

五、 suggestions to major coastal domestic dry bulk shipping market development

1、 both crisis and opportunity exist: as globalization continues, china's economy keeps to develop on its way. The government makes a series of policies to expand domestic demand. Crisis and opportunity exist simultaneously; shipping companies should build up confidence, hold a rational attitude; strengthen cooperation and keep a positive attitude.

2、 strengthen cooperation: To protect ourselves against the negative effects of global financial crisis, shipping companies should strengthen cooperation with shipper、 traders、 ports、 banks、 shipyard and so on.

3、 optimizing cash flow, improving capital gains of working capital: Cash flow is indispensable to shipping companies. Currently, shipping companies should adjust business strategy, attach importance on cash flow management and be careful when dealing with investments and expanding.

4、 expanding strategy: The economic slump always brings about merger and reshuffle of enterprises, which is also an opportunity for prepared shipping companies to expand during this crisis. Reasonable industry concentration is favorable to the progress of industry technology, to avoid excessive competition, and to keep market stable.

5、 Cost-Priority Strategy: Shipping companies should control cost, implement responsibility and maintain a sustainable development, choose partner and cooperation forms, and save cost together in the forms of alliance.

6、 Structural adjustment: Shipping companies could take advantage of this crisis to accelerate optimization of fleet structure and elimination of aging vessels, rearrange sluggish lines, reduce management risks, expand trunk line and accelerate domestic business.

7、 to establish a dynamic risk management system: To seize the market information, shipping companies should establish a dynamic risk management system, gather and analyze information of macro economy, finance, shipping

and vessel markets, do research in the influence of strategy development and production management, and adjust strategy.

8、 to increase the proportion of COA and stabilize income: Shipping companies should further increase the proportion of COA, strengthen strategy cooperation with domestic shippers, and stabilize the income and resisting risk.

9、 to eliminate old vessels、 accelerate structural readjustment: Shipping companies should eliminate or in mothballs old ships to cut cost, strengthen control of cash flow and to further alleviate overflow of coastal fleet.

10、 to look forward to the future, optimize the human resources allocation: Shipping companies shouldn't reduce the staff blindly to survive the companies. They should seize the opportunities; put forward a long-term strategy of development in the long run to get a sustained development.

11、 to educe operation cost, promote energy-saving devices: Coastal companies should take many positive measures to save oil in order to reduce cost of fuel and operation cost.

12、 to strengthen internal management, define the development direction of companies: Companies should make full use of internal resources, define the development direction, both smaller corporations and large shipping companies can't neglect make proper adjustment of strategy direction.

13、 to intensify the opening-up of market, expanding service network of companies, improving quality of service: Shipping companies should establish domestic marketing network, extend network of the inland regions, strengthen competition and scale up resources of customers to gain development in the case of crisis.

14、 to strengthen construction of information system: the efficiency of enterprise informationalization directly affect decision、 management, and decision making. As marketing capacity expands, enterprises should readjust market strategy, and improve construction of information system.

15、 to invest and operating harbors, build up sound supply chain, and adopt development of "The Forth Generation of port": Investing harbors can reduce

cost of operating ports, guarantee quality of services and ensure that great ship are operated properly in main coastal domestic ports, meanwhile, ensure terminal fees so that to avoid financial risk.