



## Evening Lecture

Jointly Organised by  
Society of Naval Architects and Marine Engineers Singapore  
The Joint Branch of the RINA and the IMarEST (Singapore)  
and  
Centre for Offshore Research & Engineering (CORE), NUS

### “The Offshore Market - challenges in the coming decade”

By Mr. V Shesh  
Executive Director  
Greatship Global Energy Services Pte. Ltd and Greatship Global Offshore Services Pte. Ltd

*\*\*\*Seats are limited. Please register early. Admission is free\*\*\**

Date: Friday, 23 October 2009

Time: 6.30 pm to 7.00 pm - Registration & Refreshment

Talk begins at 7.00 pm and ends at 8.30 pm

Dinner starts immediately after end of the event

Venue: Seminar Room EA-02-11, Faculty of Engineering, National University of Singapore

Please confirm with Ms. Joan Chua via the reply slip by 21 October.

Anis A. Hussain

Chairman

Technology Committee

Society of Naval Architects and Marine Engineers Singapore - SNAMES

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## ABSTRACT

The Offshore market is currently in trouble. The financial meltdown, abetted by uncertainty in the global trend of oil prices, exacerbated by over-building in certain vessel categories, have led to a sharp decrease in investment in privately funded offshore exploration and production. This has led to drastic reductions in utilisation rates, and consequent falls in charter rates across almost all asset categories.

Established ship owners with depreciated, older fleets are not very unhappy. While their top lines and bottom lines have dipped, their inherently lower cost bases allow them healthy profits even in this depressed market. Even so, uncertainty and fear have prevented them from making the bold moves that they promised themselves they would when the time was "right".

Owners and operators with newly built fleets, especially those built in the past 5 years, are struggling if not suffering. High asset costs, high financing costs and high operating costs have led to sharp erosions in bottom lines compared to the commitments managements have made to boards.

Challenging times.

As is normal survival instinct, owners, operators and managers have circled their wagons and are waiting for the storm to pass. They have focused on sweeping cost reduction programs, eschewing business class travel (or even travel altogether), keeping an eagle eye on purchases of spares and stores, and reducing head counts in subtle ways. They have chopped all "non-critical" expenditure, including those relating to marketing, systems, and human resource development. They have told themselves and their people - if we tighten our belts, we will save ourselves from starvation, even if food is hard to come by.

This may be valid for the extremely short term. The reality is - when food is hard to come by, it behoves leaders to go out and hunt and gather, not hide or seek comfort in smaller waists.

It is my belief that these are challenging times, not because the markets are grim or bottom lines are eroding. These are challenging times because of the opportunities that these portents of gloom hide in their shadows, that inward looking professionals fail to see, and thus to exploit.

What opportunities, indignant managers ask. How can I buy assets at half the cost they were a year ago, when I am struggling to cover my existing debt service? How can I make a bid for that floundering company whose share prices are a fraction of what they were in 2007, when I have barely enough to satisfy my bankers' covenants?

While traditional market opportunities flourish, as they always do in times like this, I believe there are many more opportunities that owners and managers need to consider. These opportunities don't just lead to top line growth or larger market caps. These are those that, taken at flood, will enhance one's ability to cope with such down turns, which will strengthen not just individual companies, but the industry itself, which will lead to holistic and synergistic growth.

Hmm. I have heard this before, cynical managers say. Not going to work. Never has worked.

I beg to differ. Today, the cumulative global experience and exposure, the superb information and communication technology, and the joint understanding that other industries have succeeded in similar endeavours can make a difference.

I am submitting that four challenges face the offshore domain. These challenges are not what most people believe - that of oil prices or financial liquidity or asset utilisation. The challenges lie in how individual companies and regional chambers of commerce are going to respond to the following four questions -

- a. People - are we going to prepare or will we continue to poach?
- b. Markets - are we willing to put aside egos and cooperate or will we continue to distrust and compete?
- c. Assets - are we willing to seek knowledge and synergise or think we know all and speculate?
- d. Technology - are we going to strive for the superlative or will we settle for the sufficient?

How we, as an industry, as a brethren, answer these questions in the next two years are going to impact the next two decades of our lives in this domain.

Together, we will explore these questions and what they can mean to us on 23<sup>rd</sup> October 2009. I look forward to seeing you then.

## ABOUT THE SPEAKER



Mr Sheshashayee graduated from DMET Calcutta in 1982 with a BEng (Marine) degree and the Narottam Moraji Gold Medal for Academic Excellence as well as the Naval Architecture Gold Medal. He later completed his post-graduate studies in management from the Indian Institute of Management in Bangalore.

Prior to his present posting as ED GGOS/GGES, Mr Sheshashayee was Great Eastern Shipping's General Manager for Business Development and Marketing Services. Before that, he was involved in various functions in shipping, finance, operations, marketing, sales and human resources in The Shipping Credit & Investment Company of India (SCICI), A P Moller Singapore and Akzo Nobel Coatings India Limited.

Mr Sheshashayee is also the Founder/Director of consultant company Intervention (India) Limited, Bangalore, Guest Faculty of the LBS College of Marine Engineering in Mumbai and Guest Faculty of the Indian Institute of Management in Bangalore.

## MAP OF LOCATION



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Executive Secretary (Secretariat)

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