The Association of Ship Brokers and Agents (ASBA) was established in January of 1934 to advance and foster ideals and standards of personal and professional conduct and practices, to inculcate just and equitable principles among those engaged in the trade, to define customs of the business, to establish and maintain uniformity in commercial usages, to adjust controversies and misunderstandings, and to promote the common interests of those business establishments which are engaged in business as ship brokers and agents. One of the first tasks of the Association was to set forth the Code of Ethics (see box below).

After a number of high-profile agent company bankruptcies, the officers, partners and associates of each member firm of this Association are firmly pledged to the following principles in the conduct of their brokerage and agency business.

1. In the conduct of his profession, a member shall exercise great care to avoid misrepresentation and shall be guided by the principles of honesty and fair-dealing.
2. A member shall be diligent at acquainting himself with market conditions and shall keep his principal accurately informed thereof.
3. A member shall always assist — never hinder — principals in reaching and performing an agreement; always rendering his best efforts and using his best judgement on their behalf.
4. A member shall handle all proposals accurately and expeditiously.
5. When acting as a broker, he shall not make decisions for the principals unless so authorized by them; and when negotiating on a standard or well-known form of charter party, a member shall advise the principals of any deviation from the usual form.
6. The member’s responsibility as ship’s agent is to protect the ship’s interests at all times. The ship agent will make every effort to manage the ship’s call efficiently.
7. Each member agrees to inculcate his organization with the principles set forth herein, for it is recognized that only by their observance will the standards of personal and professional conduct be advanced, and the practice of ship brokerage and agency continue to inspire confidence as an essential and effective part of the shipping industry.

As adopted December 16, 1949
As amended June 23, 1981 and February 3, 2011
and the general opinion of ASBA’s members, it was decided that the industry was in need of a mechanism whereby principals could identify quality ship agency providers. In February of 2005, the full membership of the Association approved the Guidelines for Certification — please see box above.

ASBA is an active member association of the Federation of National Associations of Ship Brokers & Agents. It presented its certification to the FONASBA members and, happily, the members approved the FONASBA Quality Standard in 2007 with 22 member Associations having received approval to issue the Quality Standard to their member companies.

ASBA members have used the following text to inform their principals of ASBA’s certification.

“The Association of Ship Brokers and Agents (USA) Inc. (ASBA) agent members have raised the bar for agency companies by implementing an annual certification process that is intended to assure principals of member agent’s quality and credibility in three areas:

- Sound handling of principal’s cash
- Adequacy of insurance coverage
- Competence of staff

All ASBA member agents are required to submit an annual procedure report from an external CPA, insurance coverage of $1M per event of liability, automobile and workmen’s compensation as required. All agents employed by member companies must pass the ASBA Agent Exam testing their knowledge of the industry and agency business.

ASBA promoted the endorsement of a similar international standard through its international counterpart the Federation of National Associations of Ship Brokers & Agents (FONASBA), which has as one of its core values the promotion of the highest levels of professionalism in the agency and broking professions worldwide. FONASBA approved their Quality Standard that embraces the core objectives of ASBA’s Certification. ASBA Agent Members were one of the first to be awarded same. INTERTANKO and BIMCO have endorsed the FONASBA Quality Standard (FQS), which attests to their recognition of the value of this initiative for their members. Twenty-two FONASBA Member National Associations have been approved to award the FQS to qualifying members.”

ARTICLE XIII: Criteria for Certification of ASBA Ship Agent Members

Section 1. All Ship Agent Members (“Ship Agents”) must abide by the ASBA Code of Ethics.

Section 2. All Ship Agents must comply with the following standards of Financial Responsibility.
A) Retain an external CPA for issuance of an “Agreed Upon Procedure Report” submitted to ASBA annually.

The following procedures, based on random sampling, must be attested to:
- Amounts due from/to principals in company’s general ledger are supported by detailed accounting and reporting for principals which agrees in total to the general ledger.
- Detailed accounting/reporting for principals includes a listing of cash receipts and disbursements (by invoice) for sample voyages with total amounts due to/from the principal for each selected voyage and in total at end of reporting period.
- Maintain separate files for principals to include supporting documentation.
- All transactions for principals must be supported by invoices and/or receipts.

B) Certification by Ship Agent’s management that undisputed accounts are settled in accordance to agent’s agreement with principals and vendors.

C) Ship Agents must demonstrate adequate insurance coverage, submit proof annually and name ASBA as a notify party.

- Automobile Coverage (owned and non-owned vehicles)
- Workmen’s Compensation for USL&H as required.
- Liability Coverage – minimum of 1 million dollars per event.

D) Company in good standing as certified annually by the Secretary of the State in which the Ship Agent is incorporated.

Section 3. Industry Experience
A) At least one year in the business.

Section 4. Each Ship Agent must ensure that its Employees are Trained and Professional
A) Ship Agents must provide on the job training or participate in member or ASBA provided training seminars.
B) Ship Agents must successfully complete the ASBA Ship Agent Exam.

Section 5. Ship Agents agree that the ASBA Ethics & Grievance Committee will be the governing body should issues regarding noncompliance with this article arise.
A) Ship Agents agree to abide by the ruling of the committee.
B) Ship Agents face possible suspension of and/or expulsion from membership for failure to comply with the requirements of this Article.
ASBA Ship Agents

Tested
Trusted
Certified

Appoint ASBA Certified Ship Agents at all U.S. and most Canadian ports.

ACGI Shipping, Inc.
A. R. Savage & Son, LLC
American Shipping and Chartering
Luis A. Ayala Colon Sucrs., Inc.
Biehl & Co., LP
Blue Water Shipping Company
Cascade Marine Agencies, Ltd.
John S. Connor, Inc.
Fillette Green Shipping Services (USA) Corp.
GAC Shipping (USA) Inc.
General Steamship Agencies, Inc.
T. Parker Host, Inc.
Inchcape Shipping Services
Lott Ship Agency, Inc.
Max Shipping, Inc.
Mid-Gulf Shipping Company, Inc.
Moran Shipping Agencies, Inc.
Moran-Gulf Shipping Agencies, Inc.
Newship, Inc.
Nord-Sud Shipping, Inc.
North American Shipping Agencies
Norton Lilly International
Peabody & Lane Corp.
Riley-Sherman Shipping Agency, Inc.
Southport Agencies, Inc.
Sunshine Shipping, Inc.
Tormar Inc.
Transmarine Navigation Corporation
USG Services, LLC
Valls Ship Agencies, LP

Association of Ship Brokers & Agents (USA) Inc.
510 Sylvan Avenue Suite 201, Englewood Cliffs, NJ 07632 USA
T 201-569-2882 • F 201-569-9082

asba@asba.org • www.asba.org
In a recent survey conducted by the Association of Ship Brokers & Agents (USA) Inc. (ASBA), maritime principals ranked the qualities deemed most important in their decision to appoint a ship’s agent.

- fiscally responsible company
- trained boarding agents
- past experience with the ship agent and the agent’s experience with the cargo and vessel type

ASBA’s Agent Member Certification, renewed annually, specifically addresses these qualities. But, in order to describe what it means to be ASBA certified — what, exactly, is an agent, and what does an agent do?

“Except for the pilot, the first and last person to board or depart during every ship’s port call is the ship’s agent.” The agent is like a control tower for a ship’s port call, co-ordinating local scheduling and logistics with the key players — the owner, charterer, shipper, receiver, terminal, and, of course, the ship.

The agent dispatches the local services necessary for a successful port call by arranging pilotage, towage, and customs entry and clearance, while navigating deftly through the myriad national and local regulatory requirements involving the ship, her cargo and crew. Beyond the commercial operation there is often an extensive list of husbanding requirements that includes co-ordination of ship’s stores and spare parts as well as crew changes, crew medical, and service technicians.

An agent’s job is to safely and economically expedite the vessel’s port call. Understanding the impact of high daily operating costs of ships and marine terminals, the pressures of berth congestion, and contract deadlines for loading and unloading cargoes contributes positively to the success of a voyage. Solid rapport and good standing within the local marine community is critical. The agent stands in the shoes of his, or her, principal, protecting their interest at a specified port.

**FISCAL RESPONSIBILITY**

ASBA member agents must retain an external Certified Public Accountant to complete a procedural review in order to attest in writing to ASBA that the member maintains separate files by principal and that all financial transactions are properly supported by invoices and receipts that tie back to their general ledger. Fiscally sound accounting practices should be a key component of the principal’s risk management strategy.

**TRAINED**

Certified Agent Members must maintain a well-trained staff that is service oriented and armed with knowledge to make necessary decisions on behalf of their principals. All member boarding agents and their managers must successfully complete a comprehensive exam administered by ASBA. ASBA provides a variety of maritime courses and seminars on shipbroking, chartering, and agency to meet the needs of members for initial training and ongoing education. Other courses offered by ASBA include maritime law, marine insurance, and commercial trade transactions. ASBA’s Annual Cargo Conference has become the must attend maritime event in the USA and provides member agents with another avenue to expand their industry knowledge. Panellists include charterers, owners, and operators that share their thoughts on the hot topics of the year as well as their views on the market and trends in shipping.

**EXPERIENCED**

ASBA’s 30 member agents handled approximately 43,000 non-container vessel calls in the USA and Canada in 2013. Of this total, approximately 14,000 were dry bulk and breakbulk vessels. Based on the association’s calculations, ASBA Certified Agents have represented close to 65% of the dry and wet bulk vessels calling US ports last year. In terms of experience, these statistics tell a clear story.

ASBA was formed in 1934. Members use the Association to address issues affecting their companies and principals on a national level — and to advocate for quality. ASBA’s landmark member certification was embraced by its international counterpart, the Federation of National Associations of Ship Brokers & Agents (FONASBA) in 2007, is called the FONASBA Quality Standard and is now being awarded in 22 member countries. Owner’s organizations, BIMCO, INTERTANKO, and INTERCARGO, recognized the value of promoting ‘quality’ in the appointment of ship agents when they endorsed the Quality Standard.

As a best practice that supports operational excellence and risk mitigation, ASBA encourages all vessel charterers, owners, and operators to nominate and appoint ASBA-certified agents at USA and Canada ports whenever possible.
General Steamship Agencies, Inc. act as agents for principals engaged in a charter party. Its duty is to execute the responsibilities its principals have contracted to, and to protect their interests in the maritime contract. This duty ranges from government formalities to cargo operations, through to documentation and financial dealings with vendors. The goal is economic and expedited sailing of the vessels entrusted to General Steamship Agencies. The company exited the liner business in 1985, since which time it has focused exclusively on the dry and wet trades.

General Steamship Agencies’ offices cover most of North America, from all ports in Alaska down the Canadian and US West Coast throughout the US Gulf and within the Delaware River/New York area. Its clients include large domestic and international vessel operators, trading houses and industrial producers and consumers of wet and dry bulk commodities. Dry bulk constitutes half of the agency’s vessel volume.

The group traces its beginnings to 1920, and has performed many related services beside agency, including terminal and stevedoring, chartering, harbour services and logistics support. These operations have flowed up and down over the decades as service demands have required.

One concern that the agency has is the rapid increase in regulatory and political interference in the maritime sector. This industry has a long forward view. Short-term political fixes and patronage postings of politically connected people who do not execute their duties in the best interests of trade and jobs for the citizens are increasingly common. San Diego recently came close to building a sports stadium over the top of its main marine terminal!

This requires a very active commitment to industry associations, and the time and money necessary to stay vocal and visible. These two traits are not something that shipping is historically comfortable with. General Steamship Agencies, Inc. has a well-documented commitment to leadership roles in local, regional and national industry associations to defend and promote the industry against such assaults.
Celebrating its 76th year, employee-owned Transmarine Navigation Corporation is a leading bulk cargo shipping agency in the United States. Headquartered in Long Beach, California it has US offices on the US West Coast, the US Gulf and in Hawaii. Its dry bulk activity consists of its established market position with grain exports from the Colombia River along with a rising volume of solid fuel, sulphur and other dry bulk commodities from US Gulf, California and Puget Sound ports.

Transmarine delivers value-creating agency service by employing a different model than its competitors: while some companies concentrate their expertise in the office and send entry-level personnel to vessels, Transmarine’s boarding agents are trained veterans with an equity stake in the firm, placing experience and expertise aboard the vessel. These agents are backed by highly experienced operations managers and senior management.

The role of an agency divides into the routine and the exceptional. Routine agency tasks are not dramatic, but performing them poorly results in costly delays and blinding confusion for vessel owners and cargo interests; performing them with reliable consistency creates savings and clarity for our clients. However, it is in the exceptional issues when an agency’s expertise and collective experience produce value for the client far beyond the cost of the service.

The agent needs to communicate constantly with the vessel operator and the cargo interests to report precise operational facts and also to illuminate possible complications to people in distant time zones who are perhaps unfamiliar with local practices. Empathy is essential. The agent has to communicate a situation and its nuances, provide advice with the aid of his experience and expertise, receive instruction, and act with promptness.

It is vital that an agency have a solid relationship with the people who work at the dry bulk terminals in the port, relationships that come from years of living and working in the same community, sharing similar concerns and interests. Agents also have to have a proper and courteous conduct when dealing with port authorities on behalf of principals. Operational knowledge, communications skills, clear and efficient accounting — these are all agency essentials. But agency is a people business, where honesty and decency are the fundamentals.

Transmarine’s clients form a roster of the world’s most prestigious and recognizable companies in bulk shipping, commodities trading, grain import houses, industrial conglomerates, national oil companies (petcoke and sulphur), cement makers, and electricity generation utilities – from all continents.

Transmarine’s coverage map includes every dry bulk port on the US West Coast along with the ports in Texas, Louisiana, the lower Mississippi River and Hawaii.

Transmarine is pre-eminent in the tanker market, but its dry bulk vessel volume is growing on all fronts: number of calls, amount of revenue and proportion of calls. Dry bulk is a key growth area for Transmarine. The company does not perform liner container work.

Competitors are well-known dry bulk agencies. All seem to have a regional concentration and try to expand their service offerings into other dry bulk regions of the country.

Transmarine’s challenges relate to the competitive conditions of the ports and regions in which it operates, the environmental, labour and economic issues reported in the press. The poor condition of the dry bulk freight market makes cost control an ever higher priority and funds management a crucial factor in the survival of an agency. The agency that is highly disciplined with funding is performing a vital service for its principal and all other industry stakeholders.

Transmarine invests considerable time representing its principals’ interests by participation in local maritime associations and harbor safety committees, and as a member of ASBA (Association of Shipbrokers and Agents) on a national level.

Founded in 1938, Transmarine became an ESOP (Employee Stock Ownership Plan) majority-owned company in 2012. The company believes it is the first shipping agency to achieve this. There are 75 employee/owners across offices in:

- California: Long Beach, San Francisco, Stockton, San Diego;
- Oregon: Portland;
- Washington: Seattle, Bellingham, Anacortes, Grays Harbor;
- Texas: Houston;
- Louisiana: New Orleans; and
- Hawaii: Honolulu.

Dry bulk contacts are:

- Mark Hanson: VP Dry Cargo Marketing;
- Patrick Dunbar: Solid Fuels Marketing;
- Phil Brotherton: Breakbulk Marketing;
- Ivan Nikolic: Marketing Manager;
- Kyle Munson: Texas District Manager; and
- Paul Clancey: Louisiana District Manager.

Transmarine Navigation Corporation: on-board experience and expertise
Agemar: covering Venezuela and Trinidad

Agemar is Venezuela’s major shipping agency. The company, which was incorporated in 1969, is privately owned. It offers its principals world-class shipping agency services, through well-trained and capable personnel.

Services include: oil tankers, product tankers, dry bulk carriers, chemical tankers, gas carriers, project cargoes, cruise ships, research vessels, cable-laying vessels, offshore platforms, navy vessels, crew attendance and bunker deliveries.

Agemar offers agency services in Venezuela and also in Trinidad through its sister company Agemar Trinidad Ltd. General operations are controlled from the head office in Caracas.

Agemar has an extensive list of first class clients for oil, LNG, chemicals and dry bulk operations and prides itself on covering all of their requirements in the most transparent and professional manner through its expert knowledge of Venezuelan and Trinidadian laws in terms of import/export operations.

The company has a sound financial standing, and is capable of meeting all demanding local obligations, and able to reassure its principals that advanced funds will be used appropriately.

Agemar offers:
- high quality and consistent service at competitive prices;
- top-level shipping agency industry expertise;
- integrity;
- high quality in all its services;
- financial strength;
- administrative flexibility;
- long-standing working relationship with port authorities and government entities;
- efficient turn-around of vessels and continuous improvement of services;
- over four decades of experience support the most comprehensive agency system in Venezuela and Trinidad;
- port shipping agency for all type of vessels;
- husbandry agency;
- assistance for bunkering services;
- supervision of delivery of spare parts, mail and provisions;
- port information services;
- crew attendance at airports and terminals;
- efficient and prompt communications;
- up-to-date information technology applications and systems;
- on-time financial and operational reports;
- confidentiality; and
- risk assessment procedures.

In the petrochemicals sector, Agemar Venezuela is a popular choice for first class chemical tanker owners and ship operators when calling into Venezuelan Ports.

Agemar Venezuela pioneered the Methanol and MTBE export cargoes since the beginning of operations of the Jose Complex in Venezuela. Also, its Trinidad sister company is deeply engaged attending LNG Vessels in Atlantic LNG terminal.

Among other top cargo services, Agemar provides logistical support to the following bulk cargoes to and from Venezuela: rice, sugar, beans, coal, urea, petcoke, ammonia, clinker, alumina, iron pellets and iron ore.

The agency provides round the clock services in all our offices and guarantee precise and timely information on 24/7 basis, 365 days a year. It is ISO 9001:2008 certified as Port Agent by Bureau Veritas, and is an associated agent of INTERTANKO.

INTER BALT: Poland’s port specialist celebrates its tenth anniversary

The INTER BALT company is a major presence in the Polish shipping industry. It is one of the country’s leading bulk ship agencies.

With its headquarters in Gdansk and branch office in Szczecin, INTER BALT began its business activities on 1 January 2004. The foundation of the company was the result of the restructuring activities in Weglokoks S.A. — Center of Foreign Trade of Coal.

Today with 46 employees, INTER BALT provides comprehensive services in the field of port clearance and agency services to vessels calling at Polish ports and shipyards, as well as shipbroking services, logistics and forwarding services for coal, coke, biomass and other bulk cargoes.

After its foundation, INTER BALT successfully organized the company’s agency services within the new company. According to maritime law, a ship agent is entitled to act on behalf of the ship owner when dealing with the authorities and entities managing sea ports. In other words, the agency represents a ship owner’s interests from the moment a ship enters the port until the moment it leaves. The agent concludes handling or delivery contracts on behalf of the ship owner, and is entitled to collect or pay any sorts of liabilities related to the ship calling at a port. It can also make claims resulting from
shipping agreements and collisions at sea on behalf of the ship owner.

The job of a maritime agent is very specific — the agency works non-stop, seven days a week, 365 days a year. Further, the work requires in-depth knowledge of the procedures related to port operations. INTER BALTS’s highly experienced agency team enjoys good reputation among the biggest owners, and does its utmost to fulfill the 24-hour husbandry mission. It owes its dynamic and continuous growth to two factors: first, its team of highly skilled staff, which pursues with great commitment the company’s strategy; and second, to the loyal support from its partners and customers, with whom it has built long-term business relations. INTER BALTS successfully co-operates on a regular basis with a number of owners.

From the beginning, INTER BALTS has specialized in bulk carriers transporting coal, coke, biomass for Polish power plants, aggregate, liquid fuel, scrap metal, magnetite ore as well as in rendering agency services to vessels renovated in Polish shipyards.

The company’s several years’ experience in forwarding mass commodities, good relations with the companies, institutions and offices dealing with port traffic will guarantee that its customers’ expectations are met. As the port agent, INTER BALTS comes into contact with individuals and organizations. These include ships’ masters, officers and crew, customs, immigration, port authorities, towage companies, boatman and stevedores. Depending on circumstances, owners need a range of services, including the arrangement of repairs, surveys, medical attention and so forth.

This list is by no means exhaustive, but merely serves as an illustration of the diversity of people and organizations that are involved at one time or another with a vessel and its cargo during a port call. INTER BALTS helps its principals to comply with legal requirements, both Polish and international. It is important to remember that, in recent years, new legislation has been introduced which includes PHICS (Polish Harbours Information & Control System) in Polish ports, and the Paris MoU, a new inspection regime as well as new regulations in respect of increased efficiency, safety and environment protection.

INTER BALTS’s major clients include several companies: Weglokoks S.A. GFD Suez, SUEK AG, and Vattenfall which between them represent 90% of INTER BALTS’s principals.

The company works hard to remain competitive in the agency market, and must deal with competition from many companies among which include Polfracht, Inchcape, MAG, Renttrans and Anchor.

A very important and relatively new scope of activity of the
agency team is shipbroking — concluding charter agreements for the transportation of goods ordered by external companies. Several years ago INTER BALT successfully commenced such activity receiving orders from foreign contractors.

INTER BALT aims to be the preferred international provider of high quality, innovative, cost-effective and added-value business solutions for shipyard and shipping services, employment, international trade and logistics, offering mutual benefits for its partners and communities in which it is active. The agency is open to co-operation with every contractor and offers consulting services connected with its specialist operations to each potential client. It has offered end-to-end dry cargo management solutions to principals for the last ten years and has provided customized answers, which incorporate procurement, shipping, port logistics, land transportation and shipping consultancy. The company shows great flexibility in diversification of its operations and expanding the sources of income concentrating on the enterprises related mainly to maritime economy, agency and logistic services, according to the CEO of INTER BALT Poland, Mark Kowalski.

INTER BALT is a member of the Polish Shipbrokers’ Association and is BIMCO registered, no. 162101.
Sri Lanka served by Aitken Spence

The Aitken Spence PLC, a public listed company based in Sri Lanka is a diversified conglomerate. The company has been in the shipping agency business since its inception in 1868 and currently represents many major international shipping principals.

Aitken Spence Shipping Ltd was the first shipping agency in Sri Lanka to obtain ISO 9002 certification. It is also a member of the prestigious Multiport Agency network, and is a committee member of the Ceylon Association of Ship Agents.

The agency also represents world-renowned international freight forwarding companies and NVOCC (non-vessel operating container carrier) operators. In addition, it is the agent for numerous cruise lines.

In addition to its representation in liner, cruise, NVOCC operations, Aitken Spence handles liquid bulk and dry bulk vessels for numerous principals. Dry bulk constitutes approximately 2% of its business as its main focus has been on the containerized business. The agency handles vessels in all ports in Sri Lanka. The main sea ports are Colombo, Trincomalee, Galle and Hambantota.

Dry bulk cargo in Sri Lanka is limited to a very few commodities as most of the cargo is containerized. The main cargoes are cement, clinker, gypsum, coal, fertilizer and wheat. Handling of clinker, gypsum and cement are done in the Ports of Colombo, Galle and Trincomalee. Coal is handled in Trincomalee and at anchorage in Norochcholai in close proximity to the coal-fired power plant. Bulk wheat is handled in Trincomalee and Colombo and fertilizer is handled in Colombo.

The Port of Colombo handles approximately 2.7mt (million tonnes) of dry bulk cargo whilst the Port of Trincomalee handles 2.4 mt and the Port of Galle handles 0.42mt of dry bulk cargo.

The role of the agent in handling dry bulk cargo is critical especially in Sri Lanka as direct delivery of cargo has to be effected upon discharge. The ports in Sri Lanka do not provide any storage or warehousing facilities and as such the consignees either have to have their storage facilities set up on their own in the port premises or outside the port.

In the case of bulk wheat imports, there are two main flour milling plants which have set up their storage facilities inside the port premises and the milling facilities inside and in close proximity to the port. Since cargo is discharged using pneumatic vacuators, handling such ships is not a major problem.

In the case of bulk cement, the three main importers have their storage facilities inside the port premises. Cargo is discharged using vacuators directly to the silos. There are other importers which do not have storage facilities in the port, and have to provide bulk transporters to take delivery from the vessel and transfer to their storage facilities outside the port premises. This becomes a challenge in trying to co-ordinate the delivery and clearance process.

Bulk gypsum and clinker are imported by the two main cement manufacturers in Sri Lanka. This cargo is discharged using grabs and transported in trucks to the cement plants.

Fertilizer is discharged using grabs onto hoppers, where some of the cargo is transported in trucks to the storage facility of the importers, whilst some of the cargo is immediately bagged alongside the vessel and the bags are transported to the warehouses of the importers. Handling and co-ordinating the discharge of bulk fertilizer is a challenge, to ensure that there are adequate trucks to take direct delivery, adequate labour to work 24x7 and for the smooth co-ordination of the discharge and delivery operations.

The bulk coal that is discharged is for two main importers. One importer is a cement producer which discharges the coal in Trincomalee using grabs, takes direct delivery onto trucks and transports the coal immediately to its storage facility located over 150km away. The other importer is the Ceylon Electricity Board, the national producer of electricity which operates 2x300MW coal-fired power generating plants located 110km north of Colombo. Since there is no alongside facility to handle ships, the coal is discharged at anchorage onto barges using grabs and the barges come alongside the pier; where the cargo is discharged using grabs onto a conveyor. This is quite a tedious task and coordinating the discharge is quite a challenge. Since discharge from the ships is done in open sea, during the monsoon period, which lasts about four months, no activities can be done.

Aitken Spence Shipping Ltd handles vessels that discharge bulk cement, wheat and clinker. These cargoes are contracted by the importers and the agents in most cases are appointed by the importers. The agency handles dry bulk cargo in the Ports of Colombo, Galle and Trincomalee. Its dry bulk customers include Holcim Cement, Ambuja Cement, Prima Flour Mills.
GAC: your eyes and ears in port

Eric Barnard, GAC Group Sales Director – Shipping, explores the integral role ship agents play in helping dry bulk operators to protect themselves against volatile market conditions.

According to BIMCO’s review of 2013 and market outlook for 2014, China — the lynchpin of the global dry bulk market — imported record-high quantities of coal and iron ore during 2013, and that trend is expected to continue. Global steel production also rose by 3.5% in 2013, pushed up by Asia and the Middle East according to the World Steel Association. Elsewhere, coal exports from the United States to the likes of Europe are also set to increase, thanks in large part to the country’s move from coal to shale gas as their primary power source.

But the picture is not all rosy for dry bulk shipping. Whilst there are positive signs on the demand side, this is driven by Asia. Steel production actually fell in the European Union and in North America in 2013. On the supply side, there is uncertainty over scrapping rates and the number of vessels due to come into service in the near future, and that could further upset the supply-demand balance. Adding to the volatility of the dry bulk market, factors such as the impact of seasonal weather can further disturb shipping rates and make it harder for shippers to plan for the future.

Given the pressures faced by all parties across the dry bulk supply chain, ship agents play an important role in helping their customers to control costs, manage their operations and effectively capitalize on periods of positive market growth, whilst protecting them against the swings of fortune that freight rates susceptible to volatility may bring. Ship agents are also key to protecting the most valuable assets – vessels, cargoes and crew.

**Specialist expertise**

Not only should your agent be able to undertake their immediate tasks in port, they must also possess a forensic insight into the dry bulk industry; understand the operational and commercial constraints for each particular port and type of cargo, have the knowledge and foresight to account for all potential risk and the resources to deal with problems when they arise. They must also have the infrastructure, resources and personnel in place to ensure the most efficient handling of cargoes.

Established in 1956, GAC is now one of the world’s largest providers of shipping services with a proven track record of serving large dry bulk players globally. GAC’s unparalleled expertise and experience in delivering professional ship agency services for a wide range of dry bulk markets help you achieve time and cost efficiency.

As the eyes and ears of our customers, we oversee activities such as proper loading of cargoes and correct customs clearance documentation, and also ensure that all pollution prevention and cleaning measures are in place (reporting to our clients with photographs), where permitted. Such duties vary considerably for different types of cargo and it is essential that your ship agent has specific knowledge of your sector to avoid costly and even dangerous mistakes.

**Global reach**

Just as sector specific knowledge is required for the safe and cost-effective handling of dry cargoes, so too is strong local expertise and contacts to expedite services and guarantee all local regulations, requirements and procedures are correctly followed. Having a global agent with a local presence in every port you visit can create significant savings and remove much of the uncertainty associated with enlisting a reputable agent.

GAC represents more than 3,500 customers and handles over 60,000 vessels every year through a worldwide network of more than 300 offices, so we have the reach and the resources to help you achieve smooth and rapid vessel turnaround at both load and discharge ports.

Further, working with an agent with an established global presence and reputation for quality services means that you can expect a consistent standard of service wherever you are calling. Worldwide, GAC applies the highest Health, Safety, Security and the Environment (HSSE) standards to everything we do, underpinned by our code of ethics and our anti-bribery and corruption, whistle-blowing, sanctions, corporate social responsibility and quality policies. This includes full compliance with international and local environmental and business regulations.

**Value-added services**

Saving time and money is fundamentally about streamlining operations and maximizing the efficiency of the vessel, the crew and all service providers to reduce downtime and cut costs. It’s about avoiding complicated, time-consuming procedures and working to suit your own business needs, rather than being constrained by the limitations of other service providers. In a nutshell, you can only move as quickly as the slowest link in your supply chain.

That’s why ship agents providing a wide range of complementary services tailored to the needs of each customer can be an important ally to owners and operators looking to protect their bottom line. At GAC, we offer a range of additional services such as maritime security, hub agency, vessel/crew husbandry services, ship spares logistics, bunkering, weather routing services, hull cleaning and more, any of which can be selected as requested and billed through our Global Disbursement Centre, providing a consolidated service and saving on port call-related services.

Owners and operators should be able to focus on securing the best rates for their vessels, to manage their fleet in the right way and to concentrate on building their businesses. A trusted ship agent should be on hand to help with the rest.
Wilhelmsen Ships Service: the view from the top

Frederic Fontarosa, Business Director Ships Agency Americas, Wilhelmsen Ships Service, gives his response to questions relating to ships’ agency services.

What do you consider the role of a ships’ agent to be:
According to shipping law, the ship agent acts as the legal representative of the owner while the vessel is in port and traditionally, a ships agent acts as the ‘eyes and arms’ of the ship operator on the ground.

However, the role of the ‘traditional’ ship agent has evolved over time and is rapidly changing as technology develops in a bid to make the business more transparent. Today, the ship agent is under pressure to be more responsive and keep the customer informed in real time.

Although demand for what we term ‘regular’ services has not increased in itself, ships agents are facing ever-growing requests from customers for better efficiency in the delivery of those services.

Customers are looking for operational efficiency for their vessel, and for relevant, accurate, and timely information to support their commercial decision making. Hence the reasons we established our Ships Agency Re-Defined (SARD) offer.

Providing relevant, timely, accurate information remain a key customer challenge agents want to become better at.

The realization that customers have higher expectations of the ship agency they deal with and how they expect them to interact with them is the route to successful relationship. Success in ship agency is engagement in your customer strategy.

There has never been a greater time to create meaningful engagement on building long term relationship to help your customer create a competitive advantage. And this route is engaging on building long term relationship to help your customer create a competitive advantage.

The ship agency they deal with and how they expect them to interact with them is the route to successful relationship. Success in ship agency is engagement in your customer strategy. There has never been a greater time to create meaningful engagement on building long term relationship to help your customer create a competitive advantage. And this route is providing them with relevant intelligence gathered and analysed specifically to their market enabling customers to make the best commercial decision.

Whilst it is difficult for independent local agent to consolidated global or regional intelligence, Global Ship Agency Network are in better position to provide a single and centralized source of market intelligence which can offer a 360° view of all the information pertaining to one customer individual need.

At what ports are you represented?
Building up our infrastructure according to customer needs is a key part of the ongoing management of our business. We now count 2,500 ports in both established and emerging markets across 125 countries. In recent years, we’ve expanded our network in China, India and Brazil and West Africa.

Who are your main competitors?
In the current climate, we need to ensure that the service we are providing meets a professional and competent level that enables us to differentiate ourselves. We have concentrated on bringing to market an integrated ship agency solution that enables us to compete on a local level as well as globally. As such, we have continued to operate successfully within a difficult economic climate.

How is business at the moment?
The market has not yet fully recovered from the demand shock in 2009. We know that relationships count, which is why many businesses are looking for a well-known, trusted partner like WSS for management of all their ships agency requirements.

With the SARD and upcoming offer, we aim to gain market share by differentiating ourselves from the locals. Fundamentally, the ship agency business is no different from other service industries and combining our global network of offices with our competence and experience puts us in a unique position to lead change within the agency market.

Ultimately, we can drive costs down for our customers and help them make sound commercial decision in difficult economic times.

How much of your business relates to dry bulk?
Around half of our activity relates to dry bulk. Due to our extensive worldwide coverage we offer agency services across multiple segments, from cruise to offshore; however our biggest activity is within the handling of dry and wet bulk cargo.

GAC Australia signs 3-year contract with MOL

Multi-modal transport operator Mitsui O.S.K Lines (MOL) has awarded an exclusive three-year contract to serve its vessels and port calls across Australia to GAC Australia, part of the global shipping, logistics and marine service provider GAC Group.

The contract was signed by Mark Austin, Managing Director of Mitsui O.S.K Lines Australia (MOL), and Phil Coolican, Managing Director, GAC Australia, following a rigorous tender process.

MOL is one of the world’s largest marine transportation companies, operating a global fleet of more than 900 vessels with an overall capacity of around 66 million deadweight tonnes (dwt). That fleet includes containerships, bulk cargo carriers, car carriers, oil tankers, chemical products carriers, and liquefied natural gas (LNG) carriers.

Phil Coolican adds: “This is a highly significant contract for GAC in Australia and we are delighted that MOL have entrusted their fleet to us. Our extensive operation across Australia is focused on helping MOL to deliver their strategy in Australia, and beyond, by providing the highest quality services and working closely with them to make sure that all of their needs are met.”

“On the back of this contract and in light of the further growth in demand for GAC’s services across Australia, we are investing in further development of our own infrastructure and operations to ensure that we are able to work reflexively to meet the needs of our customers across the country.” He further commented.

Established in 2007, GAC Australia provides a full range of shipping, logistics and marine services covering all ports across the country from 14 strategically located branch offices and its national headquarters in Sydney.
Shipping.dk: ship agency services in Denmark, Sweden and France

Shipping.dk is a logistics company with its own terminals, trucks and ships. Its line of business is agency (including STS), stevedoring, chartering, air freight, courier service, project cargo and road — both import and export. Furthermore, it offers storage facilities and bagging.

Shipping.dk is part of USTC (United Shipping & Trading Company), which is owned by Torben Østergaard-Nielsen.

Activities
Shipping.dk is one of the leading logistic companies in Denmark. It focuses on:

- ship agency;
- ship-to-ship operations;
- project shipments;
- terminals;
- stevedoring; and
- road division

this in order to avoid delays on the vessels and penalties for the principals. A good agent can save owners a great deal of money in reduced lay time and in general port costs (reduced number of tugs etc.).

Main agency activities
Shipping.dk handles about 2,000 port calls per year with more or less a 50/50 split between dry cargo and tankers. This gives it extensive expertise and knowledge of the market, which it always strives to extend to all its locations. The company’s position within agency on dry cargo vessels has been built up through investments in terminals, warehouses and equipment, which is highly valued by the cargo owners.

Main challenges
With all the new IT systems and registration demands from both Danish Authorities and EU Law, it has become much more complex to act as a shipping agent, and in many cases owners/charterers can face penalties if they fail to remain up to date. When the shippers and owners take on a shipping agent, the shipping agent takes over some of the obligations otherwise placed on the shippers and owners. Shipping.dk takes pride in the fact that its Agency department is well renowned for always being extremely up to date.

Coverage/locations
With offices in all the ports mentioned below, Shipping.dk covers all of Denmark’s ports and the northern part of the Swedish west coast:

- Frederikshavn;
- Aarhus;
- Fredericia;
- Aabenraa;
- Kalundborg;
- Koge;
- Copenhagen;
- Lysekil, Sweden; and
- Marseille, France.

Role of an agent
The main role of an agent is co-ordination and foresight. Shipping.dk is its principals’ local representative, who has the local knowledge enabling us to ensure optimal and smooth operation. The agent has to know all parties involved in the cargo operation and needs to be able to foresee potential problems and prevent them, rather than solving them once they have occurred.

With the increase in demands and new systems from authorities, it is important for an agent always to be updated on
Inchcape Shipping Services restructures to improve global agency offering

DCI recently had a long chat with Tim Cahill, Chief Operating Officer of Cargo Solutions at Inchcape Shipping Services. The maritime behemoth traces its roots back to 1847 and now handles over 70,000 port calls each year operating out of more than 300 offices employing over 3,800 people across 65 countries. Cahill explained how recent restructuring will further help expand ISS’ ability to offer global value-added services to ship owners and cargo firms all along the supply chain.

DCI: Inchcape Shipping Services has a long history in shipping and dry bulk. Can you explain recent company strategy and your plans for moving forward in terms of growing your marine services footprint?

Cahill: Last month the company was restructured into three business verticals. The plan is to cement our position as the world leader in maritime and cargo services by globalising our existing service range and leveraging our existing positions to further grow our overall business.

DCI: How does this strategy break down in terms of service delivery and operations?

Cahill: Well, first we have our Marine Solutions Division, which is our original port and ship agency business and has been part of our business for over 100 years. In addition to that, in 2013 we entered into a joint venture with Palumbo S.P.A, which is a project cargo and logistics company, creating ISS Palumbo. This has now been put into another vertical called Supply Chain Solutions which includes our government services division which, among other things, feeds 30,000 people each day in Somalia. And then we have the Cargo Solutions team which includes CESI Cargo Services which I sold to ISS in 2008 and was originally set up in the US back in 1982.

DCI: And what is the strategy for the Cargo Solutions division that you head up?

Cahill: We’ve already taken our Cargo Solutions division global. As the name suggests, our job is to focus on cargo. So, unlike our port agency business, which is more about supplying port services to ship owners, charterers and operators, we work on behalf of mining entities, trading companies, industrials and other cargo owners. From the point of origination we arrange and manage transport logistics for multiple bulk commodities, we manage stockpiles, oversee blending, manage and measure inventories through geo-spatial surveys and oversee the loading and surveys during the vessel loading process. On the discharge side we supervise the unloading and stockpiling process and can arrange inland transport for final delivery to the end user. So we can do the whole supply chain end to end and offer management services on a day-to-day basis. So, for example, we already handle the logistics for coal exporters, traders and for buyers in Indonesia, but apart from the cargo management services and the tug, barge operations and the loading onto ocean carriers, we can also manage unloading and delivery once it arrives at, for example, India, including transport to the power station. We’ve also done this for met coal exports end-to-end from the US into India.

DCI: How will you leverage ISS’ agency business to expand your Cargo Solutions division globally while still keeping a sharp eye on your extensive interests in the US?

Cahill: Our agency services are the core business and take in all types of ships, including cruise vessels, tankers and bulkers to name a few. At Cargo Solutions, we work on behalf of the people who control the cargo. The majority of the time our cargo customer will also be the vessel charterer. Utilizing our existing Marine Solutions global office platform allows us to leverage our existing presence to identify and expand our cargo management business and in turn provide new port agency opportunities for our existing offices. So, if we’re moving a bulk cargo from one of our operations in South Africa, Colombia or the US to, say, Thailand, then we can use our agency office in conjunction with our Cargo Solutions expertise in that country to manage it. It’s the same for our Supply Chain Solutions group. If we are managing a pipeline project our Marine Solutions team can assist with the port services for vessels serving the project and also the vessel owners or charterers. So now we have evolved into a global Marine and Cargo management company, not just a marine port agency company. The key is to identify or develop an opportunity where we can
‘We are still in a challenging market’

“We are still in a challenging market — Asia is no exception, says WSS’s new Regional Vice President Asia Pacific, Neal De Roche. He says Wilhelmsen Ships Service (WSS) remains focused on providing innovative solutions to client needs.

Speaking as he takes up his new role in Singapore, following five years in Shanghai, De Roche says the recent recovery of some shipping segments should not be taken as a sign of a return to a simple ‘business as usual’ scenario.

“It has been struggle over the last few years. We are still in a challenging market and Asia is no exception. Despite perceptions to the contrary, China is a quality not a quantity market,” he says. “Credit risk will continue to be a challenge in the current trading conditions. But there are signs of recovery and we will ensure we are ready as the market improves further.”

New offers, promotions and campaigns are under preparation to roll out during 2014 covering Ships Agency, Technical Services and Safety, areas De Roche says can add further value for customers. He believes WSS is well-positioned in its core business sectors to draw on support from a diverse customer base, including marine chemicals, marine products, safety systems and ships agency.

Nonetheless, he accepts that competition will continue to be tough within China and the wider north and south Asian regions, even as the trading environment improves.

“We have had great success in China thanks to our investments in operational service and support. We now have around ten owned offices in various locations covering international inspection companies. So we are evolving and we are continuing with our core business sectors to draw on support from a diverse customer base, including marine chemicals, marine products, safety systems and ships agency.”

“We have had great success in China thanks to our investments in operational service and support. We now have around ten owned offices in various locations covering the most important ports,” he says. “Our challenges are in continuing to develop innovative offers which add value to our customers and enable us to operate sustainably long term. Operational efficiency is a big focus area and this will be at the top of our agenda. The more we can optimize, the better we can serve our customers and ourselves.”

De Roche says the core WSS philosophy — helping clients meet their efficiency and safety compliance needs — will see the company push forward as regulatory pressure increasingly impacts day-to-day operations.

“Our maritime expertise and focus in specific business streams sets us apart from the rest and gives us a unique advantage. We rely on and will continue to build on our global network capabilities to ensure we are at the right locations for our customers both operational and commercially. Basing our regional office in Singapore provides an opportunity to connect with key traders, charterers and shipmanagers and take advantage of the logistics advantage offered by a central delivery base.”

Neal De Roche began his shipping career at 16, when he joined his first ocean-going vessel as a navigation cadet. He joined the Wilhelmsen group in 1997 and served as Area Director for East and South Africa based in Dubai, then as General Manager, Abu Dhabi and in various positions in South Africa. He was Area Director for North East Asia, based in Shanghai and responsible for China, Hong Kong, Japan, South Korea and Taiwan before becoming Regional Vice President Asia Pacific in mid-2013.

add-value by either providing an existing service or develop a new one in the supply chain process. Having the existing global offices acting as our eyes and ears on the ground looking for these cargo opportunities I feel will increase the potential to develop new opportunities for our entire organization.

DCI: You recently appointed Vincent Mazzone to the role of Vice President Cargo Solutions Business Development (see ‘Dry bulk cargo specialist brought in by ISS’ on p13 of this issue). What will Vincent offer to the company?

Cahill: Well, Vince has over 30 years of cargo and risk management experience with bulk cargoes. He has worked for SGS, Koch Carbon LLC and most recently as a consultant. So, first and foremost, he knows the cargo management business.

DCI: Why is he based in Geneva?

Cahill: He has been there for over 20 years providing cargo and risk management services for buyers, sellers, traders, producers and international inspection companies. He will be travelling, but the advantage of Geneva is you have a lot of large trading entities based there along with the opportunity to also engage clients in London and on the continent on similar time zones. Our company opened an office in Geneva last year with our JV partner (ISS-Tositta) and we think it will be helpful to have Vince in there with his bulk cargo experience along with his personal contacts with buyers, traders and sellers. So it’s like with our terminals business, the additional presence in Geneva with traders and cargo entities brings another section of potential clients into contact with the rest of the business. So we are continuing to utilize our existing infrastructure investments to leverage opportunities.

DCI: Do you think your Cargo Solutions division is now fully equipped to pursue your goals as part of ISS’ growth strategy?

Cahill: If you look at Inchcape Shipping Services and how we are positioned moving forward, we now have the largest marine services company through our Marine Solutions division. A very dynamic Supply Chain Solutions division which is quickly expanding across the globe. And we have our Cargo Solutions division which provides risk and cargo management services to serve the commodity markets — dry and liquid bulk — in conjunction with our shipping entities that control those markets. Then our terminals group will take it further into land-based areas. So we are evolving and we are continuing with our strategy. All three business streams will help one another to the overall benefit of ISS globally.
With a long-standing tradition of providing customers with exceptional vessel agency services, T. Parker Host, Inc. handles over 3,600 ships a year and has emerged as the largest dry bulk agent in the United States. T. Parker Host, Senior, a life-long maritime leader in Hampton Roads, VA, founded the company in 1923. Tending to coal ships calling Newport News, VA via the C&O Railroad, he laid the groundwork for what has now become known as the ‘Host’ standard of service. Now in its fourth generation, the family-owned business is proud to build off of this legacy.

With the guidance of Chairman & CEO David Host and Vice Chairman Tom Host, the company is currently led by President Adam Anderson, who started his career in 1998 as a boarding agent with the ship agency. Respected throughout the industry for the scope of his maritime knowledge, Adam knows first-hand that the role of an agent at T. Parker Host, Inc. is to “make our customer’s problem our problem and to make every effort to solve these problems in a timely and cost-effective manner.”

As with all ship agents, T. Parker Host, Inc. is tasked with obtaining information to subsequently provide the most accurate prospects, schedule, and details of a port call. “Because we approach every decision with a commercial mindset, we are able to stand out among the rest,” says Southeast Regional Operations Manager Bobby Scott. In this way, T. Parker Host, Inc. positions itself to be the best possible eyes and ears for its customers in the ports they service by maintaining strong local knowledge of port activity and continued relationships with the local maritime community including terminals, railroads, pilots, tugs, etc.

T. Parker Host’s team of ASBA certified and trained boarding agents currently operates out of fourteen office locations along the US East and Gulf Coasts and is proud to have opened its first international office this past fall in Colombia. Whether it be importing or exporting, T. Parker Host, Inc., handles all types of

**T. PARKER HOST, INC. OFFICE LOCATIONS**

- Wilmington, DE
- Baltimore, MD
- Norfolk, VA
- Wilmington, NC
- Charleston, SC
- Savannah, GA
- Fernandina Beach, FL
- Fort Lauderdale, FL
- Mobile, AL
- New Orleans, LA
- Port Arthur, TX
- Houston, TX
- Corpus Christi, TX
- Santa Marta, Colombia
commodities including, but not limited to, coal, crude, grain, minerals, fertilizers, scrap, cement, livestock, and tankers.

With its initial roots in supporting the coal industry, T. Parker Host, Inc. has progressively strengthened into the top agency service provider to the United States coal export industry. The company has handled thousands of export coal shipments in the past 90 years and handled a record-breaking 60mt (million tonnes) in 2012 alone. David Host explains this success as being, “all about relationships and earning the trust from producers, receivers, railroads, terminals, and the many other support companies in the coal export chain. That the agency service provided is of the highest quality ensures smooth transportation logistics and support services from the coal mine to the end user. That level of service is our goal and our responsibility.”

To even better service its customers, T. Parker Host, Inc. has expanded beyond traditional ship agency services and offers freight forwarding and documentation reporting, cargo supervision, KPI tracking, logistical support services, and transportation consulting.

Sister company, Host Terminals, Inc., was established in 2001 and provides marine terminal operations and stevedoring services. Host Terminals currently operates at seven US East Coast locations and handles over 7mt of bulk cargo annually. Like T. Parker Host, Inc., the focus is on providing innovative and customized solutions to forge long-term customer relationships.

Rich in tradition and experience, T. Parker Host, Inc. was built upon a foundation of the ‘Host’ standard of service. It operates under the mantra that, “Our only asset is our people. Our only product is our service. Let us put them to work for you.” And judging by their rapid expansion and increasing success, many major companies have entrusted Host to do just that.