

One year after its founding, Faroe Agency has established itself as a leading shipping agency, serving most of the Russians calling at Faroese ports plus other foreigners—as high oil prices drive vessels to economize on energy use, triggering demands from increased berthing.

AS FAROE AGENCY entered the shipping agency market in 2005, most Russian vessels in the Faroes were attracted to the new fold—after all, the persons behind Faroe Agency were no newbies. With the Honorary Consul of Russia in the Faroe Islands, industry veteran Árni Dam as managing director rallying colleagues and partners from his former place of employment, Faroe Agency didn't take long to become the new market leader in its field. One year on, the initial excitement has settled to leave room for everyday business life, albeit the company's success in the marketplace has been maintained, set for further growth.

"It's been very positive," says Faroe Agency partner and shipping agent Karl-Erik Reynheim. "We served several hundred vessels during 2005 and the level has been sustained so far in 2006—only, the average purchase rate seems to be increasing. Our client vessels are generally becoming more and more demand-

ing, which is good for business, although it puts more pressure on us to meet all their needs and requirements."

According to Mr Reynheim, the main reason behind this growing demand could be linked to high prices of fuel having propelled vessel operators to economize and reconsider some of their routines, leading to an increase in berthing activities.

"I think today everybody will have to do their best to save fuel to whatever extent possible. In some instances, berthing a vessel for a while can be more economic than keeping engines running for transshipments on the roadstead. There's also the growing awareness of environmental issues and from that standpoint, the more the environment is saved from potential pollution, the better."

So when a ship is berthed, it will usually take the opportunity to order supplies and services on a different level than otherwise. It will perhaps get extra repairs done and goods delivered, and the crew will be more likely to spend money shopping.

"At the same time as more orders are being placed, assignments seem to be growing bigger. I think part of this may have something to do with the good cooperation we enjoy with the Port of Tórshavn as well as other ports. Most ports have been wise to lower their fees, which in fact has increased their business.

"For instance, we arrange for crew transfers via chartered direct flights between the Faroes and Russia, which involves several operators at various levels.



LEADING AGENCY SEES SUSTAINED GROWTH

sel has improved considerably over the past one or two years; because the more expensive the fuel, the more crucial it becomes to get the highest productivity from the vessels and all their facilities."

According to Mr Reynheim, Faroe Agency and some of its business partners are working to establish more services in order to provide a complete solution for vessels calling at Faroese ports.

"We want to build a comprehensive supply line for foreign vessels and there are tangible plans in the pipeline with regard to new bunkering facilities.

"This will help the vessels save energy and time, and will eliminate any environmental hazards of bunkering at sea."

Faroe Agency's services include management, customs clearance, freight forwarding, arrangements for supplies, repairs, bunkering and more, in addition to health care and safety related issues.

But whereas the company's staff has experience in dealing with ships of all types, in-depth local area knowledge is likewise essential—and so is maintaining good connections with business leaders and authorities including the politi-

cal system. Accordingly, the Honorary Consul of Russia, Mr Dam, is known as a man with a very strong network of contacts.

Mr Dam, a former sea captain, pioneered the shipping agency business in 1970 to serve primarily Russian vessels. Today, Russian vessels every year make five hundred to one thousand calls at the Port of Tórshavn and elsewhere in the Faroe Islands.

As awareness is raised about the advantages of various functions and services available, demand will be likely to increase, which will benefit our business—and everybody's else, for that matter."

Another thing, Mr Reynheim pointed out, is that the high oil prices make it necessary for vessel owners to refurbish their engines in order to maximize fuel efficiency.

"I think there's a limit somewhere which has been passed, and that's why all of a sudden we have seen a lot of these vessels modernized. The average ves-

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Shipping agency, ship management company; specializing in serving vessels calling at Faroese ports.

Cost-effective services, manning and technical management, forwarding, chartering, operations management, multi-service representation.

All types of ship calls, from freighters and tankers to cruise liners to fishing vessels.

Arrangements for supplies, bunkering, repairs and health care, safety related issues.



Faroe Agency's Alexander Kuzkin, left, discussing with captain Leonid Smaternik (center); clockwise from left, owners Karl-Erik Reynheim, Árni Dam and Maria Lava in the front, with agent Magnus Jakobsen in the rear (right); Russian vessel the Kapitan Gorbachev (left);