

Marine

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The shipping industry is undergoing a period of trial and tribulation and there seems to be no respite in sight, said, Capt. Bjorn Hojgaard – Chief Executive Officer, Anglo Eastern, in a tete-a-tete with ML&TL. Speaking on the sidelines of the Seminar ‘Focus On Critical Tasks’, which he had come to attend and participate in, he stated that almost all segments of the industry were affected by the recession.

Excerpts from the interview:

Can you explain the reason why the theme, ‘Focus on Critical Tasks’, was deemed fit for the seminar?

The theme for this seminar came from the realization that with so many things happening in the shipping industry one had to concentrate on critical issues to bring shipping on an even keel. If one believes that everything is important then nothing is important! So one needs to take a step



back and realize what the critical items are and prioritise them by sifting through the millions of things that an officer needs to take care of. The criticality is about prioritization and making sure that key important issues are tackled first.

Shipping is undergoing a period of turmoil. Which are the sectors undergoing a period off crisis?

Shipping has been going through difficulties since 2008. I would say that almost all sectors are feeling the pinch. At present there are too many ships and too little cargo. The growth of sea borne trade has been, in the past, about 10%-12% per year. However, last year the sea borne trade grew less than 1%. The only way of reducing this stagnation is to either increase the cargo or to reduce the number of ships so that the gap between the supply and demand is reduced.



CEO Capt. Bjorn Hojgaard, along with dignitaries in 360 deg Navigation Simulator

When I look at it minutely, I think bulk has been really hard hit. This sector was experiencing a boom from 2002-2008 on the explosion of growth in China. When that tapered off, after 2008, bulk was the first one to feel the effect.

Tankers had fared well, but over the last 7-8 years this segment too has been reeling under pressure of low freight rates.

Off-shore too has suffered.

So basically all sectors today are feeling the effect

Which are the segments – from chartering onwards – which you feel are worse effected?

If one takes a micro view of the situation one finds that since there is no money coming in, it becomes impossible for the operators to survive. It is difficult for us, who service operators, to make progress.

On the whole the industry continues to struggle.

TRAINING FORMS THE BACKBONE OF ANGLO EASTERN SUCCESS

What would you say about the educational standards of the officers?

Officers graduate from institutes all over the globe. Sometimes these institutes do not meet the standards of the industry thus as ship managers, we have a major role in upgrading their standards to meet the basic expectations of the industry and the requirements of the specific ships that they serve on. This is where you will find Anglo Eastern concentrate more on providing them with



Mr. Peter Cremers, Executive Chairman is briefed about the Gantry Crane Control System

the necessary training. This (training) is the backbone of the company and is responsible for the success of the company over the last 24 years.

There are constant technological changes. Do you believe automation will play a major role in the industry?

Technology is taking rapid strides. Robotics has become

a goal to be achieved in several industries. As far as shipping is concerned, I can readily visualize scenario where a small inshore ferry or a small craft becomes automated in the next ten years but I don't see anything along those lines as far as big ships are concerned, for the next 4-5 decades, at least.

Technological advances in automation and communication will enable us to manage ships differently in 10-20 years but I don't think it is feasible to operate ships without people – at least over the next several decades.

Deep sea shipping is too unpredictable to leave it to itself and expect it to make it from one place to another. We need people. At present we have 27,000 seafarers managing 600 ships. It's a super people intensive industry.

When we reach an age where ships are unmanned we will witness ships with a totally different type of machinery. Diesel engines will have to be replaced as they are too unreliable. We will have to have electric nozzles.

However, I do see sensors and automation become an aid to the way we manage ships today, with people on board. There will probably be greater involvement with people on shore who – through advanced technological aid – could help the ship in dire situations.

Looking at the future, I think the way we manage ships will change in the next 20 or 30 years but the need for qualified competent people is not going to diminish. On the contrary as technology takes a foothold in our industry we will need people with deeper knowledge of skills in those technologies to be able to manage the automation.

I would say that we are more focused on people. But we are also looking at the broader perspective. We are thus, also, paying attention to mechanical issues, technological issues, etc.

But one must realize that in this industry people play a major role in the success of the company. The strategy of Anglo Eastern has always been training and developing its own batch of cadets into officers and taking them through their careers graphs to become masters and chief engineers. This, I believe, is the recipe for good management in the industry

Speaking about the seminar last time it was held as an Anglo Eastern Univan seminar. This time it is being held as Anglo Eastern seminar.....?

Last time the companies had just merged. Univan was predominantly a tanker management company. Anglo Eastern fleet consisted of all types and sizes of ships, including bulk carriers, container

Mick Kinley, AMSA and Capt Jennifer Williams, USCG inaugurates the Virtual Reality Learning System



Mr. Dabiru Venkatraman, inaugurates the LPG cargo tank relief valve



Mr. Martin Kraft, inaugurates the working crane model



ships, tankers (oil, gas and chemical). We also manage ship types not covered by other managers, such as ice-class OBOs, pipe layers, heavy lift vessels, and LPG FSOs

The plan was to run the companies through separate brands - Anglo Eastern Ship Management in Singapore and Univan Ship Management in Hong Kong – as a sort of friendly competition.

Now 1 ½ year into the merger we decided that we might as well combine the two brands into one single brand. There were numerous reasons for this. One of them was it was difficult to explain to customers that you have two brands offering essentially the same service. Secondly while it was nice to see friendly competition between the two companies, we did not want to have development of two different teams, inside the company, competing with each other. It is important – in the management of the company – that everyone who works in the group feels that he is part of the same family.

The group is still called Anglo Eastern Univan Group. But the ship management activities are branded Anglo Eastern Ship Management simply because it is the bigger brand with better recognition in the industry.

It was a difficult decision to

make. But let me assure you that Univan is not disappearing. It continues to live on in the group company. But as a brand for ship management, we decided to put everything together under the Anglo Eastern banner. Univan will continue to exist and be a part of the group company.

ANGLO EASTERN'S CHALLENGES

What are the challenges for Anglo Eastern?

Our industry is constantly undergoing changes. The challenges will be in managing the changes. The difficulties that are being faced by our clients in the market today is one of the major challenges. At the same time technology is marching forward. We need people with the right competencies and skills, attitude, motivation to bring the company forward and it's a huge task to develop a pipeline both at sea and ashore of people who can bring the company to the next level.

There will always be challenges but we have to meet these challenges with a positive mindset and to see that we put our resources to the best use.

As far as training of cadets and officers is concerned I think it is in capable hands under Capt Chawla. Under his leadership I think the future is bright in India.



Mr. Peter Cremers Executive Chairman inaugurates the Ship Building yard at AEMA



Mr Lieven Van Eetvelde and Peter De Joinghe, inaugurates the Instrumentation Field Device Trainer

What about the wage levels?

The wage levels for seafarers will stay dormant, the shortage of people that used to be there is also abating. As the number of ships in the world fleet is leveling out, the pressure of getting people and the shortage of competent seafarers is not as much as it used to be. I don't see any hike in the wages in the near future.

What would be your final word for our readers?

As a company, I may state that Anglo Eastern is committed to the growth of Indian officers. 75 per cent of all our officers are Indians. We are dedicated to the growth of the seafaring community. [MLTL](#)

High retention rate at Anglo eastern, result of inculcating proper values during training: Capt. Chawla



Keeping abreast of the latest developments in the industry is essential and therefore it is necessary for seafarers to be aware of new technology that is constantly making inroads in the shipping world, said Capt. Pradeep Chawla, Managing Director, Group QHSE & Training, AESM – HK, in an exclusive interview with ML&TL. He added that Anglo Eastern believed in training the aspiring seafarers from cadets to become motivated and talented officers, and later masters and chief engineers.

Excerpts from the interview:

The industry is believed to be in an idle state. When will it turn into an ideal state?

Shipping has always been a cyclical profession. When there is a boom period everybody orders ships. But it takes 3 years for delivery and for them to set sail. By that time the world economic order changes and hence it is always bust and boom. The uncertain economic situation in different parts of the world, due to political or other reasons, has been responsible for the longer period of low activity in the shipping industry. But I am sure, as the political situation changes in different parts of the globe and the economies in different parts of the world improve, shipping industry will witness a surge in its activities.

When this occurs, you can rest assured that ships which are



idle will become active. We are all hoping that the world leaders will work towards a more stable economic world order. This will automatically create more activity in all segments of the shipping sector.

So that would be an ideal picture for shipping industry?

The ideal picture for shipping is a myth. It must be realized that when there is an opportunity for businessmen to make money, they will jump into the field. So whenever freight

rates go up dramatically, in the shipping industry, there are new entrants into the market and new private equity money flows in. This results in a glut of ships which again causes a reversal between supply and demand – a repetition of the cycle. I don't see that trend changing over at least the next 5 years.

What have been the changes in the training of the seafarers?

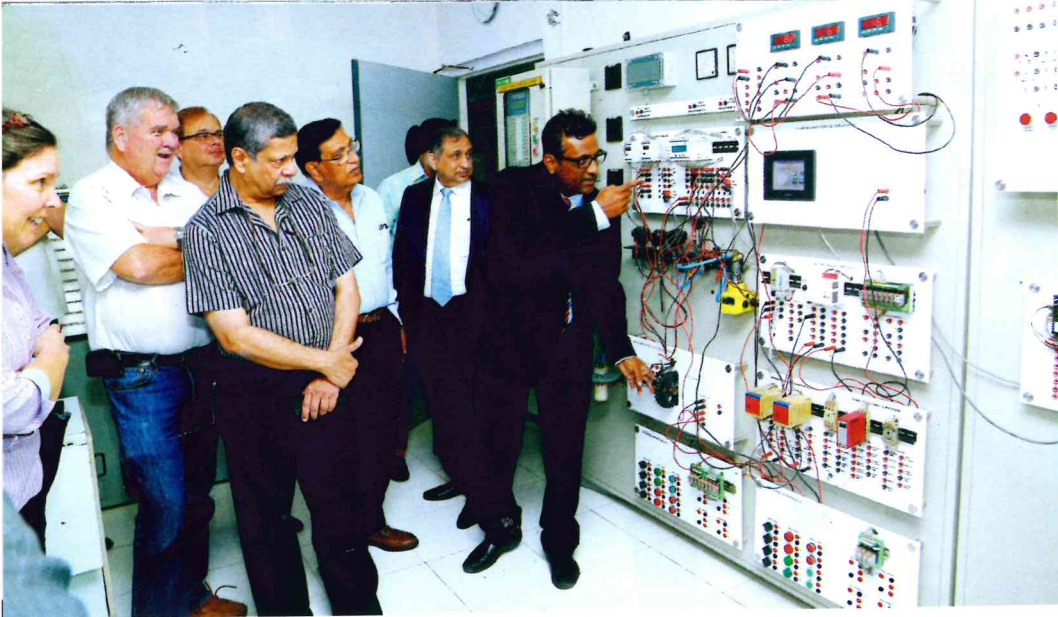
Simulators have changed the complete landscape of training. Several areas in which it was not possible to train the seafarers – like emergency response – are now easily taught with the help of simulators. And, I may add, that there is no more shortage of hardware of equipment for simulators today. The issue is only of getting sufficient good quality teachers in the simulation world.

VIRTUAL REALITY TRAINING

But, I may add, that that at Anglo Eastern, training is already acquiring new

Mr. Eivind Holte and Mr. Nils Otto Bjorhovde inaugurates Gantry Crane control system in the presence of Capt Chawla





dimensions – far ahead of simulators. Anglo Eastern has launched virtual reality training, at its training institute in Andheri, Mumbai. This will give new dimensions to training, putting it in a new realm.

In this type of training the cadet feels that he is actually inside the tank or the engine room. This is far more effective than simulation because it gives you an immersive feeling of being inside a particular space.

Anglo Eastern is the first institute in the world to adopt the virtual reality technology for training and we are sure that this new area will prove far more effective than simulation.

As far as simulators are concerned, we have 12 of them, employed for training cadets and officers in various activities aboard a ship.

Which are the companies from where you get the simulators?

We have both, Transas and ARI simulators. For navigation, in

Mumbai we have Transas and in Delhi and Manila we have ARI. For ECDIS we have Transas and for Engine room and Liquid cargo handling we have ARI simulators.

I would like to add that pollution and the number of ship groundings is decreasing due to training on simulators.

Can you enlighten us about the ECDIS?

Well ECDIS is a superlative invention which has improved ship safety dramatically. There is a wide variety of ECDIS models. About 30 odd companies manufacture them. The effect of changing them is like when you change your car model. You have minor problems in adjusting to the new product.

But as far as Anglo Eastern is concerned, there are no problems with ECDIS, which we started using about 5-6 years back. We have about 500 ships with ECDIS on board. I would like to add that most of our crew is now used to this device.

How has the advanced technology used by your company helped you and the seafarers?

Well for us we get loyalty and retention. People working with us are happy and motivated. They have been with the company since they were cadets and have risen through the ranks. They see our company as a stable company, which offers them ample opportunities to keep themselves abreast of the latest developments and also a chance to work on board different types of vessels, which the company manages. Our company offers them options ranging from bulk or container to a gas carrier.

When did you start training people?

We started our training programmes in 1993. Though Anglo Eastern started its own pre-sea training institute in 2009, we used to run our own classes in different colleges, where we had placed our selected cadets. We had one mentor from Anglo Eastern stationed in each of these colleges. This was since 2000. But in spite of having our own mentors, we found the standard of teaching varied considerably and the output levels were vastly different. So it was decided to start our own college.

Our college offers more than what is demanded even by the



Capt. K. N. Deboo addressing the delegates

DG. We spend a lot of time in inculcating in our students a positive attitude, work ethics and motivation.

At a young age we teach them about team work, and ethics so that they become not just good technical officers but good human beings and good team workers.

This has resulted in 100 per cent retention rate for those who have been through our colleges. Overall retention rate is about 97 per cent.

CREWLESS SHIPS

There is talk of automation. Would this result having not training institutes?

Well in unmanned ships since there would be no crew, you wouldn't need to train anyone to man the ships. But you would have to train people ashore who would be responsible for controlling the ship.

However, we are yet far away from that stage. Our immediate, more urgent need is train people in the use of

alternate fuels like LNG.

We also need to train them in advanced stages of automation as that would precede unmanned navigation.

Do you see unmanned ships as a reality?

Well there are trials being undertaken everywhere. So it's not a question of "Can it Happen?" but more a question of "When Will It Become Mainstream?"

Initially, everyone believes, it will be in narrow strips of water like from Mumbai to Nhava Sheva. Then, as confidence builds up the distance would increase. This may take 3-4 decades.

There was a mention about capability and competency during presentation. What's the difference?

These are words which mean different things to different people. Competency is actually built on three pillars: knowledge, skill and attitude. So even if you have knowledge and skill, but lack the attitude,

you are incapable of doing the job satisfactorily – even if you have a certificate and you know how to do the job.

Seafaring is not viewed favorably now since there are several other vocations which offer good salary and opportunity to travel around the world

I don't think this is true. As proof, I can cite the fact that I receive 20,000 applications for the 440 cadets which we train at our college annually.

Also, we visit over 350 schools every year to educate the students about seafaring as a career and we have been able to evince keen interest from all over the globe.

I have personally visited North East India and we have received favourable response from even far of places like Dimapur.

Would you like to say something to our seafarers?

I am extremely happy with the Indian seafarers and we have a big commitment to India. We want to have an everlasting relationship with the country and the establishment of the college is proof of that. Anyone desirous of taking up seafaring as a career can visit the college to get an idea of life aboard the ship.

I think over the next 5 years we will be seeing higher percentage of Indian officers in the world shipping fleet. **MLTL**