

# Setting new standards is the key to future success

Nestled in Nicosia, Fleet Management Ltd is attracting new tonnage, setting new benchmarks in performance and calling for mandatory time-in-rank requirements for officers

**F**leet Management Ltd's (FML) Nicosia branch came into existence in May 2007 when the company took over vessels being handled by Amer Ship Management. The division has grown over the last two years and has just taken on a further seven ships, of which four are chemical tankers. These were previously part of America's Eastwind's fleet, before that company sought Chapter 7 protection from the US courts against bankruptcy.

FML was awarded these vessels owing to the track record that it had built up with Japanese banks involved in the Eastwind case. The tankers join a fleet of nine (four reefer ships, four chemical tankers and one bulk carrier) currently being operated by FML out of Cyprus.

"With offices in Hong Kong, Singapore, India and London, we have the scale and flexibility to take over 10 to 15 ships at any given time," says the office's general manager, Sunil Kapoor, adding that the poor condition of some of the Eastwind vessels could mean that they end up being scrapped or sold at very low prices.

He foresees increasing opportunity for FML to take on additional ships "since we can see more distressed tonnage entering the market due to banks taking over vessels. We will be choosy as to what we select," he says, adding that the company's location means it is especially well placed to secure Greek tanker tonnage. "Increasingly, Greek owners like to pass on gas/chemical tankers and other specialised vessels, so they can concentrate more on bulk carriers."

Mr Kapoor believes the fact the Nicosia office was recently awarded the Occupational Health SAS 18001 quality standard by DNV "will give us an advantage when we are running these chemical and other tankers, since it shows our systems are so advanced and that we are able to carry out sophisticated risk assessments".

OHSAS 18001, an internationally recognised assessment specification for occupational health and safety management systems, dovetails with ISO 9001 and ISO 14001. The standard was developed by a selection of leading trade



Sunil Kapoor (second from right): "The Occupational Health SAS 18001 quality standard will give us an advantage when we are running chemical and other tankers"

bodies, international standards and certification organisations, to address a gap where no third-party certifiable international standard exists. Mr Kapoor believes that the company is the first Cyprus-based shipmanagement company to attain this certification.

As well as enhancing safety, health and environmental practices throughout the organisation, another major focus has been retention and recruitment of crew. "This year has eased up a little bit, although we are taking over a lot of tankers. This stems from the fact there is little fleet expansion and vessels are being laid up." The company measures its retention rates on a quarterly basis and puts the annual retention rate at 80-82 per cent, a success he attributes to the high level of care and support that FML offers employees, as well as the promotion prospects available in a rapidly growing company.

The last point inevitably gives rise to the question of officers complying with the time-in-rank matrix requirements of charterers. Mr Kapoor acknowledges this is a challenge, compounded by the increasing tendency for Indian seafarers – the predominant nationality among FML crews – to retire around 45 years of age.

To address this issue, FML has embarked upon a campaign for IMO and flag states to introduce mandatory experience standards for officers, which is being fronted by the company's Hong Kong based managing director, Kishore Rajvanshy.

"As an industry, we are promoting people so quickly that fulfilling matrix requirements is becoming a critical issue," explains Mr Kapoor. "We have a pool of port captains who assist us in chemical tanker vetting and oil major inspections, and sometimes we have to rely on them for short voyages to meet our charterers' time-in-rank requirements."

FML is asking that officers be required to serve three or four years as a chief officer before being appointed a master. Mr Kapoor says that such a new regime would go a long way to restore balance in the industry: "Rapid promotions, escalating salaries and short contracts for seafarers have to be weighed against soaring insurance costs, depreciating asset values and safety and environmental risks. If our proposals are made compulsory it will create a level playing field and also help fend off accusations – frequently levelled at shipmanagers – that we are promoting people too quickly."

As well as addressing this issue, the company is seeing an increased call for its lay-up services. "One of the tankers under our management was being converted to an FPSO and was laid-up at Dubai Drydocks for around eight months. The wider FML Group has more than 180 technical staff, which means we have reserves of knowledge to draw on that very few can rival." Ultimately, Mr Kapoor believes that "in this tough time, companies which are level headed, are able to go beyond conventional thinking and at the same time believe in hands on operation of ships, will prevail". **TST**