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**Above seen the Volantis backing into port of Great Yarmouth 29/01/11.**

**Photo : Paul Gowen ©**

## IN MEMORIAM

Na een paar laatste moeilijke maanden is op 28 januari 2011 in volle berusting en grote tevredenheid over een goed en kleurrijk leven overleden onze lieve vader, schoonvader en opa op de leeftijd van 79 jaar.



### Capt. Piet van Eyck

Weduwnaar van Aartje van Eyck-van der Maas

Namens alle lezers van de newsclippings en mijzelf wil ik de familie, vrienden en kennissen veel sterkte toe wensen met dit verlies, ik heb zelf diverse reizen gemaakt met Capt van Eyck, en ook enkele waarbij zijn vrouw, voor ons aanboord "Tante" Aartje, welke verleden jaar overleden is, meevoer, Capt Piet was onafscheidelijk van zijn "pijp" wat ook altijd een special zoete geur gaf in het schip vooral als de aircon op recirculeren stond, iets wat ik nooit vergeten ben.

Gelegenheid tot condoleren op donderdag 3 februari van 19.00 tot 19.45 uur in het rouwcentrum aan het Prinses Julianaplantsoen te Maassluis. De Uitvaartdienst wordt gehouden op vrijdag 4 februari 2011 om 11.00 uur in de kapel van de R.K. begraafplaats "St. Barbara" aan het Reviusplein 7 te Maassluis, waarna de begrafenis zal plaatsvinden op de begraafplaats aldaar.

Na de begrafenis is er gelegenheid tot condoleren en elkaar te ontmoeten in voornoemd rouwcentrum.

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Westerdijk 48  
1621 LE Hoorn

**\*\*\*\*\* CAPT PIET, RUST ZACHT \*\*\*\*\***

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## EVENTS, INCIDENTS & OPERATIONS



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Van Oord's TSHD **VOLVOX ASIA** seen dredging in front of quaywall under construction in Kattupalli (India)

Photo : Hans van Boeschoten ©



## Two escape hijacked German ship

Two hostages have escaped a German cargo ship captured by Somali pirates off the Seychelles and are safely aboard a Danish navy vessel, a spokeswoman for the ship's Bremen-based owners said on Saturday. The spokeswoman however would not confirm details of a report by German magazine Der Spiegel which said the two — part of a 12-men crew — escaped during a firefight on Wednesday in which two other crew and up to two pirates were killed.

"Currently two members of the crew are missing," CEO Niels Stolberg of Beluga Shipping said in a later e-mail exchange. "Two other seamen could be rescued yesterday, and they are safe and sound," he said, adding that no ransom had been demanded.

According to the Spiegel report, the deaths occurred after a Seychelles patrol boat opened fire on the pirates in an attempt to rescue the ship, named Beluga Nomination. Two crew escaped by jumping overboard in a life boat. The ship was boarded last Saturday about 800 miles off the Seychelles, far from the areas where pirates mainly operate. But experts say the pirates' reach is growing as they increasingly use hijacked merchant vessels with hostage crews as giant motherships to attack shipping deeper in the Indian Ocean. According the website marinetraffic.com, the **Beluga Nomination** is 9,775 dead weight tonnes and flies the flag of Antigua and Barbuda. Somali pirates are making tens of millions of dollars in ransoms from seizing ships, including tankers and dry bulkers, in the Indian Ocean and the Gulf of Aden, despite the efforts of foreign navies to clamp down on such attacks.

A report this month said piracy worldwide was costing the global economy \$7-12 billion a year, with Somali sea-bandits in particular driving up the cost of shipping in the Indian Ocean. Also on Saturday, another German-based operator said one of its tanker ships carrying chemicals had been attacked on Friday in the Indian Ocean but had managed to escape.



Photo : Royal Dutch Navy

Hamburg-based Chemikalien Seetransport said pirates attacked the **New York Star** with small arms and rocket-propelled grenades from a small craft and tried to board the ship, which escaped and was being escorted by the Dutch frigate **DE RUYTER**. German shipping companies and the German government are in talks to deploy military or federal police personnel on merchant shipping at key points to protect them against Somali pirates. Source : canoe

## Ships unable to get navy escorts from Egypt's Suez port

Vessels at Egypt's port of Suez are unable to pick-up military escorts for protection through the pirate-prone Gulf of Aden due to the unrest in the country, a senior industry official said on Monday, Reuters reports. Ships have been traveling through the Suez Canal, the main passageway for Europe's crude oil and imported goods, as usual with no

reports of delays or cancellations. Operations at the port have slowed, however, as anti-government protests have kept supplies and some staff from reaching the docks. "No ships have been delayed, but there have been no immigration or customs officials to clear security teams for shipments for the past two days," said a senior coordinator with a shipping firm operating in Suez, who wished not to be named.

"Crew changes for ships have also stopped and some provisions, like food and water, were not reaching the port," he added. Suez has jumped into the world's radar as the scene of clashes between government forces and protesters demanding the removal of President Hosni Mubarak, who has ruled Egypt for three decades. Half of all vessels that travel through the Suez Canal stop at the port city to re-supply, refuel, change crew and pick-up security escorts, the company official said.

More than 34,000 vessels passed through the canal in 2009, of which nearly 2,700 were oil tankers carrying some 29 million metric tons of oil, according to the U.S. Energy Information Administration. Ships were now docking at ports in nearby countries, like Turkey and the United Arab Emirates, to obtain military escorts and supplies. The maritime industry has become increasingly reliant on military escorts for protection against Somali pirates when traveling through the Gulf of Aden via the Suez Canal.

Global pirate attacks hit a seven-year high in 2010 and a record number of crew were taken hostage, with Somali pirates accounting for 49 of the 52 ships seized, the International Maritime Bureau watchdog said this month.



HAL's **AMSTERDAM** seen anchored off Bora Bora - Photo : Stoyan Stefanov ©

## Address piracy well or be in troubled waters

THE brave and meticulously executed rescue by the Malaysian naval commandos of the hijacked Malaysian tanker MT **Bunga Laurel** and its 23 crew members in the Gulf of Aden must surely make all Malaysians proud of our Defence Forces.

In another rescue a day earlier, South Korean special forces stormed a freighter that had been hijacked a week before in the Arabian Sea, rescuing the ship and the 21 crew members on board. The hijacking of ships and their crew for ransom together with the millions of dollars worth of cargo has escalated off lawless Somalia in recent years. In a bid to clamp down on the problem, international warships patrol the area now. Following the hijacking of three other Malaysian ships in the same area previously, the Malaysian International Shipping Corporation, which operates the MT Bunga Laurel, and the Malaysian navy decided to join hands in 2009 – to escort and protect Malaysian shipping in the troubled area. Piracy has a long history for Malaysians and it goes back several centuries. The Straits of Malacca has been beset by piracy from the distant past. There is, however, active cooperation among Asean nations and other countries using these waters to patrol the seas in order to curb the problem. Multilateral cooperation arrangements among nations, regions, international institutions such as the United Nations and the International Maritime

Organisation and other naval forces can reduce the risk of piracy attacks on ships traversing the high seas.

The systems and infrastructure being put in place to help reduce piracy off the Somali coast and the wider Indian Ocean region is based, among others, on the IMO/South China Sea and the Straits of Malacca and Singapore model. It now serves as a template for the signatories to what's called the 2009 Djibouti Code. More broadly, piracy should be recognised as a symptom of wider problems ashore and as such anti-piracy efforts must deal with its root causes. Even more distressing is the fact that pirates could very well join forces with extremists and terrorists and that could make the situation even more complex. The only sustainable solution will be effective governance, the establishment of the rule of law and security institutions, and the creation of alternative livelihoods alongside inclusive and stable economic growth in countries that spawn these criminals.

As such, any long-term effort to address piracy must be complementary to the political, security, recovery and development efforts. **Source: The Star**

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## MULTI PURPOSE RESEARCH VESSEL MEDUSA PROJECT



The Medusa Project corresponds to a multi purpose research vessel that has been designed in Europe and is built for world wide service according to the specification and requirements of the Chilean Navy.



The vessel was being built at the ASMAR Shipyard located in Talcahuano Naval Base when on February 27th 2010 one of the largest earth quakes ever recorded hit the center region of Chile. This quake followed by a devastating tsunami caused severe damage to the shipyard.

The vessel, now named **CABO DE HORÑOS**, was planned to be launched that day in a formal ceremony in presence of the Chilean President, but the movement of the earthquake caused an accidental premature launch, together with three workers the vessel slid into the sea.



After several minutes drifting the vessel was picked up by the Tsunami which washed her back on land on the other side of the ship yard. This vessel is one of the few most modern research vessels in the world and capable of multi disciplinary functions such as:

- Physics and Chemical Oceanography in order to feature the water column up to 5.000 m.
- Operational Oceanography in order to study climatic phenomena and of ocean-atmosphere interaction.
- Geological Oceanography for the characterization of the sea bottom and subsoil, up to 8.000 meter.
- Geophysical Oceanography for the study of underwater processes related to the continental and tectonic drift of blocks, up to 8.000 m.
- Hydro-acoustic evaluation for the determination and evaluation of biomass, up to 1.200 meter
- Fishing, for sampling of species up to 1.500 meter
- Meteorological for PBL study.
- EEZ submarine mapping up to 10.000 meters.

The salvage contract to refloat the **CABO DE HORNOS** was rewarded to **Mammoet Salvage** on November 12, 2010.

**Mammoet Salvage** offered an unconventional salvage solution and proposed to drive the vessel on to a flat-top deck barge of with the Self Propelled Modular Trailers (SPMT's) from other operating companies in the Mammoet Group. The barge would be completely submerged in drydock and the vessel would be floated off

Mammoet's in house engineering department prepared the calculations for the transport and lifting method for the vessel and designed the supports for the vessel. The total weight of the transport including supports would be 2,000 ton in total. A slope had to be built to drive the vessel to the graven drydock nr 2 off the ASMAR Shipyard. Because the vessel was beached on soft sand the whole area had to be excavated and one meter of soil was removed and hardened. After signing of the contract a team was send out to commence with the construction of the supports and



the civil works for the road to dry-dock nr. 2.

A survey was carried out on the construction of the dock wall and soil samples were taken. The route to the drydock had to be prepared to take a load of 30 ton the square meter.

In total 31 containers with heavy transport equipment was mobilized from the various Mammoet office in Europe and the USA and a 300 feet barge had to be mobilized from Morgan City. During the mobilization of the equipment the supports and slope were constructed. On January xx the **CABO DE HORNOS** was finally lifted up with the SMPT's, whereafter she could carefully be transported to the dockwall of the drydock. On January 27, **Mammoet Salvage** managed to drive the **CABO DE HORNOS** safely onto the barge moored in dry-dock nr. 2 and on January 29 the **CABO DE HORNOS** was redelivered safely afloat to owners





The **SPIRIT OF ADVENTURE** (ex Berlin) seen moored in Durban, note the nasty dents in the hull near the name  
Photo : Trevor Jones ©

## Arab initiative essential to end Somali piracy

Countries in the region need to play a stronger role to limit the involvement of blue water navies of other countries. Recurring piracy off the Somali coast has attracted worldwide attention in the last three years, but the Somali case is just one example of a global problem (even if it is the most glaring), and the frequency of the attacks highlights the vulnerability of the sea routes which are vital for world trade.

The International Maritime Bureau reports that from January to September 2010, there were 126 attacks off Somalia, compared to 85 in Southeast Asia, 25 near the Americas, 22 off the Indian subcontinent, and 11 from Nigeria. The same figures in 2009 were 217 in Somalia, 67 in southeast Asia, 37 in the Americas, 29 off the Indian subcontinent, and 28 in Nigeria. Somalia leads the way by some distance, and the fate of the pirates in Southeast Asia points to some ways in which the world and the Arab region might prepare to deal with the Somalis.

Sam Bateman, writing on piracy in the authoritative Korean-based magazine, Global Asia, there are two hotspots in Southeast Asian waters around Indonesia, Vietnam and the Philippines: the southern part of the South China Sea, and the eastern part of the Singapore Straits. A former hotspot, the Malacca Strait is now much better due to better policing. As Bateman points out, most insurance policies cover the entire period a ship is held for ransom, and "the direct costs to the shipping industry are not great in the greater scheme of things. The number of ships attacked is small relative to the number of ships passing through risky areas." The success in cutting piracy in the Malacca Strait relied on more effective policing of the waters, and the Indonesian government is currently working on improving its surveillance of the South China Sea, intending to bring pressure to bear on the pirates there. These cases show that piracy can be beaten, but it requires firm action.

The lessons from Asia are hard to import to Somalia, since they depend on an effective government being able to take the initiative. Shipping from Somalia's Arab neighbours has been badly affected by Somali piracy, but there has been no Arab move to take the initiative. A few states have sent navy vessels to join the loosely coordinated international force, but this has not led to much as they are unable to act on the disastrous state of chaos in Somalia itself, which allows the pirates to operate without threat from any government. But despite the on-land task being beyond much hope of improvement, several governments have ordered their navies to take a more vigorous stance. The South Koreans recently recaptured a ship which had left Dubai with a cargo heading east, and the Malaysians have carried out a similar operation, as have the Indians and Chinese in the past. This is in contrast to the European Union forces which have been ordered not to attack the pirates for fear of injuring their hostages.

None of these governments is talking very much about what their naval forces are up to in the Gulf of Aden and Arabian Sea, and maybe they have good security reasons for staying quiet. But it is obvious that the South Korean, Malaysian, Indian and Chinese navies have sent ships to the region, well armed and with the right forces on board to act against the pirates. The Somali coast is very far from their normal areas of concern, and it is dramatic illustration of how countries are able to project force over thousands of miles. American and Indian concerns over China's wider maritime interests, and greatly expanding blue water navy, are brought into sharper focus by these kinds of incidents, which prove that it is not just the Chinese who can move force around the world and use it to great effect. The UAE, and Dubai in particular, is a major maritime hub, and thousands of cargo ships pass through its ports. It has a direct



interest in seeing the Somali pirates dealt with, however exhausting the task might be. The intractability of finding a political solution to Somalia's long running chaos has understandably put all its Arab neighbours off trying to help, but that does not mean that the problem has gone away. The pirates are only one very disturbing outcome of having a totally failed state in the region. Active bases for terrorists are another.

But the answer is not to leave the solution to Asian navies operating on their own. A more coordinated and active policy is required, and the Arab states should take a stronger role. They have the naval forces available and potentially considerably more local knowledge than the Asian navies, and also the EU and American forces in the region. It is understandable if merchant seamen say that they do not want to be armed, since if they do not shoot back at pirates, their lives are vastly more safe. Their owners may be inclined to take the same route, arguing for the safety of their ships and crews, and so may not want to put tough security men on board their ships. But the navies of the region and the anti-piracy forces do not have this choice. The job of government is to enforce security, and even when a government has collapsed, they have to act **Source : GulfNews**



The **CORAL LEADER** seen leaving the Ijmuiden locks bound for Zeebrugge – **Photo : H. Blomvliet ©**



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## Iranian Intervention

Iran on Wednesday dispatched its 12th fleet of warships to the Gulf of Aden. Navy commander Rear Admiral Habibollah Sayyari said Iran is seeking to display its military power in the international waters. However, Sayyari

reiterated that the message of the Iranian fleet is peace and friendship. He went on to say that the Iranian warships' presence in the international waters shows that the Islamic Republic is not an isolated country and that it wants to defend its interests in the region.

The senior commander said the difference between this fleet and the previous ones is that 153 of students who study at the Navy military academy joined the fleet. The Iranian Navy has so far dispatched a number of military warships to the Gulf of Aden to guard Iranian and foreign vessels sailing in international waters **Source : Shiptalk**



**MAMMOET MARITIME** seen conducting the salvage operation of the capsized **WALDHOF** at the river Rhine near the Lorelay - **Photo : Cor Wolthuis ©**

## **North P&I Club to launch fixed-premium hull and machinery cover**

Directors of the 'A' rated 130 million GT North P&I club have decided to launch a fixed-premium product for hull and machinery cover on 1 July 2011. The move is in line with the club's strategy of expanding its product range beyond its core protection and indemnity (P&I) service.

Initial targets for the new product are shipowner members of Marine Shipping Mutual Insurance (MSMI), a 39-year-old hull and machinery club that is managed by North's management company, North Insurance Management Limited (NIML). The MSMI board recently decided to cease underwriting on 30 June 2011 after accepting that, though solvent, the hull club's small-scale business model was unlikely to be viable in the foreseeable economic climate. According to North chairman Albert Engelsman of Dutch shipping group Wagenborg, 'Exact details of North's new hull and machinery cover are still being finalised but it will be a fixed-premium product operating on a conventional subscription basis. While this is significantly different to MSMI's model, it will offer the same level of club-style service and we anticipate it will be attractive to MSMI members as well as other shipowners in North and elsewhere.' NIML joint managing director Paul Jennings says, 'It has long been one of North's publicly stated strategic aims to expand its product range to members, adding to the successful P&I, freight demurrage and defence, war and non-poolable covers offered today. Hull and machinery is something the club has wanted to offer for some time.' Fellow joint managing director Alan Wilson says, 'This is an exciting development for North and its members, supported by the club's strong financial position, reputation for high quality service and existing management experience in hull and machinery insurance. The directors are confident the new hull and machinery product will further enhance the club's financial position and strengthen service to members.'

North provides P&I insurance to 100 million GT of owned tonnage and 30 million GT of chartered tonnage, with 4250 ships entered by 375 members. The club is based in Newcastle upon Tyne, UK with regional offices in Hong Kong, Piraeus and Singapore. MSMI currently has 8 million GT of entered tonnage, with 400 ships and 50 members, and is also based in Newcastle upon Tyne. **Source: North P&I Club**

## Insurers dodge the bullet on Samho

Although the whole nation watched in awe at the dramatic rescue of the **Samho Jewelry**, some were happier than others. Local nonlife insurers and reinsurers had to help bear the financial burden when Samho Shipping was forced to pay a large ransom when one of its ships was previously seized by pirates last year. But they emerged unscathed from large damage claims when it came to the **Samho Jewelry's** insurance policy. According to nonlife insurers involved in the **Samho Jewelry's** insurance coverage, the ship had been insured for up to \$45 million. Samsung Fire & Marine and Green Insurance, both local nonlife insurers, had shared coverage for the Samho Jewelry, Samsung covering 60 percent and Green Insurance the rest. However, company representatives said these insurers have subsequently reduced their exposure. Samsung and Green "had passed on 95 percent of the coverage to reinsurers, so [both firms] bear responsibility for only 5 percent of the cost of damages," said Jeon Bu-yeon, a spokesperson for Green Insurance. "So there is a minimal insurance payment involved." In addition, the **Samho Jewelry** only sustained partial external damage when it was seized and then rescued, further limiting the cost of the insurance payments. The companies said that they have yet to tabulate the exact cost of the payment.

This is a far cry from the case of the **Samho Dream**, which was seized by Somali pirates last April. The incident dragged on for months and ended in \$9.5 million worth of ransom payments for the return of the crew, for which nonlife insurers reimbursed shipowner Samho Shipping. Among reinsurers that bear responsibility for coverage of the **Samho Jewelry**, domestic reinsurer Korean Reinsurance has emerged completely unscathed from the incident. Among many categories of insurance for which the **Samho Jewelry** was covered, Korean Re was not responsible for "war risk" coverage, which includes damages incurred by acts of war, which would include attacks by Somali pirates. It was only liable for standard "hull insurance" that ensures the costs of fixing broken ship parts plus "disbursement insurance," or coverage for increased costs in operating the ship. Among Korean Re's insurance portfolio, insurance coverage of ships accounted for 319.9 billion won (\$286.6 million), or 7.5 percent, of its total acquired insurance payments of 4.26 trillion won in fiscal 2009. The market for ship insurance in Korea is a sizable one, estimated at between \$200 million to \$250 million in fiscal 2009, according to Korean Re. **Source: JoongAngDaily**



## Maritime sector still in distress

The maritime and shipping industry is brazing itself in anticipation that 2011 will remain a weak year. "Maritime is still distressed," Henrik O. Madsen, CEO of DNV, a leading classification firm, said. "2011 will be bad but we hope 2012 will be better. We have to wait till 2013-2014 for things to normalise. I'm not very optimistic for 2011 in the maritime sector."

Capt. S. R. Patnaik, chief operating officer at Dubai-based International Shipping & Logistics FZE (ISL) said trade has not yet picked up to healthy levels. "We all know in the shipping industry that 2011 will not be a good year," he said. "2009 was definitely bad and 2010 remains volatile. China has not picked up that much and the US is still in a bad shape and these are the two biggest trading countries in the world." Despite the negative outlook, the subsidiary of India's TM International Logistics, plans to order two new handymax in the first quarter of this year, marking the Dubai-based firm's entry in the shipowning business. The two newbuilds, worth \$50 million-\$55 million, is slated for delivery in 2012. The company also mulls an orderbook of three more vessels over the next three to five years. Currently, the Middle East has a fleet of 2,040 vessels with combined deadweight tonnage (dwt) of 57.3 million. The



region has an orderbook of 233 ships or 11 per cent of the current fleet. In terms of tonnage, the Middle East is slated to take delivery of 21 million dwt over the next two years or 37 per cent of today's capacity. The UAE tops the list with 107 orders on top of its 679 fleet followed by Iran with 64 on top of its 329 fleet. Tonnage-wise, the UAE will see a 40 per cent incremental growth from 16.7 million dwt to 23 million dwt while Iran is set to increase tonnage capacity by 34 per cent from 16.8 million dwt to 22.5 million dwt. Despite these large orders, the Middle East's shipping sector is unlikely to see a glut in supply, the CEO of Gulf Navigation Holding, said. "I have no fear whatsoever... any ship today where the keel has not yet been put down is being renegotiated" Per Wistoft, said, noting that a string of cancellations and delays will spread out the delivery dates over the next two to three years. "Over the past year, we have seen demand improving. However, the continued introduction of capacity implies some short-term volatility, but in the medium to long term, the outlook of the shipping industry is positive," Woon Khoo Kee, global head of structured finance, Standard Chartered Bank, said.

A number of Gulf companies have dropped high priced orders made in the boom years. Last year, Gulf Navigation cancelled orders for two chemical tankers with SLS and was repaid \$70 million while in September, the NSCSA subsidiary National Chemical Carriers cancelled a deal to build five tankers and recouped \$95 million.

United Arab Shipping Company (UASC) has delayed the delivery of its \$1.4 billion orderbook by one year to ease up cash flow, the company's chief operating officer, said. Under the Kuwait-headquartered shipowner's original plan, nine A13-type container vessels, each with a capacity of 13,100 TEU from Samsung Heavy Industries shipyard in South Korea, will be delivered this year. But due to credit squeeze and weak global trade, delivery is deferred till 2012.

"First ship will come in Apr 2011 but the balance will come in 2012," Waleed Al Dawood said. "He said obtaining funding proved difficult since the wake of the recession with banks lending only 60 per cent of the market value and not of the contract price.

"This is an issue because market price dropped by at least 30 per cent," Al Dawood said, noting that shipbuilders' reluctance to renegotiate the price has added to the shipowners' burden. "The idea of cooperation to some extent doesn't exist in this industry," he told an industry conference in Dubai. "They wish for the money as per the contract. We understand that but the point is – does the shipowner have the money? The recognition in that part was delayed."

"At the end of the day we were able to postpone the delivery from 2011 to 2012 and that gave us a breather on the cashflow," he added. In February, UASC said it concluded a multi-currency \$275 million term loan facility on a 'club deal' basis with Qatar National Bank, Burgan Bank, Commercial Bank of Qatar, Doha Bank, Al Khaliji Commercial Bank and BNP Paribas. But that was only 13 per cent of its total funding needs. Come April and only less than \$87 million was closed. "In container shipping it's not only the ship that is costing you the money," he explained. "For the 13 vessels, we needed \$1.4 billion for the ship and \$600 million for other expenses. Here you are talking about \$2 billion in one sling. However, the return on investment is low so there is an imbalance in the cashflow equation between investment and ROI." To fill in the funding gap, UASC's shareholders decided to more than double their capital from \$1 billion in 2008 to \$2.47 billion in 2010. The 34-year old company has six shareholders – Qatar (24.8 per cent), Saudi Arabia (24.8 per cent), Kuwait (20.3 per cent), Iraq (20.3 per cent), UAE (8.2 per cent) and Bahrain (1.5 per cent).

"Because the banks shied away from financing the new orders, the shareholders have to put their money," he said. "When our first payment worth \$300 million came near, the first question was should we walk away from \$300 million with the onus of further compensation or shareholders will instead inject more money? They did." Despite the volatile global economy, Al Dawood is positive that the industry has touched the bottom. "There is no way we'll go further down. It's impossible. There's nowhere to go but up." The company is now forecasting more than 20 per cent year-on-year growth over the next five years. Al Dawood said UASC is on track to increase capacity by 37 per cent from 1.17 million (TEU) in 2009 to 1.6 million this year. And with new vessels coming online, the capacity will further go up to 2 million TEU in 2011, 2.7 million in 2012 and 3.6 million TEU in 2013.

The company is also planning for another phase of expansion. "We have a plan for another expansion, so we will continuously look for financing because this is a very capital-extensive industry," Al Dawood said.

Today, the ability to raise financing or re-financing still depends on the situation of each individual ship owner, Kee said. "While Chinese Banks are becoming very active in ship financing and have begun financing shipowners in the Middle East, the financing gap still exists and operators in the region will continue to find it challenging."

Currently, bankers – especially local and regional ones – remain reluctant to lend. Wistoft said the wide pricing gap between local and international interest rates makes it less appealing for local banks to lend to shipping firms and vice versa.

"It's much more interesting for a local bank to lend locally on a house mortgage to where he can get 6 per cent," he said. The region is also busy financing its own financial problems. "In the last two years, pre-2009, we saw an increasing appetite in ship finance but at the moment we see less. Why? Because they are busy with local issues like retail and real estate," Wistoft said. Tapping the much-talked Islamic finance has also not been easy. "We, as a

company, has a clear requirement to do financing that is Shariah-compliant but we cannot find someone to deliver a price that is competitive," he said. But there's always some exception to the general trend. Kuwait Oil Tanker Company (KOTC) is in a comfortable cash position and has earmarked \$1.6 billion in an aim to boost its fleet size by 76 per cent and capacity by 65 per cent over the next three years. The first batch of orders, worth \$850 million, was placed with Daewoo and comprises four VLCCs and two Aframaxex. The first vessel was delivered on Oct 28 with rest scheduled for delivery before the end of this year. "We will have receiving all the tankers in 2012," KOTC chairman and managing director Nabil Bourisli said. The second batch, worth \$750 million and comprises 10 medium range (MR) crude carriers, is set to be tendered in the first quarter of next year for delivery in 2013. "It is under the planning process," Bourisli said. "We expect to sign the contracts by June 2011 and receive them by 2013." According to local media report, KOTC has already completed a tender for the third phase of its fleet development project and will award the deals in May.

KOTC has a current fleet of 21 vessels with 3.4 million TEU. The VLCC orders will add 1.4 million TEU while the MR crude carriers are slated to have 800,000 to 1 million TEU capacity. Although banks remain reluctant to lend, Boursili is confident the state will finance all its requirements. "All our needs are financed by our parent, Kuwait Petroleum Corporation, so there is no need to access the banks." KOTC's expansion drive is buoyed by Kuwait's optimism that the growing oil demand will fuel the need for more crude carriers in the mid and long-term. Boursili said Opec's forecast of nominal price of oil at \$75-85 per barrel until 2020, reaching \$106 per barrel by 2030 is backed up by strong fundamentals. "The worst case scenario is past us and the present fundamentals are strong enough to support the oil price," he said. As per Opec's latest forecast, average annual oil demand will increase by .9 per cent per year or 1 million barrels per day (mbpd) in volume terms - more than double of that expected in the 2009 reference case.

Source: Emirates Business



## **Pirates release Thai fishing vessel after 8 months**

Somali pirates appear to have released a Thai fishing vessel and its 28 crew members eight months after the ship was hijacked, the European Union Naval Force said.

The circumstances surrounding the release of the Tai Yuan 227 were unclear but the owner of the ship had received a call from the master saying it had been freed, although he did not know why, according to a statement from the force. The EU had not had direct contact with the ship. The vessel has 28 crew onboard from China, Vietnam, the Philippines, Kenya and Mozambique. It was attacked on May 6, 2010, northeast of the island nation of the Seychelles. The crew were provided with fresh food and water by a U.S. warship after the release. The vessel is currently sailing away from Somalia. Meanwhile, NATO said a Danish warship rescued two men who escaped from pirates off East Africa's coast. The alliance said the men were among several crew members who attempted to shake their captors two days after their ship, the MV Beluga Nomination, was hijacked. The attempt to overwhelm the pirates failed, but the two seamen, a Ukrainian and a Filipino, managed to escape in one of the ship's life boats. NATO said the pair spent

two days at sea before being picked up by the [HDMS Esbern Snare](#) on Friday. The rest of the crew remains aboard their ship — now anchored off the Somali coast — where they await rescue or ransom. In South Korea, the government said it would bring home a ship captain shot by Somali pirates during a rescue operation last week. A Foreign Ministry official said an air ambulance carrying the captain will arrive in Seoul on Saturday evening and the captain will get more medical treatment. The official asked not to be identified because he wasn't authorized to speak to media. He didn't elaborate about the captain's condition. The captain was the only crew member wounded during last week's raid by South Korean commandos on a hijacked Korean freighter in the Arabian Sea. The commandos rescued all 21 hostages, including the captain, while killing eight pirates and capturing five others. South Korea plans to bring the five pirates to the South for prosecution. **Source: Associated Press**

## CASUALTY REPORTING

### INS Vindhyagiri Fire: Rescue work speeded up

In a major fire-burst post collision with a merchant vessel at the naval dockyard, the Indian Naval [INS Vindhyagiri](#) is burning heavily after it caught fire, many are stuck in the fire as the firefighters are facing difficulties to reach the spot in the waters.

Further reports are awaited and the rescue operations can be hurried once we get to know about the situations, a defence spokesperson told. Though, some unconfirmed reports illustrated that the ship is sinking. More than a dozen of firefighters' vans are engaged in firefighting operations, officials said. A dent in the warship due to the crash of the collision is supposed to be the cause through which water had streamed into the ship making it to slant to one side.

The 1981 built NILGIRI class [INS Vindhyagiri](#) crashed into a Norwegian container vessel MV [Nordlake](#), at the Mumbai harbour on 30 January and was brought to the naval waterfront.

#### LATEST UPDATE :

The Indian naval ship, [INS Vindhyagiri](#), that caught fire after collision with a foreign merchant vessel at the Mumbai harbour sunk on Monday. [INS Vindhyagiri](#) was carrying family members of Navy personnel on board. There have been no injuries as all the people were evacuated from the ship.

The ship, however, suffered major damage to its engine. The merchant vessel, however, did not suffer any significant damage and may be held accountable. Fire tenders couldn't douse the fire in [INS Vindhyagiri](#) due to presence of oil near the engine, resulting in sinking of the ship. According to the officials, [INS Vindhyagiri](#) was returning to the dockyard while merchant vessel [Nord Lake](#) was leaving Mumbai harbour when the two collided in the harbour.

Earlier in the day, Chief of Naval Staff Admiral Nirmal Verma commented on the use of the latest technology for preventing ship collisions at busy harbours. "So I would say the answer lies in two pronged effort: one is that the sunken wreck(s) should be removed. The other is, why have the ships sunk there? Because it is also seen that some of the ships, perhaps were quite old and many of the ports in the world, there they may not have been allowed entry, also," he said.

"So there has to be greater regulations as far as the age of ships that are permitted inside, and I would say that more caution has to be exercised while ships go in and out of harbour," he added. His views come in the backdrop of a collision between [INS Vindhyagiri](#) and a merchant ship, [Nordlake](#). **Source : Thaindian News**



## NAVY NEWS



The French Navy Destroyer **D 614 CASSARD** built by Lorient Naval Dockyard, and commissioned in 1988, seen approaching Grand Harbour, Valletta, Malta. - **Photo : Gejtu Spiteri ©**

## Russia, Ukraine to regulate movement of Black Sea Fleet formations on Ukrainian territory

Diplomats of Russia and Ukraine on Jan. 27, 2011 agreed on a draft agreement between the two countries' governments on coordination of movements of military forces of the Russian Black Sea Fleet on Ukrainian territory, outside their dislocations, the Ministry of Foreign Affairs of Ukraine press service said.

The document had been approved in Kiev at the 9th session of the Sub-committee of the Russian-Ukrainian Interstate Commission for the Russian Black Sea Fleet base on Ukrainian territory. The delegation was headed by First Deputy Minister of Foreign Affairs of Ukraine Ruslan Demchenko and the Deputy Minister of Foreign Affairs of the Russian Federation Grigory Karasin.

The two parties are developing the agreement on cooperation in preventing and emergencies response, using units of Russian Black Sea Fleet and a draft bilateral agreement on the actions in crisis situations. According to the parties, signing a bilateral agreement on information exchange and navigation and hydrographic support of safety of shipping in the Black and Azov Seas would promote successful cooperation of the two countries in the sphere. **Source : PortNews**



The Arleigh Burke class Guided Missile Destroyer **52 BARRY**, built by Ingalls Shipbuilding and commissioned in 1992, seen approaching Grand Harbour, Valletta, Malta - **Photo : Gejtu Spiteri**

## Drops idea to rebuild subs for cargo transport

Plans to use Typhoon submarines for under-ice deliveries of oil and ore in Arctic waters is inexpedient, says the designer of the world's largest ever built submarine. Ideas to refit two of Russia's huge nuclear powered submarines to carry ore were earlier discussed between Rubin Central Design Bureau and metallurgical giant Norilsk-Nickel.

The designers also said it could be possible to replace the 20 intercontinental nuclear missiles with tanks to carry oil from re-loading terminals under the ice in the Arctic. With the missile launchers removed, the projected cargo capacity could be 15,000 tonnes. Their use for civilian purposes is inexpedient, said Andrei Diachkov, director general of Rubin at a press conference before Christmas, reports RusNavy, a portal that monitors Russian navy developments.

The Russian navy has three remaining submarines of the Typhoon-class. One, the thirty-year old "Dmitri Donskoy" is used as a test-launch platform for the new Bulava missile. The two others, "**Severstal**" and "**Arkhangelsk**" are in reserve and their missiles are removed. BarentsObserver reported last year that "**Severstal**" and "**Arkhangelsk**" could get overhaul and by that stay in service until 2019.

The 175 meter (574 feet) long and 24,000 tons heavy submarine is the largest nuclear powered submarine ever built. During the Cold War the six Typhoon-class submarines were based at the naval base in Zapadnaya Litsa on the Kola Peninsula, only some 50 kilometers from the border to Norway. **Source : BarentsObserver**

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## Onboard a warship: students learn maritime security

It was a rare opportunity for students to take a glimpse of a warship **INS Karmuk**, which arrived at Tuticorin Coast on Saturday from Vishakhapatnam.

As part of Indian Navy Week celebrations, the programme was organised to raise awareness among the public about the activities on the warship, and the role of Navy personnel in tackling threats, Commander Paul Samuel, Captain **INS Karmuk** told 'The Hindu.'



At close quarters: Students taking a look at the warship 'Karmuk' at the Tuticorin Port on Saturday.

The warship was armed with state-of-the-art weapons and sensors for various maritime security roles. A light utility helicopter could also be made operational on this warship. The upper deck of the armoured ship was equipped with a super rapid gun mounting, sixteen long-range surface-to-surface missiles, short-range surface-to-air missiles, guns and chaff system vessel, ready to tackle war threats.

While replying to a query, he said, a crew of 120 personnel onboard the ship would be a deterrent to

pirates. The eastern fleet of the Navy had been involved in executing anti-piracy operations, protecting maritime trade, and off-shore oil agents at sea, he added. The **INS Karmuk** is the fourth ship of the Kora class Missile Corvettes, which was commissioned on February 4, 2004. The seven-year-old warship has been indigenously designed at the Garden Reach Shipbuilders and Engineers, Kolkatta.

The 91-meter-long Guided Missile Corvette powered by a couple of diesel engines, draws 1,470 tonnes at full load. It propels at a speed in excess of 25 knots. Even without refilling of ammunitions, it could move an excessive distance of 5, 000 nautical miles, Mr. Samuel added. Students from various educational institutions, and the public, who waited in a long queue, spent time on the ship berthed at A - I of Tuticorin Port. The crew explained the features and operation of weapons to the visitors. **Source : The Hindu**



Last Sunday the **L 800 ROTTERDAM** departed from Den Helder naval base bound for Willemstad (Curacao) for a period of 5 months - **Photo : Ron Damman – [www.newdeep.nl](http://www.newdeep.nl)** ©

## 'Submarine safety put at risk by budget cuts'

A MINISTRY of Defence watchdog has said Devonport's nuclear submarine fleet is being put at risk by staff shortages and budgets cuts. A report by the Defence Nuclear Environment and Safety Board says it cannot ensure Plymouth's six Trafalgar-class nuclear-powered submarines "remain safe". The "principal threats to safety" were a lack of money and a dearth of expertise, it said.



Trade-offs which were used to cope with shortages of reactor engineers and scientists by restricting their time ashore were becoming unmanageable, it added. Board chairman Howard Mathers, said: "Looking ahead, I consider that sufficiency of resources, both money and staff complement, and the maintenance of a sustainable cadre of suitably competent staff (Royal Navy, MoD civilians and in industry partners) to be the principal threats to safety in the defence nuclear programmes in the medium term."

The 2009 report, which has just surfaced, goes on: "The judgment last year was that some areas were barely resourced to deliver their outputs (including safety), with a considerable load on a small number of key individuals. Whilst it was considered then that availability might be traded to 'remain safe', the current view is the space to do this is now eroded, with the resilience of the submarine enterprise under threat and even the ability to recognise this at risk."

A 14 per cent shortage of civilian safety experts – four points higher than in 2007 – plus a seven per cent shortage of submarine reactor engineers, who have been restricted to "minimum time ashore", were also highlighted. The 2008 and 2009 reports from the board, which regulates military nuclear operations, were marked "restricted" but have been released under the Freedom of Information Act.

Campaigners said it was "unforgivable" if safety was being jeopardised by budget cuts while defence experts said the "desperation" of the MoD to keep key navy personnel could be judged by the worth of "golden handcuff" deals.

Ian Avent, from the Campaign Against Nuclear Storage and Radiation, said: "There are clear examples which prove their safety processes don't always work. The management processes aren't as good as they are on paper. If that is down to manpower and money shortages then it is unforgivable."

Naval expert Steve Bush, editor of the Liskeard-based Warship World, said problems with the retention of nuclear watchkeepers were long-standing. The 2008 and 2009 reports reveal a deepening of concerns about the MoD's nuclear safety management. Reports from 2006 and 2007, released two weeks ago, also marked a shortage of qualified staff and cuts in funding as major problems for the Royal Navy.

They also highlighted 11 "potentially significant risks" across Britain's nuclear licensed estate, including Devonport. The reports also warned that attempts to minimise radioactive risks have been "weak", while safety analysis was "inconsistent" and change management "poor". The MoD said it takes its nuclear responsibilities "extremely seriously" adding that "safety is our priority". **Source : This is Plymouth**

## SHIPYARD NEWS



The **LILIA CONCEPCION** seen arriving in Willemstad (Curacao) for drydocking at CDM  
**Photo : Kees Bustraan – <http://community.webshots.com/user/cornelis224> (c)**

## THIRD OUT OF A SERIES OF FOUR 11.000 TDW GENERAL CARGO VESSELS LAUNCHED



**Flinter Shipping** organised a competition to find the godfather/godmother for the christening of the third vessel out of a series of four on order by Shipyard Ferus Smit, Westerbreek, the Netherlands. **Mr. Jeppe Pieperiet (48)** was proclaimed by the jury as winner of the contest. Mr. Pieperiet passed the honours to his wife **Hanny Pieperiet** because of the fact that she supported him during his fight against a non-Hodgkin lymph gland cancer. In this way the christening on Saturday the 29th of January 2011 was dedicated to all volunteers that take care of the diseased people in the Netherlands.

Photo : Flinter ©

The M.V. **"FLINTER ATLANTIC"** ordered by Flinter Atlantic N.V., Barendrecht the Netherlands and will be managed by Flinter Shipping B.V., Barendrecht, is a general cargo vessel of 11.047 tons deadweight, yardnumber 399 of Shipyard Ferus Smit a shipbuilding company founded in 1910 by H.A. Smit and his brother A.M. Smit. However the shipbuilding tradition of the Smit's family goes back to 1862. The company has two locations, one in Westerbreek (Winschoterdiep) in the Northern region of the Netherlands and one in Leer, Germany.

Photo : Marius Esman ©

Main particulars of the **"FLINTER ATLANTIC"**:

Length over all 132,60 metres;  
Length between perpendiculars 126.35; Breadth 15,87 metres;  
Depth 10,80 metres; Draught 7,80 metres; 6.687 GT; 3.448 NT; 356 TEU; Hold capacity grain 460.000 cuft; Main engine MaK 8M32 developing 4.000KW at 600 rpm; one CP propeller 159

rpm; speed 14 knots; class Bureau Veritas; Home port ROTTERDAM; Flag The Netherlands. Sister ships in service **"FLINTER AMERICA"** and **"FLINTER ARCTIC"**. The forth ship is under construction.



## Northrop Grumman Celebrates 125 Years of Shipbuilding Excellence in Newport News

Northrop Grumman Corporation's Shipbuilding sector in Newport News, Va., will kick off a year-long celebration of its 125th anniversary beginning today. Collis P. Huntington founded the Newport News shipyard on Jan. 28, 1886. His vision was to provide first-class quality in all aspects of the business and to earn a reputation for building the best ships in the world. Since signing the contract in 1890 for the shipyard's first hull, the tugboat Dorothy, Newport News has built more than 800 ships for the Navy and non-defense customers.

In a message to employees, Northrop Grumman Shipbuilding-Newport News vice president and general manager Matt Mulherin asked current employees to take a moment to remember the shipbuilders of the past.

"Think about their pioneering spirit that helped grow our shipyard into the highly-respected business it is today -- the business Collis P. Huntington envisioned," Mulherin said. "And think about how we can build upon their legacy by continuing to provide first-class quality in all that we do, so that 125 years from now, we will still have the reputation for simply building the best ships in the world."

**A video and transcript of Mulherin's remarks are available at**  
<http://www.sb.northropgrumman.com/shipbuilders/125years/>

Northrop Grumman is the nation's sole industrial designer, builder and refueler of nuclear-powered aircraft carriers, is one of only two companies capable of designing and building nuclear-powered submarines and also provides after-market services for a wide array of naval and commercial vessels. It employs about 20,000 people at its Newport News operations.

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## **Top man at Wärtsilä announces his retirement**

Wärtsilä Corporation has announced that its president and CEO, Ole Johansson, has decided to retire after reaching 60 years of age in June 2011. Johansson is exercising a right stipulated in his executive contract with the company. The exact date of his departure will be announced later. Johansson has additionally said that he will no longer be available to continue in his position as a member of the Wärtsilä Board of Directors.

The board has therefore started the process to appoint a successor for Johansson, who has undertaken various managerial duties in Wärtsilä since 1975, serving as president and CEO since 2000. **Source : The Motorship**





The passengerliner **ISIGNIA** seen getting a new anchor while docked next to HAL's **VEENDAM** and setting sail under the rainbow in Ushuaia, worlds most southern city.

Photo's : Peter Tukker - SEH-Officer Veendam ©



## LDA plans eight-vessel order at Tianjin

French bulker operator Louis Dreyfus Armateurs (LDA) has chosen China's Tianjin Xingang shipyard to make its comeback to the newbuilding market with an order worth a potential €330 million (US\$450 million) for four Capesize vessels and four handymaxes.

The company has placed firm orders for two Capesizes and two handymaxes and says that it expects to be able to say whether or not it can confirm the orders for the other four in about four months. The deliveries of all eight vessels, assuming the option are taken up, are scheduled for 2013 and 2014.

LDA said that it was following a "counter-cyclical strategy" in ordering the vessels now. After having sold a large part of its bulker fleet during the market highs of 2007 and 2008, it had decided to rebuild its fleet, it said. It indicated that the order had been timed to enable the vessels to take advantage of the recovery in the dry shipping market, which it expected for 2013.

"LDA is confident that today's depressed markets will experience a significant improvement as from 2013," it said.

The Philippe Louis-Dreyfus-led company currently has an owned or "controlled" fleet of about 30 vessels. These comprise 13-14 handsize vessels, 10 or so Capesizes and several Panamaxes.

It declined to specify the uses to which it intended to put the vessels but pointed out that the handymax vessels would have a draught of 10.5 metres, which would enable them to operate without problems in shallow draught south east Asian ports.

The group, which has been a long-standing champion of the environmental qualities of shipping compared to other transport modes, said that it had also worked hard to reduce the vessels' carbon dioxide emissions. It estimated that the Capesizes would reduce annual CO<sub>2</sub> output by 9,300 tonnes in comparison with existing vessels of equivalent size and the handymaxes by 5,000 tonnes.

Tianjin Xingang Shipbuilding, part of the China Shipbuilding group, has only built vessels up to handysize to date, but is in the process of moving to a new site where it has facilities for the construction of larger vessels. **Source : Baird**



The **CITY OF PARIS** seen approaching IJmuiden – **Photo : H. Blomvliet ©**

## Eagle Bulk Gets Upgrade After Korea Scare

Shares of Eagle Bulk Shipping, which lost more than 11% of its value during the previous session after one of its biggest charterers declared bankruptcy, received a timely upgrade last Wednesday.

FBR Capital Markets moved the stock to outperform from market perform, saying the selloff in Eagle Bulk shares triggered by the receivership of Korea Lines Corp., which came to light Tuesday morning, were "overdone." Eagle Bulk had hired out about a dozen of its ships under long-term charter contracts to the troubled KLC. Eagle has a fleet of 48 vessels. In a note to clients Wednesday morning, the firm said it conducted channel checks on Eagle's charters with KLC. Those checks showed that Eagle chartered its ships to KLC at rates below \$20,000 a day, according to FBR. "Thus we do not expect Eagle to experience a material negative impact," the research note read. But according to the calculations of one hedge-fund trader who focuses on shipping stocks, Eagle Bulk has about \$700 million in exposure to KLC. Investors also worried that KLC's receivership could put Eagle's loan covenants in jeopardy. The company hasn't put a dollar figure on its counterparty risk with KLC, but said in a press statement Tuesday that its exposure was "modest."

In its note, FBR also said Eagle stands to benefit because its fleet is composed mainly of smaller dry-cargo vessels, rates for which will outperform the larger capesize ships this year, in FBR's view. Dry-bulk shares were up modestly Wednesday after a vicious, broad-based selloff a day earlier, as the KLC news coupled with a downgrade by Deutsche Bank served to deflate investor interest in a sector already beset by collapsing rates for its dry-cargo freight services.

Source: The Street

## 35,000 teu ships could transit Malacca Straits

Containerships of up to 35,000 teu could call at Singapore, the world's largest transshipment hub, in the future. French box analysts Alphaliner note that the 18,000 teu ships that Maersk Line is close to ordering will easily transit the Malacca Straits.

The Singapore Straits have a maximum draught of 21 m, which has effectively limited bulk carriers and tankers to around the 240,000 dwt size. But Alphaliner claimed that due to the much lower cargo density of box carriers, a containership with a 21 m draught could have a carrying capacity of 35,000 teu. However, the analyst said that other factors would make a vessel this size far too big to operate. "It would need to have a prohibitive length and breadth, requiring vast turning basins and supersized gantry cranes that are even not under development, not to mention the associated berth infrastructure and dredging issues in most ports." Source : PortNews

## Schat-Harding requests industry consensus on lifeboat hooks

Lifeboat manufacturer Schat-Harding says the International Maritime Organization and elements of the shipping industry must move quickly to a consensus on lifeboat safety issues, which have vital consequences for the safety of seafarers. David Bradley, Vice President Operations, Schat-Harding Service, said: "A lack of agreement at IMO by some industry bodies and flag states has pushed back consensus on this vital topic, and it could be two years or more before we have a properly agreed amendment to SOLAS for lifeboat hooks. It is time for a new generation of hooks, and the fact is that hooks are available which meet all the proposed regulatory requirements, but shipyards won't specify them and owners will not rush to replace existing hooks while they still meet regulations, despite the well-known risks to seafarers. He added: "Draft guidelines to ensure on-load release mechanisms for lifeboats are replaced by those complying with new, stricter safety standards under SOLAS were discussed in February 2010 by the IMO Sub-Committee on Ship Design and Equipment (DE 53). But no agreement was reached. Similarly, no consensus was achieved at the 87th session of the Maritime Safety Committee in May 2010. "There are good draft standards on the table but no consensus to turn them into regulations and the issue has again been referred back for further work to the IMO subcommittee on ship design and equipment. This will take place in March this year, and the findings taken in May 2011 to the 89th session of the MSC." Mr Bradley said he hoped that following the MSC meeting in May, guidelines will be created to provide consistency and that the target for introducing new SOLAS standards, 1st July 2014, will be brought forward in the interests of seafarer welfare. Source: Shipmanagement International





Above seen the 2009 built LBY flag and owned crude oil tanker **AL AGAILA** ex-CRUDE BETA offshore Malta performing an STS (ship-to-ship) operation with the 2008 built ITA flag and owned chemical/oil products tanker **IRON POINT** on Wednesday 26th January, 2011.

Photo : Capt. Lawrence Dalli - [www.maltashipphotos.com](http://www.maltashipphotos.com) ©

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The **STX JAGUAR** seen moored in Singapore – Photo : Piet Sinke ©

## Maersk ULCSs may trigger capacity race

Maersk's rumoured order for 18,000 TEU containerships could change the competitive landscape for the container carriers, with the new designs expected to breach existing vessel dimensions in a significant way.

Currently, the largest containerships, Maersk Line's 'E'-class, can carry up to 15,200 TEU, based on Alphaliner's estimates. These ultra large container ships (ULCS) are too wide for the new Panama locks and can thus be qualified as neo-over-Panamax ULCSs. Maersk Lines initiative has not remained isolated since four more carriers consisting of MSC, CMA CGM, CSCL and COSCO, have so far invested in the 13,800-15,200 TEU neo-over-Panamax ULCSs, either owned or leased. Including the Maersk units, 58 such ships are either sailing or being constructed, according to Alphaliner records. All these ULCSs are currently deployed on the Asia-Europe route, with no expectations to see them plying the transpacific route any time soon. To these 58 ships must be added 110 very large container ships (VLCS) of 12,500-13,100 TEU of neo-Panamax dimensions (beam of up to 49m with Loa of up to 366m), which are capable of transiting the new Panama locks. The majority of these ships were ordered in a massive wave starting six months after the Panama Canal Authority officially unveiled the new Panamax gauge in October 2006.

After a lull of some two years in VL/ULCSs orders, carriers are now thinking about ordering big ships again. The imminent Maersk ULCS order is expected to trigger off a wave of newbuilding contracts, even if most of carriers so far stated that they will steer clear from ordering vessels of above 14,000 TEU. The current ULVSS of Maersk Line, MSC, CMA CGM and CSCL suggest that such ships can be fully utilised and their huge volume of boxes can be handled swiftly by appropriately designed terminals and by the well oiled logistics networks. Thus, projects for 18,000 TEU ships as rumoured for Maersk Line appear to be viable, especially as the infrastructure exists to support them since most terminals handling the 22-row 'E'-class vessels can also handle 23-rows ships. Alphaliner has conceptualised a model of the new ULCS design with a geometric intake of 9,000 FEU HC boxes, which have become the staple of the container trades. Based on this, the equivalent nominal capacity of such a vessel could reach 20,000 TEU.

Source: Motorship



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## Suez Canal Traffic Unaffected by Unrest, Canal Authority Says

Shipping traffic through the Suez Canal hasn't been affected by the protests in Egypt over the past six days, Mahmoud Abdelwahab, the Suez Canal Authority's spokesman, said in a telephone interview today.

More than 4 million barrels a day of crude oil, or 4.5 percent of global production, are shipped through the canal or a pipeline that runs adjacent to it, according to New York-based McQuillling Services LLC. The world's longest man-made waterway is the fastest crossing from the Atlantic Ocean to the Indian Ocean. Source: Bloomberg



The **SMIT BULLDOG** seen arriving with a SMIT BARGE in Vlissingen bound for Heerema  
Photo : Richard Wisse – [www.richard-photography.nl](http://www.richard-photography.nl) (c)

## New bunker terminal planned for the Philippines

The company managing Manila North Harbor in the Philippines has set aside a site of up to five hectares for bunkering and logistics. A senior official with Manila North Harbour Point Inc. (MNHPI) said the area would be open for development by the San Miguel Corp.

"We are set to present our conceptual plan to the Philippine Ports Authority," said Manila North chairman Michael Romero, quoted by the local news provider the Manila Standard. The Philippine conglomerate San Miguel Corporation (SMC) took over an oil depot in Manila North Harbour last year amid speculation about the oil terminal's future. "Since plans of San Miguel and Petron Corp need specific details, [we] allotted about three to five hectares for San Miguel's logistics and bunkering site," Romero told reporters at the sidelines of a shipping conference this week.

"That still excludes the tank farm. "I think they plan to put up about 15 to 20 hectares, depending on the planned size of the farm and who else will join them," he said. San Miguel Corp has a majority stake in Petron, the largest oil refining and marketing company in the Philippines. There have been concerns that the terminal acquired by San Miguel last year, the Pandacan terminal, is too close to residential areas. Latests reports from the Philippines say Petron is committed to leaving the Pandacan terminal within five years. The terminal has been an important source of bunker product for the Philippines domestic market. Supplies of bonded fuel for international shipping, however, generally come from other depots. It is not clear if allocating space for a new bunker development will make the closure of Pandacan more likely. **Source: Portworld**



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



The **SUBHADRA** seen stand by near the **THIALF** – Photo : Hans Hoffmann ©

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