

ONLINE

IVARAN
Lines

**WITH
IVARAN**

Issue 1/96

Procter & Gamble Company

**LOOKING TO FORGE
TRUE PARTNER-CARRIER
RELATIONSHIPS**

INTENSE COMPETITION IN SHIPPING

There are current and foreseeable trends in the international searade markets which have induced many carriers to reconsider and consequently revamp their strategic approaches towards providing better container transport. To a large extent, Ivaran's business pursuit is driven by technological advancement, the building or chartering of efficient ships and long-term business relationships. The final years of the 20th century seem to promise a period of economic growth and freer trading conditions. There will continue to be intense com-

petition in all shipping sectors. Now well into 1996, Ivaran is ready to do its part towards efficient, environment friendly searade in which bona fide operators and their companion investors can achieve commercial success. The prospect of achieving operational safety, corporate objectives and the mobility of the needs of trade are possibly more encouraging than at any time during this century. But such achievements are dependent on the goodwill and readiness to cooperate by links in the Ivaran chain. It is in this context where Ivaran optimism is high. Hence the outlook towards a good 1996 looks extremely favourable.

Mark Fuhrmann
editor

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TWELVE MONTHS AND PLENTY OF CHANGES

Twelve months – and plenty of changes. The year has gone fast for Morten E. Veflingstad since being given the opportunity to head up Ivarans' American Services. With his background primarily in non-cellular RoRo services in the east-west trades, it has no doubt been an intense introduction to Ivaran's north-south services between the American continents; the traditional mainstay with more than 70 years' successful operation.

The North - South American trade, overestimated by many after Drewry Consultants in 1994 named it the sexiest little trade in the world, has been attacked by many lines over the past 24 months. With the liberalization of the Brazilian and Argentine economies we have seen considerable growth in this trade; mostly southbound - and lately primarily to Brazil. In 1995, the southbound volumes from the U.S. exceeded 1994 volumes by some 40% in TEU terms, whereas the northbound growth was a mere 3%.

The gap between southbound TEUs and those moving northbound with cargo was an unhealthy 140,000 TEUs, or 35% - and in fact exceeding the southbound growth in TEU terms.

So this little trade saw some 650,000 two-way TEUs move in 1995 - transshipment cargoes included. In a global east-west context, where both directions are totalling some 15-16 m TEUs, it is still a small trade. And not very sexy.

tomers with fixed-day weekly service between all North American coasts, the Gulf of Mexico, Brazil, Uruguay, Argentina and Paraguay.

Additionally, we are reviewing our coverage of both the Caribbean markets

"INTENSIFIED COMPETITION IS PRESSURING LINES TO IMPROVE BOTH THEIR QUALITY AND EFFICIENCY OF SERVICE"

During the last two years the trade has seen the departure of one line and the entry of five to six new lines, three of these during the last 12 months. There are more to come - we already know of two, plus others lurking in the shadows.

The capacity growth from 1993 to 1994 was estimated at more than 30%; reaching almost 500,000 TEUs (at 14 tons) in each direction and almost 70 vessels plying the route. The growth continued well into 1995; at one time bringing the overcapacity close to 30% southbound and exceeding 80% northbound.

This intensified competition put the pressure on the lines to improve both their quality and efficiency of service. So what did we do? Improve our service, of course, and cut our costs.

In 1994 we were offering sailings every 9-10 days in our Gulf service and every 8-9 days in our U.S. Eastcoast Service. As from April 1996 we will have weekly frequency in each service - we have even added ports of call. And as soon as the Brazilian ports can provide us with reliable berthing and productivity, we will in return provide our cus-

as well as the North coast of South America with the intent of satisfying our customers' needs in these important and growing trades.

Our costs have come down, as have the rates we offer to our customers, and we now provide a better service at a lower cost.

But are we making money? Yes, but not enough. To re-invest in the tonnage and service infrastructure that our customers will continue to demand, will require further improvements on the return of our current investment.

So - the job isn't done yet - but we've come a long way. Keep at it Ivaraners!

"Ivarans is now providing a better service at a lower cost, but is it enough?"

- Morten E. Veflingstad, vice president Liner Division A/S Ivarans Rederi



The rise of returns for container ship operation during the past years has sparked a series of ripples through the shipping industry and containerization trade. Throughout 1995 container vessels contributed greatly to increased shipbuilding activity. Extensive projects from almost all of the major operators were under negotiation and took up a substantial part of yard capacity. During the year, Oslo shipbroker RS Platou registered total contracts of 42 vessels above

4,000 TEU's, 62 vessels between 2,000 and 4,000 TEUs, and about 195 vessels with capacity of less than 2,000 TEUs. In total about 560,000 TEUs were contracted. No doubt, 1995 will go down as a record breaking year for post Panamax container ordering.

There is little doubt that the container vessel industry is concerned about over-capacity, a bottoming out of freight rates and the question of "absorption." Well into 1996, the scrapping of container vessels still seems to be a future phenomenon and most lines are looking to introduce bigger ships. North-South routes are booming, creating a home for medium-sized vessels - a feature especially in the South American trades, but most eyes are set on Asia.

In the near future, Asia will become the world's largest consumer market. While this is appealing to container operators, the reality that Asia will also be a major export region, makes liner companies very attentive to this region. Some major operators have broadened

their trans-Pacific and intra-Asia routes by offering service between Europe and Asia. Reflecting the growing importance of Asia, is the development of China and European markets that are rapidly becoming linked via direct service to

this time, Shanghai port authorities forecast total port handling capacity will reach 320 million tons and container handling capacity somewhere between 16 to 20 million TEU. One of the main goals of China's shipping industry is to speed up the formation of the effective nationwide cargo flow system. The basis of the effective cargo flow system is the container transport system.

China has over 929 container vessels (of which 401 container vessels are over 500 GRT), with a total of

THE POINT OF NO RETURN: CONTAINERIZATION

and from important ports, such as Shanghai and Yantian.

China's plans for growth and a large chunk of the Asian/European/North America container trade are impressive. Take, for instance, the strategy of the port of Shanghai. By the 2010, Shanghai will have completed its second phase of port construction, thus fully establishing itself as a modern international shipping center. The water depth of its main Yangtze navigation waterways will be maintained at 12.5 meters and third and fourth generation container vessels can move in and out 24 hours a day. The establishment of the Shanghai Shipping Exchange Centre is well under way and international shipping companies are establishing their branches in China. By 2010, Shanghai expects port turnover to reach 280 million tons and container handling capacity 8 to 10 million TEU. By 2020, the water depth at the Yangtze mouth is to be maintained at 14 meters, thus allowing super-Panamax container vessels free movement in and out. By

251,000 TEU. COSCO, the largest shipping company in China which has successively deployed large and high speed container vessels with capacity ranging from 3,500 to 3,800 TEU, has readjusted its container liner services and opened up the liner service to the east coast of the United States via the Suez Canal, thus strengthening its position and share in the world liner market and achieving good economic benefits as well.

With the growth of world trade and increasing proportion of containerizable cargo carried by sea, the demand on container transport will continue to become increasingly high. According to forecasts, the container volume of world sea trade will see an annual increase of 6% in the next few years, of which the container volume on the Pacific and Far East/Europe routes will go up by over 10%. But can this offset the growth of container capacity? According to statistics, the container carrying capacity of the world container fleet amounted to 4.1 million TEU in 1994 with an increase rate of 9.5%, and 4.55 million TEU in 1995. The main feature of present world shipping market is the extremely severe competition caused by excess carrying capacity. The survivors will be the shipping companies which have formulated development strategies for internal and external operation to survive in the competitive market.

"The container vessel industry is concerned about over-capacity, a bottoming out of freight rates and the question of absorption"



IVARAN LINES ASSISTS IN WORLD CHAMPIONSHIP

by Linda Andersen

Member of the Norwegian Olympic Sailing Team.

The world championship in sailing for the 470-class took place in Porto Alegre in the south of Brazil during 7 - 17 February, 1996. The Norwegian team was extremely fortunate to transport their boats and equipment with Ivaran Lines. Two boats were to represent Norway in this world championship, which was one of the qualifying competitions for the 1996 Olympic Games in

Atlanta. The 40 ft Ivaran container had space for more boats, so we invited our Danish training partners to pack their boats and gear with us. All together, the container was jammed with five 470-dinghies, our coach's motorboat and all the necessary equipment like masts, booms, centerboards and sails.

After a long sea voyage and trucking on

land, the boats arrived at Yacht Club dos Jangadeiros in perfect condition.

Most of the team had never been to Brazil before and we were all very excited about arriving in a totally different and exotic land. It was a great climatic shock to leave Norway with snow and minus 15 degrees centigrade and arrive in Brazil with strong sun and plus 35 degrees (centigrade). But the heat did not bother us that much and we adju-

sted rather quickly to the pleasant surroundings at The Yacht Club dos Jangadeiros. Situated on a nice little island, the club has many recreational possibilities, such as swimming, diving, windsurfing, football and tennis. But the best part, was just to sit beside the club's crystal clear blue pool and relax with a glass of fresh papaya juice. What impressed us most of all was the

have to be checked and sometimes changed as weakness in materials can easily cause big losses.

We spent 10 days of training and preparation before getting fully accustomed to the racing course. The first day of sailing started in light wind and strong sun, and throughout the whole race-week, wind currents and intensity shifted dramatically. These conditions make

sailing exciting, but also very difficult as sudden gusts of wind, changing from the starboard and then to the port, can easily capsize a small sailing boat.

Both the Norwegian and the Danish teams performed well, but in the end, not well enough as none of us found a place on the winner's platform. The best Danish and Norwegian

placing was ninth and thirteenth, respectively. These are OK results and a sufficient start at the beginning of the Olympic season. We are all glad there are still a few months before the Olympic Games. We will train hard to achieve a better result.

All of us who took part in securing container transport with Ivaran Lines were very pleased and grateful for all the help and the good service we received from the company. Thanks for everything!



Linda Andersen and other members of the Norwegian Olympic Sailing Team ready for Brazilian waters.

Brazilian friendliness. The people always had time to help and were always pleased to do something for us.

During the first portion of our tour, we spent most of our time in the Yacht Club or at the race-course. There are a lot of things which must be prepared before a regatta. Screws and rope

"WHAT IMPRESSED US MOST OF ALL WAS THE BRAZILIAN FRIENDLINESS"

SUCCESSFUL TRAINING

One of the most important elements ensuring the success of a commercial liner operation is to implement a solid management system and to provide adequate training for all personnel. As most Ivaran staff are well aware of, Ivaran Lines is in the process of implementing its own new liner management system (LMS) called Horizon.

In Ivarans' case, adequate training means a total involvement of more than

300 people and, needless to say, coordinating training for such a large number of people, is a big task.

LMS training began with some 15 people from Ivaran, Oslo and Ivaran Agencies, New York. As soon as these individuals became familiarized with the system, Ivarans began training the next group of personnel. These training sessions have taken place over the last 4 months in both Oslo and New York.

Ivaran Agencies, New York conducted seven training classes between the period of December 1995 and February 1996. Five training classes, which lasted for 8 days each, focused primarily on pricing, booking, and documentation. Two other five-day training classes focused primarily on the logistics module within LMS. This training amounts to 53 days of training within a 90 day period, a pretty hectic schedule.



**HECTIC
MANAGEMENT
TRAINING:**

**IN SOME CASES
THERE WERE 53
DAYS OF TRAINING
WITHIN A 90 DAY
PERIOD**





Happy graduates of Ivaran's liner management system. The pictures were taken following the training courses conducted in New York. Please note that not all LMS graduates are pictured.



All in all, the above mentioned classes were attended by 65 people from six different agents represented all over the Americas, including Brazil, Argentina, Venezuela, Mexico, Canada and the United States. Of the 65 participants, 28 were from agencies other than Ivaran Agencies, New York.

In order to prepare the remainder of the Ivarans family for the implementation of LMS, agent representatives will

conduct their own training sessions at the respective offices. We hope that all agents will give the teachers within their organization the resources and attention required, in order to make their training successful. Ivarans wishes the teachers the best of luck.

As can be imagined a lot of preparation and planning went into the training, and Ivaran wishes to thank all individuals involved in teaching, prepara-

ring and planning. In particular, we wish to thank the eight teachers, many of whom were first-time instructors, as most of us find it difficult to stand up in front of our peers. From the response we have received from all the participants it is obvious that Ivarans' professors have done extremely well.

A very good job, thank you!

SUCCESSFUL OPERATION

NEW HORIZONS WITH RIISE COMPUTERS

Ivaran's new LMS system has had positive effects outside the daily shipping scene. A letter from Capt. Lars Riise of Riise Shipping Inc., Ivaran Lines' agents in New Orleans and Houston, explains.

In connection with Ivaran's new Horizon computer system, Riise Shipping Inc. purchased 21 Dell PCs to be used in the New Orleans and Houston offices.

Since our existing terminals were not compatible with the LMS system but still in good working condition, we decided to donate the 13 terminals in our Houston office to charity. In the meantime, we were advised by one of our employees that Broadway Baptist School in Houston, a private religious school, recently added computer classes to the curriculum of their 5th graders. But due to the lack of terminals and keyboards, only a limited amount of students were able to participate at any given time. We contacted the school, which sent two representatives to our office to retrieve the terminals, keyboards and a fax machine. A few days later we received hand-made letters of appreciation from 16 of the students. We hope our donation will assist these kids in the right direction, and after reading their letters, we feel sure they will expand their knowledge of computers and hopefully make a positive contribu-

We hope young people will spend their time learning new disciplines through the help of computer education.

"WE HOPE OUR DONATION WILL ASSIST THESE KIDS IN THE RIGHT DIRECTION"

tion to the society in which they will work and live.

In spite of all the negative news we hear about kids, we seem to forget the fact that there are a good number of kids in each community who are diligent at school and contribute a great deal to their families. Instead of poisoning their

mind and body with drugs, we hope these young people will spend their time learning new disciplines through the help of computer education.

Thanks and regards,
Captain Lars Riise
CEO Riise Shipping, Inc.



CAROLINA SHIPPING: READY TO LINK INTO IVARANS LMS

Carolina Shipping Company was founded in 1927 in Charleston, South Carolina and today functions exclusively as a steamship agency. The company performed steamship agency and contract stevedoring services. In 1989, the steamship agency was purchased by Biehl International, a holding company with major interests in steamship agencies, terminal, stevedoring, and leasing companies.

Carolina Shipping covers all of the ports in the U.S. South Atlantic range. For Ivaran, the major bill of lading port is Savannah, with a little less than three fourths of the bills of lading followed by Charleston with almost 20% and Jacksonville with under 10%. While Carolina Shipping has only represented Ivaran since 1993, all dedicated Ivaran employees at Carolina had experience handling Ivaran prior to Carolina com-

**"CAROLINA
SHIPPING COVERS
ALL OF THE PORTS IN
THE U.S. SOUTH
ATLANTIC RANGE"**



Carolina has its own data processing network which can interface with the systems of major principals.

The company looks forward to implementing Ivaran's new liner management system

mencing representation and continue to manifest this experience and display their dedication.

Carolina Shipping is the U.S. South Atlantic member of Multiport, the world wide ship agencies network. Besides the services Carolina provides Ivaran, full agency service is provided for Atlantic Ro-Ro, Frontier Liner Services, FESCO, Marfret, National Shipping Company of Saudi Arabia, Rusflot, Tecomar, Transnave, and

Universal Africa Line.

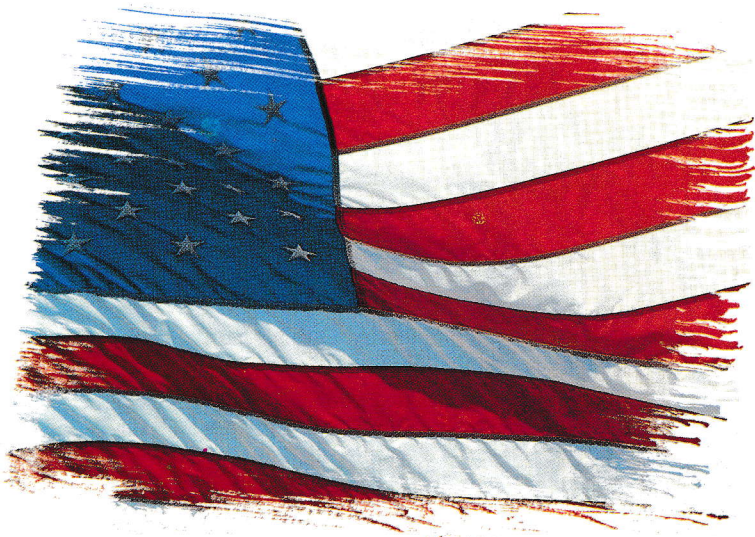
Services Carolina offers include: general liner agency, managing agent, complete intermodal services and container control, specialized project cargoes and tramp, tanker, cruise and reefer vessel husbandry. Carolina has its own data processing network which includes modules for rate quotation, booking, export documentation, import documentation, equipment control, and accounting. This system can interface with the systems of major principals. Carolina looks forward to working with the new LMS system being implemented by Ivaran. LMS is another enhancement to the excellent product Ivaran offers in the marketplace.

Thanks to George McCammon

OLYMPIAD IN ATLANTA: BRING THE MONEY AND WE'LL SUPPLY THE GRITS

The city that brought the world Coca Cola, CNN, Ted Turner, Martin Luther King, Jr., and "Gone with the Wind" now brings the world the 1996 Centennial Summer Olympic Games! Certainly, Atlanta has experienced some great successes, but landing the Games has surpassed everything else in its impact.

Tennessee to yachting off the coast of Savannah. Of course, the main events such as track and field, baseball, basketball, gymnastics and swimming and diving will take place in the heart of Atlanta, but many other towns in the area will host some preliminary events and finals. The states of Florida and Alabama even get involved by hosting the preliminary matches in soccer.



The initial excitement which blanketed Atlanta upon Juan Antonio Samaranch's announcement that we had been chosen over Toronto, Sydney, and even Athens galvanized the entire State of Georgia. Venues are now near completion and range from whitewater canoeing/kayaking on the Ocoee River in

ahead of the ultimate result. The lasting improvements to the city's infrastructure and the exposure of Atlanta and Georgia to the world are concrete products of hosting the Olympics.

After the visitors and athletes are gone, left behind will be a new stadium

(future home of the Atlanta Braves), a natatorium at Georgia Tech, over 4,000 dormitory rooms at Georgia Tech to be split with Georgia State University, a tennis stadium/complex in Stone Mountain, an equestrian park in Conyers, a beach volleyball venue in Jonesboro and upgrades at virtually every collegiate basketball arena in the area. All of this and I did not even try to cover all of the improvements to the interstates and secondary roads!

Our small Ivaran office is near the airport, so we should be insulated from a majority of the madness and vast numbers of tourists; officials estimate over 3 million visitors during the Games! Right now, we plan to continue business as usual unlike some of our customers who are located within the the confines of the Olympic area downtown. Many at Coca Cola and Georgia Pacific will be required to work during the off-hours of 3:00a.m. to 11:00 a.m. or work out of their homes. Even our baseball team, the Braves, will be on a three week roadtrip, but we are all confident that they will overcome that adversity and repeat as World Champions in 1996!

Finally, for those in the Ivaran family who plan to attend the Games, we say, "Y'all come!", bring plenty of cash and we'll supply the grits!

- Special thanks to
Brooks Youmans
regional sales manager
Ivaran Agencies, Inc.
Atlanta, Georgia

**"THE IVARAN
OFFICE SHOULD
BE INSULATED
FROM A
MAJORITY OF
THE MADNESS
AND VAST
NUMBERS OF
TOURISTS"**

SAILING SCHEDULE FOR ADVENTURE

M/S 'AMERICANA'

Voyage 63	Leaving	New Orleans	o/a April 23,	1996
64	Leaving	New Orleans	o/a June 3,	1996
65	Leaving	New Orleans	o/a July 30,	1996

M/S 'SAN ANTONIO'

Voyage 17	Leaving	New York	o/a April 1,	1996
		Miami	o/a April 6,	1996
18	Leaving	New York	o/a May 20,	1996
		Miami	o/a May 25,	1996
19	Leaving	New York	o/a July 8,	1996
		Miami	o/a July 13,	1996

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LOOKING AT THE REAL ISSUES:

PROCTER & GAMBLE

The Cincinnati, Ohio based Procter & Gamble Company, a veteran customer of Ivaran Lines, has continued to be a leader in the formation of true partner-carrier relationships. Championing this effort, Michael J. (Mick) Barr, P&G's international transportation manager, has been successful in maximizing P&G's global freight volumes to attract global steamship partners -

with an aim to maximize the mutual benefits both to shipper and carrier alike.

World Shipping, Inc. (WSI), Ivaran's midwest agent continues to play an integral role in assisting P&G to meet its global freight and service initiatives. WSI manages the P&G account with a focused customer service team to specifically handle the complex and multi-trade needs of this global account.

Indeed, on 31 January 1996, Procter & Gamble held an Intra-Latin America conference with its core carriers. The primary objectives of the meeting were to:

1. Discuss potential service commitments...equipment and space... for P&G Intra-Latin America shipments.

2. To identify possible trade lanes in which P&G may be able to work with Ivaran to better utilize our assets in this area (i.e., equipment placement, re-loadings, etc.).

3. To ensure that both Ivaran and P&G have a clear understanding of recent rate proposals, to further discuss (negotiate) specific rates, so that local operational personnel clearly understand any commitments which P&G may eventually agree to on this business.

Teams met to identify the possible trade lanes in which P&G may be able to work with Ivaran.



BLE AND IVARAN

READY TO AGREE ON BUSINESS (left to right): Miguel Angel Herrera (Transpac), Gary Hurley (Ivaran Agencies NJ), Pedro Munoz (P&G Venezuela), Joseph Fitch (World Shipping), Nora Aluarado (P&G Peru), Jose MaGuerra (P&G Mexico), Sara Barcebal (P&G) Latin America, Michael J. (Mick) Barr (P&G Cincinnati)



Attending the meetings with Procter & Gamble were Gary J. Hurley (V.P. Sales, Ivaran Agencies, New Jersey), Joe Fitch (V.P., World Shipping) who was filling in for Janis DeBord (WSI Account Executive for P&G who was busy delivering her second child), Raul Echeverria and Miguel Herrera from Transpac (Ivaran's agent in Mexico). Procter & Gamble had personnel there from Peru, Venezuela, Mexico, and their headquarters in Cincinnati.

As a result of these meetings, we are pleased that Ivaran continues to be a primary carrier for Procter & Gamble in

their carrier selection. Ivaran has been proud to be associated with Procter & Gamble for more than 10 years, and

each time we meet with them (which is daily in Cincinnati) we are reminded why they are the market leaders in their respective business segments. It is truly a pleasure to serve this important customer.

"WE SALUTE THE EFFORTS OF PROCTER & GAMBLE IN WHICH THEY GO BEYOND THE BASIC RATE ISSUES AND INCORPORATE A COMPREHENSIVE APPROACH TO THEIR CARRIER SELECTION."

this critical trade. We salute the efforts of Procter & Gamble in which they go beyond the basic rate issues and incorporate a comprehensive approach to

- Thanks to Joe Fitch, vice president of World Shipping, Inc., Ivaran's agent in Cleveland, Ohio, USA.

An uneasy outlook towards the **21ST CENTURY**

At the end of the first half of the 20th century's last decade, the international ocean transport industry comprises some 36,000 merchant vessels of various categories. During the third quarter of 1995, the global fleet's carrying capacity had reached an all-time high with more than 720 million deadweight tons. The fastest growing element is represented by container ships, followed by dry bulk carriers and product tankers. At the end of 1995, the international ocean transport industry generated a turnover of about \$175 billion for services provided during the preceding 12 months.

Over the past 35 years, the annual volumes of international seatriade more than quadrupled and grew to 4.5 billion tons in 1994. At the same time there have been fundamental changes in structure of the seatriade markets. Many traditional cargoes declined whereas new types of traded commodities appeared on the scene, and their volumes expanded rapidly. Innovative forms of packaging and handling, facilitated by technological progress, revolutionized cargo management. But the pace of growth in global seatriade volumes continues to be volatile. The relative importance of origins and destinations in seatriade also keeps changing, as do the organization and structure of transport services and networks which are related to these trades.

It was relatively easy for international maritime transport to respond to the steeply growing demand for ocean transport during the first three decades

after World War II. The merchant fleet grew very fast, by more than 400 % in collective carrying capacity between 1950 and 1980, when the aggregate pea-

**"IN THE END, IT WILL BE
THE BALANCE BETWEEN SUPPLY
AND DEMAND OF FIT TONNAGE THAT
WILL BRING REWARDS UP TO
ADEQUATE LEVELS"**

ked at 700 million deadweight tons. However, starting with the first oil shock in 1973, the scenario changed rapidly. Since then the international seatriade markets have been anything but stable.

In the wake of declining seatriade volumes, severe tonnage overhangs developed in almost all segments of the international maritime transport industry. But most shipowners were hesitant to withdraw tonnage from the market because of the prevailing belief that trade contractions would be short-lived, which was often not the case. As essentially the same number of ships remained available for less cargo intense price competition set in, and freight rates have generally declined in real terms for many years. More recently some segments of the international ocean shipping market have benefited from substantial increases in transport demand, especially in the dry bulk sector.

In reaction to the recent upswings in the demand for transport of dry bulks many ship owners and operators decided to engage in substantial fleet expansion,

which resulted in swelling orderbooks at many of the world's shipyards. Encouraged by relatively positive projection of future volumes of traded commodities with high value-added content,

container shipping operators keep placing orders for newbuildings at unprecedented levels. As a result, the international fleet of container vessels is likely to double in carrying capacity over the next three years. All of these indications point to the fact that the demand-supply situation within the international ocean transport industry can be expected to deteriorate.

The distorted demand-supply relation in ocean transport was aggravated by uncontrolled new market entries of tonnage which were encouraged through subsidy and cargo reservation schemes adopted by many governments. The declared objective behind such schemes was improving invisible trade performance, as well as employment generation. However market realities demonstrated that such objectives were rarely met, and countries choosing to maintain policies of this sort usually experienced negative impacts on their trade performance. Their governments missed the point that competitive maritime transport services had become available in all corners of the world, and that buying shipping services in the international market would be most beneficial for national trade. Sobering as these developments may be, their effects have not been conducive to instilling more discipline in decision-making within the ocean transport industry.

Overall, the market keeps failing to reward companies which have invested in new tonnage. In the current market situation, there are many instances where vessels' freight earnings barely cover operating cost. This has led to deteriorating financial performance for shipowners whom, in some cases, have curtailed maintenance expenditures. Tighter income also often means that vessel replacements and fleet expansion are postponed. Without significant improvements in freight rates, older ships will trade longer. As a result the international merchant fleet has not only become critically overaged, but its safety record is worsening as well. A key factor perceived to be associated with the increasing

number of sub-standard ships and the deteriorating safety record of the international fleet is the apparent failure of classification societies to secure maintenance of accepted seaworthiness norms.

To correct fleet deficiencies and to arrange for limited fleet expansion will be costly in light of modest growth prospects for seatriade. Replacing critically overage tonnage, and addressing the requirement of additions to the current fleet are estimated to entail a newbuilding program of 330 million deadweight tons between 1995 and 2005, for which more than \$400 billion financing would have to be mobilized. Annual capital demand during the period until 1997 alone has been variously estimated to average about \$ 30 billion. The expenditures



required to make up for deferred vessel maintenance and to institute appropriate repair arrangements are likely to exceed \$50 billion during the next eight years. Finally, there is a need to mobilize more than \$10 billion in order to acquire over 260 million deadweight tons of tonnage that will have to be scrapped.

Altogether, the price tag of this massive

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intervention program may well exceed \$ 450 billion, if cost inflation would be included in the calculations.

Ideally, cargo owners should be

between supply and demand of fit tonnage that will bring rewards up to adequate levels.

In short, for generations the maritime transport industry has proven its ability to adapt to changing market conditions. What is possibly different today and will be even more so tomorrow, as compared with the past, is the pace of technological change and the volatility of the markets that the industry serves. Waterborne transport will remain the most cost-effective mode for most traded commodities. But there will always be the phenomenon of speculation and sub-standard operators of shipping services. The former is likely to lead to many business failures, creating in their wake severe consequences for governments, investors and traders.

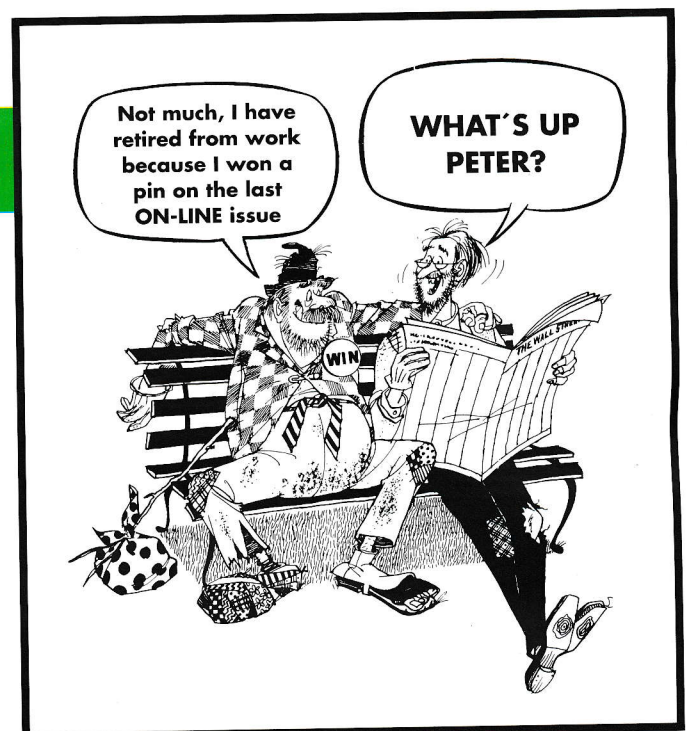
prepared to work in cooperation with ship-owners and operators in establishing long-term stability in the seatriade markets' demand-supply relations, and thereby the cost of seatriade transport. In practice, however, there does not seem to be any rush on the part of most cargo owners to make such arrangements. Freight markets remain dominated by short-term charters and decision-making which is essentially based on the cheapest transport cost, regardless of quality. But it is precisely this situation which has generated so much deterioration in the quality of service, the safety record, and the financial performance of the maritime transport industry. In the end, it will be the balance












A funny text for the above cartoon. Send your reply to The Editor, On Line, Ivarans Rederi, Vollsvn. 9-11 PBox 175, 1324 Lysaker, Norway before June 1, 1996. The winner will receive a collector's pin.

and the winner is ...

On Line is sending Adolfo Pick of Agencia Maritima Remar, Paraguay a pin for his prize-winning caption



EQUIPMENT		INTERIOR DIMENSIONS	DOOR OPENING	TARE WEIGHT	CUBIC CAPACITY	PAYLOAD
20' DRY FREIGHT CONTAINER		L: 5.900 m (19.35 ft) W: 2.352 m (7.71 ft) H: 2.393 m (7.80 ft)	W: 2.343 m (7.64 ft) H: 2.280 m (7.48 ft)	2230 kgs 4920 lbs	33.2 cbm 1173 cu ft	21770 kg 47990 lbs
40' DRY FREIGHT CONTAINER		L: 12.034 m (39.44 ft) W: 2.352 m (7.68 ft) H: 2.395 m (7.81 ft)	W: 2.343 m (7.57 ft) H: 2.280 m (7.41 ft)	3800 kgs 8550 lbs	67.0 cbm 2394 cu ft	26600 kgs 58650 lbs
40' HIGH CUBE CONTAINER		L: 12.033 m (39.42 ft) W: 2.348 m (7.75 ft) H: 2.688 m (8.83 ft)	W: 2.338 m (7.66 ft) H: 2.581 m (8.42 ft)	3920 kgs 8543 lbs	76.2 cbm 2690 cu ft	26605 kgs 58657 lbs
20' REFRIGERATED CONTAINER		L: 5.450 m (17.88 ft) W: 2.285 m (7.50 ft) H: 2.260 m (7.42 ft)	W: 2.220 m (7.28 ft) H: 2.255 m (7.40 ft)	3200 kgs 7050 lbs	28.1 cbm 992.4 cu ft	21800 kgs 48060 lbs
40' REFRIGERATED CONTAINER		L: 11.600 m (38.06 ft) W: 2.286 m (7.50 ft) H: 2.241 m (7.35 ft)	W: 2.288 m (7.51 ft) H: 2.266 m (7.43 ft)	4350 kgs 9590 lbs	56.77 cbm 2004 cu ft	28150 kgs 62060 lbs
20' FLAT RACK CONTAINER		L: 5.932 m (19.19 ft) W: 2.394 m (7.81 ft) H: 2.319 m (7.61 ft)		2200 kgs 4850 lbs		27800 kgs 61290 lbs
40' FLAT RACK CONTAINER		L: 12.042 m (39.52 ft) W: 2.394 m (7.81 ft) H: 2.034 m (6.67 ft)		4400 kgs 9700 lbs		40600 kgs 89507 lbs
20' OPEN TOP CONTAINER		L: 5.792 m (19.32 ft) W: 2.225 m (7.61 ft) H: 2.31 m (7.57 ft)	W: 2.336 m (7.51 ft) H: 2.233 m (7.51 ft)	2050 kgs 4519 lbs	32.1 cbm 1133 cu ft	21950 kgs 48390 lbs
40' OPEN TOP CONTAINER		L: 11.883 m (39.56 ft) W: 2.152 m (7.64 ft) H: 2.32 m (7.61 ft)	W: 2.337 m (7.61 ft) H: 2.280 m (7.51 ft)	3800 kgs 8377 lbs	66.6 cbm 2351 cu ft	27020 kgs 59567 lbs

There can be variances in the exact specifications of a particular container, depending upon make and serial production. In critical situations please consult your local Ivaran agent.

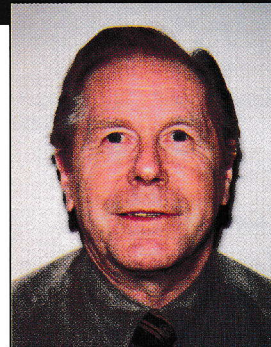
NEW EMPLOYEES:



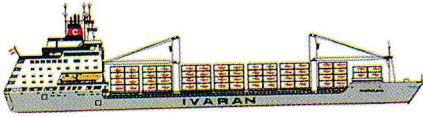
Marianne Storm Bligh
receptionist



Cesar Bueno Garrubo
liner assistant
US/East Coast Service



Thorolf Høgvold
container coordinator
Logistics Department



"AMERICANA" - Container/passengervessel, built 1988. 19,818 dwt/1,120 TEUs (cellular) + 3 cooled/coated deep tanks for liquid cargo of 11,785 cbf each. Speed: about 19 knots. Accomodation for 80 passengers.



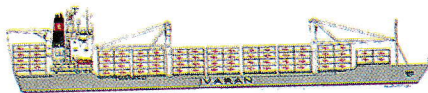
"SAN CRISTOBAL" - Containervessel, built 1995. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



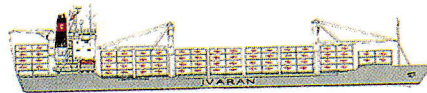
"SAN CLEMENTE" - Containervessel, built 1994. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



"SAN ANTONIO" - Containervessel, built 1994. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



"SAN ISIDRO" - Containervessel, built 1993. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



"SAN VICENTE" - Containervessel, built 1993. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



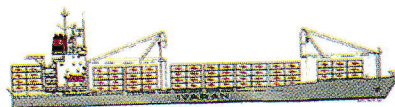
"SAN LORENZO" - Containervessel, built 1993. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



"SANTA ROSA" - Containervessel, built 1992. About 30,000 dwt/1,732 TEUs (cellular). Speed: about 19.5 knots.

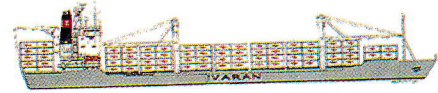


"SANTOS" - Containervessel, built 1985. 17,212 dwt/1,132 TEUs (cellular). Speed: about 17.5 knots.

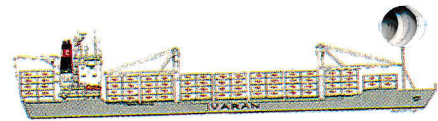


"SAO PAULO" - Containervessel, built 1983. 19,700 dwt/1,134 TEUs. Speed: about 17 knots.

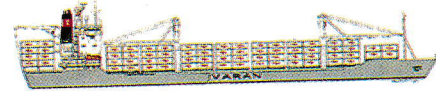
Newbuildings



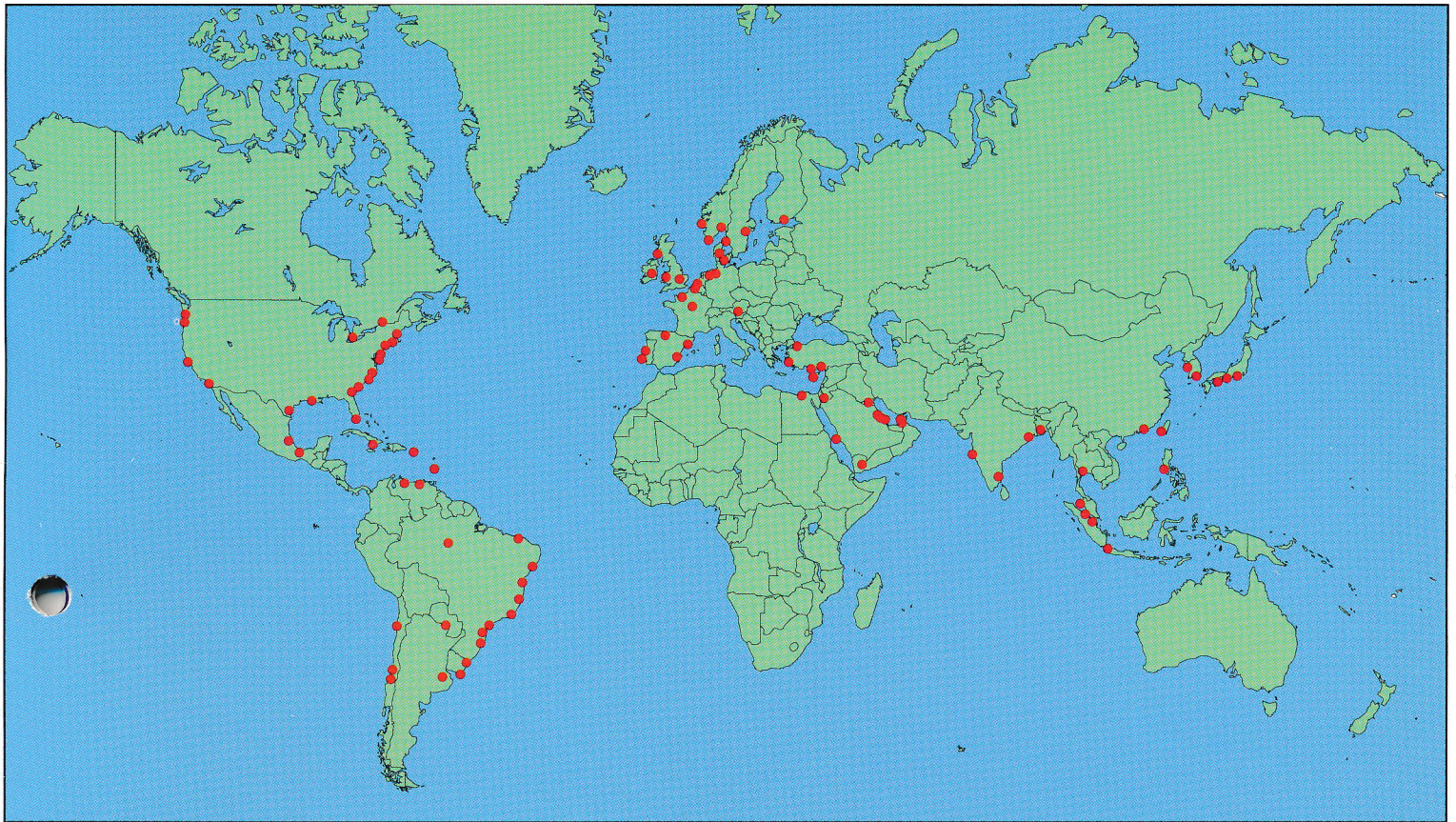
SAN FRANCISCO - Containervessel, delivery April 1996. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



SAN FERNANDO - Containervessel, delivery August 1996. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



SAN FELIPE - Containervessel, delivery December 1996. About 20,000 dwt/1,512 TEUs (cellular). Speed: about 20 knots.



GULF SERVICE

Our Gulf Service offers weekly sailings to and from the following ports:

- Veracruz
- Altamira
- New Orleans
- Houston (transfer of cargo to/from US West Coast)
- Puerto Cabello
- La Guaira
- Rio de Janeiro
- Santos
- Buenos Aires (transfer of cargo to/from Bolivia, Paraguay og Montevideo)
- Rio Grande do Sul
- Itajai
- Sao Francisco do Sul
- Paranagua
- Santos
- Rio de Janeiro
- Vitoria
- Salvador
- Fortaleza
- Bridgetown (transfer of cargo to other Caribbean destinations)
- San Juan (transfer of cargo to other Caribbean destinations)
- Santo Domingo
- Veracruz
- Altamira, etc.

- Bi-weekly sailings
- Monthly sailings

EAST COAST SERVICE

Our USEC Service offers weekly sailings to and from the following ports:

- Norfolk (transfer of cargo to/from Asia)
- Baltimore
- Philadelphia
- Savannah (transfer of cargo to/from the Caribbean and Asia)
- Miami (transfer of cargo to/from the Caribbean and Asia)
- Puerto Cabello
- La Guaira
- Rio de Janeiro
- Santos
- Buenos Aires (transfer of cargo to/from Bolivia and Paraguay)
- Montevideo (transfer of cargo to/from Paraguay)
- Rio Grande do Sul
- Itajai
- Paranagua (via Itajai)
- Santos
- Rio de Janeiro
- Salvador
- Fortaleza
- Norfolk
- Baltimore, etc.

- Every other sailing

EUROPE SERVICE

Our Europe Service offers weekly sailings to and from the following ports:

- Rotterdam (transfer of cargo to Switzerland, Portugal and Italy)
- Felixstowe
- Hamburg (transfer of cargo to/from Bremen, Scandinavia, Finland, Russia, the Baltic and Asia)
- Antwerp (transfer of cargo from Switzerland, Portugal and Italia and to/from Ireland)
- Le Havre
- Bilbao
- Rio de Janeiro
- Santos
- Buenos Aires (transfer of cargo to/from Paraguay and to Brazilian outports)
- Montevideo (transfer of cargo to/from Paraguay)
- Rio Grande do Sul
- Itajai
- Paranagua
- Santos
- Rio de Janeiro
- Ilheus/Salvador
- Fortaleza
- Rotterdam
- Felixstowe, etc.

- Bi-weekly sailings
- Port called on inducement

ASIA SERVICE

Our Asia Service offers sailings every 10 days to and from the following ports:

- Japan
- Korea
- Taiwan
- Hong Kong
- China
- Thailand
- Philippines
- Singapore
- Malaysia
- Indonesia
- Vietnam
- Sri Lanka
- India
- Pakistan
- United Arab Emirates
- Iran
- Oman
- Qatar
- Bahrain
- Saudi Arabia
- Kuwait
- Rio de Janeiro
- Santos
- Buenos Aires (transfer of cargo to/from Paraguay and Brazilian outports)
- Montevideo (transfer of cargo to/from Paraguay)
- Rio Grande
- Paranagua
- Rio de Janeiro
- Ilheus/Salvador
- Recife
- Vitoria
- Fortaleza
- La Guaira
- Puerto Cabello, etc

Ivaran Lines: Our agents - your guarantee:

U.S.A., CANADA, CARIBBEAN, VENEZUELA AND MEXICO:

General Agents: Ivaran Agencies Inc., New York, N.Y.

Atlanta, Ga. (sales office): Ivaran Agencies, Inc.; *Baltimore, Md.:* Stockard Shipping; *Boston, Ma.:* Patterson, Wylde & Co. Inc.; *Bridgetown:* Sea Freight Agencies (Barbados) Ltd.; *Caracas:* Despachos Becoblohm C.A.; *Charleston, S.C.:* Carolina Shipping Company; *Chicago, Il.:* World Shipping Inc.; *Cincinnati, Oh.:* World Shipping Inc.; *Cleveland, Oh.:* World Shipping Inc.; *Curacao:* Dammers & Van der Heide Shipping & Trading (Antilles) Inc.; *Dearborn, Mi.:* World Shipping Inc.; *Georgetown, (Guyana):* Guyana National Engineering Corp. Ltd.; *Houston, Tx.:* Riise Shipping Inc.; *Jacksonville, Fl.:* Carolina Shipping Company; *Kingston:* Jamaica Freight & Shipping Co. Ltd.; *La Guaira:* Servinave La Guaira, C.A.; *Long Beach, Ca.:* Merit Steamship Agency Inc.; *Mexico City:* Transpac Representaciones Transpacificas SA de CV.; *Miami, Fl.:* Ivaran Agencies Inc.; *Montreal:* Seabridge International Shipping Inc.; *New Orleans, La.:* Riise Shipping Inc.; *Norfolk, Va.:* Capes Shipping Inc.; *Philadelphia, Pa.:* Stockard Shipping; *Pittsburgh, Pa.:* World Shipping Inc.; *Port of Spain:* Alstons Shipping Ltd.; *Port-au-Prince:* Joseph Nadal & Company; *Portland, Or.:* Merit Steamship Agency Inc.; *Puerto Cabello:* Servinave Puerto Cabello, C.A.; *Rio Haina:* Maritima Dominicana SA; *San Francisco, Ca.:* Merit Steamship Agency Inc.; *San Juan:* ScanAmericana Agencies Inc.; *Savannah, Ga.:* Carolina Shipping Company; *Seattle, Wa.:* Merit Steamship Agency Inc.; *Syracuse, Ny.:* World Shipping Inc.; *Tampa, Fl.:* Eller Company, Inc.; *Tampico:* Transpac Representaciones Transpacificas SA de CV; *Toronto:* Seabridge International Shipping Inc.; *Valencia:* Despachos Becoblohm Ofic. Valencia (DBB Val); *Veracruz:* Transpac Representaciones Transpacificas SA de CV; *Wilmington, Nc.:* Wilmington Shipping Company.

BRAZIL:

General Agents US East Coast Service: Agencia de Vapores Grieg S.A., Santos

Belem: Transnav Transportes e Representacoes Ltda.; *Cabedelo:* Agencia Ultramar Exportacao Ltda.; *Curitiba:* Agencia de Vapores Grieg S.A.; *Fortaleza:* Marnosa Navegacao Ltda.; *Ilheus:* Bahiaship - Agencia Maritima Ltda.; *Imbituba:* United Agencia Maritima Ltda.; *Itajai:* Agencia de Vapores Grieg S.A.; *Itaquí:* Pedreiras Transportes do Maranhao Ltda.; *Maceio:* Bahiaship Agencia Maritima Ltda.; *Manaus:* Transnav, Transportes e Representacoes Ltda.; *Natal:* Representacoes Ruy Paiva Ltda.; *Paranagua:* Agencia de Vapores Grieg S.A.; *Porto Alegre:* Cranston Woodhead Agenciamento Maritimo Ltda.; *Recife:* Agencia Continental de Navegacao Ltda.; *Rio de Janeiro:* Agencia de Vapores Grieg S.A.; *Rio Grande:* Cranston Woodhead Agenciamento Maritimo Ltda.; *Salvador (Bahia):* Bahiaship Agencia Maritima Ltda.; *Santos:* Agencia de Vapores Grieg S.A.; *Sao Francisco do Sul:* Agencia de Vapores Grieg S.A.; *Sao Paulo:* Agencia de Vapores Grieg S.A.; *Vitoria:* Transcar Vitoria, Agencia Maritima Ltda.

General Agents US Gulf and Europe Service: Transatlantic Carriers (Agenciamentos) Ltda., Santos

Belem: Transnav Transportes e Representacoes Ltda.; *Belo Horizonte:* Transatlantica de Afretamentos E Agenciamentos Ltda.; *Cabedelo:* Agencia Ultramar Exportacao Ltda.; *Curitiba:* Agencia Maritima Transcar Ltda.; *Fortaleza:* Marnosa Navegacao Ltda.; *Ilheus:* Bahiaship - Agencia Maritima Ltda.; *Imbituba:* Agencia Maritima Transcar Ltda.; *Itajai:* Agencia Vapores Grieg S.A.; *Itaquí:* Pedreiras Transportes do Maranhao Ltda.; *Maceio:* Bahiaship Agencia Maritima Ltda.; *Manaus:* Transnav, Transportes e Representacoes Ltda.; *Natal:* Representacoes Ruy Paiva Ltda.; *Paranagua:* Agencia Maritima Transcar Ltda.; *Porto Alegre:* Agencia Maritima Transcar Ltda.; *Recife:* Agencia Continental de Navegacao Ltda.; *Rio de Janeiro:* Transatlantica de Afretamentos e Agenciamentos Ltda.; *Rio Grande:* Agencia Maritima Transcar (RG) Ltda.; *Salvador (Bahia):* Bahiaship Agencia Maritima Ltda.; *Santos:* Transatlantic Carriers (Agenciamentos) Ltda.; *Sao Francisco do Sul:* Agencia de Vapores Grieg S.A.; *Sao Paulo:* Transatlantic Carriers (Agenciamentos) Ltda.; *Sao Sebastiao:* Agencia Maritima Brasileira Ltda.; *Vitoria:* Transcar Vitoria, Agencia Maritima Ltda.

ARGENTINA, URUGUAY, PARAGUAY, CHILE AND BOLIVIA:

General Agents: Agencia Maritima Robinson SACFeI, Buenos Aires
Asuncion: Remar SRL, Multimodal SRL (Asia Service only); *Buenos Aires:* Agencia Maritima Robinson SACFeI; *Campana:* Agencia Maritima Robinson SACFeI; *Ciudad del Este/Foz do Iguacu:* Trape Transportes Rodoviaros Ltda. (Asia Service only); *La Paz:* Anbol Ltda.; *Montevideo:* Agencia Maritima Ernesto J. Rohr SA; *Santiago:* A.J. Broom y Cia. S.A.C.

ASIA:

General Agents: Ivaran Lines Asia Pte. Ltd., Representative Office, Singapore

Alexandria, Egypt: Milmar Shipping; *Amman, Jordan:* T. Gargour & Fils; *Aqaba, Jordan:* T. Gargour & Fils; *Baghdad, Iraq:* Middle East Shipping Services; *Bandar Abbas, Iran:* All Ships Marine Services; *Bangkok, Thailand:* Ben Line Agencies (Thailand) Ltd.; *Beirut, Lebanon:* T. Gargour & Fils; *Bombay, India:* Marine Container Services (I) Pvt. Ltd.; *Calcutta, India:* Marine Container Services (I) Pvt. Ltd.; *Chittagong, Bangladesh:* Aquamarine Ltd.; *Colombo, Sri Lanka:* Pership (Shipping) Ltd.; *Dalian, China:* Zen Continental Dalian Office; *Dammam, Saudi Arabia:* Globe Marine Services; *Dhaka, Bangladesh:* Aquamarine Ltd.; *Doha, State of Qatar:* Qatar National Navigation & Forwarding & Transport Co.; *Dubai, United Arab Emirates:* Pioneer Shipping Agency LLC; *Hodeidah, Yemen:* Gargour Shaher Shipping Co. Ltd.; *Hong Kong:* Ben Line Agencies (Hong Kong) Ltd.; *Iskenderun, Turkey:* Lyonel A. Makzume Shipping Agencies; *Istanbul, Turkey:* Lyonel A. Makzume Shipping Agencies; *Izmir, Turkey:* Lyonel A. Makzume Shipping Agencies; *Jakarta, Indonesia:* PT Benderamas Nusantara; *Jeddah, Saudi Arabia:* Globe Marine Services; *Karachi, Pakistan:* United Marine Agencies (Pvt) Ltd; *Kuwait:* Al-Rashed International Shipping Co. WLL; *Limassol, Cyprus:* GAP Navigation Co. Ltd; *Madras, India:* Marine Container Services (South) Pvt. Ltd.; *Manama, State of Bahrain:* Alsharif Group; *Manila, Philippines:* Overseas Agency Services Inc.; *Mersin, Turkey:* Lyonel A. Makzume Shipping Agencies; *Muttrah/Muscat, Oman:* Badar Shipping Agencies; *Nanjing, China:* Zen Continental Nanjing Office; *Nicosia, Cyprus:* GAP Navigation Co. Ltd.; *Osaka, Japan:* Ben Line Agencies (Japan) Ltd.; *Penang, Malaysia:* Bendera (Penang) Sdn. Bhd.; *Port Kelang, Malaysia:* Bendera Shipping Agencies Sdn. Bhd.; *Pusan, Korea:* Bongam International Co. Ltd.; *Qingdao, China:* Zen Continental Qingdao Office; *Sana, Yemen:* Gargour Shaher Shipping Co. Ltd.; *Seoul, Korea:* Bongam International Co., Ltd.; *Shanghai, China:* Zen Continental Shanghai Office; *Singapore:* Ben Line Agencies (Singapore) Pte Ltd.; *Taipei, Taiwan:* Taiwan Maritime Co.; *Tehran, Iran:* All Ships Marine Services; *Tianjin, China:* Zen Continental Co. Inc.; *Tokyo, Japan:* Ben Line Agencies (Japan) Ltd.

EUROPE:

Aarhus, Denmark: Transocean Shipping Agency A/S; *Antwerp, Belgium:* Van Doosselaere & Achten bvba; *Basel, Switzerland:* Thommen Intertrans AG; *Bilbao, Spain:* MacAndrews S.A.; *Bremen, Germany:* Detjen Schiffahrtsagentur (GmbH & Co.); *Copenhagen, Denmark:* Transocean Shipping Agency A/S; *Dublin, Ireland:* Jenkinson Agencies Ltd.; *Düsseldorf, Germany:* Internationales Schiffahrtskontor Iskon GmbH; *Edinburgh, Scotland:* George A. Morrison & Co. (Leith) Limited; *Felixstowe, UK:* Bahr Behrend & Co. Ltd.; *Frankfurt, Germany:* Hans-Joachim Leue Schiffahrtskontor GmbH; *Gothenburg, Sweden:* Transocean Agency AB; *Hamburg, Germany:* Detjen Schiffahrtsagentur (GmbH & Co.); *Helsinki, Finland:* OY Hanseatic Shipping AB; *Le Havre, France:* Scamar; *Leixoes, Portugal:* Maritima Lusitana Navegacao Ltda.; *Lisbon, Portugal:* CSA; *Liverpool, UK:* Bahr Behrend & Co. Ltd.; *Munich, Germany:* Internationales Schiffahrtskontor Iskon GmbH; *Oporto:* Maritima Lusitana Navegacao Ltda.; *Oslo, Norway:* Heitmann Shipping A.S.; *Paris, France:* Scamar; *Rotterdam, The Netherlands:* Dammers Agenturen bv

March 21, 1995 / vp