The Kotug Petro Maritime Towage tug SUMED RT1 anchored off Ain Sokhna in Egypt.
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EVENTS, INCIDENTS & OPERATIONS

Oceanografa’s CABALLO DE TRABAJO working her way further up the beach at Ciudad del Carmen (Mexico) after cold front #10. Photo: Sean Raath  Seacor Marine (c)

The world's largest shipping firm warns that the US-China trade war has hit demand

Maersk said the effect of trade tensions could reduce global container trade between 0.5 and 2 percent during 2019 and 2020. The company narrowed its expectation for full-year EBITDA to $3.6 billion to $4.0 billion from $3.5 billion to $4.2 billion previously. EBITDA totalled $1.14 billion for the quarter, compared with 1.09 billion forecast by analysts.

Danish shipping group A.P. Moller-Maersk beat third-quarter operating profit forecasts on Wednesday, but said a trade war between the United States and China had hit demand for container shipping. Maersk, the world’s biggest container shipper, said the effect of trade tensions could reduce global container trade between 0.5 and 2 percent during 2019 and
2020. It said volume growth in container shipping, excluding those from Hamburg Sud, was lower than expected and unexpectedly fell by 1.9 percent from the previous quarter. The company narrowed its expectation for full-year earnings before interest, tax, depreciation and amortisation (EBITDA) to $3.6 billion to $4.0 billion from $3.5 billion to $4.2 billion previously. The former conglomerate is restructuring to focus entirely on transport and logistics and plans to step up competition with delivery companies UPS and Fedex. Maersk bought German rival Hamburg Sud in 2016, which helped it boost revenue in the quarter by 31 percent from a year earlier to $10.08 billion, above the $9.98 billion expected by analysts in a Reuters poll. EBITDA totalled $1.14 billion for the quarter, compared with 1.09 billion forecast by analysts. However, unit costs — a key parameter in the shipping industry showing how competitive prices each liner can offer its customers — rose unexpectedly by 1.5 percent to $1,809 per forty foot container from the previous quarter.

Source: CNBC

Maersk reports profit despite fuel costs; HMM doesn’t

By : Greg Knowler, Europe Editor

Maersk Group reported a profitable quarter at $191 million, although the July-September result was a loss of $114 million as unit costs were pushed up by a 47 percent increase in bunker prices compared with the third quarter of 2017. The third-quarter earnings of Maersk and HMM, released Wednesday, send a warning to the container shipping industry of the
Maersk Group reported a profitable quarter at $191 million, but unit costs were pushed up by a 47 percent increase in bunker prices compared with the third quarter of 2017. Once continued operations and impairment losses were factored in, Maersk Group recorded a $251 million third-quarter profit, up $100 million from the January through September period. The Maersk Line segment reported earnings before interest, taxes, depreciation, and amortization (EBITDA) of $925 million, an increase of 13.5 percent year over year By contrast, HMM crashed to a $147 million net loss in the third quarter that it blamed on high fuel prices and weak rates. The poor result follows a second-quarter loss of $242.7 million. HMM has 20 mega-ships on order — 12 23,000-TEU and eight 15,000-TEU vessels — and in an indication of its sensitivity to the market after posting the quarterly losses, the South Korean carrier pledged to “put its utmost efforts to stably secure additional cargoes to fill up the newly ordered 20 eco-friendly mega-containerships until delivery.”

Both carriers highlighted the need to prepare for the low-sulfur fuel costs that will be incurred from January 2020 when the International Maritime Organization (IMO) will introduce a 0.5 percent sulfur cap on marine fuel. HMM said it planned to introduce a new bunker adjustment factor (BAF), while Maersk said its new BAF announced earlier was designed to recover increases in fuel costs estimated to exceed $2 billion a year. The BAF will allow the carriers to try to pass on the costs to customers. The enormous benefits of the trade mix gained by its Hamburg Sud acquisition were reflected in the third-quarter results of Maersk Line, with a 32 percent increase in revenue driven by a 27 percent rise in volume that even managed to push up the average freight rate by 5.5 percent. While transported volume on the east-west trades rose by 14.2 percent to just below 1.1 million TEU from July through September, the volume contributed by Hamburg Sud on its north-south routes soared by 24 percent to more than 2.1 million TEU. Volume on the intra-regional trades was up 65 percent, with a 19 percent increase in average rates, and average freight rates on both the east-west and north-south trades increased by 5 percent. Maersk said that global volumes increased compared with last year, but the demand was weaker than expected. The carrier said Asia-Europe trade disappointed the most because of lower imports from Asia to the UK, Turkey, and the Mediterranean, but lower-than-expected volumes were realized on most trades. In the third quarter, freight rates declined on Asia-North Europe by 3.7 percent, and Asia to the Mediterranean was down by 9.3 percent, while Asia-US West Coast trade was up by 11 percent. Spot rates on the Hong Kong-Los Angeles route are almost double what they were in Week 46 last year, with the Drewry Container Freight Rate Insight benchmark at $2,652 per FEU. The weekly rate movements are tracked at the JOC Shipping & Logistics Pricing Hub. But overshadowing all gains in freight rates and volume were bunker fuel costs that reached $1.3 billion in the third quarter compared with $809 in the same period of 2017. Out of the increase in bunker cost, $423 million was due to higher average bunker prices while the remaining increase was due to increased consumption from Hamburg Sud. Maersk said the emergency bunker surcharge (EBS) that was implemented at the end of the second quarter and a tighter supply-demand balance led to an increase in the global average freight rates in the third quarter compared with the second quarter. However, the carrier noted that while the fuel price was recovered quarter on quarter, the rate development was “not fully reflected in the results” as bunker prices continued to increase through the period. This inability to fully recoup rising bunker fuel costs is a major concern to a container shipping industry that is trying to find a way to cope with a global rule that will increase the sulfur emission limit on fuel oil from January 2020. The regulation will cost the industry an estimated $13-$15 billion a year. Maersk believes the ruling could lead to retrofitting of a significant part of the global fleet during a three- to five-year period beginning in 2020. The carrier has committed $80 million to retrofitting exhaust scrubbers in preparation for the regulation, but the carrier said most of its fleet would rely on compliant low-sulfur fuel when the new regulation was implemented. Asked in an earnings call whether there would be pricing difficulties on Asia-Europe between ships with and without scrubbers, Maersk Line chief commercial officer Vincent Clerc said the carrier had communicated what its BAF was going to look like, and the discussion with customers would be around that formula and not around the cost of scrubbers. “We have no visibility on that,” he said. “We have given the BAF formula to the market and had positive discussions with customers and all know that this is something that has to happen. The discussions will be ongoing in the contracting season this year, next year, and in the contracting season the following year [2020] as well.” The carrier said forward markets indicated bunker prices would increase by a further 4.9 percent in the fourth quarter compared with the third quarter this year, but after that, forward market pricing pointed to a 20 percent decline in bunker prices by the last quarter of 2019. Maersk said the anticipated decline was driven by a wider bunker-crude oil spread, which reflected the market’s view of the impact of the IMO 2020 sulfur regulations on demand for high-sulfur bunker fuels. In their assessment of the container shipping market going into 2019, both Maersk and HMM were subdued in their outlooks. HMM believes there will be continued growth in the Asia-US markets but slow growth on the Europe trades. “However, a risk of volume decrease attributed to [the] US-[mainland] China trade war also resides in the shipping market,” the South Korean carrier warned. Maersk also issued a caution for the year ahead. “Uncertainties relating to the strength of container demand in 2019 pose a downside risk to freight rates in general. Alongside [that] the delivery of larger vessels on the Asia-Europe trade poses additional specific risk[s] to the demand supply balance on that route,” the carrier noted.

Source: the journal of commerce
Top Ocean Carriers Launch Digital Standards Association

Five of the world’s largest ocean carriers intend to create an association to pave the way for “digitalization, standardization and interoperability” in the container shipping industry. IT executives from Maersk, CMA CGM, Hapag-Lloyd, MSC and ONE are discussing the creation of common information technology standards, which will be openly...
available and free of charge for all stakeholders in the wider container shipping industry. “It’s in the customers’ and all stakeholders’ best interest, if container shipping companies operate with a common set of information technology standards,” said André Simha, MSC’s chief information officer and the group’s spokesperson. “We are striving for less red tape and better transparency.” It is not the first time that the containerized freight industry has formed an association to address common IT needs for business operations: INNTRA, the neutral digital platform that handles one out of every four container bookings, started as a joint industry effort with many of the same founding members.

In a statement, the five carriers acknowledged that the industry has many existing associations, and said that they wanted to form a new open-membership body for IT concerns. It will not build or operate any digital platform, the group said, but will seek to create common standards to ensure interoperability. In an acknowledgement of the requirements of antitrust compliance, the group said that it “will not discuss any commercial or operational matters.“The group's founding members include carriers from all three major alliances - 2M (MSC and Maersk), THE Alliance (ONE and Hapag-Lloyd), and Ocean Alliance (CMA CGM). They are all close competitors, and they represent five out of the top six carriers in market share rankings. “Ocean Network Express sees a wave of innovation technology development in shipping and logistics industry . . . But, at the same time, we're a little bit cautious about adopting new technology by individual company since there is no common standard in the market,” said Noriaki Yamaga, ONE's managing director for corporate and innovation. "With this mind, we feel it would be necessary to do some discussion and collaboration on the area of new technology and innovation to establish common IT standard and governance for the industry." Source : MAREX
Alphatron Marine France is pleased to announce the repositioning of their Head office from Le Havre to a new office in Mougins as we continue to strengthen and grow our services for the French market. We have strategically positioned our new office close to the southern part of France. In combination with our professional dealer network, we are immediately available for service and support in all French ports. The new office will be open by April 2018, and our Alphatron Marine France team will serve our customers from their existing premises in Le Havre until the new office is fully operational. After our repositioning, the activities in Le Havre will be continued by one of our dealers, Promat Sécurité. Promat Sécurité can be contacted through our contact person, Mr. Olivier Lecocq (olivier.lecocq@engie.com).

**Probe into alleged scallop dredging in protected area**

- It has been alleged the dredging was done in an area closed to this type of fishing.
- Marine Scotland has confirmed it is investigating reports of alleged illegal scallop dredging.

Claims have been made of two incidents in the past month in an environmentally protected area near Loch Gairloch in Wester Ross. The area is closed to certain types of fishing, including scallop dredging. The Scottish White Fish Producers' Association (SWFPA) said the vast majority of scallop fishing crews behaved responsibly and within the law. SWFPA chief executive Mike Park said he would condemn illegal fishing, adding that his organisation was calling for tracking technology to be made compulsory for all scallop boats. Previously, illegal dredging in protected areas has been blamed for damaging seabed habitats in the Firth of Lorn and Loch Carron. In the Firth of Lorn in Argyll, divers filmed broken shells, dislodged boulders and fresh scallop meat in February this year. Last year, damage to a rare reef in Loch Carron in the west Highlands was discovered. The discovery led to an emergency closure of the waters. Patricia Sturrock, an eyewitness to

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the latest alleged incident of illegal dredging near Gairloch, said she spotted the fishing boat close to shore. She said: "I could see it was so close that it must have been within the protected zone. "Scallop dredgers have usually got damaged paintwork along the side of the boat where they bring the metal scallop dredges up on to the boat and I could see that." Diver George Brown later made an examination of the seabed. He said: "As soon as I hit the bottom I saw these tram line marks. You can clearly see where the wheels of the scallop dredger has been rumbling across the seabed. Environmental group Open Seas said there was a need for leadership from those operating sustainably within the fishing industry, as well as from government, "to bring the rest of the industry up their level". The organisation's Phil Taylor said the latest allegations underlined its calls for the movements of fishing boats to be tracked. He said: "If I order a pizza right now I can look at my phone and see where the pizza delivery man is, but the fishing industry can operate out of sight, out of mind and cause decades worth of damage in just a few hours." The Scottish government said it was concerned about the reports, adding that illegal dredging was "unacceptable". Marine Scotland, a directorate of the Scottish government, has begun an investigation. Mr Park, of the SWFPA, said: "The SWFPA was instrumental in calling for electronic monitoring on board scallop vessels above 15m. "We are now calling on the Scottish government to introduce such measures on board every vessel dredging for scallops, irrespective of size. It is important that we put an end to these sorts of unwelcome transgressions." Mr Park said the SWFPA will be writing to Scottish ministers to call for "tougher legislation so that technology can be installed as soon as possible on board all scallop vessels". He added: "There can be no credible or rational excuse to delay its introduction." Source: BBC

IPO FOR BAHRAIN TERMINAL OPERATOR GETS UNDERWAY

APM Terminals Bahrain is expecting to raise around BHD 12 million ($32 million) through an initial public offering (IPO) that opened on November 8th. This is an important milestone as it is the first IPO for a transport and logistics company in the Kingdom to list on the Bahrain Bourse. APM Terminals Bahrain will offer 18 million shares, equivalent to 20 per cent of its issued share capital, at BHD 0.66 per share. The net proceeds will be paid to its current shareholders pro-rata based on their shareholding. APM Terminals currently holds 80% of the shares and the remaining 20% are held by YBA Kanoo Holdings of Bahrain. Commenting on the IPO, Mark Hardiman, Chief Executive and Managing Director, APM Terminals Bahrain, said, “This is a significant moment for APM Terminals Bahrain as we move forward to launch our IPO, and gives an opportunity for the local and wider regional community to invest in a successful public-private partnership and Bahrain’s only commercial port.” The offering will remain available until November 24th and APM Terminals Bahrain shares will start trading on the Bahrain Bourse on 9th December. APM Terminals Bahrain has an exclusive 25 year concession from the Bahrain Government to manage and operate Khalifa Bin Salman Port (KBSP). The concession, which commenced on 1st April 2009, is renewable with the mutual consent of the company and the Bahrain Government, and gives APM Terminals Bahrain exclusive rights to manage all of Bahrain's container traffic and the majority of its general cargo traffic. APM Terminals Bahrain also has exclusive rights to provide marine services, such as pilotage and towage, to
KBSP and the old Mina Salman Port (MSP). The port currently has a container throughput capacity of 1 million teu per annum and achieved a utilisation rate of around 40% in 2017. There is potential to further expand capacity to 2.5 million teu a year in the future, the company states. APMT Bahrain is focussed mainly on export and import traffic flows, although it aims to develop container transhipment services for the Upper Gulf region out of KBSP. The port is also keen to develop project cargo imports for a number of infrastructure projects in the region, and to attract international cruise lines to include Bahrain on their itineraries. Source: The Maritime Standard
SBM Offshore takes $45 mln in extra impairments in Q3

SBM Offshore, the Netherlands-based maker of floating oil and gas production facilities, on Thursday said it expected $45 million in impairments in Brazil and the United States. In Brazil, SBM Offshore has decided to temporarily close the Brasa construction yard for “at least the coming two years” resulting in a net book value of zero and an impairment charge of around $20 million, it said in a trading update. Due to slowed activity in the floating production market, SBM Offshore said goodwill related to the acquisition of Houston-based subsidiaries has been impaired in full, resulting in an impairment charge of $25 million. “These impairments impact the consolidated income statement below the level of EBITDA,” it said. SBM Offshore said its underlying 2018 directional EBITDA guidance, which reflects future business, was increased from “around” to “above” $750 million for 2018. It maintained directional revenue guidance of around $1.7 billion. Source: Reuters (Reporting by Anthony Deutsch; Editing by Gopakumar Warrier)
Brazilian oil company Petroleo Brasileiro SA could receive some 30 billion reais ($7.9 billion) from the government in a renegotiation of the “transfer of rights” oil contract, a person following the process told Reuters on Wednesday. The money to pay state-controlled Petrobras, as the company is known, would come from a potential auction of excess oil from the “transfer of rights” area off the Brazilian coast, according to the source, part of the team working on the transition to a new government in Brazil. The person, who requested anonymity, said such an auction could raise 120 billion to 130 billion reais next year, if the necessary legislation clears Congress. Brazil's Senate has fast-tracked a bill that would open the way for the auction and possibly for the payment to Petrobras. A dispute over the oil in question dates back to 2010, when the Brazilian government granted Petrobras the right to extract 5 billion barrels of oil and gas in the offshore Santos Basin. The government received additional shares in Petrobras in return, based on oil prices at the time. But volume of oil is now estimated to be much larger, and the cash-strapped government wants to sell the rights to extract the extra oil in the area. The choice reserves cannot be auctioned until the government and Petrobras resolve a dispute over the 2010 transaction. Among other things, the contract stipulated that costs would be reviewed after the area was declared commercially viable in 2014, which has led to years of sparring as oil prices have fluctuated. The Senate bill also includes a provision allowing Petrobras to cede up to a 70 percent stake in the area to other oil firms.
Boskalis Reaches First Milestone in Canada

Boskalis has reached an important milestone in Canada with the first volume of dredge material being disposed into the Rio Tinto Dredged Disposal Site (DDS). It was a multidisciplinary team effort that required local and international expertise, LNG Canada reported yesterday. According to LNG Canada, this 4-month construction journey carried out in compliance with the environmental permits included: an environmental monitoring team; the arrival of the Transshelf, a heavy-lift semi-submersible vessel delivering the dredge equipment; and local subcontracting for the DDS construction and pipeline fabrication. Earlier this year, Boskalis was hired as the main dredging contractor for the development of the first large-scale LNG export facility in Kitimat, Canada (LNG Canada). Overall, the work includes the removal and remediation of contaminated and non-contaminated sediments at the site of the future facility in order to provide the required physical space and marine access for the construction of LNG Canada. For this project, Boskalis has deployed a fleet of vessels including medium-sized trailing suction hopper dredger, cutter suction dredger, backhoe dredger and a crane barge. The company expects that the dredging activities for this project will continue into 2020. Source: Dredging Today
Floating LNG Storage in Asian Waters Soars as Demand Falters

As many as 20 LNG tankers floating in Asian waters; most off Singapore. The last time tankers used for storage was in 2014. Tankers storing liquefied natural gas (LNG) in Asian waters have more than doubled in number since late October as traders have been caught off guard by warmer-than-expected temperatures that have capped demand and pulled down prices. Spot market demand ahead of winter has been slowed by the forecasts for warmer temperatures this year in North Asia, with onshore storage tanks filling up. “People were expecting China to buy as much as last year in the spot market, but the weather so far has been quite mild and I don't think they were anticipating that,” a Singapore-based LNG trader said. 

LNG prices <LNG-AS> last year climbed steadily from mid-July to January as China's gasification push for winter heating sparked higher imports. But this year, buyers from the world's top natural gas importer - via pipeline and tanker - have been spreading out their purchases more. Now about 15 to 20 LNG tankers holding at least 2 million cubic metres of LNG worth more than $400 million at spot market prices are floating in Asian waters, industry sources said. That's up from a half-dozen tankers being used for storage in Asia three weeks ago. Globally, the number of such LNG tankers stands at 20 to 30, one of the sources said. This has helped to drive up LNG tanker rates to record highs, the ship broking and trading sources said. Most of the traders storing cargoes in the tankers are "seeking better winter pricing ... holding out against rising charter rates to achieve an acceptable profit on the molecules," shipbroking firm Braemar said in a weekly LNG report last week. This is "creating pain for those producers who are still forced to lift cargoes from terminals which are approaching tank tops." Refinitiv Eikon data shows at least eight tankers storing LNG in Singapore waters while two were in Malaysian waters. More than five vessels that had been storing LNG are now on the move or have discharged the cargoes, the data shows. Storing LNG on tankers out at sea, unlike crude oil, is generally seen as a risky bet, given the high costs of storage and the fact that cargoes degrade over time by evaporating. As with other commodities, the play is typically triggered by a market structure known as contango, in which prices for immediate delivery are cheaper than later months. The contango, which was at about $1 per million British thermal units (mmBtu) last month, has since narrowed to about 50 cents or less, traders said. The last time LNG was put into floating storage on a large scale was in 2014, though the number of tankers was lower, the Singapore LNG trader said. 

Not all the cargoes are stranded without buyers. Some of the companies likely secured the tankers during the summer when shipping rates were far lower, and stored them in anticipation of a pick-up in prices, traders said. Source: Marinelink - Reporting by Jessica Jaganathan
"K" Line Delivers Coal Carrier for JERA Trading

Kawasaki Kisen Kaisha, Ltd., Tokyo, (hereafter called “K” Line) has announced the delivery of “SHONAI MARU,” a 100,000 DWT-type special coal carrier at Marugame Shipyards of Imabari Shipbuilding Co., Ltd., Japan on November 15, 2018.

SHONAI MARU was jointly developed by Imabari Shipbuilding and “K” Line to maximize transport volume to the discharging port, Chubu Electric Power’s Hekinan Thermal Power Plant, Aichi prefecture in Japan. SHONAI MARU is so-called “Hekinan MAX.” SHONAI MARU is equipped with latest energy-saving and ecological technology such as WAD (Weather Adapted Duct) which promotes her propeller efficiency plus a ballast water management system that prevents damage to marine ecosystems. SHONAI MARU will be principally involved in long-term service carrying thermal coal to Chubu Electric Power’s Hekinan Thermal Power Plant for JERA Trading Pte. Ltd.

Vessel’s Specifications at a glance ...
LOA: 249.99 M
Beam: 43.00 M
Depth: 18.70 M
Full Draft: 12.994 M
DWT: 101,847 MT
Gross Tons: 57,842 T
Net Tons: 31,523 T
Hold/Hatch: 6/6
Source: Marinelink
Rogue shippers in the firing line as cargo safety plans gather support

MOVES by leading container lines to take robust action to tackle dangerously inaccurate cargo information have received the backing of other stakeholders. The initiative is thought to be at an early stage, and separate from a new association unveiled by five lines that is aimed at creating common information technology standards for the container shipping industry. However, Lloyd’s List understands that box line leaders and others are determined to stamp out behaviour that puts lives and ships at risk, and may establish a new organisation to oversee this. “Misdeclared dangerous cargo is a serious issue for the industry and one with severe implications, both in terms of safety and financial cost,” said Alex Kemp, a partner at the international law firm HFW. He said the costs associated with a serious fire on board a large container vessel could exceed $1bn to cover the total loss of the vessel, salvage or wreck removal, pollution and disposal measures, lost cargo and other expenses. “HFW would strongly support the formation of a multi-stakeholder, international body to work on reducing the number of misdeclared dangerous cargoes in order to reduce the frequency and extent of these hugely damaging incidents,” Mr Kemp said. Some experts think the full cost of such a loss could approach $1.5bn, should a blaze break out on a fully-laden and fuelled 20,000 teu-class vessel that is subsequently declared a total constructive loss. Ocean carriers are thought to be considering a range of options, including legal action against shippers or forwarders that misdeclare dangerous cargo, and a standardised approach to handling hazardous freight. But they are conscious of the fact that such requirements by one group of lines could simply divert irresponsible shippers to other operators, unless an industry-wide effort is agreed. Participants would also have to make sure their customers did not accuse them of collusion, and lodge complaints with antitrust regulators. Last month, Lloyd’s List reported a new agency could encompass the Cargo Incident Notification System, which sends out advisory notices about how to handle certain types of freight, and compiles statistics on cargo-related incidents, together with related analysis. More progress is expected to be made at the next meeting of CINS members, which is scheduled for December 4 in London. CINS, which is chaired by Maersk Line’s Uffe Ernst-Frederiksen, with representatives from Hapag-Lloyd, Evergreen, Mediterranean Shipping Co and CMA CGM on the board, has not commented. However, it has said it is planning to develop a benchmark for a common cargo scanning system that would be used to search for bookings that may contain undeclared or mis declared dangerous goods such as military cargo, waste, embargo cargo or indeed dangerous goods. “The solutions should also help to detect non-dangerous goods cargo which can cause incident,” said CINS, which last month published a request for proposals for the system, which it agreed to develop during its board meeting in April. The objective is to determine a solution for a common container shipping community system that can be used by all members and is related to a common minimum standard for cargo scanning adopted by CINS members. In many respects, the project sounds similar to the Cargo Patrol system developed by Hapag-Lloyd to look for suspicious keywords in booking documents that indicated dangerous goods could be being disguised as legitimate cargo. That system was given to IBM to develop as a standalone product. However, after several maritime catastrophes, including the MSC Flaminiafire and explosion, and more recently the lethal Maersk Honam blaze, industry bosses want collective powers to penalise rogue shippers, in addition to sending out advisories and tightening up inspection processes. The TT Club’s risk
management director Peregrine Storrs-Fox estimates that more than 150,000 boxes a year may contain misdeclared cargoes. Source: Lloydslist

Boskalis TSHD WATERWAY navigating the Taag river off Lisbon Photo : Paul van de Pas ©

Tug owners challenged on safety
by Martyn Wingrove

The towage and pilotage sector has been tasked with improving communications and ensuring crew levels match operational requirements, says Martyn Wingrove Last week I attended the British Tugowners Association’s annual safety seminar at the UK Chamber of Shipping in London. During that seminar, the UK Government’s Marine Accident Investigation Branch chief inspector Andrew Moll challenged the towage sector to improve safety to prevent fatal accidents in the future. His recommendations made a lot of sense as they came from an authority that has investigated tug crew and pilot deaths over the years. Mr Moll reminded the industry how easy it is to capsize tugs if there is a breakdown in communications. One of his core messages is that pilots, ship masters and tug teams should speak to each other more frequently to prevent misunderstandings and sudden changes in operation. Prior to an escort or berthing operation, pilots should brief tug and ship masters on their plans. I think tug skippers should be prepared to ask for details of the plan if they are unsure. Tug masters need to be clear on the expected work, whether tugs are there to escort ships or just to assist in their berthing. They need to know the contingency plans - what is expected of their tug if plans change or if there are issues with the tow. Communications between the masters and the pilot should continue throughout operations to ensure tugs are not surprised by unexpected ship movements, which has caused tug capsizes. There also needs to be a balance between the safety risks and the commercial and project requirements. This includes crewing levels on tugs, which need to be practical for the work these vessels will be conducting. The challenges have been set for the towage sector and I expect there to be a positive report on safety and communications improvements at next year’s British Tugowners Association annual safety seminar. Source: tugtechnologyandbusiness

LOCATIONS MENTIONED IN THE NEWSLETTER ARE HYPERLINKED TO GOOGLE-MAPS FOR YOUR EASY REFERENCE OF THE LOCATION

ShipSupport is Live!

This is it! On November 2nd, Royal IHC launched its brand new e-commerce platform: ShipSupport.com! ShipSupport offers ship owners and MROs a one-stop-shop for ordering spare parts and services with a click of a button. A digital marketplace for the maritime industry to simplify our customer’s spare-parts ordering process. Please check out a short explanatory video. The idea of the platform came about, among other things, as a result of a customer survey carried out in 2016. Our customers indicated they needed transparency in pricing, real-time delivery times and complete digitisation of the ordering process of spare parts. To achieve this goal, ShipSupport teamed up with over 30 top global suppliers and built an online catalogue allowing customers a
On November 2nd, we gathered at the historic building Hulstkamp in Rotterdam together with our trusted partners and clients to push the red button and launch the online platform. Maaike de Rover, the founder and force behind ShipSupport, introduced the platform, followed by an introduction by CEO Dave Vander Heyde and concluded with an inspirational talk by Guido Thys. After the presentations, the team had the opportunity to thank the partners in person for their support of our vision and strengthen our relationships for years to come. You can watch a short recap of the night – HERE. ShipSupport.com is accessible to everyone, so please take a moment and visit the platform right away!

CMA CGM to revamp its CI MEX 2K2 service

CMA CGM is glad to announce the revamping of dedicated CI MEX 2K2 service connecting Asia with India and Pakistan, with especially a call at Karachi SAPT instead of KICT and at Nhava Sheva BMCT instead of GTI. Through CI MEX 2K2, CMA CGM is able to provide:
Weekly sailings covering China, Singapore, Malaysia, India, Pakistan
Direct service ex Central China (Shanghai, Ningbo), South China (Shekou / Nansha) to India (Nhava Sheva BMCT), to Pakistan (Karachi SAPT)
New direct connection from Nansha to Karachi SAPT
Access to Pakistan upcountry thanks to our intermodal connectivity via Karachi
Access to India hinterland thanks to our intermodal connectivity via Nhava Sheva

CIMEX 2K2 main features are the following:
- Service Commencement: November 14th, 2018 (ETA Shanghai) with m/v “KOTA PEMIMPIN” voy. 0VN01W1MA
- Transit time references: Shanghai to Nhava Sheva in 18 days | Shanghai to Karachi SAPT in 22 days
- With this service linking Asia with India and Pakistan, CMA CGM is providing an enhanced coverage in the Region.
Source: CMA CGM

HMM Posts Continued Losses, Invests in Mega-Vessels

The HYUNDAI STRIDE passing Hong Kong - Ma Wan inbound for the Tung Wan waterway
Photo: Piet Sinke www.maasmonddmaritime.com (c) CLICK at the photo!
South Korean ocean carrier HMM announced continued losses on Wednesday, despite higher revenue and rising volumes. The line cited high bunker prices and low freight rates for the poor quarterly performance. HMM lost about $165 million in the third quarter - less than the $240 million it lost in the second quarter, but much more than the $40 million it lost during the same period last year. Its quarterly volumes increased by 13 percent year over year to about 1.2 million TEU. HMM did not predict when it might return to profitability, but it forecast a "continuous market uptrend" in U.S. trade - unlike sector leader Maersk, which expects to blank some of its sailings on transpacific routes next year due to the U.S.-China trade war. The two lines' strategies diverge further on newbuildings: HMM has ordered twelve 23,000 TEU megamax boxships and eight 15,000 TEU ULCVs from Korea's "Big Three" shipyards, while Maersk CEO Soren Skou has said that the line has no plans to place large orders for the near future. HMM's newbuilds are underwritten by the Korean government's newly-founded shipping investment vehicle, the Korea Ocean Business Corporation. HMM says that it will make its "utmost efforts" to find cargoes to fill its new ultra-large vessels before they are delivered, including new cost-cutting measures to strengthen "sales competitiveness." The business case for ULCVs is "crucially dependent" upon high utilization, according to the OECD's International Transport Forum, and competitors like MSC and CMA CGM are also bringing giant megamax vessels online to compete on the Asia-Europe trade lane. Rising fuel costs were part of the reason for HMM's loss in the third quarter, and bunker prices will only rise further after the new IMO sulfur limit takes effect in 2020. Like many other lines, HMM plans to introduce a bunker adjustment factor to account for the extra cost of low sulfur fuel oil once the rule takes effect. Source: MAREX

HAL's WESTERDAM outbound from Keelung Photo: Mars Aerial Photography - Mr. Neil Chao

ITF: tragic death of seafarer proves that lashing is dockers' work

The International Transport Workers' Federation (ITF) and European Transport Workers' Federation (ETF) have extended their deepest condolences to the family of a seafarer killed in Dublin, Ireland, while lashing and securing containers, and said this case proves how vital it is that this kind of work is done by dock workers, not seafarers. Dennis Gomez Regana, from the Philippines, died after a container struck him at Southbank Quay on Wednesday 14 November, when he was doing lashing work while container lifting operations were underway. He was on board the MV FRANCOP, which is under a known flag of convenience registry. ITF maritime coordinator Jacqueline Smith said: "Our thoughts go out to the
family, friends and fellow crew members of Dennis Gomez Regana. But let's be clear, he never should have been put in this dangerous position. "When a ship gets to port the seafarers on board have done their work, they should be maintaining their ship and resting. The very last thing they should be doing is the difficult and dangerous work of lashing and securing containers. The work should be left to dockers who have the training and experience to do it more safely." ITF dockers section representative Peter Lahay added: “The ITF and ETF are clear that it is better for dockers and seafarers if this work is done by dock workers. Lashing is dockers work, full stop. “We must put an end to unscrupulous shipowners and port operators putting pressure on seafarers to do lashing and securing. I hope they take notice of this tragedy today and change their ways, if they don't then more seafarers will be seriously hurt or killed. We look forward to reading the report and recommendations of the Irish authorities.”
“Innovation can only be made possible with a strong team. Our starting and continuously growing company has started with a group of Delft engineers, and has evolved into a true maritime organization.” Director Alex Noordstrand states. “The confidence received from multiple respected customers and the prospect of new relationships, motivates us to set the standard in hull cleaning internationally. We are continuously innovating in the ship hull cleaning industry, working towards an autonomous, safe, and environmentally friendly solution, without any downtime.” Fleet Cleaner’s diverless hull cleaning service is available 24/7 in all Dutch ports. More information is found at www.fleetcleaner.com or via info@fleetcleaner.com
The **GAIA NORDIC** operating at Skagen Roads *Photo: Jan van Vuuren ©*

**NAVY NEWS**

The **F 332 VILLE DE QUEBEC** visited the port of Amsterdam *Photo: Cor van Niekerken ©*
Sioux City's Naval Academy students excited to see commissioning

When the Navy announced that the USS SIOUX CITY would be commissioned at the U.S. Naval Academy in Annapolis, Sam McGowan was a high school student in the midst of applying to the school.

Was the Navy’s announcement an omen that she’d get in?

Maybe, McGowan said with a laugh, but she's excited to see the ship named for her hometown sail into Annapolis and then witness the ceremonies and celebrations that will culminate with the USS Sioux City's commissioning Saturday morning. "I'm excited not only to have the Sioux City here, but to show my friends a little bit about Iowa. I think it will be a cool opportunity for all of us to see the fleet and see a ship commissioned," said McGowan, a plebe, or first-year student, who graduated in May from Bishop Heelan High School. Fellow Sioux City native and midshipman Natalie Wender said the Academy routinely hosts big events. But a Navy warship has never been commissioned at the Academy before, and there's a notable buzz on campus. "It's definitely a big deal. There's a lot of talk around campus about what's going to happen," said Wender, 21, a 1st-class midshipman, or senior. It's a bigger deal when the ship is named after the city in which you grew up. Both McGowan and Wender are happy to see the Navy honoring an area of the country that sometimes gets overlooked. "I think it's really cool that the Navy is taking the opportunity to celebrate the Midwest," said McGowan, 18, the daughter of Chris and Cathleen McGowan. Wender found out the USS Sioux City would be commissioned in Annapolis while she was home last Christmas visiting her parents, Jane and Donald Wender. It's a neat event to see take place before she graduates in May, Wender said. "It's really exciting to pay respects to people from Iowa who are in the Navy and military," said Wender, who's majoring in English with a minor in Spanish. The fact Wender and McGowan are from Sioux City hasn't exactly made them campus celebrities, but their friends know the ship represents home for them. Both of them, as well as other midshipmen, will be attending the commissioning, and both will appreciate seeing many reminders of home. Hundreds of Siouxlanders are expected to make the trip, and well-known food processors such as Jolly Time, Blue Bunny and Palmer Candy will be shipping out food items to give the East Coast a taste of Sioux City. "I'm really excited to have a little of Sioux City out here. I'm excited for some good Palmer candy," McGowan said.Wender, who graduated from St. John's Preparatory School in Collegeville, Minnesota, in 2015 (she attended North High School her sophomore year), said those who know of her Sioux City roots have asked her a few questions about home. She's told them that, in a way, Sioux City represents a much larger area. "I say that it's cool because it intersects Iowa, South Dakota and Nebraska," she said.Wender and McGowan must serve in the Navy or Marines for at least five years after they graduate from the Academy. Could either be assigned to the USS Sioux City someday? It's hard to say, said McGowan, who is interested in aviation and will declare her major in March with other plebes."I think that would be ironic and a cool story, but we'll see," she said. Once commissioned, the ship's home port will be in Mayport, Florida, an area where Wender would like to be assigned. Serving as an officer on board the USS Sioux City would make the assignment even better. "There's definitely a possibility. I don't know if I'll be able to select it," she said. "If things would work out, that would be really cool."source: siouxcityjournal

The Canadian frigate FHH 330 HMCS HALIFAX outbound from Zeebruge passing the Wandelaar Pilotstation heading for the city of London, the HALIFAX visited Zeebrugge in view of the celebrations of ending the First Worldwar last November 11th 100 years ago

Photo : Ronald Ribbe - http://www.rorifocus.nl ©
Indian, Omani Navy ships set sail to retrace maritime trade routes

Three tall ships set off from Kochi Naval Base on Wednesday to retrace the ancient maritime trade route between the Malabar Coast and the Persian Gulf.
ZINAT-AL-BIHAAR of the Royal Omani Navy will sail together over a distance of 1,200 nautical miles to Muscat. The ships are expected to reach Muscat on November 29. Chief of Naval Staff Admiral Sunil Lanba, along with the Commander of Islamic Republic of Iran Navy Rear Admiral Hossein Khanzadi flagged off the ‘Tall Ships Sail-Together’. The event, organised as part of the 10th anniversary celebrations of the Indian Ocean Naval Symposium, was attended by the navy chiefs and delegates from 26 countries participating in the symposium. The tall ships have one sea rider each from Sri Lanka, China, United Kingdom, Australia, Bangladesh and Maldives participating in the sailing expedition. The ships are accompanied by smaller Indian sailing vessels, among them Mhadei will be heading towards Seychelles, while the others would continue towards Muscat. A grand flypast with nine helicopters and three fixed wing aircraft was undertaken to mark the occasion. Source: New Indian Express

SHIPYARD NEWS

ASTORIA - (Societade de Consultores Maritimas, SCMA Lda, ex Stockholm (Andrea Doria!!), Völkerfreundschaft) at Scheldepoortwerf (Damen-shiprepair) in Vlissingen. Photo: Willem Kruit ©

Senate approves exemption for trawler marooned by too much foreign steel

A $75 million fishing vessel, marooned in a Washington state shipyard because it was built with too much foreign steel, would be allowed to work in U.S. waters under a waiver to federal maritime law approved by the U.S. Senate. The language was included in the Senate’s Coast Guard reauthorization legislation, which passed 94-6. If approved by the House, the waiver could end the tangled legal status of the 264-foot America’s Finest, a nearly completed factory trawler built at Dakota Creek Industries of Anacortes, Wash., to catch and freeze bottom-dwelling fish found off Alaska that. The trawler has been stuck at the shipyard for more than a year. The vessel’s owner, Kirkland-based Fishermen’s Finest, contracted with Dakota Creek Industries to build America’s Finest to replace an older vessel. But the construction went disastrously off course when the shipyard had parts of the hull cut and bent in the Netherlands. That action ran afoot of
the Jones Act, which requires vessels transporting cargo and people between U.S. ports to have a hull largely made of American materials. Dakota Industries shipyard officials have repeatedly said they didn't realize that the Dutch work would violate the act. The Senate bill’s language represents a kind of conditional waiver calling for the U.S. commerce secretary to revoke the waiver should an investigation determine that the violation was intentional. The Senate language also includes processing restrictions on Fishermen's Finest, which were supported by competitors. The restrictions limit the amount of fish that can be delivered by other boats to Fishermen's Finest's vessels. They would extend for the six years, but they could be lifted earlier if the North Pacific Fishery Management Council comes up with a rule to regulate the deliveries. The Senate has struggled to pass the Coast Guard legislation, with an earlier version of the bill stalled in April on a procedural vote. Dennis Moran, president of Fishermen's Finest, declined to comment on the Senate's approval of the Jones Act waiver. Dakota Creek Industries, which took a financial hit and laid off workers because of the troubled status of America's Finest, also declined through a spokeswoman to comment Sen. Maria Cantwell, D-Wash., has been in the thick of the Senate fight to pass the Coast Guard legislation. She called the waiver a “bipartisan deal” that “helps to protect good shipbuilding jobs at Dakota Creek shipyard.”

Source: The Seattle Times


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Maersk, CMA CGM, Hapag-Lloyd, MSC and ONE join up for new technology group

World’s largest container lines plan to look at emerging technologies as new options come to the market.

Five of the largest container ship lines plan to join forces to create new digital standards to be used across the industry. The association, which is comprised of A.P. Moeller Maersk (Nasdaq OMX: MAERB), CMA CGM, Hapag-Lloyd (XETRA: HLAG), MSC and the Ocean Network Express group of Japanese ocean carriers say their information technology executives aim to create the new technology standards “which shall be openly available and free of charge for all stakeholders of the wider container shipping industry. Andre Simha, chief information officer for MSC, says the new association is “in the customers’ and all stakeholders’ best interest.” “We are striving for less red tape and better transparency,” Simha said. The new association, which aims to start at the beginning of next year, comes at a time of upheaval as the staid business of container shipping is forced to reckon with shippers that want to book freight as easily as booking a flight on Kayak or Expedia. Venture capital-backed technology start-ups such as Freightos and New York
Shipping Exchange are making it easier than ever to book space on container ships by putting the process online. Container lines themselves recognize that the process of booking container space can be at times quite painful. In response, companies like Maersk and Hapag-Lloyd are moving to online quotes and rate distribution with the help of firms such as CargoSphere. The potential for blockchain to also automate broad swathes of the container shipping process is also becoming clearer, with separate initiatives from Maersk and IBM and Ocean Alliance, along with start-up ventures such as CargoX. Recognizing the plethora of new technology options available, Simha says the new group aims to be a neutral, non-profit trade group that will not develop or operate its own digital platform, but aims to ensure interoperability through standardization. “The timing is right, as emerging technologies create new customer friendly opportunities,” Simha added.

**Source:** freightwaves

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**LOOP loads first VLCC at deepwater port**

The Louisiana Offshore Oil Port loaded its first VLCC at its deep-water port offshore of Port Fourchon, Louisiana. Shell Trading Company was the shipper of record for the milestone that has been described as having game changing potential by Marathon Petroleum Company, which is the majority owner of LOOP. LOOP is the only US port capable of fully loading a VLCC. This now enables inbound vessels to deliver foreign crude oil and then leave LOOP with US crude oil, rather than returning empty. Marathon says in a statement that with domestic production surpassing 10 million barrels per day, the capability ‘truly optimises America’s energy supply chain’ Marathon Petroleum logistics and storage executive vice president John Swearingen says: ‘LOOP started talking about vessel loading several years in the effort to diversify their overall business offerings. They were able to offer a solution to the marketplace quickly and at a fraction of the cost of other options. Terry Coleman, LOOP president, says: ‘Today, customers are seeking more options to load petroleum produced in the US onto the largest ocean-going ships for delivery to international destinations. The service has been embraced by customers and connects our Clovelly Hub in Galliano, Louisiana, with our deep-water port and to the global refining market’

**Source:** tank storage magazine

**Largest waves in the world right now batter boats and offshore oil rigs in Newfoundland**

Workers on an oil rig peered through dense fog and reported that the waves were cresting higher than 25 metres

*By: Nick Faris*

Waves that were bigger than any other in the world on Thursday thrashed docked boats and threatened to damage buildings on the coast of Newfoundland as an unusually early severe storm bore down on the island on its way toward Europe and Africa. The tallest waves in the storm were expected to surpass 15 metres, said Environment Canada meteorologist Dale Foote. On land, furious winds measuring up to 160 km/h left swaths of Newfoundland without power, forcing schools to close and airports to cancel flights west to Halifax and Toronto. These winds generated waves that buffeted coastal fishing villages and the Grand Banks of Newfoundland south of the island “If it’s not the strongest storm on the planet today, it’s very close,” said meteorologist Bob Robichaud. “It’s certainly the biggest.” Environment Canada warned residents in communities all along the island’s east coast early on Thursday that the waves and wind could damage seaside infrastructure and homes and vehicles further inland. Later in the morning, Foote said the waves had swamped a boat that was moored to a wharf in the town of Bonavista. “Waves like this will keep most of our fishing fleets home,” Foote said. “They won’t even venture out.” Photos and videos posted to social media showed water levels rising at ferry terminals, in the Quidi Vidi harbour neighbourhood of St. John’s, the provincial capital, and at the Hibernia oil field 300 km offshore, where workers who were out on the rig peered through dense fog and reported that the waves were cresting higher than 25 metres. “We don’t usually see systems this intense,” said another meteorologist, Brian Walsh, who is based in St. John’s. In Bonavista, town clerk David Hiscock estimated that a quarter of the 3,000 people who live there reside at sea level and said their homes were in danger of being inundated. The sea fences built to keep waves from
breaching the shore in Bonavista have deteriorated as storms have strengthened over the years, putting roads and other infrastructure at risk during extreme weather events. “The shore is taking an awful beating,” Hiscock said. “Those people, they’re not flooded, but they’re the next thing to it.” The force of the wind and the height of the waves observed on Thursday aren’t unprecedented, but even if similar systems blow through Newfoundland once or twice a year, they don’t typically occur until mid-to-late winter. Foote said this fall has been especially stormy, noting that strong winds already caused damage to portions of the coastline earlier this season. “It’s a continuation of what we’ve seen all fall,” Foote said of Thursday’s storm. “This just happens to be the most extreme example.” The waves are expected to abate in Newfoundland by Friday as they sweep further east through the North Atlantic Ocean. With files from The Canadian Press

#### PHOTO OF THE DAY

![The tug VIKING enroute Rotterdam with an accommodation barge](https://www.flyingfocus.nl)

Photo: Flying Focus Aerial Photography [www.flyingfocus.nl](http://www.flyingfocus.nl) ©
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