



New Year  
New Resolutions  
**New Look**  
GAC World New Year Edition



# WORLD

FOR PROFESSIONALS IN SHIPPING AND LOGISTICS • No.1 Feb 2008



## Ship Spares

It's all in the details

**Bunker Man**

Q&A with Paul Horan

**DOUBLE**

Happiness

Black Sea  
**Boost**



## A fit combination of essential things..

The rise and rise of the container industry shows the value of putting your things in a single box. It is a concept well understood and a principle now much at work in other parts of the marine business.

Consider GAC Marine Logistics. Four years ago, the world of ship spares deliveries was a fragmented affair with owners dealing with a suite of agents and couriers to receive their spares and gear. GML changed that. It consolidated a string of separate specialist fields into one operation. Sourcing, warehousing, shipping, customs clearing and delivery on deck came as a single package. There was one invoice instead of five, one contact person instead of a football team.

Four years on, GML is a global operation and still expanding as the full value of its service is appreciated by more and more cost-conscious ship owners and operators. Our cover story in this edition looks at GML's journey and its operations.

Also in this edition you will note a new layout style and, on the cover, the new GAC logo. It is all part of a wider process for revamping our corporate look to match the organisation we have become and to herald our new five-year strategic plan, VisionY-Global Values.

Further inside this magazine you will meet Paul Horan, GAC's Bunker Man. Trading bunkers (fuels and lubricants for marine vessels) involves all the high stress of a stock exchange with spot prices soaring and dipping constantly, with the added piquancy of ensuring timely, hassle-free deliveries in ports all over the globe. You can get a sense of the drama involved by reading our interview with Paul on page 8.

Elsewhere in the GAC world, we have been busy securing new business and developing new alliances: New trucks and trailers in Dubai; expanding our global ship agency network to Ukraine; moving our Event Logistics operations in Asia to a higher gear; and glory of glories, securing the contract to handle logistics for Manchester United Soccer Schools. Anyone with a taste for the beautiful game will be interested to read about Man U's global coaching programme.

Take time also to check Greg and Kylie Flint's engaging look at life in Turkmenistan's capital Ashgabat. And those seeking clarity

about Logistics insurance will find it in Jean Richmond's Insight piece on the subject.

2007 was another rampaging year for GAC and indeed for all involved in global trade. The pace has been blistering and we are set for a repeat in 2008. It promises to be quite a ride and we look forward to sharing the driving seat with you.

Lars Heisselberg  
Editor

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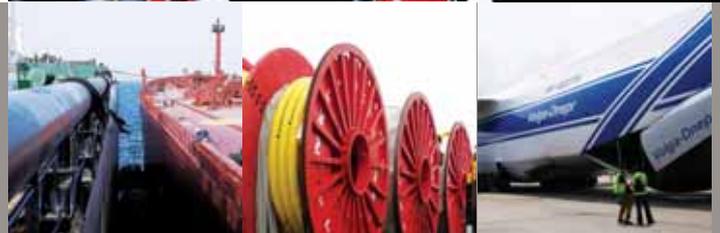
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### Contacting GAC

Want the contact details for a GAC office or staff member? Please visit the Directory section of: [www.gacworld.com](http://www.gacworld.com)

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# Changing Gear

## to boost Customer Service

The purr of new engines at GAC Dubai is heralding greater efficiency for the company's logistics clients. The source: ten new Volvo FH400 tractor units and 30 trailers.

The company has decided that customer service enhancements and greater cost savings can be best made by adding to its own fleet instead of hiring trucks from external transporters.

### Easy drivers

The new deliveries are the start of a general expansion of the GAC Dubai fleet. The trucks will be used initially within the UAE, but they meet the specifications for international long haulage.

"They have air suspended rear axles, double sleeper cabs and fully automatic gearboxes, making them almost as easy to drive as the average family car," says Matthew Towse, GAC Dubai's Transport Manager.

### GeoPositioned

Meanwhile, all existing GAC Dubai vehicles are now being fitted with GPRS tracking systems so the transport team can monitor their progress and send 'real-time' reports of arrival times to customers.

"Now, when we tell a customer that 'the truck is just around the corner', we can e-mail them a current location map as proof," adds Matthew. "The improvements in vehicle utilization and customer service are well worth the cost of the system, which is actually surprisingly cheap."

Plans are afoot to buy more trucks in 2008 and by 2010, every second truck on the road in Dubai could be decked out in the distinctive GAC marine green livery.

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Some

Mode

Ho

No. of wheels: 4 x 2 (2

Lifting/carrying

(total allowab

- OCT dual ax

O

- Fitted





## News Beat



### LOADED:

The first cargo of liquefied natural gas (LNG) to leave the Snohvit field north-west of Hammerfest in Norway. When the LNG carrier "Arctic Princess" called at the Statoil LNG plant at Melkoya on September 10, it was GAC-ORO's Hammerfest team that took care of the vessel until it left with its historic load on October 20.

### OPENED 1:

A new GAC Thailand office in Songkla, to meet the demand for shipping and logistics services from the area's many oil and gas companies. The official opening was brought forward by six days to accommodate a request for GAC to handle a helicopter crew change. Details of the new office are available at [www.gacworld.com/thailand](http://www.gacworld.com/thailand)

### POWERED UP:

Kuwait's electricity grid with the handling by GAC Kuwait of two 260 metric tonne transformers to boost the country's power generation capacity. The country was facing major power shortages over the summer as booming oil prices led to more spending on power-consuming household items and major investments in infrastructure.

### OPENED 2:

Two new offices by GAC China, in line with GAC's globalisation strategy which identifies China as one of its most important markets.

The new offices are in Tianjin and Qingdao. For contact details check [www.gacworld.com/china](http://www.gacworld.com/china).

### HANDLED:

By GAC Nigeria, the export to Ghana of a drilling rig, complete with systems and accessories, after Dolphin Drilling called off their operations in Nigeria.

### OPENED 3:

GAC Qatar's new logistics and supply base at Al Khor. Covering more than 60,000 square metres, the facility is jointly run by GAC, Qatar Gas 3 & 4, and Qatar Shell GTL and is staffed by more than 50 GAC administration, material control, handling, and supervision professionals.

### TO BE CONTINUED:

GAC Logistics' handling of the Greg Norman Collection business between Asia and the USA. This is a testament to the job done so far by GAC for the line, as the contract could have been reassigned when the clothing range was sold by Reebok to Macgregor Golf.

## The New Arrivals

Sometimes size matters!

### Tractors

Model: Volvo FH400 Globetrotter  
 Engine: Volvo D13A  
 Horsepower: 400 horsepower  
 (2 wheels steering, 1 drive axle, dual rear tyres)  
 Capacity: 56 ton Gross Vehicle Weight  
 (total weight of truck and loaded trailer)

### Trailers

Steel Container chassis, manufactured by Ocean City Trailers (Dubai)  
 • Load capacity 40 tons  
 Equipped with twist locks for 2 x 20' or 1 x 40' containers.





# GAC Events Asia Making It Happen

GAC has set up its own event logistics operation, GAC Events Asia. The new service builds on GAC's growing reputation as THE service provider for event promoters and organizers throughout Asia.



staging, sound systems to costumes and props – arrive safely and as scheduled. There is zero margin for error,” says Bill.

“GAC is the leading provider in music event logistics management of any scale and complexity in Asia. We have been a familiar name in the sector, particularly in handling live performances. What’s new now, with the launch of GAC Events Asia, is our ability to provide our expertise and skills directly to the decision makers.”

Since the mid-1990s, GAC has successfully managed logistics for shows by Alicia Keys, Robbie Williams, Shakira, U2, The Rolling Stones and Christina Aguilera, as well as World Wrestling Entertainment tours and Sesame Street, all under the guidance of Ronnie Soon – now GAC Events Asia General Manager. The Group was also the exclusive logistics partner for the 15th Asian Games in Doha in 2006.

### Complete portfolio

From its base in Singapore, GAC Events Asia offers the full logistics package including

international air/sea freight, customs clearance, packing, onsite supervision and set-up, as well as contingency planning and preparedness.

Group Vice President for GAC Logistics, Bill Hill says the launch is a timely move that capitalises on the region’s steady growth in the events sector from entertainment performances and sport tournaments to trade exhibitions and conferences. The complex nature of event logistics demands a strong network, excellent local contacts and bountiful experience.

“Precision planning and execution are essential to ensure that all cargo – from

### Streamlined

General Manager, Ronnie Soon, says the new outfit offers customers a single point of contact and access to the GAC global network. Customers can also tap into GAC’s global purchasing power for competitive rates and access to cargo space - even during peak times.

“We have handled everything from one-of-a-kind, fragile items such as Sesame Street’s Big Bird to costly, highly-sensitive sound consoles and all items in between,” he says. “With the launch of GAC Events Asia, we look forward to handling many more.”

A large cargo ship with a black and white funnel and a red hull is docked at a port. In the background, there are several industrial cranes and structures along the waterfront. The sky is clear and blue.

# Black Sea boost for global agency network

GAC Shipping Services has signed a global agency network agreement with Ukrainian Maritime Agency Ltd. (UMA) to cover all Ukrainian ports across the Black Sea, Azov Sea and Ukrainian rivers.

UMA operates from its head office in Odessa and branches in Izmail, Nikolaev and Kerch seaports. It specialises in ship agency services to all types of dry bulk carriers, tankers and trampers.

Lars Heisselberg, GAC Group Vice President, Shipping Services, says the two companies have been working together for the last nine years, and share a commitment to providing cost efficient ship agency

services which comply with Health, Safety, Security and Environment (HSSE) practices.

“Our closer ties will enable us to jointly look after the interests of our clients by combining the strengths of UMA’s local knowledge with GAC’s business principles, marketing resources and global network,” he says.

#### **Growth model**

The GAC global agency network model is an important tool for building up GAC’s position as an integrated and diversified service provider with in-depth local expertise. Strategic tie-ups with local agents have vastly increased GAC’s global reach.

Today the global agency network includes Alstons (Trinidad & Tobago), Aarus (Spain), OBC Shipping (United Kingdom), Unipros (Republic of Korea), Kudrat Maritime (Malaysia), Wilford & McKay (Panama), Vensport (Venezuela), Ultramar Network (Argentina, Chile, Peru and Uruguay), Wilson & Sons (Brazil) and Seaforth (East Africa).

Rice, Unruh, Reynolds & Co (US East and Gulf Coast), once a member of the global agency network, was acquired by GAC 1 February 2005. In May 2007, GAC also acquired a majority stake in Ole R Olsen AS (ORO), Norway’s oldest shipping agency, following a strong and positive half-year strategic alliance.

# Bunker Man



Bunkers are booming. The International Bunker Industry Association says the amount of bunker fuels supplied globally has risen from 200 million tons in 2001 to 300 million tons in 2007 (including supplies to the inland market).

But it's a volatile market, driven by factors such as politics or even the weather. With new challenges like global warming emerging, things are not getting any simpler.

Paul Horan, GAC Bunker Fuel's London-based Director, knows intimately the challenges he and his global team face to stay on top in this business. He entered the oil industry in the late 1980s in his native Australia before moving to London to work as a bunker trader with Texaco Fuel and Marine Marketing (TFAMM). He joined GAC Bunker Fuels as Marketing Manager in 1997 and became Director in 2001.

## **GAC World: Why are they called bunker fuels?**

**Paul Horan:** It doesn't have anything to do with golfing hazards or bomb shelters, that's for sure!

We use the term 'bunker fuel' to describe any type of fuel oil used on ships. A bunker was the name given to the place used for storing coal on vessels in the days before fuel oil tanks. The verb 'bunker', meaning simply 'to refuel', is a relic from the days when coal was king.

## **GW: Who are the dominant players in the global bunker supply business and where does GAC fit in?**

**PH:** The global bunkers market can be divided up, by market share, into four broad categories:

- Major oil Companies, like Shell, Exxon Mobil, Chevron and BP;
- Mini Majors, such as state companies like Total or Gulf;
- Independents;
- Suppliers and Traders – this is the category that GAC BF falls into, though it could be argued that we also count as 'independents' as we are not tied to any single supplier.

## **GW: GAC has bunker operations in London, Cairo, Cape Town, the UAE, Singapore, Houston and Sri Lanka. Why choose those locations?**

**PH:** Our network reflects the major oil trading hubs of London, Singapore, Dubai and Sharjah in the UAE, and Houston. Singapore is the world's largest bunkering port, with a record 30 million tons sold there this year.

We added Cairo to that network in response to demand in the Suez Canal, to tie in with GAC Egypt's key position serving vessels calling at Egyptian ports and transiting through the Canal.

The addition of Sri Lanka was also a strategic move to arrange bunker supplies with minimum deviation for vessels in one of the world's busiest shipping lanes, to the south of the island state.

## **GW: What is the significance of Sharjah/Fujairah in the UAE?**

**PH:** GAC started its bunker operations in Sharjah in the early 1980s. It was a convenient location, due to its proximity to the loading area off Fujairah which became a lifeline to Gulf shipping during the early years of the decade when Iran and Iraq were at war.

## **GW: Why should a customer deal with GAC BF instead of cutting out the middle man and going directly to a physical bunker supplier?**

**PH:** In short, because we are entirely independent. GAC BF is a global broker/trader which acts in the best interests of its clients for their bunker purchases.

We have no hidden agenda on behalf of any provider.

From any one of our trading locations, we help our clients get their lubricants and fuels in the most competitive and timely way, worldwide. Our goal is to serve our clients without being beholden to any specific supplier.

That strength is further enhanced by the fact that we are part of the GAC Group and can connect customers with a wide range of services provided by the Group globally.

## **GW: Bunkers seem to be a volatile market with prices shifting every minute. What causes this volatility and what do you do about it?**

**PH:** Yes, it sometimes seems like the beat of a butterfly's wing in China can send oil prices soaring in the US.

We all know – even if only from filling up our car at the petrol station – that oil prices react to a dizzying number of variables, including the so-called PEST (Political, Economical, Sociological and Technological) factors. Instability in the Middle East? Prices shoot up. Hurricanes ravaging the Caribbean? More increases. But there's more to it than that - local conditions and availability also figure in the formula.

As we actively trade bunkers on the spot market, we use our experience, judgement and knowledge of local conditions to endeavour to buy at the best time (and



at the best price) on behalf of our clients.

**GW: What steps does GAC Bunker Fuels take to ensure uniform service standards and effective communication among staff from different cultures?**

**PH:** One of the strengths of the GAC global organisation is its diversity, evident in our expertise and experience of local market conditions and practices. However, this is tempered by standard procedures that ensure international standards are met.

One of the ways we do this is through our ISO 9001:2000 quality assurance, which guarantees that standard procedures are always followed. All products are purchased

in line with strict industry standards and we actively monitor suppliers' performance.

Another tool to ensure uniformity is the use of our dedicated purchasing and trading software, GACOIL. This Internet-based trading platform was developed specifically for us and is used to record all transactions and suppliers' performances. Its big advantage is that all our offices – no matter where they are, or which time zone they're in – can see worldwide trading prices, availability and port restrictions in real time.

**GW: What qualities make a truly excellent bunker supply service stand out from a standard run-of-the-mill service?**

**PH:** What makes the difference is truly global representation, coupled with the ability to access additional services – perhaps to coincide with bunker fuel delivery – to offer clients a 'holistic' service package.

This is where being part of the GAC Group really comes to the fore. Not only can we arrange the bunker supplies, we can also offer an entire raft of ship agency and other related services. And the beauty is that they will appear on a single invoice!

It's that strong network of local offices that makes GAC BF unique. We can provide customers with reliable information about local port conditions and restrictions and it's all part of the service – no hidden extras.

No other bunker trader has their feet planted so firmly on the ground, in so many locations. We pride ourselves on being local, yet worldwide.

**GW: What are the major issues facing the bunker fuels sector today? And how can they be addressed?**

**PH:** One of the most dramatic changes we are facing is the extension of the Sulphur Emission Control Area from the Baltic Sea to encompass the entire North Sea and English Channel, which will significantly increase demand for 1.5% sulphur fuel oils. The challenge for the bunker industry is to engage with policy makers and legislators to tackle global and regional pollution levels. Another major blip on the radar is continuing



high crude oil prices. As a result, bunker prices are reaching levels never before seen in the history of bunker trading. This puts pressure on the credit lines of both traders and suppliers, who become more vulnerable as they extend credit to accommodate customer demand.

Another important issue is the changing investment climate. More and more investors are attracted to port infrastructure and supply operations, areas not previously considered worthy of attention. Also, the easing of regulations in places with state-run operations like Egypt and Iran is opening the doors for foreign investment in supply infrastructures. This will doubtless bring new competition to the traditional mainstream bunker hubs.

**GW: What changes do you expect to see in the next ten years?**

**PH:** Globalisation, spiralling demand from new industrial giants and a whole new mindset with regard to our responsibility to the planet represent the greatest challenges – and perhaps the biggest opportunities – that the sector has seen for decades.

The coming decade will bring many issues, but I am optimistic that in overcoming them, the bunkers sector will emerge leaner, cleaner and in better shape.

The European Union and the International Maritime Organisation are leading the way with new regulations to

protect the environment. Thanks to the rise of double-hull tankers (and the demise of their single-hull predecessors) and tighter controls on fuel specifications to limit carbon emissions, we can look forward to cleaner seas.

Stricter fuel specifications should reduce the number of poor quality bunker deliveries being made. New codes of practice should help eliminate cheating, and we are already seeing far less tolerance when it is detected.

There is also a sea change in the way bunker suppliers view the dangers inherent in shipping and strides are being made to vastly increase safety and security of ships and their crews around the world.

**GW: So, what makes a bunker trader happy?**

**PH:** What makes us happy? Well, top of the list is beating the market and securing a price for our client that is below the listed Platts publications. That's guaranteed to bring a smile to the face of even the most jaded trader.

In GAC BF, we enjoy greater chances of achieving a big smile because we often use two traders to close a deal. One of our offices will receive the initial enquiry and then work hand-in-hand with the supply location office to secure the best product price and availability. When that all comes together, it's a great feeling.

# Bunker highs & lows

Bunker trader Mazen Abdel Hameed from GAC Bunker Fuels' Egypt operation knows well the daily joys and sorrows of his business. Here is his shortlist of what gets him high and what lays him low.

## Things that make me high

1. When I win a business.
2. When I add a new account to my company customers portfolio.
3. When a new customer proves to be a good choice.
4. Solving a last minute problem!
5. Closing a claim without losing my customer or losing piece of my margin.
6. Reaching & exceeding monthly target with my colleagues.
7. A good "Thank you" from my customers, my colleagues, and my management.

## ...and things that make me low

1. Unexpected failure from other parties (Supplier/Customer) that ends with business loss.
2. Job Cancelled!
3. Losing a claim and its consequences.
4. Due to solving a crisis, a compulsory late staying in the office.

# GAC sets up major Australian Operation



No worries mate - the team from downunder all present and correct.

**GAC has set up a network of 12 offices plus one HQ to serve the major ports of Australia.**

Changes in the port agency landscape prompted GAC to set up a full, independent operation there rather than form an alliance with an existing partner.

GAC's previous alliance with OMS and before that with Adsteam had been successful but changes in majority ownership of parent companies had led to a rethink of how to position GAC in Australia and the south Pacific.

"With 13 offices now active, GAC Australia has gone from nothing to become one of our bigger operations," says Christer Sjødoff, GAC's Asia-Pacific Regional Director.

"We have recruited well and have put together an excellent team that will maintain the business we already have and win new business in this growing shipping market."

GAC Australia has its head office in Sydney under MD Phil Coolican and National Operations Manager Scott Henderson.

"Australia is both a major exporter and importer," says Christer. "We have some of the world's biggest commodity cargoes leaving Australian ports while imports of manufactured goods are growing strongly."

"We knew very clearly where to locate our operations offices," says Lars Heisselberg, Vice President, Shipping Services. "We have all the major capital city ports covered and

have also focused on the mining export ports such as Port Hedland and Dampier for iron ore on the West Coast and Mackay, Gladstone and Newcastle for coal on the east coast.

"As well, we have made sure we are all present and correct to serve the offshore oil and gas industry on the North West Shelf. Some of the biggest development and production projects in the world are taking place in those waters."

The establishment of the Australian operation has strengthened GAC's presence in the Asia-Pacific region which now stretches from the Koreas to the south island of New Zealand and eastwards beyond Fiji and Tonga.

## Legend

- Key ports
- GAC offices
- GAC head office in Australia



## An Easy Commute



Setting up a new operation headquartered in Sydney means Asia-Pacific Regional Director, Christer Sjødoff, has to travel there regularly from his base in Singapore. And these days that means he gets to fly in the world's biggest commercial airliner, the Airbus A380.

"It is even bigger than you expect it to be," says Christer. "But the Singapore Airlines service is exactly what you expect it to be."

# Ship spares

## Getting down to details



During the past six months, GML Managing Director Chris Steibelt has appointed new Sales Managers, a Business Controller and a Business Development Manager to build on

the strong growth of his operation worldwide over the past four years. The new people (see Appointments, page 18) - many of whom have been recruited from within the GAC Group - are now in place in Asia, India, Europe and the Middle East. GML is also commissioning a new warehouse in Rotterdam and plans are afoot to augment the customer service teams in Dubai and Singapore.

"These key personnel bring with them many years of experience in our shipping and logistics business," says Steibelt. "They understand the value we can offer through our unique door to deck spares logistics concept."

It is certainly a concept whose time has come.

### Imagine if you will...

A ship owner has a problem. His vessel en-route to Brisbane has broken down. It needs a set of bespoke engine tools and a replacement pump.

That means arranging for the spares to be collected from the warehouse, packed, freighted, customs cleared, delivered directly to the vessel, and to arrive in top operational condition.

Any delay is costly. Yet traditional delivery methods are fragmented, involve multiple parties, and cause coordination challenges, mishandling, miscommunication and paperwork problems. These hiccups often break the supply chain, resulting in money lost. Giant headaches are made of such glitches.

### What if...

Now imagine the ship owner makes a single call to GML Asia's office based in Singapore. Once the call is done, GML colleagues around the world run the whole show - pick-ups from multiple supplier

doors, picking the best route, and then following the shipment through to the vessel's deck.

It's seamless - one chain, one responsible party, one bill. Time saved, money saved, tempers saved. Job done, headache cured. That's GML. (See articles page 13 - 17)

### Four years on...

It's four years since GAC Marine Logistics made its debut. Now it provides services to over 400 vessels worldwide - from tankers to cruise ships. GML now runs offices in Dubai, Singapore, Mumbai, Rotterdam and Sao Paolo, and is supported by warehouse consolidation centres at key locations.

"The ship spares business is all about meticulous planning and time-definite execution," says Steibelt. "These contact offices in strategic locations keep us closer to our customers and strengthen communication links between all parties."





No Job Too

# Big

for GML

Close cooperation between GAC offices made easy work of the delivery of four new boats from Turkey to Jordan. It was the first time GAC Marine Logistics (GML) had coordinated the movement of complete vessels. Normally the market leader focuses on ship spares.

#### **Dock-to-dock**

UAE-based Lamnalco Group, a global provider of towage and marine services, appointed GML to manage the dock-to-dock mobilisation of the boats from the Tuzla shipyard in Turkey to Aqaba port in Jordan. With no suitable liner services plying the route, GML chartered the 'MV Glory', a vessel with the necessary heavy lift capability to load and discharge the cargo.

Then GML called on GAC Turkey's expertise at origin, and GAC Jordan's logistics depth at destination.

It took two months of careful planning by GML to ensure seamless execution.

#### **From Maestro...**

At Tuzla, GAC Turkey acted as the 'maestro'. It managed every detail of the operation from arranging cradles for the boats to the delicate and time-sensitive loading and securing process. The careful planning reduced the loading and lashing to less than 2 hours and allowed an early departure.

#### **...To Maestro**

A week later, the 'MV Glory' arrived in Aqaba. Here, GAC Jordan took over, handled the unloading, customs formalities and final delivery to the client – on time and literally 'ship shape'.





# Airborne giant brings Double Happiness to Singapore

Chinese people value highly the concept of Double Happiness. GAC Marine Logistics managed to achieve it with one very big aircraft.

A GML client wanted a 25-tonne gas engine shipped from Wisconsin in the USA to Singapore in just 10 days.

An ordinary commercial freight plane could not accommodate the height of the engine, so GML chartered an Antonov AN-124, until recently the world's largest mass-produced aircraft, to make the delivery. But it came at a cost, so it was imperative that not a minute was wasted.

## Creative options

"The AN-124 really was the only option for such a large cargo but it was pricey," says GML Asia Director Kenneth Bybjerg. "It was time to get creative and think fast..."

"Another customer had a completely dismantled pedestal crane at Houston, already delayed, and awaiting a break-bulk vessel to ship it from Houston to Singapore. We offered

the customer a discount airfreight solution (thus helping to offset the cost of hiring the AN-124). They confirmed instantly.

"That meant a return to the drawing board to work out a reduced rate for the first customer, and examine the logistics options for the overall operation. With our second customer confirmed, we needed to get the first client on board too – as soon as possible."

## Customer solutions

The solution came with the offer of trucking the engine and its accessories from Wisconsin to Houston, to join the second customer's cargo in the hold of the giant aircraft.

Two days and two refuelling stops later the big bird reached Changi Airport.

"Everything was delivered in time – the first customer avoided heavy day rate penalties from their client, and the second one went from being behind schedule to being back on track," says Kenneth.

"It was a giant-sized fairy tale – but with two happy endings."



# Meeting a Malaysian Offshore Challenge



GAC provides offshore logistics and ship agency support for SBM's Kikeh GAP Project. GAC Marine Logistics (GML) was awarded the logistics contract for the GAP (Gravity Actuated Pipe) installation, which is part of Malaysia's largest Floating Production Storage & Offloading (FPSO).

### Collaboration

"From the moment we were awarded the contract in February, to its successful completion in August, we were working under tight and changing time schedules," says Kenneth Bybjerg, Director of GML Asia. "It was a multi-faceted project that often required us to go beyond our job scope and work in close collaboration with the client, suppliers and port authority to finish the task safely and on time."

### Integrated services

Collaboration on another level also contributed to the success of the project.

Says Kenneth: "This was a great example of a client using a wide range of GAC services – not just warehousing and logistics services, but also ship agency and the supply of tugs and barges."

That collaboration was appreciated by the client, according to SBM's Logistics Manager, Virginie Gaudfrin-Serveille.

She says: "We were most impressed by the structured and orderly way in which GML mobilized their resources

and equipment, as well as their innovative solutions to unexpected obstacles that arose during the job."

### Deep water

Moored at a depth of 1,320 metres about 120 km north-west of Labuan Island, the FPSO Kikeh is a converted VLCC tanker of 280,000 dwt. It will store oil from Malaysia's first deep-water discovery and unload it to shuttle tankers every ten days.

The Kikeh is owned and operated by Malaysia Deepwater Terminal, a joint venture between MISC and SBM Offshore, a global supplier of facilities and services for the development and production of offshore oil and gas fields, as well as mooring systems.

### Unique challenges

The job presented the GML team with a number of unique challenges, including the assembly of an 86-tonne marine buoy – the first of its kind in the world. The task was something like a giant construction set with 20 modules, each

weighing more than 2 tonnes, built around a central flange. Other tasks included:

- bonded warehousing and inventory management;
- supply vessel and tug / barge chartering; trail fitting, cutting and welding of anchor chains;
- port agency services for chartered supply craft, tug / barges and vessels coming from Europe with equipment;
- equipment importing from various European origins, and exporting to Malaysia;
- hazardous cargo handling; loading of barges including heavy lifts;
- and demobilizing equipment once the job was completed.

### Co-operation

The key to success was GML's close collaboration with all parties involved, says Kenneth.

"Among others, we had to liaise with SBM, the manufacturers of the buoy and suppliers of heavy-lift equipment to conduct and present a risk assessment of the task to the Singapore Port Authority," he says. "Due to the magnitude of the task and the fact that it was the first of its kind, a special permit had to be obtained. This was granted thanks to the comprehensive risk evaluation report."





## Moves & Appointments

### GAC HQ, Jebel Ali



**David Berggren**  
Accountant

Previously:  
Accountant with KPMG

### NSGAC Abu Dhabi



**Janaka Gunawardena**  
Business Manager, Logistics

Previously:  
General Manager with Al-Hamd International Container Terminal (Pvt.) Ltd., Pakistan

### Shipping Marketing- Piraeus, Greece



**Nikos Marmatsouris**  
Senior Marketing Manager, responsible for Albania, Algeria, Bulgaria, Cyprus, Egypt, Georgia, Hungary, Lebanon, Libya, Malta, Morocco, Romania, Russia (Black Sea), Syria, Tunisia, Turkey and Ukraine

Previously:  
Marketing Manager



**Maria Angelidou**  
Marketing Manager, responsible for Greece

Previously:  
Marketing Executive

### GAC Pakistan



**Johan Janing**  
Financial Manager

Previously:  
Accountant at GAC HQ, Jebel Ali

### GAC Marine Logistics – Greece



**Harris Theodorakis**  
Sales Manager

Previously:  
Operations Executive with GAC Egypt

### GAC Dubai



**Pontus Fredriksson**  
Financial Manager

Previously:  
Financial Manager for EF ILS BV



**Klaus Holmager**  
International Moving Manager

Previously:  
Moving Manager with CSS Consolidators Shipping Services



**Rehan Naeem**  
Clearing & Forwarding Operations Manager

Previously:  
Sales Executive with GAC Dubai

### GAC Marine Logistics – Middle East



**Oshadha C Warnapura**  
Sales Manager, Middle East

Previously:  
More than 7 years experience in the regional shipping and logistics industry

### GAC Marine Logistics - Rotterdam



**Darren Ball**  
Business Development Manager, Logistics

Previously:  
GAC US Representative, Logistics Services

### GAC Saudi Arabia



**Abdul Aziz Hawaj**  
General Manager, Shipping and Operations (based in Dammam)

Previously:  
Assistant General Manager, Operations for GAC Saudi Arabia

### GAC Qatar



**Deri Morgan**  
Operations Manager, Contracts & Support Services

Previously:  
Contracts & Maintenance Manager for GAC Qatar

### GAC Marine Logistics - Asia



**Sadan Nair**  
Sales Manager, Hong Kong

Previously:  
Business Manager for GAC Samudera Logistics, Jakarta

### Asia Pacific Region



**Fredrik Nystrom**  
Business Controller for Asia Pacific Region

Previously:  
Financial Manager for GAC Pakistan



## HSSE Corner



### Two years accident free:

Maersk Oil Qatar has congratulated the Master and crew of GAC Marine's Anchor Handling Tug "Susanna" for two years constant operation in the Al Shaheen Field with no work days or time lost due to accidents.

Safe working conditions are a prime concern for Maersk Oil Qatar, hence its recognition of safety improvement or achievements by onboard personnel, like the crew of "Susanna".



### Good Truck, Bad Truck:

Staff from GAC Qatar presented a display highlighting the differences between good and bad trucking safety, as part of the Qatar Liquefied Gas Company's Health Safety and Environment Day. As the official logistics provider for the company's 3 & 4 project, GAC Qatar was ideally placed to highlight the importance of HSE issues in trucking.



### First Class First Aid:

As part of GAC Dubai's ongoing initiative to ensure that as many employees as possible are trained on First Aid and CPR skills, 30 staff recently completed a course at a local hospital where they learned a series of simple, yet life saving techniques.



## Cargo and Liability Insurance:

# Some people don't get it

'Be Prepared' says the Scout motto. 'Be Protected' says Jean Richmond, GAC's Logistics Liability Insurance Administrator.

“ Most people try to ignore insurance. They only warm to the subject when they have a claim and come face-to-face with their policy's fine print. That's understandable as insurance can seem like an endless maze of fancy terminology and evasive conditions - not to mention the bewildering range of insurances available in the market.

Insurance is an unavoidable fact of modern life – from the car and household coverage many of us have, to specialized business coverage for crops, disability, kidnapping, etc. And with international trade growing all the time, there are also logistics liability insurance and cargo insurance.

### Liability or cargo cover?

Many service providers and customers often don't see the distinction between liability insurance and cargo insurance. They also don't realise just how imperative it is to have such cover in place.

All owners of cargo (or other cargo interests) should be insured against risks of loss or damage, up to the full value of their goods, for the duration of the movement and including any temporary or longer term storage. That is cargo insurance.

Even if there is cargo insurance in force, the freight forwarder/transport operator needs to protect himself against claims of having caused or contributed to any loss or damage.

This is liability insurance and all reputable logistics and freight forwarding companies have it.

### Relying on Peter to cover Paul

One thing that is not sustainable is for a customer/cargo owner to rely on the liability insurance of his logistic provider as a substitute for having good cargo insurance. The liability of the logistics operator – and his liability insurers – is normally subject to the monetary limitations set out in his standard trading conditions or in the transport convention approved by his insurers.

GAC arranges comprehensive Liability Insurance with TT Club, one of the industry's leading and most experienced insurers. Cargo owners without proper insurance are vulnerable to exposure for monetary losses which they will be unable to recover - either in full, or in part.

### GACSure: taking away the headache

As part of GAC's logistics solution, we provide comprehensive cargo insurance for customers through the GACSure concept.

In a nutshell, GACSure takes away the customer headache of having to arrange insurance for themselves. Most local GAC offices around the world can arrange insurance on their customers' behalf. Then, in the event of an incident, it's the local GAC office that

informs the insurers and assists the customer in handling the claims process until its conclusion.

Insurance premium costs are generally small when compared to the potential loss that could be suffered by the cargo owner.

### So ask yourself...

Are you adequately protected?

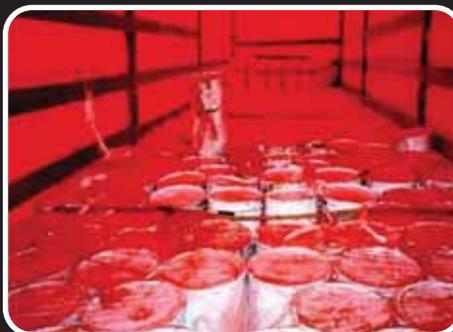
- Have you identified and understood the risks you will be assuming?
- Do you clearly understand the crucial conditions of your insurance cover?
- Do you know who to call to get clarification on your cover?
- Are you accepting responsibility for tasks beyond your area of expertise or for which you are not covered?
- Do your logistics providers have adequate liability insurance in place?

### Are you sleeping comfortably?

If you follow the basic steps of protecting your liability, there will be less to fear. The simple truth is that accidents do happen – especially in the frantic world of international logistics - but with the right insurance coverage, you can sleep more comfortably in the knowledge that your interests, and your pockets, are protected.

You don't have to be a Boy Scout to 'Be Prepared', but you do have to be prepared to 'Be Protected'. ””

## Some of the things that can go wrong...



# GAC Angola

For decades, the first thing that came to mind when people mentioned Angola was bitter civil war. Today, ten years after the shooting stopped, it is one of the fastest-growing economies in Africa – and indeed the world.

GAC was quick to spot the potential of the country's offshore oil reserves and entered the Angolan market in 1998. Now GAC Angola is the undisputed market leader in the country's crude oil tanker business and a steadily increasing force in the dry cargo segment. The needs of this sector are met through a full range of shipping, logistics and marine services provided from GAC's headquarters in the capital, Luanda, and branches in Soyo, Cabinda and Lobito.

## Quick-march

General Manager Joao Oliveira has a workforce of 30 and ambitious expansion

plans for the next five years.

"With the civil war now in the past and vast oil reserves being discovered, Angola is on a quick-march towards development," says Joao. "In addition to the oil sector, opportunities are opening up for logistics services as the government gradually restores road and rail networks that were destroyed or neglected during the war years.

"These developments led us to open the Lobito office. With the GAC brand name and our quality service standards we hope to become a well-known name in Angola, not only in the shipping sector but as a complete service package provider."





Offshore oil reserves are fuelling development to make Angola one of the world's fastest-growing economies.



The GAC Luanda team are: (back row, left to right) Sabino Matias, Ivraldo Fonseca and Magnus Olson, and (front row, left to right) Jordao Alfredo Joaquim, Manuel Bartolomeu, Shipra Gulati, Jose Rafael, Diana Chimbayeka and Deckas Karimba.



# Ashgabat Turkmenistan

By Greg & Kylie Flint  
gregory.flint@gacworld.com



*Greg & Kylie in front of  
Ashgabat's Monument to Neutrality*

“ We thought we'd seen it all - from commercial fishing in the Pacific and Indian Oceans to handling insurance accounts in the mountains of Papua New Guinea. But when we learned that Greg was being sent to Turkmenistan to manage GAC Marine's operation there, we had to reach for the atlas.

Once we'd found Turkmenistan, like the adventurous Australians we are, we thought "Why not?" Just over a year later, we have settled in Ashgabat - and it's been quite an experience.

## City character

Ashgabat became the capital of the newly independent country of Turkmenistan on 27 October 1991. Its former Soviet heritage is still very much in evidence, from the rampaging packs of Lada motorcars in the streets to the widespread use of the Russian language.

During the past five years, it has become a city of white with marble facades adorning all the buildings, many the result of an aggressive building campaign initiated by former President Niyazov.

## Getting in

Getting a visa still takes at least six weeks – no exceptions – and many questions from a swarm of uniforms checking your papers when you arrive at Ashgabat Airport.

## Where to stay

Strict immigration rules mean that visitors are restricted to a few hotels. Among these is 'The Nissa', which caters to European and Russian business travellers.

## Home, sweet home

We have a villa in the city centre, within walking distance of the main Russki Bazaar. The furniture is an eclectic mix of traditional Turkmen carpets and western furnishings, not forgetting the obligatory evil eye hanging above the door to keep us safe.

## Eating out

Ashgabat has a number of restaurants, small cafes and beer gardens. The fare has a very Russian flavour and seems to be dominated by cucumbers and tomatoes (with endless variations on the theme). 'Shashlik', a type of kebab cooked on special barbeques called mangals, forms the basis of many meat derived meals. Pizzas, heavy on the cheese, are widely available and very popular, but the likes of KFC and McDonald's haven't made it to Ashgabat yet.

## Drinking out

Beer is widely available and vodka is compulsory! All functions and parties involve endless toasts and sobriety is not encouraged. There are several beer gardens near our house and entertainment ranges from a man playing a saxophone to blasting Russian rock music. Our particular favourite has a karaoke machine with many locals giving it their all in (for want of a better word) enthusiastic performances.

## Shopping

Most shopping is done in one of the city's five bazaars, each of which specializes in something. Refrigeration is not commonly available, so weekly meat shopping happens when the butcher brings fresh meat to town. Fruit and vegetables are generally of good quality. The town's one supermarket stocks mostly imported goods from Turkey and occasionally the Emirates.

## Sights to see

Head for the Health Park to see competing Turkmen wedding parties clash. In her traditional attire, the bride is burdened by 40 kg of jewelry and surrounded by guests dancing to a three-piece band as they walk around the park, culminating in the release of some doves and the opening of the champagne.

A new and very popular attraction is The Land of Turkmen Fairy Tales (rough translation), known to all as Turkmen Disneyland. Many of its rides wouldn't be out of place in any international amusement park, but here the whole family joins in the fun - including Babushka (Grandma), holding on grimly as she rides the rollercoaster.

On a more historical note, Turkmenistan lies on the Old Silk Road and there are many archeological sites less than an hour's drive from Ashgabat. One is the Parthian site of 'Old Nisa', which was either a royal residence or temple complex that was abandoned between 250BC and 226AD.

## What's good

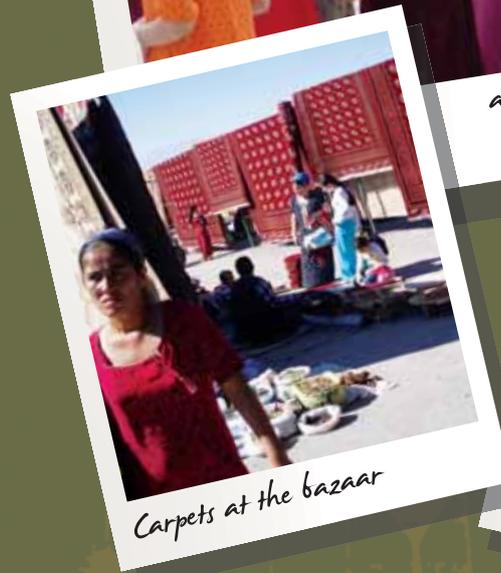
Walking through Tolkuchka Bazaar on a Sunday morning; everything from camels to cars, carpets, imported Chinese and Iranian goods and traditional jewelry is sold. The people - though English is not commonly spoken there is always a connection between your neighbours, the owner of the small café you go to and especially your butcher.

## ...and not so good

The summer - you need to be very careful with food as some handling practices are not what you might expect.



*a Turkmen wedding*



*Carpets at the bazaar*



*Ruski bazaar*

The 2300-to-0600 curfew, which varies in its degree of enforcement, and the constant security presence on every street corner.

And the driving! People drive like they're riding horses in a desert race and jostle for position at every opportunity - even if it's only 10cm.

## Kylie's highlights

Finding a butcher I can trust (with the help of a local friend), then learning how to recognise cuts of meat not wrapped in plastic on Styrofoam trays, whilst laughing off the flirtations of the butcher.

The Kopet Dag Mountains are beautiful all year round, but especially in the spring when they're covered with red poppies and picnickers.

The friendliness of the local people and their genuine interest in my well-being.

## Greg's highlights

Our office is next door to the compound where foreign dignitaries are accommodated. In the past few months, the Presidents of Iran, Afghanistan and Russia have all stayed there. The security presence is enormous and we are literally locked in for hours as the VIPs come and go.

Unfortunately, there is no prior warning when this happens. So, when the security forces are posted at our gates, we have to climb over the back fence to go home - not a good look when wearing a suit and carrying a laptop.



# GAC signs with Manchester United



Manchester United Soccer Schools' coaches welcome the GAC logo to the team

Manchester United has signed a new player. But rather than being a renowned ballplayer, the newcomer's skills have a distinct logistics touch. The football club has appointed GAC Logistics as the official logistics supplier for Manchester United Soccer Schools (MUSS) programmes and events around the world.

MUSS coaching clinics in the UK, Hong Kong, Dubai and US draw thousands of young players each year, all aspiring to 'Learn to play the United Way'.

GAC recently completed the first shipments under the new agreement, moving training kits and equipment to destinations in Sweden, the US and Macau for a series of summer coaching clinics.

Bill Hill, Group Vice President, Logistics Services, says: "Managing the logistics for Manchester United Soccer Schools - the world's biggest sporting club - goes beyond moving products from A to B. It gives us the opportunity to play our part in the development of sport education."

Manchester United Soccer Schools Director, Emma Savage, says the partnership

with GAC has started on a very positive note with the smooth handling of some time-sensitive shipments.

"We have been very impressed with the way the team at GAC Manchester developed the most expedient and cost efficient way for each delivery," she adds. "The MUSS programmes attract global interest and we are constantly looking for partners that can support our international expansion objectives. With the GAC partnership in place, we can now work with their international logistics network to help fulfil these ambitions."