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SEAFARER OFFICERS SOCIETY MANILA

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The NORMAND PROSPER seen arriving in Ijmuiden – Photo : Joop Marechal ©

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EVENTS, INCIDENTS & OPERATIONS

The **JOHN QUIGG** assisting the **ANDROMEDA SPIRIT**, Port of Los Angeles. **Photo : Bob Duckson ©**

Submarine fraudster stole millions, Dubai World tells US court

A former Dubai World employee has been described to a Florida court as a "master manipulator" who defrauded the company out of millions of dollars by lawyers for the state-backed firm. Herve Jaubert, the ex-CEO of Dubai World subsidiary Exomos established in 2004 to design and build submarines, is accused of fraud, breach of contract and of racking up $31m in debt. Lawyer William Urquhart told a jury at Fort Pierce federal courthouse that Jaubert had built vessels that failed safety tests before fleeing Dubai with millions in company cash. "The company lost $31m and not a single product was sold; not a single penny received," he said in his opening statement, reported by news site TCPalm, while he displayed dozens of detailed documents detailing how Jaubert diverted $3.8m in Dubai World funds for his own use.

Jaubert, a former French special agent, was first approached by Dubai World in 2003 in his role as founder of Seahorse Submarines International. By 2004, Jaubert had sold his firm to Dubai World and been appointed as CEO of Exomos. Through his company, Seahorse Submarines, he allegedly bought equipment worth $3.2m for the Dubai World subsidiary, but it did not all arrive. Jaubert had a contract to build two submarines for Dubai World, but when the vessels were delivered, they were found to be incomplete and faulty. “They simply didn’t work. Water leaks, lots of leaks...submarines and leaks under water are a pretty terrifying thing,” Urquhart told the court.

According to Dubai World, Jaubert had agreed to settle the matter by paying an initial AED3m ($816,750) upfront, but fled the country before handing over any money. Jaubert told Arabian Business in 2009 he had fled Dubai aboard a rubber dinghy, dressed in a burqa to evade police, using skills he had developed during his former career as a French special agent.

He said he had spent six hours aboard the rubber dingy before meeting his friend, who had sailed his boat into international waters, and the pair headed to India on a journey that took eight days. Jaubert was sentenced in absentia to five years in jail in June 2009 and a fine of AED14m ($3.8m) by a Dubai court in June 2009. Dubai World in September 2009 filed a fresh case against him in US federal court. During the Florida trial, Jaubert’s attorney, William Hess insisted that Dubai World was lying about Jaubert, his submarines and events that had led to his escape. Jaubert has countersued the conglomerate, claiming he was falsely accused of embezzlement and threatened with incarceration after his passport was confiscated and he was fired from the firm. Hess said that the submarines Jaubert had built in Dubai were successfully tested and worked as designed, with several models displayed at international boat shows in the emirate. “There is a far different picture than what’s been displayed so far,” he said, adding that records would prove that all invoices and surcharges submitted by Jaubert were approved by Sultan Ahmed bin Sulayem, CEO of Dubai World. The trial continues. **Source : Arabianbusiness**

Capt Sarabjit Singh Butalia (middle) of **Germanischer Lloyd Academy Singapore** conducted a 2 days **Designated Person Ashore (DPA)** course/training in the Furama hotel, above seen the Trainer and the students upon completion of the training last Thursday.

Crude tanker fleet to grow by 8.7% in 2011 says BIMCO

In its latest analysis, BIMCO predicts that the crude tanker fleet growth will reach an estimated 8.7%, with the largest inflow expected to occur in the VLCC segment. As fleet growth is expected to be strong also in 2012, supply side pressure on the freight markets seems inevitable. The report also mentions that the active crude oil tanker fleet has grown by 0.7% so far in 2011, caused by deliveries of 3.6 million DWT in the form of 17 newbuildings delivered, with 5 vessels being demolished. BIMCO forecasts an inflow of crude oil tanker tonnage in 2011 to be 32 million DWT. With demolition expected to be significant at 2 million DWT. At the same time BIMCO forecasts the inflow of oil product tanker tonnage in 2011 to be 7 million DWT, with demolition expected to be less significant than in 2010. The fleet is forecast to grow by 5.0% in 2011. As it states, last year crude oil tanker fleet growth was influenced by the IMO phase-out of single-hull tankers. In 2011 an equal number of newbuildings are expected to be delivered – but offset by only few demolitions.

The **ATHENS STAR** seen in Rotterdam – **Photo : Ruud Zegwaard ©**

In the report compiled by BIMCO's shipping analyst, Peter Sand, a quite useful outlook is being offered. "Since the tanker freight futures market settled down after the bullrun in the first half of November 2010, the forward curve on benchmark route TD3 has hovered around the USD 22,000 per day mark for both 2011 and 2012. This in turn is equal to a halving of rates from the 2010 average, but represents a 300% rise in rates from the current spot levels. 2011 is likely to provide a volatile market, with freight rates at a relatively low level. Given that the global economy is still on the rebound from the crisis and is running a good deal below pre-crisis production and growth rates – in combination with a high price level on crude oil – BIMCO estimates that VLCC freight rates will stay under pressure from oversupply and a sluggish demand side. A rate scenario in low to mid-twenty thousand USD per day is likely. The depressed rate scenario is likely to be mirrored in all crude oil segments. IEA estimates that global oil demand rose to 87.7 million barrels per day (mb/d) in 2010 (+3.2% y-o-y). In 2011, the demand growth will slow down to a rise by 1.4 mb/d equal to +1.5%. Like the overall GDP-growth, oil demand is set to grow along two tracks at uneven pace. IEA expects total OECD to see a contraction in demand while non-OECD nations/regions like China, Latin America and India will provide a strong rise in oil demand. This means that the tanker markets may see only little support from the overall oil demand growth, and to an even larger extent than in previous years will depend on arbitrage trading, storage demand and global imbalances in crude as well as oil product stocks.

Even though current price structures on crude oil and oil products indicate little reason for floating storage to increase from an already low level, floating storage remains a positive upside risk for tanker rates. As the market heads into lower demand second quarter, leaving a Winter market behind that provided for some optimism in both crude and product tanker markets, focus will be on inventories and spare refinery capacity to meet demand" said the report.

In terms of crude tanker demand, as it turned out, 64% of the VLCC volumes that were fixed out of the Arabian Gulf (AG) in January went to the Far East. This is a normal level but the trend is that relatively more crude oil goes East rather than West. Benchmark earnings from AG to Japan (TD3) averaged USD 10,000 per day in January. Surfing on a downward trend, VLCC earnings started February 2011 at USD 6,500 per day. For comparison, it's worthwhile to remember that a VLCC earned USD 40,000 per day on average in 2010 on this route. Also, the Suezmax benchmark route (TD5) from West Africa to US Atlantic Coast, has been hit and spot freight rates dropped by 55% in January as monthly earnings averaged USD 7,000 per day. The decline in short term floating storage in the Middle East and Europe partially added to the tonnage oversupply. It is worthwhile to notice that current freight rate levels are far below break-even levels. How far below depends on the specific vessel and the purchase price, OPEX and capital cost. To break even on a VLCC ordered at the top of the market in 2008 at USD 160 million, you need at least USD 60,000 per day – depending on the size of your capital costs. At the other end of the scale, a vessel breaking even at OPEX-alone only needs around USD 11,000 per day.

Fixtures for very large crude carriers (VLCCs) totalled nearly 1,650 last year, up 8% from 2009 and the first year-on-year (y-o-y) increase since 2005, according to data compiled by Meiwa International. China was by far the largest player in the tanker freight spot market, booking a total of 479 VLCCs; this was 34% more than 2009 and double that of the second largest participant, India. As an indication of what could be in store for VLCC's in the coming years, the world's third-largest VLCC owner, N.Y.K. Line, has reportedly sold a 15 years old double-hull VLCC (265,539 DWT) to Greek interests for USD 28.1 million. To put the sales price into perspective, the scrap value for a vessel like this is close to USD 18 million" said BIMCO. **Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide**

The **MSC ASLI** seen arriving in the Antwerp locks – **Photo : Willem Kruit ©**


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Toegang Gratis

British Navy confirms rescue of pirated ship in Gulf of Aden

Boarding teams from the British Navy frigate **HMS Cornwall** rescued five Yemeni fishermen and captured 17 Somali pirates last week during a rescue operation the Gulf of Aden, the Royal Navy confirmed Tuesday. The hostages were the original crew of a fishing dhow who had been held hostage aboard their Yemeni-flagged vessel for 92 days, the Royal Navy said in a statement.

Since taking the dhow on November 11, 2010, the pirates used it as a "mother ship" for raiding operations, equipping three skiffs with powerful outboard motors, ladders and other paraphernalia, according to the statement.

The rescue operation was carried out Thursday by boarding teams from the **Cornwall**, supported by Lynx helicopters, according to the statement. The frigate had received a distress call from a South Korean merchant vessel in the area, whose crew had become suspicious of the dhow's actions.

After rescuing the fishing crew and apprehending their captors, the **Cornwall** restored the vessel to its rightful Yemeni owners, the Royal Navy said. Cmdr. David Wilkinson of the **Cornwall** described the action as a "very slick boarding operation which has ensured that this pirate vessel is no longer able to operate" and restored the crew to their families. The **Cornwall** is part of the Combined Maritime Forces, a multinational naval partnership operating in the Gulf of Aden under U.N. Security Council resolutions "to disrupt piracy and armed robbery at sea," and to assist regional partners in developing the capabilities to protect shipping in waters beset by pirates in recent years, the Royal Navy said. **Source : CNN**

The **POLICE 21** seen patrolling Victoria Harbour (Hong Kong) – **Photo : Piet Sinke ©**

LNG freight rates up on demand surge

Average spot LNG tanker rates will double to highest since 2007: analyst

Record demand for liquefied natural gas (LNG) is causing the decade-long glut of vessels that carry the fuel to disappear, doubling freight rates and at least tripling profit for shipping lines Golar LNG Ltd and Exmar NV.

Consumption of LNG is rising 5.1 per cent at a time when nations from the UK to South Korea are increasing curbs on pollution. Natural gas emits about 50 per cent less carbon dioxide than coal. Power companies are also burning more of it because it's cheaper after plunging 30 per cent since the end of 2008 while coal rose 52 per cent and oil almost doubled. While owners of oil tankers and coal carriers are slowing down, anchoring ships and scrapping them even - because rental rates have been unprofitable - gas ships are sailing at the fastest speeds since at least 2008, data compiled by Bloomberg show. Average spot LNG tanker rates will about double to US$70,000 a day this year, the highest since 2007, according to Martin Korsvold, an analyst with Pareto Securities in Oslo, whose ratings on Golar earned investors an 87 per cent return in six months.

'High-growth economies such as China and India are using more and more natural gas and Europe is using more LNG for environmental reasons,' said Zach Allen, president of Pan Eurasian Enterprises, a North Carolina-based company tracking gas shipments. 'It will benefit the LNG tanker owners more than anyone else because there are really very few additional tankers coming on line,' he said.

Exxon Mobil Corp says that natural gas will be the fastest-growing major fuel through 2030 and bought XTO Energy Inc in June for US$34.9 billion, giving it proprietary technology used to get gas. LNG tankers are often the only option to connect producers and consumers. All pipeline projects into Europe wouldn't be enough to meet anticipated demand. Qatar, the biggest supplier, is about 8,000 kilometres away from Japan, the largest consumer. 'By 2020, we will need another 100 ships and by 2035, the fleet has to double,' said David Glendinning, president of Teekay Gas Services, a unit of Bermuda-based Teekay Corp that provides LNG transport for energy companies and utilities.

Global LNG demand will increase to the equivalent of 31.1 billion cubic feet a day in 2011, according to Barclays Capital. China, the world's biggest energy consumer, bought 87 per cent more LNG in 2010, customs data show. While Asia led growth in demand last year, the new leaders will be Latin America and the Middle East this year, Barclays estimates. 'Global demand for natural gas as a clean fuel will keep increasing,' said Oyvind Hagen, an analyst at Oslo-based ABG Sundal Collier Holding. 'You have a much better market outlook in LNG than crude tankers because you still have oversupply in crude tankers,' he said. **Source : Bloomberg**

The **DOVER SEAWAYS** seen arriving in Dover – **Photo : Krispen Atkinson ©**

Nuclear icebreaker ready for Gulf of Finland

The ice situation in the Gulf of Finland is now extremely difficult and 58 vessels are waiting for icebreaker aid. Russia plans to send the nuclear-powered icebreaker "**Vaygach**" from Murmansk to the Gulf of Finland to facilitate the escort of vessels.

According to web site Sea News.ru, “**Vaygach**” is ready to sail to St. Petersburg, but is being delayed while the operating company waits for permissions to sail through the Danish belts. Eight European states will have to give their permit before a nuclear-powered vessel can sail through the narrow and busy waters.

On Tuesday morning 58 vessels were waiting for icebreaker aid in the Gulf of Finland, RZD-partner writes. 30 of the vessels are eastbound ships, heading for the Russian ports, and 28 are westbound. The Murmansk-based diesel-powered ice breaker “**Kapitan Dranitsyn**” has already been sent to the Gulf of Finland to assist the local ice breakers.

The ice situation in the White Sea is also extraordinary this year, and nuclear ice breakers have been sent there for assistance, which is quite rare. Both “**Rossiya**” and “**Yamal”** have been escorting tankers to the port of Vitino during the last weeks, Korabelnaya Storona writes. **Source : BarentsObserver**

Cargo ship tilts off Dalian port; oil spilled

Four Chinese oil recovery vessels are clearing oil spill left by a Sierra Leone cargo ship after it tilted near Dalian Port, northeast China's Liaoning Province. The ship named "**SUN UNITY**" leaned to one side by 30 degrees Wednesday at the port when loading cargoes, causing the oil spill, according to a spokesman of the Dailian Maritime Affairs Bureau. He said the bureau's rescuers had unloaded and propped up the ship, which had 17 crew on board. No one was hurt.

Rescuers have set blockages to prevent the oil spill from spreading further into the sea. **Source : Xinhua**

Another beautiful painting by Marine Artist **Robert G.Lloyd**, Cunard's **Mauretania** seen approaching Cobh at night
www.robertlloyd.co.uk

Cape Town Fire-Fighters Battle Blaze on A.P. Moeller Ship

Cape Town fire-fighters are battling a blaze on a board a British vessel owned by A.P. Moeller-Maersk A/S's Safmarine unit that was ferrying charcoal to Rotterdam, Safmarine said.

Three containers of a shipment of nine carrying charcoal caught fire while **Safmarine Nomazwe** was anchored off the port of Cape Town, Safmarine said in a statement posted on its website today. All the containers were removed from the ship and a probe into the cause of the incident will be started, it said. The ship was on its way to the Netherlands from Durban, on South Africa's east coast, Theo Layne, a spokesman for the city's fire and rescue services division, said. It will probably leave Cape Town at the end of the month, he said.

Five fire trucks and 60 fire-fighters were used to contain the blaze, the South African Press Association said. One fire engine and a water tanker are at the site of the fire, which will probably take all day to extinguish, Layne said.

Details on which company the shipment was for won't be released until the investigation has been completed, Victor Shieh, the marketing executive of Safmarine Container Lines N.V., said by phone from Antwerp, Belgium. No crew members were injured and no pollution occurred as a result of the fire, he said. The **Nomazwe** container ship is 265 meters long and was built in 2004, according to Bloomberg data. **Source : businessweek.com**

CASUALTY REPORTING

Grounded ship leaks oil in Norwegian national park

The container ship **Godafoss** after it went aground late Thursday seen below on Friday Feb. 18, 2011 outside Fredrikstad in Norway.

An Icelandic container ship was spilling oil in a Norwegian national park Friday after running aground and rupturing two 250-ton fuel tanks, authorities said. The **Godafoss** hit ground late Thursday in the Hvaler national park after leaving the southern port of Fredrikstad, the Norwegian Coastal Administration said. **(AP Photo/Scanphoto/Linn Cathrin Olsen)**

An Icelandic container ship was spilling oil in a Norwegian national park Friday after running aground and rupturing two 250-ton fuel tanks, authorities said. The **Godafoss** hit ground late Thursday in the Hvaler national park after leaving the southern port of Fredrikstad, near the Swedish border, the Norwegian Coastal Administration said. It wasn't immediately clear how much oil spilled into the icy water, but the oil slick reached shore on Friday, rescue spokesman Lars Erik Gutubakken said. Crews placed a boom around the ship to keep more oil from reaching land. No one was injured in the accident. The Norwegian Directorate for Nature Management said the area has a rich bird life, but it had not received any reports of birds affected by the oil spill.

"It's uncertain how many birds are there now and what consequences the oil spill will have on the nature," the agency said in a statement. The cause of the accident had not been established Friday. Pictures from the scene showed the listing ship surrounded by rescue vessels, about 200 yards (meters) from the shore. The Hvaler national park was established in 2009, some 60 miles (100 kilometers) south of Oslo, to protect an underwater ecosystem containing corals and kelp forest. It's Norway's only marine national park and is home to some 130 endangered plant and animal species, according to its website. **Source : Msnbc**

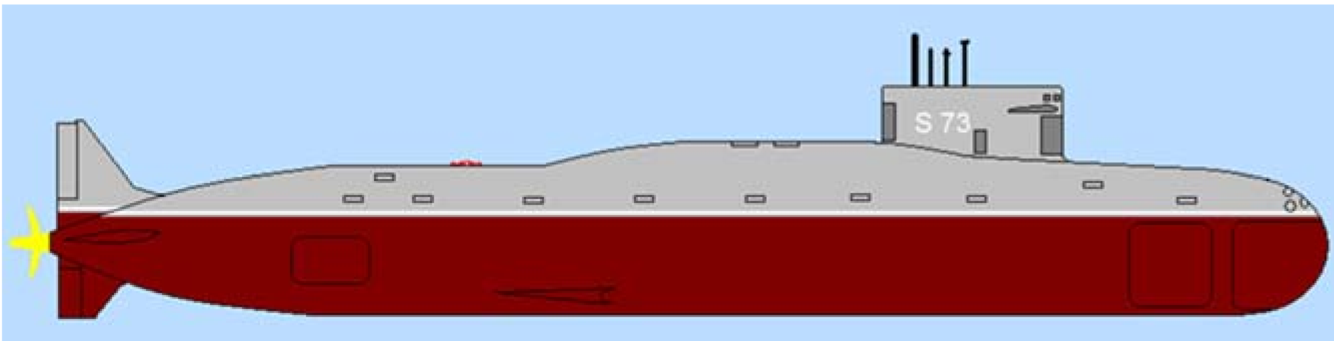
NAVY NEWS

Tender soon for Rs 50k crore stealth submarine project

India will soon float the global tender for construction of six new-generation stealth submarines with the help of a foreign collaborator, which at a cost of over Rs 50,000 crore will be the country's single biggest defence project till now. This comes after the Defence Acquisitions Council (DAC), chaired by defence minister A K Antony, last year cleared this submarine programme called `Project-75India' and then subsequently issued RFIs (request for information) to five submarine manufacturers, as was first reported by TOI.

Selection of the foreign collaborator for **P-75I** will, of course, come after the five -- Rosoboronexport (Russia), DCNS/Armaris (France), HDW (Germany), Kockums (Sweden) and Navantia (Spain) -- respond with their final proposals to the tender. "The government has cleared P-75I, which is the next lot of six submarines... At the moment we are in the RFI process. I hope within this year we would be able to push off the tender,'' said Navy chief Admiral Nirmal Verma on Wednesday, on the sidelines of a seminar on submarine operations. This naval programme will clearly overtake the Rs 42,000-crore project to procure 126 multi-role fighters for IAF, so far dubbed the "mother of all defence deals'', which is in the final selection phase now. The six new vessels will have land-attack capabilities as well as air-independent propulsion (AIP), which substantially enhances a diesel-electric submarine's capability to stay underwater without frequently surfacing to get oxygen to recharge its batteries. As per the approved plan, while two submarines will be imported from the foreign collaborator, the other four will be built indigenously under transfer of technology. While three will be constructed at Mazagon Docks (MDL) in Mumbai, the fourth will be built at Hindustan Shipyard Ltd (HSL) in Visakhapatnam.

MDL is already engaged in building six French Scorpene submarines under Project-75, currently valued at Rs 23,562 crore, which incidentally is running three years behind the 2012-2017 schedule set for it earlier.
Navy is keen that **P-75I** gets going as soon as possible since it will be left with just over half of its present fleet of 14 ageing conventional submarines -- 10 Russian Kilo-class and four German HDW -- by 2015 or so.



Though India does not have nuclear submarines and SLBM (submarine-launched ballistic missile) capabilities at present to complete its "nuclear triad", it hopes to induct its first indigenous nuclear submarine **(S73) INS Arihant** by 2012. Moreover, it hopes to also induct the Akula-II class nuclear-powered submarine **K-152 Nerpa** on a 10-year lease from Russia this year. **Source : timesofindia.indiatimes.com**

Marad awards ship management contracts for eleven NRDF/RRF vessels

The U.S. Maritime Administration has awarded contracts totaling $77 million to three companies to operate 10 National Defense Reserve Fleet ships through July 27, 2015.
The contracts were awarded to Ocean Duchess Inc. of Houston, Texas for $16,618,430; Keystone Ocean Shipping of Bala Cynwyd, Pa. for $30,212,588; and Interocean American Shipping Corporation of Moorestown, N.J. for $30,533,710. These companies are responsible for maintaining the ships in good mechanical condition and ensuring crews are available for their operation when needed.

Eight of the ships are reserve-status cargo ships, part of the Department of Transportation's Ready Reserve Force, and two ships are used to assist Missile Defense Agency operations. Ready Reserve Force ships have been activated 91 times since 2002. "Missions in Haiti, Iraq, and Afghanistan, as well as rescue efforts following Hurricanes Katrina and Rita, show the need for a prepared and ready-to-act fleet of ships," said Maritime Administrator David T. Matsuda. "We rely on the U.S. merchant mariners for the day-to-day operation of these reserve duty and special-mission ships."

The money was awarded to the companies which offered the best value to the government and was funded through Department of Defense funding and implemented by Marad under the Ready Reserve Force program. **Source : MarineLog**

SHIPYARD NEWS

The RO - RO vessel "**MARFRET NIOLON**" belonging Marfret Marsella, France, under dry docking works and large Stern Ramp repairs at CERNAVAL Shipyard in Algeciras, Spain. **Photo : David North ©**

TWO DAMEN NEWBUILDING ON TRIALS

The **DEDAL** seen passing the Breeddiep – **Photo : Frits & Rob vd Hoek – Lekko ©**

Last week did see the two new Damen built **Stan Tug 1907** tugs **AGOY** and **DEDAL** in Rotterdam Europoort for trails and bollardpull tests, below seen the **AGOY** ready to pull, the tug made **29 tons** bollard pull

Photo : Jan Oosterboer ©

Full steam ahead for shipbuilders' plans for market position

China plans to maintain its current global market share of 40 percent in the shipbuilding industry during the next five years, further consolidating its dominant position in the field, said Zhang Guangqin, head of the China Association of the National Shipbuilding Industry.

"To keep such a market share is by no means easy. China still lags behind South Korea and Japan in terms of technologies and production capability of high value-added vessels," Zhang said in an exclusive interview with China Daily. "Once the world market is affected by oversupply, Chinese shipbuilders will be challenged by a higher technology threshold and new shipbuilding standards imposed by the international community," he added. According to industry estimates for the near future, the production capacity of the global shipbuilding industry may expand by 200 million deadweight tons every year, but demand will remain at 156 million deadweight tons, with nearly a quarter oversupplied.

A deadweight ton comprises the sum of the weights of cargo, fuel, fresh water, ballast water, provisions, passengers, and crew. In the meantime, industry analysts have predicted the Chinese shipbuilding industry will be seriously challenged by overcapacity from this year onwards. "Now that we have enough production capacity, it's high time that we improved our technological strength and management skills. More investment will be encouraged to flow into the research and development sector," Zhang said.

According to Zhang, shipbuilders in China should upgrade their vessels to meet the growing demand of vessels with high value-added while fostering their own technologies in building vessels for special use, such as liquid gas carriers, and multi-purpose vessels. Chinese shipyards have long had a reputation for being low-priced and fast, but not sophisticated or advanced. As global demand is gradually picking up in the wake of the global financial depression, China displaced South Korea as the top global shipbuilder in 2010.

That year, the country's completed shipbuilding orders jumped by 54.6 percent year-on-year to a record high of 65.6 million deadweight tons, the volume of new ship orders rose almost three times year-on-year to 72.35 million deadweight tons, and the volume of orders in hand grew by 4.1 percent year-on-year to 195.9 million deadweight tons, according to data from the Ministry of Industry and Information Technology.

In the meantime, statistics from Clarkson, the world's largest shipping research institute, show that China took an average of 45 percent - the largest - of the global volume in the categories outlined above in 2010, followed by South Korea and Japan. "Affected by the oversupply, international competition is becoming fiercer. Shipbuilders today across the world are participating in green economy, trying to cut their energy consumption through advanced technologies," Zhang added. In 2010, the International Maritime Organization discussed and passed a slew of amendments which are consistent with developing environmentally friendly technologies, including cutting greenhouse gas emissions and new noise-proofing standards. "China should also take part in making new rules and standards by developing our own technologies, or our vessels will become obsolete and end up being abandoned by the market," Zhang said.

He also said that besides oversupply, appreciation of the yuan and rising costs of labor and raw materials have narrowed companies' profit margins. Ultimately, orders will only come to famous large companies, resulting in an industrial consolidation. In 2010, China's top 20 shipbuilders accounted for 67.6 percent of the country's overall volume of completed ships, according to a report released by the China Association of the National Shipbuilding Industry.

Oversupply in the shipbuilding industry became a global concern, forcing giants in the field to withdraw from the industry. **Source : ChinaDaily**

Bharati Shipyard mulls funding options for new shipyards in Bengal, Gujarat

Bharati Shipyard, the country's largest shipbuilder, is mulling various options including qualified institutional placement (QIP), foreign currency convertible bonds (FCCBs) and rights issue to part-finance its new shipyards and to expand the fleet of Great Offshore.

''The process (to raise money) has started and various options are being explored. We may go for QIP, FCCBs or rights issue," managing director Vijay Kumar told DNA. Kumar was in Kolkata to mark the delivery of first two new ships to operators that will be used in the Baltic sea. "We are discussing all options (for fundraising) as we are going into major expansion. The shipping market is down and we feel it is the right time to invest. Building a facility takes time and we want to be up and going when the market revives," Kumar said.

"The projects planned are shipyards in Bengal and Orissa to be built by our joint venture with Apeejay, and one in Gujarat that would come under Bharati Shipyard. We also need to expand our fleet in Great Offshore," Kumar said.

Bharati had earlier acquired Great Offshore. The quantum of funds to be raised and its timing depends a lot on the progress of the projects, which are all time consuming as land acquisition is involved. "Unless we acquire the lands, we really don't start with the project. Financial closure happens after you are done with the land acquisition," financial controller Parag Doshi said.

The investment involved in the joint venture would be anything between Rs1,500 and Rs2,000 crore and will be infused in phases over two to three years, Doshi said. The capex over the next two years would be about Rs50-100 crore. “We have just pumped in Rs1,100 crore in two yards. Dabhol yard is almost complete while in Mangalore the first phase is about to reach completion and phase two would be taken up only after the market improves,” he said.

These apart, Bharati’s only planned project as of now is in Gujarat for which it had earlier signed a memorandum of understanding with the Gujarat government for a shipyard that will take time to fructify. “We are looking at an investment of around Rs1,500 crore over a period of 5-6 years but that will happen only after some land allotment happens (in Gujarat),” Doshi said.

When asked if the Bengal project, conceived in 2007, is suffering because of land acquisition hurdles, Kumar didn’t have a straight relay: “We have been trying our best but sometimes it so happens that we propose and some higher power disposes. We had asked for 500 acres for the Bengal project but nothing has come as yet.” Kumar doesn’t see any progress in the Bengal project till the Assembly elections, slated in May, are over and a new government is formed. **Source : DNA India**

Cutter suction dredger Athena launched at IHC Merwede

As reported earlier this week, Van Oord's largest self-propelled cutter suction dredger **Athena** was named and launched at the IHC Merwede shipyard in Kinderdijk on 12 February.

Athena is the largest ever cutter suction dredger built in the Netherlands for a Dutch dredging company. What is more, **Athena** is one of the largest cutter suction dredgers in the world. The vessel will be operational in October 2011. The vessel is Van Oord's first self-propelled cutter suction dredger. The ceremony was performed by Mrs A M van Oord-Groen, the wife of Mr J G van Oord Sr (formerly both chairman and supervisory director of Van Oord).

The contract for the design, construction and delivery of the vessel was signed on 4 September 2008, after which the keel was laid on 19 February 2010. The vessel is equipped with the latest dredging technology, which makes it suitable for working on hard ground and rock down to a depth of more than 32m. The designers paid particular attention to ergonomics and living conditions on board. For example, the entire accommodation section is suspended in order to counteract vibrations. Once operational, **Athena** will be issued with a Green Passport and a Clean Ship Notation, both from Bureau Veritas. **Athena** is the first dredger in the world to be awarded a Clean Ship Notation. At the end of 2010, Van Oord awarded a ontract for the construction of a second powerful, self-propelled cutter suction dredger, **Artemis,** a sister ship to **Athena.**

Photo's : Gerrit N. Groshart ©

Construction of **Athena** and **Artemis** forms part of Van Oord's massive investment programme for the period 2007-2015, amounting to almost Euros 2 billion. This will enable Van Oord to strengthen its position as a leading contractor in all segments of the world dredging market. The construction of the two dredgers also represents a major boost for the Dutch marine engineering cluster. **Source : Dredging News Online**

Namibia orders fisheries research vessel

STX Finland Oy and Ministry of Fisheries and Marine Resources of the Republic of Namibia recently signed a contract for the construction of a fisheries research vessel at a cost of approximately EUR 35 million.

This versatile specialized vessel, scheduled for delivery spring 2012, will be approximately 62m long and provide accommodation for 45 crew members and research personnel. The newbuilding is specifically designed for the purposes of Namibian fisheries research and meets the latest standards set for this type of vessels requiring, in particular, special care in the design of laboratory equipment, propulsion and power generation system. The vessel also has very high overall technical standards and special attention has been given to the vessel's serviceability and low maintenance costs.

Furthermore, the ship features a dynamic positioning system and it is operational in any African sea and weather condition in all seasons with no restrictions. The tasks of the research vessel include monitoring of fish stock, as well as sorting, processing, freezing and storage of fish. The multi-purpose vessel will also be used for collecting biological samples for seabed research and analysis and provide assistance for control of fishing. The vessel also features facilities for meteorological research. "This order is very important for STX Rauma shipyard. The contract now signed shows that the shipyard has succeeded very well in its long-term research and development efforts focused on specialized vessels," says Timo Suistio, Director of STX Rauma shipyard. "The R&D will continue with the construction of the research vessel now ordered by Namibia. In the design we can apply the same technologies as in the icebreaker for research purposes ordered by the South African Department of Environmental Affairs, to be delivered in 2012, since the two vessels, to a certain extent, carry out similar tasks and use the same kind of equipment. In the case of the fisheries research vessel, the areas for further development include enhanced hydroaccoustic characteristics and hull protection techniques," Suistio says **Source : The Motorship**

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ROUTE, PORTS & SERVICES

The **BOUDICCA** seen anchored in the Geiranger Fjord (Norway) from the **Westerdam** (HAL).
Photo : Leo Verhoog ©

BMT acquires coastal, port and harbour engineering firm

BMT Group Ltd is set to broaden its capabilities in the Asia-Pacific region with the successful acquisition of port and harbour engineering specialists, JFA Consultants Pty Ltd based in Perth, Western Australia. The acquisition will help to enhance BMT's offering, whilst complementing its existing expertise and knowledge through well-established subsidiaries already in the region including BMT WBM and BMT Design & Technology.

Founded in 1999, JFA Consultants has provided vital support for a number of major port developments in Western Australia, managing numerous other projects at boat harbours and marinas around the State as well as providing specialist technical advice and input on a number of port developments both nationally and in the Asia-Pacific region.

Jesz Fleming, Founding Director at JFA Consultants, said: “We are all very excited by the prospect of joining the BMT group, an organisation which has a rich maritime history, and is passionate about its commitment to helping address the challenges customers face in the maritime industry. This acquisition will expand our opportunities for growth which in turn, will benefit both our staff and our clients.”

Peter French, Chief Executive of BMT Group explains: “Enhancing our presence in Western Australia through this acquisition will provide us with strong growth opportunities in the sectors we currently specialise in, as well as significantly broadening our capabilities in the fields of port development and coastal engineering." "The expertise within the organisation is second to none and critical to the continued success of the business – we look forward to welcoming the JFA team as a part of the BMT group.” **Source : Dredging News Online**

Above seen the **MPI Resolution** at the quayside of **Huisman Schiedam**, On the vessel a **Huisman 600mt WTIC (Wind Turbine Installation Crane)** is installed which will be used to install wind turbine’s at the North sea. At this moment the crane is in its latest phase for commissioning.
Photo : Maurice Haring ©

New Beira port dredger ready in two years

A large dredger for the port of Beira which is being built in Denmark, is expected to be ready for delivery within the next two years, the Chief Executive of CFM, Adelino Mesquita has said.

The dredger costing US$60 million will replace two small Japanese dredgers currently in service in the port. The new vessel with a capacity of 2,500m³ is expected to more than double the capacity of the smaller craft.

The dredger is being jointly financed by Mozambique and Denmark. The port of Beira, which is notoriously susceptible to silting, previously had two dredgers in service, the 1500m³ **ROVUMA** and the smaller 1,000m³ **ARUANGWA.** Rovuma sank and Aruangwa was transferred to Maputo. The two small Japanese dredgers were subsequently acquired and have been working on maintenance dredging at the port. **Source : ports.co.za**

Dancing on ICE around the **SOLITAIRE** during the **Nord Stream Project**
Photo : Glenn A. Croes - 2nd Mate Solitaire ©

Too Many Ships

Jumbo Shipping's CEO sees trouble ahead for heavy-lift carriers

Just when the global recession appears to be sputtering toward an uncertain recovery, the head of a veteran heavy-lift carrier says the worst is yet to come for his sector. **Michael Kahn**, CEO of Jumbo Shipping, told **Breakbulk Magazine** that project cargo freight rates are likely to tumble another 10 to 20 percent this year. That's further slippage on the heels of the 50 percent decline in 2010 from peak levels of $150 per metric ton during the boom years of 2007 and 2008.

"It's still going south — a lot of work for little return," he said. "Peak rates will not come back. What we saw was a boom time." Sailing schedules "used to be like a string of pearls" — with small gaps between each voyage, Kahn said.

Now the gaps are bigger. Shippers looking to reserve space for project cargo in recent years had to place orders anywhere from a few months to a couple of years in advance. That time frame has shrunk substantially — space can now be found within a few days to a couple of months. "It's more of a spot market," he said. As with other shipping sectors, new orders in the heavy-lift sector plummeted during the global downturn, but business remained fairly strong initially because of the lag effect caused by the long-term contracts required by project cargo. Expensive infrastructure projects are unlikely to be canceled or deferred once construction is under way, so heavy equipment that takes a year or more to build is likely to be delivered even after a recession has begun. Now, many of the projects under way when the recession hit in 2008 are winding up or complete. Although the global economy has been recovering for more than a year, demand for heavy-lift capacity is weak because of the long lead time intrinsic to large, complex projects. Kahn expects demand for heavy-lift vessels to pick up late this year and in the first half of 2012, but an explosion in capacity is likely to offset that growth. "There's a tsunami of newbuildings coming into the market," he said. Consequently, what was a seller's market until a couple of years ago could remain a buyer's market for years.

Rotterdam-based **Jumbo** has been an industry leader in what Kahn describes as the ultra-heavy-lift sector — vessels with cranes capable of lifting equipment weighing 1,700 metric tons or more. Jumbo's four J-class vessels have two cranes capable of lifting 900 tons each. Working in tandem, they can lift individual pieces or modules weighing up to 1,800 tons, far more than any other carrier. Two J-class ships were built in 2004, while the others were added in 2008 and 2009. The largest piece of equipment **Jumbo** has handled was an 1,800-ton, J-lay tower shipped in late 2006 from the Netherlands to Gabon in west Africa for **Acergy**, an offshore contractor. The tower was used to lay pipes in deep water.
The capacity of Jumbo's ships has given the company a distinct advantage for years, but its rivals are catching up. In December, German heavy-lift carrier **SAL** took delivery of a vessel with a pair of cranes capable of lifting 1,000 tons each. SAL, which entered a joint venture with Japan's **"K" Line Group** in 2007, is scheduled to add a second vessel with the same capability in March. But Kahn said lift capacity isn't the only thing that matters. "It's also the outreach of the crane — how far it extends. It's the combination of these two factors that make heavy-lift possible," he said. The cranes on Jumbo's J-class vessels can lift 900 tons a distance of 25 meters, a company spokesman said. At a distance of 32 meters, capacity drops to 800 tons — still a heavy load.

Besides its two newest vessels, **SAL** introduced four ships in 2008-09 with lift capacities of 1,400 tons each. Those ships are equipped with a third crane with a lift capacity of 350 tons. It now has 15 vessels in its fleet. The heavy-lift operator with the most ambitious fleet expansion program is **Beluga,** another German carrier. In 2010, Beluga took delivery of five vessels, each with two 700-ton cranes and a third crane capable of lifting 180 tons. Four more ships of the same size are scheduled for delivery in 2011. **Beluga** also added 12 smaller vessels to its heavy-lift fleet last year. By 2012, its fleet will total 75 ships, according to its Web site.

Another **Jumbo** rival, the Netherlands' **BigLift Shipping**, is scheduled to take delivery this quarter of a vessel with a pair of cranes capable of lifting 900 tons each. **BigLift** plans to add a second vessel with the same capacity later this year.
BigLift also is scheduled to add four smaller vessels in the first quarter. Each vessel will be equipped with a pair of cranes capable of lifting 400 tons each. All four new vessels are scheduled to be equipped with a third crane with a 120-ton capacity. Together, the six vessels will swell **BigLift's** fleet to 14 ships. Most new vessels delivered in 2010 and scheduled for delivery this year were ordered during the boom years when carriers expected demand to remain strong. Another reason for the surge in new ships was the need to replace older vessels, said John Amos, president of consulting firm Amos Logistics. "Insurance companies get nervous when a ship is older than 15 years," he said. "Those ships have to be replaced, both because of insurance and because cargo gets bigger and heavier."

Jumbo's fleet of 14 vessels reflects a more conservative approach to the market, but the shipping company isn't refraining from expansion. Kahn said **Jumbo** is negotiating to buy two ships in the same capacity range as its J-class vessels. The new vessels would replace Jumbo's oldest vessels, which were built in 1982 and will be phased out in two years. The older ships each have paired cranes with a combined lift capacity of 1,000 tons. Faced with the surge in market capacity from its competitors, Kahn said **Jumbo's** biggest challenge is to maintain the reliable service it has offered for the past 40 years. "Consistency will help bring us through the downturn. Putting a ship in the water doesn't mean they're offering service," he said. "Qualified and experienced people are hard to come by." Kahn said **Jumbo** has always emphasized having a highly trained staff. "There's no silver bullet," he said. Most of its officers are Dutch, while the crews are mostly Filipinos.
The **Jumbo** chief said the shipping company also emphasizes its long-term relationships with its primary clients. "We're in it for the long haul. We have relationships that have been built up for years and years," Kahn said. Founded in 1968 by Kahn's father, **Hans Kahn**, **Jumbo** remains a privately owned company. The majority of its business

comes from shipping high and heavy equipment manufactured in Europe and the Far East for petrochemical plants, mining projects and power stations in the Middle East and Australia.

Jumbo also handles imports and exports of heavy equipment in and out of the U.S., where Houston is its principal port. Jumbo also calls at Charleston, S.C., and Albany, N.Y., to load turbines and other heavy equipment produced by General Electric at its Schenectady, N.Y., plant. One of the company's most challenging projects occurred at the end of 2009, when its newest vessel, the **Jumbo Jubilee,** completed a job a competitor was unable to finish. The **Jubilee** sailed from Rotterdam to Vitoria, Brazil, to pick up two 1,250-ton shiploaders that had been built in China. Another carrier couldn't deliver the shiploaders to the destination port, Tubarao, because of conditions in the smaller port.
"We were very happy to solve this problem for the client," Kahn said.

Jumbo's primary business is ocean shipping, but it also has an offshore business serving the oil industry. The Fairplayer, one of its J-class vessels, is equipped with a modular deep-water installation system capable of installing heavy structures on the seabed. Equipment weighing up to 1,000 tons can be installed in water as deep as 1,000 meters. Smaller equipment can be placed in much deeper water. For example, 200-ton pieces can be placed in depths up to 3,000 meters. The deepwater installation system also could be installed on the Javelin, another J-class vessel.
Jumbo also offers logistics services in which it handles door-to-door transportation for clients. The company has more than 30 offices and agents worldwide, including in Houston and Red Bank, N.J. Its U.S. agents are Universal Landsea Transport, but **Jumbo** personnel staff most offices, Kahn said. Under a joint venture with China Shipping, Jumbo opened a Shanghai office in 2002. **Jumbo** opened a Beijing office last June. "Business in China is slow but growing," Kahn said. South America is another growing market for Jumbo, he said. **Source : Breakbulk Magazine via Kahn Shipping**

JUMBO SHIPPING DECOMMISSIONS FAIRMAST

After almost 3 decades of transporting heavy lift and project cargo, Jumbo's **Fairmast** will be the first of it's two D-Class vessels to be decommissioned. This heavy lift vessel sailed to all corners of the world for numerous clients in hundreds of voyages. Together with its crews **Fairmast** contributed greatly to the leading market position Jumbo Shipping currently holds. At the time, in 1983, the D-Class vessels were revolutionary. **Fairmast's** lifting capacity was by far the highest in the heavy lift market and it featured the first Huisman mast crane. That 40 t model was the prototype for later versions, which are still used throughout Jumbo's fleet. Jumbo's four J1800-Class vessels, for example, each feature two 900 t mast cranes.

Another unique feature is the fact that the accommodation is located on starboard, allowing the transport of cargo that is longer than the vessel itself. This design is now used on Jumbo's current J-Class vessels. All in all, **Fairmast** has proved Jumbo's motto '**Reliable Strength**' right and will be remembered accordingly.

Savannah Container Volume Grows 5 Percent in January

Third best container tonnage, second best intermodal traffic for Georgia port.Container traffic through Savannah posted a year-to-year gain of 5 percent in January while the port's intermodal rail traffic posted its second-best month ever, with 25,877 moves.
January volume totaled 132,257 containers or 237,004 20-foot-equivalent units in January, the Georgia Ports Authority said. Both numbers were up 5 percent from January 2010. Through the first four months of the GPA's current fiscal year, container moves were up 14.3 percent while TEUs rose 13.3 percent. Container tonnage posted the third best month ever with 1,887,179 tons. Breakbulk tonnage for the ports of Savannah and Brunswick totaled 171,761 tons, up 43 percent from January 2010. Brunswick's shipments of auto and machinery units totaled 37,313 units in January, nearly double a year earlier. **Source: The Journal of Commerce**

….. PHOTO OF THE DAY …..

The Cable laying vessel **HENRY P.LADING** seen arriving in IJmuiden – **Photo : Jan Plug ©**