

# Resolving problem areas in SSS

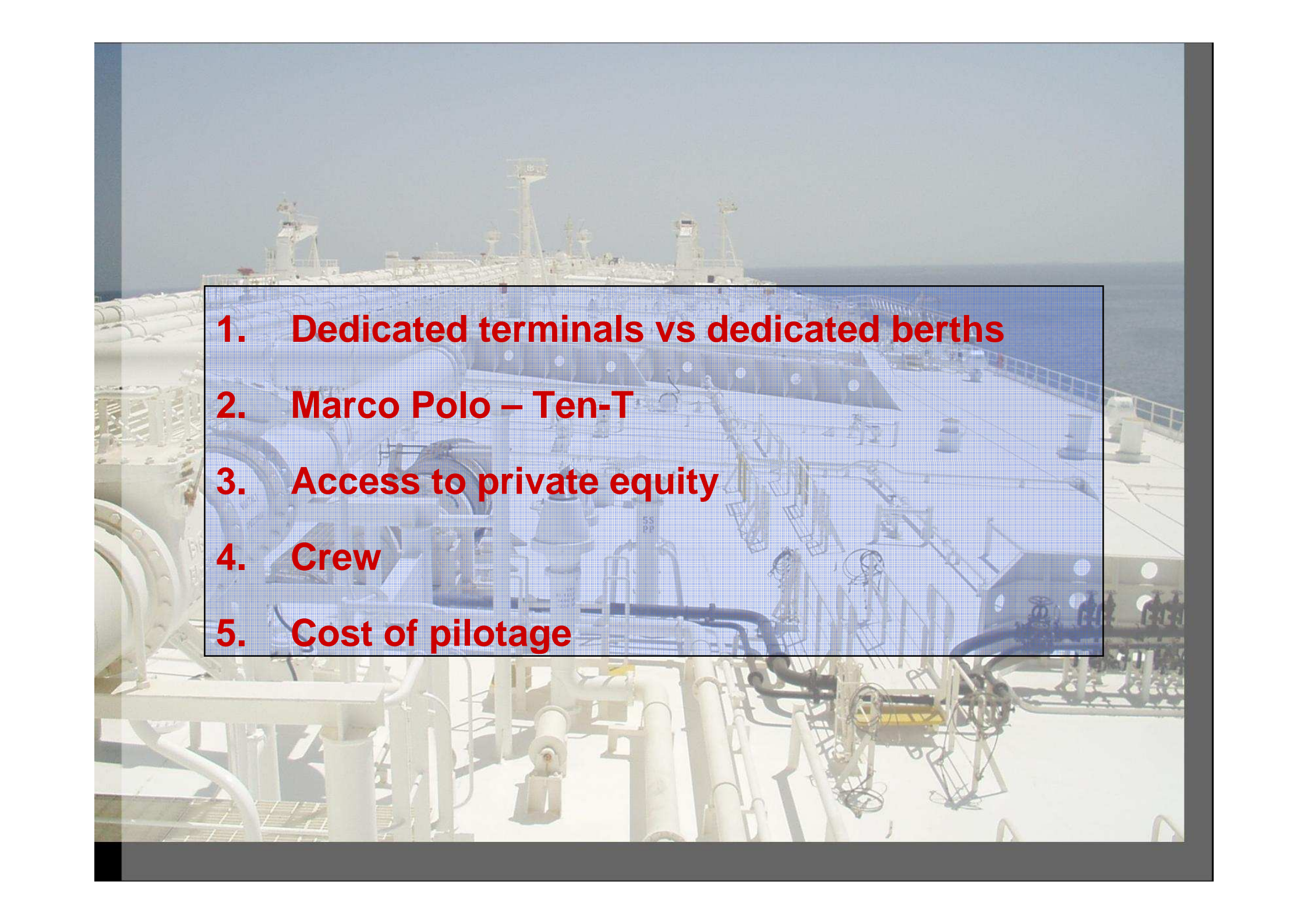
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- 1. Dedicated terminals vs dedicated berths**
  - 2. Marco Polo – Ten-T**
  - 3. Access to private equity**
  - 4. Crew**
  - 5. Cost of pilotage**

# Short Sea Hubs or dedicated terminal

- important for shippers since the vessels are not considered as complementary => increase in efficiency
- smaller investments in the terminal (ships are smaller => no need for XL cranes etc.)
- flexibel, effizient, creates a steady cargo flow



# Dedicated short sea berths

- Contrary to the hub, where everything is centralised, the dedicated berth will be on the same location as the deepsea terminal
- No waiting till the deepsea vessel has discharged => discharging of the deepsea vessel and loading of the short sea vessel can happen at the same time
- On top of that the short sea operator can load more cargo from the same client at that terminal thus reducing his port costs by avoiding to have to shift to too many different terminals

# Total port costs: a comparison

	<u>Encounter</u>		<u>Norma 3</u>		<u>Marfeeder</u>	
	ANTW	RTM	ANTW	RTM	ANTW	RTM
Port dues	3272,24	2957,45	3825,71	3191,20	2434,44	1929,58
Pilotage fee	6334,00	5954,00	6931,00	6530,00	6063,00	5906,00
Towage	957,00	1109,00	957,00	1242,00	842,00	1009,00
Boatmen	1455,00	948,00	1670,00	1034,00	1128,00	812,00
Waste services	130,00	290,00	130,00	370,00	65,00	290,00
Ship reporting	131,50	160,00	131,50	160,00	99,50	131,00
Agency	300,00	300,00	300,00	300,00	300,00	300,00
VTS		312,22		375,10		170,74
TOTAAL	12579,74	12030,67	13945,21	13202,30	10931,94	10548,32

# Hint: S.O.P.F.

- The shipowners' protection fund reimburses in Antwerp shipowners if they have suffered delays due to social unrest.
- The cost is between 2€ to 44€ per call depending on the tonnage.



# Crewing issues



## 1. Crew availability

- special CBA's for short sea
- revising the STCW convention:  
<3000GT or 3000 kW resp. is too little +  
extend to a European near coastal area  
in line with e.g. Australia (< Donald  
Lindehan)

## 2. The (in)famous two watch system

# Marco Polo & TEN-T

- Motorways of the sea should never create distortions
- Preparing for a project is often time consuming & cumbersome therefore they might be benefitting only those who can spare the effort viz. The larger players
- Ecoboni (S-Europe): the way forward?

# Access to capital

Private equity in shipping:

- KG systems (The Netherlands, Germany)
- Mortgage certificates



# Mortgage certificates

- Issuer = ltd. Liability company (min. 2 partners)
- Actual duration: 7 to 15 years depending on vessel's type and market conditions. Ship sale causes the liquidation
- Prospectus required
- Total investment value = purchase price + actual costs made to structure the transaction

# Mortgage certificates

- Vessel to be financed by issuing certificates + securing a bank credit (long term loan with fixed interest rate)
- Certificates to be issued publicly (& privately) + guarantee to be given of positive outcome
- Shipmanagement to a large extent in Belgium (tonnage tax requirement)

# Mortgage certificates

- Certificate holders  $\neq$  shareholders but still
  - Annual info meeting
  - Extraordinary AGM:
    - Modification of certificate status
    - Early sale
    - Extended duration



# Mortgage certificates

(tax regime for the certificate holders)

- Certificate holder has the right to claim:
  - A share of the annual income
  - A proportional share of the net sale prospects
- Payments:
  - Reimbursement of capital invested = tax free
  - Interest on capital invested
    - For private citizens: 15% withholding tax
    - For companies: normal rate
  - Proportional part of the sale of the vessel:
    - Part of invested capital = tax free
    - Surplus value:
      - For private citizens: 15% withholding tax
      - For companies: normal rate

HANG IN THERE!

