

Shipping depends upon a long term business cycle



"The shipping industry is now integrated to logistics business. With time changing rapidly we have to think big to accelerate growth. As shipping depends upon a long term business cycle," stated **Mr PK Srivastava**, Chairman, Essar Shipping. He was speaking as Chief Guest at 17th Shipping Academic Conferences titled – **Creating Wealth in Shipping Amidst Rapidly Changing Scenarios** held for the 12th consecutive year at Mumbai's luxurious Hotel – The Leela on 25th April. His opinion on the theme: "Creation of wealth in shipping industry depends upon key parameters like physical performance of assets, their overall financial performance, et al."

On good business managers, Mr Srivastava spotlighted, "Knowledge of all facets of shipping should be the top priority of all key professionals of the company and that too with due diligence. Managing change is very vital in any company's growth with focus on acquiring knowledge, implementation of new ideas, etc. All professionals should become good managers and acquire excellent administrative skills. Good business managers should **ALWAYS** respect the Law of the Land." In conclusion, he said, "Artificial Intelligence will drive growth of shipping in the decades to come."

Earlier, **Capt Kamal Chadha**, Managing Director, Marex Media Private Limited and a member of SAC Council warmly welcomed the Chief Guest, dignitaries and guests who

have come from Japan, Singapore, Dubai and Mumbai. He mentioned that the power packed house comprised of very talented and successful leaders from diverse backgrounds – chartering, ship operating, ship managing, trading, shipbroking, shipowning, shipping associations, and the shipping media.

Sharing his optimism, Capt Chadha said, "We are in the 11th year of the on-going difficult times, we should expect to see the beginnings of a long term recovery for global trade and shipping."

Enlightening on 2020 & Wealth Creation – A Viewpoint, **Mr Punit Oza**, Vice President, Torvald Klavness said, "The year 2020 brings major changes in shipping." He mentioned that coal trade will be a wealth creation opportunity in shipping in 2020 with the focus on Asian countries, especially China. Global growth will continue to slow in the current year unless trade war between US and China gets resolved soon.

Commenting on steel and crude oil consumptions, **Mr Oza** articulated, "In 2020, steel consumption pattern globally is going to impact shipping hugely. The net fleet growth of ships globally will remain slow in 2019. The

world needs to reduce the dependency of fossil fuel. Crude oil price may rise up to 160 USD per barrel and refineries may be unable to produce adequate compliant fuel."

On digitalisation, Mr Oza accentuated, "Digital technology will drive shipping growth in 2020 and it should be purposeful. Energy prices, coal and digital technology will impact shipping sector's growth in 2020 and beyond."



terms of tonnage. Currently, the average age of world fleet is 10.2 years and the pace of scrapping of ships in the future may slow down. Garbage disposal charges are around 5000 to 8000 thousand USD per year per vessel and communication charges are around 4000 thousand USD per vessel per year.

Expressing his views on the shipping markets, **Capt Rahul Bhargava**, Executive Director, Essar Shipping highlighted, "Shipping is suffering with low freight prices problem since 2008. In 2019, new regulations are round the corner. The trade war between US and China is not over and ban on Venezuelan and Iranian oil by US will impact shipping in 2019-20."

He further informed that Singapore will seek prison for Captains and ship owners for breaking 2020 Low Sulphur Fuel Rules. A lot of scrapping of ships will take place in 2019 with the ship age ranging from 18 to 20 years. Economic development in Vietnam and Cambodia has been driving the surge in coal movement. Import of coal in India is likely to rise in the future due to various factors.

Post lunch, **Capt Govind Kumar Gautam**, Managing Director, Fastfreight Pte Ltd, Singapore gave a brief introduction about Fastfreight and then spoke in depth on Ship Operations – Its impact on financial gains of a Charter.

He revealed, "Operating business is nothing but providing a commercial freight solution by an owner/operator to a charterer encapsulating all underlying risks. It's a complex process involving various counter parties and a very knowledge intensive business where no short cuts are allowed."

Commenting on pre fixture chartering

understanding risks and beware of maritime frauds controllable by smart chartering to name a few.

Thereafter, an open house session on knowledge sharing was held where participants cleared their doubts with eminent panellists – Mr Mukesh Oza, Group President & CEO, Samsara Shipping; Capt Bhargava; and Mr Ashok Jain, Director, Diamond Shipbrokers.

His presentation was supported by various case studies. "Shipping operations is nothing but delivering strategy of chartering team," he summarised.

Mr **Alok Shirodkar**, CEO, Krunch Today proposed the vote of thanks.

Mr **CK Sharma**, Managing Director (Shipping), OPG Power Generation Pvt Ltd spoke on Ship Chartering contribution in Wealth Creation through case studies, where he covered concerns related to chartering focus such as timing of market entry, parcel size determination, age of vessels to be chartered,

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SAC organises a quiz competition – to bring out the best in the participants. This exciting quiz was conducted post lunch. The prize winners were as follows:-

- 1st Prize**
Capt Sanjeev Lakhnupal, Diamond Shipbrokers
- 2nd Prize**
Aman Talwar, Scorpio Marine Management India Pvt. Ltd
- 3rd Prizes**
K Sarvesh Sahu, Fastfreight Pte Ltd, Singapore
Khamil Kareem, Boxco Logistics
RS Gautam, Equator Maritime Pvt Ltd
Shishir Kumar, Equator Maritime Pvt Ltd
Rishi Nyati, Guardian Navigation
Punit Oza, Torvald Klavness
Gaurav Sharma, Pacific World Shipping Pte Ltd

