

The logo features a stylized flag with four colored squares (blue, red, green, yellow) to the left of the text. The text 'Ferry Shipping Conference 12' is in a bold, black, sans-serif font, and 'OnBoard' is in a red, cursive script font below it.

Ferry Shipping Conference 12

OnBoard

Baltic Meeting

A spirit of optimism and concern





Gloom, doom but also optimism

Gloom and doom prevailed during this year's Ferry Shipping Conference. But there were also speakers who see the future through faith-coloured glasses.

BY PHILIPPE HOLTHOF

Dubbed by some delegates as the "Ferry Sulphur Conference" because of the sulphur issue that dominated the debates, the 10th joint ShipPax Information – BOLT Consulting Ferry Shipping Conference was held on board of Tallink's BALTIC QUEEN during a Stockholm-Tallinn return trip. It turned out to be a big success with over 370 delegates boarding the ship in Stockholm to discuss the state of the industry and network during two full days. But due to the economic crisis as well as the skyrocketing price of bunkers and the impending 0.1% sulphur limit, there was no reason to cheer and Imperial Shipping's Carl-Otto Dahlberg told the delegates that he had never heard such gloom and doom than during this year's conference.

Bo-Lennart Thorbjörnsson gave some food for thought in his "Strategic situation of the industry" opening presentation. The European ferry industry develops at different speeds, he said. The Baltic passenger and freight market was on the up in 2011. In the Mediterranean, however, freight and passenger carryings have plummeted. As a result of last year's conference and the urgent call to speak with one voice, Interferry Europe has been created. Thanks to this, Bo-Lennart Thorbjörnsson has the impression that the ferry industry is working together in a better and more proactive way with regulators and legislators. This was endorsed by Interferry Europe's Johan Roos who said that "We are now speaking to regulators before they take decisions". "This is a big advantage. Politicians know that the situation is difficult for us and some individual governments are now committed to it. Our voice is being heard loud and clear now", he commented.

As Thorbjörnsson

pointed out, cutting of costs and capacity has been the order of the day with some operators having opted for alliances and partnerships. "Louis Dreyfus Armateurs has joined forces with DFDS Seaways and in the Mediterranean, Superfast Ferries has entered into a partnership with Anek Lines. There might be more to come, especially in the Med."

A "broker's reality" presentation prepared by Klas Brogren revealed some striking figures of the S&P market. In the 2009-2011 period, 40% of all transactions were within Asia. "And it is not only a story about small ships, but also big ones. There is a huge market out there", Philippe Holthof said. Deputizing for Klas Brogren, he added that the broker's market has been rather flat of late, but the recent sale of the MOBY FREEDOM may give it a new impetus.

One of the sessions dealt with world economic trends and behaviours. A slide shown by Hugo Modderman of DVB Bank illustrated that quite a number of well-known banks have pulled out of ship financing. On a positive note, he stated that the oversupply of ferries is disappearing from the market. Johanna Danielsson of Kairos Future talked about the changing consumer landscape. The

lifetime of a company is changing and also today's children values have changed. People have more time today than 20 years ago although the subjective feeling is not so. She also elaborated on KLM's Meet & Seat service to make the best out of people's time during an intercontinental flight. The Meet & Seat service brings Facebook and LinkedIn users together before, during and after the flight. Neither interested nor convinced about the power of social media, some (conservative) ferry executives kept on talking about the bad shape of the industry due to the high cost of bunkers and the 0.1 sulphur limit. Luckily enough, the conference also offered a platform for optimists.

The pessimists

The ferry executives painted a very pessimistic picture of the industry. Tallink's Enn Pant, who had opened the conference, stated that his company is operating in a very competitive market competing with other ferry operators, airlines and far away short break destinations. "We cannot afford that people turn their back on ferries. For this reason we have to continuously look at what customers demand and how to serve them better. Tourism is quite big an industry, producing 5% directly and



Photos: Mike Louagie



Tallink's Enn Pant opens the conference.



"Our voice must be heard loud and clear now" Johan Roos, Interferry.



Carla Aguirre, VisitSweden



Hugo Modderman, DVB Bank



Anders Refsgaard, DFDS Seaways



Pierre Mattei, Corsica Sardinia Ferries



Johanna Danielsson, Kairos Future

10% indirectly of European GDP. But the environment in which we are operating is changing all the time. During the last 10 years alone, over 300 new and amended regulations have been imposed, the sulphur regulation being the most challenging by far." Mr Pant set the tone for the other panellists in the ferry top executives panel debate. Anders Refsgaard of DFDS Seaways said that the planning of tonnage, or better the lack of orders, is directly linked to the low sulphur requirements. "We expect the closure of routes if no solution is found. If oil prices continue to soar, we will reach a point where we can no longer charge the extra costs to our customers." As it stands now, operators in the Mediterranean will

be exempt from the 0.1% sulphur cap. But that does not mean that it is all plain sailing for them, well on the contrary. It is hard to ride out of the crises and as far as Corsica Ferries' Pierre Mattei is concerned, the company's challenges are related to state aid: the new PSO contract for services linking Marseille with Corsica and the outcome of Tirrenia's privatization. The main concern, however, are the rising oil prices which are playing havoc with all Mediterranean ferry operators. This is no exception on the North Sea with Stena Line's Pim de Lange stating that bunker costs have increased by more than 50% over the last two years. "With freight rates under pressure due to a massive overcapacity, it is not easy to let the customer pay for the increased fuel bill", he said

bitterly. According to Pim de Lange, LNG propulsion is no option for existing tonnage whereas today's abatement technology is no decent alternative for very expensive MGO. He referred to a study of Interferry which had revealed that on 60% of the current ferries, scrubbers cannot be fitted. "It is not a reliable technology either, both P&O Ferries and DFDS Seaways having tested it without much success. We at Stena Line went to great lengths and considered to install scrubbers on our Wismar and Samsung newbuilds. None of the manufacturers could guarantee that it would work properly. Scrubbers will be developed and the technology will improve, but this will take time. For this reason, we ask to postpone the 0.1 sulphur limit to 2020 or grant exemptions", he added. De Lange said that the call from politicians to let the customer pay the extra cost, is easier said than done. "We are not competing on a level playing field with the fixed links which are not confronted with all these environmental issues such as the 0.1% sulphur cap, EEDI, CO2 taxes and ballast water treatment. It is Eurotunnel that sets the tariff. Typically, in poli-



Eero Mäkinen, STX Finland



Pim de Lange, Stena Line



Simone Skoog, Criteo



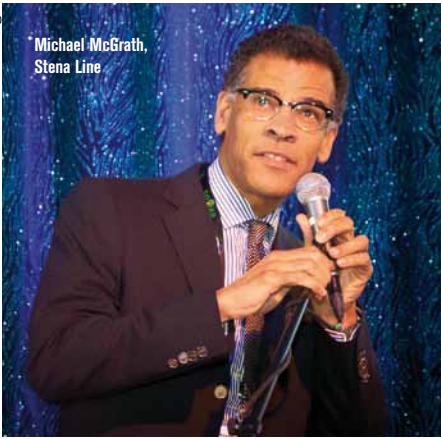
Per Westling, Stena RoRo



Roman Poersch, Wilhelm Borchert



Photos: Mike Louagie



Michael McGrath, Stena Line



Jon Boyce, Sea Highways



Magnus Ehrenberg, EHRENBERG Kommunikation

doom-mongers believe. Michael McGrath, Stena Line's Irish Sea Area Director, said that the industry's biggest challenges are not only sulphur and bunkers. "It is all about attracting customers. If we cannot attract customers, we cannot survive. We have a lot of potential. People want to travel and still travel a lot.

difficult to get young people on board. On the Hoek-Harwich service the average age is 43."

To add even more fuel to the fire, STX Finland asked the ferry executives if there is room for expansion. The ferry top executives answered with an unanimous and resound "NO!". Anders Refsgaard explained that it is difficult to predict today the capacity requirements after 1 January 2015. "Consolidation is key", he answered, whilst Pim de Lange closed the debate by saying "That you need to be a masochist to be in the ferry industry today".

The optimists

According to the optimists, the European ferry sector is not the basket case many

Let's think positive", he added. Several delegates agreed that McGrath exuded the right spirit. On the Irish Sea, Stena Line has shifted into high gear with two former Superfast-class ferries that have revolutionized ferry travel on the North Channel. A new dedicated Stena Line terminal in Cairnryan (Loch Ryan Port) was erected on what used to be a greenfield site. Mc Grath explained that a terminal is more than just a place where you process customers, Stena Line using their many terminals as a marketing tool.

Jon Boyce of Sea Highways focussed on the future of freight ro-ro tonnage. Quite a number of vessels in the large size are idle because the 3,000+lanemetre vessels are only economically viable on certain trades.

tics the environmentalists are stronger than the economists." Pim de Lange's words were echoed by Roman Poersch of Wilhelm Borchert GmbH. Mr Poersch talked about the possible modal shift after the new emission rules come into force. "Alternative technologies are not mature and not available. The tighter limit values for the sulphur content of marine fuel were adopted by IMO in October 2008. How can you change a business in just seven years?", he wondered.

Pim de Lange was also disappointed about the change in travel patterns. "Young people take the airplane. Despite all our efforts to work with social media, it is quite

Three interesting newbuilding projects

As every year some newbuilding projects were explained in detail. Ronny Kristiansen from Fiskerstrand introduced the "green" BOKNAFJORD, the World's largest LNG ferry, whereas Attica Group's Costis Stamboulelis presented Blue Star Ferries' BLUE STAR DELOS. Both ships have already been well documented in inserts produced by ShipPax Information. The new and fresh design of the soon to be introduced BERLIN and COPENHAGEN was highlighted by Scandlines' Niels Hoff. The ships will ply the Gedser-Rostock route. This is an important corridor and functions as a shortcut between Copenhagen and Berlin. With a city-to-city transit time of 6 hours it is faster by car and ferry than by air with a departure every second hour. As Hoff explained, the new setup will be a powerful traffic machine that can also compete with the planned fixed link between Puttgarden and Rödby. The whole project, including port extensions, represents an investment of EUR 230 million. Crossing times will take 1 hour 45 minutes with just a 15-minute turnaround. Interestingly, the BERLIN will be the theme ship in ShipPax Information's upcoming DESIGNS 12 due to be published this autumn.



Ronny Kristiansen, Fiskerstrand



BOKNAFJORD

Photo: George Giannakis



Costis Stamboulelis, Attica Group



BLUE STAR DELOS

Photo: Philippe Polihof



Niels Hoff, Scandlines



BERLIN

Photo: Scandlines

“There are many areas where these ships cannot be used and it is remarkable how few deliveries there have been in the smaller size during the last years. The shortage of smaller size ro-ro vessels is an opportunity we should grasp”, Jon Boyce said. Because of the 2010 scrapping bonanza, there is a balance between supply and demand with almost an equal number of lanemetres scrapped as delivered. Looking into his crystal ball, Boyce believes that more hybrid solutions are coming as is scrubber technology, before LNG oriented vessels are delivered. Slow steaming has been introduced on a number of routes and in the Adriatic, Superfast is now “medium fast”. He warned that in the meantime the road transport industry is not standing still either. The latest generation of truck engines are both economically and environmentally friendly. The aerodynamics of some new generation trailers like the “teardrop” trailer is remarkably inspiring. This caused a prompt reaction from the floor because it took the truck industry 25 years to make them more environmentally friendly whereas the ferry industry has been forced to put things right overnight. On the sulphur subject, Jon Boyce is not as pessimistic as the doom-mongers. “The situation in ECA areas will be challenging, but the modal backshift will not be as dramatic as some studies make us believe. All figures are based on a sheer theoretical basis with no relation on transport logistics in Europe. The logistics companies do not see any change in the transport chain because it is often not an option for them to take shorter routes due to a lack of trucks. The logistics companies and the Finnish paper industry are prepared to go on slower ships. We have to be realistic and do not have to blow up the issue. We should also think out of the box. Ro-ro has a lot of potential in developing areas such as Indonesia, Turkey and Thailand which start to embrace the ro-ro project”, he concluded.

DFDS Seaways’ Anders Refsgaard could not disagree more with Jon Boyce. “As far



Photo: Mike Louage

as DFDS is concerned, the consequences are really alarming. Our freight customers cannot charge the additional cost to their customers.” But Anders Refsgaard also had a positive story to tell about DFDS Seaways’ East Baltic freight-oriented ferry services. “Russia is the main driver behind the growth. Ironically, the high oil prices are the trigger for the high purchasing power in Russia. Should oil prices go down, the Russian market would collapse. Russia would prefer direct calls from the continent instead of freight transiting through the Baltic States or Poland. However, Russian calls like the one we have in Ust-Luga are very much a one-way operation. Eastbound, the ship is sailing to capacity but the freight decks are underutilized in the other direction. The port of Klaipeda is the ideal port for using tonnage in the most efficient way”, Refsgaard explained.

Are we sexy now?

Bill Gibbons of the UK PSA, P&O Ferries’ Simon Johnson and Bruce Peter of the Glasgow

School of Art provided a happy ending of the conference. According to Bill Gibbons, in 2011 the ferry industry carried on UK-Europe and UK mainland routes alone over 35 million passengers, 8 million cars and 140,000 coaches. Unlike other transport modes, ferries are also “sexy” through the night with comfortable cabins or couchettes. Gibbons also underlined the hassle-free status of ferries and the high satisfaction levels which are enhanced by initiatives like the UK’s National Ferry Fortnight.

Bruce Peter closed the conference in his own eccentric style with a very informative presentation which traced the history of ferry design.

Simon Johnson then invited all the delegates to next year’s conference which will be held on board of P&O Ferries’ Rotterdam-Hull cruise-ro-pax ferry PRIDE OF ROTTERDAM between 23 and 25 April. See you in Rotterdam next year! ■



Juhan Parts, Estonian Minister of Economy and Communication



Bruce Peter, Glasgow School of Art



Simon Johnson, P&O Ferries and Bill Gibbons, PSA UK.

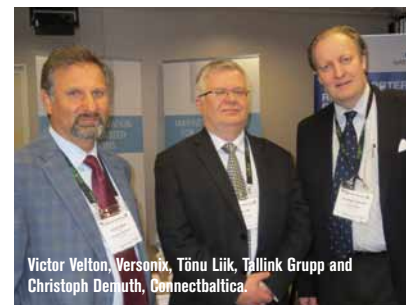
Photos: Mike Louage



Anders Rundberg, Carus, says, "Thank you for your continuous efforts for our industry".



Hilde Smedal Thunes, Kerry Sturmey and Robert Clifford, Incat.



Victor Velton, Versonix, Tõnu Liik, Tallink Grupp and Christoph Denuth, Connectbaltica.



▲ Daniel Olsén, Rederi AB Eckerö and Mads Christensen, Dansk Wilton.

▼ Peter Roose, Tallink Grupp.



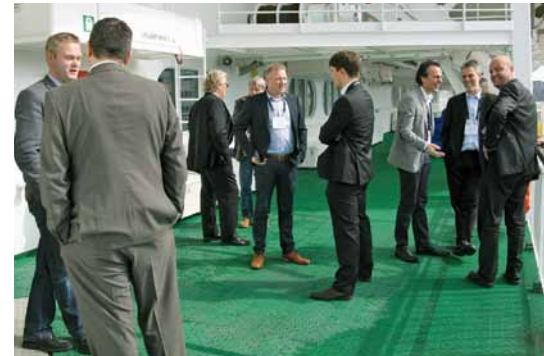
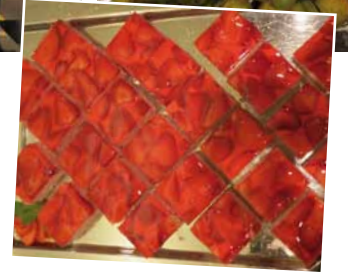
Networking during coffee break.



Henning Mohn, DNV and Finn Arne Rognstad, Rolls Royce Marine.



▲ Annika, responsible for technical production.



Arkadiusz Skierkowski, Unity Line and Piotr Radmerski, Polish Baltic Shipping.



Aneta Wencel, Polish Baltic Shipping and Pawel Wojdalski, Unity Line.



Bruno Jourdan Barry, Barry Rogliano Salles talking with Masaki Nakaichi, Mitsubishi.



John Kollander, Stena Roro and Carl-Otto Dahlberg Imperial Shipping.



Hello guys, Tim Watson, Quintek and Andrew Wright, Antonius Heuer and David Maier from Fidelio Cruise.



Cherry Maritime, Aron Moberg-Egfors and Lars-Gunnar Persson.



Piotr Waszczenko, Unity Line.



Ann-Sofie Forss, Stena Roro and Axel Meynkoehn, Wyker D&R.



Lunchtime for P&O, Stena and Wärtsilä delegates.



Kari Granberg, Viking Line, with industry colleagues.



Roberto Prever, Naos Ship Design and Håkan Jönsson, TTS.



Delegates from Samsung Heavy Industries.



The Mason "crowd" is in a good mood as usual.



Jaroslaw Kotarski, Unity Line, with colleagues.



Mikael Backman, Viking Line, with industry colleagues.



MTN and WMS delegates.

Bloody Brax, slightly changed.



Mikael Lagström, Brax Shipping invites to the welcome drink together with Lars Hallengren and Martin Kärrhage.



Mark and Joanne MacDonald, Bay Ferries.



Morgan and Marcus Eliasson, Per Skörvald from Bell Casino.

Carpet suppliers; Jason Dodd, Tai Ping Carpets and Philippe Sabourin, Gerflor.



Thomas Brüninghaus, Meiko.



Helen Child and Ken Goins, Brightwell Payments.



Andrey Fedorov, Passenger Port of St. Petersburg.



Fiskerstrand Verft; Einar Kjerstad and Ronny Kristiansen.



Dedicated delegates around the Cherry Black Jack "industry table".



Frank Robertsen Alu Design showing the comfortable chair for Fjord Line's delegates.



Jukka Suominen, Rederiaktiebolaget Eckerö.



Nordic Yards, Maria Eder and Hauke Siert.



Delegates representing STX Finland.



Perttu Kurvinen, STX and Sebastien Charles, MACTac.



Håkan Enlund STX Finland discussing newbuilding with his table mates.



Patrik, Tim and Victor, representatives of the next generation Managers...

Ingvald Fardal, Fjordline and Marcus Höglom, ABB.



Paul Griffin, Marine Atlantic and Mike Grainger Liferaft systems.



Göran and Elizabeth, ShipPax, Eric D Nilsson and Mariann, Rederi AB Gotland and Jan-Olof Grönhult, DNV.



Björn Rosén, TTS Marine, Kari Granberg, Viking Line and Jean-Jacques Juenet, Bureau Veritas.



Toitto Hartman, RS Platou, Thomas Ritte, Flensburg and Daniel Slater, Eniram.



Enn Pant, Tallink Grupp, discussing possibilities with industry colleagues at his dinner table.



Delegates in a good mood.



Ulf Nilsson, Håkan Johansson and Eric D Nilsson from Rederi AB Gotland.



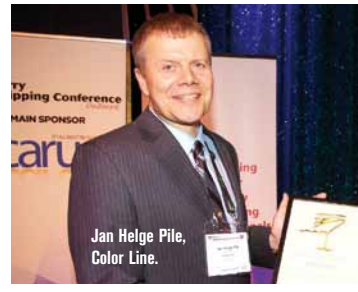
Mikhail Filikyan, St. Peter Line.



Giorgio Shrizzai, Fincantieri.



Jaime Oliver, Oliver Design.



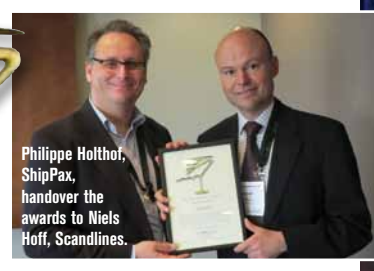
Jan Helge Pile, Color Line.



Richard Nilsson, Figura Arkitekter, Michael McGrath, Stena Line and Gary Annett from MJM Interior.



ShipPax Award



Philippe Holtorf, ShipPax, handover the awards to Niels Hoff, Scandlines.



Masaki Nakaichi, Mitsubishi Heavy Industries.



Neven Jug, Dino Jugov and Serecko Kurtovic, Brodosplit.



Robert Hilden, Marioff and Bruno Saint-Dizier, AIA



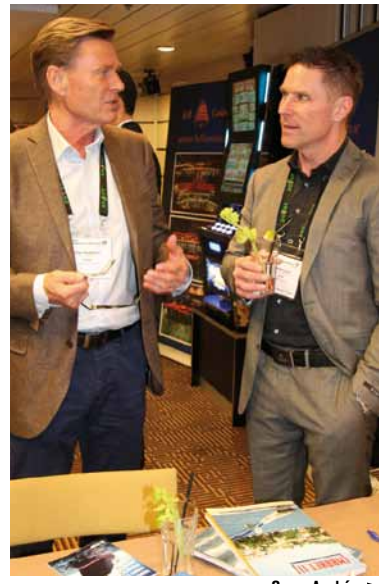
Robert Segercrantz, Deltamarin, Simon Johnson, P&O Ferries and Johan Snellman, STX Finland.



Jan Philip Eckmann, Förde Reederei, Nicholas Tengelin, Christer Lindberg and Martin Andtfolk, Hogia.



The photo speaks for itself...



Dan Hagberg and Stefan Lysen from Dinar.



Oscar Anchér, Simsonship.



Kadri Land, Tallink Silja, together with other members of the Tallink Group.



Tim Watson, Quintek making deals with Jens Aurel Scharner, TT Line.



Clive Glover, Strait Shipping, and Jane Dodman, Lloyds Register, talking classification of ships.



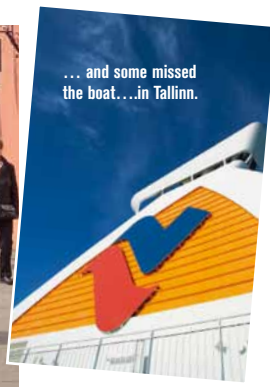
Aneta Wencel, Polish Baltic Shipping, and David Allen, Envoy.



Jason Dodd, Tai Ping Carpets, and Angus Morton, MuraSpec.



Delegates in old town of Tallinn.



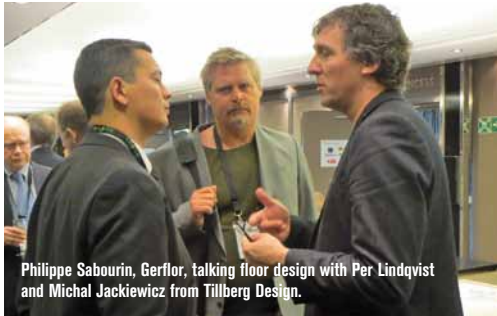
... and some missed the boat...in Tallinn.



Jakob Tolsgaard and Erik Chilo from Cavotec talking with Pierre Mattei, Corsica Sardinia Ferries.



"The Carus mafia"



Philippe Sabourin, Gerflor, talking floor design with Per Lindqvist and Michal Jackiewicz from Tillberg Design.



Anita Åkerlund, Wilhelmsen Ship Service.



Juliet Heggland, MCP, and Bruce Peter, Glasgow School of Art.



Stephen Tagud from the ferry line Negros Navigation Philippines.



Mark McCluskey, P&O Ferries, winner of an Ipad from Versonix, Victor Velton.



Happy smiling, Klaus Pischl, Red Bull.



Carsten Meyer, Total Solutions, talking with Petri Hakulinen, Foreship.



Peter Albrecht, Deltamarin, and Wilco van der Linden, Wärtsilä.



David Wendel and Jan-Olof Grönhult, QNV.



Talking green ships... Tanja Sabell, STX, and Oyvind Sundgot, Metzoff.



Andres Hunt, Tallink Grupp and Michael Jung, KfW Bank.



Michael Howe-Davies and Thierry Passaloungi, TT Gateway Webres, discussing with Bill Gibbons, PSA.



Håkan Johansson, Rederi AB Gotland, Olof Berndtsson, Aquamarine and Björn Blomqvist, Rederiaktiebolaget Eckerö.



Dinner drink, sponsored by Simsonship.



▲ Jerry Lindskog, Consilium Marine, with industry colleague.



Happy delegate!



Elizabeth, Hans Juul, Saint-Gobain, Costis, Attica and Christian, Knud E Hansen.

Fayola Olivier, CCI Côte D'Opal - Port of Boulogne.



Niels-Erik Lund from ISP and Maggie from Mason.



Italian table enjoying the dinner.

Lauritz Skeide, Brude Safety and Gry Cecilie Sydhagen, Metztoft.



Antonio Raimo and Elvira Rizzuti from Finnlines/Grimaldi.

Smart casual delegates enjoying the dinner.



Shipbrokers table. Jens Vind Jensen, Fabio Carbone and Tina Åkerlund.



Happy Finnish table.



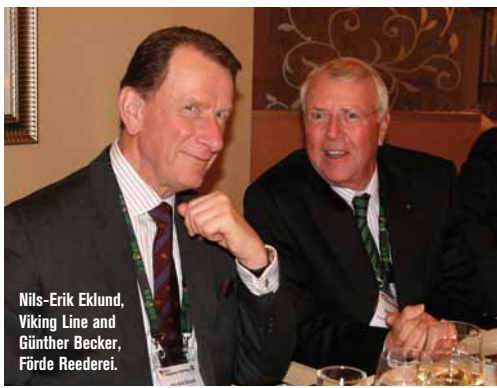
Stena talking new deals with broker Psilander?



"Sailors do not pray for wind, they learn how to sail"



Guy Platten, Caledonian Maritime Assets and Ronny Orvik from Brude Safety.



Nils-Erik Eklund, Viking Line and Günther Becker, Förde Reederei.



Bo-Lennart Thorbjörnsson and Enn Pant.



Claes Ancher, Simsonship and Kadri Land, Tallink Silja.



Victor Velton, Peter Roose and Yolanda Stewart.



Jan-Helge Pile, Color Line, Michael Jung, KfW Bank and Per Westling, Stena RoRo.



Raimon Strunk, Flensburg and Lori Kieilty, DVB Bank.



Hilde, Anders, Lars, Håkan, Johan and David, all listening to fantastic stories from real life from the seas.



Johanna, Richard, Martin and Göran also listening to astonishing stories about shipbuilding.



Frode Teigen, Fjord Line, celebrating his birthday onboard. Congratulations from us all!

Thank you for this conference!

See you next year!



Photos: Cees de Bijl

Last but not least, we would like to extend our sincere thanks to the sponsors of the event, including:

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