



FAMELINE HOLDING GROUP



# Relationships Beyond Contracts

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## **2<sup>nd</sup> International Shipping Forum – Capital Link**

**Shanghai- 5<sup>th</sup> May 2017**

**Optimizing Regulatory Compliance, Capital Expenditures and Solutions**

**Stephanos Stephou, Strategic Planning, Fameline Holding Group**





1

Introduction to the world of Fameline Holding Group

2

Challenges stemming from regulation and how we respond

3

Vertical integration and solutions

4

Financing options

5

Conclusion



# The world of Fameline Holding Group



200 professionals



A global entity.



Available 24/7, 365 Days



Average Annual Turnover +440 million USD



28 subsidiary companies



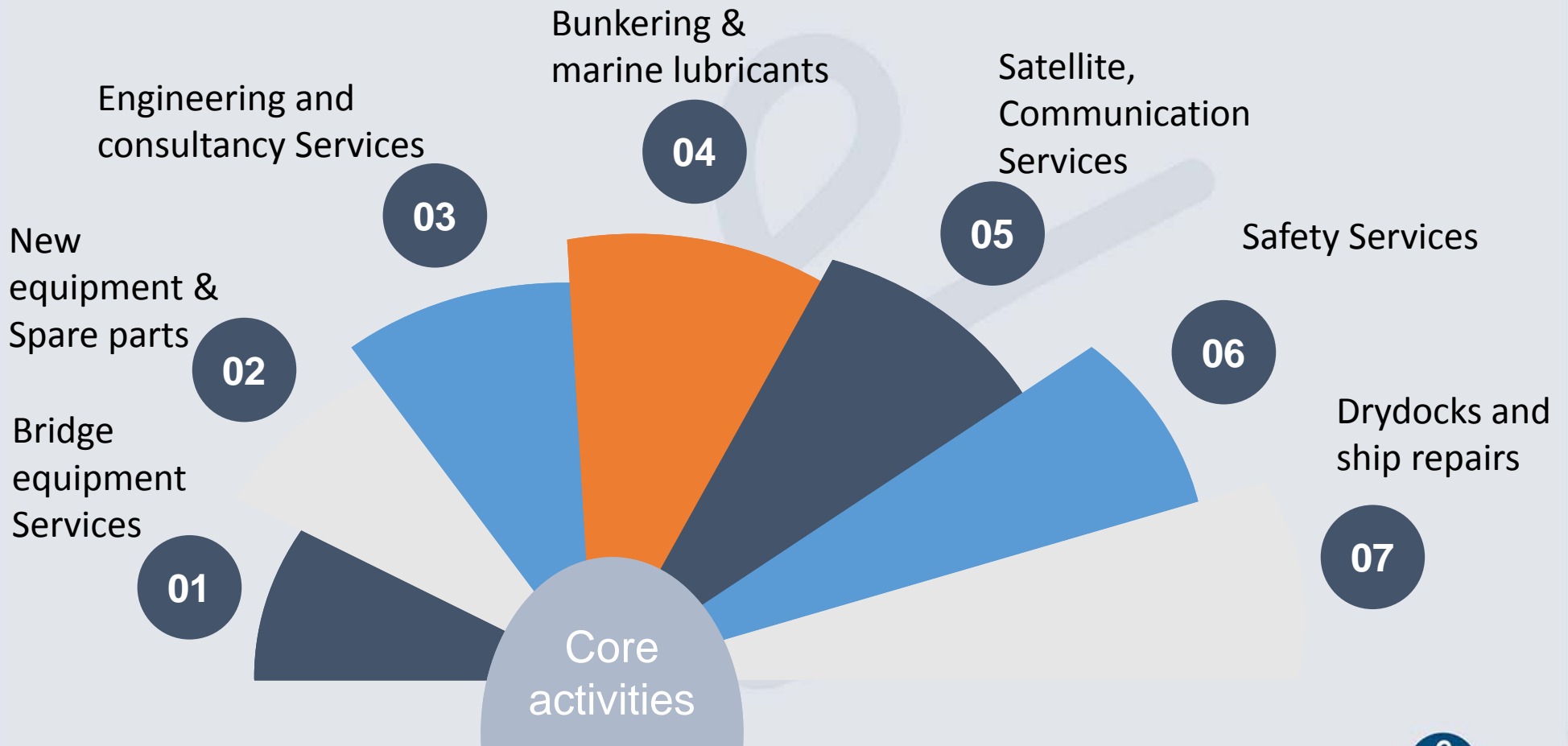
## Branch offices



Limassol-Piraeus-Hamburg-Dubai-Abu Dhabi-Singapore-Paris-Shanghai-New Jersey-Rotterdam



# Core activities





## New IMO emission limit

The International Maritime Organization (IMO) has set a 0.5% sulphur cap on marine fuel sulphur content

The new global sulphur limit will be **adopted in 2020**



## Ballast Water Management Convention

The International Convention for the Control and Management of Ships' Ballast Water and Sediments will enter into force **on 8 September 2017**

Ships will be required to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of aquatic organisms and pathogens within ballast water and sediments





## New IMO emission limit

- Upon implementation fuels with sulphur content >0.5% **will no longer be allowed without a**
- Enforcement will be handled by IMO member states
- The fuel supply chain, including many refineries, will need to be reconfigured

## Ballast Water Management Convention

All ships in international trade:

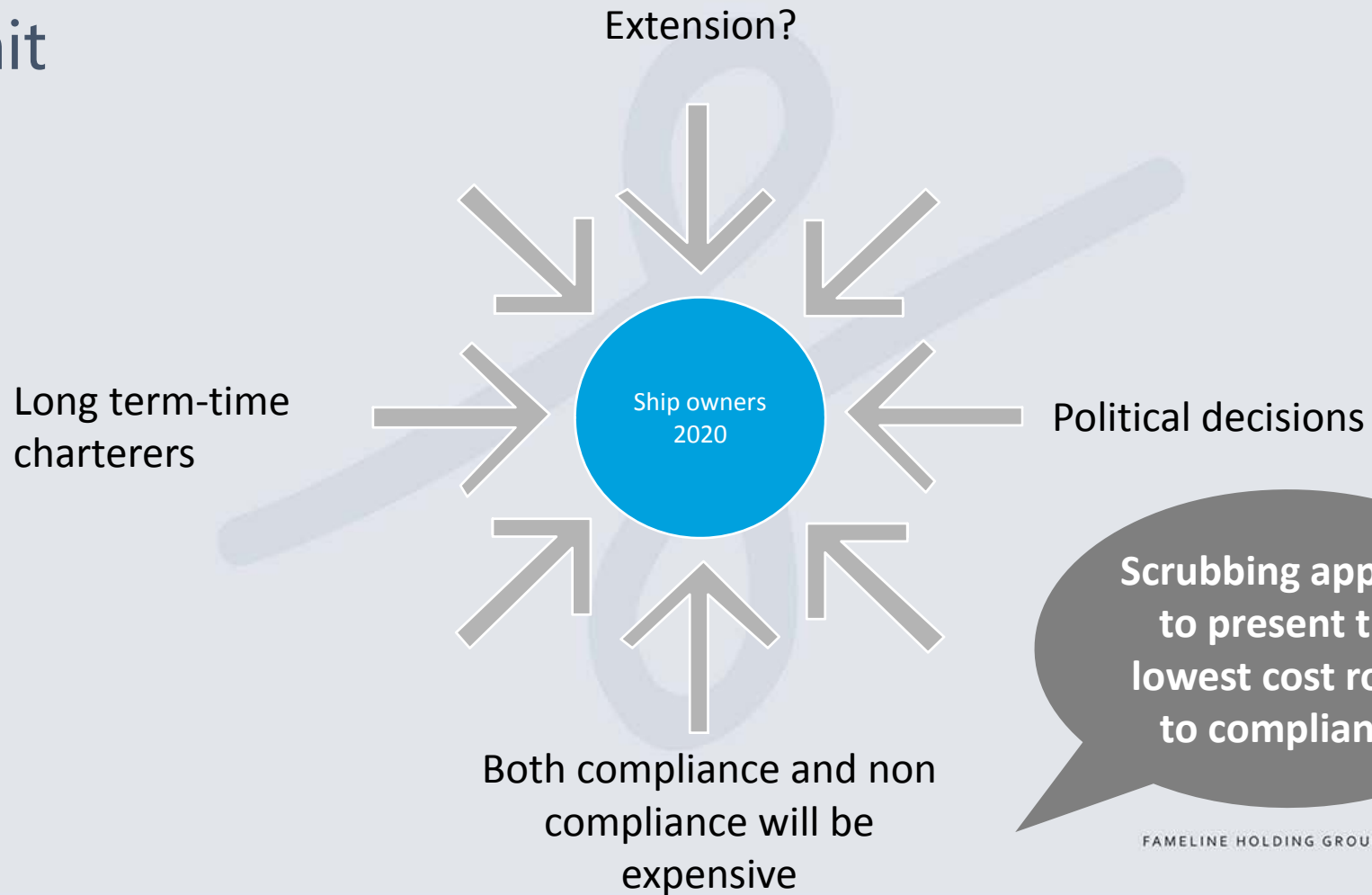
- will have to manage their ballast water and sediments
- will have to carry a ballast water record book and international ballast water management certificate
- (most ships) will have to install an on board system to treat ballast water system & eliminate unwanted organisms







# New IMO emission limit



## Complex decisions How much will 2020 cost?



- According to the new market research report "Ballast Water Treatment Market" by Markets and Markets- Global Forecast to 2022", the market is expected to be worth USD **118.77 Billion** by 2022, growing at a **CAGR of 37.19%** between 2017 and 2022.
- According to consultants **Wood Mackenzie** the estimated cost for higher quality fuel could be up to \$60 Billion
- According to BIMCO this would mean changing **2.5 - 4 Million barrels per day** into different-higher grade products.
- According to IBIA, combining the bunker cost differentials with the prices and uptake in scrubbing results in average annual costs to the shipping community of **\$24 billion over the decade starting in 2020**



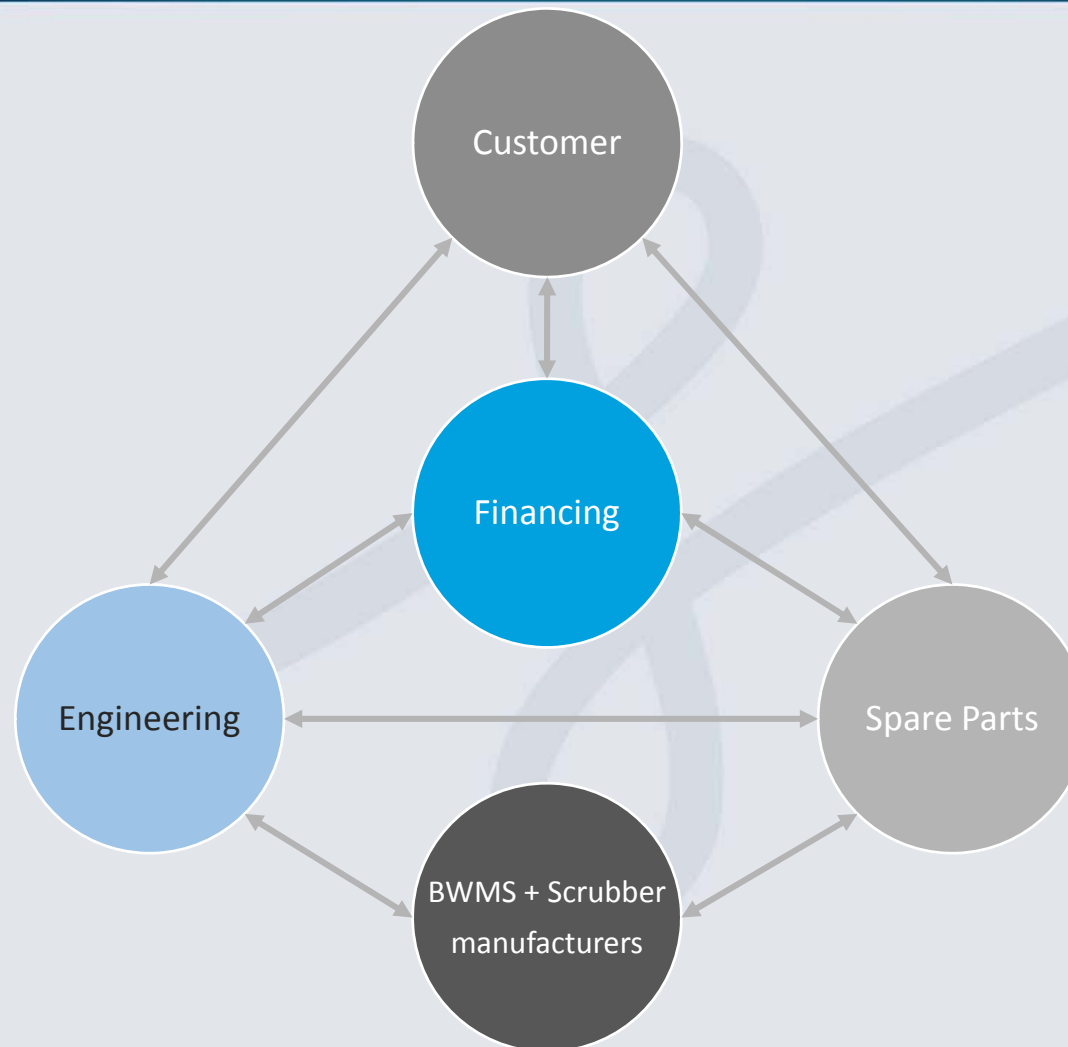
# Complex decisions



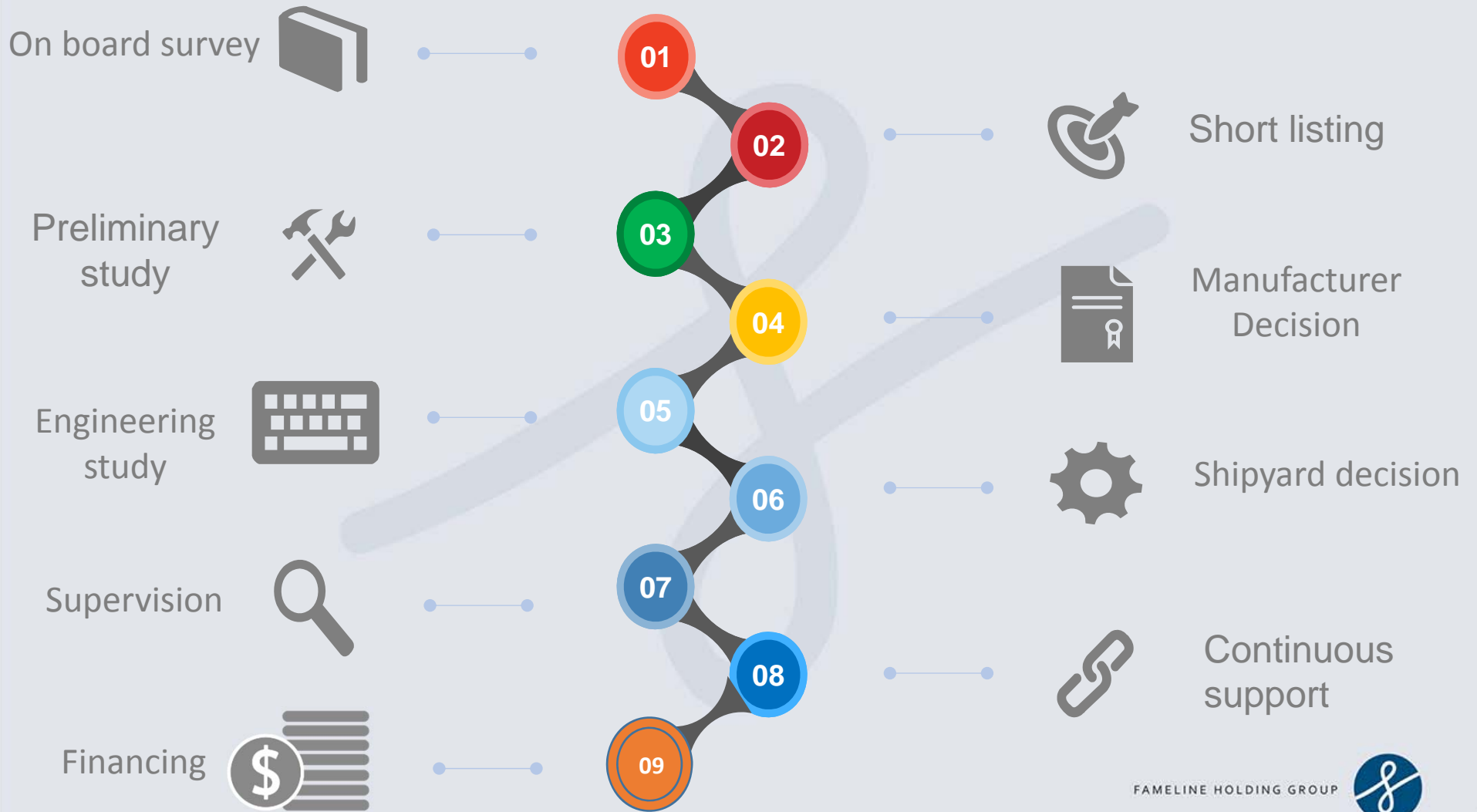
	BWMS	Scrubber
Cost of supply.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cost of installation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Running & Maintenance cost	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Payback period	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Trading pattern of vessel	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



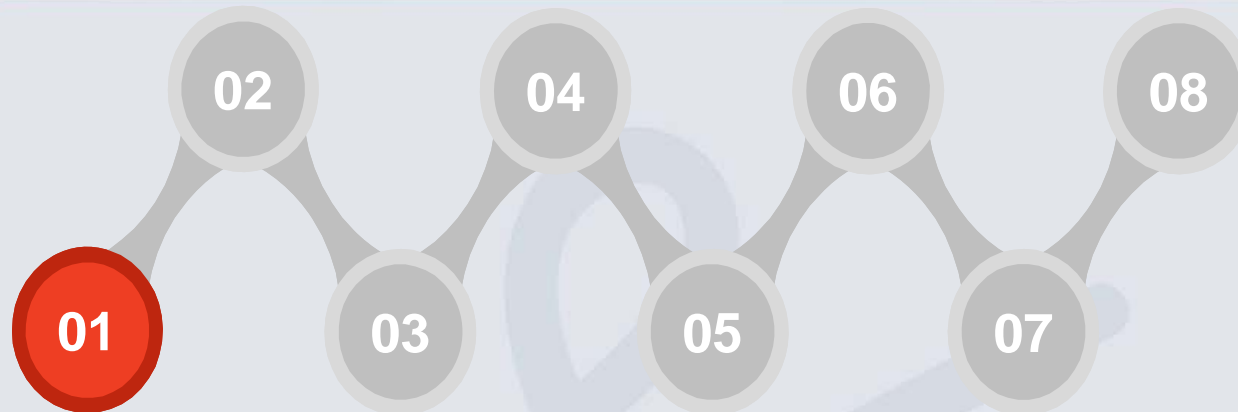
## How do we respond?



# How do we respond?



## How do we respond? Step 1/9



### On Board Survey

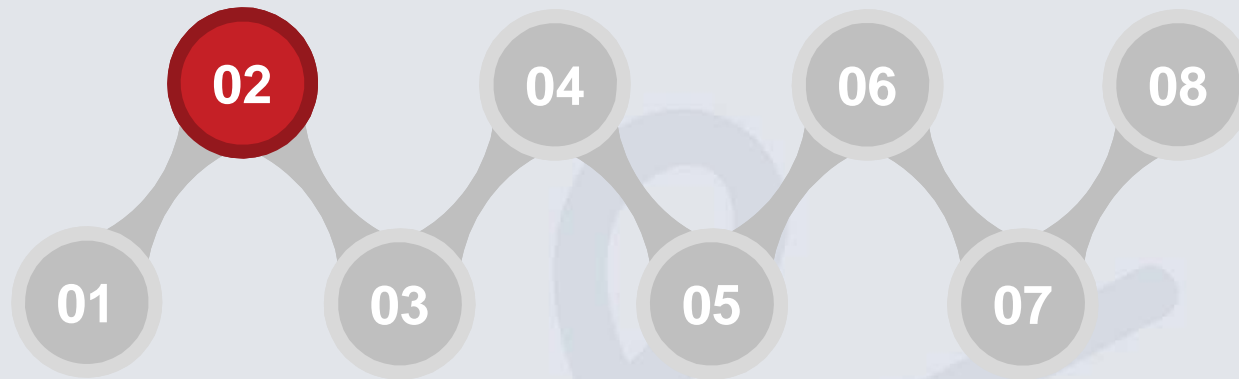
On board survey

- 3DL scanning
- Examination of spaces
- Analysis of existing systems

**Experience:**

**120** on board surveys since 2013

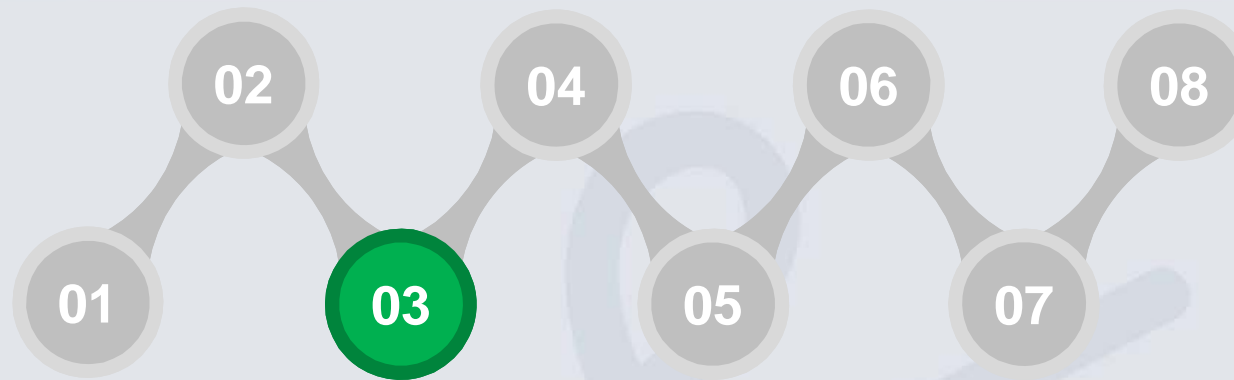




## Short listing

Proposal of preselected manufacturers of (BWMS or Scrubbers) appropriate for particular ship design





### Preliminary study

- Preliminary study for the installation
- Basic design & preliminary specification for budgeting purposes
- Preparation of class package



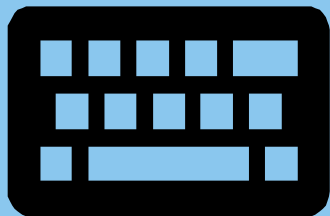
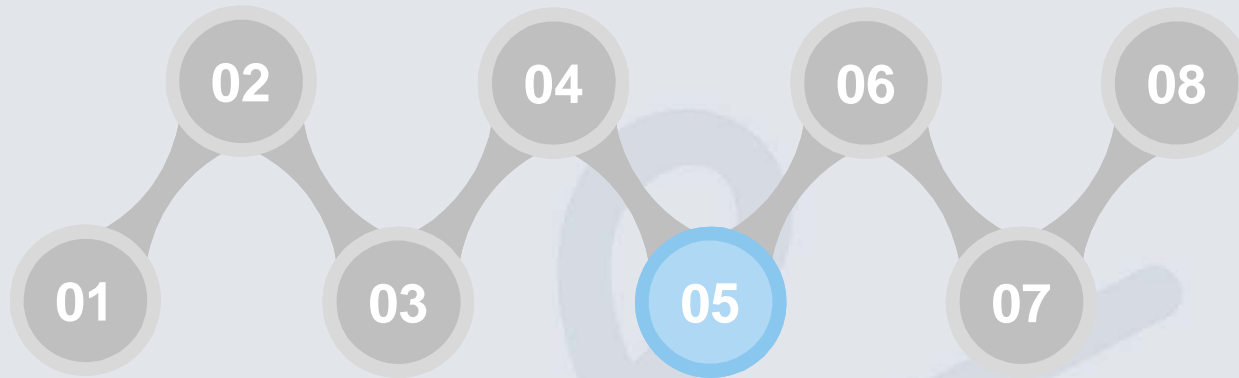




### Manufacturer Decision

-Based on the survey on board and the preliminary study for the short listed manufacturers, owners will conduct commercial negotiations and select the preferable manufacturers.





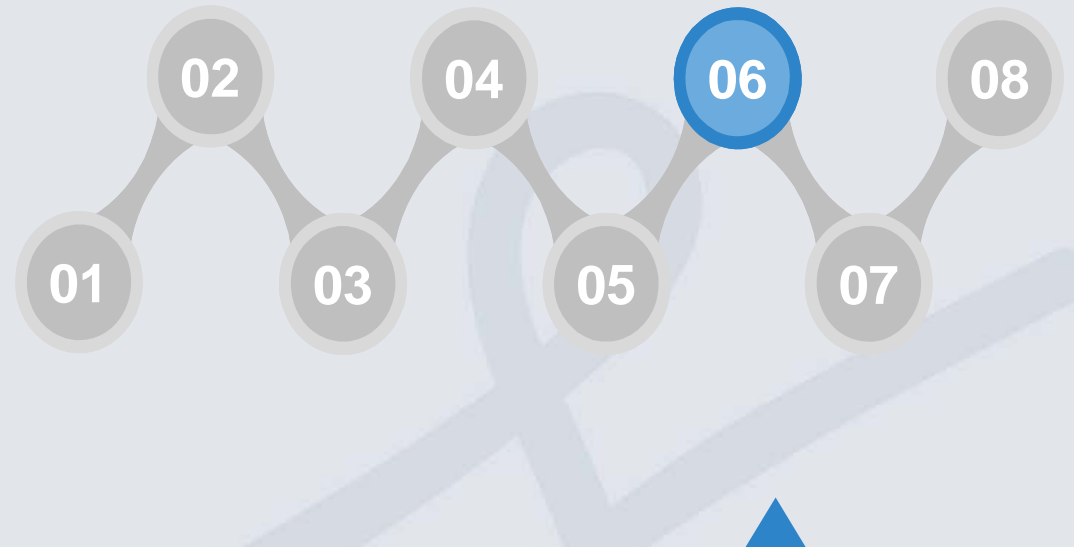
### Engineering study

-full detailed installation drawings and technical specification for the selected system

**Experience: 65** studies delivered resulted to **30** retrofits.

**15** scheduled for retrofit by the end of the year

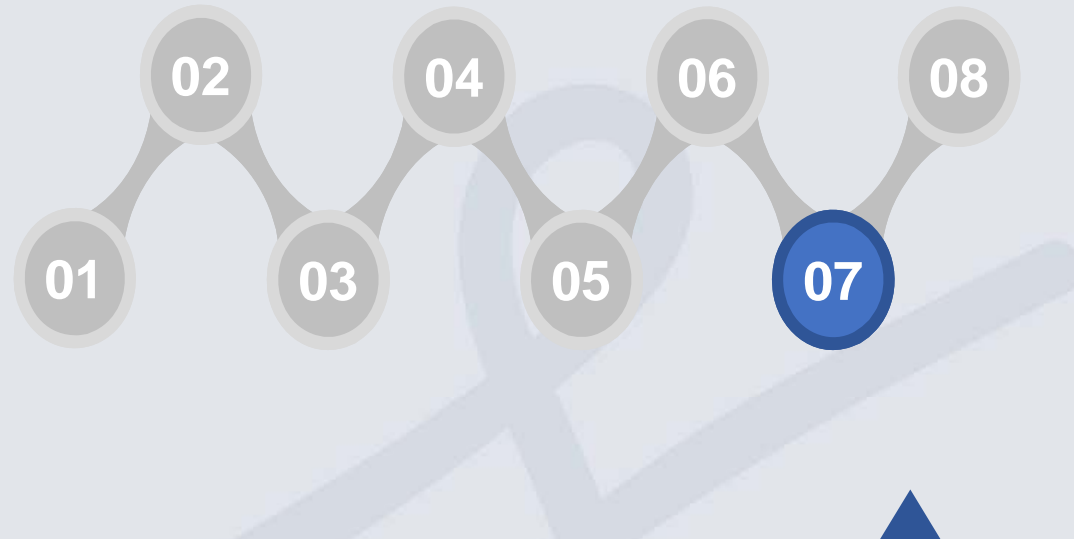




## Shipyard decision

- Owners request for quotations from shipyards and make final commercial decision/schedules installation

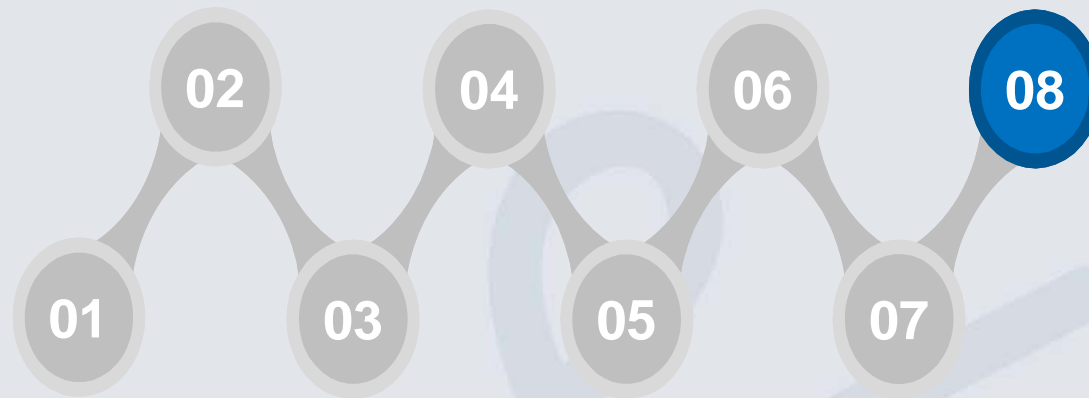




## Supervision

- Supervision of retrofit works
- Liaise with attending class surveyors for clarifications leading to certificate
- Cooperation with maker for successful commissioning of the vessels





## Continuous support

Continuous support after the installation of the system





Our Partner, **Ocean Finance**, is implementing a European financing initiative developed by the **European Investment Bank** that is based on the following terms and conditions:



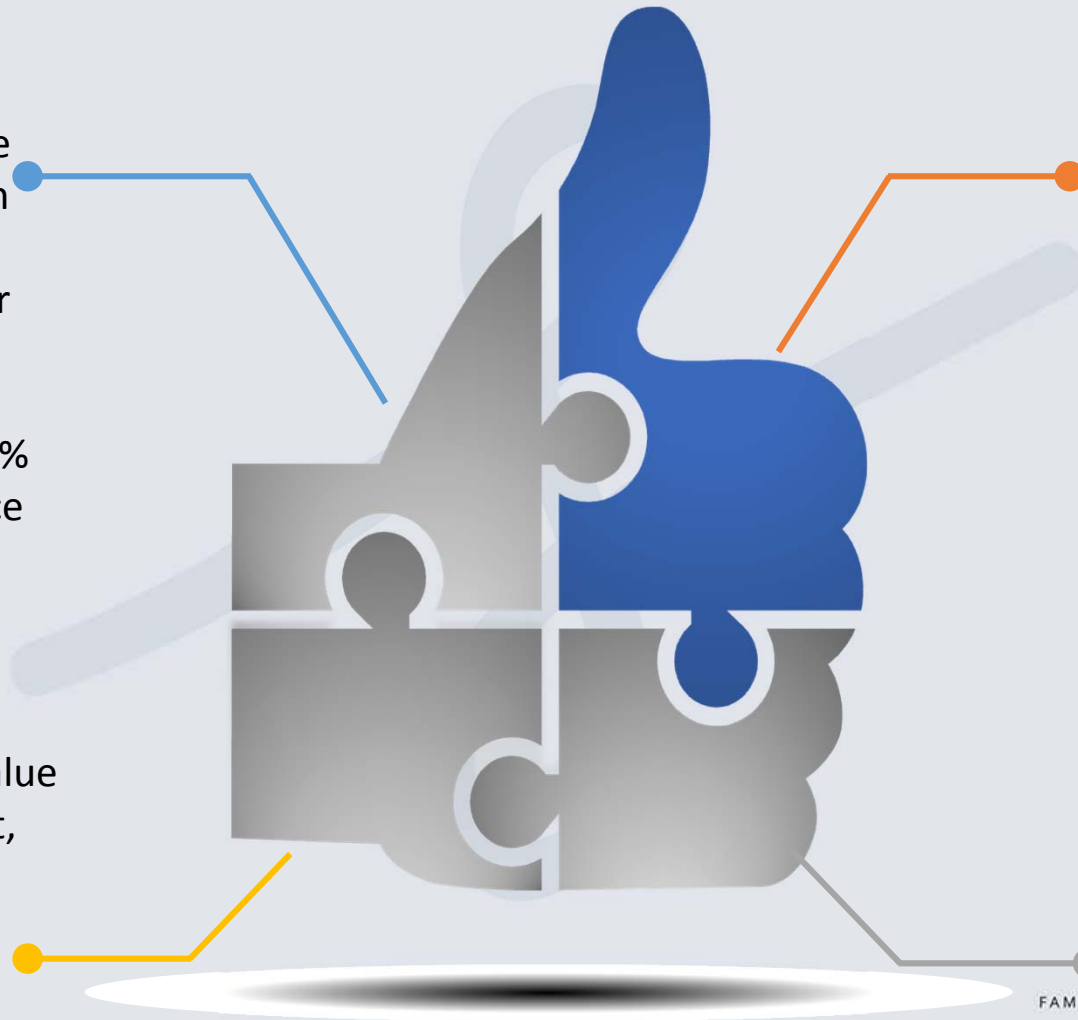


## Guaranteed rates

50% of vessel's calls are performed at European ports then the investment qualifies for the direct lending/guarantees scheme covering a 100% of the green compliance CAPEX

## EU added value

An investment with significant EU added value (EU flag, EU equipment, EU shipyards, EU designers, etc.) is preferable, but not required



## Vessel is eligible

a vessel upgrade could be eligible for a 100% financing of the green elements (scrubbers, ballast water treatment, etc.)

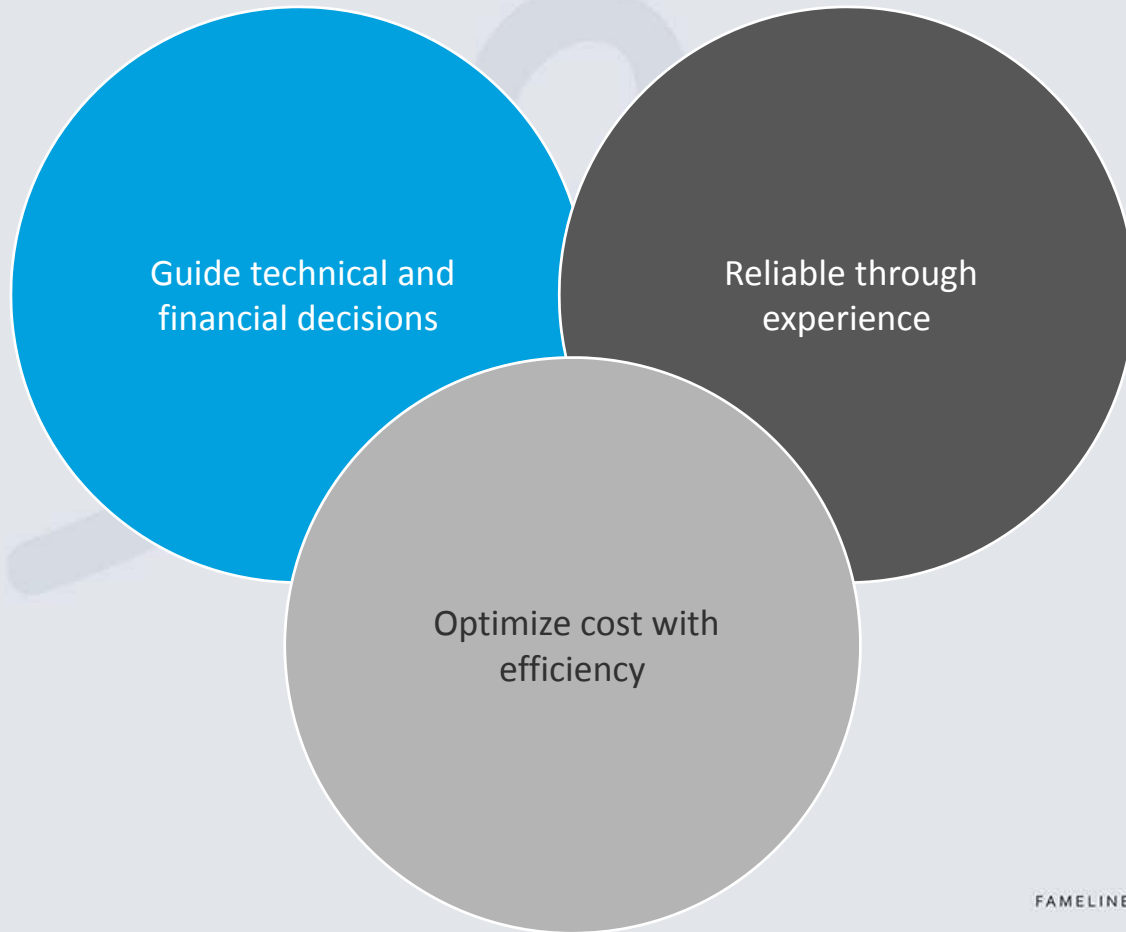
## EU Member State

The entity acting as the borrower must be established in an EU Member-State



# Conclusion

## How do we add value?







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