



# 2<sup>nd</sup> Annual Capital Link Cyprus Shipping Forum

Wednesday, February 14, 2018  
Limassol, Cyprus

## Conference Notes



Under the Auspices



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# 2<sup>nd</sup> Annual Capital Link Cyprus Shipping Forum

Wednesday, February 14, 2018  
Columbia Plaza - Limassol, Cyprus



## Capital Link's 2nd Cyprus Shipping Forum Draws 400+ Delegates

**CONFERENCE MATERIALS AND PROGRAMME AGENDA ARE AVAILABLE AT**  
<http://forums.capitallink.com/shipping/2018cyprus/>

**For a second year in a row, Capital Link organized its Annual Cyprus Shipping Forum in Limassol** with tremendous success attracting well over 400+ delegates, continuing the great success of last year's inaugural conference.

### **FORUM DISCUSSION TOPICS & OBJECTIVE**

The Forum took place in **Limassol** at the **Columbia Plaza**, under the **Auspices of the Republic of Cyprus** with **Bank of Cyprus** as the **Lead Sponsor** and with the **sponsorship** and **cooperation** of the **Cyprus Union of Shipowners**. The event was also supported by the Department of Merchant Shipping and by the following Organizations: Cyprus Union of Shipowners • CIFA • CYMEPA • Cyprus Marine Club • Cyprus Master Mariners Association • Cyprus Naval Architects & Marine Engineers Association • Cyprus Shipping Chamber • Institute of Chartered Shipbrokers • Young Ship Cyprus • Wista Cyprus • Wista Hellas.

The Forum discussed the recent developments and trends in the shipping, financial and capital markets; issues pertaining to geopolitical developments; as well as technical and commercial fleet management. The Forum highlighted the challenges the industry is facing with compliance to the new regulatory framework as well as the use and impact of innovative technologies.

The event aimed to highlight:

- the Cyprus maritime industry;
- the Cyprus flag which has been recognized internationally as a quality and safe flag;

- the significant role of Cyprus as a maritime, energy and logistics hub and as an investment and business destination.

### **CONNECTING GLOBAL & LOCAL MARITIME LEADERS**

The Capital Link Cyprus Shipping Forum is an International Maritime Forum which takes place in Cyprus. This Forum attracts the Cyprus top foreign executives from the global shipping, financial and capital markets as well as from the investment community who have the unique opportunity to meet and network with their Cypriot counterparts. Furthermore, post-Forum, Capital Link promotes the Forum proceedings globally through its marketing platform.

All major stakeholders of the Cyprus Maritime Cluster supported the Forum with their participation and attendance, including major **International and Cypriot Shipowners, Government Officials, Ship Managers, Bankers, Financiers, Insurers, Charterers, Technology Providers and other major Industry Participants**.

### **KEYNOTE SPEAKERS & CONFERENCE CHAIRMAN**

**Keynote speakers:**

- **Mr. Marios Demetriades, Minister of Transport Communications & Works of the Republic of Cyprus; and**
- **Mr. Louis Pochanis, Director, International Banking, Wealth & Markets - Bank of Cyprus**

It is worth noting that the evening prior to the Forum, the new government of Cyprus was announced which included the new Deputy Minister of Shipping, a position that is created for the first time, underlining the significance that the Cypriot Government attributes to the maritime sector. Mrs. Natasa Pilides is the newly appointed Deputy Minister of Shipping and she will take office on March 1st. Mrs. Pilides attended the Forum and made a brief statement. It was a truly remarkable and emotional moment to welcome, at the Forum, both the outgoing and incoming Ministers.

For a second year in a row, the **Conference Chairman** was **Mr. George A. Tsavlis**, Principal of **Tsavlis Salvage Group**.

**The Forum opened with Welcome Remarks by Mr. George A. Tsavlis, Principal of Tsavlis Salvage Group**, who stated:

*"This time last year, I was honored to chair the first Capital Link Shipping Forum in Limassol. Nicolas Bornozis has given me this opportunity and honor for the second time, for which I am most grateful.*

*With over 150 shipping companies, Cyprus is considered by far one of the top global shipping hubs for ship owners and ship management services. This is not without reason, as Cyprus has been an international maritime center since antiquity. Being key players in the market, what we should emphasize and strive for as a priority - is to find ways of filling the huge educational deficiency that we face for our seafarers and younger generation. There needs to be a liaison between the government and the private shipping sector to instigate and better prepare our youth for enriching seafaring careers.*

*Furthermore, we need to find ways of supporting the market and law makers who may perhaps be pushing their demands beyond the ability of the market to absorb them. Over 50 years ago, indeed the market was under regulated. I must say, that now I find the market to be over regulated. We all want progress but we have to make certain that what is expected for the market to be able to take on, must be realistically attainable and sustainable. Indeed, there are "grey areas" where both authorities/regulators and the shipping community need to work collectively, in order to guide and support the law makers and regulators for our mutual benefit. Let us not forget, one cannot build Rome overnight!*

*On the subject of ship financing, conventional ship financing loans, the way we knew them, are at an all-*

*time low, having given way to sophisticated equity / hedge funds as an alternative form of financing. Once again – words of caution: We must ensure that this does not lead to yet another "boom and bust" in the market.*

*On a final note, I feel that there has been a glimpse of light for a more positive future on the horizon. Let us not forget that in history many things happen for the wrong reasons.*

*I believe that this period of depression served to teach us that we need to take smaller, well thought out steps, with focus and passion as our lighthouse, as opposed to greed and power.*

*In the words of Winston Churchill, "Success is not final. Failure is not fatal. It is the courage to continue that counts". Let us maintain our love for shipping and our passion to overcome all hardships that cross our path. May I take this opportunity to extend my best wishes for an enlightening conference!"*

[Audio Webcast](#) [Video Webcast](#)



Mr. George A. Tsavlis, Principal, Tsavlis Salvage Group  
Conference Chairman

**Mr. Nicolas Bornozis**, President, **Capital Link Inc.** in his welcoming remarks pointed out the critical role of shipping as the artery of the global economy and trade and highlighted that the maritime industry today is in a stage of transformation as the results of significant regulatory, financial and technological developments. He also elaborated on the increasing role of Cyprus as a maritime, energy and logistics hub and stressed Capital Link's commitment to Cyprus, which includes an Annual Shipping Forum in Limassol and an Invest in Cyprus Forum in New York City, which is planned for the fall of 2018. He also expressed his appreciation to the sponsors and supporters of the Forum and stressed the fact that this Forum brings together and enjoys the support and participation of all participants in the Cyprus Maritime Cluster.

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Mr. Nicolas Bornozis, President  
Capital Link Inc

*“Shipping is linked vitally to people’s lives and economic development in cyprus since the ancient times. Today, banks play a critical role in shipping, by providing important operational services and financial products. The bank of Cyprus has done that for decades, in support of the Cyprus shipping cluster. In 2017, the bank established a specialised shipping centre, to provide ship-finance to selected companies and to develop the bank’s shipping relationships. As the largest bank in the country, Bank of Cyprus aims to become a trusted partner for Cypriot and Greek shipping companies and to contribute towards the development of Cyprus as one of the world’s top maritime centres.”*

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**H.E. Marios Demetriades, Minister of Communication Transport and Works of Cyprus** in his Opening Keynote remarks stated: *“The Cyprus Government has placed and maintains shipping among its main concerns and priorities. A testimony of the Government’s commitment and support to the shipping industry is the creation of a self-standing Deputy Ministry of Shipping as from March 2018. We strongly believe that the Deputy Ministry for Shipping will increase the functionality, effectiveness and flexibility of our public shipping administration, with a direct and immediate effect in the further development of both our flag and our maritime cluster. The ultimate aim is the strengthening of Cyprus shipping and its consolidation as a modern and global shipping service centre.”*

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H.E. Marios Demetriades  
Minister of Communication Transport and Works  
Republic of Cyprus



Mr. Louis Pochanis  
Director, International Banking, Wealth & Markets  
Bank of Cyprus

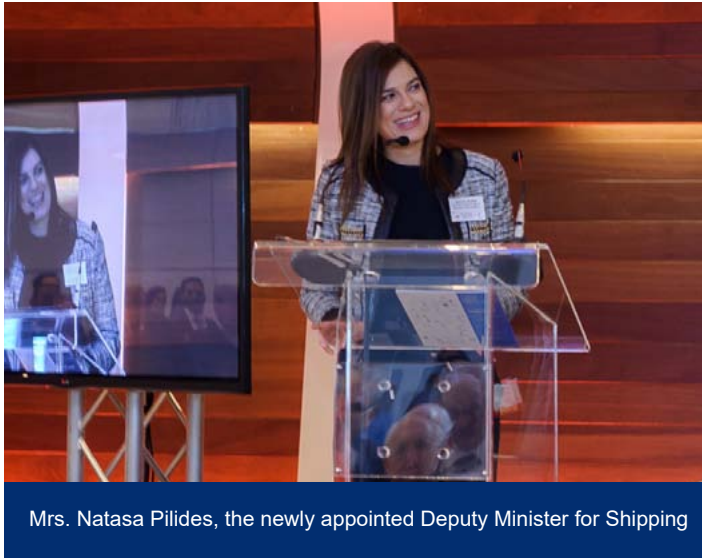
**Mrs. Natasa Pilides, the newly appointed Deputy Minister for Shipping** served as the Director General of the Cyprus Investment Promotion Agency after a distinguished career in the private sector. She addressed the delegates highlighting that the newly created position of Cyprus Deputy Minister of Shipping demonstrates the significance the government is attributing to the maritime sector. She mentioned that Cyprus is strategically positioned to take advantage of global developments and expand its maritime cluster attracting major participants from all industry facets. She added: *“The creation of a Deputy Ministry for Shipping is a very significant development for Cyprus as it ensures dedicated, one stop shop support to the Cyprus maritime cluster, which is one of the main pillars of the Cyprus economy. It is a great honour to have been selected for this role. I will do my utmost to ensure an integrated strategy is systematically and methodically applied with a view to developing the cluster, as well as enhancing and promoting our competitive advantages.”* And she concluded *«It was*

**Mr. Louis Pochanis, Director, International Banking, Wealth & Markets, Bank of Cyprus,** in his Keynote Address stated:

*“Cyprus shipping and the importance of banks”*

*a great pleasure to have attended the 2nd Annual Capital Link Cyprus Shipping Forum in Limassol. The organization was excellent, with many distinguished panelists offering useful insights on various topics of relevance to shipping today. I look forward to more such conferences in the years to come.»*

[Video Webcast](#)



## FORUM SESSION ON THE GLOBAL SHIPPING MARKETS

### PANEL DISCUSSION ON “THE SHIPPING MARKETS SECTORS REVIEW & OUTLOOK”

The session included an introductory analysis of the major commodity, energy and shipping trends followed by a discussion among leading shipowners.

**Presentation by:**

**Mr. Gautam Khurana**, CFA, Director - Drewry Maritime Financial Research

[Presentation/PDF](#)

**Panel Discussion:**

**Moderator: Mr. Gautam Khurana**, CFA, Director - Drewry Maritime Financial Research

**Panelists:**

- **Mr. John Su**, President & CEO - Erasmus Shipinvest Group
- **Capt. Eberhard Koch**, Chairman, CEO & Partner - OL Shipping Group
- **Mr. Roine Ahlquist**, Managing Director - Oceanic Marine Management

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#### The Shipping Markets

Mr. Gautam Khurana, CFA, Director - Drewry Maritime Financial Research, Mr. John Su, President & CEO - Erasmus Shipinvest Group, Capt. Eberhard Koch, Chairman, CEO & Partner - OL Shipping Group & Mr. Roine Ahlquist, Managing Director - Oceanic Marine Management

**Mr. Gautam Khurana**, CFA, Director - Drewry Maritime Financial Research stated: *“Major economies are in a goldilocks period of moderate growth and low inflation. This coupled with a declining US Dollar is beneficial for the value of commodities and ships. The container sector is expected to continue its gradual recovery in 2018 despite a large number of scheduled deliveries, as global demand growth is expected to sustain. Reduced supply-side pressures in the dry-bulk sector should help keep the market in balance and support freight rates. The Crude Tanker sector, on the other hand, is expected to continue its difficult period as vessel oversupply and OPECs production cuts take a toll on freight rates.”*



Mr. Gautam Khurana  
CFA, Director - Drewry Maritime Financial Research

**Mr. John Su**, President & CEO - Erasmus Shipinvest Group stated: *“It’s my great honor acting as a panelist speaker of the markets session at the Capital Link Limassol forum. As for the dry bulk shipping sector where my company is mainly involved so far, it seems that the catastrophic market trough of 2015-2017 is*



*bottomed out and the market is underway for further recovery. In the near and medium term, China's demand on raw materials import would remain solid, especially on iron ores and grains segments. As for the fleet supply side, it can be a tricky situation in terms of real tonnage growth by 2020 due to the implementation of certain environmental regulations. No matter how the market volatilities could be, Erasmus group would stick to its unique business model and conservative strategy to dedicatedly serve the world's leading commodities trading majors as core customers, by providing long-term employment of high-quality ocean-going large bulk carriers and around-the-clock services."*



**Capt. Eberhard Koch**, Chairman, CEO & Partner - OL Shipping Group stated: *"The world economy gained further pace last year, beating all expectations. For 2018 expectations are overridingly positive. Container Market will benefit from IMF's latest growth picture, i.e. Global GDP +3,7 % for 2018 and 2019. This raised outlook is an encouraging sign especially for trade. What is encouraging for trade will certainly support containers and bulkers and freight rates too. Capt. Koch shared the latest up-to-date container demand growth expectations, the fleet growth and the idle fleet figures and commented on them."*

He also shared the latest NewContex and HRCI and commented on them. He stated that the feeder segment is benefiting from limits to the cascade of larger vessels on to intra-regional trades, which are the main driver of demand for feeder vessels. On the sulphur regulations he clearly pointed out that his vessels would not become a refinery. The ball for compliance is on the oil industry side.

**Mr. Roine Ahlquist**, Managing Director - Oceanic Marine Management stated: *"The 2nd Annual Capital Link conference in Cyprus was a great opportunity to discuss amongst other things the various markets as they stand and where they might be heading in 2018 and beyond. The access to capital in the maritime space is and has been changing on the back of a prolonged and deep market recession which has and continue to affect the shipping markets as a whole. In that environment it is interesting to see both existing and new players finding and acting upon opportunities. The container market has seen a deep recession which affects all market participants but since Q1/Q2 2017 we have seen a decent recovery off a very low base. Banks large portfolios of non-performing loans has led to re-structuring's and a consolidation of tonnage in new hands. The delivery and deployment expected in 2018 of Ultra large containerships will drive a cascading into the smaller sizes and create new routes for some segments and the eventual phasing out of others. In dry bulk it will be interesting to see over time how the market will manage with what seems to be a relatively fast approach of peak-coal. Although not immediate, a shift will eventually happen. Demand and supply of grains and soya beans as well as other minor bulks has grown exponentially over last couple of years and will keep the medium sized segments occupied, the larger vessels saw a strong rate environment in 2017 coming off a very low base."*

*The tanker market is facing what looks like a weak 2018 with the OPEC self-imposed production curbs. The US is now as large a producer of crude as Saudi and Russia at 10Mbbbls per day. Clearly the actual exported volume is far less but with an oil price where it is shale oil production is high and US Gulf ports*

are being re-built for export on large crude tankers including VLCC's.

Product tankers look more promising for 2018 but continued albeit fast reducing large inventory overhangs and a substantial fleet list keeps the optimism in check. The adoption of sulphur regulations in 2020 will be a game changer for the industry and 2018 is likely to be a year where the industry will start to see the more pronounced impact of these impending regulatory changes."



Mr. Roine Ahlquist  
Managing Director - Oceanic Marine Management

#### **PRESENTATION ON "THE FUTURE OF SHIPPING"** **Main drivers affecting the industry over the next 10 years; roadblocks & potential game changers; opportunities, challenges.**

The presentation was made by **Mr. Panikos Teklos**, Managing Director, Investment Management, Regulatory Risk and Wealth Advisory Services Leader, Deloitte who discussed how the funds industry in Cyprus can be used in shipping.

**Mr. Panikos G. Teklos**, Managing Director, Investment Management, Regulatory Risk and Wealth Advisory Services Leader, Deloitte stated: *"Having a diversified funding strategy has proved to pay off massively across different economic and shipping cycles. In an era where shipping finance still faces tight Bank lending conditions and slow capital markets, Shipping Funds can prove to be a reliable, efficient and effective alternative financing vehicle for the entire consortium of ship owners, shipping management companies and investors alike. The regulated nature of shipping Alternative Investment Funds (AIFs), including significant structural safeguards, such as the presence of a Depositary, Fund Administrator and External Auditor provide considerable comfort and access to a much wider investor base. Cyprus offers a fully*

*transposed European regulatory framework and has all the necessary infrastructure, incentives and expertise to facilitate the establishment and growth of shipping AIFs."*

[Presentation/PDF](#)

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Mr. Panikos G. Teklos  
Managing Director, Investment Management, Regulatory Risk and  
Wealth Advisory Services Leader, Deloitte

#### **FORUM SESSION ON ADAPTING TO NEW REGULATIONS & TECHNOLOGICAL INNOVATION**

##### **PANEL DISCUSSION ON "NEW REGULATIONS & COMPLIANCE AFFECTING SHIPPING"**

This was a panel discussion among leading industry participants on the major regulations that will be in effect in the near future and their potential transformational impact on the industry. The panel provided a comprehensive point of view of regulators, classification societies, service and equipment providers and major shipping companies. The panel touched on topics such as **Ballast Water Treatment, Nox Emissions – Tier 3, Sulfur Limits – Scrubbers** and more.

##### **Moderator:**

**Professor Constantine Arcoumanis**, ex-Ambassador of Greece for Energy Policy & New Technologies, ex-Vice President of City University, London

##### **Panelists:**

- **Mr. Ioannis Efstratiou**, Acting Director - Department of Merchant Shipping of Cyprus
- **Dr. John Kokarakis**, Director Technical Business Development – Bureau Veritas
- **Dr. Loizos Isaías**, Head of Maritime Service Centre – South East Europe & Middle East - DNV GL
- **Mr. Emmanuel Vergetis**, Naval and Mechanical Engineer, Senior Consultancy Specialist, Lloyds Register
- **Dr. Loukas Barmparis**, President - Safe Bulk



- **Mr. Marinos Anastassiou**, Newbuilding/Technical Manager – Star Bulk
- **Mr. Konstantinos Stampedakis**, Managing Director, ERMA FIRST ESK Engineering Solutions S.A.

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#### **New Regulations & Compliance Affecting Shipping Ballast Water Treatment**

Professor Constantine Arcoumanis, ex-Ambassador of Greece for Energy Policy & New Technologies, ex-Vice President of City University, London, Mr. George A. Tsavlis, Principal of Tsavlis Salvage Group, Mr. Ioannis Efstratiou, Acting Director - Department of Merchant Shipping of Cyprus, Dr. John Kokarakis, Director Technical Business Development – Bureau Veritas, Dr. Loizos Isaia, Head of Maritime Service Centre – South East Europe & Middle East - DNV GL, Mr. Emmanuel Vergetis, Naval and Mechanical Engineer, Senior Consultancy Specialist, Lloyds Register, Dr. Loukas Barmbaris, President - Safe Bulk, Mr. Marinos Anastassiou, Newbuilding/Technical Manager – Star Bulk & Mr. Konstantinos Stampedakis, Managing Director, ERMA FIRST ESK Engineering Solutions S.A.

**Professor Constantine Arcoumanis**, ex-Ambassador of Greece for Energy Policy & New Technologies, ex-Vice President of City University, London, in addressing the audience highlighted *“the urgency of compliance with the emerging environmental regulations for global shipping. Although different regulations demand different technical solutions for either newbuilds or as retrofits, they have one thing in common: they all demand high levels of investment by the shipowners amongst an atmosphere of conflicting messages. It is interesting to note that the automotive industry faced more than 20 years ago a similar situation to shipping concerning the sulphur cap of diesel fuels which revealed that refineries under market demand were able to produce very low sulphur fuel within a relatively short time despite strong concerns about its availability and cost. If this proves to be the case again, the general adoption of low sulphur fuels in shipping may prove less problematic than expected.”*



Professor Constantine Arcoumanis  
ex-Ambassador of Greece for Energy Policy & New Technologies,  
ex-Vice President of City University, London

**Mr. Ioannis Efstratiou**, Acting Director - Department of Merchant Shipping of Cyprus stated: *“Comparing the global sulphur cap imposed through the last years, starting with 4.5% in 2005, then to 3.5% in 2012, obviously the new cap to 0.5% effective from 1 January 2020 is a big concern for all the stakeholders. Ship operators and oil refiners need to prepare for implementation and the oil refining industry will need to take all the necessary measure to ensure that sufficient quantities of compliant fuel will be produced. Consistent and effective implementation should be ensured, therefore carriage of fuel oil exceeding 0.50% sulphur as bunker oil should be prohibited from 1 January 2020. Ships, of course, using an approved equivalent e.g. exhaust gas cleaning systems, would be exempt from the prohibition. In this regard PPR 5 in IMO decided to propose certain amendments to MARPOL Annex VI for a prohibition on the carriage of non-compliant fuel oil for combustion purpose with a sulphur content exceeding 0.50%.”*



Mr. Ioannis Efstratiou  
Acting Director - Department of Merchant Shipping of Cyprus



**Dr. John Kokarakis**, Director Technical Business Development – Bureau Veritas, stated: “An avalanche of environmental regulations has been imposed on shipping by IMO, EPA and EU. Shipping is the most efficient form of transportation. Nevertheless, there has been a plethora of “green” regulations, many times in conflict with each other or coming in place with inadequate technical developments as a result of public pressure. Focus was concentrated on the most important ones, namely the ballast water convention, the 2020 global sulphur cap and the Tier III limits on nitrogen oxide emissions. Compliance with these regulations presents many challenges especially in case of retrofits. Bureau Veritas demonstrated its readiness to assist in the implementation of the regulations with experience-based technical, financially attractive solutions.”



Dr. John Kokarakis  
Director Technical Business Development – Bureau Veritas

**Dr. Loizos Isaias**, Head of Maritime Service Centre – South East Europe & Middle East - DNV GL stated:

- The current environmental regulatory agenda which influences newbuildings and existing fleets, includes among others SOx compliance, NOx requirements, use of LNG as fuel, BW treatment systems installations, etc.
- All these requirements have significant financial impact on the owners, in terms of CAPEX, which may reach up to several millions of USD per vessel (with significant OPEX coming on top).
- In addition to the cost element for the owners, there are other significant challenges which the shipping industry will face, including the below:

Sulphur cap 2020: options to comply, availability and price of compliant fuels, basis for owners to decide, etc.

NOx compliance: technology options, feasibility of implementation, etc.

LNG as a fuel: benefits, how feasible is it for existing ships, etc.

BWT systems: manufacturers and yards capacity to deliver, after sales support, experience with systems on-board, crew training, etc.

- All the above challenges are hot issues for discussion, and many owners are still considering their options before making their final decisions.”



Dr. Loizos Isaias  
Head of Maritime Service Centre – South East Europe & Middle East  
- DNV GL

**Mr. Emmanuel Vergetis**, Naval and Mechanical Engineer, Senior Consultancy Specialist, Lloyds Register stated: “Technology & regulations have always transformed the Marine industry. The complexity of these transformations, the impact they have and the pace at which they are occurring is truly unprecedented. Our industry was impacted by previous industrial revolutions moving from sail-powered shipping to steam-powered shipping in the First Industrial Revolution, to satellite guided navigation and digital transport in the Third. The Fourth Industrial Revolution along with the new Environmental Regulations is expected to also have a significant impact to our industry as well. We need to change the mind-set of the industry, understanding we are an integral part of the global supply system. Where change happens, our industry is also affected. We are not independent or immune to this transformation but a key player in it. Our world is set to significantly change...and so too will the world of shipping.”



Mr. Emmanuel Vergetis  
Naval and Mechanical Engineer, Senior Consultancy Specialist, Lloyds Register

**Dr. Loukas Barmparis**, President - Safe Bulkers stated: *"Safe Bulkers, the largest owner in Cyprus registry with 37 vessels of 3.2 million dwt, proudly participated in the Capital Link Shipping conference organized in Limassol, Cyprus. Our Manager Safe Bulkers Management Ltd operates from Limassol Cyprus, enjoying a transparent and stable business environment in a modern City, providing us with enhanced operational flexibility, optimization of control over fleet operating expenses and ultimately the capacity for opportunistic secondhand acquisitions as recently displayed.*

*Looking ahead, we observe a positive market momentum and remain conservatively optimistic about the prospects of the charter market and its gradual improvement, supported by the scarcity of capital for those who do not nurture bank relationships. We anticipate the effects of the upcoming ballast water treatment and low Sulphur cap regulations. We are well positioned for 2018 with half of our fleet days contracted higher than our all-in break-even point, providing visibility of future cash flows and at the same time maintaining upside potential."*



Dr. Loukas Barmparis  
President - Safe Bulkers

**Mr. Marinós Anastassiou**, Newbuilding/Technical Manager – Star Bulk stated: *"Slow-steaming is a viable solution to reduce emissions with positive effects on the environment and market. Unlike scrubbers etc. no huge capital costs are involved which would suit many Owners & Charterers. Merchant vessels account for about 90% of goods transported globally, consume about 5% of fossil fuels and modern slow speed diesel engines have thermal efficiency approaching 50%. Few transportation industries can achieve the efficiency of the marine industry, so we should be addressing air pollution based on Fuel consumed per Ton-mile without forcing the Marine Industry to comply with Regulations that may offer little or no contribution to global emissions reductions other than wasting more fossil-fueled energy to construct and install BWT, SOx, NOx etc. and produce chemicals required to run them."*



Mr. Marinós Anastassiou  
Newbuilding/Technical Manager – Star Bulk

**Mr. Konstantinos Stampedakis**, Managing Director, ERMA FIRST ESK Engineering Solutions S.A. stated: *"The discharge of untreated Ballast Water has been recognized as one of the four major threats of the oceans. Without judging IMO's BWM Convention, which came into force of Sept. 2017, details and USCG requirements, ERMA FIRST has been recognized as a global solution provider on such environmental challenge. Off course ERMA FIRST's support is extended to the ship-owners' challenge for the proper selection, installation and operation of such a new system. With more than 200 installations and another 180 on order ERMA FIRST's experience is growing fast and steady making its BWTS a perfect choice for all type and size of vessels."*





Mr. Konstantinos Stampedakis  
Managing Director, ERMA FIRST ESK Engineering Solutions S.A.

*Connectivity and the threats that make cyber security part of the same discussion.”*



Mrs. Despina Panayiotou Theodosiou  
Chief Executive Officer – Tototheo Maritime;  
President – WISTA International

## FORUM SESSION ON DIGITALIZATION & CYBERSECURITY

### PANEL DISCUSSION ON “BLOCKCHAIN & CYBERSECURITY”

#### Moderator:

**Mrs. Despina Panayiotou Theodosiou**, Chief Executive Officer – Tototheo Maritime; President – WISTA International

#### Panelists:

- **Mr. Matthew Galston**, Sr. Director, Product Management, Maritime – Cobham SATCOM
- **Mr. Drew Brandy**, Senior Vice President Market Strategy – Inmarsat Maritime

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**Mr. Matthew Galston**, Sr. Director, Product Management, Maritime – Cobham SATCOM pointed out that: *“The conversation surrounding Digitalization in Maritime should evolve from focusing on leveraging data and analytics for the purpose of only generating operational savings to how it can potentially lead to generating new sources of revenue for the industry. Citing examples from the insurance industry where real time weather data is generating billions of dollars in value-added service revenue, Mr. Galston challenged the audience to think big in terms of what Digitalization can mean for the Maritime industry and to embrace the opportunities rather than push back solely based on risk mitigation.”*



#### Blockchain & Cybersecurity

Mrs. Despina Panayiotou Theodosiou, Chief Executive Officer – Tototheo Maritime; President – WISTA International, Mr. Matthew Galston, Sr. Director, Product Management, Maritime – Cobham SATCOM & Mr. Drew Brandy, Senior Vice President Market Strategy – Inmarsat Maritime

**Mrs. Despina Panayiotou Theodosiou**, Chief Executive Officer – Tototheo Maritime; President – WISTA International stated: *“The connected ship is here to stay and the conversation is no longer about whether they should be or not. The questions are about raising awareness of the benefits of digitalization and*



Mr. Matthew Galston, Sr.  
Director, Product Management, Maritime – Cobham SATCOM

## FORUM SESSION ON SHIPMANAGEMENT

### PANEL DISCUSSION ON “SHIPMANAGEMENT – WHAT’S NEXT”

Consolidation, cost control & economies of scale, technological innovation, digitalization, new regulations, capital expenditures & efficient allocation of capital are among the challenges the industry faces. A discussion among leading shipmanagement and shipping companies.

#### Moderator:

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

#### Panelists:

- **Mr. Mark O’Neil**, President & CEO – Columbia Marlow
- **Mr. Dieter Rohdenburg**, CEO – Intership Navigation Co.
- **Mr. Petros Monogios**, Director & Chief Operating Officer – Lemissoler Navigation Co., Ltd.
- **Capt. Eugen Adami**, Managing Director (and Owner) – Mastermind Shipmanagement
- **Mr. Prabhat Jha**, Group Managing Director & CEO – MSC Shipmanagement Limited

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#### Shipmanagement – What’s Next

Mr. Ioannis Chiotopoulos, Regional Manager – South East Europe, Middle East & Africa – DNV GL – Maritime, Mr. Mark O’Neil, President & CEO – Columbia Marlow, Mr. Dieter Rohdenburg, CEO – Intership Navigation Co., Mr. Petros Monogios, Director & Chief Operating Officer – Lemissoler Navigation Co., Ltd., Capt. Eugen Adami, Managing Director (and Owner) – Mastermind Shipmanagement & Mr. Prabhat Jha, Group Managing Director & CEO – MSC Shipmanagement Limited

**Mr. Ioannis Chiotopoulos**, Regional Manager – South East Europe, Middle East & Africa – DNV GL – Maritime noted that: *“Maritime industry is nowadays a very complex nexus of transactions involving a plethora of stakeholders. Despite the classic theorem of “supply-demand” equilibrium that partially explains the notion of “market cyclicity”, he argued that maritime business is now experiencing significant transformations as those*

*expressed by consolidations, digitalization and big data management, denoting further that this is, perhaps, the end of the neo-classic maritime cycle per se that is now replaced by a new digital maritime market.”*



Mr. Ioannis Chiotopoulos  
Regional Manager – South East Europe, Middle East & Africa – DNV GL – Maritime

**Mr. Mark O’Neil**, President & CEO – Columbia Marlow stated: *“Digitalisation was the buzzword of 2017. Digitalise to survive and thrive, do not digitalise and fail. Digitalisation became the ultimate goal, not only the means to an end, but the end itself. Very few of those who appreciated the importance of digitalisation really understood that the concept embraced far more than the latest software: it represented the interaction between process excellence, technology and innovation. Fewer still appreciated that it is only one of several means to the end, and that the end is Optimisation of Service. By using digitalisation (including, innovation, process excellence and technology) we are able to optimise the service we provide, save hugely on time and costs, and remain relevant and compelling to our customers. If digitalisation is the means, Optimisation is the end.”*



Mr. Mark O’Neil  
President & CEO – Columbia Marlow



**Mr. Dieter Rohdenburg**, CEO – Intership Navigation Co. argued that: *“Whilst there are certainly further benefits to be had for shipping companies from technical innovation and digitalization, the real inefficiencies of the shipping industry lie in the commercial operation of ships. Dieter Rohdenburg stated: ‘In the days of blockchain technology, the shipping industry still relies on paper bills of lading which have been traded in the same way for hundreds of years. The industry needs to adapt and modern technology needs to be applied to optimize ship’s trading patterns, ship/shore communication and coordination, and to interconnect all stakeholder including shippers, charterers, port authorities etc.’”*



Mr. Dieter Rohdenburg  
CEO – Intership Navigation Co.

**Mr. Petros Monogios**, Director & Chief Operating Officer – Lemissoler Navigation Co., Ltd. stated: *“In Lemissoler, we believe that the key to success is a well-structured and dynamic planning, that comprehends and takes into consideration the trends that are shaping global maritime industry in response to economic, geo political, demographic and technological advances.*

*‘Wandering’ in a continuously changing and evolving industry like ours, we have to set our course by the stars, not by the lights of every passing ship. The times are much more demanding, the standards are higher and the explosion of the technological advances moves and transforms the market much faster. Those who will fail to respond and adapt to the changes will soon face a lot of challenges and difficulties.*

*Being proactive, perspicacious and adaptive to the market forces and by applying the foresight skills to be prepared beyond demand and supply forecasts is what makes the difference in our industry.*

*The Capital Link Forum is giving us the opportunity to discuss, and this is always a wonderful opportunity to exchange views and ideas with industry practitioners and experts on issues that relate to our industry.”*



Mr. Petros Monogios  
Director & Chief Operating Officer – Lemissoler Navigation Co., Ltd.

**Capt. Eugen Adami**, Managing Director (and Owner) – Mastermind Shipmanagement stated:

*“Small vs Large Companies”*

*“Small shipping companies are traditionally a family run business throughout generations. In such companies, the generations have nurtured the family focused culture. Everybody knows the importance of work processes and communicates efficiently. Each vessel is like a distinguished department where the master is the department head. The office personnel should enjoy a close relation with the master, which allows the vessel to be run more efficient, even in the days when the Operating Expenses are lower.*

*The decision-making process is also much faster than in larger companies, where the bureaucratic nature and the hierarchical level structure is higher. Due to the amount of personnel within a large company, they are inherently more hierarchical, which results naturally in interdepartmental, departmental and finally management meetings.*

*In contrast, it is usually easier to interact with the decision maker(s), who probably sit just a few meters away.*

*The owners/managers of smaller companies are traditionally ex masters or engineers, who are used to think on their feet and to take the right decisions, due to their education and vast experience, which is instrumental in cases of emergencies and purchases of major equipment like, for example, ballast water treatment plants.*

*Small companies, however, lack the ‘easy’ access to finance, and therefore they can be more reluctant to take any risks. Instead they usually prefer being more conservative and to cultivate their often long-standing business relationships with clients and other associates.”*



Capt. Eugen Adami  
Managing Director (and Owner) – Mastermind Shipmanagement

**Mr. Prabhat Jha**, Group Managing Director & CEO – MSC Shipmanagement Limited stated: *“It’s crucial to think about capital investment in terms of both fleet and crew. In the past five years, MSC has invested significantly in retrofitting over 250 ships with green technologies to bring about significant fuel consumption savings and wipe some 2 million tons of CO2 emissions from our fleet. On the digitization front, we’ve pushed the boundaries of automatic data transmission from vessels and the real-time monitoring of ships. Our modern, green fleet is changing so much every year that as a ship manager MSC doesn’t only think about physical assets when it comes to capital investment. A key priority is how to finance the training and professional development of the people who operate our assets, as it is our people who ultimately are charged with making the best use of our vessels. Everything we do impacts on the competitiveness of the ship, so spending capital wisely and in a timely manner is essential.”*



Mr. Prabhat Jha  
Group Managing Director & CEO – MSC Shipmanagement Limited

## PANEL DISCUSSION ON “CREWING, STAFF TRAINING & RETENTION STRATEGIES – OPTIMIZING STAFF DEVELOPMENT”

### Moderator:

**Mr. Michael R. Virardi**, Speaker, Trainer, Author

### Panelists:

- **Capt. Elias Ladas**, HR & Training Manager, DPA – Danaos Shipping Co Ltd
- **Mr. Lazaros Charalambous**, Managing Director – FRS Shipmanagement Ltd.
- **Mr. Jan Meyering**, Managing Director – Marlow Navigation
- **Ms. Angie Hartmann**, Executive Vice President - Crew Affairs – Starbulk SA & President - Wista Hellas

[Audio Webcast](#)

[Video Webcast](#)



### Crewing, Staff Training & Retention Strategies – Optimizing Staff Development

Mr. Michael R. Virardi, Speaker, Trainer, Author, Capt. Elias Ladas, HR & Training Manager, DPA – Danaos Shipping Co Ltd, Mr. Lazaros Charalambous, Managing Director – FRS Shipmanagement Ltd., Mr. Jan Meyering, Managing Director – Marlow Navigation & Ms. Angie Hartmann, Executive Vice President - Crew Affairs – Starbulk SA & President - Wista Hellas

**Mr. Michael R. Virardi**, Speaker, Trainer, Author, in his speech, explained: *“The how and the why of treating the people who take care and look after our valuable assets happy, satisfied and above all loyal. In order to have our crew motivated, interested and engaged we should apply the “5P” formula which stands for:*

1. *Positive*
2. *Present*
3. *Prompt*
4. *Passionate*
5. *People-centered”*





Mr. Michael R. Virardi  
Speaker, Trainer, Author

**Capt. Elias Ladas**, HR & Training Manager, DPA – Danaos Shipping Co Ltd stated: *“In the recent years we have rapid changes in “how we do things” both in the regulatory field and in technical evolution of ships. Maritime Academies, almost all over the world have proven not fast enough to cope with the evolutions, thus producing seafarers in need of additional training to effectively serve contemporary vessels. Shipping Companies can do no other than to try cover this “vacuum”, since requirements and demands do not “wait”.*

Human Resources has become a very important function in shipping. The hardships of life on board have skyrocketed. People cannot be treated as “spare parts”. Care for their wellbeing on board, job security, care for their effective training are bonds foster and effectiveness multiplier.”



Capt. Elias Ladas  
HR & Training Manager, DPA – Danaos Shipping Co Ltd

**Mr. Lazaros Charalambous**, Managing Director – FRS Shipmanagement Ltd. stated: *“Is it essential to take care of our seafarers in order to run a successful business, whilst maintaining a high retention rate. This can be achieved mainly by providing a good “listening ear” and creating “Home from Home” conditions for*

*our crew.*

*Furthermore, we implement a “Family run” Business model and whilst we recognize that a good salary paid on time is very important, seafarers appreciate small additional gestures that fit their own individual needs as and when they arise. Seafarers are just as human as the office-based personnel.”*



Mr. Lazaros Charalambous  
Managing Director – FRS Shipmanagement Ltd.

**Mr. Jan Meyering**, Managing Director – Marlow Navigation underlined: *“One aspect that remains crucial to anything that relates with people and optimizing their development is “engagement”. Indeed, those that feel more in touch with their work, employer and colleagues, are more involved and motivated, which then naturally helps create better outcomes. For us here at Marlow, reaching out, connecting and interacting with our people, crew and shore-based staff, is at the core of our business and of our culture. This means listening, understanding and caring, and then being responsive by adapting our approaches, such as in communication, localisation and content. Meanwhile, it’s always dynamic, and an exciting opportunity to learn and evolve together.”*



Mr. Jan Meyering  
Managing Director – Marlow Navigation

## AFTERNOON SESSIONS

### AFTERNOON PRESENTATION BY BANK OF CYPRUS

Introduced by:

**Mr. Acis Montanios**, Managing Partner – Montanios & Montanios LLC Law Firm, Cyprus

[Presentation/PDF](#)

Presentation by:

**Mr. Nicholas Pavlidis**, Head of Shipping – Bank of Cyprus

[Presentation/PDF](#)

[Audio Webcast](#) [Video Webcast](#)

### FORUM SESSION ON FINANCE AND CAPITAL MARKETS

#### PANEL DISCUSSION ON “ADDRESSING THE INDUSTRY’S NEED FOR CAPITAL”

The panel discussed how shipping companies can source capital from traditional and new sources, including bank finance, alternative finance and capital markets. The emphasis was on the role and function of bank finance which has been the traditional source of capital to the industry.

Moderator:

**Mr. Acis Montanios**, Managing Partner – Montanios & Montanios LLC Law Firm, Cyprus

Panelists:

- **Mr. George Arcadis**, Country Executive - ABN AMRO BANK NV Athens Branch
- **Mr. Nicholas Pavlidis**, Head of Shipping – Bank of Cyprus
- **Mr. Mark Friedman**, Senior Managing Director, Investment Banking – Evercore Partners
- **Mr. Kjartan Bru**, Responsible for Greece and part of Northern Europe – DNB Bank
- **Mr. Markus Wenker**, Head of Ship Finance – Hellenic Bank

[Audio Webcast](#) [Video Webcast](#)



Addressing the Industry's Need for Capital  
Mr. Acis Montanios, Managing Partner – Montanios & Montanios LLC Law Firm, Cyprus, Mr. George Arcadis, Country Executive – ABN AMRO BANK NV Athens Branch, Mr. Nicholas Pavlidis, Head of Shipping – Bank of Cyprus, Mr. Mark Friedman, Senior Managing Director, Investment Banking – Evercore Partners, Mr. Kjartan Bru, Responsible for Greece and part of Northern Europe – DNB Bank & Mr. Markus Wenker, Head of Ship Finance – Hellenic Bank

**Mr. Acis Montanios**, Managing Partner – Montanios & Montanios LLC Law Firm Cyprus stated: *“It was Heraclitus of Ephesus who propounded in the 5th century B.C. the doctrine of change as being central to the universe: πάντα ῥεῖ καὶ οὐδὲν μένει (everything flows and nothing remains still). In the world of ship finance, we have witnessed the application of this doctrine with the exit of leading international banks who have dominated global ship financing for decades and their disappearance from the scene of traditional maritime capital. And the wind of change has brought about alternative finance vehicles for shipping (investment funds, Chinese leasing and other), as well as new, small banks in maritime centres such as Cyprus cautiously entering the challenging and specialized field of ship finance, with experts and knowhow from erstwhile traditional lenders.”*



Mr. Acis Montanios,  
Managing Partner – Montanios & Montanios LLC Law Firm, Cyprus



**Mr. George Arcadis**, Country Executive - ABN AMRO BANK NV Athens Branch stated: *«In a volatile world market, a bank with global presence and staying power is rare. ABN AMRO has been financing this sector since 1720. Many clients have been with us for decades because our support goes beyond dollars. A stable team of sector specialists with the experience to advise you on funding diversify cation and strategic capital management; we offer a complete product range and the industry know-how to develop creative solutions.*

*Add fast decision-making, flawless execution, and integrated risk and portfolio management, and you can see why companies tend to stay with us for the long haul. For more on how our Global Transportation & Logistics team could support your business, visit [abnamro.com/etc.](http://abnamro.com/etc.)»*



Mr. George Arcadis  
Country Executive - ABN AMRO BANK NV Athens Branch

**Mr. Nicholas Pavlidis**, Head of Shipping – Bank of Cyprus stated: *“Shipping offers opportunities for banks in Cyprus. Significant changes over the last few years in the way banks operate and assess risk, has created a financing void for small to middle size shipping Companies. Combined with a counter-cyclical approach, this creates opportunities for the banks in Cyprus, to develop selective shipping portfolios. The banks will have to focus on relationship banking, remain disciplined, aware of the risks and take a long-term view of the shipping cyclical market.”*



Mr. Nicholas Pavlidis  
Head of Shipping – Bank of Cyprus

**Mr. Kjartan Bru**, Responsible for Greece and part of Northern Europe – DNB Bank stated: *“Shipping is becoming more and more professionalized, regulated and complex. This should over time benefit the industry players as it creates barriers of entry and should distinguish market players on quality, more than before. Environmental regulations and CSR are key topics that will become ever more important. Attracting bank debt capacity means it will be necessary to focus on consolidated holding structures, transparency, corporate governance, adequate financials, quality of owner and management to name a few key features. This is what most banks will look for and assess going forward. DNB maintains a strong focus on shipping and has a long term view on its presence in this market, having built a broad and solid platform of industry knowledge, teams and high end product offering.”*



Mr. Kjartan Bru  
Responsible for Greece and part of Northern Europe – DNB Bank

**Mr. Markus Wenker**, Head of Ship Finance – Hellenic Bank stated: *“Traditional bank finance has been and will continue to be the primary source for debt capital in ship finance, despite the turmoil in the banking and shipping markets in the last decade. The bar to raise bank finance has increased, however, and banks now increasingly focus on corporate governance and state of the art financial reporting, amongst other things. Furthermore, the banking landscape in ship finance has changed in a way that a fewer banks are active and the international banks tend to focus on larger owners with strong balance sheets. For single projects and smaller owners, it has become increasingly difficult to raise bank finance. The response to this market dislocation is the entry of new banks, like Hellenic Bank Shipping, that look at shipping from a strategic perspective as well as alternative capital providers to fill the gap.”*



Mr. Markus Wenker  
Head of Ship Finance – Hellenic Bank

## FORUM SESSION ON DIGITALIZATION & INSURANCE

### PRESENTATION ON “MARINE DIGITALIZATION AND THE FUTURE OF RISK”

Digital transformation enables new data-driven business development opportunities across marine services, including intelligent insurances.

The Presentation was made by **Mr. Nick Pinkney**, VP Commercial Channel Integration – Eniram - a Wärtsilä Company who stated: *“Eniram launched Eniram SkyLight 3.0, a significant update to the subscription-based fleet performance monitoring service. The service now includes mobile notifications and virtual propeller RPM sensing. Eniram SkyLight 3.0 is designed to enable new data-driven business development opportunities across the marine sector,*

*including intelligent insurance, maintenance monitoring and vessel performance monitoring services. Eniram also announced a strategic partnership with Concirrus delivering the world’s first connected marine insurance proposition, lowering operating costs by actively monitoring vessel performance, allowing insurers to reduce premiums and providing visibility of insurance policy conditions as well as compliance to shore and ship.”*

[Presentation/PDF](#)

[Audio Webcast](#)

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Mr. Nick Pinkney  
VP Commercial Channel Integration – Eniram - a Wärtsilä Company

### PANEL DISCUSSION ON “MARINE INSURANCE & REINSURANCE – WHERE IS IT HEADING?”

**Moderator:**

**Mr. Loucas Hamatsos**, CEO – Olympia Ocean Carriers Ltd.

**Panelists:**

- **Mr. Ilias Tsakiris**, CEO and Manager – American Hellenic Hull Insurance Company Ltd
- **Mr. Costas Th. Joannides**, CEO – Marsh Cyprus
- **Mr. Stephen Cooper**, CEO – Fourth Insurance Office

[Audio Webcast](#)

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Marine Insurance & Reinsurance – Where is it heading?

Mr. Loucas Hamatsos, CEO – Olympia Ocean Carriers Ltd., Mr. Ilias Tsakiris, CEO and Manager – American Hellenic Hull Insurance Company Ltd, Mr. Costas Th. Joannides, CEO – Marsh Cyprus & Mr. Stephen Cooper, CEO – Fourth Insurance Office



**Mr. Loucas Hamatsos**, CEO – Olympia Ocean Carriers Ltd. stated: *“The Marine Insurance Market is giving conflicting signals to the Shipowners but nevertheless, Shipowners are advised to continue exploring all their options for competitive coverage of their conventional risks. Shipowners are also advised to give a good consideration to the Cyber Risks which as the panelists mentioned, these are real Risks threatening the Shipping Industry as a whole.”*



Mr. Loucas Hamatsos  
CEO – Olympia Ocean Carriers Ltd.

**Mr. Ilias Tsakiris**, CEO and Manager – American Hellenic Hull Insurance Company Ltd analysed the current state of the marine insurance market, expressing the belief that the days of a soft marine market may be over - at least temporarily.

Specifically, he looked at how recent extreme weather events had affected the pricing models of marine underwriters and asked if storms such as Hurricanes Harvey, Irma & Maria had been a blessing in disguise, allowing underwriters at last to stop the downward spiral of marine premiums.

*“Accessing cyber risks and security was becoming an increasingly serious issue for marine underwriters and could not be ignored,”* said Mr. Tsakiris. *“Cyber risks are real and are far from being remote,”* he told the conference. *“As cyber risks are new and with very little historical data, evaluating and pricing such risks is one of the biggest challenges facing the insurance industry today.”*



Mr. Ilias Tsakiris  
CEO and Manager – American Hellenic Hull Insurance Company Ltd

**Mr. Costas Th. Joannides**, CEO – Marsh Cyprus stated:

*1. In line with our scope the first question I would raise as a moderator is where is your line of insurance business heading?*

*From our perspective, as insurance brokers and risk advisors, we see that:*

- 1. There is still overcapacity*
- 2. P&I clubs are financially sounder than necessary*
- 3. There will be consolidation of the insurance market*
- 4. More underwriters converting from monoline to multiline portfolios*

*2. A follow up question to the first one, is that the apparent that the P&I market is currently in ‘soft’ condition with nil General Increases, Mutual cash-back and reductions available. In contrast, the Hull market has been showing signs of hardening. What are the driving forces behind this? I believe an explanation is needed for shipowners’ understanding of this paradox.*

- 1. P&I clubs clearly have excess reserves*
- 2. H&M underwriters’ overreaction emanating from the London market followed by the Scandinavian market*
- 3. Underwriters in general have been supporting their shipowner members/clients in tandem with the trend of the shipping industry and rates admittedly have been aligned to quite competitive levels*
- 4. From our experience over the last few months, underwriters are not on a hardening trend but are more thorough in setting their position against performance related coefficients. In a nutshell they impose the need to increase rates where necessary.*
- 3. There is apparent pressure on deductibles across marine classes of business. Should Owners be thinking of raising their retention by increasing deductibles or protect these at all costs? Is there sufficient incentive to*

be given from underwriters to promote this?

1. Our standing recommendation to our clients is not to accept higher deductible levels as this aspect of the cover is very hard to be re-established.

2. Of course there is scope to analyse what could be proposed along the lines of accepting higher retention (US\$1m-US\$10m) and if it makes financial sense in reducing their total cost of risk, then we urge them to consider.

4. Cyber risks are on the increase across all trades, however the Maersk attack brings this into sharp focus in a marine context. Would shipowners be better advised to invest in preventative measures (consultations and security systems) or in an insurance solution – of which there seems to be limited options at the moment. Should current insurers absorb this risk which we consider as a reasonable extension to existing coverage at least on Hull and Machinery covers?

1. Cyber risks is the fruit of the day.

2. A few years back we were discussing this element on a theoretical basis, nowadays based on the hits we have seen it is more than reality and we urge our clients to at least investigate buying appropriate coverage.

3. Certain covers should be extended and then topped up by a separate policy to cover the gaps.

4. At this moment in time there are a few products that would cover cyber risks ashore, however there is no product to cover cyber risks at sea inclusive of loss of earnings.

5. With international insurance markets expanding into the marine sector, there appears to be a growing list of options for buyers (and their brokers). What is the value of marine pedigree and quality security behind these markets, and is there a balance to be struck in selecting your policy participants.

1. I can only speak about our procedures as Marsh.

2. We have a security committee that vets financials constantly

3. Our parameters are to carry a – rated insurance companies with some relaxation when it comes to mutuals that we can go down to bbb

4. We cannot process anything unless the security we propose is approved in our systems.

5. The vetting process entails not just financial evaluation but other important aspects as well. Like speed of claims settlement and others.



Mr. Costas Th. Joannides  
CEO – Marsh Cyprus

**Mr. Stephen Cooper**, CEO – Fourth Insurance Office stated: “Specific to the management liability market: While capacity remains abundant and competition for market share continues, carrier profitability has been squeezed somewhat by increased losses, the result in part of activist initiatives. Look for a firming and upward bias for renewals, particularly for companies which continue to experience liquidity issues. We can take our cues from the capital markets where accelerating rates can be expected to reduce capital inflows causing a slowdown in capacity growth. Marine cyber buyers will have more choices and the benefit of continuing softness as rate continue to tend lower.”



Mr. Stephen Cooper  
CEO – Fourth Insurance Office

## **CYPRUS AS AN ENERGY, MARITIME & LOGISTICS HUB**

**PANEL DISCUSSION ON “THE NEW ENERGY LANDSCAPE – BUSINESS & INVESTMENT OPPORTUNITIES”**



**Moderator:**

**Mr. Stavros Pantzaris**, Country Manager Partner – EY Cyprus

**Panelists:**

- **Mr. Charles Meaby**, General Manager, DPWorld Cyprus Operations – DP World

**Presentation/PDF**

- **Mr. Varnavas Theodossiou**, Lead Country Manager – ExxonMobil E&P Cyprus

**Presentation/PDF**

- **Mr. Panayiotis Christodoulou**, Administration Director – SCF Management Services (Cyprus) Ltd, Member of the SCF Group

- **Mr. George Papanastasiou**, Managing Director – VTT Vassiliko

**Presentation/PDF**

**Audio Webcast      Video Webcast**



**The New Energy Landscape – Business & Investment Opportunities**

Mr. Stavros Pantzaris, Country Manager Partner – EY Cyprus, Mr. Charles Meaby, General Manager, DPWorld Cyprus Operations – DP World, Mr. Varnavas Theodossiou, Lead Country Manager – ExxonMobil E&P Cyprus, Mr. Panayiotis Christodoulou, Administration Director - SCF Management Services (Cyprus) Ltd, Member of the SCF Group & Mr. George Papanastasiou, Managing Director – VTT Vassiliko

**Mr. Stavros Pantzaris**, Country Manager Partner – EY Cyprus stated: *“The Oil & Gas developments over the last few years together with the recent encouraging exploration results in Block 6, do create a positive momentum for Cyprus. The year 2018 is expected to be an active year in terms of offshore drilling within the EEZ of Cyprus. Global energy giants such as ENI, Total and ExxonMobil are already planning their drilling activity in the area over the next few months. These developments, as well as the island’s regional partnerships with neighbouring countries, lead to the development of Cyprus as an Energy, Maritime and Logistics hub, offering investors with many business and investment opportunities.”*



Mr. Stavros Pantzaris  
Country Manager Partner – EY Cyprus

**Mr. Charles Meaby**, General Manager, DPWorld Cyprus Operations – DP World stated: *“The effective use of hydrocarbons may open long-term and all-around benefits for the Cyprus economy. Since being established as a Limassol Port Terminal Operator 12 months ago DP World Limassol has been offering and providing services to the O&G industry. Our ambition is to meet the needs of and be a leader for this trade. We seek to work with the Government and the industry actors in how the parties can be instrumental, in realize benefits of servicing the Oil and Gas sector at the port.”*



Mr. Charles Meaby  
General Manager, DPWorld Cyprus Operations – DP World

**Mr. Varnavas Theodossiou**, Lead Country Manager – ExxonMobil E&P Cyprus, referring to ExxonMobil’s Energy Outlook, explained that new innovations and improvements in energy technology continue to provide substantial efficiency gains and at the same time advance the potential for all sources of energy. Subject to successful exploration programs, Cyprus can play a pivotal role in the region for the commercialization of hydrocarbon resources and in any case in the area of Oil and Gas support related services. He explained the benefits that Cyprus can have from the presence of energy and support companies and he

stressed ExxonMobil's global strategy in developing local expertise through focused training programs and customized development plans.



Mr. Varnavas Theodossiou  
Lead Country Manager – ExxonMobil E&P Cyprus

**Mr. Panayiotis Christodoulou**, Administration Director, SCF Management Services (Cyprus) Ltd, Member of the SCF Group stated: *“SCF Management Services (Cyprus) Ltd, being a member of the PAO Sovcomflot group, has developed unique competencies in energy shipping, both in maritime transportation as well as in service and support for offshore exploration and oil & gas production facilities, through its successful participation into various offshore projects in the Arctic region. As Cyprus is progressing with the commercialization of its hydrocarbon resources, we see emerging unique opportunities and we are ready to display such competencies in Cyprus projects.”*



Mr. Panayiotis Christodoulou  
Administration Director, SCF Management Services (Cyprus) Ltd

**Mr. George Papanastasiou**, Managing Director – VTT Vassiliko stated: *“In recent years, the energy and hydrocarbons sector has contributed significantly to the Cyprus economy, attracting new investments and creating new jobs. Recognising the potential*

*for growth, VTTI built and ultra-modern terminal, the biggest energy infrastructure project ever carried out in Cyprus at a cost of €300m, placing the country on the world energy map. VTTI has the largest specialized marine jetty of the safe transportation of fuel from sea to land which also opens up news prospects for the import of liquefied natural gas. More specifically we aim to create the infrastructure for the regasification of liquefied natural gas and its transportation to land for power generation. Undoubtedly, because of its strategic geographic position and other competitive advantages, Cyprus can play a leading role in regional developments in the energy sector. At the same time, with the signing of strategic international agreements and the promotion of Cyprus as an energy hub, our country can become a pillar of geopolitical stability in the wider region of the Eastern Mediterranean.”*



Mr. George Papanastasiou  
Managing Director – VTT

## PUTTING IT ALL TOGETHER: THE SHIPOWNER PERSPECTIVE

### PANEL DISCUSSION ON “LOOKING AHEAD – POSITIONING TO TAKE ADVANTAGE OF OPPORTUNITIES THE SHIPOWNER PERSPECTIVE”

Leading Cypriot & International Shipowners discussed opportunities and challenges for the shipping industry across the board. Shipping markets outlook, energy and commodity flows, investment opportunities, access to capital, operational and regulatory challenges and more.

#### Moderator:

**Mr. Mark Friedman**, Senior Managing Director, Investment Banking – Evercore Partners



## Panelists:

- **Captain Panagiotis N. Tsakos**, Tsakos Group
- **Mr. Andreas Hadjiyiannis**, President of the Cyprus Union of Shipowners and President – Cyprus Sea Lines Shipping
- **Mr. Aristides J. Pittas**, Chairman and CEO – Euroseas Ltd.
- **Mr. Polys Hajioannou**, CEO – Safe Bulk; Vice President - Cyprus Union of Shipowners
- **Mr. Petros Pappas**, CEO – Star Bulk Carriers
- **Mrs. Nicole C. Mylona**, Transmed Shipping Co.

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### Looking Ahead – Positioning to Take Advantage of Opportunities The Shipowner Perspective

Mr. Mark Friedman, Senior Managing Director, Investment Banking – Evercore Partners, Captain Panagiotis N. Tsakos, Tsakos Group, Mr. Andreas Hadjiyiannis, President of the Cyprus Union of Shipowners and President – Cyprus Sea Lines Shipping, Mr. Aristides J. Pittas, Chairman and CEO – Euroseas Ltd., Mr. Polys Hajioannou, CEO – Safe Bulk; Vice President - Cyprus Union of Shipowners, Mr. Petros Pappas, CEO – Star Bulk Carriers & Mrs. Nicole C. Mylona, Transmed Shipping Co.

**Mr. Mark Friedman**, Senior Managing Director, Investment Banking – Evercore Partners, discussed the challenges and risks of continued investment in shipping, particularly at or near the bottom of the cycle. Mr. Friedman explored how owners should consider proper debt levels when projects and assets have extremely variable cash flows, including negative cash flow at certain times in the cycle. Mr. Friedman also explored with the panel the benefits and disadvantages of operating either as a public or private company.



Mr. Mark Friedman  
Senior Managing Director, Investment Banking – Evercore Partners

**Mr. Andreas Hadjiyiannis**, President of the Cyprus Union of Shipowners and President – Cyprus Sea Lines Shipping stated that he shared the optimism of the other shipowners of the Panel and expected even higher rates in the near future. However, he focused on three main issues, which will play a paramount role in the development of the market. Specifically:

1. Inflation. In the Shipping Industry, it has been proven over the years that shipping rates are fed by inflation. In this respect, since the worst part of the economic crisis is behind us, it is a matter of time to see inflationary pressures which will result in increasing of the commodity prices and in turn make stocking attractive thus pushing higher the demand to a level that can surprise the markets.

2. A negative factor is the huge new building capacity which if combined with the greediness of the owners can once again result into a massive ordering.

3. The possibility of an anti-cyclical relation between the Chinese and the Western Economies in combination with the above can set the market back in the next couple of years.

Referring to the question of the moderator of the Panel on why Shipowners do not buy more ships since the market is recovering and the prices are still low, he replied that the answer lies with the fact that high quality ships remain relatively scarce to find and expensive compared to the prevailing new building price. The danger of a possible massive ordering in the near future, as explained above, is capable of reversing the positive sentiment and push both the freight markets and the ships' prices down before the ships' values are depreciated sufficiently to secure profit. Purchasing ships is a high risk to take.



Mr. Andreas Hadjiyiannis  
President of the Cyprus Union of Shipowners and President – Cyprus Sea Lines Shipping

**Mr. Aristides J. Pittas**, Chairman and CEO – Euroseas Ltd. stated: *“In the last ten years the shipping industry has experienced the most severe and volatile cycle that has possibly ever been seen. The rapid growth of the Chinese economy since its entrance in the WTO in 2001 created such dynamics in world trade that changed completely the existing status quo and created new opportunities and new business worldwide. Fortunes were made and fortunes were lost depending on timing of investing and disinvesting. Those who know the business and understand the markets have an advantage over the opportunistic players who come in when the markets are peaking for a quick kill. Currently the three major shipping segments (Tankers, Drybulk Carriers and Containerships) all seem attractively priced if somebody looks at historical values. Drybulk and containers seem to have passed their trough in 2016 and 2017 respectively and tankers could be at that point this year. Investors have to look more carefully in the fundamentals of each sector including changing geopolitical and environmental considerations to affirm the next opportunity.”*



Mr. Aristides J. Pittas  
Chairman and CEO – Euroseas Ltd.

**Mr. Polys Hajioannou**, CEO – Safe Bulkers; Vice President - Cyprus Union of Shipowners stated: *“Safe Bulkers, proudly participates in the Capital Link Shipping conference organized in Limassol, Cyprus. In 2018, we expect a sustainable long-term market improvement with significant volatility across charter market as policy changes and interest rates remain the fundamental factors of global uncertainty. Emerging economies performance along with global population growth and urbanization still remain the defining factor of seaborne trade. Brexit may impact economic recovery, China, the leading commodities consumer, focuses on supply-side reform for a modest expansion of aggregate demand, positively impacts demand through Belt and Road initiative and follows protectionist policies and geopolitical and economic volatility aversion and the*

*US has reached full employment regardless of swings in the commodity cycle.*

*We at Safe Bulkers remain passionately focused on prudence and pro-activeness business culture, capital efficiency and discipline and with an unwavering commitment to reducing our break-even point, these are our strong foundations to grow value for our shareholders. At the same time we follow the market very closely, remain vigilant for opportunities when arising, primarily in the secondhand market, that match our core growth and leverage strategies.”*



Mr. Polys Hajioannou  
CEO – Safe Bulkers; Vice President - Cyprus Union of Shipowners

**Mr. Petros Pappas**, CEO – Star Bulk Carriers stated: *“It’s a great pleasure for us to participate in the Capital Link shipping conference organized in Limassol, Cyprus. We at Star bulk remain positive about the dry bulk market for at least the next couple of years, where supply will be relatively restrained and demand growth is expected to remain robust. Thereafter, the impending environmental regulations will contribute to vessel scrapping and slow steaming as well as reduced vessel utilization and efficiencies. However, if ship owners embark in massive undisciplined new building ordering, the regulation-led market upturn may prove to be short-lived.”*



Mr. Petros Pappas  
CEO – Star Bulk Carriers



**Mrs. Nicole C. Mylona**, CEO Transmed Shipping Co. stated: *stated that: "Firm commodity prices have been supportive of demand, bringing profitability back to the steel and mining sectors, which in turn add headroom for freight rates to improve. Combined with healthier GDP growth and a modest orderbook, she expects to see a Cape-led improvement in the dry bulk freights over the next 1 - 2 years."*

When asked about the possible disruptions she commented that the overregulation of the banking sector has left room for less traditional, alternative financing to flourish thereby increasing the risk of a new «shipbuilding fever». Coupled with the young average age of the world fleet which is expected to result in a reduced rate of scrapping, she cautioned against the very real risk of owners prolonging the crisis themselves.



The event ended with the Concluding Remarks of **Mr. George A. Tsavlis**, Principal of Tsavlis Salvage Group - Conference Chairman, who stated:

*«Firstly, I would like to thank Nicos and Olga Bornozis for giving me the honour once more to chair the second annual Cyprus Capital Link conference. I would like to apologise profusely for having to be a little strict with the time keeping - it was purely to ensure that we kept to the schedule - as it would have otherwise tired all of you in the audience after a long day.*

*Personally I thoroughly enjoyed yet another opportunity to «listen and learn» as mentioned by one of our speakers. And what a great turnout - for a fairly long day!*

*I was particularly honoured by the beautiful gesture made by Mark Friedman in inviting our beloved friend Captain Panagiotis Tsakos to join the panel of the last session - «Putting it all together and looking ahead - The shipowners' perspective». What a team!*

*As I mentioned, and as endorsed by Captain Panagiotis, Shipping is perhaps one of the most romantic professions and having heard the speakers and panelists today - I think that you would agree that everything achieved in shipping -is based more on our feelings and not always on logic and sound and substantiated theories or advice.*

*A business which is unpredictable - with unexpected challenges - Shipping often puts us in a position to change a decision, sometimes literally «overnight».*

*One final message - a little advice for the younger attendees in the audience - sometimes just do what you feel is right - yes - take risks - as nothing has ever been achieved in this fascinating and challenging business without risks!*

*Once more - I would like to thank Nicos and Olga, all the speakers and panelists - and all of you who made the time and effort to be with us on such a constructive and enjoyable conference. Thank you!"*

#### Audio Webcast

It is worth noting that as the result of the engaging panel discussion and interaction with the audience, the Forum ended at 7 pm, well past its scheduled time, with full delegate attendance.

#### **FORUM'S MATERIAL**

The material of the Forum (presentations, speeches, photos, interviews and videos) is available at: <http://forums.capitallink.com/shipping/2018cyprus/index.html>

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## **ABOUT CAPITAL LINK**

***Founded in 1995, Capital Link is a New York based investor relations, financial communications and advisory firm with a strategic focus on the maritime, commodities and energy sectors, MLPs, as well as Closed-End Funds and ETFs.***

*Based in New York City, Capital Link has presence in London, Athens & Oslo. Capital Link is a member of the Baltic Exchange and works very closely with the New York Stock Exchange, NASDAQ and the London Stock Exchange as well as with major international and supranational organizations and industry associations in the areas of the firm's strategic concentration.*

*Our proactive approach, which integrates Investor Relations, Information Technology and Media, enhances awareness and branding for our clients through tailored outreach programs targeting analysts, institutional and individual investors and the financial media complemented by extensive and uniquely powerful marketing platforms. Capital Link offers a full suite of services including strategic and corporate advisory, investor relations, media relations, public and industry relations and the organization of corporate events.*

*Capital Link is also known for the organization of large scale, high quality Investment Forums focusing on maritime transportation and U.S. investment products in key industry centers, such as New York, London, Athens, Limassol, Shanghai and Singapore. We organize twelve to fourteen conferences annually, of which seven are focused on the maritime sector. The Capital Link Investment Forums feature industry leaders and draw the elite of the global financial and investment communities. The Capital Link brand is widely-recognized and valued worldwide by participants in these communities for combining rich informational and educational content with superior networking opportunities.*

*In addition to conferences, Capital Link organizes Webinars and Podcasts focusing on investment strategies, shipping sectors, critical topics of interest to the shipping and investment community and company presentations. Capital Link's global marketing platform enhances the visibility and reach of these events 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 Lloyds'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 Port of Piraeus and AHI-American Hellenic Institute.*















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