

Captain E. Koch: Cyprus has a prominent role in forming global shipping policy

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People

The owner, CEO and Partner of ÖL Shipping Group, Captain Eberhard Koch, reveals why Cyprus is a top-quality sovereign flag that is on the Paris and Tokyo “White List” and how Corporate Social Responsibility is vital in local communities, being a tenable part of any organisation’s strategy and long term objective, “and should be a moral duty”.

Can you tell us more about your company when you were established in Cyprus and how many offices / members of staff you currently have?

The 2nd of August 1836 is considered the date of the company’s foundation. “Vorwärts - Always Steaming Ahead!” became a company motto which is proudly maintained today. The history of the company is very interesting, but I will be happy to talk about it another time, more in detail. I joined Oesterreichischer Lloyd in 1984, became a Partner in 1991, and in 1995 the Limassol office was established. I subsequently became the Chairman, CEO and Sole Partner in 2001. In 2008, the company decided to focus purely on ownership again, with six vessels ordered in China between 2008- 2010. Oesterreichischer Lloyd Shipmanagement (Cyprus) Ltd was then renamed to Oesterreichischer Lloyd Seereederei (Cyprus) Ltd. Currently, our only office, in Limassol, is home to 10 members of my dream team, myself included and the company’s fleet of four 618 TEU, Geared, Multipurpose Feeder containers has an average of 13.6 years. Med Crew, our in-house crew manager, has a pool of 100-150 seafarers with high loyalty (some employed for more than 20 years!).

What do you believe sets your company apart from its competition?

Our values and family ethics. Myself personally, as Owner of the shore-based ÖL Group, and one of the two shareholders in the fleet, I try to cultivate strong family ethics and resilient commitment from top management down the ranks, including myself and the wonderful multinational and multicultural teams ashore and the crew on-board our small fleet of multipurpose fully geared feeder vessels. Furthermore, I maintain remarkably close contact with charterers, whom I visit on a regular basis. In addition, we believe in training new personnel, which is a necessary investment in the future of our fleet. At present, we employ additional young nautical officers who, together with the cadets that we train on board, represent the future nautical officers and engineers. It is worth mentioning that we are long-term supporters of the ADOPT A CADET campaign by Cyprus Maritime Academy, and we presently have two highly motivated and inspired female cadets in our fleet. OELSM have set the values that describe its activities, namely:

Safety: Our target is an incident-free and pleasant workplace. Our daily task, everywhere at any time, is to ensure our OELSM People are safe by creating a safety culture.

Performance: We are driven to meet the requirements of our customers by the superior performance of any project.

Integrity: OELSM applies high ethical standards in all its activities. We treat our Customers, our People, our Partners, and our Suppliers fairly and with respect.

Collaboration: Our People work very closely and openly with our Customers, Partners and Suppliers, both at a local and global level to achieve more safe and strong results for all of us.

Sustainability: OELSM takes a proactive approach towards its social responsibilities. We strive to mitigate and if possible, eliminate the impact of our activities on the environment globally.

Innovation: OELSM creates smart and simple solutions to meet the standards set in our Shipping Industry, combining technology, expertise, and partnerships to deliver the best results.

How has your experience of doing business in Cyprus been and would you recommend it to other foreign interest companies looking to relocate?

Without hesitation. During a 27-year presence within the Cyprus Shipping industry, with visionary and experienced management, and with the support of very loyal and educated members of staff (who are not only a huge asset to me but also to the island!), ÖL Shipping has successfully achieved the creation of a solid, and selective client base and a solid foundation. The

history of the Sea and Shipping in Cyprus traces back thousands of years. Cyprus recognised, as early as 1963, the political, economic, and social importance of shipping. Since then, Cyprus has not failed in attracting shipping entrepreneurs. Cyprus has been a member state of the EU since 2004 and a member of the Eurozone since 2008. It combines a legal system closely modelled on the British one, good labour relations, a high level of professionalism in the legal and accounting sectors, a proper banking system, air links to all important destinations, and all that makes solid foundations for entrepreneurs to set up their business on our beautiful (let's not forget that!) Island.

The Cyprus flag is a top-quality sovereign flag that is on the "Whitelist" of the Paris and Tokyo MoU. More than 150 dedicated maritime specialists at the Deputy Shipping Ministry offer a tailored, 24/7 service from our offices in seven different countries. Limassol is considered to be the largest third-party ship management centre in the European Union, and one of the largest in the world. Limassol is well known for its benefits to Owners and Managers – relatively low cost, EU operation, highly skilled, loyal labour base, extremely supportive government, easy access to decision-makers, and highly developed, professional services. Cyprus is amongst the countries that have a prominent role in forming global shipping policies with a strong presence and a powerful voice in all maritime fora and international organisations such as the IMO, ILO and European Union. Since last August, we are proud to have the first Cypriot Shipowner, Mr Pilippos Philis, as the ECSA President, which is a success story for Cyprus shipping, giving it a better chance of participating in drawing the European Shipping policy.

What is your view of your sector (locally and on a global level) both as it is today and with its potential for growth?

Shipping's ability to offer economic and efficient long-distance transport puts it at the centre of the world economy. Some 11 billion tons of goods are transported by ship each year. This represents an impressive 1.5 tons per person based on the current global population. Shipping's capacity to transfer goods and materials from where they are produced to where they will be ultimately consumed underpins modern life. For an economic region such as the European Union, shipping accounts for 80% of total exports and imports by volume, and some 50% by value. Our sector – the last mile service – with geared Feeder container vessels is in heavy demand. Only very few newbuild vessels are being ordered therefore we are very optimistic about the future.

Where do you see your company in five years? Are there any immediate plans for your company, for example, new products, services, or plans for expansion?

Taking pride in ownership of a daily contribution to 90% of everything married with the calculation of right choice + right time + right approach = right results, by taking a long-term view and adopting the ability to seize opportunities created by today's market conditions for good quality tonnage, we have a solid

growth strategy. We do have several green projects “on the go” and whilst we are progressing very nicely with these, they have not quite yet been finalised. One can expect that soon they might come to fruition but it is too early to disclose anything.

How much focus do you put on CSR and being part of the local community?

Corporate Social Responsibility as a collective code of conduct is a recent phenomenon, that shapes social accountability through which industries and organisations set their business goals while maintaining ethical practice and international standards. A socially responsible shipping company works actively to integrate economic, social, and environmental concerns in its business operations. Engaging in CSR forms a good basis for managing the company’s social and environmental performance. It also offers guidance on stakeholder communication. CSR is increasingly recognised as having real business benefits in terms of attracting customers and high-quality employees, including seafarers.

In shipping, CSR is focused on environmental issues such as reducing greenhouse emissions. When it comes to the maritime sector, the main objectives of CSR are considered to be the welfare of workers, protection of the marine environment, human rights and ethical trading, involvement of stakeholders and following business ethics. CSR is also increasing in the shipping sector due to the fact that shipping companies try to be more transparent and accountable, try to comply with rules and regulations, and try to avoid fines and detention which could result from noncompliance. Shipping companies have also started realising that being socially responsible does not always inflict higher operating costs but more likely will reduce costs.

You can notice three main approaches towards CSR in shipping. First, the approach where competitiveness is the primary goal even when it means lowering safety and quality standards. Second – the most common – where the goal is to comply with rules and regulations while pursuing the basic goal of gaining profit. The third, supportive approach towards CSR, which is nowadays increasing, and the approach implemented by OELSR, is where the companies go beyond compliance with rules and comply with NON OBLIGATORY standards. These companies are willing to undertake the costs of going “the extra mile” and behaving in accordance with society’s expectations.

In this approach, responsibility becomes a tool for the company’s management to improve the company’s operations and financial performance. Social responsibility is vital in local communities, being a tenable part of any organisation’s strategy and long-term objective, and should be a moral duty.

