

# GACWORLD

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FOR PROFESSIONALS IN SHIPPING AND LOGISTICS



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## THE LONG ROAD TO THE CORNER SHOP...



Warehouses have existed since humans first wondered what to do with their leftovers, but they really took off when organised agriculture began. Great storehouses in Mesopotamia and Egypt were all the rage 4,000 years ago.

These days the silos and warehouses are still vastly important and made more so by the supply chains that link them to each other and to customers far away. It might be a short walk to the corner shop, but what you are going to buy may have come from the ends of the earth. The fabric of our lives is caught up in a net of supply chains spanning land and

sea and reaching us from all corners of the world. Alaskan salmon sits in a can on my shelf in London. I have seen the same can in a supermarket in Jakarta.

GAC's journey in third party logistics (3PL) started in the Middle East, in fact not far from old Mesopotamia. It's now a business with global reach. Our profile of it begins on page 10.

### Growing

It's been a busy year so far, with new businesses and new offices springing up regularly. We now have a logistics office in Sheffield in the UK and a new shipping office in Borg Havn in Southern Norway (see pages 7 and 5). We've won new contracts in India supporting the offshore oil and gas sector (page 9) and in the expanding Arctic oil exploration business, we've recently signed a ship agency agreement with a key customer (page 5).

To top it off, the Project Logistics team in Mozambique performed minor miracles to get important equipment to an inland exploration field. That epic is recounted on page 4.

### Helping

We all need help from time to time. Whether it's to do with business or with matters closer to home, knowing you have people you can rely on makes a big difference. GAC Qatar has been helping Doha College get a grip on its Health and Safety policies and practices. It's part of GAC Qatar's corporate responsibility programme. On a more commercial note, our Qatar team stepped into a gaping hole left by another forwarder who was unable to supply vital gear to finish a key

facility for Qatar's bid for the FIFA World Cup. Our team got the job done and Qatar will host the Cup in 2022.

Additionally, GAC's team in Europe has organised a central support facility to help our customers comply with new EU Customs rules governing advance cargo declarations, which came into force in January this year (see page 7).

### The Chain

Moving cargo is complex. Journeys can be long and winding. Supply chains rest on vast webs of people and relationships. They are intricate and change constantly. Opportunities for graft and corruption are many in some parts of the world and vigilance is essential. GAC has a Group policy regarding correct and ethical behaviour and it is gratifying to see that GAC Nigeria has been certified by the global anti-bribery association TRACE. Evidence that GAC is prepared to go the extra mile to set standards of service and professionalism.

I hope you enjoy reading this edition of GAC World. Drop me line if you have time.

A stylized, handwritten signature in black ink, likely belonging to Neil Godfrey.

### Neil Godfrey

Editor  
neil.godfrey@gac.com



## LEAD

### 10 The Chain

Third Party Logistics (3PL) are what keeps shelves stacked, stocks stored and orders sent on time. Gurumurthi Shankar considers its vital role in keeping the wheels of international trade rolling.

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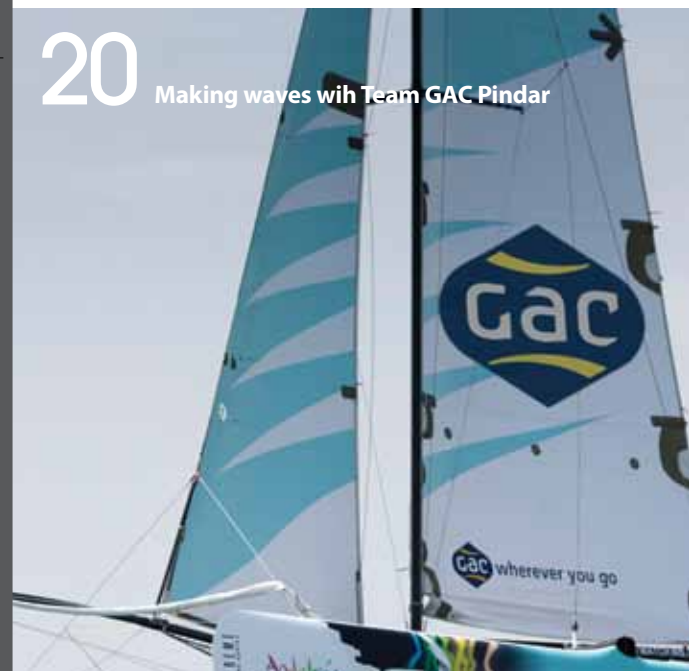
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# GACWORLD

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### Contacting GAC

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Back copies of GAC World are available for download at [www.gac.com](http://www.gac.com). Click on 'News' and then on 'GAC World magazine'.



# MOZAMBIQUE DELIVERS

Sunset at Beira port

The GAC team in Mozambique combined smart planning and buckets of determination to deliver 12,040 cubic metres of equipment safely to a key drilling project 200km inland from the port of Beira.

## Main hub

GAC Mozambique, headquartered in Maputo, opened the Beira office in September 2010 to focus on ship agency, import logistics and transit logistics to neighbouring Zimbabwe, Malawi and Zambia.

"Beira is a key importation port but will soon become a major export port when the Tete coal projects in north-west Mozambique begin production", says Laurance Langdon, GAC Group Project Logistics Manager.

"By establishing a second office, GAC has strengthened its position in Mozambique and raised its profile to both shipping and logistics customers."

## Berthing challenge

Beira is an open water port at the mouth of the Pungue River with a tidal draft of around 7-8 metres at its greatest depth. The approach channel has many shifting sandbanks and there is no night time pilotage. The time window for vessels to reach their berth and discharge is tight. Further, there are only four berths available and limited shore cranes and port equipment.

GAC's Beira team knew the importance of controlling the berthing to align with discharging, so

they pulled out all the stops to make sure that the ship berthed in time. Failure to do so would have meant waiting at anchorage until the next suitable high tide at considerable extra cost to the owner.

## Road trip

With the vessel berthed, the team then ran a continuous supply of trucks to deliver the cargo inland.

The biggest obstacle was the terrible road conditions. The tarmac ends just 35km outside of Beira, leaving 150km of dirt road and another 10km of loose sand access road to the site.

"We also were under pressure to deliver the cargo before the rainy season arrived, which would have made the roads impassable," says Laurance. "Most of the cargo was out of gauge and most of the 130-plus truckloads were over 25 tonnes each. We worked with the site, the road construction team, truckers and local authorities to ensure the safety of local villages and the environment, the cargo, trucks and drivers, as well as personnel on route and around the site."

## Delivered in the true spirit

21 days after the vessel berthed at Beira, the job was done.

Says Laurance: "This was an important project for GAC Mozambique and it involved many uncertainties and risks. It took a complete team effort to work through the difficulties, and changing requirements, to ensure it was completed with zero incidents."

"It was extremely hot, dusty and hard work involving 14-16 hour days in port loading trucks and planning for the next day's loading. But the GAC Spirit remained throughout the long days (and nights!) and we can now be certain that when the next project comes along, we will be ready for the challenge." **GW**



# GAC AND TRANSATLANTIC LINK UP TO SUPPORT ARCTIC EXPLORATION

In December 2010, GAC Norway welcomed TransAtlantic's ice-breaking Anchor Handling Tug Supply (AHTS) 'Tor Viking II' to Hammerfest after it transited the ice-bound North East Passage. It all happened under a new agency agreement that brings together two companies with plans for Arctic expansion.

Berthing at the northern Norwegian port marked the end of the vessel's voyage from Alaska to Europe, shaving three weeks off the sailing time needed to take the traditional route through the Panama Canal. It was the first time a commercial vessel had used the Northern Sea Route so late in the year.

The 'Tor Viking II' first made the passage in 2007, and the same Master, Captain Erik Almkvist, was onboard again.

## Arctic expertise

"The ice situation became more and more difficult as we proceeded to the north-west from the Bering Strait," says Capt Almkvist. "With ice over 60cm thick and with ridges several metres thick, the passage was more difficult this time compared to November 2007."

"When we arrived at Hammerfest, GAC had arranged all necessary clearances and requirements for our stay. Their pre-arrival information and service was very professional and helpful."

## Oil & gas exploration

Significant oil and gas extraction is expected to take place in new Arctic fields, raising demand for specialist ice-going offshore vessels and specially-trained crews.

GAC's local expertise and global experience in the energy sector, coupled with TransAtlantic's proven capabilities in working in ice and harsh weather, look set to make an important contribution as oil and gas exploration gathers momentum.

## Supporting expansion

Göran Eriksson, TransAtlantic's Manager Commercial Operations, says: "2010 was a busy year for us in Arctic waters. To succeed in remote areas and harsh environments, it is essential to have a strong and competent ship agent like GAC on which to rely."

GAC Norway's Managing Director, Ahmet Özsoy, adds: "We have expanded our operations in the Arctic with branches in Spitsbergen as well as Hammerfest, as part of our strategic plan to grow further in the region."

For more information about TransAtlantic go to [www.rabt.se](http://www.rabt.se) GW



## NORDIC EXPANSION CONTINUES

GAC Norway is continuing to expand. It has now opened a new office at the south-eastern port of Borg Havn at Fredrikstad.

The company was invited to set up there as part of plans to generate more traffic to the multi-purpose port which handles all kinds of cargo and vessels, from chemicals and containers to bulk loads and project shipments in and out of Norway.

GAC Norway's Managing Director, Ahmet Özsoy, says the opening at Borg Havn is part of the company's strategic growth plan, which has recently seen other bases open in Sandnessjøen and Bergen.

Tore Lundestad, Borg Havn's Port Director, adds: "We consider GAC Shipping, with its worldwide network, to be a valuable partner for future development." GW

# WINNING THE PEACE



by **Preeethilal Fernando**  
Director/CEO of  
GAC Sri Lanka

For nearly three decades, Sri Lanka was scarred by a civil war that claimed tens of thousands of lives. In May 2009, the Government announced the end of the long-running conflict with the Liberation Tigers of Tamil Eelam (LTTE or Tamil Tigers).

The most important post-war tasks for the country were to resettle the many internally displaced persons and to restore damaged infrastructure.

Nearly two years later, many projects are in progress with many more in the planning stage. The Government Fund expects Sri Lanka's economy to have grown by 7% in 2010, compared to the impressive 3.5% growth recorded during 2009 in the depths of the global financial recession.

With those projects has come the need to move heavy cargoes for construction of power plants, roads and railways, harbours, renewable energy projects and airports. This has created opportunities for specialist logistic companies capable of handling 'high and heavy' cargoes into and around the whole country.

GAC Sri Lanka has been supplying its logistics expertise to many key reconstruction and rehabilitation projects.

## Rail rehabilitation

One such project was the transportation of 15,000 metric tons of concrete sleepers, intersections, steel girders and other parts and equipment to rehabilitate 45 km

of rail track between Galle and Matara. Managed by IRCON International Limited, the project is part of the government's plan to upgrade about 120 km of old track between Kalutara and Matara.

The heavy parts were shipped in from all over India in more than 500 containers, and once they arrived in Sri Lanka our team arranged their de-stuffing, stacking and delivery to the various construction sites along the entire route.

## Energy

In the energy sector, GAC is helping to secure supplies by bringing heavy renewable energy equipment into the country for wind power plants.

We have also been appointed by Alstom of France to clear, forward and transport equipment for the rehabilitation of major hydro power plants in the central province.

And as the nation looks forward to a peaceful future, we are also expanding our involvement by providing shipping and logistics support services to oil and gas exploration that was not possible during the long conflict.

## Supplies and shipping

Our Ships Supply Services base at Galle, at the southern tip of the island, has long provided a valuable service for vessels in the East-West shipping lanes linking the Far East with the Middle East. The end of the conflict enabled us to further develop our facilities and many shipping companies now use GAC's Galle base for crew changes, embarkation and disembarkation of surveyors and superintendents and delivery of supplies.

We have started using the port of Galle as a repair and maintenance hub for seismic survey vessels belonging to global geophysical survey companies,

with equipment stored at GAC's bonded warehouse there. Seven shallow water craft have been dry docked there, prior to repositioning to the USA or deployment in South-east Asia.

Our Galle base has also been identified as the most strategic location for embarking and disembarking Sea Marshals, contracted by vessel owners and operators to protect them from pirates whilst sailing from the Far East to East Africa, the Red Sea and the Persian Gulf.

## New harbours

The Port of Colombo's status as a key regional hub for all types of shipping will get a significant boost with the development of new Colombo South Harbour. It will handle drafts of up to 18 metres to accommodate 4<sup>th</sup> generation container vessels. There will be three terminals and 12 berths, with the first terminal expected to be ready by the end of 2013.

The development of the new harbour at Hambantota, due to start commercial operations soon, will attract many vessels plying in nearby international waters for bunkering as well as other shipping and marine services.

## Staking our claim

GAC Sri Lanka is staking its claim in the future of the nation. Our belief in the country's future is witnessed by a number of investments we have made, including the purchase of a fleet of supply vessels to be deployed in Galle, Colombo and Hambantota to provide logistics support for the rising number of vessel calls.

We continued operating despite the challenges presented by decades of war, and now we are determined to play a key role in the prosperity that peace is bringing to Sri Lanka. **GW**





# SUPPORTING CARRIERS THROUGH NEW EU CUSTOMS REGULATIONS



by **Ivo Verheyen**  
Group Vice President,  
Europe Region

GAC has assured all global clients it can help them meet requirements of new European Union (EU) Customs regulations that came into force on January 1, 2011.

As part of the implementation of the Import Control System (ICS) Customs process, it is mandatory for carriers to electronically provide advance information on goods being imported from non-EU countries into the EU, Norway and Switzerland - or transiting them.

"Although the new law states that it's the carrier's responsibility to present the Entry Summary Declaration (ENS) to the Customs, we recognise that it may initially be difficult for them to provide the relevant information in the required detail and format and on time," explains

Ivo Verheyen, GAC's Group Vice President for Europe.

"GAC is on hand to provide continuous data exchange, together with the usual standards of customer support that our clients have come to depend on. We have expertise in every aspect of the legislation, from EORI numbers to the varying time limits for lodging the ENS depending on means and duration of transportation. GAC's people know the ins and outs of the new regulations and can smooth the way through this potential minefield for our clients." **GW**

## NETWORK EXPANSION AT UK LOGISTICS

Sheffield folk have given a rousing Yorkshire welcome to the latest addition to the GAC Logistics UK network.

GAC Logistics UK Sheffield will offer a wide range of services and solutions to meet the diverse logistics needs of companies throughout South Yorkshire and the North Midlands.

The official launch was marked by a reception attended by Lord Mayor, Councillor Alan Law, as well as football heroes such as Sheffield United FC Manager Gary Speed, Rotherham United Manager Ronnie Moore, Chairman of the world's oldest football club Sheffield FC Richard Timms, Premier League referee Uri Rennie and former Sheffield Wednesday and England player Viv Anderson.

"The opening of our Sheffield base in Bramall Lane – our tenth in the UK – is part of GAC's long-term plan to expand our national network," says Neil Waudby, Director of GAC Logistics UK. "We expect to open another eight offices over the next two years." **GW**



## OFFERING EXPERTISE IN QATAR

GAC is lending its HSSE expertise to worthy causes in Qatar. GAC's Panchanathan Raja (Middle East Regional QHSSE Manager) and HSE Engineer Muhammad Afzal recently conducted a full analysis of Doha College's Health, Safety/Security and Environmental management practices.

The detailed study resulted in a review of the College's current HSE issues, as well as recommendations and an action plan. A one-day HSE awareness training seminar was also given to Doha College's top management. A College HSE Manager has been appointed and a team formed to implement the new measures.

### Long-standing support

The review was part of GAC's Qatar's long-standing and continuing relationship with the College, supported by General Manager Michael Sturesson.

Doha College Principal, Mark Leppard, says: "This support from GAC demonstrates how our two organisations are reaching beyond their normal business links. I look at HSSE as a long-term project, and GAC's continued support is much appreciated." **GW**

## NEWS BEAT >



### Howzat!

NSGAC Abu Dhabi logistics customers were granted an audience with cricketing legend and GAC brand ambassador Andrew "Freddie" Flintoff at a recent client appreciation dinner hosted by Darren Ball, Business Manager – Logistics. The former England all-rounder mingled with guests before an hour-long Question & Answer session, and clients were presented with some personalised signed cricket memorabilia.

### Twice Honoured

GAC Oman, by the country's Ministry of Manpower, which presented the company with an award recognising its recruitment of local workers and commitment to government hiring policies. This was the second time that GAC's Omanisation efforts have been recognised by the Ministry. Well done to General Manager Patrik Hallden and his team.

## DELIVERING SUMMIT SUCCESS IN NEW DELHI

When the curtain fell on the India Economic Summit 2010 in New Delhi, it was the signal for GAC India's logistics team to swing into action.

Within four hours, they had collected all equipment used at the summit and cleared it for shipping back to Shanghai and Singapore. In all, 24 tonnes of sound equipment, furniture, decorative panels, and cables went into waiting containers and were delivered to the Inland Container Depot.



### Detailed planning

GAC Events Asia was appointed by Palette Events to handle the high profile three-day meeting. GAC North India Area Manager Sunil Kapoor and his team worked on the advance planning with colleagues in Singapore. The scope of work included inward clearance under ATA carnet, inventory, storage, export stuffing and forwarding. Then there was the coordination required with police, customs escorts, the Confederation of Indian Industry (CII), and management of the Taj Palace Hotel where the event was held.

### Meeting challenges

"Due to high alert in the city and security concerns, we had just four hours – from 10pm to 2am – to clear the venue, pack up all the equipment, and ship it out," says Sunil. "Thanks to good teamwork, planning, and coordination, we successfully provided effective and efficient logistics solutions for our client."

The India Economic Summit will be held annually and, based on the successful handling of the 2010 event, GAC is looking forward to playing a part in the next one.

### Part of the team

Desmond Ong, Director of Palette Events, was pleased with GAC's performance.

"GAC has proven its excellent and professional services in this project," he says. "They are part of the team responsible for the success of the summit and we are grateful to have the support of such a great team. We look forward to working with them again in the near future." **GW**



## O&G PRESENCE STRENGTHENS IN INDIA

GAC India's commitment to India's oil and gas sector has resulted in a major contract with L&T and Sapura JV.

The company beat stiff competition to seal the deal under which it will provide agency services for their vessels and crew working for the ONGC Project involving installation of the Mumbai High North Processing Platform and Living Quarters. In addition, GAC will provide statutory clearances, crew operations, sea and air freight and marine base support services for the project.

### Track record

The contract builds on GAC's successful track record in handling recent projects for Gazprom on the Indian east coast and a major cable-laying project on the west coast, as well as a number of smaller projects.

"There has been a big increase in the number of business opportunities in this sector," says Paul Haegeman, GAC India's Managing Director. "And thanks to our experience, expertise, local know-how and global resources, GAC India has what it takes to provide such services in the domestic oil & gas sector."

### Meeting energy demand

India ranks fifth in the world in total energy consumption. However, almost 75% of its primary crude oil and natural gas needs are met through imports. The New Exploration Licensing Policy (NELP), initiated by the Government in 1998, has significantly boosted the development of the energy sector.

Although only a few of the offshore blocks have been explored to date, efforts are in hand to bridge the ever-increasing gap between demand and supply of petroleum products. With the Indian economy expected to grow exponentially, the demand for upstream and downstream support services will require all that GAC's worldwide network has to offer.

### New potential

Competition is made keener by the limited availability of specialised vessels in India to undertake seismic surveys, drilling, oil field development and production. In such an environment, GAC India can provide total logistics solutions by calling on GAC Marine's fleet of support vessels and other assets.

The company can coordinate with GAC oil & gas teams in the Middle East, Singapore, USA and Europe to meet the demands of the rapidly developing sector.

Many major clients have already used GAC India's oil & gas support services, including Gazprom, L&T, JR McDermott, COMACOE, EGS, UOS, Posh Semco, Sapura, Tidewater, CGG, Global Geophysical, Helix, Cal Dive, Britoil, Seaways International, Swissco Offshore and Global Marine. **GW**

### The team

GAC India's commitment to the growing sector requires a dedicated team.

Commodore (ret) Arun Julka has come aboard as General Manager for Business Development (Offshore & Marine Services), based in Mumbai. He brings with him vast experience of having served with a leading agency service provider in the oil & gas industry in India, handling business development as well as operations. Prior to this, he served as a Commodore in the Indian Navy.

He is joined by: Karunakar Poojary who heads operations, B. Rajagopalan Nair leading the documentation team, and Carl Riley tasked with Business Development and promotion of GAC India's support services for the oil & gas sector.



**Commodore Arun Julka**  
General Manager



**Karunakar Poojary**  
Operations



**B. Rajagopalan Nair**  
Documentation



**Carl Riley**  
Business Development and Promotion

## GAC-OBC USA BECOMES GAC SHIPPING (USA) INC.

GAC-OBC in the USA is now operating as GAC Shipping (USA) Inc. three years after the GAC Group acquired the UK-based OBC Group.

The merged entity of GAC-OBC was created in March 2008, following a strong and healthy three-year alliance combining

GAC's global network and OBC's local knowledge and resources in the U.K., the Netherlands and U.S. Gulf Coast.

Bob Bandos, President and CEO of GAC Shipping (USA) says the name change will create a uniform and consistent GAC brand throughout the United States.

"This move also will streamline operations and provide our customers' with clarity as one organisation," he adds.

GAC Shipping (USA) Inc. provides a full range of shipping-related services at ports on the U.S. East, West and Gulf Coasts. **GW**



by **Gurumurthi Shankar**  
GAC's 3PL Regional Business  
Development Manager for Asia-Pacific

# THE CHAIN

## HOW THIRD PARTY LOGISTICS DELIVERS THE GOODS

Every year, new consumer markets open up to international trade. Supplying those markets is a complicated business that demands careful planning, extensive resources and strong market analytics. Increasingly, such tasks are outsourced to specialists like GAC.

### Why 3PL?

Third Party Logistics enables customers to establish themselves in markets without the burden of setting up their own logistics infrastructure.

A professional 3PL provider will have the local know-how and resources to provide the exact facilities that a supplier needs for the safe storage and distribution of his goods. Storage might require ambient or climate-controlled warehouses. The state and location of all goods will be monitored and controlled using state-of-the-art tracking technology.

### Why GAC?

It was in response to the rapidly growing consumer market in the Middle East that GAC first ventured into Third Party Logistics, back in 1993. At that time, many customers from the Fast Moving Consumer Goods (FMCG) sector were using Dubai as a trans-shipment hub.

GAC Dubai set up a Regional Distribution Centre in the Jebel Ali Free Zone offering a wide range of services, including Free Zone warehousing, customs documentation, inbound and outbound freight, packing, labelling, and road transportation within the UAE and to other Gulf countries.

It was a big hit with customers and soon GAC was looking for other regions where it could offer its 3PL services. That led the 3PL team to Asia and the establishment of facilities in Indonesia, the Philippines, Thailand, Malaysia and Singapore (see following article for a snapshot of some of GAC's key 3PL facilities).

Every time you buy a product – a prescription from your pharmacist, a shirt from your favourite shop or a bottle of shampoo from the supermarket, you are the final destination. A global service chain has delivered your goods to you. It keeps shelves stacked, stocks safely stored, and replenishment orders sent out on time. Around the world, big and small wholesalers and retailers use Third Party Logistics (3PL) experts to keep their products flowing smoothly to market. Gurumurthi Shankar, GAC's 3PL Regional Business Development Manager for Asia-Pacific and the Indian Sub-Continent, has been shaping our 3PL operations in the Middle and Far East since 1995. Here, he considers the role that 3PL plays in keeping the wheels of international commerce rolling.



## Benefits

GAC's long tradition of working in challenging locations has made it attractive to customers who get high standards of logistics services without having to set up their own local facilities. By appointing GAC to provide 3PL services, clients benefit from:

- Infrastructure – GAC has invested in locations where infrastructure is poor or non-existent, providing customers with top quality facilities;
- Economies of Scale – Most of GAC's dedicated 3PL locations are large multi-user operations where customers share the warehouse, transportation and IT set-up. Cost savings enable GAC to be competitive in the market;
- Latest technology – GAC's In-house IT systems give total stock visibility. Interfacing with customer ERP systems allows customers to manage their supply chain better;
- Integrated services – This places freight, warehousing and value-added services under one roof;
- Specialised distribution – This is shaped to the needs of the supplier and the target retail market.

## Other horizons

In addition to serving the retail sector, GAC also supports shipping and Oil & Gas customers through GAC Marine Logistics and GAC Energy and Marine Services.

These are operations specifically tailored to deliver essential spare parts or other consumables to vessels and platforms around the world. To support these services, GAC operates dedicated warehouses in Houston (USA), Rotterdam (Netherlands) and the UK with further support from our warehouses in Dubai, Singapore and Thailand.

In the Middle East Gulf, GAC runs warehouses in many locations with large operations in Bahrain and Qatar. These focus on freight-related customers, offering them clearing and forwarding for air and sea freight, storage and delivery of critical spares and project cargo.

For more information, contact Shankar at [gurumurthi.shankar@gac.com](mailto:gurumurthi.shankar@gac.com) **GW**

## CUSTOMER PROFILE: HAND IN GLOVE

BarrierSafe Solutions International, headquartered in Reno, Nevada, is a leading developer and marketer of branded disposable hand protection and related products.

It provides high-quality disposable gloves and other specialised products for a diverse range of growing niche markets, including the foodservice, dental, laboratory, emergency medical services, non-acute healthcare, automotive and general industrial segments.

Barriersafe's subsidiary Microflex has been a GAC 3PL customer since 2005.

*"GAC provided a rapid 'turnkey' solution for BarrierSafe to cost-effectively expand our product and service offering to a broader range of global customers. GAC took the time to understand how our business functions and provided a specific, customised solution to our international logistics requirements. This included detailed understanding of customer service requirements needed for success in critical quality-oriented markets like Japan. GAC's professionalism has made it easier for our customers to do business with us, which has allowed BarrierSafe to focus on growing the business. Since our partnership, Barriersafe has experienced accelerated growth in the international marketplace, tripling our international sales volume and increasing our customer base by 33%."*

**Damon Richardson Vice President, Asia Manufacturing**





# ON SITE DELIVERING GLOBAL EXPERTISE TO LOCAL MARKETS

Around the world, businesses constantly seek better ways to manage their stock and get products to consumers. GAC's 3PL teams help them do just that using world-class facilities, cool warehousing technologies and effective transport management.

GAC's other warehouse facilities are spread throughout the Middle East and Indian Sub-Continent, as well as in the Netherlands, the UK and in Houston, USA.

For more details of GAC's warehousing services go to [www.gac.com/logistics](http://www.gac.com/logistics) and select 'Warehousing & Distribution'. **GW**

### Dubai, UAE

In 1993, GAC pioneered 3PL services in the Middle East by opening the region's first Distribution Centre, in Dubai.

Today, GAC Logistics Park in Jebel Ali is still one of the largest and most advanced in the region, covering over 150,000 sqm and offering more than 125,000 pallet positions. Its operations are backed by the latest web-enabled inventory management system and operations are ISO-9002 certified.

The Logistics Park serves some of the world's top brands in sectors including FMCG, pharmaceutical, retail and other consumer goods.

To better serve the domestic distribution needs of local Dubai customers, GAC has also recently started operating a warehouse within the city limits.

Additionally, there's a separate logistics facility at Dubai Airport Free Zone catering for companies needing short storage times, fast turn-around and rapid access to air transport.



### Singapore

GAC Singapore's logistics facility in Tuas is designed to cater for the storage and distribution needs of the offshore and marine industries. It boasts state-of-the-art racking and handling equipment, a fleet of trucks and a web-enabled IT system for supply chain visibility and inventory control.

### South Africa

GAC Laser Logistics (Pty) Ltd. offers clients more than 22,000 sqm of storage space at its dedicated warehouses in Durban (10,000 sqm) and Cape Town (6,000 sqm of covered storage + 6,000 sqm of yard space).

It caters for a wide range of cargoes including white goods, timber, fruit for ambient packing, ship spares, vehicle refrigerated units, furniture and marble.



## Thailand

GAC Thailand's 10,000 sqm multi-user distribution facility at the Amata Nakorn Industrial Estate, south of Bangkok, has more than 15,000 racking positions and offers end-to-end supply chain management solutions.

GAC also operates a distribution centre of 7,000 pallets north of Bangkok. Those familiar with Bangkok's relentless traffic will recognise the strategic value in having distribution centres on the northern and southern sides of the city. In addition to supporting retail distribution, GAC also caters to customers' manufacturing activities by managing the warehousing for raw and packing materials.

## Philippines

Since 1998, GAC Logistics Inc. has been providing professional storage and distribution services including domestic transport, freight services and value-added services to FMCG and pharmaceutical customers.

The company manages 13 separate operations across the country's three regions, offering just over 70,000 sqm of storage space managed by more than 400 staff. Each operation is uniquely tailored to the demands of individual customers, ranging from customer-owned facilities where GAC is responsible for all internal inventory control, to total door-to-door contract logistics solutions.

GAC Philippines also manages a chain of fully temperature-controlled warehouses (-25°C, +4°C & ambient) across the country.



## Malaysia

GAC Malaysia provides integrated logistics solutions to local and international customers from its bonded and non-bonded warehouses in Port Klang, offering 3,000 sqm of storage space and more than 2,500 pallet positions in selective racking.

Port Klang ranks among the 20 busiest transshipment and container ports in the world, and GAC's warehouse is located close to the port acting as a regional distribution centre for customers from the FMCG and manufacturing sectors. It also offers other value-added services such as pick and pack, co-packing, labelling, repacking, and component assembly.

## Indonesia

Significant investment in warehousing has made GAC-Samudera Logistics (GSL) a leading provider of world-standard storage and distribution services. The flagship Distribution Centre located at Lippo Cikarang, encompasses 25,000 sqm of storage space and 35,000 pallet positions in selective racking offering both ambient and temperature-controlled storage. The Centre also offers value-added services such as promotional packing, labelling and component assembly.

GSL also operates a custom-built multi-user facility in Medan, Sumatra – the first of its kind – with a capacity of 10,000 pallets. Other GSL facilities are located in Jakarta (7,000 pallets), Surabaya, and at several customer-owned warehouses offering about 10,000 pallets. In all, GSL has a total of 72,000+ pallet locations to meet customer needs for safe storage, fast order response and minimum inventory levels throughout the country.



## CUSTOMER PROFILE: HOUSEHOLD NAME

Perhaps one of the world's most widely-recognised household names, Johnson & Johnson (J&J) is a multi-national manufacturer of personal hygiene and pharmaceutical products. GAC works with the company in Indonesia, where they use GAC's Distribution Centres in Jakarta (since 2003) and Surabaya (since 2005) for nationwide warehousing and distribution of finished goods, as well as in the Philippines, where it provides J&J with back-of-factory management services at its raw material warehouse in Manila.

*"Over the years, the business landscape has been altered significantly. Our supply chain had to adapt to these changes and at times even led the transformation. A key enabler to sustaining our growth through this period was having a stable logistics partner. GAC has been able to keep up with the pace of change and in some instances, facilitated significant transformation of key processes."*

**Rolando Lazo, Supply Chain Director – Vietnam, Indonesia, Malaysia, Philippines, Singapore**

# BUSINESS LINKS STAY LIVE WHILE EGYPT SHAKES

During the first weeks of the unrest in the country, GAC Egypt's staff overcame blocked internet and mobile phone networks to keep clients with vessels transiting the Suez Canal or calling at Egyptian ports informed and on schedule.

GAC also made special telephone arrangements with the banks to ensure essential fund transfers continued despite banking systems being offline.

"Client emails to GAC Egypt were re-routed to colleagues working abroad, who coordinated with their colleagues locally to maintain the information flow," says Erland Ebbersten, Group Vice President for Africa, Russia & Central Asia. "Faxes were still working and some landlines, so our colleagues were able to print off and fax the emails to the relevant office in Egypt."

"Fortunately, vessel transits through the Canal continued without disruption. However, at the height of the crisis, GAC did recommend against having additional support services such as crew changes, delivery of spares, etc."

### Hot news shots

GAC also used its daily HOT PORT NEWS service to send updates and news of key developments as mail shots, text alerts to mobile phones, and as part of the daily email bulletin to subscribing clients around the world. (For more information about HOT PORT NEWS go to [www.gac.com/hpn](http://www.gac.com/hpn))

### Stop press

At the time of going to press, the situation has stabilised in Egypt and GAC's operations there are being conducted as normal. **GW**

# TIMELY DELIVERY HELPS QATAR WORLD CUP BID

When Qatar became the venue for the 2022 FIFA World Cup, it also became the Middle East's first nation to be chosen to host the event. And GAC did its part to help the country's bid.

For more than a year, GAC Qatar supported Qatar by handling core logistics services such as clearing, transportation and storage of vital shipments for a range of showcase infrastructure projects to support the bid.

### Key project

One of the key projects was the construction of the prototype temperature-controlled stadium, by UK company ESG, which will keep players and fans from around the world cool in soaring Gulf temperatures. When two forwarders originally appointed to handle vital shipments for the project failed to deliver, GAC Qatar stepped in, got the job done and allowed work to be completed in time for the FIFA delegation's final inspection.

When Qatar won, the celebrations included Certificates of Appreciation presented to the GAC team that helped deliver success.

### Exciting time

GAC Qatar's General Manager Michael Sturesson says the success of Qatar's bid heralds the start of an exciting time which will see the construction of new stadiums, new roads, hotels, rail connections and ports in preparation for the big event.

Says Michael: "In light of our extensive experience in sports logistics, and as official logistics provider for the 2006 Asian Games, GAC hopes to be part of the national effort to bring the world to Qatar for the Cup." **GW**







## COOL SKILLS ON SHOW IN FA CUP AD

When soccer fans tuned in to the 3<sup>rd</sup> round of the FA Cup on ESPN STAR Sports, they saw a side of GAC they had never seen before. A new TV ad featuring driving rock music and impressive ball skills highlighted the expertise behind the Group's shipping, logistics and marine operations around the world.

The dedication, teamwork and professionalism needed to win a football game are also key elements of GAC's business success. So too are the careful coordination, flair and technical know-how that it took to put the TV ad together.

Singapore-based Petal Productions worked with GAC's Corporate Communications team to create the 30-second TV commercial that marries the thrills of the FA Cup with the dynamism of the GAC Group.

The ad, which supports GAC's FA Cup broadcast sponsorship with ESPN STAR Sports in Asia, first aired on 8 January and will run until the end of the season in May. To see it online go to [www.gac.com/TVC](http://www.gac.com/TVC) **GW**



## TRACE CERTIFICATION UNDERLINES GAC NIGERIA ETHICAL PRACTICES

GAC Clearing & Forwarding (Nigeria) Ltd. has been recognised for its commitment to strict ethical business practice by major international anti-bribery association, TRACE.

The company underwent a vigorous evaluation by TRACE during 2010, culminating in the presentation of a Certification of Compliance.

"We strive at all times to operate in an ethical and compliant way, and our certificate of compliance is an

important milestone which signals our commitment to the world," says Neale Proctor, GAC Nigeria's Managing Director.

"As part of that commitment, our logistics team is now completing an online International Bribery and Corruption course run through TRACE."

For more information about TRACE, go to [www.TRACEinternational.org](http://www.TRACEinternational.org) **GW**



**Born:** 12 November 1974 in the Ukraine, USSR

**Before GAC:** Worked as a journalist at the Portuguese section of Moscow International Radio, before becoming a Rig Translator/Production Analyst/Administration Supervisor with Dragon Oil (Turkmenistan) Ltd.

**Joined GAC:** In November 2002, as Marketing Manager for GAC Russia, based in Moscow. From January 2005 to August 2008 served as Operations Manager with GAC Marine S.A. Turkmenistan in Turkmenbashi. Appointed General Manager of GAC Shipping and Logistics Ltd based in Moscow in September 2008.

## Some say Russia is like a “Matryoshka” doll. Do you agree? Why?

This doll can certainly be used as a metaphor for those things which appear simple at first sight, but a closer look reveals a more complex structure with many layers. Any country, not just Russia, can be compared with such a doll. Those who know about Russia from history books, movies and TV news usually see the outer shell, tourists visiting Moscow and other cities for a week or so may get a more accurate but still superficial impression of the country, and those who live and work here for years may get to the core of the local life peeling off layer after layer and discovering the true Russia.

## You are a graduate of an important language academy in Moscow so how did you end up in GAC Russia dealing in ships and logistics?

In the Soviet Union, only a limited group of people were allowed to travel abroad – diplomats, high ranking party officials and interpreters. I wanted to see the world, so I became a student of the language academy to be trained as an interpreter from English and Portuguese. Before I graduated, the iron curtain fell, and everyone was free to travel. I went to Turkmenistan to take various jobs – from a translator on a rig, to oil production analyst - with foreign oil companies developing offshore fields in the Caspian Sea. GAC Marine S.A. was (and still is) a marine subcontractor of my previous employer. In 2002, GAC was looking for someone to do marketing work in Moscow to help expand its presence in the Caspian Sea and bring more business for GAC Russia. I volunteered for the job, as I liked GAC a lot and was looking for a challenge that would allow me to draw on my offshore experience and knowledge

# Q&A WITH ARKADY PODKOPAEV GENERAL MANAGER, GAC MOSCOW

of marine support and logistics. Further studies at Lloyds Maritime Academy helped me to expand my knowledge of the shipping and marine business.

My work with GAC more than satisfied my old ambition to travel a lot – to such an extent that now I wouldn't mind spending a bit more time at home!

**Sum up your business philosophy in three words.**  
Be inventive. Be patient. Never give up.

## What are some of the important rules for building good business relationships in Russia?

Business is an international phenomenon, and its rules are universal. To build and enjoy good relations with your customers and partners, you have to treat them with respect, be proactive when providing services, keep your word to build trust, never let any one down – be it your partner or client – even if it may affect yourself.

On the other hand, in Russia, we have a saying “Trust but verify”. To preserve good business relations, in Russia you always need to formalise them by committing every minor contractual detail to paper, even with counterparts who you think can be trusted with a gentleman's agreement. In business, there's always a chance you can be mistaken about the intentions and integrity of the people you are dealing with.

## What has your experience of management taught you so far? What are the big lessons?

I hope I've learnt to be more patient and yet more persistent in achieving my own goals and ensuring that targets which have been set for my colleagues are duly met.

## If you could enjoy a conversation with a great Russian novelist, who would it be and why?

Of all the Russian writers, I would like to have a good chat over a few drinks with Sergey Dovlatov. He wrote very concise and extremely funny prose about his military service as a security guard in Soviet prison camps, and his journalistic and writer's experience



in a country where free self-expression was not always welcome. This led him to emigrate to the USA in the end of 1970s where much of his work was translated into English, published in The New Yorker magazine, and brought him critical acclaim. I would highly recommend his novels like "The Suitcase", "The Compromise" and "Ours: a Russian Family".

**If the ice continues to melt along the north coast of Russia, what opportunities will it bring?**

If the melting continues, this will certainly present Russia with a shorter route to Far East Asia and the eastern coast of the USA, giving a boost to international trade and shipping, and will lead to a more intensive development of the northern regions. Further, the northern seas hold vast reserves of oil and gas which cannot easily be tapped due to severe weather conditions. Developing those fields will be easier in an ice-free environment.

However, the global warming may also bring negative effects for the country's economy. For example, infrastructure like pipelines, factories and accommodation buildings in the north have been built in the permafrost. When this starts to thaw, the consequences could be catastrophic.

**How do you feel about Russia being selected to host the 2018 World Cup?**

Both the 2018 World Cup and the 2014 Winter Olympics in Sochi will give the country's economy an enormous boost. I am proud that Russia will host such major sports events, and I am looking forward to the business opportunities which will be brought by construction of sports facilities and development of the transport infrastructure. I've never played football myself, nor have I ever followed any of the championships. But in 2018 I will certainly be a fervent fan of the Russian team!

**What, in your opinion, is Russia's biggest untapped resource to date?**

Most certainly, its people – well educated, talented and entrepreneurial. However, bureaucracy and corruption make it hard to start and develop small and medium-sized businesses. When the business environment improves (and I believe this will happen rather sooner than later) Russia will be able to supply the world not just with hydrocarbon resources but also with new business ideas, technologies and know-how.

**How typically Russian do you consider yourself?**

Being typical means living up to stereotypes, but today's world is more complex, with less room for generalisation and simplification. Remember Hollywood movies from the Cold War era? Typical Russians would all be villains wearing fur hats with huge red stars and drinking vodka like water. Then check out the current business chronicles – a lot of

"Business is an international phenomenon, and its rules are universal. To build and enjoy good relations with your customers and partners, you have to treat them with respect, be proactive when providing services, keep your word to build trust, never let any one down"

Russian companies are publicly listed, and a typical Russian business man is dressed in a smart suit in Wall Street or the City of London. Today the Russians travel more, communicate and work with people from other countries and, as a result, we are finding more things in common with other nations.

I consider myself Russian by virtue of the fact that I speak passable Russian, know Russian history and love Russian literature. At the same time I like Japanese food, enjoy American and European movies, and feel at home in every country I visit. So I like to think of myself as a man of the world rather than just a Russian man.

**If you could have one super power, what would it be?**

To be able to freeze or slow time – in order to cram everything I want to do within 24 hours. **GW**





# WHEREVER YOU GO: GAC NEW ORLEANS

Before August 2005, it was best known as The Big Easy, famed for its Mardi Gras and jazz tradition. But that all changed when one of the most powerful hurricanes to hit the USA slammed into New Orleans. Despite the devastation Hurricane Katrina brought, the port is once again flourishing.

### Wide-ranging

From its base, located to take advantage of port, road and rail connections, the GAC New Orleans team coordinates operations throughout the port as well as a 232 mile (373 km) stretch of the Mississippi River up to Baton Rouge.

Manager Salvador Lee, and his team - Nick Ory, Vincent Monica and Michelle Blankenship - deal with three distinct custom ports, South Louisiana, New Orleans and Baton Rouge, each with their own way of conducting business. For example, New Orleans has a Foreign Trade Zone, where merchandise is brought

into the country without immediately being subject to usual US customs regulations.

### Energy hub

The region is a hub for the US oil and gas industry, due to its proximity to the Gulf of Mexico, extensive infrastructure, and pool of industry workers. The Mississippi River alone hosts 49 oil and chemical terminals or facilities, as well as numerous grain elevators, midstream buoy systems and coal facilities. GAC New Orleans also handles offshore oil operations at Southwest Pass Lightering area, approximately 38 miles offshore, and the Louisiana Offshore Oil Platform.

### Post-Katrina pride

Nothing could have prepared New Orleans for 29 August 2005, when Hurricane Katrina made landfall. 1,800 people died and damage was estimated at USD 81 million, largely due to failure of the levees. It took more than 40 days to pump the floodwaters out of the city.

GAC New Orleans Manager Salvador Lee says: "Hurricane Katrina was a life-changing and city-altering event, but it was also a great learning experience. The diehards who returned teamed together and forged forward to return our port to the way it was and make it even better.

"Five years later, our New Orleans office is once again thriving. We are proud to be part of the life of the city, and proud to be part of the GAC family and everything it stands for." **GW**

The GAC New Orleans team are (left to right): Salvador Lee, Michelle Blankenship, Nick Ory and Vince Monica.

# APPOINTMENTS

## GAC CASPIAN & CENTRAL ASIA REGIONAL LOGISTICS OFFICE - ASHKABAD, TURKMENISTAN



### Matthew Towse

Regional Logistics Manager,  
Caspian & Central Asia

Previously:  
General Director, GAC  
Kazakhstan LLP

## GAC INDIA (MUMBAI)



### Commander (Retired) Arun Julka

General Manager, Business  
Development - Oil & Gas  
Services for GAC Shipping

Previously:  
Formerly with the  
Indian Navy

## GAC KUWAIT



### Tom Näsman

Managing Director

Previously:  
Project Manager for  
Europe, Mediterranean &  
Africa Region

## GAC RIO DE JANEIRO



### Igor Borges

Marketing Manager,  
Shipping, for Central &  
South America

Previously:  
Worked for a well-known  
Latin American shipping  
agency network.

## KAZGAC MARINE SERVICES LLP



### Tim Parkins

General Director

Previously:  
Manager, Marine Services for  
GAC Kazakhstan LLP

## GAC BAHRAIN



### Mikael Leijonberg

Managing Director

Previously:  
General Manager, Finance  
for GAC Dubai



### Harisankar Menon

Regional Operations  
Manager, Navy Business /  
Operations Manager

Previously:  
Operations Manager



### Uday Naik

Sales Manager

Previously:  
Assistant Sales Manager

## GAC DUBAI



### Pontus Fredriksson

General Manager, Finance

Previously:  
Finance Manager



### Magnus Larsson

Facilities Manager

Previously:  
Technical Manager for  
GAC Turkmenistan

## NSGAC ABU DHABI



### Darren Ball

Business Manager,  
Logistics

Previously:  
Regional Project Manager,  
Middle East



### Sri Manjeri

Sales Manager – Logistics

Previously:  
Held several posts at  
NSGAC Abu Dhabi  
since 1999.

## GAC SINGAPORE



### Ronald Lichtenecker

Managing Director

Previously:  
Managing Director of GAC  
Kuwait

## EUROPE REGIONAL OFFICE, ROTTERDAM



### Ivo Verheyen

Group Vice President,  
Europe Region

Previously:  
Managing Director of GAC  
Singapore

## GAC NIGERIA



### Erwin Lottering

General Manager, Marine &  
Logistics.

Previously:  
Marine Logistic Consultant  
Manager with Axxis  
Petroconsultants, Lagos.

## GAC-PINDAR, ABU DHABI



### Peter Grönberg

Project Director

Previously:  
Managing Director of GAC  
Bahrain

## GAC ANGOLA



### Laurence Robineau

Logistics Manager

Previously:  
Key Account Manager with  
AMT/GETMA, Angola.

## Looking for contact details?

Contact details for many GAC staff are listed in our website [www.gac.com](http://www.gac.com)

Just type in the surname of the person you are looking for in the Name Search field in the "Contact" section of the site.





# TEAM GAC PINDAR

## MAKING WAVES

A world-class crew has been assembled to compete in international sailing contests and provide specialist logistics solutions to the yachting community. Welcome to Team GAC Pindar (TGP).

The new venture brings GAC together with Team Pindar, one of the world's leading independent sailing teams with more than 25 years experience in running successful sailing campaigns. GAC first worked with Team Pindar in 2008 when it helped set up 'Sail Bahrain', to create a National Sailing Academy and raise the sport's profile in the country.

### Active participation

Team GAC Pindar aims to establish GAC as a global force in specialised logistics in the marine leisure market.

TGP Project Director Peter Grönberg,

says: "Logistics for international yachting events are complex. There is great demand for fast-track specialist resources to supply replacement parts. International yachting requires a globally-competent logistics provider with significant sector knowledge."

From its base in the sailing hub of Southampton, UK, TGP will serve the entire yacht manufacturing and marine leisure industry covering boat builders, equipment manufacturers, yacht owners, race coordinators, event managers, marina operators, real estate developers and more. Services provided include delivery of complex yacht transport, shipping spares

and equipment in containers or by air and handling urgent replacement parts.

### Watch out for the brand

The first challenge the team will face is the Extreme Sailing Series 2011 ([www.extremesailingseries.com](http://www.extremesailingseries.com)). The Series starts in Oman and will continue around the world to China, Turkey, USA, UK, Italy, France, Spain and Singapore. Team GAC Pindar's skipper is the two-time ISAF World Match Racing Champion, Ian Williams. Williams and Team GAC Pindar will also compete against the best in the sport in the World Match Racing Tour ([www.wmrt.com](http://www.wmrt.com)) starting in May. **GW**