

New co-operative

In December 2011, representatives of shipping companies from all over Northern Germany and the Netherlands founded European Minibulk e.G. It is a German co-operative with a European direction. This means that associates from other European countries can also join as members.

The purpose of the co-operative is the bundling of the shipping activities for coasters provided by the members.

The co-operative addresses shipping companies, ship funds, issuing houses, freightage brokers, banks, natural persons and other interested groups.

The objectives of the co-operative include the safeguarding of the relevant markets, efficiency increases for the work of the associated shipping lines, the increase of their costs/return ratios and the associated company results.

This co-operative is a traditional co-operative as it is known in other industrial sectors. For example, the bundling of demand can improve the terms and conditions for procurement. In addition, a coordinated marketing of the ships is also an important activity. In this case, the relationship to the existing trusted broker of the respective shipping lines can be maintained.

The legal form of a co-operative was chosen because it maintains the interests and independence of the associated companies while at the same time it bundles the company interests where the objectives of the associates are uniform and where the bundling achieves advantages for the associates.

The initiators expect that significant success can be achieved speedily. Nevertheless, the principle objectives cannot be achieved in the short term. Rather, it is the intention to coordinate the joint activities of the shipping company owners in the medium to long term. Synergy effects to be utilized are available. Joint interests will also be represented to policy makers as well as associations.

The ship financing banks positively support the model because a good care of the ships can also be provided by smaller shipping companies, risks can be reduced in a large joint structure and opportunities can be created and increased. Therefore, the co-operative does not represent a crisis instrument, but a joint protection and an opportunity platform for the associated shipping lines.

A full-time general manager has assumed the management of the co-operative. By assigning Joachim van Grieken, the co-operative gained an experienced shipping expert for this position. In the past, Mr. van Grieken worked in senior management positions, among others for shipyards and issuing companies.

Additional discussions will be held shortly among the members and specific activities will be discussed and implemented. In addition, it is the intention to introduce the co-operative to banks and issuing houses.

Another co-operative with the same objective, but for container feeder ships, was established almost at the same time when European Minibulk e.G. was founded: Containerfeeder e.G.

The co-operative idea, which in its modern form is already more than 150 years old, provides also today the right answer for the challenges of the market. The principle has been proven often and for a long time. It not only created an important part of the German credit services sector but it has also been practised successfully for many years in the inland waterway transportation. A co-operative combines joint entrepreneurial actions with the principles of self-help, independent responsibility and self-administration.

The initiators hope that this will help the shipping companies to contribute to an improvement of their economic situation. Based on research by the Institut für Genossenschaftswesen (institute for co-operative systems) of the Münster University, 83% of Germans know the term co-operative and associate it with terms such as trustworthy, panic-proof, competent and reliable. It is not without reason, that the UN has determined the year 2012 as the international year of co-operatives. This is a good environment for the ambitious activities that promise successes for both co-operatives.

Haren, January 2012

Initiators and board of directors

Torsten Westphal, chairman of the board

Erwin Strahlmann, board member

Supervisory board

Capt. Hermann Lohmann, chairman of the supervisory board

Mrs. Agnes Gerdes, member of the supervisory board

Dipl Ing. Gerd Wessels, member of the supervisory board

Actions:

- Utilization of the combined demand to achieve procurement successes, e.g. oils, paints, (ship yard) services, personnels, etc.
- Utilization of synergy effects: insurances, spare part stock, personnel use, training activities, etc.
- Offering of a platform for reciprocal learning effects between associates
- Definition of standards for associates to establish profiles towards third parties (e.g. standardization of reports to banks, standardization of the risk distribution for the overall improvement of work results)
- Representation of interests against other market participant groups (e.g. banks, charter companies, insurance companies), including associations, policy makers
- Obtaining third party ships through banks for the co-operative and its associates
- Development of in-house financing concepts.