The Nordic Range Committee Report

We had a Nordic Meeting in Gothenburg in September. These meetings are always very informative and useful. We learn from each other and share all good practice. This is a summary of the Nordic country's reports.

The night before the meeting we had a joyful dinner, at Dorsia in Gothenburg.
From left: Frode Eriksen, Berit Blomqvist, Jan Wikström, Stefan Lomberg, Thomas Lund, Carl-Johan Leijonhielm and Allan Houtved.

DENMARK

Danish Shipbrokers' Association has 98 members and 34 branches. The economy of the association is under pressure as the main revenue is from membership fees.

General Shipping Climate
Demanding, challenging and with only a few bright spots. These words briefly summarise the conditions for Danish shipping. However, fluctuations are well known in shipping and Danish shipping companies have a considerable amount of know-how and will also weather the present crisis.

Ports and Infrastructure: The Danish infrastructure is congested. There is a political wish of transferring cargo from road to sea however, with more and more administrative burdens and additional expenses been put on maritime transport, it is often difficult to compete with alternative modes of transportation. During the year a new law regarding ports were adopted in parliament and public ports are now permitted to get involved in activities that traditionally were for private companies only however, it is a condition that no private company is interested in the task in question and that they have turned down an invitation to get involved.

The revised rules open up for ports, under certain conditions, to invest outside the port itself, in other countries, getting involved in various shipping activities as well as investments in Green Technology.

ISPS in the ports are presently being upgraded and CCTV and strict control etc. are being implemented. It is the impression that the Danish authorities are aiming for a very high level of security (and higher than other EU countries) and the economical consequences are at present unknown.

Schengen rules are being tightened. The police enforce the rules differently in the various ports and we have for several years requested the police authorities to inform the local police stations about accepted procedures. Unfortunately, the relevant authorities have not yet been able to issue such guidelines although the work was initiated more than two years ago. Together with other maritime organisation we are raising the challenge on a political level.

New custom rules and procedures have been implemented and this creates a lot of work. The computer programs developed by the Custom Authorities were made mandatory without the necessary test-period and at present we are obliged to report to a system that often breaks down, require mandatory information that are not always available and for unknown reasons sometimes prohibit discharge/release of cargo. We are in working with the custom authorities to solve these challenges.

Icebreaking has been looked at. For many years vessels arriving Danish ports have paid a fee for icebreaking service irrespective of the fact that there may not be any ice or they have received no icebreaking services. The proposal that has been forwarded to the politicians for consideration basically states that any cargo passing the pier at any time of the year pays a small amount which will be used to establish an icebreaking service during the winter. The payment will only cover the establishment of areas of readiness and any icebreaking service actually required will be charged to the vessel requiring the service.

Education
Education is still given very high priority. The Shipowners Association recently decided to offer an alternative education but at present the contents of this education is not known but web-based learning will be given instead of some of the in-class education. This education will be open to foreign student. The total costs are expected to be in the area of US$ 20.000 per student. The education is not validated by educational institutions.

The official Danish shipping education is still considered to be first class and consists of 5-7 weeks spread over the two-year period of apprenticeship. Unfortunately there is a reduction in the number of trainees mainly due to the difficult financial times.
The last few years the number of shipping trainees has been:

2007	Total 103	of which from shipowners	38
2008	Total 96	-	33
2009	Total 52	-	21
2010	Total 59	-	21
2011	Total 70	-	18
2012	Total 45	-	0 (estimate)

Danish Shipbrokers' Association is Distance Learning Centre for The Institute of Chartered Shipbrokers and during recent years the numbers of students have been as follows:

2009	51 students attending exam in	127	
2010	41	89	(Pass rate 63 %)
2011	25	47	(Pass rate 40 %)
2012	24	56	(Pass rate 50 %)

In 2010 a Danish Branch of The Institute of Chartered Shipbrokers was opened.

FINLAND

Membership/ Economy of the association
Due to consolidation/restructuring of their activities three members have cancelled their membership. One new membership is pending. Yet stable and as budgeted, however looking ahead the declining membership base is a cause of concern.

Economic outlook (Ministry of Finance review)
Economic growth in Finland decelerating fast. The period of slow growth in the global economy will continue in 2012 and into
2013. The slowdown of growth is attributed to the withdrawal of government support and stimulus measures, the fragility of private demand, the need to consolidate public finances and confusion about the outlook in the euro area.
The prevailing uncertainty in the international economy and especially the existing problems in the euro area economies have repercussions on the Finnish economy in a number of ways. Economic growth is expected to be 1% in 2012 and relies entirely on domestic demand. Mounting uncertainty is clearly reflected in private investment
in particular, which is anticipated to decrease from the previous year. Weak demand especially in the euro area will result in a slight reduction in exports and imports.
Economic growth is expected to be 1% in 2013 too, but the structure of growth will be more diversified. Private consumption will still be the main driving force in growth, but exports are predicted to grow at a rate of 2.5%.
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Political decisions affecting the industry
The new sulphur content legislation for the Baltic to be implemented 2015, reducing sulphur emissions within the SECA areas is a great cause of concern for the Finnish trade. Additional costs occurring for the trade is estimated to 400-600 million Euros annually.
As a consequence the Government has earmarked 10 million Euro for aiding Finnish flag vessels to acquire scrubbers. Other supporting measures for the trade suggested but not yet approved upon: Withdrawal of fairway dues (80 million Euro annually) and reimbursement of Diesel fuel tax for the industry affected.

In August the government agreed upon ordering a new “traditional type” icebreaker. The last previously ordered icebreakers some ten years ago was of multipurpose type and their ice braking capacities has proven less effective.

Both fairway dues and piloting charges are this year maintained at 2011 level.

Fonasba Quality Standard
Our application for FONASBA Quality Standard status was approved last year.
The work to activate our members to participate in the initiative is underway, but development proven rather slow.

NORWAY

Membership / Economy of the Association
We currently have 140 members, having lost 4 and gained 6 members since last year. Most of our income is generated from annual fees. Important revenue is also generated from financial investments, the sale of our document SALEFORM, education activities as well as other sources of revenue. Our financial situation is good.

Fees charged/Developments within the Industry
As we reported last year the NoX tax will be continued until 2017 and the Government have renewed the Nox fund agreement with the industry until the same year. The tax for 2012 is NOK 16,67 per kilo Nox for ships not accredited to the Nox fund, and NOK 4,00 per kilo (NOK 11,00 for offshore vessels) for ships that are accredited to the Nox fund. As of 8th August the number of companies participating in the agreement was 678, up from 624 companies 12 months ago.

During the past year our members have experienced several problems connected with pilotage, bots as far as pilots themselves are concerned but also the pilot boat skippers. This creates considerable delays for ships and topped itself this summer when the pilots in some areas as well as pilot boat skippers went on strike. The main problem is with the pilot boat skippers because the Norwegian Coastal Administration cancelled the agreement they had for this service effective January 1st 2012 (something that the industry were only informed of just before Christmas. As we reported last year there is a considerable discontent in the industry of the pilotage situation, among other things there is a feeling that pilots set maximum limitations for ships somewhat arbitrarily to ensure that most ships that enter ports or certain water ways actually have to take on pilots unless they have a pilot exemption certificate. The frustration in the industry led to the forming of a “Pilotage Alliance” among many organisations in the industry, including ourselves. The focus of this group broadened somewhat and is now called “Sea Transport Alliance”. This group has worked hard over the last year and has put together a solid document with input to the Government’s work on a short sea strategy. The input was well received and we hope most of it will be considered by the Government.

We have a very good co-operation with other maritime organisations including the most important one; Maritimt Forum, the umbrella organisation for maritime companies and organisations. As one of the founders of this organisation, we are represented on the board of directors. Through this organisation we have been actively engaged in trying to improve the Norwegian model for net wages for seafarers. The problem with the Norwegian model is that it has a maximum salary amount that the refund of tax is based on. Since this maximum has not been index adjusted during the years the model has been in operation, it grows increasingly less competitive to models found in other EU countries.

We have also been engaged in changing the Norwegian Government’s view of EU State Guidelines, which are going through a review this year, and which is fundamentally important for Norway as it is the framework on which the tonnage tax and net wage models are based. We are very pleased that we managed to change the Government’s view on this compared to their last “official” position from 2008. Their view is now according to the industry view on this, which is that the EU State Guidelines have to continue in the manner it has been up till now.

Education
We have been through our sixth year as a Distant Learning Centre for the TutorShip program. The number of students totaled 32 this year – down 14 from last year. Of the 32 students only 11 actually sat exams in 2012. Over all the results were slightly worse than last year. Of the 22 exams sat 11 were passed (50%), which we understand is the average international pass rate.

Political Decisions affecting the Industry
This past year there has been no political decisions that affects the shipping industry in general, it is still more a question of the lack of execution of earlier political decisions and goals that have a negative impact for the industry.

Others
Our members use the association to get help and advice in various matters of a professional nature. This is done by our various sub-comittees as well as our legal consultant and the administration. Our agreement with insurance company Storebrand regarding mandatory pension plans have been a success. About half our members are currently participating, and their combined savings is estimated to more than 2 million kroner annually (which incidentally is more than all members pay in fees to us for their membership). We have other agreements that benefit our members financially in terms of saving expenses; hotel agreement in Oslo (Park Inn Hotel) as well as a very good price for telecommunication through a company called Mobitalk.

The final revision of our document SALEFORM was completed last October, and was subsequently approved by our Board of Directors and the BIMCO Documentary Committee. The new version, SALEFORM 2012, was launched in February and was very well received in the market. SALEFORM 2012 is only available electronically through BIMCO and SDSD.
No further members have sought to be certified according to the FONASBA Quality Standard, so only 3 members have been approved so far.

Norwegian shipping
As of January 1st 2012 the Norwegian controlled fleet totalled 39,4 million dwt, an increase of

2,3% since January 1st 2011. The total number of ships was 1765 - a decrease of 4 ships during the year - and of these 44% fly the Norwegian flag, which is down 1% since January 1st 2011.
Building orders of ships for Norwegian account decreased to 153 as of January 1st 2012, down from 189 as of January 1st 2011. Of these, 76 ships were off shore service vessels. In addition 14 mobile offshore units were on order as of 1st January 2012. The total value of ships and rigs on order for Norwegian account is NOK 107,1 billion (USD 17,9 billion). Norwegian yards accounted for the largest number of vessels on order from Norwegian shipping companies with 47 ships. This year South Korea ranked second with 40 ships,

SWEDEN

Membership, FQS and economic position of the association
Currently we have 120 members and 16 branches.

Almost fifty percent of the members (or 63 companies) have qualified for the FONASBA Quality Standard (FQS) one more than 2011. We hope FQS will be a help to the principals to identify "quality agency providers", in Sweden and worldwide. We also expect more commitment in this matter from all the other members, worldwide.

The economy of the association is still good. Ten years ago we solely depended upon membership dues as our revenue source. Today the income from education is quite high. (25 September we had a VAT-course with 56 delegates = 28 000 Euro.)

Education
27 (21) students registered for TutorShip, 21 (19) enrolled for the exam and only 8 (9) succeeded in at least one subject. 13 of them were students at Chalmers and only two of them passed.

To improve the interest for TutorShip we have also launched a new diploma Diplomerad Skeppsmäklare. To get the diploma you need to pass the Advanced Diploma within ICS and have two years' work-experience.

We have also had one-day courses. In autumn 2011 we held one Oil course where the student could even smell the different kind of oil they usually only see as a number in the manifest. The one in lay time calculation was more traditional training. In spring 2012 held our highly appreciated course in Liner Trades for the second time and of course the VAT-education as mentioned above. All courses were highly appreciated.

PR and lobbying
Also this summer (2012) we were part of the Politician Week (*Almedalen*) in Gotland, an island outside the mainland where everyone involved in politics, media and lobbying meet in July every year. We arranged the "Shipping Pub" together with all the others in the Swedish shipping cluster.

We also have produced the magazine Water Ways where we describe the shipping cluster in Gothenburg in both Swedish and English. The magazine is printed in 24 000 copies and where mostly distributed during the European Maritime Day in May in Gothenburg. The meeting was the biggest ever with more than 1 200 delegates and the Sunday was declared Public Day and thousands of people visited a lot of ships in the port.

Developments within the industry
The Swedish Flag-drama continues. The last six years the Swedish controlled fleet has grown, but the Swedish flag has been rarer; reduced by 20 %. Only 13 % of the Swedish Controlled fleet is now sailing under Swedish flag. As a comparison the Danish fleet has grown during the same time and has now 42 % of its controlled fleet under Danish Flag.

Furthermore, nothing has happened regarding the new IMO regulation (rules governing sulphur-emissions reduction in SECA areas). It is still scheduled to be implemented in 2015 in the North Sea and the Baltic Sea only! This unfair implementation will cause a shift back from sea to road, due to the higher costs for sea transport under the new legislation. However, no one can find out how to solve the problem. Even though a lot of people are trying by writing debate articles in the newspapers and delivering flammable speeches at seminars.