor KDB, the shipbuilder has sold off shareholdings

in a number of non-core businesses, such as a subsidiary that operates golf courses and a steel supplier. It has also cut the number of dockyards it has in operation and engaged in workforce reduction initiatives, such as a voluntary early retirement scheme, to free up liquidity.

DSME intends to trim its workforce to below 10,000



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by end-2016, compared with 12,699 as of end-June.

Additionally, in late October, its headquarters building in downtown Seoul was sold to Capstone Asset Management for Won170bn (\$148.9m).

There are also plans to wind down several foreign and domestic subsidiaries by 2020, offload an industrial estate-related business and spin off and list its defence division on the Korea Stock Exchange.

With the shipbuilder's shares suspended from trading, it has been given a one-year period from September 28 this year to comply with listing regulations, such as to improve the reporting of its financial results.

Fortunately, the authorities seem willing to help out struggling DSME in this area, as its two main creditors, the KDB and the Export-Import Bank of Korea, are looking to provide up to Won4.2trn in financial support to improve its liquidity.

DSME is looking to raise an extra Won700bn of liquidity, as it does not expect to meet its newbuilding order goal for 2016. With this in mind, the shipbuilder's previously announced Won5.3trn rehabilitation plan will likely be boosted to Won6trn.

Mr Jung expects newbuilding orders to come in between \$2bn and \$2.5bn for 2016, as opposed to around \$10bn initially forecast.

The shipbuilder has been dogged by allegations of mismanagement

and accounting fraud by past and present members of senior management, which led to profits being reported in previous years when there should have been losses.

But given the seeming willingness of the South Korean government to support the ailing shipbuilder, Mr Jung might just be able to turn the company around — something major shareholder KDB is looking forward to, as the authorities aim eventually to privatise the firm.

Likely with this in mind, the head of DSME is cautiously optimistic that 2017 may be a better year, with 2016 being the worst in the industry's history.

*Mr Jung appeared in the Top 100 in 2015.*

77

## HELLE HAMMER

Cefor

NEW

Managing director of the Nordic Association of Marine Insurers works in the largest single marine market outside London

HELLE Hammer — a new Top 100 entrant this year — has been managing director of the Nordic Association of Marine Insurers since October 2007, a position that makes her probably the most-high profile woman in her field.

Cefor, as her employers are known by their local acronym, is the main representative body for what is effectively the largest single marine market outside London. Its so-called Nordic Plan is one of the two main go-to templates for hull and machinery cover.

On top of the day job, she doubles up as chair of the political forum at the International Union of Marine Insurance, giving her a formidable degree of influence in the niche.

A product of Oslo Business School, Ms Hammer started her career working for Oslo city council, including a spell as a political advisor for councillors affiliated with Høyre, Norway's main centre-right party.

Her CV also includes stints with her country's trade and



**Hammer:** a formidable degree of influence in marine insurance.

finance ministries, and two years based in Houston, Texas, where she represented Innovation Norway, the state-owned national development bank.

Shipping posts have included various roles at the Norwegian Shipowners' Association, Det Norske Veritas and Oslo's prestigious Shippingklubben shipping club.

Ms Hammer hails from the provincial town of Hamar, where her father worked in a brewery. Her mother was a former school teacher turned local politician,

who is still active and holds a seat in Oslo's imposing town hall.

But perhaps surprisingly for such an obvious high-flyer, Ms Hammer had no connections with either the shipping or insurance worlds while growing up, beyond a gap year pre-university job in car insurance.

Divorced, she is the mother of two daughters, who are both currently university students.

In her leisure time she shares the Norwegian national obsession with downhill skiing, and works out at the gym. She has recently taken up golf.





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Shipping's serial president offers clarity and direction, but pulls no punches

A PERIOD of unprecedented complexity in international maritime affairs requires clarity and vision from the industry's leadership. Since taking over as president of the world's largest shipping association in 2015, Philippe Louis-Dreyfus' unique brand of frank and fluent guidance has become more important than ever.

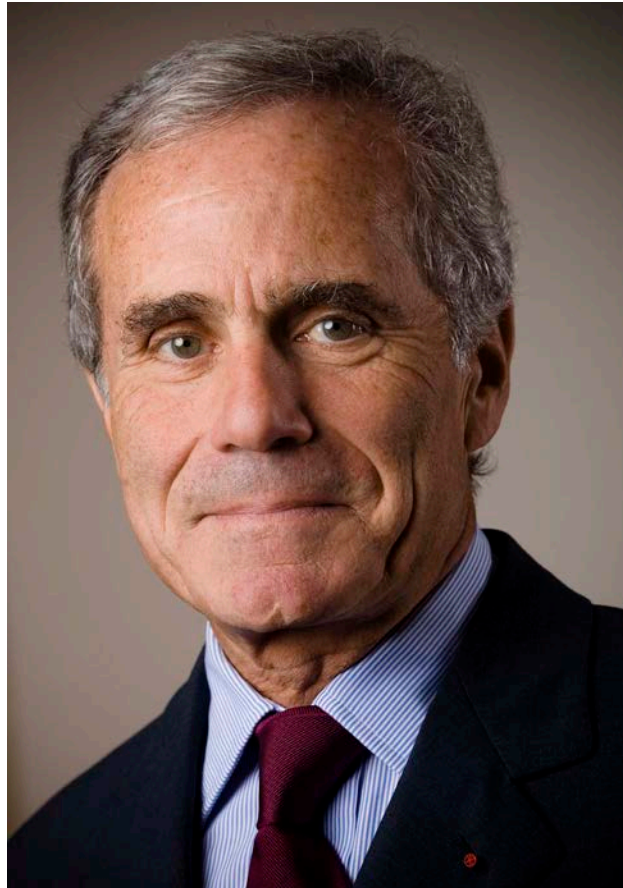
Vowing to make BIMCO a more "sexy" and contemporary organisation for its members, the forthright Frenchman has delivered a revitalising re-brand of the Copenhagen-based institution.

At a time when many are questioning the value of shipping's acronym soup of industry representation, Mr Louis-Dreyfus has made a compelling case for the continued relevance and necessity of such institutions.

As a serial association president, first at the Armateurs de France, then at the European Community Shipowners' Associations and latterly at BIMCO, Mr Louis-Dreyfus has been a consistent force for good over many years, willing to stand up and be counted where others have shied away from the difficult calling of figurehead.

He operates with a deep understanding of the issues but also with a humorous touch and does not pull punches with his views on the industry. Launching the association's unflinching 'Road to Recovery' study this year, he was clear that the current crisis will lead to deep changes in the shipping industry.

"I do believe that a new business model will emerge not just for shipowners but for the whole cluster — shipowners, brokers, shipyards, financial institutions," he said when addressing a recent BIMCO event. His view — that scrapping



**Louis-Dreyfus:** unique brand of frank and fluent guidance.

seems to be the only real answer to restore balance back to the market — may not be unique, but he is one of the few voices in the industry with enough clout to make operators sit up and pay attention.

Listening and acting, of course, are two entirely different things and Mr Louis-Dreyfus is mindful of the fact that his prescribed medicine is not going to be easy to take. Zero supply growth has been achieved only three times in recent history, during the 1980s and 1990s.

"The task ahead of us is huge and must be sustained year after year," he warned recently.

While it is his status as figurehead that lands Mr Louis-Dreyfus on this list, he represents an increasingly practical brand of influence. Where only a few

years ago BIMCO's remit was looking unclear, the association of 2,000-plus members has a solid mandate to offer industry guidance. With renewed clarity and direction comes the opportunity to influence positive change.

"One of my goals as president is to see BIMCO communicating more proactively, with greater clarity on its views, and on what it offers to members and the global industry," he said.

"BIMCO now has a clear vision and mission statement and a set of values that reflect what we know is most important to our members: trusted support and advice for their businesses as they operate around the world."

*Mr Louis-Dreyfus appeared in the Top 100 in 2015.*

These two commissioners have been busy probing economic activities of ports and championing the greening of Europe's roads

THESE are the forces that shape regional legislation that is undoubtedly affecting international regulations, whether the shipping industry likes it or not.

Under the Jean-Claude Juncker government, one finds Slovenia's Violeta Bulc, who is responsible for transport; and Margrethe Vestager from Denmark, who is commissioner for competition.

A notable absence in the Juncker commission is a British commissioner. Jonathon Hill resigned as the finance commissioner following the Brexit referendum result.

Ms Vestager hit the news this year when the commission announced it was launching probes into the economic activities of ports in Belgium and France. The focus is squarely on alleged tax exemptions offered by the two countries to their ports, which run against Europe's quite focused anti-competition regulations.

Ms Bulc has been championing the greening of Europe's roads, railways, waterways and seaways quite extensively since her appointment, the Ten-T days in Rotterdam highlighted the best of what EU funding had achieved.

However, all the good work in supporting environmental



**Bulc, left, and Vestager:** commissioners for transport and competition, respectively.

engagement is always overshadowed by the tussle between Europe pushing its own environmental goals, notable with greenhouse gases and shipping, rather than directly through international efforts at the International Maritime Organization.

Ms Bulc does, however, appear to more amenable to the efforts of the IMO than her predecessor and there is the potential that this may turn into more positive action.

For example, international shipping currently faces the prospects of being subject to two separate yet very similar fuel reporting systems: one under the auspices of the IMO, as it works towards a global cap on greenhouse gases for shipping; and the other a European one

that falls under its own self-declared environmental targets.

The EU monitoring reporting and verification system is written with the IMO in mind — the text refers to it being amendable to meet the demands of an IMO system. The question now is if the commissioners will put the proposal to the European Parliament to have the EU law amended.

This may turn into a big ask. Ms Bulc's focus in delivering sustainable transport in Europe is largely on issues that directly impact a skeptical European population: roads, rail and air. Shipping is included, but is still treated like the poor sibling of European transport policy.

*Ms Bulc and Ms Vestager appeared in the Top 100 in 2015.*

Head of shipping believes trust is key, creating a partnership between owner and charterer

PAUL Thomas has been working for Vitol since 1988, during which time the oil trading company has grown to trade more than 6m barrels of crude and products a day.

Unsurprisingly, Vitol is therefore one of the biggest charterers in the global tanker spot market, shipping more than 270m tonnes of crude and products per year.

With around 200 ships at sea at any given time, Mr Thomas has his hands full as Vitol's head of shipping.

"There's always a choice as to who >>

**Thomas:** has his hands full as Vitol's head of shipping.



cargo and, more often than not, we have very narrow loading laycans.”

As such, trust is key, creating a partnership between owner and charterer, rather than just a working relationship, he believes.

These kinds of partnerships allow for flexibility, opening the possibility for more than one loading or discharging option, enabling the charterer to respond quickly to changes in the market.

“Charterers tend to do repeat business with shipmanagers who show goodwill and support them,” Mr Thomas has said.

The relationship between owner and charterer is key in shipping, and Mr Thomas’ attitude clearly demonstrates he is open and willing to work together, which bodes well for the future of tanker shipping.

can move your oil,” he says in a 2016 report by shipowner Thenamaris.

“Shipping is a people business, and it’s the right people who make the relationship work, not the geographical location of the company,” explained Mr Thomas.

“You need to have the right person at the other end of the

phone; even the slightest delay can be extremely expensive — both in terms of cost and reputation.”

What is important for Mr Thomas is that owners comply with the terms and conditions of the charter party. “This is crucial for a trader, as we work with very tight deadlines when we are buying and selling

*Mr Thomas appeared in the Top 100 in 2010, 2011, 2013, 2014 and 2015.*

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## JOHN PLATSIDAKIS

Intercargo

RETURN

Chairman is happy to put in the hours for the industry’s benefit

FEW in shipping are as plugged in through their work on prominent industry bodies as John Platsidakis.

The Greek ex-banker, a mathematics and economics graduate in his youth, is on our list primarily as chairman of Intercargo, the institution representing the international dry bulk carrier industry.

But he is also vice-president of the Hellenic Chamber of Shipping, a longstanding director of the Union of Greek Shipowners, and is still a council member at Intercargo’s tanker sibling organisation, Intertanko. For six years, he was also on Intertanko’s executive committee.

His day job as managing director of Anangel Maritime Services, the dry bulk arm of the Angelicoussis Shipping Group, also keeps him at or near the pinnacle of the industry and his work is not confined to bulkers there, either. He has a management



**Platsidakis:** a steadying influence at a period when Intercargo’s secretariat needed continuity.

role — especially when it comes to financing — across the group, which is also a major tanker and liquefied natural gas carrier owner.

Mr Platsidakis cheerfully admits that the sheer volume of reading required for his wider industry involvement has consumed many a weekend. “Fortunately a lot of the topics are common. But it’s

a pleasure when you feel that what you are doing is part of the process of serving the interests of the industry,” he says.

Since he ascended to the chairmanship of Intercargo, Mr Platsidakis has used the platform to remind shipping it should take pride in its achievements in safe and efficient transportation — a simple

enough message but one that is often lost due to the industry's defensive posture and the everyday need to process complex regulations.

He is also credited with being a steadying influence at a period when Intercargo's secretariat needed continuity. Most recently, the interim stint of the respected David Tongue as general-secretary came to its scheduled end but Kostas Gkonis already appears a committed replacement and the set-up at the association looks on a more permanent footing than it has done for some time.

Insiders say basics such as membership, collection of fees and services to members have all been enhanced.

About one-third of members are from Greece, but Intercargo also includes major players

from around the globe such as Cosco, Vale and Oldendorff.

The membership of about 80 full members with more than 1,050 ships may seem to leave room for further improvement, given a global bulk carrier fleet of about 9,500 ships. But with the fragmented nature of the bulker business, it is a more than respectable number and comprises the sector's most influential grouping.

Mr Platsidakis has never been one to clamour for attention and Intercargo is consistent with its leader's personality in appearing to be content to work under the banner of the Round Table of international shipping associations that also includes International Chamber of Shipping, Intertanko and Bimco.

However, it also strives to concentrate its efforts mainly on

bulker-specific issues. Among these are the grave danger to vessels and crew of cargo liquefaction.

Mr Platsidakis takes some comfort from a recent halt in exports from Indonesia and the apparent closure of some facilities in the Philippines. But he warns the industry "should not be misled" into thinking the problem has gone away.

His determination can also be seen in revisiting the question of corruption within the ranks of port state control officials. This has been a joint stance by the Round Table, but has been a signature issue for Intercargo, which argues that port state control culture should have the equivalent of the police's internal affairs branch.

*Mr Platsidakis appeared in the Top 100 in 2013 and 2014.*

## 82

## WARWICK NORMAN

2 (2015: 80)

### RightShip

As head of the vetting company, his ability to shine a light on shipping's performance is alarming for some, but not others

WARWICK Norman holds a position in the Lloyd's List Top 100 not for what he offers shipping companies, but what he can offer their customers — and that rankles some.

RightShip is a vetting company that is owned by a group of powerful charterers. What it has is data — particularly environmental data — and a lot of it.

If ships were people, then RightShip would be the Facebook of the industry. Its database of vessel quality and performance is growing and maturing to a point that it is now offering charterers a predictive tool, allowing them to determine the risk of a vessel having an accident or incident in the coming year.

This tool is known as Qi (pronounced "key") and will be rolled out by the end of 2016. Mr Norman says it is accurate.

The company took ships onto its database in early 2014,



**Norman:** drive to create more environmental transparency.

ran them through the new platform to see what risks they had, and then compared this with the announced casualties and incidents for the year.

Clearly a vessel on a flag that is from a Port State Control blacklisted country, and classed by a low-ranking class society, will have warning bells ringing. But Mr Norman says the ability of Qi to source

risk data from all kinds of publicly accessible sources, including Twitter, makes it more refined than that.

RightShip's drive to create more environmental transparency will be alarming for some in the industry, but not others. There is a drive to integrate shipping into the total supply chain of goods and services, and that means bringing performance data into



the reaches of logistics and supply chain managers outside shipping.

The digitisation of industries in recent years is helping make this a reality, says Mr Norman, who sees this continuing to impact shipping for many years.

More and more charterers are taking up corporate responsibility and, over time, being more proactive in getting a true environmental picture of their business operations, including the footprint of their shipping or logistics operations.

To get this insight, they are using RightShip's tools to see the good and bad of shipping.

RightShip is not stopping there.

The Australian-based company is also offering its services to the Australian Marine Environment Protection Association, which is developing a port emissions tool.

It plans to use RightShip's ship-specific data to help ports determine how much of their emissions come from visiting ships, so they can take action. Ausmepa's plans are for this to be rolled out into a global tool in the future, so all ports can use it and so challenge visiting ships.

But it is the ability to offer help to charterers who wish to get into carbon trading that may concern shipowners more.

Mr Norman's plans for RightShip

include being able to supply the necessary vessel information to these charterers. While large charterers may have their own solutions, this is a way to help smaller companies meet CSR targets.

"We have the cargo volumes and the steaming distances... so have the approximate carbon value per voyage that can be offset," says Mr Norman.

RightShip's success suggests it is welcomed by an increasing number of businesses that matter: charter-paying customers.

*Mr Norman appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

28 (2015: 55)

83

## ANCHOR CHANG

Evergreen

Evergreen Marine chairman may have truly taken the helm

MUCH has happened since Chang Yung-fa, founding chairman of Evergreen Group, passed away at the age of 88 in January 2016.

For now, Anchor Chang (not related), chairman of Evergreen Marine, Evergreen Line's Taipei-listed flagship unit, has taken Dr Chang's slot in our Top 100, but it remains to be seen whether he would consolidate his status as the world's sixth-largest container carrier's top decision-maker in the coming year.

While the late chairman had been preparing for inheritance matters, his death still triggered a succession battle that seemed rather dramatic to outsiders.

In February, Chang Kuo-wei, Dr Chang's only son with his second wife and fourth overall, released his father's will that said he was chosen to be group chairman. But in a counter-move, the other three sons scrapped the chairman post and the group management centre, for they had the shared voting power in Evergreen Group of firms, including Evergreen Marine, to do so.

Effectively, the organisational structure of Evergreen Group ceased



**Chang:** shipping veteran's task as Evergreen Marine chairman will not be easy.

to exist. Bronson Hsieh, then group vice-chairman and considered by many to be Evergreen Line's top decision-maker after the late Dr Chang, was reappointed as an advisor to Evergreen International, which acts as a de facto holding firm of various Evergreen firms.

In June, when approaching his retirement age, Mr Hsieh left Evergreen International to become chairman of Yang Ming, another Taiwanese carrier and one of the top 10 in the world.

So it appeared that Chang Kuo-hua, Dr Chang's eldest son,

would take charge of Evergreen Line. He has been appointed an Evergreen Marine board director since 2014 while controlling Evergreen International with his allies. Once seen as heir apparent to his father, KH Chang held several senior positions at Evergreen Marine in the 1990s.

Yet for now, KH Chang seems content being the carrier's top investor, rather than taking the most important strategic decisions. In the past, Evergreen Marine's corporate decisions would still need to be approved by Mr Hsieh and Dr Chang. >>



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But now, such an approval process does not exist, though Evergreen International would still evaluate the carrier's decisions from time to time as its top shareholder.

This has given Anchor Chang a greater room to direct the carrier — at least, until KH Chang decides otherwise.

A shipping veteran, the Evergreen Marine chairman was

formally appointed in 2013. He had been promoted to first vice-president in 2010 and then to president in 2011. He is also the director general of Chinese Shipowners' Association of Taipei.

But his job will not be easy. The container industry is facing its worst downturn in decades, and Evergreen Marine incurred a loss of \$T4.4bn (\$139.6m) for the first half of 2016.

His first move appeared to be the Ocean Alliance, established in April by Evergreen, Cosco Shipping, OOCL and CMA CGM. The space-sharing agreement will only be effective from April 2017, though. It will take some time to gauge Mr Chang's chairmanship.

*Mr Chang has entered the Top 100 for the first time in 2016. Evergreen appeared in 2010, 2011, 2012, 2013, 2014 and 2015.*

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## BERTRAM RICKMERS

Rickmers Group

14 (2015: 70)

Fifth-generation Hamburg shipowner has endured a rollercoaster year

IT HAS been a rollercoaster year for fifth-generation Hamburg shipowner Bertram Rickmers, with one of Germany's leading business weeklies openly suggesting Rickmers Group is unlikely to make it through 2017.

In the next few months, it will have to find a €24m (\$26.5m) instalment on a junk bond for next June, at a crippling coupon of 8.9%, and on top of that is due to repay €575m of bank lending.

Recent survival manoeuvres have seen Mr Rickmers buy out the group's interest in its Singapore subsidiary Rickmers Trust Management. Consideration is undisclosed, so it is uncertain whether or not this is tantamount to pumping significant amounts of private money into the concern.

RTM, of course, owns the Singapore-listed Rickmers Maritime Trust. The latter's shareholders were summoned to a gun-to-the-head emergency general meeting, on October 31, where they faced the unattractive choice between a highly dilutive equity issue and winding up.

Mr Rickmers has also been exploring other options, at one stage earlier this year discussing the possibility of merging his shipmanagement interests with those of his younger brother Erck, in ER Capital Holding.



**Rickmers:** has been exploring other options.

That cannot have been easy. While most of us readily turn to our families in times of crisis, it is widely believed that Bertram and Erck are not personally close. Whether that is true or not, a deal proved impossible to conclude.

The interesting thing is that most Hamburg industry insiders do seem to think Bertram will haul through. One even quipped that several previous generations of the family had bounced back from bankruptcy, so it would be no surprise if this one repeats the trick.

Rickmers Holding — as Bertram Rickmers' master company is known — is the latest iteration

of a family business that started with a shipyard established in Bremerhaven in 1834.

But unlike many others in this list, Mr Rickmers did not inherit the concerns that bear his illustrious name. He even had to buy some of them, such as Rickmers-Linie, back from outsiders.

It has involvement in a range of maritime activities, including shipmanagement, crewing, liner shipping, breakbulk, heavylift, project cargoes and maritime asset management.

*Mr Rickmers appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*



## Managing director leads Singapore-based player to expand in Africa

PACIFIC International Lines is looking to new markets, even while staying faithful to traditional routes.

Recognising the potential of rapidly developing economies of Africa and South America, PIL is placing even greater emphasis on niche trades to and from these parts of the world, managing director Teo Siong Seng — also known as SS Teo — says.

This is reflected in PIL building some of the most efficient and environmentally friendly vessels in their class, designed specifically for the Africa trade.

Going beyond ships, the group is also pursuing greater land-based investment, including bonded terminals and depots in emergent countries such as Nigeria and Tanzania. Recently, it opened a 20,000 sq m distribution centre in Egypt.

Adding to its repertoire will be an offshore supply base to be located in Mtwara, Tanzania, and a trucking business in Sudan.

While working in Africa can be a challenge, Mr Teo believes the group has the expertise, strong partnerships and deep understanding of local business practices needed for success, and has the sensitivity to new and unique working environments to deliver tangible results.

Mr Teo's links with Africa have seen him being appointed as



**SS Teo:** PIL building efficient and environmentally friendly vessels. © BIMCO

honorary consul of the United Republic of Tanzania in Singapore.

Closer to home, PIL is strengthening existing partnerships and has signed a memorandum of understanding in shipping-related financial products and services with the Singapore branch of Industrial & Commercial Bank of China and ICBC Financial Leasing, China.

Amid the growth, the company is also focusing on costs, as freight rates remain weak on a combination of overcapacity and slower trade growth.

PIL has confirmed an option to buy another four 11,800 teu ships, increasing its orderbook to 12. When delivered in 2017-2018, these ships should give PIL a competitive cost advantage in designated trade lanes, including the US east coast via the new

expanded Panama Canal, besides its other traditional trading areas.

Mr Teo was 13 when his father formed PIL in 1967 with two secondhand Dutch coastal ships. He joined the firm in 1979, after graduating from Glasgow University.

The group has since grown to operate a fleet of more than 160 vessels, offering container liner and multi-purpose services at more than 500 locations in 100 countries.

Its Hong Kong-listed subsidiary, Singamas Container Holdings — of which Mr Teo is chairman — is a major operator of container depots and terminals across China, Hong Kong and Thailand and is the second-largest container maker in the world.

Illustrating the group's business ties with China, Mr Teo is a standing council member of the China Overseas Exchange Association in Beijing, a director in Business China and industry advisor to the Chongqing Connectivity Initiative — a government-to-government project between China and Singapore.

His other appointments in government and civic organisations include chairman of the Singapore Business Federation and the Singapore Maritime Institute Governing Council.

*Mr Teo appeared in the Top 100 in 2010, 2013, 2014 and 2015.*

## Chairman sees closer relationships as a way to improve the technical support service IACS offers

THE chairmanship of the International Association of Classification Societies is an inherently difficult position from which to enact real change, given

the short tenure served by the head of whichever class society's turn it is.

Sun Licheng started his 12 months as IACS chairman in July 2016 and stated at the time his

intention to strengthen relationships between IACS, regulators and the industry. Dr Sun sees closer relationships as a way to improve the technical support service IACS





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**Sun:** intention to strengthen relationships between IACS, regulators and the industry.

offers to regulators, shipbuilders and the shipping industry.

Dr Sun sees it as IACS' duty to promote safety standards in the face of a market downturn, he told Lloyd's List.

His position in the Top 100 is owed to the increasing importance of the association's work. IACS is not

a trade association, and instead provides technical, verification, research and development capabilities to the shipping industry.

As the International Maritime Organization moves further towards goal-based regulation, IACS' role in turning those regulations into practical rules

as the IMO's technical advisor becomes increasingly important.

The association provides technical support for monitoring, reporting and verification, cyber security and structural rules for ship design, and has technical discussions with regional regulators and industry associations as well as the IMO.

Earlier this year, the association's Quality System Certification Scheme turned 25, a scheme for independently verifying the quality of its members' work.

IACS faces the difficulty of bringing class societies together on collaborative projects in a non-competitive manner just as its members feel the squeeze from reduced newbuilding orders across all shipping sectors.

*This is Dr Sun's debut appearance in the Top 100. IACS appeared in 2010, 2012, and 2015.*

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## DAE-YOUNG PARK

Samsung Heavy Industries

13 (2015: 74)

### Chief executive again shoots down a possible merger between SHI and Samsung Engineering

AMID what is seen as the worst year for the shipping industry as a whole, things seem to be looking up for Samsung Heavy Industries' president and chief executive Dae-Young Park.

Mr Park has had every reason to be relieved, especially during the second half of 2016, when the shipbuilder secured its first order of the year in October to build one 180,000 cu m liquefied natural gas carrier, with an option for another, worth Won420bn (\$380m) in total.

The owner was reported to be Greek owner GasLog.

That seemed to break the dry spell SHI had experienced for most of the year, as it subsequently received orders worth Won420bn to build a pair of 113,000 dwt tankers and another two 157,000 dwt tankers for Norway-based Viken Shipping.

This was followed by another Won200bn order from Nordic American Tankers for three 157,000



**Park:** SHI stands a good chance of hitting its \$5.3bn order goal for 2016.

dwt tankers, due for delivery in the second half of 2018.

In light of the slew of newbuilding orders, Mr Park said SHI stood a good chance of hitting its \$5.3bn order goal for 2016, though in the event that the target was not met, more job losses could be on the cards.

The chief executive said the group was not planning to adjust the year-end order target lower, as it

was in the final stages of negotiating an agreement with Italy's Eni to build a floating liquefied natural gas vessel in Mozambique by this year, which should help meet the target.

SHI is part of a consortium of companies bidding for the project, along with Technip and Japan's JGC Corporation.

This move, the group said, was part of its strategy to



raise its share of the offshore engineering, procurement and construction market as it established a new research and development centre, recruited more experienced engineers and project managers, and formed risk management and offshore package procurement teams.

The shipbuilder is aiming to make floating LNG projects its new growth engine as it sees strong potential in that market due to the cost benefits and environmentally friendly advantages.

Like most of its compatriot shipbuilders, SHI had been hard hit by the industry slump, and has been undergoing restructuring measures,

including plans to reduce its 14,000 headcount by 40%.

But despite the difficult situation, Mr Park again shot down talk of a possible merger between SHI and Samsung Engineering, adding that both entities needed to concentrate on making it through the current weak business environment first.

The shipbuilder is also looking to offload non-core assets, such as hotel properties in its real estate business.

The Won1.5trn reorganisation plan, under the guidance of Mr Park, seems to be bearing fruit, as the group managed to return to the black when it reported a net income of Won128.6bn for

the third quarter, recovering from a net loss of Won25bn in the year-ago period and a net loss of Won212.4bn in the second quarter.

As a number of shipbuilders fret over shoring up liquidity for challenging times ahead, Mr Park can perhaps take some comfort that major shareholder Samsung Electronics is there to help, as it looks to buy 25.3m new SHI shares worth Won181bn as part of a Won1.14trn rights issue.

For now, at least, Mr Park can at least see a brief glimmer of light at the end of a very long and dark tunnel for SHI.

*Mr Park appeared in the Top 100 in 2013, 2014 and 2015.*

88

## JOCHEN and CHRISTOPH DÖHLE

Peter Döhle Schiffahrts

13 (2015: 75)

Secretive cousins do not believe in sitting back and soaking up the punishment from the shipping downturn

SECRETIVE Hamburg-based cousins Jochen and Christoph Döhle — together believed to control Peter Döhle Schiffahrts — clearly do not believe in sitting back and soaking up the punishment that the shipping downturn is dishing out to many in the north German maritime cluster.

The two men are clearly out in the market doing deals. The standout transaction in the past 12 months was probably the one done with HSH Nordbank in May, involving HCI Capital, the former emissions house in which PD is a major shareholder.

HCI managed to snap up 13 feeder-sized container vessels in the 800 teu-1,800 teu range as a job lot from HSH Nordbank, at a bargain basement price of \$60m.

September saw PD link up with Genoa-headquartered shipmanagement outfit Sirius Ship Management, in a partnership designed to recruit and train seafarers in the Philippines at a time when projections suggest



**Jochen Döhle:** with cousin Christoph, clearly out in the market doing deals.

an industry skill shortage will be kicking in within a decade.

Even by Hamburg standards, PD is something of a shipping giant, operating anything up to 500 boxships, multipurpose vessels and bulk carriers.

But beyond what can be gleaned from its website, there is not much information about either the firm or its principals in the public domain. As a limited partnership under no obligation to file any accounts,

even the exact ownerships of the company is unconfirmed.

What we do know is that PD was founded by Peter Döhle in Hamburg in 1956, and that Peter's son Jochen, born in 1955, and nephew Christoph, born 10 years later, are calling the shots in its current incarnation.

However, the pair have fallen several places in this year's Top 100, largely due to the spread of vessel types with which they are involved having generally

struggled to hit operating costs. There is no indication that the Döhles have found any way to get past the elephant in the room.

PD's other affiliates include shipmanager Hammonia-Reederei, insurance broker Döhle Assekuranzkontor, crew management firm DPM Döhle

Personalmanagement, liner agency Döhle Schifffahrtslinien-Agentur and Isle of Man-based shipmanager Döhle (IOM).

Joint ventures include shipping software house DokuShip Information Systems, and Hamburg-based bunker supplier Hanseatic Bunker Services.

Outside of shipping altogether, the group also owns the El Principal vineyard in Chile's Maipo Valley, which is said to produce a decent red.

*The Döhle cousins appeared in the Top 100 in 2012, 2013, 2014 and 2015, while Jochen Döhle featured on his own in 2010 and 2011.*

89

## DAN STEN OLSSON

Stena Group

5 (2015: 94)

Chief executive is outspoken and blunt, the way it should be

DAN Sten Olsson, CBE, is seen by many as the defacto outspoken voice of European shipping.

The head of the family-controlled Stena Group is no stranger to making controversial statements, having lambasted both Brussels and Europe in the past for what he considered to be ill thought-out environmental regulations.

On recent events in Britain, he remains on expected form. About Brexit: "It reminds [me] of a cancer. It does not hurt in the beginning," he bluntly wrote in a short email exchange with Lloyd's List.

Mr Olsson is certainly 'old school'. But that is not a bad thing. His is a multi-faceted family conglomerate, where the impact of a downturn in one market can be masked somewhat by more handsome profits in another.

The Stena Sphere, as the group of companies is called, derives only half of its revenues from shipping-related activities. The business philosophy is likely to remain as it was last year and the year before.

Ask people in Stena about their 69-year-old patriarch and words like 'knowledgeable' and 'committed' are used. This is the company his father Sten Allan Olsson started in 1962, with a short service between Gothenburg and the northern tip of Denmark, expanding to the UK with a line from Tilbury to Calais, and then having regular services around Northern Europe thereafter.



**Olsson: no stranger to making controversial statements.**

Mr Olsson, the eldest son, took over the business in the 1980s, and in 2010 was awarded the CBE (Commander of the Most Excellent Order of the British Empire) for his services to UK business.

In the company's shipowning businesses, there is a clear environmental commitment, mixed with a desire to drive this commitment with technological developments. The conversion of Stena Germanica to run off methanol highlights this, as does the fact Stena still has an in-house technical team of some 50 engineers and architects (Stena Teknik).

Not many owners have their own technical competence department capable of delivering results in a number of different sectors.

Mr Olsson's chosen successor with regards to driving the company's shipping businesses is Carl-Johan Hagman. He talks about his boss and mentor — and therefore Stena — as defining responsible capitalism, about being a conglomerate with a

long-term view and therefore unlikely to be swayed from its strategy by the cyclical nature of shipping.

With Stena operating ro-ro and ferry services around a large part of Northern Europe, both Mr Olsson and Mr Hagman are disappointed with the outcome of the UK referendum to leave the European Union.

They say the referendum, and slump in the value of sterling, has had little impact on Stena's shortsea businesses, and it is unlikely to do in the short run — the Brits are still eating, drinking and going on vacation. However, there is some worry about the long-term impact.

While there is Swedish fascination with the UK (just ask about the Swedish love of British TV detectives and cookery programmes), most Swedish trade is with Europe and they dismiss rumblings in the Swedish press of a subsequent Swexit should the Brexit pledge get fulfilled.

*Mr Olsson appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014 and 2015.*



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Chairman encourages privately owned Japanese shipbuilder to push ahead with cost-effective vessels

VESSEL oversupply is being blamed for driving charter and freight rates to lows but even as others scale back, Japan's largest shipbuilder, Imabari Group — led by chairman Toshiyuki Higaki and his eldest son Yukito Higaki, who is president — is pushing ahead.

As part of the strategy of “growing together with shipowners”, group president Yukito Higaki says the group treasures the founder's commitment to tradition, development and technical advancement and successfully implements that commitment in the construction of outstanding and cost-effective ships.

That commitment has seen the group developing various types of vessels that emphasise high-quality, eco-friendly and safe ocean transport.

Late last year, Imabari completed the 100th newbuilding of the I-Star 61,000 dwt bulk carrier within five years due to the effective carriage of large volume cargo and good fuel efficiency.

Since then, another 20 vessels have been constructed, which brings the total number of completed I-Star vessels to 120.

Imabari followed that up with the New I-Star, with a deadweight capacity of 63,000 dwt — up 2,000 dwt from previous such vessels — and a further improvement in performance. Two of the new vessels were completed in April at the group's shipyards.

The group also clinched an order from Mitsui OSK Lines recently for a 140,400 dwt coal carrier, seeking to fulfil a shipping agreement with Shikoku Electric Power.

Japanese power plants have been sourcing cost-effective fuels for electricity generation. Coal is expected to remain



**Toshiyuki Higaki, left and Yukito Higaki:** a commitment to tradition, development and technical advancement.

the dominant fuel for power generation over the next decade due to cost considerations, despite environmental concerns.

Apart from bulk carriers, the group's range stretches across container carriers, tankers, woodchip carriers, special cargo carriers, car ferries and pure car carriers.

Established in 1901, the group has delivered more than 2,350 ships across the world and accounts for around one-third of Japan's annual shipbuilding production in terms of gross tonnage. Japan itself accounts for around 20% of annual global shipbuilding volumes.

While Imabari remains healthy, the prolonged downturn in the shipping industry has moved other Japanese shipbuilders to consider an alliance to stay ahead of the competition.

In August, Mitsubishi Heavy Industries said it planned to discuss measures to improve

the competitiveness of local shipbuilders with Imabari, Oshima Shipbuilding and Namura Shipbuilding.

It is exploring means to combine its expertise in shipbuilding technology and engineering along with the three builders' manufacturing capabilities and cost-competitive advantages to better tackle the challenging global market for vessel manufacturing.

Meanwhile, Shoen Kisen Kaisha, the shipowning and financing arm of Imabari, has also been active. According to data from Clarksons, the shipowner booked 18 ultra large container vessels on charter to Evergreen Line and Mitsui OSK Lines.

Nippon Yusen Kaisha and Mitsui OSK Lines each ordered 17 vessels across dry, wet bulk, gas and other sectors. Other smaller Japanese owners signed for at least 52 ships.

*Toshiyuki Higaki and Yukito Higaki appeared in the Top 100 in 2014 and 2015.*

91

## TOM CROWLEY

Crowley Maritime

5 (2015: 86)

Chairman and chief executive continues to demonstrate company's ambitions after 22 years at the helm

CONTINUING in the spirit of a shipping family with a long history, Tom Crowley navigated Crowley Maritime through another busy year, further cementing it as one of the largest US private shipping companies.

The Jacksonville-based company founded in 1892 has been busy furthering its investment position in Puerto Rico, a commitment to which Crowley Maritime first delved in 2015, with a \$48.5m contract to construct the pier of the Isla Grande port terminal.

In May, the company agreed to an additional \$21m contract that would secure upgrades at the same terminal.

Crowley Maritime also has a contract with a Puerto Rican shipyard that will construct two new commitment class con-ro vessels powered by liquefied natural gas. One of the two vessels is scheduled for delivery in early 2017.

As Crowley awaits the two LNG-powered vessels from Puerto Rico, it continued to expand its fleet, which now consists of 157 vessels, most of which are tugs



**Crowley:** navigated family company through another busy year.

and tank barges, according to data from Lloyd's List Intelligence.

In August, the company received a new 50,000 dwt Jones Act product tanker, which is also LNG-ready, the fourth such newbuilding it took delivery of in 2016, after getting hold of a third such vessel in April 2016 and christening the second one in February.

A substantial part of Crowley Maritime's business is providing logistics for the shipping industry. To this end, Mr Crowley, who has been at the helm of the company since 1994, opted to make significant investments into its services.

The company spent \$32.7m on cargo-carrying equipment, which is gradually being delivered. It also made another \$25.5m investment in cargo-carrying equipment at the beginning of the year.

On the downside, Crowley lost a bid to extend its contract with Alyeska to provide oil spill prevention and response services in Valdez and Prince William Sound in the Gulf of Alaska. The contract ends in June 2018 and Crowley has been working there since 1990.

*Mr Crowley appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

92

## PEDRO PARENTE

Petrobras

3 (2015: 89)

Relatively new chief executive tries to reduce debt and forge partnerships with international oil companies

PEDRO Parente became chief executive of Petroleo Brasileiro — or Petrobras, as the state-run energy company is known — in June, taking over from banker Aldemir Bendine, who had been in charge for one and a half years under then-president Dilma Rousseff.

Since Mr Parente's arrival,

production has been hitting records, with overall natural gas and oil output from Brazil amounting to 2.75m barrels per day in September, and output from the giant pre-salt fields reaching 1.46m barrels of oil equivalent per day, 7.3% higher than a year earlier.

He has repeatedly said the pre-salt fields off Brazil's coast could not be developed by his company alone, due to financial constraints.

Petrobras' high level of debt — some \$120bn or more of it — has led it to shed assets and terminate service contracts early.



**Parente:** been busy forging ties with other international oil companies.



In July, it sold its 66% stake in the BM-S-8 offshore block — which includes the Carcara pre-salt discovery — to Norway's Statoil for \$2.5bn, as part of its \$15bn divestment plan.

Mr Parente has been busy forging ties with other international oil companies, such as Total of

France, ahead of a law change that will allow foreign firms to develop the pre-salt fields without participation from Petrobras.

Brazil's senate and congress voted in favour of the amendment, despite some opposition from unions and political parties which have criticised the

measure on concerns that the overseas firms will exploit the nation's resources while keeping profits for themselves.

Brazil's new president Michel Temer has to sign off on it, though.

Previously, Petrobras had first dibs at developing the fields, and was entitled by law to be sole operator and hold a minimum of 30% of any pre-salt project, which discouraged participation from international players.

Petrobras showed a profit in the second quarter of R\$370m (\$114m), from a heavy loss of R\$1.2bn in the first three months of the year. It said it cut debt by 15% to R\$332bn by end-June from R\$392bn at the end of 2015.

*This is Mr Parente's first appearance in the Top 100, however Petrobras was represented in 2015, 2014 and 2010.*

93

## KIL-SEON CHOI

Hyundai Heavy Industries

10 (2015: 83)

Chairman has seen consolidation of the corporation's businesses in order to survive

CHALLENGING times continue for Hyundai Heavy Industries' chairman Kil-Seon Choi, who is overseeing the restructuring efforts of the corporation.

Under its Won3.5trn (\$3.1bn) management improvement plan unveiled in June, the shipbuilder expects to raise up to Won1.5trn in proceeds from offloading shares in affiliates Hyundai Motor Corporation and chemical and automotive parts maker KCC Corporation, as well as shares in Hyundai Avancis, which is a joint venture between HHI and Compagnie de Saint-Gobain that produces copper indium gallium diselenide thin-film solar batteries.

There are also plans to sell off a number of properties and receivables, generate cost savings of up to Won900bn from wage cuts, job reductions and work-sharing schemes.

It also intends to free up



**Choi:** has an able and fresh senior team to aid his quest in nursing HHI back to health.

Won1.1trn in liquidity from sell-offs and spin-offs of a number of its businesses, such as wind power and alternative energy, as it seeks to focus on shipbuilding and offshore projects.

The shipbuilder has received notice from its auditor Samil PwC that the restructuring plans, if executed to the letter, will allow HHI to generate operating profit, obtain sufficient liquidity to stay

a float and trim its debt significantly for each year leading up to 2020.

With these measures currently being implemented and set to be fully in place by 2018, HHI is already seeing them have a positive effect, as it managed to post its third consecutive quarter of net profit.

In October, the group also secured a deal worth Won370bn to build a pair of frigates for the Philippines national defence department. >>

Under the contract, the shipbuilder will manufacture two 2,600-tonne vessels, each measuring 107 m long and 12 m wide, and deliver them by 2020.

Amid the protracted industry downturn, though, and a 75% drop in newbuilding orders for the first nine months of the year, it looks like Mr Choi has his work cut out.

However, he does have an able and fresh senior team to aid his quest in nursing the industrial conglomerate back to good

health, following a management reshuffle in October this year.

The 70-year-old relinquished his chief executive role to Kang Hwan-Goo while retaining his chairmanship of HHI.

Mr Kang himself was brought over to bolster HHI's ranks from affiliate Hyundai Mipo Dockyard, where he had served as chief executive since October 2014.

Mr Kang and Kwon Oh-Gap will operate under a dual-chief executive management

system to tackle the obstacles faced by the shipbuilder.

With all these elements going for him, Mr Choi — who has spent a significant portion of his long career with the group in one position or another — might just be able to help guide the shipbuilder, battered by industry headwinds, to become a stronger player in the years ahead.

*Mr Choi appeared in the Top 100 in 2014 and 2015.*

94

## REN YUANLIN

Yangzijiang Shipbuilding

10 (2015: 84)

Chairman is a legendary figure in the country's shipbuilding industry

IN A recent interview with Lloyd's List, Yangzijiang Shipbuilding chairman Ren Yuanlin said the industry downturn would continue for another three years before shipyards could embark on a recovery.

The 63-year-old said he would pass his leadership of the company's core business to the junior Ren, starting from next year. "The future belongs to the young generation," he said.

Clarksons expected 2016 to record the lowest new ordering since the 1980s and the weakness to stay in 2017. Meanwhile, the non-delivery ratio — the proportion of new vessels that cannot be delivered on schedule — rose to 50% and 39% for dry bulkers and box carriers, respectively, as of end September, amid depressed freight rates in the two sectors.

Yangzijiang, often seen as the most profitable Chinese yard, is not immune to the hardship.

Net profit fell 59% year-on-year to Yuan281.2m (\$41.5m) in the third quarter, while revenue declined 6% to Yuan3.9bn. Revenue from shipbuilding, its core business, slid 19% to Yuan2.7bn.

It also made provisions worth Yuan531m for vessels owned and operated by its shipping unit.

Nevertheless, with state-owned large yards being bolstered



Ren: actions have come in response to the unprecedented predicament.

by government subsidies and construction of navy vessels, Yangzijiang — a non-state owned enterprise — is still among the few builders in China that can truly make profit these days.

For Mr Ren, often dubbed a legendary figure in the country's shipbuilding industry, actions have come in response to the unprecedented predicament.

Headcount reduction is apparently an important solution. The company had already decreased its total staff number to 22,000 last year from 28,000 in 2010, with plans to cut another 2,000 jobs by end-2016, Mr Ren said recently.

Snatching new orders to keep the yards busy is, of course, another

crucial move. Under current fierce price competition, Yangzijiang would even take loss-making contracts, so long as the newbuildings are what it is good at making and can keep it running efficiently.

Under the strategy, the shipbuilder won six valemax carriers from ICBC Financial Leasing earlier this year, for about \$85m apiece, and four 1,800 teu boxships from Lomar Shipping for about \$22m each, with an option for another eight.

In November, brokers reported that Yangzijiang inked three 39,000 dwt dry bulkers with Bangladesh Shipping Corp for \$21m each.

Other key measures include disposals of non-core business and use of new technologies.

Led by Yangzijiang chief executive Ren Letian — Mr Ren's son — the company has invested millions of yuan in a new shipyard management system, aimed at enhancing operating efficiency.

The 63-year-old said he would pass his leadership of the company's core business to the

junior Ren, starting from next year. "The future belongs to the young generation," he said.

Despite short-term pessimism, Mr Ren believes prospects for shipbuilding and shipping remain promising in the long run.

"Yes, protectionism is on the rise, but integration of the global

economy through trade will not reverse its course," he said.

"As long as the ocean does not dry up, there will be demand for shipping and opportunity for shipbuilders."

*Mr Ren appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

95

## SIMOS P. PALIOS

Diana Shipping

7 (2015: 88)

Chief executive is a victim of Murphy's Law

ANYTHING that can go wrong, will go wrong. If we may add to Murphy's Law, when that happens, it may also affect you.

Diana Shipping chief executive Simos P. Palios has been steadfastly predicting what everybody else knew was going to happen but was too afraid to admit: the dry cargo market was headed for its hardest landing, ever.

The market hit rock bottom, but recovery is still out of sight. This has put even the most conservative company in a tough spot, having to negotiate with its lenders, like everybody else.

Throughout the downturn, Mr Palios has applied a dollar cost averaging strategy, buying vessels at a steady pace. On last count, the company's fleet stood at 46 vessels, up from 30 vessels at the end of 2012.

The only problem with that strategy is its cash position had fallen to \$108m as of September 30, 2016, whereas its net debt (total debt outstanding minus cash) stood at \$500m. At the end of 2012, Diana had \$446m in cash and near-zero net debt.

Not to rub salt into Diana's wounds, but its investment in Diana Containerships has not fared any better. In fact, Diana had to defer repayment of a \$50m advance to its subsidiary, so that Diana Containerships could restructure its credit facility



**Palios:** steadfastly predicting what everybody else knew was going to happen but was too afraid to admit.

with Royal Bank of Scotland.

Diana Shipping had engaged in its own talks with a consortium of lenders to extend debt repayments, but to no avail.

Mr Palios may be down, but do not count him out. He believes Diana Shipping has the financial strength to ride out the current conditions.

As to his dollar cost averaging strategy, Mr Palios staunchly defends it. "At this stage of the cycle, we are considering cheap assets, purchased at the bottom of the cycle to be as good as cash or even better," he said at a recent call with analysts.

He added: "Unencumbered vessels at this stage in the cycle don't have a lot of way downwards, and they are very liquid assets to have, if necessary, a year or two years from now."

Most importantly, Diana's management has refused to dilute its shareholders by raising new equity. Perhaps its operating leverage, owning a larger fleet with the same number of share count, may be its biggest weapon and bring home the bacon when markets turn.

*Mr Palios appeared in the Top 100 in 2012, 2013, 2014 and 2015.*

# CLASSIFICATION

## Top 10

List ranges from giants holding firm their position to smaller, more dynamic organisations

### 01 / DNV GL Group

DNV GL secures the prime slot in the top 10, but only just. It could have sunk further in the ranking this year, based simply on its statistics. The number of surveyors and vessels under classification has slid, but this is a class society that has an ardent approach to its societal role and chief executive Remi Eriksen has a good chance to turn things around.

His is an organisation that has firmly stuck its flag on the post of sustainability and alternative fuels. As laudable as this is, in an era of low fuel prices and potential nationalistic energy policies this may be a shackle to DNV GL's short-term prosperity. DNV GL will have to rely on its longer-term view, with plans on how to ride the storms.

### 02 / ClassNK

CLASSNK may be able to bask in its rising sun again soon. New chairman and president Koichi Fujiwara has yet to make his mark. He is keen to put the challenges of the *MOL Comfort* incident behind him and his class society and move ClassNK as an international risk assurance group.

As a former government man, one can see Fujiwara-San using ClassNK to strengthen Japanese Shipping, which may be hard in the light of the planned merger of the top three's container operations, by growing the position of its class society.

Last year's acquisition and integration of Napa has helped build ClassNK's position in the growing digital arena, and ClassNK has put great hopes in its data centre project, being able to provide safe and rapid storage of ship-sourced data for clients that may be looking to use it to secure operational efficiencies.

### 03 / ABS

THEY say hardship defines a person, and one may say the same of a classification society. ABS remains in the top trio in the Lloyd's List Top 10 class society list, having managed, between 2015 and 2016, to increase the size of its fleet, increase the number of surveyors and been one of the active class societies that have forged a digital path for itself.

It even has a voluntary cyber security notation for customers' ships, though time will tell if this is more than a seasonal gimmick or a substantial tool in digital safety.

### 04 / Lloyd's Register

THIS has been a tough year for Lloyd's Register and the admission that staff numbers were

being reduced in the summer as it sought streamlining may be the tip of the iceberg.

Alastair Marsh has been in the post of chief executive for more than a year. A finance man at heart he has the ability to cut through to the financial needs of LR, but he will need to rely on his staff with vast experience in the shipping industry to ensure that the world's oldest class society retains its status.

### 05 / Bureau Veritas

BUREAU Veritas has many strengths, and is perhaps the most diversified of the risk advisory businesses that have a function as a classification society. It remains the only publicly-listed class society, listed on the Paris Exchange.

As a broad risk and certification body its strength lies in the wide range of sectors to which it offers services. Its recent financial results show that the company's marine and offshore division was in the lower three of BV's eight business focused divisions.

### 06 / China Classification Society

ITS president, Sun Licheng, is the current chairman of the International Association of Classification Societies, but generally one would have expected more over the year from a class society that is from the country that is the engine of modern shipping.

### 07 / Korean Register

AN unfortunate and sad year for Korean Register with the death of its chairman and chief executive BS Park. Dr Park had only been in the job about two years; he came in after his predecessor Chon Young-keev resigned following the *Sewol* tragedy in 2014

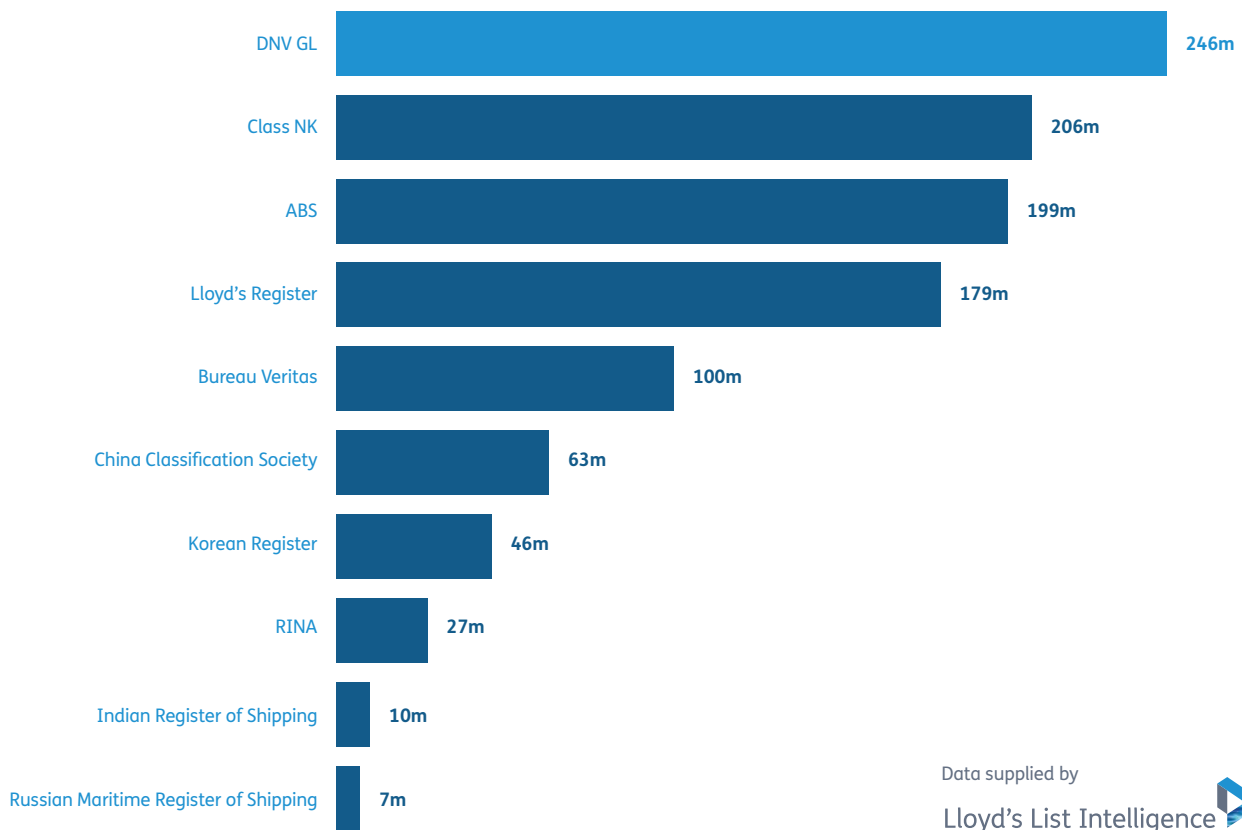
Over those two years KR had been working hard to build up its services, both for shipping companies and technology firms. As part of a consortium approved by the US Coast Guard to test ballast water treatment systems under the US standards it has worked on opening a new testing site, and has also been active in helping owners maximise operational efficiency of tonnage.

It took about seven months for the KR General Assembly to vote on a new head of the class society following Dr Chon, one hopes it does not take as long this time.

### 08 / RINA

THE Italian classification society retains a clearly stated strategy of expansion ahead of a public listing. The acquisition earlier in 2016

## Top 10 classification societies (by gt) 2016



of the UK's Edif Group underscores this.

Each classification society has its strengths and RINA's has been in the passengership, notably cruise market, which is one of the few shipping sectors with a solid orderbook.

RINA was one of the first classification societies to return to Iran, classing its first Iranian vessel following the partial lifting of sanctions in 2016. It also has an ongoing presence in the Middle East with the young classification society Tasneef by way of Tasneef RINA Business Assurance.

### 09 / Indian Register of Shipping

SOMETHING of a pivotal year for IRS. This is a class society that is clearly punching above its weight. Riding on the back of the Indian government's drive for industrial growth. India Register gained approval from the European Union to certify recycling yards as being in accordance with EU requirements on ship recycling. It has opened an office in Alang, and in a matter of four months it had certified four of the Alang Beach recycling plots and said it has been approached by 25 more.

IRS has become a recognised organisation by four more flag authorities over the year, opened new offices and refreshed its online presence, all promising signs.

### 10 / Russian Maritime Register of Shipping

THE Russians may yet prove to be a dark horse in class in 2017. RS ended 2016 on a high note with praise from the German Maritime Administration, inviting RS to assist with audits on behalf of the IMO. The year ended as it began: cordially. RS and DNV GL agreed in 1Q16 to greater co-operation, with particular reference to an expected growth in Arctic trade and the associated need for dual classification. The Russians are aiming for increased recognition in 2017, hoping for a repeat of one of their high points in 2016, an agreement to class more than half of Turkey's Palmali Shipping fleet.

### One to watch / Turk Loydu

THIS is a class society with huge aspirations and will be a surprise entry for some who expected to see another IACS member.

Turk Loydu is actively seeking IACS membership, although it is not the only one. It has been developing its own rule set for a number of years and is used by the Turkish government for naval classification more and more.

However, to attain full international status, the IACS aspirant will need to step up to the next level and become a positive influence on international classification — and that is no easy task.

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## POLYS HAJIOANNOU

Safe Bulkers

NEW

Chief executive makes some bold moves in times that try men's souls

POLYS Hajioannou, chief executive of Safe Bulkers, is gaining entry to our Top 100 for the first time for putting the interests of his shareholders ahead of his own. At times of adversity, nonetheless.

Mr Hajioannou came to the rescue twice in 2016, buying two existing vessels and assuming four newbuilding contracts from Safe Bulkers. He did so by paying more than the vessels' fair market value and by waiving a contractual sales and purchase fee to his shareholders' gain.

The transactions added \$29m in cash reserves and shaved off \$105m in capital expenditures. Not stopping there, he proactively worked with the company's lenders to extend repayment for all its loan obligations.

Mr Hajioannou may be media shy, but there is nothing shy about him when it comes to integrity and reputation. Owning 56% of the company and having fully aligned his interests with public shareholders helps. It also helps that he has never drawn a salary



**Hajioannou:** nothing shy about him when it comes to integrity and reputation.

from the company, nor has he ever given himself equity awards.

Safe Bulkers has grown to 37 dry bulk carriers, with two more coming over the next two years. It is predominantly a panamax specialist and it has ventured into capesizes only when they were backed by long-term contracts with first-class charterers.

Thanks to the long-term charters for its three capesizes, Safe Bulkers has pulled the unique feat of generating positive operating cashflows

throughout the downcycle.

Mr Hajioannou was among the first shipowners to embrace the post-panamax design, with an eye towards new trade flows facilitated by the new canal in Panama. Safe Bulkers own a fleet of 12 post-panamaxes, all built at top yards in Japan and South Korea.

Safe Bulkers has been listed in the US since 2008, but it traces its history back to 1965 when Polys Hajioannou's father, Vassos Hajioannou, founded Alassia Steamship.

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## FEDERAL MARITIME COMMISSIONERS

4 (2015: 93)

US regulators keep ocean carriers under close scrutiny as new alliances take shape

THE Federal Maritime Commission is regarded by some shipowners and operators as an anachronism, with its tariff filing requirements and other mandatory reporting rules, as it enforces the Shipping Act of 1984 and the Ocean Shipping Reform Act of 1998 to ensure those carriers serving the US do not engage in any uncompetitive behaviour that would harm American importers or exporters.

Yet others believe the FMC has never played a more vital role than today, as the world's top container lines group themselves into three major global alliances that are on a scale never seen before.

While competition authorities around the world are taking a close look at these new-style consortia, the FMC is the most transparent regulator and one that in some respects has led the

way in trying to make certain that consumer interests are protected.

The commission approved the planned Ocean Alliance in late October, but only after an in-depth review to ensure it would not harm the marketplace.

The FMC has urged regulators in different jurisdictions to work together in view of the global reach of the alliances now in operation or being put together for launch in April 2017.

The FMC is led by five commissioners, all political appointees and each very independent-minded.

During 2016, one of the most outspoken, Richard Lidinsky, retired and was replaced by a former US Congressman, Daniel Maffei, who was nominated by President Barack Obama.

He joined FMC chairman Mario Cordero, plus Michael Khouri, William Doyle and long-serving Rebecca Dye who was first nominated by President George W Bush in 2002.

There will now be more changes under the Trump administration, with a new chairman likely to be announced early next year, most probably one of the two Republican commissioners, Ms Dye or Mr Khouri. But the central thrust of the FMC's work is expected to remain broadly unchanged at this essentially non-political agency.



**Maffei:** former US Congressman was nominated by President Barack Obama.

Collectively the five commissioners represent a powerful force in shipping, keeping the maritime industry fully aware of the need to put its customers' interests first at all times.

As former FMC chairman Mr Lidinsky wrote in an article for Containerisation International soon after he stepped down, the new container line partnerships

that are re-shaping the container trades should never place themselves above governments but "must keep regulatory authorities informed at all stages of alliance-building".

Otherwise, they can expect to face the consequences.

*The FMC and Mr Lidinsky appeared in the Top 100 in 2011, 2012, 2014 and 2015.*

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## THOMAS WILHELMSSEN

1 (2015: 97)

Wilh. Wilhelmsen

The fifth generation of the Wilhelmsen family has been driving change through this organisation

THOMAS Wilhelmsen — or rather the family company over which he presides — is transforming.

As the fifth generation of the Wilhelmsen family to take the helm, Mr Wilhelmsen is having to make his mark at a time when shipowning mettle will count for something.

After a few years in charge, it is clear on meeting Mr Wilhelmsen that he has settled into the responsibility of his role as the young Wilhelmsen patriarch, even if other family members are still active in the business.

As the shipping markets and the deepsea ro-ro markets have suffered, Mr Wilhelmsen has had to be proactive. Leaving Wilh. Wilhelmsen as it was and doing nothing was not an option, so the young family



**Wilhelmsen:** settled into the responsibility of his role as the young patriarch.

member has been driving change through his organisation.

The announced plan to merge its shipping operations with Wallenius, the sale of some of the safety products in Wilhelmsen Ship Management, the now three listed entities on the Oslo Exchange and

a failed but nonetheless telling bid to buy ailing dry bulk outfit Western Bulk signal an element of new dynamism, both in Mr Wilhelmsen and his company.

Not surprisingly, perhaps, the company is now keen to embrace the digital opportunities, >>

shaping much of its new message under a digital byline.

Wilh. Wilhelmsen is often described as an owner of car carriers. It is far more than that.

Even with recent disposals, it remains a multifaceted company with a strong sustainable stewardship — something that has a very Scandinavian feel to it.

Mr Wilhelmsen's family own Tallyman, which has the majority stake in Wilh. Wilhelmsen Holdings. Tallyman, in turn, has the majority stake in Wilh. Wilhelmsen ASA.

As well as a stake in WW ASA, WW Holdings owns 100% of Wilhelmsen Maritime Services, a 72.7% stake in Treasure, a 40%

stake in the Norse Group and a few other company stakes, including a 5% stake in Qube, a logistics firm. The recent sale of its safety business will also see it take a stake in Survitec.

It is Wilh. Wilhelmsen ASA that will become Wallenius Wilhelmsen Logistics when Sweden's Wallenius, through family-owned parent group Soya AB, takes a 40% stake in that Oslo-listed entity, leaving 20% owned by other investors.

Wallenius Wilhelmsen Logistics already exists, of course, but this has been more of a partnership than a listed entity and has certainly evolved since its launch in 1999 as a marketing platform.

Mr Wilhelmsen has said the structure of the Wilhelmsen companies helps give investors a range of different options in which to invest. There is the single play company, like WW ASA, which may be subject to the risks of the shipping and logistics industry; or the holding group, Wilhelmsen Holding ASA, which has a broader portfolio of investments.

The group chairman suggests there could more acquisitions, providing they bring what he calls "system value", and possible exits in the near future.

*Mr Wilhelmsen appeared in the Top 100 in 2011, 2012, 2013, 2014 and 2015.*

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## SULTAN AHMED BIN SULAYEM

DP World

43 (2015: 56)

Group chairman and chief executive aims to enable global trade and drive sustained long-term value for shareholders

IT has been quite a year for Sultan Ahmed bin Sulayem. Not only was he appointed the chief executive of DP World following the retirement of long-serving Mohammed Sharaf on top of his role as group chairman, but he has also taken up this lead position at a critical juncture in the port industry.

For now is possibly the most challenging time in the sector's history, when the days of exponential volume growth accrued year after year appears to be a dying trend.

The major test for Mr Bin Sulayem and his port operator counterparts is to ensure that hungry investors and shareholders, after having it so good for so long, continue to be fed during this slow growth period amid an increasingly competitive environment.

Speaking at the time of his appointment as chief executive, Mr Bin Sulayem said he would continue to implement the company's global strategy "to enable global trade and drive



**Bin Sulayem:** will continue to implement the company's global strategy.

sustained long-term value for shareholders", despite the industry's difficulties.

One thing he has in his favour, however, is the deep pockets of its state-backed owners, ensuring there is plenty of financial muscle in DP World's corner.

Indeed, at the halfway stage of 2016, the UAE operator had

invested as much as \$586m in key growth markets, a scenario that its chief executive believes leaves it well placed to "capitalise on the medium- to long-term growth potential of the industry".

In the short term, however, he says the company is responding to the overall slowdown in global trade by scaling back on



the capacity build-up across its terminal portfolio. This includes the ongoing expansion of its flagship facility, Jebel Ali.

The construction of the Dubai port's fourth container terminal will continue, but works will be slowed considerably, with capacity released as and when the market picks up.

Nevertheless, DP World remains adamant it will achieve its objective of increasing its

current gross capacity from its current level of nearly 80m teu, spanning more than 70 terminals across six continents, to 100m teu by the end of the decade.

Recent investments in the Canadian port of Prince Rupert, Posorja, Equador, where its new facility looks set to rival the country's main business hub at Guayaquil, and the acquisition of Jebel Ali's Economic Zone World is a step in the right direction.

It is investments such as these that Mr Bin Sulayem says will help the group continue to outperform its competitors.

But if DP World is to succeed in reaching its ambitious goal, particularly given the current trade environment, then he will certainly have his work cut out from now through to 2020.

*Mr Bin Sulayem appeared in the Top 100 in 2010, 2011, 2012, 2013, 2014, and 2015.*

100

## THOMAS ECKELMANN

Eurogate

0 (2015: 100)

## CECILIA ECKELMANN-BATTISTELLO

Contship Italia

Decades of experiences shared by this pair will no doubt prove vital to navigate future developments

SHIPPING power couple and industry veterans Cecilia Eckelmann-Battistello and Thomas Eckelmann return to our list as a pairing for a third outing amid a testing period in the port operating world.

Last year, growth in global containerised trade braked sharply largely on the back of a slump in Chinese export trade, much to the detriment of those most exposed to this lucrative market.

Bremen-based Eurogate, fronted by Mr Eckelmann and part of the Eurokai Group founded by his late father Kurt Eckelmann in the 1960s, was one such unfortunate operator.

Across its 11 European facilities, box trade volumes were down 2% in 2015 on the previous year, including a 5.5% drop in container traffic at its Italian terminals operated by subsidiary Contship Italia, run by Mr Eckelmann's wife Cecilia.

Although volumes here were not impacted solely by Chinese exports, rather the readjustment of liner networks



**Eckelmann-Battistello and Eckelmann:** power couple coping with testing times for the ports industry.

in the Mediterranean, it was a disappointing result nonetheless.

However, the terminal operator managed to buck the trend of lower earnings in the port sector, posting double-digit growth in its net operating profit, largely thanks to the group's strategy of relying on a network with several port locations.

This helped to minimise its exposure not only from the cooling Chinese economy but also the impact of Russian sanctions on box numbers at domestic facilities, particularly in Bremerhaven.

The approach looks to have also paid off in 2016, with the terminal operator stating in its latest interim report that it expects full-year earnings to continue their upward trajectory.

But accruing such gratifying profit gains will become increasingly difficult in the coming years, a scenario of which group chairman Mr Eckelmann is only too aware.

Whereas in the past the port sector has been accustomed to year upon year of trade growth, the operating environment is undergoing fundamental change

and will be characterised by market maturity amid intense competition.

In response, Mr Eckelmann says the group will focus more intensely on technology and digitalisation. “Automation is the future,” he says.

If Eurogate is to successfully navigate these uncharted waters, being able to call upon the decades of experiences shared by both Mrs Eckelmann-Battistello and Mr Eckelmann will no doubt prove

vital, as the port industry shapes up for what is likely to be the most challenging era it has yet faced.

*Mr Eckelmann and Mrs Eckelmann-Battistello featured in the Top 100 in 2012, 2013, 2014 and 2015.*

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## LASKARIDIS FAMILY

Lavinia Group

NEW

Influence of well-established Greek family operation looks set to grow in the coming year

THIS Greek family operation may be newcomers to our list, but they are well-established in the Greek shipowning community and their influence looks set to grow in the coming year.

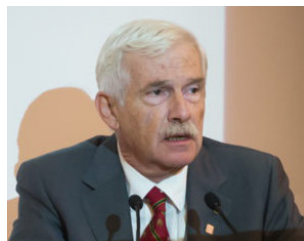
Founded in 1977 by brothers Panos and Athanassios Laskaridis, Lavinia Group started out in the specialist reefer business, carrying fruit and vegetables and other perishable goods.

As a result of containerised carriers taking over much of the traditional reefer trade, the company has since targeted the niche segment of high seas transshipments from fishing vessels, such as squid from the South Atlantic, and fish from Chile and Peru, the North Pacific and the various tuna-loading areas, which are primarily shipped to markets in West Africa and China, as well as Bangkok.

The company still operates 25 reefer vessels from its Athens office and is managing partner of the Alpha Reefer Transport (Art) Reefer Pool in Hamburg that commercially operates a further 40 ships. It claims to have had record results from its reefer business for the past two years, something that surprised even the family itself.

However, the reefer fleet is in rundown mode, with a planned slow removal of vessels by scrapping. The average age of its vessels is more than 20 years, which adds to technical issues, and upkeep is expensive.

The company has since diversified into dry bulk shipping, with a



**Laskaridis family, clockwise, from top left: Panos, Athanassios, Suzanna and Odysseas.**

newbuilding programme that began with its first delivery in 2010 and will total 40 vessels when all delivered.

The group currently has 33 bulk carriers under management, with another seven still to be delivered.

With typical frankness, the company admits moving into dry bulk during the deepest downturn for some years has been “rather unpleasant”, but it is confident it has a diversified fleet, with ultramaxs, newcastlemaxes, post-panamaxs, panamaxs and kamsarmaxes, on a mix of spot, period and long index charters.

The company is also generally confident it has a diversified portfolio of business, including two shiprepair shipyards in Spain and a controlling part ownership in a new bulk panamax terminal in Uruguay.

Its strategy for the coming year is all about housekeeping — being prudent with charterparties, and with all the operations of the business,

not only chasing new business but taking good care of the business it already has. Its dry bulk chartering is conducted by Lavinia Bulk in London.

Panos Laskaridis, managing director of the group, is president-designate of the European Community Shipowners’ Association, due to take up his role next year, thus extending the family’s influence beyond Greece.

He was named Shipping Personality of the Year at the Lloyd’s List 2016 Greek Awards.

Athanassios Laskaridis has been president and chief executive of the group since 1978.

The family is heavily involved with the charitable Aikaterini Laskaridis Foundation, which started life as a lending library in 1993 and now promotes Greek letters, culture and maritime history.

A further family charitable trust, founded by Athanassios Laskaridis, called The People’s Trust, is dedicated to micro grants

for start-ups in Greece, as well as general charitable causes.

The next generation is starting to make its presence felt at the company. Suzanna Laskaridis, daughter of Panos Laskaridis, has been with the business for 10 years, while cousin Odysseas Laskaridis has been there for six years.

While Suzanna focuses more on the operational side of the business, with Odysseas being involved in the commercial side, there is a lot of overlap, with Suzanna's legal training being put to use in charterparty disputes and Odysseas involved with the daily operations of the bulk career fleet.

Suzanna has recently launched Real Time Graduates, a free online platform that aims to place students with internships within the Greek shipping community. At the end of 2016, it had about 320 CVs on its free-to-access database and has been credited with a small number of direct hires.

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## MARIELLA BOTTIGLIERI GREEN

Giuseppe Bottiglieri Shipping

ONE TO WATCH

The dynamic Mrs Bottiglieri Green is the new face of the Italian family-run dry bulk and tanker owner

MARIELLA Bottiglieri draws attention wherever she goes, as an outspoken advocate for the shipping industry.

She began her career in shipping not at her father's firm, but at Clarksons in London, where she met and married her boss.

As managing director of the group that has 11 dry bulk vessels and four tankers, she looks set to take over the business, making deals and speaking at events.

She is not shy about pointing fingers at anyone she feels has let the shipping world down.

Take hedge funds, for example, which invested in new tonnage, leading to an oversupplied market.

"My wish is not to see private hedge funds investing so much in newbuildings as they did in the past, since, in my humble opinion, they are the ones to blame for the oversupply of tonnage which the shipping market had to suffer, on top of the general world crisis," she said recently in an interview with Lloyd's List.

Given the turmoil in the dry bulk and gas markets this year, Mrs Bottiglieri Green has been in talks to shed some old tonnage from the company's product and chemical carriers fleet.

But the group still plans to hold on to its dry bulk fleet in anticipation of a recovery expected as soon as next year.

Besides selling assets to shore up



**Bottiglieri Green:** looks set to take over the family business.

© Katerina Nomikou

the balance sheet, another option on the table could be consolidation.

There may be merger possibilities down the line, provided the two sides share the same ethical values and complement one another, much like in a marriage, the executive has said.

Shipping investment should be seen as a longlasting and happy marriage, as in a family-run business that hopes to pass the reins to the next generation, not a short-term relationship, as with hedge funds that exit the minute things look rough, Mrs Bottiglieri Green has said.

Banks have the capital needed to fund shipping, but "the problem for owners is negotiating an affordable interest rate", she said.

On Italy's long-awaited port reform, which eliminates nine port authorities to create a

simpler, more efficient system, Mrs Bottiglieri Green expects port costs will be less expensive.

"My country is overloaded with bureaucracy; procedures must be slimmer and more efficient and this law wants to create fast corridors," she said earlier in the year.

Her two sisters also work at the Naples-based company, which was founded in 1850 by Captain Giovanni Bottiglieri, the great-grandfather of Giuseppe, who is Mrs Bottiglieri Green's father.

She lives in Geneva with her husband and children, travels regularly to London and Naples, and is a regular feature in panels at forums.

*Mrs Bottiglieri Green is a new entry in the list and falls just outside the Top 100.*

# BOX PORTS

## Top 10

All change in the box port industry with the new wave of container shipping consolidation

### 01 / Eric Ip, Hutchison Port Holdings

HUTCHISON Port Holdings group managing director Eric Ip has witnessed a lot during his 30-plus years in the maritime sector, but even he would have been taken aback by the turbulent nature of the past 12 months.

For HPH will now be calling on all of Mr Ip's experience to steer it clear of the current storm. Thus far, it appears to be managing OK.

HPH was one of the few operators to post a rise in profits at the nine-month stage of 2016, albeit weighed as a result of a one-off gain.

The terminal-operating arm of Hutchison Whampoa also managed to stave off any potential chaos emerging from the Hanjin crisis, assembling a team of 70 to provide shippers and forwarders with assistance in retrieving containers from the stricken carrier.

It is this effective management that has served the group well under Mr Ip's tenure and the formidable John Meredith before him, which is just as well, given it is in charge of the world's largest box port portfolio.

In 2015, HPH was once again crowned the world's largest container port operator, handling 81m teu at its facilities stretching from the UK to China, Hong Kong, Pakistan and Brisbane in Australia.

### 02 / Huang Xiaowen, Cosco Shipping Ports

COSCO Shipping Ports is the port-operating arm of China Cosco Shipping Group, the colossus Chinese shipping conglomerate formed on the merging of Cosco and China Shipping.

Huang Xiaowen was appointed the first chairman and non-executive director of the adjoined terminal operator, comprising both Cosco Pacific's and China Shipping's port entities, in March.

Following the group reorganisation, Cosco Shipping Ports has a global market share within the port-operating business of 11.6%, making it the world's second-largest terminal operator from the start.

But the reorganisation has presented the group with a golden opportunity. By merging the pair's assets, it has an advanced leading position in Greater China and an ideal platform to capitalise on the national 'One Belt, One Road' policy, developing its existing terminal hubs and expanding its global terminal network in the process.

The terminal operator is expected to oust HPH as the world's largest and most influential port operator before the end of the decade.

### 03 / Morten Englestoft, APM Terminals

MORTEN Englestoft took over the reins as APM Terminals'

chief executive from Kim Fejfer at the start of November, as The Hague-based operator embarks on a new era.

It was announced in September, after months of speculation, that parent group AP Moller-Maersk would split its business in two, between an integrated transport and logistics company, including both APMT and Maersk Line, and an energy division. The latter will be phased out over the next two years.

APMT will be central to this new focus on transport and logistics, as the group looks to gain from the synergies of having a global terminal operator and the world's largest container shipping line at its disposal.

At the same time, Mr Englestoft will be charged with turning around its fortunes after a disappointing 2016, which has seen profits slide on the back of the industry downturn.

### 04 / Fock Siew Wah, PSA International

PSA International entered its second decade under the watch of group chairman Fock Siew Wah this year.

His and the company's success has relied on the continued diversification of its port-related business, while fortifying its Singaporean transshipment hub. In 2016, this now well-rehearsed strategy continued at a pace.

Tying down CMA CGM as a key customer in Singapore was a major coup. PSA Singapore signed a joint venture that will see the French line use and manage four berths at the Pasir Panjang expansion, while a deal was also put in place with Cosco Shipping Ports to develop even more berths at the burgeoning port.

Outside Singapore, PSA moved into the intermodal space, acquiring a 15% share in China United International Rail Containers, boasting 10 railway box terminals to its name. The group also unveiled a venture capital arm, PSA unboxed, to drive creative logistics solutions in container and cargo operations through nurturing and investing in up to 20 start-ups.

The Singaporean operator was once again named as the world's largest terminal operator in 2015 on an equity basis.

### 05 / Sultan Ahmed bin Sulayem, DP World

SULTAN Ahmed bin Sulayem became chief executive of DP World earlier this year, following the retirement of Mohammed Sharaf.

Mr Bin Sulayem, who is also chief executive — a role appointed prior to becoming head of the company — is in charge of one of the most ambitious operators on the circuit, helped largely by the deep pockets of its state-backed owners.

Although, like others, it has been forced to scale back on expanding its portfolio, which currently spans more than 70 terminals across six continents, it is still clear in its objective to increase its gross capacity from near 80m teu today to 100m teu by the end of the decade.

Recent investments in Prince Rupert, Canada, and a new Ecuadorian hub to rival Guayaquil, in addition to the ongoing expansion of Jebel Ali, are a step in the right direction, but Mr Bin Sulayem has work to do if the company is to reach its ambitious target.

**06 / Li Xiaopeng, China Merchant Port Holdings**

LI Xiaopeng was appointed chairman of China Merchants Port Holdings in the first quarter of the year, with his predecessor Li Jianhong moving aside to concentrate on 'other matters' within the China Merchants Group.

The port industry may be having a tough time of it lately, but Li Xiaopeng is perhaps rightly optimistic when it comes to the future of the terminal operator.

Like its compatriot Cosco Shipping Ports, China Merchant Port Holdings is expected to reap the rewards of China's 'One Belt, One Road' initiative — referred by the group as "the core of its internationalisation strategy" — providing the opportunity to expand both domestically and further afield.

But this is only the tip of the iceberg. Li Xiaopeng says the Chinese company will look to "consolidate Asia, consummate Africa, break through Europe and develop America, seeking new breakthroughs in internationalisation layout". Strong words, indeed.

**07 / Enrique Razon, International Container Terminal Services Inc**

ENRIQUE Razon is the chairman and majority owner of rapidly expanding Philippines operator International Container Terminal Services Inc.

ICTSI is confident its drive into emerging markets in recent years will not only see it through, but help it emerge a stronger international player once the industry comes out of the other side of the current shipping downturn.

Many of its greenfield projects will be starting operations soon, presenting an opportunity to reap the benefits of an aggressive expansion that started in 2007.

Today, the Manila-based company is involved in around 30 terminal concessions and port development projects in more than 20 countries globally, with nearly all its facilities under majority control. The only exception is its joint venture with Singaporean operator PSA in the Colombian port of Aguadulce.

Outside ICTSI's forays in the developing markets, it is also set to embark on a first for the group at its new terminal in Melbourne, Australia. The \$400m Victoria International Container Terminal will be the first automated terminal within its portfolio when it opens by end-December this year.

**08 / Robert Yildirim, Yilport Holdings**

TURKISH businessman Robert Yildirim has big plans for Yilport Holding, the port-operating arm of the Yildirim

Group, as he looks to catapult the company among the top 10 global operators over the next 10 years.

The terminal operator has already reached its goal of becoming a top 20 ranked player, with Mr Yildirim overseeing nothing short of a meteoric rise in recent years, following a series of astute acquisitions.

This includes domestic dealings in Gemport and Rotaport, stakes in Norwegian and Swedish facilities and the takeover of Portuguese port management company Tetir.

More recently it has also agreed terms on a 50-year concession to run Puerto Bolívar Port in Machala City, Ecuador.

But Mr Yildirim's self-confessed interest in acquiring a majority stake in Ports America has made the industry stand up and take notice.

"In order to be in the game, you need to be an international operator," he told Lloyd's List.

**09 / Chen Xuyuan, Shanghai International Port Group**

SHANGHAI was named the world's largest container port for a sixth successive year in 2015, as volumes rose by a further 3.5% to 36.5m teu. Throughput growth was slow by its own high standards, but this was still an increase in business equivalent to the annual box numbers handled by the port of Marseilles.

Shanghai International Port Group, fronted by chairman Chen Xuyuan, is its principle port operator, but has ambitions to grow beyond its domestic base. It too is looking to gain from the Maritime Silk Road.

While it has not been as visibly active as China Merchants, for example, thus far, overseas investment is expected to gain more prevalence for the company amid slower growth in the Chinese economy.

Its recent acquisition of Israel's new Haifa terminal, therefore, could be the start of a surge in foreign ventures in the years to come.

**10 / Vikram Sharma, Terminal Investment Ltd**

VIKRAM Sharma has been chief executive of Mediterranean Shipping Co's port-operating subsidiary since 2008.

Boasting more than 40 years' maritime experience, including 20 years at sea, the industry veteran has helped guide the company, set up originally at the start of the century to secure berths and terminal capacity for its sister line, into a fully fledged global player of its own right.

The operator has grown in tandem with MSC, now the world's second-largest carrier.

Yet it is TIL's preference to partner with other operators that has served it so well thus far, as a win-win for both sides not only sharing risk but guaranteeing MSC cargo across the docks.

MSC's tie-up with Maersk Line as part of the 2M alliance has helped push more traffic through its facilities on Asia-Europe routes, and will only prove to make TIL an even more attractive prospective port partner going forward.

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