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The **MULTRATUG 10** seen here in the Port of Vlissingen

Photo : Willem Kruit ©

EVENTS, INCIDENTS & OPERATIONS

Malaysia MISC Hldrs OK American Eagle Tankers Acquisition

KUALA LUMPUR (Dow Jones)--Malaysia International Shipping Corp. , or MISC, Monday said shareholders have approved the company's plan to acquire American Eagle Tankers Ltd.

MISC added that the consequent small rise in its debt level shouldn't be a cause for concern.

"Our gearing remains strong. There is no concern and it is still within acceptable limits," MISC Chairman Hassan Marican told reporters after a shareholders' meeting.

MISC's leverage will rise to 0.66 times shareholders' funds from the current 0.4 times following the acquisition, but still remains well below the industry average of 1.5 to 2 times.

The company is expected to close a US\$850 million bridging loan to purchase American Eagle Tankers.

MISC is 62.4%-owned by state-owned national oil and gas company Petroliam Nasional Bhd. , or Petronas.

MISC in April agreed to buy American Eagle Tankers from Singapore's Neptune Orient Lines Ltd. (P.NOL) in a deal worth US\$1.1 billion, including debt.

The company said the acquisition will help it expand its petroleum market beyond the Arabian Gulf-Far East region into the Atlantic.

American Eagle Tankers carries more than 10% of U.S. crude oil imports, a market that MISC hasn't penetrated.

Hassan also dismissed speculation that MISC Managing Director and Chief Executive Mohd Ali Yassin may retire from the company when his term expires in August.

"There is no question of resigning. He is solidly embedded at MISC," Hassan said, but declined to elaborate.

Hassan added that the company is optimistic about its financial performance this year.

"We're quite happy with the present situation. As the world economy begins to improve, we expect MISC to move in tandem with economic growth globally," he added.

The company's net profit for the year ended March 31 slipped to 1.31 billion ringgit (\$1=MYR3.80) from MYR1.34 billion the previous year, due to lower freight rates, higher dry-docking costs and insurance premiums.

Separately, Mohd Ali reiterated the company's earlier statement that MISC is still in talks with KAF-Seagroatt & Campbell group on the sale price for its 37% stake in Affin Merchant Bank Bhd., denying media speculation the deal is off.

MISC is the single largest owner and operator of liquefied natural gas tankers in the world.

Chinese, Bangladeshis and Indians in scrap fight

SUDDENLY, a fair amount of tonnage has come up for demolition, leading to a tense tug-of-war

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between Chinese, Indian and Bangladeshi shipbreakers to get the best of the venerable ships into their yards.

Chinese breakers, in normal circumstances, are subdued during the summer months.

But this year, their perception seems to be that quality tonnage may not be readily available later in the year; and it would, therefore, be best to stock the larder when the going is good.

Similarly, the Bangladeshi demolition men appear to have recovered from the cold shoulder given to their industry in the recent budget for 2003-04; and re-entered the market after their recent bout of excessive caution.

Indian breakers ought to have realised that the outrageously high prices they have paid for demolition tonnage in recent weeks may not produce the desired returns; and ought to have gone a little more slowly in upping the ante. But they have been just as profligate as before.

Pride of place for the highest price paid, of \$238 per ldt, went to Singapore-based cash buyers, who picked up the 1975 Japan-built tanker **Armour**, rating 29,956 dwt and 8,205 ldt, for delivery in the India region. The vessel was delivered with 500 tonnes of bunkers ROB at no extra expense to the buyers.

Another high price of \$231 per ldt was also paid by Singapore-based cash buyers for the 1974 Finland-built tanker **Virgin**, rating 31,102 dwt; 8,219 ldt for basis delivery in the India region. The sale included 220 tonnes of bunkers ROB at no extra cost to the buyers.

A high price of \$228 per ldt was also paid last week by US-based cash buyers for delivery in India of the 37,410 dwt, 1975 Japan-built tanker **Patriot**, which rated 7,596 ldt.

A shade less was paid by Bangladeshi buyers for the 1976-built tanker **Miltiadis I**, which tilted the scales at 155,250 dwt. The vessel rated 21,476 ldt at \$227 per ldt. Another tanker, the 1980 Japan-built Isola Scarlatta, rating 36,829 dwt and 8,423 ldt has been committed to UAE-based cash buyers for basis delivery in the India region, also at \$227 per ldt. This included 200 tonnes of bunkers remaining on board at no extra cost.

Other vessels purchased at above the \$220 per ldt mark were: the massive 1978 Taiwan-built tanker **Folk-II** (457,927 dwt; 61,739 ldt at \$222 per ldt, with a bonus of 2,000 tonnes of bunkers, bought by the Chinese); the 1975 Portugal-constructed general cargoship **Iran Salam** (12,140 dwt; 5,214 ldt, sold to India at \$224 per ldt) and the 1976 Swedish-built tanker **Tian San** (357,128 dwt; 41,695 ldt, bought by Bangladesh at \$220 per ldt).

Several vessels were sold on private and confidential terms, making it difficult to gauge prices paid by the buyers. These included two containerships — the 1978 Spanish-built, 3,993 dwt **Progress 3** (1,400 ldt, sold to Bangladesh) and the 1977 South Korea-built, 5,615 dwt **Pegasus Pride** (2,850 ldt, bought by India).

Three reefer vessels also went on P&C terms, all to India. These were the 9,750 dwt, 1969 French-built **San Nicolas** (5,495 ldt); the 9,750 dwt, 1971 Norway-built **Clementina** (5,330 ldt) and the 9,996 dwt, 1979 Japan-built **Saxon Star** (5,214 ldt).

Indian breakers also got their hands on two general cargoships, again on P&C terms — the 14,733 dwt, 1981 Argentina-built **Alyssa** (3,000 ldt) and the 15,240 dwt, 1990 Romania-built **Caribbean Spirit** (6,366 ldt), one of the youngest ships to be sold for demolition. Allied Shipbrokers of Piraeus also reported a 27,648 dwt, 1974 US-built tanker **Patty Ann**, rating 6,706 ldt, being picked up by Indian breakers on P&C terms.

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The final word on the future course of the demolition market belongs to ACM Demolition: "With the global steel market remaining firm, it is likely that, in the foreseeable future, there will be an aggressive purchasing spree."

CASUALTY REPORTING

ILOILO PRINCESS (PHILIPPINES)

Passenger ro/ro **Iloilo Princess** (3935 gt, built 1973) caught fire early Friday (July 4) morning while docked at Pier No.4, Cebu , the Philippine Coast Guard reported. The vessel which is owned by Sulpicio Lines, Inc. was undergoing repairs when the fire broke out. The fire spread quickly amidships from the engine- room to the pilot house. Iloilo Princess was also reported to be listing 10 degrees to port. Port officials said that the list was probably due to the volume of water sprayed by fire fighters on the ship. There were no injuries or deaths, however. Officials are also looking at a possible oil spill. Iloilo Princess was carrying 3,000 litres of fuel oil in its service tank and four drums of sludge/ used oil in the engine-room.

HAMBLEDON (U.K.)

Following received from Yarmouth Coastguard MRCC, timed 2255, UTC, Jul 4: British vessel **Hambledon**, ex Rn fleet tender, 72 ft overall, south coast for Grimsby, in lat 53 02.86N, long 01 04.05E, off Blakeney Point, with engine failure. Contacted vessel while engineer endeavoured to correct fuel problem, which impossible, and Wells lifeboat launched to tow vessel to Grimsby. Intention for Humber lifeboat to rendezvous with Wells and then take over tow.

HANJIN PENNSYLVANIA (LIBERIA)



The wreckage of c.c. **Hanjin Pennsylvania**, declared a constructive total loss after a massive explosion and fire off Sri Lanka Nov 11, is expected to arrive in tow at Shanghai this week. The vessel will undergo major reconstruction at Shanghai before being delivered to new

owners, the Israeli-owned Zodiac Group, according to market sources in Asia. The explosion reportedly resulted in insured losses of around \$40million

KARASHIMA (JAPAN)

Fisheries patrol ship **Karashima** and general cargo **Korex Kunsan**, Mizushima for Pohang, cargo some 4,400 tonnes of steel coils, were involved in a collision off Okinoshima in dense fog, at 0737, July 6. **Karashima**, owned by Japanese Government, was engaging in searching of six missing crew of fishing **Koyo Maru No.18**. Its port side hull was badly damaged and making water. All 16 crew abandoned it and were rescued by Japanese fisheries patrol ship **Kaiho** and landed at Hakata. One

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crew injured. It is now drifting with forward third of hull under water and being held by a coastal tug off Mishima, Hagi. Korex Kunsan sustained local indent on the port bow and the port anchor was missing. It is now under investigation by Japanese coast guard at Hakata. No leak of oil nor crew injury was reported.

MSC SABRINA (PANAMA)

Following received from Den Helder MRCC, timed 2120, UTC: At 0028, UTC, today, c.c. [MSC Sabrina](#) (35598 gt, built 1989), in lat 05 53S, long 31 18W, reported fire in engine-room. Fire was extinguished using CO2 gas and after "a few hours" everything was reported to be under control. Co-ordination of incident was then transferred to MRCCs at Natal and Rio de Janeiro. London, Jul 5 -- Following received from Natal MRCC, timed 2128, UTC: C.c. [MSC Sabrina](#) is proceeding under its own power to Suape, where ETA around 1400 hrs tomorrow.

SUPERFERRY 1 (PHILIPPINES)

[Ro/ro Superferry 1](#) is now being dry docked at the Keppel Batangas shipyard. [Superferry 1](#) entered the shipyard on July 2 where will undergo repairs for about a month, Gina Virtusio, WG&A spokesperson said. Ms Virtusio said that the vessel had struck an uncharted derelict which punched two holes along the ship's portside below the waterline

SHIPYARD NEWS

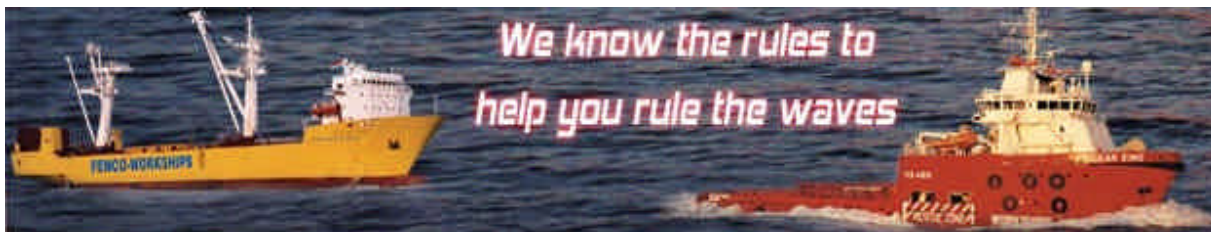
P&O Euro Ferries Puts 3 Ships With A&P

A&P Birkenhead has won a three-ship contract from P&O European Ferries for passenger/car ferries operating across the Irish Sea. The ships involved are the 14,426 grt [European Pioneer](#), the 18,653 grt [European Envoy](#), and the 12,879 grt [European Leader](#). All three ferries will be drydocked over the coming weeks, the first due to arrive in Birkenhead on July 21. The principle work on all three is deck renewals using the "Sandwich Plate System", patented by UK's Intelligent Engineering. Other scheduled repair work will also be carried out, with the yard remaining very flexible over the requirements of P&O. Intelligent Engineering (IE) has designed and patented the revolutionary technology called Sandwich Plate System (SPS). SPS is a composite materials technology in which two metal plates are bonded to a compact elastomer core. The elastomer provides continuous support to the plates and stops local plate buckling and eliminates the need for stiffeners. The flexural stiffness and strength of the sandwich plate is tailored to meet particular static and dynamic structural requirements by selecting appropriate thicknesses for the sandwich elements. SPS replaces conventional stiffened metal plates in maritime, offshore and civil engineering structures providing benefits in fabrication, performance, safety and cost for both civilian and military applications. It is used for new construction and also, as SPS Overlay, for repair and conversion. SPS Overlay bonds a new top plate to the existing structure in a process that is simple, safe, non-disruptive and fast. SPS was invented by Intelligent Engineering and has been developed together with BASF, which provides the core material. Major ship Classification Societies and regulatory authorities have approved SPS and there are many applications already in service. SPS is available around the world in partnership with BASF. During the P&O ships stay at A&P Birkenhead, a total of over 2,723 m² of decks will be repaired on all three ships using the SPS Overlay technology. The breakdown includes the European Leader (a total of 1,936 m²), European Envoy (202 m²) and European Pioneer (585 m²). P&O has used SPS Overlay on eight previous projects and were the launch customer for the technology some two years ago.

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OSTEND FERRIES RENAMED

In Ostend the ferries **RODONA** and **SAPPHIRE** have been renamed. The **RODONA** is now the **IPSWICH WAY** and her sister **OSTEND WAY**. Both vessels are registered in Panama.

SMIT LUCAYA



SMIT terminals added the **SMIT LUCAYA** to her fleet, the during 1991 built vessel is powered by 2 x 1800 hp Niigata engines and can develop a maximum bollard pull of 46 ton.

The **SMIT LUCAYA** is at present enroute from Japan to her new base at the Bahama´s

Attica Enterprises press release on the sale of SUPERFAST II

Attica Enterprises announces that TT-Line Pty Ltd. of Tasmania (Australia) have entered into an agreement with its wholly owned subsidiary Superfast Ferries to acquire **Superfast II**.

Superfast II will be delivered to the new owners after the end of this year's season. Superfast are planning to substitute Superfast II in her present trade with another vessel.

Ecu line service between Belgium and Algeria

Within their range of services, Ecu-Line NV Antwerp also offers a weekly groupage service to Alger, based on the departures of CMA-CGM.

In normal circumstances, they offer Alger by railway via Marseille, where the containers cross the Mediterranean Sea by feeder vessel. Transit time is 5 days. However, in view of the continuing strikes

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in Marseille, the containers are presently leaving ex Zeebrugge, to reach final destination via Malta after 14 days.

Ecu-Line is represented in Alger by the company M.T.A. (Maghrebine de Transport et Auxiliaire) Spa, who have own customs-bonded warehouses in the immediate vicinity of the port.

There are a number of restrictions for LCL shipments to Alger. E.g. out of Alger no oncarriages can be arranged to other Algerian ports or inland destinations, and several goods such as IMO goods, removal goods, books, food supply, vegetable & animal products and seeds are not accepted.

New Sea Route to China Opens

The port city of Incheon launched its first regular container service to China on June 23.

Pan Ocean Shipping Co. operate a 8,937-ton container vessel, '**Steamers Progress**,' between Incheon and Qingdao, charging \$400 per 20-foot equivalent unit (TEU) to transport cargo, about 40 percent lower than the existing car ferry service between the port and China.

The ship can carry up to 445 TEUs and will depart Incheon each Monday and Thursday and return from Qingdao on Wednesdays and Saturdays.

Incheon Port, 40 kilometers west of Seoul, processed 195,000 TEUs of import and export shipments with China last year, 12.2 percent of the nation's total. It is South Korea's closest port to China.

The Maritime Affairs and Fisheries Ministry said it hopes to open regular container services with Dalian, Yantai, Tianjin, Weihai and Dandong within this year.

SeaFrance launches new cross-channel freight offensive

FRENCH cross-Channel ferry operator, SeaFrance, is preparing a new price offensive to win back freight market share lost to its competitors in the first half of this year.

After having made strong gains in market share last year following the arrival in service of the SeaFrance Rodin in November 2001, the French company has admitted that it has lost ground in the course of a counter-attack by its main competitors on the Dover Strait - P & O Ferries, Eurotunnel and Norfolk Line.

Management board chairman, Eudes Riblier, declined to give figures but admitted that both activity and market share had fallen after a first half which he said had been much tougher than the first half last year.

The arrival of the Rodin had increased the company's freight capacity by 25 per cent last year, an increase which had been supplemented by a relatively high level of use of the SeaFrance Renoir, which had originally been intended to serve as a reserve vessel.

This had enabled the company to lift its share of the freight market from 17 to 20.4 per cent and its share of the passenger and tourist vehicle market from 10.5 per cent to 13 per cent.

NAVY NEWS



The Customs / Coast Guard cutter **ZEEAREND** showing her capabilities during the Navy Days
Photo : Piet Sinke ©

MOVEMENTS

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The Russian stern trawler **MAROANJOCA** seen here at St.Johns, New Foundland.

Photo : Jim Gallacher ©



Left :

The **UNION 9** seen here
stand by near the Kallo
Locks

Photo :
Peter Andriessen ©



The Belgian pilot boat **Pieter Deconinck** approaches the **Yong Ler** to take the pilot off
Photo's : Willem Kruit ©



.... STORY OF THE DAY



Chief Engineer **Han de Weerd** (left) explains in the Engine control room the questions of the visitors onboard the Kustwacht vessel **Waker** during the Navy days in Den Helder last weekend.

Han was difficult to recognize with his uniform !



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