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Delivering your strategy.

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Promise after pain...



Wars exact a high price in blood and treasure. Sri Lanka's civil war, which began in the early 1980s and ended in 2009, is typical. It cost the country more than USD 200 billion in cash and 150,000 in lives.

Then there is the economic and social opportunity cost. The war spanned the period when many developing countries were seizing the benefits of globalisation's positive impact on trade and investment. Sri Lanka spent the same period standing still.

Not surprisingly, Sri Lanka wants to make up for lost time. Its '**Vision 2025**' blueprint* sets out the intended pathway.

The goal of Vision 2025 is to "position Sri Lanka as an export-oriented economic hub at the centre of the Indian Ocean."

Now, this is a bit of a no-brainer. Sri Lanka has always been a hub for trade. Its location is glorious. It hangs off the end of a truly massive subcontinental market and shaves the edge of one on the world's busiest trade lanes. It's just under-developed and Vision 2025 is a project plan to modernise pretty much everything. The country is in a hurry. We catch up with it starting on page 8.

Racing

In October last year, seven skippers gathered seven teams to race seven yachts around the world in the Volvo Ocean Race. They'll make 12 stops along the way and are expected at the finish line in The Hague, Netherlands, at the end of June. The logistics support behind this thoroughbred bluewater event is full-on from start to finish with special race villages being assembled and taken down in sequence as the yachts circumnavigate the globe. Read more on pages 4-5.

Momentum

Markets rise and fall but not in unison. Energy projects for example have long timelines. Fashion flips from season to season. The continued expansion of shipping services in Brazil rests on the deep momentum of a big population with rising consumer aspirations (page 3). In Western Australia, we've opened a consolidation warehouse to back up the multi-billion dollar energy projects, mainly natural gas, under way there (page 15). Over in West Africa, we've renewed our liner agency contract with Hapag-Lloyd/UASC (page 13). By taking over supply chain operations for a major retailer in Thailand, we've slashed its timelines and lifted its cash flow (see back page).

That was 2017

Whew! It's January. Just like it was 12 months ago. Much has happened in between. We've seen global and regional squabbles, unseemly tweets, massive leaks of tax haven data, bold plans, ground-breaking market moves, game-changing technologies and a stream of human tragedies. The world has grown hotter and we've added another 83 million people to the global population. This is not a stable time in global and economic affairs and we are all learning how to operate in conditions of uncertainty. In this regard, it's not only Sri Lanka that is in a hurry. We are all moving faster. Welcome to 2018!

Stuart Bowie

Editor



* Sri Lanka's Vision 2025 document can be found here:
http://www.pmooffice.gov.lk/download/press/D00000000061_EN.pdf

3rd Seatrade Award



The GAC Group continues to be recognised for its shipping strengths. At this year's Seatrade Maritime Awards in the UAE, it received the Ship Agent award for the third consecutive year.

The Seatrade Maritime Awards celebrate maritime excellence across the Middle East, Indian Subcontinent and Africa. GAC's win was in recognition of the Group's consistent commitment to improving efficiency while delivering high quality shipping services. It was also acknowledgement of GAC's environmental commitment and contribution to developing the regional maritime sector through its varied portfolio of services. **GW**

Fredrik Nyström, Group Vice President – Middle East, GAC Group, is presented with the Ship Agent Award by Rene Kofod-Olsen, CEO Topaz Energy and Marine, Andrew Williams, Aviation and Seatrade Group Director, Seatrade and Emma Howell, Group Marketing Manager, Seatrade



Meet Hala Ali

She's a qualified pharmacist and the latest addition to GAC Dubai's Contract Logistics team. Hala is the Pharma Quality Analyst responsible for maintaining standards and enforcing protocols in the pharmaceutical warehouse and related transport operations.

Contract Logistics General Manager Neil McMaster says: "Hala's retained knowledge in pharma processes and attention to detail will complement our experienced operations team, further underlining our commitment to the highest industry standards and driving good distribution practices throughout our business." **GW**

Number 10 for Brazil

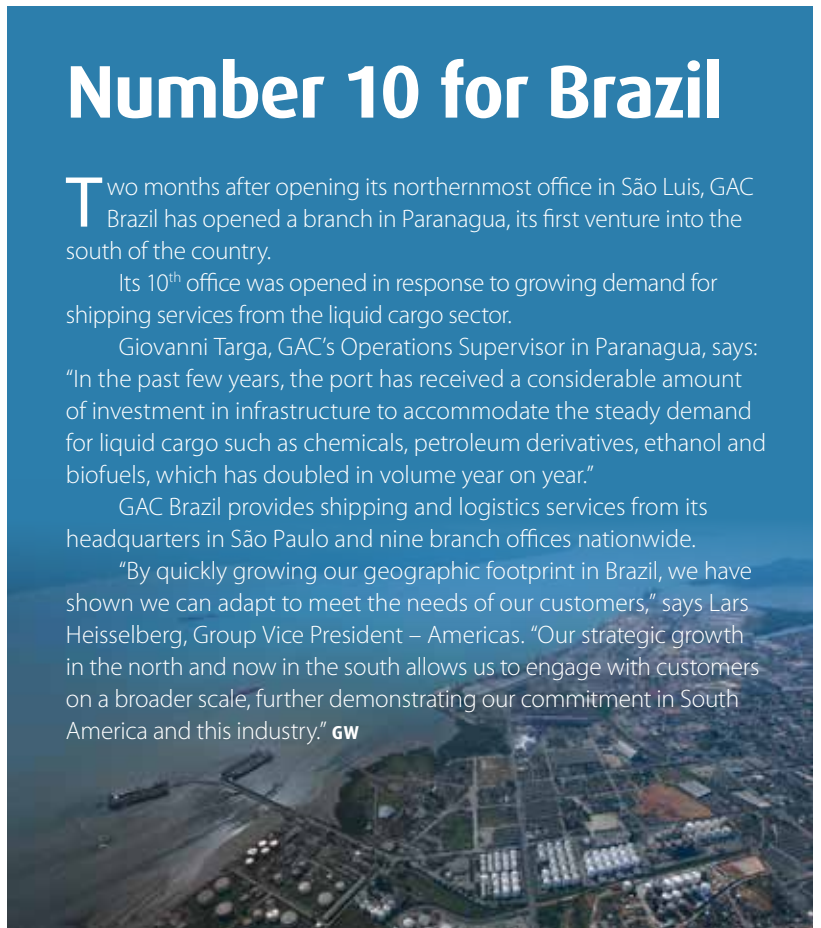
Two months after opening its northernmost office in São Luis, GAC Brazil has opened a branch in Paranagua, its first venture into the south of the country.

Its 10th office was opened in response to growing demand for shipping services from the liquid cargo sector.

Giovanni Targa, GAC's Operations Supervisor in Paranagua, says: "In the past few years, the port has received a considerable amount of investment in infrastructure to accommodate the steady demand for liquid cargo such as chemicals, petroleum derivatives, ethanol and biofuels, which has doubled in volume year on year."

GAC Brazil provides shipping and logistics services from its headquarters in São Paulo and nine branch offices nationwide.

"By quickly growing our geographic footprint in Brazil, we have shown we can adapt to meet the needs of our customers," says Lars Heisselberg, Group Vice President – Americas. "Our strategic growth in the north and now in the south allows us to engage with customers on a broader scale, further demonstrating our commitment in South America and this industry." **GW**





They're off!

Sails hoisted for 2017-18 Volvo Ocean Race with GAC as official logistics provider again

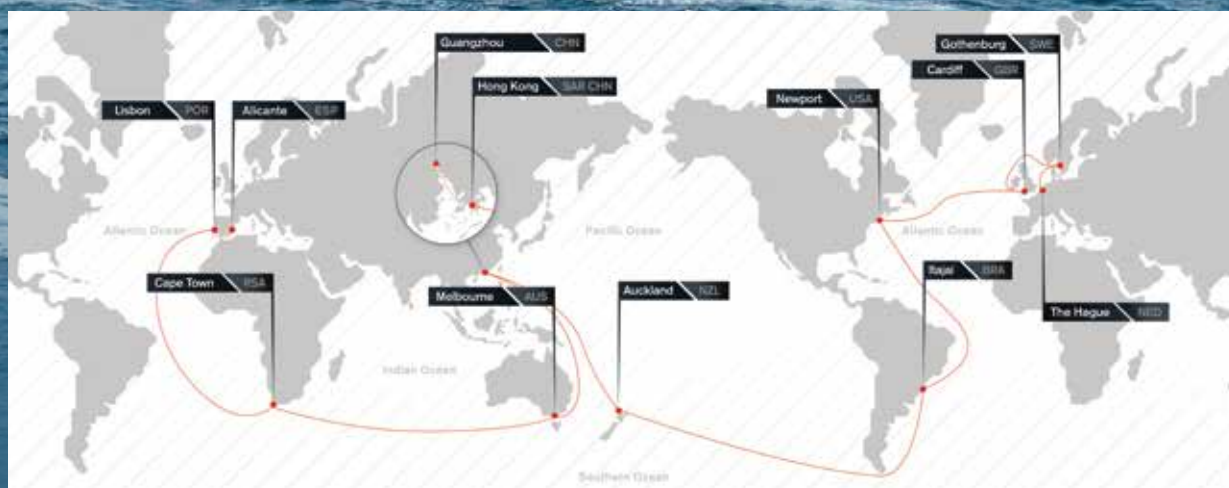
After months of preparation the 2017-18 Volvo Ocean Race has started. The competing yachts set off on 22 October on the first leg from the Spanish port of Alicante to Lisbon, Portugal, before heading to Cape Town in South Africa.

The round-the-world race has crews on seven yachts battling the wind, the waves and each other on 11 legs over nine months.

At every stopover, GAC will be there as the race's official logistics provider. The On-The-Ground team is traveling with the Race Villages as they leap-frog the route ahead of the yachts to ensure that everything is received, ready and set up when they arrive.

The marine sport, leisure and event logistics experts at GAC Pindar are working with GAC offices around the world to make sure that every logistics need of the race organisers, competing teams and other stakeholders is met.





Commitment & collaboration

It's a tough challenge, but one which GAC proved it was equal to when it served as the official logistic provider for the 2014-15 race.

Volvo Ocean Race Executive Director Karin Bäcklund says GAC Pindar's commitment, collaborative expertise and transparency were at the heart of the decision to appoint us a second time. It's the first time in the history of race that the same logistics provider has been appointed twice.

Winning combination

The GAC On-The-Ground Teams are supported by their Control Tower colleagues in Southampton, UK and local GAC logistics staff around the world.

That winning combination has earned the confidence of the race organisers, including Peter Ansell, Operations Director for Volvo Ocean Race S.L.U., who says: "GAC provides the Volvo Ocean Race with a seamless link between our complex global logistics needs and practical on-site delivery of site operations management. GAC's services stretch beyond those of a supplier to the race and see them fulfilling a totally integrated role as true partners with the Volvo Ocean Race." **GW**



GAC Pindar's UK-based Control Tower team ensure the race infrastructure is approved, booked, shipped, flown, cleared, inspected and delivered on time, wherever in the world it needs to be.



Ahlers agency arm acquired in Belgium



The GAC agency team at the port of Antwerp.

GAC has expanded operations in Belgium by acquiring the ship agency business of Ahlers Belgium NV.

Ivo Verheyen, the GAC Group's Vice President – Europe, says: "The GAC family in Belgium, throughout Europe and around the world welcomes the Ahlers Belgium agency team aboard. With them, we look forward to expanding our services in and around the Amsterdam-Rotterdam-Antwerp (ARA) region.

"For the past three years, GAC Belgium has specialised in agency and dry bulk services at all of the country's ports. With our new colleagues, we are determined to continue to deliver the highest levels of service and local knowledge that our clients can rely on."

Roel Vanmaele, Managing Director of Ahlers Belgium NV, adds: "This transfer is part of a drive to sharpen Ahlers' focus on supply chain management and logistics. With its global network and local relationships, GAC is extremely well positioned to serve the ship agency business in Antwerp. Our two companies have worked successfully and productively together for a number of years and will continue to do so in areas of joint interest." **GW**

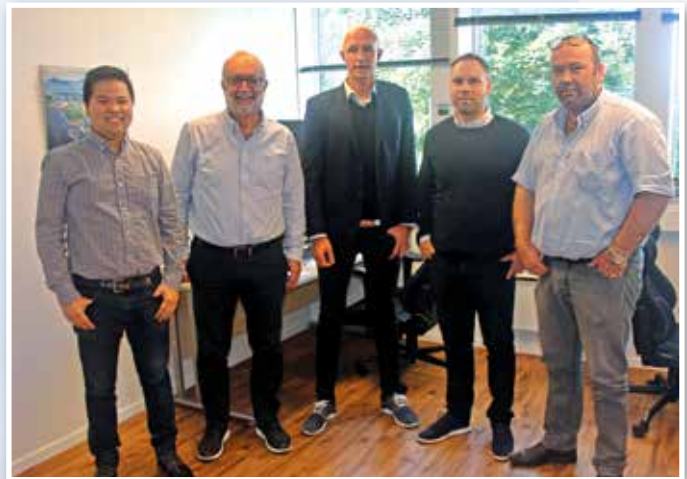
Representation deal signed for Norway O&G hub

As Norway's oil & gas sector shows signs of improvement, long-term development plans are being restarted. In response, GAC Norway has secured a representative at Florø, the closest port to many of the country's oil fields in the North Sea.

GAC Norway has signed an agreement with long-established agency and chartering company Bergen Trading and Agency to ensure optimum service for offshore, bulk and tanker vessels operating in and around Florø.

Florø is Norway's westernmost city. Its Fjord Base supplies the Snorre, Tordis, Vigdis and Visund, Gullfaks, Statfjord and Veslefrikk fields. **GW**

For more about GAC's operations in Florø, contact Bergen Branch Manager Per Steffen Bolstad or email floro@gac.com



GAC Norway's Jermyn Chua, Managing Director Ahmet Özsoy and Arild Nekkøy of Bergen Trading and Agency, GAC Norway's Branch Manager in Bergen - Per Steffen Bolstad and Bergen Trading and Agency's Leon Nesje.



Photo credit: Port of Florø / Jostein Lange Bergset.

Expansion in Bahrain

GAC Bahrain has opened a new warehouse and office building in response to anticipated growth of the Kingdom's logistics sector.

The 3,200m² 3,019-pallet position ambient racked warehouse replaces the company's leased facility. The new office and storage complex has easy links to the airport, seaport, the Arab Shipbuilding and Repair Yard and the King Fahd Causeway.

Managing Director Pontus Fredriksson describes the Kingdom as the gateway to Saudi Arabia, the region's largest economy. It has well-developed transport infrastructure and strong regional connectivity.

"The logistics sector in Bahrain is performing well and it is set to grow further. The purpose-built warehouse, which can be expanded to accommodate future growth, will help meet this demand," he adds.

GAC Bahrain also operates 1,500m² and 1,404m² of bonded warehousing at the airport and seaport. 2017 marks 60 years of operations in the Kingdom. **GW**



Ribbon cutting ceremony during GAC Bahrain's new warehouse and office building opening.

Certified!

Members of GAC Bahrain's International Moving team display their FIDI-FAIM 3.1 credentials. The team is one of very few in the Kingdom to be certified at the highest quality standard in the international moving industry. **GW**



Sri Lanka

Post-War Reconstruction Continues

Sri Lanka's civil war ended in 2009 after more than three decades of increasingly brutal conflict. Much work was required to rebuild both the physical infrastructure and the social unity of the people. The work continues.

Numbers up

The economy grew an average of 6.4% every year between 2010 and 2015, while the Central Bank reports that GDP per capita is USD 3,835 and rising. The economy has slowed slightly in recent years as it has moved away from services and more towards manufacturing. GDP growth is expected to pick up momentum to 4.7% moving into 2018.

Trading

Sri Lanka has always been a trading hub between east and west going back to when Ptolemy, around 150AD, described "Taprobane" as an island of nearly continental size. This ancient haven for merchants and voyagers continues to be a magnet for world trade.

Investment

The government needs continuing foreign direct investment (FDI) to develop its infrastructure. Discussions are now finalised with China on a joint venture to expand the Port of Hambantota and form a Special Economic Zone as a part of China's One Belt-One Road initiative. FDI was USD 680 million in 2015, USD 898 million in 2016, and will top USD 1 billion in 2017.

Future projects include the Colombo-Kandy highway, connecting the capital and a key tourist centre and a new highway to Jaffna, the economic centre of the north. The Western Region Megapolis project and upcoming Financial City for investment will attract more investors in the medium to long term.

Export Zones for easier business

It is expected that there will be at least ten new Export Processing Zones as Sri Lanka's policy reforms unwind decades of bureaucracy and make it easier to do business.

The government plans to increase its use of new energy sources such as LNG, wind and solar power.

Shared prosperity

Growth has led to shared prosperity, declining poverty and improved living standards. Asset ownership is on the rise, as is reported household income per capita among the poor.

But further economic growth will likely require more structural changes towards diversification and productivity, and a reduced role for agriculture.

Oxford report

According to the Oxford Business Group report of 2017, the state has targeted four main sectors for growth:

- **Construction**
- **Tourism**
 - A record 2.1 million tourists visited the country last year and 1.55 million arrived between January and September 2017.
- **Financial services**
- **Logistics.**

According to Central Bank figures issued this year, the service sector dominates the economy claiming 56.5% of GDP in 2016, followed by industry (26.8%) and agriculture (7.1%).

The Rebuild

Post-war rebuilding has brought vast improvements. The government is keen to develop the physical environment while complementing it with policy reforms. Development is underway for road and rail networks, as well as ports, airports and hotels & apartments.



About 5.7 million TEUs were handled at the port of Colombo in 2016 - a 10.6% growth in container traffic compared to the previous year. While Sri Lanka's position along the East-West sea route gives it a natural advantage, increased investment in ports and terminals are bringing the country closer to its vision of becoming a regional hub alongside established centres like Dubai and Singapore.

Supply Chain Ripple

Economic expansion will have a ripple effect on the supply chain, creating new opportunities for growth in areas such as husbandry, ship agency and bunkers.

The focus is now on expanding four commercial ports – Colombo, Trincomalee, Galle and Hambantota.

The Hambantota project includes the joint venture with the Chinese mentioned above. This will deliver a 2,840 acre port area and 1,500 acre hinterland. It is expected to transform the economy of the region and the country by converting it into an industrial zone. India and Japan have expressed interest in developing the Port of Trincomalee. Construction of a Yacht Marina at Galle has the potential to position it as a niche port for pleasure yachts and cruise liners.

But while private investment is being strongly encouraged, pundits claim further reforms in customs procedures and improved transportation networks must be made to make the logistics sector more attractive.

Vision

The Government has recently revealed its vision for 2025 – to make Sri Lanka a rich country. The strategy is to transform it into an export-oriented hub of the Indian Ocean, with a knowledge-based, highly competitive, social-market economy with improved standards of living and economic growth generated with equity. The structural transformation and economic, legal and fiscal policies needed to achieve this goal are now being implemented with the aim to make Sri Lanka an upper-middle income country by 2025.

The Government's three-year economic delivery programme includes:

- Raising per capita income to USD 5,000 per year
- The creation of a million new jobs
- Increasing foreign direct investment to USD 5 billion per year
- Doubling exports to USD 20 million per year.

Sri Lanka is moving ahead briskly with a clear view of where it wants to go. The journey won't always be easy but the prospects of success are the best they've been since the shooting stopped in 2009. **GW**



The ground-breaking ceremony of the SPECTRA integrated logistics facility.

GAC and the wave

GAC Sri Lanka is riding the wave of growth. It sets the benchmark for off-port-limits husbandry operations and ship agency services. As well, the company has worked on many project logistics ventures including railway construction, offshore sand mining, beach nourishment projects, the country's first oil and gas exploration project and a variety of other energy developments.

Mahesh Kurukulasuriya, Managing Director of GAC Sri Lanka, says: "We want to be where the development is. We have been operating in Sri Lanka for 26 years and we're the market leader in shipping and off-port limits operations. We have a history of identifying potential ahead of the market and that has enabled us to seize opportunities."

In 2017, GAC entered a joint venture with Hemas Transportation Ltd to develop an integrated logistics facility in the Muthurajawela Industrial Zone under the brand name SPECTRA. When finished in the second quarter of 2018, the tech-smart facility will have a 22,000 pallet-position warehouse facility and a container yard with capacity of 6,000 TEUs.

Ashan Welagedara, GAC Sri Lanka's Head of Shipping Operations, adds: "The trade landscape is changing now. More shipments are coming into the country in containers and the scope and type of bulk cargo to Sri Lanka is shifting. The construction boom has driven imports of cement, clinker, steel and gypsum, and there is a lot of project cargo coming in.

"We are confident that dynamics in the Port of Hambantota and related developments will further enhance GAC's opportunities in areas such as ship agency, ship supply services, bunkering and integrated logistics, to consolidate its position as the market leader in Sri Lanka."

He warns, however, that service providers must be mindful of local dynamics as development continues. New and changing regulatory frameworks will have an impact on the services they can provide and the market must be ready to adapt change.



Vision 2025: Tourism hotspot



Plans to make Sri Lanka the go-to regional tourism destination have been unveiled by the Government, aiming to attract five million visitors per year by 2025.

"The future of tourism will be in Asia and in this outlook one of the best destinations will be Sri Lanka," Prime Minister Ranil Wickremesinghe told delegates at the second biennial Cinnamon Hotels and Resorts Future of Tourism Conference in Colombo in September 2017.

The launch of 'Vision 2025' provides a strategic direction for Government, industry and other stakeholders. There is a ten-point action plan to kick-start the destination marketing programme which will declare 2020 "Visit Sri Lanka" year. By the end of September 2017, tourist visits were up 3% for the year and on target to hit the 2 million mark.

Indian visitors

India led arrival figures in 2017 with 267,601 visitors by the end of September and projections indicating there could be 400,000 Indian tourists by the end of the year. By 2020, the touted figure is one million.

Overall, India's outbound tourism sector is growing rapidly and is expected to reach 50 million travelers in the next eight years. Sri Lanka's close-to-home option is sure to attract a good share.

Sri Lanka also draws tourists in large numbers from China (208,635), the UK (153,971), Germany (98,033) and France (77,718).

Focus

GAC Sri Lanka is focusing on cruise arrivals and the yachting sector, which have both grown in the second half of 2017. A dedicated cruise team markets and secures cruise agency work in Sri Lanka, led by Ashan Welagedara, Senior General Manager – Shipping and Business Development.

"2016 saw more than 40 cruise vessel port calls to Sri Lanka, and this figure is set to grow in 2017/2018," he says. "We are actively promoting cruise agency together with GAC's global cruise team." **GW**



Squeezed by progress

Elephants hold a special place in Sri Lanka, esteemed as cultural and religious icons. But they have a problem.

Farmers are expanding their land for crops, tourist resorts are being developed, roads and railways are being built. Good news for the 22 million strong human population of the nation. Not so good for its 5,800 or so elephants.

They roam mostly in the dry zones, where national parks have been established. Sri Lanka is also home to the world's largest herd of orphaned elephants, at Pinnawala, cared for by government and non-profit organisations.



Mammoth load

In August 2017, GAC Sri Lanka's Project Logistics team was charged with the handling of a tusker (a large elephant with tusks) sent as a donation from Myanmar to the Sri Lankan Government.

The 3.5 ton animal arrived in a special crate at the port of Trincomalee on board the vessel 'Ocean Dynamic 18' under the agency of GAC Shipping. The documentation was handled by GAC Logistics.

As the project was of highest importance to Sri Lanka, many VIPs, including religious officials, politicians, wildlife experts and veterinary surgeons were dockside for the elephant's landing and its ensuing medical checks. **GW**

Lifting spirits

Heavy monsoon rains brought floods and landslides to Sri Lanka in 2017. 15 districts were affected, more than 200 people died and many more families lost their homes.

GAC Sri Lanka did its part by helping to restore a school in the Ratnapura district. A team led by Projects Manager Dilshan de Alwis and Senior Business Development Executive Dilshan Silva worked on the school canteen and play area and cleaned and painted older, flood-damaged buildings. They also lifted the spirits of staff and pupils with an art competition, tree planting and career and motivational talks. Donations from the company included musical and sports equipment, computers and walking aids for two students with polio.

GAC Sri Lanka's Managing Director Mahesh Kurukulasuriya says: "Despite everyone's busy schedule, the team quickly stepped in to help. This is not a one-off exercise. We will continue to help with the school rebuilding." **GW**



Sri Lanka snapshot



"Resplendent Island"

Meaning of "Sri Lanka" in Sanskrit *



1948

Gained independence from the UK *



65,610km²

Total area (land and sea) (about twice the size of Belgium) *



22,409,381

Population (July 2017 estimate) *



24.06%

Population under 14 *



92.6%

Overall literacy rate *



9.062 million

Workforce (2016 estimate) *



45.6%

Workforce employed in Services *



4%

GDP growth 2nd quarter of 2017 compared to same period in 2016**



25.9%

Industry sector share of GDP (2nd quarter of 2017)**



5.2%

Industry sector growth 2nd quarter of 2017**



56.6%

Services sector share of GDP (2nd quarter of 2017)**



4.5%

Services sector growth 2nd quarter of 2017**



-2.9%

Decline in agricultural sector in part due to bad weather including severe drought followed by heavy rains in some areas.** Continues the negative trend of the past six quarters.



Despite the overall decline in agriculture, growing of rubber increased by

10.2%***



and growing of tea increased by

6.9%***

*Source: The CIA World Factbook

**Source: Sri Lankan department of Census & Statistics News Release dated 15 September 2017

Hapag-Lloyd renews Nigeria liner agency after merger

Global container shipping leader Hapag-Lloyd has maintained its liner agency agreement with GAC Nigeria, following its merger with the United Arab Shipping Company (UASC) earlier this year.

Under the extended agreement, GAC handles all aspects of Hapag-Lloyd/UASC's business in Nigeria including husbandry services, sales, customer service and the import/export of containers. This caps five years of successful cooperation since Hapag-Lloyd and GAC Nigeria signed their first liner agency agreement and set up a dedicated team and office to handle the business.

Investment

The merger of the two shipping lines has led to a substantial increase in business for Hapag-Lloyd in Nigeria, prompting significant investment in office assets and personnel by GAC Nigeria.

Casper Bahnson, GAC Nigeria's General Manager for Liner Services, says: "Securing the new agreement with Hapag-Lloyd after the merger is a clear sign of the robust relationship we developed over the past five years. I have no doubt that through our joint efforts we will increase their presence in Nigeria." **GW**



Working relationship delivers!

It's taken six months, more than 70 40-foot containers, a fleet of trucks and trailers and a whole load of planning and execution, but GAC Laser has delivered the fittings for a new warehouse in Johannesburg, South Africa.

GAC Laser was appointed at the beginning of the year by SSI SCHAEFER, a leader in planning and implementing integrated logistics systems. The task: to handle the import of racking and shelving systems from Germany and the Czech Republic through Port Elizabeth and on to the new warehouse site about 700 miles away.

Multiple parties

The GAC Laser team consulted and coordinated with multiple parties working on the project - overseas offices, shipping lines, truckers, port authorities and on-site contractors - to ensure container release timings and trucking schedules were matched.

They also faced the challenge of other contractors vying for limited space and container-handling facilities at the warehouse site. This meant that constant and accurate planning, communication and information flow were even more critical. To keep tabs on progress, a bespoke Tracking Report was designed and implemented.

The warehouse shipment was the first of several projects on which the GAC Laser team continues to work with SSI SCHAEFER. It has delivered containers for a cold storage plant in Port Elizabeth, additional shipments to a brewer in Swaziland, containers from Germany for an online retailer... and the list continues.

Symbiotic

GAC Laser is a partnership between the Laser Group and the GAC Group, and is the logistics affiliate of GAC Shipping South Africa. SSI SCHAEFER and the GAC Group have been working together on a global basis since 2008. It's a symbiotic strategic relationship which sees GAC handling a number of key trade lanes for SSI SCHAEFER while GAC, in turn, is a customer of SSI SCHAEFER in Asia and the Middle East.

Since that cooperation began, the volume of business has grown from a few hundred containers to approach 1500 per year. **GW**



R 3000 – The multifunctional shelving and racking system for single-level and multi-tier design, with individual adjustment to cater for any type of stored item

Collaboration Cracks Complex Break Bulk Shipment



Lifting of the supersized boiler as breakbulk cargo on a container vessel.

GAC India has successfully shipped a huge boiler on behalf of GAC Russia, using a cost effective method and tons of teamwork.

The shipment was secured by GAC Russia for its client, a large mining company in Guatemala. The GAC India team loaded the Rajasthan-built boiler, measuring 12.8m x 3.5m x 4.3m, onto the CMA CGM Group's *APL CHARLESTON V* berthed at Nhava Sheva International Container Terminal (NSICT).

Cost-effective

Operations Manager Logistics, Shaiji Balan, says the sheer bulk of the cargo would have made transportation on a break bulk vessel extremely costly. Instead, the team loaded it on to a container carrier for its journey to Guatemala via Belgium, a far more cost-effective alternative.

"Our team sat down with Soumen Kar, the CMA CGM Group's Manager – Projects, to find the best way to get this massive cargo to its destination," he says. "The best solution was on a container vessel, reserving six 40' flat racks.

"Due to its massive weight, handling the boiler as loose cargo using gantry cranes was a challenge. But, the team rose to it."

The boiler transferred at Antwerp to another CMA CGM Group container vessel for the onward voyage to Santo Tomas De Castilla in Guatemala.

"The cargo had to be unlash and relash at each port, which meant GAC India and CMA CGM had to carefully prepare and liaise with the authorities in India, at the transshipment port and at its final destination port to ensure the boiler was handled safely and efficiently," says GAC India's General Manager of Project Logistics, Vishal Verma. "It reflects the dedication to quality that we apply to all shipments we handle."

Cooperation

Tatyana Shorokhova, GAC Russia's General Manager, says: "This unique shipment, carefully planned and executed by GAC India for our client, is a great example of successful cooperation between us, the client and the good people at CMA CGM Group". **GW**

Consolidation warehouse opens in Perth

GAC Australia has responded to customer needs and opened a consolidation warehouse in Perth. The warehouse is at Canning Vale, about half way between Perth International Airport and Fremantle Port.

The 800m² facility features a 5mx5m warehouse door and an 8.5m truss height that allows trailing equipment to reverse into the facility for loading and unloading. Arriving goods are consolidated and packed into pallets before being distributed to domestic and international locations.

Buoyant market

Scott Henderson, GAC Australia's Managing Director, sees rising demand for warehousing and logistics services in the country as a result of its buoyant energy market: "Australia has significant quantities of natural gas. In Western Australia alone, energy projects and related infrastructure spending amount to tens of billions of dollars. There are many local and international companies servicing the oil and gas, as well as the mining, technology and services (METS) sectors so there are plenty of opportunities for project logistics and warehousing providers.

"Having established ourselves in the country's shipping sector, we are now ready to expand to provide logistics services, and Western Australia is an ideal launch pad. The ability to provide integrated shipping and logistics services will allow us to serve our customers better." **GW**



Overcoming the odds

A combined biomass and coal-based power plant in central Kalimantan, Indonesia, has taken delivery of a 4,600 tonne shipment of equipment delivered by GAC Samudera Freight Services (GSFS).

The shipment, which included a turbine, condenser, gratings, beams, valves and boiler super heaters, presented the GSFS team with a problem. The original plan - to move it by container and break bulk to Surabaya port and then transfer to a large landing craft - proved to be too costly. Instead they worked with the consignee and shippers to move the cargo entirely as break bulk to the client's jetty.

Though more cost-effective and convenient, the new plan also presented challenges. Draft restrictions and the limited facilities available at the client's jetty were major issues. The jetty is used mainly for handling palm oil and is not equipped to handle big project cargoes. Under such constraints, GSFS had to ensure that the right vessel was used, source the best manpower from a limited labour pool and work around bad weather at the port during the delivery period.

The cargo had been shipped from Mumbai, where the origin port activities were handled by GAC India, whilst GSFS controlled the freight and local handling and Andhika GAC provided ship agency services when the vessel arrived at its destination port. **GW**

4,600

tonne shipment delivered



Is the future female?

by Shehara Jayawardana, Director of the GAC Group in Sri Lanka and Group Joint Managing Director of McLaren's Group.



“Women are coming out. Everywhere. They are starting to overtake men in terms of education, even in many developing countries.”

That's one of the messages Kjell A. Nordstrom, co-author of the book 'Urban Express', delivered to the GAC Group's Management Information Meeting in November 2016.

Just over one-in-ten of the audience of managers he was addressing were female – still not equal representation, but an improvement on the meeting four years earlier when just 6% of the delegates from the GAC world were women.

There's a shift taking place and it's one that is bound to affect us all, at a family, society, corporate, national and global level.



Role and Relevance

There is a massive wave sweeping across the world that encourages, empowers and liberates women today. The female, her role and her relevance, is a reoccurring topic on social media feeds, mainstream news, entertainment and politics. It is also evident that more and more women are taking active roles in business and lead roles in professions which were historically dominated by men.

Shining examples of female CEOs are Mary Barra (General Motors), Sheryl Sandberg (Facebook) and Indra Nooyi (Pepsico), and women head companies like Hewlett Packard, IBM and YouTube. We're staking a claim in fields previously considered male domains, as we see more female ship captains, astronauts, race car drivers and gantry crane operators.

Still not equal

We're making progress, but a look at the numbers reveals there is still a way to go. Women's contribution to economic activity and growth remains well below its full potential. Globally, they outnumber men in tertiary education (108 to 100 in 2012) but that same year just over half of the world's working-age women were part of the labour force, compared with 76.8% of working-age men.

When part of the workforce, women are disproportionately represented in low-skilled fields and vulnerable employment sectors. The result? A significant overall gender wage gap, particularly in societies with a traditional view of gender roles. Even in developed economies, women are still underrepresented in senior positions. During the period 2008-2012 just 4% of the CEOs in Standard & Poor's top 500 companies were female.

In my homeland, Sri Lanka, women form 52% of the overall population, but just 34% of the economically active population. As more than 55% of university graduates are female, we're looking at a failure to tap into a valuable resource. It's true that many women are employed in industries like tea and apparel manufacturing that attract foreign exchange, but most of these jobs are low-level - tea pickers, factory workers and the like. Meanwhile, Sri Lanka's growing tourism and logistics industries face a shortage of skilled workers. Of a total of 288 staff at GAC Sri Lanka approximately 15% are female - a huge increase compared to few years ago. Further, women form 15% of the numbers even at managerial level.

Business benefits

The argument for greater representation is strong. A 2007 report from the non-profit research organisation Catalyst found that Fortune 500 companies with more female board directors attained "significantly higher financial performance" than those with the lowest female representation. They outperformed those with the lowest levels of female representation by 53% in terms of return on equity, 42% in terms of return on sales and 66% in terms of return on invested capital.

A study of companies in the UK, USA and India revealed that companies perform better when they have at least one female executive on the board. And in its report 'Women in Business: the value of diversity', accountancy firm Grant Thornton noted that companies with male-only executive directors missed out on £430 billion worth of investment returns last year.

Women's participation in highly skilled positions is expected to increase. That should mean that the wage differential should continue to narrow. But can the corporate world look differently at female workforces, to understand not only their needs, but also their strengths and potential contribution to success? Emotional intelligence, empathy and multi-tasking abilities are all qualities required by business in the next decade.

Greater participation of women makes sound business sense, so long as merit is the hiring criteria and not the need to meet quotas. To harness that potential, employers should consider ways they can provide a support structure for women - job sharing, flexi time, working from home or child care are just some.

Technology, alternative currencies and energy sources, and the rise of automation are challenging us to innovate and evolve. Now industries traditionally dominated by men like shipping and logistics are facing similar disruption by growing numbers of ambitious, educated and capable women. Will unleashing their potential be a key element in successfully negotiating the future waters?

Breaking the mould

Already women are breaking the mould in traditionally male industries. Captain Radhika Menon, the first female captain of the Indian Merchant Navy, received the 2016 International Maritime Organisation Award for Exceptional Bravery at Sea for her role in the dramatic rescue of seven fishermen from a sinking fishing boat in the Bay of Bengal. And this year, the Women's International Shipping and Trading Association (WISTA International) named Captain Radhika Philips its Global Personality of the Year in recognition of her continuing work to encourage female seafarers.

WISTA International champions and connects women in shipping and trade, emphasizing professionalism and cooperation to meet the challenges of the 21st century. Formed in 1974, WISTA now has more than 3,000 members from more than 40 countries, including myself and several GAC colleagues who play active roles at the local level.

Equal partners

One of the reasons we are still having the discussion about women's place in business is due to persistent cultural perceptions about the roles of mothers and fathers. As a wife, a mother, and a professional, I look forward to seeing more people benefit from a reality in which men and women are equal partners in the workplace and at home. That, I believe will in turn unleash an unlocked value to our companies, societies and countries. **GW**

Winging it



This feathered friend is one of the more unusual characters that the GAC UK team at Invergordon has dealt with during a crew change.

The cockatiel – a species of small parrot – was discovered on the open deck of the heavy lift vessel *Stanislav Yudin* whilst working offshore north of Scotland, presumably swept there by strong winds during a period of bad weather. Though animals are not encouraged on board, the crew took pity on the bird and took it in, as it would have perished otherwise.

When the ship docked at Invergordon for a crew change, GAC's team combined the usual handling of luggage and hotel bookings with a special delivery to the local branch of the Scottish Society for the Prevention of Cruelty to Animals (SSPCA).

Martin Sinclair, GAC UK's Agency Supervisor at the port, says: "We face many challenges as part of our work but when they told us they needed a parrot collected, everyone assumed we'd misheard and it was in fact a pallet. But we took the stowaway bird in our stride and made sure it was handed over to the best people to take care of it."

At the time of writing, our feathered friend had made a full recovery with the SSPCA and become quite talkative. It has still not been claimed. **GW**

HSSE CORNER

Celebrating a big zero for Louise

There were smiles all round for the crew of GAC Marine Abu Dhabi's Anchor Handling Tug *Louise* after she passed a key client's HSSE audit.

The check conducted by the Abu Dhabi Marine Operating Company (ADMA-OPCO) showed zero discrepancies. The result was a satisfied client and a happy crew.

ADMA-OPCO is a major producer of oil and gas from offshore Abu Dhabi. GAC Marine has been working with contractors in its oil fields since the early 1980s and its fleet of vessels provides a

range of services including towing, transport of personnel and supplies, anchor handling, static tows and positioning operations.

Support craft undergo periodical inspections to ensure they meet ADMA-OPCO's stringent HSE and marine standards.

Managing Director Mikko Wieru says: "The 'no discrepancies' result is positive proof of the value of an effective HSSE culture and excellent teamwork. Congratulations are due to all concerned." **GW**



Vijay goes to new heights for a good cause

scaled the
13,435 ft

peak of Mount
Kinabalu

helped raise
RM 2,500

for the SHELTER
Home for Children



GAC Malaysia's Vijay Anand is feeling on top of the world, having achieved a double-goal. He has climbed the Malaysia's tallest peak, Mount Kinabalu, and in so doing, has raised much-needed funds for the SHELTER Home for Children which provides welfare for abused, abandoned, neglected and at risk youngsters.

He had the support of GAC Malaysia, where he is part of the Business Support – Sales team. The company paid his participation fees and helped raise RM 2,500 towards meeting the educational needs of the children at the Home.

The Mount Kinabalu climb is organised every year by the charity to help meet the RM200,000 (approx. USD46,000) cost of running its homes and services. This year, Vijay was one of ten who accepted the five-day challenge to scale the 13,435 feet (4,095m) peak, the highest between the Himalayas and New Guinea.

"It wasn't an easy climb, but I'm glad I made it to the top," says Vijay. "I am honoured to be given the opportunity to take part in this meaningful activity that challenges my resilience and pushes my limits, while contributing to a good cause."

GAC Malaysia has provided financial and in-kind support to the SHELTER Home for Children since the beginning of 2017, including a donation of 20 computers. The charity also provides community services such as food and financial aid for families in difficulties, and schooling and warm meals for refugee children.

Besides the SHELTER Home for Children, GAC Malaysia also supports The Agathians Shelter Home, which provides shelter, food and education for orphaned and abandoned boys and those from broken families. Vijay has been participating actively in the free football clinics that the company organises for the boys. **GW**

For more about the homes, or make a contribution, go to:



shelterhome.org



agathians.org

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End-to-end solutions save time, improve cashflow

Swedish-managed Ash Asia has slashed by almost one-third the time it takes the products it distributes in Thailand to reach consumers. This follows GAC Thailand's appointment to take care of its supply chain activities in the country. And as a flow-on result, cashflow has also improved.



The sole distributor of a leading consumer electronic brand and some fashion brands in several south-east Asian countries had previously managed its own logistics but outsourced the work to GAC so it could focus on its core business.

GAC Thailand now works with GAC China to collect products from the manufacturer in China and ship them to Thailand. Once in country, the GAC Thailand team handles clearance and transportation to the GAC distribution centre in Amata. Its sister company, GAC Thoresen Logistics (GTL) then handles the warehousing, value-added services and the final distribution to customers.

Time to market has dropped from 22 days to 15.

A number of other logistics challenges have also been resolved, including:

- Affixing two kinds of labels to products before they hit the shelves as required by Thai regulations
- Same-day unloading of products coming in a single shipment of 1-2 containers
- Speedy distribution of pre-ordered products to customers
- And accommodating a diverse range of delivery time windows and requirements to outlets, mostly in shopping malls.

Further, proprietary IT systems GACfreight and GACware have boosted stock visibility, delivery and POD status, inventory accuracy and speeded up picking and delivery.

Adam Reuterskiold Arnback, CEO of Ash Asia says: "With GAC Thailand and GTL on board, our operational efficiency has improved significantly and we now have time to focus on our other business priorities. The shorter go-to-market time also means we now receive payment from our customers earlier and this has helped to improve our cashflow."

Ash Asia has extended its business to Malaysia and with the help of GAC Thailand, GAC Malaysia is now handling the freight, warehousing and distribution of its products there. **GW**