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Asia Bulletin

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The Standard
for service and security

The Standard

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The Standard Club has been doing business in the Asia-Pacific region for much of its history, and in 1997 we opened our Singapore office. Since then we have seen a steady increase in tonnage insured and our Asian team has grown significantly. Our members and operations in Asia are a key part of the club and a review of some of the issues and challenges facing the region is timely.

In this edition

Continued growth in Asia

When The Standard Club established a permanent presence in Asia almost 20 years ago, it decided not to set up a branch office. Instead, The Standard Club Asia Ltd. (Standard Asia), managed by Charles Taylor Mutual Management Asia (Pte) Limited (CTMMA), was incorporated as a subsidiary in Singapore in the heart of South-East Asia.

Business volumes have increased steadily since then, reflecting Asian economic expansion and our penetration into regional markets. The Standard Club's Asian business is now 26% of owned mutual tonnage. Some of the group's Asian business remains entered in Standard Europe for historical reasons, most notably the Japanese business through TS21 (a joint venture with Tokio Marine & Nichido Fire Insurance Co., Ltd.), although CTMMA handles the claims for these accounts. Page 3 shows a map of the club's Asian tonnage.

Standard Asia does business in markets across the region including Singapore, South Korea, Hong Kong, Indonesia, India, Taiwan, Thailand, Australia, China and Japan, so we have a lot of ground to cover.

Today, CTMMA employs 34 people across our Singapore and Hong Kong offices. The Singapore team spans claims, underwriting, loss prevention, accounts and IT. Our Hong Kong claims office services the Greater China area. Both the Singapore and Hong Kong offices also act as P&I correspondents for members' ships trading in the region.

In June 2015, The Standard Syndicate incorporated its Singapore service company, The Standard Syndicate Services Asia Pte. Ltd., established under the Lloyd's Asia scheme. It employs a further two people. Read the article on page 4 of this bulletin for more information.

The future of shipping in Asia

Asian shipping has been impacted by the same factors that have affected global shipping: an oversupply of tonnage, a slowdown in world trade and lower commodity prices all combining to depress freight rates and asset values. The challenge for our Asian membership is how to survive and identify opportunities in these extremely tough market conditions.

Introduction continued

How the club can help members meet this challenge

We will stand by our members in these difficult times as an integral part of their overall team. We are providing strong support by keeping premiums as low as we are able and by providing a proactive, pragmatic and responsive claims service that reduces members' exposure thereby giving them a competitive edge.
The fact that Standard Asia has local decision-making autonomy and a fully empowered team means we can provide fast and effective service to our members when they need it, both in their local time zones and elsewhere. We never forget that shipping is a services business and keeping clients happy through an appreciation of their needs is paramount. We also try to be adaptable. We live in a fast-changing world and need to be able to respond accordingly. When I first entered the industry in 1992, the pace of change was relatively slow and it has accelerated dramatically since then. I have no doubt it will continue to do so.

The club's aspirations in Asia

We view Asia as a growth market with enormous potential, reflective of its fast-developing economies and the commercial dynamism of key shipping centres such as Singapore, Hong Kong and Shanghai.

Standard Asia and its shipowner board are focused on targeted regional growth, both for the club and The Standard Syndicate, in accordance with our risk appetite and business plan. We have been making good progress with seven new members so far this policy year and are seeing continued growth in our war class, the Singapore War Risks Mutual, which now has over 400 ships entered from 25 insured owners, significantly ahead of business plan forecast. Read the article on page 13 of this bulletin for more information.

Left side L to R: James Woodrow (China Navigation Co. Pte. Ltd.), Nick Taylor, Jack Marriott-Smalley, Philip Clausius (Transport Capital Pte. Ltd.), Darren Ee, Dipo Oyewole.

Top side L to R: David Roberts, SS Teo (Chairman) (Pacific International Lines (Pte.) Ltd.), Jeremy Grose.

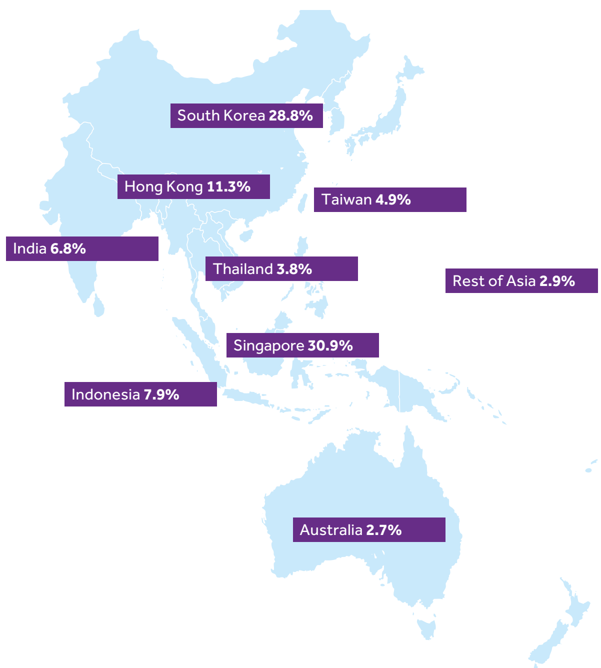
Right side L to R: Rod Jones (CSL Group Inc.), Nick Jelley, Bhumindr Harinsuit (Deputy Chairman) (Harinsuit Transport Co. Ltd.), Rupert Banks, David Koo (Valles Steamship Co. Ltd.), Andrew Broomhead (Pacific Basin Shipping (HK) Ltd), Ricardo Menendez (Ultraocean SA).

Standard Asia board meeting at The Shangri-La Hotel, Singapore, on 10 August 2016

A centre for shipping services

Asian values centre on the importance of family, hard work and achieving your goals. Singapore is a prime example of this. In the 51 years since independence the city state has developed from relative obscurity into one of the most successful economies on the planet. Not bad for a country with no natural resources and only 278 square miles of land. It is efficient, well-run and embraces business.

It is also great to be working in a place where the maritime industry is of such importance. Singapore was founded in 1819 by Sir Stamford Raffles as a trading post of the East India Company which recognised its strategic importance. Today Singapore is a high tech, cosmopolitan, global city which has developed into a major transportation hub and one of the leading maritime centres of the world. The maritime sector comprises more than 5,000 companies who collectively contribute an impressive 7% of GDP. The focus is very much on what government can do to help, and they don't just talk, they deliver. In the P&I space, we receive ongoing support and assistance from the Maritime and Port Authority of Singapore and the Singapore Shipping Association, in particular.



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