



For professionals in shipping and logistics

world

No.2 Apr 2010



The Chairman



Continuity...

Leaders give shape, clarity and purpose to the businesses they lead. They do it by their decisions and by their presence. Leaders stand for something and every leader stands for something different.

Björn Engblom is celebrating 21 years as Chairman of the GAC Group. In that time, he has stood for continuity, for relationships that last, for quality, and for the idea that staff are people and deserve care and support. He still does.

He has also stood for innovation and the search for new services and new places to deliver them. He still does.

In this edition, he talks about what his 21 years in the chair have taught him about doing his job.

New Solutions

In February, GAC Solutions and the National Maritime College of Ireland launched a high quality training initiative that will provide advanced skills and knowledge for maritime personnel, particularly those working in high risk areas onboard tankers or on terminal jetties.

This initiative takes the form of GTSS - GAC Training and Service Solutions - and in the International Maritime Organisation's "Year of the Seafarer" it couldn't be launched at a better time (learn more starting on page 4).

STS plus

Also new on the radar is GAC's partnership with Mariflex Group to extend our ship-to-ship transfer operations. Mariflex's extensive experience in a range of maritime services ties in with our own global reach

to bring new value to customers (see page 9).

We look further into the challenging world of STS with 10 Questions to Capt. Ray Taylor, General Manager of GAC Transfer Services (see page 14).

Integrated

In the UK, our two operations there have become one with the merging of GAC Logistics UK with GAC-OBC Shipping. Among other advantages, the move is expected to strengthen GAC's ability to deliver integrated service packages to the North Sea energy sector.

Brand view

One of our good customers is ALE and in this issue's "Insight" its Middle East Executive Director, Richard Peckover, reflects on exactly why ALE stays with GAC. He concludes it's more than the words and promises contained in our brand. Indeed it's all about what lies behind the brand.

Speaking of branding, GAC has teamed up with the AT&T-Williams Formula One racing team in a deal that combines sponsorship and VIP hospitality on race days with a hard-nosed commitment to reduce logistics costs for the team.

And branding was evident in Kazakhstan when for the second year, GAC's Laurance Landon organised a 3-city Comedy

Tour, providing laughs, promoting GAC and raising funds for children with disabilities.

To discover the roots of a good brand, you need look no further than GAC pioneers like K.O. Mathews. When he retired from GAC Oman in the mid 1980s it was not with the aim of enjoying a relaxing retirement. Instead Mathews pushed on to found GAC India and build a whole new business for the Group, thus nurturing both the GAC brand and the GAC Spirit. Read about him on page 16.

Standing for something

GAC's brand stands for something. We talk about global reach, quality services, long term relationships and so on. Our brand is also a reflection of how we are led. For the past 21 years, that job has been Björn Engblom's. There are countless staff and customers scattered across the globe who have cause to be thankful for the values he has championed. Long may it continue to be so.

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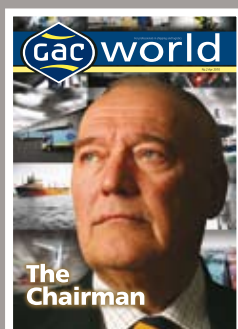
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LEAD



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GAC Training & Service Solutions

Training tie-up targets maritime skills and safety



In February this year, GAC and the National Maritime College of Ireland launched GAC Training & Service Solutions (GTSS). Its purpose: to meet a growing need for quality maritime training courses, particularly in high risk operations.

"We were thinking about how we could offer training options to our clients, especially after discussions with a key LNG customer," says Chris Isherwood, GAC's Business Development Manager. "After all, when you're operating within a billion dollar terminal, with a ship worth 225 million and cargo valued at 25 million, you need the best people to protect your interests - and the best people are delivered through the best training."

Enter NMCI

The National Maritime College of Ireland is a USD 100 million institution established in 2006 by the Cork Institute of Technology, the Irish Naval Service and the Irish Maritime Development Agency. Its commercial division, NMCI Services, was formed in 2008 to offer courses to industry.

For Chris Isherwood, the college was the answer he was looking for: "The NMCI has state-of-the-art facilities including a suite of 17 bridge simulators, electrical, mechanical and welding workshops and a survival pool with wave machine, wind turbine and realistic visual and sound effects. Quite literally, the college can

provide an experience as near as you can get to the real thing without actually being there."

More training, less risk

The specialised demands of the tanker sector are catered for with courses like 'Shipping & Oil Operations' and 'Oil Tanker Operations at the Terminal' incorporating the ISGOTT (International Safety Guide for Oil Tankers & Terminals) Guide, which is widely regarded as the definitive authority on jetty operations. These courses are enhanced by innovative Return-To-Scene (R2S) digital photographic imaging.

Specialised modules, including 'Laytime & Demurrage', aim to blend the practical skills of an operator with the commercial knowledge that is essential for business today. Jetty Operations courses include modules on health and safety, environmental, security and maintenance.

Other courses cover superintendency and a range of supplementary subjects such as weather routing, ship familiarisation and Customs training.



Ship and shore

Chris Isherwood says the partnership allows both parties to bring courses to the table.

"We can mix and match our resources to meet specific customer needs," he says. "NMCI is such a fantastic asset for generating interest and enquiries and most importantly we can provide both ship and jetty training thus fulfilling training needs on board and on shore."

Courses can be held online, on-campus, in clients' premises, or in a tailored mix of the three. Indeed, it is the ability to customise courses, both in content and delivery location that adds extra value to what GTSS is offering. Nobody disputes the need to have trained officers and crew. Getting the training to them efficiently and effectively is the challenge.

NMCI Services' Commercial Manager, Conor Mowlds, says: "Optimally trained staff and crew crucially reduce physical, environmental and financial risks. By joining forces with GAC we are now able to provide the LNG and tanker markets – as well as other commodity and maritime sectors – with customised courses covering all aspects of vessel and cargo operations for seafarers and operations personnel."



The College

The National Maritime College of Ireland is located in the city of Cork on a 10-acre waterside campus. It's less than an hour by plane from London. Facilities include:

- Bridge simulator suite including 360 degree vision
- Survival pool fitted with wave, wind turbine, drenching, visual and sound effects
- Helicopter underwater escape training
- Marine jetty fitted with freefall and davit lifeboats with pontoon and slipway access to Cork harbour
- Damage control unit specialising in flooding simulation
- Fire fighting unit
- Communications laboratories
- Electrical, mechanical and welding workshops
- Seamanship workshop
- Conference facilities

High risk areas

The partnership between GAC and NMCI was developed during 2009. Christer Sjödooff, GAC's Group Vice President – Solutions, says the challenge now is to demonstrate the benefits of GTSS's offering to the market.

"There is no shortage of training colleges and institutes around the world," he says. "But we saw an opportunity to diversify and offer greater value to our clients by joining forces with the NMCI. What GTSS offers is superb, leading-edge facilities, expert lecturers and trainers, and a clear focus on being a quality leader in the field. Our particular interest lies in providing elite training to personnel operating in high risk areas such as LNG and Chemicals."

"Take, for example, a situation where the Master of a vessel is taken sick or cannot perform his duties properly. Having another ship's officer fully trained and qualified to fulfil his duties saves time, money and delays."

"We believe skills and discipline are what is going to separate GTSS graduates from others so that is what we're going to deliver."

GAC offices boost their FIDI credentials



GAC Dubai has achieved the highly-regarded FIDI-FAIM ISO standard, the only global quality certification for the international moving industry.

This follows a rigorous audit of the company's activities by Cap Gemini Ernst & Young on behalf of FIDI (International Federation of International Furniture Removers). The Belgian-based alliance has more than 500 members in 100+ countries.

Bahrain too!

GAC Bahrain has also secured its FIDI FAIM quality assurance standard for a second four-year term. The company remains the only accredited service provider in the Kingdom.





Insight: The power of the brand – and the power behind it



Richard Peckover, Executive Director of ALE in the Middle East, has a long-standing relationship with GAC. His company uses GAC Marine's fleet for heavy lift transportation projects and is a regular customer of the Group's shipping operations in the region and further afield.

But GAC is not the only player in the game. Here, he discusses what keeps ALE coming back for more.

“In our line of business, we require a wide range of support services: hire of barges, tugs and landing craft; customs clearance; vessel agency work; project support; shipping and transportation services. In the Middle East, there is no shortage of providers to choose from. And yet, we keep coming back to GAC. The question is: “Why?”

That's precisely what came to mind when I was considering our relationship recently. At first, I wondered if it was



simply the in-built human trait to go for the easiest option – “we’ve always used GAC, so just keep doing it”. That’s not necessarily a bad thing – an established relationship and good track record are important factors in getting a job done, and done well – but, upon consideration, I realised there is more to it.

The C Factor

Although at face value there might be other options which seem more beneficial financially, something else keeps us loyal – consistency. That’s the ‘C Factor’. That’s what makes the difference.

True, the GAC brand is a strong one, but it is much more than window dressing. Without the guarantee of high levels of service, built on local expertise and experience, that brand would collapse.

It’s an important message – one that enables customers to rest assured that they’re dealing with people who

understand their business and their specific requirements. Its value cannot be overstated.

Branding 1.01

I have always been cynical about branding – thinking of it as a little more than a name, a fancy logo and some pretty marketing pictures. However, our own recent re-branding exercise forced me to rethink.

A corporate brand is defined as “the means by which a company refines its identity and sustains its reputation”. To achieve that, it must be collectively owned and accessible to staff, suppliers and customers alike, and reflect (and be reflected in) the quality of the service offered by the company.

Looking at the way GAC launched its updated logo a couple of years ago made me realise that it is not the image that keeps ALE and other companies like us on board. Rather, it’s the power behind that brand.

Delivering on promises

Some experts claim that an effective brand can have close to three more impact on bottom line profit than operational efficiency. But how strong (or sustainable) can a brand be if its operations do not or cannot deliver on the promises it makes?

That’s why the argument about the power of the brand fails to convince me. Would ALE use GAC services again and again if it didn’t deliver to our satisfaction? I should hope not.

It is consistency and the core company values that bring us back. And that is an important lesson for any marketing department to learn.

As ALE heads down the re-branding road, we are determined to stay focused on one simple fact of life. That it is people, values, consistency and delivery that define the true power behind the brand.



News Beat



RECOGNISED:

GAC India, by Oman Air, for its outstanding achievement in booking maximum cargo volume from Cochin during 2009. The airline named GAC the top performer among Indian cargo agents it works with at Cochin International Airport.

DELIVERED:

Two spectacular racing yachts to Bahrain's Amwaj Marina for Team Pindar, one of the world's leading independent sailing teams.

The arrival of the two 60-foot Volvo yachts marked the first phase of the Sail Bahrain project, which offers unique sailing experiences in Bahrain and throughout the Middle East Gulf. Operated by Team Pindar, both Volvo 60s are available for corporate hospitality, team-building and charters. Though based at Amwaj Marina, the yachts also offer a platform for bespoke marketing opportunities at key locations throughout the Gulf.



APPOINTED:

GAC as Höegh Autoliners port agents for Sri Lanka from September 2009. The first vessel handled under the GAC agency was the "Hoegh Kunsan", capable of handling heavy-lift and project cargo. GAC marked the ship's inaugural call with a reception attended by Port Authority representatives, and a commemorative plaque was presented to the Master of the "Hoegh Kunsan".

...and GAC Qatar, as agents for Australian company Neptune Marine Services, which has been awarded the inspection and upkeep contract for Qatargas platforms, offshore pipelines and sub-sea connection facilities within the Arabian Gulf. GAC Qatar will be responsible for meeting all Neptune's husbandry service needs for the duration of the Qatar gas contract.

FULLY LICENSED:

GAC Brazil, as a Customs Broker, giving full control of the customs clearance services it provides to importers.

Managing Director, Rodrigo DeMarco, says Brazil has some of the world's most complex customs clearance procedures and documentation. GAC's new status as a fully licensed Customs Broker, coupled with experienced staff with knowledge of local conditions and regulations, brings efficiency to the administration of imports. To eliminate unnecessary costs & delays, GAC Brazil offers forwarding and brokerage services under a single umbrella.

WON:

The Noram Cup in Steamboat, California, by GAC's sponsored snowboarder Daniel Biveson. As GAC brand ambassador, Daniel takes our logo to world class snowboarding events round the world.



AWARDED:

GAC has won the 'Maritime Services' award at the 2009 Lloyd's List Middle East & Indian Subcontinent Awards (MEISC), the leading awards event for the region's shipping industry. GAC was recognised for its adaptability and initiative in the current market through its new service offerings, including GAC Ship Lay-Up Solutions (GLUS).

SHIPPED:



25,000 mt of bagged rice from Lake Charles under GAC USA's agency, to Papua New Guinea. A bumper rice crop in the Southern USA has prompted multiple shipments from ports such as Lake Charles, to destinations in the Far East and Oceania.

GAC & MariFlex go Ship-to-Ship



GAC Transfer Services and European STS service provider MariFlex have formed an alliance to provide a wider range of Ship-to-Ship (STS) transfer services and choice of transfer locations across Europe, Asia, the Middle East Gulf and Indian Ocean.

GAC Transfer Services – Powered by MariFlex (GTSM) combines GAC's global reach with MariFlex's expertise in a range of key complementary maritime services, bringing a combined 60 years of experience in the delicate business of water-borne transfer of dry and liquid cargoes.

More locations

STS operations are offered from more than ten bases, including Rotterdam, Amsterdam and Flushing in the Netherlands, Frederikshavn and Kalundborg in Denmark, Gothenburg in Sweden, Gibraltar, Malta, Cyprus, Malaysia, Vietnam, the Middle East Gulf and Indian Ocean.

Skills, equipment, expertise

"Transferring dry or liquid bulk from ship-to-ship is a highly technical and challenging operation that requires not only specialised skills and equipment, but also rapid mobilisation capability and in-depth experience in dealing with contingency situations", says Ruud Cogels, Managing Director of MariFlex. "GTSM has the skills, equipment and network to handle any STS operations safely and seamlessly."

Safety first

Every liquid bulk and gas transfer operation is carried out in accordance with the guidelines set out by the Oil Companies International Marine Forum (OCIMF) latest edition and International Chamber of Shipping (ICS) Guidelines, with strict adherence to safety regulations.

21 years in the Chair

Björn Engblom became Chairman of the GAC Group in 1989, but he started practising to be a leader decades before. It shows.



In his early 20s, Björn Engblom was working in a junior post for a small Ship Owner in Sweden. In his spare time he coached a local boys' soccer team. The joys and sorrows of leadership started on the football pitch.

"You learn about how to build a team, how to encourage people, how to discipline them, drive them, support them - how to give them the confidence to go further and do better," he says.

"You also learn that your best efforts don't always succeed."

Joining GAC

Engblom came to GAC Bahrain in 1969 and moved to GAC Abu Dhabi in 1970. At the time, his plan was simply to get some overseas experience, enjoy some sunshine, and then go back to a better paying job in Sweden. Maybe if he hadn't had so much fun or been so successful in building up GAC's Marine Services business he might have done just that. Instead he stayed with GAC and came to be number 2 in the Group

behind GAC's founding Chairman Bengt Lindwall. So it remained until May 1989, when Bengt Lindwall died and specified in his Will that Engblom would take over as Chairman.

The Changes

In 1989, GAC had about 68 offices and little more than 1,000 staff and managers. It was essentially a Middle East company with a few outposts in Asia, Africa and the East Mediterranean.

Twenty-one years later, it is a global organisation of 8,500 staff, more than 300 offices and many agency relationships around the globe. The achievement is substantial and Engblom quietly acknowledges his part in it. But he is wary about being too pleased with himself or with what's been achieved. "I wake up each day and I am happy - happy to go to work and continue to do what needs to be done for the Group."

GAC continues to nurture decades-old relationships with key shipping customers

and shipping services remain central to the Group's operations. But those services are being viewed in new ways as the 21st century rolls on. Integration is a key word in the Group's dictionary as it works to remain relevant and forward-thinking.

Strategic steps in Logistics and Solutions

Engblom sees the growth of GAC's Logistics business as an expensive but strategically important investment for the GAC Group. Without Logistics, he argues, the Group would be fundamentally weaker and unable to offer the range of services its customers want.

Similarly, he sees the work of GAC Solutions, the ideas hothouse of the organisation, as essential to the future success of the Group. "GAC Solutions is thinking about what comes next," he says. "What we have today is good and it's working, but we have to keep thinking about the future and prepare ourselves to be a successful part of

it. We have to try things. Maybe they don't work. That's OK. That's learning. Then we try something else. That way, we can get better, be relevant to our customers and stay successful."

The Academy

The biggest challenge Engblom faces is that he has so much power and so little control. What happens in those daily moments of truth on the frontline is completely beyond his reach. He can coach and guide, but others must deliver. That's why he's supported the development and growth of the GAC Corporate Academy.

"Our business is about people. We have people on the customer side and people on our side and for the connection to work, we need to give our staff every chance to learn skills, gain knowledge and see the bigger picture in what they do," he says. "The Academy has shown its worth in its first three years. The more it succeeds, the more our people succeed and that's ultimately for the benefit of our customers."

Be cool

After 21 years leading the GAC Group, Engblom knows the key requirements for leaders; requirements born in the heat of competition, growth, and customer demands.

"You have to be calm and collected," he says. "Losing your temper and getting overheated is rarely useful. Maybe sometimes it's needed but generally you need to keep a cool head."

Ears

"You have to listen well. I have found out that it's best to listen more than you speak. The more you allow people to express their thoughts and ideas the better able you are to make clear, informed decisions. You don't need to be flashy or extroverted to succeed as a leader. You do have to give your people every chance to be heard."

The Joy

Engblom often describes his job in sporting metaphors. He talks about passing the ball so that one of his team can score a goal. He relishes the idea of being the supporter of other people's success. To Engblom there is no greater joy than to watch a GAC manager take a big leap and land triumphantly on his feet. "In my time as Chairman, I have tried hard to give GAC company managers the freedom to act, to make mistakes and to learn from them," he says. "I want them to think of their companies as their own, to make decisions as they would if they were

their own boss, to truly know the freedom and the responsibility that comes from ownership."

The failure of irony

Scandinavians like Engblom enjoy their humour more bitter than sweet. The jokes are often subtle. Irony is plentiful. "But it doesn't work when you're boss of a global organisation," he says. "I had to learn that what I thought was a subtle and clever way of making a point, wasn't making a point at all. In fact it was missing the point because irony is not widely understood in the world and even less widely enjoyed. I learned that you have to speak your meaning clearly and straight, otherwise there is just confusion and wrong messages."

Trust

GAC is built on a culture of trust and personal relationships. These qualities started with the founder Bengt Lindwall and have been nurtured and sustained by Engblom. Sometimes it has led to deep disappointment and personal betrayal.

But when asked whether he would change the culture if he had the chance he replies firmly: "Never! For the few times that being lenient, tolerant and trusting has cost the Group and me personally, there are hundreds and hundreds of times when it has given GAC, and me, huge rewards. I would never want to see us become an organisation where people are just economic units."

Keeping confidences

Where trust is involved, so too is confidentiality. Engblom receives countless private words every day from his managers, staff members, customers, and confidantes. He has a policy of silence. "What is given in trust, remains in trust," he says. "I have a duty to those who confide in me to preserve their confidences so that they feel free to speak openly about important issues."

It's personal

Running a company on personal relationships and trust is difficult. It is also one of the clearest differences between GAC and just about every other sizeable company in the world. Maybe a few Asian conglomerates have a similar style. The family feeling in GAC is promoted by Engblom constantly. He knows that some GAC staff and managers don't like it or don't get it but he persists because he believes in it. And he believes it can exist and flourish even as the organisation becomes bigger, more global and more culturally diverse.

"We are only as good as our people,

so we should do what we can to show them that they are cared for and supported, both in work and outside it," he says.

The team

Throughout the 1990s, GAC grew bigger and transformed itself into a unique organisation delivering Shipping, Logistics and Marine services to the world. This was achieved not by Engblom alone.

He was busy passing the ball around and had some strong players with him on the pitch. Per Åke Jonsson, Göran Elfving and Lennart Höglund were his cohorts, his confidantes and his constant reference points. Per Åke drove Shipping Services to new countries and new customers, Göran secured the reputation and continuing success of Marine Services. Lennart championed Cargo Services as it was then called. "Lennart gave a lot of support to Bill Hill to go out and establish a logistics network for the Group," he recalls. "This made GAC into something that no other company in the world has achieved. We can offer our services separately or we can bring them together into integrated packages that fit a particular customer's needs. It's Lennart's legacy. It was a big loss to the Group and to me personally when he died in 2000."

The President

Until 1998, Engblom was both Chairman and President of GAC. In that year he agreed to share his workload and appointed Lars Säfverström as Group President. He considers it one of his smartest leadership decisions to date.

"Lars and I share the same ideas about GAC, but we also differ enough to give each other different views and approaches. We work closely together and it has been a great success for the Group to have had this partnership in place."

The voice

Engblom takes a call on his mobile. He answers in his deep voice with a single word: "Engblom." While there are many Björns in the world, there is clearly only one Engblom. Such a position is not inherited or bestowed. It is built. "Authority doesn't come from a title and it doesn't come from those above you," he says. "It comes from below. When people on the front line recognise your authority, then you know you have it. Until then it is only a title and some words."

The Chairman should know. He's been earning his authority for 21 years.



GAC Shipping, Melbourne

(37° 47' S, 144° 58' E)



Melbourne is the capital of the state of Victoria and Australia's southernmost major port. It is also where GAC Australia handled its first vessel shortly after opening 13 offices simultaneously in November 2007.

More than two years later, GAC's Melbourne team of Port Manager Anthony Felt and Operations Officer Sid Solmaz are handling a smorgasbord of vessels.

Portfolio

Together, they probably have the most diverse portfolio of principals and vessel types of any GAC office in Australia.

Melbourne is the country's largest container port with a throughput of 190,000 TEUs per month and GAC is heavily involved, looking after major lines like Hapag Lloyd and CMA CGM.

GAC Australia's close working relationships with a number of project cargo carriers mean the Melbourne pair also regularly handles heavy lift vessels and their cargoes - just to keep their lives interesting.

Further afield

Outside Melbourne, Anthony and Sid have the rest of Victoria's ports to manage including Westernport, Geelong and Portland.

And if that were not enough, the pair also manages port calls in Tasmania.

What do they do in their spare time?

UK services combined and strengthened

GAC has merged its shipping and logistics operations in the UK under the leadership of GAC-OBC Managing Director Peter Cole.



Former GAC UK Logistics MD, Stuart Bowie, goes to Dubai to take up the new post of Group Sales Director.

In the merged operation GAC-OBC becomes GAC Shipping (UK) Ltd,

alongside GAC Logistics (UK) Ltd, GAC's UK freight forwarding arm. GAC-OBC Business Travel is now GAC Travel Ltd.

Integrated

"Previously, GAC in the UK spoke with several voices to our international clients," says Peter Cole. "Now we speak with one voice and I expect this to bring both immediate and long term benefits in how we respond to their needs."

"We operate in a world where customers want more integrated service packages and the cost benefits that come with them."

"I expect the new organisation will provide unique options for our clients, from the Shetland Isles to Avonmouth, and all stops in between."

Supporting offshore energy

GAC UK combines a suite of shipping services at all UK ports with an equally broad range of clearing, forwarding, airfreight and seafreight services from its ten logistics offices – double the previous number.

Group Vice President for Europe, Mediterranean & Africa, Erland Ebbersten, says the UK integration will add strength to GAC's work in the offshore energy sector.

"Our services to the UK energy sector expanded in 2009 with new offices in Ramsgate and Harwich in support of the wind farm industry, and in Plymouth to meet the specific needs of our automotive fuels clients," he says.

"This adds significant muscle to the upstream and downstream logistics side of the industry. It also links in well with the continued northward march of our offshore support services, which have recently extended beyond the Arctic Circle."

Three Maidens

'Hello, goodbye' to Muscat

When the cruise liner "Ocean Village Two" sailed into Muscat for the first time in November, it was destined also to be her last visit to the Omani port. She was on her last tour of the Mediterranean and Middle East before being renamed and re-deployed to Australian waters.

GAC Oman was there to welcome the 245 metre-long ship, with 11 passenger decks and a distinctive dolphin-shaped stern, to Port Sultan Qaboos. The company oversaw her berthing as well as the disembarkation of about half of her 1,660 passengers for sightseeing ashore.

Tango in Abu Dhabi...

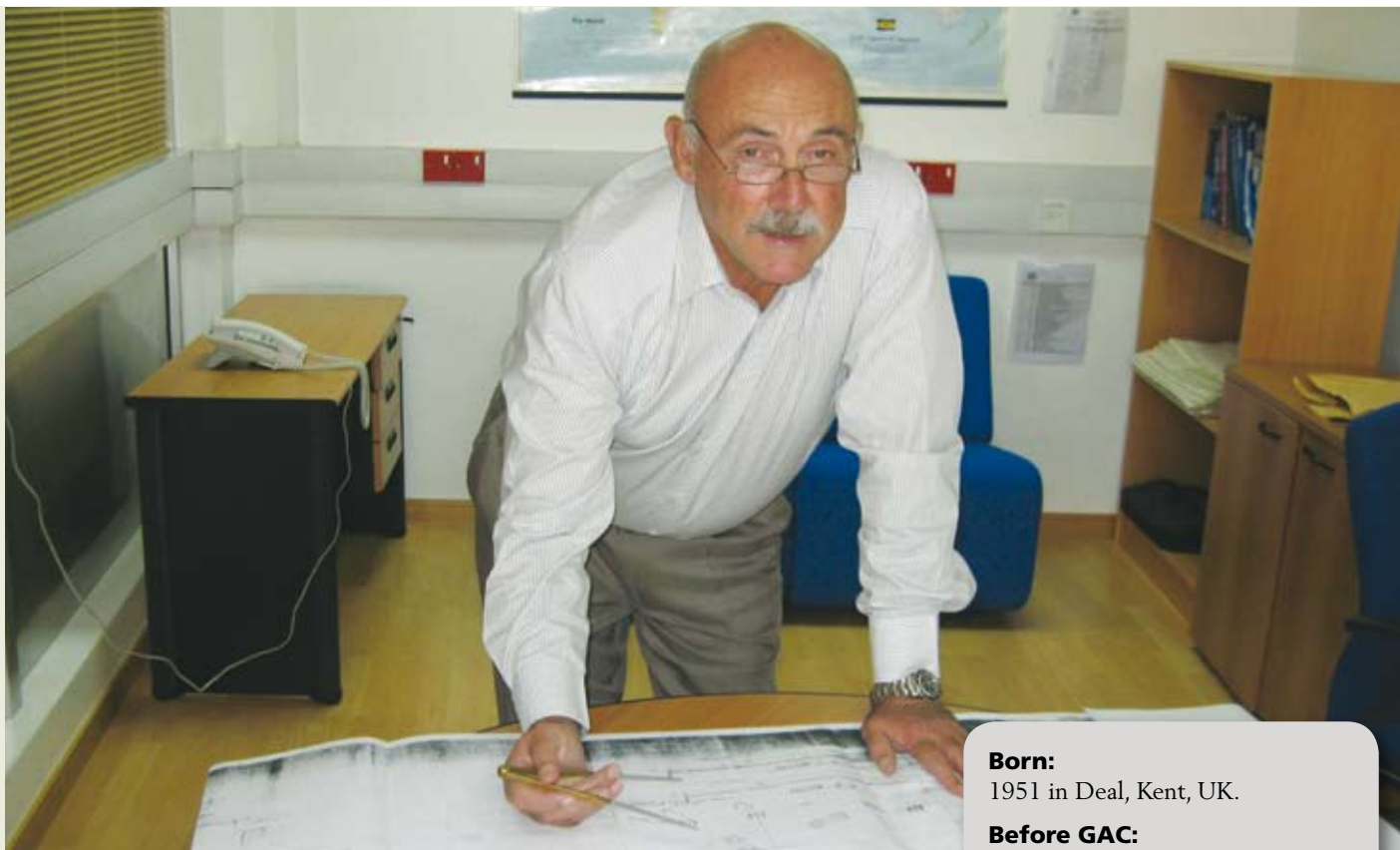
When the M/V 'Tango' made her maiden voyage to the UAE port of Jebel Dhanna, NSGAC Abu Dhabi marked the occasion with a commemorative certificate presented to her master, Capt. A.W.



Fernando. The 'Tango' was in Jebel Dhanna to load crude oil before heading to a Ship-to-Ship operation off Dubai, then topping up at Zirku Island. All three calls were under GAC's agency.

Piped...

A plaque was also presented to the master of the lino Kaiun Kaisha vessel MV 'Crane Island' when she made her maiden call to the port of Abu Dhabi, to discharge pipes.



Q & A:

Capt. Ray Taylor

When did you first start working in Ship-To-Ship (STS) transfer operations?

Around 1987. During the conflict between Iran and Iraq, the company I worked for was involved in a number of related operations including the handling of war casualties. It was hard work, as everything had to be done in a non-conventional way.

What are the biggest changes you have seen since then?

More stringent safety standards and, of course, the paperwork that comes with them. Everything, from equipment to personnel, now comes under the microscope. There has also been an increase in the number of STS operators, making it a very competitive market.

Which are the most common reasons that ship operators transfer cargo from ship-to-ship?

Most commonly, we meet the requirements of oil traders, buying and selling afloat. Specialist STS operations are also required when:

- port restrictions exclude vessels due to draft, age or condition;
- weather or congestion delays mean vessels miss their loading dates (charterers get another vessel to load it, then transship to the original nominated vessel);
- a vessel has a problem – like an engine breakdown – and is unable to continue the voyage;
- there are casualties, such as collisions or groundings;

Born:

1951 in Deal, Kent, UK.

Before GAC:

I went to sea in 1970 and came ashore in 1984 to work for a marine consultancy company. They moved me to the Middle East in 1987. A few years later I became a partner in a Dubai-based consultancy company and soon GAC became one of our biggest clients.

Joined GAC:

I joined GAC in 1995 when Gulf Transfer Services (GTS) was established in Dubai. Initially appointed as GTS representative, I was later made General Manager.

- crude oil and petroleum products are stored afloat (a practice which has increased massively in the past year, as a result of the worldwide financial crisis).

Which are the main commodities you deal with for STS transfers?

Crude oil, clean and dirty products and various types of gases.

What other services does Gulf Transfer Service provide?

We also supply highly trained and experienced mooring masters for offshore terminals.

What are the current hotspots for STS operations?

West Africa, Gulf of Mexico, Arabian Gulf, the East & West Mediterranean, Singapore, Denmark and the North Sea.

What role does weather play in STS transfers?

Naturally, the weather is a very important factor. Most STS operations are carried out in the open sea so good weather conditions are always hoped for. We set criteria for wind speeds, swell and wave heights - anything outside those limits and we abort the operation.

Given a choice between experience and qualification, what counts most in the Mooring Masters you work with?

There can be no substitute for experience. When mooring two tankers - no matter what size - you are effectively creating a controlled collision, so you need to be totally aware how each ship will react when they come together with nothing but rubber fenders between them. It's at this point of no return that a Mooring Master must be confident that the fenders are in the right position and can take the load, otherwise the consequences can be devastating. The Mooring Master acts as both pilot and loading master, but has also to be a diplomat to deal with a wide cross section of ships' crews of many nationalities.

How stringent are international guidelines and criteria for STS transfers and other operations you perform? How important are they?

They are becoming more stringent every year, driven by oil majors on the commercial side and environmentalists on the conservation side. Years ago, owners took the STS operating companies at face value. Now, many owners have their own questionnaires and requirements as set out within the Oil Companies International Marine Forum (OCIMF) guidelines, and they want to be satisfied the company nominated by the charterer has the personnel and equipment to do the operation safely and within their guidelines. When transferring hundreds of thousands of tons of oil between two vessels, the potential cost of damage or pollution if something goes wrong doesn't bear thinking about. In STS operations, there are usually no second chances.

How do you see the future of the sector?

Positive. There will always be a need for STS operations, and the industry has a very good safety record. Also, as no-one knows where the price of oil will end up during this decade, offshore storage is likely to continue to play a major role in oil companies' trading strategies.

Chopper swoop fixes mechanical problems

When an FPSO developed mechanical problems en route from Singapore to Nigeria, GAC Sri Lanka flew to the rescue.

As soon as the team was notified that the vessel would drop anchor off Galle, they began organising everything to deliver its owners' representative from Malaysia along with a surveyor to inspect the vessel.

Stormy weather

Unfortunately, the weather was not on side. High seas meant a launch could not be used. The only alternative was to charter a helicopter to fly the representative and surveyor out to the

FPSO. The best solution at short notice was the Sri Lankan Air Force.

Despite the challenges (not least security restrictions), the Air Force Bell chopper was airborne and en route from Colombo to the vessel's anchorage 3 nautical miles off Galle within two hours. It was the first time that the Sri Lankan Air Force had been involved in a commercial shore-to-ship operation.

Tugs

The owners of the FPSO were so satisfied with the service they received that they asked GAC's Sri Lanka team to arrange further support with tug boats for the rest of her voyage to Nigeria.

Monster load goes GAC from Korea to Saudi



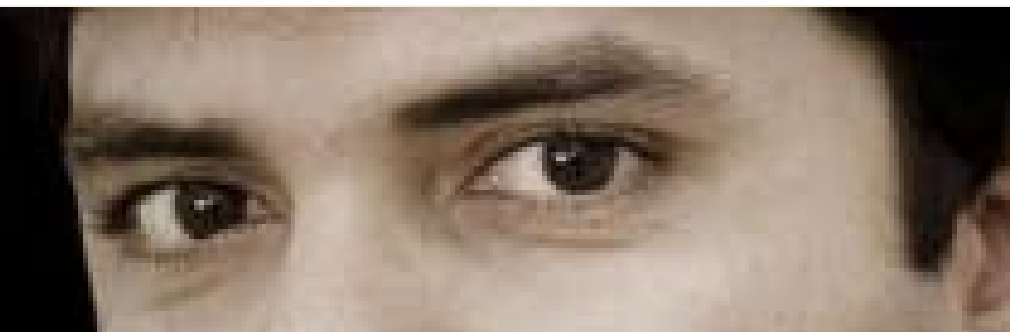
They were two of the biggest ever project cargo loads imported into Saudi Arabia - and it was GAC that cared for them all the way from Korea to the port of Dammam, and then overland to Riyadh.

The two 380KV transformers and their accessories each weighed 265 Metric Tons and measured 648 cubic metres. Imagine 20 standard containers

stacked together and you get an idea of the size of these beasts. They were destined for a Power Plant project.

At Masan Port in Korea, the massive machines were loaded using a heavy-duty floating crane, under the supervision of GAC Saudi Arabia's logistics team in cooperation with IACC (International Associated Cargo Carrier) before sailing to Dammam. There, they were lifted on to trucks that took them the 500 kilometres by road to Riyadh.

Abdul Aziz Al Hawaj, Managing Director of GAC Logistics Saudi Arabia, says: "We were driven by opportunity to go above and beyond our customers' expectations. In today's environment of uncertainty, a 'can-do attitude', coupled with personal service and local knowledge makes all the difference."



Steadfast



A vigorous old age often signals a vigorous youth. Such is the case with K.O. Mathews, 83 last December, and still casting his hawk eye over man and business. Greg Newbold profiles the man and his mission in the first of an occasional series on our GAC heritage and the people who built it.

K.O. Mathews was born in 1926 in Travancore, now part of Kerala state. At the time, the British still ruled India but they were increasingly troubled by a small man named Mohandas Gandhi who was using civil disobedience to press for independence.

Growing up, Mathews witnessed great changes in India's place in the world. Indeed, his was the first generation of Indians in more than 200 years to experience the freedom and the challenges that come with being one's own master.

Family

Mathews, his three brothers and three sisters were from a family with medium-sized land-holdings in the foothills outside Cochin. They made a decent living from the rubber, betel nuts, coconuts, coffee, tea and pepper they grew, but Mathews had no intention of going into the plantation life. He was driven by three essential keys to an adventurous life – education, ambition, and a sense of freedom. "I wanted to come up in the world and I was prepared to work hard," he says.

After completing his secondary education, he left for Bombay (now Mumbai) where he joined a bank. However, malaria cut his banking career short and he returned to the south. While recovering, he spotted a newspaper advertisement from the shipping group Gray Mackenzie. They wanted a shipping claims clerk in Bahrain.

Into shipping

Few things have scared Mathews in his life, and the fact that he had no shipping

experience did not deter him. He borrowed a blazer from a friend and went to the interview. It consisted of an essay and a maths test. He passed both and was asked to go to Madras (now Chennai) for a medical and to get a passport. Only after all the formalities were completed did he inform his parents that he was leaving India. It was early 1950, and Mathews was 23.



After a few years with 'Gray Mac' in Bahrain getting to know the shipping business, he felt it was time to move. Mathews considered an opening with Kanoo, a local shipping agent that needed a claims handler, but it was not what he was looking for. Then, he heard that a travel agent cum shipping agent called Gulf Agency Company was opening up. He had a successful interview with the local manager, a Norwegian called Knud Erichsen and joined the new company as Assistant Manager. The Keralite and the Norwegian settled down to wait for the first ships to arrive under their agency.

Dress shirt and silk trousers

They waited almost six months. Then the port calls started and soon the agency department was busy.

The first ship to berth under GAC's agency was a coal vessel and both Knud and Mathews boarded her. That was when Mathews learned that wearing a dress-shirt and silk trousers was not ideal for climbing rope ladders on dirty coalers at anchorage. And if going up the ladder was easy for the

plantation boy from Kerala, the thought that he would also have to climb down gave him a moment of panic.

Mathews stayed in Bahrain until 1962, by which time he had married his fiancée, Mariamma, and they were starting a family. During his time there, he met all the key GAC people including founder Bengt Lindwall, who holds a special place in the hearts of many GAC pioneers. Mathews too treasures his memory.

"I have not come across a man comparable to Bengt Lindwall," he says. "He was many things – a strict administrator, a truly caring person and a family man."

One of Mathews' fellow pioneers, Kurt Blom, had come to Bahrain as a manager. In 1962, he visited the ruler of Abu Dhabi, Sheikh Shakhbut, and obtained permission for GAC to start operations there. Mathews volunteered for the job and Bengt Lindwall sent him on his way.

Sand and scarcity

The early days in Abu Dhabi were rough. The sand was ankle-deep and ever present. Accommodation was very basic. Drinking water and electricity were in short supply. Working conditions and equipment were equally primitive. Mathews had charge of one wooden boat, one Iranian tug, one Saudi tug and some flat-top barges. These he used to discharge cargo from vessels in the open sea. Then he beached them anywhere along the Abu Dhabi coastline to be offloaded.

In those days, Tor Sandgren was the GM of GAC's Dubai office. As there was no telephone network and few roads, Tor purchased a shortwave radio set, so Mathews and he could keep in touch.

"I met a lot of good GAC people during my time in Bahrain and Abu Dhabi," Mathews says. "Nobody put me down. Indeed they were all like brothers. I always wanted to do new things, and they encouraged and supported my interests."

The fruits of honest labour

Even today, Mathews has little understanding of the concept of 'No'. With GAC, he pursued his goals and interests with relentless vigour. One of those interests was his desire to be his own boss. As the 1970s dawned he was urging Bengt Lindwall to let him set up a new GAC operation. Bengt eventually agreed and, in December 1971, Mathews became the GM of GAC Oman, in a partnership with local businessmen Bhaker Ali Abdul Latif and Ahmed Ali Abdul Latif.

Oman was to be Mathews' home for the next 14 years. In the beginning, it was the usual story: staying in a hotel and working from a desk in the partner's office. The country had few facilities and under Sultan Said Ibn Timur, Oman had been largely closed off from the outside world.

When His Highness Sultan Qaboos took over the Sultanate after a peaceful coup in 1970, the country had a long way to go to catch up. But developments came steadily as the seventies rolled on. It was, indeed, a happy conjunction of fortune to have a forward-looking ruler. It gave the Omanis a future and also secured one for GAC and for Matthews.

Under Matthews, GAC Oman became one of Muscat's leading agencies. By 1985, GAC was also Oman's first IATA agent with its own packing and removal division and P&I correspondents service.

During his time as GM, Mathews earned the respect of the Omanis through his hard work, his honesty and sincerity. Mathews' family and the Bhaker Ali Abdul Latif family became close and this friendship continued even after Mathews retired from Oman and returned to India.

Back to Cochin

When Mathews and his wife left Muscat in May 1985, most people said their goodbyes expecting him to fade quietly into retirement. They didn't know that a new company, GAC Shipping (India) Pvt. Ltd, had already been registered with the authorities in Kerala. Mathews was going to work again. He was 58 and there was a business to be built.

Initially, Mathews owned 100% of the company as India's regulations did not allow foreign participation at the time. These changed in 1996 and the GAC Group then became the major shareholder.

Onwards and upwards

By establishing and running GAC Shipping (India) Pvt. Ltd., Mathews showed his vision and great entrepreneurial spirit. Gandhi had called on Indians to do their own spinning and weaving, instead of sending raw materials to Britain and then importing them again as finished goods. This simple challenge to authority resonated with Mathews and his generation and announced to the world that Indians were not only capable but determined to do things for themselves.

India is a big country with many ports and terminals and a burgeoning infrastructure. From presiding over a single office in Cochin, Mathews is now the Chairman of a company with more than 23 offices providing shipping and logistics services nationwide and increasing its support for the growing offshore oil and gas sector.

Mathews remains closely involved in the strategic development of the company but leaves day-to-day management to his son Roy, to the MD, Paul Haegeman and to Anil Menon, the company's Shipping Director. It's worth noting that it takes three people today to do the work of one K.O. Mathews.

The Chairman's Award for Environmental Excellence

Going GAC Green

Environmental Award winners highlight wider benefits



Cost savings, higher efficiency and a very real contribution to local communities were among the outcomes from environmental initiatives implemented in 2009 by GAC offices around the world.

That's what GAC Group Executive Chairman Björn Engblom had in mind in January 2009 when he announced a major annual award to promote environmental protection and responsibility in GAC companies. He wanted to recognise good corporate citizenship and simple ways to achieve real improvements, without getting caught up in corporate buzzwords like 'carbon footprint' and 'greenhouse gas percentages'.

He wasn't disappointed.

Simple measures, big results

Simple measures that brought significant savings in electricity use and printing



costs earned GAC Pakistan the top prize in the inaugural Chairman's Award for Environmental Excellence.

By switching off lights and air conditioning units when not needed, the company achieved an 18% saving in power consumption over six months (April-September 2009) compared to the same period in 2008. And more than USD 2,500 was saved by using refilled printer cartridges instead of buying new ones.

GAC Pakistan was applauded for keeping it simple, having a systematic approach, good preparation, and measurable results.

Wider environment

Care for the environment in a wider sense was recognised with the second prize going to GAC Shanghai for their sponsorship of the GAC Hope School.

This project gives primary school children from rural areas an education their families otherwise could not afford. Learning is priceless and this community initiative makes a grand contribution to the wellbeing of the human environment.

Good sense

The simple good sense of saving paper was illustrated by the joint winners of the third prize. GAC Singapore and the GAC Houston Hub Agency Centre both introduced e-filing of documents, considerably cutting stationary and storage expenses, and streamlining work processes into the bargain.

In Singapore, they cut consumption of paper by more than 3,500 kg (equivalent to 84 trees), while in Houston the creation of electronic job folders produced considerable savings that would otherwise have been required for storage space rental.

In all, 26 GAC companies submitted entries for the award, reflecting the GAC Group's strong commitment to sustainable growth.



GAC Corporate Academy launches E-Learning 2.0



The GAC Corporate Academy (GCA) was launched in early 2007 to offer professional development courses to GAC employees around the world. It is now taking its next evolutionary step.

It starts with refining the teaching materials offered through GAClearn, the Academy's online learning management system. It proceeds with streamlining third party content developers to fine-tune GCA courses to make them more relevant, more interactive, and more responsive to changing demands.

Learning communities

GCA programmes harness leading-edge technology to eliminate geographical and

cost constraints, operating in an online environment where participants join virtual classrooms. Participants form learning communities to engage in meaningful and rewarding industry-based case studies and learning processes, tackling real world business tasks and problem-solving.

Damien O'Donoghue, the Academy's General Manager, says that some of the initial GCA course material was provided by outside developers, using generic content. While valuable in establishing the initial phase of the learning system, those models had limited potential for social interaction and relevance to the GAC World. There was also an element of inflexibility, as content could not be changed.

Foundations

"We are now building in-house communities to spread learning across the GAC world, with the flexibility to adapt in response to feedback from participants," he says.

"It's GCA for GAC – and it puts us in charge of our own destiny, promoting GAC's culture of learning and our unique way of doing business."

Comedy Duo hammers it home in Kazakhstan – again!



GAC Group Project Logistics Manager and Comedy Tour host, Laurance Langdon (centre) with Charlie Baker (left) and Dave Fulton (right).

GAC has hosted its second comedy tour of Kazakhstan, as promised at the conclusion of the highly successful inaugural event 12 months ago.

Stars of the new show were British comedian Charlie Baker, heralded by *Time Out* as "a wonderful showman and a rising star", and American Dave Fulton, whom the UK *Independent* newspaper described as "compelling... a real breath of fresh air".

The Tour kicked off at the Palladium Jazz Club, Almaty, followed by the Renaissance Hotel in Aktau and Atyrau's Renaissance. Tickets were free but audience members were encouraged to donate to the Children's Health Charity in Aktau instead. The event raised almost USD 4,000 for the charity which helps children with disabilities and learning difficulties.

Expanding presence

GAC's growing presence in Kazakhstan reflects Central Asia's status as one of the world's principal oil and gas producing areas, and the company's aim to gain a share of the rapidly expanding energy industry.

"Anticipated future demand for both logistics and marine services in the area is massive, thanks to the discovery of the Kashagan field," says Matthew Towse, General Manager of GAC Kazakhstan. "GAC continues to grow in Kazakhstan with our own offices in Almaty and Aktau and an expanding fleet of offshore support vessels based in Bautino, about one and a half hours from Aktau."



Expat audience numbers were up by nearly 100% at this year's GAC Comedy Tour.

Read all about it!

Hot Port News delivers updates despite huge quake

When an earthquake measuring 8.8 on the Richter Scale rocked central Chile in the early hours of Saturday, 27 February, it threw the country's communications into disruption. But that did not stop GAC's Hot Port News from keeping its subscribers up-to-date.

Despite having no email or phone connections, Coni Arjona at GAC-Ultramar Network's headquarters in Santiago used alternative technology to send news of the quake, and the damage it caused, to GAC's Hot Port News team. That same day, a Red Hot Port News text alert went out to the mobile phones of subscribers to GAC's unique free information service, linking to the full report at www.gacworld.com/hpn. And in the days that followed, Coni's daily updates kept more than 2,000 subscribers up-to-date with the latest status at affected ports.

Valuable tool

"Ours is a truly global and dynamic business, so it is important to keep our clients informed on a real-time basis," says Coni. "The earthquake was one of the biggest natural disasters in Chile's history, affecting more than 1.8 million, destroying highways and thousands of homes. Hot Port News proved to be a valuable tool in keeping our clients up to date with the situation at a difficult time."

Lars Heisselberg, GAC Group Vice President, Americas, says Coni's efforts to keep the flow of information going under challenging circumstances was highly commendable: "Such professionalism and dedication reinforces our pride in being associated with top-class partners such as the GAC-Ultramar Network in Latin America."

Hot Port News is GAC's free daily information service provided to registered subscribers. It gives updates about conditions at ports around the world, provided by the Group's global network of offices. Registered subscribers may receive the bulletin as a daily e-mail newsletter, and view all the news online at www.gacworld.com/hpn.

Selected breaking news headlines are sent as SMS texts to the mobile phones of subscribers who select the **Red Hot Port News** service, also offered free of charge. Headlines are sent as an SMS message which links to the full report online. Hot Port News is also available as an RSS newsfeed.



Moves & Appointments

GAC Corporate HQ, Jebel Ali



Joakim Larsson
Business Process Manager
Finance

Previously:
Business Controller for Tetra Pak
Global Information.



Johan Berg
Financial Controller

Previously:
With Deloitte AB in Stockholm.



Tor Järnberg
Marketing Manager, Europe

Previously:
Sales Manager, Europe, for the
Swedish Meteorological and
Hydrological Institute (SMHI).

GAC Dubai



Thomas Bjorklund
Quality Manager

Previously:
Business Process Manager Finance
at GAC Corporate HQ.

GAC Strategic Purchasing Unit, Bangkok



Paul R. Russell
Strategic Purchasing Unit
Manager, Ocean

Previously:
Assistant Manager, GAC Strategic
Purchasing Unit, Ocean based in
Shanghai.

GAC Algeria



Farid Omari
General Manager

Previously:
Deputy General Manager of a
shipping and logistics company.

GAC Kazakhstan



Tim Parkins
Marine Manager

Previously:
Caspian Regional Manager/Marine
Surveyor for Noble Denton
Consultants Ltd.

GAC Mozambique



Silvio Abel Mabunda
Provisional General Manager

Previously:
Financial Accountant Teacher
at Universidade Sao Tomas
Moc, Mozambique; Financial
Assistant & Accountant for CBE
— Consultores Moçambique.

GAC Thailand



Mark Delaney
Managing Director

Previously:
Managing Director, NSGAC Abu
Dhabi.

NSGAC Abu Dhabi



Ronnie Knowles
Managing Director

Previously:
Managing Director, GAC Pakistan.

GAC Pakistan



Shafiq ur Rehman
Manager, Finance

Previously:
Manager, Accounts with GAC
Pakistan.

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.



Logistics partnership with AT&T Williams



GAC is delivering logistics services to the top Formula One team, AT&T Williams, so it can contribute fully to an industry-wide cost reduction programme.

Cutting costs not corners

GAC will provide logistics support for the company's Formula One freight requirements and oversee management of the equipment for a challenging global programme that visits 19 countries on five continents in nine months.

GAC will also provide logistics services from the new Williams Technology Centre in Qatar, the first Formula One-related technical centre outside the sport's traditional heartland of Europe. There, Williams will be developing simulator technology and their F1-derived Kinetic Energy Recovery System (KERS) which allows energy to be recovered and stored in

a flywheel. KERS can work in a wide range of civil and industrial applications. GAC is responsible for shipping equipment to Qatar and providing day-to-day support at the facility.

Commenting on the tie-up, AT&T Williams Team Principal Sir Frank Williams said: "We are delighted to have formalised a partnership with a logistics specialist. I am impressed with GAC's proactivity, creativity and resourcefulness in helping us implement the most cost and time efficient logistics solutions. I believe that this is a start to a long and successful partnership."

Some of GAC's sport clients have included the Doha Asian Games, MotoGP, the A1 Grand Prix, World Rally Championships, the eco-powerboat 'Earthrace' and Manchester United Soccer Schools.