

# THE CLASSIFICATION SOCIETIES

## TOP 10

Assessing which of the class societies make the grade and who is top becomes more difficult every year. The leading organisations are no longer class societies, but risk assurance businesses with class society functions which while large, are decreasing in relative size to the other more commercial functions these businesses are expanding into

### 01 ABS

ABS retains the top spot, but only just as there is really very little in it between ABS and its closest competitors. Chris Wiernicki has yet to make a mark since becoming chairman of IACS, but he seems to be retaining a strong hold on the class society that has done well given the huge challenges facing the offshore and oil and gas industries, on which the group focuses heavily.

While overall fleet size is not the only criterion in the top 10 class list, given the offshore economic climate the slight increase of gross tonnage by ABS, and its retention in second place in terms of fleet size (by vessel numbers), is more than impressive.

However it is noted that ABS has slipped to fourth place as a recognised organisation under the Paris Memorandum of Understanding despite a slight increase in the number of surveyors.

There will be questions going forward about ABS, particularly if a probe into the disaster of the ABS-classed and US-flagged *El Faro* point to any technical failings that should have been picked up by the class society. But for now the class society clings precariously to the top spot for a second year.

### 02 DNV GL

DNV GL has the largest number of surveyors, the top position as a recognised organisation according to the Paris MOU (though this has been questioned and its position in the Tokyo MOU is less robust) and the largest fleet. The company has also finally introduced its new common set of class rules to the industry after the merger of DNV and GL, which hopefully will help settle the business down in the shipping sector.

But is it beginning to have an identity problem? There are fears the organisation as a whole is becoming too big and diverse. Two acquisitions over the year have further expanded the DNV GL business, and it remains one of the leading consultancies in a number of maritime technical fields and has done well in pushing its name forward as an environmental expert.

To further climb up the top 10 class ranking DNV GL must capitalise on its new set of rules and settle any questions about its new identity.

### 03 CLASSNK

Having pointed to its pure class society credentials, its 2014 purchase of NAPA has helped ClassNK become one of the organisations that has an increasingly commercial focus to its work. This has resulted in the development on a new 3D modelling software for ballast water system application and a new condition-based monitoring system, though why it was called CMAXS e-GICSX is unclear.

It did, however, hit a positive note when it controversially issued certificates of compliance to two Indian recycling yards, making them the first along the stretch of beach at Alang to be provisionally approved under the ship recycling convention.

ClassNK moves up the ladder this year on the back of a solid performance, and it may have done better if its performance as a recognised organisation had not suffered so badly. According to the Paris MOU inspection results, it has fallen significantly year on year, dropping five places to 10th, while the Tokyo MOU puts it at only sixth place. While it is one place up from the previous year, it is nonetheless not a good position for the Tokyo-based organisation.

### 04 LLOYD'S REGISTER

The sudden departure of Richard Sadler and the appointment of the group chief financial officer and the new boss raised a few eyebrows, with questions over whether this underscores the more commercial drive of LR, which remains solely owned by its similarly named foundation.

This year's acquisition of Guardian Marine Testing will help LR's marine fuel testing business Fobas.

As an RO, LR dropped in the Paris MOU tables, although as it rightly points out this is behind three separate listings for DNV GL and DNV.

LR remains the RO for 161 flag states and retains 1,800 surveyors, the second largest figure after DNV GL. While the total number of employees in the marine division remains the same compared with 2014, the overall number in the group has increased, suggesting a focus over the year in non-marine activities.

### 05 RINA

Flush with cash from private equity investment Rina has certainly been on the acquisition trail this year, making five

	Classification society	Total gt	Total fleet*
1	<b>ABS</b> Chairman and President: <b>Chris Wiernicki</b>	223m	12,007
2	<b>DNV GL</b> Group chief executive: <b>Remi Eriksen</b> Head of Maritime: <b>Knut Ørbeck-Nilssen</b>	267m	12,886
3	<b>CLASSNK</b> Chairman and chief executive: <b>Noboru Ueda</b>	239m	9,132
4	<b>LLOYD'S REGISTER</b> Chief executive: <b>Alastair Marsh</b> Head of maritime: <b>Tom Boardley</b>	187m	8,537
5	<b>RINA</b> Group Chairman and chief executive: <b>Ugo Salerno</b> Rina Services CEO: <b>Michelle Francioni</b>	34.6m	5,350
6	<b>BUREAU VERITAS</b> Chief executive: <b>Didier Michaud-Daniel</b> Head of marine and offshore: <b>Philippe Donche-Gay</b>	108.1m	11,250
7	<b>RUSSIAN REGISTER</b> Director general/chief executive: <b>Konstantin Palnikov</b> Chief Operating officer: <b>Sergey Sedov</b>	13.5m	4,909
8	<b>KOREAN REGISTER</b> Chairman and chief executive: <b>BS Park</b>	64.3m	2,927
9	<b>INDIA REGISTER OF SHIPPING</b> President and chairman: <b>Arun Sharma</b>	10.6m	1,544
10	<b>CHINA CLASS SOCIETY</b> President: <b>Sun Licheng</b>	**	11,958

\*Total fleet: Data as provided by each individual class society for the annual Class Report. Data is unverified and may selectively include all vessels types (including non-commercial and fishing units) as well as all sizes. \*\* For 2015 China Classification Society did not respond to requests for information

purchases to date. It has also made the largest leap this year as a recognised organisation capable of undertaking inspections and issuing certificates. Rina has been consistently sixth in the Paris MOU listings of ROs but jumped between 2013 and 2014 from third place to first place in the Tokyo MOU.

## 06 BUREAU VERITAS

It has been what one might call a solid year for Bureau Veritas: Philippe Donche-Gay completed his one-year term as IACS chairman and oversaw work on common structural rules and the completion of new rules on containership designs. The French company, the only stock-listed of the class societies, won a significant contract for a number of the forthcoming Yamal LNG gas carriers.

## 07 RUSSIAN REGISTER

RMS relies almost exclusively on state-owned shipping to class vessels with it, but nonetheless it is the leader for ice-class tonnage and design expertise.

## 08 KOREAN REGISTER

The Korean Register is back in the top 10. The lengthy process of finding a new boss is behind it and the class society can now

look to how it can work on its own class rules and overcome recent setbacks.

## 09 INDIA REGISTER OF SHIPPING

The Indian Register of Shipping seems continually to be about to fulfil its potential, and this year while steps in the right direction have been made, they have not been as decisive as hoped.

The class society has been working on its role as a recognised organisation for flag states, and has seen positive results in the number of countries that recognise it, but there is work to be done with performance when looking at the collected results of the Tokyo MOU.

## 10 CHINA CLASS SOCIETY

Hanging on to 10th place is China's state-owned class society. With China not responding to requests for information it has been hard to determine its position regarding its nearest competitors, but as the Chinese government invests in retaining the position of its fleet and shipbuilding competence, CCS has a lot to work with.

In the summer of 2016 CCS will assume the chair of IACS. Let us hope for a little more enlightenment then for the class that may be behind its country's One Belt, One Road programme.