

ClassIBS

ISTHMUS BUREAU OF SHIPPING

ANNUAL REPORT

20
16

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Profile

Founded on May 10 1995, Isthmus Bureau of Shipping, better known as ClassIBS or simply IBS,

Is an international Ship classification society dedicated to safeguarding life and property at sea. ClassIBS provides a broad spectrum of services as an independent third party organization, including survey & certification services.

The Society's expert technical staff is to undertake surveys on vessels to ensure their full compliance with classification rules. The rules cover hull structure, safety equipment, cargo handling gear, engines, machinery, and electrical and control systems.

ClassIBS also conducts a wide range of statutory surveys on behalf of 15 Flag States Administrations.

Although based in Panama as our Head Office, ClassIBS has representation through a network of exclusive surveyor sites in 47 countries.

ClassIBS surveyors work in ports across the globe, wherever they may be called upon to examine the condition of a ship, so that all of the Society's services are available worldwide.

Managing Director's Message

Welcome to our Annual report. Shipping has been enduring a serious economic downturn since the 2008 financial crisis. 2016 was another dramatic year, witnessing the collapse of Hanjin, one of the world's major container lines.

2016 saw uneven economic growth worldwide, with Oil prices continuing with record low, Chinese growth in 2016 was the slowest recorded for 26 years, uncertainty in the Eurozone, limited financing options, overcapacity maintaining low freight rates, all of which has adversely affected shipping markets and industries, this is now one of the longest shipping downturns that has ever been recorded, creating an even more competitive business environment for Classification societies.

Most organizations continue to struggle in this current downturn, and many in the industry are bracing themselves for another challenging year ahead. But what goes down must come up and if we see this as a way of the market correcting itself weeding out the less efficient and less competitive players to encourage consolidation and improve current practices then we must believe that the market is going through this necessary change to become stronger to successfully ride the next wave of change.

ClassIBS is not unaffected by these challenges, however despite these turbulent market conditions I am pleased to report that ClassIBS has been able to produce positive results, and continues to deliver high quality services. This has been achieved through the traditional classification segment, and to the well-planned business strategies for sustainable growth.

We at ClassIBS, will continue to review the strategy of our organization in terms of the markets in which we operate, measuring our performance, identifying our risks, and planning for the future, in order to position ourselves to add value for our clients.

We are convinced that ClassIBS has a fantastic opportunity ahead and we are an organization that is well suited to meet new challenges.

I extend my sincerest gratitude and appreciation to our staff, surveyors worldwide, customers and partners throughout the industry, who have contributed to ClassIBS' success over the last 21 years. Together, you have enabled us to reach the position we now enjoy.

On behalf of the management and staff of ClassIBS my most sincerely Thanks and we look forward to your continued support for our activities.

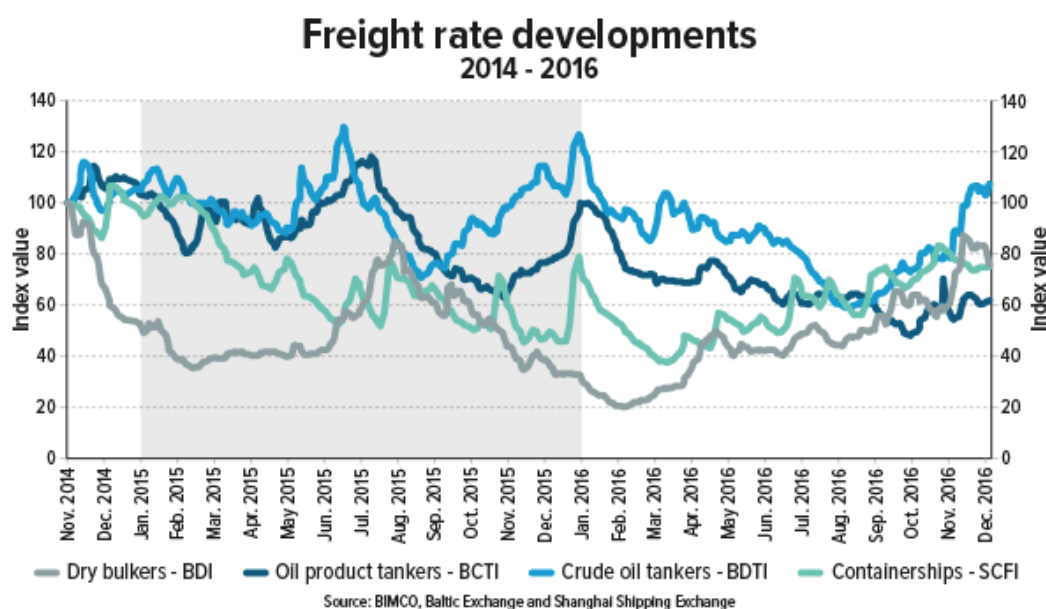
Industry Overview

Shipping is one of the world's most important industries: more than 90% of the world's goods are transported by sea. In the maritime world, 2016 presented a set of particularly challenging market conditions for most shipping segments, specially the offshore segment. 2016 was the third highest year ever for scrapping, the world fleet grew by 1% in terms of number of vessels and 3% in terms of gross tonnage. The new building market drop 70% when compare to previous year, the lowest in 32 years in terms of gross tonnage.

In 2016, the container shipping industry bit the bullet in terms of demolition and consolidation to help the market to recover. The dry bulk sector needs to copy that approach.

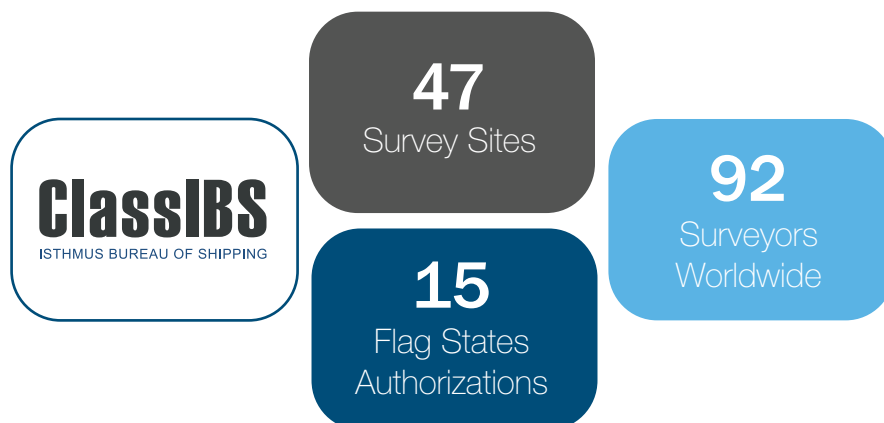
The Ballast Water Management (BWM) Convention will enter into force in September 8th 2017. It has already proved to be one of the most complex and controversial pieces of technical regulation ever agreed by IMO. But the Convention's imminent entry into force still presents ship operators with a serious challenge because of the expected lack of shipyard and manufacturing capacity needed to retrofit the new treatment systems.

2017 will see another year of die-hard competition in a highly competitive market for the fleet in service.

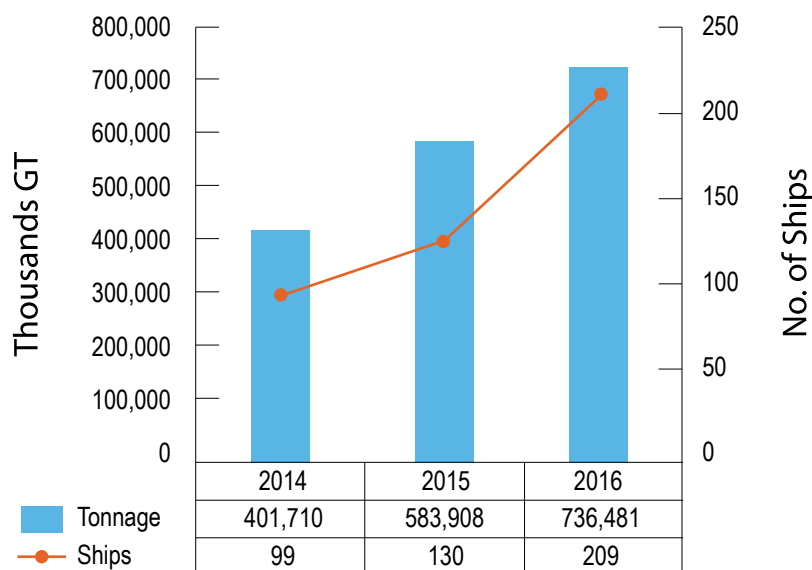


Source: https://www.bimco.org/news/market_analysis/2017/20170103-the-shipping-market-in-2016-and-looking-forward

At a Glance



CLASS IBS FLEET 2014 - 2016



Worldwide Services Network

Location of Survey Sites

ClassIBS continues to expand its worldwide survey network, with a number of survey sites offices totaling 47 locations around the world at the end of 2016.



America

1. Argentina
2. Brazil
3. Canada
4. Colombia
5. Cuba
6. Ecuador
7. Mexico
8. Panama
9. Paraguay
10. Peru
11. Uruguay
12. United States
13. Venezuela

Europe

14. Denmark
15. Finland
16. Germany
17. Greece
18. Italy
19. Latvia
20. Netherlands
21. Romania
22. Russia
23. Spain
24. Turkey
25. Ukraine
26. United Kingdom

Middle East

27. Egypt
28. Israel
29. United Arab Emirates

Asia

30. China
31. Hong Kong-Sar
32. India
33. Indonesia
34. Japan
35. Pakistan
36. Philippines
37. Singapore
38. South Korea
39. Taiwan
40. Thailand
41. Vietnam

Oceania

42. Australia

Africa

43. Ghana
44. Ivory Coast
45. Nigeria
46. Senegal
47. South Africa

The Rules

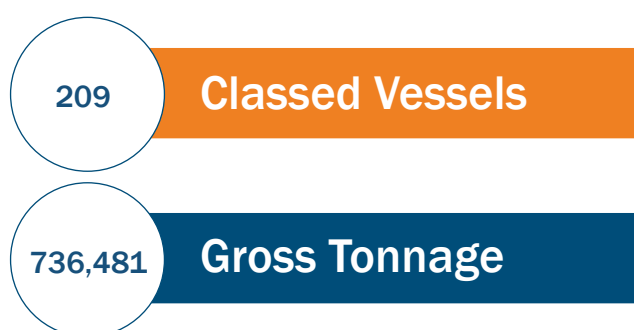
Since the core of a ship classification society's technical credibility is its rules, ClassIBS is constantly revising its technical Rules and Regulations.



Class and Statutory Surveys

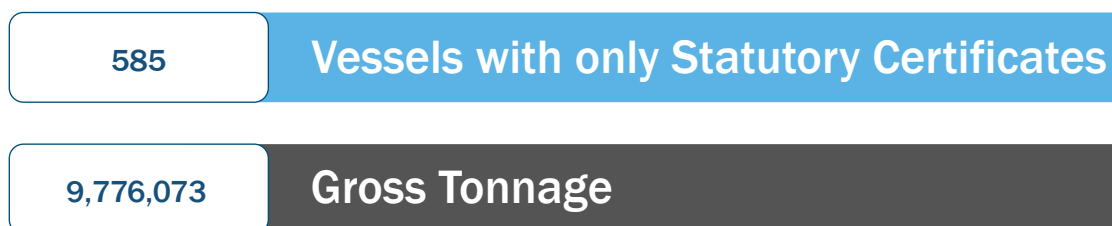
Class Surveys

Thanks to an increase in number of existing vessels transferring from other classification societies to register with ClassIBS, the number of Society's registered vessels has continued to rise. As of the end of year 2016, the society had 209 vessels classed with a total of 736,481 gross tons.



Statutory Surveys

As of the end of 2016, ClassIBS is authorized to carry out surveys and issue certificates on accordance with international and national conventions by more than 15 flag state administrations around the world. Statutory certificates are based on International Tonnage, International Load line, SOLAS, MARPOL, Anti-fouling system, ISM, ISPS and MLC.

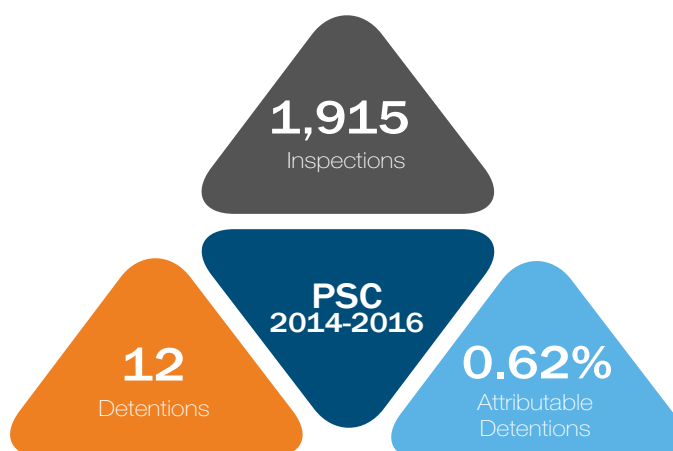


Port State Control (PSC)

As with previous years, ClassIBS continues to work with the managers and owners of detained vessels to help improve ships conditions. To this end, ClassIBS prepares a detailed PSC annual report performance 2014-2016 with analysis of related statistics for the previous years in order to reduce the detention ratio of ClassIBS ships.

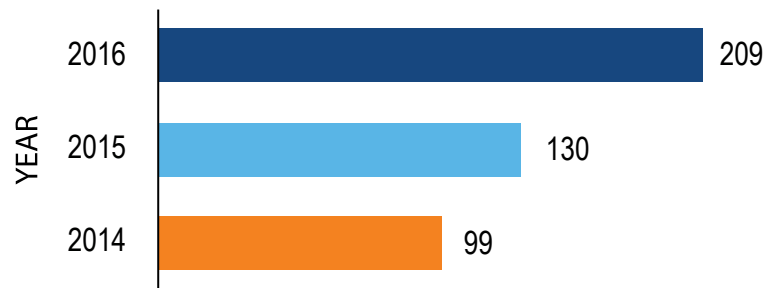
PSC RESULTS PER MOU 2014 - 2016										
	INITIAL INSPECTIONS				ATTRIBUTABLE DETENTIONS					
	2014	2015	2016	TOTAL INSP. PER MOU 2014-2016	2014	2015	2016	TOTAL ATT.PER MOU	% ATT PER MOU 2014-2016	
USCG	11	8	12	31	0	0	0	0	0.00	
TOKYO MOU	498	549	554	1,601	0	2	7	9	0.56	
PARIS MOU	63	44	42	149	2	0	1	3	2.01	
BLACK SEA MOU	31	30	32	93	0	0	0	0	0.00	
MEDITERRANEAN MOU	14	10	11	35	0	0	0	0	0.00	
INDIAN MOU	3	1	2	6	0	0	0	0	0.00	

TOTAL PSC RESULTS										
TOTAL INSPECTIONS PER YEAR					TOTAL ATTRIBUTABLE DETENTIONS PER YEAR					
2014	2015	2016	TOTAL INSPECTIONS 2014-2016		2014	2015	2016	TOTAL ATT. DETENTIONS 2014-2016		
620	642	653	1,915		2	2	8	12		
% ATT. DET PER YEAR								TOTAL ATT. DETENTIONS 2014-2016 (%)		
0.32					0.31			1.23		0.62



A Statistical Outline of IBS Classed Ships

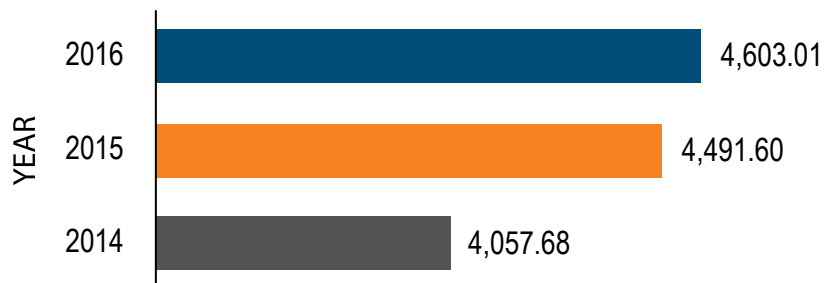
NUMBER OF CLASSED VESSELS BY YEAR



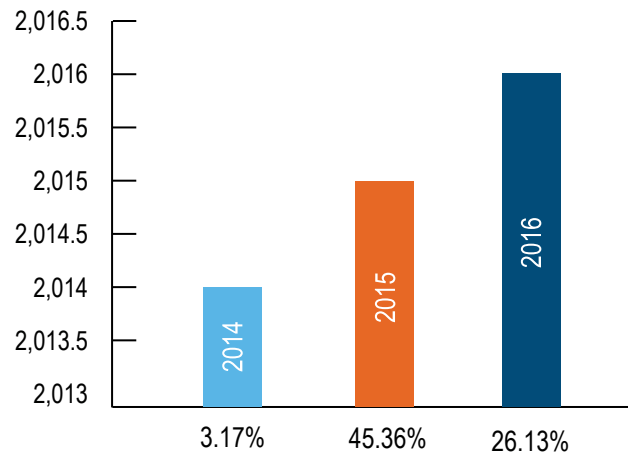
TOTAL GROSS TONNAGE OF CLASSED VESSELS 2014 - 2016



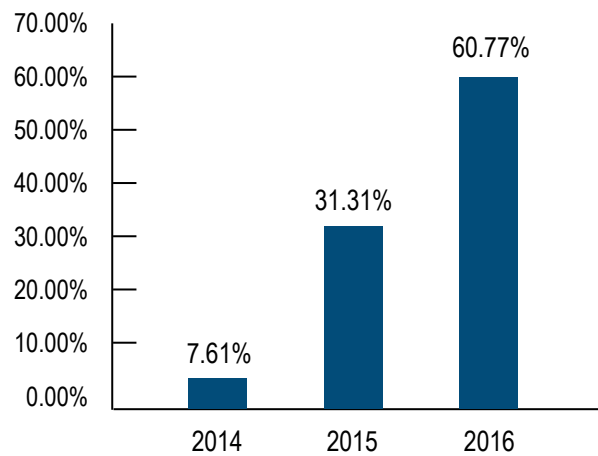
CLASSED VESSELS-AVERAGE GROSS TONNAGE 2014 - 2016



INCREASE OF TOTAL GT OF CLASSED VESSELS 2014 -2016



INCREASE OF TOTAL NUMBER OF CLASSED VESSELS 2014 -2016



VESSELS IN CLASS BY SHIP'S AGE 2014 - 2016

Number of Vessels			
Ship's Age	2014	2015	2016
0-10 years old	27	32	59
Over 10 and up to 20	17	33	52
Over 20 and up to 30	18	25	41
Over 30	37	40	57
Total	99	130	209

VESSELS IN CLASS BY FLAG STATE 2014 - 2016

Number of Vessels			
Flag State	2014	2015	2016
Panama	62	86	124
Belize	13	15	22
Ecuador	1	1	4
Costa Rica	0	0	2
Peru	13	5	8
Jamaica	3	7	12
Turkey	1	1	4
Honduras	1	2	2
Ghana	1	0	0
Guyane	1	1	2
Tanzania	1	0	4
Taiwan	1	2	3
Uruguay	1	2	2
Kiribati	0	7	9
Paraguay	0	1	4
Togo	0	0	1
Dominica	0	0	1
Mongolia	0	0	1
Colombia	0	0	4
Total	99	130	209

VESSELS IN CLASS BY SHIP TYPE 2014 - 2016

Ship Type	Number of Vessels		
	2014	2015	2016
Bulk Carrier	14	16	16
General Cargo	38	20	26
RO-RO Ship	0	1	1
Oil Tanker	7	14	19
Chemical Tanker	4	0	0
Passenger	1	0	2
Other Cargo Ship	35	59	94
Barge	0	18	49
Gas Carrier	0	2	2
TOTAL	99	130	209

VESSELS IN CLASS BY GROSS TONNAGE 2014 - 2016

Gross Ton (x1,000)	Number of Vessels		
	2014	2015	2016
Up to 5	71	96	163
Over 5 and up to 10	18	19	32
Over 10 and up to 20	9	11	11
Over 20 and up to 30	0	2	2
Over 30	1	2	1
TOTAL	99	130	209

CLASSED VESSELS 2016 DISTRIBUTION OF SHIPS TYPES (BASED IN GT)



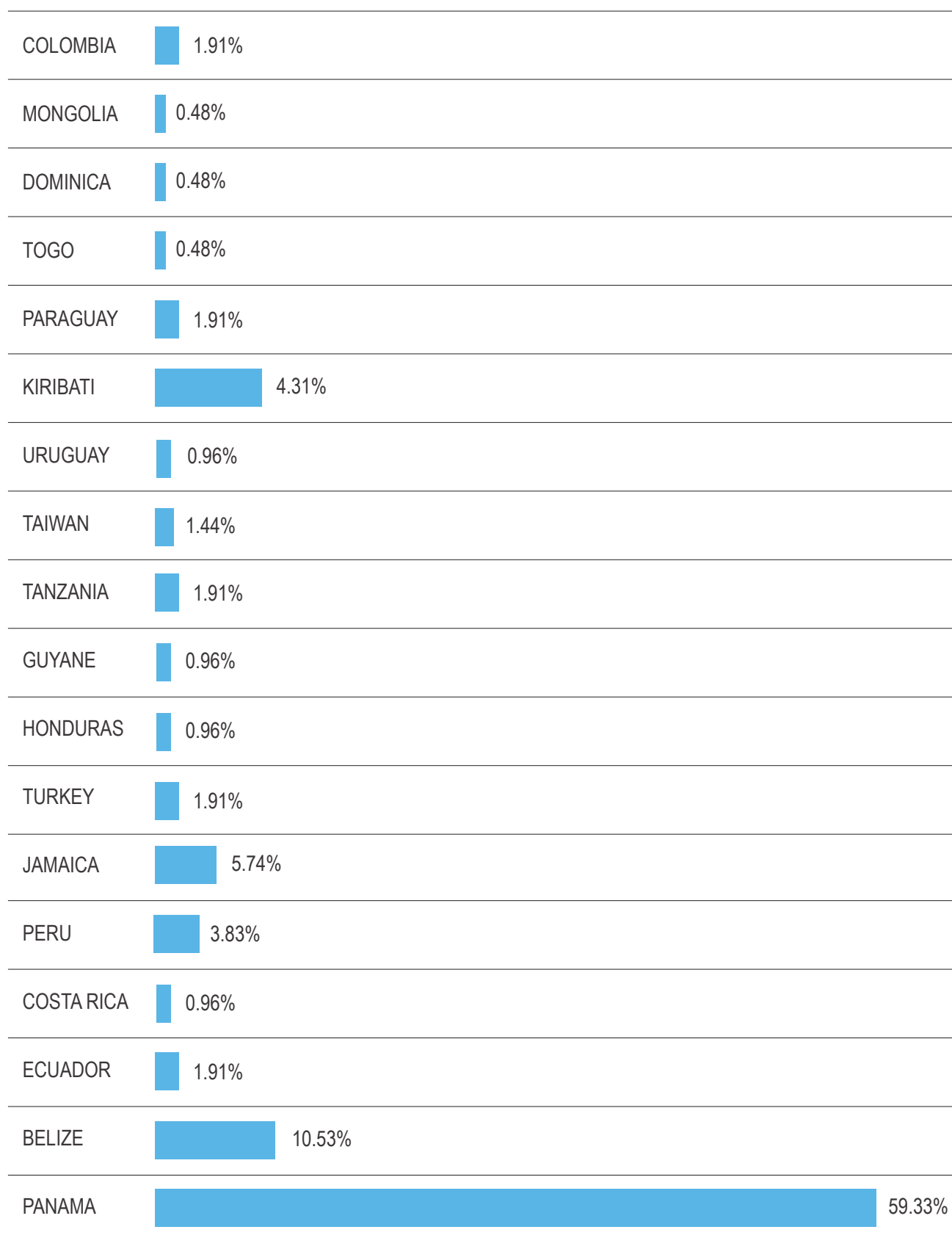
Other Cargo Ship	37.22%	Barge	9.23%
Bulk Carrier	27.27%	RO-RO Ship	1.00%
Oil Tanker	13.72%	Gas Carrier	0.99%
General Cargo	10.30%	Passenger	0.26%

CLASSED VESSELS 2016 DISTRIBUTION OF SHIPS TYPES (BASED IN NUMBER)

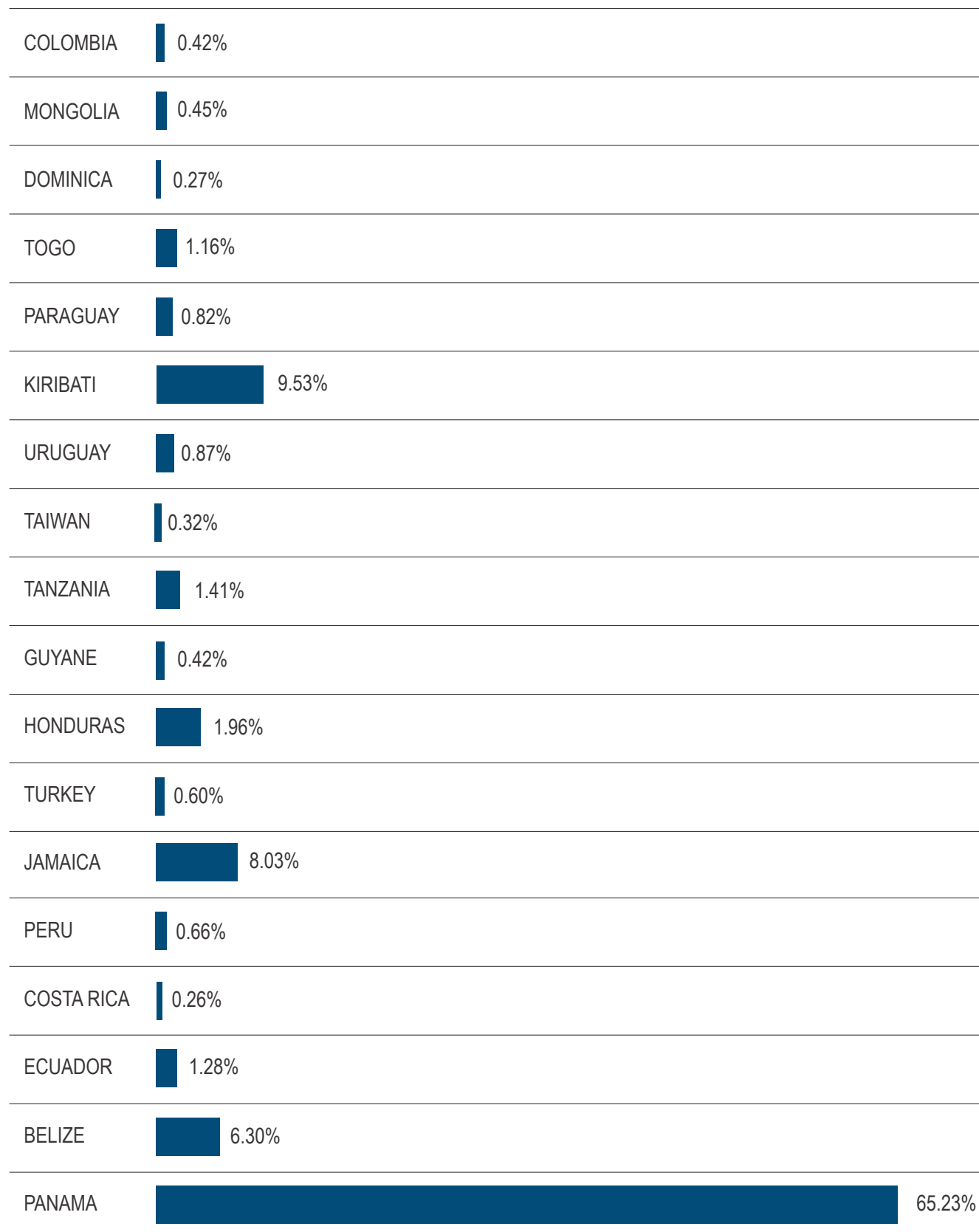


Other Cargo Ship	44.98%	Bulk Carrier	7.66%
Barge	23.44%	Gas Carrier	0.96%
General Cargo	12.44%	Passenger	0.96%
Oil Tanker	9.09%	RO-RO Ship	0.48%

CLASSED VESSELS BY FLAG 2016 (NUMBER OF SHIPS)



CLASSED VESSELS BY FLAG 2016 (GT)



Cooperative Technical Agreements

ClassIBS has signed bilateral cooperation agreements with the following Organizations:

- Indian Register of Shipping
- CR Classification Society
- The International Maritime University of Panama
- Vietnam Register
- Russian River Registry
- Cuban Register of Shipping



- Mr. Chang, Yao-Fang Deputy Director CR Classification Society
- Mr. Alex Orillac, Managing Director, Class IBS

ClassIBS Quality System Assessments

It has been a busy year for ClassIBS as it underwent a range of audits conducted by various external entities to assess the operations and quality system of the Society. These included external government in addition to SGS (Societe Generale de Surveillance) who is our ISO 9001-2008 certification society with accreditation Body by UKAS.

These audits, combined with our internal audits carried out by ClassIBS internal auditors throughout the year, reflect how dedicated we are in order to continuously achieve our quality objectives every year.



Training

Increased IBS Academy training courses

To raise standards and quality of personnel in the industry training is the way forward. We will continue to invest in training tools and boost our number of courses throughout our platform.

ClassIBS strongly believes in actively training both inside and outside the Society. These range from training surveyors within the Society, to sending surveyor to specific courses on MLC 2006, ISM, ISPS, Marine Surveying, etc.

Last year we established our new Educational and Training Services “IBS ACADEMY” to conduct regular training in order to ensure that our surveyors and auditors can provide services to meet the diversifying needs of our customers.



IBS Academy

17

Training Modules
for Surveyors

765

Training Certificates
Issued

ClassIBS in International Affairs

ClassIBS maintains active engagement with various organizations in the international maritime industry. ClassIBS is an active member of the International Association of Technical Survey and Classification Institutions (TSCI).

ClassIBS has authorization from numerous flag states to carry out surveys on their behalf, which is a testament of the trust that the society has been able to build over the years.

International Association of Technical Survey and Classification Institutions (TSCI)

The association was founded in 1961, the date and of signing of the Intergovernmental Agreement on cooperation in the sphere of technical supervision over ships and their classification by authorized representatives of the governments of Bulgaria, Hungary, GDR, Poland, Romania, USSR and Czechoslovakia

ClassIBS participated in the following meetings in 2016:

- Annual Council Meeting
- 14th Research and Development Group Meeting
- 20th Quality Committee Meeting



General Director, Mr. Rogelio Orillac attended the TSCI Annual Council Meeting in St. Petersburg, Russia

China MSA Annual Meeting 2016

ClassIBS attended MSA Annual Meeting in December 2016.

This meeting was held with foreign survey companies in China to discuss important matters for the ship surveys in China.



Manager of Marine Operations, Eng. Alcides Arosemena, attended MSA meeting.

Authorization granted to ClassIBS from Flag States:

Instrument / Certificates and Documents - Required to be carried on board according International / National requirements		Authorization Granted to ClassIBS														
		PANAMA	TOGO	PARAGUAY	ECUADOR	DOMINICA (See Note 1)	BELIZE	HONDURAS	MOLDOVA	VANUATU (See Note 2)	JAMAICA	COSTA RICA	TANZANIA	COLOMBIA	BOLIVIA	KIRIBATI (See Note 3)
ITC Convention	International Tonnage Certificate (1969)	●	●	●		●	●	●	●	●	○	●	●	●	●	○
LL Convention	International Load Line Certificate	●	●	●		●	●	●	●	●	●	●	●	●	●	○
	International Load Line Exemption Certificate	○	○	○		○	○	○	○	○	○	●	○	○	○	○
SOLAS 1974	Document of Compliance - Reg. IX/4 / ISM Code	●	●			●	●	●	○	●	●	●	●	●	●	○
	Safety Management Certificate	●	●			●	●	●	○	●	●	●	●	●	●	○
	Int. Ship Security Cert. (ISSC) or Interim ISSC	●	●			○	●	●	○	●	●	●	●	●	●	○
	Ship Security Plan Approval	●	●			○	●	●	○	●	●	●	●	●	●	○
	Exemption Certificate	○	○	○		○	○	○	○	○	○	●	○	○	○	○
	Intact Stability/Damage Stab. Booklet/Loading Manual - Approval	●	●			●	●	●	●	●	●	●	●	●	●	○
	Cargo Security Manual - Reg.VI/5.6 and VII/5	●	●			●	●	●	●	●	●	●	●	●	●	○
	Passenger Ship Safety Certificate					●	●	●	●	●	○	●	●	●	●	○
	Cargo Ship Safety Construction Certificate	●	●	●		●	●	●	●	●	●	●	●	●	●	○
	Cargo Ship Safety Equipment Certificate & Record	●	●	●		●	●	●	●	●	●	●	●	●	●	○
	Cargo Ship Safety Radio Certificate & Record	●	●	●		●	●	●	●	●	●	●	●	●	●	○
	Certificate of Compliance for the carriage dangerous goods	●	●			●	●	●	●	●	○	●				○
	Document of Authorization for the Carriage of Grain	●	●			●	●	●	●	●	●	●	●	●	●	○
	Special Purpose Ship Safety Certificate	●							●	○	○	●				○
	MODU '79, '89, '09	Mobile Offshore Unit (MOU)	●				●	●		●	●	○			●	○
	Mobile Offshore Drilling Unit Safety Certificate	●				●	●		●	●	○			●	○	
MARPOL	International Oil Pollution Prevention Certificate	●	●			●	●	●	●	●	●	●	●	●	●	○
	SOPEP Approval - Annex I/Reg.37	●				●	●	●	●	●	●	●	●	●	●	○
	Condition Assessment Schem (CAS) - SOC	●					●			○	○					
	International Sewage Pollution Prevention Certificate	●	●			●	●	○	●	●	○	●	●	●	○	
	Annex V - Statement of Compliance	●				●	●	●	●	●	●	●	●	●	●	○

Instrument / Certificates and Documents - Required to be carried on board according International / National requirements		Authorization Granted to ClassIBS													
		PANAMA	TOGO	PARAGUAY	ECUADOR	DOMINICA (See Note 1)	BELIZE	HONDURAS	MOLDOVA	VANUATU (See Note 2)	JAMAICA	COSTA RICA	TANZANIA	COLOMBIA	BOLIVIA
	International Air Pollution Prevention Certificate	●	●			●	●		●	●	●	●		●	○
	International Energy Efficiency Certificate	●	●			●	●		●	●	●	●		●	○
	Engine International Air Pollution Prevention Certificate	●	●			●	●		●	●	●	●		●	○
	Int. Poll. Prev. Cert. for the C. of Noxious Liquid Substances in Bulk (NLS)	●	●			●	●	●	●	●	●	●	●	●	○
	Exemption Certificate	○				○	○	○	○	○	●	●	○	●	○
	Certificate of Fitness for Offshore Support Vessels								○		●		●	●	○
AFS Convention	International Anti-fouling System Certificate / SOC	●	●			●	●	○	●	●	○	●		●	○
	Declaration on Anti-fouling System	●					●	○	●	●	○				
BWM Convention	BWM Plan Approval / SOC	●					●		●	●					
Bunker Convention	Cert. of Insu. or Other Fin. Sec. in Res. of C.L. for oil pollution damage							●			●	●		●	○
BCH Code	Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk	●	●			●	●	●	●	●	○	●	●	●	○
IBC Code	Int. Cert. of Fitness for the Carriage of Dangerous Chemicals in bulk	●	●			●	●	●	●	●	○	●	●	●	○
GC Code	Certificate of Fitness for the Carriage of Liquefied Gases in Bulk	●	●			●	●	●	●	●	○	●	●	●	○
IGC Code	Int. Cert. of the fitness for the Carriage of Liquefied Gases in Bulk	●	●			●	●	●	●	●	○	●	●	●	○
HSC Code	High Speed Craft Safety Certificate		●			●	●	●	●	●		●	●	●	○
	Permit to Operate High Speed Craft		●			●	●	●	●	●		●			○
OTHERS	Cargo Ship Safety Certificate ≤ 500 GT	●	●	●		●	●	●	●	●	○	●	●		○
	Cargo Ship Safety Radiotelephony Certificate ≤ 300 GT	●	●	●		●	●	●	●	●	○	●	●		○
	Caribbean Cargo Ship Safety Certificate	●	●				●	●		●	○				○
	Crew Accommodation Certificate	●	●				●	●	●	●	○	●	●		○
	Fishing Vessel Safety Certificate	●	●				●	●	●	●	○	●	●		○
	Pleasure Craft Safety Certificate	●	●				●	●	●	●	○	●	●		○
	Seaworthiness Certificate	●						●		●	○	●	●	●	○
	Class Certificate	●			●			●		●			●		○

Instrument / Certificates and Documents - Required to be carried on board according International / National requirements		Authorization Granted to ClassIBS														
		PANAMA	TOGO	PARAGUAY	ECUADOR	DOMINICA (See Note 1)	BELIZE	HONDURAS	MOLDOVA	VANATU (See Note 2)	JAMAICA	COSTA RICA	TANZANIA	COLOMBIA	BOLIVIA	KIRIBATI (See Note 3)
		○	○	○			○	○	●	○	○	○	○	○	○	○
		●	●	●		●	●	●	●	●	●	○	○	●	○	○
		●	●			●	●		●	●	○	●				○
													●			
		○									●		●			○
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		○	○	○		○	○	○	○	○	○	○	○	○	○	○
		○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
		○	○	○	○		○	○	○	○	○	○	○	○	○	○
		●				●	●	●		●	○	●		●		○
	Type Approval	●							●							○
	Service Suppliers	●	○	○	○	○	●	○	○	●	○	●	○	○	○	○
	Statement of Compliance	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

- Full Authorized to carried out Class/Statutory services on behalf of Flag
 - Partial or case by case authorization to carried out Class/Statutory services, Issuance of Provisional/Short term certificate only
- "Blanks" means the certificate is not required by flag, or is not ratified or authorization is not granted

- (1) DOMINICA: Only vessel with Class Certificate
ISM, ISPS, MLC can be carry out on ships classed by another Society with prior notification.
- (2) VANUATU: Ships ≤ 1000 GT
- (3) KIRIBATI: Authorization on a Case by case basis



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