

Shipping and shipping values

Are they eternal or clearly changing ?

Ladies and Gentlemen good evening,

Dear Panos, a very special hello to you, and sincere thanks for your kind words, much too indulgent. Thank you also for this award which honors me deeply.

I have been asked to say a few words after receiving this award which, you say, is "in recognition of my contribution to the shipping industry and my commitment to best industrial practices". Impressive !

Normally, when you hear so kind and appreciative comments, in fact, you don't hear them, because they come out ...when you are dead !

This is why I am so pleased, doubly pleased, to hear them today from you Panos, a tremendous professional, with a very exceptional personality.

Effectively, I have had a long life in business, one in shipping of course, and one in investment banking / merchant banking.

(By the way, I would have loved to have a career in the army, where I spent some time, or in sport, which I practiced at high level, N°84 World ranking in squash.)

Today, I will only mention my years in shipping.

As we all know, shipping is the oldest business in the world – or maybe the ...second ? I cannot remember exactly ...what is the first ! –

It is not only the oldest business in the world, but to my mind, it is the best.

It is a business where :

- You build something solid on a long term,
- You meet and you work with really fine people,
- There is a tremendous solidarity, within your company of course, with your staff and crews, but also on the outside world, with colleagues or competitors
- Competition is very aggressive but, almost always, quite loyal.

I mentioned on top of my list the very necessary long term view, this makes a difference with other businesses I have a little knowledge of, banking and trading.

You build ships, relation with people, partnerships, for many years ahead.

You organize your staff, your crews, to be able to offer the best possible quality of service and safety. This is how you build your expertise and your know-how. If you don't achieve that, then you don't stay long in the business.

As mentioned earlier, shipping is based on loyalty and trust. The "My word my bond" is still, should still, be our credo.

A long-term business, but that needs, and needs more and more every day in our changing world, reactivity, even creativity I would say. A personal example : LDA has turned, in 20 years, from a pure bulk transport shipping company, to a company dealing much more today with port logistics, industrial shipping, and today's high tech shipping (cable, windfarm logistics, specialized transports, ...). This evolution has proved very necessary and rather successful. As a family company, if

we had remained a pure cape size owner, we would be today either very, very rich, or ... very, very dead !

One comment on family businesses. As a banker, I always had the opinion that they were the best managed, and on the long run, the more profitable. This is why I believe that shipping, who needs a long-term view, dedication of the shareholders, reactivity and respect of values, cannot be but family companies. This is the case internationally, and more so here in Greece, the number one shipping nation in the world.

I want to share with you my views of what have been, and what should remain, the values and the virtues of shipping.

But I am clearly seeing the things changing in the world, in our world.

- Ethics, loyalty, the "My word, my bond" credo, are seen today sometimes more at a burden than an honor, not to say just a normal practice in shipping.
- The much needed long-term approach to shipping seems to be losing pace to much shorter views in a world driven by computers and artificial intelligence, and financiers !
- The family cultural approach is still, hopefully, the main reality of our business today. Will it last ?

This evolution - which does not make me personally so happy - is it due to a change of culture, education, in a change of our perception of values ? Or is it due to a change of our business environment where the excess of our capitalist world could very well lead to a drastic change of our political regimes ?

Today, short-term views, quick money, attention given to the price and not to the quality of service, do not, in my mind, have us all heading in the right direction.

In our world / worlds of business in general and in shipping in particular, the increasing role of procurement department in larger groups, leads to give priority to the pricing and not to the quality of service on the long term. This is not good !

Most of us, in shipping, are family companies with a conservative long-term view of how we should do our business and develop our companies. This industrial vision is very far and different from the purely financial approach to business. I never believed – even though I made a living out of it when I was an investment banker – that listing was an adequate approach for shipping. Of course, there are many successes, but also, let's admit it, there are many disappointment, not to say failures. One last thing – and today this issue is on top of our list of concerns – are environment issues. This was not the case 20 years ago, not even 10 years ago. As President of the French shipping association, European shipping association (ECSA) and more recently, of BIMCO, I have always been concerned by these issues, and tried to make these organizations and my shipowners friends, more reactive, not to say proactive. We would not have been facing the difficulties created by the regulations (IMO) imposed on us, if we had been proactive enough, we shipowners, to proposing our own solutions. I am sorry I have not been convincing enough, and this is one of my main regrets.

By the way, my last proposal on that matter, which I have been proposing for years, is the speed limitation of our ships, which is the easiest, simplest, less costly, solution, to reach the regulations imposed

on us on green house gases. It is also good for safety and, by the way, good for the market.