



For professionals in shipping and logistics

cac world

No.3 Jul 2010

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Shifting Perspectives...

The USA defies predictions of its imminent demise. Singapore continues to re-invent itself. It has been a tough couple of years for these two markedly different economies and yet both have endured – and in the case of Singapore, even prospered.

We look in this edition at how Bob Bandos and his team in the US have handled the downturn and for contrast we've asked Ivo Verheyen in Singapore to give us a ground-level perspective on all the punditry about economic collapse and turmoil. The result is a close-up view of how two GAC locations have dealt with the economic crisis. Our report begins on page 10.

Into South Africa

It's World Cup time people! South Africa is buzzing as all eyes look southward to Table Mountain. Buzzing too are our shipping and logistics businesses which have not noticed the economic woes that bedevil much of the world.

Pirate activity in the Gulf of Aden is sending more vessels around the Cape of Good Hope which has meant more work for GAC Shipping. And our logistics joint venture, GAC Laser International has entered a very 'fruitful' line of business. See our roundup starting on page 14-15.

Business buzz

I do not possess a crystal ball. I did not predict the volcanic ash cloud coming out of Iceland. But I know what I see and I am seeing new business and a new spirit of positivity and growth around the GAC Group and our customers. The energy major Statoil has signed a global ship agency contract with GAC, and we have concluded a Master Service Agreement covering the North Sea and Arctic with Western Geco, the world's biggest seismic survey company. Another global deal has been sealed with Gazprom Marketing & Trading, a producer and global trader of LNG. These are welcome signs at a time when business people are still nervous.

Over in Bob Bandos's territory we have recently opened a major logistics facility catering for the offshore marine sector. The warehouse and storage yard are located in Houston, close to the airport. The full story is located on Page 11.

Sent a telex lately?

Do you remember when a mobile phone was about the size of a brick? It wasn't so long ago. In the past 20 years, the world has become lighter, faster and so much smaller. Telexes are no longer heard. Even faxes are old hat.

Now it's all digital and sleek and totally portable. Hans Barto, our IT manager in the UK, uses the Insight section on page 6 to reflect on how new technologies have impacted the ship agency business.

The Boatman's Call

GAC's Technical Manager of Marine operations in Abu Dhabi is Bengt Olsson – and so it has been for the past 35 years or so. Here is a man who has put his stamp of Quality on all that GAC Marine does.

His contribution to the Group has been significant and it continues. We profile the man and his mission in this edition.

Can-do man!

While Bengt has been busy shaping the standards and technical competencies of our Marine operations, Bill Hill has spent his past 25 years in GAC building up a global logistics network. Bill's energy and positivity are contagious and now he is pouring his efforts into his new role as Group Vice President - Commercial.

"Can't" and "won't" are not words you hear often from Bill. "Can do" and "Will do" are more likely phrases. See page 18.

Legacy

On a sadder note, in recent weeks two GAC legends, K.O. Mathews and Rolf Muchardt,

have passed away. To their families go our deepest sympathies. I know there are many colleagues and many customers too who had the privilege of dealing with these two gentlemen when they were active players on the GAC team.

Tough when they needed to be, but you would have to travel a long way to find two more competent, courteous and genuinely caring people.

The year so far

We seem to be packing a lot of big events into 2010. Disasters have come hard and fast from Chile to Iceland to the Gulf of Mexico. On the positive side, we have the Shanghai Expo and football's World Cup in South Africa. With several months of the year still to come, who knows what joys and wonders await us down the track.

Meanwhile, those of us in the north are getting ready to enjoy summer. Our southern friends are praying for winter rains and for our tropical brothers and sisters it's simply another day in paradise. Such is the reach of GAC and our customers. It's a pleasure to be of service.

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Massive goods delivered

GAC Kuwait had what it took to deliver four huge transformers to the Jaber Al Ahmed "W" Substation.

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Seatrade Asia Awards 2010... Best again!

GAC has won the prestigious "Best Ship Agent" title for the second time at the Seatrade Asia Awards in Singapore.

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World-class sailing boats to Bahrain Showcase

GAC Bahrain successfully completed all logistics requirements for the Bahrain 2nd Boat Show International, for which it was appointed the Official Logistics Provider for the second time.

The job required GAC to bring in the largest fleet of luxury boats ever seen in the Kingdom to showcase it as a premier sailing and leisure destination.

End-to-end

GAC handled all the logistics from origin to delivery on site. This included exhibition stands, equipment and accessories, plus the 17 iconic boats, some more than 70 metres long, which were moored at the Amwaj Marinas.

Among the fleet was the world's fastest conventional-powered boat Silver Zwei (the longest known aluminum boat



built), as well as luxury yacht Linda Lou and the specially-made sailing boat built for inspirational quadriplegic yachtswoman Hilary Lister, sponsored by the Sail Bahrain project.

Satisfied Client

Wael Juju, CEO of Knotika Holding, owner of the BSSI, gave GAC top marks for their service, saying: "Logistics is a major factor in the success of any event of this calibre, but especially so for a Boat Show. It requires a highly specialised and skilled team with good knowledge

to handle the network of offices involved throughout the chain, the legal aspects, the technical know-how and the competence to understand how all these areas form a web which holds the starting and finishing points together.

"GAC has proven to be experts in their field showing professionalism and expertise under all circumstances. We want to say a big thank you to GAC as our partner who has continually gone above and beyond to ensure the success of this year's Bahrain Boat Show International."



Supporting North Sea energy search



GAC has been contracted by the world's biggest seismic survey company, WesternGeco, to support its North Sea and Arctic operations. GAC offices in Norway, the UK and the Netherlands are working together to provide ship agency, marine logistics, freight forwarding and any related services required by WesternGeco.

WesternGeco is conducting surveys in northern waters using sophisticated seismic vessels like the ones pictured.

The business relationship began with an initial contract with GAC Norway in 2008. During 2009 and 2010 negotiations were concluded for an 'all-in-one' Master Service Agreement.

Cross-border support

"GAC had to revise and upgrade its Quality and Safety certification to meet the high standards required by WesternGeco," says GAC Norway's Herman Jorgensen. "We've also established new offices and warehouses, relocated other offices and employed more staff to meet our customer's needs. This includes a sub-agency arrangement in Denmark.

"The effect of working with WesternGeco has been two-fold: we have created an effective cross-border support team and we have pushed our operating standards to a higher level."

It's summer in the North Sea, the busiest time for seismic work. Probably not much chance of summer vacations for Herman and his colleagues this year.

Oslo office expands Norwegian reach



Norwegian Reach

GAC Norway has opened its newest logistics office – at Oslo International Airport – to offer a wider range of integrated services to its clients.

Located in the Oslo Air Cargo (OAC) building, the new office provides a wide range of warehousing, logistics and air freight solutions. It is manned by a team of four headed by Logistics Manager Alexander Olsen, who has more than a decade of logistics experience including three and a half years with GAC Singapore.

Expansion & opportunities

Gunnar Lundgren, GAC's Regional Logistics Manager for Europe, says GAC's geographical expansion in Norway has been driven by increased business opportunities from existing and new customers: "We expect to see a continuous positive trend in the Norwegian market, with greater demand for shipping and logistics services – especially from clients involved in oil & gas operations."

The opening of the GAC Oslo Airport office brings the total number of branches across Norway to 12, from Oslo northwards to Spitsbergen in the Arctic Circle. Managing Director Ahmet Ozsoy says the next step will be to explore further opportunities in the energy sector, as well for as ship spares logistics, together with other GAC offices and partners world wide.

Gazprom Global LNG inks worldwide multi-service deal

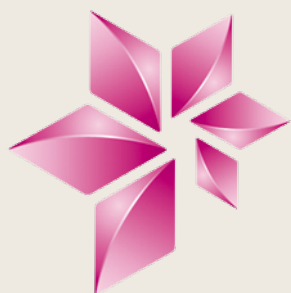
GAC has signed a multi-service agreement with Gazprom Global LNG Ltd, a major trader and shipper of LNG cargoes and also a big developer of LNG projects.

Diverse services

The deal is built on GAC's diverse suite of global services for the oil and gas industry, ranging from ship agency, bunkers, weather routing and vessel performance management to maritime training.

Sami Younis, GAC's Marketing Manager – Shipping, based in London, says: "This deal bears witness to the value of having a full range of services to offer the energy industry that can be tailored and integrated to meet the evolving requirements of every client."

Work has already commenced with Gazprom Global vessels being handled in the UK and Japan.



Statoil

Statoil signs worldwide agency contract

Energy group Statoil has appointed GAC to provide hub agency services covering all ports outside Norway.

The contract extends GAC's relationship with Statoil through GAC Norway which began in the 1980s.

"GAC won Statoil's confidence through a combination of teamwork, flexibility in our service offering and plenty

of sweat," says GAC's Marketing Manager for Scandinavia, Peter Österman.

Another factor was GAC's ability to meet Statoil's IT demands through GACShip, the Group's Global Hub Services' IT application. The application is under continuous development with inputs from Hub customers, agents and personnel.

Insight: The Mobile Agent



Hans Barto, GAC's IT Manager responsible for the UK, considers how technology has revolutionised the way in which ship agents work.



“ Let's take a trip back to the early 1990s. Mobile phones are rare – usually a brick-sized status symbol carried by the young elite. The World Wide Web is newly invented by British scientist Tim Berners-Lee. A ship's agent's job still involves a lot of running: from office to port authority; from authority to berth; up and down ladders; then back to the office to sort through the paperwork and communicate with the customer.

Many ship agencies use VHF equipment to talk to the vessels approaching the port or at anchor. Staff might also have walkie-talkies to send arrival and sailing details to their offices faster. In turn, the office informs interested parties by telex (when was the last time you saw a telex machine in regular use?).

Such communication equipment is used as a marketing tool, making the ship agency stand out from its competitors in meeting the needs of vessel owners and operators. But this is a time when owners and operators themselves are limited in how they can communicate directly with their vessel. The ship agent is the link.

A very different picture

Now fast forward a couple of decades and see the impact of mobile technology and satellite communications systems.

Vessel operators no longer need agents to act as communications bridges. They contact their vessel anytime and anywhere. These days, it is not unusual for operators to see their ship's 'in port' details on screen before the ship agent at the scene has got back to the office. They can often see the vessel in the actual port via satellite imagery.

Foresight

Not so long ago, it was rare (and even frowned upon) for an agency to handle vessels in a port where they did not have an office. Those who did were referred to as 'car boot' operators.

But that too has changed with the use of mobile communications tools and with the increasing pressure on agency fees (in some places agents earn less per vessel today than they did 10 years ago). As a consequence, marginal ship agency operations in some smaller ports, have been squeezed out by operators with the foresight to harness the power of IT to effectively create mobile offices, wherever their agent goes.

Click

At GAC Shipping UK we spotted the potential of the new communications tools and equipped ourselves so we could improve performance and serve vessels in ports where we had no physical office. The key developments are:

- Improved mobile phone technology
- Wireless 3G communication advances which extend coverage further year on year
- Ever lighter and more powerful laptop computers
- Portable scanners
- Battery-operated printers and 'in-car' power supplies.

These are now part of the agent's arsenal to provide better service, faster, at the click of a mouse.

Outsourced

Mobile technology has allowed boarding officers effectively to become outsourced assets: on the spot where they are needed, when they are needed. There's no more returning to the office to order up any services or equipment a vessel requires.

We're talking about a mobile office – one that can relocate to wherever it is needed. Onboard or in port, it is the physical presence of the agent – not his office building – that ensures customers and authorities get the information they need in 'real time'.



Massive goods delivered



These four transformers (pictured) each weighed 210 tonnes and they didn't get any lighter on their journey to Kuwait's Jaber Al Ahmed "W" Substation. But the GAC Kuwait team handling the move didn't break a sweat.

Night moves

The transformers arrived in Shuweikh port from Japan and were hoisted on to heavy-lift trailers and driven throughout the night - the safest time to move such mammoths - to the substation.

GAC Kuwait made all arrangements with the authorities and engaged a special escort for the 20 kilometre journey.

News Beat

PRESENTED:

GAC Kuwait, with a special award by Excelerate Energy, in recognition of its outstanding contribution to the success of the LNG Import Project at Mina Al-Ahmadi, the site of Kuwait's first LNG import terminal Mina Al Ahmadi Gas Port. GAC was entrusted with the door-to-door handling of all the shipments - 900,000 kg of cargo and 125 containers - from a variety of origins, including customs clearance, through to delivery at Mina-Al-Ahmadi about 40 kilometres from Kuwait City.



PINNED:

Andhika GAC's Rony Kurnia. He was presented with an honorary 'Crew Pin' from the vessel "Costa Allegra" in recognition of his efforts to ensure her 38 calls at Indonesian ports, over a four month period, went as smooth as silk. Throughout the ship's tour of the Indonesian Archipelago, Rony worked tirelessly with his colleagues Suprijanto Widodo and Adin Dawih to iron out all security, communication and immigration issues.



CELEBRATED:

A 39% rise in GAC Marine Logistics shipments in the first quarter of 2010, compared to the same period last year. The achievement was marked when GML's global team - made up of representatives from the UAE, Korea, Hong Kong, Singapore, India, Netherlands, UK, Greece and Germany - gathered in Dubai recently for their global meeting. The two-day meeting also focused on the ways in which GAC's Customer Service, Sales and Operations offices and agents around the world work together to promote GML's door-to-deck ship spares logistics service.

INSPIRED:

27 teenage students from Doha College, sponsored by GAC Qatar, for their expedition to India as part of the International Award scheme. The scheme presents students with challenges to help them develop as young adults, and their recent Indian adventure included trekking in the foothills of the Himalayas, mountaineering, and white water rafting on the Ganges River.



DELIVERED:

By GAC Bahrain, works of art for the first exhibition staged by renowned architect Zaha Hadid in the Middle East. The company was entrusted with the logistics and safe shipment of the exhibits, valued at millions of dollars, to the Shaikh Ebrahim bin Mohammed Al Khalifa Center for Culture and Research, as part of Bahrain's Spring of Culture.





OPENED:

GAC Marine Logistics's (GML) latest office in Chennai, India, to house its growing team and support the delivery of marine spares to the growing offshore industry in India. The Chennai team is part of a network of GML offices located in Dubai, Singapore, Hong Kong, Piraeus, Rotterdam and Sao Paolo.

APPOINTED:

GAC Qatar, for the seventh year running, to handle the logistics of the Qatar Motor & Motorcycle Federation events such as MotoGP, Superbikes, F3 Cars, Speedbikes, F1 prototypes and launch of new models.

The company handles the planning and execution of all logistics for such events - from freight clearance and transportation to the Losail Circuit in Doha, to on-site distribution of flight cases to individual pit boxes, re-building of pallets and outbound forwarding. On some occasions, GAC has specially chartered aircraft when scheduled flights from the origin country could not meet tight deadlines.

SIGNED:

English star cricketer, Andrew "Freddie" Flintoff, as the latest sportsman to sign a sponsorship deal with global logistics and shipping company GAC. Flintoff made his international debut as Captain of England's Under-19 team for the 1996/1997 season test match tour of Pakistan. He was made Captain of the England team in 2006 and has also served as vice-captain. At the end of the 2009 Ashes Series, Flintoff announced his retirement from Test cricket, but remains active in One Day International and Twenty20 International matches.

BRANCHED OUT:

Staff from GAC Shanghai, who joined pupils of the GAC Hope School for a day of care for trees to mark Chinese Arbor Day. The children represent new shoots as part of the 'Green Bamboo' initiative under which GAC sponsors to help ensure a sound education for the children of rural families who have had to move to the city. The third-graders and seven of their GAC friends gathered in an industrial area outside Shanghai to tend to and water three fully-grown trees that they have adopted.



HOUSED:

GAC Kuwait at its newest branch, at the Kuwait International Airport cargo terminal. This has further improved GAC Kuwait's air freight services by providing customers with significant time savings from notification to clients, to issuance of delivery orders, through to customs clearance. GAC Kuwait is an accredited IATA Agent.

RECOGNISED:

GAC Transfer Services' Mooring Master, John Parry, by Maersk Oil for completing 500 accident/incident-free liftings at the Al Shaheen Field off Qatar.

NAMED:

GAC Marine Abu Dhabi as "Best Sub-Contractor - Offshore" by the National Petroleum Construction Company (NPCC) at their annual HSE and Quality Day, in recognition of its outstanding safety and quality track record over more than 30 years. Since the late 1970s, GAC Marine has provided NPCC with anchor handling tugs, tow tugs and cargo barges, as well as equipment and personnel at offshore locations in the Arabian Gulf and India.

Johan Fulke, Managing Director of GAC Marine, says: "This award is proof that our commitment to HSE matters on all fronts has been successful. It is also a reminder for us to not only maintain but to constantly strive to improve our HSE system."

Two Perspe

Financial woes and gloomy predictions continue to hit the headlines. GAC World asked our men in the USA and Singapore for their view from the front line.



ctives

Balancing Act - USA



This year, many columns of newsprint have been devoted to the US economy, pronouncing on what could, should, might or must be done.

Bob Bandos, President of GAC USA, prefers to skip the punditry and go straight to the heart of the matter.

Possessed of the natural optimism of many Americans, Bandos tends to see the glass half full. But even he admits that 2008 and 2009 were tough years.

"We had to make cuts to adjust to reality," he says. "We are strongly engaged in the tanker agency business and that took a hit. Refineries on the east coast are running at 62% capacity. Across the whole country, the sector is at 78%. Spending is down. People are using their cars less. Public transport use is up 18%. These are natural responses when people have lost their jobs."

Now the good news

On the bright side, GAC USA's port call numbers rose last year. True, the rates

received on those calls dropped, but the volume increase helped shore up the company's income.

Bandos reckons one reason is ship owners' and charterers' caution: "GAC is known for its reliability and financial strength. In hard times, Principals are careful when choosing a ship agent. They want strength, certainty and reliability. Our customer base has also expanded, following the closure of some smaller agents whose clients have come to us."

Some customers trimmed costs by outsourcing to GAC. In one case, a dedicated GAC staff member was even placed inside the offices of a major client to ensure smooth handling of their vessels.

Banking benefit

US banks are not popular with Americans these days. They are widely blamed for starting the whole economic mess. One outcome is that many banks have seen their loan books diminish and asset books grow. They now hold substantial property and goods, including cargoes, and they sometimes need help. "We've had a boost to our business by working with banks that are holding cargoes but have no idea what to do with them," says Bandos.

Stable – and stronger

Managers and staff at GAC USA are a collegiate bunch, easy to talk to and always willing to help each other. It's a stable team. Finance Manager Bud McNulty says: "Looking at employee turnover, in the Accounting section just one employee has left – and that was due to retirement after many years of service."

Such stability is enviable. Bandos is positive: "We have a great team. There's a commitment. It makes us stronger."

Extending business

Until recently, GAC USA was a ship agency with its head office in Philadelphia and 17 branches covering the major US ports. Now, it has extended its business reach by launching a project logistics service to cater for the energy and marine sector (see article below).

"This gives us a broader service base and lets us integrate our shipping and logistics capabilities in ways that are useful to customers," says Bandos. "We have to be flexible and take our opportunities when we find them. These are not easy times, but the company is holding its balance and it's growing."

Key logistics service launched in US

GAC USA has stepped beyond its traditional ship agency business to launch a major Logistics initiative based in Houston. GAC Energy & Marine Services (GEMS) was established in April to provide integrated project logistics to the oil & gas and mining industries.

"This puts GAC in the forefront of logistics suppliers in the energy segment and is a natural development of our global project logistics business" says Bob Bandos, President of GAC USA. "It connects with our existing operations in West Africa, Northern Europe, the Middle East, Central Asia and the Far East."

GEMS operates from a substantial storage facility close to Houston International airport, providing 65,000 sq ft of warehouse space, plus a open air storage area of 40,000 sq ft. From here, GEMS provides in-house case packing plus integrated air, ocean, charter and project services, all supported by the latest operating systems and track and trace capabilities.

"Houston is the hub of the Oil & Gas industry in the US, so for GAC to complete its global project logistics network, we realised that our presence in this strategic market was necessary," adds Bandos. "Besides completing the global picture for GAC, it is clear that a lot of energy projects will emerge in South America which GEMS Houston is ideally positioned to handle."

GEMS will be headed by two vastly experienced people: Mark Moore and Yalonda Henderson. Each has more than 20 years in global logistics in locations such as West Africa, Middle East, Asia, Indian Sub Continent, South America and Kazakhstan.

GEMS will provide services to US-based companies and also to customers in Central and South America.

Resilience - Singapore

For contrast, we look eastwards and learn how GAC Singapore has fared. The city-state covers just 637.5 sq km and has about 4.2 million people. This contrasts with the USA's 9.6 million sq km and more than 295 million people.



At GAC Singapore's 2008 Christmas party, MD Ivo Verheyen gave a speech urging staff to shift their attention away from the economic gloom in the media and focus on the business at hand. There were ships and cargoes to be handled. Customer problems to solve. Jobs to be done.

He recalls: "I stressed that as a local company we couldn't solve the global crisis – that was the job of government. What we had to do was concentrate on our business and get on with it."

The following 12 months weren't record breakers for GAC Singapore but it was a remarkable year nonetheless.

Cool heads, strong action, clear focus

In Singapore the crisis was met directly by the government. Verheyen says the combination of the government's cool head and strong action and GAC people's approach to the work made 2009 a successful year.

"The government took determined steps to ensure the impact on both people

and business would be minimal," he says. "They gave a lot of support to companies to re-train their people."

GAC Singapore took full advantage and put many employees through subsidised training. The government also contributed to local companies' employee pension and medical plans.

Patches of opportunity

That support was needed on the Singapore frontline during 2008 and 2009. The shipping sector suffered, with freight rates dropping to historic lows. Logistics business also took a hammering. Imports and exports slumped, and freight forwarding almost disappeared. Margins were squeezed and they stayed that way until the end of 2009.

But for GAC the effect was patchy. While some shippers dropped volumes, others remained steady.

Ship spares

The crisis led to many owners having ships idle and this offered time for small repairs to be carried out, predominantly at anchorage. Singapore's location makes it attractive for such activities. And, as a

maritime hub, it has all the support services available.

"We saw an increase in number of port calls requiring this kind of service," says Verheyen. "Our ships spares logistics service, GAC Marine Logistics, was kept busy, and also won jobs supporting the oil and gas industry."

Diversity helps

Part of GAC Singapore's resilience lies in its wide service offering - cruise agency, bunkers, logistics services of all types, weather routing, and more. In hard times, this spreads the effort and the downside risk.

"We have a nice basket of products and while one had a rough time, others have seen growth," says Verheyen. "This mixture is at the base of our success and, going forward, our agenda calls for even more focus on integration."

A Team sport

Also key to the company's resilience is its people.

"We have a very good team in place, from management to the guys in the field, and they all know what they need to do," says Verheyen. "We've done well and have learned some lessons. We need to continue to focus on good cost management, and to build relationships with clients and suppliers, especially in the good times, because we need them during the bad days!"



GAC trio secure major refit

When Chevron Shipping Corporation needed to find an African dry-dock for a major refit of its LPG FSO 'Escravos', a trio of GAC operations in Nigeria, Netherlands and South Africa provided the answer.



The FSO Escravos at her lay-up berth in Cape Town.

Chevron Shipping wanted to extend the life of their 40,681 ton vessel with a general overhaul, refit, steelworks, refurbishment of quarters and survey. For that it needed

a big dry dock and facilities to handle the job.

Chevron Superintendent Brian Goldman and GAC Nigeria's Key Account

Manager for Chevron, Thomas David, worked together to find a solution. A dry dock in Cape Town, run by DORMAC, had what was needed, so they contacted David Hitchman, MD of GAC South Africa, to help.

That was just part of the story. The refit also required shipping a 150-ton turbo generator and other essential equipment and spares from Europe. That challenge was handled by David den Broeder, General Manager of the GAC Netherlands Logistics & Maritime Service Centre in Rotterdam.

A Nigerian crew travelled to Cape Town to help with onboard tasks while in dock. Ashore, workshops in the port were busy performing hundreds of tasks for the refit.

GAC South Africa's David Hitchman says the project was a huge success, despite the magnitude of the job and tight deadlines.

"Everything was carried out in line with Chevron Shipping's strict safety mantra: If it can't be done safely, it must not be done at all," he says. "It was the talk of the port and Chevron Shipping's commitment to safety is an important legacy of the time the 'Escravos' spent in dry-dock here."

David has also been busy this year handling a sizeable increase in port calls. These have risen because more vessels are avoiding pirates in the Gulf of Aden and rounding the Cape of Good Hope instead.

STS debut at new SA port

When the first Ship-to-Ship (STS) transfer occurred at the new port of Ngqura (Coega) in South Africa's Eastern Cape Province, GAC was part of the team that made it happen.

GAC South Africa and STS specialists Smit Amandla Marine worked closely with the client, the national Port State Control and South African Environmental Services to transfer approximately 32,000 MT of unleaded gasoline from the mother vessel to the daughter vessel quickly, efficiently and in accordance with all regulations.

Port Profile

Located 20 km north-east of Port Elizabeth at the mouth of the Coega River, Ngqura was developed to stimulate the economy and create employment opportunities in the Eastern Cape. It is one of Africa's biggest maritime civil engineering projects costing around 10 billion Rand.

Operations started in October 2009, catering for container, bulk and liquid cargoes, with convenient links to the nearby Industrial Development Zone and the rest of the country. It is designed to accept vessels up to 80,000 DWT.



GAC Laser Logistics, South Africa



As imports to Africa have grown, so too has the need for efficient air, sea and road freight solutions to get those imports to their final destination. In South Africa, GAC Laser International Logistics (GAC Laser) handles imports for the domestic market, re-exports goods to other African countries and exports African goods to the world.

Springboard

This joint venture between the GAC Group and South Africa's Laser Group is a springboard for trade with Africa, centred on its bases in Cape Town, Durban and Johannesburg.

Through GAC's global network and Laser's local expertise, the company offers complete supply chain solutions to South African importers and exporters. Services include specialist clearing and

forwarding, value-added warehousing, and 24/7 customer support. These are built on flexible solutions, modern IT capabilities and compliance with international security standards.

Navigating the minefield

CEO Simon Hayes says: "Trading and exporting into Africa can be like navigating a minefield – essentially it's about managing the risk. Each country has its own unique customs, banking, legislation and documentation requirements. Rules of trade can change overnight and it's not unusual to have freight in the air to a destination only to learn that an embargo has been announced."

GAC Laser has the know-how and contacts to guide freight safely to its final

Beating the squeeze with record citrus shipment



destination. Approximately 46% of the services provided by its Johannesburg branch (in the province of Gauteng), just 5 minutes from O R Tambo International Airport, are export based.

Africa's mineral riches also represent an important sector of GAC Laser Logistics' business. The company has successfully handled the complete export process for clients in the African mining industry. Diamonds from Angola and copper from Zambia are just some of the commodities the company sends to markets as far afield as China and South America.

GAC Laser also handles imports of chemicals and other commodities essential for developing the continent's infrastructure and its growing industrial sector.



GAC Laser will handle a record 2,800,000 cartons of Valencia oranges - just months after entering the South African citrus market.

Prior to 2010, a strictly-controlled cold chain was required for all South African fruit exports, adding significant costs to the supply chain.

Now, however, the local citrus industry has new regulations that significantly reduce the cost of shipping their juicy loads to European, Middle Eastern and Far East destinations.

The Perishable Products Export Control Board (PPECB) now allows certain citrus produce (including Valencia oranges) to be handled and stored at ambient temperatures provided that the fruit is packed into reefer containers or vessels within 10 days of inspection at the farms or pack houses.

Around the clock

CEO Simon Hayes says that to meet the challenges of the new business, GAC Laser will be working around the clock during the peak season to ensure that all 2,800,000 cartons of fruit are handled in accordance with PPECB regulations.

The company's new warehouse, completed at the end of last year, is 12km from the Port of Durban. The facility has 14 covered container bays and excellent vehicle receiving areas, WI-FI scanning capabilities and top-grade security. To speed up the handling process, double pallet handling forklift attachments have been fitted and individual pallet positions demarcated for accurate and speedy location based on FIFO (First In - First Out) principles and specific target market loading. A PPECB Officer will also be based at the warehouse to ensure compliance with the 10-day rule.

Simon Hayes adds: "We believe the competence of our team in effectively planning and communicating with the growers, transporters, shipping lines and local authorities will establish us as a leader in this new market."

Precision Magician

Continuing our occasional series on GAC people who have contributed significantly to the past, present and future of the Group, Greg Newbold profiles GAC Marine's Technical Manager, Bengt Olsson.



Marine engineers measure their work and perhaps their whole lives in millimetres. They work with the tiny tolerances that separate the thing that works from the one that doesn't; the thing that lasts from the one that fails.

Bengt Olsson has that millimetre gaze. He also has another quality found in successful engineers. Some call it creativity, others improvisation. To non-engineers, it has a touch of magician about it.

"My first voyages to the Gulf in the 1960s were in an old rust bucket," says Olsson. "We had a Norwegian First Engineer who taught me how to improvise, how to solve problems when you don't have the exact tools or materials on hand. I have been practicing his lessons ever since."

By the time Olsson joined GAC in 1974 as Marine Technical Manager, he had a solid store of experience and a few scars too – including a permanent limp, courtesy of a youthful encounter with a Swedish gravel road after parting company with his motorbike. However, he has all his fingers, and in Olsson's world of metal and machines, that's the sign of a careful worker.

Boat people

Olsson comes from a family of boat people in Western Sweden. His uncles had a shipyard, mainly building and working on fishing boats.

"If a fisherman wanted to build a new boat, my uncle would create a wooden model so the man could hold it and see its lines, rather than just looking at marks and numbers on paper. My uncle would cut the model lengthwise along the centerline and mount one half of it so the owner could put it on his wall. The other half he kept to measure and check the lines and shape during construction."

On the Beach

Olsson started his GAC career in Abu Dhabi, where he has stayed ever since. Back in 1974, the place was small and under-developed. Olsson loved it.

"We set up on the beach, and the local fishermen based there welcomed us,"



he says. “We built a slipway to land and drydock our boats, and soon enough the fishermen were landing their boats as well. Later, the Abu Dhabi Navy dropped by and we started helping them too.”

The collector

In Abu Dhabi, his task was simple but demanding: keep GAC’s growing fleet of supply boats, tugs and barges in the best condition possible.

Olsson learned to improvise and collect. Wood, metal, old oil pipes, whatever was lying around or could be salvaged from the shallow Gulf waters, was all put to good use in Olsson’s expanding workyard.

“If you look after something properly, it will serve you well for a long time,” he says. In an age where so much is made to fall apart, such an attitude is the golden thread that ties a reputation together. GAC Marine is known as a quality provider of vessels and men. Much of this stems from the influence of Olsson, making sure the millimetres are measured and that the solution fits the problem.

The men

Olsson’s world is full of men: captains and crews, operations staff and draftsmen, dockyard workers, welders, cutters, fitters, electricians, machinists and carpenters. In the early days, his team was drawn mainly from the Maldives & India, and he has the highest regard for those who joined him on the beach and started to build a world-class technical operation.

“They were fast learners and reliable workers,” he says. “We now have workers,

staff, sailors and officers from 13 different countries. They’re the cogs that turn the wheels. Thanks to them, and to those before them, GAC Marine is in the top league of Marine Operations in the Gulf.”

The moves

Olsson’s operations in Abu Dhabi are now at their fourth location. A government owned company got a lease on his beach so he moved offshore to a small island. That lasted for more than a decade until Abu Dhabi’s ruler looked out of his beachside palace one day to see one of Olsson’s crane tops sticking up over the sand dunes. That led to a visit from His Highness’s people, some quiet chats with his Navy friends and a move back to the mainland, south of Abu Dhabi city. He stayed there for another decade before moving – again – in 2006 to the GAC Marine base’s present location, where the company holds a renewable 30-year lease.

The lady’s name is Gun

They say that behind every great man is a great woman. In Olsson’s case you should change ‘behind’ to ‘beside’. Olsson’s wife Gun has been in Abu Dhabi nearly as long her husband, and has quietly and steadily kept the Olsson ship afloat and in trim. She is an essential part of Olsson’s story and of his success in making GAC Marine a quality icon in Gulf waters. To leave her out of Olsson’s story would be like chopping off his right hand.

The boat builder

Not content simply to maintain GAC’s Gulf fleet, he decided in the 1990s to

add to it. From a slipway, he progressed to a dockyard and fabrication unit with computer guided steel cutters and welders; a place of blueprints and wiring diagrams, marine engines and winches. He has built a fleet of tugs and supply boats for GAC, at standards and prices that make captains smile and accountants tremble.

Even today, as he works on finishing his fourth Anchor-Handling Tug for GAC, he remains restless. That attitude has tested the patience of more than one GAC manager and even Björn Engblom, his long time colleague and GAC’s Executive Chairman, knows how stubborn Olsson can be when he sets his mind on something.

“Bengt is unique and special, and he has given so much of himself to GAC,” says Engblom. “He has pushed me to my limits on more than one occasion, and there are others who have simply thrown up their hands and walked away. But the thing is, what Bengt aims for is what we all want – to do something that’s worthy, that’s quality, that you’re proud to put your name on.”

The next move

There is no telling what Olsson will do next when his tug is finished. One thing is certain, he won’t stop being a maker and maintainer of metal and machines. There are big plates of steel in his dockyard, and a glint of the same metal in his eyes. He’s a millimetre man with a magician’s touch. Always will be.

Q & A:

Bill Hill, Group Vice President - Commercial

Reflections on a 25-year contribution to the upward march of the GAC Group

**Born:**

20 April 1960 in Manchester, UK.

Before GAC:

Worked for International Express Co. Ltd. from 1976 to 1979, then RH Freight Group from 1979 to 1984.

Joined GAC:

Joined as Sales Manager for GAC Kuwait in 1984. Served from 1988 to 1995 as Marketing Manager for GAC Forwarding Dubai, then as Regional Logistics Manager for Asia (1995-2002), and Group Vice President Logistics (2002-2009), before being appointed Group Vice President Commercial in 2010.

your career? And the scariest?

Funniest: A customer once resigned in the middle of a sales call in Kuwait. Though not funny at the time, upon reflection it was a little like being in a Monty Python sketch.
Scariest: I was once caught up in a broad daylight 'hold-up' in Down Town Karachi, Jesse James style with a gun held to my head. Fortunately, I had no possessions on me and the matter passed without further incident but it shows how vulnerable we all are.

When you consider your 25 years with GAC and the global logistics industry, what have been the major shifts in the business?

The world is now much smaller, figuratively. Communications and E-Commerce have changed forever the way business is done. Transparency is the key word for the future.

You drove GAC's foray into sports sponsorship since 2004. What has sports got to do with business?

The initial plan was to build GAC's brand using sports as the platform. However, as we got more involved, we found that

What are the five most important milestones that have shaped your career?

- Getting my first job at my first interview, aged 16 years.
- Studying seven years at night school, to pass my Forwarding & Marketing examinations.
- Getting my first job with GAC, after initially being told I was too young.
- Being given the empowerment and Group support to develop the logistics business in Asia, almost from scratch.

- Being appointed a member of the GAC Group's Main Board.

What would you say has been your most significant contribution to GAC thus far?

Being part of a team that has helped develop the logistics business within GAC from a small local/regional Middle East enterprise to a truly global player.

What is the funniest thing that's ever happened to you during the course of

sports offered many logistics opportunities, so the branding and business went hand-in-hand. As we have experienced through our relationships with Formula One racing teams, we need to learn from their work ethics:- the meticulous planning, careful coordination, clinical efficiency with no margin for error, enthusiastic people, the best possible equipment and the will to WIN. We must want to be the best to succeed in our business.

What are the most meaningful lessons you've learnt from your decades in business?

Honesty with colleagues, honesty with customers, honesty with suppliers. It's not always easy, but life is simpler if you only have to remember the truth.

You are heading GAC's new Commercial Unit. What are your priorities? What challenges do you foresee? What value do you think the Commercial team can bring to the rest of GAC?

The priorities are to bring together our Sales, Marketing and IT capabilities. The Commercial Team should be at the 'sharp end' of our business, cutting a smooth path for the operational and financial experts to make their jobs easier. We must act as the radar.

What must GAC do better to continue to build and grow?

We must maintain our company values and, at the same time, create a successful environment for our staff, customers and suppliers.

To what extent do you think GAC's integrated services have served the Group and its customers?

So far, we have done well, but we have much more to do and create in the future as we identify more areas where we can integrate our service offerings to customers.

In business, does size matter? And, if so, why?

Yes and no. Yes, as a certain volume of business does bring economies of scale which are necessary to be competitive. And no, as we can never believe that 'one size fits all' – we are GAC and our culture is to look after all our customers, big and small.

What do you see on the horizon for the global Logistics industry?

Infinite growth, as logistics expands to encompass all services up and down the supply chain.

Woolly hats for winter sailors

As the maritime world marks the Year of the Seafarer, GAC is working with the international maritime welfare charity, the Sailors' Society to deliver 20,000 donated woolly hats to sailors worldwide.

The Sailors' Society is part of the worldwide support network that seeks to safeguard the welfare of sailors. Every year, the Society receives woolly



hats knitted by caring volunteers. This year, they will be sent – free of charge – to seafarers at

locations as far flung as Brazil and Russia, courtesy of GAC's global distribution network.

Strategic support

"Many GAC managers started their working lives at sea, so we appreciate the essential role that sailors play in our industry and understand the challenges they face," says GAC Group President Lars Säfverström.

"We have been supporting the Sailors' Society for some years, participating in fundraising events and making Christmas donations. Now, as we welcome the Year of the Seafarer, this new partnership takes that support a step further."



Moves & Appointments

GAC Dubai



Mike Camara
Company Sales Manager

Previously:
Sales & Customer Service Manager,
Freight Service.

GAC Japan



Yuichi Adachi
Marketing Manager, Shipping

Previously:
Manager, Marine & Crane Division,
ABB K.K. Japan.

GAC Norway - Oslo



Capt Bjørn Kongsli
Marine Advisor

Previously:
Master of many vessel types
including tankers, bulk carriers,
support vessels and tugs.

GAC Qatar



Ravindu Rodrigo
- Commercial Manager for
Logistics & Shipping Services

Previously:
Manager, Freight Services &
Claims.

GAC Corporate Communications, Singapore



Nikki Taylor
Corporate Communications
Manager

Previously:
Senior Communications Executive.

Corporate Communications, Dubai



Salman Siddiqui
Communications Executive, GAC
Solutions

Previously:
Assistant Manager for Corporate
Communications for a global
logistics firm in Pakistan.

Corporate Communications, Houston



Magen Singleton
Communications Executive,
Americas

Previously:
Marketing Director for a local
architecture firm.

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.

Seatrade Asia Awards 2010... Best again!



GAC has won the prestigious "Best Ship Agent" title for the second time at the Seatrade Asia Awards in Singapore.

Rewarding excellence

The event, now in its third year, presents 17 awards to companies in the Asian shipping industry, recognising excellence and innovation across the region.

In particular, the awards recognise companies taking steps to improve maritime safety, strengthen ship security and port facilities, and protect the environment. GAC received the inaugural "Best Ship Agent" award in 2008.