

GACWORLD

OCT - DEC 2015



OIL & GAS:
COMMITTED

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for Hullwiper

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THE LONG VIEW...

While present circumstances dictate immediate actions, only the longer term view can determine success.

World economies, markets and companies have been tossed around like corks in a storm by forces ranging from Greek default fears to civil wars in several countries, to territorial tensions in the South China Sea, to volcanic eruptions and other natural disasters. But above them all stands the oil price.

A brutal leveller

The decline in oil price has made the world cheaper for ordinary consumers and almost impossible for energy producers. It has stripped away optimism and disrupted plans all over the energy sector. Resilience is being tested worldwide as cost v price equations refuse to balance.

Certainty

Nevertheless, long chain hydrocarbons remain central to human life on earth. They power most of our engines and provide a rich parade of essential products and materials that sustain our modern world. With a global population moving towards 10 billion by 2050, oil exploration and development are going to remain vital even as human societies grow greener and develop renewable energy sources.

GAC has taken a long view of the oil and gas business and we find it rich in growth potential. Our coverage of this sector starts on page 10.

The oceans

There's a lot of salt water out there, 1.4 billion cubic kilometres of it. While it sounds a lot, it's a fragile resource that's easily polluted and degraded.

GAC has joined the World Ocean Council to give us a platform to contribute to its long term wellbeing. See page 3.

Cleaner moves

GAC's green-tech ROV hull cleaner Hullwiper continues to win friends and supporters, particularly from environmentally-committed countries and companies. The Port of Singapore has signed off on Hullwiper for its ports and terminals, while Gothenburg on Sweden's west coast approved Hullwiper for use last year. Now four Danish ports and the energy giant Statoil have given the go-ahead. It's a win-win circle to be promoting vessel efficiency and safety while being green. See pages 5 and 6.

Skillset tested

Sometimes you sign up before you fully understand what you've committed yourself to. It could be that gym subscription or it could be the Volvo Ocean Race. We knew it would be a tough gig when we were awarded the global logistics for the race. It took us around the world several times and kept us awake most nights. But Lukas Jönsson's report on page 16 shows that there are few things more rewarding than a hard job done well. To say we've grown from the experience is only telling half the story.

Young hearts

Aylin Aytakin loves her doll Sari Seker. A lot. Imagine the distress when Sari went missing after young Aylin accompanied her parents on a shore visit during their vessel's call at Philadelphia. Tears and anguish were replaced by joy and hugs when Aylin and Sari Seker were reunited down the coast at New Orleans. Stories like this restore your faith in human kindness. See page 18.

Happy reading.

Gurumurthi Shankar

Editor



YOU'RE WELCOME

GAC Norway's Logistics Manager Mats Berg and colleague Stefan Lovsund await the arrival of the MV 'Amerdijk', one of the first of the Hapag-Lloyd fleet to call at Oslo since Hapag extended its Baltic Express Service to the Norwegian capital. GAC has been appointed to provide husbandry services including pilot booking, berth arrangement and handling.

The weekly service links six ports in Estonia, Finland, Lithuania, Norway, Poland and Russia with the Hapag-Lloyd hubs in Hamburg and Bremerhaven and beyond to its global network. **GW**

WORLD OCEAN COUNCIL

Promoting sustainability of the seas

GAC has joined the World Ocean Council (WOC), an international business alliance for Corporate Ocean Responsibility.

The WOC has more than 80 members from the shipping, shipbuilding, oil & gas, fisheries, aquaculture, renewable energy, and submarine sectors, as well as the maritime legal and financial communities. Many members have long-standing relationships with GAC companies around the world.

For its part, GAC will support international initiatives for sustainable development and conservation of the ocean and continue to pursue developments that reduce the environmental impact of shipping operations.

Natural habitat

Christer Sjödooff, GAC's Group Vice President – Commercial, says: "The sea is our natural habitat, so it makes sense that we should do everything in our power to make sure it is sustained.

"The mission and goals of the World Ocean Council resonate well with our own determination to serve shipping and other sectors that use the world's oceans in a way that protects and preserves the marine ecosystem and the environment as a whole." **GW**



PICKING PRIORITIES - PLANET, PROFIT, OR BOTH?

Christer Sjödoff, GAC's Group Vice President – Commercial, considers the profit-sustainability equation for success in shipping.

There's a simple truth that we all know, but few publicly acknowledge: despite our talk of sustainability and environmentally-friendly strategies, most decisions made in shipping are still driven by the bottom line.

It took a financial consultant, Tom Vermeiren of PwC, speaking at the TOC Europe forum for ports, terminals and shipping companies in Rotterdam this June, to put it on the record. Cost was still the primary driver, he said, no doubt prompting the nodding of many heads in the room.

Mutually exclusive?

Businesses are in business to make money, pure and simple. But it's a mistake to believe that profit and protecting the planet are mutually exclusive.

On paper, we all want to save the world. Until we look down the page to the bottom line. Keeping that figure in the black is the reason many cite for continuing to work the way they always have and to resist change. And then, there are those who see environmental alternatives and green technology as a means to improving profits rather than eating into them.

When considering environmental improvements in shipping, there are two drivers: financial viability and regulation. Solutions that save both the environment and money are the crock of gold at the end of the rainbow. But unlike that mythical leprechaun's treasure, solutions do exist.

GAC is one of those in the business of seeking out, developing and promoting such solutions. In doing so, we have to put ourselves in the shoes of our customers, while also keeping an eye on the big picture. Only then can we see a way to turn a potentially bad situation (a lot of pollution, fines, clean-up costs and damage to reputation) into a good one.

"So, why isn't everyone doing it?" you may ask. Why indeed?

The truth is that such

solutions are costly to develop. Suppliers spend fortunes to bring them to the market. Their viability depends on ship owners and charterers being open and willing to support suppliers by testing their solutions.

Resistance to change

Though financial fears will always be an issue when asking clients to adopt new technologies, fear of failure is perhaps the biggest obstacle. Shipping is traditionally a pretty conservative sector and, as a typical Swede, I understand the desire for commercial prudence. But embracing change and supporting those who are driving it can reap great benefits.

The signs are that the tide is now turning in shipping circles. A new wave of openness to change is moving through the sector. GAC and like-minded customers want to catch it.

Integrated services

We are moving into new service arenas where the focus is not only on saving time, money and the environment through efficient ship agency services but also through green-tinged services such as weather routing, hull cleaning and education/training. In combination, an integrated package of services can help get the best all-round return from the profit/sustainability equation for our customers.

Mitigating risk

Risk mitigation is all about having layers of protection.

No single element alone can make the difference to the bottom line and the environment but the combination of many small improvements can contribute to more efficient and greener vessel performance.

The winners in the game will earn more and also attract better paying customers. At GAC, we aim to do whatever we can to assist our customers in that process. It makes dollars and global environmental sense. **GW**



GASSED UP!

GAC Jordan gave the Floating, Storage and Regasification Unit 'Golar Eskimo' a warm welcome when she called at Aqaba recently to offload 144,200 cubic metres of gas.

Jordan has embarked on a new programme to meet its energy needs by using LNG in its power stations so our staff there are expecting many more gas calls.

GAC Jordan acted as agent for the 'Golar Eskimo' call, supervised by Shipping & Quality Assurance Coordinator Ayham Dababneh and Shipping Coordinator Firas Madanat. The company delivered a host of services to the vessel including sewage, sludge and garbage removal, online connectivity and resupply and taking care of all the vessel's manpower, equipment and marine asset needs.

The GAC team also coordinated the placement of six pneumatic fenders used to create a protective buffer around the FSRU, the first operation of its kind in the country. The task required co-ordination with stakeholders and technical experts and was overseen by GAC Jordan Managing Director Ghassoub Kawar and Deputy General Manager, Ibrahim Attieh. **GW**



ENERGY MAJOR OPTS FOR HULLWIPER

International energy company Statoil ASA has signed an underwater hull cleaning agreement with GAC EnvironHull for its vessels operating in Scandinavia, the Middle East and the Far East.

The pioneering HullWiper is being used to remove fouling from the Statoil fleet to raise efficiency and reduce fuel consumption while protecting the marine environment.

The agreement was signed after the Norwegian-based company used HullWiper to clean the hull of one of its chartered vessels at Fujairah in the United Arab Emirates.

Simon Doran, Managing Director of GAC EnvironHull, says: "This contract represents an important milestone, as it further strengthens our position in a market with growing demands for cost efficient and eco-friendly technology." **GW**



HULLWIPER APPROVED

Denmark



The ports of Copenhagen, Kalundborg and Fredericia in Denmark have given permission for GAC EnvironHull's diver-free HullWiper to clean hulls within their ports and outside nearby holding areas.

The decision follows last year's approval of Hullwiper at Gothenburg in Sweden.

"The Scandinavians are constantly building on their already stringent environmental standards and these approvals show the faith that the authorities are putting in our technology," says Simon Doran, Managing Director of GAC EnvironHull.

HullWiper was launched in late 2013 in the Middle East, where it is now available at Dubai, Fujairah and Sharjah (UAE) and Sohar in Oman. It entered the European market last year and launched in Singapore and Malaysia at Sea Asia 2015 in June this year.

Benefits

Environmentally, a clean hull significantly improves vessel speed and engine performance by reducing resistance. These in turn lead to lower carbon emissions and fuel consumption. Hullwiper also earns strong points for human safety (no divers) and water health (all residues captured and stored onshore).

Performance

Hullwiper can clean up to 2,000 m² of hull per hour. It does this without damaging anti-fouling surfaces due to its brushless cleaning technology which uses pressure-adjustable water jets to remove marine fouling. As no divers are involved, cleaning can take place during loading or discharging. Overall, HullWiper cleans about five times faster than conventional cleaning methods with divers. **GW**

HSSE CORNER

LITTLE GREEN FINGERS

Staff from GAC Philippines joined children from the flood-prone area of Bustos Bulacan in the north of the country for a tree-planting exercise recently.

The team briefed the youngsters on the importance of planting trees and how to care for the environment. Account Executive Ron Aldrich Golingo told them the tale of Monster Basura (Monster Garbage) to get the message across.

Says Ron: "It was not just a tree planting activity; we were also planting knowledge in the minds of these kids, teaching them how take care of the environment in their own small ways." **GW**



Our thanks to GAC Philippines' Amy Dela Cruz and Michelle Delos Santos for the photo.

BEACH TRASH BUSTERS

While other beach-goers basked in the sun and enjoyed the sea breeze, 14 GAC Singapore families spent a recent afternoon at the beach picking up trash. Commemorating World Environment Day, the group used tongs and gloves to collect 12 bags of litter consisting mainly of empty bottles, straws, cigarette butts, slippers and chicken bones.

"It is good to expose the children to green projects early. This outdoor hands-on session complements what they learn in their classroom about environmental protection, reusing and recycling," says Managing Director Ronald Lichtenecker. **GW**



Thanks to GAC Singapore's HR & Admin Manager Wan Teng Lan for the photo.

NEW APPROACH FOR EXPIRED MEDICINES

Medicines past their 'Use by' dates can threaten the environment if disposed of like normal household waste. So staff at GAC Shanghai are collecting them for safe disposal.

HSSE rep Scarlett Yang has set up a recycling box in the office and in the first two months, more than 80 boxes were brought in. They'll be taken to a pharmacy for safe binning. **GW**

BRANCHING OUT



GAC Netherlands has opened two new branches: one offering air freight air solutions at one of northern Europe's key airports; and another to provide dedicated support for the North Sea oil & gas sector.

The Schiphol office now offers clients air & sea freight logistics, clearing and forwarding solutions, as part of GAC's strategic plan for northern Europe. The company also provides integrated warehousing support from its base in Rotterdam.

Natural progression

GAC's strategic plan has also led to the opening of a new branch at the Netherlands' northernmost port of Den Helder to meet the needs of the energy industry, both on and offshore.

Located on a peninsula jutting into the North Sea, Den Helder is the ideal location for a support base for the offshore oil & gas industry. GAC's team and office there, headed by Jurgen Polderman, offers the sector an integrated portfolio of shipping, logistics and marine services.

Says Polderman: "With GAC's ongoing global focus on the oil & gas sector, an office in Den Helder to strengthen our North Sea offering was a strategic necessity and natural progression. Together with GAC operations in the key oil & gas ports of England, Scotland and Norway, we're now even more ideally placed to support our oil & gas clients." **GW**



Jurgen Polderman heads GAC's team at Den Helder.

FOUR NEW LOGISTICS OFFICES

As part of GAC's programme to develop its footprint across North America, four new offices have opened in the US, covering Atlanta, Detroit, Chicago and Los Angeles.

The new offices build on the company's existing presence in the oil & gas sector and further expand its reach in the domestic and international automotive, FMCG, fashion and pharmaceuticals markets.

Lars Heisselberg, Group Vice President - Americas, says: "After five years in Houston's oil & gas-dominated logistics segment, we're now ready to expand our footprint in the general freight forwarding sector. This new expansion demonstrates the GAC Group's long-term commitment to the US market and our local, regional and global clients will benefit from the new additions to GAC's global logistics reach." **GW**



Management and staff from GAC North America – Logistics' new offices in Atlanta, Chicago, Detroit and Los Angeles.

Back row (left to right): Bruce Francisco, Branch Manager Los Angeles; Mike Stewart, Branch Manager Chicago; Sandra Alviana, Branch Manager Detroit; Danny McCoy, Operations Specialist Detroit; and Ben Farmer, Operations Specialist Chicago.

Front row (left to right): Dennett Ochoa, Operations Specialist Los Angeles; Alexandra Hurd, Operations Specialist Atlanta; and Jean Davis, Branch Manager Atlanta.



For more information about GAC North America - Logistics and further details on the new offices in Atlanta, Detroit, Chicago and Los Angeles, please visit www.gac.com/usa or contact:

GAC North America Main Office - Logistics
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Email: logistics.usa@gac.com

VIVA ENERGY INKS DEAL FOR 400+ VESSELS PER YEAR

GAC Australia has signed an agency agreement with Viva Energy Australia to handle more than 400 vessels calling at the country's ports every year.

Viva Energy Australia is the country's newest energy provider but one packing plenty of knowhow. Vitol, its main shareholder, is the world's largest independent energy trading company with more than 200 ships at sea at any given time and over 5 million barrels of crude and product traded every day. Viva supplies around a quarter of Australia's petroleum products. **GW**



TRIPLE SUCCESS

GAC Russia's Managing Director Arkady Podkopaev shows off the company's three new certificates covering international standards for quality and operational excellence.

In addition to the re-issue of ISO 9001:2008 and OHSAS 18001:2007, GAC Russia has now gained OHSAS 1400-2004 certification, the most-widely recognised international standard for environmental management systems. **GW**



LINER GIANT SIGNS HUSBANDRY AGREEMENT



The world's biggest container carrier, Maersk Line, has appointed GAC to provide husbandry services for its vessels calling at Hong Kong.

Maersk Line operates 608 container vessels and has 374 offices in 116 countries, 7,100 seafarers and 25,500 land-based staff.

Under the two-year contract, GAC will handle more than 1,000 calls by Maersk Line and MCC vessels per year at all ports and terminals in Hong Kong.

"We chose GAC to handle our husbandry requirements in Hong Kong based on its established track record in ship agency, marine and crew transportation in South China, as well as our shared corporate ethos of delivering on promises of performance," says Danny Chen, Director Procurement, Far East Asia Liner Operations Cluster of Maersk Line (China).

Thomas Okbo, GAC Hong Kong's Managing Director, adds: "When Maersk Line wanted to outsource its husbandry operation in Hong Kong, we put together a dedicated team to handle the account in close cooperation with four professionals from their husbandry team. It's a challenging contract but with more than 40 years of agency experience in Hong Kong, we have what it takes." **GW**

CRITICAL



Bengt Ekstrand,
GAC Group President

In May this year, GAC Group President Bengt Ekstrand appointed Bill Hill, one of his most senior and experienced Vice Presidents, to drive GAC's oil & gas strategy globally. Hill is a Main Board member and has led GAC's Logistics development and Commercial operations since the late 1990s.

Typical

The appointment is a typical GAC move, says Ekstrand: "In earlier decades, we had senior managers in global positions covering our core businesses of Shipping, Logistics and Marine Services.

"Those areas are now integrated into the Group's regional structures with uniform disciplines, processes and customer

relationships assimilated into our operations in each region.

"In recent times, we've also had a senior manager focused solely on innovation and joint ventures.

Critical

"Now, our oil and gas services have reached a critical mass and need a global approach which Bill will provide."

Over the past decade and a half GAC's oil & gas business has grown steadily. Today it provides offshore marine services, global upstream logistics, and ship/tanker agency services from hubs located in Europe, the USA, Asia, the Middle East, Africa and Central Asia.

"Our first strategic goal was to deliver



Bill Hill, Executive Group
Vice President - Oil and Gas



MASS

global coverage for customers,” says Ekstrand. “We’ve now achieved that. It wasn’t easy. We had to learn important lessons and become better services providers.

“But now it’s the right time to be taking the next step.”

Price wobbles

The plunge in the oil price over the past year is still reverberating around the sector causing lay-offs, project pauses and a far more conservative development approach among energy players large and small. But Ekstrand remains buoyant about demand in the medium to long term.

“Oil & gas remain central to human activity on this planet,” he says. “While

alternative fuels and geo-political issues are important, the fact remains that projected oil & gas demand remains strong into the 2030s. So there’s plenty to keep GAC busy and engaged for the foreseeable future.

“The oil & gas sector is driven by passionate people who play hard and for high stakes. Our task is to match their passion while delivering solutions precisely attuned to their needs. It’s a huge challenge, but for GAC it’s the right time.

“We’re ready to fulfil a larger role in the energy sector. In fact, we’ve already started.” **GW**



Photo: Greg Newbold

CHANGING TIMES FOR OIL & GAS

by **Simon Morris**, GAC Group Business Development Manager – Oil & Gas

In mid-2014, oil was \$100 a barrel, operators were in full exploration cycle, shipyards were churning out deep-water drill ships, semi subs, massive FPSOs and accommodation platforms to service ever more remote deep water sites, previously thought uneconomical.

Space was so tight in fabrication yards in Korea and Singapore that additional capacity was being explored in Japan, Brazil and China.

That was then...

Demand from the emerging BRIC economies was rising as their demand for fossil fuels grew. Global uncertainty over the Arab Dawn reducing supplies in Northern Africa unsettled Middle Eastern and Western economies. There seemed to be no end in sight to high oil prices.

Peak oil – the previously much discussed point at which the maximum rate of petroleum extraction is reached, after which production is expected to enter terminal decline – was forgotten. Environmentalists shuddered.

Projects demanding the very latest technology to support deep-water exploration/production sprang up everywhere from Africa to the Arctic, the Southern Oceans, the Mediterranean, Northern Europe, Australasia, Asia Pacific and the Gulf of Mexico. Old technology became new technology. Fracking and shale oil extraction made a resurgence.

HOTSPOT: UK CONTINENTAL SHELF

18th

The UK is the 18th largest producer of oil & gas globally.

>6,750

Since 1965, over 6,750 wells have been developed.

99%

99% of the UK's oil & gas production takes place under the seas surrounding the country, the UK Continental Shelf.

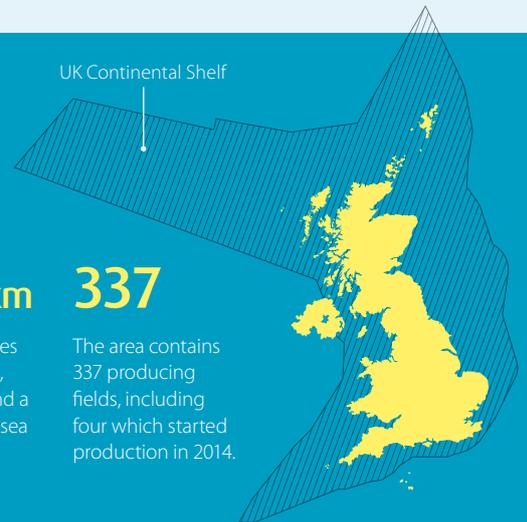
14,000 km

14,000 km of pipelines link 113 oil platforms, 189 gas platforms and a large number of subsea installations.

337

The area contains 337 producing fields, including four which started production in 2014.

UK Continental Shelf



>4,300

Between 1965 and 2014, over 4,300 exploration and appraisal wells were drilled at a cost of £70 billion.

£1.1 billion

In 2014 £1.1 billion was invested in drilling 32 exploration and appraisal wells. 55 million barrels of oil and gas equivalent (BOE) of recoverable reserves were discovered. In 2008, £1.4 billion was spent drilling 109 exploration and appraisal wells, discoveries amounting to 300-400 million BOE.

248 million

The 2015 Oil & Gas UK Activity Survey shows that the average size of newly discovered oil and gas fields is now 15-20 million BOE, compared with an average of 248 million BOE in 1966-1976.

£40 billion

The UK offshore oil and gas supply chain has an annual turnover of almost £40 billion (2012).

42%

In 2013, exports made up 42% of the UK upstream oil and gas supply chain's £40 billion turnover.

6.2%

Despite record levels of investment in the UK Continental Shelf, output is decreasing. Production reached its peak in 2009 and has been in decline at a rate of around 6.2% per annum ever since.



Sources: Subsea UK & Oil & Gas UK

It was against this backdrop that the USA overtook Saudi Arabia and Russia as the largest oil producer and started exporting product.

...this is now

Since then, OPEC's market control has been challenged. China remains a dominant economy demanding more and more. The Middle East – or parts of it – are still wracked by uncertainty.

Historically, global uncertainty always kept oil prices high, the pundits said. Markets would support the oil price in the longer run - the dip would be a short one. They were right, but they all forgot one thing – sustainable longevity.

They forgot that Saudi Arabia and its neighbours can produce oil and gas for a long time. They don't need to turn the taps down any time soon. In mid-June, Saudi Arabia sent further reserves into an already saturated market.

With no end in sight to the oil glut, recovery looks a long way off. And with cheap oil who needs renewables?

Upstream implications

Deep water exploration has slowed dramatically and low production and shale field development has been stopped. Shale drilling has fallen by 60%, offshore by 30% and 150,000 employees have lost jobs across all major markets except the Middle East. Infrastructure projects have been shelved

and seismic operators are seeking work for their increasingly idle fleets.

Money is tight, liquidity is bad, cash is king – only the fittest will survive.

Two mega mergers have already taken place. Indications are that they are just the beginning of a new trend of consolidating and synergising to survive.

Not all bad news

Manufacturers, shipping lines and consumers all benefit from lower oil prices. Looking at the bigger picture, it's good for the economy.

For years, companies in the oil and gas industry have needed to tackle waste and create efficiencies, and now they are facing market forces most other markets had to tackle years ago.

At the back end, supply chains were just a necessity, reactive rather than proactive. That's no longer the case.

Waste has been eliminated, supply chain visibility enhanced, cost to market analysed, bottlenecks and inefficiencies taken out. Sourcing has been reviewed and moved from global to local and the industry is now seeking guidance from providers of efficiently-managed supply chains with low margin products.

These are market conditions that GAC has been involved in and supported for years.

The way ahead?

Hopes are that the oil price has now bottomed.

Suppliers capable of adapting and assisting with efficiencies will survive. Those unable to weather the storm will not. Some will be forced to merge, creating efficiencies by consolidating overheads. Others will simply liquidate.

GAC's geographical coverage, range of services, IT systems, and our people's expertise in managing supply chains for different sectors give us a strategic advantage. By using our extensive resources, we can help our oil & gas customers improve supply chain velocity, reduce inventory, and lower overall costs. **GW**

GLOBAL OIL & GAS HUBS

CANADA

Calgary

USA

Denver

USA

Pittsburgh

USA

Dallas

USA

Houston (GAC Hub)

NORWAY

Stavanger (GAC Hub)

UK

Aberdeen (GAC Hub)

UK

London

NETHERLANDS

Rotterdam (GAC Hub)

RUSSIA

Moscow

CYPRUS

Limassol (GAC Hub)

SAUDI ARABIA

Riyadh

UAE

Abu Dhabi

UAE

Dubai (GAC Hub)

NIGERIA

Lagos

INDIA

Mumbai

CHINA

Beijing

MALAYSIA

Kuala Lumpur

SINGAPORE

(GAC Hub)

INDONESIA

Jakarta

AUSTRALIA

Perth

BRAZIL

Rio de Janeiro (GAC Hub)

SOUTH AFRICA

Cape Town (GAC Hub)

According to the international real estate services company DTZ's Global Oil & Gas Cities report published in April 2015:

- In the USA, major oil & gas firms are initiating cost cutting measures. As a result, near-term demand for office space is expected to soften in Calgary and Houston.
- Aberdeen and Stavanger are vulnerable to the oil price decline, as they are eight and five times more dependent on energy employment than their respective national averages.
- Corporate hubs like London and Mumbai are likely to benefit from lower oil prices as other industries are buoyed by lower production costs.
- Moscow rents are falling rapidly due to the collapse of oil revenues and general economic weakness.

FORGIVE US OUR CARBON SINS

The priest

I'm sorry to hear that, my son; what have you done?

I flew to the Far East for a meeting, father, so I am now personally responsible for the emission of 1.7 tons of carbon dioxide.

How can you be so precise about your sin? (wonders how many 'Hail Marys' would offset a ton of carbon dioxide)

I typed 'carbon neutral' into Google, father, and clicked on a website with a carbon calculator. It also told me how many trees have to be planted to erase my carbon footprint.

Did your meeting contribute in any way to the benefit of the planet?

Oh, yes, father. We agreed on a policy of free trade with underdeveloped countries.

And did the almighty carbon calculator take that into account?

I don't think so, father.

So what makes you think that carbon dioxide contributes to global warming, my son?

Well, everyone knows that, don't they, father? It's all over the internet. All the scientists say so and all the politicians, too. So it has to be true, doesn't it?

In my business, we call that faith, but it's blind faith unless you understand what you believe and why.

Can you explain that, father?

Modern technology allows us to measure things more accurately, but that doesn't mean we understand them any better. Carbon emissions might be easy to calculate and atone for, but do we really understand why they are supposed to be bad for the planet?

So what should I do, father?

Look at the evidence with an open mind, my son, and form your own opinion. Then ask your friends to do the same.

Thank you, father, I feel much better now.

You're welcome, my son. Offsetting sins is my job description.

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UK CRUISE GROWTH

National Cruise Manager Appointed



GAC UK has appointed industry veteran Fergus Poole to coordinate the company's cruise calls at all UK ports.

Poole says GAC is in a good position to meet the needs of a growing cruise sector: "We're in a great position to grow and enhance our support as we already have the port and agent infrastructure established around the country.

"Further, we have a wide range of frontline expertise available, both in port operations and in niche sectors like bunker fuels, marine leisure and superyachts. We are working those synergies to provide integrated packages for our cruise customers that free them of the burden of looking after the details and allow them to focus on delivering a memorable trip for their passengers."

Poole foresees further development of the GAC cruise portfolio to include shore expeditions and related services.

"Cruise clients of other GAC companies throughout Europe, from northernmost Norway to the southern Mediterranean, have been very appreciative of the value-added services on offer, and that's what we want to replicate in the UK," he says.

Alternative destinations

Ports in the UK have always been popular as cruise destinations. In particular, Scottish stopovers like Edinburgh, Kirkwall, Invergordon and along the western coast have become popular choices for cruise companies seeking alternatives more traditional destinations.

Knowledge

For almost two decades, Poole has specialised in the cruise sector, holding managerial and operational posts, most recently for services at UK and Irish ports. **GW**

For more about how GAC can support your cruise business in the UK, go to www.gac.com/cruise

BEATING THE ELEMENTS TO DELIVER SMOOTH CRUISING NORTH OF THE BORDER

Stormy weather is always a risk when cruising Scottish ports but, thanks to GAC, 238 passengers were saved from disappointment when not one, but two of their scheduled stops were cancelled.

Ponant Cruise Lines vessel 'Le Boreal' was due to call at Ayr but strong winds and big waves forced the call to be abandoned. So too was the back-up port call at Troon.

It was at this point that GAC's cruise team went into overdrive. The team found a berth for 'Le Boreal' at Fairlie, on the Clyde River – and managed to score a discount on port charges as a bonus. **GW**





Lukas Jönsson and Olly Smith in Gothenburg with Cecilia Henricson (GAC Sweden), Martin Molloy (GAC Pindar), Carina Sköld (GAC Sweden), Tyrone Liu (GAC China) and Stefan Bergström of Logistic Partner, which provided trucking services in Sweden.



On-Ground Team leader Lukas Jönsson outside the travelling operations hub, The Lindwall Suite.

VOLVO OCEAN RACE

JOURNEY'S END

It was a long, hard haul: seven crews pitting their skills against each other and the elements in a nine-month race around the world. But the sailors were not the only ones whose skills were tested by the 2014-15 Volvo Ocean Race. The Race's official logistics partner, GAC Pindar, travelled its own odyssey, slaying monsters, avoiding bureaucratic whirlpools and tasting sweet success.

Hammer down

It all started in mid-2013 when GAC Pindar pitched for the mammoth task. Once appointed, the team created for the Race travelled more than 30,000 miles to recce the host ports and understand the challenges each stopover would present. They prepared action plans to ensure everything would run within the Race's tight and immovable deadlines.

Two identical demountable Race Villages were assembled and then leap-frogged each other under the hand of the GAC Pindar On-Ground Team headed by Lukas Jönsson. They would arrive ahead of the race fleet, set everything up and then pack it all away when the fleet left for the next port.

For more than ten months, the five-strong team worked out of its centre of operations, a container converted into an office named the "Lindwall Suite" after the GAC Group's founder Bengt Lindwall.

Behind the scenes

"Our task was something like the Formula One of logistics," says Lukas. "Many people know about the Volvo Ocean Race - the sailors, the sponsors, the design of the boats, etc - but few people know about the life behind the scenes, what it takes to leap-frog two sets of 110 containers around the world ahead of the Race as it

circumnavigates the globe. It's unlike any project I have ever been involved in, and certainly a unique logistics challenge."

There was never time for boredom with a myriad of potential problems that could arise at any time - containers short-shipped, on site machinery breakdowns, etc - while planning ahead for the next venue. Multi-tasking became a way of life for the team. Says Jönsson: "You live, eat and sleep with the Volvo Ocean Race."

Time and energy

Considerable time and energy was invested in identifying the needs of different customers. The Volvo Ocean Race has a varied set of GAC customers: the Race organisers, pavilion builders and sailing teams. Each has different needs.

"The On-Ground Team had to get to know each customer as thoroughly as possible through daily face-to-face discussions, follow-ups, advance planning and asking the right questions," explains Jönsson. "Problems were never solved over email or telephone, but over coffee in our office container, a quick lunch or simply bumping into one another on site. It's intensely personal and at times highly demanding. Every customer is protecting their own interest in the Race. Their container is the most important one. Their crane must be the first on site. And it was our job as a service provider to fulfill their needs.

"All in all, we delivered - and we did it in such a way that we are able to use it as a platform for future business opportunities."

Pace and people

The key challenge was the pace of the Race. The work integrated complicated logistics plans with many stakeholders and constantly changing circumstances within tight timelines. Communication was critical to success.

The other critical element was people. The scale and commercial value of the Race attract the sharpest people in each field of expertise: the best captains, bow men, navigators, boat builders, and sail makers, but also top photographers, brand ambassadors, pavilion builders, car technicians, sales persons,



Lukas Jönsson and Tyrone Lui fine-tuning plans inside their mobile office, a converted container which took them around the world ahead of the Volvo Ocean Race



Reunited in Gothenburg: Lukas and his fiancée Petra.

TV producers, caterers and - of course - logisticians.

"You are constantly working with committed and dedicated people who inspire you, challenge you, help you, fight you, agree with you," says Jönsson. "It's an intense experience - working together to solve problems with workdays that normally start at 7am and end at 10pm."

Tough call

The fourth stopover, Sanya on the southern tip of China's Hainan Island, is a tropical paradise - but it also presented Lukas and his team with the toughest logistics challenge.

Due to the island's limited infrastructure, 108 containers had to be barged in from Hong Kong, while machines for the pavilion builders were sourced from as far as Beijing. Airfreight had to arrive on bonded trucks from mainland China because Sanya Airport was not equipped to handle it. After the fleet had left, due to changes in the shipping schedule, the GAC Pindar team had to move the containers overnight out of Sanya because of the city's daytime truck ban to Da Nang, Vietnam, where a vessel was chartered and loaded over 24 hours during the weekend just before the Chinese New Year.

Only close liaison with the port authorities, ship agent, pilots, crane operators, stevedores and the captain of the vessel made it possible to connect with the onward service heading for Itajaí in Brazil.

Planning for the unexpected

GAC Pindar also played a key role in getting two of the teams back in the Race after disasters struck.

When the Dongfeng Race Team's mast broke en route from New Zealand to Itajaí in Brazil at the end of March, GAC had just 20 days to deliver the 28.6 metre, \$345,000 dollar replacement in time for the team to fit it for the start of the next leg to Newport, Rhode Island. Emergency delivery was arranged from GAC storage in Dubai to Amsterdam and then to Sao Paulo in a specially modified Boeing 747. The mast was then taken to Itajaí by an over-sized

truck, arriving two days ahead of schedule. The Dongfeng Race team fitted the new mast, re-joined the race and maintained their podium position on the leaderboard.

Even more remarkable was the recovery made by Team Vestas Wind, which re-joined the fleet for the final legs in Europe after running aground on a shoal off Mauritius in November. GAC Pindar diverted the Vestas workshop containers to Genoa in Italy ready to receive what was salvaged from the yacht. GAC Pindar Technical Manager Olly Smith oversaw customs clearance and organised transfer to Persico Marine boatyard in Bergamo, where the boat was re-built.

Memories

Jönsson's abiding memory of his Volvo Ocean Race adventure is of the strong relationships he forged with his team members.

"All the sacrifices were rewarded by my brilliant colleagues who enlightened the daily work and, not least, the appreciation of GAC's management. If you commit to GAC, it will commit to you. Regardless of which level you are in the company, your hard work will always be acknowledged and appreciated and you can always count on GAC to have your back when you need it. That is, I would say one of the pillars of the GAC Spirit."

Home port

The Race concluded in Jönsson's hometown of Gothenburg, Sweden, in June, where he reunited with his very understanding fiancée Petra.

Also among the sailing fans and dignitaries that welcomed the fleet was GAC's Group President Bengt Ekstrand, who said: "The end of the Volvo Ocean Race is both a triumph for the seven competing teams and its organisers, and a true testimony to the power of GAC, its partners and our global reach and resources. GAC Pindar worked tirelessly with GAC employees at each venue to ensure the delivery of everything needed, regardless of the challenges that arose.

"Watching the boats sail into Gothenburg was a proud moment for me and everyone involved." **GW**

DELIVERING HAPPINESS

Young Aylin Aytekin is a now big fan of GAC following the work of kind-hearted staff at two US ports.

The youngster was travelling with her mother and Chief Engineer father on board a steel carrier that called at Philadelphia under GAC's agency. After leaving port, the family realised that an absolutely favourite doll, a gift from her grandmother named 'Sari Seker', had been left behind during a visit to the Port Manager's office.

To save further tears and youthful distress, GAC staff quickly tracked down Sari Seker and posted her to their colleagues at the vessel's next port of call, New Orleans. She was waiting for Aylin when her vessel berthed, again under GAC's agency.

Yet another benefit of having GAC as your agent at every port of call. **GW**

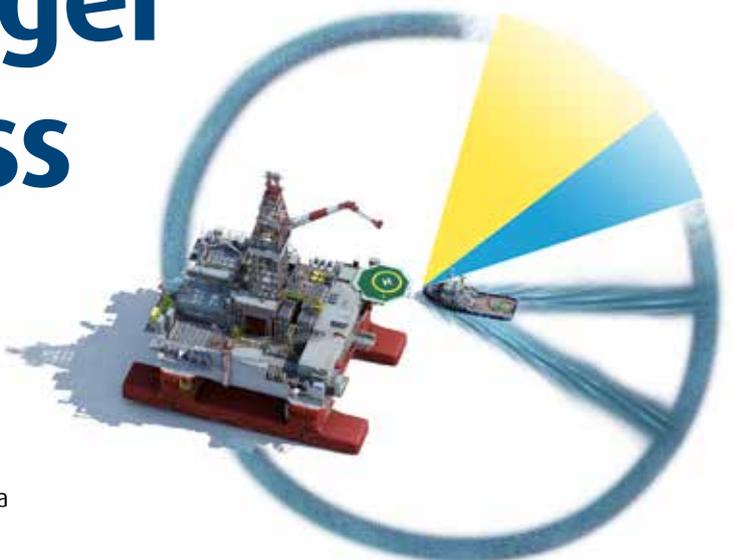


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Whether seeking, developing or extracting energy resources, you need people who can take the strain and put technical muscle and skill at your service. GAC has the track record, global strength and specialised know-how to meet the stringent safety and quality standards of energy sector customers. Whether you're an operator, a surveyor, a driller or an EPC company, we make it our business to understand your core needs to deliver integrated services in ship agency, logistics and marine support. Our strategic hubs give us the reach to solve your problems and deliver your strategy worldwide.

Experience our energy at gac.com



Delivering your strategy.

CARE FOR SICK SAILOR

When a seaman became ill off the east coast of England, GAC did more than handle the formalities. We added a level of personal care which made all the difference to the stricken man and his family.

It started when Technip UK contacted Craig Packham at GAC UK's new Great Yarmouth office seeking urgent attention for Ricardo Enrile on the vessel 'Deep Blue'.

Craig arranged a boat to bring the seaman ashore from Harwich Haven anchorage and the transport needed to get him to the Norfolk and Norwich Hospital. There he was diagnosed with severe pneumonia. Meanwhile, a brother and two sisters arrived from the Philippines to be by his side. Craig arranged accommodation nearby, provided cell phones to help them keep in touch and took care of Ricardo's visa throughout his stay.

More than ten weeks after falling ill, he was well enough to travel home, carrying a small piece of the GAC Spirit with him. **gw**



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SUPERYACHT'S ILKER STEPS UP

Capt. Bruno Santos Pasquier, Master of the 'Indian Empress', was expecting smooth sailing when he cruised the Turkish coastline this summer. But things did not go to plan. Fortunately, GAC Superyacht Services stepped in.

Captain and crew were left high and dry when their appointed agent was found to have provided false information to the authorities. The 'Indian Empress' decided it was time to call GAC Turkey's Ilker Atag.

Not only did Ilker take care of all berthing and immigration formalities, he also sorted out all the untidy loose ends left by the previous agent.

"All the clearances, port bookings and problems raised from third parties were solved in such a calm way," says Capt. Bruno. "It would have been much more complicated without Ilker's personal involvement and support from GAC. His nickname - 'No Pressure Ilker' - couldn't be more apt.

"I will count on GAC's services for any future visit." **GW**



For more about GAC Superyacht Services, go to www.gac.com/superyacht

MASSIVE MOVES



The logistics team at GAC Philippines were given a weighty task in March 2014.

Over a period of 30 months, they are clearing and delivering more than 65,000 tonnes of kit and parts and over 350 containers for the Phase 3 construction of a major power plant in the south of the country. The contract includes heavy project shipments, such as a turbine and generator weighing more than 220 metric tons.

The shipments from Japan, Taiwan, Europe and the US are discharged at Iloilo, a minor port with limited equipment and storage space. From there, the GAC team has to get everything to the project site, 10km from the port.

The fleet of trucks and modular trailers must contend with poor roads and the impacts of monsoon rains and hurricanes which put immense pressure on delivery timelines. **GW**