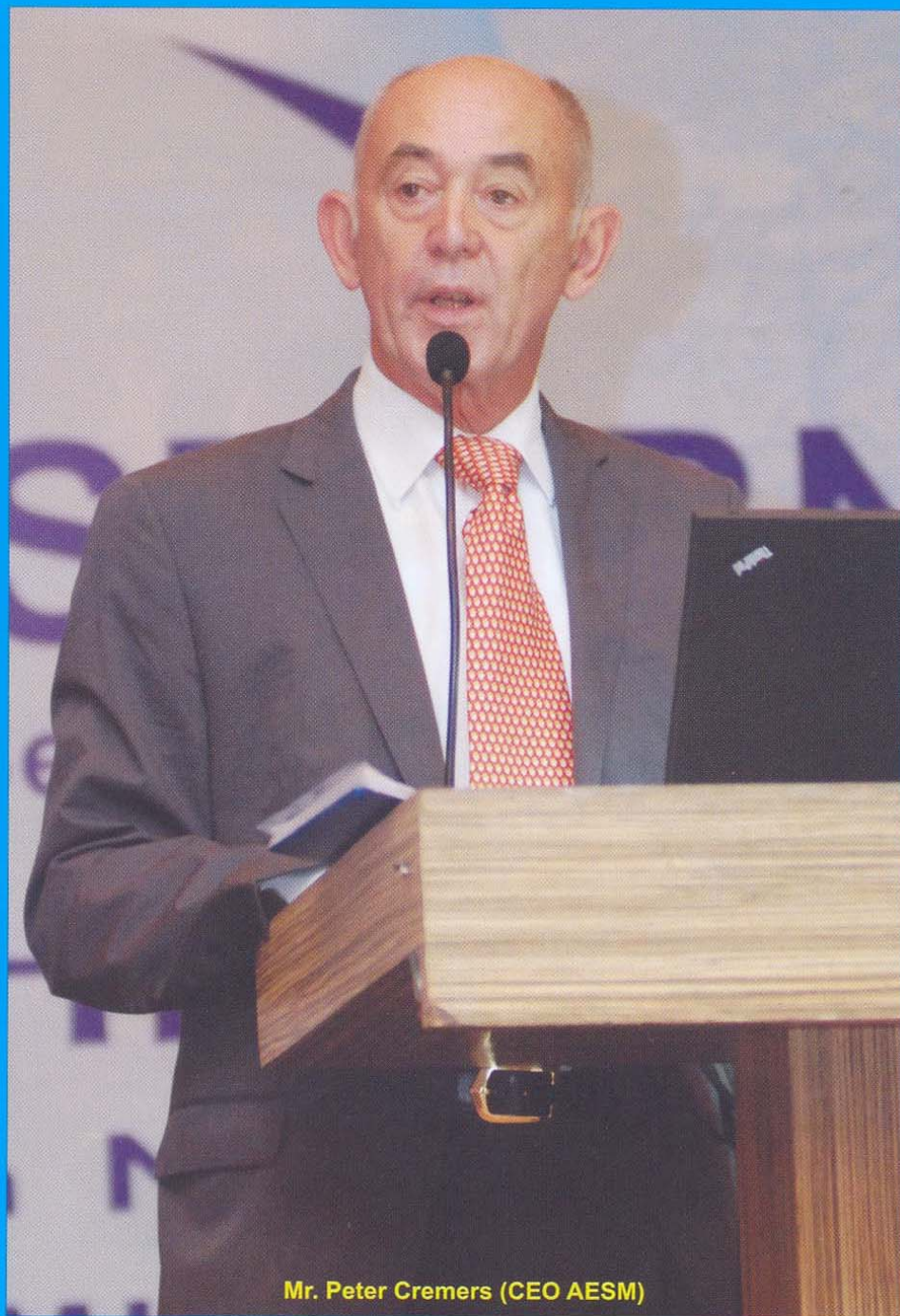


India, a major shipping power of the future: Peter Cremers

Anglo Eastern adjudged best foreign employer for 7th consecutive year

A 2-day seminar on "Teamwork The Human Element" was organized by Anglo Eastern on November 18-19, 2008, at Mumbai. Welcoming the scores of seafarers sailing with the Anglo Eastern Group who had some from all parts of the globe to meet and confer with the top management of the company, Mr. Marcel Liedts, Group Managing Director, Anglo Eastern said, "It is a delight to see so many members of the Anglo Eastern family come together to focus on a common agenda" He added that it had a mixed year for the shipping industry. The industry had received several jolts, from charter rates to the global economic recession and several cases of piracy. However, he disclosed, Anglo-Eastern had succeeded in performing better. He proudly announced to the gathering (comprising of over 250 senior seagoing staff, 50 ex-sailing senior staff, 50 foreign delegates and 30 shipowners) that the company had, been adjudged the best for the 7th consecutive year. But he did not want to rest on these laurels and advised the gathering not to be complacent "but share the spirit and march ahead. It's time to train and motivate ourselves better, to excel our performances." He attributed the company's success to its employees, who he said were the main assets of the organization. He ended his speech with a quote from Henry Ford: 'Coming together is a beginning; keeping together is progress; working together is success'.

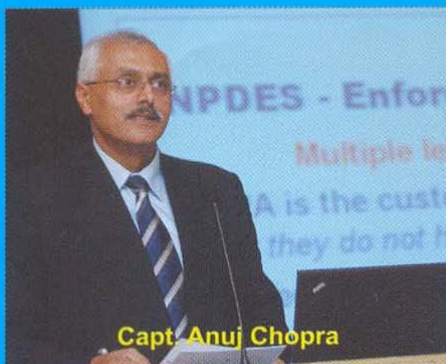


Mr. Peter Cremers (CEO AESM)

Mr. Peter Cremers, Chief Executive Officer of the Anglo Eastern Group, declaring the seminar open spoke about the various achievements, future plans and challenges facing the Group. He believed that India would be a future major shipping power and that was one of the reasons why Anglo Eastern Group was keen to expand its activities in Mumbai.

He informed the gathering about the company's expansion in Germany with "A new baby is born in Bremen." Speaking about the growth of the organization he disclosed that last year they had 240 ships which had increased to 281 at the end of this year. They were expecting to add 50 more by the end of next year. A large number of seafarers aboard these ships were Indians. He stated, "Anglo Eastern will touch a global figure of 6,104 officers by December 2008." Expressing anguish at the short contracts, which many officers and engineers were indulging in, he said that the Group needed to zero in on the issue and analyse it in detail. Talking about the wages he said that payment was not an issue but the company expected excellence and professionalism in return, including the right attitude and approach."

He reiterated the Group's 'no compromise' policy on MARPOL and other IMO regulations and warned the large gathering that falsifying log entries was a criminal activity. Speaking about piracy he said that it was a matter of concern for the global shipping industry. He stated that deployment of armed men aboard was logistically not only difficult but also an extremely costly affair. He hoped that the safe passage corridor, created by the presence of navies of some countries would be helpful. He emphasized, "At Anglo Eastern we are taking all necessary precautions to



Capt. Anuj Chopra



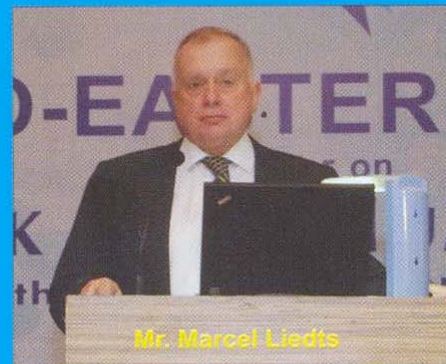
Capt. Vinay Singh



Mr. Marco Shut receiving memento from Mr. Peter Cremers



Capt. Micheal Blair receiving mementos from Mr. Vijay Gupta



Mr. Marcel Liedts

combat piracy."

Capt. Pradeep Chawla, Director QA & Training AESM-HK speaking about 'AESM Performance Review 2008, QHSE Issues for 2009' gave a detailed review of AESM performance 2008. He elaborated on Internal Audits, Self Checks by ship (s) staff, Environment Management, MARPOL, Navigation basics, Navigation improvements required, et al. He also spoke about the challenges facing the industry and the company during 2008-09.

The first session was dominated by the ship owners. Mr. Marco Schut, General Manager, Dockwise Shipping BV said that it was essential for a company to create superior value by realizing the inconceivable. He outlined the corporate profile and felt that team work was the key to success.

Mr. Eivind Holte, Technical Manager, Saga Shipbuilding (Norway) AS, spoke on the dramatic changes in today's market. He too laid stress on team work.

Rear Admirtal Robert C North(Retd) talked on various aspects of MARPOL and the consequences of non compliance.

Others who spoke were Capt Michael Blair, Chief of the Office of Operating and Environmental Standards, US Coast Guard (Expectations of the US Coast Guard from foreign flag merchant vessels trading in US waters), Dr Phil Anderson, MD ConsultISM Ltd (Legal Implications of the ISM code), Capt. Anuj Chopra, AESM Houston (US EPA NPDES requirements), Mr. George M Chalos of Chalos and Co, New York (Legal issues with ships trading to the US), Mr. Trygve C Nokleby, Manager, Loss Prevention Gard As (Safety Awareness - Small Mistakes Lead to Big Problems), Mr. Chris Haughton, MD Haughton Maritime Limited (Leadership), Capt. Ratnakar Desai, Certified SIRE Inspector (Experience of a SIRE Inspector), Mr. Tony Fernandez, Average Adjustor, Arbitrator, Mentor and Learning Facilitator (Professional Shipboard Teams Nurturing Shipboard Relationships), Mr. Henrik Rolsted (MAN Diesel Engines) and performance of the various offices of AE with respect to meeting the KPIs for the year was given by Capt. R. Janardhanan,

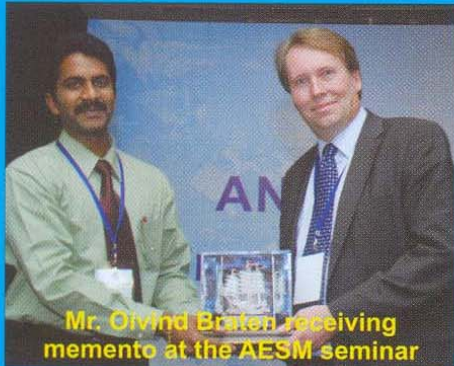
Capt. V. Malhotra, Capt. Carmen Dewilde, Capt. A. Bhargava, and Mr. C.P. Lilauwala.

Capt. K.N. Deboo, Principal, Anglo Eastern Maritime Training Centre (AEMTC), summed up the meeting and proposed a vote of thanks.

The last day of the seminar was strictly an in house affair where deck and engine



Delegates at Evening dinner party



Mr. Olvind Braten receiving memento at the AESM seminar



Evening entertainment at AESM seminar 4



Mr. Eivind Holte owner saga ships receiving memento from Mr. Marcel Liedts



officers, seniors from AEMTC, AESM managers, owners and industry experts exchanged views.

The programme culminated with a cultural extravaganza, which was attended by the delegates, employees of Anglo Eastern Group and their families and industry stalwarts.



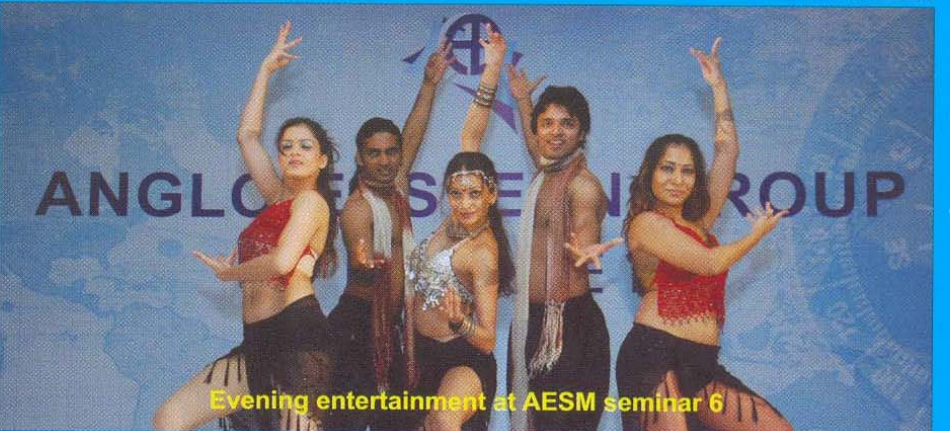
Mr. George Chalos of Chalos & Co receiving memento from Capt. Ajay Hazari



Delegates at the AESM Seminar 2



Dr. Phil Anderson receiving memento at the AESM seminar



Evening entertainment at AESM seminar 6

Salaries are driven by market forces, good companies do not resort to cuts due to recession: Capt. Chawla

The seminar provides an opportunity for the seafarers to realize the importance of team work, said Capt Chawla in an interview with Water Link. Delving on various aspects of the industry he said that recession should be taken as an opportunity by the industry to improve the standards of their employees by adhering to stricter recruitment standards. He opined that the industry should not repeat the mistake that it had committed during the recession in 1982, of reducing the training facilities for the cadets. Excerpts from the interview:

What is the aim and objective of this seminar?

Motivation, leadership and working with team together are very important. The days of the autocratic master are over. You do much better on the ship if you get your entire team working towards the same goal. This is particularly important on the bridge. Everybody has to work as a team to prevent an accident. We have dealt on the subject of teamwork before also and we also run courses in our training centre for the same. We thought this was an opportune moment for this seminar as the masters are getting strained due to the new recruits joining the company due to expansion and world wide shortage. So we have new challenges to face, like how to assimilate the new people with different work cultures into your team. And we thought this would be a good time to discuss about all this. We



Capt. Pradeep Chawla

had two presentations on Leadership and Teamwork.

Do you find it difficult to assimilate people who come from other companies?

Sometimes if they come from companies which are of equal or higher standards than Anglo-Eastern then we may get good ideas from them but if they come from a company that is not taking safety or environment protection seriously then it is more of a challenge for the captain and for us to inculcate safety and environment protection norms in him. But its nice to have outsiders as it brings in fresh ideas. However 70 per cent of

our people have been with us and risen from cadet to master.

Do you believe that recession will affect the shipping industry?

Yes, it will affect the industry. We have seen a recession in 1982 in shipping. I think, there was already a shortage of 10,000 officers before the recession started and there are still some new buildings which are getting completed. For an interim period some ships may get laid up but the original shortage is not going to disappear. And I personally feel that it will be at least six months to a year before we see any improvement in the demand supply gap. If this happen, I

believe that the industry would first want to make employment standards stricter, interviews for recruitment stricter, Good companies would not want to take their officers which at times they are compelled to take. Every good company would tighten up its recruitment standards.

It must be realized that when things go wrong, it's important to have good officers.

So you see a little relief for the ship manning companies?

Relief, yes, to a certain extent. The companies would be able to have a wider choice of selection of people. There would also be relief for the seafarers as there will be no delays in his releasing time for his holidays. Thus it will be beneficial for the entire industry.

Do you think that this will prove a handy tool for the companies to cut down on salaries or offer lower salaries?

I don't think so. Good companies normally do not bargain on the salaries. Salaries are driven by the market conditions. But sea farers traditionally, I would say, have been underpaid than what they deserve. So I have no problem with whatsoever is the wage. But globalization is taking place so, today, an Indian sea farer has to compete with seafarer from China, Ukraine, Philippines. And the competition is fierce! This is good for the market as it improves the overall standards of the seafarers. And I think, Indian seafarers are already proving themselves to be as good as the best if not better.

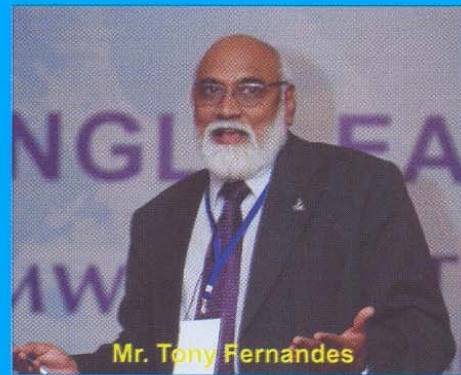
Is it true that ships are getting laid up? If this is so, will there not be more people available in the market than needed?

There are some ships being laid up without crew; some which have reduced manning; some which have full manning. So its not going to happen overnight that we will see a lot of people are available or lot of people have become jobless. Shipping has always been cyclical.

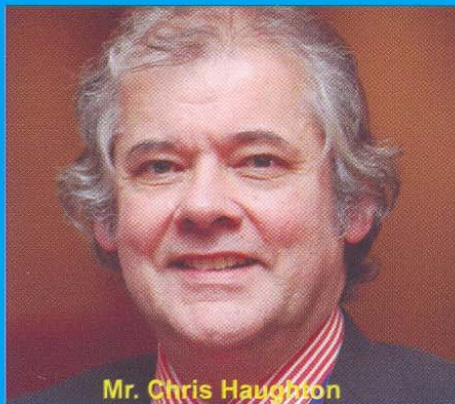
Would this affect training? Will the industry cut down on training?



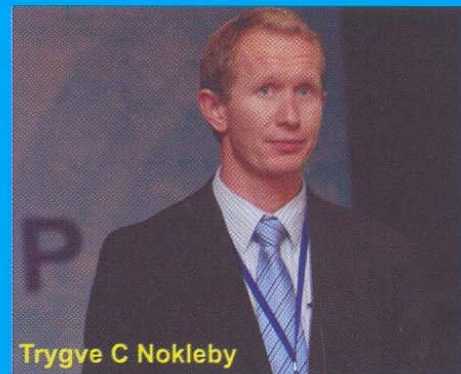
Trygve C Nokleby receiving memento at AESM seminar



Mr. Tony Fernandes



Mr. Chris Haughton



Trygve C Nokleby

I would hope not. The industry made the mistake in 1982, when they cut down too much on training. It should not make the same mistake again. In fact this is the time to improve training. It is the time when the industry should invest more in training. You will find that when there is a difficult job situation, people go in for higher studies. This is thus, I feel, the time when the ship owners should try to improve the quality of their sea farers rather than stop training. At Anglo Eastern we are going to be spending more on training now.

There was a plan to start a training institute in Pune. Have you given up the plan?

No, the plan is still on. The only problem is in acquiring land. We are frustrated at the tedious process but we are not giving up. It may take some time. Recession is not a deterrent to our plans. By setting up the college we believe that we would be doing the right thing for our industry, our seafarers and also for our company. Our company has 280 ships so we are taking 400 cadets a year, on deck and engine so we have enough capacity for our own training. And I am sure if we do a good job, there would be other companies who will want to train cadets with us. If we maintain the high standards that we do at our training centre in Mumbai, I am sure we will automatically see people coming to our training college.

Some companies are asking cadets to pay for their training. Would Anglo Eastern do the same?

At Anglo-eastern, we have never asked the cadet to pay for anything. The basic education part, yes there is a fee which the training institute is charging them. But after they join Anglo-eastern, we don't ask them to pay for anything.

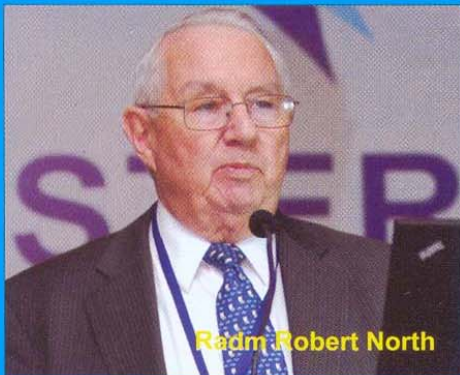
People are taking cadets from rural areas knowing that they will not be able to pay the fees. Now the situation has changed

That has to do with keeping the quality of training colleges intact. I have no problem with people coming from rural areas but I have a problem if training institute select cadets for the sake of filling up the seats. We cannot compromise on the quality of the intake. The ships are getting more complicated, We need more intelligent, higher level people to come on to sea. I am sure that there are good students in rural schools also. And Anglo-eastern is going all over the country to look for it. But we will not reduce our standards for selection. At Anglo Eastern we select cadets who have secured a minimum of 70 per cent in HSC. We are, under no circumstances going to reduce this benchmark. Commercially driven colleges sometimes forget their responsibility. But I suppose that happens in all fields of education,

including engineering and medicine. We have to live with that and the government has to make sure that these types of institutes are not encouraged.

You had stated sometime back that training institutes are like temples of knowledge. But the people who come out of these temples do not seem to be treated like sages. Shipping companies try to pay low wages. Isn't it like trying to cheat god?

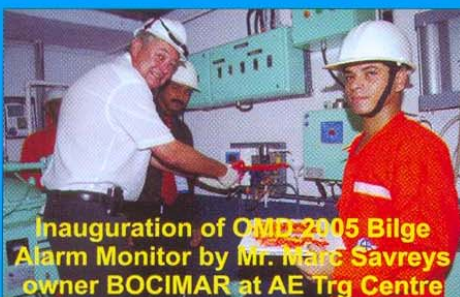
Well, it is a question of an industry realizing the importance of human resources. Every industry goes through the cycle. When the IT industry was in a nascent stage it used to recruit people at very low wages. As far as shipping is concerned it is a globalised industry. The ship owner may be sitting in one country, flag of the ship may be in the second country, the ships may be managed from the third country and recruitment may be from a fourth country. So with this kind of combination, it is little difficult to put systems in place about who pays for



RADM Robert North



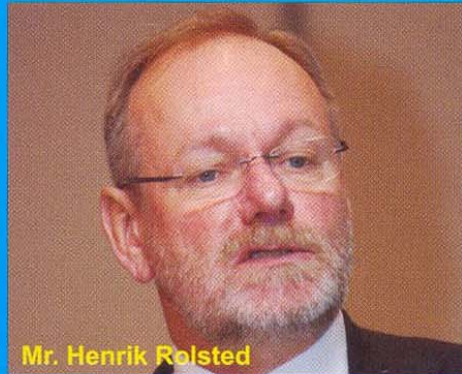
Capt. Micheal Blair



Inauguration of OMD 2005 Bilge Alarm Monitor by Mr. Marc Savreys owner BOCIMAR at AE Trg Centre



Mr. Eivind Holte



Mr. Henrik Rolsted



Mr. Marco Shut

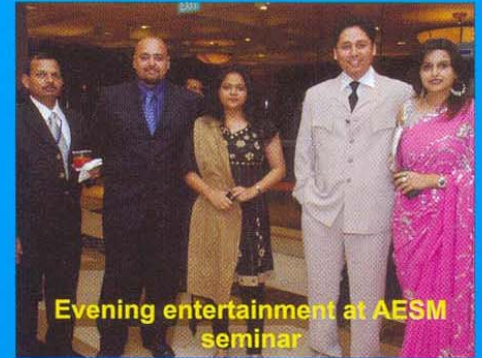
what. Every business feels that they are providing employment to the people so the government must provide facilities for training. Poor countries which provide the people claim that they are providing the resources so the company must pay for the training. This debate has no end. I believe that a coordination and cooperation of all the parties is needed to overcome this problem.

Do you believe that there are too many leaders? Shouldn't there be one person who can lead the entire brigade?

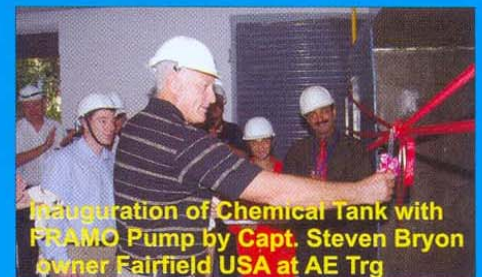
I think it is a team effort. The government, the ship owner and the ship manager are all part of this team effort. The sea farer, as an individual has a responsibility for improving his skills and knowledge. It's a combination of everything. The government has to talk more to the industry, change their policies according to what the industry



Mr. Marcel Liedts MD AESM Inaugurating the Bow Thruster Panel at AE Trg Centre



Evening entertainment at AESM seminar



Inauguration of Chemical Tank with PRAMO Pump by Capt. Steven Bryon owner Fairfield USA at AE Trg

wants. The industry, on its part, has to listen to the view of the regulator. There has to be a constant communication between all the parties.

It is said that you don't believe in legislations

I think that was a mis-interpretation by Capt Naphade. I participated in IMO /MSC meetings for many years. I participate in every place where legislation is being made, but what I was trying to say was the regulators also need to watch the implementation process because I sit where legislation is made but I am also in charge of implementing it so I am able to see the effect of the regulation. The reason why I participate in the legislation meetings is so that I can give the feed back to the regulator whether the implementation of the legislation would be possible for the seafarer. What I am trying to say is go easy on the legislations. First see if the implementation of the legislations already made is possible, before enforcing more regulations. It must be realized that seafarers too are humans And they can take only this much, and no more!



Capt. K. N. Deboo

DG should reexamine and lower NCV syllabus: Capt. Deboo

The Anglo-Eastern seminar brings the ship owners, clients, officers, seafarers, et al on a common platform to seek an exchange of views and also to provide latest information on developments in the

international maritime industry, said Capt. Deboo in an interview with Water Link. Speaking about a change in the teaching methods of the maritime institutes he said that there was a necessity to have specialized training. He

believed that there should be a greater rapport between the DG and the training institutes and they should be consulted before any decision was taken which affected them. He was of the opinion that low pay packages was the reason for the training institutes' inability to attract good teachers. Excerpts from the interview:

Do you believe that there should be a change in the NCV syllabus?

Yes it has to undergo a change. Recently Inland Vessels Act and River Vessels Act have been promulgated. Besides we also have a MS Shipping Act. All these require different levels of qualifications. At present, for foreign going ships, we have MS rules. A few changes in these rules has resulted in the NCV rules. But these rules are too high for river vessels or coastal vessels. On these two types of ships which sail only within Indian territory why should we have such high standards? Since it is coastal affair, the Indian government has the authority to set its own rules. In Europe river transport is in common mode of transportation of goods. In India we rely more on rail and road transport though we have a good network of rivers. To make inland and coastal transportation plausible and viable we should think on reducing the minimum requirements in the NCV.

What should be done to promote river transport in India?

Well you could provide subsidies for buying barges, dredging the rivers, etc. But those are aspects I would not like to comment on. But I can speak on training. I think you should bring the competence level down to a more practical level as to what is required for river transport. After the basic course they could undergo one month course to build up their skills like identifying buoys, reading charts, navigation, communication using VHF, GPS position fixing, etc.

Would you like to make some suggestions to the DG about this?

One suggestion would be to re-examine our NCV syllabus and lower it. The NCV course should be no longer than one month. This will enable ratings to go in for training and NCV certification and be able to sail on coastal / inland vessels as officers. The barge owners would thus be able to get better qualified people than at present, and more economically too!

Are you satisfied for the overall training scenario? Do you have any suggestions to change the training mode?

STCW has minimum mandatory standards of qualifications. This level is pitched at the lowest common denominator. This mandatory training does not make you a good qualified officer. It makes you an average officer. To be a competent and well qualified officer you must have some additional training in the areas of ship board operation because a generic training will not teach you nuances and expertise in specify areas such as how to load or unload a car carrier, container ship, bulk carrier, gas tanker, etc. That's where the company responsibility of imparting ship specific training to the seafarers comes in. What the DG could do is to ensure within the STCW courses, is a high element of practical hands-on training, rather than just theoretical training.

If a cadet is asked to work on a simulator he learns much better than if he were shown transparencies on the OHP with the professor scribbling details on the blackboard. If I make him work on board the ship hands on training his knowledge is complete. In other words his education would be complete with a bit of theory, animation, simulation and, finally, actual practice.

On board the ship, at present, the actual practice is limited. So we have to bring that part of training ashore. We can do operational training navigation, engine watch keeping, cargo loading/unlading, etc through simulators. And I feel that this training would be complete only where there are full mission simulators.

Now we come to another practical part that of machinery maintenance. Most of the engineers today lack experience in

overhauling machinery. Previously overhaul of main engine unit was required at an interval of 7000 to 8000 running hours. The modern machinery today, needs overhauling at an interval of 30,000 running hours, or once in 7 years. It is possible that an engineer gets promoted to be the chief engineer by the time he has to do the first engine overhaul. Since he has only theoretical knowledge of engine overhaul, he is apprehensive. And if the chief engineer himself is apprehensive you can imagine the condition of the other engineers down the line! Thus they have to be given practical hand-on training in this field. We have our workshop here where we can taken out the complete piston from the engine, completely overhaul it, check the bearing clearances and box it back again. This is one area for an engineer where hands-on training is a must!

Do you think that there should be a regular meeting an interaction between the institutes and the DG?

Currently there is a collegium meeting where a few people discuss whether to pass an institute's course or not. I feel that there should be a meeting of training institutions along with the DG, INSA, MASSA and FOSMA members to discuss areas of improvement in the training courses. They should have frank discussion on questions like: What are the bottlenecks? Why is the quality of education not progressing? What are the hiderances preventing institutions from imparting quality education? etc. We have to find the root cause. This is the basic thing we teach in our incident investigation course. Go down to the root cause and take corrective action. So far, in the training institutes, we have not attacked the root cause. We are only doing superficial corrections. One of the root causes in my opinion is the low course fees charged by some institutions, which finally has a snowballing effect on quality at all levels.

Do you feel a sense of neglect when notices are issued without proper discussion?

Yes, when we suddenly see some MS notice on the website about which there has been no discussion, the industry, as a

whole feels deep concern. Let me cite just one instance. There is concern about common entrance test (CET). Many different models have been tried unsuccessfully. The industry's suggestion is that a maritime industry specific CET should be held. The reason for this is because we do not want people whose second or third choice is maritime career. It is generally found that students appearing for a general industry CET such as the AICTE have some other career planned and only if they do not succeed in this they opt for maritime career. But then these candidates do not stay with the industry for long. The moment they have earned some money and get a chance they walk out to a career of their first choice. The industry is of the opinion that by training such candidates it is willfully wasting its resources.

Do you believe that there is a shortage of teachers in the industry?

Yes, there is a great shortage of teachers. One prime example is T.S.Chanakya which is having problems getting experienced faculty members.

What is the solution to this problem? Can we get teachers from other institutes?

Well, if you are looking for teachers from other industry, then they can come in only for imparting knowledge for underpinning areas like mathematics, physics, mechanical engineering, etc. But when we talk about technical marine subjects, it is a very specific area which can be taught only by a person who has not only studied marine engineering or navigation, but also applied it on board a ship. In fact the faculty has to have knowledge of the specific area of marine engineering or nautical subject which he is teaching, backed by practical experience in that field. A faculty member who is a chemical tanker expert cannot teach bulk carrier courses and vice-versa, because he does not have practical experience in this field.

So you feel there is no solution to this problem?

The solution is there. There are experienced seafarers who want to come ashore. But you have to pay them well.

The institutes are underpaying them. That's the crux of the matter of: shortage of training faculty. In my training institution I never had a shortage because we believe in giving them a decent pay packet, which will definitely not make him feel that he is being underpaid.

Do you believe that the government institutions are paying the faculty well because of support from industry bodies? Would it be a better option to have kind of relationship between the private and government institutions?

The current MMERT type of agreement is of no use.

Presently, the relationship between MMERT and the government is unsatisfactory. MMERT just doles out the money and it has no voice about how these funds are utilized. What we should do is have clear cut division of responsibilities.

The government institutions have their own land, their infrastructure. I think that the management of these institutions should be given to private entities who have a standing and expertise in running maritime educational institutions. The government could earn revenue like a landlord. Of course the management of the institution would be accountable to the government for the ethical functioning and maintaining the quality. The governments role would be more as regulators controlling the quality and not themselves doing the training.

Actually the first good test would have been to give out the management of T.S.Chanakya to some private body.

Can you tell us about the Anglo-Eastern seminar?

Anglo-Eastern seminar was started in 1988 as an annual event. It was one of the first companies to hold an annual seminar. We had annual training of 2-3 days in a large group, which we felt was not a sufficient period. We felt that training should be a continuous process and that's how Anglo Eastern Training Centre has setup in 1994. This imparts continuous training in key areas like navigation, cargo operations, seamanship, safety, risk assessment, etc.

Seminars were a general part of our programme, but they were not conducted now for training purpose. They were now conducted for enlightening the Anglo-Eastern seafarers about the changing scenario, new regulations, expert opinions, latest developments in the maritime world. So speakers from all over the globe were invited to address these seminars. Besides informing our seamen about the world developments in the maritime world, it also provides opportunity for our officers to intermingle with our clients and ship owners. We also have an interactive session which enables the owners and managers to know the problems faced by seafarers at the sharp end, and in turn the officers get to know the expectations of the clients.

During the interactive session, 10 separate breakaway groups were created, each client having his pool of officers to interact with. The seminar continues for the rest of the week at Anglo-Eastern Maritime Training centre, where interactive sessions are held with superintendents and managers from the various AE offices and the sea staff.

At the seminar we invite about 250 officers, 40 owners representatives, 40 Anglo-eastern management staff from all over the world. So it's a congregation of about 330 persons.

So it is a hectic affair?

Yes, it was hectic! But we also manage to have some entertainment.

What are the courses run in your workshop?

In the workshop, which is actually a mini engine room, skill enhancements courses for engineers are conducted at four levels Jr. engineer, class IV engineer, class III, class II and I. As mentioned earlier it is practical hands-on training where they are taught overhauling of main engine, generator, pumps, turbo charger, purifiers, etc. This year we added a chemical tank. Loading, discharging, stripping chemical cargoes using Framo system, tank cleaning and conducting wall wash etc can be conducted in the tank. We also educated

them of different coatings like stainless steel, epoxy and zinc silicate as seen in a chemical tanker. Moreover the engineers undergo maintenance and overhauling training on the Framo pumps.

Have there been any new developments in the institute?

In the institute we have put one more panel in the automation room. As far as new courses are concerned we have received the DG approval for all our Liquid Cargo Handling simulator courses oil Chemical, LPG, LNG. With this, we hope that India will be able to supply well trained Gas and chemical tanker officers

Has the recession affected you?

So far, No! In fact, Anglo-Eastern will be getting about 50 more ships next year so naturally the training too will increase. There may be some ships laid off in the future, but I see no immediate impact of the recession on our company.

Sixty per cent of the seats in our training institute are taken up by our company for training AE officers. Only about 40 per cent are for outside candidates.

Would you like to comment anything on ISPS, as the terrorists who attacked Mumbai are said to have arrived by sea?

ISPS is related to port security and this was outside the port.

There are reports that one section of terrorists came from the Indian harbour. Our ports have always been at level II, irrespective of war or peace. Most of the institutes are facing difficulties in getting permission for their cadets to have ship visits. In fact most of the institutes have thrown in the towel in this battle. But Anglo Eastern has now taken the onus of organizing ship visits for our cadets.

This is an area which the DG Shipping should look into. We should simplify the procedures for cadets visit to the ships. Experience has shown that ship visits form the highest learning curve for the cadets.