

Anglo-Eastern promise

Anglo-Eastern CEO Peter Cremers talks to **Ramadas Rao** about the bright future he sees for maritime training and ship management

► **Peter Cremers, CEO of Hong Kong-** based ship manager Anglo-Eastern Group, is a compelling speaker. He puts his audience at ease, moves effortlessly to whichever topic requires analysis, dissects it and illuminates it with clarity. "My presentation is kind of a 'state of the nation' address," he told the organisation's conference in Mumbai in February. "Having looked at Obama the other night I would like to make your lives a little bit easier: you don't have to stand up and applaud each time." He added that his own life is easier than Obama's because he doesn't have his vice-president "standing behind and smiling" all the way through.

Not that Cremers and his Anglo-Eastern colleagues are lacking things to smile about. Although the recession has battered and bruised shipowners, this ship manager has emerged in better shape than most. The problems, he told *SASI*, have come from owners struggling to meet their operating costs.

Nevertheless, there have been notable positives. One of Cremers' longstanding dreams – opening the group's own nautical academy in India – was realised at the beginning of February (see training and

crewing feature, page 22). Built at Karjat, near Mumbai, the academy is a significant achievement for the ship manager and gives it a degree of control over the perennial challenge of crew shortage. Anglo-Eastern has 4,700 Indian crew members at sea at any one time and Cremers expects the number to increase by 40% in the coming years. "That's why the school is here," he explained.

Anglo-Eastern has a well-equipped post-sea training institute in a Mumbai suburb, and Cremers' commitment to India comes from his belief in the country's potential. "India's basic education is second to none," he declared, pointing to the country's rapidly growing population with a large pool of people attracted by a career at sea.

For a decision-maker with roots in the West – Cremers is a Belgian citizen – this is as strong an endorsement of India's seafaring credentials as there can be.

So far, his faith in Indian talent seems to have been vindicated, because Cremers believes that Anglo-Eastern, with its large pool of Indian nationals serving at sea and on shore, has succeeded in fulfilling owners' high expectations. "We don't say we are perfect, but it looks as if we are

doing an extremely good job," he insisted.

According to the company, it has been able to retain a large portion of quality staff because of its emphasis on both size and growth. "If we weren't growing, senior people would look elsewhere," Cremers reasoned. He conceded, however, that rising crew costs have forced managers to find ways to manage crew expenses. "We are trying to bring down crew costs without affecting salaries, without touching the core," he said, citing reductions in bonuses and greater discipline in repatriation costs and length of contracts, all of which affect the bottom line.

He understands his staff, and extensive exposure to the shipping industry has brought him a deep knowledge of the business within which they work.

Cremers graduated with a degree in naval architecture and marine engineering in 1973. He then spent five years in the design department of a Belgian shipyard and a further five as technical manager with a Belgian ship manager. He obtained a postgraduate degree in business administration in 1980.

He joined Anglo-Eastern as general manager in 1985 and rose rapidly up the

▼ Peter Cremers

Nationality: Belgian

Born: Hasselt, Belgium, 1949

Academic: Degree in naval architecture and marine engineering, followed by a postgraduate degree in business administration

Career history

1973–85: Spends five years as a naval architect, followed by five years as a technical manager at ship management company

1985: General manager, Anglo-Eastern
1990: Managing director

1997: Executive chairman (after leading a management buyout)

2001: Becomes CEO following merger with Denholm Ship Management

Other positions

1991: Member of executive committee of Belgian Business

Federation (BLCC); at present, vice-chairman

1999–2001: Chairman of International Ship Managers' Association (ISMA)

2006: Vice-chairman of Hong Kong Ship Owners' Association

2008–10: Chairman of Hong Kong Shipowners' Association

corporate ladder – appointed managing director in 1990, leading a management buyout in 1997 and stepping up to executive chairman. Four years later he was at the helm as Anglo-Eastern swallowed up Denholm Ship Management.

A firm believer in the importance of fleet size, he has increased Anglo-Eastern's managed fleet from 38 to 320 vessels. The Singapore office has carved its own niche in Asia in tanker management with 85 tankers on the books, while Mumbai is providing valuable assistance. A "modest" training centre has been set up in Ukraine, which is now the second-largest crew supplier for the group.

At times Cremers seems obsessed with size, but his view is that ship management is a service function. "We need to service existing clients, we need to protect ourselves a little against potential loss of business and we have to keep on offering our clients the flexibility they need in their fleets placed with us," he insisted – and all this without affecting the "crucial appeal to manpower resources".

The group's size and careful shepherding of human resource enables Anglo-Eastern to cope with the vagaries of demand, said Cremers. He cites the arrival of five bulk carriers in five days after owners had postponed deliveries from December to January; that successful outcome was possible only because Anglo-Eastern had the necessary resources, he pointed out. But size is not just a matter of the numbers of ships coming under management. Growth is limited by the number of clients, and managers are feeling the wind of change directing shipowner preferences. Owners are now buying fleets of ships rather than adding a couple of vessels.

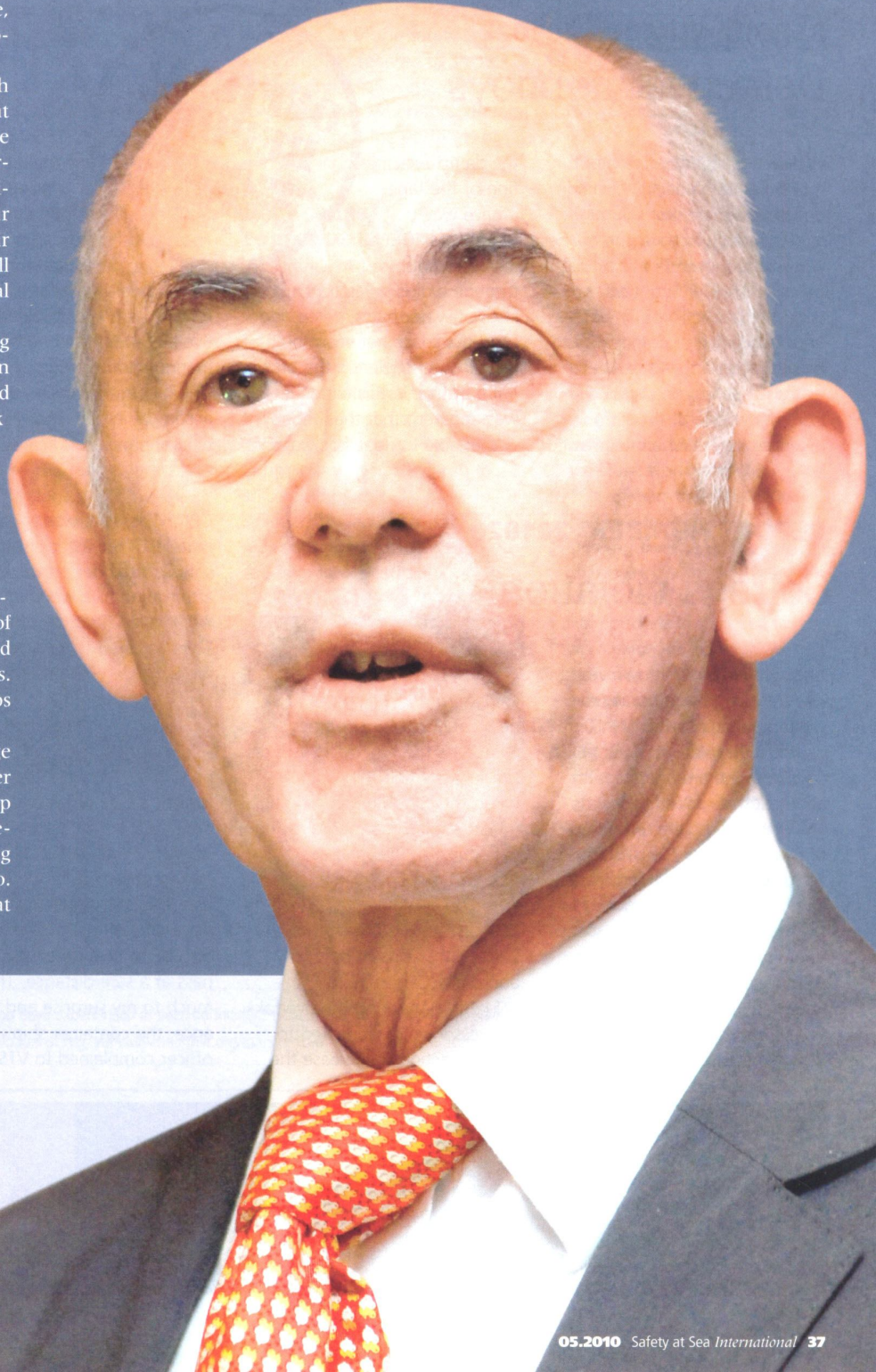
Owners increasingly look to place large parts of their fleet with a limited number of managers. Dealing with many ship managers can be difficult and time-consuming for owners, so they are tending to place their vessels with just one or two. Anglo-Eastern is talking to clients that

want to place 20–25 ships with the company. In practical terms, Cremers added, the work involved in managing 50 ships for one client or 25 ships for one client is almost the same. He is adamant, however, that no manager can handle 50 ships for 50 clients.

Cremers' growth strategy centres on Anglo-Eastern pushing its existing clients to place more ships under its management. He has another dream: building a second campus at the Karjat Academy

complex, a move that may necessitate the group seeking funding assistance.

While academies and simulators provide an excellent base, they are no replacement for onboard training, he believes. Again and again Cremers stresses to owners that they should provide an onboard environment for training the next generation – with their support, Anglo-Eastern could one day run its own training ship. "Now that would be a dream come true," Cremers admitted. ◀



Has served on executive committee of Intertanko and has represented Hong Kong owners at Bimco

Personal: Cremers is married with one son

Hobbies/interests: Sailing