

## DAILY COLLECTION OF MARITIME PRESS CLIPPINGS 2008 – 186



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**MS Balmoral of Fred Olsen lines is leaving her berth in Oslo**

**Photo : Hans Breeman - [www.hansbreeman.nl](http://www.hansbreeman.nl) ©**

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## EVENTS, INCIDENTS & OPERATIONS

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**ALPHATRON**

## 42ste KNRM reddingstation van start

Zaterdag 12 juli 2008 is een deel van de Dordtse Reddings Brigade officieel omgevlagd tot KNRM reddingstation Dordrecht. Daarmee is het 42ste reddingstation van de Redding Maatschappij een feit. De realisatie van het reddingstation kwam tot stand in nauwe samenwerking met de gemeente Dordrecht, veiligheidsregio Zuid-Holland Zuid en de lokale reddingsbrigade. Materieel en een deel van de bemanning van de reddingbrigade maakte de overstap naar de KNRM.



**Foto: J.D. de  
Koning/Bruinisse ©**

KNRM Dordrecht heeft 2 locaties, zoals deze ook al in gebruik waren door de reddingsbrigade. Dordrecht Zuid, op de splitsing van de Dordtse Kil, Amer en Hollands Diep, richt zich op het Hollands Diep en de Biesbosch. De locatie in de

binnenstad van Dordrecht, Dordrecht Noord, richt zich op rivieren als de Noord en Beneden Merwede en wordt gedeeld met de Dordtse Reddings Brigade.

De Dordtse Reddings Brigade blijft als zelfstandige organisatie bestaan en blijft zich bezighouden op het gebied van varende redden met de preventieve taak van beveiligingen tijdens watergerelateerde evenementen en rampenbestrijding.

Aanleiding voor het omvlaggen is het rapport Redden in het zicht van de haven uit 2006. Het rapport onderstreept het belang van extra capaciteit op het oostelijk deel van het Haringvliet en het Hollands Diep. Daartoe werd in 2007 contact gezocht met de Dordtse Reddings Brigade en is het 42ste reddingstation Dordrecht in 2008 een feit.

## Ships' 45 accidents listed

**Lloyd's details Sulpicio's 28-year history**

Sulpicio Lines Inc., owner of the **MV Princess of the Stars** that sank off Sibuyan Island in Romblon last month at the height of Typhoon "Frank (international code name: Fengshen)," has a disturbing history.

For the past 28 years, its ships have not only sunk but have also collided with other vessels, caught fire, stalled at sea for several days, and run aground.

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The maritime information database [www.lloydsniu.com](http://www.lloydsniu.com) has recorded incidents involving Sulpicio Lines vessels from 1980 to 2008. The record includes the June 21 sinking of the Princess of the Stars--the seventh sinking incident to involve the shipping company.

In all, Sulpicio Lines has had 45 sea accidents since 1980. Of the Sulpicio Lines vessels, six have collided with other ships, six have caught fire, seven have had engine problems and stalled at sea, and 19 have run aground.



The deadliest incident was the 1987 sinking of the **MV Doña Paz** after it collided with the **MT Vector**. As many as 4,300 people are believed to have died in the worst peacetime disaster in history.

Although the **Doña Paz** was involved in a collision, the incident was classified as a sinking in the data provided by Lloyd's MIU. The next deadliest incidents were the sinking of the **Doña Marilyn** in October 1988 and the **Princess of the Orient** in September 1998 (with 150 fatalities each), and the **Princess of the Stars** last month.

At present, only 57 of the 864 people on board the **Princess of the Stars** have been found alive. Hundreds of bodies are believed trapped inside the ill-fated ship that left Manila for Cebu City.

Reached on the phone, Sulpicio Lines lawyer Arthur Lim said he had no comment.

Another sinking incident involved the **Sulpicio Container I** (1980), with no casualties.

There were also no casualties reported in the six collisions involving Sulpicio Lines vessels--the **Palawan Princess**, which collided with the **MV Wilcon VI** at the Manila North Harbor (1992); the **Filipina Princess**, with a Uni-Modest vessel at the entrance of the Manila North Harbor (1993); the **Iloilo Princess**, with the **MV Solid Pearl** near the Manila North Harbor (1997); the **Sulpicio Container V**, with the **MV Asia Malaysia** at Fort San Pedro, Iloilo (2000); the **Princess of Paradise**, with the **MV LSC Cagayan de Oro** off Cebu (2003); and the **Sulpicio Express Dos**, with the tank barge **Golden Arowana 3** off Corregidor (2005).

The six Sulpicio Lines vessels reported to have caught fire were the **Philippine Princess** (1989); the **Princess of the Orient**, then refueling at the Manila North Harbor (1997); the **Dipolog Princess**, then undergoing repair at Pier 7 in Cebu (2000); the **Tacloban Princess**, then docked in Ormoc, and where two people died (2002); the **Iloilo Princess**, then docked at Pier 4 in Cebu (2003); and the **Princess of the World**, then at sea off Siocon, Zamboanga del Norte (2005).

The seven incidents of vessels being stalled at sea involved the **Filipina Princess**, whose engine broke down twice (in November 1992 and March 1996); the **Cotabato Princess**, whose engine also broke down twice (July 2002 and March 2004); and the **Princess of the Ocean**, whose engine encountered problems three times (October 2002, March 2004 and June 2007).

The Sulpicio Lines vessels that ran aground were the **Doña Paulina** (1980); **Don Victoriano I** (1982); **Sulpicio Container X** (1986); **Philippine Princess** (1990 and 1997); **Palawan Princess** (1990 and 1995); **Cagayan Princess** (1990); **Surigao Princess** (1996); **Princess of the Caribbean** (1998); **Tacloban Princess** (1999); **Cotabato Princess** (2001); **Dipolog Princess** (2003 and 2007); **Cebu Princess** (2003); **Princess of Paradise** (2003); **Princess of the Pacific** (2004); **Filipina Princess** (2006); and the **Princess of the Universe** (2006).

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According to data earlier provided by Philippine Coast Guard sources, Lloyd's MIU has recorded 33 maritime incidents involving the vessels of Sulpicio Lines from 1980 to 2008. A source said the information came from maritime industry insiders.

When validated by Inquirer Research, Lloyd's MIU investigations/research manager Arne Hanssen said the data were "correct, but incomplete." With Hanssen's comments, the total number of maritime accidents involving Sulpicio Lines ships rose from 33 to 45.

Lloyd's MIU said that:

The sinking of the **MV Doña Paz** in December 1987 led to the loss of "more than 2,000 people." The **Princess of the Stars** "sank off Sibuyan Island after grounding, following engine trouble, [leaving] 150 dead and 700 missing."

The other ships that sank were the **MV Carmen** in 1987 and the **Boholana Princess** in December 1990.

According to its website, Lloyd's MIU has "a 300-year-old history in providing information to the maritime world."

It provides data on vessel movement, ownership, characteristics and casualties, as well as port information and in-depth company information.

Lloyd's MIU data are published online, and in books and magazines. The data are compiled from various sources, including Lloyd's Agency Network of 700 agents and sub-agents, leading registries and classification societies and major company registries all over the world.

Its principal offices are located in the United Kingdom, the United States and Singapore. It employs its roster of analysts and researchers in Athens, Barcelona, Mumbai and Vancouver. **Source : Philippine Daily Inquirer**



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## Time To Speak Up

BIMCO is urging its members and the wider industry to speak up about mistreatment of seafarers.

With incidents such as the **PRESTIGE** and the **HEBEI SPIRIT** fresh in people's minds, the fair treatment of seafarers is a current and ongoing problem. Here is your chance to make a difference.

In 2006, as a result of concern for the welfare of seafarers detained in a foreign port following a marine casualty, the International Maritime Organization and the International Labour Organization jointly adopted the "Guidelines on fair treatment of seafarers in the event of a maritime accident".

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The IMO and ILO recommend that these Guidelines be observed by their Member States in all instances where seafarers are detained by public authorities in the event of a maritime accident, to ensure that they are treated fairly during any investigation and detention by public authorities, and that any detention is for no longer than necessary. The Guidelines, which promote co-operation and communication, set out a number of recommended actions applicable to port/coastal states, flag states, seafarer states, shipowners as well as seafarers. These include taking steps to ensure that incident investigations are fair and expeditious, that seafarers' human rights and dignity are preserved, that seafarers are provided with interpretation services and independent legal assistance, and that they are repatriated without undue delay.

The IMO and ILO reconvened to monitor the implementation of the Guidelines and in November 2007 requested that information on cases of mistreatment of seafarers be reported to them (Circular letter No. 2825, Guidelines). So far, the IMO and ILO have received no reports; this does not reflect the reality. As it is open to any maritime stakeholders to submit information on incidents, we urge members to assist where possible.

Information on incidents may be transmitted to the IMO or ILO as follows:

To the IMO:

By letter (address: 4 Albert Embankment, London SE1 7SR, United Kingdom)

By fax (+44 (0)207 587 3210)

By email ([cyoung@imo.org](mailto:cyoung@imo.org))

Source : ShipTalk

## Kabinet opent loket piraterij voor schepen



Het kabinet is van plan om één loket piraterij te openen voor schepen die onder de Nederlandse vlag varen. Bij dat loket kunnen aanvragen worden ingediend voor assistentie voor het geval zij het slachtoffer dreigen te worden van piraten. De reders kunnen voor of tijdens de vaart een verzoek indienen voor (preventieve) bijstand.

Dat staat in het draaiboek piraterij, waarmee het kabinet vrijdag heeft ingestemd op voorstel van minister Tineke Huizinga (Verkeer). De overheid kan bijvoorbeeld helpen door een begeleidend schip te sturen of helikopters, dan wel vliegtuigen poolhoogte te laten nemen. Ook kan Nederland buitenlandse overheden om

bijstand verzoeken. De reder is en blijft wel als eerste verantwoordelijk voor de bescherming van zijn schip en bemanning tegen mogelijke risico's. **Bron : Nieuwsblad Transport**



The **COOPER RIVER BRIDGE** seen leaving Rotterdam-Waalhaven, built in 1987 as the **HENRY HUDSON BRIDGE** at the Kawasaki shipyard under yard number 1404 , the 242 mtr long Full Cellular Containership got her present name June 7<sup>th</sup> 2008.

**Photo : Theo Burgers ©**

## KUISEB ENCOUNTERS ENGINE FAILURE

On the 24th of June at 05h24 the **PENTOW SERVICE** arrived on location 55M NE of Durban to assist the **MV Kuiseb** with main engine failure and towed her to the port of Richards Bay



An interesting visitor to the port of Durban is the tug **Melody 9** which was towing the submersible barge **Ant Carrier** & offloaded the jack-up dredger **Pinocchio**

Photo's : Capt. Mike Skinner  
Master Pentow Service ©



## Tall Ships Race. Liverpool to host fleet next week

An international fleet of some 70 Tall Ships will be in Liverpool, UK, next week for the start of this year's Tall Ships' Races. Some of the largest and most glamorous square rigged 'Class A' ships will be gathering for the annual event that this year takes the fleet from Liverpool to Maløy and then Bergen in Norway and then on to Den Helder in the Netherlands.

The annual event is organised by Sail Training International, and supported by the city of Antwerp, as a means to showcase the adventure activity of offshore sailing that is sail training. The benefits to the young that take part are varied and many but to the young who take part it is an exciting adventure where they can meet some 3000+ like-minded contemporaries.

Ships that are taking part this year include:

The ever popular Mexican **Cuauhtémoc** who will attract a crowd, particularly when she arrives in port with her crew manning the yards.

New participant in the event, the Brazilian Tall Ship **Cisne Branco**, will bring another exotic element to the event.

**Lord Nelson**, a ship that provides disabled people, including those in wheelchairs, equal opportunities on board. This year the first race will be crewed by an all female crew from the girl guides.

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The small, but always lively **Shabab Oman**, from the Sultanate of Oman, with her friendly crew and British captain.

The unusually rigged **Pelican** whose hull is derived from the clippers of the late 19th century and her rig based on the Barbary Coast pirate ships The ever popular **Mir** from Russia – a firm favourite to win any race she enters

The three Norwegian ships **Christian Radich**, **Statsraad Lehmkuhl** and **Sørlandet** who will always be competing for the race title **Capitan Miranda** from Uruguay whose band is always a strong feature of the crew parade.



The Romanian **MIRCEA** seen in Brest – **Photo : Jacques Carney ©**

All of the ships, whether they are the large Class A ships or the smaller yachts and traditional boats, will be crewed by at least 50 percent young people, aged between 15 and 25 years old. Many of these will have taken part before but just as many will never have sailed before. The race before them is daunting so many will be nervous and excited in equal measure. They will live together, crew the ship in watches and help keep the ship sailing at her best for some ten days, many of which well away from the sight of land. Some will suffer from sea-sickness and some will get home-sick but all of them will arrive in port after the race on a high of adrenalin and success for having played a key role in sailing their vessel.

Each port will play host to the 65+ ships and 3000+ crew members, in a riot of colour and festivities. The ports each have their own charm, from the large and bustling city of Liverpool to the tiny Måløy, the smallest town ever to have hosted the event with its 4000 residents. A feature of every port is the crew parade through the streets and prize givings, with Den Helder playing host to the final prize giving where the prestigious Sail Training International Friendship Trophy is awarded. This beautiful solid Armada dish epitomises the objective of the races and is awarded to the vessel that, in the opinion of the entire race fleet through a secret ballot, has done most to help further international understanding and friendship during the races. **Source : BYM Sailing & Sports News**

## SEA-ME-WE-4 to be fully restored in 15 days

The country's users have to wait for another 15 days to get proper or normalised Internet speed for broadband and others as the ship due to arrive for repair work of the damaged submarine cable, South East Asia-Middle East-Western Europe-4 (SEA-ME-WE-4) would not reach the damaged site, it is reliably learnt. The half of country's Internet users still faced slowdown in browsing and daily work through web. Sources told Business Day that the cable repair ship will



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leave the Singapore port for the site of damaged submarine cable, SEA-ME-WE-4 in 8 to 10 days and the repair work would take about 5 days to completely restore the Internet traffic. In the meantime, the phone utility, Pakistan Telecommunication Company Limited (PTCL) has shifted all the Internet traffic to alternative submarine cable SEA-ME-WE-3.

A major fault developed some 21 kilometres (11.33 Nautical Miles) off coastline from cable station of Karachi at about 3:30 p.m. on Sunday and the repair ship is still unable to reach at the damaged site. The phone utility had shifted the traffic on alternative cable (SEA-ME-WE-3) without prior information to the users.

"The consortium of SEA-ME-WE-4 is arranging a repair ship from Singapore, but the arrival schedule and other repair plan were not available to the concerned members in the city," the sources said.

The submarine cable is approximately 18,800 kilometres long and provides the primary Internet backbone between South East Asia, the Indian subcontinent, the Middle East and Europe.

The SEA-ME-WE-4 is an optical fibre submarine communications cable system that carries telecommunications between Singapore, Malaysia, Thailand, Bangladesh, India, Sri Lanka, Pakistan, the United Arab Emirates, Saudi Arabia, Sudan, Egypt, Italy, Tunisia, Algeria and France. The SEA-ME-WE 4 cable system was developed by a consortium of 16 telecommunication companies, which agreed to construct the project on March 27, 2004.

The construction of the system was carried out by Alcatel Submarine Networks (now Alcatel-Lucent Submarine Networks, a division of Alcatel-Lucent) and Fujitsu.

The 18-month construction project was completed on December 13, 2005 with a cost estimate of \$500 million. Segment 1 construction, running 8,000 kilometres from Singapore to India, was done by Fujitsu, which also provided the submarine repeater equipment for Segment 4. On January 30, this year, the Internet services were widely disrupted in the Middle East and in the Indian subcontinent following damage to the SEA-ME-WE 4 and FLAG Telecom cables in the Mediterranean Sea. Disruptions of 70 per cent in Egypt, and 60 per cent in India were reported along with the problems in Bahrain, Bangladesh, Kuwait, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates

Source : Imran Farooq



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### m/v Lehmann Timber giving SOS

July 12, 22.30 moscow time (time on board, too) – master and crew decided to send distress message, main engine broke down, disabled vessel adrift in 14.11.6N 5821.4E, Arabian sea. Weather worsening, heavy swell. People exhausted by under nourishment and more than a month imprisonment, and they were informed, that salvage tug is delayed, arrival time unknown. Under the circumstances, master decided to send distress call, which was sent at about 21.00 msc time July 12, and received by French RCC. Later distress call was confirmed and received by coalition forces Command Center and they dispatched a ship, ETA July 13, afternoon.

July 13, 10.00 LT – bulker, name unknown, came to assist, trying to transfer food and water on board of **m/v Lehmann Timber**, weather stormy, they're trying to transfer supplies by raft. Navy ship ETA 13.00 LT, and then they'll decide what to do, either to evacuate crew or to wait for a tug. Anyway, there's bulker standing by, and navy nearing, looks like no immediate danger by now. Source : Mike Voitenko



Verleden week donderdag avond werd er een door de reddingboten van Katwijk en Noordwijk van de Koninklijke Nederlandse Redding Maatschappij (KNRM) geoefend op de Noordzee in samenwerking met een SAR helikopter van de Koninklijke Luchtmacht. Deze SAR helikopters zijn gestationeerd op vliegbasis Leeuwarden en overdag op Vlieland.

Voordat er geoefend werd, landde de SAR helikopter op het duingebied naar het gebouw van de KNRM. Na een briefing gingen alle deelnemers naar zee om positie in te nemen. Een 8-tal redders werden door de helikopter van de reddingboten 'gehoist' en een tweetal uit zee. De oefening is succesvol verlopen.

**Photo : Arie van Dijk ©**

## 9 Chinese missing off northeastern Madagascar

Nine Chinese, including eight Taiwan businessmen and one person from the Chinese mainland, had been missing in the sea off northeastern Madagascar since Thursday, the Chinese embassy said Sunday.

A ship carrying the nine Chinese and six Madagascar crew members left Sainte Marie island off northeastern Madagascar at around noon on Thursday, an embassy official told Xinhua.

The Chinese and the crew reported an engine failure at about 6 p.m. local time (1500 GMT), and seawater began flooding into the ship late in the evening after they failed to fix the engine, a source told Xinhua. The source said he lost contact with the Chinese aboard at around midnight on Thursday.

At the request of the Chinese embassy here, Madagascar rescue teams Friday began searching for the ship in the waters where it went missing. The Chinese consul in Toamsina, Xu Jinlong who arrived in Sainte Marie on Saturday, said Sunday that two crew members had been rescued, but the rest remained missing. **Source : xinhuanet**

## Ship sinks off Quezon; 12 dead

TWELVE passengers died yesterday after their vessel capsized off San Francisco town in Quezon because of bad weather.

At least 129 passengers of **MV Blue Water Princess** had been rescued as of noon yesterday, said Lt. Col. Rhoderick Parayno, spokesman of the Southern Luzon Command (Solcom).

The "ro-ro" (roll-on, roll-off) vessel capsized at around 6 a.m., an hour after it left the port of Dalahican in Lucena City in Quezon. It was carrying 256 passengers and 14 vehicles and was on its way to Masbate, he said. Parayno said eight bodies were retrieved in Pagsangahan village in San Francisco town while the rest were recovered at the nearby town of San Andres.

Parayno said of the eight fatalities recovered in San Francisco, two were men and six were women, including Welgin Perlas of Mompong, Marinduque, and Lourdes Ricablanca, of Lucena City. Two of those recovered in San Andres town were identified as Rodolfo dela Fuente and Nicolas Arcipe.

The Office of the Civil Defense at the Calabarzon (Cavite, Laguna, Batangas, Quezon) said it recorded eight dead and 18 missing. Director Vicente Tomasar said the casualty toll might rise as rescue workers were still accounting for the other passengers.

Parayno said Solcom, the Navy, Coast Guard, and the Quezon provincial coordinating council are jointly conducting search and rescue operations. Solcom sent two helicopters to the area but the aircraft had to go back due to bad weather. Patrol Ship 28 was sent from Batangas but had to seek refuge in Marinduque due to strong currents.

A weather disturbance is affecting the country. Typhoon "Bebeng," as of 2 p.m. yesterday, was located 650 km east northeast of Basco, Batanes. It had maximum sustained winds of 160 kph near the center and gustiness of up to 195 kph. It is forecast to move north northwest at 22 kph.

In Negros Occidental, heavy rains since Wednesday triggered a landslide that rendered the highway in Sipalay City impassable for almost seven hours. The rains also caused flooding in eight Sipalay barangays, affecting 1,543 families, destroying four houses and damaging 24 others in Sipalay.

The landslide hit barangay Mambaroto, Sipalay City, about two kilometers from the city proper, but no one was hurt, said Sipalay Mayor Soledad Montilla.

## NAVY NEWS

# The Rise Of The Asian Navies - Part Two

Russia's Yantar Shipyard currently is building a second batch of three Type 1135.6 FFGs for the Indian navy.

The first three vessels of this model were built at the Baltic Sea Shipyard, but the contract for the latest three vessels has been awarded to the Yantar Shipyard, which has no experience building this type of missile frigate.

Apparently Russia intends to bail out the Yantar Shipyard, which has not received such an order in recent years through Russia's system of allocating contracts. For this reason, it is worth watching the progress of this construction project to see if the shipyard can deliver a quality product. India is also concerned whether the overall price of building these vessels will rise as a result.

India has also begun building its own indigenous aircraft carrier, which is proceeding faster than China's program. India is building its aircraft carrier at Cochin Shipyard and is expected to complete it in 2013. However, past experience has shown that the Indian navy's vessel construction projects are usually delayed by two to three years.

With the Italian Fincantieri Co. providing design assistance, this indigenous Indian aircraft carrier has a full-load displacement of 37,000 tons and will be powered by four LM-2500 heavy-duty gas turbines, with a maximum speed of 28 knots. China's first indigenous aircraft carrier also very likely will be powered by heavy gas turbines.

The design blueprint of the Indian aircraft carrier already has been published, with a deck length of 830 feet and a runway of 600 feet. The aircraft use ski-jump takeoff and landing. The steel plate used to build the aircraft was imported from Russia, and the cutting process was completed in 2007.

As for the Admiral Gorshkov aircraft carrier that India purchased from Russia, it should have been delivered to the Indian navy within this year, according to the original agreement. The retrofitted Admiral Gorshkov's full-load displacement has been increased to 45,400 tons, and it will be equipped with 12 MiG-29K fighters. India and Russia held the latest round of meetings concerning this aircraft carrier in February in Moscow, and the two sides reached a final consensus on the increased price of retrofitting the carrier. The new delivery time is now set at 2011.

It is not presently known what production plans the Chinese navy has in terms of the construction of large-tonnage surface battleships before 2010. Yet, judging from the current status of shipbuilding within the People's Liberation Army navy, and with two aircraft carriers entering service in the Indian navy before 2012, India will resume its absolute technological and tonnage lead in the construction of surface warships above 6,000 tons. Of course, with China initiating its aircraft carrier construction soon, such a trend may be reversed later.

As far as the construction of conventional submarines is concerned, China still holds an obvious lead. The PLA navy is already armed with two Yuan Class submarines, about 10 Song Class submarines, four Kilo 877 and eight Kilo 636M submarines.

The Indian navy has a fleet of more than 10 Kilo 636 and four Type 209 1500 submarines. India's most ambitious submarine construction plan is to build Scorpene Class submarines at its Mazagon Shipyard under license, code-named P-75.

The first batch of P-75s involves importing and assembling six submarines, and India plans to assemble the first P-75 independently in 2012. After that, production of the P-75 will proceed at the pace of one submarine each year. Based on this calculation, the whole project will not be completed until the end of 2017.

India's latest plan shows the Indian navy may very likely expand its Scorpene sub fleet to 12. In terms of shipbuilding technology and production craftwork, however, especially in such production processes as cutting, welding and spray-painting, the military vessels produced by China -- particularly those vessels built at the two shipyards in Shanghai -- are far superior to the Indian navy ships. **Source : spacewar**

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## Royal Navy crews seize tonnes of drugs

Royal Navy warships have been involved in the successful seizure of 23 tonnes of illegal drugs in the Gulf.

The navy said it believed the sale of the narcotics could have been intended to help fund Taleban fighters in Afghanistan. The Plymouth-based frigates **HMS Chatham** and **Montrose** and the Portsmouth-based destroyer **HMS Edinburgh** carried out the interceptions over five months.

Drugs seized included hashish, cocaine, opiates and amphetamines. The Royal Navy said sailors and Royal Marines were involved in stopping and searching vessels along the so-called "hash highway" in the gulf.

They were supported by Sea King helicopters and the Royal Fleet Auxiliary helicopter ship **Argus**. We realised something wasn't right when the crew said they had been fishing for five days, but there was only a handful of fish in the freezer

Commodore Keith Winstanley, the commander of Royal Navy forces in the region said: "The scourge of illegal drugs are one of the gravest threats to the long term security of Afghanistan, and a vital source of funding for the Taleban warlords.

"Our mission in Afghanistan is one of absolute importance and by seizing these drugs we have dealt a significant blow to the illegal trade."

On one occasion a boarding party from **HMS Chatham** seized six tonnes of drugs from a single vessel. Boarding officer Lieutenant Tom Philips said: "We realised something wasn't right when the crew said they had been fishing for 5 days but there were only a handful of fish in the freezer.

"We were working in pretty horrible conditions. When you are crawling through tight compartments in 50 degree heat and surrounded by rats and cockroaches, you have to remain pretty focused." The drugs seizures were a joint operation with Pakistani, French and Canadian forces. **Source : BBC News**

## Tech transfer likely to delay Scorpene sub

Despite repeated assurances, French defence major DCNS may not be able to deliver the first SSK Scorpene submarine to the Indian Navy by 2012, as scheduled under a six-boat project worth Rs 18,798 crore (\$3.5 billion). Subsequent deliveries may, therefore, slip further by more than a year.

The delay is largely attributed to the reluctance of DCNS to reveal vital details of the submarine's design and know how, reneging on terms of the technology transfer agreement. Technology transfer is an integral part of the deal for the construction of the six Scorpene in India, and had been agreed upon at the time of inking the contract in 2005. The agreement includes providing technology and design details, consultancy and components to Mazagon Dock where construction of the first Scorpene submarine commenced last May. Work is reportedly lagging behind schedule, as the French are not prepared to share critical technical data.

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While it is understood that such technology transfer requires clearance by the top brass of the French security authorities, it is strange that so far the French have not been able to offer a clear-cut solution to the problem.

The Scorpene project has already attracted adverse publicity following allegations that 4% of the deal amount was paid to a party represented by well-connected middlemen. The case will now be heard on July 14 when the Delhi High Court addresses the CBI report on the matter.

However, the CBI investigation is said to be making little headway as foreign banks and telcos, who are expected to provide valuable evidence, have failed to respond to its queries. The French firm has been linked to a number of similar scams in other countries. The 30-year submarine programme announced by the Navy envisages the induction of six Scorpene submarines by 2017, also the construction of another six submarines with foreign collaboration. With four German Shishumar-class and two vintage Foxtrot-class submarines scheduled to be decommissioned in a matter of few years, the Navy's defence capability may soon be out of its depth. **Source : Financial Express**

## SHIPYARD NEWS

### Brodosplit slated to build ropax for CMV

Croatia's Brodosplit Shipyard has secured an order from Compagnie Meridionale de Navigation (CMV) of France for one 41,700-gt ropax after an absence of more than a decade from the passengership market.

The newbuilding will have 2,500 lane metres for vehicles and capacity for 750 passengers. No price has been disclosed but it is said to be close to EUR 150m (\$236m). It was hoped the contract would be enforced at the end of this week or early next week as it is subject to the state providing bank guarantees.

Signatures of the yard's supervisory board and the owner were expected at TradeWinds's presstime. Delivery is scheduled for the end of March 2011. It is possible that the project may benefit from research-and-development grants as permissible within the European Union (EU). Croatia is moving toward membership and is seeking to bring its state-owned newbuilding yards in line with practices elsewhere.

Split sales manager Srecko Kurtovic confirms the order and says the last such vessels built by the yard involved four for Scandinavian owners. They were delivered in 1994.

On a recent visit to Brodosplit, TradeWinds was told that the yard's strategy is, like elsewhere in Europe, to compete with the Far East by targeting more sophisticated tonnage. Brodosplit historically has built many passengerships but this stopped because of the civil war in the former Yugoslavia. When the last was delivered, soldiers were said to be only a few hundred yards from the yard.

More recently, Brodosplit has built tankers for owners including Marininvest and Stena Bulk of Sweden, as well as compatriot Tankerska Plovidba. They have been relatively sophisticated but the yard says that to survive it must deliver ever-more complex tonnage. Marseilles-based CMN operates services between Corsica and Sardinia, as well as crossings from Corsica and Sardinia and the mainland. **Source : Tradewinds**

### Baltic Princess Delivered

On Thursday 10 July 2008 Aker Yards delivered from its Helsinki yard a high-quality cruise ferry called **Baltic Princess** for Tallink. The vessel worth EUR 165 million gave 1,700 man years of work for the yard.

The vessel will start operations between Helsinki in Finland and Tallinn in Estonia. This princess is the fourth sophisticated cruise ferry Aker Yards has delivered for Tallink, and the production of a fifth is proceeding in the Rauma yard for delivery in spring 2009. In addition, a fast ferry called Star was delivered last spring from the Helsinki yard.

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The 212 metres long and 29 m wide **Baltic Princess** will be one of the biggest cruise ferries in the Baltic Sea, having capacity for 2,800 passengers and vehicle space of 1,130 lane metres. Service speed of the vessel is about 24 knots and the vessel's main engines are equipped with SCR converters.



The guiding principle in building the vessel is paying attention to the comfort and luxury of present-day passengers. There will be maximal use of high-tech solutions onboard. 927 cabins, several restaurants and places to entertain of various styles and class as well as a remarkable conference centre with over 450 seats make the new ship a multi functional sea-based hotel with excellent ambience.

There is an inauguration event onboard (today) Monday evening and the ship enters service on Tuesday 15th July between Tallinn and Helsinki where she will replace

Tallink's previous newest cruise ferry **M/S Galaxy** which will then be re-routed to Turku-Stockholm service. Further more, **M/S Silja Festival** will be re-routed from Turku-Stockholm to Riga-Stockholm where she will replace old **M/S Vana Tallinn**. In summary the delivery of **M/S Baltic Princess** means upgrades and new vessels together for three routes.

**M/S Baltic Princess** is the sixth new delivery for AS Tallink Grupp in the last six years. The current orderbook contains one more cruise ferry being built for Tallink which will be delivered from Aker Yards next year.

**The following vessels were at at Washburn & Doughty during the massive fire. LINDA MORAN (Hull #92) was outside the sheds at the outfitting pier. Inside the shed in the roaring inferno were LOIS ANN L. MORAN (Hull #94), and LIZZY B. MORAN (Hull #95). The LAURA K. MORAN (Hull #93) was delivered several months ago, and was assigned to Moran's New York Fleet. If she had returned to the yard, it is possible that warranty work may have been the reason, and had to be completed.**

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## Ferry Reassuring

Marine authorities last week sought to reassure people that Greek ships are safe after a passenger ferry ran aground, causing the evacuation of almost 600 passengers and crew bound for Piraeus.

The **Theofilos**, owned and operated by the Lesvos Shipping Company (NEL Lines), struck a charted reef attempting to navigate the narrow stretch of sea between the Aegean islands of Hios and Oinousses on the evening of June 28.

The incident, which has been attributed to human error, caused a 20-metre breach in the vessel's portside hull and prompted the leak of an undisclosed quantity of oil which, apparently, has been contained. No beaches are believed to have been affected by the spill.

Observers have criticised the decision of the captain, Manolis Frangiadakis, to pass between the islands rather than round Oinousses. It was apparently to reduce the journey to Piraeus by two nautical miles - estimated to correlate to around 300 euros of fuel.

Likewise, there were accusations that the captain delayed in notifying the authorities of the collision, which occurred when the first mate was at the helm and as the vessel was approaching Hios to pick up passengers.

The 475 passengers were initially asked to don life jackets and prepare for an emergency evacuation as the vessel took on a two-degree list, but the captain assisted by Hios port authorities and emergency services, proceeded to request the help of smaller boats to assist in removing the passengers some two hours later. There were no injuries.

"The captain's decision-making was perfect," Yiorgos Vlahos, president of the Masters and Mates' Union of the Green Greek Merchant Marine, told the Athens News. "Even the decision to go ahead with full-scale evacuation with lifeboats, and then change his mind once it was determined that the ship was not in danger of sinking, was absolutely correct.

"And all the talk that he delayed in informing the authorities is utterly false. The captain informed the Hios port authorities within eight minutes. To assess such a serious crisis within eight minutes is a very short period."

He conceded, however, that the incident was easily avoidable and first mate's actions leading up to the collision needed proper investigation.

"[The stretch] is not as narrow as people are making out," Vlahos said. "In ground terms, it is about 2km, which is wide enough and certainly deep enough, for a ship to pass through. It is important to stress that the alternative route, around the islands, is neither safer nor more dangerous. Now as to why the ship hit the reef - to be honest, we are also trying to figure this out."

Merchant Marine Minister George Voulgarakis confirmed that his ministry was informed at 8.40pm on June 28, ten minutes after the incident. "The fact is that the captain delayed in notifying authorities of the collision. That is the truth," he said.

He added that further details would not be released until the completion of the investigation and iterated that stricter penalties would be handed out to captains found to be in breach of international shipwreck laws.

He also said that captains and other navigators would have to attend compulsory educational programmes yearly with ship simulators, causing a swift negative reaction by marine unionists.

Voulgarakis noted, however, that a ship's course was the decision of the captain and that, though the more accustomed route for such a journey was between Oinousses and Turkey, it was neither illegal nor unusual for a captain to navigate between Hios and Oinousses.



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NEL Lines did not comment on the decision, although the Greek Capital Market Commission on June 30 temporarily suspended trading of the company's shares. In a statement, the Greek market watchdog said the suspension decision was taken to ensure the smooth operation of the market and to protect investors.

Meanwhile, the first mate, Yiorgos Akindynos, told Hios port authorities on July 2 - the first day of the investigation - that the strong winds swept the 150m-long vessel travelling at 18 knots, off course. "I was at fault because I should have checked the ship's coordinates more often. I kept changing the course, but the vessel continued to veer towards the left," he said.

Port authorities reportedly testified that the sea conditions were calm and that the wind was only 2-3 Beaufort - equivalent to a gentle breeze.

The captain added that he had given the first mate strict course instructions, well away from the underwater reef. He conceded, however, that he should have been on the bridge at the time.

Coming in the wake of the sinking of the Louis Hellenic-owned **Sea Diamond** in March last year, when two French tourists drowned after the cruiseship struck a reef approaching Santorini harbour, observers are questioning safety standards of all Greek vessels.

Also the result of human error, the **Express Samina** disaster of 2000 claimed 82 lives when the passenger ferry collided with an islet off the coast of Poros in broad daylight.

However, rather than highlight flaws in Greek shipping, the **Theofilos** incident serves to highlight the high safety standards on board ferries, according to Piraeus-based Tony Field, of Lloyd's Register, one of the classification societies responsible for standards of marine safety and technical maintenance.

"If you think about the number of Greek ferry journeys that are completed weekly to the satisfaction of passengers, one accident highlights that there can be problems but also that it is a very safe form of transport," he said.

He added: "Greek shipping, in general, has a very good reputation. As I understand it, the actual response to the emergency was very good and this would have been, in part, because people followed instructions prescribed by the ISM [International Safety Management] Code." **Source : ShipTalk**

## Due date for Panama Canal tenders stalled till December

The Panama Canal Authority (ACP) has decided to extend the deadline for tenders for the locks proposal. The Shipping Gazette reports that the ACP has already planned for such contingencies, said the authority in a statement.

The four global consortia are in the running for the contract and now have until December 10 to submit bids for what will be the largest and most important project under the US\$5.25-billion expansion, the ACP said.

This followed requests from the consortia to extend the proposal due date. **Source : Cargoinfo.co.za**

## CARNIVAL SPLENDOR CHRISTENED

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July 10<sup>th</sup> was another big day for Carnival Corp, after the christening of the **EURODAM** for the HAL recently, another newbuilding, named **CARNIVAL SPLENDOR** was christened by the multi-talented classical musician, singer and presenter **Myleene Klass** she performed a spectacular bottle-breaking "assist" from Royal Navy divers when she performed her first-ever Ship's Godmother duties last week by officially naming of the 113,000 ton **Carnival Splendor** - the biggest passenger ship to sail from Dover Cruise Port.

**See the 35 minutes movie of this extra ordinary bottle breaking ceremony at :**

[http://www.carnival.com/cms/fun/ships/carnival\\_splendor/default.aspx?shipCode=SL](http://www.carnival.com/cms/fun/ships/carnival_splendor/default.aspx?shipCode=SL)

Upon completion of the ceremony the passenger liner left the port of Dover for her first destination, which was Amsterdam where the vessel moored at the cruise terminal



**Photo :**  
**Joep van Dam ©**

The ship represents a new class for Carnival (the Splendor class), it's not a complete departure for the line, and passengers will find the standard Carnival features onboard: a large casino; flashy design schemes ("splendid things" is the theme this time); a top-notch children's program; a

solid 24-hour pizza venue; a number of casual dining options (Indian, Mongolian wok, sushi, rotisserie chicken); and a plethora of bars and discos. Also back is the supper club. A staple of Carnival's newest ships, Splendor will feature a reservations-only for-fee alternative eatery, this time named The Pinnacle. The New York-style steakhouse will offer steaks, seafood and chops, as well as a selection of wines. Surcharge is \$30 per person.

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The ship's platform isn't entirely new either. It's based on Italian sister line Costa Cruises' Concordia-class ships, the first of which debuted in 2006.

However, there are some firsts being introduced, most notably in the areas of spa and itineraries.

**Cloud 9 Spa.** Decked out in Asian decor -- dragons, seated Buddhas, rice paper -- the 21,000-square-ft. facility houses a thalassotherapy pool, a thermal suite and 17 treatment rooms. **Splendor** will also introduce Carnival's first "spa staterooms." Passengers booked in one of the 68 spa-adjacent staterooms will receive unlimited use of the thermal suite and thalassotherapy pool, and other perks such as priority spa appointments and free fitness classes. The spa accommodations are accessible via private stairway and elevator.



Passengers who've sailed on **Costa Concordia** or **Costa Serena** will recognize Cloud 9 as it is nearly identical to the spa on those ships.

Itineraries. Carnival will be introducing its first Northern Europe itineraries aboard **Splendor**, a series of 12-day summer voyages running through August 30, 2008; ports of call include Copenhagen, Warnemunde (Berlin), Helsinki, St. Petersburg (two days), Tallinn and Amsterdam.

After a stint in the Mediterranean, the line will reposition to the Caribbean, offering seven-night Eastern Caribbean sailings this winter out of Ft. Lauderdale. **Carnival Splendor** will also offer three South America cruises ranging from 14 to 18 nights, the first ever offered by the line and the voyages we're most excited about.

The ship will then head to its homeport of Los Angeles, offering year-round Mexican Riviera sailings beginning March 29, 2009.

## COST OVERRUNS ON SBM OFFSHORE PROJECTS

Input costs on certain of SBM Offshore's major projects have now exceeded the provisions and contingencies previously budgeted due to growth and acceleration of the work scope required to deliver the facilities.

These extra costs will weigh heavily on the mid-year turnkey systems results which are expected to be well below the comparative period for 2007. The shortfall will be partially compensated by the lease and operate activities, which have performed ahead of prior year and ahead of the 2008 budget. Mid-year results will be announced on 19 August 2008.

At this stage, given the input cost increases reported above, the Company's 2008 full-year profit expectation falls by up to 20% of the original target of US\$ 280 million. This reduction does not however take into account potential recoveries from claims and variation orders on major projects which are currently under negotiation with clients. These discussions are not sufficiently advanced to warrant inclusion of additional revenues in the mid-year figures, but are expected to be largely concluded during the second half of the year.

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The **DE DA** arrived in Flushing – Sloehaven  
Photo : Richard Wisse ©

## Container Transportation costs between Bangladesh and the US-Europe up 100pc in one year

Transportation costs for each TEU container by sea between Bangladesh and the US-Europe have shot up over US\$ 200, or over 100 percent, in the past one year in the wake of soaring oil prices on international markets.

Traders have attributed the additional costs only to bunker adjustment factor (BAF). BAF refers to floating part of sea freight charges that represents additions due to oil prices.

Usually BAF charges are determined by carriers to be applicable for a certain period on a certain trade route.

BAF charges for Bangladesh were fixed at US\$ 460 per TEU (twenty equivalent unit container) for the month of August this year against only \$ 225 a year ago.

The BAF rate for per TEU container was \$180 in January 2007 and the rate jumped to \$ 335 in January 2008, according to the IBPCC (India Bangladesh Pakistan Ceylon Conference), which sets BAF for South Asian region.

On Wednesday on New York's main oil contract, light sweet crude for August delivery, won 1.60 dollars to 137.64 dollars, while London's Brent North Sea oil for August delivery jumped 1.88 dollars to 138.30 dollars a barrel in electronic deals, according to wire services.

In January this year, oil price was \$99.62 a barrel. The high BAF cost is taking toll on competitiveness of Bangladesh's exports, which include garment, shrimp and leather goods. "Our garment industry with lower profit margins is suffering from high BAF charges," said Abdus Salam Murshedy, managing director of Envoy Group.

Ahsanul Alam, managing director of a shrimp exporting company, said buyers in the US are not ready to share the additional costs since contracts were signed a year ago on a cost, insurance, freight (CIF) basis, meaning all costs will

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be paid by the shipper. "Some companies have freight on board (FOB) contracts for exports, which will not be affected," he added.

"We have to cut production cost and make some compromises in packaging. Some long-time buyers, however, are willing to share a small portion of the increased costs," said Anisur Rahman Milon, managing director of Milon Footwear Limited.

However, ocean freight rate, excluding BAF charges, did not increase much compared to BAF rates. The rate for the US is now \$1,900 against \$1730 a year ago, while the rate for Europe is \$1,650 against \$1520 a year ago. Container handling at Bangladesh's main Chittagong Port rose by nearly 15 percent in the first five months of 2008, port officials said. The port handled 435,157 TEUs from January to May, against 378,632 TEUs in the same period in 2007, they said. **Source: thedailystar**

### Hanseatic Lloyd may cancel Amur contract

German owner Hanseatic Lloyd could pull the plug on a \$240m chemical-tanker order at Amur Shipyard in Russia as the yard tries to renegotiate an 85% increase in the contract price, citing force majeure.

The company could also be poised to take legal action against the yard as its order for four firm 18,500-dwt ships and four options has already fallen well behind schedule and has been put in jeopardy, a source claims.

The ditching of the order would be the second high-profile loss for a Russian yard this year after Norway's Odfjell axed a \$500m order for 12 ships at Sevmash Shipyard in February.

Any further cancellations would be a blow to Prime Minister Vladimir Putin's plans to make shipbuilding "one of the engines of high-tech growth in [Russia's]economy".

Hanseatic Lloyd chief executive Henner Lothar confirms to TradeWinds that the company is mulling cancellation but denies the order has already been pulled. "[Amur is]trying to sneak out of this contract. If they don't reply [to requests to resolve the matter amicably], it's very likely we will cancel the contracts and seek compensation," he said.

Hanseatic Lloyd placed the order at Amur at the end of 2004 in a deal said at the time to be worth \$240m. Under the original contract, the first ship should have rolled out in 2006 with the last arriving around now.

However, in what Lothar describes as "nightmare" dealings with Amur, it has yet to deliver a single ship with only the first two in the construction phase.

Lothar says the yard has tried to impose force majeure on the contract, citing vastly increased steel prices. "This is only for acts of God, not for failing to hedge against material prices or currency movements," he said.

"Force majeure means the same thing in Russia. We have told some Russian lawyers and they have even laughed at it," he added. "We had a very clear force-majeure clause in the contract."

Lothar adds that Amur, based in Russia's Far East, has also continually claimed that vessel construction was delayed because the owner had failed to provide the correct designs. This allegation he dismisses, saying: "They stumbled over this after four years? This makes them look like a laughing stock. This is not the first time we've built ships." He notes that the ships' classification society, Germanischer Lloyd, confirmed the correct drawings were delivered to the yard.

Hanseatic Lloyd appears to be so close to cancelling the Russian order that Lothar claims the company is already sounding out Far Eastern yards with a view to placing a new order. Asked if it would also involve four firm and four optional units, Lothar says it depends on whether or not the company decides to stick with the current design or go for larger vessels.

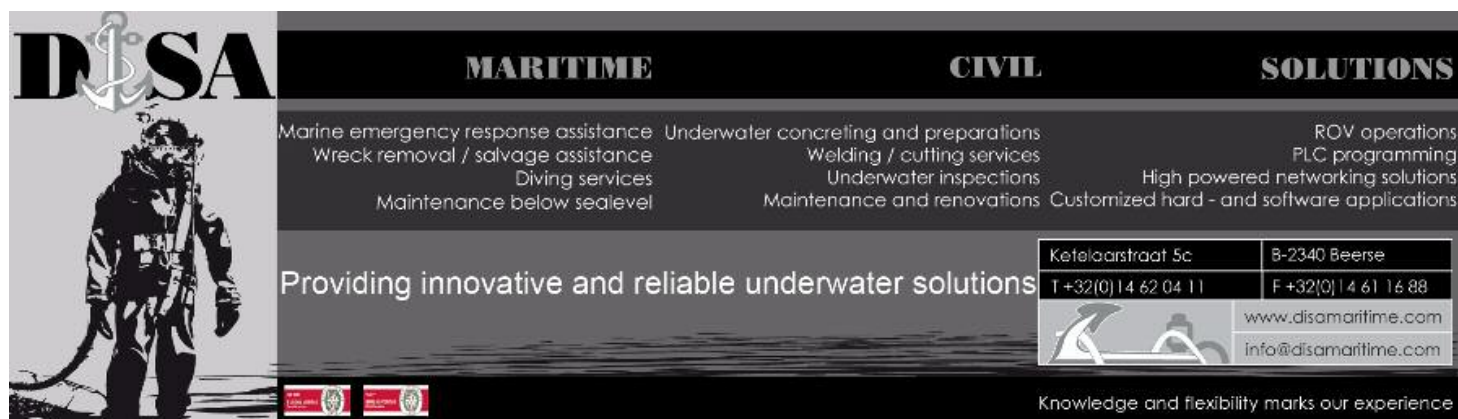
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Although he does not disclose the per-ship price agreed in the initial contract with Amur, Lothar says the deal was done "at market rates". He estimates that such non-stainless-steel ships currently cost between \$35m and \$40m but "certainly not 85% more than we paid for them".

Nobody could be reached for comment at Amur. Lothar says that, according to his knowledge, "this is not the first time this has happened" at Amur with at least one seismic-vessel order gone awry.

In February, Odfjell pulled a \$500m order for a dozen 45,000-dwt tankers ordered at Sevmas in 2004. Serious delays to the construction process, the yard's attempts to increase the contract price and continuous co-operation problems were all cited by the owner as reasons for the cancellation.

Putin has made increased and more efficient shipbuilding at Russian yards one of his stated goals. In November, United Shipbuilding Corp (USC), which aims to centralise state-owned yard assets, was given an RUB 140bn (\$5.7bn) approval to focus on the construction of offshore platforms before switching its attention to suezmax tankers. As recently as May, the prime minister criticised the government for delays in getting USC up and running, saying: "I'd like to hear of the reasons for such delays in the implementation of these tasks." **Source : Tradewinds**




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## 80th anniversary of Maersk Line

On 12 July 1928, **Leise Maersk**, the first vessel to depart in our liner service, sailed from Baltimore on the U.S. East Coast en route to the Far East via the Panama Canal... In her holds were Ford car parts and general cargo. **Leise Maersk** was carrying 3,600 tons of cargo, the equivalent to 200 twenty-foot containers (TEU). She reached Japan 59 days after departing from Baltimore, her next destination was the Philippines where she arrived on the 72nd day. On her homebound voyage, she carried sugar, silk, and oil products.

During the 1930's, Maersk Line expanded this service, called the Panama Line, which then numbered nine modern vessels. In those days, there were no containers. Cargo was transported on trucks and trains to the port and stored in warehouses. When the ship arrived, the cargo was moved from the warehouse to the quay and then lifted on board in cargo nets and stacked in the cargo holds. A port stay of a week or more was common as this was a very labour intensive and time consuming process.

Cargo was not the only thing we 'carried'. Pre 1950, Maersk Line offered passenger transport. Cargo liners could carry 12 passengers, who for a reasonable fee could enjoy "a carefree and restful time with the opportunity of becoming acquainted with life on the seven seas and with the population at the many out-of-the-way-places we touch on our way."

The 1950's was a decade of expansion for Maersk Line especially in the Far East, connecting Japan with emerging markets in South East Asia and the Middle East, the introduction of a "Round-the-world" line, and inclusion of West Africa in the network.

In 1956, the container revolution was sparked. The first container was shipped aboard the Ideal X from Port Newark, New Jersey to Houston, Texas. The container was the invention of Malcolm McLean. It is said that McLean, while

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sitting in a truck waiting for the cargo to be reloaded onto a ship, realised that rather than loading and unloading the truck, the truck body itself, with some minor modifications, could be the container that was transported. The benefits of transporting cargo in a container are many e.g. reduced need for warehousing, reduced cargo damage, better logistical opportunities, and fast and standardised operations. All resulting in better efficiency and lower costs. As stated by The Economist, "Without the container, there would be no globalisation."

It took some time before container shipping really took off. It was not until the late 1960's and early 70's that agreement was reached on the standards, we know today. In 1973, Maersk Line ordered its first dedicated container vessels and in 1975, **Adrian Maersk** with a capacity of 1,400 TEU undertook Maersk Line's first containerised sailing. In fact, on the original Panama Line inaugurated 47 years before. The container revolution gained momentum in the 1970's and 80's and more and more cargo was moved in containers. Consequently, new requirements to the ports (specialised terminals with container cranes and areas for container storage) and logistics (documentation and information flow across the transport chain) emerged. In order to best support containerisation, A.P. Moller applied a more holistic approach to the transport chain. This led to further involvement in terminal and port development and the establishment of a logistics company (Maersk Logistics, originally called Mercantile).

In the 1990's, Maersk Line's focus was cooperation with other lines (P&O Container Lines and Sea-Land) and acquisitions (East Asiatic Company in 1993 and Sea-Land in 1999). The objective - to grow with the customers and meet their requirements as driven by the increasing trade and globalisation - is still valid today. Maersk Line simultaneously developed its vessels. In 1996, **Regina Maersk** became the world's largest and most modern container vessel with a capacity of 6,000 TEU and a crew of 15. She only ruled the seas for a year as in 1997, the **Sovereign Maersk** took over with its 6,600 TEU.

In 2006, **Emma Maersk** with a capacity to carry more than 11,000 TEU (**Leise Maersk** times 65!) set new standards for economical, safe, and environmentally friendly shipping. Today, 80 years after it all began, Maersk Line is an industry leader and the largest liner shipping company in the world. We will continue to pursue a balanced and sustainable approach towards our business, trade in general, and long term economic growth. **Source: Maersk Line**

## FAIRPLAY TOWS CONCRETE PONTOONS



**Fairplay Towage** have fixed 8 voyages between Lübeck and Hamburg (2 x) and Kiel and Hamburg (6 x) for the towage of concrete pontoons in different sizes and especially forms, that will form together the 'homeberth' of the traditional ships in Hamburg, the one presently lying in Övelgönne (next to the tugboatstation) and other places in Hamburg. This new berth will be directly in the new 'Hafencity' across the street from Fairplay's Hamburg office.

Fairplay has chartered in the **Bugsier 14** as assisting tug during the canal passage and choose Fairplays Lady **FAIRPLAY II** to be the leading tug.

**Photo : Wulf Resenhoef** ©

## TUI releases statement on Hapag-Lloyd sale

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At Friday's meeting, the Executive Board of TUI AG informed the Supervisory Board about the status of the process to separate from container shipping. Furthermore the Board also dealt with the demands raised by one of the shareholder groups. In this regard, the Supervisory Board notes: The separation process is continued according to plan. The Supervisory Board expects an initial evaluation of non-binding bids by mid-August. A final evaluation of the different separation options (trade sale, merger or spin-off) will only be possible once binding bids will have been submitted by this autumn. Only then will the Board be able to take a balanced decision with due care and in the interest of all shareholders. However, an important consideration already to be mentioned at this point is that a spin-off would require a prior repurchase of TUI AG bonds in excess of two billion Euros. Due to the resulting balance sheet and funding structures, this would not only weaken the credit standing of the two companies emerging from the transaction in a lasting manner. The spin-off would also necessitate a refinancing of the two groups that would be practically impossible to implement without an injection of new capital (a share issue). From today's perspective, a spin-off would destroy value and would thus not be in the interest of shareholders. Moreover, a spin-off would require a 75 per cent majority of votes at a general meeting.

In the light of the ongoing decision-making process, the demand currently raised by a shareholder group for a decision by the Executive Board to apply for a shareholder's resolution to decide on the separation process for the container shipping operations is premature. It goes without saying that TUI AG will ask its shareholders for their consent in due time should this be required by statutory law. In addition, the Supervisory Board again reviewed the change of control clause for Executive Board members and established that this clause is not unusual and legally not objectionable. It also reviewed the business relationships between TUI AG and the tourism-oriented shareholder groups. In this context, the Supervisory Board noted that both the general business relations and the purchase options are subject to customary market conditions. In the case of a purchase option being exercised, the value has to be determined by an independent auditor. The purchase options do not grant the right to acquire shares below market value.

Source: Tui-group

## Glacier Bay cruise ship resumes schedule after crack in hull fixed

The **Spirit of Glacier Bay** cruise ship, which ran aground in Tarr Inlet on Monday, began taking on water Thursday night while traveling from Juneau to Ketchikan for repairs.

The ship's crew diverted it to Wrangell, where a small crack was discovered on the bottom of the hull and repaired, a spokeswoman for owner Cruise West said Friday. The ship had been taking on about 10 gallons of water an hour, the company said. The crack was in a void compartment, and it was kept under control, Coast Guard Petty Officer Wes Shin said.

There were 12 crew members onboard. Cruise West has canceled four of the ship's tours this summer. It was scheduled to go back into service in late July. After being repaired, the ship resumed course Friday morning for Ketchikan Source : and

## Aging Queen of Esquimalt ferry sold to buyer in China

One of four B.C. ferries on the market has been sold. The **Queen of Esquimalt** has been purchased by a buyer in China, BC Ferries representative Deborah Marshall said Friday.

The company announced in January it was selling four of its oldest vessels: the **Queen of Tsawwassen**, **Queen of Esquimalt**, **Queen of Saanich** and **Queen of Vancouver**. The ferries are more than 40 years old and it's time to replace them with newer vessels, the company said.



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Negotiations have begun for the other three ferries, Marshall said. No other details are being released until the vessels are sold, which the company anticipates will happen by the fall.

Built in Victoria in 1963, the **Queen of Esquimalt** is a V-class ship, and sister ship to the **Queen of Victoria**, which was sold in 2001 to the Dominican Republic. When it first went into service, the 130-metre long **Queen of Esquimalt** carried passengers between Swartz Bay and Tsawwassen and has been used recently as a relief vessel. In 1982, the vessel was cut in half and an extra vehicle deck and new engines were installed. **Source : Vancouver Sun, Canada**

### Sulpicio ship's salvage may cost \$50M-\$100M

**Malayan Towage and Salvage Corp. (Salvtug)**, the recovery firm hired by Sulpicio Lines Inc. for the sunken vessel **MV Princess of the Stars**, said the salvage operation of the said ship may reach from \$50 million to \$100 million.

Sulpicio Lines earlier estimated the recovery operations would cost P600 million. Evelio Villena, vice president of **Salvtug**, told reporters over the weekend the salvage operation might cost between \$50 million to \$100 million, or P2.25 billion to P4.5 billion.

**Salvtug** said they have accepted the contract to salvage **Princess** and are now waiting for their overseas partners who will arrive in the next few days to perform aspects of the salvage operations.

Villena said the high cost is just a part of the problem, because the issue of who should shoulder the cost has not yet been resolved. Sulpicio does not belong to any protection and indemnity (P&I) club, which explains why there is no insurance coverage to pay for the salvage operations.

A P&I coverage—basically an insurance that covers all types of damage sustained in a sea mishap, including cargoes, salvaging and cleanup operations, for domestic shipping firms—is not a requirement under Philippine regulations.

Sulpicio's insurance, provided by Oriental Assurance Corp., covers only the hull, machinery and third-party liability—the passengers. There are discussions that the government should shoulder the expenses for the salvage operations so as to prevent the ship from further harming the environment, including a possible spill of its own fuel.

Based on the observation of Capt. Rodolfo Estampador, chairman of the Conference of Maritime Manning Agencies, the government must pay for the retrieval of the toxic cargo, as it may be harmful to the environment.

"Whatever expenses [are] incurred [should later on be] charged to the ship's owner, but the government should immediately act on it," he said. Maritime Industry Authority administrator Vicente Suazo Jr. on Friday said the government may have to shoulder the cost but will ask Sulpicio to reimburse the expenses later on.

"There are two ways for us to do this, Suazo said. The government could force Sulpicio to pay outright the cost of the ship's salvage operations, especially if there is immediate danger to the environment or to navigation in that part of the sea.

"And since there is one present danger to the environment, we can ask them to pay," Suazo said. The 23,824-gross-ton **Princess of the Stars** sunk off Sibuyan Island on June 21, with most of her more than 800 passengers and crew members believed to have been killed, after the vessel allegedly sailed directly into the eye of Typhoon Frank. It has a full load of cargoes, including the toxic chemical endosulfan that was meant for Del Monte Philippines.

## MOVEMENTS



The **GRANDE ATLANTICO** seen enroute Antwerp for the renaming ceremony

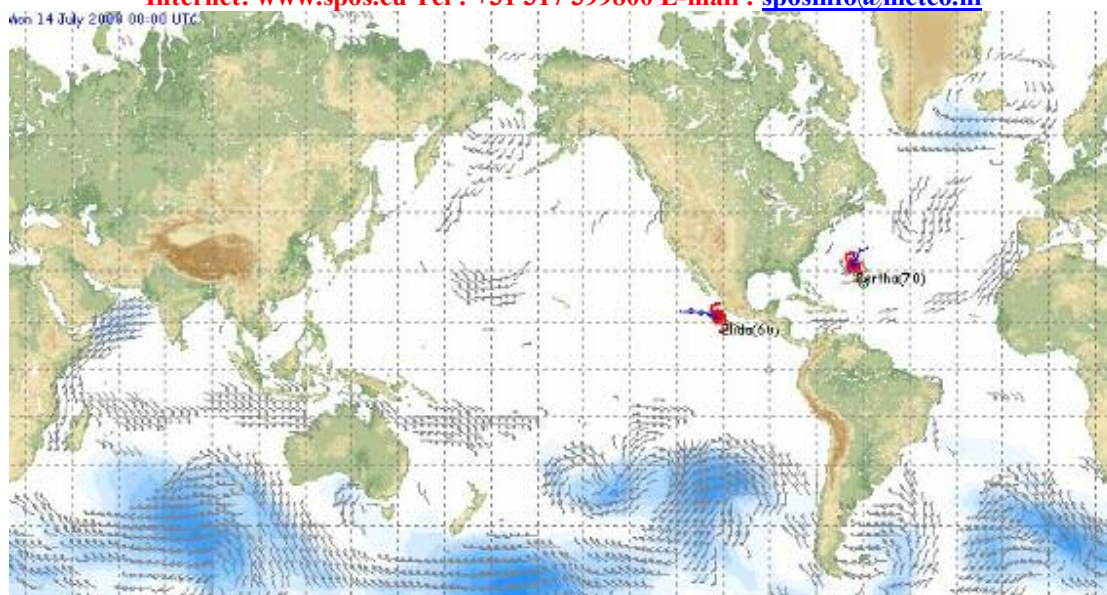
Photo : Henk de Winde ©

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Today's wind (+6Bft) and wave (+3m) chart. Created with SPOS, the onboard weather information & voyage optimisation system, used on over 1000 vessels today.

.... PHOTO OF THE DAY ....



The **MIGHTY SERVANT 1** seen loaded with the **SHENZI TLP** in Ingleside, TX (03-2008)  
Photo : Frans A.Lichtenbeld ©

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