

Number 087\*\*\*\*DAILY SHIPPING NEWSLETTER\*\*\* Wenesday 27-11-2002

#### THIS NEWSLETTER IS BROUGHT TO YOU BY:





# **EVENTS, INCIDENTS & OPERATIONS**Indonesian authorities threaten to hike dredger fines

INDONESIAN authorities are looking to increase by over 10,000 times fines imposed on seven foreign dredgers for operating illegally in its waters. The Indonesian navy has continued to hold the seven vessels detained in July despite a controversial court ruling last month that fined the owners just Rupiah30m for breaking navigation law No 21 and failing to keep logbooks.

Rear Admiral Tedjo Adhie, commander of the Indonesia Navy's western fleet, told the Jakarta Post that a new fine of Rupiah315bn (\$35.2m) on each owner had been ordered by Indonesian President Megawati Soekarnoputri. "Whether the fine is declared in a presidential decree or in another form of government regulation it is not certain yet," he said.

He added that the government would not immediately take drastic measures and hoped to settle the issue through dialogue with the owners. The case would be closed if the owners agreed to pay the Rupiah315bn fine

## Naftomar LPG vessel ablaze in Chinese waters

CHINESE and Hong Kong rescue vessels have pulled back from a blazing 75,000 cbm LPG tanker on fire in Chinese waters near Hong Kong.

"We think the fire is decreasing and the cargo will not catch on fire," said an official from Naftomar, owner of the **Gaz Poem**. He added that the 34 crew had abandoned ship safely. He added that the company did not have officials on the scene so it was still unclear on how close the fire was from spreading from the accommodation block to the four cargo tanks.

A salvage company from Guangzhou China has been engaged under Lloyd's Open Form to work on the 1977-built, 49,000 dwt vessel.

Hong Kong Maritime Rescue Co-ordination Centre said it received a distress signal at 2am Sunday morning, but the two Hong Kong fire boats and one Chinese fire vessel had pulled back at 7 pm at the instruction of Guangdong Rescue Coordination. Centre.

Four Chinese patrol ships were stationed at a distance to monitor the situation and enforce a safety quarantine around the blazing ship. The Gaz Poem sailed the Saudi Arabian terminal of Juaymah October 27, arrived Hong Kong November 20 and sailed the same day for Yantian, China with an approximately 20,000 tonne cargo of ammonia, propane and butane.

## **SMIT** Salvage Awarded Contract for Gaz Poem



SMIT Salvage has been awarded a LOF 2000 Scopic contract to provide emergency assistance to the **Gaz Poem**. The tanker was partly loaded with 20,000 metric tonnes of liquefied petroleum gas when she ran into difficulties in Chinese waters. Fire broke out

in the engine room of the stricken vessel at around 02.00 LT Saturday, 23 November, and soon after spread to the accommodation area. The cause of the fire remains

unknown. In responding to the emergency, a Salvage team has been mobilised from both Singapore and Rotterdam.



Furthermore, and in co-operation with Chinese partners Guangzhou Salvage Company, the powerful tug **De Yue** has been mobilised and is currently on scene.

The **De Yue** has a total horsepower of 20,800 at her command. All 34 crewmembers have evacuated the stricken vessel and no injuries have been reported. Prior to evacuation, the crew was able to anchor the vessel. The **Gaz Poem** is a

Panamanian flagged vessel with a deadweight tonnage of 49,092. She measures 229.30 meters in length and 32.24 meters in width and has been in operation since 1977. ( **photo DE YUE : Jan van der Klooster** © )

## PRESTIGE (BAHAMAS)



Crude oil tanker Prestige could have been holed by one of 200 logs lost by another vessel in the vicinity of the ill-fated tanker just hours before its Greek master issued a distress call. Spanish maritime authorities issued a warning to mariners about the 17 m logs three hours before the Prestige radioed for help.

**Photo left** made by the Airplane **Polmar** II of the French Custom.

Officials in Spain warn of the dangers of speculation but cannot deny that the latest developments add credence to early statements by crew members of a loud bang at sea. Universe Maritime, the Greek

operator of the Prestige, said at the weekend (Nov 23-24) that "an impact" was felt just before the vessel started taking on water and developed a 30-deg list. Stephen Askins, spokesman for Universe Maritime, said the company was aware of reports about logs and had also heard of containers washed off a vessel three days earlier. The prospect of rogue logs being responsible for the sinking of the vessel, however, was rejected by at least one shipping expert over the weekend. "Even if a log was made out of solid mahogany, it would not have caused the type of violent shudder reported by the crew. A breaking wave would," said Rod Rainey, WS Atkins head of technology, floating structures. Based on linear wave theory, Mr Rainey said: "There is conclusive evidence that a breaking wave will punch a hole in steel. You don't need an especially high wave to do impact damage but it must be breaking, and it must be timed just right. In the case of the Prestige, it must be exactly beam-on, to catch her amidships." For large vessels, like tankers and bulkers, the risk was of impact damage to hull plating, he said. Speculation on the cause of the casualty comes amid fears that more fuel oil is leaking from the wreck of the tanker. Portugal's hydrographic institute said on Friday that it had detected new slicks in the area, small in size but high in density, suggesting they may have risen from the seabed. "These are new and occurred after the ship sank," the institute's director, Augusto Ezequiel, said. Attention is now focused on clean-up operations along 300 km of affected coastline. Some 900 tonnes of fuel oil caused by the first oil slicks had been collected from the beaches by Saturday. Officials estimate that the tanker lost 10,000 tonnes of its 77,000-tonnes cargo before it sank. Independent experts put that figure at 20,000 tonnes.

## Offshore vessels fail Paris MoU test

OFFSHORE vessels see the most defects and are suffering from a 30% detention rate, according to the Paris Memorandum of Understanding on Port State Control.

These are the key findings of a Paris MoU concentrated inspection campaign on International Safety Management Code compliance between July and September this year.

The period was chosen to cover the first three months of phase two of ISM, which was introduced at the start of July, bringing general cargoships under the code for the first time.

Port state control inspectors used a uniform questionnaire to test key aspects of safety management systems. Some 3,846 ships were inspected as part of the campaign. Of these, 163 vessels, or 4.2%,

were detained because of major non-compliance with ISM. But that percentage rose to 7.4% for general cargoships, with 128 such vessels held from a total of 1,740 inspected.

Bulk carriers showed a significant improvement on the last similar campaign in 1998, with the detention rate dropping from 8% to 3.4%. Oil tanker detentions fell from 2.88% to 0.71% over this four-year period, with chemical tanker detentions down from 4.4% to 2.34%.

But, remarkably, offshore vessels fared worst of all, with an ISM-related detention rate of 7.7% and a total detention rate of 30%.

There were no ISM-related detentions of passengerships, special purpose ships and high-speed craft.

Six ships were banned from the Paris MoU region altogether for not having certification or a safety management system in place.

The Paris MoU also produced tables for the performance of flags and classification societies, and the most frequent non-conformities.

Polski Rejestr was named as the worst class, with a 28% ISM-related detention rate.

Its senior managers were in a meeting yesterday and unavailable for comment. Surprisingly, France's Bureau Veritas was named as second-worst performer, with a detention rate of almost 20%. BV's marine division chief Bernard Anne expressed surprise, but added that he was not complacent.

"We will be asking the mou to give us full details of all the instances they cite here so we can ensure they have been thoroughly followed up and any necessary corrective action taken.

"We have had no information from the MoU or individual countries about detentions to ships which are BV ISM but classed by other societies, so these figures don't comply with ours.

"When we have the information we can do a full analysis and follow it up." He added that he did not know how the Paris mou calculated these percentages, but, as BV has the largest fleet of ships calling regularly in the region, heavily focused on general cargoships which are new to ISM, its performance would look relatively worse on a simple ratio.

"If the results were presented weighted by ship type they would look very different," he maintained. Peter Kidman, technical manager of Intercargo, defended the record of general cargoships.

He said that the ISM consciousness had not yet had time to bed in among this vessel type.

"Because they are new to the ISM game, so to speak, most problems with general cargoships probably stem from that. "The general feeling is that it can take several years for the mindset of someone to start thinking in the right sort of vein.

"It will take a while for ISM to mature and companies to operate as expected. "This is a golden opportunity for the industry to sort itself out, but give it time."

## **New York Officials Eye Laid Up Ships**

New York City's commissioner of homeless services flew to Freeport, Bahamas to inspect several retired ships. To combat an increase in homelessness as winter approaches, the city is looking at the possibility of converting the ships into shelters. A record 37,100 homeless people were recorded sleeping in city shelters each night last month, with an increase in homeless families. New York City is

bound by law to provide shelter for the homeless, and is considering a number of options. The ships remaining in lay up at Freeport are **BIG RED BOAT II** (ex EUGENIO C., EUGENIO COSTA, EDINBURGH CASTLE), **BIG RED BOAT III**, (ex TRANSVAAL CASTLE, S.A. VAAL, FESTIVALE, ISLAND BREEZE) and **REMBRANDT** (ex ROTTERDAM). The **DOPLHIN IV** (ex ZION, AMELIA DE MELLO, ITHACA) is also laid up but soon to be towed for scrap. It is not known if the officials inspected **TROPIC SEA**, (ex PRINSES PAOLA, TROPICANA, SEA PALACE, ST. LUCIE).

## Stranded freighter catches fire

A freighter carrying 3,885 vehicles that ran aground Oct. 1 on Izu-Oshima Island in the Pacific, caught fire Tuesday morning and was billowing black and white smoke and leaking fuel, the Japan Coast Guard said.

The 56,835-ton **Hual Europe**, which has broken in two, caught fire around 5:30 a.m., coast guard officials said. It is still stuck in the same place it ran aground on Oct. 1 at the mouth of Habuminato port. Oshima lies around 110 km southwest of Tokyo. The **Hual Europe** is registered in the Bahamas and is owned by a Norwegian shipping firm.

A plume of thick, black smoke billowed from the freighter, which had broken its back and was listing 60 degrees toward the shore, said an Oshima government official.

The coast guard said it dispatched three patrol boats and a helicopter to the site after receiving news of the fire from a freighter that passed the site at around 5:30 a.m. Patrol boats have been unable to get near the ship as it lies on rocks in shallow waters near the shore, it added.



According to Oshima municipal authorities, 33 people in 21 households who live near where the ship is stranded had voluntarily evacuated their homes as of 4 p.m. after clouds of smoke filled their neighborhood.

The cause of the fire has not yet been determined, officials said, adding that nobody was aboard the ship when the

fire broke out.

Municipal officials said gasoline inside the fuel tank of the loaded vehicles may have caught fire.

There was also risk of an explosion on the ship, which still contains 300 kiloliters of fuel oil, the coast guard said, adding that it originally carried 1,300 kiloliters.

Some oil has been drained from the vessel, which is split in half down the middle, and some has leaked, according to the Habuminato Fishery Association, which has placed oil barriers around the ship in a bid to contain the leaking oil and remove it.

The Tokyo Metropolitan Government has dispatched an official to the island and has provided updates on the incident to officials in charge of disasters in five departments in the local government.

The ship, which carries a cargo of automobiles valued at some 10 billion yen, was washed ashore on

the eastern side of Izu-Oshima Island during a typhoon. Most of the automobiles are new, the coast guard said.

The Hual Europe was heading for Jamaica from Yokohama and had anchored off Izu-Oshima Island to ride out the typhoon. The ship's captain and 23 crew members, all from the Philippines, were rescued Oct. 2 by



the coast guard. Work to drain oil from the ship and refloat it has been under way since.

The Yokohama District Marine Accidents Commissioner's Office filed an inquiry with the Marine Accidents Inquiry Agency on Nov. 1, accusing the captain of not taking appropriate measures to avoid running aground.

## CASUALTY REPORTING HANJIN PENNSYLVANIA (LIBERIA)

C.c. Hanjin Pennsylvania is presently in tow about 30 miles south of Galle and is proceeding to an anchorage, where ETA tonight, local time. On its arrival at anchorage, the vessel will be boarded by surveyors and inspectors for an assessment of the damage. -

### **JOLLY RUBINO (ITALY)**

A press report, dated Nov 24, states: Civil Aviation authorities are still locked in a meeting with the salvage team of ro/ro Jolly Rubino to assess damage to the stranded vessel on the KwaZulu-Natal north coast. This follows the incident yesterday where 11 people narrowly escaped death when a helicopter crash-landed and burst into flames on the deck of the vessel. Captain Nick Sloane, the salvage master, says aviation authorities flew to the vessel yesterday afternoon but could not do so today because of rough seas and strong winds. He says salvage work may resume before the end of this week as soon as they find a new helicopter and investigations have been completed. Meanwhile, four of the nine people that were still at Richards Bay hospital have been discharged. The remaining five are reported to be in a satisfactory condition

## **Truck Falls From Ferry SUSAN ANN**

While vehicle and passenger ferry **SUSAN ANN** was sailing a routine crossing from New London, Conn. to Orient Point, L.I. November 19th, a 65-foot tractor-trailer rolled off the stern of the vessel. The 1989 Western Star Tractor Trailer with the driver inside, broke free and fell off the ferry while in the Plum Gut area of the Long Island Sound at approximately 10:30 a.m. The crew of SUSAN ANN launched a rescue vessel from the ferry to recover the victim, Michael J. Zuber, 53, of Stratford, Conn., who was taken to Eastern Long Island Hopsital, where he was pronounced dead. Police Departments are investigating this accident.

## **ROUTE, PORTS & SERVICES**

THIS SECTION IS BROUGHT TO YOU BY:

#### VLIERODAM WIRE ROPES Ltd.

wire ropes, chains, hooks, shackles, webbing slings, lifting beams, crane blocks, turnbuckles etc.

Binnenbaan 36 3161VB RHOON The Netherlands

**Telephone:** (+31)105018000

(+31) 105015440 (a.o.h.)

**Fax:** (+31)105013843

Internet & E-mail www.vlierodam.nl info@vlierodam.nl



VLIERODAM, STRONG QUALITY IN HIFTING AND HOISTING EQUIPMENT.



The **GEOPOTES 14** seen passing Hoek van Holland with a new funnel painting **Photo : Jan van der Klooster** ©

## Andrew Weir verkoopt deepseadiensten aan Hamburg Süd



De Cap Domingo vertrekt uit Rotterdam- photo: Jan van der Klooster ©

Hamburg Süd heeft een akkoord gesloten met Andrew Weir (dat deel uit maakt van de groep van de familie Runciman) voor de overname van de deepsea-diensten van de Britse scheepvaartgroep. Het gaat om de diensten op het oostelijk deel van de Middellandse Zee, Israël, het Midden-Oosten, India/Pakistan en West-Afrika. De diensten in kwestie zullen verder uitgebaat worden vanuit Londen en onder dezelfde merknaam - "Ellerman" - blijven opereren.

## Odfjell adds further chemtanker pair to Poland order



ODFJELL, the leading chemical tanker operator, has ordered a further two vessels from Poland.

They will be sisterships to the two 39,500 dwt chemical tankers ordered from Stocznia Szczecinska Nowa last month.

The latest pair will be delivered in June and December, 2004 at "substantially the same terms as for the first two ships".

Odfjell said they would "primarily replace older tonnage that will be close to 30 years old at the time of delivery of the newbuildings".

Odfjell's newbuilding orderbook now comprises five vessels all with fully stainless steel cargo tanks.



### Grimaldi block on more ro-ros



Top: The GRANDE ARGENTINA entering the locks in Antwerp - photo: Piet Sinke ©

No more orders for roll-on roll-off ships will be made in Italy for the Grimaldi Naples group in today's market conditions, the company's managing director warned on Saturday.

Prices differentials between European shipbuilders and Asian yards are now too large for the car carrier to ignore, said managing director Emanuele Grimaldi.

"No I won't build any more ships here. I simply can't afford it," Mr Grimaldi said.

He made his comments after taking delivery of the 56,600 gt **Grande Francia** at Fincantieri's Castellammare di Stabia yard near Naples. Grimaldi Naples is one of the biggest supporters of the state-controlled Fincantieri group.

The **Grande Francia** is part of a five-ship order.

Mr Grimaldi said the European Union risked losing core competences in the roll-on roll-off ship building industry if subsidies were not re-introduced.

"I do not understand why subsidies are being given to gas carriers and container ships but not to roros, which has traditionally been an area of added-value for the European industry," he said. "We have
seen worrying signs of orders in this sector going to the Far East, like the **Onorato** [Moby Line] ships.
Given that there is unfair competition over there I think that it is fair for subsidies to be introduced
while the WTO [World Trade Organisation] case goes on."

The European Commission has approved 'temporary, defensive' subsidies for container ships and product carriers built within the Union while its anti-dumping case against South Korea is brought before the WTO. The liquefied natural gas carrier market is also under examination, though there is no sign of subsidies to the roll-on roll-on industry.



Grimaldi´s LA SUPERBA moored at the port of Genua - Photo: Piet Sinke ©

"I don't know why ro-ros were not included, I think there was some heavy lobbying by member states," said the Grimaldi Naples managing director, who also heads the EU shipowners' association.

He pointed out that the limited subsidies -6% of the value of construction - approved by the commission in other market sectors would not be enough to close the gap between Italian and Asian yards competing for ro-ro orders.

Fincantieri has a large orderbook of military and cruise vessels but is running out of conventional ship construction work.

Following the delivery of the **Grande Francia**, the Castellammare di Stabia will build the **Grande Amburgo**, another Grimaldi ship. After this delivery the yard's future is uncertain.

## **Huge Chinese Train Ferry Delivered**

China's first transoceanic train ferryboat the **YUEHAITIE No.1**, arrived in the Qiongzhou Straits on November 24, where it will operate transporting trains between the railways of Guangdong and Hainan provinces. YUEHAITIE No.1 left the He Jiangnan Shipyard in Shanghai on Thursday November 21, sailing through the Taiwan Straits. Built at a cost of 210 million yuan (about 25 million US dollars) was funded by the Yuehai Railway Co., Ltd., designed by the No.708 Ship-building Industry Institute of China, and built by the Jiangnan Shipyard. YUEHAITIE No.1 is 165.4 meters in length and 22.6 meters wide, and is capable of carrying either 4,200 tons of locomotives and cars, 40 cargo carriers or 18 passenger compartments and 1,360 passengers. The new ferry is scheduled to commence operation on December 28.

## NAVIGATOR OF THE SEAS and ZUIDERDAM Delivered

Royal Caribbean Cruises took delivery of **NAVIGATOR OF THE SEAS** from Kvaerner-Masa Yards in Turku, Finland, on November 18. Tennis star Stefi Graf will act as godmother of the ship in a December 6 naming ceremony in Miami, Florida.



Meanwhile, Holland America Line took delivery of its first Vista-class ship, **ZUIDERDAM**, from Fincantieri shipyard, Italy. TV star Joan Lunden will be the godmother in the December 14 ceremony at Fort Lauderdale, Florida.

## **CORAL PRINCESS Delayed**

P&O Princess have announced that the French ship builders, Chantiers de l'Atlantique have delayed the delivery of **CORAL PRINCESS**. The ship's inaugural 10-day Panama Canal cruise has been postponed by one sailing to December 24. The reason given was "unexpected delays" at the yard. Panama's first woman president, Mireya Moscoso, will name the new ship in a ceremony in the Panama Canal's Gatun Locks on January 17

### **NAVY NEWS**

## Japan Sends Ships to Aid Terror War

Two Japanese naval ships carrying 350 sailors left port for the Indian Ocean on Monday to assist the U.S.-led war on terror, Japan's Self-Defense Agency said.

The supply ship **Tokiwa** and its escort **Harusame** are the first to set sail since the government decided last week to extend its non-combat logistical support of the U.S. campaign for another six months, said an agency spokesman who asked not to be named.

It is the ninth time overall navy ships have left for the Indian Ocean to support the U.S. effort since Japan began providing rear support last November. The two ships will provide transport fuel and supplies to U.S. ships. The date of their return is undecided, the agency spokesman said.

Japan's pacifist constitution limits the activity of its military overseas.

But a law passed in October 2001, following the Sept. 11 terrorist attacks, allows the military to provide non-combat support for the anti-terrorism campaign.

## **USS KITTY HAWK BATTLE GROUP**



A US battle group led by the aircraft carrier **USS Constellation** arrived in Hong Kong on Friday for a four-day port call on its way to the Mideast amid a warming of military relations with China. The HK Security Bureau has said the Constellation will leave Wednesday, followed two days later by the carrier **USS Kitty Hawk**, which is due to leave Dec. 3. The **Kitty Hawk** is fresh from military exercises in Japan (pictured).

## **MOVEMENTS**

THIS SECTION IS BROUGHT TO YOU BY:



MULTRASHIP Towage & Salvage Scheldekade 48

4531 EH Terneuzen
The Netherlands

Tel : + 31 - 115 645 000Fax : + 31 - 115 645 001

Internet

commercial@multraship.nl
http://www.multraship.nl

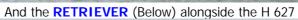
## HEEREMA UNITS IN THE BEERKANAAL

Photo's: Jas Louwen ©



The crane vessel **THIALF** with alongside the **TRITON VIII** (Below)









The new **SMIT STOUR** operating at Scotland.



The GIANT 3 passing the Mallaca straits November 23<sup>rd</sup> – Photo: crew Smit Explorer

# AIRCRAFT / AIRPORT NEWS EasyJet profit seen rising to 57-66m as founder bows out

But analysts remain divided over future prospects of budget airlines



Low-cost airline easyJet plc is expected to report a jump in annual profit today, but investors want reassurance they are not in for a bumpy ride as chairman and founder Stelios Haji-Ioannou officially steps down.

Run out of a bright orange corrugated iron shed near Luton Airport, easyJet is the very acme of the booming budget airline sector, which has stripped business from conventional carriers by focusing on Internet bookings and scrapping free in-flight meals. The colourful, go-getting Mr Haji-Ioannou, a 35-year-old who built easyJet from a two-aircraft outfit in 1995 to become Europe's biggest 'no-frills' airline, is the epitome of his company.

But after winning widespread acclaim as the firm weathered the storm that hit bigger rivals after the September 2001 attacks on the United States, easyJet has had a more turbulent time since Mr Haji-loannou announced his departure in April.

A rash of cancelled flights over the summer in particular raised fears that the firm was struggling to integrate Go-Fly, the fellow 'no-frills' operator bought for 374 million (S\$1.05 billion) from British Airways in May. So while easyJet shares have outperformed those of flag carrier British Airways by 14 per cent since the start of the year, they have lagged closest budget rival Ryanair by 24 per cent.

EasyJet, whose 64 aircraft carried over 1.6 million passengers to 88 destinations in October, reassured investors last month by saying annual profit should meet market expectations and the integration of Go-Fly was on track. Analysts expect profit before tax, goodwill and exceptional items to come in between 57 million and 66 million in the year to Sept 30, up from 40.1 million a year earlier.

But there are big differences among analysts over the outlook for budget airlines. While some say the sector is set to capture a quarter of the air traffic market by 2010, up from about 5 per cent currently, others think it will be held back by conventional airlines' stranglehold on the best airport slots.

There are also question marks over some of easyJet's recent strategic decisions. In particular, some analysts were surprised when the firm ordered up to 240 new planes from European planemaker Airbus, rather than previous supplier Boeing. This was a departure from the typical low-cost model of using one aircraft type to help lower maintenance and pilot-training costs.

EasyJet now has to decide between rival engines for the planes made by International Aero Engines, a venture including Britain's Rolls Royce and US firm Pratt & Whitney, and CFM International, a joint venture between General Electric and France's Snecma. EasyJet, which has been run by chief executive Ray Webster for the past two years, said in April that Mr Haji-Ioannou was stepping down as chairman to overcome investor concerns about his plans to cash in some of his 59-per cent shareholding. As chairman, Mr Haji-Ioannou's share dealings would come under scrutiny because of his intimate knowledge of the company.

The multi-millionaire entrepreneur has said he will remain a significant shareholder, but wants to sell some shares to raise money for his other budget ventures, which include easyCar, easyInternetCafe and easyCinema.

Deputy chairman Colin Chandler is succeeding Mr Haji-Ioannou, who plans to step down today. - Reuters

### RIJNMOND WEATHER

Vooruitzichten van woensdag t/m zaterdag:

#### Licht wisselvallig!

Morgen af en toe zon en droog. Daarna half tot zwaar bewolkt en soms wat regen of een bui.

| WO-27  | DO-28             | VR-29                        | ZA-30                                   |
|--------|-------------------|------------------------------|---|
| 8      | 11                | 10                           | 8                                       |
| 4      | 6                 | 7                            | 5                                       |
| 40     | 30                | 30                           | 20                                      |
| 5      | 30                | 40                           | 50                                      |
| ZO-3-5 | Z-3-5             | Z-3-4                        | NO-2-4                                  |
|        |                   |                              |   |
|        | 8<br>4<br>40<br>5 | 8 11<br>4 6<br>40 30<br>5 30 | 8 11 10<br>4 6 7<br>40 30 30<br>5 30 40 |

## .... STORY OF THE DAY ..... How to rid the seas of ageing tankers

A LEADING shipbroker has suggested a novel way for governments to encourage shipowners to scrap their older single- hull tankers if they are serious about eliminating this breed of vessel in the wake of the Prestige catastrophe.

Poten & Partners has floated the idea that governments should persuade owners to remove pre-1980 built single-hull tankers by offering them the estimated demolition value of the vessels.

In this way, the New York-based broker explains in its latest weekly tanker opinion, owners would receive double the scrap value for eliminating their tonnage.

Poten & Partners estimates that such a programme would affect 233 vessels and cost \$800m.

However, the broker contrasts this expenditure with the possibility that it will cost \$1bn to clean up the beaches along the Spanish coast.

Poten & Partners' proposal may seem improbable but it comes against a background of calls for stricter laws and the accelerated phase-out of older single-hull tankers.

The Prestigeis the third high profile "old" vessel in three years to experience significant structural difficulties, the other two being the Castorand the Erika.

In its examination of the older tankers issue, the broker divides the fleet into two sections: "new" and those built before 1980.

Under existing Marpol phase-out regulations, all of the pre-1980 fleet will be eradicated by 2006.

The impact ranges from 10% and 11% of the very large crude carrier and aframax fleets, respectively, to 18% each for the panamax and suezmax fleets.

However, all tanker segments already have comfortably more vessels on order than are affected by the phase-out schedule.

However, Poten & Partners said that the outcry by the public against older vessels could result in a banning of all single-hull tankers.

This would result in about half the fleet being removed from service.

"Depending on how accelerated the phase-out schedule would be, this course of action would set off a boom in tanker rates that would make the post- Erika boom look like a wavelet just before the tsunami," the broker commented.

In practice, Poten & Partners believes that a ban on single-hull tankers, even if proposed, would be delayed long enough for public indignation to calm.

Even so, it says a more accelerated phase-out of single-hull tankers could occur and, for example, include all single-hull tankers of 20 years or older.

To the undiscerning eye of the public, the broker observed, this may not seem to be much of a change than in having all pre-1980 vessels phased out by 2006.

"But it does make a difference," he said.

Imposing this age cut-off, has the biggest impact on the smaller sectors.

Poten & Partners points out that relatively few VLCCs and suezmaxes are affected by such a change.

This is because few of them were delivered in the early 1980s.

"However the accelerated phase-out will absorb the entire availability of aframaxes on order and there would be a significant need for more panamaxes."

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

http://www.scheepvaarthoek.nl

And the renewed site of the National Tugboat Museum at:

http://www.nationaalsleepvaartmuseum.nl