The inbound **SC CHENGDU** received the pilot from the APOLLO just outside the IJmuiden breakwaters.

Photo: Piet Sinke [www.maasmondmaritime.com](http://www.maasmondmaritime.com) (c) CLICK at the photo & hyperlink in text!
Pakistan plans $200 million grain terminal: Bloomberg

Pakistan plans to invest about $200 million to build a second grain terminal as the nation's only dedicated facility struggles to meet demand for shipping oil seeds, cereals and fertiliser, Bloomberg reported. The state-run Pakistan National Shipping Corp. (PNSC) will build the terminal in Karachi, Rashid Siddiqi, an executive director at the company, said in an interview at the company's port-side headquarters. PNSC also plans to build oil storage facilities at local ports, he said. Siddiqi said the grain terminal project has been presented to port and federal government ministries for approval. The facility will help the company boost profit and sales, which dropped to the lowest in six years, as well as take pressure off the existing grain terminal at Port Qasim, where ships have to wait for up to three weeks to discharge cargo. Pakistan
National Shipping Corp, which has nine ships operating on global routes, has been hit by a slowdown in the international liquid cargo market and a government ban on furnace oil imports, which was lifted earlier this year. “This terminal once established will divide the shipping traffic load at Port Qasim,” said Siddiqi. Investors in the venture will include PNSC, Karachi Port Trust and a private company, Siddiqi said, declining to name the third partner. The project is expected to be completed in a year, he said. The proposed terminal at Karachi’s main city port is expected to have a cargo handling capacity of as much as 1,600 metric tons per hour. Pakistan National Shipping Corp. also plans to build an oil storage facility in Karachi for the country’s increasing demand for motor gasoline imports. Once the storage tank is built, the pace of ship handling at the clogged port will more than triple to as much as 7,000 tons per hour, said Siddiqi. “Vessels waiting for six to seven days at port are facing losses on account of ship demurrages, something which ultimately passes on to the consumers,” Siddiqi said.

UK borders ill-prepared for no-deal Brexit, NAO warns

By Will Waters
NEW infrastructure to track and physically examine goods cannot be built before the UK leaves the European Union, it has been claimed. It means that Britain will not be able to fully enforce compliance regimes at the border on ‘day one’ in the event of a no-deal Brexit. This is among the conclusions within a report published by Britain’s spending watchdog, the National Audit Office. The report prepared by its civil servants — The UK border: preparedness for EU exit — says: “The most complex issues relating to the movement of goods at the border, such as arrangements to apply at the Northern Ireland and Ireland border and a system that will allow roll-on roll-off ferry ports and Eurotunnel to operate smoothly, still need to be resolved. It also highlights “an increased delivery risk due to the high interdependence between ‘at risk’ government programmes reliant on another ‘at risk’ programme”.

“For example, seven of the most critical border systems are interdependent with the Customs Declaration Service and/or its legacy system, the Customs Handling of Import and Export Freight system; and all must be ready on day one for the border to operate as planned. The report says that ongoing political uncertainty and delays in negotiations have hampered the effectiveness of departments’ border planning and delivery. This had reduced the time available to plan and implement new border regimes that might be required. “Many of the changes needed to be made by government under a ‘no-deal’ scenario may not be ready on time,” it notes. It says the UK government is heavily dependent on third parties, such as traders, making changes to their systems, behaviours and complying with new processes, noting that government papers from July 2018 state that it was already too late to ensure that all traders were properly prepared for ‘no deal’. “In the event of day one of ‘no deal’, the government has accepted that the border will be ‘less than optimal’, “ the report notes. “This might include delays for goods crossing the border, increased opportunities for tax and regulatory non-compliance, and less information to inform checks of people crossing the border.” It says contingency plans are being prepared with the aim of managing potential issues such as queues of traffic in Kent, and the continued supplies of essential goods and medicine. The NAO’s report warns that organised criminals and others are likely to be quick to exploit any perceived weaknesses or gaps in the enforcement regime. “This, combined with the UK’s potential loss of access to EU law enforcement and national security tools, could create security weaknesses which the government would need to address urgently,” the report notes. Pauline Bastidon, head of European policy at the Freight Transport Association, argued the NAO report “confirms that the fears of the logistics industry over border readiness for Brexit in the event of no deal are justified”. “Despite repeated warnings from FTA since article 50 was triggered, it is concerning to note the NAO has confirmed that it is now too late to implement new border infrastructure and that border processes on day one after Brexit will be ‘less than optimal’,” she argued. She said the logistics sector was adept at adapting to change, but “needs clarification on a range of elements, from the UK schedule of tariffs in the event of no deal to the arrangements that will be used for the safe passage of trucks”. 

Source: Lloydslist
the 78.4 m luxury yacht **ROCI NANTE**, built in Germany by Lurssen in 2008. Her top speed is 18 kn and she can accommodate up to 18 guests in addition to her 27 crew members. Above seen when she was coming out of drydock at Bay Ship & Yacht in Alameda, CA. **Photo : Frank van Hoorn ARGONAUTI CS M A R I N E E N G I N E E R I N G, I N C**

**The ONE CONTINUITY** moored at Rotterdam Maasvlakte **Photo : Frans de Lijster ©**

**DP World container volumes slow due to 'market caution'**
By: Vincent Wee

Dubai-based ports operator DP World saw overall throughput of 53.6m teu in the first nine months of 2018, up 2.6% from 52.3m teu in the previous corresponding period. Volumes slowed down in the third quarter however, shrinking 1.4% to 18.0m teu, due to a higher base in the third quarter of 2017 and softer volumes in the UAE DP World said in a press release. The UAE terminals handled 11.3m teu in the year-to-date, down 2.1% year-on-year. Third quarter volumes in the UAE slid even further, falling 6.7% to 3.6m teu due to the challenging macroenvironment and loss of lower-margin cargo. Growth in Europe remained robust with strong growth in London Gateway and Rotterdam and volumes in the Europe, Middle East and Africa segment rose 1.7% to 22.3% in the first nine months. The Asia-Pacific and Indian subcontinent terminals saw volume grow 3.1% in the year-to-date to 24.7m teu while the smallest segment, the Americas and Australia, saw the fastest growth in throughput rising 3.7% to 6.1m teu. “As highlighted in our first half throughput announcement, we have seen our volume growth decelerate due to the strong prior year performance and general caution in the market given the current uncertainty in global trade,” DP World group chairman and chief executive officer Sultan Ahmed Bin Sulayem said. “In the UAE, the volume weakness in 3Q is mainly due to loss of low-margin throughput, where our focus remains on profitable cargo and, while the near term volume outlook in Jebel Ali remains challenging, we have taken measures to maintain profitability.”

JAXPORT welcomes first ZIM containership

Ten of the top 11 global carriers now offer service through the Florida port.

The Jacksonville Port Authority (JAXPORT) recently welcomed ZIM’s 10,070-TEU TIANJIN containership on her maiden call to the Florida port’s Blount Island Marine Terminal. With the addition of ZIM, 10 of the world’s top 11 global carriers now offer service through the port. The new service to Jacksonville is part of ZIM’s Asia-to-North America offerings through an agreement with the 2M Alliance. The shipping line now offers direct service from Jacksonville to Kingston, Jamaica Xingang, Qingdao, Shanghai and Ningbo, China; and Busan, South Korea. Kristen DeMarco, JAXPORT chief commercial officer, said the ZIM call was “a milestone in the overall evolution of the port. Ocean carriers are not waiting for the deepening project to be complete. They are investing in Jacksonville now, and northeast Florida’s economy will benefit.” The deepening of Jacksonville’s shipping channel to 47 feet to accommodate the largest ships calling the U.S. East Coast is well under way. The U.S. Army Corps of Engineers recently awarded the contract for the second phase of the project as work continues on phase one. Source: American Shipper
SECOND TEESPORT RAIL LINK PROVIDES FURTHER TRADE CONNECTION FOR SCOTLAND

PD Ports has launched a second rail service connecting Teesport direct with Scotland opening up further opportunities to connect global importers and exporters with the north of the UK. The new service, operated by DB Cargo, will run five days a week from the quayside at Teesport to PD Stirling Terminal at Mossend in Glasgow. The timings of the service operate in direct connection with the P&O Ferries service calling daily at Teesport from Zeebrugge and Rotterdam; providing a vital connection for shippers, shipping lines and forwarders looking for frequent, flexible and efficient routes to market. Having launched the first Scottish rail connection from Teesport in August 2015, the Port now offers more direct daily connections to and from Scotland than any other port in the north of England, running 10 trains a week and carrying over 30 containers per journey each way laden with a variety of goods including food, drinks and furniture. A substantial proportion of containers travelling on this service will be volume from the daily P&O Ferries service from Zeebrugge. Earlier this year P&O Ferries increased its capacity on this service by 25% in a response to market demand for Teesport as the port of choice to connect shippers with Scotland. Frans Calje, CEO at PD Ports, said: “Our second rail service to
Scotland is a major milestone for Teesport and the wider Tees Valley. It symbolises the tremendous sense of confidence and trust global shippers have in the Port to deliver peace of mind, unlike other congested UK and European hub ports. “Frequency and reliability is fundamental to the success of our customers’ existence. We have vessels arriving at Teesport from the Baltics every 30 hours and every 48 hours from Poland with direct rail connections from the quayside to Scotland twice a day, five days a week. “This frequency breeds trust and confidence amongst shippers that they can transport their goods from Europe to Scotland within a 36 hour period, minimising cost and carbon emissions.” Janette Bell, Chief Executive at P&O Ferries, said: “Our customers will benefit greatly from the increased connectivity which this second rail link to Scotland will give Teesport. In tandem with our highly cost efficient 15 hour sailings to the continent, we can guarantee both exporters and importers an unrivalled service to and from northern Britain.” Andrew Stirling, Managing Director at PD Stirling, commented: “This is excellent news for Scottish importers and exporters. It not only provides vital daily rail connections to and from the continent through Teesport, it also provides support to Scotland’s manufacturing base. This growth in rail transport with Teesport has led to firm plans to expand our facilities and to launch the MIRP (Mossend International Rail Freight Park).”

Tees Valley Mayor, Ben Houchen, said: “Strong transport links are essential for a strong economy and this new service is fantastic news for PD Ports and the whole of Tees Valley. “Teesport is one of the deepest water ports on the East Coast of England and its facilities connect our industries to the world. It’s already an attractive prospect and an invaluable resource which has been made even better by this announcement, especially in ensuring we’re an outward-looking, global region able to take advantage of all the opportunities of Brexit.” David Coppock, North East Region Director Northern Powerhouse, Department for International Trade, said: “This new service is further proof of how significant and important Teesport is to the Tees Valley in expanding its global reach. PD Ports is providing further vital investment in the region by opening up frequent, efficient and flexible transport routes for international trade.” The second service in to Scotland is a clear demonstration of PD Ports’ continued commitment to developing a truly multimodal logistics platform at Teesport with the ability to support future growth in international trade and the delivery of government plans to rebalance trade through the Northern Powerhouse. Teesport continues to see considerable growth year-on-year in container handling and saw an overall volume increase higher than any other UK port in 2017.
Ship Financiers Toughen Stance on CO2 Emissions

Leading shipping finance banks have joined industry players in support of faster action to cut carbon emissions by the sector. In April, the United Nations shipping agency reached an agreement to reduce CO2 emissions by at least 50 percent by 2050 compared with 2008 levels, which fell short of more ambitious targets. The UN's International Maritime Organization (IMO) is meeting in London this week to work on an initial strategy on cutting greenhouse gas emissions. In the meantime, bankers in the shipping sector have come together for the first time aiming to boost momentum towards de-carbonisation. “We believe it is important for banks to support the IMO's vision in making shipping a cleaner and more environmentally sustainable industry,” said Michael Parker, global head of shipping with Citi. “We encourage other lenders to the industry to join us in supporting this call to action,” he said in a statement on Wednesday. The initiative has been led by the Global Maritime Forum (GMF), an international non-profit foundation trying to drive change in the shipping industry. The GMF said it was working with financial institutions, shipowners and other bodies "on a set of principles for the inclusion of climate alignment and climate risk considerations in lending decisions". The GMF said the shipping industry's greenhouse gas cuts would require "absolute reductions" in carbon emissions to accommodate an expected growth in global trade. "The requirement for the industry to work towards a de-carbonised future is accepted by the GMF,” said Peter Stokes, chairman of the GMF, who is also head of shipping with financial advisory firm Lazard. The shipping sector, along with aviation, avoided specific emissions-cutting targets in a global climate pact agreed in Paris at the end of 2015, which aims to limit a global average rise in temperature to "well below" 2 degrees Celsius from 2020. Other banks involved included Norway's DNB, Germany's KfW IPEX-Bank and France's Societe Generale Corporate & Investment Banking - all of whom are active lenders to the industry. The banks are part of 46 companies that have joined GMF, which also include trade houses Cargill, Trafigura and shipping groups such as A.P. Moller Maersk and Euronav. "The shipping sector clearly shares a collective responsibility to transform its operations, build new technologies and infrastructure, and make sustainable shipping a reality," said Jan Dieleman, president of Cargill's Ocean Transportation division. Shipping accounts for 2.2 percent of world CO2 emissions, according to the IMO. The IMO has adopted mandatory rules for new vessels to boost fuel efficiency as a means of cutting CO2 from ship engines. A final IMO plan on measures is not expected until 2023. In separate climate action, the IMO, which responsible for regulating pollution from ships, has set new rules that will ban ships from using fuels with a sulphur content above 0.5 percent from Jan. 1 2020, compared with 3.5 percent now unless they have equipment to clean up sulphur emissions. Source “Marinelink

Bumi Armada to get part of RM38m oil sale

Bumi Armada Bhd will receive part of the proceeds from the sale of crude oil amounting to US$8.5mil (RM35mil) from the sale of the crude oil stored on Armada Perdana FPSO. It said on Monday the US Bankruptcy Court in Texas allowed the appointment of a receiver/manager in Nigeria over Erin Petroleum Nigeria Ltd (EPNL) to oversee the sale and disposal of the crude oil stored on the Armada Perdana FPSO. The oil and gas services provider said the order was obtained on Oct 18 following the bankruptcy filing by EPNL (together with its parent company Erin Energy Corporation and certain other subsidiaries) Bumi Armada said the order provided that a portion of the proceeds of the sale from the crude oil amounting to US$8.5mil (RM35mil) would be used to partially settle the outstanding amounts due from EPNL to Bumi Armada.
(Singapore) Pte Ltd (BASPL) and Armada Oyo Ltd (AOL). The amount was for the provision of services by BASPL and AOL to EPNL under the operational and maintenance services contract and bareboat charterparty contract for Armada Perdana FPSO. Source: The Star

Message to readers: All banners are inter-active and click through to advertiser web sites

Exxon, Rosneft to build LNG plant with Japanese, Indian partners - sources

By: Olesya Astakhova, Denis Pinchuk

Russia’s Rosneft (ROSN.MM) and U.S. ExxonMobil (XOM.N) plan to build a liquefied natural gas (LNG) plant in a consortium with Indian and Japanese partners, spreading the estimated $15 billion cost, two sources familiar with the talks said.

The 2013 built JPN flag and owned LNG Tanker GRACE DAHLIA entering Marsaxlokk Harbour, Malta bound to LNG Terminal on Wednesday 24th October, 2018 assisted by 4 local tugs.

Photo: Capt. Lawrence Dalli - www.maltashipphotos.com ©

As well as spreading the costs among more stakeholders, the broader involvement of the participants may mitigate sanctions risk. Initially, Rosneft and Exxon unveiled their joint plans to build an LNG production site in Russia’s Far East to President Vladimir Putin in 2013. But production of the super-cooled, seaborne gas has so far failed to materialize for many reasons, including international sanctions against Moscow for its role in the Ukraine conflict. LNG production itself is not subject to sanctions, but Russian companies have limited access to financial markets due to the restrictions. Exxon had to leave most of its other new joint projects with Rosneft due to the West’s punitive measures against Moscow. Two sources - one person close to Exxon, and a high-ranking Rosneft executive not authorized to speak publicly - said both firms are committed to carrying out the LNG plant project within the framework of the Sakhalin-1 agreement. Sakhalin-1, a hydrocarbon project, is led by Exxon with a 30 percent stake. Twenty percent belongs to Rosneft, with the rest split between SODECO (30 percent) and ONGC Videsh (20 percent). “No one is interested in financing such a project alone,” the source close to Exxon said. Asked how the LNG plant deal would be structured, the senior Rosneft executive said: “It
will be Sakhalin-1.” The sources did not say how the financing of the LNG plant would be shared between the participants. The source close to Exxon said a decision whether to go ahead with the LNG project was expected in 2019, otherwise the project risked losing its market amid growing competition. Currently, two LNG plants, Novatek’s (NVTK.MM) Yamal LNG and Gazprom’s (GAZP.MM) Sakhalin-2, are producing the frozen gas in Russia, which has set an ambitious target of more than doubling its global LNG market share to 20 percent in the next decade. Sakhalin-1 is pumping close to 300,000 barrels of crude oil per day, a record high, as well as natural gas that it has been unable to sell abroad. Gazprom has the exclusive rights to export pipeline gas from Russia. Sakhalin-1 has to pump most of the gas back into the ground, while a small amount goes to local customers in the sparsely populated region. Decade-long talks with Gazprom and the consortium over gas sales have not yet yielded any results. Rosneft, ONGC and SODECO declined to comment. The Russian Energy Ministry and the government also declined to make any immediate comment. “The Sakhalin-1 consortium continues to explore every opportunity to monetize Sakhalin-1 gas resources,” an ExxonMobil spokeswoman in Moscow said in emailed comments sent in response to Reuters questions. Igor Sechin, Rosneft chief executive, said in June that the LNG plant would be built just across the Tatarsky strait in the port of De Kastri in Russia’s Khabarovsk region, where Rosneft already has an export terminal for Sakhalin-1 oil. Sechin said then that the plant’s annual capacity was seen at 6 million tonnes of LNG, with supplies aimed at starting in 2025. Gazprom’s Sakhalin-2 has an annual capacity of 10 million tonnes. The source close to Exxon confirmed the technical plans for the plant and said the project partners are considering the option of laying a gas pipe along the existing oil pipeline from Sakhalin-1 to the LNG plant in De Kastri.

Source: Reuters Additional reporting by Nidhi Verma in New Delhi and Osamu Tsukimori in Tokyo; Writing by Katya Golubkova and Vladimir Soldatkin; Editing by Dale Hudson

The AIDACARA noored in Malta  Photo: Michael Cassar ©

Shipping giants decry Trump's appeal to delay UN's draconian fuel rule

THE Trump administration's appeal to delay the January 1, 2020 implementation of virtual sulphur ban in ships’ fuel has been opposed by the World Shipping Council (WSC) that represents the major container lines. "Any uncertainty or delay at this point would confuse markets and penalise shipowners and fuel suppliers that are already investing to ensure compliance," said WSC president John Butler. "Adding uncertainty to an already expensive regulation would increase, not
decrease, the potential for economic harm," he said. Contrary to popular opinion big companies embrace stringent regulatory regimes as they have less trouble in meeting skyrocketing compliance costs than smaller rivals. Critics say they can more easily be put out of business and increase the majors' market share. The Wall Street Journal reported that Trump administration officials were alarmed by the projected economic impact of the costs as the global maritime fleet switches to the low-sulphur fuel. The new eco fuels demanded by the UN's International Maritime Organisation (IMO) are at least 55 per cent more expensive than standard bunker fuel. French shipping giant CMA CGM says that it will cost shippers US$160 per TEU more when the fuel rule kicks in, and they had better accept the new reality. Standard bunker can be used after the deadline if it is subjected to treatment by scrubbers, which are expensive to retrofit, expensive to run with the added expense of disposing of scrubbing waste in an environmentally approved ways. Earlier this month, Organisation of Petroleum Exporting Countries (OPEC) warned that the IMO decision to lower the maximum allowed sulphur content for bunker from 3.5 per cent to 0.5 per cent by weight “will be disruptive to both the shipping and refining sectors. "Due to a sudden switch in the fuel mix, potential shortages of compliant fuel are possible, especially middle distillates, which could spread to other sectors too. It is hoped that there will be sufficient flexibility in the refining system in order to avoid any extreme events in the years to come," OPEC said. Source: Schednet

Fully operational scalemodel of Biglifft’s HAPPY STAR at the Offshore Energy Exhibition & Conference 2018 in Amsterdam
TRUSTLUBE LUBRICATION SYSTEM SAVES ENVIRONMENT AND LUBRICANT COST ON LARGE JACKUP

This year TrustLube Sustainable Lubrication Systems has retrofitted a large jack-up that has been updated from an offshore supply vessel to a windmill installation platform. Before starting this transformation, the one thing was known for certain, lubricating by hand would no longer be an option. The reasons why TrustLube had been chosen to install their automatic lubrication are the reliability of the system, the fact that the grease dosage does not change with temperature, TrustLube offered an alternative to the conventional spraying systems and last but not least the proposed savings of 70% in lubricant use. After the first 150 jackings during windmills installation TrustLube has done a survey to check the automatic greasing systems on board. The system starts and stops automatically and the Xtreme Rack & Pinion grease sticks to the teeth, even under water. Amazingly the savings on lubricant has not been 70% but an incredible 89%. The contribution to corporate social responsibility is therefore enormous. To indicate the impact: only 25 liters of Xtreme Rack & Pinion is used per jacking in total.

Alternative fuels: the options

The IMO decision to limit the sulphur content of ship fuel from 1 January 2020 to 0.5 per cent worldwide, and the recently adopted resolution to reduce greenhouse gas (GHG) emissions by 50 per cent by 2050, will change the future mix of ship fuels dramatically. As shown in Figure 1, the combined amount of heavy fuel oil (HFO) and marine gas oil (MGO) consumed by ships accounts for no more than 25 per cent of total global diesel fuel and petrol production (2016 figures). This is roughly equivalent to the amount of energy consumed using liquefied natural gas (LNG), which stands at 24 per cent; however, LNG represents only a small portion (approximately 10 per cent) of the overall gas market. Assuming an installed base of about 4,000 scrubbers in 2020, no more than 11 per cent of ship fuel usage will be high-sulphur fuel, DNV GL calculates. Latest estimates assume that no more than 2,000 scrubber installations will be carried out between now and 2020. This raises the question whether high-sulphur fuel will even be available outside the largest bunkering ports if only 4,000 or even fewer ships will be able to use it. The next question is what the price differential between HFO and compliant fuels will be.

New technologies and alternative fossil fuels

Among the proposed alternative fuels for shipping, DNV GL has identified LNG, LPG, methanol, biofuel and hydrogen as the most promising solutions. Among new technologies, the classification society believes battery systems, fuel cells and...
wind-assisted propulsion to offer potential for ship applications. Fuel cell systems for ships are under development but will take time to reach a level of maturity sufficient for substituting main engines. Battery systems are finding their way into shipping; however, on most seagoing ships their role is limited to enhancing efficiency and flexibility. Wind-assisted propulsion, while not a new technology, will require some development work to make a meaningful difference for modern vessels.

**Yearly energy consumption relation to diesel and gasoil consumption**

When it comes to CO2 emissions, LNG is the fossil fuel producing the lowest amounts. However, the release of unburned methane (so-called methane slip) could reduce the benefit over HFO and MGO in certain engine types. Methane (CH4) has 25 to 30 times the greenhouse gas effect of CO2. Nevertheless, engine manufacturers claim that the tank-to-propeller (TTP) CO2-equivalent emissions of Otto-cycle dual-fuel (DF) and pure gas engines are lower than those of oil-fuelled engines. If produced from renewable energy or biomass the carbon footprints of methanol and hydrogen can be significantly lower than those of HFO and MGO.

**The greenhouse gas challenge**

The cleanest fuel is hydrogen produced using renewable energy. Liquefied hydrogen could be used in future shipping applications. However, because of its very low energy density it requires large storage volumes, which may prevent hydrogen from being used directly in international deep-sea shipping. In a sustainable energy world where the entire energy demand is covered by renewable, CO2-free sources, hydrogen and CO2 will be the basic ingredients for fuel production, most likely in the form of methane or diesel-like fuels produced in a Sabatier/Fischer-Tropsch process. The Sabatier process is a reaction between hydrogen and carbon dioxide at elevated temperatures – optimally 300 to 400°C – and pressures in the presence of a nickel catalyst to produce methane and water. An alternative, the Fischer-Tropsch process converts a mixture of carbon monoxide and hydrogen into liquid hydrocarbons in a series of chemical reactions. Looking ahead, LNG has already overcome the hurdles of international legislation, and methanol and biofuels will follow suit very soon. It will be a while before LPG and hydrogen are covered by appropriate new regulations within the IMO IGF Code as well. The existing and upcoming environmental restrictions can be met by all alternative fuels using existing technology. However, the IMO target of reducing GHG emissions by 50 per cent by 2050 is ambitious and will likely require widespread uptake of zero-carbon fuels and further energy efficiency enhancements. Fuel cells can use all available alternative fuels and achieve efficiencies comparable to, or better than, those of current propulsion systems. However, fuel cell technology for ships is still in its infancy. Promising and advanced projects are, e.g., those running under the umbrella of the e4ships lighthouse project in Germany, with Meyer Werft and ThyssenKrupp Marine Systems heading the projects for seagoing ships. Wind-assisted propulsion could potentially reduce fuel consumption, especially when used for slow ships, but the business case remains difficult. Batteries as a means of storing energy can be considered as an alternative fuel source in the widest sense. Especially on ships operating on short, regular voyages, they have major potential as a means to boost the efficiency of the propulsion system. In deep-sea shipping, batteries alone are not an adequate substitute for combustible energy sources. Finally, with low-sulphur and alternative fuels becoming more widely available, the well-known combined-cycle gas and steam turbine technology as used in the PERFECT Ship project represents a viable alternative for high-power ship propulsion systems. **Source: DNV GL**

The **ENA JADE** departing from Labuan with the **ADRIATIC ENERGY** for reactivation in Shanghai

**Photo : Capt Jelle de Vries  Aqualis Offshore ©**
PAL’s Mabuhay Maritime to offer Kalibo-Boracay ferry service

The ferry service seeks to provide seamless travel from the Kalibo International Airport to Boracay

Photo by Aika Rey/Rappler

BATANGAS, Philippines – Tourists coming from Kalibo in Aklan province will soon have a more comfortable option to travel straight to the world-famous island of Boracay. Mabuhay Maritime Express (MME), a subsidiary of flag carrier Philippine Airlines (PAL), is launching a Kalibo-Boracay ferry service with travel time of only an hour and a half, down from the usual two and a half hours by shuttle and boat. The ferry built by the Damen Shipyards group was introduced to the media on Tuesday, October 23, just a few days before Boracay is scheduled to be reopened to the public on Friday, October 26. Set to be operational later this year, the ferry service seeks to complement existing PAL flights – especially international flights – to the Kalibo International Airport. PAL has yet to announce a specific date for the start of operations. Source: Rappler

Newbuilding Orders for Bulkers Wanes Off, But Shipbrokers Expect More Activity Moving Forward

Over the course of the past couple of weeks, ship owners have been rather active in the newbuilding market for dry bulk carriers. However, this trend waned off during the previous week, with few contracts being finalized. Nevertheless, shipbrokers expect more orders for bulkers to come into fruition in the months to come, as market sentiment seems to be
improving. In its latest weekly report, shipbroker Allied Shipbroking said that “interest for newbuildings in the dry bulk side dried up this past week, as there was only one reported new order placed by S. Korean interests at Hyundai Samho. Despite the lack of activity witnessed during the week, there is still anticipation that the improved sentiment may still be there to further push owners on the new ordering path before the year comes to a close. On the tanker front, despite the relatively prominent order that emerged for a contact for 4 new Suezmax carriers to be built in China, the overall vibe was fairly soft while interest elsewhere seemed to be on the smaller oil product tankers. The freight market rebound noted of late may well be behind some this most recent orders, though it is more likely that it will be the main driving force for further new orders to emerge over the next couple of months. For the time being it looks as though there is more talk than action taking place, though at some point or another all this interest should materialize into something more concrete.”

In a separate newbuilding report, Clarkson Platou Hellas said that over the week there were “a couple of new orders in LNG, firstly with Dalian Shipbuilding announcing an order from Xinoa Energy Shipping for a single 8,500CBM LNG bunkering vessel for delivery in the middle of 2020. Samsung also announced the addition on one further LNG carrier – understood to be 174k – to a yet undisclosed buyer. Delivery of this unit is due at the beginning of 2021. Only one order to report in the container sector this week, with Del Monte's shipping’s division; Network Shipping, extending their series of fully reefer container vessels at CSSC Huangpu Wenchong Shipyard to six Vessels, after declaring a final pair or 634 forty foot reefer container Vessels for delivery at the end of 2020”, the shipbroker noted. Meanwhile, in the S&P market this week, Allied said that “on the dry side we witnessed a fair gear up in activity noted the past few days, with interest varying relatively equally between vintage and more modern units. Notwithstanding this, given that we have only just entered the final quarter of the year and with buying appetite seemingly ample in volume, a further boost in activity seems to be in the works. To what extent this increased activity could drive for further price hikes seems to be a bit more difficult to place. On the tanker side, seems to have scaled back this week, though this seems to have coincided with a switch in interest from the product tanker segments over to the crude oil carriers. A small clampdown can be identified from the buying side front, despite the opportunities, that are available. Moreover, given that, for the time being, the main focus is mostly for vintage units, buyers look to be more bargain hunting than anything else”. In a separate note this week, VesselsValue said that “tanker values remain stable, except for Aframax which have firmed slightly in mid age tonnage. VLCC ASTRO CHORUS (305,700 DWT, Sep 2001, Daewoo) sold for conversion for USD 21.2 mil to Chinese buyers, VV Value USD 18.62 mil. Aframax CSK SHELTON (105,000 DWT, Jan 2005, Daewoo) sold for USD 13.4 mil to Capital Maritime and Trading, VV Value USD 11.54 million”. In the dry bulk market, the ships’ valuations expert added that “bulkers have remained stable with the exception of mid age Panamax tonnage which has softened. The en bloc deal of 2 newbuild Capesize vessels sold to Bocimar for a price of USD 104.0 mil. The vessels include Hull 2061 and Hull 2062 (206,000 DWT, Jan - Apr 2019, Qingdao Yangfan). Bergen Yangzhou Supramax Carriers sold 2 Supramaxes in an en bloc deal for USD 23.0 mil. The vessels include GRAND PIONEER and GRAND BREAKER (57,000 DWT, Sep – Dec 2011, Yangzhou Guoyu Shipbuilding). Supramax QUEEN HALO (58,100 DWT, Jul 2010, Tsuneishi Cebu) sold for USD 15.2 mil to Thoresen, VV Value USD 15.51 mil. Handy SPLENDEUR (33,400 DWT, Mar 2008, Shin Kochi) sold for USD 11.0 mil, VV Value USD 11.21 million”. Source: Nikos Roussanoglou, Hellenic Shipping News Worldwide

Photographs:

Swire Pacific’s 140 t BP PACIFIC WARLOCK retrieving anchors for the Kantan IV at Zhoushan, China
Photo: Richard Qualm Aqualis Offshore ©
ERS: Managing emergencies, preventing disasters

In 2016, a 14,000 TEU MSC containership was involved in a ship collision in the Singapore Straits. While the impact did not result in any environmental damage or injury to the crews of either vessel, it did cause severe damage to the aft section of the MSC ship, raising questions about hull integrity. Within hours of the incident, DNV GL’s ERS team was contacted to provide support. According to Christoph Peickert, Head of Section, Emergency Response Service, the ERS...
team pulled up the design of the vessels to begin stability calculations to determine if the vessel was seaworthy. “Working closely with MSC’s crisis management team in Sorrento Italy, local maritime authorities, and the crew onboard the vessel, we were able to determine that because the damage to the vessel occurred above the waterline and the vessel’s propulsion systems remained intact, salvage and towing operations were not necessary.”

Providing support
With the immediate threat contained, the next challenge was to get the vessel safely to a repair yard. “While there are several good repair yards in the area, MSC found a slot at a yard in China,” he says. “We were tasked to assess the vessel’s ability to navigate safely to their selected yard, about a two-week sail from the Straits.” Peickert says that in addition to calculating the damaged vessel’s residual strength, defining load conditions, setting wind and wave height limitations and contingency plans in the event of extreme weather events, the ERS team had to prepare a report to obtain permission from the flag administration to allow the damaged vessel to sail. “Flag states have their own rules about safe sailing conditions so we had to make a strong case to convince them to make an exception for this vessel, which had a breach in the hull,” The DNV GL internal coordination was supervised by Matthias Galle, Head of Department, Technical Support Germany. “Thanks to our in-house expertise, we were able to work quickly and secure their approval for the voyage.”

Watching the weather
Over the two-week transit period, the ERS team worked closely with MSC to monitor weather conditions and communicate potential risks to the crew. “While the route of the vessel did pass through areas known for challenging weather conditions, the voyage was completed without incident, thanks in part to good communication with the highly professional MSC crew,” he says. “MSC’s senior management has participated in DNV GL crisis management training and the company has registered is entire fleet with the ERS, so we have enjoyed a good working relationship with them for many years.” According to MSC’s Technical Director, Aniello Mastellone, getting the vessel to China made a big difference. “DNV GL’s technical expertise were critical to win the trust of the flag state and their 24/7 support during the transit time ensured a safe voyage,” he says. “Thanks to DNV GL, we not only got to use our selected yard but the two-week transit time allowed for preparations in well in advance, saving MSC time and money.”

Experienced team
Peickert says that while the MSC case was uncommon, it was not exceptional. “Between our offices in Hamburg and Oslo, DNV GL’s ERS team handle about 40 cases a year,” he explains. “While groundings are the most common, we also handle cases related to fires and collisions. Our first priority is to assess the situation and support the client as best we can to minimise potential risks to personnel, property and the environment.” Because first hours following an incident are the most critical, the ERS team works to provide owners with actionable information within two hours from first contact. Once the condition of the vessel is verified and immediate threats have been managed, priorities change. “We have a lot of experience coordinating with salvage and towing companies, local maritime and port authorities, flag states, insurers and other stakeholders so can provide ‘best in class’ decision support,” says Peickert. “Wherever possible, we try to determine the safest, most cost-effective way to proceed.”

Decision support
For example, DNV GL’s ERS has helped owners re-float grounded vessels without using salvage or towing companies and recently, provided another owner with the necessary technical support and documentation to enable a damaged container
vessel to continue cargo operations for container in- and outtake on the way to a repair yard. “As an independent organisation known for our technical expertise, DNV GL is in an excellent position to not only help owners minimise safety and environmental risk at the time of the incident, but help minimise financial risk related to cargo, salvage operations, repairs and insurance claims,” he says. “ERS advice applies from the moment the incident occurs to when the vessel is safely in a repair yard.” Source: DNV GL, Maritime Impact

HAL’s AMSTERDAM joins the already moored WESTERDAM at the Tianjin Cruise Terminal, China. Photo: Jan Willem Goudriaan ©

Unique Group facilitates the float out of AAD Nuyina hull at Damen Galati Shipyard

Unique Group’s Buoyancy & Ballast division has recently facilitated a high-profile dry dock project in Romania, involving the supply and operation of 840t of Seaflex inflatable buoyancy. The hull and lower decks of the Australian Antarctic Division’s (AAD) new icebreaker NUYINA (which means “Southern Lights” in palawa kani, the language of Tasmanian Aborigines) were constructed in the dry dock at Damen’s Galati Shipyard. For the next phase of construction, the installation of the upper decks, to take place the dry dock needed to be flooded and the hull then towed to the wet dock.
Detailed engineering discussions took place over 18 months ahead of the work to determine the sizing, positioning and securing of the buoyancy units to the hull, so as to ensure sufficient clearance between the sill of the dry dock and the keel of the vessel when the dry dock was flooded. 42 x 20t Seaflex Inflatable Buoyancy Units and a system of hoses and manifolds were supplied to Damen on a rental basis, and two Seaflex technicians were deployed to offer on-site support throughout the two week operation which took place during the early autumn of 2018.

Chris Sparrow, Global Sales Manager, Buoyancy & Ballast at Unique Group commented: “Our Buoyancy & Ballast division is truly unique within the market and we consistently bring added value to our clients, working in partnership. We get right up to speed early on in a project during the initial engineering phase and give technical assistance to clients without cost or commitment at that point. We are then able to offer clients the option of renting or purchasing equipment, according to their preference and business needs. We continue to set ourselves apart on an operational level, as we help our clients with method statements and offer Unique Group’s technicians, if required, to provide on-site support for their more complex projects.”

Mark De Wolf, Project Manager at Damen Shipyards said: “Having worked with Unique Group on a similar, if smaller-scale, application in the Netherlands a few years ago, we were confident in the company’s ability to ensure a successful outcome on a much greater scale for the Nuyina project. We have been delighted with the level of support Unique Group provided to us through the full project lifecycle.”

**Van Oord lands inter-array cables deal for Borssele I & II**
Dutch marine contractor Van Oord has secured a deal to provide cable installation services for the 752-MW Borssele I&II offshore wind complex in Dutch waters. The company said last week it will take care of the transportation, installation and burial of the 94 inter-array cables for the two wind parks. The length of the cabling route is 167 km (103.8 miles). Van Oord will deploy its cable-laying vessel Nexus and will use the Dig-It trencher to bury the cables. The Borssele 1 and 2 offshore wind parks will be located off the coast of Zeeland and will use Siemens Gamesa hardware. Danish offshore wind developer Ørsted SA (CPH:ORSTED) won a tender for the two Borssele areas in the summer of 2016. Construction of the plants is slated to begin in 2020. Earlier this year, Van Oord received a cabling deal for the 731.5-MW Borssele III & IV offshore wind project and also won a tender for the Borssele Wind Farm Site V, an innovation offshore wind project in the Netherlands, under a tie-up with Green Giraffe BV and Investri Offshore BV. Source: renewablesnow

ClassNK releases amendments to class rules
Leading classification society ClassNK has announced that it released amendments to its Rules and Guidance for the Survey and Construction of Steel Ships on 25 October 2018. ClassNK is constantly revising its Rules and Guidance in order to reflect the latest results from relevant research and development projects, feedback from damage investigations, requests from industry as well as changes made to relevant international conventions, IACS unified requirements (UR),
national regulations, etc. As an example of the amendments, taking into consideration that in recent years, as plans for constructing diverse “wind turbine installation ships” used for installing wind turbines have been surfacing, relative provisions need to be clarified regarding their application to such ships. The PDF files of ClassNK Rules and Guidance are available free of charge via ClassNK’s website www.classnk.com for those who have registered for the ClassNK “My Page” service. To register for the “My Page” service free of charge, go to ClassNK’s website and click on the “My Page Login” button.

Self Discharging Bulk Carrier BONTRUP PEARL leaves IJmuiden with the pilot tender AQUI LA attending to collect the pilot.

Superyacht under construction at Royal van Lent shipyard Photo: Capt Gijs Dijkdrenth ©

France calls for Mediterranean Emission Control Area at IMO
France presented the results of its impact assessment of a possible emission control area (ECA) in the Mediterranean Sea aimed at the reduction of harmful ship emissions. The findings show that a combined ECA which addresses sulphur and nitrogen oxides at the same time has the greatest positive effect in terms of reduced air pollutant concentrations as well as corresponding socio-economic and ecological benefits. Environmentalists welcomed the report and renewed their call for the immediate designation of all European waters and particularly the Mediterranean Sea as emission control area for international shipping.

Sönke Diesener, transport policy officer at Germany-based organisation NABU said: “The results are unambiguous; an ECA would result in cleaner and healthier air for the residents in Mediterranean countries. Moreover, the effects for the economy will be positive. Every day six to ten thousand ships are operating in the region while they burn toxic heavy fuel oil. Now we need the cooperation of littoral states to facilitate a Mediterranean ECA at the International Maritime Organisation.” Charlotte Lepitre, health policy officer at France Nature Environment added: “People in northern Europe are profiting since years from higher standards for marine fuels, improving their air quality. France is taking the lead on Mediterranean countries proposing to catch up and protect the citizen’s health, eco-systems and the cultural heritage. Especially as none of the industry’s horror stories of poor fuel availability or service and company shut downs became a reality following the introduction of an ECA in the North Sea or Baltic Sea. Such a step would also establish a coherent European legal framework that prevents market distortions and guarantees a level playing field.” The impact assessment had been presented by France at the International Maritime Organisation during a side event of the Marine Environmental Protection Committee (MEPC) meeting while the full report will officially be published in the next days. The European Commission and the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC) are currently also commissioning respective studies to assess the impact of ECAs in the Mediterranean Sea. In a next step a coalition of Mediterranean countries will have to submit an application to the MEPC which asks for SOx, NOx and particle emission limits for international ships in the Mediterranean Sea.

Source: NABU, FNE

MOL Chooses NAPA’s Performance Monitoring and Analysis Solution for 80 of Its Time-Chartered Bulk Carriers

NAPA, the leading maritime software, services and data analysis provider announced that it has signed an agreement with MOL (Mitsui O.S.K. Lines Ltd.) to provide performance analysis and reporting for 80 of MOL’s time-chartered bulk carriers with NAPA Fleet Intelligence. NAPA Fleet Intelligence combines NAPA’s naval architectural expertise and proprietary data modelling with open source data and MOL’s own reports to produce industry-leading analytics and actionable insights with zero onboard installation. Through its use of NAPA Fleet Intelligence, MOL will receive fleet-wide hull performance analysis, voyage-by-voyage performance reports, and voyage planning that’s entirely cloud-based. This will allow MOL to further enhance its business efficiency by planning its fleet operations with better understanding of individual ship performance, more accurate fuel consumption estimates, and greater clarity on arrival times and voyage duration. NAPA’s voyage reporting software is the first to use the data from noon-reports as well as remote analytics to precisely categorise fuel use into individual categories such as calm sea consumption. It can also identify the causes of increased fuel use, including environmental effects, or hull fouling. The noon-reports are further combined with remote-sensed data such as AIS, chart data and environmental data. This is processed through algorithms and hydrodynamic calculations developed by NAPA’s experts that are based on detailed ship performance models for each vessel type. Toshiaki Tanaka, Managing Executive Officer Mitsui O.S.K. Lines Ltd., commented, “MOL continually strives to be a worldwide leader in the safe and reliable transportation of natural resources. We are proactive in introducing technologies that will provide major contributions to that performance. NAPA Fleet Intelligence provides us with the tools we need to accurately assess the technical and commercial performance of our fleet to a level of detail that was previously unattainable for chartered ships – unless owners had already installed performance monitoring. It also gives us performance reporting that's completely consistent across our entire chartered dry bulk fleet. We look forward to working with NAPA to further develop this tool to deliver the best results.” Naoki Mizutani, Executive Vice President NAPA Shipping Solutions, commented, “The bulk carrier market is a challenging trading environment. With current freight rates where they are as well as an increasing regulatory burden, owners and charterers need every edge they can get. NAPA’s Fleet Intelligence solution provides charterers with the opportunity to evaluate their fleet, fuel use, and prospective voyage routes and their relative profitability in a single platform with no disruption, or additional costs caused by sensor installations. What's more, they can almost instantly access the data at-scale for their entire chartered fleet, adding and removing vessels as time-charterers begin and end.
NAPA Fleet Intelligence brings the power of data-driven business decisions to a wider cross-section of the industry than ever before. Delivered in a single format for all chartered vessels, regardless of the on-board systems installed, NAPA Fleet Intelligence also helps to deliver a more consistent approach and a more efficient and cost-effective chartered fleet. NAPA has a comprehensive suite of performance monitoring products – ranging from the zero-installation Fleet Intelligence model, enhanced by flexible use of possible data sources, up to and including the advanced onboard ClassNK-NAPA GREEN performance monitoring and optimisation solution – that bring a new level of eco-efficiency and business insight for ship owners, operators and charterers at price points suitable for a range of budgets. NAPA Fleet Intelligence reports have been verified against real-world ship performance data collected by NAPA’s on-board vessel performance monitoring systems, and accuracy was found to average around 95%. As an early adopter, MOL will also be contributing to the ongoing development of this 100% cloud-based solution. Source: NAPA

GREY WATER SPILL HIGHLIGHTS NEED FOR MARPOL UPDATE

Reports that a cruise vessel discharged several thousand litres of food waste and grey water into the Great Barrier Reef should send a clear message to the International Maritime Organisation that MARPOL Annex IV needs urgent revision, said Mark Beavis, Managing Director of ACO Marine. While the alleged incident is still under investigation by the Australian Maritime Safety Authority, the pulped slurry could have been transferred from a food waste holding tank to the ship’s grey water holding tank from where it was unintentionally discharged overboard into the protected marine park. The incident occurred on 26th of August 2018. “There are local rules regulating the discharge of ships’ grey water, but there is still no internationally-enforced requirement to prevent the damage that this waste stream can have on the marine environment and, ultimately, human health. Grey water is a such an under-reported threat; much more so than oily water, black water and sewage,” said Beavis. When discharged into the marine environment, the oils, fats, detergents, chemicals, greases, galley waste and micro- and nanoplastics that make up the grey water stream can flood the surrounding environment with nutrients. “It overloads the biological make-up of the eco-system, is being consumed by marine life and is entering the food chain,” said Beavis. In October, researchers at the Medical University of Vienna and the Environment Agency Austria published the results of a study into the amount of microplastic found in human stools. The study, the first of its kind, analysed stool samples from eight participants around the world. None of the participants identified themselves as vegetarian and six ate fish. The samples contained up to nine different plastics of between 50 and 500 micrometres in size. On average, researchers found 20 microplastic particles per 10g of stool. “Up to 5% of all the world’s plastic ends up in the ocean, finding its way into seafood, including tuna, lobster and shrimp,” said Beavis. “A significant amount of this microplastic is being discharged in the grey water generated by the global shipping fleet but, as an industry, we can...
reduce this by simply revising existing legislation. “If we follow the spirit of MARPOL Annex IV, then grey water must be added because it has a far greater environmental and human impact than any other wastewater stream.”

Aderco appoints new Ireland distributor

The world's leading diesel engine fuel treatment company - has appointed Andrew Deacy of Engine-Solutions/CorribHydServices Ltd as its new distributor for Ireland. Ireland has a growing marine industry that includes both Pelagic and inshore fishing vessels that can benefit from Aderco's increasing development of its world-leading fuel treatment products. With a particular emphasis in the country on the environment, the use of a biodegradable product is of growing interest to Irish industries Andrew Deacy sees this new partnership as reaching out to more than just the marine and maritime sectors in Ireland. “We are delighted to be distributing Aderco’s environmentally friendly fuel treatment products in Ireland and will be supporting increasing calls for fuel treatment products from fishing fleets, marine research ships and cargo vessels. One of the other really key sectors in the country is mining and quarrying and we believe Aderco products can make a significant difference in both performance and economy for diesel engines. Along with the widely recognised Irish farming and agricultural industry, we want to demonstrate that fuel treatment is the best
method of ensuring operational excellence.” Peter Stevenson, Managing Director of Aderco UK, sees this as an excellent partnership to develop the company’s presence in the important Irish market. “Andrew Deacy will be an excellent representative for Aderco in Ireland and he has extensive knowledge of our customers in the important fishing, mining and agricultural sectors. With an increasing awareness of the environmental concerns in industry, his knowledge and our fuel treatment products, this will be a superb fit.”

LADY CARINA mooring at Fecamp 23/10/2018 discharging wood

Photo: Emmanuel Godillon ©

NAVY NEWS

the 210m USNS ROBERT E PEARY berthing alongside the MOD Crombie Pier in the Firth of Forth, assisted by the Forth Ports tugs OXCAR on the bow & CRAIGLEITH on the stern. Photo: Alex Gourlay ©

First steel cut for OPV shipbuilding project

The first steel has been cut for Australia’s Offshore Patrol Vessel (OPV) program, which is supplying a fleet of 12 for the Navy. Australian steel is being used for all 12 OPVs. After being prepared and processed in Western Australia, the steel will be delivered to South Australia, where two ships are being built at Osborne by ASC Shipbuilding. Last month, ASC welcomed permanent representatives from German shipbuilder Luerssen to the Osborne Shipyard ahead of the start of fabrication of the first OPV. Luerssen is the prime contractor to supply the 12 new OPVs for the navy, and will work with ASC for building the first two OPVs. Construction of the other 10 vessel will then move to Civmec in WA in 2020. Steelwork is also now underway at Civmec’s new $85 million facility at Henderson, which will be large enough large enough to house multiple OPVs for construction. The facility will also include a blast and paint workshop, undercover storage, offices and carparks. The facility project will reportedly create around 140 jobs. Civmec estimates that, when completed, the facility will provide positions for up to 1,000 workers to work on the OPV project, including 100 new apprentices and trainees. The SEA 1180 Phase 1 OPVs are to replace the 13 Armidale Class Patrol Boats. The primary role of the vessels will be to undertake constabulary missions. The OPVs will be the primary ADF asset for maritime patrol and response duties. Source: manmonthly

Budget watchdog questions Navy’s plan for 355-ship fleet

By: Geoff Ziezulewicz

A federal financial watchdog is questioning whether the Pentagon will ever reach its ambitious goal of a 355-ship Navy.
This month’s report from the non-partisan Congressional Budget Office analyzed the sea service’s strategy of extending the life of current ships while buying more new vessels to hit 355 over the next three decades. The Navy’s latest shipbuilding plan was submitted to Congress in February, its first since 2017. Currently sitting at 285 battle force ships, the Navy plans to buy 301 new vessels between 2019 and 2048. “If the Navy adheres to the schedule for retiring ships outlined in the 2019 plan, it would not meet its goal of 355 ships at any time over the next 30 years,” the report states. As part of its race to 355, the service announced it also wants to extend the life of its destroyers to 45 years — an extra five to 10 years of service — while boosting the service lives of seven attack submarines from 33 years to 43 years, the report states. Those life extensions could get the Navy to 355 by 2034, the CBO notes, “but would fall short of the Navy’s specific goals for some types of ships.” The Navy will grow by more than forty ships over the next five years, the Navy’s Budget director said Monday. But while the fleet will grow rapidly in the near term, the gains will sputter out shortly thereafter. When it comes to cost, CBO cautions that reaching 355 ships would require largely unprecedented amounts of funding from Congress. The Navy’s most recent estimates state it would cost $631 billion over 30 ears, or an average of $21 billion annually. That’s $3.3 billion more per year than the Navy’s 2017 estimates — and it’s still probably not enough. CBO researchers estimate that it likely will cost an average of $26.7 billion annually to buy all the new ships. And other expenses — including refueling nuclear-powered aircraft carriers and outfitting new ships with equipment after they are built — would likely drive the funding needed to about $28.9 billion a year, according to the CBO’s estimates. “It excludes other activities typically funded from the Navy’s budget account for ship construction that would, in CBO’s estimate, add $2.1 billion to the Navy’s average annual shipbuilding costs under the 2019 plan,” the report states. To put into perspective how off the Navy’s estimates might be, this level of funding would be 80 percent higher than the Navy’s average shipbuilding budget over the past three decades, according to CBO. If the Navy received the same average amount of shipbuilding dollars for each of the next 30 years that it has received over the past 30 years, “the service would not be able to afford its 2019 plan,” the CBO report states. CBO’s estimate that the 355-ship plan would cost $26.7 billion annually for new ships alone is nearly double the historical funding average of $13.6 billion, according to the report. It’s also 50 percent more than the average shipbuilding budget of the last six years, “a period of increasing shipbuilding appropriations,” the report states. Source: Navtytimes

SHIPYARD NEWS

Keppel LNG carrier conversions set the benchmark

Keppel workers celebrate completion of work to upgrade Hilli into a floating LNG production vessel

Keppel Shipyard’s experience as the go-to facility for floating LNG production and regasification vessel conversions is in demand once again. In July 2018, Keppel Shipyard once again demonstrated its ability to breathe new life into conventional LNG carriers (LNGC) through conversion. BW LNG contracted the yard to reconfigure its 162,500 m3, 2009-built BW GDF Suez Paris as a floating storage and regasification unit (FSRU). To be completed by the end 2018, the project will be the Singapore yard’s fourth and the world’s sixth FSRU conversion. Sembawang in Singapore and Drydocks World Dubai are the only other yards to have completed an LNGC-to-FSRU conversion. Keppel has another LNG conversion feather in its cap. Last year, the yard completed the transformation of the 1975-built, 125,000 m3 LNG carrier Hilli into Hilli Episeyo, the world’s first converted floating LNG production (FLNG) vessel. The LNG carrier FSRU and FLNG projects augment the Singapore facility’s extensive experience in the conversion of oil tankers into floating production storage and offloading (FPSO) and floating storage and offloading (FSO) vessels Keppel is also an established player in the repair of
LNG carriers, handling everything from routine drydockings to more rigorous life-extension projects. The yard handled its first LNGC repair in 1990 and, in the early days, was known for its expertise in the repair of Moss spherical tank LNGCs. However, GTT membrane tank cargo containment systems are now featuring much more prominently in the annual tally of completed projects. The workload aligns with the growing popularity of membranes, to the extent that membrane-tank ships now account for 70% of the global LNGC fleet. In addition to the LNGC repair work it carries out in Singapore, Keppel is a partner in another major LNGC servicing facility. Operated by the Nakilat-Keppel Offshore & Marine (N-KOM) joint venture, the Erhama Bin Jaber Al Jalahma Shipyard is a purpose-built facility located in the Qatari port of Ras Laffan, across the harbour from the country’s large LNG export complex. Nakilat, with a fully- or part-owned fleet of 65 LNGCs, four large LPG carriers and an FSRU, is a major customer of N-KOM’s gas carrier repair services. However, a number of other LNGC owners, including Shipping Corporation of India (SCI), Maran Gas Maritime, Teekay, Shell, Mitsui OSK Lines, K Line and NYK Lines, also make use of the Ras Laffan yard for scheduled drydockings. N-KOM handled its first LNGC repair in April 2011 and since that date has successfully delivered in excess of 800 marine and offshore projects of all types. Between them, Keppel Shipyard and N-KOM handle more than one-third of the world’s routine LNGC drydockings each year. “The capital cost of the Hilli Episeyo project highlights the attractiveness of FLNG conversions as a route to rapid and cost-effective LNG exports from relatively small gas fields in remote, offshore locations” BW LNG is having BW GDF SUEZ PARIS converted into a floating regas vessel at the Keppel yard in Singapore on a speculative basis. The vessel is to be provided with the capacity to regasify up to 5.6MT tonnes per annum (mta) of LNG, a healthy output level even for a newbuilding FSU. There is currently a resurgence of interest in such vessel upgrade contracts, as LNGC conversions offer an even quicker and cheaper route to LNG import project realisation than FSU newbuildings. Cost is a critical factor in any endeavour but is particularly so for those LNG projects where initial import requirements are likely to be modest and the development of market demand slow and uncertain. For example, the Alexandroupolis FSU scheme in northern Greece, the Croatia LNG initiative tabled for Krk Island and Total’s plan for an LNG terminal at Vridi near Abidjan in Ivory Coast are proposed projects for which FSU conversions are said to be an attractive option, due to the pressure to adhere to tight budgets. As regards Keppel’s BW GDF SUEZ PARIS contract, conventional thinking has it that older LNGCs make the best FSU conversion candidates. As ageing LNGCs do not command freight rates as high as those offered to newer vessels in conventional trading, a switch to regasification duties offers a veteran a new lease of life, as well as a healthy and steady late-in-life revenue stream for the owner. Yet BW GDF SUEZ PARIS, a GTT NO 96 membrane tank ship built by Daewoo Shipbuilding & Marine Engineering (DSME), is not that old. Also, it is powered by a dual-fuel diesel-electric (DFDE) propulsion system, an arrangement that still commands relatively healthy freight rates in the conventional LNGC sector. In fact, four-stroke DFDE propulsion systems are favoured for FSUs, even recently contracted newbuildings. The improved fuel consumption figures provided by the new generation of dual-fuel, two-stroke engines are not so critical for regas vessels, due to the predominantly stationary nature of their employment. Because the DFDE propulsion system only began to make its mark in the LNGC fleet midway through the previous decade, ships so powered are relatively young. Thus, there should be no need to carry out an extensive design evaluation of the ship structure and membrane tank containment system if considering such a vessel for an FSU conversion. The new intended service life as a regas vessel should not exceed the 40 years’ fatigue life to which the cargo containment system has been designed. Those membrane tank ships whose cargo containment system was provided with enhanced reinforcements at the newbuilding stage, in order to minimise the risk of sloshing damage, would be looked upon with special favour as an FSU conversion candidate. The converted FSU’s power plant will also need to be able to handle the excess boil-off gas (BOG) volumes generated during the ship-to-ship transfers of LNG from the delivery tanker. The possibility of these likely BOG volumes being over and above the ability of the vessel’s gas combustion unit (GCU) to cope with will need to be studied before proceeding with a conversion. Solutions include a re-evaluation of the membrane tank containment system, to see if the tanks could be safely assigned a higher maximum vapour pressure rating (of up to 0.7 bar) and the provision of a means to oxidise any excess vapour still arising. Golar LNG gave Keppel Shipyard the go-ahead to commence work converting its Moss spherical tank LNG carrier Hilli into an FLNG vessel in August 2014. The project, which was completed in September 2017, served to strengthen Keppel’s ties with Golar, as all three of the FSUs conversions handled by the yard to date were for this shipowner. Following testing and associated commissioning procedures, the FLNG vessel commenced commercial operations in benign waters 14 km off the coast of Cameroon in West Africa in June 2018. Hilli Episeyo is moored by means of an external frame turret arrangement which allows it to weathervane. Cargo transfers to loading LNGCs are being carried out with the two vessels positioned side-by-side (SBS). Hilli Episeyo is only the LNG industry’s second FLNG vessel to go into service, following the pioneering Petronas floater PFLNG Satu. A newbuilding FLNG vessel, PFLNG Satu was ordered in March 2012 and began producing LNG at its station off Malaysia’s Sarawak coast in December 2016. The conversion of a spherical tank LNGC into an FLNG vessel has both advantages and disadvantages. Chief among the advantages is the robustness of the cargo containment system; the aluminium spheres are not prone to cargo sloshing damage, irrespective of the tank filling level. The main disadvantage with the conversion of a spherical tank ship is the lack of main deck space to mount all the required liquefaction and...
associated process equipment. On Moss ships, most of the top half of each spherical cargo tank protrudes above the main deck. Golar and Keppel got around this problem by constructing large sponsons on each side of Hilli, according to a design patented by Moss Maritime, the developer of the ship’s spherical tank containment system. Each of Hilli Episeyo’s two sponsons is 206 m long and 10.5 m wide. Among the modules that Keppel mounted on these structures were four Black & Veatch liquefaction trains, each able to produce 0.6 mta of LNG. Among the 37,000 tonnes of new steel and equipment that Keppel added to Hilli Episeyo were 9,000 tonnes of process equipment and 8,900 tonnes of steelwork, utilised in the fabrication of the sponsons and the bow mooring structure. The shipyard also pulled 1,800 km of new cabling onboard and installed 250 MW of power-generating equipment. From a manpower point of view, 4,300 Keppel and subcontractor personnel attended the vessel during the three-year conversion project. A total of 15M man-hours were logged through to project completion. Keppel completed regas plant installation work on Golar Spirit, the world’s first FSRU conversion, in June 2008

The capital cost of the Hilli Episeyo project in Cameroon is put at US$1.2Bn, yielding a very low cost per tonne of LNG produced and highlighting the attractiveness of FLNG conversions as a route to rapid and cost-effective LNG exports from relatively small gas fields in remote, offshore locations. Comparisons with tonnes per annum (tpa) costs of other LNG liquefaction projects, both onshore and offshore, show that the Cameroon scheme’s cost of US$500/tpa is a best-in-class performance. The figure is below even that for a low-cost, integrated onshore project where a new train is added to an existing export terminal. In this case, the availability of a ready-made, company-owned LNGC hull and the use of the Black & Veatch low-weight, single-mixed refrigerant liquefaction technology were key contributors in achieving the low-cost performance. Another factor was the availability of a specialised facility like Keppel Shipyard, where the necessary skills and resources for a complex conversion project are readily to hand. Fabricating a complete floating liquefaction facility at dedicated premises also avoids the many challenges associated with erecting a plant in remote onshore locations. Golar LNG has two further spherical tank LNGCs in its fleet, both of similar age to Hilli, which it has earmarked as future FLNG conversion candidates. Keppel has a standing agreement with Golar under which the Singapore yard will handle any further FLNG conversions that may be required. While Fortuna LNG - a planned Equatorial Guinea export facility at dedicated premises also avoids the many challenges associated with erecting a plant in remote onshore locations. Golar LNG has two further spherical tank LNGCs in its fleet, both of similar age to Hilli, which it has earmarked as future FLNG conversion candidates. Keppel has a standing agreement with Golar under which the Singapore yard will handle any further FLNG conversions that may be required. While Fortuna LNG - a planned Equatorial Guinea export project seeking to make use of a converted Golar LNGC - appears to have stalled, another possible scheme gathering strength and weighing up the converted FLNG option is the joint Mauritania/Senegal initiative to develop the offshore Tortue field. BP is leading the 2.5 mta Tortue project and has struck a preliminary deal with Golar covering the provision of an FLNG vessel. Golar has identified Gimi, a sister ship to Hilli, as the most likely conversion candidate for this scheme. BP and project partner Kosmos Energy have indicated that a final investment decision (FID) on Tortue by the end of 2018 is the target, to enable the Golar floater’s first LNG to flow before the end of 2021. For its part, Golar points out that the success of Hilli Episeyo has stirred interest in its FLNG conversion technology and that other possible projects are being assessed. The evolving scenario could reap major rewards for Keppel. In September 2018 Keppel further strengthened its ties with GTT when it signed a technical assistance and license agreement (TALA) with the designer of the market-leading Mark III and NO 96 LNG membrane containment systems. Under the terms of the agreement, the global network of 17 shipyards under the Keppel Offshore & Marine (Keppel O&M) group umbrella will be able to offer GTT’s LNG membrane systems in projects involving the design, construction and maintenance of LNGCs, LNG bunker vessels, LNG-fuelled vessels and FSRUs. The shipyards within the Keppel O&M group are involved in not only LNGC repairs and conversions but also the construction of LNGC, LNG bunker vessel and LNG-fuelled ship newbuildings.

**Navy earmarks nearly $55 million for 140-ton shipyard crane**

The Navy has awarded a contract of nearly $55 million for a 140-ton crane at the Portsmouth Naval Shipyard. The contract with Konecranes Nuclear Equipment and Services is part of the Navy’s plan to extend the life of up to seven Los Angeles-class attack submarines at the shipyard. The crane will allow workers to safely refuel the submarines with new reactor cores. Sens. Susan Collins and Angus King of Maine said they welcomed the investment in the shipyard’s future. A Congressional Budget Office report released this month raises questions about if and how the Navy will ever achieve the growth laid out in a report to lawmakers earlier this year. The funding for the new crane was provided in the defense appropriations bill signed into law in September. A separate military spending bill signed into law last month provides $40 million to extend a rail system that’s needed to support the crane.

**Reward offered for info about fire at Gulf Coast shipyard**

There’s a $10,000 reward up for the arsonist who set two large structures on fire at a Mississippi Gulf Coast shipyard.
The fire that caused about $2.5 million in damages at a Moss Point shipyard is being investigated as an arson case. The Sun Herald reports two large buildings at VT Halter Marine were set on fire in September. Who started it, and why, remain unknown. Reward money is being offered by the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Mississippi State Fire Marshal's Office to the person who gives information that leads to an arrest and conviction. VT Halter Marine provides shipbuilding services in the U.S. and to international markets. 

**SOURCE: Macon**

**ROUTE, PORTS & SERVICES**

The 2013 built **AIDASTELLA** seen berthed in the port of Ajaccio Photo: David A. Bowley, hull inspector.

**Havenbedrijf Rotterdam tekent investeringsovereenkomst voor participatie in haven van Pecém**

Op 24 oktober tekenden Allard Castelein, CEO Havenbedrijf Rotterdam, en Camilo Santana, Gouverneur van de Braziliaanse deelstaat Ceará, de investeringsovereenkomst voor participatie van het Havenbedrijf Rotterdam in Pecém. Hierin staat beschreven dat het Havenbedrijf Rotterdam zo’n 75 miljoen euro investeert in 30% van de aandelen in het havenindustrieel complex van Pecém. Ook krijgt het Havenbedrijf Rotterdam gezamenlijke zeggenschap over strategische- en investeringsbeslissingen en posities op directie-, Raad van Commissarissen- en managementniveau. Allard Castelein, the CEO of the Port of Rotterdam Authority, and Camilo Santana, Governor of the Brazilian state of Ceará, sign an investment agreement regarding the Port of Rotterdam Authority’s participation in the development of the port of Pecém.
Allard Castelein (l.), CEO Havenbedrijf Rotterdam, en Camilo Santana, Gouverneur van de Braziliaanse deelstaat Ceará ondertekenen de investeringsovereenkomst voor participatie van het Havenbedrijf Rotterdam in Pecém. De definitieve overeenkomst tot participatie wordt naar verwachting voor het einde van het jaar afgerond. ‘Participeren in de haven van Pecém is een mooie kans. Deze haven heeft groeipotentie en kan door haar strategische ligging uitgroeien tot logistiek en industriële knooppunt van Noordoost-Brazilië, hetgeen kansen biedt voor internationale handelsstromen en investeringen vanuit Europa’, aldus Allard Castelein, CEO Havenbedrijf Rotterdam. Met een gemiddelde groei van 22% in de afgelopen 10 jaar is Pecém een snelgroeïrende haven. Het havenindustrieel complex van Pecém bestaat uit tal van logistieke en industriële bedrijvigheid zoals een containerterminal, energiecentrales, staalfabriek en windmolenfabrikanten. Wat Pecém daarnaast aantrekkelijk maakt, is dat een groot deel van de benodigde infrastructuur van het havenindustrieel complex (golfbrekers, ligplaatsen, grond, et cetera) reeds aanwezig is. De deelstaat Ceará heeft afgelopen tijd geïnvesteerd in het aangaan van verschillende internationale samenwerkingsverbanden om de regio verder als internationale hub van Noordoost-Brazilië te ontwikkelen. Zo opereert het Duitse bedrijf Fraport de luchthaven van Fortaleza en zijn in mei 2018 luchtvaartmaatschappijen Air France/KLM in partnership met GOL gestart met vliegen op deze luchthaven. Ook worden er onderzeese datakabels aangelegd voor telecommunicatie, die Noordoost-Brazilië verbinden met Afrika en de Verenigde Staten. Door de samenwerking met het Havenbedrijf Rotterdam wordt de haven van Pecém ontwikkeld tot maritiem knooppunt van Noordoost-Brazilië. Camilo Santana, Gouverneur van de Braziliaanse deelstaat Ceará, is verheugd: ‘We vieren de partnership tussen de staat Ceará en de haven van Rotterdam, de grootste haven van Europa en één van de grootste havens in de wereld. Ik ben er absoluut van overtuigd dat de inwoners van Ceará het meest zullen profiteren van het partnership, wat zal leiden tot meer werkgelegenheid en beter inkomen.’

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**België zoekt stroomschepen tegen black-out**

De Turkse marktleider Karadeniz kan in twintig dagen een drijvend stroomplatform uit de Middellandse Zee naar België slepen en heeft veertig dagen nodig om een stroomschip uit het Verre Oosten naar hier te varen. Samen zijn de twee stroomschepen goed voor een capaciteit van 360 megawatt. De maanden nadien kan het bedrijf de capaciteit opdrijven tot 900 megawatt. "We hebben gesprekken met twee energieleveranciers en houden contact met de Belgische overheidsdienst van Energie", bevestigt John Cockin, vicepresident Europa bij Karadeniz, aan De Tijd. Engie Electrabel bevestigt dat de piste bekeken wordt, maar wil niet meer details kwijt.

**Bron HLN**

The **LYDIA D** off Maassluis  Photo : Nico Ouwehand ©

### Ship operating costs expected to rise in 2018 and 2019

International accountant and shipping consultant Moore Stephens says total vessel operating costs in the shipping industry are expected to rise by 2.7% in 2018 and by 3.1% in 2019, according to our latest survey. Responses to the firm’s latest annual Future Operating Costs Survey revealed that drydocking is the cost category likely to increase most significantly in both 2018 and 2019, accompanied in the latter case by repairs and maintenance. The cost of drydocking is expected to increase by 2.1% in 2018 and by 2.3% in 2019, while expenditure on repairs and maintenance is predicted to rise by 2.0% in 2018 and by 2.3% in 2019. The increase in expenditure for lubricants is expected to be 1.9% in 2018 and 2.1% in 2019. Meanwhile, projected increases in spares are 1.9% and 2.2% in the two years under review, while those for stores are 1.6% and 1.9% respectively. The survey also revealed that the outlay on crew wages is expected to increase by 1.3% in 2018 and by 1.9% in 2019, with other crew costs thought likely to go up by 1.5% in 2018 and by 1.8% in 2019. The cost of hull and machinery insurance is predicted to rise by 1.3% and 1.6% in 2018 and 2019 respectively, while for protection and indemnity insurance the projected increases are 1.2% and 1.4% respectively. Management fees, meanwhile, are expected to increase by 1.0% in 2018, and by 1.2% in 2019. The predicted overall cost increases were once again highest in the offshore sector, where they averaged 4.1% and 4.2% respectively for 2018 and 2019. By way of contrast, predicted cost increases in the bulk carrier sector were 1.8% and 2.6% for the corresponding years. Operating costs for tankers, meanwhile, are expected to rise by 2.4% in 2018, and by 2.9% the following year, while the corresponding figures for container ships are 4.2% and 3.8%. Respondents to the survey highlighted various areas of concern likely to result in increased operating costs over the next two years. Regulation was high on the list, with...
one respondent noting: “New regulations will lead to extra costs for all owners, for example the Ballast Water Management Convention and IMO’s 0.50% global limit on the sulphur content of fuel oil used on board ships.” On the subject of crew costs, one respondent said, “We do not expect any major variations in 2019. Basic crew wages for Filipino seafarers, however, will come under review in this period, and we may see some increase there.” Fuel costs were referenced by a number of respondents. “The cost of fuel treatment equipment will increase in the next two years,” said one, while another remarked, “The Sulphur 2020 Rules will have a significant impact.” One respondent noted, “Maintenance in general has been somewhat on hold, and we will see a correction in that in 2018 and 2019,” while another said, “We will see an increase in costs for automation and communications, not least because electronics have a shelf life.” On a more general level, respondents voiced concerns about environmental issues, trade wars, the cost of securing finance, and the global economic recession, all of which were perceived to have the potential to result in increased operating costs. Overall, the cost of new regulation was identified as the most influential factor likely to affect operating costs over the next 12 months, at 23%, up from equal third place at 15% last year. 18% of respondents identified finance costs in second place, down from 20% and first place last year. Competition ranked in third place at 15% as it had last year. Meanwhile crew supply fell to 12% compared to 19% and second place in last year’s survey. Richard Greiner, Moore Stephens partner, Shipping and Transport, says, “The predicted 2.7% and 3.1% increases in operating costs for 2018 and 2019 respectively compare to an average fall in actual operating costs in 2017 of 1.3% across all main ship types recorded in the recent Moore Stephens OpCost study. “One year ago, expectations of operating cost increases in 2018 averaged 2.4%, so the increase now in that expectation to 2.7% must be regarded as sobering – if not unexpected – news. Projected increases in operating expenditure are part and parcel of the workings of any industry, and must be factored into budget projections. But these latest predicted increases, whilst a cause for concern, should not unduly surprise or concern shipping, an industry which has seen – and in many cases endured – much larger increases during the past decade. “New regulations were included this year for only the second time in the life of the survey among the list of factors which respondents could cite as most likely to influence the level of operating costs over the next 12 months. This has proved to be a timely addition, with 23% of respondents citing new regulation as an influential factor, ranking it in first place. The Ballast Water Management Convention (BWM) and Sulphur 2020 are the major items on the list of incipient shipping legislation, but the industry is becoming more tightly regulated generally in terms of both safety and environmental responsibility, so compliance with evolving national and international regulation is likely to remain a significant item in operating cost analyses and projections for the foreseeable future. “The fact that drydocking emerged as the cost category likely to increase most significantly in both 2018 and 2019 is unsurprising, given the need to comply with the existing and emerging regulatory framework within which the industry is being obliged to operate. The same may be said of repairs and maintenance, where any previous delay in attending to items of a non-critical nature will need to be addressed. Estimates relating to the likely increase in the cost of lubricants over the two-year period, meanwhile, are towards the higher end of the survey scale, which is in line with a predicted rise in oil prices this year and next. “Expected increases in the price of hull and machinery insurance are up on estimates made 12 months ago but, due to the highly competitive nature of the market, cannot be regarded as an entirely reliable bellwether. Estimates of protection and indemnity cost increases are also up, perhaps reflecting increased management costs and the possibility that the market’s recent benign large claims experience may not be repeated over the next couple of years. “Elsewhere, there were some interesting predicted cost increases in the individual market sectors. The offshore industry, for example, is predicted to be facing increases of 3.1% in repairs and maintenance for 2019, compared to the 1.9% predicted for tankers. Indeed, the offshore sector is expected to face the biggest increases in operating costs in 2019 in every category of expenditure covered by the survey. “One could argue that the level of predicted operating cost increases for 2018 and 2019 ought to be manageable in a competitive, viable industry environment. Nobody doubts shipping’s essentially competitive nature, but the issue over viability is less clear-cut. “Shipping has held up well during a ten-year economic downturn, and investors continue to express confidence in the industry’s potential for profit. Sadly, some good companies have gone to the wall over the past decade but, overall, the industry has become leaner by virtue of having let market forces function as they should. Yet market intelligence and common sense suggest that freight rates still need to improve significantly in order for shipping to start making the sort of money it should command in light of the vital role it plays in international trade and commerce. “The more money that shipping makes, the more comfortably it can meet its operating expenses. Increases in operating costs must be expected, and budgeted for. Those costs may change in nature, because new technology is already helping to reduce outgoings in some areas, while on the other side of the coin there is the evident need for technological investment to combat the likes of cyber-crime. “There are more 1s involved in the shipping industry than there are in Kipling’s poem. If freight rates go up, if world trade increases, if political tensions and trade wars allow, if China continues to flourish, if oil prices rise, if stock markets hold their nerve, if Brexit means Brexit, if Brexit means something else, then shipping will be in a position to reap the benefits. It will require good management, good judgement, good research, good advice and good luck. And it will require good husbandry. As Benjamin Franklin said, “Beware little expenses; a small leak will sink a great ship.”
Arctic offshore production wells approved off Alaska’s coast

By DAN JOLING

he first oil and gas production wells in federal Arctic waters have been approved by U.S. regulators. The Bureau of Ocean Energy Management on Wednesday announced it issued a conditional permit for the Liberty Project, a proposal by a subsidiary of Houston-based Hilcorp for production wells on an artificial island in the Beaufort Sea. The approval follows through on President Donald Trump’s promise of American energy dominance, said Interior Secretary Ryan Zinke. “Responsibly developing our resources, in Alaska especially, will allow us to use our energy diplomatically to aid our allies and check our adversaries,” he said in the announcement. Environmental groups oppose Arctic offshore drilling and have expressed concerns about the production record of Hilcorp Alaska LLC. State authorities in 2017 year fined the company $200,000 for violations at another production site Kristen Monsell, ocean legal director for the Center for Biological Diversity, said approval of Liberty sets the country down a path of destroying the Arctic. “An oil spill in the Arctic would be impossible to clean up and the region is already stressed by climate change,” she said. The gravel island would be built in 19 feet (5.8 meters) of water about 5.6 miles (9 kilometers) off shore. The site is 15 miles (24 kilometers) east of Prudhoe Bay, North America’s largest oil field. Hilcorp will develop federal leases sold in the 1990s. BP Exploration Alaska drilled at the site in 1997 and sold 50 percent of the assets to Hilcorp in 2014. The base of the gravel island would cover 24 acres of ocean floor, about the size of 18 football fields, with sloped sides leading to a work surface of 9 acres, the size of nearly seven football fields. To create the island, trucks would travel by ice road to a hole cut in sea ice and deposit 83,000 cubic yards (63,450 million cubic meters) of gravel. A wall would fend off ice, waves and wildlife, such as polar bears. The surface would have room for 16 wells, including five to eight conventional production wells. At peak production, Hilcorp anticipates extracting 60,000 to 70,000 barrels per day for a total recovery of 80 million to 130 million barrels over 15 to 20 years. Hilcorp proposes to move oil to shore by undersea pipe. The pipe would be buried to prevent gouging by ice. At the end of production, the company would remove equipment and the wall and let waves and ice dismantle the island. Liberty would be the 19th artificial drilling island in Alaska, including four now pumping oil from state waters. Federal officials said rigorous conditions will be in place to keep drilling safe. Hilcorp will drill into oil-bearing rock only during solid-ice conditions. Drilling and vessel traffic will be restricted to reduce disturbances to Inupiat whale hunters. State officials embraced the project for the new oil it would add to the trans-Alaska pipeline and the employment it will offer residents. Hilcorp Alaska estimates 200 construction jobs, 60 to 80 drilling jobs and $1 billion in new
investment. David Wilkins, Hilcorp Alaska senior vice president, said the company is pleased with the announcement. “The Record of Decision is the result of years of study and due diligence by multiple federal, state and local agencies and the project team,” he said in a prepared statement. “If granted final approvals, the Liberty Project will provide decades of responsible resource development and strengthen the energy future of Alaska and the United States.”

The MSC FANTASIA cruise ship seen berthed in Ajaccio, Corsica.

Photo: David A. Bowley, hull inspector ©

Canadian LNG project to go ahead in 2019

A small liquefied natural gas project north of Vancouver is poised to move to construction in the first quarter of 2019, adding momentum to Canada’s efforts to become a significant exporter of the supercooled fuel. “We’re hoping to move to a notice to proceed to construction in Q1 (of 2019),” Woodfibre LNG President David Keane told Reuters on Tuesday. “It will be sometime in February or March.” Woodfibre LNG is a relatively small project at 2.1 million tonnes per annum (mtpa), but was long touted as the front runner to get Canadian natural gas to Asian markets, where demand for the fuel is booming. It was given the go-ahead in 2016, but then delayed as the company worked through a number of issues. Keane said the project is nearly there - the company is just working with engineering contractor KBR Inc on reducing costs and awaiting a November decision on import tariffs on fabricated steel components, used for LNG liquefaction units. “We’ve been very clear as an industry that there is no capability in Canada to build these large, complex modules,” Keane said. “We feel that the federal government will be fair.” Once a construction decision is made, the project will be completed in roughly four years, ensuring first shipments of the supercooled fuel by 2023. LNG Canada, which will produce some 14 mtpa further north in the town of Kitimat, British Columbia, has said it expects to be shipping fuel before 2025. Source: themeditelegraph.

Jan De Nul names offshore installation vessel Taillevent

In the Belgian port of Ostend, Jan De Nul Group named today its newest offshore installation vessel Taillevent. Miss Pauline Stassijns, granddaughter of Director Dirk De Nul, baptised the vessel and wished her success and a safe journey. The De Nul family, employees and their guests attended the christening. On 18 July 2018, Jan De Nul Group acquired this offshore installation vessel, at that time MPI Discovery, from the Dutch company Vroon Group. The 2011 built Taillevent is designed specifically for the transport and installation of offshore wind turbines and their foundations. It is also perfectly suited to other offshore sectors, such as the oil and gas industry. The vessel is equipped with six spuds to lift the vessel out of the water in order to be able to work in stable conditions. The Taillevent is 140 meters long and can operate in up to 40 metres of water depth. Furthermore, this installation vessel has an on-board crane with a lifting capacity of 1,000 tonnes and an auxiliary crane of 50 tonnes. Jan De Nul Group has executed several offshore wind projects in Belgium, the United Kingdom, Sweden, Denmark, Finland and Germany. Last spring, Jan De Nul secured its first offshore wind projects outside Europe: the design and installation of the offshore wind parks Changhua and Formosa 1 Phase 2, the very first
offshore wind farms in Taiwan. More specifically in Belgium, Jan De Nul installed the Nobelwind farm with 50 turbines of 3.3MW each in 2016. In 2019, the Group will commence with the installation of the Northwester 2 wind farm with 23 turbines of 9.5MW each, the largest offshore wind turbines in the world. **Source : Portnews**

The **FORTITUDE** departing from IJmuiden

*Photo : Piet Sinke [www.maasmondmaritime.com](http://www.maasmondmaritime.com) (c) CLICK at the photo!

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