



For professionals in shipping and logistics

world

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Between a Rock and a Hard Place...

GAC knows how to work in tough places. We started in the Gulf before there were phones, roads, air conditioners, ports or international airports. We recognised then, and still do today, that difficult places are where our resilience and reliability face their biggest tests. We've learned too that challenging locations are not confined to developing countries. Even advanced countries demand degrees of grit and determination to get a job done properly. You can read about how we manage in various parts of the globe, beginning on page 10.

Our goal is to deliver our services at a high standard, no matter what the conditions, or where the location. Achieving that goal requires our people to stand on the frontline, face the hard moments of truth and find a way forward. No amount of documentation, certification or education can replace having a 'can-do' attitude. Qualifications might cost a lot but attitude is always priceless. Over past decades we have built a culture that welcomes challenges and tough assignments. In this period of shaky economic news, there is no shortage of opportunities to put ourselves to the test.

Cost-saving Solutions

We all are becoming eagle-eyed in our search for cost savings as the global economy wobbles and slides. It is a time to seek and find better ways. It is into this arena that our newest business area, GAC Solutions, has stepped in with a suite of cost- and life-saving products and services. GAC-SMHI, our weather solutions product, is world's best and will definitely save voyage costs, particularly on bunker fuels and will also reduce the risk of damages to ship and cargo. GAC Lay-Up Services is working with ship owners to keep their fleet costs manageable in a downturn. GAC Protective Solutions is, through training and Sea Marshals, mitigating risk to both lives and property from the high costs of being captured by pirates. And the GAC Workwear clothing line for maritime workers is boosting safety and adding longer and stronger life to what officers and crews put on their backs.

Hub services too

As well, GAC's Global Hub Services sit squarely in the cost-saving arena. Our Hub people save money not just in the area of Disbursement Accounts management but all the way down the line to the sharp

operational end of a port call. Having a total view of a vessel's call is what gives us the ability to find savings and pass them on.

Strategic Logistics

GAC has a firm strategic goal to support the global Energy sector across Shipping, Logistics and Marine Services. It was with this in mind that we have opened a dedicated energy logistics operation in Norway with a business development office in Oslo (see page 9). It is been interesting to see how some areas of logistics have resisted the global downturn. Energy logistics is one of them.

Sponsorships

The GAC brand has growing visibility through the various sponsorship programmes we run. This is particularly the case in sports sponsorship and increasingly, our local operations are seeing the benefits of supporting local teams in a range of disciplines (see page 14).

Learning

Our Insight column in this edition comes from Damien O'Donoghue, General

Manager of the GAC Corporate Academy. Damien says the no matter what the state of the economy you can be certain that future business growth will be built on effective, useable knowledge married to a passion for excellence. He says learning has to be more than just picking up new skills – it must also be about the heart and soul of the organisation. I hope you find it helpful.

Lars Heisselberg
Editor
lars.heisselberg@gacworld.com



Editorial information

Editor:

Lars Heisselberg,
Gulf Agency Company Ltd,
Jebel Ali, Dubai. United Arab Emirates

Art & Production:

BANG Public Relations Singapore

Correspondence to:

Amanda Millen

Email:

gacworld@gacworld.com

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Tough conditions are found around the world. We look at how GAC rises to the challenges of location.

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A Year of Solutions

GAC Solutions has had a busy year. As the following stories attest, the demand for value-added services that integrate with core customer needs remains strong.

■ SOLUTION I

New Fleetweb

Web-based tool takes voyage control and fleet management to higher level

GAC SMHI Weather Solutions has launched *Fleetweb 3.0*, the latest version of its web-based fleet productivity tool.

“Improving operational and cost efficiency is crucial at all times and especially so in an economic downturn,” says Christer Sjödoft, Vice President of GAC Solutions. “*Fleetweb 3.0* and the services offered under GAC SMHI Weather Solutions are proven aids in raising fleet efficiency and reducing bunker fuels consumption.”

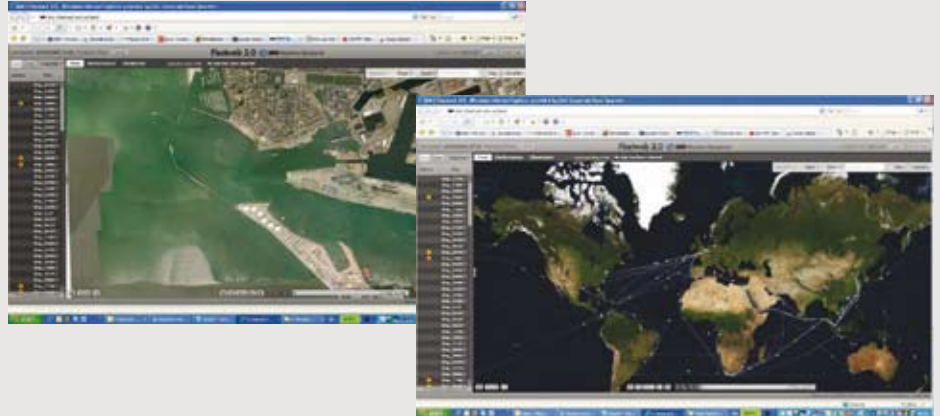
Fleetweb gives customers real time, useable knowledge of all voyages and vessels underway. It can detect inefficient or longer routes taken by vessels. Discrepancies can be identified between a Master's reported ETA and SMHI's calculated ETA (known as CTA) based on expected weather and other parameters.

On-going Voyage Analysis (OVA) highlights overconsumption of Fuel and Time Lost. This continuous flow of data allows Operations Departments to take remedial steps immediately instead of waiting till the voyage ends.

Simple, Smart and Stable

“This latest version of *Fleetweb* is more than just an upgrade, it's a complete makeover that overshadows previous releases,” says Global Product Development Manager Lennart Cederberg. “In today's economic climate this is a tool that fleet managers have been dreaming of. Fuel, time, costs and vessel life – *Fleetweb 3.0* helps users optimize them all.”

Accessible from virtually anywhere with an internet connection, the application gives operators a clear and real-time overview of the entire fleet, with analysis of each ongoing voyage, to ensure each vessel performs at its best.



Fleetweb 3.0 is built on the new Microsoft Silverlight system architecture. Enhanced functionality, not available elsewhere in the market, includes:

• Voyage Management

Fleetweb's sophisticated charting system allows fast navigation to examine planned routes, average speeds to destination and ETAs (Estimated Time of Arrival) etc. Through an intelligent graphical display, the package's intuitive alert system highlights vessels that require more attention based on changes in parameters if it stays its course.

Fleetweb's weather monitoring gives operators a means to gauge weather impacts, in real and forward time, along recommended/intended routes, with twice daily forecasts for the next 10 days, and the Master's report automatically evaluated in combination with the latest forecasts and analyses.

• Performance Reporting

The *Ongoing Voyage Analysis* (OVA) provides key data relating to a specific voyage including weather analysis, daily reports and communications. Performance evaluation is available through a fleet performance tab giving a graphic performance check of individual vessels and comparison graphs offering graphic visualisations of each ship's speed and consumption and the latest Master ETA versus original ETA.

• Polling

GAC SMHI is currently testing a *Fleetweb* feature that shows 'polled'

positions, using Inmarsat C devices on nominated vessels to track and display their positions. This ensures a regular display of ships' tracks, whether or not position reports are sent by the vessel. In a security-conscious world, such information can be life-saving.

• Visualisations

Another advantage of *Fleetweb* is the graphic visualisation of information – readily highlighting issues and allowing prompt remedies. While raw information is good – useable knowledge is better.

• User-friendly functions

Fleetweb 3.0 is simple to use and packed with useful functions such as quick help, customisable tables, selectable data filters and customisable views. Users can access a vessel's main data by clicking on its icon on the screen map or on the side list, without leaving the overview window.

Comprehensive suite

GAC SMHI Weather Solutions combines the maritime customer knowledge of GAC with the deep professionalism of the Swedish Meteorological and Hydrological Institute. The result is a suite of services and products that are market leading.

“Our Weather Solutions are developed by Naval architects and professional meteorologists to meet specific requirements for fleet performance management,” says Lennart Cederberg. “Unlike many existing applications which are designed by IT companies selling technology for weather solutions, our people have first hand experience of the maritime business.”

■ SOLUTION II

Lay-Up Service launched

As the global financial crisis bites and ocean freight rates plummet, many ship owners and operators are opting to lay up ships. In response, GAC has created GAC Ship Lay-Up Solutions (GLUS) to help them.

Good sense

Christer Sjödoth says laying up ships makes sense in tough times.

"Not only does it avoid unprofitable journeys and over supply, it also reduces wear & tear, crew costs, fuel consumption and insurance premiums during the idle period," he says. "Although effectively idle, laid-up vessels still need to be taken care in a cost-effective way."

GAC provides many lay-up locations close to major shipping routes by having almost 400 offices in more than 40 countries.

Peace of mind

GLUS serves owners/operators of laid-up vessels by handling:

- logistics
- safety & security matters
- maintenance
- inspections
- crew transfers
- ship supplies
- regular status reports.

GLUS can also draw on the GAC Group's broad range of complementary shipping, marine and logistics services to provide value-added services to meet any special needs of clients.



■ SOLUTION III

Workwear Line Launched

GAC Solutions has partnered global clothing manufacturer Fristads to form GAC Workwear, a maritime workwear line emphasising comfort, functionality and safety.

GAC Workwear combines GAC's knowledge of the conditions faced by seafarers with Fristads' market leading position to deliver a complete work apparel range from design to manufacturing and distribution.

The range of garments, footwear, headgear and protective accessories is designed for any climate, from tropical to arctic.

Twice the wear, half the price

Christer Sjödoth notes that there is strong demand for quality workwear in the



maritime industry despite the global economic downturn.

"Customers looking for cost-efficiency and safety when dressing their people appreciate durability and quality. GAC Workwear has it, because Fristads undertakes rigorous testing in abrasion resistance, tear and tensile strength, and shrinkage.

"Twice the wear is half the price," he says, referring to the fact that quality workwear can last for years despite frequent washes.

The majority of GAC Workwear products are safety assured, and guaranteed that no substances hazardous to health are used in the manufacture of different parts of the garments.

Emergency evac off India

GAC Cochin's Operations people didn't waste time when they got a midnight call from the Master of the LPG carrier 'Al Barrah' requesting assistance for a crew member who had taken ill.

The Second Officer was experiencing heart problems and had to be evacuated for medical attention without delay. The tanker was en route from Al Jubail in Saudi Arabia to Rayong, Thailand and the Cochin port was the nearest where the officer could be taken off and transferred to a hospital.

Action stations

The vessel diverted and headed for the rendezvous point at Cochin outer limits while GAC's Operations team made all the arrangements with the port, customs, immigration and health authorities to bring the patient ashore - no easy task in the dead of the night.

When the 'Al Barrah' arrived outside Cochin in the early morning, a launch was standing by and the sick man was on his way within half an hour. Less than two hours later, he had been admitted to hospital and was receiving the medical attention he urgently needed. He was discharged and repatriated three days later to his homeland, Russia, under orders to rest.

Always there

Jaganath Shenoy, GAC India's General Manager - Tanker & Tramp, says: "This evacuation once again underlined the fact that we are always there when our client needs us and do go that extra mile especially when the people's lives are at stake."

"...we are always there when our client needs us..."

The Value of Corporate Learning

Damien O'Donoghue argues that employee education is no longer a luxury investment for business managers intending to be competitive in the coming decade. The General Manager of the GAC Corporate Academy says corporate learning is what will make the difference between competitive success and failure.



“ Most of what we used to call Corporate Learning can be picked up these days in a Google search. Time management, sales techniques, customer relations, etc. are no longer the sole focus of corporate learning. It has moved into the realm of emotion and soul. It is now equally about hearts and minds as about filling heads with facts.

If companies wish to attract and retain the best people, they have to train them. This is a view shared by many leading academics, business executives and The GAC Group. Employee education worldwide is growing 100 times faster than university education and the emergence and popularity of corporate universities, such as the GAC Corporate Academy, testifies to this fact.

Investing during the downturn

Corporate learning investments that ensure people fully understand their business and know how to satisfy customers are the ‘enablers’ of future success. The value gained from having enhanced business intelligence, integration and alignment throughout an entire business will be significant in the future. Investing in human capital - when economic uncertainty surrounds us - sends a clear message regarding commitment. It provides a visible reason for people to stay focussed and motivated to delivering the excellent customer service we expect of them.

Advantages

A corporate learning institute is the best way to get new employees up to speed in the way business is done, how the IT system works and what the company vision is. It also gives older employees the means to hone their experiences with new techniques and skills. Training not only improves the competitive advantage of an organisation, it also acts as a tool for initiating and contributing to cultural change.

Valuing

It's also about valuing people within organisations. Research has shown that employee satisfaction improves when they receive training that promotes their personal development as well as their contributions to the organisation. This is not just training for the sake of training, but rather the development of skills that improve the contribution each individual can make at work and far beyond it.

GAClearn

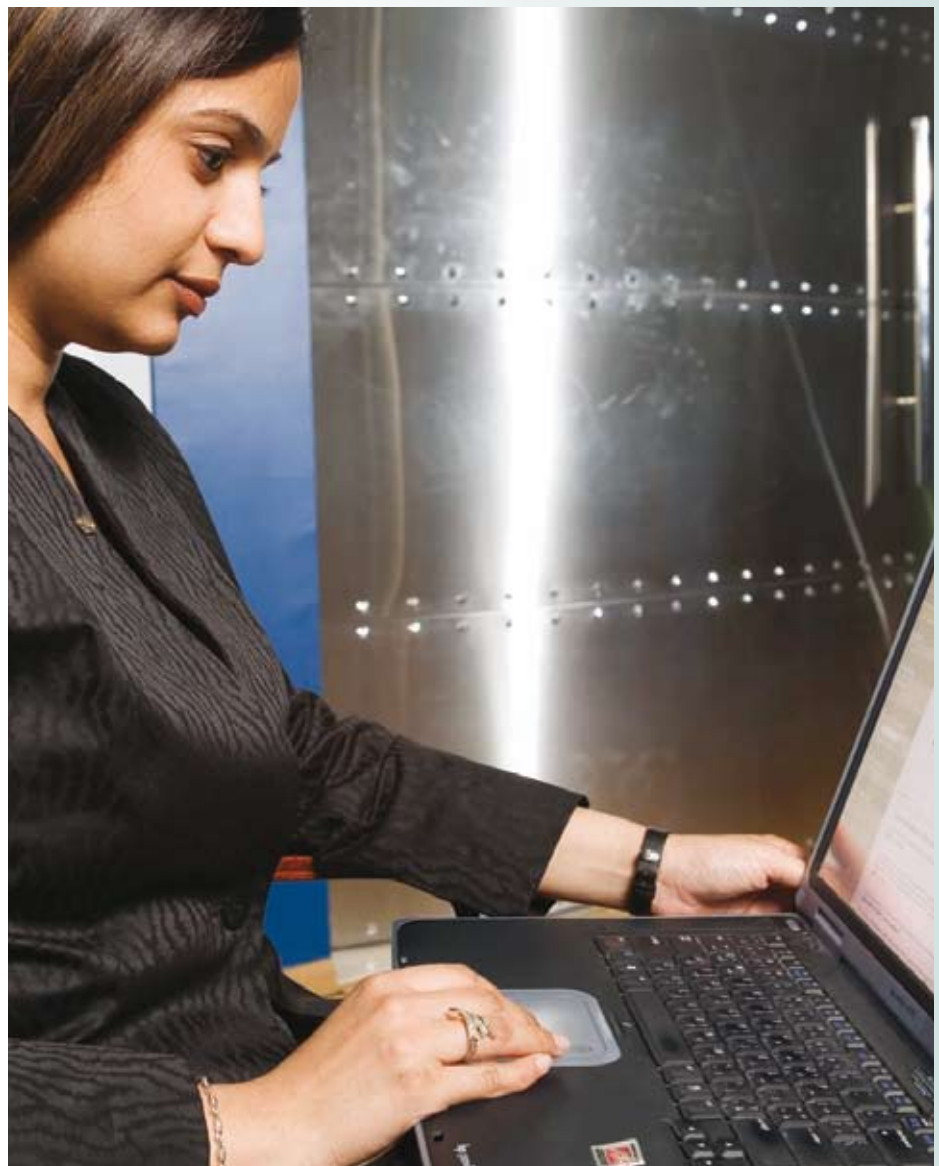
The way an organisation chooses to deliver programs can no longer be restricted to the ‘classroom’. On the job learning is vital as is building strong connections between people in the workplace, whether that workplace is an office, a warehouse or in cyberspace. The GAC Corporate Academy achieves these vital connections with GAClearn, a cutting edge e-learning system. Within GAClearn, employees overcome time-zones and organisational structures to share knowledge, insights and new ideas. The result is a ‘knowledge creation-space’ that fosters innovation, faster learning and the spread of best practices and business intelligence. All levels of the company, from group management to operations, contribute. Through learning systems like GAClearn, knowledge that was previously ‘tacit’ becomes accessible. Equally, this knowledge is preserved in a secure online

environment and can be accessed for research and evaluation.

Active measures

A learning organisation doesn't passively hope that learning and innovation will take place. It actively promotes, facilitates and rewards collective learning. Desired outcomes are built into the structure of courses so that each learning input has a corresponding learning outcome that can be demonstrated individually and shared collectively.

Finally, an effective corporate learning institute will have measures in place to assess the effectiveness of its courses in culture building, speeding the induction of new joiners, sharing business intelligence, integration and alignment across business areas and regions, using IT to its full extent, and skill acquisition for new challenges.”



News Beat

TEED OFF:

More than 90 key customers, partners and contacts, at GAC Dubai's annual Golf Day at the Emirates Golf Club in March. The event was held to thank customers for their support over the past year, build stronger relationships and attract new business. The day on the greens was followed by a gala dinner, at which prizes were awarded to the best golfers.



GOOD GUESS:



By Capt. Sanjeev Buckshee of Sterling Group India, who won a digital camera by correctly estimating the number of pieces of coal in a jar at the GAC stand at the Coaltrans India 2009 exhibition held in Mumbai. GAC was represented by GAC India's Director Anil Menon, Capt. Kawal Arora & Aasheesh Tiwari as well as Regional Marketing Manager (Shipping) Shashi Nair and GAC South Africa's Wynand Bennett.

RECOGNISED:

The Master and crew of GAC Marine's Anchor Handling Tug 'Susanna' by Maersk Oil Qatar for three years of accident-free operations. This marks three years constant operation in the Al Shaheen Field with no work days or time lost due to accidents.



GETTING ARTY:

GAC Bahrain, by taking care of the specialist logistics for a series of artistic events held in the country this year. The company handled exhibits for the prestigious Um Kalthum exhibition from January to March, and then - in liaison with GAC Egypt - brought bronze sculptures by Egyptian artist Adam Henein for events under the patronage of the Ministry of Culture and Information. They also handled the transportation of instruments from Spain for concerts held by the Camut Band. All events were part of Bahrain's Spring of Culture festival.



Algoasibi-GAC Saudi Arabia, with ISO 9001:2008 certificate, following an audit by DNV Lead Auditor. As part of the Management's ongoing commitment to Quality, Section and Department heads followed a three-day in-house training seminar on ISO 9001:2008-Changes and Transition Requirements and Strategic QMS Risk Management.

Managing Director Abdulaziz Al-Hawaj (middle) is pictured receiving the ISO 9001:2008 certificate from the auditor, Vijay Rao, Ph.D. (far left), witnessed by Vice President for Shipping, Hamad Yusef Algoasibi, and Management Representative Maxim D'Souza.

THE LUCKY WINNER...



...of the GAC draw at the TransRussia 2009 logistics exhibition was picked by GAC Kazakhstan's Olga Martsinkevich. The prize - an iPod - went to Mayramjon Alimova of Container Express Ltd in Tajikstan, who was just one of the many visitors to the stand shared by GAC Shipping and Logistics Ltd. Russia, GAC Kazakhstan LLP and GAC Czech Republic.

INVESTING IN TOMORROW:

GAC Singapore, with its sponsorship of the AISEC Singapore National Leadership Development Seminar. AISEC is the world's largest student organisation, providing a platform for young people to discover and develop their potential. The four-day National Leadership Development Seminar attracted students from across the Asia Pacific region.

Ivo Verheyen, GAC Singapore's MD, says: "Our support of this seminar is an expression of our belief in the importance of nurturing the potential of today's youth. This seminar is part of the bigger picture of a constant learning environment, both for our staff and those who will become our staff in the future."

New logistics service for Norwegian energy sector



GAC has set up a new company in Norway, and opened a business development office in Oslo, to meet the needs of the country's energy sector. GAC Logistics (Norway) AS focuses on the energy industry's air, sea and road transportation needs and serves the whole of Norway.

"GAC has logistics operations offices in key locations between Oslo in the south and Hammerfest in the north," explains Gunnar Lundgren, Regional Logistics Manager. "These, and others to follow, are located to optimise services to the offshore oil and gas and other energy-related industries in Norway. This includes Project Logistics expertise and GAC Marine Logistics (GML), our specialist ship spares' logistics service."

Formed in response to customer demand, the company already has several blue chip accounts providing big oil and gas companies with turnkey logistics solutions.

Established presence

The new company is headed by Ahmet Özsoy who also heads GAC-ORO – the company formed when GAC acquired one of Norway's oldest shipping names, Ole R. Olsen, in 2007.

Says Ahmet: "GAC-ORO is the number one shipping agent for cargoes to and from all Norwegian oil and gas terminals, handling over 1100 port calls per annum. The formation of GAC Logistics (Norway) builds on the personal relationships for which we are known, coupled with our long experience in this sector and our proven understanding of customers' needs."

Complete portfolio

In addition to its project, ship spares and freight forwarding services, GAC Logistics (Norway) also provides warehousing and distribution for manufacturers, retailers and distributors.

Zajid's excellent midnight jaunt



GML's Chris Steibelt presents Zajid with a special Customer Service Award for his efforts to provide the best possible service – even in the dead of the night.

It was at the stroke of midnight that Zajid Edasseri, GML's Customer Service Assistant in Dubai, received a call for help from MAN Diesel PrimeServ Dubai.

MAN Diesel's technicians were on board a container vessel in Jebel Ali Port repairing a turbocharger. A component had to be replaced or the vessel would not make its sailing time at 0700 hours. MAN Diesel knew it was impossible to fabricate the piece in time but a replacement part was available on a turbo charger recently handed to GML for export. Was the item

accessible and could GML retrieve it in the middle of the night?

Yes!

Zajid went to the depot holding the turbo charger with MAN Diesel's Superintendent Engineer, Georg Joseph. The part was retrieved and by 0330 hours it was on board the vessel and the repair completed in time for the scheduled departure. Georg Joseph described Zajid and the GML team's performance as "excellent and beyond our expectations".



Business Tests

How good are you at handling tough conditions?

GAC and our customers know the challenges of location. From the undeveloped Middle East of the 1950s and out into the wider world, GAC staff have started operations from scratch with little or no infrastructure, adapted to diverse cultures and business environments, worked through more than a dozen armed conflicts (some sadly still unresolved), and used ingenuity to make business work where others could not.

GAC's Global reach means it is present now in commercially-mature markets and also in places which tap the roots of its early experience. What is evident from the stories that follow is that challenging markets are not confined to those lands with poor roads and bridges or unstable governments. Read on...

USA: Security Security Security

Even before 11 September 2001, operations in the Port of New York and New Jersey always involved challenges. But after the attacks on the World Trade Centre, the demands faced by the shipping industry increased drastically throughout the United States, says GAC's New York Port Manager Lisa Doherty.

"As a direct result of 9/11, the Department of Homeland Security - along with other local, state and federal agencies - implemented a raft of stringent regulations that have had a dramatic impact on the maritime industry.

Heightened port security means that Captains must file an Electronic Notice of Arrival (ENOA) in advance, and failure to provide this information to the U.S. Coast Guard 96 hours before arriving will

- without a doubt - increase the likelihood of the ship being held out of port for up to four days, at great cost.

The International Ship and Port Facility Security (ISPS) Code was also created in the wake of 9/11, defining much stricter security measures when operating in port for both terminal operators and seagoing vessels.



Shipping in the US faces much stricter regulations since 9/11.

Things that were once simple and routine – shore leave, deliveries and access to vessels – put a greater burden on owners, vessels and agents. Ship owners wishing to repatriate crew to their homeland now face a complex and costly process.

The extra measures have increased everybody's workload. Vessel Masters rely on their ship agents to know all the regulations and guide them accordingly. Many daily operations now involve more notifications, advance information and a whole lot more energy to ensure that everything is done properly, effectively and according to law."

Angola: Peace only the start of the solution

The agonising civil war that savaged Angola is now becoming a memory. The government is stable, the economy is growing. But Gerrit Laubscher, GAC's General Manager there, says there are still plenty of problems to solve.



Work is underway in Angola to build infrastructure and 'new cities' like the Angola Social Housing Project Kilamba Kiaxi Phase I.

"Angola's capital, Luanda, has a congested airport, gridlocked streets, 80 vessels waiting at anchorage for a berth, 1,000 tons of cargo discharged every day and a container terminal with no tracking system. Those are some of the challenges we face in our daily operations. And when you add bureaucracy, a Government-controlled economy, high prices, and no compulsory education (making skills a rarity), it's clear that political stability is only part of the solution.

On the bright side, Angola produces two million barrels of oil per day. More than half is exported to China, which is helping to rebuild infrastructure and create 'new cities'. One of GAC Angola's Chinese customers, CITIC, is building 20,000 apartments, shops, schools and municipal services, due for completion in three years.

In its first ten years in the country, GAC Angola has become the market leader in tanker agency, seen strong growth in dry bulk and protective agency business, and now plans to introduce complementary marine and logistics services.

How does GAC Angola survive in such a challenging environment? There are several answers: by empowering our people through training and development; by following clear operating procedures and planning ahead to avoid getting tied up in red tape; by maintaining efficient communications to keep our customers updated; and by delivering the best possible service at all times."

Nigeria: Ready for anything

No two days are the same in Nigeria. Though rich in resources, the country's infrastructure is limited and security is a daily concern. Neale Proctor, GAC Nigeria's MD, tells us what he and his team face.

"Every morning, we ask ourselves a series of questions. Did the grid power go off overnight? Did the GAC office and guesthouse generators kick in? Is the water running? Has bad weather knocked out satellite links and communications to the outside world, or did our systems upgrade overcome any problems? Is downtown traffic at a standstill? Should we take the company speedboat instead of the car?

These are part of our daily checklist. Thankfully, by having control over essential services and the right back-up equipment and people in place, we keep inconveniences and disruptions to a minimum.



Satellite technology can overcome local communication difficulties.

Nigeria is a high cost location - a surprise to many who have never lived or worked here – and the business environment is a challenge. Keeping your 'eyes wide open' is essential when doing business, as some things may not be as they first seem. Could it be a scam? Is someone putting personal gain ahead of the interests of their organisation? Did we get our message across as we intended? To counter these pitfalls, clear, unambiguous communication is a priority as well as constant vigilance and close supervision.

Kidnappings, robberies, piracy and attacks on oil installations and related businesses are common, so security is a major issue. At GAC Nigeria, we have learned to recognise threats, assess risks and take appropriate precautions to protect customers, staff and property. Even the simplest measures can make a difference, such as:

- Knowing your environment at all times
- Avoiding traveling at night
- Not taking unnecessary risks
- Keeping car doors locked at all times



GAC's company speedboat is sometimes a better solution than taking to the congested streets of Lagos.

- Using only reputable airlines and transport providers with proven track records.

Nigeria is not for everyone. To do business here, you need patience, a spirit of adventure, an understanding of the local culture, a willingness to roll your sleeves up and 'get stuck in', resilience, and a sense of humour. "

Turkmenistan: Apapting to climate - Building relations

GAC has 16 vessels and a barge in Turkmenistan serving energy clients in the Caspian Sea. As General Manager Gerry Rowlands reports, there is more to operating our fleet there than in many other countries.



Icy conditions in winter can cause problems in Turkmenistan.



"Simply noting how many vessels we operate here cannot fully explain the work that has gone into expanding GAC's Turkmenistan operation over the past ten years.

The country has no domestic marine services so all repairs and maintenance are carried out in-house. Another challenge is the extreme weather conditions which range from snow and ice in the winter to scorching dry heat in the summer. Then the bureaucracy requires GAC to follow

sometimes cumbersome local rules and regulations by the book. This can be very frustrating, but 'when in Rome'...

By employing over 350 people locally and working closely with the port authorities, GAC is developing a long-term relationship in Turkmenistan. By applying the GAC Spirit (and sometimes taking very deep breaths and counting to ten) we have learned how to work well here, and we are now further expanding our marine services and developing logistics services."



Dubai: Regional hub - local issues

Every location has its challenges – even those at the centre of regional business - as GAC Dubai's MD Peter Bengtsson explains.

"The past ten years have been marked by unprecedented growth for Dubai and the world has come to see it as a fully developed place. While that is true in many ways, there are still gaps between expectations and reality.

Dubai depends heavily on foreign labour and there are things to be taken into account that wouldn't be an issue in other countries. Recruitment is far from simple and employers sometimes have to negotiate a bureaucratic obstacle course as well as language barriers and potential repatriation costs when recruiting. Training too can be a problem, as new joiners come from diverse backgrounds.

There are also inherent business risks in the speculative nature of an emerging economy. An aggressive growth plan and rapid decision-making are hallmarks of a place that has achieved much in a short time. The Government has a number of plans to achieve long-term growth but there have been frequent and sometimes drastic policy shifts, with little or no notice, which have had a profound impact on companies here.

Despite the challenges, however, GAC has firm foundations in Dubai, going back decades. It is the largest single operation in the GAC Group and we have developed excellent relations with the authorities, as well as a strong local infrastructure and a loyal core workforce."

Pakistan: Potential amid problems

Rich in culture and resources, and yet still labelled a developing country 60 years after its birth, Pakistan is considered by many to hold great promise. One who holds that belief is GAC Pakistan's MD Ronnie Knowles.



Pakistan shares borders with India, Iran, China and Afghanistan.

"These days, Pakistan hits the headlines for the wrong reasons. Terrorist attacks, suicide bombings and street crime are daily occurrences, and coupled with the economic downturn, political instability, choking red tape, daily power shortages, and personal security concerns, you could ask the question 'Why am I here?'.

For me, the answer is easy. The country has enormous potential - and that view is reflected in the commitment of the GAC Group and its partners, local shareholders and staff here.

This year marks 25 years since GAC Pakistan opened, and many of the challenges we face today are similar to what we faced in 1984. Then, as now, the country's geography and politics have created obstacles to growth. Investment has focused more on military and security-related development than on public infrastructure, trade and commerce, and industrial projects.

However, GAC's history here shows that if you apply a little common sense, practice business in an ethical manner, and have the support from your colleagues, those risks can be reduced and substantial long-term rewards enjoyed.

Living in a challenging environment teaches you to adapt and develop new skills. In many instances, you have no choice other than to think beyond the accepted wisdom. The personal satisfaction of helping people achieve their own objectives under difficult conditions can be its own reward."

Indonesia: Scattered!

For a ship agent there is no greater challenge than working in a country with about seven thousand inhabited islands stretching more than 5,000 kilometres between Asia and Australia. There are hundreds of ports spread around Indonesia's 33 provinces and each province has its own unique culture

and language. Abdul Latheef, MD of PT Andhika GAC in Indonesia, tells us how his team meets that challenge.



Some offices at remote Indonesian locations have only basic facilities.

"GAC's spirit of serving its clients promptly can be difficult to sustain in a country of thousands of islands and languages. Many ports are remote and communication and transportation are really only good in big cities such as Jakarta, Medan, Surabaya or Denpasar. In remote areas like Irian Jaya, the available technology is basic and local agent offices can be little more than a house with (usually poor) telephone connections. And whenever dealing with government officials, bureaucracy can add another layer of challenge.

For those reasons, our Operations staff often face problems obtaining up-to-date port information. And yet, thanks to their local knowledge and excellent relations with agents and port administrations, they overcome these daily problems.

Close person-to-person relationships make the difference, especially when we are called on to deal with immigration matters or emergency evacuations. True to the GAC Spirit, we value hands-on contact with the people we work with, and professional friendships are carefully nurtured. Where there are difficulties at a remote port, we make a point of sending staff whose family come from the area in question, as their understanding of the local language and culture can be pivotal in reaching a solution to most problems."



Sponsorshi



Scrum support

The Bradford Bulls has become the first rugby league team to join the GAC Group's sponsorship stable.

One of the biggest names in the British Super League, the Bradford

Bulls clinched all of the major honours in 2003 (Challenge Cup, Super League Championship, World Club Championship and Minor Premier) and repeated their Challenge Cup victory in 2005. Bradford

was one of the world's first rugby league teams and one of the original 22 rugby clubs that formed the Northern Rugby Football Union in 1895.



Volleyball Exposure

GAC has received prime time TV exposure in Brazil through its sponsorship of volleyball Superliga team, Santo André.

"Volleyball is hugely popular in Brazil," says GAC Brazil's Managing Director

Rodrigo De Marco. "After football, it is the most watched and played sport in the country, and we've had a string of Olympic successes in all categories, culminating in a Gold Medal in the Women's Indoor

competition in Beijing last year. In fact, Brazil has won more Olympic medals than any other nation."

Superliga recognition

Now in its 15th season, the Superliga Brasileira de Voleibol is the country's top volleyball league.

Superliga teams take their main sponsor's name, so the team has been known as GAC Logistics Santo André since Day 1 of the agreement, giving a massive brand awareness boost for the GAC name and logo.



Prime time exposure

GAC Logistics Santo André's second match of the season was broadcast on SporTV, Brazil's principal sports channel, giving GAC 90 minutes of prime time exposures.

p round-up

To the pistes!



GAC Qatar has secured a place on the pistes for the 2010 Winter Olympics, with its sponsorship of Swedish snowboarder Daniel Biveson.

Ranked among the world's Top 10 snowboarders for eight consecutive years, Daniel has been Swedish champion six times and Swiss champion once. He is a four-time World Cup winner and twice finished as a finalist in the Winter Olympics. In his debut World Cup race as GAC's brand ambassador, in Quebec, Daniel finished in fourth place, and he is looking forward to even greater success with GAC by his side when he competes in the Winter Olympics in Vancouver next year.

Speed and precision

GAC Qatar General Manager, Michael Stureson says: "We chose snowboarding because it's a blend of speed and precision – exactly what our customers look for in a shipping and logistics partner. Supporting a winter sport also gives our global brand awareness a massive boost in other regions where GAC Qatar might not be as well known."

Prime time exposure

Daniel will carry the GAC brand on all his training and racing gear throughout the 2009-10 season. Races are broadcast live on major TV channels globally including Europe, Asia and America, such as ESPN in USA and ZDF in Germany.



Sterne tees off in Houston

Brand ambassador and pro golfer Richard Sterne played a round or two for GAC in Houston when he was in the States recently.

He shared the fairways at Houston's Blackhorse Golf Club with important GAC customers from Chevron, BG LNG,

ConocoPhillips, Sunoco, Valero, Cheniere and Technip. The occasion also gave GAC USA's President, Bob Bandos, the chance for a reunion with former GAC men Greg Marcarelli (now with ConocoPhillips) and Steven Gibson (now with Technip).

Supporting Olympic dreams

GAC has signed a deal to sponsor the Beckenham Swimming Club, which has high hopes of producing British winners at the London Olympic Games in 2012.

Track record

Beckenham Swimming Club has a proven track record in turning out world class swimmers, says its Chairman, Richard Collins.

"We have coached 18 Olympians, four of which set new world records," he says.

Supporting potential

William Hill, the GAC Group's Vice President – Logistics Services, says: "This latest sporting association demonstrates



the GAC Group's global and forward-thinking support of promising athletes at grass roots level.

"GAC has built close relationships throughout the world of sport and our specialist GAC Sport Logistics arm recognises the time-critical nature of sporting events, meeting the needs of organisers and all of their partners, whether they are sponsors, teams, broadcasting, hospitality or merchandise companies."

Q & A:

Anthony Mollet



- Born:** 10 April 1979, in Swansea, South Wales.
- Family:** Married to Helen, a primary school Acting Deputy Head Teacher, and father to two-and-a-half-year-old Oscar.
- Before GAC:** Worked for Shell Trading and Shipping for 6 years in Shipping Finance, Port Agency Management and – finally - Bunker Procurement. Worked for a bunker broker company before joining GAC.
- Joined GAC:** In May 2007, as Marketing Manager for GAC Bunker Fuels (GAC BF) in London. Promoted this year to General Manager.

Congratulations on your promotion to General Manager of GAC Bunker Fuels. How do you view the challenges and opportunities ahead?

It's certainly an interesting time to be taking over the role, considering the condition of the market. I'm excited, enthusiastic and looking forward to tackling the challenges.

GAC BF has an extensive customer base and we have to maintain the volumes of fuel traded as well as healthy margins on every deal. Despite the challenging times, GAC's strong global presence and team spirit stand send a powerful message to the industry.

What impact is the current economic crisis having on the bunker business?

Very significant and evident. Some ship owners, operators and charterers are experiencing severe hardship and cutting operations. The news is alarming, with some companies unable to pay their bills – and that includes bunker invoices.

How does GAC go about risk and credit management during these volatile times?

I'm lucky to work for a company with excellent controls and procedures, which have recently been re-reviewed in light of the new economic climate. The GAC Group also has excellent internal intelligence in the form of shared databases and inter-company communication.

We are also talking to a major credit reference agency about getting access to online reports and information covering the entire marine sector, in line with changing fuel prices, exposure and dramatic changes

in the way some companies operate.

Our goal is for Bunker Fuels to be proactive, not reactive.

If you were a golf club, what would you be and why?

If I'm a golf club, then I can't be a very good one, as I have ended up in bunkers.

GAC BF is a global bunker fuels provider. How does global coverage benefit the clients and the industry?

We offer consistency of approach across all regions. Local offices and colleagues manage a relationship and develop the understanding of a customer's needs and expectations, and that office then becomes the single point of contact for the customer's enquiries globally, in liaison with from one of our seven bunker offices.

We also rely on our colleagues at GAC's network of ship agency offices to give us up-to-date news of port congestion news, barge loading times, fuel availability, product specifications, and other local information that can affect bunker supplies and delivery - all with a phone call within GAC.

What advice would you give anyone considering entering the bunker business?

I strongly recommend the work. It's fun, fast-paced and develops self confidence. It gives you the chance to get international exposure to clients and work with people with different cultures, languages and business styles.

However, it is worth bearing in mind the phrase: 'If a deal looks too good to be

true, it probably is!' So, no matter how keen you are to close a deal, always act with caution and within procedure guidelines.

Do you see a consolidation trend in the bunker industry in coming years?

It's very likely that we'll see further consolidation of trading and independent brokerage companies. With high fuel prices and smaller margins in the market, it's getting much harder for some companies to operate. One of the main issues is securing credit in order to trade with major suppliers. Long-standing relationships and 'trust' will no longer be sufficient to achieve and maintain credit lines. Larger, reputable companies are better equipped to survive volatile changes in the industry.

What do you consider the three essential ingredients for business success?

- Develop 'Helicopter Vision': Everything that is successful is generally balanced but there are always ups and downs. A business model and sound structure that enables all staff can see their objectives clearly and role as part of a whole.
- Understand people: Business can't be done without understanding the customers, their needs and their expectations. Equally, you can't run a successful business if you don't understand your colleagues.
- Be patient: It's rare indeed for your desired answer or outcome to be achieved straight away. Time, caution and diligence are usually needed to conclude a matter. Being the father of a young son is teaching me all I need to know about patience!



Will we need to rethink the way we do business in light of the current economic climate? If so, how?

We have already responded to the changes by reviewing all procedures. We carefully consider every bunker requirement, customer history, payment performance and their position in the market.

It's becoming more important to target ship owners and operators directly to develop the close understanding of their operations. In a climate of claims, non-payments and defaults, our ability to secure assets and repayment is weaker if our dealings are through other traders.

What fuel do you think ships will be using in 2050, and why?

It is widely accepted that we will see a rise in the use of distillate fuels as a primary source of energy. However, if the margins are not there for the refiner, will they bother to produce enough to meet demand? Reconfiguring and reconstructing refinery plants to produce higher volumes of gas oil would be expensive and time consuming. Deadlines continue to be set by governing organisations imposing new laws on the use of bunker fuels in the marine industry without producers and suppliers necessarily being able to confirm they can meet the new limits.

(The GAC Bunker Fuels team operates out of Houston, London, Cape Town, Cairo, Sharjah, Colombo and Singapore.)

Beating the elements to deliver on time



"Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds" may be the unofficial creed of the US Postal Service, but it could easily apply to the GAC Taiwan team.

Driving rain did not deter Allan Wang and his crew from getting three huge turbines from inland Taiwan to port where they were loaded aboard a ship bound for the USA.

The three turbines, each weighing more than 90 tons, were so big that they had to be loaded on to trailers in an open field near Bade City in Taoyuan Province.

Unfortunately for the GAC Taiwan team, the weather was not on their side. But the ship waiting at Kaoshiung Port had a set sailing time, so mud became the team's companion.

The long way round

To comply with regulations, the big

loads could not be driven to the port on the highway. Instead, a much longer route (nearly 500 km), with the trailers escorted front and back, was taken – still amid heavy rain. Despite the obstacles, the turbines arrived at the port on time and the vessel sailed later that day.

Praise

The dedication of GAC's Allan Wang, Janet Hsiao, Kenny So and their colleagues earned praise from Lars Kristiansson of Maritime Logistics.

"Without their tireless efforts, devotion to the project and sound judgment, this cargo would have missed the intended vessel with dire consequences for all involved," he says. "You expect a high degree of quality when engaging GAC, but this team went way beyond what anybody could reasonably expect to make this job a success. We faced many unforeseen circumstances and yet GAC worked tirelessly to aid our clients and the exporters in resolving them all."

GAC-Tomas Ruiz in Mexico

A century ago, Tomas Ruiz set up a port office at Coatzacoalcos, Veracruz. Over the next 100 years, ships calling at Mexican ports benefited from the Ruiz agency's growing experience. In 2008, after six years as GAC's sub-agent in Mexico, the agency stepped closer to the GAC Group to form GAC-Tomas Ruiz.



Administration

Top row (left to right): Ana Lilia Luis, Marbella Valdiviezo, Norma Rivera, Magdalena Padilla, Lidia Virgen, Eira Reyna, Rosa Delia Lopez.
Front row (left to right): Claudia Medel, Leticia Aguillon, Luz Maria Virgen, Carolinna Patiño, Ana Rosa Ahuet and Martha Padilla



Serving a growing sector

Mexico is a major oil-producing nation and its prospects as a producer of Liquefied Natural Gas have further strengthened its strategic importance to the global energy market.

The marriage of GAC's global reach and focus on the energy sector with Tomas Ruiz's unrivalled local experience creates an operation able to respond to the challenges of the energy and offshore sectors.

Operations

Left to right: Jorge Zamudio, Santiago Lopez, Enrique Soto, Victor Valencia, Moises Ferrando and Luis Kim



Mario (Operations Manager), Eugenia (Administrative Manager) and Daniel Ruiz (Director)

Nationwide network

Coatzacoalcos is still the head office, but GAC-Tomas Ruiz now has branch offices at Cavo Arcas and Dos Bocas in the Gulf of Mexico, and Salina Cruz on the Pacific Coast. With its nationwide network of sub-agents, the company has all the country's ports and terminals covered.

Services include ship agency, handling of crews and spares, bunkering, inspections, coordination of operations with shippers/receivers and communications assistance. Throughout the country, GAC-Tomas Ruiz's excellent long-standing relationships with the Mexican Authorities and business community add value to the services they provide.



Moves & Appointments

NSGAC Abu Dhabi



Nicklas Ebersson
Business Manager - Logistics

Previously:
Sales Manager for GAC Qatar.



Janaka Gunawardena
Business Development Manager - Shipping

Previously:
Business Manager – Logistics for NSGAC Abu Dhabi.

GAC Bunker Fuels, London



Anthony Mollet
General Manager

Previously:
Marketing Manager of GAC Bunker Fuels.



Jerzy Trafalski
General Manager

Previously:
Operations & Logistics Manager for Alliance Marine Services (AMS) Houston in Lagos.

GAC Singapore



Joergen Nielsen
Business Manager – Logistics Services

Previously:
Logistics Manager – Forwarding for GAC Singapore.



Gopalkrishnan Shrinivasan
Senior Project Manager

Previously:
IT Manager for GSL Jakarta.

GAC Shipping Marketing Office, Hong Kong



Clarence Chan
Senior Marketing Manager

Previously:
Marketing Manager.



Adi Habsoro
Operations Manager

Previously:
Deputy General Manager for PT Jardine Tangguh Transport Services.

GAC Global Hub Services, Dubai



Gustav Eriksson
IT Project Manager

Previously:
Project Manager of Mantacore AB, Sweden.



Gulf Xiamen

Patrik Lundin
Branch Manager

Previously:
Commercial Manager for GAC Shanghai.

GAC Logistics do Brazil, Rio de Janeiro



Robert Olsson
Marine Representative

Previously:
General Manager, Shipping for GAC USA.



GAC USA

Darren Martin
General Manager, Shipping

Previously:
Senior Shipping Marketing Manager for the Americas.

GAC Shipping Marketing Office, Houston



Ana Silveira
Marketing Manager (Central & South America)

Previously:
Hub Coordinator at the GAC Houston Hub Agency Centre.

LOOKING FOR CONTACT DETAILS?

Many GAC staff are listed in the directory section of the GAC website: www.gacworld.com. Just type in the surname of the person you are looking for in the Name Search field in the "Directory" section of the site.

GAC and Chevron bring *pedal power* to a good cause



GAC's Neil Godfrey, Sami Younis, Peter Osterman and Mark O'Callaghan will be pushing their pedals, together with Chevron's Chris Hendry and Gareth Ogden, as part of September's Tour Pour La Mer 2009 to raise funds for The Mission to Seafarers.

Already in training for the event, the guys will ride from Antwerp to Amsterdam via Rotterdam over two days.

They are also hard at work drumming up support and pledges for sponsorship. All funds raised will go to The Mission to Seafarers, which cares for the spiritual and practical needs of all seafarers regardless of nationality or faith. The Mission has a network of chaplains, staff and volunteers in 230 ports worldwide.

Further details of the event are available from www.tourpourlamer.com. To sponsor the GAC-Chevron Tour Pour La Mer 2009 team, go to www.justgiving.com/gac-chevron



This year will be the third time that GAC cyclists take part in the Tour Pour La Mer. Their past efforts have raised almost £5,500 for The Mission to Seafarers.

