

The Interview: Albert Hoek

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It's OK to say no, and walk away from even some of the biggest shipowner names in the business if rates fall to unviable levels



The ship agency sector of the maritime industry remains highly fragmented, but the Multiport network enables smaller companies to offer their customers services in other parts of the world

In an era of consolidation, digitalisation and global shipping heavyweights, is there still room in the maritime industry for niche specialists?

As far as port and ship agents are concerned, the answer is a definite yes.

That is the view of Albert Hoek, executive director of the Multiport Ship Agencies Network.

“This is still a people business,” he says. That means having a physical presence in ports of all sizes — big, medium and small — and representatives with local knowledge who are on hand to cater for the needs of shipowners, develop personal relationships with principals, and take care of their vessel calls.

But few companies in the maritime sphere can confine their activities to a single country these days, which is where Multiport membership comes in.

The association represents independent ship agents based in scores of countries around the world, enabling members to have a global reach while offering local expertise and providing support in less-familiar locations.

“Anyone can handle a ship in Rotterdam,” says Mr Hoek. But for one of the regional ports in the Netherlands, or perhaps a Chinese river terminal, facilities in parts of India and Africa, or other emerging markets, “that is when Multiport’s strength comes in”.

Even some of the world’s biggest shipowners, such as Maersk and Mediterranean Shipping Co, will use Multiport agents in some places, while Japanese newcomer

Ocean Network Express is a Multiport customer in Rotterdam, with more than 30 ship calls a month.

Smaller operators are likely to make use of a broader range of services that [Multiport agents](#) offer these days, including maritime logistics and supply chain solutions.

As customer requirements started to change, some Multiport agents set up their own freight forwarding company nearly 20 years ago, [Flash Line](#), in order to broaden out into new areas of business. The non-vessel-owning common carrier, which is licensed by the Federal Maritime Commission, is still doing well, according to Mr Hoek, with around 50% of Multiport members now participating as demand for logistics services expands.

About 32,000 teu and 1.25m tonnes of breakbulk cargo are moved under a Flash Line bill of lading each year.

Multiport members handle any type of vessel, from containerships, tankers, bulkers and multipurpose vessels, to cruiseships and oil rigs. But it is the non-containerships that are the most lucrative for ship agents, and where there is greater scope for value-added services.

Founded in 1978

The association was set up in Rotterdam 40 years ago and now covers 110 countries and 3,600 ports, with an average of 180,000 ship calls handled per year. That puts it ahead of some of the big ship agency companies that have built up their global networks since Multiport was founded, such as Inchcape Shipping Services, S5 Agency World, GAC or Wilhelmsen.

Even so, Mr Hoek frequently has to explain to prospective members or customers that Multiport is not a trade body, but a network of ship agents that collectively account for about 10% of the worldwide agency business measured by port calls.

Fragmented

That puts this sector of the maritime industry into perspective, with the ship agency activities still highly fragmented at a time when consolidation is rife throughout much of shipping world in the quest for scale.

Mergers and takeovers also affect the Multiport network, with an average of between five and eight members leaving over the five-year cycle because of acquisitions and the board forced to find replacements. Some have been swallowed up by Multiport's big competitors. Right now, there is no representation in Norway, Finland or Russia, for example.

Nevertheless, Multiport operates in North, Central and South America, the Caribbean, Mediterranean, Northern Europe, the Middle East, Africa, Asia and Australasia.

With the exception of the US and Canada, Multiport membership is limited to one company per country, with each scrutinised annually by an independent auditor for

both its financial strength and business capability. This includes reference checks with existing principals and other members. Just occasionally, a company may have to leave the network. But in most places, there are plenty of other firms hoping to join.

Chinese breakthrough

A big breakthrough came in late 2012 when Multiport landed a major coup, fending off other interested parties to sign up China Ocean Shipping Agency, better known as [Penavico](#), which has more than 80 offices across China.

That added around 80,000 vessel calls a year to the Multiport network, almost doubling the number handled prior to Penavico's arrival.

For Penavico, Multiport membership not only extends its presence across the globe but also enables it to generate commission income when recommending a customer to a member in another part of the world. The guideline is 25% of the fee for the first two years, a mutual benefit that is the same, of course, for all members.

Despite its scale, Multiport has kept a fairly low profile in recent years at a time of considerable upheaval across the shipping industry

In a rare interview shortly before Multiport's annual general meeting and 40th anniversary celebrations in London on October 15-16, Mr Hoek concedes that the ship agency industry has also had to face numerous challenges over the years.

"But Multiport members have survived and have continued to work closely with principals" by providing them with a broad range of port and cargo related agency services, he will tell guests.

Mr Hoek, who is managing director of Multiport member Broekman Logistics Rotterdam, acknowledges the pressures that both the broader industry and the ship agency sector are under, but has an important message for his associates.

Walk away

"It's OK to say no," he stresses. Agents must be prepared to walk away from even some of the biggest shipowner names in the business if rates fall to unviable levels.

"We cannot work for free," he says.



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