

DAILY SHIPPING NEWSLETTER



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EVENTS, INCIDENTS & OPERATIONS

USCG seizes Evergreen records

A US Coast Guard investigation has seized equipment and vessel records from Evergreen container ships, after discovering pipes on several vessels with the potential to bypass pollution control equipment. Evergreen ships have used these bypass pipes to deliberately rig ships to dump oil in the Columbia River in contravention of the MARPOL convention, according to Washington state senator Patty Murray. USCG inspections in the ports of Tacoma, Portland and New York, carried out between May 14 and May 16, found four Evergreen ships fitted with the suspicious pipes that could bypass the oily water separator. The Department of Justice is currently preparing its case based on evidence collected by the USCG. The investigation was sparked by a mystery spill of around 500 gallons of fuel oil in the Columbia River in March, samples of which matched fuel carried by Evergreen's 3,428 TEU container ship Ever Group. An Evergreen spokesman said the company is co-operating fully in the investigation and acknowledges the discovery of pipes "that we have been told may have been used for [dumping oil]."

Djakarta Lloyd ends foreign loans

INDONESIAN state owned operator Djakarta Lloyd is to take on no new foreign loans this year because it fears the increased debt would "make the company's financial position even worse". In a statement issued today, the company said it was trying to raise income by chartering out five 1,600 TEU vessels and will restructure \$85M in loans from foreign banks later this year. The communications ministry has recommended that Djakarta Lloyd should focus on carrying cargo while PT Pelni should concentrate on passengers.

Sun salvors finish styrene pumping

DUTCH salvor Smit International has completed pumping out the styrene remaining in the tanks of the Italian chemical tanker Levoli Sun which sank off Cherbourg last October, the French Ministry of Transport has announced. However, the ministry stressed that Smit has pumped only 3,012 m³ of styrene, when 4,492 m³ were on board at the time of the casualty. "About 1,500 m³ were either lost into the sea during the sinking or are still trapped in the ship, in tanks or in the double bottom," the ministry said. Smit is now turning its attention to the ship's fuel, which will also be pumped out. The balance of the cargo, which consists of non-toxic products will be carefully released into the sea.

P&ON brings Houtman to Hong Kong

P&O Nedlloyd is introducing a new class of ship into the Asia/Europe services of the Grand Alliance.

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The latest of a series of four new "whale class" vessels will be named at a gala ceremony in Hong Kong on Thursday June 7 by Josje Speld, wife of Remi Speld, P&O Nedlloyd's director region Asia. The vessel will bear the name P&O Nedlloyd Houtman after a Dutch pioneer of trade between Asia and Europe.

With a length of 300 metres and a capacity of 6,800 TEU, the Dutch-registered ship is one of four identical vessels joining the P&O Nedlloyd fleet this year.

Hyundai Heavy Industries Co. Ltd in Korea has built the new class of ship to rigorous specifications. The vessels have been equipped with the most modern technology available and will enhance P&O Nedlloyd's operational efficiency, service speed and schedule reliability.

Smit completes Bleo Holm FPSO lifts

Asian Hercules II, one of the world's largest floating sheerlegs cranes, arrived in the Tyne on April 22 to perform heavy lifts at McNulty Offshore's South Shields yard.

Under conversion at McNulty's yard is the Floating, Production, Storage and Offloading (FPSO) vessel Bleo Holm. In the first half of 1998, Smit Maritime Contractors installed this Bluewater Engineering FPSO newbuilding in the Ross/Parry Fields (Talisman Energy), some 60 miles off Aberdeen. The FPSO is now undergoing conversion works prior to deployment at a new location, in the Blake Field.

Smit Transport & Heavy Lift won the contract to lift three new modules at South Shields, in preparation for the second phase of the Bleo Holm's operational life.

Asian Hercules II's scope of work consisted of the hoisting, transport and installation of the 621 tonnes Water Injection Module, the 192 tonnes Gas Compression Module and the 173 tonnes Produced Water Module. These modules were delivered on the quay, within the sheerlegs' outreach.

The big sheerlegs, upon arrival on Sunday April 22, moored at Commissioner's Quay. Preparations were finalised for lifting operations in the A-frame, utilising a lifting frame with a capacity of 1,800 tonnes and dimensions of 18.9 m x 9.7 m.

During the next day, Asian Hercules II moved to the McNulty quayside, lifted the Water Injection Module and positioned this unit on the FPSO. Hook load was increased in stages of 50 tonnes. The second and third lifts involved the installation of the Produced Water Module and the Gas Compression Module. The last lift was a complex operation - the Gas Compression Module consists of two pallets and required an eight-point lift provided by the special frame.

Great precision was required throughout the series of lifts, with free space down to as little as 18 cm during the operations. Asian Hercules II completed the programme on April 25 and prepared for the return to her home port of Rotterdam.

FPSO lifts are a major market for Smit's sheerlegs fleet. Smit is no stranger to McNulty's yard. During 1998, for example, the sheerlegs Taklift 7 called at the South Shields yard on three occasions to install modules and other units for the Banff FPSO, the FPU Janice A and the Pierce Field FPSO.

Immediately prior to the visit to the Bleo Holm at South Shields, Asian Hercules II performed a major lift at the Huisman Yard in Rotterdam. This involved the installation of a pipelay ramp - weighing in at 1,100 tonnes - on the deepsea pipelayer CSO Deep Blue. The ramp was lifted from its supports on the quayside, rotated 90 deg. and installed on the pipelayer. The lift was carried out on April 18.

Forward projects for Smit Transport & Heavy Lift include the installation, in June, of a new pedestrian bridge in Nantes. The bridge, built by construction group Joseph Paris, spans the Loire river. The bridge - which will move with the tide - has been fabricated in three sections. They will be lifted over

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trees with a height of up to 18 m. Two sections have a length of 49 m and a weight of 135 tonnes each. The 56 m long centre section has a weight of 155 tonnes. Rigged with a 20 m flyjib, the sheerlegs Taklift 3 (400 tonnes lift capacity) has been earmarked for this assignment.

KT&T sell container vessel

Keppel Telecommunications & Transportation (KT&T) have sold the MV **Kimanis**, a 923-TEU container vessel built in 1993, to Merit Gemicilik Ve Ticaret Limited Sirketi of Turkey for USD 11.8 million.

MV **Kimanis** is the fourth vessel in KT&T's fleet sold to-date in line with the group's schedule to complete the divestment of all its vessels by year-end. Last month, the product tanker **Steamers Aries** was sold; and, last year **MT Pelicin**, a lub oil barge, and the containership **MV Kedah** were sold.

The spin-offs are in line with the group's policy to move away from asset-based investment holding to knowledge-based network engineering and Information Technology services.

MISC in spending spree

MALAYSIAN International Shipping Corp is joining the post-panamax boxship race ordering four 7,200 teu ships, and is also set confirm a sixth LNG carrier option.

The order was announced by MISC managing director, Datuk Mohd Ali Yasin, when revealing a 21.4% leap in pre-tax profits to M\$1.43bn (US\$376m) for the year ending March 31, 2001.

No yard was named to build the four 7,200 teu ships, which are to be delivered in 2003 and 2004. The newbuildings are in line with similar orders by MISC's Grand Alliance partners Overseas Orient Container Line and Hapag Lloyd.

Mr Mohd Ali said that MISC wanted to increase its capacity in the Grand Alliance and intended to maintain its 4.8% share of slot capacity.

The company currently has 27 containerships with the largest size of 4,500 teu capacity.

MISC's turnover was up 9% to M\$5.85bn compared with M\$5.35bn for the corresponding 12 months ending March 31, 1999.

"The increase was due to a number of factors, including the increased freight rates and the divestment of some of our non-core activities," Mr Mohd Ali said.

Non-core activities included IT, property development, and travel and ferry services.

Liquefied natural gas shipping continues as MISC's core revenue and profit driver. The world's largest owner of LNG carriers, LNG shipping accounted for 80% of the company's profit and 40% of revenue.

The company has five LNG carriers on order at an estimated total cost of US\$860m.

MISC has until next month to declare a sixth option at Japan's Mitsui yard. "But we don't have to wait for June," Mr Mohd Ali said. That would bring the fleet to 19 LNG carriers by 2005.

"Although shipping is among the first to be affected by the global economic slowdown, we are still positive because of the continued strong growth demand for LNG for the next 10-15 years at least," he said.

The group says this year it plans to expand into new markets for LNG in India, the US, Iran, China and Norway.

CASUALTY REPORTING

MARINE

DUOBULK (NIS)

Tallinn, May 25 — *Mv Duobulk* sustained paint damages and several minor dents to her bottom plating. Class Inspectors required no repairs to be effected and she has proceeded. — Lloyd's Agents. (See issue of May 23.)

GEM (United Kingdom)

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London, May 25 — Following received from the Maritime & Coastguard Agency Duty Press Office, dated May 24: At just after 1630 this afternoon a call on the emergency VHF channel 16 call alerted Stornoway Coastguard to the plight of four men on board the Buckie registered fv *Gem*, BCK 213 (37.67 gt, built 1961), which was on fire, 35 miles south west of North Rona. The fire, which seemingly had started in the engine-room, was reportedly getting out of control and the four men were preparing to abandon to a life raft. The Coastguard immediately scrambled the rescue helicopter "Mike Uniform" from Stornoway and a Nimrod Rescue 51 on exercise from RAF Kinloss in the area also diverted to the scene. The Stornoway lifeboat was requested to launch and various fishing vessels began making their way to the scene in response to the emergency call. The fisheries protection vessel *Vigilant* also began making her way to the area. The crew on board the Nimrod aircraft spotted the life raft at just before 1800 this evening, and the Coastguard helicopter was then diverted to that position. All four men were then winched on board the helicopter and have indicated that do not require medical treatment. They were then flown back to Stornoway. Deputy District Controller Simon Riley said: We do not know at this stage the cause of the fire and the incident has been reported to the Marine Accident Investigation Branch. Fortunately there were calm seas today and good visibility, which undoubtedly greatly aided their prompt rescue.

London, May 25 — Following received from Coastguard Stornoway MRSC, timed 0730, UTC: Fv *Gem* sank in lat 59 05.41N, long 05 52.51W, at 2145, UTC, May 24.

GOLDEN BAY (Liberia)

London, May 25 — Following received from the operators of m bulk carrier *Golden Bay*, dated Athens today: *Golden Bay* is still aground. Vessel is discharging part cargo and all being well is expected to refloat today. (See issue of May 23.)

KSENIA MERCURY (Georgia)

Istanbul, May 25 — Mv *Ksenia Mercury*, on completion of necessary formalities, departed at 1600, May 24, under tow of tug *Phelivan 2*, for Izmit, where ETA 1600, today. — Lloyd's Agents. (See issue of May 22.)

MARALI (Panama)

Buenos Aires, May 13 — M oil/vegetable oil tanker *Marali* arrived Buenos Aires on May 12, from La Plata. — Lloyd's Agents. (See issue of Feb 26.)

ST.CLAIR (U.S.A.)

London, May 25 — A press report, dated today, states: M bulk carrier *St.Clair* cleared Fraser Shipyards sometime Wednesday (May 23) evening and loaded at Midwest Energy Terminal. She had departed Duluth by yesterday morning. (See issues of May 24 and 25.)

SEIZURES & ARRESTS

CHEMBULK VANCOUVER (Liberia)

May 25 — Reported m chemical tanker *Chembulk Vancouver* (21,165 gt, built 1997), which arrived Hong Kong on May 20, is currently at Western Anchorage No.3, Hong Kong, under arrest.

ORIENT PRINCESS (Panama)

London, May 17 — Reported mv *Orient Princess* is currently still at Government Mooring Buoy A39, Hong Kong, under arrest. (See issue of May 18.)

YACHTS

ALASKAN SONG (U.S.A.)

London, May 25 — Following received from Coast Guard Juneau, dated May 24: Charter yacht *Alaskan Song* (103 gt, built 1944) sinking in Chatham Strait this morning is temporarily repaired and being towed to Ketchikan for additional repairs. *Alaskan Song*, with 11 people on board, struck rocks and started flooding at 0800, today. Cutter *Liberty*, patrolling five miles away, responded to the damaged vessel skipper's request for help. *Alaskan Song*'s crew beached the vessel in Chaik Bay to keep her from sinking. *Liberty* dispatched a small boat and crew to transfer people from *Alaskan Song* to the cutter. Four *Liberty* crewmembers and three *Alaskan Song* crewmembers used dewatering pumps to

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fight the flooding. A Coast Guard helicopter crew from Sitka delivered additional pumps to help control the flooding. Alaska Yacht Charters, the owners of *Alaskan Song* from Bainbridge Island, Wash, contracted Ward Air to fly their uninjured passengers to Glacier Bay Lodge this afternoon. The owners also hired divers to make temporary repairs to *Alaskan Song* in preparation for her tow to Ketchikan. Damage to *Alaskan Song* consisted of a bent rudder, damaged screw and three holes in the hull. *Liberty* will stay on scene to assist and then resume patrolling.

SHIPYARD NEWS

EISA 'is lowest bidder for tankers'

REPORTS from Brazil suggest that Rio de Janeiro-based EISA Shipyard has put in the lowest bid to build four tankers for Transpetro, the transport subsidiary of Petrobras. The reports have not yet been confirmed by Transpetro but, if there are no complications, EISA stands to win the largest order at a local shipyard for ten years. The yard bid \$47M for each of the two 60,000 DWT ships and \$79M for the two 130,000 DWT sisters, a total of \$252M. It has already been announced that EISA will sell half its shares to German conglomerate Thyssen/Ferrostaal if the contract is confirmed. The move will provide the Brazilian shipbuilder, which was formerly called EMAQ, with much needed capital and technical expertise. Another local shipyard, Mauá, has signed a similar agreement with Singapore's Jurong, while Verolme do Brasil has concluded a joint venture with Brazilian group Setal and Singapore group FELS.

ROUTE, PORTS & SERVICES

Canada Maritime & OOCL commission new containerships for the Montreal gateway trade

For the third time in seven years, Canada Maritime and Orient Overseas Container Line, long-term partners in the St Lawrence Co-ordinated Service (SLCS), have agreed they will each commission new tonnage to be built simultaneously for deployment in the trade between North Europe and North America via Montreal.

The two shipping lines have contracted with Daewoo Shipbuilding and Heavy Machinery of South Korea to construct three ice-strengthened and winterised container ships. They will be 294 meters long and 32.2 metres wide, with a draught of 10.78 metres.

With a loading capacity of 3,500 TEU, the ships will be larger than previously deployed on the St Lawrence River.

This will enable the carriers to meet an anticipated growth in trade over the next decade, while still keeping within the St Lawrence's fluctuating draught limitations. Normal capacity will be 4,100 TEU.

The ships are scheduled to be delivered in 2003. Two will be owned by Canada Maritime and one by OOCL.

Marking its 20th anniversary this year, SLCS is one of container shipping's most enduring partnerships.

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Since 1996 SLCS has also been co-operating with Cast, Canada Maritime's sister company. All three lines compete with each other and with the many other carriers serving the North Atlantic trade.

By cross utilising ships, each line is able to offer more comprehensive and efficient service to their respective customers on three separate Montreal gateway routes.

• Route 1 : Links Montreal with Thamesport, Antwerp and Le Havre with ships operated by Canada Maritime and OOCL.

• Route 2 : Links Montreal with Antwerp and Hamburg with ships operated by Canada Maritime and OOCL.

• Route 3 : Links Montreal and Liverpool with ships operated by Cast.

The three new ships are scheduled to operate in Route 2. They are in the third set of three sister ships to be commissioned by OOCL and Canada Maritime for this route under the SLCS co-operative alliance.

The first group, 2,200 TEU Canmar Fortune, Canmar Courage and OOCL Canada, entered service in 1996 and currently operate on Route 2.

The second set, 2,800 TEU Canmar Pride, Canmar Honour and OOCL Belgium were delivered in 1998 and operate on Route 1.

Ted Wang, Managing Director OOCL (Europe) Ltd commented, "OOCL is committed to serving the ever increasing needs of our customers in the unique gateway of Montreal. These newbuildings, which will be introduced in 2003, are planned for the anticipated trade growth. They will not only cater for the increased volume but will also deploy the latest technology in navigation and ice-breaking capability to ensure uninterrupted service to the Port of Montreal."

"By commissioning these ships, we are able to demonstrate once again our ongoing strong commitment to this key regional market," commented Terry Burrows, Senior Vice President CP ships, responsible for the Montreal Gateway services of Canada Maritime and Cast. The new ships are part of a CP ships group-wide US\$ 1 billion fleet replacement programme announced last year."

Further details regarding the design of the new ships and the redeployment of the existing ships they will replace will be provided by the lines in due course.

Hanjin launches Malaysia-Korea Service

Hanjin Shipping is pleased to announce the launching of a new service route between Korea and Malaysia, 'MKS'(Malaysia-Korea Service).

This service will be jointly operated by Hanjin, Dongnama, Heung-a, and Sinokor Lines, with the use of three 1200 teu container vessels, the Sinokor Seoul(MKSO), Young Liberty(MKYL) and Young Chance(MKYC). The first vessel to launch the service on May 22, 2001 is the M/V Sinokor Seoul, set to depart from Ulsan.

The MKS covers all of the current PKS Lane ports, with an additional call at PGU (Pasir Gudang in Malaysia). The port of rotation is as follows :

Ulsan - Pusan- Kwangyang - Hong Kong - Singapore - Port Klang - Singapore - Pasir Gudang - Hong Kong - Ulsan.

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Minoan sells assets

GREEK ferry operator Minoan Lines is divesting its non-shipping corporate holdings and selling old ships in an effort to raise Dr25Bn (\$65.7M) to meet short-term needs of its newbuilding programme. Besides a 24 per cent stake in a Greek Internet provider and a bank and land holdings in Crete, the company is looking for buyers for its 1972-built ferries King Minos and El Greco. Meanwhile, Minoan's troubled subsidiary Minoan Flying Dolphins has reported a net loss of Dr925M (\$2.4M) for 2000, although its turnover was increased compared with previous years. Almost the entire loss (Dr913M) is non-operating, having arisen from the Express Samina affair, according to the auditors' report. MFD shareholders are to meet on June 14 to consider among other things the change of the company's brand name.

Rotterdam woes boost neighbours

ANTWERP, Bremerhaven and Hamburg are all benefiting from industrial action at Rotterdam's Europe Combined Terminals which is losing business as ships bypass the Dutch port or cargo is diverted elsewhere.

The company's two Rotterdam terminals were working normally yesterday but another walkout was expected overnight when the late shift took over.

ECT, which is also the subject of a European Commission investigation linked to Hutchison Port Holdings' stake in the company, estimates that as many as 10 ships have skipped their usual Rotterdam calls over the past week.

The dispute has so far cost ECT between Fls5m and Fls10m (\$2m-\$4m) in lost turnover.

The week of lightning strikes over a pay dispute is creating serious logistical problems for shipping lines as schedules are revised at the last minute and cargo loaded or discharged at other ports.

Such disruption at one port "affects the whole voyage", said Jacqueline van de Wetering, junior vice-president at Evergreen Netherlands.

The Taiwanese carrier changed the rotation of a couple of ships so that they called first at Hamburg rather than Rotterdam in order to avoid a threatened stoppage, but still ran into difficulties when the two vessels were caught up in last Wednesday's strike.

Customers are being given the option of delivering cargo to Antwerp rather than Rotterdam on their own account, while inbound containers are also being offloaded at other terminals if shippers wish rather than risk delays.

Virtually all the carriers destined for Rotterdam are being forced to make last-minute decisions whether to call there, a situation that is costing both them and their customers money as deliveries are rearranged and ships re-routed.

A court ruled on Thursday that the labour unions could continue to call strikes without any advance notice as ECT's customers, the shipping lines, were not yet suffering severe hardship.

ECT management said efforts would be made over the weekend to make informal contact with unions about re-opening negotiations on a collective agreement.

NAVY NEWS

USS Kitty Hawk visit to Sydney marks 50th anniversary of U.S.-Australia alliance

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SYDNEY -- The United States Navy aircraft carrier USS Kitty Hawk will visit Sydney May 24-29, as part of celebrations to mark the 50th anniversary of the signing of the ANZUS treaty, the formal U.S.-Australian security alliance.

Kitty Hawk and accompanying ships will be open for public visiting on Saturday, May 26 and Sunday May 27 from 10:00 a.m. to 4:00 p.m. at Fleet Base, Woolloomooloo. Visitors should arrive early, as queues are expected to be long. There will be no parking available in the Woolloomooloo area, and Cowper Wharf Road adjacent to Fleet Base will be closed, so visitors must use public transport. Call

131 500 for more information on public transport.

Visiting Sydney along with the Kitty Hawk (CV-63) will be two other ships from the U.S. Seventh Fleet's Carrier Group Five, the cruiser USS Chancellorsville (CG-62) and the guided missile frigate USS Gary (FFG-51), as well as three ships of the Canadian Navy. All of the visiting ships are participating in the ongoing Exercise Tandem Thrust '01 in the Shoalwater Bay training area in Queensland. The combined U.S., Australian and Canadian training exercise, involving more than 27,000 personnel, began May 3 and is designed to improve interoperability, readiness and friendship between the participating forces. This year marks the 50th anniversary of the ANZUS treaty, the formal security alliance between Australia and the United States that was signed on September 1, 1951. The treaty has provided the outline for security relations between the two countries for half a century. A series of events are taking place throughout the year to commemorate the anniversary, including ship visits and an academic conference at the University of Sydney in June.

USS Kitty Hawk is based in Yokosuka, Japan, and is America's only permanently forward deployed aircraft carrier. The ship and her air wing, Carrier Air Wing Five, have nearly 5000 officers and sailors, operating more than 70 aircraft. Commissioned April 29, 1961, Kitty Hawk recently celebrated her 40th anniversary. As the oldest active U.S. Navy ship, Kitty Hawk proudly flies the "Don't Tread on Me" jack, an honor with ties to the U.S. Revolutionary War.

....AT LAST BUT NOT LEAST

Kandla closes, braces for cyclone

KANDLA port today suspended all operations after the Indian Meteorology Department (IMD) warned that a severe cyclone would hit the Gujarat coast in next 48 hours. All nine vessels that were berthed there have been shifted to the outer anchorage, while precautions are being taken to avoid major damage to port infrastructure. "We have kept the approach channel free, since any grounding in the 14 n-mile channel will paralyse port operations completely," Kandla Port chairman A K Joti told Fairplay. "No new vessels will be allowed to berth, while those in the port have been shifted." Joti said tugs and launches have been moved to secured places, while the dry dock has been double-roped. "Loading and unloading operations in warehouses are currently going on, but will come to a halt at 0800 tomorrow," he said. IMD has predicted a cyclone of 140-160 km to hit the Gujarat coast either on the evening of May 25 or early on May 26.

**HAVE A LOOK AT THE FOLLOWING *SITE* FOR SHIPPING INFO AND PICTURES OF SHIPS
AROUND HOEK VAN HOLLAND AT :**

<http://home.soneraplaza.nl/qn/prive/j.vander.klooster/index.html>