

SPONSORED SUPPLEMENT: SHIPPING AND LOGISTICS - DENMARK

# A thousand years of expertise

With one of Europe's longest coastlines and surrounded by more than 400 islands, Denmark's history, culture and traditions have always been connected to the sea. Just as Denmark's economy remains tied to the international maritime industry, the country is continuing to strengthen its economic ties with China, which has become the world's greatest exporter of manufactured products. China's economic growth offers tremendous opportunities for merchant navies worldwide.

Beginning in the ninth century, the Viking Age flourished for 300 years as the Danes explored and traded with the outside world, travelling as far to the east as Russia and Turkey, and using sea and inland waterway routes. Denmark established a prized shipbuilding tradition, a foundation on which the country has built its maritime industry.

While the Danes have shifted the manufacturing of their vessels to shipyards in Japan, South Korea and China, the Danish shipping industry remains strong and internationally competitive.

The phrase "Blue Denmark" refers to the shipping, ports, shipyards and equipment and service suppliers who cover the maritime supply chain. These industries work in partnership to ensure that Danish maritime excellence remains at a world-class level.

Peter Bjerregaard, managing director of the Danish Shipowners' Association, says: "Shipping is a driving factor within



Nordic Bulk Carrier's NSR Barents Ice. Shipping plays a key part in Denmark's economy.

Denmark's economy. Blue Denmark employs around 100,000 people and generates a quarter of Denmark's export earnings."

The Danish Maritime Authority acts as a representative body under the Danish Ministry of Economic and Business Affairs and plays an important role in maintaining and developing Denmark's role as a leading maritime nation. "Our core strength as a shipping nation is the synergy created between Danish companies working together to drive the cluster forward," says Andreas Nordseth, director general of the Danish Maritime Authority.

Industry heavyweights, such as Norden, Torm, J. Lauritzen and A.P. Moller - Maersk (the world's largest operator of container ships and supply vessels), play significant roles in the Danish shipping industry. However, privately owned medium-size companies such as Copenship and Navision Group are acting as drivers for some of the industry's most important developments and innovations.

"We are seeing a large number of new players in the industry who are successfully competing against some of

the larger and more established players," Bjerregaard explains.

One example is Copenhagen-based Nordic Bulk Carriers - the first non-Russian operator to use the Northern Sea Route for commercial transit purposes.

As an increasing number of graduates are attracted to Blue Denmark career opportunities, the younger generation is driving the Danish maritime industry into the future.

"In Denmark, shipping is considered to be a glamorous industry in which to work," says Carsten Mortensen, chairman of the Danish Shipowners' Association and president of Norden. "Two factors influence this sentiment: our history within the maritime sector and the Danish shipping companies which have become international industry leaders."

The Danish Maritime Authority supports the notion that Danish shipping represents quality shipping as Nordseth explains: "International shipping companies continue to acknowledge the importance of flying a Danish flag. As a true shipping nation, we adhere to the highest standards of health, safety and environmental protection.

"We have over 500 ships - about 15 million tonnes registered under Danish flags. "We do not use flags of convenience as we believe in setting the highest standard in quality shipping."

With Denmark's relatively small economy, it is imperative that the country continues to build on its reputation as an international player and the country has developed strong ties with China.

Bjerregaard says: "China is an important partner for Denmark and our relationship is strong."

The China Shipowners Association recently visited Denmark and held discussions focused on strengthening China - European co-operation. Our relationship with the Hong Kong Shipowners Association is also very strong."

As China continues to improve its ship-building capabilities, Danish shipbuilders have increased their orders for Chinese built vessels. Ships are increasingly being fitted with Danish equipment manufactured by companies such as Hoyer and Grundfos.

Bjerregaard adds: "We are pleased with the development of maritime policies

in China and the quality-drive in Chinese shipbuilding. Today, 13 per cent of all new-builds are made in China."

As Blue Denmark sails forward, innovations in environmental technologies will provide opportunities for greater collaboration with Chinese partners.

The cluster works closely with the International Maritime Organisation by developing technical and market-based solutions and submits proposals for the reduction of global CO<sub>2</sub> emissions.

Nordseth says: "We are at the forefront of green-technology. Danish shipping companies incorporate best management practices and an increasing number are marketing themselves as green companies."

China's development as a quality shipbuilder depends on its ability to move towards greener technologies. Denmark's capacity to provide environmental solutions to the maritime industry is a good opportunity for increased collaboration between China and Denmark.

Bjerregaard adds: "We are interested in providing our cutting-edge technologies and expertise to China. Our two countries understand that the opportunities which have already been grasped will facilitate further openings for us to work together."

As a leader in the maritime industry, Denmark continues to innovate and create momentum within the global shipping business.

By building on traditional values and nurturing a determination to succeed, Denmark will remain a leading international maritime power.



A Lauritzen ship sails under the 7845-metre Oresund Bridge, the longest road and rail bridge in Europe, which connects Sweden and Denmark.

## Danish shipping industry: facts at your fingertips

### Key figures and statistics of the shipping industry

- Uninterrupted growth in the Danish merchant fleet since 1998.
- Denmark is the seventh biggest shipping nation in the world.
- Danish shipping's foreign currency earnings went up 20 per cent in 2010.
- Danish shipping companies transport 10 per cent of the world trade.
- Danish owners' order book amounts to 179 ships of 8.2 million GT or 10.1 million DWT.
- Danish owners' order books are ranked 13th largest in the world (October 1, 2011).
- Danish shipping companies own 3 per cent of the world's tonnage.
- 5 per cent of the world's tonnage is controlled from Denmark.

### Size of the Danish Merchant Navy

Number of ships	597
TDW (million)	14.5
GT (million)	11.8
Danish shipowners operate more than 62 million TDW	

### Danish shipping's most important markets

Per cent of the gross freight	
EU	27
China (including Hong Kong)	15
Japan, East Asia	15
US	12

### Largest Danish companies, irrespective of flag, by owned tonnage

Rank	Shipping company
1	A.P. Moller-Maersk
2	Torm
3	Norden
4	J. Lauritzen
5	Investmentgroup Denmark

As of July 2010

Sources



www.danishshipping.com

DANISH MARITIME AUTHORITY

www.dma.dk



Andreas Nordseth, director general, Danish Maritime Authority



Peter Bjerregaard, managing director, Danish Shipowners' Association

## Success in unchartered waters

The famous Northern Sea Route follows the Russian Arctic coast and connects the Atlantic with the Pacific Ocean. Nordic Bulk Carriers, the first non-Russian operator to use this historic sea route for commercial transit purposes, is confident that the route will create new business opportunities for the entire shipping industry.



Nordic Bulk Carriers managing director and partner Mads Boye Petersen explains that "the Northern Sea Route project reflects our position and strength as a leading operator of modern heavy-ice classed bulk carriers. Our vessel, MV Nordic Barents, initially shipped iron ore from Norway to China in the summer of 2010. By opening this new sea route, we



Christian Fossing Hansen, chartering manager, Nordic Bulk Carriers

have created opportunities for the entire shipping industry".

Despite the obvious challenges of navigating across the Arctic, in August 2011, Nordic Bulk Carriers took the lead

on exploring the Northern Sea Route for a second time and transported 70,000 tons of iron-ore concentrate from Russia to China.

Petersen says: "The vessel we use

for the Northern Sea Route is an ice-class 1A ship 75,000 (dwt) and is the only ship classification that the Russian authorities permit for this transit."

While Nordic Bulk Carriers employs a vibrant, young team, the company has a tremendous amount of experience in the shipping industry. Chartering manager Christian Fossing Hansen intends to build on the company's growing reputation, particularly in the Far East, having established a Pacific Desk in the company's headquarters in Copenhagen.

"A desk in the region will enhance presence and co-operation and help us get a thorough understanding of the Asian market," Hansen explains. "All in all, we hope this demonstrates both our commitment to the region and our desire to grow our business with China."

"We intend to grow our business based on our excellent service, flexibility and fast decision-making. We too recognise China as the primary driving force behind the general increase in seaborne dry-bulk trade. In order to develop relations with our Chinese clients, we are thus actively looking into the possibility of opening a branch in Asia."

www.nordicbulkcarriers.com



Warehouse of Scan Global Logistics. SGL offers clients a complete range of transport and logistics solutions.

## Simple, independent and reliable service offered

With a global transport network covering more than 187 countries, Scan Global Logistics (SGL) is dedicated to providing tailor-made logistics solutions.

SGL has taken its "can-do" attitude to China and is continuing to see its business grow throughout the region.

During the past 30 years, SGL has been offering innovative supply chain solutions for global sea, air and road transport in addition to specific specialist services.

With a clear vision identifying where SGL is heading, clients are working alongside SGL as their partner of choice. The company's vision includes attracting and retaining the best employees to provide a high standard of professional service to existing and new customers.

SGL's focus on new business led the company to enter the Chinese market. A comprehensive network has been established with SGL offices in Beijing, Fuzhou, Ningbo, Qingdao, Shanghai, Shenzhen, Tianjin, Xiamen and Hong Kong.

SGL offers customers in China a special proposition: to turn fixed costs into variable costs by warehousing fully or partially in Asia. The company is focused on presenting American and European businesses in China with this "Asian warehousing" opportunity in order to ensure client shipments reach the right customer at the right time. By packing, labelling, price tagging and implementing quality controls, SGL can ensure clients avoid transporting products twice by delivering goods directly from production facilities to the end user, specifically SGL's clients' customers.



Allan Riber Nielsen, sales manager for Hong Kong and South China, Scan Global Logistics

organisations, assisting with logistical solutions worldwide wherever and whenever it is needed.

The Chinese wind-turbine industry also benefits from another of SGL's specialist services - "Wind in China". Developed in co-operation with Chinese partners, "Wind in China" is a complete solution and handles products and components throughout the supply chain, from production to final delivery.

SGL's latest concept involves selling warehousing services on the mainland and Hong Kong for "Webshop" companies. SGL serves companies that purchase products in Asia by delivering goods straight to end users' private addresses in Europe.

Future plans for SGL on the mainland include an expansion strategy incorporating new offices in Dalian, Guangzhou, Chengdu and Chongqing over the next two years. The company's priority will be to open an office in Dalian in the first quarter of 2012 to cope with increased customer demand. The opening of offices in Guangzhou and other cities will depend on the macroeconomic climate in line with SGL's strategy for growth.

By minimising client costs and maximising efficiency, SGL is well positioned to continue offering international clients a complete range of transport and logistics solutions. Close business relationships continue to be the key to the company's success and SGL is determined to offer clients the most innovative approach to logistics services.

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- Tianjin
- Xiamen

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Specialist services are also a key strength at SGL. The company is heavily involved in the global aid and relief business, with a dedicated 24/7 team working together with the different

# First choice for maritime investors

Having been actively involved in the shipping industry for 25 years, Peter Jein, founder and senior partner of Navision Group, understands the need to strategise for the future. Jein has come to recognise the importance of China and the country's role in the future of the global shipping industry.

Since its establishment in 2001, the group has developed a fleet of up to 30 vessels transporting 700,000 tonnes of dry-bulk cargo every day. Operating in 30 countries, Navision has established a strong reputation in the handysize and

handymax dry-bulk segment of the market with vessels typically between 25,000 and 50,000 tonnes. With the motto: "We care about what's inside", Navision has also developed a trustworthy reputation.

"Credibility is important in our industry and we've worked hard to build our reputation over the years," Jein says. "Our motto speaks volumes about how we view our people, customers, partners and investors."

Navision is in the process of pooling together investors to create a new fund to acquire five to 10 modern ships. "The thoughts and strategies behind the fund is

to take advantage of the very depressed market which for sure will show some very attractive deals, as banks and owners will have to slim the balance sheet, and we will be cash buyers," Jein explains. While companies within the industry typically help with the purchase of a vessel first and then find investors later, today's investment climate has created obvious challenges. In order to differentiate Navision, Jein intends to raise initial funds before looking for the right vessels and is inviting Hong Kong and mainland investors to take part in the fund.

Jein says: "It is critical to find the right partners, financiers and counterparts and we are confident of raising the capital needed in order to build up the fleet in 2012. Navision has enjoyed a good relationship with Cosco Shanghai for 10 years and we recognise that today's modern international shipping industry wouldn't be where it is today without China. We are pleased to invite investors from Hong Kong and the mainland as we see 2012 as a year of opportunities within our industry."

[www.navisiongroup.com](http://www.navisiongroup.com)



Peter Jein, founder and senior partner, Navision Group

## Strengthening its foothold in key China market

Established in 1974, Hoyer has become a pioneer among the small and medium-sized Danish businesses established in Asia. The company today has activities in Denmark, Norway, Sweden, Germany, Poland, the Benelux region and China. With the successful completion of an all-inclusive corporate rebranding, the Hoyer Group is now positioning itself as a global player with an international strategy.

Thomas Klausen, sales manager of Hoyer, explains: "Having recently rebranded ourselves, we are in a stronger position to provide better efficiency in our approach to customers and partners. Through the creation of our two strategic business units, Hoyer

Motors and Hoyer Transmissions, we have streamlined the company and fully expect an annual growth of at least 20 per cent until 2015."

Hoyer supplies electric motors for hydraulic units, pumps, ventilation systems and deck cranes for both land-based and marine sectors. As a logistics and technical partner, Hoyer also creates value for customers by helping them optimise their working processes and supply chains.

The company established Hoyer Motors Asia, in Ningbo in 2007, to provide European customers in Asia with high-quality products and services. Hoyer's focus today is on Chinese and Asian customers within the shipping industry.

"China continues to be our most important market in Asia and our sales there make a huge contribution to the entire company," Klausen says. "We have already expanded our facilities in Ningbo and are projecting further growth in the future."

"Our European customers in China appreciate that we offer the same service and quality as our operations in Europe." While Hoyer has its sights set on customers in other important Asian markets, such as Japan,



Hoyer Motors Asia in Ningbo, Zhejiang province, expects an annual growth of at least 20 per cent until 2015.

South Korea and Singapore, China remains the key to the company's Asian growth strategy.

Klausen says: "We are looking forward to creating new business

relationships and commercial initiatives, and intend to be a reliable supplier of marine motors to customers throughout the Asian region.

"As we grow, Hoyer will remain

committed to strengthening its position in China."

[www.svendhoyer.com](http://www.svendhoyer.com),  
[www.hoyermotors.com](http://www.hoyermotors.com)



Hoyer IE2 motor in cast iron with B5 flange

## Providing clients with the highest levels of service and efficiency

Established in 1978, Copenship has evolved into a modern, streamlined operating company with more than 50 vessels on charter at any given time. Initially focusing on East African trade and chartering within the grain trades, Copenship has today positioned itself as a company with a clear focus on business with China.

Michael Fenger, president and CEO, is responsible for the company's trading units: Copenship Bulkers, Copenship Singapore and Copenship UK, and the representative office in Sao Paulo. Jørgen Larsen, executive vice-president, is responsible for Copenship MPP.

"We established our Singapore office in 2009 and the business generated has been significant," Fenger says. "The Far East is a highly competitive region, it brings a lot of value to our business, both in terms of information flow and commercial activities."

Copenship's decision to create a more cargo-oriented brand than other traditional Danish operators has helped the company increase its presence in Asia. The opening of an office in China

looks more than likely in the foreseeable future once projected volumes have been reached. "We know where the growth is coming from and are very pleased with our progress in China – our Far East business today represents a significant contribution to our turnover," Fenger says. "We have an excellent relationship with most Chinese owners and today Cosco must be our largest supplier, with whom we co-operate very closely."

Recognising that shipping is a "people business", with personal contacts leading to strong partnerships, Fenger is positive about Copenship's future.

"In order to develop our Far East business and facilitate effective communication, we have hired native Putonghua speakers," he says.

"As we continue to provide clients with the highest levels of service and efficiency, our open dialogue with customers and suppliers will ensure Copenship is in a strong position for the future."

[www.copenship.com](http://www.copenship.com)



Michael Fenger, president and CEO, Copenship

## Revolutionary cylinder lubrication solutions



Rasmus Hans Jensen, vice-president and sales director



As China's shipbuilding industry develops, international companies are increasing their efforts to deliver high-quality environmentally friendly products to customers in the country. Established in 1917, Hans Jensen Lubricators continues to operate as a family-owned company and is committed to the future development of its business in China.

Focused on the development, production, marketing and service of cylinder lubrication for two-stroke marine diesel engines, Hans Jensen Lubricators today delivers products to Chinese engine manufacturers such as Dalian Marine Diesel, Yichang Marine Diesel Engine and Hudong Heavy Machinery.

Rasmus Hans Jensen, vice-president and sales director, says: "We offer different cylinder lubrication systems for the maritime industry and the power plant sector worldwide. Our innovative product developments, creative solutions and efficient delivery have won us a great deal of business in China, among others with our patented HJ SIP cylinder lubrication solutions, which offer the possibility of the lowest cylinder oil consumption available on the market."

The company established a sales and representative office in Shanghai in 2006 in co-operation with West Diesel. The company, Danish China Marine Supply, has ensured the company remains close

to its mainland customers. Jensen says: "Having a local presence in China has enabled us to better serve our customers within China's marine industry. Just as Chinese shipyards and engine manufacturers have been keen to partner with reliable companies, we are totally committed to our valued partners in China."

Rasmus Hans Jensen  
Vice-president and sales director,  
Hans Jensen Lubricators

[www.hjlubri.dk](http://www.hjlubri.dk)

The mainland market increasingly represents a significant portion of Hans Jensen Lubricators' business and Jensen expects business in China to develop greatly in the future.

"It is essential for us to be locally represented in China and we employ local staff to facilitate business," he says. "We have a quality product with a proud history – I am the fourth generation to have worked for the company. We know how important it is to penetrate the Chinese market and, though we have succeeded in China, we will continue to work hard to nurture our business there."

## Energy efficient pumps for the shipbuilding industry

The Chinese maritime sector is starting to take notice of Grundfos, a global pump manufacturer. The company is pioneering solutions to cut energy on marine vessels.

"Grundfos is strong in providing energy efficient onshore products and these applications can be transferred to the shipping industry," says Morten Gylling, segment director, general industry. "We see huge opportunities as the environmental agenda continues to play an important role within the marine sector. We have developed innovative seawater-resistant pumps and we are continuing to build a strong portfolio through further research and development."

The cutting-edge technology used in Grundfos pumps allows the energy consumption related to engine cooling to be reduced by as much as 75 per cent by automatically

adjusting the pump speed to the temperature of the seawater and/or to the engine load. As approximately 90 per cent of a pump's total cost stems from the energy consumption, this makes for significantly reduced life cycle costs. Grundfos' product range is suitable for a



Grundfos pump control units (right) adjust engine-cooling pump speed to current load and sea temperatures, saving up to 75 per cent in energy costs, according to the firm.

variety of marine applications such as seawater and freshwater cooling pumps, boiler feed and utilities.

"We have been very active within the Chinese market and are dedicated to continue working alongside our partners in China, particularly Chinese shipyards," Gylling says. "As energy reduction and environmental awareness debates continue within the Chinese marine industry, we understand that we must be dedicated to the Chinese market and ensure our products are available to our customers and partners throughout China."

With more than 18,000 employees – 1,500 of them in China at two factories and several sales offices – Grundfos produces more than 16 million pump units a year. The production of these circulator pumps, submersible pumps and centrifugal pumps covers some 50 per cent of the world market for these pumps and pump systems. Grundfos also produces electric motors and electronics for controls for pumps and other systems.

[www.grundfos.com](http://www.grundfos.com)

**INVITING INVESTORS FROM CHINA AND HONG KONG**

Navision specializes in successful ship investment projects delivering strong financial performance in partnership with investors – many of whom enjoy a long standing relationship with the company.

[www.navisiongroup.com](http://www.navisiongroup.com)

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Hoyer Motors has received the first design approval from ABS(American Bureau of Shipping) of IE2 motors.

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