



OPTIMISM PREVAILS



POSITIVE VIBES UNDER THE MEDITERRANEAN SUN

TEXT: JÖRGEN PETTERSSON AND SHIPPAX PHOTOS: SHIPPAX AND BRUCE PETER

Optimism paves the way in the ferry industry. These words set the tone of this year's Ferry Shipping Conference, an event arranged on board the GNV cruise-ferry LA SUPERBA which took the conference delegates from Civitavecchia to Palermo and back.

pproximately 380 delegates were on board, representing ferry operators, shipyards, suppliers, ports and many more. The atmosphere on board was good – something that had been anticipated, since earlier conferences had made sure that the bar was set high in terms of knowledge and insight. Nobody was disappointed this time either: the lecturers were both insightful and generous in sharing their ideas, their solutions and their views on the challenges that the industry faces.

The organisation of a conference on board a ship also makes it possible to socialise in a completely different way than if the conference would have been arranged on land. Random acquaintances can quickly become long-term business partners.

In line with last year's conference, it was clear that new times are coming, and that new ways of thinking are developing in the industry. Reflecting on the ferry industry, Mr Thorbjörnsson said that 2016 became a very good year for several of the major ferry operators who made good profits. "Apart from fairly low bunker prices," he pointed out, "we also saw low interest rates and organisations trimmed since the 2009/2010 crisis year - and now the companies are operating at significantly lower costs. When all these low hanging fruits are combined, the result is a good one." On the back of a strong 2016, he forecast good years ahead for the ferry companies - despite the fact that fuel prices and interest rates are expected to rise. He saw a comeback for high-speed craft, but warned for competition from new and in many ways revolutionary companies.

FERRY EXECUTIVES PANEL DEBATE

Mr Thorbjörnsson was joined on the stage by Philippe Holthof of Shippax to moderate the ferry executives panel debate. On the panel were Peder Gellert Pedersen (DFDS), Matteo Catani (GNV), Christophe Mathieu (Brittany Ferries), Björn Blomqvist (Rederi AB Eckerö) and Paul Kyprianou (Grimaldi Group). Peder Gellert Pedersen raised the awareness of the continued need for digitalisation, arguing that shipping has so far just scratched the surface in this regard.

Matteo Catani, CEO of GNV, provided an outlook on the market in general and that of newbuildings in particular. Energy efficiency is, obviously, one of the buzzwords. He also expected that new shipbuilders from the Far East and China will emerge. Christophe Mathieu,

Matteo Catani, CEO of GNV, welcomed all delegates as the conference host.



The ringing of the bell officially opened the conference.



Anders Rundberg, CEO of mainsponsor Carus made his opening speech.



Bo-Lennart Thorbjörnsson, BOLT Consulting, made some opening remarks and reflections since last vear.





Brittany Ferries' CEO, said that "we are dealing with a very complicated world and due to the Brexit we have to deal with a whole new political agenda." As France has been hit by a series of terrorist attacks, he was also concerned about security. "We have seen terrorism spreading in Europe and one day it may affect us." Rederi Ab Eckerö's CEO, Björn Blomqvist, emphasized the

importance of "keeping our eyes on the ball." Regarding the opportunities in the industry, Mr Blomqvist mentioned better logistics and new terminals. "But this can also be a challenge in the form of the increasing gentrification that spreads in cities such as Helsinki, Stockholm, Gothenburg, Marseille, Barcelona, etc. It is no longer to be taken for granted that a ship operator will be allowed to

call at and build large warehouses in the most attractive port areas." Paul Kyprianou spoke about the current state of the ferry sector and concluded that, "the ferry industry is very fragmented worldwide. We are facing an ongoing consolidation process in Europe with impacts on competitiveness and investment capacity." >

The continued need for digitalisation was raised by Peder Gellert Pedersen from DFDS.

Matteo Catani from GNV gave his outlook on the market, and newbuildings in particular.

"We have seen terrorism spreading in Europe and one day it may affect us," said Christophe Mathieu, Brittany Ferries.

"Keep your eyes on the ball," said Björn Blomgvist, Rederi Ab Eckerö. "The ferry industry is very fragmented worldwide," said Paul Kyprianou, Grimaldi Group.













Morten Larsen, shared Fjord Line's experience with LNG.

➤ THE ROAD TO ZERO EMISSIONS

One of the sessions dealt with alternative fuels and energy systems with an exciting conversion project being currently on its way at HH Ferries Group, operators of the 20-minute Helsingborg-Helsingør shuttle service. The TYCHO BRAHE and AURORA will be converted to battery-powered vessels, using ABB technology. HH Ferries' CEO Henrik Rørbæk and ABB's Marcus Högblom jointly presented the project. The operator has always been at the forefront of eco-consciousness and has taken a next step by converting two ferries that will become 100% batterypowered. Following the conversion,

the time that the vessels spend in port and the crossing time will both remain unchanged compared to today's service. The ferries will operate in full battery mode but will have hybrid or dieseldriven backup. The conversion will lower the total emissions on the route by more than 50%, improving the regional environment. The investment amounts to SEK 300m but the EU's Innovation and Networks Executive Agency (INEA) supports the project with approximately SEK 120m. The batteries will be charged during five and a half minutes in Helsingør and nine minutes in Helsingborg with the entire charging process being done by robots.

Morten Larsen of Fjord Line shared

the ferry operator's experience with LNG. Two of the company's ferries - the first and largest ferries in the world that use LNG as a single fuel - have been operating exclusively on LNG since 2013 and 2014, respectively. Mr Larsen remembered the first months to be very challenging as bunkering could only take place in Hirtshals with the LNG being transported by road tankers from Norway to Denmark (via Gothenburg-Frederikshavn). "It has been a learning curve and it took quite a while to get permissions in place from the Norwegian authorities for the bunker operation. We have performed 800 bunker operations from trucks and 340 using a loading arm with only one minor bunker incident so far."





"The European economy is heading in the right direction...," said Denise Baum from KfW Bank.



"Strong and flexible, but also very challengina," that's how Alan Klanac from ladrolinia described the Mediterranean situation.



Koert Grever talked about the education for business leaders with positive impact at IESE Business School which boasts five campuses with 170 professors around the globe.

BREXIT FROM A BANKER'S PERSPECTIVE

"The European economy is heading in the right direction, with falling unemployment, growing GDP, and a more positive view on investments," Denise Baum of KfW Bank told the delegates. "Due to the Brexit, the uncertainty is great though," she added. Unemployment has fallen from around 10 to 8% across the EU, compared to 2014. However, there are still major differences: unemployment has decreased the most in Greece and Spain, but it is still high in these countries. A stable economy creates a more normal

inflation, which creates security and an improved labour market. Due to the relatively weak euro, the export industry is strong. However, there's no lack of challenges in a Brexit and Donald Trump era. "This might mean new and changed trade alliances, which nevertheless requires the exports to be handled on board ships. In addition to this, a low oil price can be added to the mix - stimulating the demand for transport," she commented.

THE MED SITUATION

Alan Klanac, Jadrolinija's CEO, described the situation in the

Mediterranean as, "strong and flexible, but also very challenging with the switch to 0.5% sulphur fuel in 2020." The largest ferry market by far in the Mediterranean is Greece, with over 460 different short ferry lines. Italy, Croatia, Spain and France follow, all with significantly fewer ferry routes. In total, it is estimated that there are more than 550 different ferry lines in the Mediterranean.

"There is a mix of large operators and small family companies," he said.

Ingemar Gustavsson (ACTEMIUM) elaborated on his company's onshore power solution the product that fits in a normal container provides electricity to ships while docked. It leads to less emissions, less noise, less costs and improved working environment on board compared to using the traditional combustion engines for electricity production.



Ole Kristian Sivertsen of Global Eagle gave an entertaining speech titled 'The E-Factor'.



Mahinde Abeynaike CEO of Nautico (Bomin Linde) explained that the number of LNG-powered vessels continues to grow. Today, 77 LNG-powered vessels are in operation - with a further 79 on order.



Wärtsilä Marine Solutions' Harald Tillung presented Wärtsilä's experience with hybrid and electric ferries. Already in 2005, the company started with research on alternative energy sources. Today it has an indepth knowledge of the challenges and possibilities this new exciting technology brings about.





Mike Wake from Austal gave his views and experiences on fast ferries.



Matteo Della Valle of GNV and Roman Poersch talked about the ro-ro and freight development. Mr Della Valle painted a picture of the freight market and the cargo streams in the Med. He underlined the importance of MoS and how MoS connect the Mediterranean countries.



Roman Poersch, the MD of Wilhelm Borchert, talked about the logistic developments and their impacts on ferry shipping, also pinpointing how automation, big data and IT are changing the logistics landscape.

► FAST FERRIES; PAST, PRESENT **AND FUTURE**

Mike Wake of Austal had prepared an informative presentation which was titled 'Fast ferries: past, present and future.' He gave examples of successful and not-so-successful high-speed craft. Certain types have been extremely successful which makes the myth of fast ferries rolling too much, having insufficient freight capacities and being dependent on good weather obsolete. He highlighted the successful operation of the trimaran BENCHIJIGUA EXPRESS which has had zero cancellations due to bad weather since its delivery in 2005. The future of high-speed craft looks bright with better hull designs, lighter superstructures, fuel efficient engines and more efficient waterjets.

CRYSTAL BALL

"How will we look in 2025?," was the title of a session whereby the speakers could outline their views on the future. Fredrik Johansson of Tillberg Design highlighted the Millennials: people born between 1980 and 2000 who were the

largest generation in 2015. "In five to ten years' time, they will be the largest group of consumers in the hospitality and travel industry," he stated. "They will also be prepared to pay more for unique and better experiences - they will expect access to the internet at all times and they are environmentally conscious." Mr Johansson highlighted the need to focus on the total travel planning when it comes to Millennials.

He showed examples of boring booking pages, stereotypical harbour terminals and grey cabins and then showed images of how different the experience

Per Westlina from Stena RoRo talked about the environmental challenges and opportunities.



"New safety and environmental regulations have become mandatory and drive up the cost of building and operating ships," said Carsten Ortloff from Flensburger Schiffbau-Gesellschaft.



Fredrik Iohansson from Tillbera Desian talked about the millennials and how to meet their demands.



could be.

Per Westling, CEO of Stena RoRo, focused on the environmental sustainability challenges and opportunities. "What can we do with existing ships? How can we improve the hulls of vessels, and how do we handle the major challenge of CO2 emissions? And how can these factors be addressed in a cost-effective way?," he wondered. "In fact, there are already many solutions in place but these are often far too expensive. I am pretty sure that within ten years we will see, for example, batteries with a four- to five-hour autonomy. Batteries are essential to future traffic. and they have developed tremendously over the last years." Mr Westling also brought up biofuel as an alternative fuel. "In Sweden, for example, we incinerate six million tonnes of waste that in itself could fuel the whole Stena fleet for a year if we made methanol from it. Today it is being burned."

Carsten Ortloff of Flensburger Schiffbau-Gesellschaft explained that things have changed radically during the last two decades. "New safety and environmental regulations have become mandatory and drive up the cost of building and operating ships," he said. He also included the Millennials in his analysis and questioned whether they need 'luxurious' ferries. "After all, freight is the bread and butter."

"It took the industry by surprise," said Guy

Platten from the UK Chamber of Shipping



Jan-Erik Norli from Telenor Maritime talked about connectivity and the possibilities of internet of things.



Bill Gibbons (Discover Ferries): how to catch the motorist market.

the creation of new revenue streams.

INTERNET OF THINGS FOR THE **INDUSTRY**

Internet connectivity and -speed constantly increase. It has developed to such an extent that services that were previously only available on land can now also be experienced on board. Jan-Erik Norli of the Norwegian mobile operator Telenor Maritime talked about the 'internet of things', or connected devices. When used correctly, connected devices can greatly enhance the passenger experience. It can also further improve efficiency, not to mention

Christophe Mathieu from Brittany Ferries raised concerns regarding Brexit since such large portions of Brittany Ferries revenues are coming from the UK.





Tracking, making payments, opening, and closing of doors are some of the features that are already starting to appear, but it can also be used to tailor-make a more personalised on-board experience and it plays an important role in the automation of ships. Telenor Maritime is currently the world's only marine mobile operator that has installed a fully functional 4G network on board a ship. The first one was installed early this vear on a Color Line ferry, with the rest of the fleet following during the year.

ON BREXIT

Mr Guy Platten from the UK Chamber of Shipping elaborated on the Brexit. "It took the industry by surprise," he acknowledged, "But after the first moment of shock, there is now a will to find out how to actually profit from the uncertain future." He believed that trade between the EU and the UK will continue, with 40% of the UK's international trade arriving or leaving on lorries and trailers. The port of Dover alone - the UK's busiest ro-ro port - handles over 2.5 million trailers per year, followed by the Humber ports that see 1 million units pass. "Depending on the political outcome, we are facing three different scenarios: a continuation of the current regime of free movement of goods, custom controls with no frontier element or full border controls with the latter being a nightmare scenario that would probably create chaos and make >



Callenberg Technology's Magnus Hansson explained how big data can help reduce more than 50% of the HVAC energy on board. By collecting a massive amount of data in the HVAC system, a more optimized energy consumption can be achieved.



John Roger Nesje, Rolls-Royce, talked about automated ferry operations.



KNUD E. HANSEN's Finn Wollesen shared his experience when it comes to the challenges of building in China.



'Creating value for our customers' was the title of a presentation given by Giuseppe Cardinale from the Communications and IT Service Provider, SpeedCast.



Mia Elg, Deltamarin, held a speech about how to detect waste heat recovery potential with energy flow simulations.

➤ trade extremely difficult."

Christophe Mathieu of Brittany Ferries is worried about the future since his company is French with revenues coming from the UK. "We have to convince the politicians that there are no winners in this. We need to be factual and to make sure our industries can continue to produce jobs," he said, adding that

"the current uncertainty is like fog on the way."

NEW SHIPS CONCEPT AND PROIECTS

One of the last sessions focused on new deliveries. TEXELSTROOM, BERLIN and MEGASTAR have been well-documented in ShippaxInfo but all the ins and outs of these innovative ferries were explained in more detail by Cees de Waal of TESO, Morten Haure-Pedersen of Scandlines (together with Alain Meylan of AIA, the interior architects of BERLIN) and Tarvi-Carlos Tuulik of Tallink Grupp.

Cees de Waal from TESO talked about the environmentally friendly TEXELSTROOM ferry.



Morten Haure-Pedersen from Scandlines and Alain Meylan from AIA shared their views about the hybrid ferries BERLIN and COPENHAGEN and the processes behind them.





Tarvi-Carlos Tuulik from Tallink Grupp talked about their new ferry MEGASTAR.

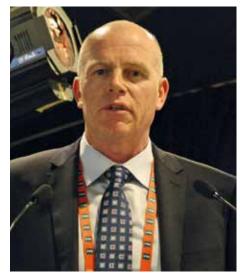


ONE INDUSTRY - ONE VOICE

Mike Corrigan, the incoming CEO of Interferry, underlined the benefits of Interferry membership and how the industry was stronger together. He also stimulated delegates and potential members to join the Interferry Conference in Split.

Bruce Peter from the Glasgow School of Art explained how the ferry industry could attract those over the age of 50 who typically have money to spend.

Prior to further networking and wining and dining, Bo-Lennart Thorbjörnsson and Philippe Holthof thanked the delegates for attending yet another successful conference and congratulated GNV, the officers and crew of LA SUPERBA for being an excellent host. ■



Interferry's Mike Corrigan talked about how the ferry industry is stronger together.



From Glasgow School of Art, Bruce Peter held a speech on how to attract the financially strong 50+ age people.



Welcome Coffee sponsored by Stena RoRo.

Carsten Wind, Ehrenborg and Sören Danig, PBES.





Finn Wollesen, Christian Bursche, KNUD E. HANSEN and Maanus Hansson, Callenbera/Miramar.







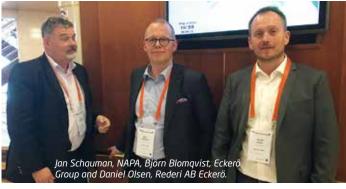














Tina Åkerlund, Thunship and Cyril Jarnet, Parimar Francharte.















































Tim Watson and Anders Rundberg from Carus enjoy the lunch together with John Lillvall, TTS Marine and John Bertell, also from Carus.







Oliver Weiss, Griffon

Mikko Hakala from Meyer Werft.

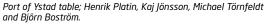






































NLC Wasaline's Peter Ståhlberg

and Bo-Gustav

Group.

Donning, Eckerö









































Pierre Mattei, Corsica Ferries and Claes Ancher, Simsonship and Bo Gustav Donning, Eckerö Group.



Hans-Eivind Siewers, DNV GL.



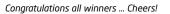
Juan José Collado and Martin Westphal, ADELTE.



Peter Rea, Liferaft Systems and Maggie Long from Mason Shipbrokers.



















Fredrik Johansson from Tillberg Design, winner of the award as the Interior designer of SPITSBERGEN.











Henrik Lindqvist, Xin He, Roger Vimme, all from Telenor Maritime, Jakub Komes from Polferries and Erik Midthun also from Telenor Maritime.



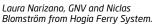






Andrej Stopar, Wärtsilä and Alan Klanac, Jadrolinija.









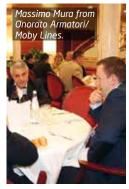




Anders Örgård Hansen, OSK Ship Tech, Mikael West, Wasaline, Rune Ekornesvåg,

















Lunch onboard in Palermo, sponsored by ACTEMIUM.

Magnus Ehrenberg, EHRENBERG Kommunikation, sitting together and eating dinner with Kristian Eikre, Fjord Line, Kaj Jönsson, Port of Ystad, Palemia Field, ABB and Frederic Pouget, Brittany Ferries.













Have you heard David Wendel's crazy and true story about the white Siberian tiger on board a cruise ship...



...we have... Robert Magnusson from Gislaved Folie, Ann-Britt Trogen, Apply Emtunga, Jerry Lindskog, Consilium, Morten Leknes, Glamox, Charlotte, Shippax (taking the photo), Christer Schoug (not on photo), Annika from Shippax, Øyvind Sundgot, Metizoft and Elizabeth, Shippax. By the way...David was on board the ship with the tiger...



Thank you for this conference! See you next year!

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

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DANISH MARINE



















































