



Number 005 **DAILY SHIPPING NEWSLETTER*** Sunday 07-07-2002**



**Operation
Enduring Freedom**

EVENTS, INCIDENTS & OPERATIONS

Cruise ship hotels for Olympics

RESIDENSEA'S residential passenger vessel **The World**, the renovated trans-Atlantic liner **Queen Elizabeth 2**, nine **Royal Olympic** cruise ships and eight more passenger vessels will be candidates for a role as floating hotels in Piraeus for the needs of the Athens 2004 Olympic Games. Fairplay has learned from sources in the Athens 2004 Organising Committee (ATHOC) that as many as ten ship owners have responded to May's international call for expressions of interest in providing passenger tonnage for charter for the Athens Games. ATHOC will select between eight and 12 ships, depending on their accommodation capacity, having already booked RCCL's **Splendour of the Seas** for the purpose. An official announcement is expected on July 8.

Filipinos look beyond compliance

FILIPINO Shipowners' Association (FSA) president Carlos C Salinas has warned that "it is not enough" for the country's maritime schools and training centres to comply with the STCW Convention. Speaking before the inaugural national congress on maritime education and training in Manila today, Salinas said that in the choice between similar products, quality and cost would dictate the difference. He was referring to the training and qualifications of similarly STCW-compliant seafarers from other labour-supplying nations that currently compete with the Philippines. "The fact that we comply with STCW requirements will never guarantee that our seafarers will secure employment; it only guarantees that they will be evaluated in the same manner and upon the same criteria as any other seafarers from elsewhere," Salinas stressed. He continued by urging the country's maritime educators and training schools to not simply exert their effort into "ensuring that we produce the most number of seafarers in the world, but the best and brightest candidates to fill the leadership and duties on board."

Philippines to tighten inspections

A NEW inspection team will be formed in the Philippines to ensure adherence to the International Safety Management (ISM) Code, Philippine Ports Authority GM Alfonso Cusi has said. The regulatory agency Maritime Industry Authority (Marina), which oversees shipping safety standards, and the

Philippine Coast Guard will be represented in the joint-safety inspection team, Cusi disclosed. The team will also include naval architects and engineers from the private sector. The move follows two ferry disasters this year which claimed at least 42 lives. Lack of safety equipment and overloading are said to be among the factors responsible for the disasters.

Greens block tanker near Bosphorus

GREENPEACE activists yesterday occupied the Greek-owned, Panama-registered oil tanker **Crude Dio** at the north entrance to the Bosphorus, preventing the vessel from transiting the Strait. The ship's manager, Athens-based Metrostar Management, reported to the Greek maritime administration that 14 activists using five inflatable boats approached the vessel yesterday afternoon and boarded it while it was waiting its turn to transit. They reportedly put up banners promoting a ban on oil and favouring "clean" energy. The 159,959 DWT tanker is carrying a full cargo of Caspian crude, which was loaded at Novorossiysk. Metrostar told Fairplay this morning that the occupation ended at about midnight, and the protesters created no problems other than delaying the ship. It has since transited the Bosphorus, escorted by the Turkish coast guard.

Rejected nuclear fuel is loaded for return to Britain



Technicians at a Japanese nuclear plant have started loading rejected nuclear fuel onto a freighter for a return voyage to Britain.

The mixed oxide fuel, or MOX, was put aboard the **Pacific Pintail** at the Takahama Nuclear Power plant in Fukui state.

The specially-armed ship is to set sail once the loading of the plutonium and uranium-based fuel is complete.

A small group of demonstrators, including

some from Greenpeace, waved banners in protest near the site.

The protesters say the journey is too dangerous and the radioactive cargo is not secure from possible attack.

Kansai Electric had planned to use the fuel, known as MOX, for an experimental nuclear power program at the reactor.

But the program was delayed after the fuel's maker, British Nuclear Fuels Ltd, admitted its reprocessing plant in Sellafield had falsified records in 1999 about the quality of the fuel pellets.

BNFL said it would pay £40 million in compensation to Kansai Electric and agreed to ship the fuel back to Britain.

Resource-poor Japan aims to use MOX fuel at up to 18 nuclear reactors, out of a total 52 commercial plants, by the year 2010.



New York Times

CASUALTY REPORTING

2 small tankers collide off Izu Peninsula

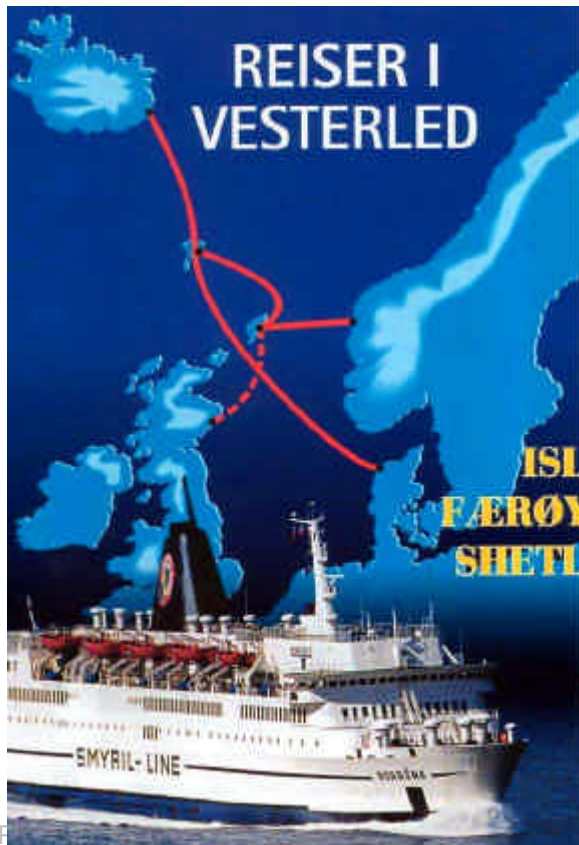
SHIZUOKA — Two small Japanese tankers collided early Friday in the Pacific off Cape Irozaki on the southern tip of the Izu Peninsula, but apparently nobody was injured and oil was not spilled, the Japan Coast Guard said.

The tankers — one from Fukuoka Prefecture and the other from Okayama Prefecture — collided around 1:20 a.m., the coast guard said.

SHIPYARD NEWS

No new decision on HDW sale

CONTRARY to some press reports today, Babcock Borsig AG has not made any decision on selling the remaining 25 per cent plus one shareholding in German shipyard HDW and, if so, to whom, Babcock said in a news release today. Talks on the Babcock group restructuring were adjourned last night and would continue today, the company website said. A sale decision would run counter to both an injunction by the Duisburg regional court and the company's resolution that the issue would be voted on at an extraordinary shareholders' meeting. Moreover, Christopher von Hugo, the spokesman for US investment group One Equity Partners, has informed Babcock Borsig that One Equity has not made an offer to Northrop Grumman, the American armaments corporation, to take on HDW shares. What is true is that negotiations on strategic co-operation have reached a relatively advanced stage. The offers made to ThyssenKrupp and Ferrostaal have been known for some time.



Flender gains newbuilding support

A CONSORTIUM of German banks has agreed to secure the financing of 33,500-GT ferry newbuilding **Norrøna**, ordered by Torshavn/Faeroes-based **Smyril Line**, at insolvent German shipyard Flender Werft. The keel was laid in January and delivery is scheduled for March 2003. Work on the ferry will however not be sufficient to occupy all 800 Flender employees. High losses in the building of two Superfast ferry newbuildings caused the insolvency, for which the yard applied on June 3. It is now hoped that the Superfast XI will be delivered to Attica Enterprises on July 10 and the sister vessel Superfast XII on September 26. Attica is reported to have renounced compensation payments for the delayed deliveries. Flender will also complete the hull for

a Viana do Castelo FlexCon reefer newbuilding. The construction of two 3,600 TEU newbuildings ordered by yard shareholder Claus-Peter Offen, is still subject to the further developments in the yard's crisis.

HHI completes Samho takeover

SHIPBUILDER Hyundai Heavy Industries (HHI) completed the "official" acquisition of Samho Heavy Industries by mopping up 20M shares. These were bought for W100Bn (\$82.8M), HHI said today. Through this share acquisition Samho has become an affiliate of HHI from July 2, taking the number of subsidiaries of the giant group to six. Group capital has swelled to W11.89Trn with the yard acquisition.

Unions fear job losses at Chantiers

UNIONS at French shipyard Chantiers de l'Atlantique have warned that dwindling newbuilding orders are threatening the future of the yard, which yesterday celebrated the keel-laying of the world's biggest cruise ship, the **Queen Mary 2**. "If no new orders are obtained quickly, certain divisions of the yard, especially the research and development departments will be under-employed as soon as November," the unions said. They pointed out that the yard had failed to secure a single new cruise ship order since December 2000, though an LNG newbuilding order was clinched early this year from French gas company GDF. Competition from other yards in Europe and the appreciation of the Euro against the US dollar has made it more difficult to secure new orders now than two years ago. Alstom Marine CEO and Chantiers director Patrick Boissier, however, remains upbeat. "I am optimistic as regards the evolution of the cruise market in the next months," he said.

ROUTE, PORTS & SERVICES

Paradip moves to become clean port



INDIA'S Paradip port, which predominantly handles bulk cargoes such as coal and iron ore, has invited requests for qualification for the build, operate, transfer construction of two exclusive berths for clean cargo such as edible oil, fertilisers, steel and containers. The port trust had received offers from three companies but the port authorities wanted wider national and international participation. "We have re-opened the process to make room for entry of more private players," said port trust chairman SK Mohapatra. The site proposed for the

berth would help the licensee to operate it as an independent port without investing in breakwater and channel dredging, he added. Paradip, 210 n-miles south of Kolkata and 260 n-miles north of



Visakhapatnam, has the deepest inner harbour in the country. The hinterland abounds in mineral resources and the port handles large quantities of thermal coal for Chennai and Ennore on the east coast.

Hutchison plans border box benefit

HUTCHISON Port Holdings (HPH) of Hong Kong proposes to use technology similar to the global positioning system, which would track containers to ensure they remain sealed and reach their destination intact. Canning Fok, MD of HPH parent Hutchison Whampoa, said the company was in talks with the governments of Hong Kong and Shenzhen to use the technology to simplify customs checks at their land border. "Such technology is pretty new, but Hutchison has it," he said. "We hope that there will be no need to have customs checks at the border, only at the container terminals where the traffic is much lighter." The new system, if adopted, would scrap customs checks at the traffic-jammed border, where container trucks are normally delayed for three or more hours. "The consensus is that the border is an artificial barrier. Now we have to work with both governments to see how to make them feel comfortable about this idea and cover such concerns as tax and smuggling," Fok said.

New ferry line unwelcome in Morocco

MOROCCAN port authorities are allegedly victimising the ferry **Al Salam Boccaccio 98**, deployed by an Italian charterer since June 26 on a new weekly Savona-Tangier link. Tour operator Marini Travels of Bergamo says the reason is that its service competes with that of Moroccan state-owned Comanav, which started its own Genoa-Tangier operation on June 25. According to the Al Salam's master, on reaching Tangiers on its maiden voyage the ferry was refused its original berth and diverted to another, then ordered to leave that berth. When the master refused to leave port without appropriate port authority documentation, the ferry spent ten hours being inspected. Marini has repeatedly been

asked to call at another port, but Nador, Agadir or Casablanca are not feasible as the Al Salam Boccaccio 98 is allowed only intra-Mediterranean navigation

Stelmar secures time charter deals

PUBLICLY-listed tanker company Stelmar has secured time charter contracts for five of its ships, including two Panamax tanker newbuildings to be delivered in first-half 2004. The newbuildings were signed on five-year time charters, exceeding \$16,000 a day, said Stelmar. Three product tankers currently operating in the spot market were signed on short-term charter for three to six months at rates around \$12,250 a day. Time charter deals are the cornerstone of Stelmar's strategy to grow its fleet in the volatile tanker market, says CFO Stamatis Molaris, with less than a fifth of its 31 Panamax and Handymax tankers operating in the spot market. He told Fairplay today he did not anticipate much improvement in the tanker market before the end of 2002, and that the company is aiming to increase time charter cover for 2003.

Maintenance trouble at ONGC



INDIA'S largest oil exploration company, the Oil and Natural Gas Corp (ONGC), has transferred 16 offshore service vessels (OSVs) to SCI, and asked it to take over maintenance of another 15, after four small private operators failed to maintain them in good condition. Some were unfit to sail and have already been disclassified by the Indian Register. There are also complaints that the contractor employed seamen who lacked valid documents. "We are completely dissatisfied with the

poor service rendered by private operators," said a senior ONGC official. "OSVs are used to supply provisions and equipment to the oil rigs, and are indispensable to their working." Of the 16 OSVs passed to SCI, only four are operational, the rest being laid up for repairs in Goa and Mumbai. Most of the other 15 are also laid up for repair. The contractor have responded that rate-cutting competitors forced its prices down. "It is impossible for us to do a proper job after getting such poor payment from the ONGC," a spokesman said.

Takeover at Kaliningrad port

MOSCOW River Shipping Co, one of the largest internal waterway operators in Russia, has taken over the Kaliningrad River Port. The deal, which included a share buyout of Kaliningrad-based Western Shipping and the port's ship repair plant, has so far cost the Moscow company and its partner Gamma Co \$10M. Moscow River Shipping considers the port, which specializes in international cargo operations, as an opportunity to expand high-seas operations in the Baltic. Yevgeny Khranov, chief executive, told Fairplay that he hopes to build additional terminals and berths, and to deepen the ship channel to nine metres. A further \$10M has been committed by the partners to an expansion plan that has the backing of the Russian government. Russian Ministry of Transport spokesman Alexander Filimonov said the region is considered a strategic asset in Russian policy in the Baltic.

NSICT hits back at Nehru

JIMMY Sarbh, head of P&O Ports India and chairman of Nhava Sheva International Container Terminal (NSICT), has written to Jawaharlal Nehru Port Trust (JNPT) **asking for increased availability of pilots, speedboats and tugs for berthing vessels.** "Sometimes vessels have to wait to berth, when berths are lying empty, all because of lack of pilots," said Sarbh. An internal study by NSICT showed the two container terminals at JNPT are losing around Rs400M (\$8M) annually. "We have paid JNPT around Rs684M in royalties over last three years, and it has collected millions of dollars in vessel-related charges. But the port management has not improved infrastructure facilities at the port," said Sarbh. NSICT said in a news release that it had achieved 2MTEU cumulatively against a guaranteed throughput of 1M TEU in just three years of operations.

Singapore remakes PSA, offers berths to liners

SINGAPORE, in a significant reassessment of PSA Corp.'s position as a container terminal monopoly, has endorsed at the highest official level a fundamental policy shift that allows shipping lines to manage dedicated berths or operate a third terminal in competition with the existing ones at PSA and Jurong Port.

"We are remaking Singapore because the world has changed," says Goh Chok Tong, the Singapore Prime Minister.

In his remarks, contained in a speech to mark 30 years of containerisation at PSA, Mr Goh made a special mention about the policy change's likely impact on Singapore, since the maritime and logistics industry accounts for about 8 per cent of the national GDP output. The PSA alone makes up 1 per cent.

Singapore's goals are now the catchment and delivery areas of China, India and Indochina, rather than just Southeast Asia - its traditional feeding ground.

To serve those goals, Mr Goh said: "First, we are expanding our port capacity so as to play an even bigger transshipment role. At Pasir Panjang, we have already prepared land for another 20 berths. Over time, as demand increases, we can add more berths both at Pasir Panjang and at Tuas.

"Secondly, Jurong Port is already offering container services in competition with PSA.

"Thus, PSA will not be the only container operator in Singapore. Competition from Jurong Port will spur PSA to offer superior services at competitive prices. The Maritime and Port Authority of Singapore has been tasked to put in place a competition framework.

"In fact, we are open to even more players coming into Singapore's port sector.

"If shipping lines find it more profitable to run their own dedicated berths, instead of using the services of PSA or Jurong Port, we should allow them this option.

"If other port operators think they can out-run PSA or Jurong Port by managing a third terminal in Singapore, we should hear them out.

"The land we have set aside for port operations can go to whoever can maximise the overall interests of Singapore," Mr Goh said.

PORT OF MARSEILLE

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FRANCE's Port of Marseille Authority has announced the completion of an audit inspection of port equipment, and that it has launched a "renovation and renewal campaign" of the facility as well as the implementation of a safety policy.

Policies of the port authority were drawn up on the basis of the study, "Direction of Port and Coastal Maritime Transports" that entrusts a body known as the Center for Maritime and River Technical Study to elaborate on the recommendations.

Initially, the port took stock of the precise condition of the tooling and facilities so as to decide whether or not to renovate, renew or discard any equipment, the the authority said.

"Two different types of actions - physical controls and fatigue studies - have been initiated," the port said.

Thus, of the port's 107 lifting-hoisting machines, 22 were passed, 17 have not yet reached the age limit, and 21 remain to be inspected.

After the audits, 37 machines related especially to ship repair, were discarded. At the beginning of 2001, the PMA had 50 machines that had been in service for more than 30 years. At the end of 2001, only 17 were left.

The port has meanwhile launched a renovation and renewal campaign of the tooling facilities. Last year, the port acquired three automotive cranes and two container gantries.

In addition, the port has implemented a safety policy which calls for administrative and operational Follow-up in the systematic inspections of the toolings

AIRCRAFT / AIRPORT NEWS



HB-AEG FINALLY, SHE'S HERE the [Fairchild Dornier 328-100](#) . After the grounding of Swisswings Airlines, this is the successor. The first newly painted Aircraft arrived Friday from Southend. Wish us good luck for the new start...

Photo : Nick Heini ©

.... STENA LINE NEWS.....

By : Pim de Lange – Stena Line



I am glad to be able to inform you that we will open a new freight route between Harwich and Rotterdam. Three vessels, acquired from P&O, will operate the new route, increasing Stena Line's overall capacity on the North Sea with 75%.



Top : The **Pride of Flanders** which will be renamed **FLANDERS** by STENA LINE
Photo : Piet Sinke ©

As of 1 August, Stena Line will initially operate the three vessels on the route between Felixstowe and Rotterdam. The service will continue to operate until the port facilities in Harwich have been adapted to accommodate the three former P&ONSF vessels. These ships, the **European Tideway**, **European Freeway** and **Pride of Flanders** will then sail under the new names; **Adeway**, **Freeway** and **Flanders**.

The works in Harwich will be completed by the 15th September and then the vessels will start to operate on the new Harwich-Rotterdam/Europoort route.



Top : The **European Freeway** will be renamed **FREEWAY** by STENA LINE

Photo : Collection Piet Sinke

The new route will strengthen our position both in the Netherlands and in the UK. With a total of eight departures a day we will have both the frequency and capacity to match our customers needs and the right conditions to grow our freight business. Following the launch of the new route and the three vessels, Stena Line's freight operation on the North Sea will increase to approximately 350,000 freight units annually.

Further more Stena Line has also signed an agreement with P&O today, whereby Stena Line will sell its 40% shareholding in P&O Stena Line to P&O.

..... SHIP OF THE DAY

OCEAN HERCULES



The **OCEAN HERCULES** is build at the Eide yard in Hoylandsbygd during 1980 under the name **SAFE TRUCK** under which name she sailed between 1979 and October 1987, then she was renamed in **WESTERN HERCULES** until March 2000 when SOCS purchased the vessel and renamed her **OCEAN HERCULES**

Lloyds number	:	135171
DWT	:	2518 ton ,
Gross	:	3390 ton

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Net : 1070 ton
Length over all: 80.77m , Beam: 18.00m , Max Draft: 4.30m
Call Sign: 3EEE6
Classification: American Bureau of Shipping A1; AMS
Maximum Speed: 13 Knots , Bollard Pull: 45 Mt , Service Speed: 11 Knots

NAVIGATION AND COMMUNICATION

Dynamic Position Class I
Satcom "B"
Joystick Control
Gyro Compass, 2x
Satcom "C"
Fathometer, 1500m & 2000 m
Magnetic Compass, 2x
VHF-FM
Radars, 3 & 10 cm
Auto Pilot
GMDSS "A3"
DGPS

PROPULSION, MACHINERY & STEERING

Main engines:	Two (2) Nohab @ 2640 BHP, Total Power: 5,280 BHP
Bow Thrusters:	Two (2) Variable Pitch @ 800 BHP, 1600 BHP Total
Stern Thrusters:	Two (2) Variable Pitch @ 500 BHP, 1000 BHP Total
Generators:	Two (2) Wartsila Driven @ 1600 KVA One (1) Aggreko @ 350 KVA Two (2) Detroit @ 155 KVA
Propellers:	Twin Variable Pitch Propellers
Rudders:	Spade Combined Steering

