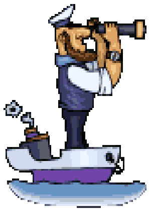
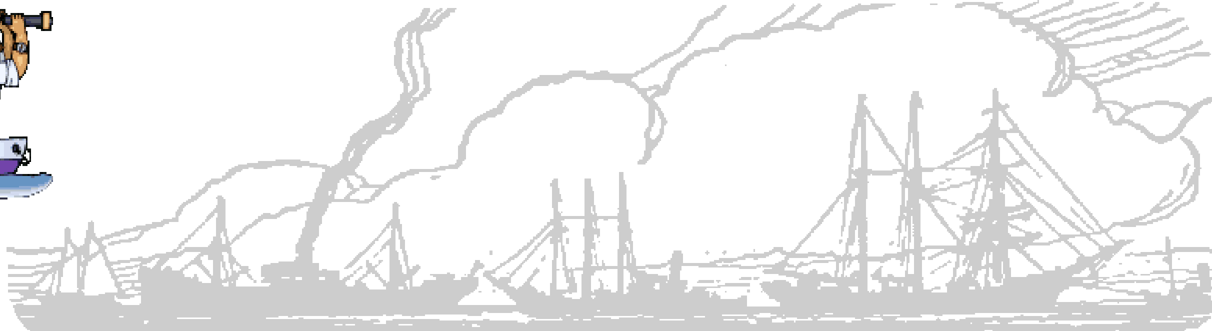
DAILY COLLECTION OF MARITIME PRESS CLIPPINGS 2010 – 172





Number 172 * COLLECTION OF MARITIME PRESS CLIPPINGS *** Monday 21-06-2010**

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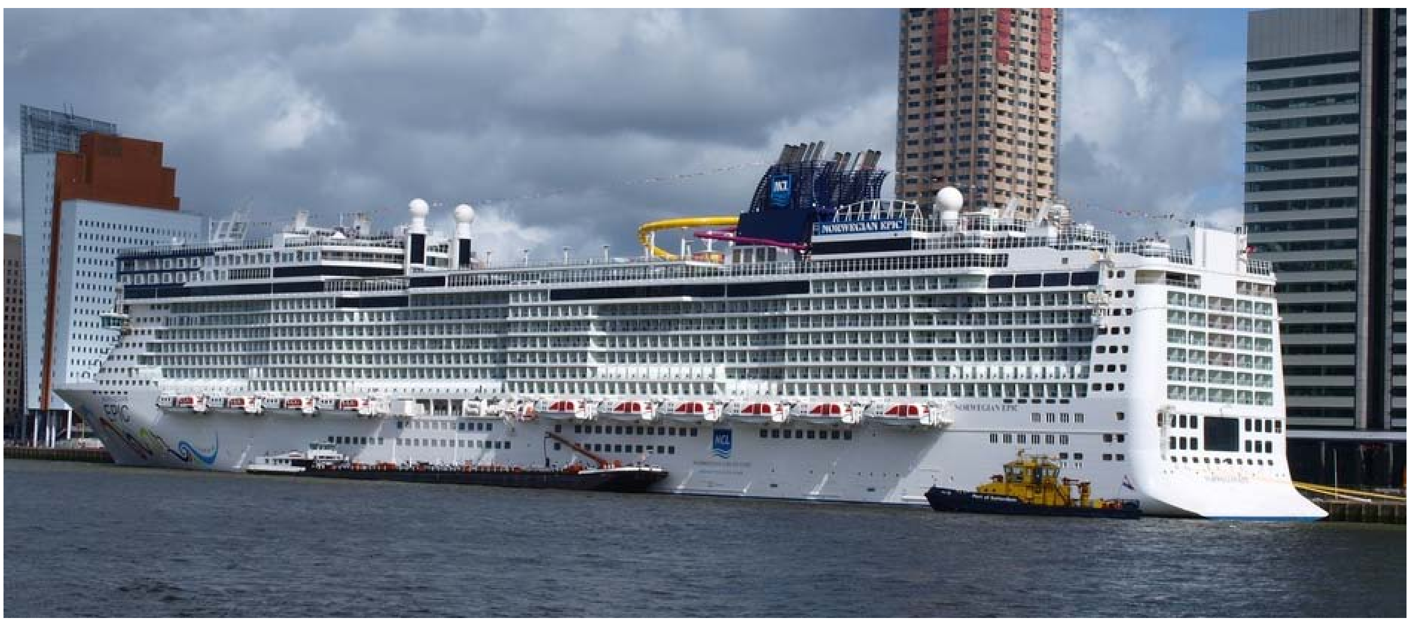

The NORWEGIAN EPIC seen moored at the Rotterdam Cruise Terminal
Photo : Hans Breeman ©

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EVENTS, INCIDENTS & OPERATIONS

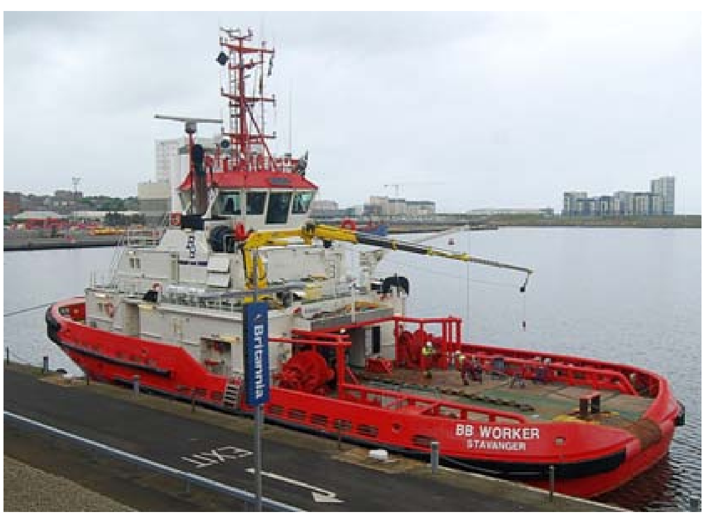
Op 16 juni vond bij **STC BV Rotterdam** het **Ontwerperscongres/ VNSI Timmersprijs 2010** plaats. Uit negen inzendingen waren vijf innovatieve maritieme ontwerpen geselecteerd. Tijdens het congres werden deze ontwerpen gepresenteerd. Na afloop van het congres heeft de jury, toegelicht door de heer **Wim Timmers** (2e rechts), twee ontwerpers genomineerd voor de prijs van 2010. Dit zijn de heren Nico van der Hoeven van Alewijnse (4e van rechts) en Ir. Jort van Wijk van MTI Holland B.V. (5e van rechts). De uiteindelijke prijswinnaar wordt op 10 november 2010 tijdens het **Maritime Awards Gala** in de **Amsterdam Convention Factory** bekendgemaakt.
Foto: Daniëlla Vermeer ©

Dry bulk market down on Chinese slowdown fears

Dry bulk freight rates have been on a freefall for more than two weeks now, something which has caused the industry's benchmark, the Baltic Dry Index (BDI) to plunge by almost 30% in a month, ending the week at 2,694 points, down 90 on a daily basis. The index had rallied at more than 4,000 points just a few weeks, sparking renewed investment interest by ship owners. But, as most have realized by now, volatility will remain the norm for the market as the year progresses, with the so called "China factor" proving to be even more crucial for the market's behavior. According to Weberseas' latest weekly report, "the expected mid-summer correction continued this week, affecting all sizes, but in particular the larger sizes with the capesize and panamax. However not to forget that China and Taiwan were on holiday from Monday to Wednesday this week made matters worse. On the other hand, positive news are coming from China where the country's net coal imports are expected to reach a huge 170 million tonnes this year. The same figure for 2009 was 103 million tonnes so this year we could see a jump in coal imports by as much as 65%. And why is this important news? Simply because China's energy consumption comes mostly from coal - in 2009 alone coal accounted for nearly 70% of the country's total energy consumption. Thus, coal movements into China will increase and this will be reflected in freight rates" said Weberseas.

Reflecting on Chinese economy and more interestingly for dry bulk ship owners on the steel industry, Commodore Research issued its monthly report on the subject, saying that "Chinese crude steel production set another new monthly record in May - but fears of an impending economic slowdown coming to China persist. China produced 56.17 million tons of crude steel in May, an increase of 770,000 tons (1%) from the previous monthly record of 55.4mt produced in April. Despite another month of record setting crude steel production, many market observers continue to expect that rapid economic growth in China will soon decrease. Concerns are flooding the financial and shipping markets that recent government policies aimed at restricting bank lending and slowing the swift rise in real estate prices will drastically reduce economic growth in China. We believe that these fears are valid but anticipate Chinese economic growth will maintain robustness for the foreseeable future, even if lending moderates and real estate prices become less robust. Any decline in growth is expected to be small, and moderate lending and firm industrial demand and consumer spending are expected to continue. We do believe, however, that Chinese steel output will decrease in the short-term from an extremely robust level of current production" said the report.

It went on to state that Chinese steel prices remain under pressure and steel mills have begun to announce short-term production cuts and "maintenance" that will slow some blast furnaces. "Chinese steel stockpiles have decreased from a month ago, though, with stockpiles of flat and construction steel products now totaling about 15.2 million tons, a decrease of 300,000 tons (-2%). Current stockpiles are 3.38mt (-18%) lower than the record 18.58mt of steel stockpiled in the beginning of March. Chinese steel output is therefore still expected to remain strong even though output is likely to decline this month as steel producers react to falling prices. Chinese steel exports continue to reach monthly volumes not seen since 2008. China exported 4.94 million tons of steel in May, an increase of 630,000 tons (15%) from the 4.31mt exported in April. In the first five months of 2010, Chinese steel exports have averaged 3.59mt per month, an increase of 1.54mt (75%) from 2009's monthly average of 2.05mt. A steady increase in global steel demand continues to contribute to robust Chinese steel production" concluded Commodore.
Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide



The **BB Worker** seen berthed on Britannia Quay Leith, Tuesday 15/6/10 with the crew having a break ☺
Photo's : Iain Forsyth ©

Container Shipping - Looking brighter but still too many ships ahead

The current spot price level from Shanghai to the US West coast indicates that tonnage supply is tight - Freight rates have hiked 23% in 5 weeks from USD 2,106 per FEU in mid-April to USD 2,587 per FEU by end-May. Meanwhile, the spot rates for freight bound for Europe have moved sideways. The front-haul container market with exports from Shanghai to Europe has moved sideways in the last 7 weeks , as can be seen in the graph. This proves that despite more tonnage getting reactivated from lay-ups, the market balance is somewhat maintained even though rates have come down 15% from the February/March highs.

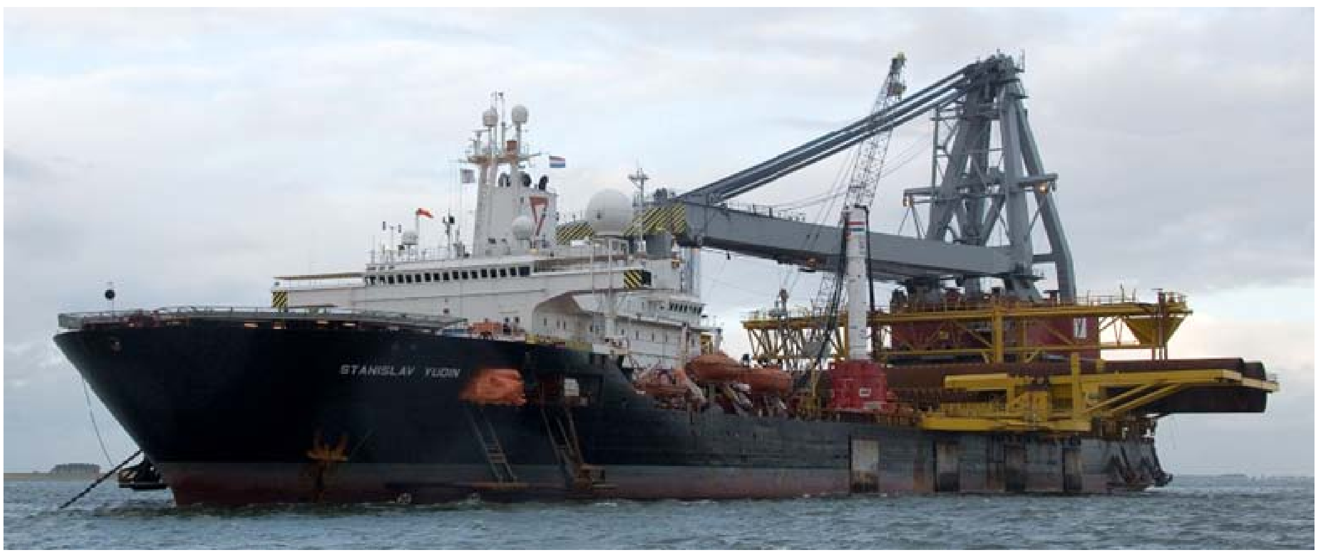
Volumes on the Far East to Europe trading lane are up 21.2% in first quarter of 2010 as compared to same period last year. This is positive; however it has to be put into perspective with the volume level of Q1-2008 of 3,325,509 TEU which it still trails by 5.5%.

Meanwhile volumes going in the other direction from Europe into the Far East firmed at 23% in Q1-2010 year-on-year. The crisis established a new 2:1 front-/backhaul ratio breaking away from the old-“normal” ratio of 3:1 Going forward the ratio may be dragged towards the previous disequilibrium again but is likely not to go all the way due to higher levels of Asian imports and struggling European demand.
A mini-survey from Danske Bank on the key trans-Pacific trade lane indicates that carriers were getting significantly higher rates from the annual volume contracts talks with shippers held during May. The new rate level for contract volumes going to US West coast is indicated to be around USD 1,800-1,900 per FEU, up by almost 100%. Contract levels for US East coast is indicated to be around USD 2,800-2,900 per FEU, up by at least 50%.
When looking at PMI data, the Asian export boom shows signs of peaking. Manufacturing exports recovered fairly swiftly and started to expand again during first quarter of 2009 and the rate of growth of Asia ex-Japan exports reached a new record by some margin in February 2010. Since then the growth rate in new export orders has decreased. Export growth in China has slowed sharply since the start of the year, with the increase in foreign sales easing for the third month running in May to the weakest in ten months.
A part of the slowdown may be linked to a peaking in the inventory cycle. The global trade surges that followed the recession were boosted by the rebuilding of inventories by manufacturers globally, a growth that has now stopped. However the global manufacturing new-orders-to-inventory ratio is hovering around 1.2 and remains well above its long-term average of 1. This suggest that, while the growth rate of worldwide manufacturing output, and therefore exports from Asia, may have peaked, an ongoing expansion should be supported as we move into the second half of 2010, unless growth is being derailed by a contagious debt crisis.

The container fleet has grown by 3.2% during the first five months of 2010, caused by deliveries of 520,248 TEU of newbuildings offset by as much as 95,429 TEU that have been demolished. Demolition is on a par with the same period last year. An average demolished vessel in year-to-date 2010 has a capacity of 1,767 TEU, is 28 years old and broken up in India or China who has been taking 70% of the tonnage.
BIMCO forecast inflow of new container tonnage in 2010 could reach 1.3 million TEU offset by demolition of just 0.1 million TEU. This could make the fleet grow by 9% in 2010 as compared to 6.2% in 2009.
Still, the container segment remains the one to avoid new contracting adding to the already large orderbook; just 5 vessels of a total capacity of 3,000 TEU have been reported ordered in 2010. With an average size of a delivered newbuild vessel so far in 2010 of 4,773 TEU, cascading of tonnage will potentially mean squeezing out tonnage somewhere. That could potentially have serious consequences for smaller vessels used as feeder vessels. The 2010-deliveries capacity average is 17% larger than the 2009-deliveries capacity average.
According to Alphaliner, extra slow steaming (ESS) has created employment for almost 100 ships with a total capacity of 554,000 TEU as at end of May. It has grown from just 5 ships equal to 46,000 one year ago. Slower sailing speeds have become the norm on 80% Far East-Europe strings and 50% on the trans-Pacific routes. This means ESS have absorbed the oversupply of container tonnage by 4.4% of the total fleet. If you add the 4.1% (549,000 TEU) of the fleet currently being idle – it gives a hint to the present state of oversupply in the container shipping market. This means that the market balance today is depending on volumes picking up by at least the same pace as new tonnage is delivered into the service strings, if present freight rates are to be maintained.
The idle containership fleet has fallen to 549,000 TEU as at 24 May 2010 according to Alphaliner’s fortnightly survey, down from a peak of 1,522,000 TEU at the beginning of December 2009. This reactivation of almost 1 million TEU of idled tonnage over the last six months has come faster than expected, and may pick up again should rates come under extreme pressure again.

By the end of January, time charter rates began to move following a long stay at the bottom of the ocean where literally every vessel, despite capacity, was for hire at rates around USD 5,000 per day - a clearly unsustainable freight rate level that resulted in a lot of owner opting for lay-up of the ships instead of having them out on charter and still losing money every day. Increasing time charter rates have prompted a massive reactivation of idle tonnage re-entering into active service, and as long as rates are on the rise more ships will be reactivated. Thus time charter rates will again become a barometer and the pointer of where the fundamental balance in the market is heading. Increasing volumes are the only thing that can make a sustainable industry going forward. With a lot of unknown factors in play, most of them potentially affecting demand negatively - the outlook and subsequently the return to “normal” market conditions remain fragile.

Indicative for the level of reduced speed is the newly introduced FAL 5 string from Maersk and CMA CGM. 10 vessels of 13,000 TEU each are being deployed on the new Asia-Europe string that under old-“normal” conditions would deploy only 7-8 vessels. This service will be introduced in June prior to the peak season and is bound to affect the utilisation on other FE/Europe string, as it satisfies an annual front-haul demand of 676,000 TEU. This compares to the total front-haul demand of 11.5 million TEU in 2009 and equal a surge in volumes of 5.4% alone to meet the capacity of this string. **Source: BIMCO**



The **STANISLAV YUDIN** seen anchored off Vlissingen
Photo : Wim Kosten – www.maritimephoto.com (c)

Pirates demand increased booty

Piracy in the Gulf of Aden has cost shippers US$80 million (Dh293.8m) in ransom money over the past two years, and companies can expect to pay out significantly more than that this year and next as pirates demand higher sums, experts say. The Gulf of Aden and the Indian Ocean are bottlenecks in the $5 trillion global shipping trade and the sea lanes have been exploited by organised gangs based along the lawless Somali coast. A number of UAE-owned vessels are among the ships that have been targeted in attacks. Marie Bos, an analyst at Control Risks in Dubai, said payments reported totalled $80m in 2008 and last year but the real amount could be much higher as many ransom payouts went unreported. The average payment was $2m to $3m, Ms Bos said. About 2 per cent of all vessels traversing the Gulf of Aden are attacked, although many raids are unsuccessful. Total ransoms could top $120m this year and next, she said. “It looks like ransoms may increase, because pirates realise they have more room for manoeuvring,” Ms Bos said at the three-day IQPC National Security Summit Middle East in Abu Dhabi, which ends today. “They’ve been pressing companies for more money and it’s been working.” Piracy evolved out of the Somali fishermen’s practice of policing their fishing grounds to protect against poachers, she noted. Now, piracy provides a lucrative illegal industry that supports a wide range of Somali entities. The increased risks to shippers has caused insurance premiums to rise. Insurance companies often foot the bill after a ransom payment.

To date, most shipowners have not resorted to armed guards as many are wary of potentially increasing the risk of attacks turning violent and of the possible attendant legal and reputational consequences.EU, UN and US authorities police a sea corridor in the Gulf of Aden, which has reduced the risk to shippers using it. However, that has prompted Somali pirates to hunt for victims further out into the Indian Ocean, using small attack craft often assisted by larger “mother” ships, Ms Bos said. There have been raids off the coast of Oman and as far as 1,850km off the Somali coast. Two weeks ago, the QSM Dubai, a 15,220-tonne cargo ship, was hijacked by pirates and the captain killed before Somali government forces regained control of the vessel. The ship was carrying sugar from Brazil to Bossaso, in northern Somalia, when it was attacked. Worldwide, attacks jumped more than 30 per cent from 2008 to 406 last year. Locally, in the first four months of this year pirates made 47 attacks off the coast of Somalia, up from 37 in the same period last year, according to US Navy data. **Source: The National**

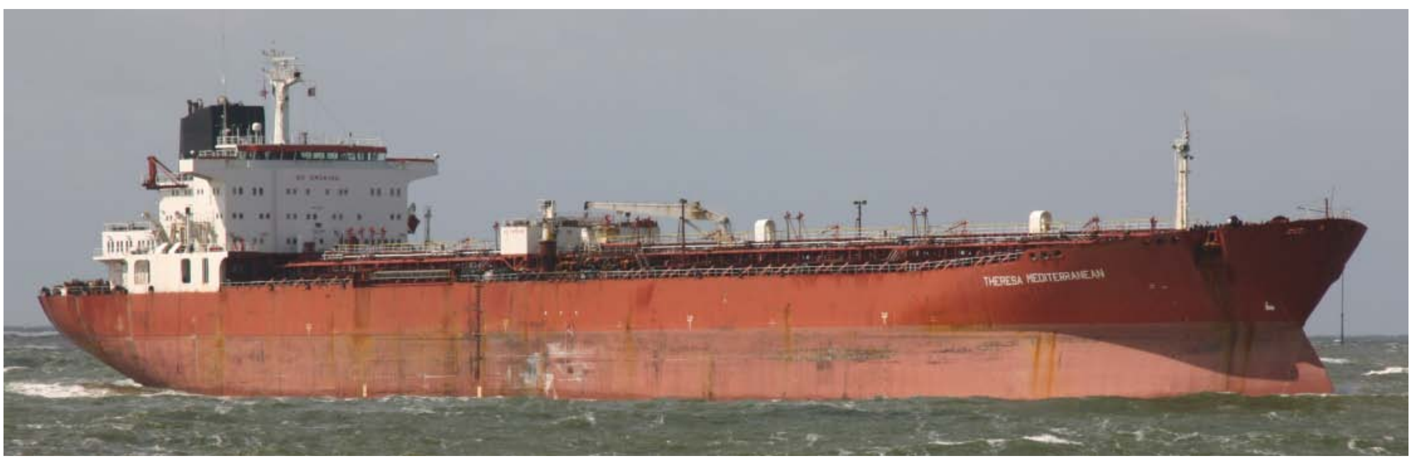
BP hired Helix Producer I for control of blow out well

BP (British Petroleum) has hired the US/Danish owned Floating Production Unit **Helix Producer I** to gain control over the oil from the Macondo well in the Mexican Gulf. The well blew out on April 20 and since oil has been poring out from the wellhead 1,500 metres below the surface.

Helix Producer I have been working on a well only some 90 km. from the Macondo well. BP has managed to place a several hundred tons dome over the well leading the oil to a pipeline, which now will be connected to **Helix Producer I**. The oil will be pumped into the shuttletanker **Loch Rannoch** (128,700 DWT), which are on long-term charter to

BP. The former Mærsk owned tanker, now in the hands of Knut Knutsen OAS, Haugesund, usually serves the Schiehallion field in the Atlantic Ocean. It's expected that **Helix Producer I** and **Loch Rannoch** will be employed until September when two relief well, which was started on May 2 and June 14 will reach the reservoir. Helix Producer I is owned by Kommandor Romo LLC, which is a joint venture between Danish Kommandor Rømø K/S (Hays Maritime) and Helix Energy Solutions Group. The highly advanced vessels will work on DP while serving the Macondo well. The blowout on the Macondo well has let to a six months ban on deepwater drilling from President Barack Obama.

Helix Producer I was converted to is present function by Danish engineering company NTD Offshore situated at Ringkøbing. Originally the vessel was a diesel-electric driven trainferry running on the Fugleflugtslinie between Rodbyhavn and Puttgarden. The ferry then had the name **Karl Carstens** and was delivered in 1985 from Howaldtswerke Deutsche Werft at Kiel. **Photo : NTD Offshore, Ringkobing – Text : Bent Mikkelsen**



The **THERESA MEDITERANEAN** seen arriving in Rotterdam – **Photo : Jeroen Borst ©**

ISF voices fears over proposed STCW changes

The International Shipping Federation (ISF) has expressed concerns that a "lack of flexibility" in proposed changes to STCW rules concerning seafarers' minimum rest hours, to be discussed here next week by IMO, could have major implications for ship operations.

The ISF is representing maritime employers at the IMO Diplomatic Conference being held to adopt amendments to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW).

The conference will be seeking to harmonise minimum rest hour requirements contained in Chapter VIII of STCW with the work hour requirements adopted by the ILO (International Labour Organization) as part of the new Maritime Labour Convention (MLC 2006). However, the two were "developed for very different purposes," points out the ISF, since the IMO regime was adopted "from the safety perspective for watchkeepers", whilst the ILO regime is driven by "social issues" such as overtime.

Whilst ISF acknowledges that IMO must ensure that the rest hours provision of the revised STCW Convention are in accordance with ILO requirements, it urges that "scope for flexibility" remain.

Spoecifically, ISF will be seeking an exemption in STCW concerning the minimum number of rest hours required by ILO - 10 in any 24-hour period or 77 in a week (versus 70 in STCW) - and wants merely a weekly ceiling imposed. If not, barring emergencies seafarers would be prohibited from working more than 14 hours in any 24-hour period, which it says could be highly detrimental to sectors such as shortsea shipping. **Source : Seatrade Asia**

KNOW YOUR ENEMY

How do you tell the difference between a Somali pirate in a small boat and a largely identical, but innocent, fisherman? It all comes down to the ladders. Pirates often take fishing gear out with them to help feed themselves, and fishermen often carry AK-47s for self protection. Grappling hooks are easily hidden.

But naval officers say that if they see a small boat with long metal ladders lashed to the deck, they know for sure the occupants have gone to sea with only one thing in mind. Maritime patrol aircraft and helicopters flying along the Somali beach can pick out "pirate action groups" putting to sea and feed the information back to warship and command-centre operations rooms.

"You can see the giveaway signs that this is a pirate gathering," says Andreas Kutsch, a German naval officer working as an assistant chief of staff for the European Union's anti-piracy task force. On any given day, the United States estimates that 30 to 40 warships are involved in counter-piracy efforts from the EU, Nato and the US as well as China, Russia, India, Malaysia, South Korea and Japan. The latter tend to concentrate on escorting convoys of their own national vessels, while the Western-led forces spread themselves across the region to protect all shipping regardless of flag. There is no overall commander, but the navies meet once a month in Bahrain and co-ordinate through an internet chatroom.

At the British base north-west of London that houses the headquarters of both the EU and Nato forces, personnel co-ordinate and monitor shipping a quarter of the world away. Two merchant navy liaison officers, on loan from their companies, communicate with ships by e-mail and phone, pointing them towards convoys and the safest routes.

But this does not seem to be deterring the several thousand Somalis that Western military officers believe are involved in the growing piracy industry, with the numbers roughly tripling since a year ago. Despite the risks of bad weather, high seas and being picked up by a foreign warship, the potential multimillion-dollar ransoms from ships is just too great a temptation. Naval officers say heavy patrolling along the Gulf of Aden's Internationally Recognised Transit Corridor – where they hope to get a helicopter to an attacked ship within 15 minutes – has been effective.

But most of the more than 15 ships and hundreds of sailors held off Somalia were taken south of Aden in the wider Indian Ocean, where navies cannot cover the vast area. **Source : ShipTalk**

Another blow to inter-korean ties

Whatever sank a South Korean warship, peace on the peninsula may have been torpedoed.

US authorities are now going to freeze North Korea's offshore assets, following an incident at sea in March which created a furore that had been sustained internationally for more than 12 weeks.

On March 26, the South Korean navy warship Cheonan was sunk off the west coast with 46 of the 104 personnel found or presumed dead. The subsequent claims and counter-claims have created more heat than light.

Three days after the sinking, South Korea conducted an underwater examination of the wreck. Seoul's Defence Ministry then concluded that the explosion might have been caused by an unexploded North Korean underwater mine, a relic from the Korean War.

But speculation soon multiplied. There were suggestions of the explosion being caused by a North Korean submarine torpedo, but the Defence Ministry dismissed them since no such activities had been reported. Despite talk of South Korean and US spies having found North Korean submarine activity in the area at the time, South Korea's intelligence director said the CIA had confirmed his own agency's findings that there was no such North Korean naval activity.

A South Korean university academic even suggested that the warship had run aground in the area's shallow water. He said that would explain the way the hull had been split cleanly, which was inconsistent with an explosion.

A South Korean newspaper asked how a North Korean submarine and torpedo could have moved undetected by the **Cheonan's** detection devices. China added that North Korean submarines were not able to escape detection in South Korean waters.

Beijing concluded that the sinking was caused by a US “rising mine” planted during joint naval exercises, designed to move to the surface with an approaching ship. US and South Korean forces had been conducting joint military exercises in the area at the time.

Meanwhile, the **Cheonan’s** casualties inflamed public sentiment in South Korea. Seoul needed to manage the situation to its advantage, or at least not have it become a liability.

At the same time, there were rumblings within the North Korean government owing largely to leader Kim Jong-il’s failing health. Pyongyang appeared to do little beyond denying that its forces had sunk the Cheonan, describing the accusation as a blatant fabrication. In late May, a team of investigators from Australia, Britain, Sweden and the United States concluded that a North Korean submarine had sunk the **Cheonan**. South Korean investigators came up with finer details, such as the route of the submarine, its navigational depth and when it had returned to a North Korean port.

However, further doubts were raised on both sides of the Korean border as to how a submarine torpedo could have caused the kind of damage suffered, how essential parts of the Cheonan could have remained undamaged, and how such a huge explosion could have left remains of the torpedo identifying it as being of North Korean origin.

A member of the South Korean investigating panel later said the sinking had been an accident. He said the evidence pointing to North Korea had been tampered with, such as the markings on a torpedo fragment being written over a previously rusted surface. He was swiftly removed from the panel. More than 20% of South Koreans still do not believe the official version that North Korea sank the warship.

After three months, there is still no evidence beyond reasonable doubt to convince everyone how the ship was sunk. No investigation has progressed conclusively beyond the initial underwater inspection of the wreck which found that an undersea mine might have been responsible. Earlier this month, news broke of a rare second sitting of the North Korean Parlia-ment. Pyongyang’s Supreme People’s Assembly convenes only once a year, and it had already done so in April.

This month’s second session promoted Kim’s brother-in-law to the country’s number two position, the appointment of a new prime minister, and signs of Kim’s youngest son rising as eventual successor. The signs of succession were in the air, with an ageing Kim having suffered a stroke in 2008. Most observers agree that a change in regime or regime leadership is imminent in North Korea, and that its collapse is likely. Some in the US and South Korea would let things take their course, while others prefer to “help” things along.

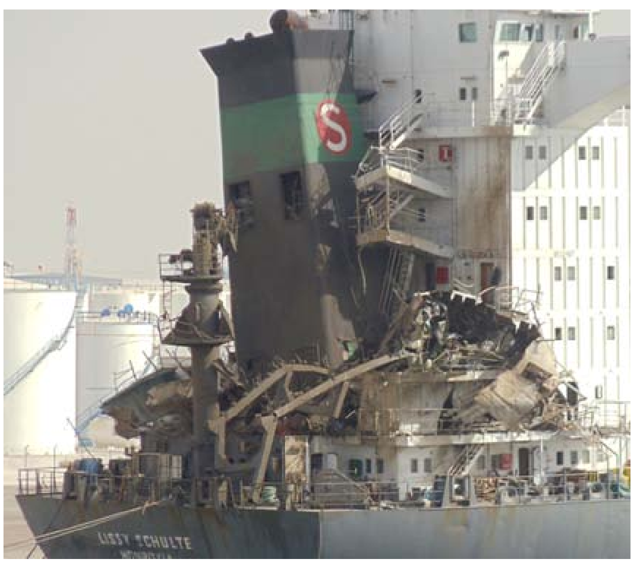
The **Cheonan** sinking was then discussed at the region’s premier annual international strategic conference, ISIS Malaysia’s Asia-Pacific Roundtable in Kuala Lumpur. How-ever, there was no time to expand the discussion to include the implications during a precarious time for the North Korean government.

A Russian delegate said the evidence made Russian experts conclude that the sinking had been caused by an explosion, but there was nothing to link it to North Korea. He added that it was hard to believe a North Korean submarine would sneak in during joint naval exercises, fire a torpedo and then escape undetected. An American delegate said while it was hard to believe that, it was harder to believe anyone else had done it. There was no discussion of the possibility of a mine blast or an accident.

A North Korean said his country was not involved, and he was puzzled as to why the South Korean government had denied a request by a North Korean team to join the international investigations.

The different sides continue to stick religiously to their respective positions in the face of hazy or disputed “evidence”. And like all the best religions, much emotion has been invested in differing interpretations of reality. **Source : The Star**

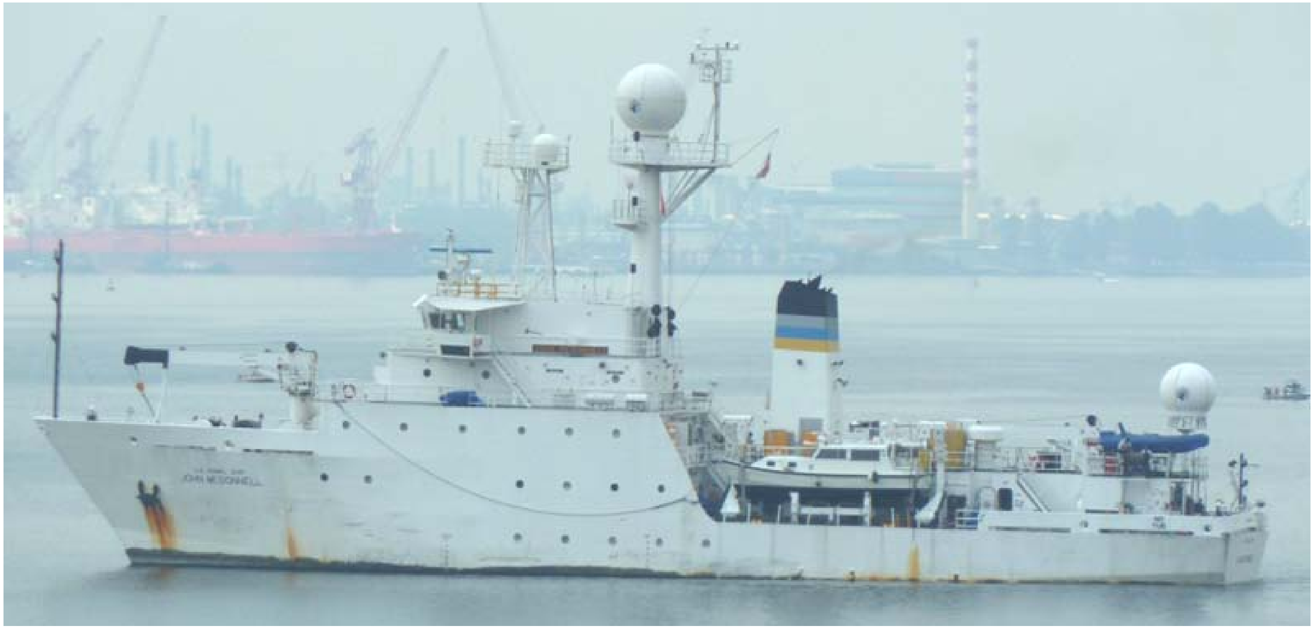
CASUALTY REPORTING



The **LISSY SCHULTE** seen moored / laid up in Jebel Ali after a large boiler explosion whilst sailing in the Gulf of Aden

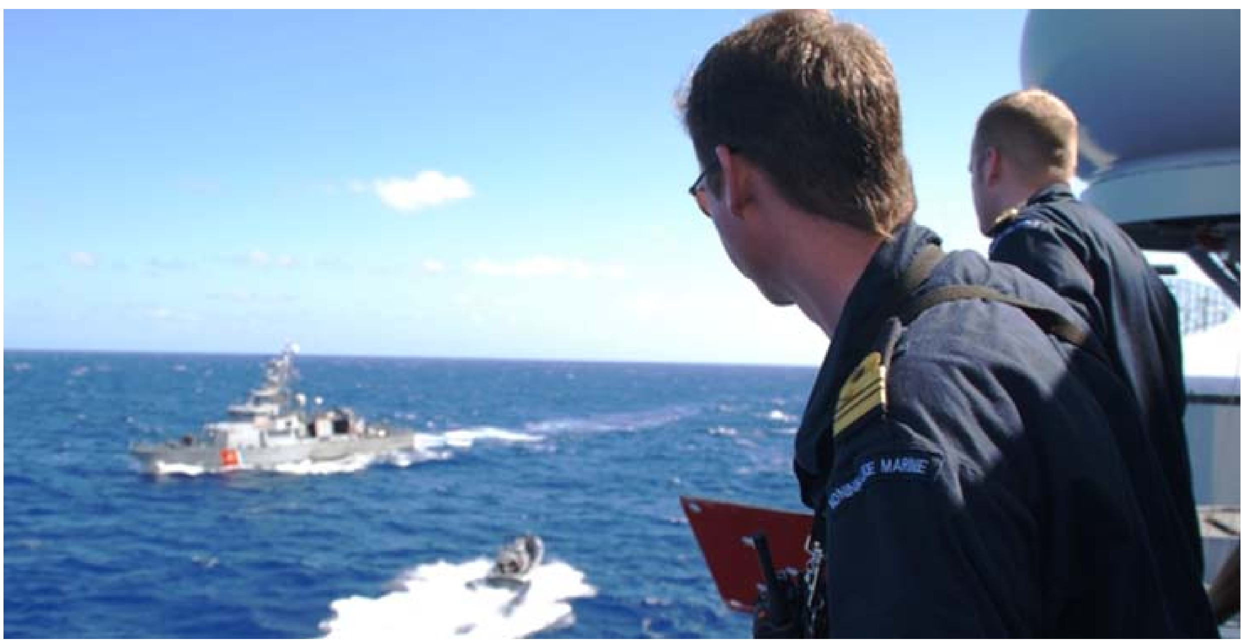
Photo's : Johan de Bue ©

NAVY NEWS



The **USNS JOHN MCDONNELL** seen departing from Singapore Sembawang last Saturday- **Photo : Piet Sinke ©**

Stationsschip oefent met Amerikaanse kustwachtcutter



Hr.Ms. Van Amstel heeft woensdag 16 juni geoefend met de Amerikaanse kustwachtcutter, **USCG Shamal.**

Naast diverse communicatie- en manoeuvreeroefeningen voerde de Rhib van het stationsschip van de Koninklijke Marine diverse transfers uit. De ochtend werd afgesloten met een zogeheten 'sailpass', waarbij de vaartuigen elkaar passeerden. Door deze 'sailpass' kon de internationale samenwerking in het Caraïbisch Gebied mooi in beeld worden gebracht.

Ceremony for Armed Forces Day marks submarine tragedy

A plaque is being dedicated as part of an Armed Forces Day in Holyhead to commemorate 26 sailors who died when their submarine sank in 1918. **HMS H5** was mistaken for a German U-boat and rammed by a British merchant ship off the north Wales coast.

The merchant ship, the Rutherglen, later docked at Holyhead, Anglesey. Other events in the town on Saturday include a military parade and a visit from a Royal Navy minehunter. All 26 sailors on **HMS H5** lost their lives, including a US lieutenant who was an observer on board and was the first member of the US Navy to die in World War I.

The Rutherglen later docked at Holyhead and reported sinking a German U-boat. **HMS H5** was overdue by four days and it became apparent that the merchant ship had actually struck a British submarine. The reality of what had happened was not revealed to the crew of the Rutherglen or the families of those who died.

It was some 50 years later before the tragic circumstances emerged.

A dedication service is also taking place for a seaman from Amlwch on Anglesey, who was part of the crew of **HMS Pargust** in July 1917. Seaman William Williams played a key role in safeguarding the ship from an onslaught by a German U-boat The U-boat, thinking the ship was a merchant vessel, surfaced and the captain on HMS Pargust gave the order to fire, sinking the submarine.

The crew's efforts were recognised with a Victoria Cross, and a ballot was held to see which members of the crew would collect the medal.

Seaman Williams was one of those who was put forward. The Army, RAF and Royal Navy are involved in a series of events for Armed Forces Day in Holyhead on Saturday. Following a Spitfire fly past and a flag-raising ceremony, there will be a military parade through the town.

Other events are taking place around the UK this weekend and next weekend. Armed Forces Day was established to recognise the work and bravery of all serving troops, veterans, recruits and their families.

Cardiff hosts the second national Armed Forces Day next Saturday, 26 June. **Source : BBC**

SHIPYARD NEWS

Cochin Shipyard delivers its 17th platform supply vessel

Cochin Shipyard Limited (CSL) Friday delivered a platform supply vessel (PSV) - the 17th it built in the last three years - to Dutch maritime offshore services supplier **Vroon Offshore Division**. The protocol documents of the vessel - the workhorse of offshore oil field industry, carrying all operational supplies and stores to far-off installations - named **'VOS PRELUDE'** were signed by officials of the CSL and Vroon Offshore. 'The work was finished in a year's time. Right now we are undertaking the building of 13 offshore support vessels for various foreign and Indian owners. The yard is also entrusted with the construction of the prestigious indigenous aircraft carrier project for the Indian Navy,' CSL company secretary V. Kala told IANS.

As the offshore industry moves into deeper waters, demand for such advanced vessels is expected to rise and CSL is fully equipped to handle it, he said. 'The 13 orders for similar vessels are currently on at various stages and we will be supplying this in a phased manner. The last of it would be delivered at the end of next fiscal,' added Kala. These vessels are built and classified under the most stringent rules and regulations of classification firm Det Norske Veritas (DNV) and also satisfies its 'CLEAN' notation. CSL is one of the leading ship building and repair yards in the country, having started ship-building operations in 1978, ship repair in 1981, marine engineering training in 1993 and offshore upgradation in 1999. **Source: IANS**

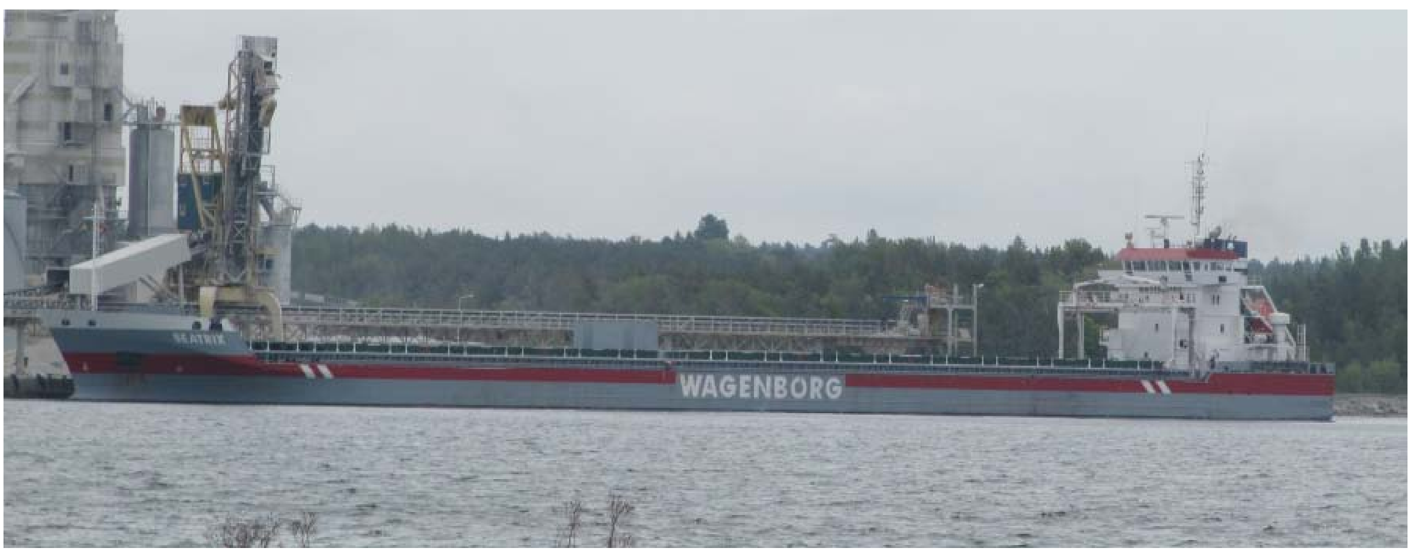
The **CHEMBULK ULSAN** seen in drydock at the Sembawang Shipyard in Singapore **Photo : Piet Sinke ©**

E China's Jiangsu builds nation's first super clean oil tanker

A 7,500-tonne oil tanker for transporting liquid chemicals, the first super clean vessel for such a purpose ever built in China, has been delivered to the ship-owner in the Netherlands. Built by Jiangsu Ganghua Shipyard Co. Ltd. in Taixing in eastern China's Jiangsu Province, the oil tanker, 112 meters long and 17.6 meters wide, can simultaneously hold 20 different liquid chemicals.

The vessel has passed a test by Bureau Veritas in France. The Chinese company will build seven more such vessels for European and American clients. **Source: Xinhua**

ROUTE, PORTS & SERVICES



Wagenborg's **BEATRIX** was spotted in Storeguns – Gotland **- Photo : Lourens Visser ©**

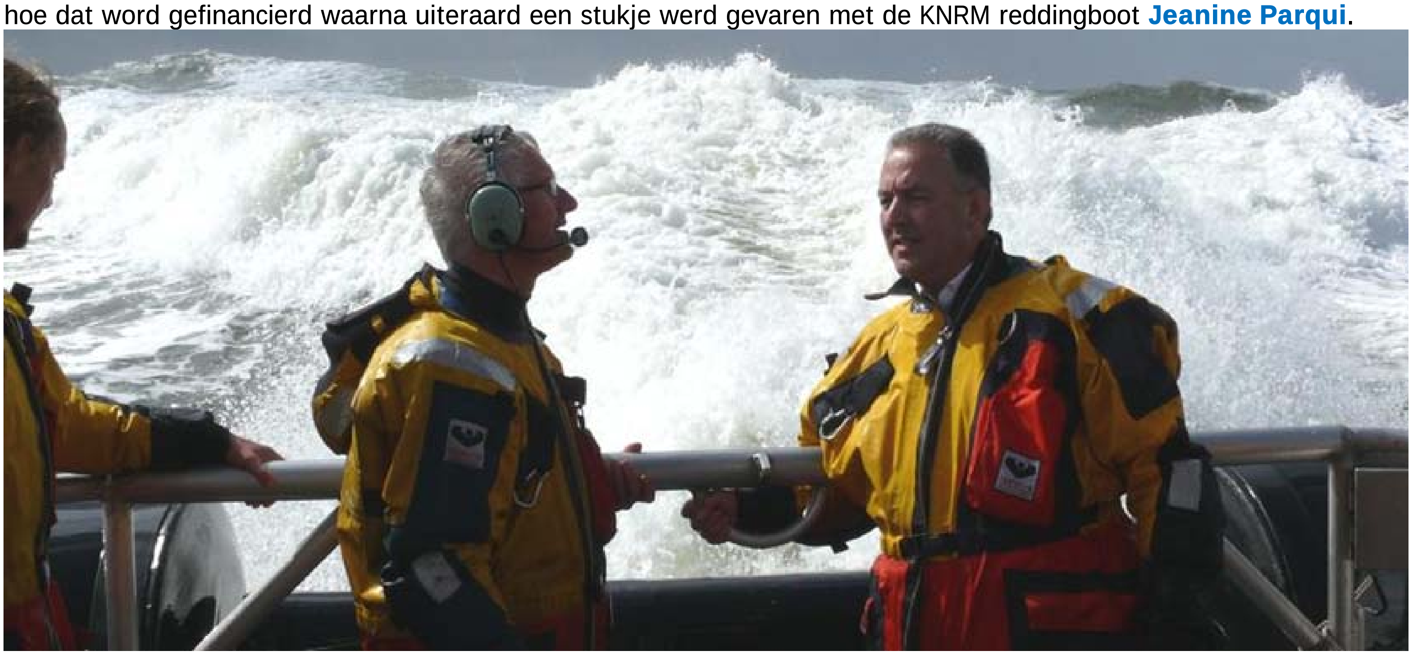
Q1 net income of Sovcomflot up 2.15 times, to $ 67.6m

First-quarter net income of Sovcomflot under International Financial Reporting Standards (IFRS) rose by 2.15 times as much from Q1, 2009 to $67.6 million, PortNews IAA reports citing the company statement. Revenues increased by 5%

to $ 338 million, EBITDA declined by 17.5% to $141.4 million. Net income of Sovcomflot (IFRS) in 2009 slumped by 46.6%, to $216.8 million. Gross receipt of the company fell by 25.2% to $1.222 billion, EBITDA shrank by 24.6% to $550 million.
Sovcomflot is Russia's largest shipping company, ranks first in the world in the segment of commodities carriers, the second - in Aframax vessels. The company has the largest in the world Ice Class vessels fleet. It is also top leading operator of Arctic shuttle tankers and ships - gas tankers with ice class. Sovcomflot operates its own fleet of 143 ships of total deadweight of 10.37 million tons. **Source: Portnews**

Burgemeester Ahmed Aboutaleb van Rotterdam heeft zeebenen.

Zaterdagmiddag 19 juni heeft KNRM reddingstation Hoek van Holland Rotterdams burgemeester **Ahmed Aboutaleb** mogen ontvangen. De burgemeester was afgelopen weekend informeel in Hoek van Holland. **Hestia Reukema,** deelraadvoorzitter van Hoek van Holland en burgemeester **Aboutaleb** kregen kort te horen hoe de KNRM werkt en hoe dat word gefinancierd waarna uiteraard een stukje werd gevaren met de KNRM reddingboot **Jeanine Parqui**.



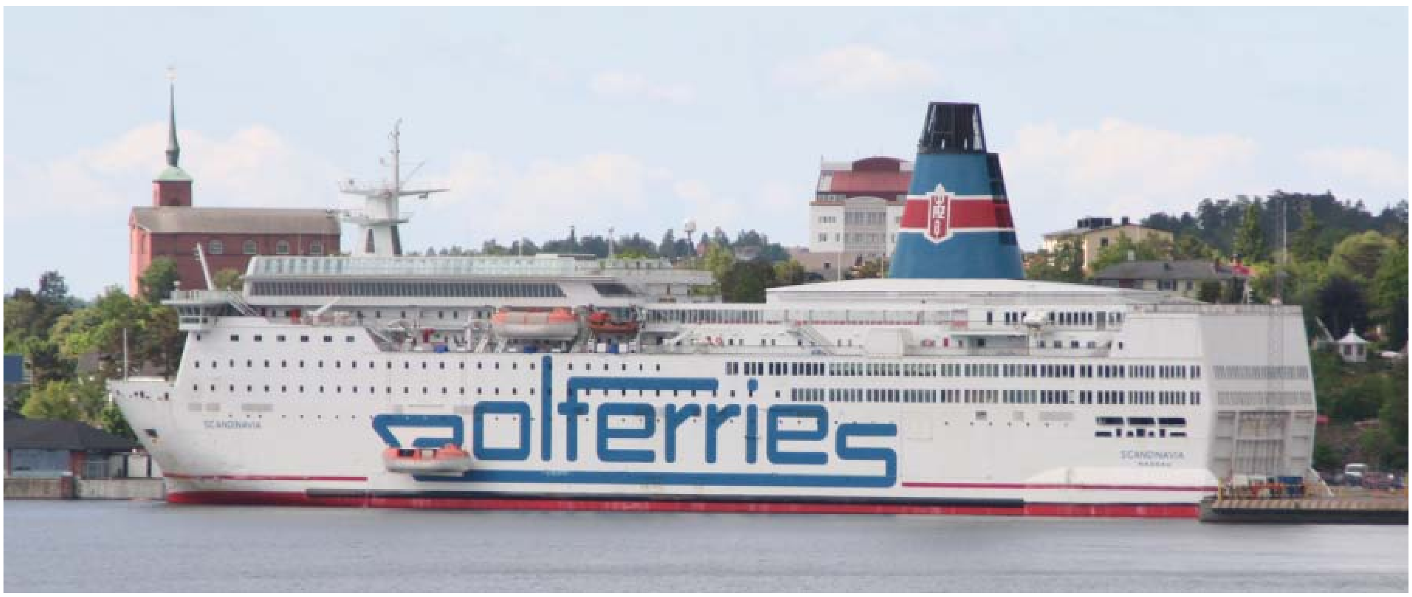
Zowel op de wal als op het water was de burgemeester erg geïnteresseerd. Het is dan ook indrukwekkend om vlak langs de zeeschepen met ijzererts en containers te varen die liggen te lossen en laden. De heer **Aboutaleb** is goed op de hoogte van de ontwikkelingen in de havens en heeft ook veiligheid op en bij het water hoog in het vaandel staan. De burgemeester heeft in ieder geval een goede indruk gekregen van de KNRM en haar mogelijkheden.

Burgemeester **Ahmed Aboutaleb** en deelraadvoorzitter **Hestia Reukema** bleken over een uitstekend stel "zeebenen" te beschikken. Er stond deze zaterdagmiddag een leuk golfje door de Noordwestenwind van 5-6 Beaufort. Beiden hielden zich fantastisch staande in de onstuimige zee eb vertoonde geen spoor van zeeziekte. Aangezien de KNRM steeds op zoek is naar gemotiveerde vrijwilligers is geprobeerd ze aan te monsteren, beiden bleken het echter voorlopig te druk te hebben.

Indian shipping & shipbuilding

The smart rebound in India's external trade draws attention to our shipping policy. Despite buoyant growth, the share of Indian bottoms in the country's exports and imports barely touches 30% in volume terms. Worse, in value terms, the domestic share is just over a tenth of India's total annual overseas shipping bill of over $5 billion. The ratios seem likely to worsen in the foreseeable future, given the lowly presence of Indian shipping companies in such high-value segments as general cargo and containers.

We need comprehensive policy focus to augment vessels and tonnage. It is true that there's been a welcome spurt in Indian shipping capacity in the last few years; the total Indian fleet had been stagnant at around seven million gross tonnage for donkey's years. Domestic shipping companies now collectively own about 704 vessels, adding up to 8.3 million gross tonnage or around 13.75 million deadweight tonnage .
But there's clearly a huge backlog in shipping capacity which needs to be made good, and sooner rather than later. As the economy globalises and there's sustained momentum in trade, it would be thoroughly suboptimal indeed to make do with decreasing use of Indian bottoms. It would be at huge, and rising, national cost.
The recent surge in domestic shipping capacity, albeit from a low base, is due to the "remarkable" turnaround in global shipping demand earlier in the decade, plus supportive measures initiated by the Centre such as the introduction of tonnage tax and easing of procedures for acquiring second-hand vessels. Yet government policy on shipping remains mostly unchanged, such as the 30% ship-building subsidy on offer since circa 1971, with the scheme extended, yet again late last year. After all, a domestic subsidy regime on global tenders would not count for much if commercial ship-building is not globally competitive, as seems very much the case in India what with our 27 shipyards and much fragmentation of capacity. We need to revamp upstream and downstream linkages for proper coagulation of resources in shipping, and put in place proactive financing solutions for the domestic industry to emerge shipshape.
Source: The Economic Times of India



POLFERRIES **SCANDINAVIA** seen moored in Nynashamn – **Photo : Lourens Visser ©**

The **ATLANTIC MUSE** seen moord in Amsterdam – **Photo : Erwin Willemse ©**

Alcoa in deal to boost aluminum use in Russian shipyards

Alcoa Chairman and CEO Klaus Kleinfeld and United Shipbuilding Corporation President Roman Trotsenko, have signed a Memorandum of Understanding. The aim is to help develop the Russian shipbuilding market and increase the use of aluminum in Russian shipyards.

Commenting on the signing, Klaus Kleinfeld said: "We are very glad to start full scale cooperation with the USC, the corporation uniting practically all the main Russian assets in shipbuilding at present, which jointly account for more than 65 percent of the products manufactured in the Russian shipbuilding sector. Earlier this month, Russian President Dmitry Medvedev signed a decree listing state-owned USC, which was estblished in 2007, as a "strategically important open joint-stock company" and stipulating that the state-owned assets of a number of Russia's shipbuilding companies be passed to it.

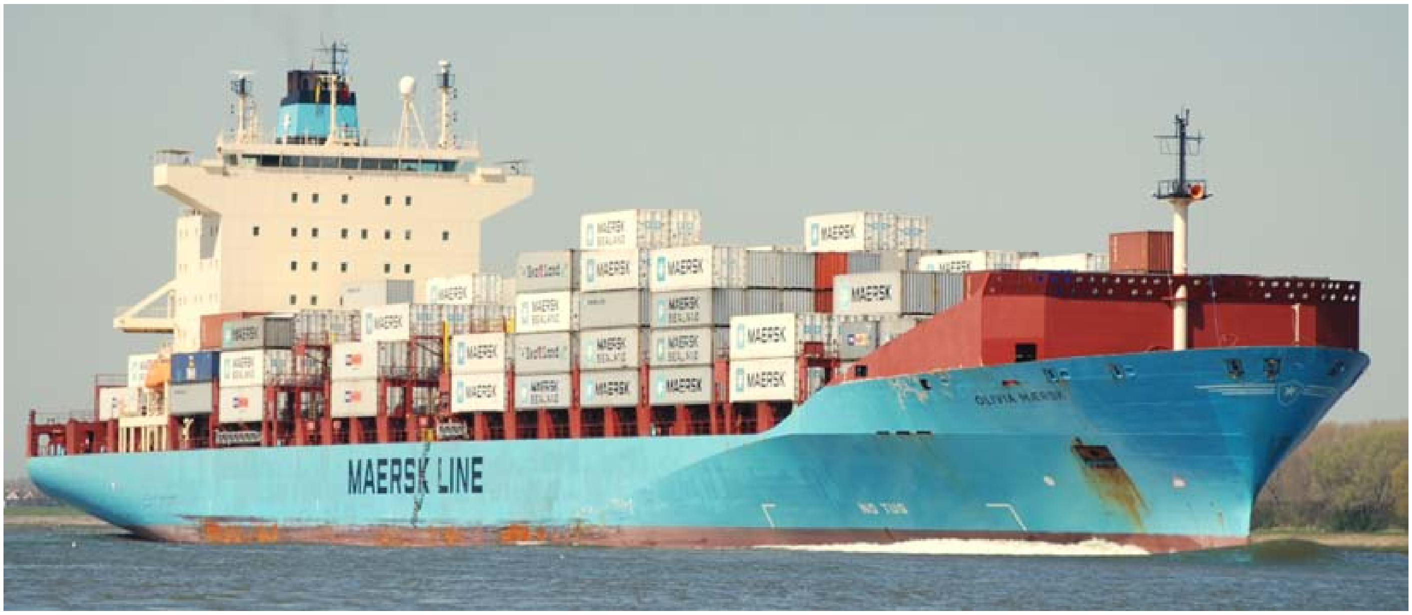
"New technologies and advancements are making aluminum an increasingly popular choice for ships of all sizes throughout the world," Kleinfeld said. "I'm absolutely convinced that the potential for the usage of aluminum is very high in the shipbuilding industry, and especially in Russian shipbuilding."

Roman Trotsenko, President of USC, said: "We appreciate the interest of such a major partner as Alcoa in Russian shipbuilding industry modernization projects. We hope that our joint efforts will bring real results in a fairly short term."

Alcoa has been present in Russia since 1993. In 2005, it purchased two leading aluminum fabricating facilities Alcoa SMZ (formerly the Samara metallurgical plant) and Alcoa Metallurg Rus (formerly Belaya Kalitva metallurgical production plant.). Alcoa has modernized the facilities, investing more than $750 million in upgrades. The capabilities of the plants are now state of the art and are serving a variety of markets in Russia and beyond.
Source : MarineLog

Asian demand results in container shortfall for Maersk

Unusually high demand for shipping from Asia after the Chinese New Year has resulted in space and container constraints onboard Maersk vessels. Lars Reno Jakobsen, head of Network and Product and a member of Maersk Line's management board said, "The present market situation is unique. The (vessel) utilisation rates have been much higher in the second quarter than they have normally been. It is a very exceptional year ... That means there's a shortage of space on the vessels and for containers for the period."



The **OLIVIA MAERSK** - **Photo : Richard Wisse – www.richard-photography.nl (c)**

"We are experiencing a demand surge in most trades, which is a development that is both unprecedented and unexpected by us and our customers," Jakobsen said, adding that Maersk expects the seasonal third-quarter demand increase to be "very strong" this year.

"We expect an even more pronounced and serious shortage of containers in the coming months as we enter the peak season," he stated. "Maersk Line expects the equipment (container) shortage to last through the third quarter of this year and will continue to work closely together with all stakeholders, not least our customers, to further reduce equipment turnaround times."

Jakobsen told Reuters that Maersk Line had obtained 50,000 extra feu containers to help overcome the shortage -- adding to its existing 1.3 million units. "As carriers and shippers did not expect the current demand surge, the necessary equipment has not been ordered in 2010, ultimately resulting in the global shortage in equipment," he said. Asia-Europe trade is growing by 23 percent year-on-year, outpacing the market's 3-6 percent forecast from six months ago, he said. **Source : Seatrade Asia**

Shipping Corporation of India to buy container ships

Shipping Corporation of India is looking to acquire at least five container vessels to replace the ones it is operating on charter hire even though freight rates in the segment may take long to stabilise India's largest shipping firm has

floated several tenders to buy resale and second-hand vessels and has placed orders with shipyards for building new ones, JN Das, director - liner and passenger segment, said on Tuesday.
"We have floated tenders. The rest will depend on the response we get for them and the price quoted. As of now we operate five to seven vessels on charter; the new vessels will basically be used to replace them," Das said.
Das said it generally takes a month to close a deal after the last date of submitting the tenders, but the company may expedite the process if the deal is good enough and also if it needs to replace a chartered vessel sooner.
The company has floated three separate tenders to acquire one container vessel capable of carrying 5,000 twenty-foot equivalent units (TEUs), another of capacity 6,500 TEUs, and a smaller one of 3,600 TEUs.
The company has extended the last date for closing the tenders to June 21 from June 15 because of a lukewarm response, a senior official said.

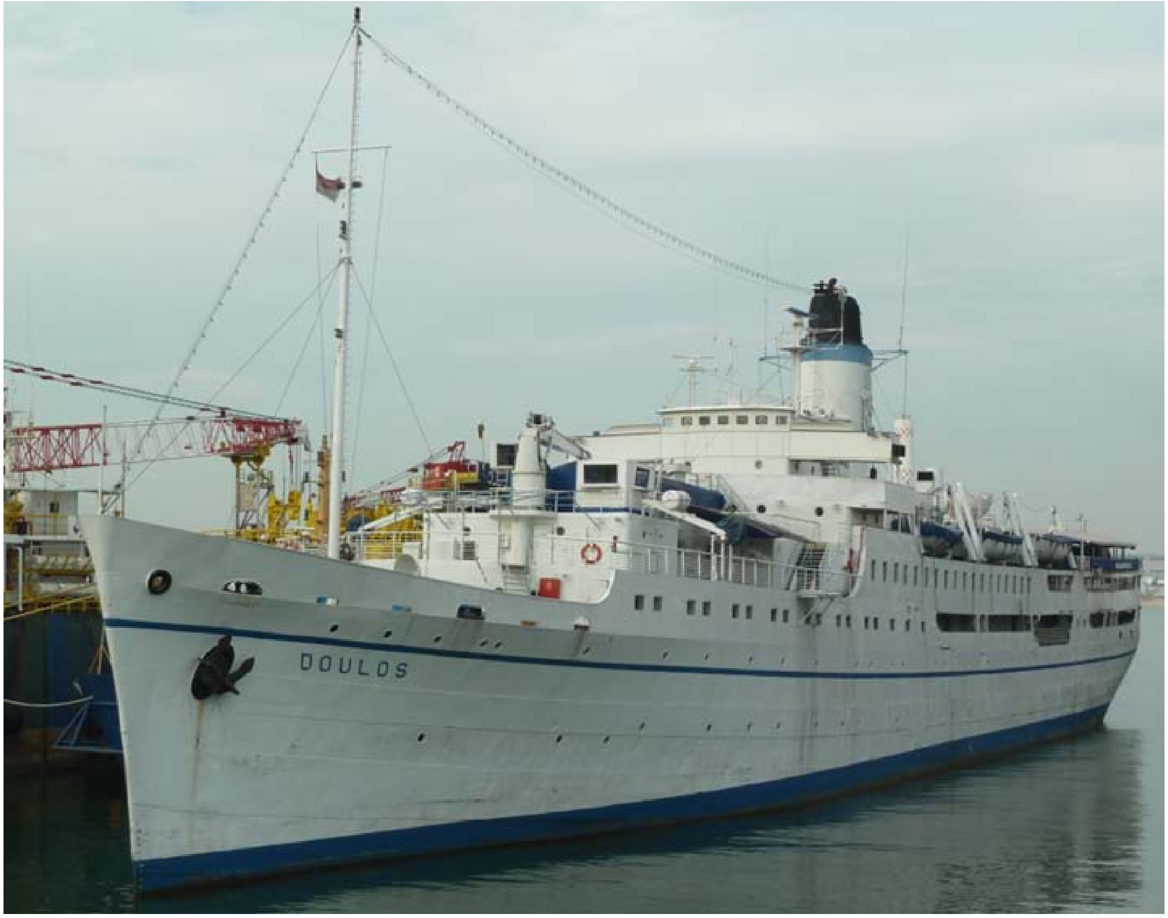
The company said it is looking for vessels from reputed yards on immediate delivery basis as well as those under construction. "...although bidders can offer vessels up to 10 year old, preference would be given for vessels up to 5 year old," Shipping Corporation said in the tender documents.
Meanwhile, the company has also floated another tender inviting shipyards to build two 6,500 TEUs container ships with an option to build one more similar vessel. In May, the public sector shipping firm had to call off tenders to buy tankers after it failed to get a good response and "reasonable" price. **Source: www.dnaindia.com**

OLDIE – FROM THE SHOEBOX

Happily it happens not often anymore, but groundings on the Dutch coast was in the past good earnings for the local mobile snackbars with hotdogs and chips etc. Crowds of people visiting, sometimes in coldness, the beach after a long walk in strong winds.

So also during the grounding of **PING AN** on 24 November 1965. Built in Scotland in 1945 as **BEAVERGLEN** changed name in 1963 in **BERMUDA HIBISCUS**. After sold to Liberia and renamed in **PING AN** she got a refit in Rotterdam. The empty ship was doing seatrials after, when she got a breakdown and the elements were delivering her rather quickly on the beach near Monster (8 miles north of Hook of Holland). Frank was on the scene in the dunes and he did feel the bumps in the ground, when the ship was lifting again by swell and came hardly back on the seabed. It was impressive to see. At that time Frank was only 16 years old and this left a big impression with him. The ship was demolished at the spot during 1966. **Foto © Capt. Frank Haalmeijer.**

…. PHOTO OF THE DAY …..



Seen last Saturday in Singapore Tuas basin the **DOULOS** awaiting her new future - **Photo : Piet Sinke ©**