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# High times in the far north

Norway has not experienced an economic boom like today's since the discovery of oil in the North Sea in the late 1960s. As oil prices stay high, the world's third-largest oil exporter enjoys the highest standard of living in the world.

As opposed to other OPEC nations, whose oil production is controlled by a limited group, Norway's National Petroleum Directorate aims to conduct business with more transparency and maintains a savings account for

per capita GDP of the U.S. was \$43,500 while that of Japan was \$33,100).

In addition to oil and gas reserves tapped by an extensive offshore industry, Norway is blessed with other natural resources, including hydropower, fish, forests and minerals. The shipping, offshore and fishing industries — referred to together as "the saltwater sector" — make up a field of expertise of maritime activity for this Viking nation with 25,148 km of coastline.

With exports representing nearly half of Norway's GDP, the country's wealth depends on trade with other nations. Global expansion exceeded 4 percent over the past few years, and trade in goods and services rose by more than 10 percent a year from 2004 to 2006.

Given those figures, Norway's shipping industry assumes an important role in the Norwegian and global economies, and in fact, has been in a period of unprecedented expansion.

With a population of only 4.5 million, Norway has grown into the fifth-largest shipping nation in the world behind Greece, Japan, Germany and China. The sector employs about 90,000 people,

maintains a fleet of approximately 1,700 ships and has pioneered specialized niches in the industry.

As of early last year, 55 of the 218 companies listed on the Oslo Bors (stock exchange) were shipping and rigging companies whose total market value was pegged at \$258 billion.

Norway controls 25 percent of the world market in chemical tankers. In offshore service vessels, Norway has a market share of as much as 15 percent of the world's fleet and nearly 10 percent of its new buildings. It is also a leader in the transportation of automobiles (car-carrier roll-on/roll-off vessels) and big machinery, forestry products, gas carriers and oil and dry cargo combination carriers.

In total, the country has 7 percent of the value of the world's ships and oil rigs on order.

Aside from shipowners and operators, Norway is home to the global leaders in the maritime service sector. It has the world's biggest ship financing banks, top ship brokering firms, 20 percent of the world's ship insurance market, and classification societies who handle more than 17 percent of the world's fleet. The maritime sector accounts for about

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EMBASSY OF JAPAN

Fumiko Saiga, Japan's ambassador to Norway

future generations through the Government Petroleum Fund, valued at approximately \$265 billion.

The fund, just 10 percent of which could buy up the whole of Manhattan in New York, is set to become among the world's largest real estate investors.

Norway's per capita GDP, at \$47,800, was also one of the highest in the world in 2006 (the



EITZEN GROUP

The Eitzen Group maintains a close relationship with its Japanese partners. As part of that commitment, Axel and Nina Eitzen visit Japan regularly.

## Eitzen expands fleet to meet market demand

2006 was a year of positive change for Camillo Eitzen & Co. As part of an aggressive expansion plan, the company spun off Eitzen Chemical, repositioned itself in the petrochemical sector and invested heavily in building new ships. With demand for his company's products high and yards full, CEO Axel Eitzen discussed the group's growth and renewal strategy with WER in Oslo.

**WER:** How are the listing of Eitzen Chemical and new renewal programs changing the face of Camillo Eitzen & Co.?

**Eitzen:** These are very interesting times for the company. Camillo Eitzen & Co. will continue to be a diversified company, but we believe when we reach a certain size and financial situation it is correct to reorganize and create independent listed companies. This allows a unit such as Eitzen Chemical to be more focused and financially independent.

With Eitzen Chemical we made an acquisition that allowed us to gain support from the equity market, and in doing this we gathered support closer to the company's asset value. The actions taken with Eitzen Chemical will make us a bigger group with a more modern fleet, and — in effect — provide customers with the quality, logistics efficiency and flexibility they expect from a large and powerful shipping company.

Eitzen Chemical will have a fleet of 121 vessels with an average age of eight years in 2010. We are undergoing a renewal program that will add 34 vessels between now and 2010. This renewal program will give us a 50 percent increase in tonnage and a 70 percent increase in earning capacity.

**WER:** What market elements signaled this expansion and diversification?

Chemicals, the gas sector and industrial forms of shipping have been lagging behind raw materials due to the shift in global trade. Chinese, Indian, Brazilian and Russian development is placing a demand on global industry for goods used for building infrastructure and transportation services.

Supplying global developments marks a new era for sea transportation. This is not a hyped-up IT-style bubble, but a profound volume-based increase in living standards for an enormous number of people.

**WER:** How will the Eitzen Group take advantage of the high demand for transport services?

We are positioning ourselves in the petrochemical sector to service production lines. We believe the demand for tankers and gas carriers will increase. There has been relatively little new building in this area, but we believe the demand for ships and services will grow in the future.

Regulation changes will affect the tanker sector this year impacting the supply of ships that carry a vast number of cargoes. Due to these changes, ships will be taken out of the market while yards remain full.

Our increased financial framework and expanded fleet will allow us to take advantage of this situation and attract more capital. We are very happy to have in total 250 vessels arriving in the group by 2010 to keep up with rapid market

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The Oslo Chamber of Commerce's Web site offers useful information for establishing business contacts in Norway, including planning delegation visits, developing export programs and information on the Arbitration and Dispute Resolution Institute. [www.chamber.no](http://www.chamber.no)

Innovation Norway promotes nationwide industrial development profitable to the business economy and Norway's national economy, and helps release the potential of different districts and regions by contributing toward innovation, internationalization and promotion. [www.innovasjon Norge.no](http://www.innovasjon Norge.no)

Oslo Tecknopole provides services and information to foreign investors considering the Oslo region as a possible location for future activities. Tecknopole's Web site offers information on cutting-edge Norwegian companies and listings of upcoming business events throughout Europe. [www.oslo.technopole.no](http://www.oslo.technopole.no)

## Alpharma increases profile in Japanese market

In a bid to raise market share and business in Japan, Norwegian pharmaceutical firm Alpharma bought a majority stake in local drug distributor Dumex in June 2006 and relaunched the company as Nippon-Alpharma.



With that move, Alpharma, a maker of active pharmaceutical ingredients (API), will provide high-quality and reliable injectable APIs in finished dosage form to the Japanese market, and become a contract manufacturer for domestic drug companies.

Carl-Åke Carlsson, president of Alpharma's API division

"We really have high hopes for Japan. After the U.S., we hope it becomes our top market," says Carl-Åke Carlsson, president of Alpharma's API division. Sixty percent of its \$650 million annual turnover comes from North America, followed by Europe, Latin America and Asia.

"Our biggest product offering for the Japanese market is Vancomycin, a very important drug and an antibiotic of last resort. We are the world leader in Vancomycin. There is very little resistance to Vancomycin, and we are promoting this product actively in Japan," Carlsson says.

After divesting its generic drug business in 2005, Alpharma has become a specialty pharmaceutical company that markets APIs, animal health products and the branded product Kadian (a morphine-based pain medication).

"We are in discussions with several major Japanese manufacturers to do a combination of supply and project manufacturing for them. We have a very long track record of working in highly regulated markets. We have a solid reputation in the industry of delivering what we say we are going to at the right time. We have a good name with our customers as a good company to work with on a long-term basis." ♦ [www.alpharma.com](http://www.alpharma.com)

## AutoSock brings you home safely

The harsh road conditions that come with Norwegian winters inspired Bård Løtveit to invent the AutoSock — a safe and easy replacement for cumbersome tire chains. In experiments in a skating rink using a variety of metals 10 years ago, Løtveit discovered that his cotton T-shirt caused the most friction between the ice and tires.

"Through exhaustive research and continuous testing in cooperation with leading textile universities, design experts and top players in the weaving industry in Europe, we came up with the first traction aid with a unique performance that was actually very easy to use," says Sales and Marketing Director Morten Dale.

Ease of use is the AutoSock's biggest asset but it has other advantages over bulky, noisy chains. Made with 100 percent high-technology fibers, the AutoSock is specifically designed to handle the water film that is created between an icy or snowy road and the tire. The self-centering design makes the AutoSock easy to mount and dismount even in cold and difficult weather.

Aside from not causing any



AUTOSOCK

The genius of the AutoSock is its simplicity. Inventor Bård Løtveit discovered that cotton fabric offers effective traction on icy roads.

noise or vibrations, the material makes the AutoSock easy to store, reusable, machine washable and recyclable.

It works at speeds of up to 50 kph and is compatible with all vehicles that have low clearance between the tire and the body, as

well as with all electronic safety systems like ESP and ABS.

The company is proud to serve companies like Toyota Motor Corp. Having met Toyota's tough quality and safety standards, the AutoSock is approved for use in all 52 Toyota models, from just four last winter.

"From a technical point of view, we are confident in the product so we just want people to try it. It will perform in the toughest conditions," says Dale, who also reports that the company has secured deals with Honda, Mitsubishi and Subaru.

AutoSock holds all rights to this unique, TÜV-certified product and works with all the largest auto manufacturers in Europe, Japan and soon North America. ♦ [www.autosock.no](http://www.autosock.no)



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The Eitzen Group provides innovative, high-quality shipping services through its stocklisted companies; Eitzen Chemical ASA, Eitzen Maritime Services ASA, and Camillo Eitzen & Co ASA.

The Group owns/financially controls and commercially controls about 220 vessels in the gas, chemical, bulk, OBO and tanker segments, whereof 45 are newbuildings on order. We are a true global partner for all your shipping needs with offices in 19 countries, 500 shore-based employees, and 2,000 sailing personnel from a pool of 4,000.



EITZEN GROUP  
EST. 1883

"Through dedication and innovation we will make a difference"

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www.worldyereports.com / NORWAY

# Ambitious changes at Western Bulk achieve results

Western Bulk, established in 1982, is one of the world's leading operators of Handymax dry bulk carriers. The group recently began chartering and operating Panamax vessels on key industrial contracts. Western Bulk has commercial operating offices in Oslo, Melbourne and Seattle, and representative offices in Perth, New Orleans, Houston and Concepcion Bay, Chile.

Between 2003 and 2005, Western Bulk doubled its freight revenues as a direct result of a comprehensive modernization program. It now operates between 50 and 70 vessels at any given time.

Amid all that activity, Western Bulk does not lose sight of its objective: delivering flexible and competitive transport solutions to its customers around the world.

"By focusing on less commoditized segments of the bulk business where we have established core competences, we are in a position to leverage our significant market presence and skill base to increase earnings," says CEO Trygve P. Munthe, who joined the company in 2005.

Western Bulk ships steel parcels from the Baltic and Black Sea to the U.S. Gulf, fertilizer from the U.S., Africa and East Asia; coal from various areas to India, and iron ore from India to East Asia; export products from Chile; and



The Western Island is among the dozens of vessels owned by leading Oslo-based dry bulk shipper Western Bulk.

The key commodities transported include

lumber, logs, cement, sugar, steel products, salt, grain, coal, alumina and iron ore.

Given the increasing importance of Asia in global trade and finance, Munthe sees Japan as a market with strong potential for Western Bulk.

"We are looking for opportunities to develop financial instruments in association with WBC assets to leverage our financial position. We see the potential for new partners and hope to foster long-term relationships with the Japanese," he says.

Under Munthe, Western Bulk has achieved a strong financial position and long-term appeal to partners and investors by emphasizing the importance of stable performance through state-of-the-art risk management, adapting to changes in the operating environment, and maintaining a motivated, competent, customer-oriented organization. ♦  
www.westernbulk.no

# Fred Olsen takes first steps in Southeast Asia

With origins dating back all the way to 1848, Fred Olsen & Co. exemplifies the history and future of Norway's maritime industry. It has witnessed the transition from sail to steam, the establishment of European and South American liner routes, two world wars, and the rise and fall of the tanker market.

Still family-owned and operated, Fred Olsen is equipped with an illustrious past with the aim of assisting Southeast Asian nations in the development of their offshore resources.

Representing Fred Olsen's shipping interests, First Olsen oversees all of the company's floating production, drilling activities, marine services, tankers and cruise lines. It is owned by its listed companies Granger Rolf and Bonheur, and has a fleet of two Suezmax tankers, one roll-on/roll-off vessel, six converted floating production units and one semisubmersible drilling rig.

A major focus for the company is the establishment of long-term production contracts with Southeast Asian nations. The company hopes to work with Japanese partners to gain a foothold in this new market, and looks forward to developing projects that will benefit the local communities in countries like Indonesia and Vietnam.

First Olsen President Per-Os-

car Lund believes that by combining technical and financial strengths, both sides will create projects that provide employment, education and financial benefits to local communities.

"We want to give back to these local communities. The local governments want to see their people develop with the operations of foreign companies. We want to work together to benefit everyone," he explains.

As part of its Southeast Asian strategy, the company recently set up a 10-12 person office in Singapore that will allow better access to potential markets in the region. It would like to continue to build on the floating production success that it had in areas like West Africa by developing solutions for similar offshore environments in East Asia.

The company hopes its proven solutions and reputation for working with the local community will attract interest from countries with underdeveloped or untapped reserves.



Fred Olsen ventures to Southeast Asia with a wealth of experience gathered over many years.

"Long-term relationships are important to what we are trying to do. Because we are dealing in contracts with large horizons, we want our partners to understand that they can count on our operations, abilities and stability. We are able to handle large projects and want to work with the local community to make it work," says Lund. ♦  
www.fredolsen.no

# Eitzen expands fleet to meet market demand

CONTINUED FROM PAGE B1 development.

WER: Could you describe your experience working with the Japanese and how you developed relationships with Japanese shipyards?

In 2003, we took over our first Japanese ship, a bulk vessel named Sibulk Premier. It was premier class, with premier quality, from a premier yard at a premier time for us in Japan. Fourteen years down the line, we have become a big company and are very happy with our position within the Japanese shipping sector. We have eight new chemical tankers, three being built in the gas sector and eight in the bulk sector — all coming from Japan. We have approximately 35 vessels in joint ventures with Japanese owners.

We are very happy to work with the Japanese. The business morals and work ethic translate into a very good fit between Scandinavia and Japan. Transparency, honesty and reliability are core values that we share with the Japanese. In both countries a handshake is as good as a signed document. I am confident that because of our company's practices we will continue

to have Japan as a prime business partner in the future.

Last year, we were very happy to have Ryo Toda, from the Toda family, with us in Denmark. He worked in the bulk and chemical divisions, and got acquainted with our international company from the inside. He will take his experiences back to Japan and we look forward to continuing a good relationship with him and his family for a very long time. This year, we are very much looking forward to welcoming Reijka Nagashiki to our commercial headquarters in Denmark for a one-year period.

WER: What are your main goals in working with your Japanese partners?

We want to continue to expand the business and do deals with Japanese owners in terms of long-term charters and new building projects in Japan. New vessels are essential to achieving high-quality service, increased safety and environmental standards. We are very proud to have such good contacts, relations and partnerships in Japan in order to meet the transportation needs of such a demanding market. ♦  
www.eitzen-group.com



Axel Eitzen, CEO of the Eitzen Group

# Johan Benad Ugland re-approaches shipping with calculated blend of wisdom and smarts

J.B. Ugland Holding — through its subsidiaries J.B. Ugland Shipping, J.B. Ugland Dry Bulk and J.B. Ugland Shipping Singapore — has been on an ambitious four-year program to expand its fleet of 40 vessels, mostly through new buildings.

JBU Shipping Managing Director Bjørn Bergsland has demonstrated how years of shipping expertise and sound financial practices can translate into strong positive cash flow over a short duration.

As regulations on chemical shipping become more stringent, he has sought commoditized, more profitable niches within bulk shipping. Also, he has maximized the company's exposure to growth markets in the energy segment by the construction of new high-end stainless steel tankers for gas and ethylene.

"At J.B. Ugland Shipping we want to hedge long-term charters. In dry bulk, we want to charter ships long term, own ships and build ships. We also have experience in product tankers and are entering the energy chain with gas carriers, chemical carriers and product tankers up to Aframax carriers," Bergsland said.

Meanwhile, J.B. Ugland Dry Bulk focuses on the Panamax and Handymax segments, and has 15 ships under construction, all of which are fixed in long-term time charters. J.B. Ugland Shipping maintains two VLCCs, one OBO carrier and four Aframax tankers. It



J.B. Ugland Shipping has embarked on an ambitious program to expand its fleet of 35 vessels, mostly through new buildings.

is building seven product carriers, nine stainless steel chemical carriers and three ethylene LPG carriers.

The vast majority of these new buildings are under way in Japanese shipyards with Japanese financing.

"We work with a number of small to medium-size Japanese owners and are fi-

nanced through Japanese banks on a long-term basis with purchase options. We feel that we have a very good relationship and are working very nicely with the Japanese community," says Bergsland.

JBU has also secured financing for a tanker on order at Imabari Shipbuilding Co. through Japanese trading house Mitsubishi. The Ugland family has maintained a 30-year relationship with Tsuneishi Corp., which has been building dry cargo vessels for the company.

"Johan Benad Ugland as well as JBUS are very close to Tsuneishi's Kambara family. JBU will continue to expand its fleet of product tankers and will hopefully do so in Japan," says Bergsland, whose dealings with Japanese businesses go back more than 30 years.

"I have never been really let down. In Japan, a deal is a deal and a handshake is a handshake. We do business in all parts of the world, but in Japan we know that a relationship means something. Japanese counterparts can be as tough as anyone, but there is trust," he says. ♦  
www.jbus.no

# Moss LNG technology continues to set standard

A maker of cutting-edge liquid natural gas technology for over 30 years, Moss Maritime secured its long-term partnerships in Japan quite early, when it exclusively licensed its LNG containment system to the country's largest shipbuilders in the 1970s.

"Our business with Japan is LNG carriers and LNG-related technology. That is how we started in Japan and that is how we are known. We feel good that the most quality-oriented market in the world has placed its confidence in us," says President Per Herbert Kristensen.

As of today, 80 percent of the 110 Moss-type LNG carriers were built by Mitsui, Mitsubishi and Kawasaki. Built on basic safety principles, Moss LNG tankers have reported no leaks, making them the safest and the most dependable vessels of their type. The company consolidates its leading position as it carries out continual improvements on current versions of its



Moss Maritime President Per Herbert Kristensen

containment system. Moss' unique spherical de-

sign and single-barrier containment system are more technologically advanced than the competition as they allow full access for inspection. Single-barrier LNG tanks allow inspectors to detect leaks before a tank ruptures fully.

"Our spherical tanks are the most perfectly secure tanks you can have on a ship. Statistically, we have the best containment system available today," Kristensen says.

Branching out from LNG transportation and containment systems, Moss also develops floating storage and re-gasification units (FSRU), which offer cheaper alternatives to onshore facilities.

The company has used its re-gasification technology to develop innovative new diesel propulsion systems for LNG carriers.

Amid the upswing in the LNG carrier market, Kristensen remains grateful for the confidence given by its Japanese partners and the subsequent success.

"We have enormous appreciation for Japan's interest and acceptance of the Moss carrier. We have had great experiences with all of our Japanese counterparts throughout the years and we would like to continue these long-term business partnerships, says," says Kristensen. ♦  
www.mossw.com

# Adopting a Pan-Asian strategy to grow

Once known for its expertise in transporting assembled locomotives across the globe, Belships has since diversified and redirected business toward bulk cargo, product tankers and ship management.

Meanwhile, Belships expects demand in bulk shipping to grow in the midterm.

"We are starting to rebuild the company's involvement in tankers. The industry is on an upswing and we want to make the right decisions," says Managing Director Sverre Jørgen Tidemand.

Its 50 percent stake in Norway-based company Elkem Chartering also complements the company's involvement in time chartering. Directed toward the Handysize and Handymax markets, EC manages



Belships Managing Director Sverre Jørgen Tidemand

20 vessels.

Keeping its commercial and financial divisions in Norway, Belships established operations in Asia in 1983 to oversee its fleet. Since 1983, its Singaporean subsidiary Belships Management has had full technical control of its vessels.

The Singapore office has strengthened its strategy to penetrate the Chinese market, where the demand for raw materials has remained high amid a building and manufacturing boom.

Asia has remained a valuable

and vital market in Belships' growth strategy. While China emerges as the top destination, Japan is where the company's vessels are built and fitted.

Relationships with Japanese trading houses have also allowed Belships to raise its profile in global shipping.

"It tends to branch one from the other. Developing connections with the major trading houses has helped us to establish Japanese relationships in every direction," Tidemand says. ♦  
www.belships.com

Owners and operators of offshore support vessels

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Shipping since 1848 through Ganger Rolf and Bonheur

Fred. Olsen & Co. was founded in 1848 when the Fred. Olsen family first engaged in shipping. Fred. Olsen & Co. is managing the two companies Ganger Rolf ASA and Bonheur ASA, both listed on the Oslo Stock Exchange.

Ganger Rolf, Bonheur and related companies own and operate a fleet of drilling rigs, tankers, floating production and storage vessels, cruise vessels, ferries etc. The companies are also involved in activities such as renewable energy, real estate and venture.

The offshore drilling activities are organised in Fred. Olsen Energy ASA, a related company listed on the Oslo Stock Exchange, while tanker activities and floating production are organised in First Olsen Ltd.

Visit us at: www.fredolsen.no, www.ganger-rolf.no, www.bonheur.no, www.fpsa.no or call us: (+47) 22 34 10 00.

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# Perfect timing gives Deep Sea Supply the edge in offshore supply

With the backing of local billionaire and shipping magnate John Fredriksen, the Norwegian company Deep Sea Supply has grown into one of the most admired companies in the country.

Aside from growing four-fold in three years, Deep Sea Supply is among the most liquid of companies listed on the Oslo stock market and owns one of the most modern fleets of specialized offshore supply vessels.

"We entered a high-growth market at the right time. With prices of oil at an all-time high and the global expansion of offshore production, demand for capacity in offshore supply is tremendous," says CEO Odd Brevik, who began his maritime career with the Norwegian Navy. "Shipyards cannot build vessels fast enough to meet the demand. Anchor handlers and plat-

form supply vessels are extremely profitable to operate and we will soon have one of the largest fleets of new vessels," adds Brevik.

Operating eight anchor handlers and one platform supply vessel on a spot and charter basis, Deep Sea Supply's fleet generates an impressive average gross income of approximately \$59,000 per ship per day. They have 20 new builds on the order books from Asian yards, the majority of which will be completed in late 2007 and early 2008, including 12 anchor handlers and eight platform supply vessels.

With order books globally back-logged for the next four years, demand for capacity is driving record rates and profits for suppliers. When these new vessels begin operating, Brevik anticipates a very strong financial performance from Deep Sea Supply over the next few years.

Deep Sea Supply vessels are servicing clients in the North Sea, West Africa, Trinidad & Tobago, and Venezuela, but through its office in Singapore, Brevik hopes to secure long-term operating contracts and new partnerships.

"Partnering or entering into a venture with Deep Sea Supply

should be an attractive proposition to large players in the Asian market. We have developed the right equipment at the right time, our house is in order, we are competitive on price and our people have a good reputation.

"Deep Sea Supply has a lean and highly qualified management team that focuses on business development, finance and investor relations, chartering and external supplier control.

"Deep Sea Supply intends to become a leading owner and operator of offshore support vessels," states Brevik. ◆

www.deepseasupply.no

# NYK partner leads automobile transporters in Europe

Following a recent major restructuring of its service network, United European Car Carriers has become Europe's top short-sea feeder roll-on/roll-off (ro/ro) shipping operator. UECC transports about 2 million vehicles each year throughout Europe, from the Baltic Sea in the north to the Mediterranean and Black Sea in the south.

Owned in equal parts by Tokyo-based Nippon Yusen Kabushiki Kaisha (NYK) and by Swedish industry leader Wallenius Lines of Stockholm, the shipping company expects business to grow even more sharply over the next few years.

"We have seen over the last few years that there is a growing need for 'feeder' intercontinental cargo within Europe. Hence, there is a stronger link between deep-sea and short-sea cargo operations now than in the past. Together, we are able to provide increased frequency and better port coverage to our clients," explains Managing Director Jan Eyvin Wang, who joined the company in 2004.

UECC, which has a fleet of 27 car-carrier vessels, is set to expand geographically and acquire a new generation of vessels.

The company predicts huge growth potential in the European automobile market with the trend shifting eastward, according to Wang.

"Growth in production and sales will be



Jan Eyvin Wang, managing director of United European Car Carriers

stronger in Eastern Europe and Russia than in Western Europe. This means that you will not only be importing cars to these growth markets but that you will also be exporting cars from there to other markets. We are following that trend because we need to be

there for the customers as we are an integral part of their supply-chain solution," he says.

UECC has also seen the trend shifting from land to short-sea transport. Land-based infrastructure in Europe has experienced major bottlenecks, and moving cargo by road has become cumbersome, more expensive and less environmentally friendly.

In fact, the European Union and Russia have taken political initiatives to increase the amount of cargo that is transported by ships and trains instead of by trucks.

According to Wang, UECC is well positioned in the short-sea ro/ro market.

"Our people have a deep understanding of the supply chain. We have a flexible fleet to manage market changes and seasonality. With good processes and technology to maximize efficiency and timing, we help clients get product to market safely and undamaged. Our objective is to work closely with our customers in order to remain an integral part of their supply chain," he says. ◆

www.uecc.com

# New products open doors for Oki

Japanese giant OKI has specialized in printing solutions that raise the efficiency and effectiveness of businesses and their staff.

With experience developing electronic and telecommunications devices dating back to 1881, Oki has been well positioned to meet the need for convergent office technologies, and has developed multifunction products that can print, fax, scan and copy from just one platform.

In 1996, Oki was the largest printer vendor in Norway and today it is one of the major players in the SME market. The company satisfies corporate client needs for convergent workplace technology by offering inter-



Bengt Westervoll, managing director of OKI Systems Norway

grated office solutions of high quality at the right price.

A clear understanding of the local market and huge investment in R&D has allowed OKI, which is ranked second in the sector, to develop top-selling products that meet the needs of their individual or corporate customers.

"Before, we were focused on printers and faxes. But Oki's multifunction products have created more opportunity for corporate business," says OKI Systems Norway Managing

Director Bengt Westervoll. "We have built Oki's brand name in Norway and in the Nordic region, and we are committed to continue pushing the boundaries in bringing innovative printing solutions to our customers."

Last year, Oki's best-selling product for small and medium-size businesses was the C5000 series of color printers, which pushed the company's market share above 30 percent.

Oki hopes to build on last year's success by launching a new range of products designed specifically for the SME market this year. Its new A3 color printer will have the same competitive advantage as the C5000 but with half the size and price of the competition, and nearly double the speed.

Amid the fierce competition, Westervoll understands the company must consistently introduce better products to build brand awareness and continue to gain ground with corporate customers.

"In this business, we are talking about speed. Introducing the right products at the right time is a big and important task. We have to keep running and we need to be faster than the competition." ◆

www.oki.no



Oki's color printers have been the company's key to boosting market share.

# Ugland defines long term for Norway's shipowners

The Ugland family has been one of the main pillars of Norwegian shipping and has maintained one of the most important long-standing relationships with the Japanese shipbuilding industry.



Hans Ivar Vigen, president of J.J. Ugland

Based in the historic shipping town of Grimstad in southern Norway, J.J. Ugland has grown

into a strong and diversified group engaged in ship owning, ship management, offshore operation, ship repair and offshore

construction through its several subsidiaries.

From a town with a population of only 20,000, J.J. Ugland exercises a strong influence on global shipping, based on an empire that goes back more than two centuries.

The Ugland family traces its professional heritage back to Viking times. In fact, several top Norwegian shipping companies — including Høegh Autoliners, United European Car Carriers, Western Bulk and Nordic American Tankers — were originally part of the Ugland family shipping empire.

"There have been shipowners along the coast of Grimstad for hundreds of years, and all but J.J. Ugland, have disappeared. It survived because it was clever," says Hans Ivar Vigen, president of The J.J. Ugland Companies.

Epitomizing cleverness in the shipping industry, J.J. Ugland has conducted business in a manner that has created confidence and trust among custom-

ers, financial institutions and partners, and has facilitated long-term relationships.

Among those long-term and profitable relationships is that between J.J. Ugland and Japanese shipbuilder Tsuneishi Corp.

"J.J. Ugland has been building ships in Japan for more than 30 years with Tsuneishi. We have built over 50 ships in their yards and have ships on order in Japan. All of our tankers and bulk carriers were built in Japan. They are the top quality shipbuilders in the world," says Vigen.

The Ugland family has also maintained a close relationship with Mitsubishi Japan.

The J.J. Ugland Companies operate 11 bulk carriers, eight tankers, nine barges, one heavy-lift crane vessel and two tugboats. Its bulk and shipping activities are concentrated mainly in the Atlantic basin while its offshore services are focused on the Norwegian shelf.



Oystein Beisland, vice president for chartering & operations of J.J. Ugland

With strong capitalization, a long-term outlook and a deep knowledge of shipping, J.J. Ugland will continue setting the pace in Norway's shipping industry. ◆

www.jjuc.no

# Eidsiva steams ahead on an even keel

Since his family acquired a majority stake in Eidsiva Rederi in 1996, its managing director has transformed the 76-year-old shipping firm from a dry bulk carrier to a publicly listed company that specializes in the roll-on/roll-off (ro/ro) and car-carrier business.

"When I arrived, Eidsiva was in the traditional bulk business and I felt it was too much a commodity business. I wanted to bring it to other parts of the shipping market where there was less bulk," recalls company chief Jørgen Heje.

"So, I brought it into the car-carrier and ro/ro markets. I worked in the ro/ro market before. That has taken some time, but by changing the strategy in 2002, we were able to put together the elements for what we have today," he adds.

Eidsiva's growth has impressed industry observers. It has expanded its fleet to 16 car carriers and scored long-term contracts with several major shipping and logistics providers, such as Wilhelmsen, DFDS and EUKOR.

Its stock price rose from 3 Norwegian kroner in 2002 to approximately 27 Norwegian kroner this year.

Heje would like to stay the course by focusing on the consisten-



Jørgen G. Heje, managing director of Eidsiva Rederi



The Vibeke belongs to an extensive fleet of dry bulk and roll-on/roll-off vessels operated by Eidsiva Rederi.

cy of earnings and long-term relations with the best operators in Europe and the rest of the world, particularly those in East Asia. Its operations in Asia involve auto deliveries from Japan to Canada and short-haul routes between China and Japan. Eidsiva also has ships on charter to NYK.

"We are looking at charter negotiations with Japanese companies. We have good dialogue with Japanese shipping companies as colleagues. Up to now, it's been more periodical and not any long-term business with the Japanese. But I hope that would change and I would consider it a privilege," says Heje.

"All big ship operators look for a swing supplier of ships so that they can be flexible in their tonnage capacity. That is a prerequisite for our existence. We are competitive on price. We are able to find the right tonnage; the right solution in terms of the shipment for what shipping companies need; and we feel that a long-term commitment is very important," he adds. ◆

www.eidsiva.no

**"We are able to find the right tonnage; the right solution in terms of the shipment for what shipping companies need; and we feel that a long-term commitment is very important"**

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- High Margin Production

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## DNO increases production and shareholder returns

Established in 1971, DNO was the first Norwegian oil company to be listed on the Oslo Stock Exchange. After growing quietly for many years, DNO is in a unique position having developed a broad portfolio while offering high upside potential.

Since its restructuring in 1996, DNO has gone through two growth cycles. For the first seven years, it focused primarily on mature fields in the North Sea. Then in 2003, DNO implemented a new strategy with a higher focus on exploration, which lessened financial involvement in short-term production and emphasized exploration of established but underdeveloped regions of the world.

Today, the company is an E&P pioneer with an aggressive strategy operating in Norway, United Kingdom, Yemen, northern Iraq, Equatorial Guinea and Mozambique.

Balancing risk and reward, DNO has established a fast-track exploration philosophy that translates "resources to reserves at the lowest possible cost." Operating in proven sites and with leading seismic data allows DNO to optimize assets, manage risk effectively and provide consistent returns for shareholders.

DNO has created shareholder value by finding oil at a much

lower cost than its larger competitors. Fast-track production techniques and strong geoscience competence allow the company to significantly undercut the market standard from above \$10 to just \$3 per barrel.

During the last year, DNO has substantially increased its reserve portfolio. Activities in Norway, the Middle East and Africa have boosted reserves by 153 percent from 2004 to reach 71.8 million barrels.

In 2005, DNO completed successful drilling programs and moved forward with production in the Nabrajah field in Yemen, and started initial work for the first drilling projects in northern Iraq.

"In the Middle East, we have shown very short lead time from discovery to production. There is low financial exposure and a high margin collection, so the two fit very well together," explains Managing Director Helge Eide.

In more mature markets like Norway and the U.K., the company's strategy is to increase



DNO geoscience experts and cost-effective techniques have given the company a huge edge over rivals in the industry.

its licensing portfolio and continue operations in the mature areas as well as in new and underdeveloped areas in the North Sea and Barents Sea.

"We are a pure E&P company. Our aggressive exploration program is based on secured

rigs, services and a low-cost exploration program. DNO provides interesting opportunities to investors who are interested in E&P operations with a significant upside and limited downside," Eide says confidently. ◆ [www.dno.no](http://www.dno.no)

## P.D. Gram reaches for the top with the help of Japanese

P.D. Gram & Co., a privately owned Norwegian company, owns and manages a fleet of 22 vessels and has gross assets in excess of \$1 billion. It is building six additional car carriers and works closely with Japanese shipowners to finance ships on long-term lease.



Peter Gram, owner of P.D. Gram

"We are a good example of Japanese-Norwegian cooperation," says company owner Peter Gram, who gets Japanese shipowners to sign on to long-term charters after facilitating the sale of a vessel. "This strategy is taken by many Norwegian owners but we were the first to do this. It has been mutually profitable for both of us."

Gram has worked with many top Japanese firms such as Mitsui O.S.K., NYK, K

Line and Sumitomo, and has maintained long-term relationships in Japan with charterers, end-users of the ships and core investors who assist Gram in brokering deals.

Today, Gram has prioritized plans to expand and take a leading role as a tonnage supplier in the car-carrier segment.

"We are focused on car carriers and we are more of a general investment company. Car carriers have historically been a stable market. We have a conservative investment approach. Car carriers are an area wherein you can establish long-term contracts and build equity," he explains.

By June 2007, Gram will dramatically increase capacity with the addition of two carriers with a 7,000-car capacity and will build four 2,000-car capacity vessels with Kyokuyo.

In addition to car carriers, Gram's fleet consists of four product tankers, two LPG pressure tankers and 12 reefers.

A lawyer by profession, Gram gained experience in the shipping industry in Citibank as vice president in charge of shipping in Northern Europe from 1971 to 1977 before setting up his company in 1982.

Having worked closely with industry veterans such as Höegh Autoliners and Arne Blystad, Gram has built a reputation as a cautious, focused and successful entrepreneur. Together with partner Kim Steimler, the managing director of C. H. Sorensen &



Kim Steimler, partner in P.D. Gram

Sonner and director of the Alpha Properties group, P.D. Gram & Co. also maintains significant real estate assets.

Meanwhile, Gram remains focused on Japan.

"We would very much like to continue building our long-term relationships in Japan. These relationships are essential to our business," he says. ◆ [www.pdgram.com](http://www.pdgram.com)

## Science opens doors for Dvergsten

Norwegian executive Dag Dvergsten got his first job at shipping and oil company Fred Olsen. After closing a few large deals, he got hooked on international business, and soon embarked on an entrepreneurial career in life sciences and the booming offshore industry.

Looking back, Dvergsten believes the key to success in all his endeavors has been the ability to fuse new technologies with proven business practices.

"Great science always finds success. Regardless of the industry, proper research on new technology and a good grasp of business is the key," says the CEO of the self-named company.

Working with leading researchers and Norwegian giant Statoil, he set up the exploration and production firm Rocksourc. The company provides electromagnetic (EM) data that reduces risk in exploration and allows proper reservoir management to enhance production.

"We consider the EM technology proven and with game-

changing potential. Proper use of EM technology can significantly improve exploration efficiency by reducing the number of dry wells, optimizing rig capacity by drilling the right wells and reducing finding costs per barrel," he explains.

Amid the recent boom in the oil industry, Dvergsten quickly consolidated his business with Atlantic Marine Offshore Services to create the integrated oil service company. With extensive assets and expertise, Atlantic Oilfield Services is taking advantage of several huge opportunities in the North Sea and Middle East.

With exploration technologies in place, Dvergsten's moved on to onshore exploration and development. Nordic Mining soon



Dag Dvergsten, CEO of Dag Dvergsten AS

acquired Engebo, a very rich deposit of titanium oxide, which offers a range of applications.

In the field of life sciences, Dvergsten has set up Gemvax (engaged in cancer immunotherapies), BMI, or Bio-Medisinsk Innovasjon (congestive heart failure), and CellCura (stem-cell research).

His diverse portfolio provides a variety of long-term investment opportunities for Japanese companies, which have been major players in the pharmaceutical and biotech industries.

"By combining creative new ideas with the solid business practices of the past, I have created a network of companies on a solid financial footing. Looking to the future, I see areas for further cooperation and development," explains Dvergsten. ◆ [www.dvergsten.com](http://www.dvergsten.com)

## Skretting considers consumers

Demand for increased efficiency in food and livestock production has raised serious concerns about food safety. The outbreak of BSE, FMD and bird flu in various parts of the world in recent years compelled an assessment of practices in the industry.

Norway-based Skretting, which produces fish feed, is aware of these concerns and adjusts according to the changing requirements of fish farmers and consumers.

"Food safety is the top priority. Every raw material used in our feeds is investigated for risks associated with geographic origin, undesirable substances such as dioxins and heavy metals, together with the companies that produce, process and deliver the raw material. As we convert these raw materials to feed, samples are taken at each step, and checked for safety and quality," says Administrative Director Hans Abrahamson.

"Feed contributes directly to the quality of the final food prod-



Skretting Administrative Director Hans Abrahamson

uct. When we develop a new feed, as well as checking the health and growth rates of fish



raised on it, we assess the fish for taste, texture, appearance and aroma," he adds.

In line with its efforts to keep food production safe, Skretting Norway implemented a unique electronic Track & Trace system that provides online information for customers, regulatory authorities and company employees.

The system allows rapid access to information on any feed batch, from the origin of raw material to the destination of customer orders.

Also, Skretting contributes to

environment protection by sourcing ingredients only from managed and sustainable fisheries.

"Fish feeds use fish meal and fish oil made from certain species of wild fish and we know the resource must not be overexploited. We have found many alternative materials to supplement the fish meal and fish oil. In Norway, for example, the level of vegetable oil in Skretting feeds has risen to 33 percent of oil used. Together with improvements in feed production technology and feed management, these advances enable us to achieve significant increases in sustainability," Abrahamson explains. ◆ [www.skretting.no](http://www.skretting.no)

## High times in the far north

CONTINUED FROM PAGE B1

half of Norway's exports of services.

Constituting the most important segment of the country's shipping industry, offshore companies operate more than 400 vessels and have about 90 vessels under construction in local yards.

The majority of these companies are based in Tromsø, Trondheim, Ålesund, Fosnavåg, Bergen, Haugesund and Stavanger, small fishing communities that have since evolved into major maritime clusters.

An area of concern and opportunity for Norway and its shipping

industry has been the environment. Acting as steward of the Arctic permafrost in the Barents Sea, and the oil- and fish-rich North Sea, environmental protection and climate change have been a priority of the business community.

From the standpoint of corporate social responsibility, Norwegian companies have taken the lead in many fields, taking proactive measures to safeguard the environment ahead of government regulatory requirements.

Norwegian shipowners and builders have pioneered efforts to cut atmospheric sulfur, nitrogen oxide and greenhouse gas

emissions. Meanwhile, Norway's shipping industry continues to nurture strong ties with its Japanese counterparts.

Aside from operating ships in Japan, many Norwegian shipowners have enlisted Japanese companies to build and finance new ships for long-term lease.

"One of Norway and Japan's strongest business ties exists in the shipping industry. In June, the Nor-Shipping exhibition will be held in Oslo. Ship exporters and marine equipment industries from Japan, Korea, China and many other countries will participate in this event, and will provide a glimpse of new technologies changing the industry. Norway and Japan's shipping

societies have enjoyed positive long-term relations and we would like to see this continue in the future," says Japanese Ambassador to Norway Fumiko Saiga.

Today, the Norwegian maritime industry faces major challenges, including regulatory and tax measures aimed at fending off global competition and more attractive offshore bases like Singapore.

Though there are significant challenges facing the shipping industry in Norway, global growth in trade will likely remain high for the next three years, as will oil prices, causing demand for ships to exceed supply capacity, particularly in Norway's key segments like offshore and chemical tankers. ◆



Arne Blystad's Songa Pearl represents a shift in focus since parent company Arne Blystad sold its chemical tankers last year.

Combining his strengths as a business owner with the knowledge and capabilities of other local players like P.D. Gram and Klaveness, Blystad was able to move into new areas of business while maintaining a presence in the tanker industry.

Blystad expanded from a tanker-based business to roll-on/roll-off (ro/ro) and bulk operations on his strong belief that the industry presents good mid- and long-term prospects.

"We believe strongly in the bulk carrier market over the next three years and we wanted to stay involved in the shipping business after the sale of the tanker side of our business. We still have an involvement in tankers but we felt that it was time to diversify our interests," explains Blystad.

Blystad also entered into a joint venture with P.D. Gram. Under the deal, car-carrier specialist P.D. Gram will manage four ro/ro vessels, two of which are owned by Arne Blystad. ◆ [www.blystad.com](http://www.blystad.com)



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# Elkem's Japanese roots assist global growth and business philosophy

At 106 years old, Elkem is one of Norway's largest industrial companies, and among the world's leading suppliers of metals and industrial materials. Despite its size (it accounts for around one-third of the country's traditional exports and for 22,000 jobs), it is a "green" company that produces silicon and primary aluminum goods using self-generated hydroelectric power.

Pre-World War II connections with Japanese companies, such as Mitsui, have allowed Elkem to establish partnerships that continue to benefit the company today. Now, Elkem is a major supplier of Japan's innovative electronics and automotive sectors.

To ensure the company's steady growth, Chief Executive John Thuestad adopted the Japanese concept of "kaizen," or continuous improvement, which he picked up while living in Japan. That philosophy led to the creation of the Elkem Business System (EBS), whose main goal is to complete work on time at the lowest costs without error.

"The investment in EBS gives us a competitive advantage in the form of increased



John Thuestad, president and CEO of Elkem

productivity and a motivated workforce. Through EBS, our highly skilled employees have



been given a working and organizational model with simpler decision paths, fewer levels and greater individual responsibility," explains Thuestad.

Elkem's products are essential to daily life for people around the world. Roughly 50 percent of all PCs contain microchips with silicon from Elkem while German, Japanese and Swedish automobiles all include aluminum components from the company.

The company has also focused on developing green energy solutions. A shareholder in

Norway's Renewable Energy Corp. (REC) and Elkem Solar, the company has shown that it is firmly committed to developing more cost-effective solar-cell technologies.

Creating state-of-the-art products designed for the challenges of the future is no easy task but Thuestad is confident his organization is ready for the next century.

"Today, Elkem has a solid customer base, technology platform and cost position in hydroelectric power, primary aluminum and special products. This strategic position, combined with an organization consisting of skilled employees, gives the company a good foundation for future development," he says. ♦  
www.elkem.com

# Golden Ocean Group stays the course

Taking advantage of rising demand in the sector, Golden Ocean Group Ltd. has boosted its position in the industry by clearly focusing on what it does best — the transport of dry bulk goods.

The ensuing growth allowed the Bermuda-based charter shipping company to list its shares on the Oslo stock market in 2004 and expand its fleet from four to 14 vessels. It has contracted 10 more ships for 2008.

"We are first and foremost a growth company. With such a good market our strategy is to grow profitably by building our fleet and making new acquisitions," says Managing Director Herman Billung.

Golden Ocean Management, a wholly owned subsidiary that oversees the daily operations of the group, has teams dedicated to map out the most profitable strategies for their Panamax and Capesize markets.



Herman Billung, managing director of Golden Ocean Management

Strong financial support from institutional investors and European banks has also allowed

the company to take on projects of any size, a clear sign of the company's long-term stability

and growth prospects.

Now a global player, Golden Ocean has familiarized itself with Japanese business practices as an integral part of fostering ties with its international customers.

"Our ambition is to build relationships in Japan. We would like to provide long-term charters with domestic Japanese owners through trading houses and are considering building ships in Japanese yards," says Billung.

More than a single-minded focus on growth, that firm commitment to nurture relationships is clearly what will drive Golden Ocean toward its ultimate objective. ♦  
www.goldenocean.no

# Norwegian microchip maker opens office in Tokyo

Nordic Semiconductor, a maker of customized microchips for the wireless communications and multimedia industries, has opened an office in Japan, a country where the most innovative technology is often born and developed.

"Our Tokyo office reflects the importance that Nordic Semiconductor is placing on the Japanese market, and it will enable us to provide more focused (and) localized support to our distributors in Japan, Marubeni Solutions and Tomuki," states CEO Svenn-Tore Larsen.

Nordic Semiconductor eliminates the use of wires in personal electronics and integrates devices like PC peripherals (keyboards/mice), wireless gaming controllers, wireless audio (e.g. MP3 and portable CD player headsets), and PC speakers), intelligent (e.g. wristwatch-based) sports equipment and



Svenn-Tore Larsen, CEO of Nordic Semiconductor

toys in a low-power wireless network.



Nordic is also a member of Nokia's Wibree open initiative and has contributed core expertise in ultralow-power RF design to the technology. Wibree is a short-range RF communications technology featuring ultralow power consumption, a lightweight protocol stack and simple integration with Bluetooth. Wibree ushers in the next generation of RF communications by opening up many new opportunities for wireless data links between suitably equipped mobile phones or PCs and coin

cell battery-powered devices such as sports and health sensors. (See www.wibree.nordicsemi.no.)

"These are exciting times for Nordic Semiconductor in Japan. I feel we can genuinely add real value to any Japanese company developing such products. We are listening to major companies in Japan. If they want to influence our product development, we will take that into account when we initiate new products," Larsen says.

Contact: Nori Shibuya, regional sales manager; Tel. +81 3 6807 8580 ♦  
www.nordicsemi.no  
www.wibree.nordicsemi.no

# Providing a clearer image

Petroleum Geo-Services (PGS) is a focused geophysical company providing a broad range of seismic and reservoir services, including acquisition, processing, interpretation and field evaluation. The company also possesses the world's most extensive multiclient seismic data library. PGS operates on a worldwide basis from its Oslo headquarters.

The company finds itself in an ideal growth situation as diminishing oil reserves create a compelling need for accurate seismic data and services amid an unabated demand for new oil reserves and increased production. PGS has vast experience working with Japan, and hopes to be a partner in the country's exploration efforts going forward.

"We are exposed to a market with very strong demand for our services. PGS is well positioned to capture the upturn of this market and further provide a clearer image of the subsurface for our customers going forward," explains President and CEO Svein Rennemo.



Svein Rennemo, president and CEO of Petroleum Geo-Services

## Industry-leading Ramform

PGS acquires data on contract for oil companies and governments, and builds its seismic library through multiclient work for multiple clients. The company endeavors to be the undisputed No. 1 in acquisition of marine seismic data based on its unique Ramform vessels, widely regarded as the most innovative seismic vessels in the world. PGS has six of these vessels and has ordered two additional Ramforms, which are even more advanced, further enhancing the technology lead.

As oil companies worldwide increasingly demand more technologically advanced seismic data, PGS is at the forefront to benefit from this trend. The purpose-built Ramform vessels, designed to be short and wide, can tow up to 20 streamer lines, which allows for a more extensive and accurate survey of the undersea floor.

These vessels also gather data faster and can spend more productive time offshore than the standard vessels.

"PGS Ramform vessel technology is unique and proven in the industry with respect to productivity and quality. Combined with our vast experience with advanced seismic acquisition techniques such as multiazimuth, wide azimuth and our HD3D product, we offer the key essentials for improving the oil supply demand balance for the coming years," says Rennemo.

In addition, PGS is in the process of developing advanced permanent monitoring technologies based on fiber optics, to continually monitor how reservoirs are developing and behaving. They allow oil companies to better utilize their existing reserves.

In addition to offshore seismic services, PGS operates a successful onshore seismic busi-

ness, the main markets being in North America and North Africa. Aware of the need for new reserves and the expense involved in oil exploration, Rennemo believes that PGS technologies will offer companies around the globe the most accurate data available.

## Continued cooperation with Japan

PGS has completed seismic studies in Japanese waters and is overall well positioned in the Asian market. The company hopes to further extend its relationship with the Japanese government by assisting in the major seismic studies planned for the future.

Facing a need for more indig-

enous oil reserves, Japan's government is planning an ambitious mapping of the continental shelf.

Rennemo generally sees a positive future for PGS going forward in Asia and the rest of the world: "The continued trend of improved demand and prices for seismic services confirm and strengthen our expectations of strong earnings through 2007, and there are no indications that this trend should not continue in 2008. With highly competent and experienced people, the best vessels, the world's largest multiclient library, a strong balance sheet and state-of-the-art technology, PGS is well positioned for future profitable growth," he ends. ♦  
www.pgs.com



The purpose-built Ramform vessels of PGS can tow up to 20 streamer lines, allowing a more extensive and accurate survey of the ocean floor.

**'With highly competent and experienced people, the best vessels, the world's largest multiclient library, a strong balance sheet and state-of-the-art technology, PGS is well positioned for future profitable growth'**

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## From the high seas to IT, risk management is DNV

Dr. Henrik O. Madsen has been the right man in the right place at the right time. Beginning his career at Det Norske Veritas (DNV) in 1982 as a researcher in structural reliability, Madsen earned credentials for his renowned work on offshore structures and a place in the Energy Hall of Fame in Houston.

After moving into the ranks of management, which also included a four-year assignment in Japan, Madsen was appointed CEO of DNV in 2006. "With my background in research, I want to emphasize that DNV needs to be strong on the technology side and sharp on innovation. In this period we have a very strong financial position. Our objective is to safeguard life, property and the environment, and now we have strong finances to put more efforts into developing services in new areas, but all to support the objective," states Madsen.

When considering the current risk environment for DNV's more than 45,000 clients, Madsen sees important changes emerging that require new solutions. "Our focus is on the industry needs. So when we look at risk management and consider what is important for, say, the maritime industry in terms of managing risk, the answer increasingly is IT. Each individual IT system is probably more safe and secure than before, but when working together, the interface represents increased risks. Society, companies and individuals are much more vulnerable now than before when things don't work," he points out.

To help companies manage their IT risks, DNV has acquired four companies, hired 400 employees and invested substantial R&D resources to form a new business unit — IT Risk Management.

"We will now be better positioned to compete with companies like Accenture and IBM. We will be focusing on industries where we have good domain knowledge. So, we will be very competitive. Our customers are more comfortable with us coming with something like this because we know the industry," he says.

"New challenges emerge with new technology, but simple human error remains a main area of risk. Through DNV Seaskill, which is a qualification certification scheme for people in shipping companies, we assist shipping companies in mapping their competence profile. We tested maritime academies' certified graduates to see if they actually knew what was on their certificate and the results were a bit scary. The conclusion was that about half of the schools do not deliver students who are able to do what they are certified to do. In terms of safety, the human element is more and more important on ships," he adds.

In Seaskill, DNV has created knowledge and performance documentation standards for various professions within the shipping industry. DNV did not create these standards on its own but worked with leading firms like NYK to answer industry needs. "They were one of the leading supporters of this. They've adopted the system and use it a lot internally. They have been our strongest supporter," Madsen says of NYK. Meanwhile, DNV will continue to work closely with Japanese customers to meet their needs. Madsen hopes to introduce IT risk management to Japan in time, as well as CMMI (capability maturity model integration), a solution to improve the software development process for the automotive industry. In addition to new business lines, DNV will continue to provide management certification and support the Japanese shipbuilding industry in this period of growth. It has more than 300 of-



Dr. Henrik O. Madsen, president and CEO of Det Norske Veritas

ices in over 100 countries, and 7,000 employees of 85 nationalities. ♦ www.dnv.com

## Past 40, it's smooth sailing still for Höegh Autoliners

The Norwegian roll-on/roll-off carrier Höegh Autoliners got its big break in the late 1960s when it formed a partnership with Nissan Motors and Nissan Motor Car Carriers, which remain its largest clients. And it looks like the close ties with Japanese companies are not going to change.

"Our business was founded on relations in Japan starting more than 40 years ago. The car industry had its big break on the back of Japanese exports, and that's the origin of our autoliner operations. Since then, Höegh Autoliners has evolved from a niche car carrier in the Japan-Europe trade to a worldwide roll-on/roll-off operator," says Executive Vice President Niels Ronald Bugge.

"There were people in Höegh and Nissan who were able to build trust, which has allowed us to work together for a long time. Nissan trusted in Höegh and went its own way by choosing a slightly different strategy by utilizing its in-house carrier for certain routes while relying on Höegh for its Japan-Europe trade. It has been a backbone of our business for many years, and allowed us to build people skills and a cross-cultural understanding with Japan," adds Bugge.

So, Japan has remained a cornerstone in Höegh's operations. About 12 of its vessels do between 30 and 40 port calls a month from their bases in Tokyo and Yokohama. That is not counting the operations of fully owned subsidiary Kiwi Car Carrier, which has three offices and four terminals in the country.

Aside from long-standing client Nissan, Höegh's other high-profile customers include Subaru, Komatsu, Kobelco and Hitachi, for which it shipped about 400,000 car-equivalent units from Japan in 2006.

Aside from having a developed knowledge of the Japanese market, Höegh re-

mains an attractive shipping partner for auto and machine manufacturers because of several competitive advantages, not the least of which is its independence.

"Our wish is to partner with OEMs and work together with them on a full development model, the selection of manufacturing locations, capacity management, port selection and land distribution. We'd like to grow with our clients from a niche solutions provider to a global solutions provider."

In 2007, Höegh will add seven vessels to its fleet of 55, which will include four ships from Japanese shipbuilder Tsuneishi Heavy Industries. This investment, according to Bugge, is intended mostly for new and existing clients in Asia, such as Nissan.

"We have flexible vessels and flexible minds. We aim to grow with our customers and further expand our global transportation network," he says. ♦ www.hoeghautoliners.com



The deck area of Höegh's new pure car carriers equals that of nine soccer fields and the vessels can accommodate enough vehicles to form a line more than 30 km long.

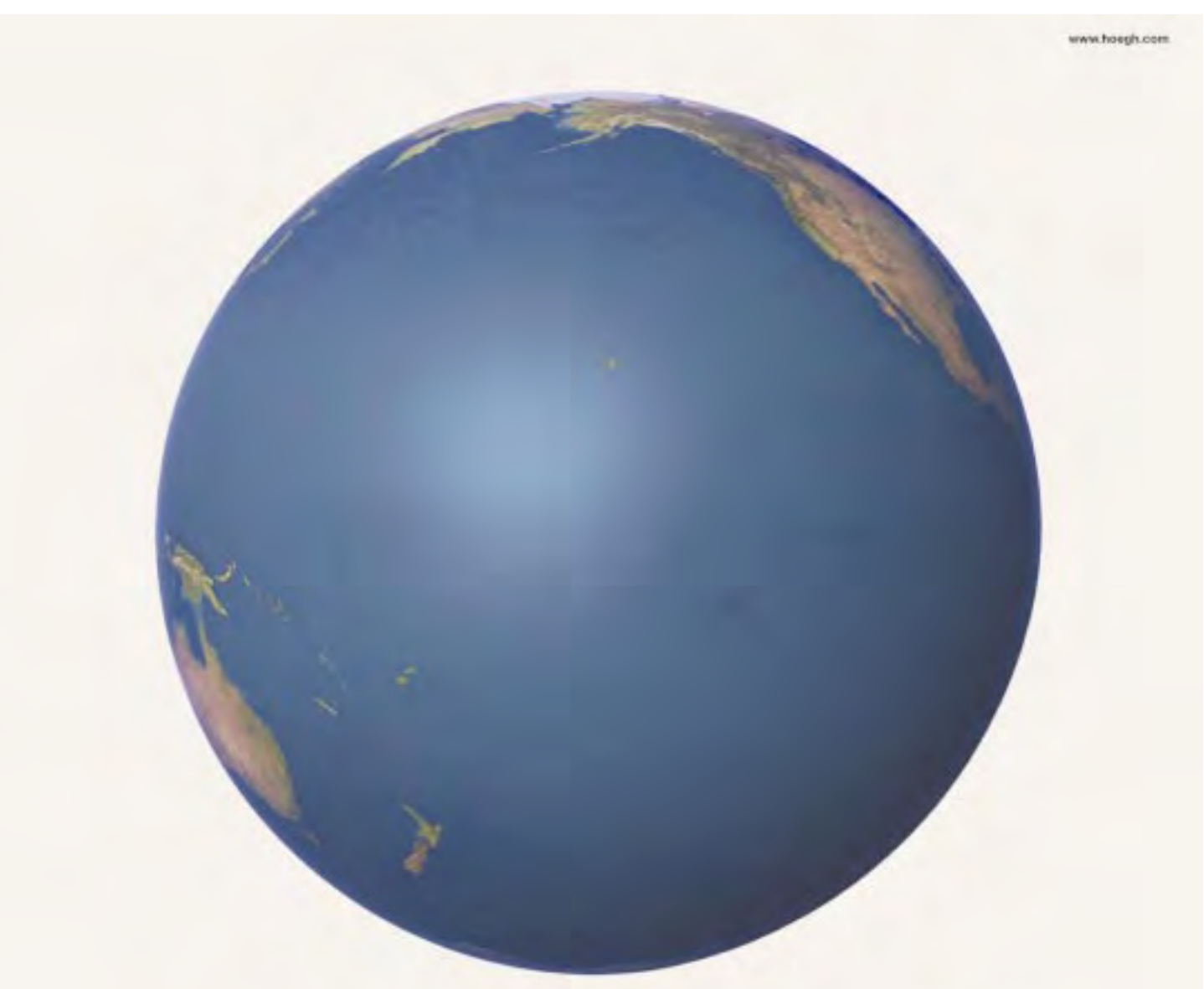


Niels Ronald Bugge, executive vice president of Höegh Autoliners

Ask DNV about ... quality



DNV's first priority is being the number one quality provider of ship classification serving all aspects of shipping. Our customers agree with our priorities by awarding DNV "The Best Classification Society" at Lloyd's List Asia Award for the third time in 2005, Searcade Awards in 2002 and 2005 as well as Lloyd's List "Best and most innovative class society in the Middle East and Indian Subcontinent 2005". Quality shapes the future and DNV is the right answer. Det Norske Veritas 1322 Høvik, Norway tel: +47 67 57 55 00 www.dnv.com MANAGING RISK DNV



Not many businesses are as global as ours. As you can see.

AFTER MORE than 40 years in the vehicle transportation business, Höegh Autoliners is represented all over the world - at sea and on land, on all oceans and all continents. Our global route network meets the needs of most clients. But not all. Which is why Höegh Autoliners is unwavering in its devotion to flexibility. Rest assured that we will be prepared to go the extra mile to solve whatever problem you may have in getting your cargo to its destination. When we say global, we mean global.





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