

THE BUSINESS ISLAMICA

July / August 2015
Kuwait



**SAUDI ARABIA SHOWS
ISLAMIC FUND AN
ALTERNATIVE TO
FINANCIAL INVESTMENT**

**HONG KONG'S SECOND
SUKUK BOND RAISES USD
1.1 BILLION – SKEPTICS
ARE NOT HAPPY**

**RUSSIAN CHURCH
BECOMES ALLY OF
ISLAMIC FINANCE
AS SANCTIONS
HURT**

COVER STORY

**PERSONALIZED
SERVICE PROVIDES THE
EDGE OVER COMPETITION
IN THE SHIPPING
INDUSTRY**

A CHAT WITH
TAREK AL-KAZEMI
THE CEO OF AL KAZEMI GROUP OF COMPANIES

Young, daring and entrepreneurial. Dr. Mohammad Tarek Abdul Latif Al-Kazemi talks to the TBI about his flagship company and the changing tides of the shipping industry. In a saturated market like Kuwait with giant international players expanding their fleets in a rat-race, where does he find the rudder for his business to forge ahead? Read on to find out.

1 What are the challenges you are facing in the maritime industry currently, especially with economic crises in Europe and the US still struggling to achieve targeted growth rate?

Major challenge in the Maritime Industry today is the excess supply in the market than demand. Major lines are adding more capacity than required by market. Global carriers are going ahead with including large vessels in the fleet to take advantage from "economics of scale". MSC has induced two vessels of 19,224 teus capacity in 2015 to their fleet. We are hearing that Maersk is planning to order vessels with capacity plus 20,000 teus. End of the day, the vessel has to be filled which put pressure on Freight Rates. Last couple of rate restoration attempts initiated by shipping lines were not successful.

Middle East is economically in

a stronger position than US & Europe. Countries in the region have considerable surplus petrodollar accumulated during past years available for disposal. Even during the recession time, Saudi Arabia, Kuwait & Qatar have continued investments in infrastructure and energy sectors keeping momentum of economic activities. Kuwait went ahead with their five year development plan which earmarked US\$ 35 billion in various infrastructure and energy sector projects. Almost 70 % of the projects in the 5 year development plan are already awarded. Resultantly the Shipping and Logistics activities are increasing in Kuwait.

“ Maritime Industry today has excess supply than demand. ”



2 Tell us something about the nature of your business operations. You obviously serve B2B, so who are your main clients and what kind of services do you provide them?

We are a business house in Kuwait started operation in 1953 with Shipping Agency Business. Now we have very much diversified business activities. Our Group is now into Shipping, Trading, Contracting, Hotel, Travel, Food industries, real estate, etc..... The diversified

“Diversified business activities sustains stability in a fluctuating market.”

business activities support to sustain stability in a fluctuating market like Kuwait.

Shipping & Logistics is still a core business activity of our Group. We are agents of various renowned shipping lines. We have a strong Commercial Freight Forwarding and Project Logistics activities in Kuwait.

Our Shipping and Project Logistics Division is an approved vendor with KNPC to handle Shipping & Logistics Contracts of value up to KD 10 Million. Gulf Maritime, one of the Companies in the group is the nominated project logistics partner for Package, Mina Al Ahmadi Clean Fuel Project.

Our clientele for shipping and logistics include small, medium and large Trading Houses, Automotive Dealers, and International EPC Contractors, etc.

3 Can you shed some light on the security aspects of shipping cargo? Is there any role that the shipping company plays in ensuring that the cargo is licit or do you fully rely on the customs personnel for this?

Safety & Security is a major concern of our time. We and our principals are very careful and selective of in accepting cargo for shipping. As we are an ISO & HSE Certified company, we have set system and procedures followed when containers are released for stuffing and accept cargo from a customers and forwarders. To accept goods from a new customer, always

“ We check the credentials of the customer and collect declaration of the goods prior acceptance.”

check the background of the company / customer and type of cargo they are proposing to load. Also we take undertakings issued by the authorized signatory of the company for using our equipment's only for acceptable goods.

When we come across any individual customers, we check the credential of the person and collect declaration of the goods prior acceptance.

4 Between which countries do you run your freights the most? And why?

We move Freight from around the Globe. But Far East in the major partner for Kuwait, which include China, Japan, Taiwan, Singapore, Thailand, Hong Kong, Malaysia, and it constitute about 37% of total import of commercial cargo to Kuwait.

Followed by Europe with about 25% which include UK, Germany, Italy, France, Spain, Netherlands, etc. Third trade lane, Middle East & Indian Subcontinent constitute 18% and US constitute about 12%.



“ Al Majdouie of KSA has secured a place in the Guinness Book of World Records with Transportation of an Evaporator Unit weighing 4890 tons. ”

5 What are the advantages of sea cargo over air cargo, other than cost?

Sea Cargo provide good flexibility in size and weight of cargo for transportation. Now a days, an assembled factory can be transported by sea. Our Joint Venture Partner, Al Majdouie, Saudi Arabia has secured a place in the Guinness Book of World Record with Transportation of an Evaporator Unit weighing a 4890 tons having dimension 124meter length, 34 meter wide and 12 meter height road which arrived by Sea from Korea.

Possibility of transportation of an assembled units will reduce the time required for building, testing and commissioning of an operative units at a third country. Today it is possible the Evaporator, major part

of the Desalination Plant is built up in the factory in Korea, transported by sea and installed in Kuwait, which shorten the completion time for a project execution.

There are ships fitted with combined cranes of 2000 m. tons lifting capacity on board, which enable the shipping of heavy units on vessels.

6 Give us an idea about your fleet of ships? How many ships do you operate and how many tons of cargo do you ship every year?

We owned two vessels sometime in the past, but later we disposed them. As and when we need any ships, we have arrangements to charter vessel on voyage basis or time charter basis.

7 What are the parameters on which competitors gain an edge over one another in the maritime industry? What is your advantage over other shipping companies?

Kuwait is a very price conscious market. But it's quite usual that professional and personalized service providers are always supported by Kuwait and overseas customers. Our Shipping Logistics Division is ISO Certified and we always extend personalized services to our customers through regular personal visits and updates on progress of their order and changes, if any, with new sailing schedules etc.



“ Kuwait is a very price conscious market.”

We are members of various International Freight forwarding and Project Logistics Networks which are constitute of very reliable Freight Forwarding and Project Logistics companies from around the globe. We attend Global Maritime Conferences of those networks and seminars to reestablish our business relationships

and keep us updated on the latest developments in the industry. We are always receptive to new techniques and technological advantages to incorporate in to our operations.

8 How many departments function in your company and what are their roles in the business?

In the Group there is 22 Companies and total employees of 2000 Labor & Admin turnover of contracting department with international firms 2014 is 2 Billion US Dollars.

Biography of Dr. Tarek Al Kazemi

**Chief Executive of Gulf Maritime
General Trading & Contracting
Co. 1994 – till present**

**Chief Executive of Latif
International Ggeneral Trading &
Shipping Services Co. 1994 – till
present**

**Chief Executive of Al - Kazemi
Travel Agencies CO. 1994 – till
present**

**Chief Executive of United Shipping
Trading & Contracting Services
Co. 1994 – till present**

**Chief Executive of Latif Hotels CO.
1994 – till present**

**Business Administrative Course,
from WEBSTER, Genève 1995**

**Board Member of Directors of the
International Resorts 1997 – 1999**

**Board member of Arab
International Bank in Cairo 1998-
1999**

**Chairman of Al-Kazemi Group of
Companies 1998 – till present**

**Chief Executive of Al-Kazemi
General Trading & Contracting
Co. 1998 – till present**

**Chief Executive of Afro Arab Co.
1998 – till present**

**Member of the Federation of
Chamber of Commerce in
London 1999-2001**

**Chairman of the Federation Travel
& Tourism Offices 1999- 2005**

**Board Member of Liquidation
Committee of Kuwait
International Investment
Company 2000-2002**

**Member of the Union Shipping
Companies 2003-2005**

**Holds Honorary Doctorate from
University for Electromechanical
Engineering and Technology
Moscow 2005**

**Member of the Journalists
Association since 2008**

**Member of the Executive
Committee of Turkish Airlines -
Istanbul 2009 – till present**

**Articles writer in Al-Kuwaitiyah
news paper.**

**Boat Racer & Winner of National
Championships from 2011 – 2013.**