



New general agency offices:

INTRAMAR S.A. IS REPRESENTING IVARAN LINES IN COSTA RICA AND NICARAGUA

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WITH IVARAN

Issue 3/97

The Customer Preferred Carrier:

IVARAN EXAMINES WHAT IT TAKES TO MAKE A DIFFERENCE

BECOMING THE CUSTOMER PREFERRED CARRIER: **PEOPLE ARE IMPORTANT**

Introducing a revolutionary idea isn't something new in today's state-of-the-art world, but seeing that idea through, from start to finish, is. Ivaran has an idea. It's called the 'customer preferred carrier'. One might not classify this as a revolutionary idea, but to Ivaran it's the cornerstone of liner activities. In this issue, page six and seven, Ivaran executives begin the quest to determine what it means to be a

**Mark
Fuhrmann**
editor

customer preferred carrier. The idea does imply some solid thinking, structuring and planning. Not surprisingly, people have a lot to do with Ivaran becoming a chosen carrier. A shipping but people-related business, Ivaran is encountering people changes, see pages 12 and 13. Customers are important and do enjoy some fringe benefits of sending business Ivaran's way, see page 15.

Ivarans Rederi has strong links with shipping executives. One such person, page 14, is bank man Carl Steen. Also on page 5, On Line welcomes one of Ivaran's general agents Intramar. There is no way getting around it, people are important.

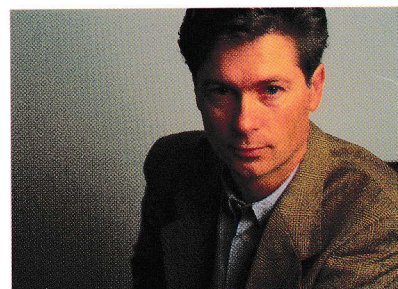


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On Line

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VESSEL SHARING AGREEMENT: MORE THAN MEETS THE EYE

It is an honor for me to submit some thoughts to *From the Masthead* and I hope to continue the tradition of fine contributions to this feature.

Considering a relevant topic, I thought it beneficial to provide a glimpse at the inner workings of one aspect of the liner trade which has become a main focal point of Ivaran's service to its customers: the Vessel Sharing Agreement (VSA).

Most of us know that Ivaran currently has VSAs in the U.S. East Coast Service with Columbus Line and Alianca, and in the Gulf Service with Libra (formerly Companhia Maritima Nacional CMN) and Transportadora Maritima Mexicana (TMM). But what most don't know is the massive amount of work and effort needed to make those agreements work!

In 1995, the companies entering the

**THE VSAs HAVE
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ALL OF THE CARRIERS
INVOLVED**

VSA reached a decision as to why they would unite and laid to ground several key objectives: to provide an improved service to the trade by offering a weekly service at reduced operating costs; to reduce the over-tonnage in the trade, to help alleviate the severe port congestion in Brazil and to utilize equipment more efficiently.

With those objectives in mind, the vessel sharing agreements were enacted and principal's committees were formed to oversee that the objectives in the agreements were established and carried through.

Assisting the principal's committee is the steering committee. This group implements and supervises the operational and commercial intentions of the agreement. The steering committee is also responsible for the financial settlements among the members of the agreement.

To meet these goals, the steering committee has developed joint working procedures (operating manuals) and has appointed persons to supervise the operations of the agreements in both the South and North American regions.

These persons are referred to as the Operations Center (OPC) in the case of the Ivaran-Columbus-Alianca agreement, and as the Regional Tonnage Center (RTC) for the Ivaran-Libra-TMM agreement. I would like to focus on the last two entities, the steering committee and the OPC/ RTC.

The VSAs have proven to be very successful for Ivaran as well as all of the carriers involved by allowing them to provide quality weekly service to the customers while carefully controlling the excess vessel capacity to the region. But, things like this don't run themselves. It takes dedicated work from all involved to see that the partnership does not become too one-sided or misdirected.

The OPCs usually have their hands full in this regard. For example, the OPCs are responsible for schedule coordination. However, insuring that the combined vessel schedules focus on the important markets of all involved is easier said than done. One Line may need certain ports on a certain frequency

while that Line needs other ports on another frequency! It might be nice to call all ports on all frequencies but then we all would be out of business before long! So compromise itineraries are reached by the steering committee and those schedules are maintained as best possible by the OPCs.



Bill Owens, vice president of operations, Ivarans Lines, New Jersey

The relationship between Ivaran's OPCs and virtually all other departments is critical: The OPC is responsible for the overall slot utilization of the vessel. (We made the distinction between the vessel operator and the container operator, with the latter being either partners who do not own the specific vessel involved).

The OPC must notify the container operators if there is a chance that they will exceed their slot allocation. To perform this function, the flow of information from the partners as well as from the customer service of Ivaran is critical. In addition, the flow of import info to the OPC is just as important as they are often asked to perform all kinds of magical feats with the partners' containers, requiring detailed knowledge of what is on board.

THE STEERING COMMITTEE MUST HAVE A CLEAR UNDERSTANDING OF SITUATIONS AT HAND AND THE ELEMENTS NEEDED TO MAINTAIN SATISFACTORY OVERALL COOPERATION.

Perhaps the biggest headache to the OPC is the lack of information received from the partner lines, especially at the time of stowage planning and labor ordering. Precisely because the OPC understands that predicament, they constantly strive not to allow Ivaran to sink to the level of a less-than-competent partner, and may seem to be pressuring Ivaran's resources for information.

The day-to-day exchanges between OPCs are interesting to watch, but it is clear to see that, like anything else, the closer the co-operation between the lines, the more efficient we all become.

Steering committee responsibilities include such matters as market understanding, the required vessel size (for which historical data relating to vessel slot usage is crucial), ports of call and which terminals at those ports should provide stevedoring services.

On the surface it would seem that the solution here is simple: Go for the highest quality at the best price! But when trying to convince partners of what the best really is, especially if there is another interest involved, you'd

be amazed at just how subjective the search for quality can be!

Not unlike the relationships between the OPCs, steering committee meetings can get pretty testy at times for much the same reasons. Partners can be narrow-minded and drive you absolutely crazy, but their views, though opposing, have to be taken into consideration. The

PARTNERS CAN BE NARROW-MINDED AND DRIVE YOU ABSOLUTELY CRAZY, BUT THEIR VIEWS, THOUGH OPPOSING, HAVE TO BE TAKEN INTO CONSIDERATION.

main responsibility of the steering committee is to maintain the focus and this means serious preparation for the meetings and a willingness to make things work out!

As usual in any concerted effort, things usually work out fine when everyone co-operates and things get sticky when they don't. The same applies to vessel sharing agreements,

which makes it doubly compelling for the OPC/RTC and the steering committee to have a clear understanding of situations at hand and the elements needed to maintain satisfactory overall cooperation.

Where Ivaran has proven to be most outstanding is in the overall management of our services - and for this, everyone in the company must be praised. We are the sum of all of our parts and it is the efforts put forth by all Ivaran staff, at sea or ashore, that tend to make us shine. This becomes very apparent when a vehicle such as a vessel sharing agreement allows Ivaran to be

placed side by side with a competitor line.

To all whose efforts mean so much to Ivaran, comes this salute, From the Masthead!

Sincerely,
Bill Owens
vice president of operations
Ivaran Lines, New Jersey

Inside Ivaran

GRACIAS!

SIMPLY A FANTASTIC EXPERIENCE

From September 1996 - June 1997, I spent some very remarkable months in Buenos Aires at Robinson's office.

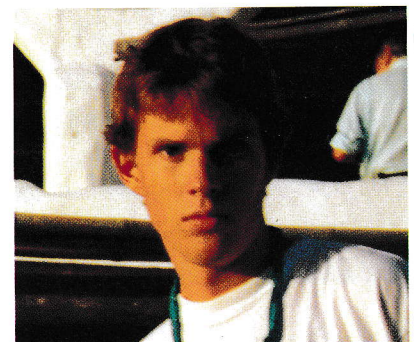
When I was a small kid, Andrew told me that I could come and stay for a year or so. That invitation did not escape my mind. Eager to learn Spanish and to experience living and working abroad, I asked for permission to come...and the rest is history.

Now, well back home again, I would

like to thank all those at Robinson's agency, especially Andrew and Sarah, for having contributed to a great nine months and a forever lasting memory which I will come to cherish.

At the same time, I have to thank all my other friends around Rio de la Plata who always welcomed and assisted me. Your warmth and kindness will always make me want to come back and visit you.

A trainee period like this is highly recommendable for all others who get the opportunity. All it really boils down



to is whether other people, like the Robinsons, will do the same. For those who surely will start with shipping (myself - I am not sure) the advantages of such a stay are unmeasurable. It was simply a fantastic experience.

Gracias por todo,
Henrik Schiander

GENERAL AGENT IN COSTA RICA AND NICARAGUA

INTRAMAR S.A.

Intrammar S.A. is the new Ivaran Lines general agency for Costa Rica and Nicaragua. It was founded in 1987 by Alberto Pernas, president, and has been a leading organization in the Costa Rican maritime business.

Intrammar employs a staff of 37 people, accumulating some 20 years of experi-

ence in the maritime industry. The company is divided into four main departments:

1. Presidency
2. Marketing and sales
3. Operations and logistics
4. Finances and accounting

Intrammar's managing staff is as follows:

1. Alberto Pernas - president
2. Mario Franceschi - marketing and sales
3. Zeneida Brenes - operations and logistics

4. Claudio Gutierrez - finances and accounting

Together with Ivaran Lines, Intrammar will be attending the shuttle service between Houston, Altamira, Veracruz and Puerto Limon. Furthermore, the shuttle service allows the company to participate in the Costa Rica traffic to Colombia and Venezuela as well as in the import traffic between Brazil, Argentina and Uruguay with Costa Rica and Nicaragua.

INTRAMAR building and staff



LOOKING FOR THE CUSTOMER PREFERRED CARRIER: **SAIL WITH IVARAN**

What can shipping learn from the aviation industry? A whole lot.

Aviation's safety routines and monitoring of safety is well ahead of shipping, not to forget the industry's professionalism in logistics and ability to handle large capital investments. But air company, Continental is ready to teach some shipping sectors a bit more about business.

Continental was a failing company that customers did not want to do business with, especially not the business traveler. The airline had focused too long on low air fares leaving customers to fend for themselves. Two years ago, facing its third and final

Continental was a failing company that customers did not want to do business with

bankruptcy, the airline initiated a Go Forward Plan. Today, ironically, many of the same business people who once avoided flying Continental now rank the airline the top carrier in customer satisfaction.

At the time of Continental's slide,

management focused predominantly on cutting cost. Employees in various departments received bonuses for removing dollars from their budgets. Management thought things were going great because Continental had the lowest costs in the industry, but they removed elements of service that drove customer loyalty away. One by one, those customers disappeared in favour

Continental provided them as well.

Every six months, Continental management reviews all inflight services. If the service is not acceptable to the customers, it is removed and changed so the customer is satisfied.

Continental is on top now, but not willing to rest on their laurels. They are continuing to actively solicit customers and employee input, and they are paying

Give employees fair compensation, incentives for excellent performance and feedback on the value of their contribution and their work life will be more enjoyable, - Gordon Hammer, vice president of sales and marketing at Ivaran Lines, New Jersey

of Continental's competitors, who were more than willing to provide services that the customer valued.

Things are different now. Continental invested in customer service and restored all elements of air travel most important to frequent flyers that previous management had eliminated. The airline has made incredible strides in key areas including customer perception, employee morale, balance sheet and product integrity.

One major factor causing Continental's rapid turnaround was its special attention given to inflight service. If customers asked for coca-cola products, Continental brought those beverages on board. If customers complained about the coffee, Continental began serving gourmet coffee. If a customer requested healthier meals,

close attention to that feedback.

Norway-headquartered Ivaran Lines, offering container shipments from east coast USA to South America and the Caribbean services, is dedicated to becoming 'the customer preferred carrier' in its particular trade, container shipping. The company, like the airline industry, is keen to improve customer relationships, and maintains that good service is a software issue - a people issue.

Gordon Hammer, vice president of sales and marketing at Ivaran Lines, New Jersey, is set on leading his company towards being a customer preferred carrier. The first step is by focusing on company employees, as they (company employees) are the key to attaining and maintaining customer satisfaction.

"It is the employees themselves that make companies excel," says Mr Hammer. "By recognizing and rewarding staff efforts, giving responsibility and communicating, companies can make incredible advancement in customer relations and company spirit." "What our customers want is not

Ivaran Agencia Maritima Ltda, Sao Paulo.

He says that Ivaran is quick to recognise that it cannot be everything to everyone: Offering, for example, the best transit time to one port automatically can imply offering a worse transit time to another. Furthermore, there is of

to freight inquiries, documentation delivery within 24 hours upon departure and quick cargo claim settlements.

He is confident that reliable market knowledge by agents, freight credit terms, equipment quality and availability all play a central role in obtaining customer satisfaction.

"Customer satisfaction is linked to the supply of information and understanding the concerns of the customer. If customers desire immediate communication, then give it. If there is doubt about the safety of their cargo, then present an overview of the company, the ship...even the container if needs be," said Mr Echeverria.

Understanding customer' demands builds good market reputation, which, according to Roland Grimmer of

There are many individual factors influencing an individual customer's choice of carrier, - Michael Jones, general manager sales and marketing, Ivaran Agencia Maritima Ltda, Sao Paulo

unlike the needs of our employees and company. A win-win situation is created by aligning the customer's needs with the employee's needs," he said.

It is important that employees can make so-called common sense customer decisions and receive credit for doing their job. This will create a company where employees enjoy coming to work every day.

"Give employees fair compensation, incentives for excellent performance and feedback on the value of their contribution and their work life will be more enjoyable. The right employee focus will generate positive company attitudes, which will spill over onto the customer," said Mr Hammer.

In Ivaran's current environment, shipping lines are offering very similar service products, with by and large the same degree of security, and usually at highly competitive freight rates.

course "a limit to which price can be reduced."

The only remaining factor for which a line can truly try to satisfy all customers, big and small irrespective of their product or destination, is customer service, believes Mr Jones. He says that customer service has many aspects, ranging from telephone manner to rapid release of documentation to courteous service by terminal personnel.

"The list is endless and a company seeking to be the customer's preferred carrier needs to have a continuous drive to ensure excellence in all aspects of its customer service, with both improved and innovative concepts and ideas."

Raul Echeverria of Transpac, Ivaran's agent in Paseo de Las Palmas, Mexico, pinpoints several main areas that elevate a company into being a customer preferred carrier. Though a modern fleet brings a high degree of operational

Having a market standing as a reliable carrier is definitely a main issue in the liner business, - Roland Grimmer, Agencia Maritima Robinson, Buenos Aires

Agencia Maritima Robinson, Buenos Aires, is one of the most important factors in today's trade.

"Having a market standing as a reliable carrier is definitely a main issue in the liner business," he said.

But just what does a reliable carrier imply? According to Mr Grimmer, a reliable carrier has a lot to do with hardware and service. Customers demand not only a good sailing schedule with fast transit times, but first class equipment, vessels and containers.

"An excellent customer service department, with the ability to rapidly solve problems and exhibit business flexibility, is a central issue to becoming the customer preferred carrier" said Mr Grimmer. "But of course in order to produce and compete, the fundamental market requirement is quality."

Companies win customer favour by timely response to freight inquiries, documentation delivery within 24 hours upon departure and quick cargo claim settlements, - Raul Echeverria, Transpac, Ivaran's agent in Paseo de Las Palmas, Mexico

There are many individual factors influencing an individual customer's choice of carrier, says Michael Jones, general manager sales and marketing,

efficiency, especially when combined with regular service schedules on a fixed day, Mr Echeverria says that companies win customer favour by timely response

ARGENTINA:

ARGENTINA - POLITICAL AND ECONOMICAL OUTLOOK

Argentina's political front is getting overheated sparked by Congressional elections. The elections will renew fifty-percent of the representatives in the lower house of Congress, where the Peronist party today holds the majority; but, according to recent polls, this scenario might change.

President Menem's image has been dwindling mainly due to Argentina's concern over high unemployment and corruption said to be widespread among government officials. The two main opposition forces, the Radical Party and the Frepaso Party, recently formed an alliance that will most probably cash in on national unrest. The alliance has been against Menem's liberal economic policies, but now say they do not intend to change or discuss the economical policies established by president Menem.

Though threatened by a strong opposition, President Menem has embarked on a strong campaign hoping to recover lost votes. Menem said he intends to raise the salaries of public school teachers by 20 percent, and that he will also increase the lower bracket pension funds to Pesos 200 per month (this entails 70 pct of the total pension payments). These two items alone account for \$1.2 billion per year and leave people wondering how these promises can be met since they are not included in the 1998 budget.

President Menem's strongest point is the Argentine economy. It's growing fast and strong, with an annual inflation that is below 1 percent. Regardless of the Congressional elections, most analysts agree that President Menem's economic policies will continue unchanged until the end of his mandate on November 1999.

This December, democracy in Argentina will break an important, however, embarrassing record. For the first

time in history, Argentina will have experienced 14 years of uninterrupted democracy. The previous record period was between October 1916 and September 1930, when a military coup overturned President Yrigoyen.

Economic Outlook.

Inflation

During August 1997, the retail index increased by 0.2 percent, and the wholesale index increased by 0.6 percent. The accumulated retail inflation for the past 12 months is 0.8 percent. In view of strong economical growth, inflation for 1997 will be approximately 1 to 1.5 percent.

Exchange rate:

The exchange rate remains at 1 Peso for 1 US dollar. The convertibility plan, imposed by Dr. Cavallo in April 1991, is today stronger than ever before. The Central Bank holds \$22.6 billion in liquid reserves, which is an all time record.

These reserves amount to 99 percent of the amount of pesos in circulation. During the past months, liquid reserves increased by 26 percent. The banking system broke previous records by capturing \$64.670 billion in deposits, 27 percent more than those held at the end of August 1996.

All these factors, added to a fiscal deficit for 1997 that will not exceed 1.5 percent of the GNP, leads one to say that the 1 to 1 parity will continue for a long time.

Gross National Product (GNP):

In our December 1996 report, we indicated that the federal government predicted a 5 percent growth of the GNP in its 1997 budget. This figure was increased to 6 percent in March and then to 7 percent in July. At the end of August, President Menem said that the Argentine economy would grow 8 percent, "not less, perhaps more".

Market observers claim that the current growth is stronger than anticipated and not to out rule a growth of 8 percent for 1997. In its budget for 1998, the government predicts a growth of 5.8 percent.

The quarter ending on June 1997 is the fifth consecutive quarter of solid growth figures; the average growth for the past 15 months has been 7.26 percent, showing a strong recovery after the Mexican crisis of 1994/1995.

Fiscal Aspects:

The projected fiscal deficit for 1997 was \$3 billion. However, the Ministry of Economy claims that this number will rise to \$4 billion due to lower tax collections and higher costs.

The additional deficit will be covered by privatisation sales made during 1997. In spite of the increase, the overall deficit will not exceed 1.5 percent of the GNP,

which is considered moderate and manageable to the extent that the IMF has given its approval to the Argentine authorities, and indicated that it will continue to back the country's finances.

At the beginning of September, the government sold \$2 billion of new 30 year bonds, the country's largest debt sale ever, in an effort to repurchase outstanding Brady bonds. Investors bid for more than double the amount sold, offering to swap Brady bonds or to pay cash for the new bonds.

The new bonds will be the country's longest-maturity bonds in circulation, and, unlike the Brady's will not be backed by US Treasury bonds.

This operation is a benchmark transaction for Argentina and a sign of increased investor confidence that Argentina will repay its debt.

Treasury secretary Mr. Pablo Guidotti said that by repurchasing Brady bonds,

PRESIDENT MENEM HAS EMBARKED ON A STRONG CAMPAIGN HOPING TO RECOVER LOST VOTES

Argentina can cash in the US Treasuries used as collateral, reduce its total debt and lengthen the periods of debt repayment improving the country's cash flows. In numbers, this debt swap will help reduce the country's total debt by \$754 million and save \$242 million on interest payments during the next four years.

Foreign trade:

Red lights have been flashing as a result of an increased trade deficit. Mr. Guadagni, the Trade and Industry secretary, said that the government increased its trade deficit by 50 percent to \$3 billion as a booming economy caused imports of capital goods to surge. He also explained that the trade deficit will continue to show a deficit for many years to come, mainly caused by the strong influx of foreign investments.

During the first seven months of 1997, exports reached \$14.5 million, 9 percent more than what was exported during the same period of 1996. Exports to the Mercosur block and China increased by 17 percent and 32 percent respectively. However, EEC exports dropped by 15 percent, mainly caused by the revaluation of the Argentine peso towards the European currencies. Exports to the Nafta countries dropped by 4 percent.

Imports during the first seven months reached \$16.6 million, 27.6 percent more than the same period last year. During the first seven months of 1997, Argentina



BRAZIL:

BRAZIL - POLITICAL AND ECONOMICAL OUTLOOK

Since we last wrote, Brazil's REAL PLAN commemorated its 3rd anniversary on 1 July. The plan continues to require some further consolidation, but is still widely regarded as a success, progressing well into the next stages. The International Monetary Fund (IMF) predicts that Brazil will be one of the top 5 fastest growing economies up to the year 2025, alongside China, Russia, Indonesia and India. Key issues, according to the IMF analysis, are structural reforms, privatisation and low inflation.

The new president of the Central Bank - Gustavo Franco - took over in August. Previously director of International Affairs for the bank, Franco is very well respected and his new position is seen as a signal of continuity of government economic strategy.

EXCHANGE RATE

He has confirmed that he intends to maintain the current exchange rate policy, i.e. gradual devaluation can continue to be expected over the next months governed by market forces. From August to December 1997, the Real can be expected to naturally devalue a very welcome 2.8 - 3.5 pct against the U.S. dollar according to government sources, which will further assist the Brazilian export drive.

Although a controversial issue in the face of a Real said to be overvalued by some 15-20 percent, some international observers concur with the government that devaluation of the Real would be both unnecessary and create harmful psychological side-effects. They claim that the strategy should be to improve productivity and increase export performance by around 9 percent per year, whilst reducing private sector spending to ensure greater domestic savings. Theoretically, the consequential results would be lower interest rates, greater investment in production and a reduced current accounts deficit.

TRADE BALANCE

Both exports and imports in July were a record for the year at \$5.2 and \$6 billion respectively, resulting in a trade deficit for the month of \$811 million. The accumulated deficit for 1997 to July was \$5.5 billion - the same level as the 12-month deficit in 1996. Meanwhile, both exports and particularly imports slowed in August with the trade deficit figure for that month being \$315 million (\$5.07 billion exports and \$5.38 billion imports), although the government has since announced that due to confusion with SISCOMEX (the computerised customs clearance system),

import figures have been artificially high by up to 18 percent and the August figures may be revised downwards, improving the trade deficit result.

Exports in the first 8 months of the year have been registered at \$35 billion, which is 11 percent above the same period of 1996. Amongst the reasons are the coffee exports which reached 1.2 million bags in August, and totalled 9.7 million bags lifted this year - 48 percent over the 1996 figures for the same period. Brazilian tobacco leaf exports have been some 9.2 percent better than 1996 (Jan-Jun), and the previously ailing footwear industry has picked-up some 6.3 percent as against 1996 (Jan-Jun).

In the first 6 months of 1997, imports represented 17.7 pct of GDP, (in 1996 the figure was 16.1 pct). The increase is attributed to a growth in GDP itself translated into a growth in purchases of durable, and non-durable foreign goods. In particular, the growth of investments via the purchase of capital goods has increased the volume of imports. In July, the government announced that it would stop exempting import taxes on some 3,700 machinery and other capital goods - resulting in an increase in duty from zero to 17 percent. It should be remembered that many of these goods had an import duty of around 65 percent prior to 1994. The measure was calculated initially by some analysts as reducing capital good import volumes by around \$2 billion against original 1997 estimates for this segment, although this would represent merely a slowdown in the rate of growth of capital good imports, rather than a decrease in overall volume. Some effect appears, however, to have been seen in August and September with a slowdown in imports, especially ex-USA which has traditionally been an important capital good supplier for Brazil. The Government has argued that the so-called "Ex-Tariff" was cancelled due to abuse, but has also just announced plans to return the system for 1998. The re-vamped system will have new rules to avoid the previous abuse.

Based on the various trade developments, the National Industry Confederation (CNI) had issued revised projections for 1997 trade figures. Exports have been estimated at \$51 billion (9.6 percent above 1996), and imports at \$62 billion, with a consequent \$11 billion trade deficit. Whilst still a very significant deficit, the figure is a positive development in the sense of being well lower than the figures the government had originally feared of \$15 billion or more.

Exports have been estimated at \$51 billion (9.6 percent above 1996), and imports at \$62 billion, with a consequent \$11 billion trade deficit. Whilst still a very significant deficit, the figure is a positive development in the sense of being well lower than the figures the government had originally feared of \$15 billion or more.

EXPORT INCENTIVES

According to a study by the IPEA (The

Federal Government Institute for Applied Economic Research), Brazilian Exports can be expected to continue to grow at an average rate of 7.5 percent annually upto 1999, although successive balance of payments deficits can be expected into the next decade. As a consequence, the government has been at pains to try and further incentivise exports with the most recent steps being as follows:-

- PROEX - the export financing programme has been expanded and is now projected to finance upto \$7 billion in exports by the end of 1997 - over 3 times the amount financed in 1996. The programme is aimed at financing new operations as well as increasing the volume of existing ones.



- The government has announced the establishment of an export agency to identify new markets and generate new trade for current and potential Brazilian exporters.

- Export credit insurance was made available again as of July. This reduces the risk of exporting and is aimed at incentivising small and medium size companies to start exporting.

INFLATION AND OTHER ECONOMIC INDICES

Inflation for the month of July was measured at 0.09 percent (zero point zero nine percent), the 3rd lowest monthly inflation rate since the start of the Real Plan in July/94. Annualised inflation for 1997 is estimated at 6 percent, whilst 1998 projections are 5.5 percent.

GDP growth is scheduled to be 3.5 - 4 percent for 1997, and 4 percent has been estimated for 1998, bringing the 1998 GDP up to around \$850 billion.

Interest rates in 1998 are expected to drop further to 18pct per annum, more than 3 points below 1997. Direct capital investment in the first half of 1997 - at over \$6 billion - was already some 80 percent above the same period in 1996 in reaction to the gradual drop in interest

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MOST ECONOMIC INDICES INCLUDING INTEREST RATES, EXCHANGE RATES, INVESTMENT, AND INDUSTRIAL PRODUCTIVITY CONTINUE TO BE POSITIVE

THE CITY OF BLACK GOLD

HOUSTON OUTGROWS HUMBLE ORIGINS TO BECOME INTERNATIONAL CENTRE OF INDUSTRY AND COMMERCE

Originally billed as the future "great commercial emporium of Texas," Houston was not an overnight success. Rising from the plains on the Gulf of Mexico, the sparkling glass skyscrapers of Houston belie the inauspicious origins of this international business centre, one of the most modern cities in the world.

Despite its modern image, the gleaming Texas metropolis was, for most of its early history, a town in a swamp - plagued by yellow-fever.

Although Houston was founded more than 160 years ago, the city did not become a leading commercial centre until the turn of the century. Started by two New York land speculators, Houston's charms were not immediately apparent and the city grew in fits and starts. Despite the early boosterism, the First Congress of the Republic of Texas stayed in town only three years, eventually settling in Austin. Houston grew slowly as a cotton shipping port until the Civil War, when it served as a haven for Confederate blockade runners.

The railroads thrived after the war and by the 1890s there were 12 railways

running in and out of Houston. It was nature, however, that provided the impetus for Houston's entry into the big-time of American cities. In 1900 near-by Galveston, Texas - then a more important city than Houston - was destroyed by a hurricane and flood, killing eight thousand people. After that event, still the worst natural disaster in American history, Houston quickly became an important international sea

pipeline transportation suppliers. Later oil discoveries in the Gulf of Mexico and developments in off-shore oil technology added another facet to Houston's oil economy. Downstream energy businesses such as chemical manufacturers and oil refineries also developed in Houston.

The combination of oil and shipping have made Houston a leading international port. Not surprisingly, the

WHILE THE ROUGHNECK AND OIL MILLIONAIRE MAY BE MOST SYMBOLIC OF THE CITY'S CHARACTER, THE GIANT CATTLE RANCHES AND COTTON FARMS THAT SURROUND HOUSTON HAVE MADE THEIR MARK.

port and the most important city in Texas.

Nature was also to provide the essential and defining ingredient to Houston's emergence as an important international commercial city. Oil was discovered at the Spindletop field in 1901, and it was the oil industry that shaped the city of Houston for most of the twentieth century. Subsequent finds at Humble in 1905 and Goose Creek in 1906 cemented Houston's position as an oil city. Oil was the foundation for the city's booming economy and expanding port, which developed around the oil

industry. Refineries and processing plants sprang up along the ship channel, helping to make the city an important industrial centre.

The near-by oil fields brought many oil-related businesses to Houston, including engineering firms, exploration and production equipment manufacturers and

Port of Houston is one of the best known and most visited ports in the United States, ranking second in the United States in foreign commerce and total tonnage. It is the eighth most active port in the world.

The city of Houston itself is more than just another industrial port city, however, with more than three million people it is one of the largest cities in the United States and the city's cultural life reflects a rich conglomeration of influences. Houston is a mixture of the American South and West, as well as Mexico. While the roughneck and oil millionaire may be most symbolic of the city's character, the giant cattle ranches and cotton farms that surround Houston have made their mark too, giving the city something of a cowboy and Old South flavour. Houstonians can brag about having some of the best barbeque, the best Mexican cuisine and the best Southern cooking anywhere, and they do.

Not content to rely on oil, new businesses have substantially diversified Houston's commercial and industrial



economy. High technology came to Houston courtesy of the American space program in 1961. The choice was no accident, however, Houston having developed many resources needed to support such a large undertaking. The city's port and industrial base were decisive factors when the National Aeronautics and Space Administration (NASA) chose Houston over 20 other cities as the site of its space program headquarters. High-tech businesses have flourished in Houston. There are now more than 1000 software companies in the city and computer giant Compaq Computers employs more than 8000 people in Houston.

The city has also become a leading centre for medical education and scientific research. Houston is home to one of the world's leading medical research institutions, the Texas Medical Center, a complex of 13 hospitals, two medical schools and several research institutions. Approximately 50,000 people are employed at the Texas Medical Center, which treats more than four million patients every year.

Several universities are located in the city, in addition to many cultural institutions. Houston boasts a professional symphony orchestra and ballet, opera and theatre companies. Houston is one of America's leading centres of live dramatic and musical theatre. One of the country's best known resident theatres is the Alley Theatre, which was founded in Houston in 1947.

NEW EMPLOYEES:



Marianne Haugen
receptionist and
switchboard
operator
administration
department



Kenneth Strømmen
accounting
assistant
account
department



Lars Nestaas
system management
IT department

SAILING SCHEDULE FOR ADVENTURE

M/S 'AMERICANA'

- Voyage 75 Leaving New Orleans o/a Dec. 05, 1997
76 Leaving New Orleans o/a Jan. 21, 1998
77 Leaving New Orleans o/a Mar. 31, 1998
78 Leaving New Orleans o/a May 19, 1998

M/S 'SAN ANTONIO'

- Voyage 29 Leaving New Orleans o/a Nov. 12, 1997
30 Leaving New Orleans o/a Dec. 31, 1997
31 Leaving New Orleans o/a Feb. 18, 1998
32 Leaving New Orleans o/a Apr. 08, 1998

Ivaran Agencies Inc.
Newport Financial Center
111 Pavonia Avenue
Jersey City, N.J. 07310 U.S.A.
Telex: 430238
Telephone: (1) 201-798-5656
Telefax: (1) 210-798-2233

WELCOME ANDREA BRADLEY

ILNYC has hired Andrea Bradley in the marketing department as of June 1997 as a marketing analyst. She performs market research utilizing piers data. Her prior experience was with the piers division of the Journal of Commerce as a marketing assistant. She produced customized reports for clients, evaluated return for advertising spending and organized direct mail campaigns. We wish Andrea welcome to the 'Ivaran Family' and the best of luck!



Andrea Bradley

NEW IVARAN STATION FOR CHRIS McCOURT

The marketing department has lost a long-time employee, Chris McCourt to Ivaran's Houston office. Mr McCourt has been with Ivaran since June 1993 as a marketing coordinator with the following responsibilities: production & distribution of in-house sales statistics; program & produce JOC competitive statistics; preparation of SBS liner budget and sales/marketing materials for tertial meetings. He relocated to our Oslo, Norway head-office in December 1995, working in the liner department , involved in the preparation of the USEC liner budget, voyage calculations and tracked bunker usage and expenses. He returned from Oslo in March 1996 and has since worked in the marketing department.

Mr McCourt's new responsibility is operations coordinator, Houston. He will be responsible for the following operations tasks: voyage estimates, maintenance of information relating to the vessel sharing agreement with TMM and CMN, spearheading the



Chris McCourt

implementation of our computer assisted vessel planning system and providing complete operational support to the operation manager in Houston. We all wish Chris the best of luck!

ILNYC CONGRATULATES JOHN ZAAIJER ON HIS PROMOTION

John Zaaier has been promoted to assistant vice president of pricing and market development as of August 1997. Mr Zaaier has been employed with Ivaran Agencies, Inc. since August 1994 as pricing manager, coming to Ivaran with considerable IAFC experience. His duties include representing customers; introducing Ivaran to the decision makers and negotiators of companies or shippers of commodities we target with the ability to discuss a pre-planned course of action.

Mr Zaaier also coordinates with assigned sales representatives and their managers target campaigns based upon his intimate knowledge of the



conference, regulatory, and market forces. The goal being to obtain greater participation and develop new contracts which will benefit Ivaran. He also acts as liaison between technical pricing for both the sales team and our customers regarding flow of critical information. John will be an asset in assisting the Ivaran sales team and with all Ivaran offices and agents in reference to joint sales calls whenever desirable to develop and secure new business. We congratulate and wish him success in his new position!

John Zaaier

NEW RESPONSIBILITIES FOR ATLE UNDERTHUN

Atle Underthun, general manager of Ivaran's Miami office, has assumed responsibility for the southbound capacity management of Ivaran's US East Coast Service, US Gulf Service and the Gulf Caribbean Service.

In his new position as capacity manager, Mr Underthun will be responsible for space allocation, booking monitoring and follow up on cargo presentation with the various loadports and market areas to ensure that each and every

southbound Ivaran vessel is sailing from USA with the optimal cargo composition. Job responsibility requires daily follow up and monitoring with all agents.

Mr Underthun will no longer handle the marketing coordination for the Caribbean agents, which has been transferred to Frank Castro, general sales manager for south Florida, Caribbean and Central America also based in the Miami office.

In addition to his new role as capacity



Atle Underthun

manager, Mr Underthun will as general manager continue to be responsible for the overall management of the Ivaran Miami office.

IVARAN LINES AS: CHANGES, BUT BUSINESS AS USUAL

Effective 1 May 1997, all liner activities within Ivarans Rederi ASA have been separated into a separate entity, Ivaran Lines AS, which has been trade name of Ivaran's liner operations for decades.

The decision, made by the board of directors earlier this year, was based on, among other things, the need to make our liner activities more result oriented and measurable, as well as increase the market profile and boost the image of

the company in its main shipping sectors.

Ivarans Rederi ASA will retain ownership of the liner vessels, thus becoming the holding company for Ivaran Lines AS as well as other subsidiaries, including Ivaran Shipping AS.

The board of directors of Ivaran Lines AS constitutes Erik Holter-Sørensen (chairman), Aage Thoen and Eirik Holter-Sørensen. The company will appoint a new managing director relieving vice president of Ivarans Rederi ASA, Roar Lunde, who is temporarily the acting managing director. We will run an introduction of the new managing director hopefully in the next issue of ON LINE.

The head office of Ivaran Lines AS will remain at Lysaker, Norway with

unchanged address, telephone and fax numbers.

In other words, BUSINESS AS USUAL!

BRAZIL SALES

As from 1 October Claudio Oliveira assumed his new position as regional sales coordinator for Brazil, at IAM, Sao Paulo. Mr Oliveira has rich shipping experience and has worked for leading maritime companies Grieg and Transcar.

Claudio, welcome and good luck!

FAREWELL TO CAPTAIN FRITS AND GOOD LUCK TO CAPTAIN SERGIO!!

There has been a change of watch in South America recently. Our port captain for the area, Captain Frits H. Jenssen, has relocated and is now working in Malaysia from August this year.

Captain Sergio A. Oliveira, who has been working with Frits for years, has taken command of South American operations simultaneously.

The employees of IAM, Santos, took the opportunity of celebrating the fare-

well and good luck to Captain Frits and the appointment of our new port Captain

Sergio.

We wish both of them all the best.



An farewell barbeque for Capt. Fritz H. Jenssen

FINANCING IVARAN'S BUSINESS

FACING INCREASINGLY AGGRESSIVE COMPETITION, CHRISTIANIA BANK EMBRACES THE PARADOX OF CONSERVATIVE, MODERN BANKING

Christiana Bank has financed Ivaran's business for 40 years. A leading bank in international shipping finance, Christiania Bank made its first shipping loan in 1854 and has been an important shipping bank ever since. According to Carl Steen, executive vice president of shipping, energy and transportation at Christiania Bank, the key to his bank's success has been to build on the strengths the bank has developed over the years: in-depth knowledge of the shipping industry and solid relationships with established shipping companies.

The bank has a large shipping portfolio. Christiania's shipping and transportation portfolio currently totals more than \$6 billion. The bank has provided financing in every segment of the shipping industry, focusing on modern tonnage with future demand and high resale value. In addition to industrial and bulk shipping, the bank has been involved in financing cruise and ferry businesses.

The portfolio is also a mix between Norwegian and non-Norwegian customers. The mix is a conscious choice by the bank. As of today, slightly more than 50 percent of Christiania's shipping portfolio is Norwegian-led, and that,

says Mr Steen, is the way it's going to be in the future. There are significant differences between Christiania's Norwegian clients and its international clients; the Norwegian clients come from a wider spectrum of businesses.

"We have quite a nice mix in our portfolio and that's actually very



Carl Steen

important to us. If you look at the distribution of our floating assets at the end of last year you can see we actually have - to be a big shipping bank it's important to not put all the eggs in one basket- to try to spread the risk a little bit."

Minimising the risks is becoming more important as traditional shipping banks confront a more competitive financial market. The current shipping market is very healthy and has begun to attract new banks. As more banks look to the shipping market for opportunities, Christiania will be faced with increasing competition.

Most of the competition will come in the form of banks offering lower rates and little else. In order to compete Christiania intends to rely on its well-cultivated strengths, rather than just cutting rates. In the long run, believes Mr Steen, the rate cutting may create strenuous difficulties for the newcomers.

"There are those who do not have a tradition in the shipping industry. The only way they can get business in the shipping market is by lowering the margins, on more aggressive terms. Which is long term maybe not that healthy for the industry. We see a lot of aggressive banking these days."

The rise of aggressive banking in the shipping finance market comes at a time when the shipping industry is undergoing a major transformation. The most significant trend in shipping during the last several years is the trend toward consolidation, the creation of larger and larger shipping companies. This will reshape the industry and profoundly affect the way shipping companies are run, making them more like big companies in other industries.

The consolidation phenomena is likely to continue and improve the overall profitability of shipping businesses. Overall, this is probably good for the industry. Mr Steen sees the continued creation of larger units in some areas will make shipping a better investment.

"In certain markets larger companies are doing better, if you look at cruise market, the offshore market, the liner business, the chemical business - you need a minimum critical size in order to be profitable."

Most of the consolidations will take place in industrial shipping and liner trades. In other sectors there will be a lot of small, very profitable operators but in

general Christiania anticipates a continued trend toward more consolidation.

"I still feel there is a lot to be done and continued restructuring of the shipping market. There will be more takeovers and consolidations. Creating bigger and bigger units, you'll see a lot of things happening," says Mr Steen.

Increased size has become necessary, especially in industrial shipping, where the demands for capital and technical expertise are greatest.

"The market requires more concentration. In the good old days a shipping company could run different sort of ships, a ro-ro carrier, a tanker, one reefer, whatever, you could have a mixed bag. Today you see much more a concentration in the areas because you need their gain as ship operator, a minimum size to be competitive in the market place and secondly you have to have the knowledge of what's going on," says Mr Steen.

"TO BE A BIG SHIPPING BANK IT'S IMPORTANT TO NOT PUT ALL THE EGGS IN ONE BASKET- TO TRY TO SPREAD THE RISK A LITTLE BIT." – CARL STEEN, EXECUTIVE VICE PRESIDENT OF SHIPPING, ENERGY AND TRANSPORTATION AT CHRISTIANIA BANK

Reaping the greatest benefits of shipping consolidation will be the equity markets, and the banks indirectly. Mr Steen believes that this new era of larger shipping companies will require huge amounts of capital - sums which can only be obtained in the equity markets. In turn, those equity markets are going to demand more profits, placing more pressure on shipping companies to really perform.

"If you really want to expand, if you want some capital and equity and if you want to compete in the shipping market you need more equity and the only way

you can raise that equity is through a private placement or a public offering. In other words, you can't keep it in the family anymore. It happens that some can, but most have to go public. So they really have to dress up the bride so to speak to be able to attract that equity."

The shipping industry can look forward to the increasing influence of professional investors in the future. The trend will be away from family-controlled businesses will continue and increased numbers of professional investors pushing the industry to greater efficiency and profitability.

RAFTING ON THE RIVER JUQUI

Organized rafting on the River Juqui has existed since 1991, but it wasn't until 16 August before Ivaran Agencia Maritima, Sao Paulo, took its sales team and customers on the first Ivaran rafting encounter. The event started early in the morning with breakfast at Ivaran headquarters and then a two hour bus trip to the river.



At the river site, guests and staff were instructed on safety procedures before embarking on the 2 hour, 5 kilometer ride down river. The event required nine inflatable boats and created a teamwork atmosphere among customers, their families and Ivaran employees.

A second rafting event is already being scheduled, says an enthused Sao Paulo Ivaran office.

IN MEMORY: A MAN OF HONOR

Ivaran captain Aleksander Jensen passed away 29 May, 90 years old, at Hvaler nursing home.

He was born at Vesterøy, but later moved to Asmaløy. As it was common in those days, Aleksander - usually called Alex - went to sea at the age of 15, and remained a sailor throughout his professional life.

In many ways Alex was representative of the youth from Hvaler - traditionally connected to maritime professions and fishing. He served in the Navy, and was amongst other things appointed to the Royal Yacht, bringing him close to Norway's Royal Family.

At sea in 1938, Alex experienced the break-out of World War II on 9 April 1940. At this time, his ship was carrying important provisions between the USA and the Far East. The ship narrowly escaped being captured by the Japanese and returned to USA. During the war, Alex was in several convoys between USA and England,

and in the last part of the war, also to Murmansk.

As if this was not enough, Alex had to sail another year after the liberation before he could go home to his family after eight years at sea!

ALEX HAD TO SAIL ANOTHER YEAR AFTER THE LIBERATION BEFORE HE COULD GO HOME TO HIS FAMILY. IN TOTAL HE SPENT EIGHT YEARS AT SEA WITHOUT HAVING ONE VACATION

Like most war sailors, Alex did not talk about the incredibly straining time in the convoys. To him it was a job that had to be done!

One of his greatest disappointments must have been when his application

for a war pension was turned down. It was hard for him to proceed further with this matter, but it was finally granted from the authorities.

Alex was employed with Ivarans Reder throughout his professional life. After the war, he sailed as master for Ivaran in liner trade between the North and South America, until he retired in 1966 to Rød at Asmaløy.

Alex enjoyed his retirement together with Marie, and they celebrated their 60th wedding anniversary and his 90th birthday in September 1996.

His main interest was history, especially the restoring of Akerøy Fort, but enjoyed fishing for eel and lobster, gardening, housekeeping, and particularly his family, which included two daughters and four grandchildren.

Aleksander Jensen was a man of honor in the true sense of the word. We will miss him deeply now that he has left for his final journey.

by - J.A. Borgen
translated from Aftenposten












A funny text for the above cartoon. Send your reply to: The Editor, On Line, Ivarans Rederi, Vollsvn. 9-11 P.o.Box 175, 1324 Lysaker, Norway before November 15th, 1997. The winner will receive a collector's pin.

and the winner is ...

On Line is sending Erik Tjørstad, Ivarans Rederi 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 (7.71 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 (7.61 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 (7.30 ft) H: 2.31 m (7.57 ft)	W: 2.336 m (7.65 ft) H: 2.233 m (7.33 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 (7.06 ft) H: 2.32 m (7.61 ft)	W: 2.337 m (7.66 ft) H: 2.280 m (7.48 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.

Brazil..... cont. from page 9

rates already this year.

The Privatisation Programme should produce a revenue of \$25 billion in 1998 with the entry of foreign capital assisting the government in maintaining foreign reserves at the current \$65 billion level.

The Brazilian auto industry had its second best month ever in August with a total of 191,607 units sold. With the opening of Honda's first Brazilian plant in October -97, Brazil will have already 5 auto assembly plants belonging to multi-nationals.

ADMINISTRATIVE REFORMS

Federal and State budgets continue tight into 1998 due very significant public employee payrolls (upto 90 percent of budget for some states), restricting important investments in infrastructure amongst other areas. This is therefore recognised as being a crucial area for reform, although some more significant developments towards healthier budgets are only expected following the presidential and general elections at the

end of next year.

The latest fiscal reform package proposes transferring the national tax burden from the production process to consumption, and shows that the government no longer intends to promote a more extensive fiscal reform through constitutional amendment.

Social contributions would be extinguished but current income and capital gains taxes would be maintained as are financial operations taxes and taxes on imports and exports. Generous tax breaks to companies that export or invest in production improvements are costing the state governments some \$9.75 billion per year in potential revenue, but the federal government has yet to find a coherent form of funding this loss of revenue to the states.

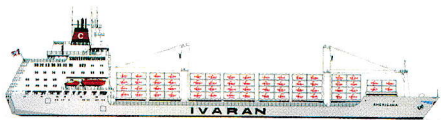
POLITICAL SCENARIO

As fully expected, in June the Brazilian senate overwhelmingly confirmed the final approval for the constitutional amendment allowing re-election, which would permit

President Fernando Henrique Cardoso to run for re-election in 1998. This measure is seen by many as assisting along the road to continued economic and political stability, although there are of course fears that being election year, 1998 may move more slowly *vis a vis* the tougher reforms that are needed. Various new and old candidates are appearing to dispute the presidential elections.

As we ended in our last report, there is still much to be done, but most economic indices including interest rates, exchange rates, investment, and industrial productivity continue to be positive. The privatisation programme, structural and administrative reforms are planned - albeit timidly in some cases in view of the political scenario - but undoubtedly will assist Brazil on the road to further growth and success.

thanks to
Michael Jones
Sao Paulo



"AMERICANA" - Container/passengervessel, built 1988. 19,818 dwt/1,120 TEUs (cellular) + 3 coiled/coated deeptanks for liquid cargo of 11,785 cbft each. Speed: about 19 knots. Accommodation for 80 passengers.



"SAN CRISTOBAL" - Containervessel, built 1995. 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 FELIPE" - Containervessel, built 1996. 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.



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



"SAN FRANCISCO" - Containervessel, built 1996. 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.



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



"SAN FERNANDO" - Containervessel, built 1996. 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.

Argentina..... cont. from page 8

obtained a trade deficit of \$1.9 million, against a trade surplus of \$567 million during the same period last year. In spite of the drop in the exports growth level, Mr. Guadagni claims that Argentine exports will reach \$41 billion. by the year 2000 which equates to a growth of 15 percent per annum.

It is clear that a stronger Argentine peso, an increase of the domestic demand fuelled by a stronger economy, the elimination of export subsidies, and a strong influx of foreign investments, results in a growth slowdown of Argentine exports and bigger trade deficits. Whilst the government tries to scale down this problem, market economists are showing signs of concern.

Foreign Investments

Foreign investments in Argentina grew more than 28 percent during the first seven months of 1997, being the biggest growth in the last 50 years. Mr. Guadagni said that foreign investments for the period 1997-2000 shall reach \$53 billion. Three quarters of these investments shall be made to create or enlarge industrial plants, and only \$3 billion represent purchases of existing assets. Of the \$40.000 million invested in new plants or enlargements, 51 percent corresponds to industry, agro-industries and energy. 37.5 percent will go

to infrastructure, and 11.5 percent to commerce and service industries.

Employment:

The last official employment report was issued last August, and it showed an unemployment rate of 16 percent. This is a drop of more than one percent from the previous report. This last report also said that during the previous 12 months, 600.000 new jobs have been created, and that at this rate, by the end of 1997 the unemployment level will be slightly below 15 percent.

This drop of the unemployment level is another positive sign confirming that the Argentine economy is growing steadily.

Final comments

Argentina seems to be living some very exciting days with several positive reports coming from abroad supporting its economy. According to "Country Risk Review" released by DRI/McGraw Hill, the world's leading provider of economic forecasting, Argentina is the leading country with the lowest investment risk of the ten largest emerging economies, placing Poland, Mexico, Turkey and India in the 2nd, 3rd, 4th and 5th place respectively. This ranking emerged after analysing more than 50 variables, including government policies, economic

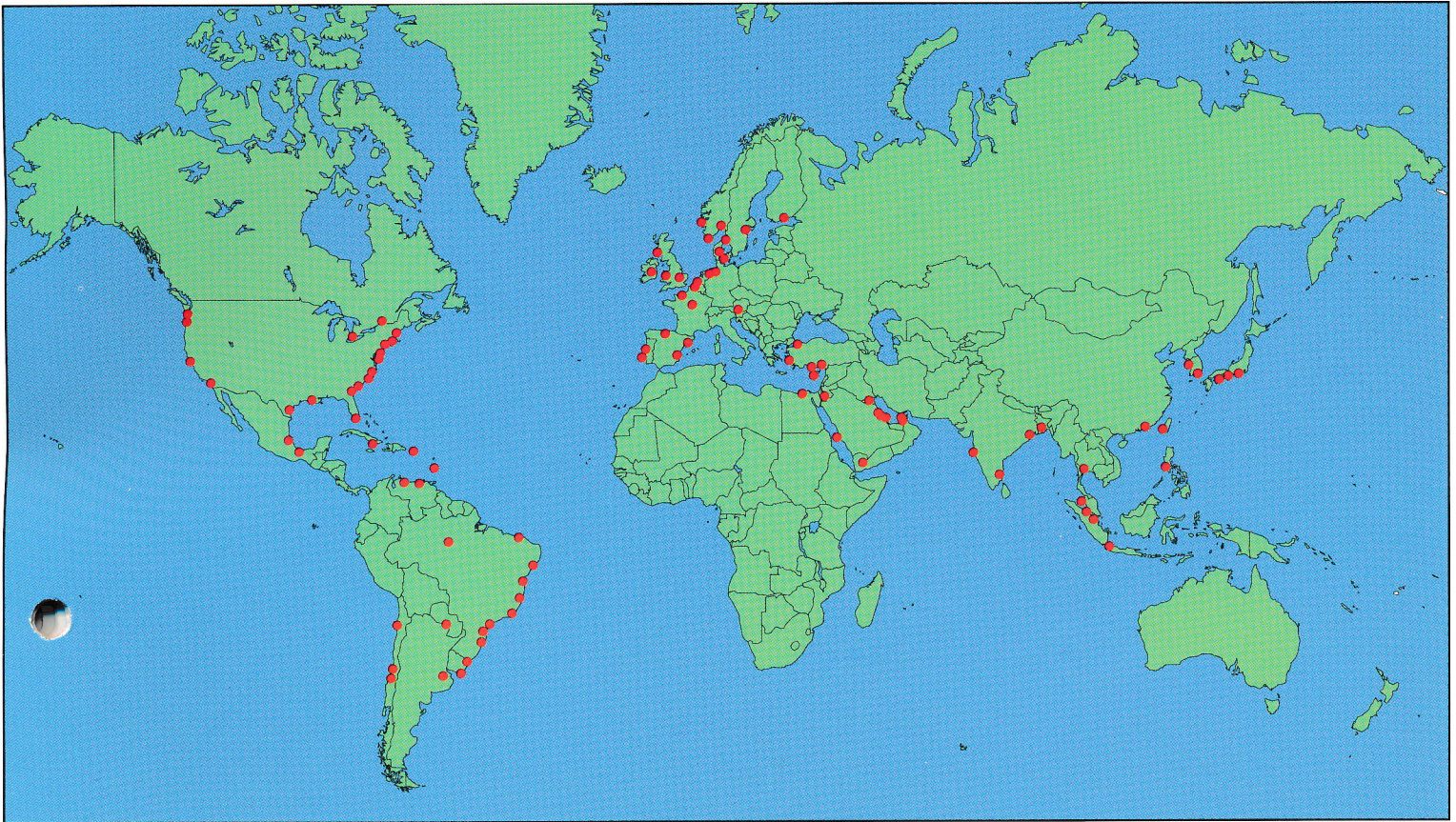
pricing, domestic political and economic risk factors.

The IMF in its "World Economic Outlook", issued every six months, stated that "Argentina is the most brilliant economy of Latin America" with one of the highest growths in GNP of the western economies. "Based on this growth, the structural reforms, the success in its war against inflation, Argentina will be in a position to sustain this economic growth for many years to come."

Last week, Merrill Lynch also supported the economy of Argentina and was confident that within a short time Argentina will improve its risk qualifications, reaching the desired "Investment Grade Level" allowing several foreign investors, such as the US Pension funds, to invest in Argentina's foreign debt bonds.

With several records broken during the first eight months of 1997, such as Central Bank liquid reserves, bank deposits, foreign investments, industrial growth, exports, imports of capital goods, all this coupled with a solid democracy, one would think that Argentina is at long last sailing with fair winds and smooth waters towards a safe port.

thanks to
Andrew Robinson
Buenos Aires



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)
- Salvador
- Rio de Janeiro
- Santos
- Buenos Aires (transfer of cargo to/from Bolivia, Paraguay og Montevideo)
- Rio Grande do Sul (via Buenos Aires)
- Itajai
- Sao Francisco do Sul
- Paranagua
- Santos
- Rio de Janeiro
- Vitoria
- Salvador
- Fortaleza
- Puerto Cabello (transfer of cargo to other Caribbean destinations)
- Veracruz
- Altamira
- Puerto Limon
- Cartagena, etc.

- Bi-weekly sailings
- Monthly sailings

EAST COAST SERVICE

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

- Norfolk
- Baltimore
- Philadelphia
- New York
- Savannah (transfer of cargo to/from the Caribbean)
- Miami (transfer of cargo to/from the Caribbean)
- 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

GULF CARIBBEAN SERVICE

This Service offers sailings every 7 days to and from the following ports:

- Houston
- Altamira
- Veracruz
- Puerto Limon
- Cartagena
- Puerto Cabello (Transfer of cargo to/from Gulf and USEC Services)
- La Guaira
- Bridgetown
- San Juan
- Rio Haina
- Houston

- Monthly sailings

Ivaran Lines: Our agents - your guarantee:

U.S.A., CANADA, CARIBBEAN, COSTA RICA, MEXICO, COLOMBIA, VENEZUELA AND PANAMA:

General Agents: Ivaran Agencies Inc., Jersey City, N.J.
Atlanta, Ga. (sales office): Ivaran Agencies, Inc.;
Baltimore, Md.: Stockard Shipping;
Baranquilla, Colombia: Agencias Maritimas del Caribe
Bogota, Colombia: Agencias Maritimas del Caribe
Boston, Ma: Moran Shipping Agencies Inc.;
Bridgetown: Sea Freight Agencies (Barbados) Ltd.;
Caracas: Despachos Becoblohm C.A.;
Cartagena, Colombia: Agencias Maritimas del Caribe
Charleston, S.C.: Carolina Shipping Company;
Charlotte, NC (sales office): Ivaran Agencies Inc.;
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.;
Medellin, Colombia: Agencias Maritimas del Caribe
Mexico City: Transpac Representaciones Transpacificas SA de CV.;
Miami, Fl: Ivaran Agencies Inc.;
Montreal: Seabridge International Shipping Inc.;
New Orleans, La: Riise Shipping Inc.;
New York: Ivaran Agencies, Inc.;
Norfolk, Va: Capes Shipping Inc.;
Panama City: Barwil Agencies S.A.,
Philadelphia, Pa. (sales office): Ivaran Agencies, Inc.;
Philadelphia, Pa: Stockard Shipping & Terminal Corp.;
Pittsburgh, Pa: World Shipping Inc.;
Port of Spain: Alstons Shipping Ltd.;
Port-au-Prince: Joseph Nadal & Company;
Puerto Cabello: Servinave Puerto Cabello, C.A.;
Puerto Limon, Costa Rica: Intramar S.A.;
Rio Haina: Maritima Dominicana SA;
San José, Costa Rica: Intramar S.A.;
San Juan, Pto Rico: ScanAmericana Agencies Inc.;
Santa Marta, Colombia: Agencias Maritimas del Caribe
Savannah, Ga: Carolina Shipping Company;
Syracuse, N.Y.: 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, N.C.: Wilmington Shipping Company.

BRAZIL:

General Agents: Ivaran Agencia Maritima Ltda, Santos
Belo Horizonte: Transatlantica de Afretamentos e Agenciamentos.;
Curitiba: Agencia Maritima Transcar Ltda.;
Fortaleza (Sales & Marketing): Ivaran Agencia Maritima Ltda.
Fortaleza (Port Agents): COPRAL - Comercio Navegacao Ltda.
Ilheus: Bahiaship - Agencia Maritima Ltda.;
Imbituba: Agencia Maritima Transcar Ltda.
Itajai: Agencia de Vapores Grieg S.A.;
Maceio: Bahiaship Agencia Maritima Ltda.;
Manaus: Wilport Operadores Portuarios S/A;
Paranagua: Agencia Maritima Transcar Ltda.;
Porto Alegre: Agencia Maritima Transcar (RG) 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: Ivaran Agencia Maritima Ltda.;
Sao Francisco do Sul: Agencia de Vapores Grieg S.A.;
Sao Paulo: Ivaran Agencia Maritima Ltda.;
Vitoria: Transcar Vitoria, Agencia Maritima Ltda.

ARGENTINA, PARAGUAY AND BOLIVIA:

General Agents: Agencia Maritima Robinson SACFeI, Buenos Aires
Asuncion: Agencia Maritima Remar SRL;
Buenos Aires: Agencia Maritima Robinson SACFeI;
Campana: Agencia Maritima Robinson SACFeI - Campana;
Ciudad del Este/Foz do Iguacu: Agencia Maritima Remar SRL;
La Paz: Anbol Ltda.;

URUGUAY:

Agencia Maritima Ernesto J. Rohr SA, Montevideo.