

NEWSLETTER



Contents

Welcome Note from the MD's Desk	03
Our People – Ravi Korivi	04
COVID-19 – Impact on the Maritime Industry	06
Review of 2020 – Adapting to new challenges	09
HMAS Future Plans	11



Our People



Welcome Note from the MD's Desk



COVID-19 – Impact on the Maritime Industry



Outlook on 2021 – Preparing for the road ahead



Review of 2020 – Adapting to new challenges

Welcome Note from our MD's desk

The Hanseatic Maritime Advisory Services team would like to welcome you to the first edition of our newsletter. As a young company, we are delighted to reach out to our customers and be able to provide facts and figures about our activities, new developments and on-going commitment of our company.

A special thought goes to our seafaring colleagues which have supported global supply chains with unprecedented emotional and physical efforts throughout 2020.

With great pleasure, I present to you the content of this first HMAS Newsletter.

Firstly, an introduction to our Operations Director, Mr. Ravi Korivi, who has the delicate role of ensuring client expectations are met to the full and also retaining a smooth collaboration with our professionals' network. It is our intention, as a small but growing company, to develop better ties with our customers and to launch our first feedback performance survey so we may renovate our goals and set bold targets in line with client needs. The support of our customers is vital for the growth of the company and we will appreciate the chance to listen to and learn from their feedback.

We shall also use the newsletter to showcase the eventful year of 2020, share information on goals and new developments we have in the pipeline, explain the implications of the pandemic and our actions in turn.

Before concluding, we would like to take this opportunity and express our gratitude to our network partners. Thankfully, there has been an organic growth of professionals that have united with us to serve HMAS customers. Despite all the risks and restrictions of a challenging year, they have ensured prompt and safe delivery of services vital for our customers' day-to-day operations.

We hope you find this newsletter useful, to better understand what we do at HMAS whilst also gaining knowledge about interesting industry highlights. Please feel free to get in touch via our email address, enquiries@hanseatic-maritime.com, if you have any suggestion or queries. Your feedback will help us grow even stronger!

Enjoy reading!



Andreas Solomonides
Managing Director

Our People

Meet Mr. Ravi Korivi

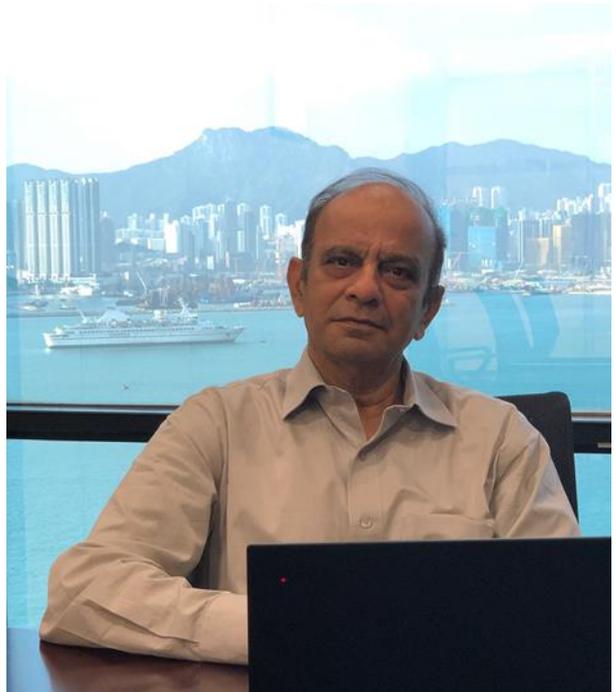
We are pleased to introduce Mr. Ravi Korivi, Operations Director of Hanseatic Maritime Advisory Services, in this very first issue of our newsletter. Mr. Ravi Korivi has been with the Schulte Group since 1991.

As he explains during our interview, his entry into the field of marine engineering was accidental and not by design. *“Having set my eyes on another career path, it was only after I started studying at the university that I switched fields and took admission at the Marine Academy. As a young student studying at the “Directorate of Marine Engineering” Training Institute I could never even dream of the career path I experienced and my life in Hong Kong. After treading the well-travelled path of a marine engineer for 20 years, an opportunity to work in a shipping firm in Hong Kong presented itself.”*

Mr. Korivi has been fortunate enough to be involved in various business areas of the Schulte Group during his career. These include Shipmanagement, Value Added Services, LNG Development, Agency Business, Training, Accounts, Marketing and Business Development. He started his offshore job in Hong Kong as a Marine Personnel Officer at Eurasia. At the time, the company was managing only seven ships which led him to spend more time at the Technical Department. Eventually, as the fleet size grew, he became more involved with the technical aspects of fleet management. His experience in these departments helped him to grow and eventually reach the position of the General Manager in the year 2000. The management in its wisdom, and his crewing background moved him to head the BSM Crew Management Centre in Mumbai (BSM CMC), formerly known as Paramount Shipping, India.

He moved to Mumbai in 2000 and stayed there for six years. During his time at the BSM CMC Mumbai office, Mr. Korivi managed to grow and develop the company considerably. The crew pool size grew from 200 to 1,500 and the fleet under Eurasia grew to over 100 ships. With the growth in fleet, the demand for crew also increased which led to the opening of new offices in Delhi and Chennai.

He returned to Hong Kong in a new role as Group Managing Director (GMD) of the Dry fleet which consisted of around 350 vessels while at the same time he was also involved in the development and growth for some of the BS/BSM Value Added Services, Newbuilding and IT platforms for Crewing and Planned Maintenance systems. *“The journey from an MPO to GMD was rewarding and fulfilling. My success would not have been possible without the support of my colleagues; I cherish my time and association with the Schulte Group.”*



Currently, Mr. Korivi is supporting HMAS on the operations site from his base in Hong Kong. *“Working from the start and being involved in setting up HMAS has been a challenging but also an equally rewarding and wonderful experience. In this world where technology is at the forefront, adaptability is a must. The shipping industry managed to evolve and adapt to the changing times. When I started sailing there was no GPS, no VDR, and only minimal automation in the engine room and navigating bridge and even communication between the office and ship was basic. Today, with the implementation of technology on board the vessels, life at sea has changed for today’s seafarers. Safety measures are also better. In the next 20 years, technology will only take over certain manual practices, but the future always remains uncertain. We were fortunate to establish HMAS at the most opportune time. During the COVID-19 pandemic, HMAS has been working tirelessly with BSM and third-party owners and clients who*

have benefited from our services. I think after having experienced the ease and the benefits of working with us, clients will certainly continue to seek the support of HMAS even after the pandemic subsides. However, it is imperative to seek new ideas, always evolve and expand to remain relevant. I am sure HMAS is here to stay as there is so much talent and new ideas available within the Schulte Group.”



COVID-19 and its impact on the Maritime Industry

Maritime transport is the underlying gear of global supply chains. Maritime transport is estimated to account for approximately 70 to 80 percent of global trade by volume and by value. Therefore, when disruptions do occur within the industry, reverberations are widespread cascading in several industries and regions. The sustainability and support of our industry should be considered a critical imperative to ensure the stability of trade and access to goods; particularly for developing countries and small islands developing states, that heavily rely on this mean of transport for their livelihood and existence.

The coronavirus pandemic (COVID-19) scattered a global economic and health crisis, that deeply affected trade and maritime transport. The disruption of supply chains, usually kept in place by maritime transport, suffered severely with shortages of raw but also packaged goods. This has been a step back from an orderly organisation of global trade and has pushed back the progress made in liberalization and facilitation of exchange of goods achieved in previous years.

At a staggering decrease of 4.2% in GDP, the pandemic has cast a grim toll on 2020. Unsurprisingly lockdowns, drop in demand, negative employment rates and increasing debt all contributed to the current negative situation.

The maritime industry like many other sectors suffered significant disruptions to its operations. Figure 1 summarizes y-o-y GDP and seaborne metric tonnes and we can see the impact of COVID-19, as even more severe than the previous global crisis of 2008.



Figure 1: Trends in Year-on-Year % Change of Global GDP, Industrial Production & Seaborne Trade Source: ([GTA](#), [GTA Forecasting](#), [Global Executive Summary](#))

The worldwide population, being confined to wide and extended lockdowns throughout all nations, significantly shifted the demands of goods from usual consumption levels. This resulted in a massive transformation on the priority of goods being purchased.



Oil, due to restricted movement at a domestic and international level, with aeroplanes and cars halted, dropped significantly and the prices saw massive corrections. Unit prices went as low as 29US\$ per barrel, forcing most oil-producing companies to operate at a loss. With this inactivity and imbalance between supply and demand, there was a small glimpse of hope in the tanker segment given the riding trend for these vessels to be employed as floating storage.

These disruptions have significantly shifted the way of doing business. The restriction of movements enforced by the governments as an effort to eliminate the spread of the virus, had a significant impact on the lives of the seafarers as crew changes were not allowed. The seafarer crisis left about 200,000 individuals trapped on vessels unable to terminate their contract and return to their families at a given time.

The IMO has led initiatives to designate seafarers as key workers, therefore granting them adequate permissions to travel and repatriate notwithstanding the travel restrictions. However, with national legislations enforcing different measures, and countries being amidst surging COVID-19 cases in different periods, crew changes and international transport of seafarers became extremely difficult.

The extension of crew contracts resulted in longer working periods at sea. Seafarers spending extended periods onboard are more at risk of adverse health effects, including physical and mental health issues. In addition, the global disruption in the shipments of spare parts created an addition challenge in the ship owners and the industry. As the pandemic hindered essential maintenance and service of vessels from being conducted shipowners



were running the risk of machinery breakdowns. Disruption in supply of spare parts and essential consumables could also delay scheduled maintenance. Onboard visits of technicians and superintendence for the conduction of the usual inspections were also affected. One key interaction that was challenged by the pandemic was the communication between the shore-based personnel and seafarers who were onboard the vessels and making port calls. Many ports actively found ways to ensure the highest business continuity and mitigate potential risks between the vessels and shore workers designated to work onboard. Specific guidelines were developed by the International Chamber of Shipping to ensure a safe interface between these two categories of people. For example, stevedores and dockers needing to access the vessel to complete cargo operations mitigated these risks with the use of safety equipment and additionally masks and gloves and strict screening before any interaction taking place.

Agility: Automation and digital solutions

In addition to introducing physical measures to combat the exchange of the virus between different individuals, the increasing use of digital tools to exchange information and support the various business segments assisted further in this regard.



The introduction of electronic exchange platforms for example has facilitated trade in cross-border logistics by reducing the burden of administrative work and process. These digital tools not only simplified the exchange of information but also allowed office staff to continue business operations being increasingly carried out remotely through smart working.

Having witnessed the use and the benefits of digital solutions many organisations started developing and adopting digital infrastructure in their processes, now consider this in their strategic plans. Digital innovation and technology can support in increasing the responsibility of achieving carbon neutral and resilient ports.

The increasing automation and connectivity allowing a more seamless and smooth interaction between the vessels trading worldwide and their access to landside operations through ports will also result in increasing efficiencies.

Digitalization together with the roll-out of the various vaccination efforts followed by many countries globally, can offer a forward-looking solution to ensure operations are positioned to improve. It is well-demonstrated by the situation in Singapore, where maritime professionals have been designated as key workers and therefore have been prioritized to receive the vaccine.



Countries will require to strengthen their capacity to better anticipate such disruptions to provide increasingly uninterrupted supply chains through maritime transport. The implementation of contingency plans and adjustments in operations and the economy have resulted in increasing resilience to future disruptions to ensure the best response if similar situations will be faced in the future.



Review of 2020 – Adapting to new challenges

2020 has been a tough ride for the global maritime industry. The effects of the pandemic were felt throughout all regions and countries causing the shipping and maritime industry to face one of the greatest challenges of the twentieth century. Even under a complete lockdown, the shipping world though never sleeps. Regional Port State Control (PSC) organisations, Maritime Administrators and Classification Societies across the world are acknowledging the impact of COVID-19 and the difficulty of arranging surveys and meeting statutory requirements.

With airport restrictions and lockdowns, surveyors, auditors, essential superintendents, technicians and other service teams were not allowed to travel and conduct the necessary inspections, audits or surveys onboard vessels. In situations like this, agility and adaptability are a must. We are heading into a new era; the decade of the “Never Normal”.

At Hanseatic Maritime Advisory Services (HMAS), we work with a worldwide network of local inspectors around the globe allowing us to overcome the travel ban issue. We were ready and fully equipped to offer our services to all our clients around the world with highly qualified, experienced and skilled professionals for varied shipping requirements.

Many Classification Societies have noted a recent increase in their remote survey programmes. Remote surveys can assist shipowners and classification societies to keep inspections and certification valid while staying safe and eliminating travel.

So, despite the many challenges and difficulties brought on by the pandemic, our business agility allowed us to not only sustain but to grow and adapt our business and services provided. We immediately saw the challenges and the great needs of the market and we responded. It is with great pride that we would like to share with you the developments and achievements of HMAS, and how the company is building the foundations for a prosperous future.

The year started with the introduction of the **remote services** to the portfolio offered to our clients. These included the **VDR** remote navigational audits and **magnetic compass** deviation card adjustments. Remote services have many benefits, especially during a pandemic. No physical presence of the auditor is required onboard, making them cost-effective, time-efficient as well as the safest, considering the limitations of COVID-19. The client is offered the flexibility of choosing when and where the audit will take place and leaves the rest to expert professionals. HMAS has selected experienced auditors, and well-qualified masters with extensive seagoing experience on any type of vessel. In the case of remote VDR audits a comprehensive written report is sent to the client, clearly explaining observations and recommendations based on best practices and bridge procedures. These two remote services, only being introduced in 2020, have seen a tremendous response from our clients as they offer many benefits.



Topping the ranking we find Condition Inspection services, having faced the restriction of movement of their own superintendents to carry out this critical task to ensure asset quality. This is only one of the means HMAS offered support to various stakeholders of the maritime industry around the world, assisting where possible in maintaining and improving vessel condition and value by providing customised and detailed reports.

During the summer of 2020, HMAS also announced its strategic expansion with the opening of a new office. Hamburg has been selected as the new location of our second European branch, following the Headquarters in Athens and Hong Kong. The strategically located new branch was selected to provide improved services and business value to HMAS's expanding customer network in the North European region. These include not only traditional ship owners but also lending banks, financial institutions, private equity groups, brokers, insurers and charterers.

HMAS is proud to have served in 2020 customers in 60 different nations supporting their operations. 350 different vessels have been served by our professionals calling in over 100 different ports. Australia was the country where most services have occurred, and HMAS has developed strong ties with local inspection companies and independent inspectors. These services are particularly focused to ensure peace of mind by assisting owners with pre-AMSA inspections and port captaincy services.

HMAS never stops providing first-class services and support to all clients wherever they are around the world. We would like to take a moment to thank all the crew onboard offering excellent cooperation and support to our inspectors, enabling them to complete inspections smoothly and successfully. Further, we want to thank HMAS' network of professionals that have gone the extra mile in this challenging year. With movement regulations and restrictions changing constantly, the coordination with our partners allowed to provide our customers the required flexibility in scheduling services. Despite the difficulties and unprecedented challenges, we all faced during 2020, we are grateful for all the support we received from our customers.

Outlook on 2021 – Preparing for the road ahead

The future strategy of HMAS is to continue expanding our services within our current strong clientele locations, Greece, Japan and Hong Kong, while we nurture new locations that have shown interest around the world. We are planning to expand both, our global footprint as well as services provided based on market needs.

Consolidating and expanding the professional's network is one of the core strategies of HMAS to ensure the quality of its services. This has been further emphasized by the current worldwide situation affected by the pandemic which is seeing ever-changing restrictions to international travel which will endure long into 2021.

As a client-oriented company, our focus is to not only meet but exceed our customers' expectations. We strive to provide the best customised solutions to the needs of our clients. A very big thank you to all our clients and business associates around the globe and their continuous support. We are now already walking into the new year stronger, with new goals and new plans.



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