

DAILY SHIPPING NEWSLETTER 2003 – 072



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Binnenbaan 36 3161VB RHOON The Netherlands

Telephone: (+31)105018000

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

Fax : (+31)105013843

Internet & E-mail

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The Stellendam lifeboat **Prinses Margriet** in action – **photo : Henk de Winde ©**

EVENTS, INCIDENTS & OPERATIONS



Greenpeace activists try to disrupt Japanese whalers near Antarctica. Anti-whaling countries called on the world whaling body's annual conference to beef up the protection of whales

SUNGREEN UNDER TOW OF THE FAIRPLAY IX

C.c. Sungreen (13335 gt, built 1986) sailed Santander Jun 10, in tow of tug Fairplay IX bound Rostock, to carry out engine repairs. Understand due to financial reasons, repairs were not carried out at Santander. Vessel expected to arrive at Rostock Jun 19

Royal Caribbean eyes mega-ship

ROYAL Caribbean is threatening to break the mould in mega-cruiseships yet again, by unveiling plans for a 160,000 gt, 3,600-passenger behemoth at Masa-Yards in Finland.

But the dollar's 20% slump against the euro since the turn of the year could scupper the deal. The shipyard is quoting in euros and the sticker price for the so-called "Ultra-Voyager" series is proving difficult to iron out, say informed sources in Finland. Royal Caribbean is giving itself until August 31, and possibly until December 31, to allow the exchange rate to turn favourable, the company said.

If the order is consummated, the first ship would be delivered in 2006, with an option for delivery in 2007 or 2008. The official statement talks about the "even greater economies of scale" of the Ultra-Voyager class, providing an insight into Royal Caribbean's thinking. It remains to be seen how such an order might affect Masa-Yards' German rival Meyer Werft, whose own Radiance-class options for two 90,000 gt cruiseships worth \$800m have been postponed several times since 2001.

Royal Caribbean has until September 19 to decide on the Meyer options, with deliveries in 2005 and 2006. Analysts remain unsure whether there would be enough demand to justify ordering both classes at once, especially with Royal Caribbean's gearing. The Ultra-Voyager cruiseship would trump Royal Caribbean's existing Voyager class series, which features 140,000 gt, 3,114-passenger cruiseships priced at around \$500m apiece. Four Voyager-class ships — the Voyager of the Seas, Explorer of the Seas, Adventure of the Seas and Navigator of the Seas — are in service. A fifth, the Mariner of the Seas, is scheduled for delivery this year. But the price of the Ultra-Voyager class in context of the dollar exchange rate could prove to be a deal breaker, experts say. "The engineer's interpretation [of the corporate announcements] is that price is a major issue [of disagreement]," a senior Finnish source said. "Masa-Yards' cost-efficiency programme would allow it to offer competitive terms, but the yard is denominating this one in euros. Royal Caribbean's statements make it clear that it wants a very competitive offer."

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A senior analyst from one of Oslo's leading brokerage houses said that if \$500m is used as a benchmark price for the Voyager class, then the Ultra-Voyager class would be priced at \$560m based on the perceived increase in capacity. "In the days of a weaker euro, and assuming parity for the sake of this argument, this price would have translated into E 560m," the analyst said. "If Masa-Yards insists on E 560m now, this becomes about \$660m at today's exchange rate." This unexpected burden of \$100m could be the deciding factor in whether Royal Caribbean chooses to go ahead with the order, the analyst said.

The announcement yesterday came amid concerns about a surfeit of capacity, a struggling economy and uncertain growth in revenue yields. Even cash-rich Carnival, the undisputed market leader, has expressed reservations about ordering new ships.

Still, Royal Caribbean's stance did not catch analysts by surprise. "The company has no capacity increase scheduled in 2005 and no new deliveries in 2006 as well," the Oslo analyst said.

"On that backdrop, ordering these new ships makes sense." In addition to the Mariner of the Seas, Royal Caribbean has two Radiance-class ships, the Serenade of the Seas and the Jewel of the Seas, due to be delivered into 2004, with no ships to follow pending the Meyer option decision.

"We are operating in a different environment today, and we anticipate that the company's future fleet expansion will proceed at a more measured pace in terms of capacity, but not in terms of innovation," Royal Caribbean's chief executive Richard Fain said. Henrik Segerkrantz, corporate communications manager for Masa-Yards, said details of the bigger Ultra-Voyager design would be released at a later date.

Zodiac seeks APL Emerald salvor

ZODIAC Maritime Agencies now has a plan in place to refloat the grounded boxship APL Emerald but is yet to appoint a salvor .

The managers of the Ofer Group containership, that grounded in the Singapore Strait last Thursday, said it had commenced detailed negotiations with several contractors bidding for the job.

Paul Shields, Zodiac's director of operations, acknowledged there were "a number of people who would like to see the vessel moved as quickly as possible.

"The main thing is to see that the job is done right in the first instance," Mr Shields said.

A bunker barge began transferring 900 tons of fuel from the vessel on Sunday evening.

The company said an oil boom had successfully contained small oil leaks coming periodically from the hull. Zodiac is also continuing talks with charterers APL over what is to be done about the container onboard the stranded vessel.

"The likeliest scenario at present is that once refloated, the ship will be moved to a safe anchorage where containers can be safely removed by floating cranes," the company said.

The China bound ship had 1,100 boxes onboard although only about 80 were laden.

Shipping companies on the attack

Frank de Kruif

Genoa – For many years shipping companies have looked on with envy as stevedores made fortunes transshipping the containers they had been carrying for next to nothing. The large profits made by the terminal operators, now and in the past, stood in sharp contrast to the lean results of the shipping

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lines. This situation always made for long faces and prickly debates at gatherings like the Terminal Operators Conference (TOC). But things have been less tense at this week's TOC 2003 in Genoa.

Economic conditions in the global shipping industry have improved dramatically during the past year. That is good news for the shipping lines – but also for the terminals, whose only care now seems to be how to cope with the swelling flow of freight at their current capacities. All the signs are that the container market is going to grow. At an average of about 7 per cent annually, according to the general consensus. That the shipping lines are also now benefiting from this is due not only to reviving world trade – mainly from China – but also because their capacity is no longer increasing by 10 per cent a year, as was the case in the 1990s. Now that the creation of new maritime capacity is more in line with demand, prices are rising.

The "cake" to be shared out in container transport is thus growing. And it will be interesting to see who grabs the best pieces. Shipping companies have long been trying to break the power of the stevedores by setting up their own terminals, and this tendency looks set to continue unabated. At the TOC a list was shown of the global top ten container lines. Not one does not have a container operation of its own somewhere in the world. As well as taking their own cargoes out of the hands of the independent stevedores, these also attract business from other shipping lines. In practice, it seems highly likely that such so-called dedicated terminals are not as exclusive as they may at first appear. "We cannot allow ourselves the luxury of confining our terminal to our own ships," P&O Nedlloyd strategist Tony Mason told the Genoa conference. As a result shipping lines are increasingly become competitors rather than customers of the terminal operators. How they should respond strategically to this development was not discussed – a serious gap in the conference agenda. Even though there has not yet been an impact upon financial results, with the shipping lines on the attack roles in the industry have totally reversed in recent times.

CASUALTY REPORTING



The **APL EMERALD** aground near the Horsburgh lighthouse - Singapore



APL EMERALD (SINGAPORE)

Experts are confident that the c.c. APL Emerald which ran aground near Singapore on Thursday (Jun 12) does not pose any environmental threat, so they are turning their

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attention to refloating the vessel. Once a strategy that is agreeable to all parties involved is developed, a salvage contractor will be engaged to refloat the vessel, according to the container ship's London-based managers, Zodiac Maritime Agencies. Six divers conducted a survey of the vessel's underwater condition early yesterday morning. The findings are now being reviewed by structural and salvage experts, as well as insurance underwriters and the ship's classification society, Lloyd's Register. 'We hope to bottom out, in the next 48 hours, all the variables that require consideration in developing a refloating procedure,' said Mr Paul Shields, Zodiac's director of operations. Among the steps being considered are moving the cargo and transferring fuel from its tanks and pumping air into them.



CHASSIRON (FRENCH SOUTHERN TERRITORIES)

Following received from Etel MRCC, timed 1445, UTC: Chemical/oil carrier Chassiron has now safely berthed at Bayonne and an investigation is under way to try to establish the cause of the explosion. One crewman was killed in the explosion and his body has been retrieved from the sea.

SPIRIT OF COLUMBIA (U.S.A.)

Following received from Coast Guard Juneau, timed 1800, UTC: Passenger **Spirit of Columbia** (514 gt, built 1979) touched bottom in Prince William Sound, at 1950, Alaska time, Jun 12. The port shaft and port rudder sustained some damage, the extent of which will not be known until a diver assesses the situation this morning.

SHIPYARD NEWS



Left :
Oil Tanker **HELLENIC STAR** (ex LIMAR before 2000).
Flag Malta, GRT 18055, built in 1988, signal letters 9HGA7.
June 15th 2003 in drydock shipyard at Perama Greece for inspection and some repairs.

Photo : George Grekos ©



Alfons Haakans AHT **ZEUS** in the drydock of HVO in Vlaardingen 16-6 for maintenance
photo : Piet Sinke ©

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Workships Contractors bv



K.P. van der Mandelelaan 34 - 3062 MB Rotterdam - The Netherlands

Telephone : (31) 10 - 453 03 77

Fax : (31) 10 - 453 05 24

E-mail : post@workships.nl

Telex : 24390 wosh nl

Durban to enjoy \$85m container crane lift

SOUTH Africa will spend Rand662m (\$85m) on new container cranes at the Durban Container Terminal over the next two years to ease congestion and cut shipping delays at Africa's busiest port, Bloomberg reports.

Six new cranes will be installed, bringing the number of container cranes at the terminal's seven berths to 19, Morgan Chetty, executive manager of strategy at the state-owned South African Port Operations, said at a briefing in Johannesburg.

"Pressure is mounting for terminal operators to reduce handling costs and improve turnaround times," Mr Chetty said. At Durban, "capacity hasn't increased to meet demand".

Shipping lines are charging a "congestion surcharge" of \$100 a container to move cargo through South Africa's three container ports at Durban, Cape Town and Port Elizabeth.

The penalty has added to the cost of imports and cut the competitiveness of the country's ports.

Durban, where ships are facing an average delay of 20 hours, aims to cut the average delay to 16 hours, South African Port Operations Chief Executive Tau Morwe said at the briefing.

The average delay at Cape Town has dropped to four hours, while delays at Port Elizabeth delays have been eliminated, Mr Chetty said.

Annual container traffic at Durban has grown 62% to an estimated 1.4m containers this year, from 887,000 in 1995. The terminal is designed to handle 975,000 containers a year.

A new pier, due to be completed in 2005, will boost designed capacity to about 1.3m, Mr Chetty said.



Left :

Alseas **SOLITAIRE** moves in towards the **SAIPEM 7000** and the Kvitbjorn platform, the **SAIPEM 7000** moved out of the way so the Solitaire could complete her job near the platform.

Trial Navigation via Three Gorges Ship Lock Begins



The trial navigation via the permanent ship lock at the Three Gorges Project began at 08:50 a.m. Monday. The five-stage permanent ship lock has a drop of over 60 meters.

Navigation through the Three Gorges Area along China's Yangtze River resumed Monday as the four mile-long ship lock went into trial operation.

The five-stage permanent ship lock has a drop of over 60 meters.

Two preliminary tests have been done as the water storage in the reservoir completed on June 10, five days ahead of the schedule. A single ship succeeded in passing through the reservoir on June 13. On June 14, another test navigation of a shipping team was also crowned with a success.

The two pretests were both satisfying, especially in the interaction between the ship, the water and the lock, said

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Zhang Qingsong, director of the Yangtze River Three Gorges Navigational Bureau. It is designed to facilitate navigation, allowing boats to travel both up and down stream, and enabling ocean-going vessels to continue inland along the Yangtze River. The ship lock is expected to open to all ships on June 20, earlier than scheduled, as many ships are stuck near the Three Gorges Dam due to the water storage.

The ban on night navigation in the reservoir from the Three Gorges Dam to Wanzhou in the upper reaches of the Yangtze River was lifted at 8:00 am on June 13 after a lapse of 30 days. However, night navigation is still forbidden to those ships that pass the lock for the first time.

The ship lock is expected to reduce the cost of navigation along the Yangtze by over 30 percent. This is the second of the three major tasks to be completed during the current stage of the Three Gorges Project. And the initial generation of hydroelectricity is due to be carried out between August and October.

NAVY NEWS



The **RFA WAVE KNIGHT** seen here departing from Plymouth 15-6-2003 – **photo : Ian Denton ©**

MOVEMENTS

THIS SECTION IS BROUGHT TO YOU BY :



MULTRASHIP Towage & Salvage

Scheldekade 48

4531 EH Terneuzen

The Netherlands

Tel : + 31 – 115 645 000

Fax : + 31 – 115 645 001

Internet

commercial@multraship.nl

<http://www.multraship.nl>

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The **XIN QING DAO** arrived in Rotterdam – photo : **Piet Sinke** ©



The **FIGHTER** arrived with the **SMITBARGE 2** in Rotterdam – Photo : **Piet Sinke** ©



The **HOBURGEN** seen here departing from the Cobelfret terminal – photo : **Rob de Visser** ©



The **GURRONG** (left) and **REDCLIFF** moored in the 2nd Merwehaven in Rotterdam
photo : **Piet Sinke** ©

RIJNMOND WEATHER

Vooruitzichten van zaterdag t/m dinsdag:

RUSTIG ZOMERWEER!

Perioden met zon en dinsdag kans op een bui. Middagtemperatuur tussen 21 en 24 graden maar langs de kust iets lager.

© Ed Aldus 2003	ZA-14	ZO-15	MA-15	DI-15
Maximumtemperatuur:	22	21	22	24
Minimumtemperatuur:	11	11	12	13
Zonnekans in %:	50	60	60	50
Neerslagkans in %:	30	10	10	30
Windrichting kracht:	NO-3-4	N-2-4	ONO-2-4	OZO-3-4

.... PHOTO OF THE DAY



A **SOLSTAD** anchor handler operating in rough weather - photo : via Alain Dooms



SMITWIJS TOWAGE B.V.
Westplein 5b
3016 BM Rotterdam
The Netherlands
Telephone: +31 10 412 6969
Telefax: +31 10 436 9587
E-mail: SmitWijs@SmitWijs.com

