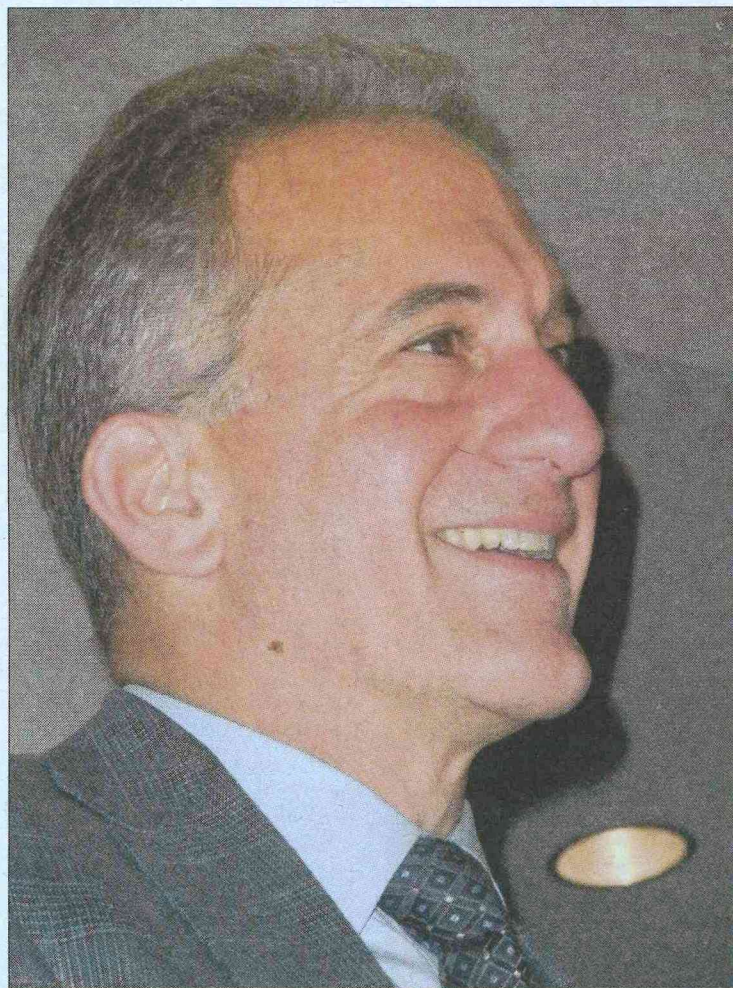


## ASBA CARGO CONFERENCE



**JACK BUONO:** The ExxonMobil general manager of global marine transport gave an upbeat address.

Photos: Bob Rust

**ExxonMobil's Jack Buono: "The world is going to continue to require fossil fuels and all that goes along with that."**



**PANELISTS:** From left, analyst Arlie Sterling of Marsoft, cash buyer Captain Yogesh Rehani of Global Maritime Systems (GMS), classification official Chris Dlugocki of Lloyd's Register (LR), financier Hugh Baker of Evercore Partners, maritime lawyer Larry Rutkowski of Seward & Kissel and Jeanne Cardona of the Association of Ship Brokers & Agents (Asba)

# ExxonMobil man defies the gloom

The keynote speaker delivered an optimistic message for brokers and port agents at a Miami gathering.

Bob Rust

Miami Beach

North and South American shipbrokers and port agents seemed grateful to put aside their own worries and hear an optimistic message, for a change — even if they had to hear it from ExxonMobil.

"We've never seen as much growth and productivity as we're going to see, and our children are going to see, in the years to come," Jack Buono told delegates in his keynote address to the annual US Cargo Conference sponsored by the Association of Ship Brokers & Agents (Asba).

Buono is ExxonMobil's head of global marine transport and he is not afraid to sound bullish in front of employees of struggling companies in other market sectors.

The shipping industry "is going to go through a period of oversupply", acknowledged the former Seariver tanker captain. But using the analogy of "bobbing the light", Buono suggested that recovery is only momentarily out of sight, like a sea buoy just coming into view.

"Long-term, [oversupply] is just a blip on the horizon of growth and prosperity," he told the conference delegates gathered at the Eden Roc, a seaside hotel in Miami Beach.

Taking the longest of long views, Buono pointed out that mankind took some 10 million years to

reach a world population of 2.5 billion and is now in the midst of a 25-year period that will see a similar increase. To ExxonMobil's man that is an inspiring rather than a frightening prospect. All the new billions will need fuel. And even now, said Buono, one-third of the world's population cooks its meals over an open fire. Greater efficiencies in the OECD countries have seen energy consumption flatten out but the developing world wants a better life.

"The world is going to continue to require fossil fuels and all that goes along with that," he said.

Delegates — even though the dry trades are in the majority in Asba — seemed practically unanimous in applauding Buono's inspirational message, and one voice in the crowd was seconded when he called on the charismatic speaker to stand for public office.

But other market projections on offer at last week's conference — whose theme was "What's on the Horizon?" — were more detailed and less upbeat, ranging from gloom through uncertainty to qualified hope.

The annual Asba event draws on a diametrically opposite set of speakers from those most often heard at the major shipping-industry conferences.

Top chartering officials of some of the world's biggest commodities players who addressed last week's

Asba meet included Hans Christian Jensen of grain giant Archer Daniels Midland (ADM), Robert Drew of Tata Steel International and Anita Odedra of BG Group, besides ExxonMobil's Buono.

Pure shipowners, including NYK and Navios, were represented as well but the focus was on the big consumers of their services.

Daniel Thorogood, president of US-based Seacor Ocean Transportation, limited his horizon to five years and sees the potential for a downturn that long, even if the outlook for products tankers is not as ugly as for crude because of an "ugly" oversupply of VLCCs.

"People were still ordering VLCCs in July of this year, I think they're crazy," said Thorogood, pointing to China's planned 40 to 80 newbuildings as "weapons of mass destruction for the market".

On the dry side, Tata Steel global chartering boss Robert Drew presented a degree of optimism, if maintaining current levels through 2012 can be described as optimistic.

Drew pointed out that depressed rates for owners do not necessarily translate into savings for charterers like Tata. "You would think we would benefit from low charter rates. But we do mostly parcels," he said, explaining that deals often have to be priced on a whole-ship basis where there are no additional part-cargos to be had.

Navios executive Fred Gordon shares ExxonMobil's focus on urbanisation and industrialisation as keys to continued growth in the long term. Some 42% of China's population is still in non-urban areas, while the comparable figure for the US is 82%.

The development of charterer-controlled fleets is on the minds of many dry-bulk chartering brokers but Jensen of ADM was not interested in talking about widespread rumours of an ADM kamsarmax-newbuilding order in the works. Besides chartering, Jensen currently runs eight owned bulkers — three panamaxs, two supramaxes and three handies.

Meanwhile, Cate Barber Moran, senior chartering manager of US-based NYK Bulkship Atlantic, created nearly as much of a stir among this year's Asba delegates as ExxonMobil's Buono with a presentation on the Japanese parent company's researches into ships of the future. In addition to exploiting solar and wind power, NYK is developing "bubbly hulls" in which leading surfaces will be coated with a layer of "soft, slippery bubbles" that will cling to the hull for a projected 13% energy saving.



**SENIOR CHARTERING MANAGER:** Cate Barber Moran of NYK Bulkship Atlantic



## Portable Tank Gauging and Sampling

**"Restricted & Closed"**  
(petroleum & chemical)



MMC Int'l Corp. (USA) | MMC Europe Ltd. (UK) | MMC Asia Ltd. (Japan)  
Fax: (516) 371-3134 | Fax: (01670) 738789 | Fax: (078) 252-0265  
www.mmcintl.com • E-mail: mmcintl@aol.com • 1-800-645-7339