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# Press Release

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**26 leading shipping companies, 3 major classification societies, charterers, financiers and key industry organizations at**

**CAPITAL LINK'S 7<sup>TH</sup> ANNUAL OPERATIONAL  
EXCELLENCE IN SHIPPING FORUM  
WEDNESDAY, NOVEMBER 1, 2017 - ATHENS, GREECE**

**NEW YORK, NY, November 3, 2017** – The “7th Annual Capital Link “Operational Excellence in Shipping Forum” took place on Wednesday November 1, 2017 at the Divani Caravel hotel in Athens, Greece, with huge success attracting more than 650 participants.

#### **FORUM OVERVIEW AND STRUCTURE**

The Forum was organized in Cooperation with the Danish Shipowners Association, the German Shipowners Association and the Greek Shipping Cooperation Committee.

With a **7-year track record** it is the only Forum that showcases **Operational Excellence in the Maritime Sector** and explores **Best Industry Practices** across all major areas such as fleet management, technological innovation, crewing, energy efficiency and the environment, safety & security. The Forum also aimed to highlight companies that implement Best Industry Practices as part of their Corporate Culture.

**The Forum provides an interactive platform** on the topic of Operational Excellence, Best Industry Practices and Sustainability linking shipping companies, charterers, government and non-government industry associations, classification societies, P&I Clubs, flag registries, technology & service providers and the financial and investment community.

**We are delighted to see how the industry has embraced this Forum.** This year, Senior Executives from 26 leading shipping companies, 3 major classification societies, as well as charterers, financiers and key industry organizations came together to discuss geopolitical, regulatory and market trends that affect shipping and how the implementation of Best Industry Practices translates into tangible commercial, operational and financial competitive advantages.

The extensive shipping company participation in the Forum is key. Safe, efficient and compliant operations are the backbone of the industry, and the Forum attributes to the Operational Side of the business and to the companies that implement Best Industry Practices the attention they deserve.

The Forum opened with Welcome Remarks by **Mr. Nicolas Bornozis**, President, Capital Link Inc. He pointed out that in its seventh year, this is the only Forum that showcases Operational Excellence in the Maritime

Sector and explores Best Industry Practices across all major areas such as fleet management, technological innovation, crewing, energy efficiency and the environment, safety and security. Mr. Bornozis thanked the Danish and German Shipowners' Associations and the Greek Shipping Cooperation Committee for their cooperation and support.

**Mr. Clay Maitland**, Conference Chairman; Founding Partner – NAMEPA; Chairman – NYMAR; Managing Partner – International Registries - Opening Remarks

In **Mr. Clay Maitland's** opening remarks, he stated: "I believe that this is one of the most important conferences in Europe. Today we have panels with distinguished guests, and together we will analyze the ever-changing landscape of the industry, from new fuels to green technologies and much more."

## **SECTION "INDUSTRY CHALLENGES & THE ROAD MAP AHEAD"**

Geopolitical, Regulatory & Market Developments Affecting Shipping & The Industry's Response

Moderator: **Mr. Clay Maitland**, Founding Partner – NAMEPA; Chairman – NYMAR; Managing Partner – International Registries

Panelists:

- **Mr. Apostolos Poulouvassilis**, CEO – Aegean Shipping Management, Inc.
- **Mr. Dimitris Vastarouchas**, Deputy Chief Operating Officer & Technical Director – Danaos Shipping
- **Mr. Dimitrios Fafalios**, Chairman, Technical Committee – INTERCARGO; Member of the Board – Union of Greek Shipowners; President & Director – Fafalios Shipping
- **Mr. Bill Box**, Senior Manager Commercial, Area Manager Greece & Cyprus, Manager PPS Payment Performance System – INTERTANKO
- **Mr. Tom Boardley**, Executive Vice President and Global Head of Corporate and External Affairs – Lloyd's Register

**Mr. Clay Maitland**, Founding Partner – NAMEPA; Chairman – NYMAR; Managing Partner – International Registries, stated: "The panel, consisting of, Apostolos Poulouvassilis of Aegean Shipping Management, Inc., Dimitris Vastarouchas of Danaos Shipping, Dimitrios Fafalios of Intercargo, Bill Box of Intertanko, and Tom Boardley of Lloyd's Register, moderated by Clay Maitland, of International Registries, explored industry challenges that affect shipping, and how these challenges will shape the future of the industry. The first issue is the oversupply of tonnage. Are we doomed to boom and bust forever? Are there any suggestions as to how "next time will be different"? The second issue is how do you think we should manage the 2020 sulfur regulations? Is LNG the answer? Speaking of 2020, can we train the necessary officers and ratings, as vessel operation becomes more complex? Who will do the training?"

- 1) **Mr. Apostolos Poulouvassilis**, CEO – Aegean Shipping Management, Inc., stated: "Ship owners and operators and the complete shipping industry are having to deal with a continuously difficult business environment for most sectors as well as facing increasing complexity around a number of significant environmental regulatory changes on the horizon. These new regulations pose a series of questions and choices that shipowners will have to address firstly for compliance purposes, but also in terms of efficiency and effectiveness of the integrated solutions in a holistic manner within each company's overall commercial and operational framework."
- 2) **Mr. Dimitris Vastarouchas**, Deputy Chief Operating Officer & Technical Director – Danaos Shipping, stated: "Moving towards Smart Shipping, it was clearly seen that technology development was necessary to cope with new market challenges, regulations & regional requirements and create value to involved parties. Demanding management needs and innovative working methods have to be applied for the smooth adaptation to new reality. Technology development runs fast, even faster than employees can go, consequently, shipping companies have to invest on new structures, qualified personnel & specialists, IT systems, and at same time to enhance modern culture, promote transparency and work jointly with stakeholders. Shipping entered a new era, where CSR is going to bridge traditional shipping, new mentality and social awareness."
- 3) **Mr. Bill Box**, Senior Manager Commercial, Area Manager Greece & Cyprus, Manager PPS Payment Performance System – INTERTANKO, stated: "Today's tanker owners need to be resourceful as regulatory pressures and tight financing add to their costs and to demands on their cash."

The negative cash flow that tanker owners live with stems from freight being paid at the end of the voyage on completion of discharge, leaving the ship owner effectively bankrolling the whole voyage. However, the particular issue that the tanker owners face is habitual late payment by charterers of freight (>10 days late) and demurrage (>95 days late). This practice of late payment of F&D costs the tanker owner an average of \$1,200 every voyage performed, that is over \$250,000 a year for a fleet of 18 tankers fixing once a month each.”

- 4) **Mr. Tom Boardley**, Executive Vice President and Global Head of Corporate and External Affairs – Lloyd's Register, stated: “I welcome the opportunity to address the prestigious audience here today. In the last 8 years the biggest innovations I have seen were not in the field of technology. Real innovation has taken place in the way shipping is funded, and in the consolidation of expertise. Greece is battling China for the leadership in the industry, so if the operating expertise gathered in this room cannot answer the aforementioned burning questions, I do not see who could. As far as the geopolitics of the future go, we have seen China’s predictable rise and the overtaking of small players by the biggest companies. The so-called shipping capitals have diminished, we have fewer and more prominent centers. Lastly, I believe the biggest challenge for the future will be the implementation of the Sulfur Cap.”

#### **SECTION “ENVIRONMENTAL REGULATION & COMPLIANCE – HOW IT MAY AFFECT SHIPPING”**

Ballast Water Treatment – NOx Emissions Reduction – Sulfur Limits – Greenhouse Gasses – Novel Fuels – Electrical Propulsion – Renewable Energy Sources

Moderator:

**Dr. John Kokarakis**, Vice President, Technology & Business Development, Hellenic, Black Sea Region & Middle East – Bureau Veritas Marine & Offshore Division

Panelists:

- **Mr. Kostas G. Vlachos**, Managing Director – Consolidated Marine Management Inc. & COO (Latsco Shipping)
- **Mr. George Bourtoulis**, Technical Manager – Eurotankers
- **Mr. Frederick J. Kenney**, Director of Legal and External Affairs – International Maritime Organization (IMO)
- **Mr. Stavros Hatzigrigoris**, Managing Director – Maran Gas Maritime Inc.
- **RADM Linda Fagan**, Deputy Commandant for Operations Policy and Capabilities – United States Coast Guard

**Dr. John Kokarakis**, Vice President, Technology & Business Development, Hellenic, Black Sea Region & Middle East – Bureau Veritas Marine & Offshore Division, stated: “The Environmental Regulations Compliance Panel focused on critical questions such as: financial recovery and sustainability in times of economic crisis, potential lack of technology for efficient and fair compliance, need for innovative forms of propulsion and fuels, crew training, compliance enforcement and control. What would be the impact on shipping? Would the shipping industry respond to the challenges ahead? Should incentives be provided to green ships to increase investment in green technologies? What procedures should shipping follow to enhance its image as a leader of green technologies and the most efficient mode of transportation?”

- 1) **Mr. Kostas G. Vlachos**, Managing Director – Consolidated Marine Management Inc. & COO (Latsco Shipping), stated: “The 2020 requirements with the Sulphur cap and the rest environmental requirements for NOx III and CO2 reduction as well as the Ballast Convention along with the Cyber security requirements will chance the image of the industry. It is not only the fact that new and not yet fully tested technology is introduced that will cause a lot of new challenges for the shipping industry and the operators but on top of that it is that all this new technology is to be operated by seafarers that are not yet competent and qualified for so much advanced technology. On the other hand the rules of controls are not yet well defined leaving room for arbitrary measures taken intentionally or unintentionally from the various involved parties. A very cautious approach and consideration is required by all the industry stakeholders.”

2) **Mr. George Bourtoulis**, Technical Manager – Eurotankers, referred initially to the struggling of the shipping sector over the last years to levels far below the breakeven ones, governed mainly by the overcapacity, low freight rates and high fuel costs; he then reckoned that now thanks to the improving global economy the worst might be over.

In view of the above, he however strongly underlined that the “tsunami” of expensive regulations including the WBT plants and the agreed 2020 Sulfur cap implementation, would either keep the Operators marginally afloat or being guided to scrapping (especially for the order vessels).

He then continued by noting that for the industry which moves about 90% of the world trade, having taken for granted the fitting of the WBT plants, the decisive turn would be the level of the fuel oil prices following the implementation of the Sulfur cap in 2020.

The guessing for the ship Operators would be the scrapping and / or the slowdown of their ships and even the risky use of untreated high sulfur HFO at international waters.

Resuming though he stated that “on the other hand we have to highlight the positive effect we may experience for the shipping industry as a whole, beginning as early as in 2021, with small players hopping off the bus with inevitable and earlier scrapping of older vessels (between 15 – 20 years of age) and a clear benefit to the big market players, ensuring again thriving shipping outcome.”

3) **Mr. Frederick J. Kenney**, the Director of Legal and External Affairs at the International Maritime Organization (IMO), discussed the role of the IMO as the global regulator of the shipping industry and the forum where uniform, consistent regulations to ensure the safety and security of navigation, and protection of the marine environment, are developed and adopted. He also addressed the challenge of the IMO to meet the intent of the Paris Agreement on climate change, and the actions taken thus far and expected in the future. He also addressed the recent entry into force of the Ballast Water Management Convention and its implementation.

4) **Mr. Stavros Hatzigrigoris**, Managing Director – Maran Gas Maritime Inc., stated: “A variety of fuels are available to reduce environmental pollution.

Hydrogen and Nuclear power are not available short term. LNG, LPG and methanol will reduce CO2 by an average of 30 % (LNG 20 %, LPG 14 %, Methanol 60 %, Ethanol 45%) and at the same time eliminate SOx. Otto cycle engines can meet the NOX Tier III limits on gas.

Diesel cycle engines will need an EGR or SCR to meet Tier III.

The conversion to LNG is pretty expensive. With the information that we have available today the installation or retrofit of scrubbers on liquid fuel engines gives an advantage for larger engine installations. The pricing of 0.5 % S HFO will be the game setter until 2025 at the earliest.

I do not expect that the installation of a Ballast Water Treatment system or the need to use a more expensive fuel (at least 80 % of the world shipping will have to do the same) will accelerate scrapping if the ship availability is reduced by limiting new orders. Older ships are normally fully amortized.”

## **SECTION “INVESTING IN BIG DATA & CYBERSECURITY: IS IT WORTH IT? WILL IT REALLY MAKE A DIFFERENCE?”**

Moderator:

**Mr. Ioannis Chiotopoulos**, Regional Manager South East Europe and Middle East – DNV GL – Maritime

Panelists:

- **Mr. Panos Kourkountis**, Technical Director – Andriaki Shipping
- **Mr. Stefanos Stylianos**, SQ & Marine Manager/DPA – Minerva Marine Inc.
- **Mr. Vasileios Lampropoulos**, Chief Operating Officer – Thenamaris Ships Management Inc.
- **Mr. Socrates Theodossiou**, Chief Executive Officer – Tototheo Maritime Ltd

**Mr. Ioannis Chiotopoulos**, Regional Manager South East Europe and Middle East – DNV GL – Maritime, stated: “Our panel in “dialogue” with a vibrant audience discussed the topics of big data and cybersecurity.

Is traditional circle of shipping in danger? We go onboard load, take vessel from A to B, discharge, maintain and repair our ships.

We gather experience and knowledge which we then take it to our offices onshore and manage our assets

Will the rapid technology development and digitalization indeed changing shipping?

Will above circle be broken and we need to adapt to a new way of thinking and operating?

Who is digitalization to tell us that we do not know our business well enough?

Digitalization has enabled the acquisition of abundant amounts of data per ship on a daily basis. To be meaningful, however, the data need to be correctly captured and managed. Data need to be combined and processed with the right methodologies so that useful insights can be generated. Although many claim that they do it, this is far-from-trivial. If done successfully, however, data can unlock benefits of significant value when it comes to condition monitoring, performance assessment and optimisation, safety improvement, condition/risk-based maintenance, etc. Connectivity and the faster-than-anticipated-approaching internet of things, have opened to cyber-related risks. The panel discussed the possible severity of cyber-security risks for a ship and a shipping company. Are we maybe overreacting and creating ghosts? Is maybe the danger more internal than external? In addition to technical barriers, the development of fit-for-purpose information security management systems is of necessity given the pace of technology development. Finally, the most important aspect identified is the development of the corresponding company culture that focuses on the human factor and the continuous awareness, training and behavioural improvement. Summarizing, the panel concluded that wise-investment, step by step implementation and embracing of new technologies is a must for a modern shipping company to capitalize from the benefits that technology offers and improve competitiveness.”

- 1) **Mr. Panos Kourkountis**, Technical Director – Andriaki Shipping, stated: "The ships operation and performance is increasingly relying on data transmitted in real time from and to the ship. Since this is a relatively new development the technology and the methods used are not properly regulated. The vulnerability of the available technology is the main issue. There are questions to whom these data are available and how could be used. The quality, reliability and security of the data should not be responsibility of the user but guaranteed by the performance standards of the equipment and relevant software. The regulatory bodies are called upon to develop and implement these performance standards.”
- 2) **Mr. Stefanos Stylianos**, SQ & Marine Manager/DPA – Minerva Marine Inc., stated: “The “Smart Ship” is the future, however this introduces many new challenges for us all in the Maritime industry. We have learnt to effectively manage the Hardware and Software of our vessels of the past consisting of steel, machinery and people. We have moved to an era where we rely on technology to navigate and operate effectively. We have a multitude of electronic systems which produce and exchange multiple data continuously, how do we deal with this information overload? How do we utilize all this data to manage our ships more efficiently? Increased reliance on Technology introduces a new risk of cyber security. Failure could result in severe consequences even catastrophic results affecting human lives and Environmental damage.”
- 3) **Mr. Vasileios Lampropoulos**, Chief Operating Officer – Thenamaris Ships Management Inc., stated: “With the shipping industry becoming increasingly complex and demanding the need to utilize every tool becomes increasingly important. The utilization of the information available to analyze, predict and base decisions is an extremely valuable tool which can help optimize every aspect from the selection to daily operation of a fleet. The amount of data currently available but also the amount expected as we move into the future direct us to Big Data tools in order to be able to harness the potential. As vessels become more and more connected and dependent on interconnected IT and OT systems the more important becomes the protection against Cyber threats.”
- 4) **Mr. Socrates Theodossiou**, Chief Executive Officer – Tototheo Maritime Ltd, stated: “Big data and cybersecurity are different sides of the coin, however investing in both are critical. Big data is driving the future shape of our industry, and if you do not invest you will risk seeing the competition sailing past. But I urge caution, big data is not a solution in itself- how it is utilized is where the value is created. Cybersecurity should perhaps be regarded as part of the investment cost of investing in big data solutions- you should not have one without the other.”

## **SECTION “CREW WELFARE, TRAINING & RETENTION”**

Moderator:

**Mr. Theodosios Stamatellos**, South Europe Marine and Offshore Manager – Lloyd’s Register

Panelists:

- **Capt. Michalis Malliaros**, General Manager, EUSG, Fleet Personnel Manager ESMH – Euronav
- **Ms. Maria Christopoulou**, Quality & Training Manager – Neda Maritime Agency Co. Ltd.
- **Ms. Angie Hartmann**, Crew Manager – Starbulk SA; President – WISTA Hellas
- **Ms. Yanna Laskari**, Crew Manager – TMS Dry Ltd.
- **Capt. Panagiotis Drosos**, Managing Director – Tsakos Columbia Shipmanagement

**Mr. Theodosios Stamatellos**, South Europe Marine and Offshore Manager – Lloyd’s Register, stated: “Capital Link gave us a brilliant opportunity to raise awareness of the concerns and opportunities that are connected with “people”. Many things can be achieved through proper management of training and welfare. Similarly, if we fail to properly capture the needs significant threats can appear. Psychological support, Soft Skills requirements, rapidly increasing volume of duties and rapidly changing competencies profiles, empowerment of training managers and sharing best practices. An outlook of what the industry is facing as companies work towards assuring a crew/company culture for ships safely sailing into the future.”

- 1) **Capt. Michalis Malliaros**, General Manager, EUSG, Fleet Personnel Manager ESMH – Euronav, stated: “In my opinion, we need a concrete, updated system to provide seafarers with the knowledge they need, as part of a step-by-step process. Companies have the responsibility to contribute to the career development of their employees, making them competent and capable professionals.”
- 2) **Ms. Maria Christopoulou**, Quality & Training Manager – Neda Maritime Agency Co. Ltd., stated: “Is the “Zero Incident Industry” a goal we should all be striving for, or is it a utopic dream? Is it the human element that fails or are there human limitations that we simply cannot control and regulate? Over 100 years after the first SOLAS convention, incidents with the same Root Causes still happen. Whilst analysts attribute over 80% of these incidents to “Human Error”, it was only very recently that the shipping community was alerted and encouraged to look at human limitations as a new challenge. Making our seafarers ‘Resilient’, able to tackle adversity anytime and bounce back, is of utmost importance.  
Is the Resilient Seafarer the “man with the red cap”, the man that will remove the hazards on board our vessels?  
We have now come to the conclusion that development via Soft Skills, using tools such as Leadership techniques, Stress Management methods, Behavioral Based Safety, Crisis Management and the participation in realistic simulation courses, Officers and crews can manage their technical knowledge and experience in a more efficient manner, during both routine tasks as well as in real time emergency situations.  
Companies and vessels should be heading in the same direction and have a common understanding with regards to Safety, together building resilient systems, based on the fundamental aspects of effective and interactive communication and teamwork.  
Also, Management systems need to change from being “Reactive” or “Compliant”, to being “Resilient”, with Safety becoming a commanding company Value.”
- 3) **Ms. Angie Hartmann**, Crew Manager – Starbulk SA; President – WISTA Hellas, stated: “Having close, daily contact with the crew leads to efficient problem solving. The Human Factor always is the number one priority. As a woman, there is almost a motherly protective instinct towards the crew, and I believe that having a woman onboard is a strong asset.”
- 4) **Ms. Yanna Laskari**, Crew Manager – TMS Dry Ltd., stated: “Crew welfare is a broad term; It translates into the spiritual wellbeing and mental health of the members. Maintaining support and good communication are key to encourage seafarers to socialize in today’s multinational and multicultural environments.”
- 5) **Capt. Panagiotis Drosos**, Managing Director – Tsakos Columbia Shipmanagement, stated: “Crew welfare pictures psychological contentment and happiness onboard.  
It can be addressed as the key factor affecting seafarers’ onboard, health and wellbeing.

Thus our mainly relevant initiatives are focused on the improvement of the accommodation and the living conditions of our seafarers on board the fleet vessels. This endeavor has been achieved by “vessel’s welfare fund” which provides the resources with in order to attain: entertainment equipment advanced electronic devices, sports and gym equipment, Galley utilities/facilities i.e. ice making machines. Keeping crew informed and entertained we can help to reduce staff turnover and boost job satisfaction and morale.

This aims to highlight how we can alleviate feelings of loneliness and isolation at sea, by providing all seafarers with the means as mentioned above and additionally with access to internet by keeping seafarers in contact with their loved ones back home.

Crew welfare has been enhanced through reflective training/learning which is based on the interaction between seafarers and personnel ashore and focuses on ways to improve life at sea. Reflective training / learning allows us to learn through experience and to retain the ultimate environment and conditions for our crew.

We consider crew welfare as an extremely important issue and firmly believe that it as an investment with high returns. With our co-operation and willingness, we can change the system and make seas much more relaxed & enjoyable for the hard working crew.”

### **SECTION “CHINESE CREWING READY FOR GLOBAL SHIPPING”**

The section remarks were made by **Mr. Terence Zhao**, President – Singhai Marine Services.

In **Mr. Terence Zhao’s** speech, he stated: “Over the past decades, global shipping is gradually transforming from a traditional labour intensive seascape to the modern technologically sophisticated Mega Ships plying international routes. SOLAS, MARPOL, STCW and MLC underscore the premier standards of the modern day shipping business. Strict compliance is vital for business continuity and survivability. Today, seafarers must keep abreast of the latest developments and standards in order to work well onboard.

The global supply of Seafaring Officers is forecasted to increase steadily due to demands for alternative Quality Seafarers’ labour supply sources and economic reasons.

At Singhai Marine Services, we manage seafarers with the objectives of minimal costs while maintaining optimum operational efficiency and safety. Our Quality Chinese Officers, Engineers and ratings meet all your crewing needs.”

### **SECTION “OPTIMIZE CREW WELFARE AND COSTS – IMPACT OF TELEMEDICINE ON SEAFARERS AND SHIPPING”**

Introduced by: **Mr. Nicolas Bornozis**, President – Capital Link, Inc.

Panelists:

- **Mr. Costas Th. Ioannides**, CEO – Marsh Brokers Ltd., Cyprus
- **Dr. Periclis Tzardis M.D.**, Chief Medical Advisor – ShipMedCare Ltd.
- **Mr. David Nichol**, Senior Loss Prevention Executive (Greece) – Thomas Miller P&I (Europe) Ltd.
- **Mr. Martin Slade**, Lecturer, Director of Research – Yale University Occupational & Environmental Medicine

1) **Mr. Costas Th. Ioannides**, CEO – Marsh Brokers Ltd., Cyprus, stated: “As stated Health and Safety of the Crew is the primary objective. Insurance considerations are secondary. From my experience I have seen telemedicine being perceived positively from the insurance market. Of course the multiple benefits of subscribing to such service are there, however the insurance markets (effectively the P&I Clubs) would be looking to evidence such benefits into members individual statistical records before they would be willing to ameliorate their pricing in view of a perceived lower claims frequency. This is a standard practice. Of course one could also look at it from another perspective, the angle of Loss Prevention investment and there could be an argument that could be put forward challenging the P&I Clubs whether such preventative measures can be sponsored by them under the general context of attempts to avoid or minimize the total cost of insurance.”

2) **Dr. Periclis Tzardis M.D.**, Chief Medical Advisor – ShipMedCare Ltd., stated: “Having taken into consideration, that business leaders are morally and socially responsible for the wellbeing of their employees, the first issue addressed concerning crew welfare, was the absolute need for Medical Tele-Consultation services available 24/7, applied in a proper and timely fashion, supported by a group of specialized physicians and a global network of affiliated medical institutions. The standardization of a

medical e-file of seafarers, containing their medical history, results of alcohol use and mental health evaluation, medical incidents occurring on board, etc. was also considered significant. The benefits from the implementation of Medical Tele-Consultation were found to be both humanitarian (seafarers health protection) and financial (substantial cost reduction).”

- 3) **Mr. David Nichol**, Senior Loss Prevention Executive (Greece) – Thomas Miller P&I (Europe) Ltd., opened by stating that “a medical emergency on board a ship, remote from shore medical facilities, may prove to be very challenging and stressful not only to the master and patient, but also to the ship manager. A graphic demonstration was given to show that P&I Club crew illness and injury incidents typically represent the largest category of claim, in terms of cost, experienced by Members. He also went on to explain that it was imperative ship’s masters have ready access to prompt and professional medical advice both to provide reassurance and to assist in decision making.”
- 4) **Mr. Martin Slade**, Lecturer, Director of Research – Yale University Occupational & Environmental Medicine, stated: “The use of telemedicine does, and will continue to, reduce the personal and economic burden of illness and injury among merchant mariners. Leveraging the information contained within telemedicine records through the use of epidemiological and biostatistical methods will reveal strategies to reduce health risk based upon pre-employment medical conditions. This business sector data driven approach will increase wellness while reducing health care costs.”

## SECTION “OPTIMIZING TECHNICAL SHIP MANAGEMENT”

Achieving Synergies, Efficiency & Cost Savings in a Challenging Market Environment

Moderator:

**Mr. Theo G. Baltatzis**, General Manager – Technomar Shipping Inc.

Panelists:

- **Mr. Loukas Kaniaros**, Director of Technical and Marine Dry Operations – Chandris Hellas
- **Mr. Andreas Hadjipetrou**, Managing Director – Columbia Shipmanagement
- **Mr. Dimitris Orfanos**, Chief Operating Officer – Dorian LPG Management Corp.
- **Mrs. Danielle Lammens**, Maintenance Excellence Manager – Exmar Ship Management NV
- **Mr. George Thanopoulos**, Technical Manager Bulk Carriers – Neda Maritime Agency Co. Ltd.

**Mr. Theo G. Baltatzis**, General Manager – Technomar Shipping Inc., stated: “The challenges of Optimizing Technical Fleet Management fall under a variety of themes. Where shall “we” be focusing on?

- Should we focus on Technical personnel?
- Should we focus on Technology developments?
- Should we focus on Ship systems and software?
- Should we focus on Ship Powering Challenges?
- Should we focus on Data Collection from the vessel?
- How important is implementing Benchmarking?
- How important is considered Optimizing Technical Fleet Management for the various industries Sectors?
- How is perceived within different companies the subject of the Optimizing Technical Fleet Management?”

- 1) **Mr. Loukas Kaniaros**, Director of Technical and Marine Dry Operations – Chandris Hellas, stated: “Within the last 20 years, it is evident that a major breakthrough has been achieved and the true potential of well organized and fully optimized ship management and maintenance system is slowly recognized.

The aim of this summary is to show how modern management methods, especially as regards maintenance and human resource management, can be combined with management science to devise the best ship management system.

The object of this best management system is to reduce overall costs and at the same time to maintain or improve operational efficiency.

Many non-engineers consider maintenance as a necessary evil.

However, the real purpose of efficient maintenance and of a well established efficient ship management system is to enable a company to achieve its objectives, by minimizing operating costs, maximizing long term profits and also maximizing a level of service subject to a specified budget.



If we examine above mentioned issue from a technical point of view, someone may realize that to achieve these objectives is not a simple matter. Maintenance costs as well as costs related to human resource management e.g. crewing costs, can be easily reduced in almost all situations but what price must be paid?

Some of the results of reducing these costs are:

1. Frequent breakdowns resulting in expensive downtime
2. Rapid degradation of the ship and its machinery
3. Jeopardy of company's commercial credibility, reputation and statutory status.”

2) **Mr. Andreas Hadjipetrou**, Managing Director – Columbia Shipmanagement, highlighted that: “3rd party managers will grow their market share if they manage the ships more cost effectively than ship-owners without compromising on quality, safety and concentrating not only on operating expenses but also monitoring consumptions, energy efficiency and ensuring approvals from charterers. He concluded, that successful ship managers concentrate on crew development and training, they invest in technology and constantly educate and develop their shore based staff. It was further pointed out that ship managers and ship owners need to clearly agree performance indicators for the manager and constantly exchange information regarding the operation of the vessels in order to build up trust. The new era in ship management calls for more transparency in and closer relation between owners, charterers and managers.”

3) **Mr. Dimitris Orfanos**, Chief Operating Officer – Dorian LPG Management Corp., opined that “Optimizing Technical Fleet Management (OTFM) is not a good-to-have but an absolute necessity in the reality of today’s markets.

He maintained that every existing fleet management activity must be reviewed afresh, questioned and any potential for streamlining or extracting more value realized. From spares management (depot vs onboard) to vessel attendances to simplifying tasks onboard and ashore (duplication and complexity costs!), companies can and should finetune and reduce inefficiencies. He thought that energy conservation is not yet an as widespread or deep-rooted activity as it could be despite its direct relation to fuel savings, while e-learning tools have a lot of potential to optimize company training regimes. Increased access to ship derived data (M/E and cargo system monitoring data) does allow for optimizing opportunities although building benchmarks is tricky. Maintenance optimization does require close office monitoring, consistency and careful evaluation of operational risks to ensure they remain at acceptable levels.”

4) **Mrs. Danielle Lammens**, Maintenance Excellence Manager – Exmar Ship Management NV, stated: “EXMAR Ship Management is a successful and innovative maritime and offshore asset management business. We own our achievements to the unique skill set of our people at sea and those who support them on shore. Our know-how and innovative approach towards crewing, operating and maintaining LPG, LNG and Offshore units enables us to partner with EXMAR and external clients in a rather unique way compared to a traditional customer relationship between a ship owner and ship management service provider. Our Technical specialists are able to foster genuine innovation based on transparent and productive relationships with our customers, who are typically looking for a strategic partnership over a long period of time.

EXMAR is a maritime company that offers solutions for the exploitation, transport, storage and the transformation of gas. EXMAR has a fleet of more than 40 ships and floating plants, consisting of 32 LPG tankers, 8 LNG tankers & floating platforms and 2 accommodation platforms. EXMAR employs over 1800 people worldwide to work. The high technological systems on the ships and floating plants ask for the highest possible reliability and the lowest possible operational costs for which EXMAR has chosen a specific Maintenance Strategy.

EXMAR’s business model is changing since a few years for the fleet especially for the LNG fleet and the new building projects. Instead of trading and to transport gas, EXMAR is delivery industrial services.

The consequence of this new business model is that EXMAR needs contractually to guarantee the reliability and the availability of the regasification unit and this for an operational period of 10 years, even more. Additionally the time needed for preventive maintenance shutdown related should contractually be reduced to the minimum.

All this has led to the awareness of the importance of Maintenance and Asset management, and this for the sustainability and the competitiveness of Exmar.

Due to the changed business model EXMAR Ship Management has chosen for the Failure Mode Driven Maintenance Strategy. Meaning only maintenance if required as per condition of the machinery.”

- 5) **Mr. George Thanopoulos**, Technical Manager Bulk Carriers – Neda Maritime Agency Co. Ltd., continued by defining technical optimization as well as it’s restrictions in the real shipping world. He commented on the imposed constraints and went on: “In our organization we believe that establishing solid procedures and taking advantage of technological innovation are the two critical factors for maintaining technical efficiency to the desired level. For example establishing a reliable model for a ship’s expected performance and comparing the actual performance to the theoretical one, allows us to improve our efficiency and (most importantly) achieve measurable results. The latest technological developments, especially real time fleet data collection, are of particular importance”. Mr Thanopoulos concluded by saying that engineers were by nature trained to measure and compare: “Benchmarking our technical operations is critical to ensure improvement. Flexibility to adjust the technical operations to our clients’ commercial needs in order to deliver quality services is vital, in today’s rapidly changing regulatory environment.”

### **SECTION “CONNECTING PORTS, VESSELS & PEOPLE”**

The section remarks were made by **Ms. Despina Panayiotou Theodosiou**, Chief Executive Officer – Tototheo Maritime Ltd.

In **Ms. Despina Panayiotou Theodosiou’s** speech, she stated: “Shipping no longer disappears over the horizon when a ship sails from a port. It is now part of an integral society where collaboration and communication form a new strength to global commerce, where people, ships and ports are connected with each other in ways that will only enhance our opportunities.”

### **SECTION “SHIP SAFETY – REGULATORY COMPLIANCE & THIRD PARTY INSPECTIONS”**

Moderator:

**Dr. Michalis Pantazopoulos**, Managing Director – Liberian Registry – LISCR (Hellas) S.A.

Panelists:

- **Mr. Panos Zachariadis**, Technical Director – Atlantic Bulk Carriers Management Ltd.
- **Mr. Stavros Meidanis**, DPA/CSO, S&Q Manager – Capital Ship Management Corp.
- **Mr. Theofanis Sallis**, General Manager, Operations – GasLog Ltd.
- **Mr. Stylianos I. Sifakas**, Chief Executive Officer –Dromon Maritime Inc.
- **Mr. Dimitris E. Patrikios**, Chief Operating Officer – Springfield Shipping Co. (Onassis Group)

**Dr. Michalis Pantazopoulos**, Managing Director – Liberian Registry – LISCR (Hellas) S.A., stated: “Regulatory compliance as per IMO conventions, SOLAS, STCW, MARPOL and MLC were briefly presented. These are usually enforced by the Flag State of the vessel and the ROs (Recognized Organizations) - the usual IACS Classification Societies - and audited by Port States Controls of National States. On the other hand, Third Party Inspections that include vetting inspections by oil majors, the TMSA program, Rightship’s inspections and assessments as well as the scoring board and other inspections that are considered industry’s commercial drivers were discussed. Advantages and shortcomings of the present status quo of both sides - regulatory and third party inspections – together with the role of human factor were presented and focused conclusions and recommendations for an improved safety culture were offered for the benefit of the shipping industry at large.”

- 1) **Mr. Panos Zachariadis**, Technical Director – Atlantic Bulk Carriers Management Ltd., said that: “Regulatory compliance sometimes affects Safety. He pointed to EEDI compliance leading to less powerful engines which, especially for phase 3 of EEDI after 2025, will create a real safety problem for tankers and bulk carriers. Unfortunately, he said, some countries and NGOs at IMO use the motto "safety first" only as a soundbite without meaning it. With regard to inspections, he criticized various third party outfits, which are not very knowledgeable on shipping, devising safety and energy efficiency indices for ships, which actually are worthless, and then selling vetting services to owners to improve the index standing of their ships. On PSC inspections he mentioned that the problem of unscrupulous inspectors, in some well-known areas, must finally be addressed.”

- 2) **Mr. Stavros Meidanis**, DPA/CSO, S&Q Manager – Capital Ship Management Corp., stated: “Today, safety is a very important factor that affects all elements of maritime industry. However, safety management and its implementation in the maritime industry are more important than ever. Today, maritime industry has a number of codes, conventions and guidelines that set the boundaries of safety and efficiency in shipping. Port State Control (PSC), Classification Societies, Flag Administrations as well as Industry Key players like OCIMF and Rightship established contributed to the safety and security in maritime shipping. All the above “Institutions” encourages vessels to respect international safety and security standards, to prevent environmental pollution, and to observe other operational regulations. For the Ship Managers and Operators, is very important to understand the aim of each one and how to respond efficiently and effectively to these challenges.”
- 3) **Mr. Stylianos I. Sifakakos**, Chief Executive Officer –Dromon Maritime Inc., stated: “Every company should seriously invest into people both ashore and aboard their fleet. Every Company’s aim is to attract the best personnel and be focused in engaging efficient, qualified, experienced, motivated and well trained Tanker professionals.
- Managing personnel in a framework of mutual understanding and responsibility will provide the ability to create an excellent spirit of cooperation among individuals ashore and onboard and will positively contribute to maintain high management and operational standards throughout a Shipping Company. Well-trained personnel is the cornerstone of commitment to continuous improvement. Achieving excellence requires the appropriate screening, careful selection and placement, induction, ongoing assessment and training of all personnel.
- Strive to motivate and promote an active safety culture throughout an Organization. A dedication to safety operations and pollution free awareness is reflected through training programs. Intensive training exceeding the STCW requirements must be provided and a comprehensive Training Plan should be implemented, constantly evaluated and updated in order to ensure it meets all industry & international standards.”

### SECTION “DIGITAL KIDNAP AND RANSOM”

The Financial Response to 21st Century Piracy

- **Mr. Stephen Cooper**, CEO – Fourth Insurance Office, Inc.
- **Mr. Tyler Schapiro**, Senior Analyst – Fourth Insurance Office, Inc.

Consultants from New York based Fourth Insurance Office, **Mr. Stephen Cooper**, CEO and **Mr. Tyler Schapiro**, Senior Analyst, offered recommendations on how maritime service companies need to respond to the financial risks of a cyber event. “Most companies have some cyber protections within their insurance programs. It’s important to identify those coverages as well as the gaps common to most policies.” Schapiro shared that, “Cyber presents risk as great as those perils that we normally insure against. Businesses need to invest in prevention, and remain compliant with new regulations and guidelines. Cyber preparedness is crucial to seaworthiness.” The consultants pointed out the availability of specially designed policies for the marine industries.

### SECTION “OPERATIONAL EXCELLENCE AS A COMPETITIVE ADVANTAGE”

How the commitment to Best Industry Practices across all areas of operations is a differentiating factor and a competitive advantage

Moderator:

**Mr. George Teriakidis**, Regional Business Development Manager - DNV GL

Panelists:

- **Mr. George Ousantzopoulos**, Head of Safety/Vetting – Almi Tankers
- **Mr. Marcos Vassilikos**, Managing Director – Eurobulk
- **Mr. George Kouleris**, Technical Director – Prime Marine Management
- **Mr. Lambros Babilis**, Chief Executive Officer – Stealth Maritime Corporation S.A.

**Mr. George Teriakidis**, Regional Business Development Manager - DNV GL, stated: “The panel of this topic consists of companies spanning the main ship types Greek shipping is involved in. All participating companies are well known in the maritime business thanks to their performance. This is based on operations utilising best

industry practices leading to operational excellence. What challenges however they are faced with? How can they overcome these difficulties while at the same time maintaining top performance? How is the current market condition affects their operations? The outcome of the discussion we will all be engaged in will show how operating excellence leads been a sustainable differentiating factor and a competitive advantage."

- 1) **Mr. George Ousantzopoulos**, Head of Safety/Vetting – Almi Tankers, spoke about operational excellence and how it can create a competitive advantage despite the fact that shipping companies are mainly price-takers in the market in which they operate. He highlighted that one of the most important elements of operational excellence is the People element and presented industry trends demonstrating its increasing significance. George proceeded to analyse three areas: Leadership, Culture and Collective Participation, which if nurtured appropriately in a company will generate the energy leading to operational excellence thus creating a competitive advantage.
- 2) **Mr. Marcos Vassilikos**, Managing Director – Eurobulk, stated: "As far as best industry practices go, we can inspire ourselves from various international organizations. Some of the areas we should focus on are the following: crew safety, hygiene, environmental protection and transparency. The company's performance may be assessed by monitoring and measuring performance through various indicators."
- 3) **Mr. George Kouleris**, Technical Director – Prime Marine Management, stated: "Today, many outsiders, such as lobbyists, NGOs, environmental organizations etc., have a say in the way maritime business is conducted, and therefore impact the operational cost. They do not have any incentive to abstain from these regulations. That being said, all sectors must have high standards, and at the end of the day it is up to each company to adopt the best industry practices according to the means at their disposal."
- 4) **Mr. Lambros Babilis**, Chief Executive Officer – Stealth Maritime Corporation S.A., stated: "My view of Operational Excellence in twofold; on individual – employee and on corporate level. On employee level, striving for excellence at work provides the individual with a sense of self-fulfillment leading to job satisfaction from quality of work achieved. The employee morale is increased leading back to quality of work and a virtuous cycle of personal satisfaction, job performance and efficiency. On corporate level, adoption of Operational Excellence and best industry practices protects from regulatory breaches, improves company's image in a more transparent environment, provides legal leverage and finally comfort to existing and prospective clients, suppliers, subcontractors and service providers. In addition attracts high quality candidates for employment who share similar values leading to another virtuous cycle. Quantifying the benefits into financial results or competitive advantage may not be a straight forward task because in most cases the benefits are hidden under lost opportunities, due to lack of Operational Excellence, that are not easily identifiable."

The event ended with the presentation of the "**Capital Link Maritime CSR Leadership Award**", which was initiated 5 years ago aiming to recognize a person or an organization for demonstrating the highest level of commitment to Business Ethics and Best Industry Practices. Previous Honorees were **Mr. Jeremy Penn**, Former Chief Executive of the Baltic Exchange, **Dr. Nikolas P. Tsakos**, Chairman of INTERTANKO and President & CEO of NYSE listed TSAKOS ENERGY NAVIGATION LTD (TEN), **Mr. Efthimios E. Mitropoulos**, Secretary General Emeritus of the International Maritime Organization (IMO) and **Mr. Clay Maitland**, Founding Partner – NAMEPA; Chairman – NYMAR; Managing Partner – International Registries.

In the context of the Forum we presented the "**2017 Capital Link Maritime CSR Leadership Award**" to **Mr. John Platsidakis**, Chairman, INTERCARGO; Managing Director - Anangel Maritime Services Inc. in recognition of his commitment in applying and promoting Best Industry Practices.

In **Mr. John Platsidakis'** speech, he stated: "Shipping operates in a highly competitive and regulated environment. Flag states, Port State Control, charterers, shippers and receivers, banks, Classification Societies want to have and do have a view of the ships they are engaging. Therefore, shipping, and by that I mean shipowners and ship-managers, have to comply with prevailing local and international regulations and meet the competition. The performance criteria is quality and operational excellence.

With the easy flow of information via the media and the internet, any non compliance is immediately identifiable and attached to the vessel and the operator involved.

Quality is expensive, difficult to achieve and the result of an on-going process. The opposite option though, i.e. non compliance, poor performance, accidents are likely to be detrimental for the continuation of a company as an on-going entity. As said, if you believe that Quality is expensive, try an Accident ! Good reputation takes time to be gained while the loss of it takes a minute !

Concluding, shipping is striving for quality and is looking forward to adopt and comply with regulations which are transparent, practical and show respect to the shipping industry which is one of the most valuable contributors of the high standards of living which our society is enjoying.”

The Introductory Remarks and the Award presentation were made by **Mr. Panagiotis Laskaridis, President - European Community Shipowners Associations; CEO - Lavinia Corporation/Laskaridis Shipping Co. Ltd.** In **Mr. Panagiotis Laskaridis’** speech, he stated: “Best practices in shipping, like elsewhere, are not an exact science.

Whilst one can define each one of them separately, collectively their extent and definition is obtuse and not easy.

However any entrepreneur, operator or manager instinctively knows what constitutes a “best practice” in his field. The purpose of a conference such as the present one is to bring together people and processes together to be able to better understand and execute best practices.

Whilst the common perception is that best practices have a narrow application in improving performance and efficiency, clearly their reach extends to policy, attitude, governance, compliance and other disciplines.

For our business, shipping, it is perhaps not surprising to note that best practices, apart from their application in shipmanagement, run tangentially to the main issues of Shipping Policy, either Global or European such as the GHG debate, the European single window policy, the Future European Policy proposals, the European Social Agenda and others. All issues interrelated with both broad as well as specific shipping issues.”

#### **FORUM’S MATERIAL**

The material of the Forum (presentations, speeches, photos, interviews and videos) is available at: <http://forums.capitallink.com/csr/2017athens/index.html>

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#### **ORGANIZER – CAPITAL LINK, INC.**

Capital Link is an Advisory, Investor Relations and Financial Communications firm. Besides the customized Investor Relations programs tailored to each specific client, Capital Link is also known for the organization of large scale high quality maritime and investor forums in key industry centers, such as in New York, London, Athens, Shanghai, Limassol and next year in Singapore. Capital Link organizes fourteen conferences annually, of which seven are focused on the maritime sector. Capital Link’s events draw the elite of the financial, investment and maritime communities and provide a unique

combination of superior informational content, marketing and networking opportunities. Capital Link's global marketing platform enhances the visibility and reach of these events during the year on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.

Capital Link's efforts have been recognized by the 2011 Loyds's List Greek Shipping Awards, in 2012 and 2013 by the InterContinental Finance Magazine and in 2016 by the Wealth & Finance Magazine, Also, by the International Propeller Club of the United States and AHI-American Hellenic Institute.

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