

DAILY SHIPPING NEWSLETTER 2002 – 107



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**Operation
Enduring Freedom**

EVENTS, INCIDENTS & OPERATIONS

Venezuelan tugs risk commandeering

TUG operators have begun contacting masters of ships caught in Venezuela's 17-day general strike, urging them not to use government-commandeered tugs. The move follows government authorisation for the military to commandeer private transport to guarantee fuel and food supplies. A Caracas maritime lawyer told Fairplay a commandeered tug tried to move the privately-owned tanker **Tora** in Puerto Cabello, but the master refused, heaved anchor and departed. Most petrol retail outlets in Caracas have closed and the government is desperate to get supplies moving. Tanker traffic has all but halted. In the past 24 hours one tanker berthed and another left Puerto Miranda on Lake Maracaibo bound for the Amuay refinery, another left Puerto Cabello's El Palito for state-owned PDVSA's Curaçao refinery in the Netherlands Antilles and another left **El Palito** without unloading. Chemical tanker Iver Libra loaded and left the Jose terminal and its sister ship **Iver Prosperity** is loading today. A tanker arrived at Amuay this morning from Puerto Miranda, but 13 other vessels are at anchorage awaiting instructions. Puerto La Cruz export loading terminal has ten vessels waiting at anchorage. Neither the government nor strike leaders have given ground in the past 24 hours.

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The Greenpeace flagship **Rainbow Warrior** sails in the Galician port town of La Coruna in protest against the weak response to the oil disaster from authorities. Thousands marched through the streets of Madrid and other cities late Thursday to protest the government's handling of the oil spill crisis caused by the sinking of the tanker Prestige.



A fisherman passes the anchored oil tanker **Pilin Leon** in Maracaibo Lake in western Venezuela, Friday, Dec. 20, 2002, on the 19th day of a general strike seeking the ouster of President Hugo Chavez. The Pilin Leon and three other tankers dropped anchor in Maracaibo Lake in support of the general strike. Executives at Petroleos de Venezuela S.A., or PDVSA, stood firm with a decision to ignore the Supreme Court ruling to return to work as the specter of more political violence rose as rivals planned

to fill streets with protest rallies.

N Koreans allege Spanish brutality



THE crew of the North Korean scud missile freighter **So San** have levelled allegations of brutality against the Spanish marines that boarded the vessel in the Arabian Sea on December 9. The vessel was ordered to stop by the frigate **Navarra**, 960 km off the Horn of Africa, after being tracked by US intelligence since leaving the North Korean port of Nampo. Warning shots were reportedly fired after the master refused to stop. However, pictures telecast by Qatar's Al-Jazeera satellite television channel showed one side of the vessel's hull riddled with bullet holes from shots fired by marines prior to boarding. The volley also knocked out the ship's

communications system. "Spanish soldiers hit our heads with the butts of their rifles. They tied our

hands behind our backs and ordered us to lie on the ground face-down," a Korean rating related. The ship was allowed to proceed to the port of Mukalla after the Yemeni government protested the seizure of the military cargo, procured legally from North Korea.

BISMARCK



One of the main gun mounts on the submerged German World War Two battleship **Bismarck** is seen on the ocean floor off the coast of Ireland in this recent photo. After conducting an exploration of the famous vessel, explorer Fred McClaren is claiming that there is evidence that the Bismarck sank after being scuttled by its crew and did not sink as a result of the famous attack by British forces in 1941.

Flooded 'blacklist' bulk carrier heads for Lisbon

AN AGEING bulk carrier, named on the European Commission's recently published 'blacklist' of banned ships, was bound for Lisbon under tow yesterday after sustaining flooding in the engine room and losing power.

The 1979-built **Nestor C**, flagged in the St Vincent and Grenadines, is laden with 30,000 tonnes of ammonium phosphate but is reported stable. The vessel's managers, Piraeus-based Chrinav Management, said the bulker presented "no risk at the moment".

A spokesman for the company, which took over the ship in December 1999 and runs a small fleet of bulkers, said: "The vessel is completely stable, although there is a greater stern trim."

But even before yesterday's incident, the Nestor C had been earmarked by Brussels as 'high risk' and had been detained by port state control twice in the past three years. It is banned from calling at European ports.

It also has a history of casualties and has been involved in at least three incidents in the past two years. The most recent, according to commercial shipping databases, was a collision in the eastern Mediterranean in February this year after it broke its mooring lines and drifted into two other ships.

Today's incident will add further urgency to the debate raging in Europe following the Prestige disaster four weeks ago. Portugal, together with Spain and France, has led the drive to tighten standards further in the face of recurring maritime accidents in and around its waters.

But Chrinav yesterday played down the significance of the EC ban, saying it was purely because the ship had been detained twice over a three-year period.

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The last detention by port state control was in Amsterdam, in November 2000, the company said. "The defects were relatively minor and were corrected," the spokesman added. "Since then the ship has not had a problem."

The Nestor C was last inspected by port state control in St Petersburg on June 20 this year. Four deficiencies were detected but it was not detained. Portuguese authorities said the ship was no longer taking on water and had not leaked any cargo or fuel.

"There is a large amount of sensitivity about shipping casualties in the wake of the Prestige and everyone naturally wants to play it safe," the Chrinav spokesman said. "But going by reports from the ship, we do not think there is any hull damage or water coming in through the side plating or anything like that."

SHIPYARD NEWS

HDW future uncertain again

GERMAN press reports suggest that a complete take-over of HDW by the ThyssenKrupp concern can no longer be ruled out. HDW spokesman Dr Jürgen Rohweder told the Kieler Nachrichten that "anything is possible". The future of HDW, which was taken over by US investor One Equity Partner earlier this year, has come under discussion again this week after a ThyssenKrupp statement was issued confirming that the co-operation agreements regarding the building of naval vessels had been altered. It no longer appears likely that either ThyssenKrupp or Ferrostaal will take a 15 per cent stake in HDW, as was part of the agreement when One Equity Partner bought the shipbuilder from Babcock Borsig. The controversial sale of HDW was criticised at the time by German chancellor Gerhard Schröder, who preferred a German shipyard concern that would co-ordinate naval orders and avoid transferring HDW's submarine building technology to a foreign country. It has been argued that acquisition of HDW by a foreign investor might lead to diplomatic tension if weapons technology was exported to unstable regions

Queen Mary 2 takes shape at Chantiers de l'Atlantique



IN EXACTLY one years time, Cunard's £540m [Queen Mary 2](#), the largest, longest, tallest, widest and most expensive passenger liner ever, will be tied up in her homeport of Southampton.

Currently under construction in France, the future flagship of the British merchant fleet will be named on 10 January 2004 and depart on her 14-day Maiden Voyage to Fort Lauderdale two days later.

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Carnival hits billion dollar profit

NEW ships and a cruise industry rebound helped push the world's largest operator to post a billion-dollar profit for 2002, as Carnival Corp reported fourth quarter net income of \$191.3M on revenues of \$1.04Bn. Despite cautioning about a "temporary negative effect" on its bookings due to media reports of stomach virus outbreaks, which have affected passengers on five of its ships, Carnival ended the year on a high note, with net income of \$1.02Bn on revenues of \$4.37Bn in 2002. Carnival operates 45 ships under six brands, and expects passenger yields up by one to three per cent for first quarter 2003 over 2002. It also warned of a four to six per cent increase in operating costs, based on higher fuel and marketing expenditure. "Booking levels have slowed recently," the company statement said. Capacity is set to increase by 17.5 per cent in 2003. Carnival also plans to file its dual-listed company proposal for its take-over of rival P&O Princess to the US Securities and Exchange Commission, for which it expects an answer by January 10, 2003.

Cruise ship cancels Mombasa call



Top : The **EUROPA** seen in drydock for maintenance in Genua October 2002 - **photo : Piet Sinke ©**

THE repercussions of last month's terrorist attack on Israeli interests in Kenya started being felt last week when the first cruise ship cancelled a scheduled call at Mombasa, citing security issues. Hapag-Lloyd's 25,518-GT **Europa** was due to call on December 10 before proceeding to the historic Swahili

port of Lamu at the northern tip of Kenya, bordering Somalia. The cancellation has sent a grim message to East Africa's cruise tourism sector, which had worked frantically to revive the industry, threatened with collapse after September 11, 2001. The [Europa's](#) visit, Kenya Ports Authority officials said, had been significant, coming four years after the ship last called in East Africa. It would have been the second main cruise liner to call after the [Marco Polo](#), which sailed shortly after the November 28 terrorist attack that killed nearly 20 hotel workers and guests. A third vessel is expected in Mombasa early next month. "We are keeping our fingers crossed for no more cancellations," said the spokesman

Tankers arrested in owners dispute

A LEGAL dispute between two Greek cousins appears to lie behind the detention this week of the Panama-registered 88,000-DWT tanker [Camaro Pride](#) and the 81,000-DWT tanker [Abdoun Discovery](#), which is flagged in Cyprus. The vessels have been detained at the outer anchorage of Muhammad bin Qasim port by Pakistan's Maritime Security Agency. "We have arrested the two vessels on the order of Sindh High Court, and will not set them free until the superior court vacates the order," MSA director operations, Babar Bilal told Fairplay. "MSA had moved into action after Port Qasim Authority said they were unable to arrest the vessels," Babar said, adding he was unaware of the cause of arrest. However, PQA director-general operations Admiral Muhammad Assad Qureshi said the ships had been detained, together with their crews, after discharging their cargoes at Fauji Oil Terminal. He believed there is a legal dispute underway between the Greek owners. Camaro Pride was reported sold for scrap to Indian breakers last month.

Port Canaveral Sails Beyond Previous Records

More passengers sailed from Port Canaveral during fiscal year 2002 than any other time in the history of the world's second busiest multi-day cruise port, an indication that the cruise industry is in economic recovery from the September 11, 2001 terrorist attack. According to Port figures, 3,824,240 revenue passengers cruised from Port Canaveral between October 1, 2001 and September 30, 2002. This exceeds previous records in 2000 and 2001. The numbers represent one-percent growth in 2000 and 5.4 percent growth in 2001. The cruise industry at Port Canaveral has an \$276 million economic impact on Central Florida, according to a 1999 economic impact study. "The biggest growth occurred in our longer cruise options with the influx of cruise lines offering 7-day itineraries," says Robert Giangrisostomi, Deputy Executive Director of Business Development for the Canaveral Port Authority. "We have been very successful in our efforts to attract drive-market vacationers to Port Canaveral for the cruise lines to fill up their ships." Port Canaveral has recovered from the loss of the two smaller cruise lines that went out of business two years ago. Fiscal year 2002 income from cruise business totaled a record \$22.7 million. It will be directed toward new port security requirements and INS mandates instituted following the 9-11 terrorist attack. Though a record year for cruise revenue, the cargo operations at Port Canaveral have been affected by the sagging economy. Port Canaveral had a total cargo volume of 4,215,801 tons, down 7.7 percent over the previous high in fiscal year 2001. Cargo-related revenue is 14 percent of the Port's total revenue while cruise revenue is 70 percent. The remaining 16 percent comes from leases and miscellaneous non-operating revenues. Several projects are on the agenda for fiscal year 2003, including refurbishing terminals and parking areas to accommodate continued growth of the cruise industry at Port Canaveral.

Brittany Ferries' Mont St Michel finally enters Channel service

After several months delay, Brittany Ferries' luxurious new £80m flagship [Mont St Michel](#), will enter service on the company's Portsmouth to Caen route.

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Built in the Netherlands, the vessel was originally due in service earlier in the year, but due to delays, it was not handed over to the owners until earlier this month.

The 34,000 tons gross vessel is 173.4 m length overall by 28.5 m beam, with a draught of 6.2 m. The freight decks capacity totals 2,250 lane metres and can carry either 130 trucks or 800 cars.

The **Mont St Michel** will offer a 70% increase in the company's freight lane metres, and is the first newbuilding for the company since the introduction into service of the Barfleur, on the Poole to Cherbourg route, in the early nineties.

NAVY NEWS



The Military Sealift Command auxiliary combat stores ship **USNS Spica (T-AFS 9)** approaches the **CVN 75 Harry S. Truman**.

Replenishment at sea (RAS) is the method by which provisions, ammunition and fuel are transferred from one ship to another at sea. The technique enables a fleet or naval formation to remain at sea for prolonged periods of time.

Harry S. Truman is

on a regularly scheduled deployment, conducting missions in support of Operation Enduring Freedom

Japan Maritime Self Defense Force (JMSDF) ship, **JDS Chokai (DDF 176)**, steams along side Kitty Hawk for a replenishment at sea (RAS). Kitty Hawk is providing a forward presence in the Asia/Pacific region, conducting training and exercises with regional allies. Kitty Hawk is the Navy's only permanently forward-deployed aircraft carrier and operates out of Yokosuka, Japan.





USS Preble (DDG 88), the Navy's newest destroyer, arrives for the first time as its homeport of San Diego. The arrival makes it the fourth Arleigh Burke destroyer to be stationed in San Diego since May of 2001

USS George Washington Battle Group Returns Home



More than 7,500 Sailors and Marines assigned to the ships and squadrons of the USS George Washington (CVN 73) Aircraft Carrier Battle Group (CVBG) returned to Norfolk this week, completing a six-month combat deployment in the Arabian Gulf, in addition to operations in the Mediterranean Sea and Atlantic Ocean.

On Dec. 20, returned units include USS George Washington; Commander, Destroyer Squadron Two; the guided-missile cruisers **USS Normandy (CG 60)** and **USS Monterey (CG 61)**; the Arleigh Burke-class guided missile destroyers **USS Laboon (DDG 58)** and **USS Mahan (DDG 72)**; and the fast combat support ship **USNS Supply (AOE 6)**. The embarked squadrons of Carrier Air Wing 17 will fly off Dec. 19.

During their six-month deployment, George Washington launched approximately 10,000 sorties. These sorties included offensive strike missions, designed to dislodge both Taliban and Al-Qaida operatives. In August, George Washington and Normandy, steamed into the Arabian Gulf in support of Operation Southern Watch, enforcing the southern no-fly zone over Iraq.

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Carrier Air Wing 17 sorties marked the first time in a year that aircraft launched from a U.S. carrier would patrol the skies over Iraq in conjunction with other coalition aircraft. "Again, we were there, dropping weapons when necessary to ensure that there would be a safe no-fly zone in southern Iraq," said Read Adm. Joseph A. Sestak Jr., George Washington Battle Group Commander. "We then came to 6th Fleet and maintained our readiness at an extraordinarily high level, ready to respond if our nation asked us to."

Ships of the George Washington Battle Group also participated in numerous exercises with allies in the Mediterranean Sea and Atlantic Ocean. This included Med Shark 2002, a joint task force exercise with the Royal Moroccan Navy and Air Force. In this exercise, **USS Mahan** and **USNS Supply** worked alongside four Moroccan warships, conducting maneuvering, flashing light and air-tracking exercises; boarding, undersea warfare and restricted transit drills; and surface gunfire exercises.



While deployed overseas, battle group ships visited 16 different countries, including Scotland, England, the Netherlands, Germany, Spain, Portugal, France, Italy, Malta, Greece, Slovenia, Turkey and the United Arab Emirates. All of the Sailors and Marines with the George Washington Battle Group deployed from the Hampton Roads area June 20 and were relieved by the **USS Harry S. Truman (CVN 75)** Battle Group, which departed Norfolk Dec. 5.

Other ships of the battle group scheduled to return later this winter include the guided-missile frigate **USS Kauffman (FFG 59)**, the guided-missile destroyer **USS Barry (DDG 52)** and the destroyer **USS Arthur W. Radford (DD 968)**.

MoD eyes trio as Hoon puts nation on war footing

THE UK gave its first clear indication it was limbering up for war in Iraq with opening moves by the Ministry of Defence to charter three vessels for military shipments next month to the Mediterranean or Persian Gulf

Brokers said that military logistics specialists had approached the London market to fix two large ships and a heavy-lift vessel for 90 days from mid-January.

Action by the MoD follows rising disquiet over the past few weeks that war planners had left transport preparations for armed conflict in Iraq too late to join an anticipated US offensive early next year.

Shipping sources said that the MoD had set Monday as the closing date for offers.

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"There are players already looking at this contract," confirmed a London-based shipping source. "The preference will be for domestic-flagged vessels, but it is not difficult for vessels flagged outside the UK to fulfil this need."

The MoD move follows chartering activity by the US and came as Defence Secretary Geoff Hoon said he had put the UK on a war footing.

An MoD spokesman declined to give specifics, but confirmed the UK government was seeking ships on the open market.

The first order is for a large, 2,500-lane ro-ro to load in the UK or northern Europe for the eastern Mediterranean or northern Gulf.

Sources also said military planners were looking for a large, 900-unit container vessel and a semi-submersible to be used to move landing craft.

MOVEMENTS

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The Multraship tug Baracuda with in tow the former Dutch frigate DE RUYTER is scheduled to arrive at the Maascentre buoy Saturday 21-12-2002 at 08:00 hrs LT, the transport is bound for 's Gravendeel.

AIRCRAFT / AIRPORT NEWS



Boeing 737- 8F2 **TC-JFT** Now with winglets !! at Manchester - International (Ringway)
photo : T.Silgrim ©

RIJNMOND WEATHER

Vooruitzichten van zaterdag t/m dinsdag:

Wisselvallig!

Bewolkt, perioden met (veel) regen en zacht.

	ZA-21	ZO-21	MA-23	DI-24
Maximumtemperatuur:	6	9	8	10
Minimumtemperatuur:	3	3	5	6
Zonnekans in %:	10	10	10	10
Neerslagkans in %:	50	90	70	70
Windrichting kracht:	Z-2-3	ZO-4-5	ZO-4-5	ZW-4-6

.... STORY OF THE DAY

Ferries face rates war to win back lost passengers

**With services ranging from cruise-style to camping on board, the
market may have reached saturation point**

Passenger rates are beginning to buckle on routes between mainland Italy and Sardinia following a sustained increase in capacity.

Private sector operators are expected to report increased volumes for 2002, but there are doubts as to whether the market can continue to provide revenue and profit growth in an increasingly saturated market.

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With lines such as Grandi Navi Veloci, Moby and Tirrenia all moving bigger, faster and newer ships onto services in and out of Olbia this year, holidaymakers have enjoyed an unprecedented selection of travel alternatives.



Top : some laid up ferries in the port of Genoa - **photo : Piet Sinke ©**

Over the peak summer season there have been up to 28 departures a day to Sardinia. Ships such as Grandi Navi Veloci's **Superba**, delivered last year, have offered cruise-style comfort, while traditional ferries and ro-pax ships are still sailing full of passengers with more time to travel and perhaps less money to spend. At the economy end of the market there is a line offering "camping on board".

Despite some impressive growth figures for certain operators, the summer season has revealed worrying signs. Hotels on the island increased rates in the expectation of a post-September-11 tourism "boom". Italians would look to stay closer to home in uncertain times, many believed, but the boom never came. "Some of the hotels have been very greedy and Sardinia has become very dear," said Euan Lonmon, managing director of Corsica Ferries Sardinia Ferries. Croatia and Tunisia are thought to have eaten into the Italian tourism market this year.



Top : The **CORSICA VICTORIA** departing from the port of Nice – **Photo : Piet Sinke ©**

"Sardinia is expensive," said Ugo Masciocchi, director of cabotage division and commercial director for state-owned ferry giant Tirrenia. "Croatia is as beautiful as Sardinia and half the price. The figures are up for Croatia and for Tunisia. To a certain extent, the low and middle class Italians have deserted Sardinia." Sardinia's summer season this year was also spoilt to a certain extent by a prolonged period of bad weather.

In the absence of the hoped-for boom, ferry operators have this year had to launch a series of promotions in order to keep their ships full. The complexity of the marketing ploys employed makes an analysis of the extent of discounting difficult to make, though most estimates range between 5% and

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10%. Talk of a rates war is not exaggerated, said Mr Lonmon. While relatively small in absolute terms, this drop could for certain companies represent the difference between profit and loss.

"The main problem on Sardinia now is overcapacity," said the Corsica Ferries Sardinia Ferries managing director. Overcapacity has increased significantly on Sardinian routes from Genoa and Liguria in general, while on the freight trades the excess can be found on routes out of Tuscany.

"Rates on passengers have generally come down," said Mr Masciocchi. "There has also been a certain amount of over-commissioning to the agencies, which has had a knock-on effect on how much companies take from rates."

The Tirrenia manager reported relatively stable rates as far as freight is concerned, though this picture was not reflected all along the Tuscan coastline. According to Carlo Andrea Marsano of ro-pax operator Lloyd Sardegna, freight rates on the Livorno to Olbia route have decreased by around 20% over the past 12 months. "There has been a lot of fleet renewal, rates are very low. To Sardinia, tickets and freight rates are probably lower than they are in the North Sea," he said. "This excitement has involved the whole of the Mediterranean. The market needs to be re-balanced."



Top : The **NGV LIAMONE** loading in the port of Nice – **Photo : Piet Sinke ©**

Rates on the Livorno/Olbia freight market have been depressed by a new entrant this year — Armatori Sardi.

Armatore Sardi has taken market share from Lloyd Sardegna, which as a result expects freight carried this year to drop to 1.2m lane metres. Lloyd Sardegna has however compensated for this loss by promoting passenger services, in particular "camping on board". The company's passenger volumes are expected to increase from 140,000 in 2001 to an estimated 170,000 this year.

State-owned airline Alitalia has also contributed this year to a passenger rate reduction with its new policy of offering reduced fares between Cagliari, Rome and Milan. One-way fares of E 80 (\$79.5) have proven very popular with travellers of all kinds, whereas residents and those born in Sardinia now enjoy special air fares, and one-way tickets as low as E 40 can be found. The government-promoted subsidies have been introduced as part of a "territorial continuity" policy designed to reduce the economic disadvantages of Italy's peripheral regions. Similar discounts are already in place for islanders choosing to travel by sea.

Mr Masciocchi said he believed the discount had contributed to a reduction in Tirrenia's volumes this year. "The territorial continuity policy introduced on January 1 has made air travel accessible to low

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and medium income earners commuting between Sardinia and the mainland. Air fares can be as low as E 40, and there is a lot of talk of full aircraft and people having to make reservations two weeks in advance.

"It costs less to travel by sea, but when you add in the transfer to the port, the return journey by sea can take up to two days."

For Mr Lonmon, the territorial continuity policy is more of a low season issue. "The territorial continuity policy has definitely had an effect on some routes, anyone would think that Ryanair had started operating between Rome and Cagliari the rates are so low. But we mainly cater for the leisure market, and these people are not residents and were not born on the island. They also bring with them so much luggage that any normal aircraft would crash."

The policy only applies between the island and the mainland airports of Rome and Milan, much to the annoyance of competing airports, such as Genoa.

"Rebalancing" the market would imply consolidation among the bigger players — there is talk of this eventuality.

A more comprehensive analysis of the market might also include an examination of the effectiveness of government subsidies. The current Tirrenia subsidy programme expires in 2008. The programme distorts the market, according to Tirrenia's private sector competition.

"This subject gets us wild," said Mr Lonmon. No-one is quite sure how the Tirrenia subsidy system operates, he said.

"In the high season Tirrenia can offer lower fares because of these subsidies. They have an armada of vessels without any link to normal market behaviour."

The managing director would like to see the Sardinia subsidy regime changed so that passengers, rather than companies, are subsidised. Such a system is in force between the ferry company's other principal market — Corsica — and the French towns of Toulon and Nice. "In Corsica, where there is competition, there is no subsidy to the company, but to the individual," he said. "The system can be organised by passenger, or by lane metre or by tonne. There would then be an open market. Then everybody can accept the same rules, which could be accompanied by minimum standards, both quantitative and qualitative." On routes to Corsica, the company has decided to pass this subsidy on to its customers. The Corsica system has evidently boosted traffic.

Discounting may have hit yields this year, but according to company figures promotional activity had the desired effect of boosting passenger numbers. Corsica Ferries Sardinia Ferries carried 715,000 passengers on crossings to Sardinia between January and November 13 — up just more than 5% on last year.

Grande Navi Veloci, the Milan-listed cruise ferry group, seems to have fared better than its competitors. The high-profile **Superba**, the newest addition to the GNV fleet, with its capacity for 3,000 passengers, has reportedly proven to be popular with the local market this year. The popularity of the ship has allowed the company to increase rates rather than decrease them. "I would say there is overcapacity as far as modest ferries are concerned, but the number of quality ferries is just right," Mr Grimaldi said. He likened ferry capacity in the Mediterranean to restaurant capacity in a capital city. "In any given city the restaurant capacity might be too high, but the best restaurants will always be popular."

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“We have managed to increase our rates this year and they are now going up again, given that inflation is running at around 3%. Port authority costs have also gone up, and we have to cover ourselves.”

Grandi Navi Veloci is expecting to ferry around 500,000 passengers between the Italian mainland and Porto Torres this year — a 22% improvement on 2001. To Olbia, where the company has operated for four months of this year, as opposed to three months in 2001, the predicted increase is around 50%, to 204,000 passengers



The **AURELIA** under maintenance in Palermo — photo : Piet Sinke ©

When full-year figures for Tirrenia are released, they are expected to show the company's losing market share to the private sector.

Next May Grandi Navi Veloci will take delivery of the **Suprema** — **Superba** 's sistership. Tirrenia is also expecting newbuildings to be delivered next year.

In all, another 10% increase in capacity is expected.

With the Italian economy stagnating and alternative low-cost holiday destinations increasing in number, the outlook for tourism-dependent Sardinia as we move into 2003 is less optimistic than 12 months ago.



The Russian Kirov class nuclear powered guided missile cruiser [Petr Velikiy](#) near the Kursk Location
[Photo : Piet Sinke ©](#)