

Malta Transport Shipping & Port

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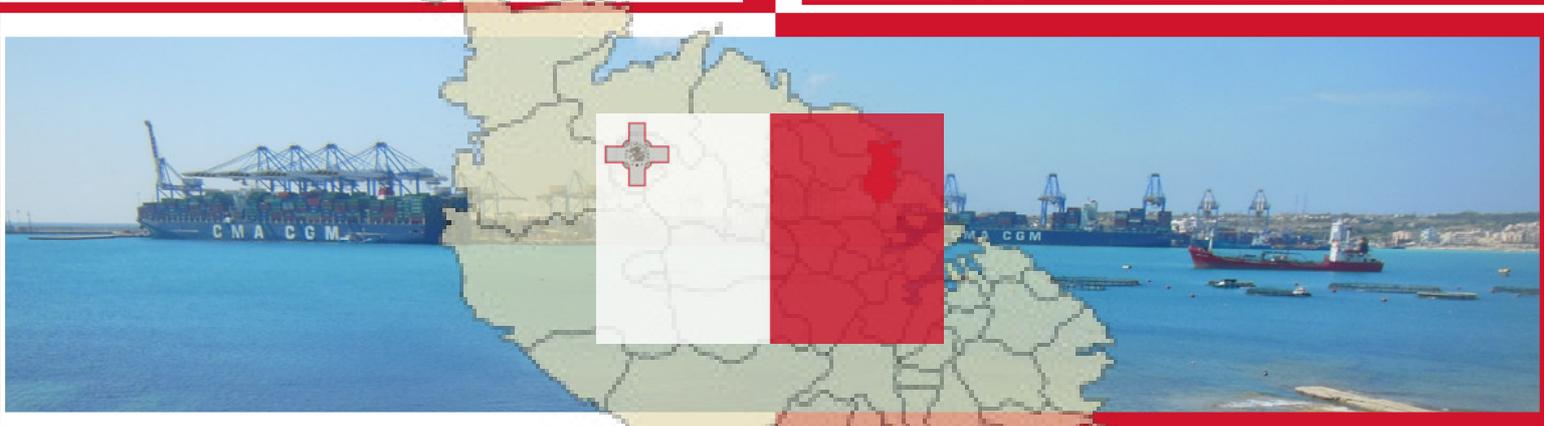
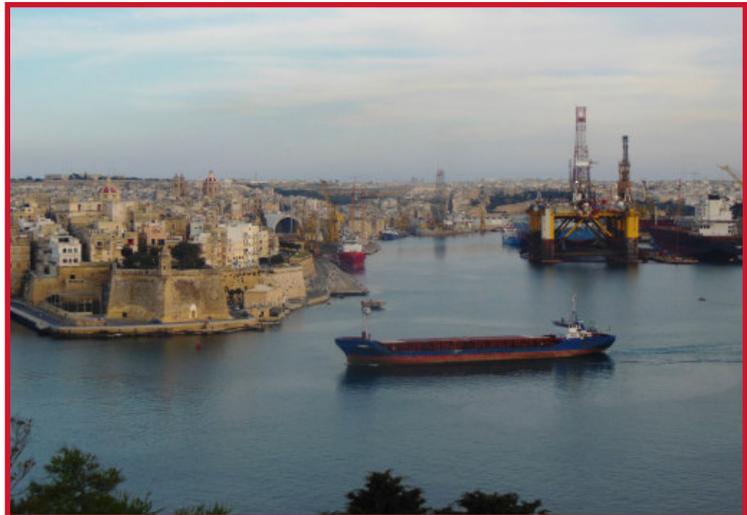


TABLE OF CONTENTS

- 3** The XXI century Knights Templar to revive Malta's maritime cluster in order to build a solid reputation
- 9** The Maltese Prime Minister appeals Milan EXPO and Italian entrepreneurs
- 12** The 'Maltese Falcon' of shipping in London has an arguable Italian ancestry
- 14** The largest and longest established shipping services company in Malta now has also its own legal arm
- 16** Mifsud sends a strong message to the international shipping market from Malta via SMS
- 19** The 'Mariner' sails on his own across Europe's ports...
- 22** Sullivan Maritime, almost 20th, already preparing future challenges
- 24** Malta's relationship with The Ballast Water Convention Blessing or Curse to the Shipping Industry?
- 26** Malta has a strong spontaneous maritime vocation indeed!
- 27** A flag State of history and tradition and an international maritime service centre
- 30** Attard family, from Philip to Philip, with a common denominator; growth!
- 32** Emmanuel Vella's sons now travel all over Europe with Express Trailers
- 36** New helm to lead Malta's pax business
- 39** The Marsaxlokk hub port is free to develop further on...
- 42** Towing in Marsaxlokk and Valletta now with a good Xeneize accent
- 45** Italian boats strengthen Malta Pilots' operative fleet
- 49** Palumbo Malta SuperYachts shipyard welcomes its guests
- 50** Malta Shipbuilding Yard revived with much ambition and Ablecare
- 52** Carmelo Caruana eager to celebrate its first century in 1923

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VALLETTA CRUISE PORT

The XXI century Knights Templar to revive Malta's maritime cluster in order to build a solid reputation

At the first Mare Forum convention, the Valletta Government launched an ambitious project aimed at raising the island as a shipping and port operations excellence centre

The idea of writing an extensive report, as a country focus, covering the excellences of Malta in the connected fields of shipping, port, transport and logistics, came to Ship2Shore after attending the crowded 1st Mare Forum Malta 2015 Summit held on 22 April 2015 at Grand Hotel Excelsior, Floriana.

In that appealing circumstance – a ‘refresh’ for us, after having missed from the island for almost a decade, although having always kept constant relationships with many of its primary operators in the industry - we realised the big potential of the maritime sector as a crucial assets to the country's economic development.

The Mare Forum stage in fact gave the chance to the local government to launch, with a touch of fanfare and in front of an international qualified audience, a serious offer to get at the top ranking in the world shipping and port arena. The chosen event to make public and clear such ambitious aim – indeed, a goal already achieved in the second half of last century by a State that reached independence only in 1964, though somehow it faded away in the latest decades – gathered over 150 delegates, with the left-wing government (the Labour party is ruling since a couple of years after defeating the National party, that has been at the helm almost uninterruptedly for 30 years) attending in force, boasting the presences of the the premier and of two



Mare Forum gala dinner: Maniatis, Kostoulas, Muscat, Gauci-Maistre, Mizzi, Sammut

ministers.

The executive power promoted the sponsoring of the event through Transport Malta - ie, the old Malta Maritime Authority, morphed into a sort of Directorate General of (all kinds of) Transports – in order to stress the island's pressing to get back to a first-rate place on the world's shipping map.

Malta's declared goal is to erase once and for all its





Transport minister Mizzi

long-lasting and still somehow haunting stigma as Flag of Convenience (FOC) state, as rubber-stamped by the relevant international organisations (with all the unpleasant outcomes it entails) and to radically reshape the meaning of the despised FOC acronym into a much more honourable Flag of Confidence. In 2018 Malta will bear the title of European Capital of Culture and the set goal is to become also a leader in the marine sector, taking advantage of the presidency of the European Union that will befall the country in the first half 2017.

To make the point, during the gala dinner, Malta's young and high-flying prime minister, Joseph Muscat - who belongs to the generation of 'baby' heads of state - addressed the attendance and openly stated some goals to be mandatorily reached (with the forceful support of the government): "We want to become the yachting capital in the Med and, for this task, we recently established an on-purpose ministerial agency. Besides confirming our island's current status as in-transit bunker point, we wish to become a refitting and repair centre for all types of vessels. In addition, we're looking for a role also in the cruise sector. The overall aim is to rebuild and strengthen our island's leading rating as a maritime cluster, a position always belonged to historic and economic tradition".

The leader of Malta's Partitu Laburista since 2008, the 41-year-old Muscat won the 2013 general elections with the widest margin ever a party obtained in local history. Now he has made clear to the country and the world his new faith on the strategic role of shipping by also taking advantage of his appeal with the media as a former journalist and director of a TV station.

After the premier, it was then the turn of the Minister of Transport & Infrastructures, Joe Mizzi.

"We have a big opportunity in perspective, thanks to a huge potential arising from our geographical position, working as a buffer between Africa and Europe, located at the Med's belly button, as well as from a historic tradition and from being a refuge port, though we're fully aware that ours is an ambitious project. What is sure is that the maritime sector will continue to be pivotal for our economy. Malta's ship register is the Europe's largest; besides, we host a lot of quality professional services in the shipping sector ready to help. We want to become one of the world's major shipping centres, to become the Singapore of the Med!" stressed the minister, without hiding his frustration for the low profile still kept by the maritime industry, that on the contrary should enjoy a far higher public profile.

"The Maltese maritime industry has long been a source of wealth as well as a window to the world, but the industry remains largely invisible to most of us" he maintained, noting it was very rare to see any developments in the shipping industry covered prominently in the media.

"To date this legitimate ambition crushed against a barrier of silence; I get personally frustrated because we're not adequately spoken about, the media don't give a fair evaluation of us. We hold a clever school training young talents and the maritime industry employs 40,000 people. The future of the industry has to be found in schools, where we need to invest in skills and training.



As a former seafarer, the subject is very close to my heart" he pointed out.

The industry cannot rest on its laurels, stakeholders have



to work together to ensure it is sustainable. “We have to be sure the industry is better promoted, not just to potential customers, but also at home” concluded Mizzi.

His word were echoed in the speech of the third top-level government member attending namely the Energy minister Konrad Mizzi (not a relative of the preceding, since a good deal of Maltese population share just a few dozen common family names).

The honour of introducing the international conference was up to John Gauci-Maistre of GM International, the actual longa manus of local shipping, a true pioneer in the registration of ships under the Maltese flag. “To set up a debate platform among Mediterranean countries in order to boost cooperation and business in the shipping sector, that’s the true meaning of this event we’ve strongly promoted” noted Gauci-Maistre Sr.

In Malta a focus on the tonnage tax is unavoidable.

The law came into force in 1973 with the Merchant Shipping Act, was changed in 2004 with the country membership of the EU, and again in 2010 in order to comply with the new parameters set by the EU, like the extension of the benefits to the shipmanagement companies on top of the shipowners.

“The tonnage tax has always existed and will always exist, but we don’t target costs in order to make our flag more competitive and alluring. Instead, we’re betting on setting up a more favourable ambience for the full development of the maritime cluster” explained Ivan Sammut, of the

Merchant Shipping Directorate, Transport Malta.

Ann Fenech – principal of law firm Fenech & Fenech, established in 1891 and specialised in maritime litigation and ship mortgages – agreed that the preferential factors of her country do not depend solely on the tax scheme cutting taxes for shipping companies by means of a lump-sum payment: “Everybody has a tonnage tax, but we can and know how to bet on other assets like bunkering, repairs, yachting, and, more generally, a more friendly environment for foreign entrepreneurs when compared with their country of origin” she stressed.

Angelo Scorza



The convenience of a no-more flag of convenience, and other incentives, boost Malta's appeal

In identifying a potential flag administration under which to register a vessel, fiscal considerations play a significant role. Malta is the smallest European country with the largest ship register in Europe and the sixth largest worldwide. At the end of last year, the registered gross tonnage was 57.9 million GT with over 2,500 merchant vessels flying the Maltese flag.

The success of the Maltese flag is arguably due, in no small measure, to the application of a favourable tonnage tax regime introduced by virtue of the Merchant Shipping Act, 1973.

Operating a vessel under the tonnage tax regime essentially imposes an obligation on the owner of the vessel to settle an amount of tax which is linked to the tonnage of the vessel as opposed to the income generated by the vessel.

In accordance with the relevant shipping regulations, income derived from shipping activities by a licensed shipping organisation and income derived by a ship manager from ship management activities are exempt from income tax in Malta.

Nonetheless, shipping organisations may opt out of the tonnage tax regime and choose instead to be subject to the standard corporate tax regime applicable in Malta. Moreover, if a ship owner operates a fleet of vessels, the tonnage tax system need not apply to all of them.



In terms of Maltese shipping regulations, in order for the tonnage tax system to apply and for the income derived from shipping activities to be tax exempt, two main conditions must subsist. First, the shipping company must be licensed as a shipping organisation. Second, the ship must qualify as a tonnage tax ship.

The Merchant Shipping Act defines a tonnage tax ship as either a ship declared to be a tonnage tax ship by the Minister of Finance, or a community ship of not less than 1,000 net tonnage which is owned entirely, chartered, managed, administered or operated by a shipping organisation. In turn, a shipping organisation qualifies as such if its principal objects are the ownership, operation (under charter or otherwise), administration and management of a ship or ships registered as a Maltese ship and the carrying on of all ancillary financial, security and commercial activities in connection therewith; and it obtains and maintains a licence from the Registrar General to enable it to carry on such activities.

Once these conditions are satisfied, the income generated by a shipping organisation would effectively be exempt from tax, provided that the annual registration and tonnage tax fees are duly settled with the Registrar of Shipping. It is noteworthy that the exemption from income tax would be limited to that income generated specifically through the carrying on shipping activities, that is to say, the international carriage of goods or



passengers by sea or the ownership, chartering or any other operation of a ship engaged in the said activities. To this end separate accounts must be kept for the relevant accounting period, clearly distinguishing the payments and receipts related to shipping activities, from payments and receipts in respect of any other business carried on by the ship owner.

Malta's solid reputation as a global maritime hub is also bolstered by the exemption of tax on income derived by a ship manager from ship management activities under the Maltese tonnage tax system, to qualify for which the shipmanagement company must be a licensed shipping organisation established in the EU or European Economic Area and carrying activities consisting of the entire crewing of a tonnage tax ship and/or the provision of technical management thereto. Also, there are fiscal incentives that make Malta a flag of choice.

shipping organisation that owns, charters, operates, administers or manages a tonnage tax ship is exempt from tax on capital gains and stamp duty.

No tax is chargeable on interest income in relation to any financing of the operations of licensed shipping organisations, or the financing of any tonnage tax ship. In the event that the shipping company chooses to be regulated by the standard corporate tax regime, any income derived by the shipping company would be subject to Malta tax at the rate of 35%, subject to the possibility of claiming double taxation relief. Nevertheless, upon a distribution of the profits, the shareholders would be entitled to claim a refund of six-sevenths of Malta tax suffered by the shipping company on the taxed profits distributed to the shareholders. Accordingly, a tax efficient regime is available in the maritime industry even if tonnage tax system is not applied.



Distribution of exempt shipping profits from a Maltese shipping company to its shareholders are in principal not subject to any further tax.

No tax is chargeable on any profits or gains derived from the sale or other transfer of a tonnage tax ship or from the disposal of any rights to acquire a tonnage tax ship.

The transfer of any shares, securities or any other interest, including goodwill, held in any licensed

Interest or other income payable to a person in relation to any financing of the operations of a licensed shipping organisation is exempt from income tax.

In the case of a licensed shipping organisation, which has no income whatsoever or has no income other than income from shipping activities, a declaration may be submitted to the Commissioner of Inland Revenue by a certified public accountant/auditor or an advocate in lieu of a tax return.



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The Maltese Prime Minister appeals Milan EXPO and Italian entrepreneurs

The young premier Joseph Muscat gathered a small crowd of firms talking to a country increasingly playing a leading role on the international stage, in shipping and not only, while launching a challenge: “Malta will become the Singapore of the Mediterranean!”



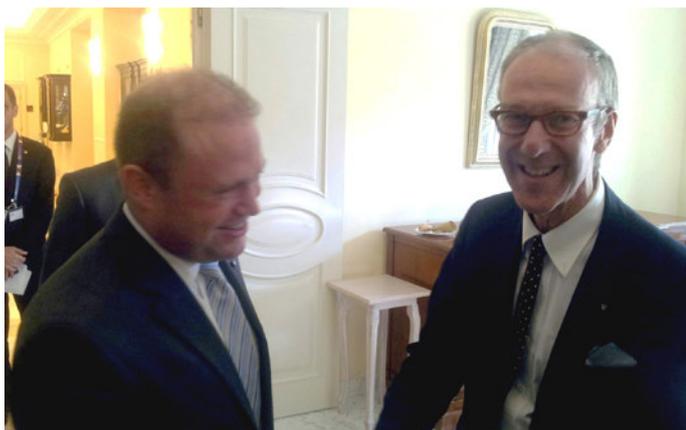
Italian Consul Augusto Cosulich observes the Maltese Prime Minister, Joseph Muscat, with Emmanuel Mazzitelli (Malta Enterprise), the Ministry of Foreign affairs, George Vella and the Ambassador in Italy, Vanessa Frazier

Certainly it was a much successful happening the Italian ‘hit and run’ visit of the Prime Minister of the Republic of Malta, Joseph Muscat visiting Milan EXPO and Grand Hotel Visconti Palace, where he received a selected small crowd of Italian entrepreneurs involved in business relationships with the Mediterranean island, among which many honorary consuls of the Mediterranean island.

Within a very thick agenda, the just over 40 Maltese Premier had the time to launch a challenge: “We are about to upgrade our country’s profile, attempting to ride a tall and long wave. Malta may be the new European

Singapore, we’ve got the strength of the new government which intends taking fast decisions, that’s why we are faster than Germany in terms of GDP’s growth, in fact we already implemented the energy sector and pension reforms. I worked in the private sector that’s why I intend maintaining an entrepreneurial attitude. Our leit motiv is our legislative flexibility: a 200 staff company in Malta is big while in Italy it’s small, here’s the difference! In the last two years the majority of investments were reinvestments and we are decidedly proud of that” concluded Muscat.

The Milanese meeting, spurred by Vanessa Frazier,



The meeting between premier Muscat and Cosulich

Maltese Ambassador in Rome, through Malta Enterprise competition, represented by Mario Galea and Emmanuel Mazzitelli, saw the attending consuls debating and listening to current strategy of development of the small ambitious country.

“We record a constant GDP growth (+3.5% last year versus 2.7 recorded in 2013 and +4% in 2015); in essence our economy is healthy” prompted Galea. “However we need to further upgrade trying to appeal further investments in our leading sectors: public health, education and medical tourism, so as to allure patients and researchers to the island”.

Galea’s words were supported by his colleague Mazzitelli, who stated “we achieved great success by diversifying our exports, where Europe takes some 37%, Asia 24% and Africa 18.5%, while the ships-bunkering-aircraft branch takes 14.2%. Over 200 foreign companies operates in Malta, some of them on behalf of renowned multinationals like Ford, Nokia, Chanel, Airbus”.

Air transport is an interesting niche, specialized in revision of Easyjet and Lufthansa planes. “In our country enterprises may be granted 35% tax credit on equipments, while in service companies the percentage is reckoned on the first 24 months salaries; whenever tax credit exceeds taxes, the residual margin has to be reported in subsequent years. Soft loans and subsidies on interest rates and financial guarantees are granted and we have 60 bilateral agreements with foreign countries”.

Regarding funding, Simone Meneghini, helm of the Italian branch of Bank of Valletta (BoV), recalled how “Milan office was opened in 1996 as representative office, it isn’t a branch and essentially carries out marketing operations. We work closely with Malta Enterprise, whom we recently attended meetings in Genoa, Florence and Leghorn”. BoV

– whose shares are split as follows: 25.2% Government, 14.6% UniCredit, 60.2% public entities - covers 48% of the market, neck to neck with the other competitor HCBC, that’s a global player. “Despite global crisis, our bank is not ailing” said Meneghini who pinpointed that “Malta isn’t Cyprus, isn’t offshore and isn’t a tax haven. By joining the EU in 2004, having joined the Eurozone in 2008 and being listed in the White List since 2010, it has been following a clear system for 25 years. Our Banks are the most solvent ones in Europe pursuant to BCE’s rules. Enterprises chose Malta for different reasons!”

Tourism is still a big resource, confirmed Claude Zammit Trevisan, Director Italy of Malta Tourism Authority, “recording 262,000 Italian tourists per year and +12% growing figures in 5 years, placing Italy in the second position for the demand of cultural destinations, sea and also study of the English language. Latest policy of development focused on air transport with 5 companies



Galea (Malta Enterprise) and premier Muscat meeting their guests

(Vueling, Ryanair, Easyjet, Alitalia, Air Malta) providing direct flights from 13 Italian airports”.

Trade Malta newco is a joint venture between Chamber of Commerce (49%) and the Government, (51%) shareholders through Projects Malta. We are a non-profit organisation, we help enterprises located in Malta and not only” pinpointed CEO Anton Buttigieg. “Malta Enterprise appeals investments in Malta, but products have to be exported and our country has restricted resources.

Maltese annual export records 4 billion euro, 1,301 billions to Europe (159 billion to Italy, 12%).



Ambassador Frazier, premier Muscat, Mazzitelli (turned backside) and Galea (Malta Enterprise)

George Vella, Ministry of Foreign Affairs stated that: “Our joint mission to Malta bets on upgrading the Maltese professional profile, taking advantage by several appealing opportunities.

The EU-Africa Summit next November and almost simultaneously the Commonwealth Summit, not to forget the EU Presidency in 2017 first semester”.

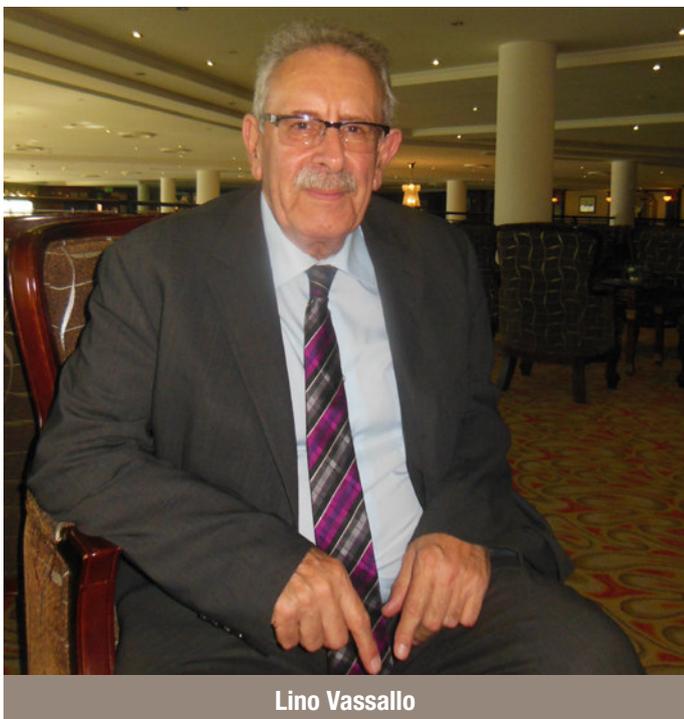
Among the honorary consuls the most renowned in the shipping field is Augusto Cosulich, who’s been ‘protecting’ the red and white colours of the Knights Templars for a decade after he replaced his father Paolo Ulisse, who in turn had been appointed consul for the whole Liguria region a few decades before.

“We provide a logistic support to anybody investing in Malta; we gave Rimorchiatori Riuniti a preliminary contact in Tug Malta while they were being privatized and the Genoese company was adjudicated the tender; we foster students’ cultural exchanges and of course tourism”, illustrated the Genoese shipagent co-owner of the two century old Fratelli Cosulich firm.

Angelo Scorza

The 'Maltese Falcon' of shipping in London has an arguable Italian ancestry

Forty years in the sector, Lino Vassallo, secretary of Malta International Shipping Council, represents the island at IMO and embodies the local cluster's aim to enlarge its ranks in order to become a stronger player within ECSA and global assemblies



Lino Vassallo

You type in 'Lino Vassallo' and you get 'shipping in Malta'!

This rough-and-ready definition by an Italian operator and insider of the sector encapsulates the man and his role, without need whatsoever for further words.

This distinguished gentleman sports a soigné moustache and British aplomb, arguably more proof of his long stint as Malta's official representative at IMO, than of the island's colonial past.

Lino Vassallo is secretary of Malta International Shipping Council (MISC), the equivalent of a shipowners' associations, though its membership is open also to foreigners for the good reason there are not many of them among the heirs of the Templars after flagship company Sea Malta's failed, bar those linking the islands with conventional boats or HSCs and yacht owners.

"I'm acquainted with the sector since 1973, when I was assistant (and therefore the second-in-command) to the Registrar General, Joe Curmi. Then I went to Singapore studying for 4 years and, thereafter, started to be a regular at IMO in London, what I still am on behalf of my country" opens Vassallo, who is at home also with ports and their operation. "In the early 1980s I worked on the

planning phase of Malta Freeport, carrying on a feasibility study for the Med's main hub in pectore. In 1987 I was involved, at the Maritime Affairs Ministry, in reforming the Merchant Shipping Act issued in 1973; thanks to shrewd amendments too, tonnage under the Maltese flag increased from 2 to 11 million GT in just 4 years. Then I joined the Malta Maritime Authority's board as advisor to the Maritime Affairs minister, Joe Fenech, who did a lot for the shipping sector" he goes on.

At that time, from 1987 to 1996 and from 1998 to 2013, the Nationalist Party ruled the country under premiers Adami Fenech and Lawrence Gonzi, respectively. Now, after widely winning the general elections a couple of years ago, the helm has befallen to Labour Party's young leader, Joseph Muscat, who stated he is aiming at rebuilding and strengthening Malta's maritime cluster.

When Malta Maritime Authority became in 2009 Transport Malta, Vassallo was appointed Registrar General (a position today held by Ivan Sammut) and – at once and to date – the island's official delegate at IMO: "In 2011 I formally retired and turned into MISC's secretary general, an association that, since it's established between 2004 and 2005, accepts as members shipowners and bareboat charterers only, included foreign ones provided they've legal ties with Malta and are willing to promote the organisation's role and advantages".

MISC's roster is no mean feat. Just take into account that its chair is Neptune Lines' Greek patron, his deputies being Emanuele Grimaldi (Naples-based Grimaldi Lines' boss) and Greek shipowner John Lyras, both former chairs of the European Council of Shipowners' Associations (ECSA). Among other members Greek companies Danaos, Thenamaris, and Costamare, Italian towing & salvage company Rimorchiatori Riuniti (as owner of Tug Malta), and native Virtu Ferries.

"All in all our associates are worth some 100 ships (membership is linked up with the single vessel, not the shipping company). Pay attention, however, that it doesn't tally with the Maltese Registry [boasting as much as 33 million GT, Ed.] as owners are free to choose" points out Vassallo highlighting a membership advantage: "We're an ECSA affiliate, which is useful for non-EU owners sailing its seas like, for example, US-based Celebrity Cruises and

many a Turkish, Russian, and American operator, while we're in talks with prospect Japanese associates".

The openly acknowledged goal of such an enlargement is to increase tonnage, and consequently the body's weight within ECSCA: "Among currently debated issues there's the tonnage tax, which they're asking us to agree to. On some topics we've never been left aside, though the argument we made at IMO is stronger. Malta needs to be vocal in order that a law is passed consistent with the problem of boat people as to the international duty to take on board a large number of migrants in open sea, as it isn't thought of carefully enough that too many of them at once could destabilize, actually and logistically, the ship's crew".

Vassallo reminds the prerogatives of the state he represents, well aware of the limitations arising from dimensions and insularity: "We're a small country with no remarkable natural resources but for the sea, by whose means we import goods and tourism. What we're asking for isn't technical assistance, but technical operations – indeed, Malta Freeport and our flag are vital assets to Malta! – hence our contribution for a more efficient shipping industry. Next 30 May we'll make it clear once more to IMO's secretary



general (scheduled to visit our island for the International Maritime Law Institute's graduation ceremony) within a conference titled Education & Training".

Vassallo highly appreciates his country's ambassador in Greece: "He's done a lot for us, he grasps very well what Hellenic owners – bulk of our members – are looking for. I'm happy to see that many new undertakings are sprouting in Malta, like the Malta Maritime Law Association (MMLA) and the local Propeller Club, set up 5 years ago and that will soon elect its next chair" he concludes.

Angelo Scorza

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The largest and longest established shipping services company in Malta now has also its own legal arm

GM International Services Limited, founded over 40 years ago by John A. Gauci-Maistre, has been offering consultancy services in maritime, corporate and financial sectors working not only with his own State administration



John A. Gauci-Maistre in Malta

GM International Services Limited (GMI) was established in 1974 to complement the portfolio of services which the Economicard Group of Companies offers to its clients focusing mainly on ship and yacht registration under the Malta flag.

Throughout the years the company has become the largest and longest established shipping services company in Malta.

Today, under the GM brand the group offers a wide range of services. From ship and yacht registration and agency services, GM also offers corporate and fiduciary services, consultancy, accountancy, residency permit applications and other ancillary services.

Other services such as the licensing of special purpose vehicles, funds, pension funds, aircraft registration, etc.

have also become very much part of the daily services which the firm offers. Given Malta's prominence in these sectors, it was only natural that the firm's clients began to request that we assist them in these sectors.

Nowadays, GMI is actively present in all parts of the world given the wide ranging clients that make up its portfolio.

Greece historically has always been the pulse of shipping and it is little wonder that the core of GMI's shipping is Greek owned tonnage. With the firm's presence in Greece dating back to the 70's when the Chairman, John A. Gauci-Maistre, personally began to promote the Malta flag to Greek ship owners and managers.

GMI's ties with Greece throughout the years only got stronger and it is natural that the continuously developing situation in Greece over the last few months in particular was very closely monitored. The so called 'Grexit' due to the country's debt crisis, was very much at the forefront of the entire industry and no less for everyone at GMI.

Following the 'Greekment' that was reached after between Greece and its creditors after a marathon European Summit, it is truly hoped that matters will stabilise for the good of the industry but more importantly for the good of the Hellenic population at large and Greece.

Greece has long maintained its prominent standing as a leader in the maritime industry and their success speaks volumes. "We read in the annual report for the year 2014, published by the Union of Greek Ship-owners,



Gauci-Maistre Xynou

LEGAL | ASSURANCE

that Greek owned tonnage increased and that the Greek ship-owners now control some 17% of the global fleet. Despite the recession and the unstable Greek economy the Greek owned tonnage maintained its position as first internationally and gives us great pride that a substantial amount of this Greek owned tonnage has chosen to be represented by GMI” says John A. Gauci-Maistre. “Shipping is part of the Hellenic heritage and I firmly believe that the Greek shipping industry can play a leading role and further support the Greek economy to overcome the current financial difficulties through investments and employment. However the Athens government has to be extremely cautious in its actions so as not to alienate the ship owners to the extent that they will start operating from outside Greece. One could note that shipping should be viewed holistically, and action is required from both the State, to provide an attractive environment for the clusters to work harmoniously, and the shipping industry itself, in order to attract new investors”.

At GMI, commitment to professional and high-quality services is of paramount importance and to this extent GMI’s physical presence in Greece is very active and ongoing.

“The Malta flag continues to be a flag of choice for Hellenic ship owners and managers and it is extremely gratifying to continuously witness the confidence the Greek ship owners have shown in both the firm and the Malta flag” continues the company’s founder.

The growth of the legal and assurance departments has been quite significant over the last few years. It is for this reason that, Dr. Jean-Pie Gauci-Maistre, who used to head the legal department of the group of companies decided to open a fully-fledged legal office.

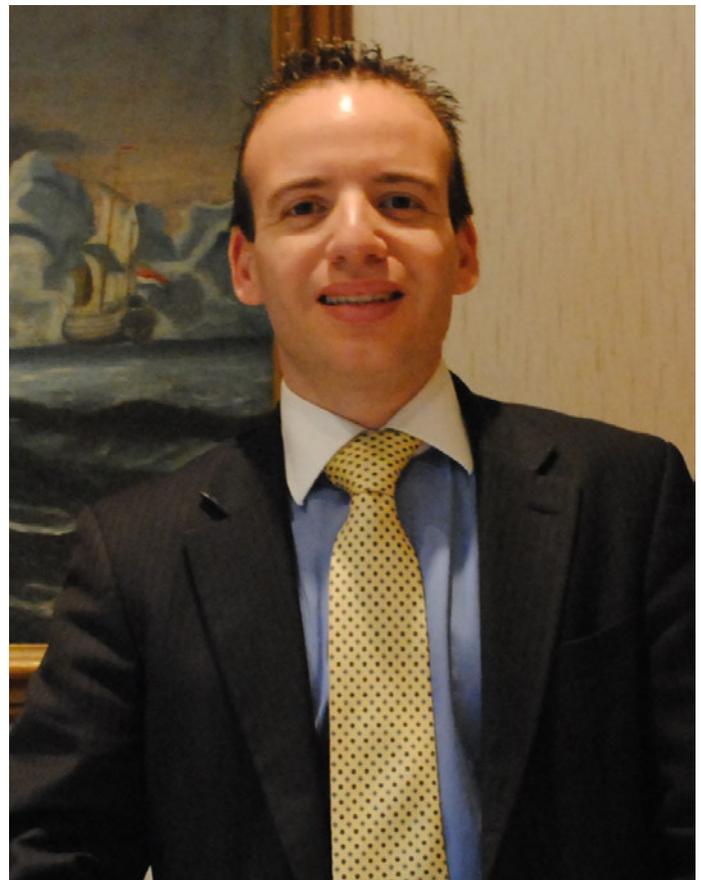
Together with his partner, Despoina Xynou, a Greek lawyer, they founded Gauci-Maistre Xynou (‘GMX’), the brand under which their team of dedicated professionals offer legal and assurance services. It has fast turned into an established law firm in Malta with a team of advocates warranted to practise law in Malta or their respective jurisdictions. The firm provides legal and advisory

services specialising in; financial services and taxation, corporate and commercial law, shipping and yachting, aviation, remote gaming, competition and antitrust, real estate, succession planning and employment law.

The firm’s international desk allows the firm to offer unique tailor made legal services ensuring that an internationally holistic approach is adopted for every case. Today its portfolio of clients are from all corners of the world; it is extremely active in major shipping and financial services areas such as New York, London, Athens, Dubai and Singapore.

Under the GMX brand the firm now also offers audit and assurance services through a team of certified auditors and accountants, fully committed to serving the clients in broad ranging sectors. Whilst operating independently, the legal and assurances sectors clearly have synergies which need to be enhanced and bringing these two areas to the table has only served to ensure that clients received a comprehensive and holistic approach to ever job.

Solidifying its presence both locally as well as internationally, the firm is comprised of a team of professionals, specialising in their respective fields and jurisdictions; ready to provide bespoke services to its local and international clients.



Jean-Pie Gauci-Maistre

Mifsud sends a strong message to the international shipping market from Malta via SMS

World leading passenger handling and onshore excursions business - owned and run by Neville Mifsud and his sons, Simon and Sam – diversifies towards logistics and yachting



St. Julian's, Malta – The Maltese group boasts 300 employees in the Knights Templar's island alone, and a turnover of about €60-70 Million.

The business covers a range of sectors – from shipping, logistics, travel and tourism to international shore operations, legal and financial consultancy and real estate. They even operate an English Language School! We meet Simon and Samuel, sons of Neville Mifsud (the

firm's Chairman and Managing Director) who joined the firm in 1959 after his father, Silvio Mifsud, set up the company in 1950 on the foundations of Orazio Mifsud's firm.

The company has a rich history that can be traced back to 1860 and has continued to develop since: "We've always been the trusted agents of the cruise company Costa Crociere, even when they hadn't begun to focus on the passenger business. In fact, at that time, the company's name was Costa Giacomo fu Andrea, and they carried mostly vegetable oil and textiles to South America."

What's the next step in S. Mifsud & Sons' development? "In terms of projects, we've been discussing further consolidating our business together. Despite his age, and 55 years spent working, our father is still extremely active in all we do!" remark the brothers in excellent Italian, seated in the terrace office of their offices in St. Julian's, Malta's prime residential and tourist district. They continue by mentioning a little known fact: SMS ranks second internationally in the passenger handling and onshore excursions trade!

"The first Cruise ship that we handled was Cabo San Roque," recalls Simon, a UK Barrister who joined SMS in 1991. His younger brother, Sam, studied in Switzerland and the UK before joining the company in 1992.

"At present, cruises make 35-40% of our group's annual turnover. In Malta, we control 85% of the passenger handling and shore excursions market. Currently, Sam is busy with cruises abroad, as we have offices both in the US (Miami, Ft. Lauderdale, and Houston) and across Europe (Rotterdam, Copenhagen, London, Dublin – opened in 2014 – Southampton, Dover, Harwich, and Civitavecchia in Rome), with 1,200 employees overall." Cruises are of great value to Malta, in fact, "Last year our Prime Minister came with us to visit Miami's Cruise Convention and our offices in Miami."

“In the US, we manage all onshore handling on behalf of Carnival, NCL, MSC, Disney, Regent, and Oceania. All we’re missing from the major companies are Costa, and its German parent company, Aida.

We’re also one of the largest tour operators in Malta with regard to incoming tourism, and we represent giants like Thomas Cook.”

Tourism aside, SMS also has a strong presence in the cargo business.

“As traditional ship agents, we take care of around 450 port calls a year in Malta, and represent Line companies such as K-Line from Japan, Neptune Lines from Greece, and Ignazio Messina in Italy. With regard to tankers, we handle many calls at Malta’s oil tanking facilities and we’ve always had very strong business relationships with several other Italian ship owners. Our grandfather, Silvio, was awarded the honour of the ‘Cavaliere del Lavoro’ in Italy, and was appointed Consul in Malta of both Japan and Liberia.”

The family’s diplomatic tradition continues with Simon,



Simon and Sam Mifsud



the current Consul General of Seychelles.

As mentioned earlier, the company is present in several sectors:

“Bunkering in national waters is still a strength of ours; vessels sailing on intercontinental trades find it useful to stop in Malta, not least because the island is located in such a way that requires no diversions, allowing vessels to affect crew changes at the same time.”

Insurance is also a core business.

“We represent first-class companies like Caitlin and Lloyd’s of London and write most classes of business, whilst also writing policies through our subsidiary,

Global Insurance Brokers.”

With regard to Logistics, SMS acts as the local agent for Fedex Trade Networks.

“Additionally, we manage the European call centre for NCL, and do the same on behalf of other English tour operators. Our travel agency, Flexitours, sells cruises in the UK market, while Holiday Malta is our UK based Tour Operation.

The company recently formed the Orange Travel Group following a merger of travel agencies with Mondial Travel. Orange Travel Group – whose former Chairman, Karmenu Vella, is the current Chairman of DG EU Maritime Affairs, Fisheries & Environment - has offices in Malta, Algeria, Jordan, Greece, Cyprus, Russia and Tunisia, allowing them to sell Costa’s cruises internationally.

We also take care of TUI’s Mein Schiff, which carries out turnaround operations in Valletta, the ship’s home port.

We manage the arrival of 2,700 German tourists who fly in every week, intending to board the Mein Schiff 3.”

Flag registration is a business that many agents, consultants, and brokers in Malta share in.

“There has been an increase in ships registered under Malta’s flag. Around 50% of Italian ship owners registered in Malta are our customers; most are from the dry cargo sector.”

The latest news concerns super yachts.

Simon confides in us that the business will “soon be opening a yachting department,” and he concludes by stating, “We can definitely draw in several clients by offering them a full range of quality services.”

Angelo Scorza



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The ‘Mariner’ sails on his own across Europe’s ports...

Marin Hili chairs a proactive port network already operating container terminals in Riga (Latvia), Venice (Italy) and Durres (Albania) with tangible prospects of further development ahead



Marin Hili

Mariner Capital finds its roots in the Hili family’s tradition in shipping, which dates back to 1923 with the founding of Carmelo Caruana Co. Ltd., initially a business in the trading of commodities. From this, ship brokering and chartering were developed with the purpose of facilitating the trading arm. The company continued to grow along these lines through to the 1970’s. Following on from the founder, Mr. Carmelo Caruana, his nephews continued to expand the business further. It was at this point that the enterprise started to look outwards and developed its activities overseas. During the 1990’s, led by its Chairman Mr. Marin Hili, it grew into what became known as the Hili Group of Companies, encompassing Carmelo Caruana and other related activities.

It was during this period that Marin Hili was also appointed

Chairman of Malta Freeport by the Maltese Government, a post he held for 15 years. During this period the terminal grew to become a major transshipment hub in the Mediterranean, with volumes increasing from almost nil to over 1 million TEUs.

In parallel with this, Marin Hili led Hili Company through further growth and Mariner Capital (“Mariner”) was established to incorporate the ports and related segments. Following the group restructuring, Mariner became an independent company, separate from the remainder of the group.

During the last two decades Mariner has acquired and operated a number of important international terminals and is structured to do so such that the company’s management, based in Malta, oversees those operating terminals and other ventures worldwide.

Mariner’s involvement in Baltic Container Terminal (BCT) in the Port of Riga, commenced in 1996, when initially acquiring a 49% shareholding. In 1999 the remaining 51% were acquired and the company has continued to grow with volumes increasing year on year. Today BCT is the largest and fastest growing container handling facility in the Baltic States, enjoying a proven track record with shipping lines and forwarders through its quality of work, high standards, productivity, safety and efficiency.

Mariner is also the owner of 50% of the equity capital of Terminal Intermodale Venezia (TIV) acquired in 2003. Since Mariner has taken over the management of the Terminal it has invested in new cranes, reachstackers and other yard equipment. Other developments include the implementation of container tracking software as well as reorganisation of the yards and management restructuring. These developments, and the terminal’s professionalism combined with experience gained, have allowed TIV to expand and become an important contributor to the overall development of the Port of Venice as a logistics centre, specialising in the transport and logistics required for container handling and market development.

The most recent facility to be added to Mariner’s portfolio is Durres Container Terminal (DCT) in Albania where a 48% shareholding was acquired. DCT represents a strong



business opportunity considering Albania's economic growth and high rate of containerisation as well as the possibility to develop transit cargo to neighbouring countries. It is for these reasons and the potential that DCT has, that Mariner is actively seeking to acquire the full shareholding of the terminal. Mariner continually seeks to acquire, develop and operate

strategically located seaport terminal in niche and emerging markets with a clear objective of sourcing smaller, less developed terminals with a greater potential for growth and profitability. In 2013 Mariner was selected as the preferred operator for the development of a container terminal- the Rosyth International Container Terminal (RICT). RICT is to be developed as a gateway terminal within Port Babcock Rosyth which is owned and operated by Babcock Mariner. The site, on the north bank of this firth of Forth, is a short distance away from the Scottish Capital Edinburgh. Further, where it identifies the opportunity to add value in the logistics chain, Mariner pursues the development of other opportunities including warehousing and distribution centres. Such an opportunity was identified at Mariner's Riga terminal and today BCT's warehousing facilities, which currently cover a total area of over 20,000 square metres. BCT's general cargo warehouses are ideally suited for the direct container stuffing/stripping operations from/to trucks or railway wagons due to the presence of specially designed truck/ railway ramps in a protected and secure environment. Additionally Mariner is also currently proposing a greenfield development comprising of a warehousing and distribution centre complex over an area of 60,000 square metres in Malta.





The project seeks to apply Mariner’s expertise to harness the potential arising from Malta’s positioning within the logistics network on a regional and global scale, as well as its optimal maritime and air connectivity.

Mariner aims to be a leader in the areas in which it operates through professionalism, efficiency and deployment of its long industry experience, employing a focused and hands-on approach to all its investments.



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Sullivan Maritime, almost 20th, already preparing future challenges

Spanning four generations, the Sullivan family – now engaged as a ship agency (named ‘best one in Malta 2014’) and long standing partner to Grimaldi of Naples – has managed businesses in shipping, hospitality and finance

Sullivan Maritime Limited will be celebrating its 20th anniversary next year whilst preparing itself for future Maritime challenges.

For over a century, spanning four generations, the Sullivan family has operated and managed various businesses in sectors including shipping, hospitality and finance.

Malta’s strategic geographical position and strong maritime tradition, continues to place Sullivan Maritime as the party “Connecting Businesses with the Best in Maritime Services”.

Over the years the shipping sector has become synonymous with the Sullivan name offering an excellent reputation for services both locally as well as worldwide.

Along this outstanding tradition, Sullivan Maritime has placed itself as a ‘Strategic Business Partner to various prestigious and world renowned ship owners and shipping lines operating within the Maltese ports.

“Our company is well established within the local business community with strategic networks and links in place with all key stakeholders connected to the shipping industry” stressed Ernest E. Sullivan, Chief Executive Officer, who furthermore explained that the success of Sullivan Maritime Ltd is directly tied to his long standing philosophy as reflected in the mission statement: providing insight into values that drive the business through ‘Competence and Professionalism of employees’, ‘Quality of Service at all times’ and ‘Customer focus’.

Through these concepts, Sullivan Maritime has been able to build a very particular business partnership with the Grimaldi Group of Naples now going on to the third generation.

Over the past 10 years, Grimaldi Group and Sullivan Maritime have been successful in building a range of ro-ro services through the dedicated company Malta Motorways of the Sea linking mainland Europe to Malta (with particular focus from Italy and Sicily). Service improvement has been continuous with the customer and local industry as the focus points; frequency of services, reliability and just in time concepts, have managed to increase ro-ro traffic to/from Malta, providing very significant opportunities.

The driving concept that has led to the success was ‘every unit counts’ coupled with quality customer services that



Karl Sullivan, Ernest Sullivan (seated) and Nigel Sullivan

give clients comfort and reliability. Through its vast experience in this sector, Sullivan Maritime created its own ‘booking system’ Fastbook that has facilitated customer bookings substantially. The system was awarded with the e-Business Award as the best B2B application by the Malta Communication Authority in 2013.

In 2014 Sullivan Maritime was awarded the HSBC Translog Award as the ‘Best Shipping Agency’ in Malta. During the same period, Sullivan Maritime achieved the AEO – Authorized Economic Operator Certification, followed by the FONASBA Quality Standard for Ship Agents and Brokers.

Ernest E Sullivan explained that the company has already embarked on the ‘succession plan for Management’ within its ‘pro-active philosophy’ to ensure that the high quality branding of the company is maintained and improved through the new Sullivan generation.

Flanked with him, as the future top leaders at Sullivan Maritime are his sons, Nigel Sullivan as Senior Executive Commercial and Karl Sullivan BSc (Hons) as Senior Executive within the Business Development Unit.



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Malta's relationship with The Ballast Water Convention Blessing or Curse to the Shipping Industry?

The International Convention for the Control and Management of Ship's Ballast Water and Sediments (BWM) is expected to enter into force in the near future, as it is very close to obtaining the percentage approvals by States and the representation of the world Merchant Tonnage.

As an island state which has tourism (and the sea) as one of its main sources for national income, the news that this Convention will soon be implemented is indeed welcome. The increase in the number of jellyfish over the past years together with the introduction of invasive alien species in our waters have very often seen fishermen, local bathers and tourists point the finger of blame at the shipping industry.

The industry is on the other hand viewing this development from a different perspective and is justifiably assessing the financial burdens and procedural implications which such new rules inevitably bring with them when implemented. Compliance implies the necessity of fitting new machinery on board vessels capable of treating water and this machinery requires a considerable investment.

A ballast water treatment system can cost anywhere between USD\$500,000 and USD\$5,000,000, not to mention the ancillary costs relating to the development of a ballast water management plan. One also needs to consider the implications on land and the manner in which States may need to construct facilities capable of treating and storing this water.

The Maltese flag, Europe's largest and number six on the world's list, recognises the environmental benefits of the Convention.

However, as always, the competent authorities have been very sensitive towards studying the impact that the BWM convention will have on the operators and owners of Vessels.

Malta has always sought to balance the needs of the environment with the commercial realities faced by the industry which has far from recovered from the crises affecting it.

In addition to this, Malta is also very aware that the US is moving towards adopting a different ballast water treatment mechanism to that accepted by the IMO convention.

The discrepancy in the manner in which this matter is tackled might cause issues with ships wishing to operate within the US and who adhere to the standards imposed



Dr. Matthew Attard B.A., LL.M (IMLI), LL.D,
maritime lawyer with Ganado Advocates of Malta

by the IMO.

Malta will remain consistent in its efforts to ensure that international shipping standards continue to improve but will be doing so rationally and carefully, trying to balance the interest of the environment and the players in the market along the way.

GANADO
ADVOCATES

GANADO Advocates announces new Managing Partner

Maltese law firm GANADO Advocates is pleased to announce the retirement as Managing Partner of Dr. Max Ganado and the appointment of Dr. Louis Cassar Pullicino as the firm's new Managing Partner with effect from 17 June, 2015



Dr. Louis Cassar Pullicino and Dr. Max Ganado

Dr. Max Ganado, who held the position of Managing Partner for the past 6 years, officially handed over to Dr. Louis Cassar Pullicino during an event held at the GANADO Advocates premises in Valletta on 17 June. In his address to lawyers, managers and administrative staff, Max expressed great satisfaction at having led such a great team for several years during which many goals relating to the firm were met through excellent collaboration among lawyers, professionals and staff. "With the other Partners and Associates, I now look forward to helping Louis and the Board of Management face future challenges in a world undergoing massive change at a very fast pace". Dr. Ganado will now take up the position of Senior Partner in the firm with a mix of duties, some professional and others relating to strategy.

Dr. Louis Cassar Pullicino specialises in commercial litigation, in particular, admiralty and shipping disputes, banking, corporate disputes and insolvency, insurance and contractual disputes with an international dimension. Described by Chambers & Partners as a Band 1 Lawyer, Louis has been involved in the market's most complex marine litigation cases and has assisted various ship-owners and P&I Clubs

in disputes before the Maltese Courts. He has also been involved in numerous lawsuits appearing for international banks in the enforcement of security on loan defaults and has dealt with a wide range of cross-border and multi-jurisdictional disputes.

Bringing a wealth of knowledge and expertise to the firm, Louis will continue to provide quality legal services and looks forward to driving the continued success achieved by GANADO Advocates during Max's tenure as Managing Partner. Under Louis's lead, GANADO Advocates will strive to retain its position as a top-tier law firm that continuously raises the benchmark for the provision of services to its international and Maltese clients. Whilst looking forward to the challenges and demands of the new role, his focus will be the provision by the firm of the highest quality professional services to its clients, in a market that is increasingly competitive and highly regulated. Professional development across the firm's members continues to be an important target in ensuring it continues to hold its own against the ever growing demands and challenges facing clients and the complex legal issues characterising today's business and legal markets.

Malta has a strong spontaneous maritime vocation indeed!

Dr. Ann Fenech, Managing Partner, Fenech & Fenech, explains why her country has many special features to attract different kinds of businesses all around the sea

Malta's geographic position equidistant from the Straits of Gibraltar and of Suez along the east-west axis, and from North Africa and Italy on the north-south axis, has meant that, since immemorial time, the island has had a natural maritime vocation.

Its shipbuilding traditions during the Knights of St. John, a renowned trading post from the 17th century and the conversion by the British of Grand Harbour creeks to Admiralty drydocks, have provided the extensive maritime background enabling Malta to be ready and available for the demands of the international shipping community of the 20th century and now the 21st century.

Over the past 25 years Malta's maritime product has diversified enormously making it unique. Bunkering has become an important activity; in the container field, Malta Freeport handles over 2.75 million TEU's annually; high quality ship repairers are plentiful making it an attractive location for European shipowners as it is for providers of services to the Mediterranean off shore oil and gas industry.

In addition, the Malta flag for many successive years remains the largest flag in Europe with over 55 million registered GT. The facts that: English is an official language; the registry is open 24 hours a day; fees are very competitive; the adoption of a tonnage tax system instead of tax on income from shipping activities; its position on the White List with no trading restrictions imposed on it by any country and no restrictions on the nationality of either the owners or the crew, are also main attractive features.

Furthermore, upon membership of the EU, Maltese registered vessels became EU flag vessels, a distinctive feature that a number of shipowners seek adamantly. The Malta flag experienced substantial growth precisely following EU membership with important cruise line fleets joining the flag.

Another advantage is the protection which the law offers the financiers of vessels registered under the Malta flag. These are the holders of an executive title, meaning that in the case of default the mortgage is the equivalent of a judgment and the mortgagee does not have to commence any action but can proceed directly with the enforcement of the mortgage through a judicial sale by auction or a court approved private sale.

This level of protection gives financiers comfort, leading



Ann Fenech

to their support of the Malta flag.

Malta today continues to enjoy this growth also because it is a jurisdiction where there is a huge level of co-operation between us as service providers to the owners and financiers and the regulator, Transport Malta. This results in a seamless service given to the client who after all wants a good efficient service and value for money.

However, Malta's strong and spontaneous maritime vocation extends beyond commercial shipping and includes the leisure industry and education.

The insular country has become a very attractive jurisdiction for yacht owners; apart from providing an idyllic location from where to explore the entire Mediterranean basin, in fact Malta provides interesting structures making registration and purchase of yachts attractive to the yacht owner.

Finally what completes Malta's 'all around' maritime vocation is the International Maritime Law Institute established in 1988 under the auspices of the IMO and from which over 700 students from 130 countries have graduated since.

Perhaps it is now easier to understand why it is easy and obvious to call it 'Maritime Malta'.

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A flag State of history and tradition and an international maritime service centre

Malta's position as a key player in the world's maritime industry has led to the establishment of a reputable flag of choice, confidence and quality, through the open Maltese register for ships, bareboat charters and mortgages, explains David Zahra (DZ&A Advocates)



Strategically situated at the heart of the Mediterranean, its welcoming natural harbours and the professional and industrial skills of its people particularly in the maritime sector have undoubtedly strengthened Malta's position as a key player in the world's maritime industry.

For millennia, Malta has been considered a site of strategic importance, boasting a centuries-old maritime tradition.

This has led to the establishment of the Maltese flag as a reputable flag of choice, confidence and quality, through the open Maltese register for ships, bareboat charters and mortgages, and the transformation into an international maritime service centre.

In 1966, soon after independence from Britain, Malta became a member of the International Maritime Organisation (IMO); it immediately contributed toward the development of maritime law when, on 1st November 1967, Arvid Pardo, an Ambassador leading the Maltese delegation at the time, whilst addressing the United Nations General Assembly, gave fruition to the notion that the seabed constitutes part of the common heritage of mankind, a phrase that has been resonated in Article 136 of the United Nations Convention on the Law of the Sea (UNCLOS).

In 1988, IMO established in Malta the International Maritime Law Institute (IMLI) which ensures that sufficient maritime law experts are specifically trained to assist in the implementation and enforcement of international maritime law.

Malta also plays host to a number of international maritime organisations such as the Regional Marine Pollution

Emergency Response Centre for the Mediterranean Sea (REMPEC) which assists the Mediterranean coastal States in ratifying, transposing, implementing and enforcing international maritime conventions related to the prevention of, preparedness for and response to marine pollution from ships. The Centre is administered by IMO in cooperation with UNEP/MAP.

The island continues to enhance its knowledge and strengthen its role in the maritime industry. Last year, Malta hosted the European Maritime Day Conference and this year it welcomed the 1st Mare Forum Malta to its shores. Every year, seafarers and sportsmen around the world flock to Malta to participate in the Rolex Middle Sea Race. Moreover, an ever growing number of cruise liners visit our shores, particularly during the summer period.

However, being strategically located in the centre of the Mediterranean, Malta has also seen a large number of shipwrecks carrying migrants from Africa to Europe which has left a great number of devastating losses of lives at sea. In April 2015 Malta together with Sicily woke up to witness a terrible accident resulting in the highest death toll of migrants seen to date in their quest to cross the border to Europe for a better life, safe from the catastrophe of war.

The State, being an international and European member, has ratified most of the major IMO and ILO international maritime conventions as well as implemented all European regulations. The most recent ratifications concern the Maritime Labour Convention, 2006, in January 2013, and the Nairobi Convention on the Removal of Wrecks, 2007, in April 2015.

The country, from its central position on the major shipping route in the Mediterranean, offers a wide range of international maritime facilities and services including an active and reputable international ship register, which has established itself amongst the largest ship registries in the world in terms of tonnage.

Ship registration (and the provision of ancillary services) fall within the responsibility of the Merchant Shipping Directorate founded under the Authority for Transport in Malta.

Vessel registration under the Malta flag is regulated by the Merchant Shipping Act (Cap 234 of the Laws of Malta), and subsidiary legislation thereof. The Malta flag offers

ship owners and operators the opportunity to register their vessel under a flag of choice, a flag of confidence and a European flag.

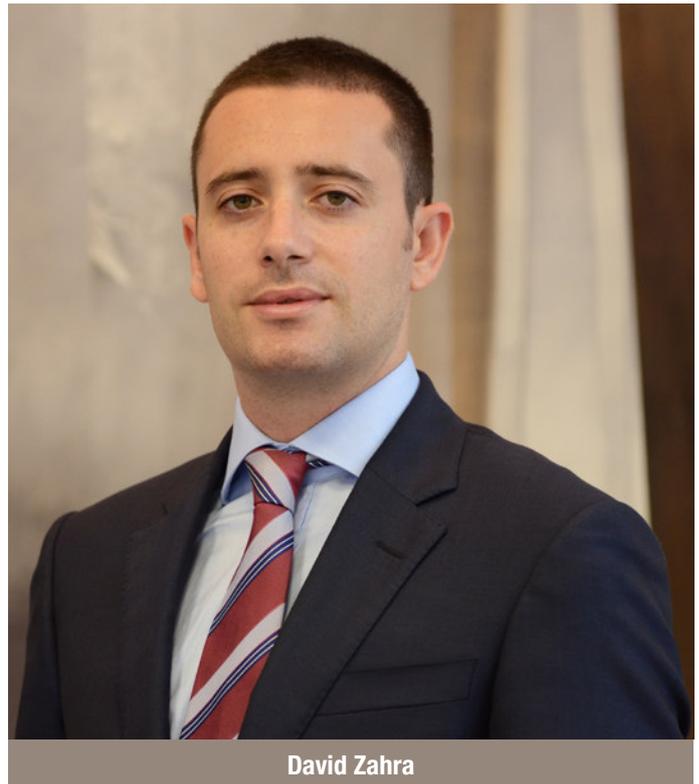
The Merchant Shipping Directorate is a serious and efficient maritime administration, ensuring through the establishment of a Flag State inspectorate the adherence to international maritime standards. The administration offers full attention to all the yachts registered under its flag, including the provision of a twenty-four hour, seven days a week service in cases which require urgent attention. The Maltese Government, through the efficiency of the Merchant Shipping Directorate, has executed various multilateral and bilateral agreements with other countries to ensure a smoother service to ship-owners, bareboat charter operators, Captains, officials and other crew members seeking the service of the Directorate, as well as actively participating in the international shipping fora. Maltese law does not incorporate any restrictions to the type of vessels to be registered, the nationality of masters', officers and crew, on the sale or transfer of shares of a company owning ships registered under the Malta flag, on the sale and mortgaging of ships registered under the Malta flag, nor on trading. Any type of vessel, be it commercial, oil rigs, pleasure, bareboat chartered or under construction, as well as yachts, superyachts and cruise liners may be registered under the Malta flag, provided that they are wholly owned by legally constituted corporate entities, irrespective of their nationality, or by European citizens. However, international owners not residing or established in Malta may register vessels under the Malta flag provided that they appoint a resident agent in Malta responsible for liaising with the authorities on their behalf.

Moreover, ships of 15 years and over are required to be inspected by an authorised flag State inspector in order to proceed, if accepted, with the registration thereof.

The establishment of companies is primarily regulated by the Companies Act (Cap 386 of the Laws of Malta) and the Merchant Shipping Act (Cap 234 of the Laws of Malta), depending on the nature of activities the company shall be carrying out throughout its establishment.

It is also interesting to note that such services, including company formation, ship registration and tonnage tax, are all highly competitive when compared to fees issued by other countries. It should also be noted that Maltese legislation has been specifically drafted in order to offer persons interested in investing in Malta attractive fiscal incentives.

The procedure for ship registration is relatively straightforward. As in other countries, the vessel is firstly



David Zahra

registered provisionally under the requested register providing that all preliminary requirements have been satisfied. Such registration is valid for a period of six (6) months, which may be extended in certain exceptional circumstances upon application to the Registrar. During these six (6) months, the ship owner or operator is requested to gather and submit all documentation, particularly proof of ownership and cancellation from former registry, as well as all safety certificates in accordance with international conventions depending on the type of registration being applied for.

According to official statistics published by Transport Malta in January 2015, Malta has now become the 6th largest ship register worldwide whilst further consolidating its position as the largest register in Europe.

Furthermore, Malta continues to reinforce its position on the Paris MoU and Tokyo MoU White Lists. During 2014, the Malta flag registered very positive results in terms of port State control performance, thus strengthening “the quality of its registered fleet and its firm commitment towards safe, secure and clean shipping.”

In the words of Arvid Pardo, “we are naturally vitally interested in the sea which surrounds us and through which we live and breathe.”

Malta, through its stakeholders, continues and shall continue to sustain its knowledge and safeguard the interests of the maritime world.

Attard family, from Philip to Philip, with a common denominator; growth!

In four decades of activity Attrans has become the leading road transport company on the island also being able to set up subsidiaries in Italy and in the Netherlands



Since 1976 and under the guidance of its founder Philip Attard, Attrans Ltd. has established itself as the leading transport company on the island.

Now, in its second generation and under the control of Philip Attard Jr., Attrans prides itself to be in a position which offers a wide range of services, to various types of clients, providing logistical solutions to and from any European and North African destinations.

The company is based on 25,000 sqm in Zebbug that houses its offices, workshops, parking and warehousing facilities. In addition, they have subsidiaries in Italy (Attrans Italia), and two in the Netherlands (Attrans BV and Attrans North Africa), all fully equipped with administration offices, workshops, parking and warehousing facilities.

The fleet is currently made up of uniquely Volvo tractor units and over 300 trailers and comprises many different types of vehicles for the differing types of services offered; it is increasing by around 30 vehicles per year.

Attrans believes that the continuous investment in the fleet has placed it one step ahead of its competitors, providing with the best possible transport solutions which unfailingly meets all clients' requirements.

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Emmanuel Vella's sons now travel all over Europe with Express Trailers

The 8 brothers have developed dramatically the original 'one man' firm into the largest road haulier in Malta, a structured multinational transport group with great ambitions and growth plans



Johan Vella, Franco Azzopardi, David Fleri Soler

Every Malta dweller knows that Express Trailers is headquartered between Luqa and Qormi, two of Valletta's neighbourhoods, as the company has become in course of time a true European multinational and is still heading further.

The origin of this success story goes back to the years after World War II and to Emmanuel Vella, then the patron of a small road haulage company, but it was up to his 8 sons to expand and structure the company into the remarkable dimensions and scope of today. Nor did they forget their father, as his bust and a car of the 1940s testify in the hall of nowadays' modern VelBro House (from Vella Brothers). By now 4 of the 8 brothers once steering the company have retired. The youngest is 53 and the oldest 70 so, when the first ones started working at 14, the latest coming were not yet born.

Meanwhile, the 4 brothers still in VelBro's control room have been joined by four nephews of the founder, now at executive director level, and (4 years ago) by Franco Azzopardi, a non-family appointed Chairman and CEO. It is up to them and to David Fleri Soler, Head of Business Development, to outline the strategic expansion plan of the 'orange' group.

"We always had a smooth growth. When the company was established they only did local haulage. Bethink that the first lorry was owned by a local haulier as Emmanuel

Vella worked only with draft horses and carriages! Then, his sons, more bold, started to buy also cranes and to invest into vehicles" opens Azzopardi, going on: "The Vellas routinely exploited the country's offer as given time by time. Therefore, in the 1960-70s they supported the strong manufacturing export. But Malta too gradually changed and present-day economy is more complex, so the company began to capitalise on the island's hub with advantage for exporters of goods from the Far East to Europe".

"We're active in de-groupage of containers unloaded from mother vessels at Malta Freeport, then we do the packaging, load cargo on our trailers, and transport it towards mainland Europe. Delivery is thus faster and leverages fiscal benefits offered by Malta especially in terms of the timing of VAT payment and tax advantages" adds Azzopardi.

Our expertise in all areas of the business assist companies who chose Malta as their transshipment hub, benefit from the high-level standards of service and management skills we have as a company to the benefit of our clients.

It is matter of fact that pharma is one of the economic pillars on which Maltese industry lies: "Before joining the EU in 2004 we negotiated the keeping-up of the exemption giving general pharma room to manoeuvre through what is referred to as the Bolar Exemption, and again, Express Trailers built its pharma operations around this offering".

The geographic development of a group with a 30 million euro turnover and 200 employees is towards the North.

“Our core business is Europe, but we’re going beyond” explains Fleri Soler. “We have 20 warehouses across Europe – all linked via a weekly service – like in the United Kingdom, Hungary, Poland, the Czech Republic, in partnership with companies like DHL and Dimotrans. In Italy we’ve as many as 10 agents and a warehouse with Deda in Bolzaneto (Genoa) besides depots in Cormano and Linate (Milan), Vicenza, Padua, Pistoia, Naples, Rome, Ascoli, and Bari among others. Indeed, Italy and England (with depots in Birmingham, Manchester, and London) are our biggest commercial partners”.

Express Trailers fleet is exceeding 300 trailers (a fourth of Maltese haulers’ grand total) and every year it invests at least 2 to 3 million euro in new vehicles, while also specialising in reefer trailers for goods at controlled temperature.

Azzopardi remarks: “Though the only supplier they don’t abuse their monopoly position as to fares. Instead, we’re wondering what would happen in case they choose or had to change strategy: who would link us with the mainland? Grimaldi’s ro-ro vessels call thrice a week at Valletta, from Genoa they carry every weekend 80% of what the island needs, so we’re facing a substantial risk should anything go wrong or the service be discontinued...”

Intermodal transport looks at present a kind of wishful thinking. “We’ve already invested in swap bodies, that make up 2% of our fleet, that is 10 of the dry type for the trade with the Netherlands, but the service is often disrupted by the frequent strikes of the Italian railways’ trade unions”.

It is interesting to note, within the group’s firm diversification, the servicing of non-business customers using multi-channel retail solutions.. “It’s an easy-to-use online shipping solution to ship and get delivered ‘right



“Our business concept is based on the 3PL model, which includes managed warehousing facilities (4 warehouses in Qormi totalling 3,000 sqm) on top of pure transport, with an obvious final gain for the whole supply chain. Presently we’re able to work with a 19-day-only transit time between Shanghai and Malta, a 24-hour customs clearance, and a final delivery Malta to Milan in 2 working days and in London in 4 working days” details the head of business development.

The maritime leg is dependent, inescapably, on the Naples-based Grimaldi group, the only carrier still directly servicing Italy from Malta. Express Trailers is somewhat concerned by such a context, and not because of prices, as

to your doorstep’ any shopping done online by customers from stores like Amazon, very widespread in England and Germany, as well as in Malta, and accessed through ‘www. ShipLowCost.com’. In addition, Express Trailers entered recently into an agreement with Hammar, a Swedish company specialised in military logistics and humanitarian aid logistics for the United Nations and that manufactures side cranes to be installed on trailers using special steel that reduces width and weight. We’re the only rebuilders of such sideloaders globally, as we’re the exclusive concessionaire for their assemblage, refurbishment and installation” concludes Azzopardi.

Angelo Scorza

A 70 years history of hit tracks only

The group's operations were commenced in 1945 by the late Emmanuel Vella who quickly established itself as a reliable and trusted supplier for transportation and logistics: in 1960 the very first truck was acquired, a pioneering event in the inland haulage industry.

In 1978 Express Trailers Limited was set up, to maximise the opportunities offered by the ro-ro service that had just been introduced in the country by Sea Malta.

In 1991 Express Freights Limited was established as a forwarding company for deep-sea traffic thus enabling the group to connect Malta to all the world, offering both groupage and full-load services.

reinventing the process from non-originating countries, shipping to Malta, storage in quarantine under special Malta Medical Authority permits and batch-releasing these products for launch in the respective destination countries at midnight +1 minute of patent expiry.

This also led to the second award of "Best Warehousing Facilities", after years of investment and consolidation in the company's warehouse processes and customer-driven solutions. Through its platform, the company improved clients' stock visibility and control leading them to achieve more cost-efficiencies and more reliable inventory management, and strengthened its competitive advantage to customer offering



Eyre Travel Limited and Eyre Cargo Services were formed to offer air cargo services and corporate travel services; both are IATA appointed agents for passengers and cargo and licensed for local customs clearance and haulage.

In 2013 all the operating companies were merged into Express Trailers Limited.

The group's supremacy was recognized at the end of October 2014 during the first edition of the Translog Awards when Express Trailers secured two awards: 'Best Freight Forwarder', for its service to companies who want to launch generic medicines originating from non-EU countries into EU countries; this meant

and portfolio of services and enhanced its business capability both on the local market and also placed on a better platform to offer efficient and reliable services in marketing Malta as a distribution centre for North Africa and Europe. This led to an increase of 30% in local handling of cargo and 23% increase in handling of temperature-controlled cargo.

In September last year Express Trailers was responsible for the long awaited repatriation of Malta's first registered automobile, after a 44 year absence from the island. This 1904 Siddeley car, having the first No 1 number plate, was unveiled and exhibited to the public in St. Francis Square in Gozo.

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Medsea Shipping Agency was set up in 1999 with the prime intention of promoting Malta as a hub for container, bulk and liquid cargoes.

We are presently local liner agents for China Shipping Container Line and Yang Ming Container Line. We are also designated Malta agents for S5, a worldwide network of ship agents. As things developed, our company got involved also on the local trade and we are now well versed both in transshipment operations as also on the domestic market, with most of our staff having a vast experience in the shipping business. So we are well aware and fully understand the priorities both of our Principals as also those of our Customers alike. Through our commercial/operations departments, we can cater for most trades on Malta, be it full load containers, groupage consignments, bulk cargoes, petroleum products, airfreight, and air travel. Hence we can easily say that we are a 'one that we are a one stop shop' to customers requiring air/shipping arrangements. In today's business environment, the last thing that importers/exporters wish to worry about is their shipping, air or travel requirements. Through Medsea Shipping Agency we make sure to take responsibility any transport requirement so that our clients demands are met.

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• **China Shipping Container Line**, a worldwide FCL container service.

Through CSCL services via Malta Freeport we are today catering on a door-to-door basis from/to Scandinavia, North Continent, UK, USA, Far East, Middle East and Indian Sub-continent.

• **JF Hillebrand**, specialists in the carriage of Wines, Spirits, Beverages & related products.

Through their international agency network, JF Hillebrand can offer full load, groupage, airfreight, consolidation, reefer or bulk cargo (flexibags/ISO tanks) transportation.

• **Savino Del Bene**, having offices in all parts of the world, one of the biggest freight forwarders worldwide. We are proud to represent them in Malta catering both for full load and groupage cargo.

• **Malta Tours Travel, Air Freight / Air Travel.**

Being IATA certified, through this branch we cater for air cargo as also for your travel requirements, insurance, accommodation etc.

• **C5C**, of which Medsea is a member, is a global organization bringing together freight forwarders from all over the world offering a full package of worldwide sea and air freight.

• **Sea Container Repair**, providing a full container/trailer related service with specialist reefer technicians in attendance 24/7

• **S5**, a worldwide network of shipagents offering a one stop shop for shipowners/operators.

We are a fast growing company and our target is to establish ourselves as one of the leading shipping agencies in Malta, thus becoming a focal point for local customers.

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New helm to lead Malta's pax business

The terminal operator Valletta Cruise Port has appointed a new management



Stephen Xuereb, CEO, amid the two new Senior Management members

Valletta Cruise Port plc has two new Senior Management members with effect from July 2015.

Karl Azzopardi has been appointed as the Head of Operations and Projects, and will be playing a key role in chalking out Valletta Cruise Port's overall operational and project development strategy, including recommendations for the best use of organisational resources.

He is a seasoned professional with over 25 years of experience in the field of project management, operations and facilities management. Between 2002 and 2007, Azzopardi formed part of the Valletta Cruise Port management team that worked on the design and delivery of the Valletta Waterfront destination. The experiences gained in the field of mixed used and commercial projects, will be an invaluable contributor to enhance the destination's capacity and products' delivery.

Andre Parnis is taking on the role of Head of Finance and Corporate Services and will be responsible for the development of financial strategies in line with the business objectives and in conformity with industry standards.

An accountancy graduate, he joins the group with 16 years of audit, financial control and senior management experience. Having worked for the past 13 years with a

leading retail and property investment group on the island, Parnis brings a wealth of experience to contribute towards development and implementation of Valletta Cruise Port's vision.

Stephen Xuereb, Chief Executive Officer of the operator of the Valletta Cruise and Ferry Terminal facilities and of the Valletta Waterfront destination, said that the team is being tasked with the delivery of a vision to be one of the leading cruise ports in the Mediterranean, and ensuring that Valletta Waterfront remains a prime leisure destination.

"Valletta Cruise Port is already rated very highly in terms of service delivery. Indeed for the fourth consecutive year, we have been named as the Best Turnaround Port Operator 2014 by Cruise Insight, an award recognising the impeccable service delivered by the port, its responsiveness, and the continued development of its facilities in the past years. Since its official launch in June 2005, the Valletta Waterfront destination with its coloured doors has become a recognisable icon, embraced by locals and foreigners alike. Andre and Karl, will play a major role in shaping how we can augment this positive experience even further and continue to exceed expectations" concluded Xuereb.

A full hand of cruiseships in a single day

Busy time at the port of Valletta which hosted 5 vessels from 5 brands

Wednesday 22nd July was a busy day at Valletta (Malta) which hosted 5 cruiseships from 5 cruise brands, altogether carrying at the historic natural port 14,000 passengers and 5,000 crew members.

The MSC Fantasia was the first ship to enter port followed by Zenith, Norwegian Jade, Costa NeoRiviera and Celebrity Equinox.

to ensure an efficient operation. The logistics and organizational side on land links to the flow onboard in order to avoid backlog or queues of any sort. Considerable investment has gone into resources to handle larger amounts of people, including higher security.

The positive reviews by passengers and cruise lines



Edward Zammit Lewis, Minister for Tourism, said this was an important day for the tourism industry in Malta as it is testament to the ongoing and proactive collaboration between the various public entities and the private sector that work effectively together to ensure that such huge cruise operations are possible and managed in the most professional and efficient manner.

He concluded by thanking Valletta Cruise Port for all its efforts while stating his confidence that this year will be a record year also on the cruise liners front as both the cruise industry and the Ministry for Tourism are managing to attract further new cruise business to Malta and Gozo.

“Larger ships with a bigger number of passengers means that we need to be even more proactive in our planning; preparation for such operations starts months in advance.

Discussions with different stakeholders are organised

are testament to the effort going into making a stay in Malta a positive enjoyable experience. Valletta needs to continue to cater for such peaks in demand with further investment in quay infrastructure in the Grand Harbour area” pinpointed Stephen Xuereb, CEO of Valletta Cruise Port plc.





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The Marsaxlokk hub port is free to develop further on...

Since 27 years Malta Freeport container facility is carrying on a progressive expansion plan, castled in its sunny loneliness



In February this year two mega alliances (2M; Maersk Line and MSC; and Ocean Three, CMA CGM, China Shipping Container Lines and United Arab Shipping Company) started calling Malta Freeport, having chosen this one as their main transshipment hub in the Central Mediterranean. The new primary clients have strengthened the terminal accessibility and Freeport is now offering 17 weekly mainline services, complemented by an extensive number of weekly feeding services: a total of 128 ports all across the globe can now be reached from here.

Although Malta Freeport's throughput is about 3 million TEUs yearly, 95% of the boxes handled are in transshipment since the domestic trade (both inbound and outbound) is mostly carried on by some 1,000 trailers shuttling them to and from ro-ro liaising with the Continent.

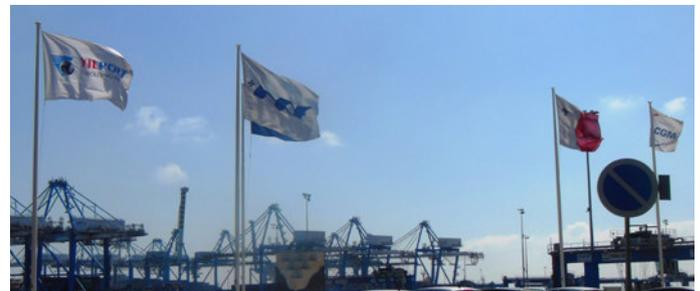
In the past ten years - just after it was privatized in 2004 - a lot had changed at the first terminal in containerisation history conceived purely as a transshipment hub.

The old Terminal 1, which in 1988 started to operate with 1 Paceco ship-to-shore (STS) crane, has been joined by Terminal 2, and they now boast together 20 STS cranes (whereof 18 super-post Panamax), while at least another 4 even larger are awaited from China to handle the last-generation 18,000-TEUs mega boxships. In truth, these 400-metre-long behemoths, belonging to the global carriers' alliances 2M and Ocean Three, are already calling here as from last February, promising with their

huge capacity a notional yearly throughput exceeding 4 million TEUs.

But the terminal's ownership has changed too. Actually, the initial setup saw the government backed up by domestic shareholders, notably Marin Hili, appointed CEO when just 34 years old, now working with his company Mariner, which he fully owns after parting from his family (one of the island's richest and the holders of Hili Ventures).

Later, privatisation was on the stage and foreign investors flocked to Malta. French global carrier CMA CGM succeeded in submitting the winning tender 11 years ago and, in 2008, in getting its concession extended by further 65 years.



It was then the turn of the patron of Turkish group Yilport, Robert Yuksel Yildirim, involved in many a strategic industry and whose preferred 'game' is to buy ports and resell them after a while with a sensible profit that he reinvests in other such ventures. In late 2011 Yildirim



took over 50% shares of Malta Freeport but he is presently looking for a buyer – the official warrant to the advisor has been already signed in June 2014 – who would purchase some 30% of the stock for as much as 600 million dollars, cash that could arguably support a further acquisition.

However, for the moment both flags of the two shareholders and the company's one, alongside those of Malta and the EU, fly on the small hill overlooking the facility, a natural rampart hosting Freeport Centre, the control station outside the fenced operative zone supervising its operations.

Malta Freeport is nowadays run by a native manager, Alex Montebello, who last summer replaced the unfortunate German boss Uwe Malezki, prematurely deceased after 10 years in the position and also known for a stint at Italian terminal operator group Contship (part of German Eurokai group).

The facility, (partially) powered by (a forest of) solar panels, indeed lies near Birzebugga village and not at Marsaxlokk (which otherwise gives the bay its name). However such

an infrastructure is no way incompatible with surrounding wonderful beaches and crystal-clear water aside the two former fishing villages now being tourist resorts with picturesque low buildings in a Hispano-Moresque style.

Additionally, Freeport's management repaid the dwellers with a sailboat centre and social clubs while leaving untouched the nice small beaches.

Malta Freeport Terminals offers clients state-of-the-art transshipment facilities developed in line with their increasing requirements including a total operational deep water quay of 2,463 metres, a total area of 713,000 square metres, 15,136 container ground slots and a total number of 941 reefer points. All the mainline berths have a water depth of 17 metres, namely Terminal Two North Quay and South Quay and Terminal One North Quay.

The facility is currently equipped with 20 Quayside Cranes, namely 18 super post-Panamax and 2 post-Panamax Quayside Cranes; 4 super post-Panamax Quayside Cranes are capable of handling twin 40' lifting spreader capacity whilst 14 super post-Panamax Quayside Cranes can handle twin-lift spreaders. The Yard Cranes serving both Terminals include 2 RMGs and 50 RTGs, 40 of which have twin-lift spreader capability.

Since being privatised in October 2004, Malta Freeport Terminals has embarked on a heavy investment program in brand new equipment and in the expansion of its yard facilities that was augmented following the extension of the concession in February 2008 from 30 to 65 years.

The shareholders are taking initiatives to increase its capacity to 4.2 million TEUs in coming years.

Angelo Scorza



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Towing in Marsaxlokk and Valletta now with a good *Xeneize* accent

Privatised to Rimorchiatori Riuniti Group of Genoa in 2007, Tug Malta has benefitted of the synergies with the parent company, leading its continuous and future growth



Mario Mizzi and Malcolm Custò

Since it was privatised eight years ago to Rimorchiatori Riuniti Group of Genoa, Tug Malta Limited (TML) has no doubt took advantage of the synergies brought about thanks to its affiliation with the Italian parent, which is driving its continuous growth through increased commercialization and diversification yet leaving space for Tug Malta to independently run its own business, building up on its 35-years long roots since its inception as a state owned towage operating firm on 1st January 1980.

Indeed in 2007 Rimorchiatori Riuniti emerged as the successful proponent to acquire the Maltese Government's stake in Tug Malta Ltd following a competitive bidding process that had attracted interest from several other household names in the industry. By January 2008 Rimorchiatori Malta Limited bought the remaining shares in Tug Malta from the private shareholders.

The current top management is the legacy of TML's sale by the Maltese Government to the RR Group.

The stewardship lies with a strong board of directors

with diverse industry and professional background which include 4 members of Rimorchiatori Riuniti (RR) board (Giovanni Delle Piane, Chairman, Gregorio Gavarone, Managing Director, Riccardo Biale, Executive Director and Alberto Delle Piane, Director). Sitting on the board of Tug Malta are local directors John E. Sullivan as Chairman and fellow directors George Abela, Richard Camilleri, Raymond Miller and Mario Mizzi; the latter, having held various senior management positions in the public sector, played an important part in the privatisation process of TML and brought with him solid management and commercial expertise.

"The privatization of Tug Malta is a success story to all involved stakeholders as it brought about many positive changes that fuelled growth and increased business for the company, investment and modern tugs to the fleet, more efficient services to the industry particularly for the shipping lines calling in our ports and increased opportunities for its employees. TML has firmly established itself as one of the most important port services providers in Malta's maritime chain of activities" explains CEO Mario Mizzi, who joined the company in 2010.

Malcolm Custò, CFO, who has been with TML since 2004 being responsible for corporate affairs (i.e. administrative and financial functions), including treasury and capital management, shared and allied the same thoughts of the CEO.

Maybe it is a funny although pure coincidence that the headquarters is located at Sir Luigi Preziosi, bearing the same family name of probably the most successful



president of Genoa Football Club, of which some RR's bosses are surely strong supporters. From these high bastions in Floriana, the management has a clear view of the towing maneuvers taking place in the Valletta Grand Harbour.

“As part of the privatization deal signed with the Government, RR as owners of the TML committed to keep in the company's employ all employees on the books of the company at the time. During the last 8 years manpower training and development was high on the company's agenda, as was also the introduction of more efficient working practices bespoke and better cater for new industry demands for harbour and off-shore operations. The whole crew is considered an asset as much as the fleet of tugs. Nevertheless the company is constantly seeking to engage additional and suitably STCW qualified crew, though recruitment is proving to be a bit of challenge in view that availability of experienced and qualified people are scarce locally. Tugs are manned by a crew of 3. You can find Maltese tug masters, although it is more difficult to find a tug engineer” Mizzi adds.

Back to the new helm, the sentiment is largely positive.

Shipyards delivered their latest ASD2411 newly built tugboat; the Malta had sailed all the way from Da Nang shipyard in Vietnam. The 71 tons bollard pull tug was registered under the Maltese Flag and located under a temporary bareboat charter agreement with Tug Malta.

“Achievements were also registered in the segment of offshore support services. Previously jobs secured in this camp were too few and far between; today taking advantage of a fully-fledged commercial department at RR, TML is more aggressively active in pursuing offshore job opportunities in central Mediterranean”.

On the same subject, presently the RR Group has the anchor handler AH Varazze moored at the Grand Harbour. The unit, delivered from Rosetti Marino shipyard of Ravenna at the end of 2014 and is considered by ship brokers as the best and one of the modern anchor handler vessels currently positioned in the Mediterranean, is waiting for its next assignment. In mid-April Giovanni Umberto De Vito, Ambassador of Italy to Malta, paid a courtesy call on the vessel, and was received aboard by Capt. Mario Baldari and Chairman John Sullivan.

TML's fleet comprises 7 port tugs which cater for all harbor



“Forming part of the RR Group, we have made quantum leaps forward. I mention again the subject of fleet modernization, whose extent would not have been the same had the company remained under the auspices of the Government” says the CEO.

“Under the new owners TML was prompt to invest in two new tugs: the Spinola, which arrived in June 2009, and the Sant'Elmo, in September 2011” recalls Custò.

In September 2014 at Timber Wharf, Marsa, Damen

operations at Port of Marsaxlokk and the Grand Harbour. Activity at the Malta Freeport container transshipment and Oil Tanking terminals in Marsaxlokk account to some 80-85% of all harbour activities; whereas in the Grand Harbour movements are mainly restricted to conventional and bulk cargo and shipyard induced demand.

“We are now experiencing a surge in tug use due to the calling of ever larger container vessels deployed by the main shipping lines including also by the 2M and Ocean3



alliances. This trend is expected to persist as we will witness more of such vessels particularly when Malta Freeport will install and commission next November the new gantry cranes on Terminal 1” Mizzi pinpoints.

The company is also in the process of gearing up to cater for any towage services demand that will be triggered by the new LNG Terminal that will be developed at Delimara. In this respect and in consultation with Government, TML will undertake to invest in new tugs aimed to address industry needs in the foreseeable future; discussions are in progress for the time being.

At the moment and in terms of its agreement with Transport Malta, the Authority responsible also for Maritime Services, TML is obliged to maintain a fleet of 6 tugs, 3 of which fully manned on a 24/7 basis. Additional tugs and crew is mobilized at the exigencies of work dictated. The company is responsible to render all harbour towage services to any vessel within the Maltese harbours and their approaches and it is also obliged to respond and provide for emergency services including for oil pollution response. Through its Pollution and Incidence Response Unit (PIRU) as the Authority responsible for maritime affairs, Transport Malta is mandated to implement and maintain the National Marine Pollution Contingency Plan as well as to maintain and operate its offshore Oil Response Equipment including pollution containment booms, surface skimmers, pumps etc.

In support of the foregoing duties, Transport Malta contracted Tug Malta to provide emergency services including transport, handling and operating the equipment to be deployed for oil pollution response in the internal and territorial waters of Malta, when an emergency response and disaster clean-up operation arises, with its

tugs equipped with Fire-Fighting capabilities and other pollution prevention equipment.

TML operates on an exclusive basis under a concession framework and is regulated by Transport Malta. Asked about the market access regulation currently under consideration at the European Parliament, the CEO declared that whatever the outcome of such legislation, market liberalization and the prospect of competition are not upper most concerns on their minds. He further stated that safety, infrastructural and operational considerations in ports will determine the final state of play.

Mizzi added that whatever the outcome, TML will be well position to continue serving its clients at its best.

It is for this reason that TML regards diversification into new services also important in its strategy for growth.

Mizzi explained that “although the lion’s share of business would still remain from core towage operations, yet TML strives to optimize on the company’s strengths to pursue opportunities in the maritime industry.

Pursuant to this, a project that kicked off almost two years ago relates to the provision of marine technical support services in the industry. The project has registered a very encouraging measure of success and is building momentum as more clients, both foreign and local, have sought recourse to TML’s technical services and capabilities”.

Drawing the interview to a conclusion, Mizzi commented on “the outlook of Tug Malta for the future as being potentially challenging, promising opportunities and with a strong role for the company within the industry”.

Angelo Scorza

Italian boats strengthen Malta Pilots' operative fleet

Shipowners Bambini of Ravenna and Pane di Sorrento (Globeco) hand over a offshore unit each to the island's Corp that is ambitiously looking for new businesses



A calm euphoria is in the air at Malta Maritime Pilots' headquarters. Chief Pilot Jesmond Mifsud has just landed at the island's international airport in Luqa back from Italy where he signed an agreement with Ravenna-based shipping company Bambini to take over *Mistrale III*.

In a few days she will join, obviously with a new name, the Corp's flotilla meeting 38-metre *Armonia*, bought some weeks ago also in Italy, from Sorrento native but Rome-dweller owner Mariano Pane, patron of Globeco; the latter is now berthed at Bezzina Shipyard for refitting.

In order to invest some 2 million euro in these utility

vessels almost 40 metre long, Malta Maritime Pilots had to secure a loan from a local bank given that, since it was privatised, it does not receive any financial aid from the state. For this it is diversifying beyond its institutional core business – like, eg, in carrying water and people to and from the archipelago's islands – to refill its coffers.

Before *Maestrale III* and *Armonia*, Malta's pilots already experienced a flurry of investments. They acquired 6 pilot boats (while just selling one to Romania) in order to renew their 6-unit strong flotilla; of these, 3 are assigned to Marsaxlokk and 3 to Valletta Grand Harbour, but just 3 in overall are on constant duty as one is used only when the sea is rough and 2 are kept as spares.

More precisely, the Corp had ordered as newbuildings 2 boats in the *Interceptor* class from Irish yard Safe Heaven and 1 *Aquastar* type from Guernsey, Channel Islands, while the remaining 3 were bought second-hand. The latest unit was delivered in 2014 and the oldest was built in 1993.

Deputy Pilot, Colin Formosa, escorted us on a full tour of the Grand Harbour (the former main base of the British Navy's Mediterranean Fleet); together with Mifsud and Jimmy Dalli (the delegate at EMPA), Formosa makes for the trident-shaped apex of the Corp, headquartered at Pinto Wharf in a picturesque small palace of the XVII century after inauguration in 2007 by premier Censu Galea.

Logistic support to our tour was provided by boat *Ohio*. "That is a name we're fond of in Malta, because of the



role SS Ohio played in defending our island during World War II” remarks the Deputy Chief before starting to describe the maritime life at quays, Malta’s history and the perspectives of a body presently composed of 16 pilots: “This year we hired 3 new colleagues while 2 retired. To renew the ranks is a must, as in order to be a pilot you need expertise (determined now by vessel’s length, no more by tonnage) and, shouldn’t we train in time professional profiles – it’s only after 6 years that you’re allowed on vessels of over 300 metres – we’d get short of skills”.

Formosa recalls Capt. Gasperini, a well-known figure among Italian pilots, “who helped us much in negotiating with the government during the statute change. Before 2003 we were employed by the Harbour Master’s Office under the oversight of Malta Maritime Authority. When privatisation came, we didn’t know what kind of legal frame to adopt, as we had to choose between a company and a co-op. Here, we’re all co-owners, but the point is that those planning retirement wouldn’t like to invest as they’re going to leave, thus hampering the fleet’s renewal. We puzzled it out mandating those leaving to sell their stakes to the remaining associates, who in turn resell them to the newcomers.

As to hiring, it goes this way: the Ministry issues a contest, whose winners have the right to join our Corps; our role is limited to just overseeing the process, not to choose nor to dismiss colleagues in case of bad performances, should it be the case”.

Formosa is aware of the ongoing debate in Italy and



Colin Formosa



elsewhere about the lawfulness of compulsory pilot service: “Well, the matter is disputed here too and one of our biggest customers, Naples-based Grimaldi Lines, doesn’t reckon on-board pilots are a necessity. Nevertheless, it should be taken into account that safety, a topic common to all ports, gets here a strong emphasis: this is a UNESCO port and, if something wrong happens, the harbour’s would be put to a standstill. It’s like the power station in Marsaxlokk were to shut down: the desalinator would work no more and the whole island would die of thirst”.

“Furthermore, our fees are equitable and the lowest in Europe. We’ve a substantial throughput allowing us a fair yearly turnover. Grimaldi’s masters are excellent, no doubt, but there’s always a hitch to face: inflatable boats, tourist boats, bunker barges, fishing vessels, youngsters swimming. This is the city’s port, not an industrial one and therefore risks are constantly looming” he goes on.

In order to train and update their knowledge Malta’s pilots put to use the latest technology. “Another important investment we made is a simulator bought in the Netherlands and managed by our affiliated company Mediterranean Maritime Research and Training Centre (MMRTC). We’re the only ones in Europe who have it, so colleagues come from abroad to train (we carried on teaching sessions at Tanger Med, Portugal, Brazil). Also many foreign pilots come Malta with the goal of learning maritime English,

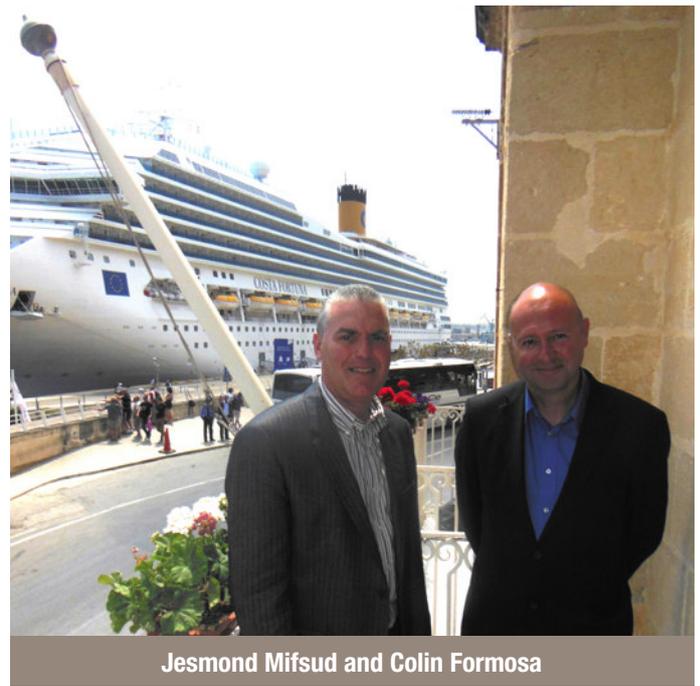
the shipping jargon, and to comply with the obligations arising from STWC courses on professional training. For us, this is an interesting add-on to our cash flow”.

By and large it seems that the privatisation has been taken in well: “We’re healthy and full of energy. Our true driving force is Jesmond, Chief Pilot as from our ‘new deal’ in 2003, who literally ‘dwells’ here as if it were his second home. Every year we do elections; for 12 years his appointment was confirmed. For such a unanimous consensus there must be a reason...” notes Mifsud’s deputy.

We sail past Bezzina yard, where Armonia is being refurbished, and arrive at the wharf hosting yard Cassar Shipping where Sea Express II, a sister vessel to Maestrale III owned by another operator, is undergoing works. Not far from here there is the hull of the yacht which one of former Libya’s dictator sons crashed with on the rocks.

Sailing further along the port’s intricate perimeter reveals several Italian vessels, like Sider Vega (of Romeo’s Sidernavi), Costa Fortuna, Varazze (an AHTS of Finarge, Rimorchiatori Riuniti Genova), and Grimaldi’s Eurocargo Venezia.

In Marsa (meaning ‘port’ in Maltese) substantial



Jesmond Mifsud and Colin Formosa



requalification works are being carried out at the former Malta Shipbuilding Co Ltd’s area, starting with a deep dredging to allow the launch of the project for an offshore logistic base by Abela group’s company Able Care.

In one of these docks a nice Belle Époque cruiseship, Kay, that an unsiclosed entrepreneur took over in order retrofit her into a yacht, but the project never really had a start for reasons unknown. Built in 1990 in Gdynia, Poland on behalf of USSR Ministry of Energy one year before the iron curtain fell down, old Vladimir Chivilikhin (up to 1998), 6,273 GT, is now owned by Care Offshore, a Swiss company of Bursinel’s, and flies the Saint Vincent

& Grenadines’ flag.

Another large area is devoted to yards, though not building ones. Palumbo of Naples took over, in two steps between 2010 and 2011, the ship repair and yacht refitting areas. In the first one you can see three behemoths: VLCC Blue, containership Schubert, and oil rig Transocean Almirante. “It’s been a bad winter, the worst I remember, with a lot of wind without respite. This makes manoeuvring hard as the Grand Harbour’s entrance was conceived for ships up to 100 metre long, while nowadays’ cruiseships routinely exceed 300 metres, not to mention 360-metre VLCCs which are increasingly docking for repairs, and they can be a real problem!” points out Formosa and a look at the Blue in Palumbo yard testifies he is right.

“Usually we do 7-8,000 manoeuvres per year, whereof 75% at Marsaxlokk. The only ships exempted from pilotage are those lighter than 500 GT, navy units, and high-speed ferries of Virtu Ferries, the private company that now trades to Sicily with just one catamaran, as the other two have been chartered out” details Formosa.

Before a warm goodbye, he recalls – slightly embarrassed though without reason – that he has been the pilot that sailed out of Valletta the Costa Concordia on 11 January 2012, the last port the unfortunate vessel called at while still seaworthy: “I still have Francesco Schettino’s visit card with his mobile phone handwritten on the back” he shows us. “It’s been an incredible story, because he was technically without fault. Unfortunately, what happened poured a bad name on our industry”.

Angelo Scorza

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Palumbo Malta SuperYachts shipyard welcomes its guests

Accommodation building opening for the specialized subsidiary of the Naples based shiprepair and shipbuilding group which is a firm presence in Valletta since 2010



Palumbo Malta SuperYachts investment in infrastructures developed a lot during last months.

After having built a Yacht Club, with a gym and relaxation areas, the leading Superyacht Yard recently completed the restructuring of a new building to be used as an Accommodation for Crews during their long refitting staying periods that is made up of several double rooms, a gym area, a leisure room with a ping pong, billiard and a soccer table; all rooms have sea view exposure just in front of the beautiful Valletta Port and are served with upmost care and attention to detail in order to make a brilliant staying for all crews coming to spend a refitting period in the yard, being equipped with a bathroom, air conditioning, tv, wi-fi, mini bar and they are decorated with modern furniture.

“Client satisfaction is PMSY priority, for this reason the yard is always trying to make the crew staying the most hospitable and fun possible in their free hours during their refitting time. Everything has been thought to serve the crews with all the services they should require: a kitchen common area is already available in the building and in addition to these new indoor areas, also an outdoor area, just in front of the Yacht Club, is available to enjoy sunny weekends or happy hours. On warm evenings the setting is ideal for a BBQ, or to spend some time after a hard working day, having a drink or a chat, meeting new people and enjoying the beautiful surroundings” says a spokesperson. “PMSY team’s vision to create a crew oriented village is taking shape making the shipyard able to answer to all crews requests, always trying to offer the best services and prices together with the warmest hospitality”.

With five yards in the Central Mediterranean, Palumbo

Group is uniquely situated to offer immediate refit and repair services to Super Yachts of all ranges. Being nowadays the leader Marine group in the Mediterranean, the family-run business founded in 1967, started its activity in the ship repair field and now operates in construction, refit, repair and maintenance of every type of vessel in its five yards located in Naples, Messina, two in Malta and, from 2014, also in Marseille.

Malta Super Yachts Yard covers an area of more than 45,000 square meters including a 160 meters long graving dock, a 140 meters dock covered by a retractable shed - which allows any yacht to enter with her masts - and a floating dry dock. There are 400 meters of quay, for a long side afloat repairs with shore services, workshops, storage facilities and offices for administration and crews.

In March 2011, after having been declared the preferred bidder in the tender to acquire Malta Superyacht Services the previous December, Palumbo SpA Naples finally took over the new Shipyard. The Maltese Government signed the contract for a global amount of € 29.4 million, including an annual ground rent of € 500.000 to be paid for 30 years.

In June 2010, after the agreement for the privatization of the shipyard was formalized, the Neapolitan operator could start its plan focused on a Mediterranean network for maintenance, repair and conversion, with the added



value of megayachts construction and Italian quality Palumbo Malta Shipyard Ltd. and the Government of Malta signed the contract for a total amount of 18 million Euro to be paid in 10 years and an additional annual installment of 1,660,000 Euro until the expiry of its 30 years concession.

The total area transferred to Palumbo Malta Shipyard Ltd. is 221.257 sqm with 4 drydocks of 360x62 metres, 262x40 metres, 216x27 metres, 98x35 metres and 2,000 metres of quays.

Malta Shipbuilding Yard revived with much ambition and Ablecare

The leading supplier of specialist products and services to the marine, oil and gas industry have a special focus on drilling contractors and their specific requirements



In late June Ablecare Oilfield Services Group OSG welcomed an oil rig to Malta Maritime Hub.

The Ralph Coffman, a jack-up oil rig owned and operated by Rowan Companies Inc, arrived in Valletta's Grand Harbour for routine maintenance and inspection. The unit, built in 2009 in Vicksburg, MS, USA, has a drilling depth of 10,600 m and a rated water depth of 114 m.

In summer of last year another great achievement was when the oil rig ENSCO 5004 left Malta after spending seven and a half months in Grand Harbour; Ablecare OSG coordinated all the works needed to enable the rig to be recertified and upgraded.

“Our clients were very satisfied with the services we provided and were impressed with Malta's strategic location in the Mediterranean. This challenging project was successful thanks to the efficiency and co-operation received from Government and local authorities, and

this success has laid the foundation for further projects to be undertaken in Malta” commented at the time Paul Abela, Chairman of Ablecare OSG, based at San Gwann Industrial Estate, with subsidiaries abroad: Ablecare Oilfield Services (Egypt) Ltd, Mainticare Ltd, Tunisia, Mainticare Ltd, Spain.

Ableman International Limited and Mainticare Limited, both registered in 2001, are the founding companies of the group.

All works were carried out on part of the former Malta Shipbuilding site, which was temporarily refurbished to accommodate the services and workers on this specialised project.

“The project left a significant amount of added value to the economy and the local workforce excelled in meeting oil and gas industry standards, especially the rigorous health and safety requirements of this specialised sector” said the company.

In January this year the Government of Malta invited Ablecare OSG as preferred bidder to develop part of the 175,000 sqm former Malta Shipbuilding site into a regional maritime, oil and gas industry hub. The leading local oilfield services provider was already familiar with the site upon works executed. The precise allocation of the site was then left up to negotiation between Ablecare OSG and the Government's Privatisation Unit.

In fact Ablecare OSG plans to establish a unique maritime facility that is dedicated to the repair, storage, logistics and provision of shore support services to the Oil & Gas industry and the international operations of the maritime energy sector in general.

“We are committed to making a major investment, of around €55 million, on this site in the next ten years to enable us to get the maximum of the 45-year lease of the site. We plan to develop a ‘plug and play’ facility to attract and facilitate operations in Malta of all the major global drilling contractors. This is, however, not going to be a site exclusive to our group but a centre where Maltese and international subcontractors and specialists who are prepared to work to the exacting international standards of the oil and gas industry can also find a place and offer their services” specified Chairma Paul Abela.

Anyway Ablecare Oilfield Services reviewed its business model for the Marsa Shipbuilding site after it was told lately that its concession would not cover the whole area; the government intends to issue a new Request for Proposals for the area not allocated to Ablecare.

Last March, 40 consortiums showed interest in the site, 28 collected the documents but only 6 went on to submit bids. Ablecare OSG's one was the only one going for the whole of the site, with a proposal to use it for the oil and gas industry. The company is already using part of the facility, under a temporary agreement reached in October 2013, which has since expired.

Over €1 million has already been spent on upgrading the site to make it suitable for this sector.

“The site is large but 25,000 sqm is taken up by the dock and roads; this leaves only 22,000 sqm for storage” complained Abela, whose company plans to add 2 floors to the building near Quay 2 while the ‘locker’ building will be used as offices and maintenance workshops.

The company is planning to construct an oil and gas marine engineering hub, to be known as the OGME Hub, which



would be fenced off from the rest of the area and would be accessible to service providers and third parties.

Angelo Scorza

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Carmelo Caruana eager to celebrate its first century in 1923

The proactive Maltese ship agency, part of the mighty and structured Hili Ventures group, is being able to diversify its historical liner and oil business with investments and acquisition in logistics and in the Baltic region



Darin Zahra

Marsa (Malta) - Nineteen Twenty Three, Valletta Road. This is the address of Carmelo Caruana Company Limited, headquartered in a modern grey and white building in Marsa, one of the several districts on the outskirts of Valletta, the capital city of the small although crowded Mediterranean island.

The ship agent firm is part of a group of companies, Hili Ventures, a comprehensive organisation involved not only in shipping, port and logistics, but also in property management, quick service restaurants, and technology, which is led by one of Malta's best known entrepreneurs, Melo Hili, as its chief executive officer.

The structure of the group is based on four main divisions: Hili Company, Hili Properties, Premier Capital (which

runs a McDonald's operation of 61 restaurants in Latvia, Lithuania, Estonia, Greece and of course Malta), and PTL International, the technology business spread in six countries. An interesting venture is Motherwell Bridge, providing mechanical and electrical engineering services and maintenance of port terminal cranes.

From its headquarters in Malta, Hili Ventures steers the group towards continued growth in selected sectors and markets. "We partner some of the world's most valuable names like Apple, IBM, Microsoft, Cisco, Lenovo, CMA CGM, Konecranes, Terberg, Tranter, Allison and Hoffmann.

"We are present in 10 countries across Europe, the Middle East and North Africa" Carmelo Caruana Company's Business Development Manager Darin Zahra says. "Thanks to our 3,500 people, we excel at logistics, engineering, IT and security solutions, and operating quick service restaurants and retail operations in partnership with the most admired global brands, like McDonald's and Apple. Our determination is to grow our geographical footprint, enhance our leadership of the industry sectors we operate in, and strategically branch out in complementary markets".

In turn, Hili Company is the logistics pillar of Hili Ventures, the pillar to which Carmelo Caruana Company belongs. Mr Zahra, who joined in 2009 as liner agency manager, takes care of investigating the several opportunities to make the company grow up further more.

The roots of the firm date back to 1923 – hence the building address Ninety Twenty Three - when it was established by Carmelo Caruana, a relative of the Hili family, whose painting in fact is hanging on the main office wall.

Carmelo Caruana Company is being developed in line with an interesting diversification strategy – all rings in the freight supply chain are provided in a 'one stop shop' concept. "A lot of services are done in house in order to facilitate a smooth flow of the whole supply chain," Mr Zahra says.

The involvement in logistics and freight handling is thorough. "We own warehouses in the freetrade zone, a sort of distripark, which offers particular advantages. We have also another depot at the customs bond. Our projections of trade is some 22,000 TEUs handled per year, although



this involves only domestic business; sometimes we have foreign clients also asking us to perform groupage and logistics activity”.

One of the core business areas remains the ship agency: “We are covering the whole shipping spectrum, both wet and dry cargo, totaling some 1,900 ship calls per year, split as 70% dry, 30% wet. We have little bulk cargo, minimal compared to containers, which is definitely our main area of engagement, having been since 1993 the liner agency for French global carrier CMA CGM. In the wet sector we work with several oil traders at Marsaxlokk with energy storage multinationals.



We manage vessels at the Valletta terminal with a pipeline going to various points at Marsaxlokk for the oil storage. Overall, we handle 138 transshipment operations of oil

tankership that is done offshore at open sea; for such complex operations you need technical equipment (fenders, hoses and other equipment), but also professionalism and good weather, since this activity is performed outside territorial waters, 12 miles offshore. In bunkering we have a couple of areas of competence, through bunker barges, but sometimes also by road through a fleet of tank trucks”. Altogether there is a staff of some 60 employees at Carmelo Caruana. “Indeed this is our big asset: their expertise and full dedication, and skills that are updated through continuous training”.

The growth of the company is mainly organic, despite the present declining trend of the wet sector, due to falling oil prices. The firm keeps its eyes open for new areas of business.

“We have just completed an acquisition of the local agents handling Fedex Express, a company called Airsped Express which we integrated into our organisation. The take-over also includes Global Parcels Limited, which is the agent for General Logistics System. These courier express services diversify the business,” Zahra stresses.

Another winning card is the capability to create synergies with its own sister companies in the Baltic region. Hili Company also owns Baltic Freight Services, based in Vilnius, Lithuania; and another logistics company, Prime Logistics, in Minsk, Bielorrussia, focusing on the dramatically growing business between China and Russia. But what about Italy? Sicily is just 60 miles away...

“We have various clients in Italy, since our customers run different operations. We are involved in local operations. Recently we made a new investment in equipment for transshipment operations in the oil port of Augusta. We started only this year, however we believe this is a new logistics option worth offering to oil majors and oil traders,” Carmelo Caruana’s business development manager concludes.

Angelo Scorza

SHIP 2 SHORE

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