

Branches :

Dubai :

7th Floor, Office #713
Business Avenue Building
Port Saeed Area, P.O. Box # 90992
Dubai, UAE, Tel : +97142956664
Fax: +97142956099

Delhi :

D 1st 145 Basement (Rear)
Lajpat Nagar R 1
New Delhi – 110 024
Ph - +91 11 4132 1037

Mumbai

Office #220, DBS House
Prescott Road, Fort Mumbai
Pin – 400 001, India,
Ph: +91 22 4077 9144

Chennai

#305, dbs house 31A
Cathedral garden road
Nungambakkam
Chennai – 600 034
Ph - +91 98 40 844463

Cochin

Chittoor Road, Cochin - 12, India
Ph: +91 484 4052033(0)
Fax: +91 484 2391895
office@callidusindia.com



THOUGHT FOR THE MONTH

“Don’t grieve. Anything you lose comes round in another form.”

Rumi

The Downtrend in the Shipping Industry: More ships heading towards the graveyard than ever before



Global Shipping faced with Record-Low Growth

The shipping industry is a volatile, cyclical and ferociously competitive business. There are good years and bad years. And then there’s this year. Experts consider this year as the worst of all the previous years in terms of losses. The growth rate of the global shipping companies which used to be at 7 to 8 percent has now hit a low rate as bad as zero. This unpleasant business scenario is due to the supply-and-demand imbalance — too many ships and not enough cargo.

The major shipping companies in Europe and Asia began ordering the state of the art, super-sized ships back in 2011, when times were better. Experts consider that this is partly a self-inflicted crisis because many of the companies are over-ordering. When the shipping industry was at the pinnacle of its heydays the shipping lines had placed order for mega ships in the prospects of greater returns. One line will order so the next one does and the next one does, and now all these ships are starting to be delivered. At present there are large number of brand new ships hopelessly waiting for cargo at the ports.

Shipowner’s dilemma amidst global economic slowdown

Falling under pressure, the ship owners are relentlessly resorting to the

scrapping of the ships which it considers to be a financial liability upon them. As The Wall Street Journal reports, about 1,000 ships capable of hauling 52 million metric tons of cargo will be cut up and sold for scrap metal this year.

Experts reckon that there is no appetite for ordering at the moment. The shipping industry is witnessing a steep fall in the number of the ships that are being ordered. In contrast to the 1,500 new vessels that were ordered in 2015, only 293 ships were ordered in the first half of this year.

The reason for such a trend is a stagnant global economy that stems from little growth in Europe and a slowdown in China. Chinese imports from the European Union fell 14% last year, according to The Journal. In the first quarter of this year, Chinese imports from the EU fell 7% from a year before. Exports to Europe have fallen as well. All of that means there’s an overcapacity of ships, leaving owners no choice but to leave them idle or recycle them. Typically, ships are recycled every 30 years, but now that average is 15 years.

Five years ago, people saw growing demand for new vessels at very high rates. There was a bit of an uptick in the number of ships that were brought on, particularly in 2012, 2013, and 2014. But now the demand has flattened, and in some cases a little bit declined. There

are a lot more ships either being dry docked or being scrapped.

Another serious concern is that the owners aren’t getting the same bang for their buck when recycling ships. A sharp drop in the price of steel has dropped the rate of return an average of 10% to 15% of the price of a new ship. Maersk, the world’s largest shipping company, said in its earnings call this week, that it expects declines across most of its businesses this year due to the stagnant global economy.

Conclusion: In anticipation of a revival in the Economy

It is reported that the shipping crisis has little impact on consumers. It’s the ship owners who are bearing the brunt. Because of the glut of ships, freight rates have plummeted over the past year, cutting deeply into profits.

Mergers and acquisitions are happening at a record rate than ever before. And many ships are heading to scrap heaps, like the one in Alang, India — the world’s largest — to help reduce the number competing for market share. There’s just excess capacity that’s built up for a number of years. Experts anticipated the persistence of this situation for the next two to three years before demand bounces back to the point where more ships can be in use.

10 Ways to Improve Your Time Management Skills

1. Delegate Tasks :

It is common for all of us to take more tasks than our desired potential. This can often result in stress and burnout. Delegation is not running away from your responsibilities but is an important function of management. Learn the art of delegating work to your subordinates as per their skills and abilities.

2. Prioritize Work :

Before the start of the day, make a list of tasks that need your immediate attention as unimportant tasks can consume much of your precious time. Some tasks need to be completed on that day only while other unimportant tasks could be carried forward to next day. In short, prioritize your tasks to focus on those that are more important.

3. Avoid Procrastination :

Procrastination is one of the things that badly affect productivity. It can result in wasting essential time and energy. It should be avoided at all costs. It could be a major problem in both your career and your personal life.

4. Schedule Tasks:

Carry a planner or notebook with you and list all the tasks that come to your mind. Make a simple 'To Do' list before the start of the day, prioritize the tasks, and make sure that they are attainable. To better manage your time management skills, you may think of making 3 lists: work, home, and personal.

5. Avoid Stress:

Stress often occurs when we accept more work than our ability. The result is that our body starts feeling tired which can affect our productivity. Instead, delegate tasks to your juniors and make sure to leave some time for relaxation.

INAUGURATION OF MUMBAI CENTRE FOR INTERNATIONAL ARBITRATION



The Mumbai Centre for International Arbitration was inaugurated with much fanfare in the economic capital of the country on 8th October, 2016. A conference was scheduled on the inaugural day to let out to the world the visions and missions of the institution and the services that it intends to offer. The conference was marked with the presence of legal luminaries such as Mrs. Zia Mody, Mr. Vikram Nankani, and the occasion shall be graced with the presence of international speakers like Mr. Cyril Shroff.

The MCIA is the upshot of the joint efforts of the domestic and international arbitration community and the government of Maharashtra. The Government of Maharashtra perceives the establishment of the MCIA as a stupendous stride towards transforming Mumbai into an International Financial Centre. The MCIA will feature arbitration rules that reflect international best practices.

The MCIA is conceived as being part of the Make in India initiative of the Government of India to attract higher

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Law gives UAE patients new 'right to die'

Doctors will no longer be compelled to resuscitate dying patients under sweeping changes to the law governing health care.

The new rules permit medical staff to allow natural death to take its course and refrain from performing CPR on dying patients who are suffering from conditions that are probably incurable.

If all treatment has failed, or at least three doctors advise against resuscitation, a patient will be allowed to die naturally.

Until now, any doctor who fails to resuscitate a patient has been liable to prosecution. The change in the law follows a report in April by a task force set up by the Health Authority Abu Dhabi to examine where improvements could be made in palliative care.

Nesreen Al Alfi, of Fatima College for Health Care Sciences in Abu Dhabi, and a member of the task force, said there were challenges in overcoming cultural beliefs and a legal system with no approved policies until now for "do not resuscitate" or "allow natural death".

The new law brings about other sweeping changes to the way health care is delivered and how medical staff work, including exempting doctors from criminal liability in many cases where they now face prosecution.

Under the new law, if harm to a patient is self-inflicted, or a result of refusal of treatment or failure to follow medical advice, then the doctor concerned will not be liable to prosecution.

A doctor will also not be liable if unexpected complications arise that are not caused by medical error.

Dr Sherbaz Bichu, chief operating officer at the Aster Hospital in Dubai, welcomed the change for giving doctors the security to act in the best interests of patients without the threat of prosecution if something went wrong.

"Now there is a process to it, so people can't just go and complain," Dr Bichu said. "My doctors are scared. 'Should I really do this? Will it bite me back?' This will give them more comfort to practise, and there will be professional evaluation.

Sex-change surgery will also now be permitted under the new law. Operations will be allowed if a person's sex is unclear, or if a medical examination indicates that their physical features do not match their physiological, biological and genetic characteristics.

The law, Federal Decree No 4 of 2016 on Medical Responsibility, has been approved by the President, Sheikh Khalifa, and published in the Official Gazette.

-The National

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global investments into India. The non existence of an International Arbitration Centre in India has always impelled the Indian Companies to seek resort in the Singapore International Arbitration Centre. The statistics from Singapore International Arbitration Centre shows in 2013, out of total 259 new cases, Indian companies contributed to highest number of filing at 85. Experts believe that this state of affairs can be converted to a trump card with the establishment of the MCIA. Highly placed sources in the government said the overseas disputes arbitration, if pursued in Mumbai, would bring revenue worth Rs 2 billion.

MCIA will be housed in a state-of-the-art purpose built 7, 000 square foot

complex, which can accommodate the largest of international arbitrations. The MCIA Council for Arbitration will have some of the leading arbitration practitioners from India and around the world. The MCIA Secretariat will comprise experienced arbitration practitioners and counsel who are skilled in administering arbitrations in the most efficient, transparent and cost effective manner.

Although MCIA will evolve its own framework in accordance with international standards, Maharashtra stands to gain for housing the centre which would be on the lines of Singapore (SIAC), France (ICC) and London (LCIA). The MCIA will have a

global outreach programme conducting road shows across the world which will not just market the institution, but Mumbai and Maharashtra as well. This will be the first concrete step towards setting up of the International Financial Service Center in Mumbai.

All in all, MCIA will usher in a new era in International Arbitration in India and be a catalyst for business and investment into India which is a very welcome need of the hour. The mantra "Arbitrate in India" is in keeping with India's steps towards becoming an International Arbitration Hub like Singapore, Hong Kong, Dubai, London and New York.

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