



REPUBLIC OF CYPRUS
MINISTRY OF TRANSPORT,
COMMUNICATIONS AND WORKS



DEPARTMENT
OF MERCHANT SHIPPING
LEMESOS



PRESS RELEASE

SHIPPING HEAVYWEIGHTS CONGREGATE IN LIMASSOL FOR MARITIME CYPRUS 2017 *Highlights from speeches and panel sessions on the third day of the conference*

Cyprus, 11th October 2017: The “Maritime Cyprus 2017” Conference was continued today for the third day in Limassol and has successfully reached its completion.

Today’s deliberations commenced with an address delivered by the Mayor of Limassol, Mr. Nicos Nicolaides on the theme **“Limassol as a maritime and energy hub”**. Mr. Nicolaides noted that Limassol is a city of new opportunities. Limassol is the largest port on the island. Moreover, it is a fully fledged maritime centre. The Mayor commented on Limassol being the financial capital of Cyprus offering high quality services. The Municipality supports all efforts towards the exploration and exploitation of hydrocarbons.

The first discussion relating to **“Market Forecasting”** was moderated by Mr. Bob Jaques, Editor of Seatrade Maritime Review. The panelists for this discussion were Mr. Alfred Hartmann, President of the Association of German Shipowners (VDR), Mr. Fotios Katsoulas, Shipping Data Manager and Fleet & Newbuilding Analyst of Affinity Research LLP and Mr. Peter Sand, Chief Shipping Analyst of BIMCO. The discussion was focused on the current market trends. It was noted that freight profitability is a tangible target for the very near future. It was stressed that the market is currently experiencing a relatively better fundamental balance between supply and demand. The importance of maintaining a significant level of demolition activity was mentioned as shipowners can control the supply of vessels since the demand side is beyond their control. It was mentioned that a substantial demand in dry bulk was noted in the first half of this year, a clear sign of positive development in the industries affecting global shipping. With regards to oil tankers it was mentioned that the market will increase by 2020 provided that the balance between supply and demand is maintained. The tanker fleet is still growing while scrapping is affected by the current age profile of the fleet. Reference was made to the orders of the largest container ships in the world in September 2017. The decrease of the life expectancy of the container vessels was mentioned and it was stressed that a 9 year old container vessel was scrapped. Mention was also made to the collapse of Hanjin Shipping and the necessary market’s recovery period. Container rates have shown an increase during the last months and hence the market looks promising.

The second discussion inquired into **“Drilling Forward”**. The Moderator for this Discussion was Mr. Sony Kapoor, Managing Director of “Re Define” – Institute for New Economic Thinking whereas the panel was comprised of Mr. George Lakkotrypīs, Minister of Energy, Commerce, Industry and Tourism of the Republic of Cyprus, Mr. George Papanastasiou, Managing Director of VTT Vasiliko Ltd and Mrs. Elfride Covarrubias, Business Development Manager for Italy and Mediterranean Area of DNV GL. The panelists analysed the potential of the hydrocarbon discoveries in the Eastern Mediterranean Region as well as the geopolitical



aspects. Large discoveries in the region and the prospect of substantial hydrocarbon resources have sparked major international interest. The Eastern Mediterranean remains one of the world's most under-explored areas. These discoveries offer major opportunities in terms of energy security, economic prosperity and regional cooperation. It was stressed that the exploitation and export of these resources present numerous technical, administrative, security, legal and political challenges. Therefore, these resources should be developed for the benefit of all the countries in the region in order to avoid causing any unnecessary disputes to the already volatile Eastern Mediterranean Region. Reference was made to the strategy of the Government of the Republic of Cyprus on oil & gas and it was mentioned that it inter alia includes the geopolitical alignment with the countries in the region and companies operating from Cyprus, the exploration and exploitation of the hydrocarbons, the infrastructure and the relevant legislation. It was stressed that Cyprus should invest in the future of renewable energy sources as well as in education.

Following this last debate, the Permanent Secretary of the Ministry of Transport, Communications and Works, Mr. Alecos Michaelides, delivered the Conference's Concluding Remarks. The Permanent Secretary thanked all the participants and high calibre speakers, panellists and moderators as well as the Conference sponsors and co-organisers the Cyprus Shipping Chamber and the Cyprus Union of Shipowners.

MARITIME CYPRUS 2017 CONFERENCE

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