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The BOURBON LIBERTY 219 seen operating in Thailand waters Photo: Rutger Bierman (c)

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EVENTS, INCIDENTS & OPERATIONS



The SEAEXPRESS seen departing from Willemstad (Curacao) – Photo : Kees Bustraan ©



Slavery at sea exposed

Secret papers reveal the government has allowed fishermen from poor countries to be exploited in New Zealand waters. Workers are fishing in rusting boats turned into high seas sweatshops that take large parts of the country's \$1.4 billion-a-year catch. The government papers reveal that thousands of men from poor areas are beaten and forced to work for days without rest, earning between \$260 and \$460 a month before paying much of it over to

"agents". Files obtained under the Official Information Act show the government has known about the problem for some time. Foreign charter vessels – 21 in the last year – are hired by New Zealand companies to catch quota allocated to Maori under Treaty of Waitangi settlements. Many iwi granted quota under the Sealords Deal, cannot afford to buy boats, so they contract out their quota.

That catch, worth \$300 million a year, is marketed as "Produce of New Zealand". The boats compete with companies such as Nelson's Talley's Fisheries. Chief executive Peter Talley said the government knew what was happening but had responded only by setting basic standards for onboard observers. "They do not care about the Filipinos, Indonesians and Ukrainians on the vessels."

Government papers show high-level awareness. One official reported that crewmen had told him they had never worked in such terrible conditions. "If these tales are correct, and I have no reason to doubt them, the conditions amount to little more than 'sweatshop' ones," he warned.

Skippers confiscate passports so crews can't flee despite violence. "Some crew members suggest they have been hit with pieces of wood, and even on the hands with a hammer," one paper said of crew from a ship whose name was censored. Crew members are hit with fists and even with fish. "If anyone stands against the abuse, it has been known for them to be taken to a cabin and beaten. Individuals are reluctant to draw attention to themselves."

Ad Feedback On one boat a crewman with tuberculosis got no help until fishing was completed. When he was finally put ashore, he was hospitalised for three weeks. Another crewman suffered appendicitis and received no help. "Crews work when the fish are running, and are sometimes forced to work two or three days without a break. If fish are not running, they are sometimes not provided with an evening meal."

On one boat, three men working in the freezer were injured. "One suffered frostbite from working in the freezer, bad enough to require hospital treatment. When he returned to the vessel he was made to remove his dressings and get on with work." Working conditions came into focus after last August's sinking of the 38-year-old Oyang 70, costing six lives, and four months later when the 31-year-old No.1 Insung, operating out of Bluff, sank in the Ross Sea with the loss of 22 lives.

Sources say the families of the crew lost on Oyang were mostly robbed of their insurance money by agents in Indonesia, while the Vietnamese on Insung earned as little as \$238 a month, with deductions for agents, food and cigarettes from that. A Talley's boat, Amaltal Atlantis, rescued the Oyang survivors 650km east of Dunedin. Nearby foreign charter vessels ignored distress calls.

"They wouldn't knock off fishing," Talley said. "We were the only ones who put man-overboard rafts into the sea. We picked up 41 of them. It is a crime, you are supposed to go to the aid of anyone in distress, but these guys are outside the law." The foreign boats were old and none of their rescue boats were operational. "Life means nothing to them."

His claim is reflected in a government report recounting another unnamed foreign vessel losing a crewman overboard and not looking for him because it had no functional rescue craft. A New Zealand ship searched fruitlessly instead.

Talley says New Zealand fishing is like the wild west, and getting worse. "I think because of the higher price of fuel around the world, and as more of these boats get displaced, New Zealand is ending up as the junkyard for these fleets. I think I can say without fear of contradiction that nothing has improved one bit, and, in many ways, things have got markedly worse."

Talley's has 11 ships, pays its crews New Zealand rates, and still makes a profit. "You would be amazed at the money these boys on our boats are making." Deckhands and factory workers earn between \$40,000 and \$80,000 a year. Foreign charter vessels are chartered by New Zealand registered companies, in the case of the doomed **Oyang 70**, Southern Storm (2007) Ltd. On the morning the ship sank, 45% of the shares were held by Seoul's Oyang Corporation. Even as searchers were looking for the missing, the corporation had itself removed as a shareholder, leaving the company wholly-owned by Hyun Gwan Choi. Quota holders without their own boats hire foreign charter vessels and Talley says unscrupulous operators are using a model that doesn't require access to capital, catch entitlements, or ownership of processing factories or fishing boats.

"People are knowingly saying: 'I don't pay the crew, I just charter the boat. The crew is provided by an agent and the agent tells me he is paying full wages." The whole thing was wrecking the viability of New Zealand fishing. "All you need is an office, a secretary, a tough lawyer and you are in business. But it is not good for New Zealand."

The papers reveal government concerns that the low wages paid might become public. A Labour Department report, obtained under the Official Information Act, censors individual and boat names, but acknowledges crews were not being paid the minimum wage, and that agents take up to half of the money. The papers reveal that a fisherman paid

the minimum wage would get around \$1400 a month, but officials imply that doesn't happen because it would be three to five times what an Indonesian deckhand might earn elsewhere.

Among the papers released is a 2008 Seafood Industry Council submission to government, noting "long-held concerns as to the condition and behaviour of some foreign charter vessels". The council now says charter vessel crew are paid above the New Zealand minimum wage and charter boats are not much older than the New Zealand fleet. Auckland University's Jennifer Devlin, writing in the Australian and New Zealand Maritime Law Journal, questioned why New Zealand allowed "the exploitation of vulnerable workers in pursuit of profits for New Zealand fishing interests".

She pointed to an incident when 10 Indonesian fishermen escaped from the Korean vessel Sky 75 in Nelson. "They were fed rotten meat and vegetables, told to shower by standing on deck in the waves, made to continue working when sick or injured, and were constantly beaten. They endured all this for wages of \$US200 a month – wages that weren't being paid."

NO PROSECUTIONS AND NO EXPLANATIONS

Fisheries Minister Phil Heatley refused to comment on the concerns raised by the Sunday Star-Times, describing them as "operational", before directing the newspaper to acting Immigration head Stephen Dunstan. Dunstan said that in 2006 a code of practice for foreign crews was revised, requiring employment deals to "align" with New Zealand standards. Disputes would be settled in our employment institutions.

Compliance is monitored by the Labour Department, which checks wage and time records to "help identify if any non-permissible deductions have been made". "The code requires payment of minimum wage plus \$2 an hour for actual hours worked, but in no case less than 42 hours a week. Deductions may not take wages below the minimum wage for hours worked."

There have been no prosecutions for safety or workplace offences, but Dunstan said that was the responsibility of Maritime NZ. That authority would not say why there had been no prosecutions. It said the average age of foreign charted vessels was 25 years, and the average age of the domestic fleet 22 years.

"All foreign vessels operating in our waters must meet the same safety management and environmental protection standards as our ships," it said. Meanwhile the Transport Accident Investigation Commission is involved in reviewing the Oyang 70 and No.1 Insung sinkings, but its authority does not extend beyond the old 12-mile territorial limit. Under international law, the responsibility for the final reports lies with the flag state of the vessel, in this case Korea. Its Maritime Safety Agency did not respond to requests for information. Source: Sunday Star Times



EUNAVFOR transfers Suspected Pirates to the Seychelles

11 suspected pirates detained by the EUNAVFOR Spanish warship, **ESPS CANARIAS** on 28 March 2011 were transferred to Seychellois legal authorities for possible prosecution. The suspected pirates were detained by the EUNAVFOR warship after they allegedly threatened a Seychelles-flagged fishing vessel 260 nautical miles North West of the Islands. The transfer has been made possible due to the agreement between the EU and the Seychelles. EUNAVFOR Somalia – Operation ATALANTA's main tasks are to escort merchant vessels carrying humanitarian aid of the World Food Program (WFP) and vessels of African Union Mission in Somalia (AMISOM). EUNAVFOR also protects

vulnerable vessels in the Gulf of Aden and Indian Ocean, deters and disrupts piracy. EUNAVFOR finally monitors fishing activity off the coast of Somalia. Source: EUNavFor



The Royal Clipper of Star Clippers seen sailing away from St. Lucia - Photo: Mark Wilson ©

Global newbuilding orderbook now at around 32% of existing fleet

While 2010 proved to be a turbulent year for global shipping, the wave of new building deliveries didn't begin to take its toll in freight market until the last part of the year. Even so, the rate of deliveries proved to be less than the expected one, but this doesn't mean that the shipping industry and especially the dry bulk sector is out of the woods just yet. According to the annual report issued by shipbroker Barry Rogliano Salles (BRS), a total of 125 million dwt of new building orders were placed in 2010, which is the fourth highest on record and represents a sharp rise on the 34m deadweight recorded in 2009. At the same time, approximately 150m deadweight of new tonnage joined the world shipping fleet in 2010, compared to 115m deadweight in 2009.

China consolidated its position as the world's number one shipbuilder in 2010, recording simultaneously the largest orderbook, the greatest number of new contracts won and the highest number of deliveries. Finally, as BRS notes the global shipping orderbook now represents around 32% of the existing fleet. According to Jean-Bernard Raoust, Chairman of BRS, 2010 was a surprising one for the shipping industry, it begun in the uncertain atmosphere of a changing global economy and concluded in the uneasy climate of low tanker and dry bulk charter markets, and an excessive orderbook. While some predicted a disastrous year, with a procession of shipowner and shipyard bankruptcies, shipping markets were, overall, sustained by a recovery in transport demand, which was underpinned by the dynamism of the Asia zone and notably China.

A total of 2,500 vessels were delivered by the shipyards in 2010, swelling the global fleet of bulk carriers by over 15%, and the tanker and containership fleets by 4% and 9% respectively. But the most memorable event, which will certainly go down in the annals of shipping history, was the dramatic recovery in the containership sector. While the upturn in world trade was the main driver of this revival, we note the substantial contribution by shipowners, whose shrewd actions reduced supply and in the process provided an example to the other maritime sectors. While liner operators lost more than \$15bn in the course of 2009, these same operators earned a record profit – estimated at more than \$13bn – in 2010. Who would have ventured to predict such a recovery a few months earlier? In contrast to the containership sector, we witnessed a strong recovery in dry bulk ordering during 2010, despite the already heavy orderbook, and this could have significant ramifications for the market in the short term. Dry bulk owners will surely have to adopt the approach of the containership owners if they are quickly to restore equilibrium to the fleet.

However, despite the record numbers of new deliveries, the shipping market ultimately showed more resistance in 2010 than initially feared. The new tonnage has been absorbed thanks to the dynamism of the emerging economies, and especially that of China, which Old Europe has significantly underestimated due to its traditional ways of thinking, which have often proved outdated.

This is why, despite the weight of the orderbook, we hope that the merchant shipping fleet, with some sort of collective wisdom, will find an equilibrium quicker than studies might suggest, thanks to these emerging countries and populations having a strong appetite for raw materials and industrial products" concluded Mr. Raoust. According to the report, the dry bulk industry expected demand to be there but growth could not possibly match the massive deliveries: no less than 365 standard Capesizes (120,000 – 200,000 dwt) were expected to be delivered in 2010 against 96 delivered in 2009. Looking back, only 186 of the 365 expected standard Capes were delivered. Iron ore exports grew by close to 10% and steel production in China grew by 9%, although Chinese ore imports stagnated in favour of domestic ore, a trend which could continue if imported ore prices continue to rally. Interestingly, seaborne iron ore growth was mainly supported by demand from the western countries returning to pre crisis levels. Seaborne coal trade increased in 2010 by 13%, driven by China as well as India, such that overall the market maintained itself relatively well in 2010, averaging out at \$33,300/day.

In 2011, 250 standard Capes are scheduled to be delivered. "Again, we will need a significant growth in demand to counterbalance the newbuilding deliveries. Will India develop its infrastructure sufficiently to have an impact on the Cape market? Will iron ore prices go down enough to render Chinese domestic iron ore uncompetitive, thereby creating further demand in the Cape market, bottlenecks in ports, more congestion and an upswing in rates? Or will we see an ubiquitous oversupply throughout 2011 with ships going into lay up? Monitoring the supply/demand balance, and any variations from the expected, will be crucial in 2011 in order to gauge what is in store for the market" concluded BRS. Source: Nikos Roussanoglou, Hellenic Shipping News Worldwide



The "MALITA" ferry that can carry 900 passengers + 72 cars on car deck + 66 cars on Hoistable deck

Photo: Gejtu Spiteri ©

No private security yet for Dutch merchant fleet

Dutch captains and ship-owners won't be allowed just yet to hire private security companies (PSC). In a letter to parliament, the Dutch government announced on Friday that it needs more council on the matter. Since the revival of piracy in the waters around Somalia several years ago, ship-owners and their crews have been waiting for permission to arrange private security aboard their ships. Tineke Netelenbos, chairwomen of the Royal Association of Netherlands' Shipowners (RANS) is disappointed: "We had really hoped for permission this time, because our members can't wait. Current measurements like barbed wire and water cannons don't work anymore. We want certified private security companies to take over." Both the RANS and the International seafarers trade union Nautilus are happy that the Dutch government is willing to be more flexible in deploying military teams for special transports. Recently, several

squads of Marines have been protecting two large and slowly sailing vessels that sailed through the Gulf of Aden. Until now, both ships have not been attacked. The Ministry of Defence is working with parliament to streamline the application procedures for military protection of commercially owned ships. Nautilus assistant general secretary Marcel van den Broek: "We appreciate that this government is actually showing some movement on changing procedures. But I have been lobbying on this issue for too long, our men abroad can't wait." Netelenbos agrees: "Now a new committee will have to study the issue of private security. I don't see anybody in that committee who has experience with this, or knows what the reality is out on the ocean. The government received an influential report just two months ago, it advised to let us take care of it!"

The report that Netelenbos refers to is a publication of the Dutch Advisory Council on International Affairs. Joris Voorhoeve, former minister of Defence who co-authored the report understands that the government needs specific legal counsel. "Allowing private security companies to bear arms is a precedent. We don't allow that back home in the Netherlands, so we shouldn't rush into it when our merchant fleet is concerned." Dutch law applies to cargo and crew of any vessel that flies the Dutch colors in international waters. If there would be an incident in which PSC's engaged with pirates, the Dutch public prosecutor will have to start an investigation. "That is why they asked Joan de Wijkerslooth to deal with this, he used to be attorney general and he knows exactly what changes in the legislation could mean for the liability of the state." The new Dutch approach in anti-piracy efforts encompasses some experimental elements as well. Both the Somali diaspora community in the Netherlands and opposition MP's have underlined that the roots of the piracy problem lies in Somalia itself. But since the country has no effective central government, not much can be achieved there. Currently, the government is floating the idea of forcing neighboring countries like Kenya and Tanzania to try and imprison pirates that have been arrested by international naval forces in the area. "The government will put pressure on surrounding countries to counter with impunity. It remains to be seen if development funds can be used to achieve this" says the letter that was published today. Source: Radio Netherlands Europe



The BOW LIMA seen in Santos (Brazil) - Photo: Marcelo Vieira ©

Caribbean ship testing new anti-piracy system

There are cameras that capture images clear enough to distinguish between a fishing vessel and a boatload of pirates 10 miles away. There are cascades of water and noxious compounds to repel invaders. And there are shields to withstand a rocket-propelled grenade. A container ship that steamed into a Puerto Rican port Friday was old by commercial shipping standards but it had the latest in security measures, upgrades that convert it into a floating fortress designed to be impregnable to piracy. The 720-foot **Horizon Producer** was temporarily outfitted as a training exercise for the crew, a demonstration for officials from Panama and Belize — both with major global shipping

registries — and as an informercial for journalists. It also offers a window into the shipping industry's debate about what measures to take amid a surge in pirate attacks.

There is no longer a major pirate threat in the Caribbean. But Bill Boyce, the Horizon Producer's captain, said his crew members travel and could find themselves on a ship off East Africa, where the International Maritime Organisation

says more than 100 crewmen were taken hostage in January alone.



"They come on with rocket propelled grenade launchers and AK-47s and all you have is a fire hose," said Boyce, describing conditions on many commercial ships. "You're responsible for 30 people's lives ... and you don't have the tools to really help them. That's a lot of weight on a captain's shoulders."

Which is where International Maritime Security Network, LLC sees a niche. The company, based in Wellsburg, West Virginia, is starting to market its Triton Shield Anti-Piracy System, which it was testing and refining on the **Horizon Producer**, a 37-year-old steam-powered container ship, on its regular haul from Jacksonville, Florida, to San Juan.

The strategy starts with cameras that scan the horizon

and give captains time to determine whether an approaching boat is carrying men with fishing equipment or RPG's. That may allow the ship to speed up and evade the pursuers.

If that doesn't work, the system dispatches a "wall of water", from nozzles arrayed along the length of the vessel to prevent pirates from boarding with grappling hooks. A separate system sprays a noxious compound that makes people retch, vomit and pass out.

CEO Timothy Nease, who says he doesn't know what's in the compound but insists it's biodegradable. He says no one can withstand either the compound or the water system, spraying at 150 gallons per minute, especially when a ship is running full speed and throwing up a wake. "The water alone is a big deterrent," Nease said. "That thing grounds you; it's like being waterboarded almost." Source: jamaicaobserver.com



Troops take hijacked ship from Aus

SPECIAL forces have freed a ship seized by pirates in the Arabian Sea, after leaving Australia. "A special counter-terrorism unit, backed by air force units and in coordination with the (Bahrain-based) US Fifth Fleet, stormed the ship. The hijackers subsequently surrendered," the United Arab Emirates official said. The UAE had said earlier that special forces had moved to free the MV Arrilah-I, which was hijacked by pirates early Friday while en route from Australia to Dubai in the UAE. "MV Arrilah-I is now heading with all its crew to the shores of the UAE, and the pirates will be handed over to interior ministry officials upon reaching Jebel Ali" port in Dubai, the official said.

The bulk carrier is owned by a shipping subsidiary of the Abu Dhabi National Oil Company, ADNOC. The operator said earlier that "all crew members are safe and in good health." Somali pirates have infested the waters of the Gulf of Aden, southwest of the Arabian Sea, making it one of the world's most dangerous waterways in terms of piracy.

Pirates have also extended their attacks farther out in the Indian Ocean. They now hold at least 31 vessels and 694 hostages captured off the coast of Somalia, a lawless, war-torn country that sits alongside one of the world's most important shipping routes. Source: The Telegraph.com.au



View from the wheelhouse of worlds largest bulker the **BERGE STAHL** whilst approaching Rotterdam-Europoort early morning with a draft of 22.80 mtr - **Photo: Rik van Marle** ©

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Idle container fleet reaches lowest level in two years

The world's idle containership fleet has fallen to its lowest level in over two years, despite the continuing decline of freight rates. According to figures released by Paris-based analyst Alphaliner, the number of vessels currently in lay-up dropped by 25 over the past month to reach a total of 84 ships, or 185,000teu, of which 23 are owned by shipping lines, down from 39 last month. Source: PortNews



The STOLT MARKLAND seen outbound from Rotterdam - Photo: Kees Torn ©

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Twee dode piraten bij actie Nederlands fregat



Photo: Ministerie van Defensie

Twee Somalische piraten zijn omgekomen bij een bevrijdingsactie van het Nederlandse fregat Hr. Ms. Tromp. Waarschijnlijk zijn zij slachtoffer geworden van het vuurgevecht dat heeft plaatsgevonden. De Hr. Ms. Tromp. Aan Nederlandse zijde zijn geen gewonden, zo meldde het ministerie van Defensie zondag. De Tromp kwam zaterdagochtend in actie om een Iraans visserschip te bevrijden dat gekaapt was door piraten. Bij het benaderen van het schip werden Nederlandse mariniers beschoten, waarna is teruggeschoten. Waarschuwingsschoten waren vervolgens nodig om een vlucht van tien piraten te stoppen.



Photo: Ministerie van Defensie

De Somalische piraten worden vastgehouden op het fregat. Onder hen is een aantal gewonden die medische verzorging krijgen. Op het visserschip werden nog zes Somaliërs aangetroffen en twee dode kompanen. Op de bevrijdingsactie volgde volgens Defensie meteen een nieuwe actie. Een gekaapt schip naderde de Tromp, maar na een aantal schoten van het kanon van het fregat keerde het gekaapte schip om. Het bevrijde Iraanse visserschip heeft na de actie van de Tromp zijn weg kunnen vervolgen. Het Nederlandse fregat vertrok begin februari uit Den Helder om deel te nemen aan een antipiraterij-missie van de NAVO in de Golf van Aden. Bron: De Telegraaf

NAVY NEWS

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French subs stirring new row

TOUCH SCREEN MENU

Malaysia's two new submarines, KD Tunku Abdul Rahman and KD Tun Razak, may be about to sail into a new controversy with the plan to send them on a promotional tour to all Malaysian ports for public viewing.

Unimpressed Kota Kinabalu parliamentarian Dr Hiew King Cheu said: "This is actually going a bit too far, because these tactical subs are not toys and not for pleasure rides. "The cost and expenditures involved is definitely going to be very high and is a gross waste of the taxpayers' money."

The French-built submarines are mired in a controversy after allegations surfaced that they could not dive and were not fully armed. Hiew was commenting on a disclosure by Deputy Defence Minister Abdul Latiff Ahmad in Parliament last Wednesday that the ministry will organise a promotional tour of the submarines. Hiew also questioned the procurement of two millions spares parts for the two submarines after parliament was told that RM50 million was needed annually to maintain the two submarines.

Latiff also said the Scorpene submarine maintenance cost over a six-year period would be about RM25 million each He also said that, under the contract, it was guaranteed that the submarines could be used at any given time to meet the needs of the navy, failing which a penalty could be imposed on the manufacturing company. "We cannot believe and understand this. Are these subs so fragile and easily broken down that we have to store such a huge stock of spare parts and components, which is literally for every part of the subs?" Hiew asked. He also contended that the annual maintenance cost of RM50 million was extravagant and exceptionally high. "If for a period of six years, it will be a staggering RM300 million; the money spent on the purchase and maintenance of the submarines could have been better used to provide free housing for the poor Malaysians and to eradicate poverty in the country. "We just don't see any real justification and logic behind the huge spending," he said. Source: Free Malaysia Today

DAGESTAN LAUNCHED



The Zelenodolsky Shipyard of Gorky in Tatarstan has launched the "Dagestan" missile ship, second of the 11661K series, comparable with the lead ship "Tatarstan" (flagship of the Caspian Fleet). It is equipped with advanced radio systems and weapons, Business Online reports. "Dagestan" is ready for testing. Its equipment and viability will be tested at the "Volga" complex, which constructs vessels and tests them at any season. 11661-class vessels are used against underwater, on-water and air enemies. It is capable of carrying out escort missions, patrolling and protection of state borders and naval economic zones. The "Dagestan" will enter service on the Caspian Sea in May.

U.K. Nuclear Submarine Returns to Port After Mechanical Defect

A British nuclear-powered submarine, **HMS Vengeance**, is returning to port after a mechanical fault, a U.K. Ministry of Defense spokesman said. **Vengeance**, one of the Royal Navy's four **Vanguard class** submarines that make up Britain's nuclear deterrent, suffered a mechanical defect on the night of March 31 and is now returning under her own power to the naval base at Faslane, Scotland, said the MoD spokesman, who declined to be identified by name because of government policy. There is no danger to crew and the incident was not nuclear, he said, without elaborating. **Vengeance** was commissioned into service in 1999 and has a crew of 141. Another U.K. nuclear-powered submarine, **HMS Astute**, had to be rescued after running aground off Scotland's Isle of Skye during sea trials in October. Another submarine, **HMS Trafalgar**, was damaged when it ran aground during a training exercise in November 2002. **Source**: **Bloomberg**

SHIPYARD NEWS



IHC Merwede continues to invest expects increase in turnover in 2011

IHC Merwede in The Netherlands says that despite the relative uncertainty created by the financial crisis, the company "remained stable and continued to strengthen its position within the maritime industry," during the last financial year.

"The dredging sector performed better than anticipated which resulted in a worldwide demand for dredging equipment," said the company, noting that the outlook for the offshore sector is also positive. Oil prices have risen

again and look set to increase further.



The TSHD VICTOR HORTA seen fitting out at IHC Merwede shipyard - Photo: Cees de Bijl ©

"The offshore industry is expected to pick up in 2011 and should lead to an increase in capital expenditure," said the company. "The order intake for IHC Merwede offshore equipment has been strong in the past year and this will continue in 2011. The expectation is that this will also be the case for offshore vessels."

The company said that the development of deepsea dredging and mining continues to gather pace following studies from the Organisation for Economic Cooperation and Development (OECD). Research on dredge mining and mineral processing will help it to capitalise on these developments. IHC Merwede said it has has four strategic priorities: internationalisation; growth; product and process development; and cooperation. These priorities have underlined IHC Merwede's business development programme during the past financial year and will continue into 2011.

IHC Merwede hsaid it plans to invest €35 million in product and process development in 2011. This is becoming increasingly important and the group aims to continually improve its processes, particularly with regard to production, engineering and supply chain management. "Consequently, the expectation for 2011, that there will be an increased turnover of at least five per cent - with even better results - will be realised," the company said. Source: Dredging **News Online**

\$40 million boost for Newcastle shipbuilder

Newcastle ship builder Forgacs is set to employ an extra 70 workers after securing a new \$40 million contract on the Royal Australian Navy's air warfare destroyer project. Lead contractor on the \$8 billion project A-S-C in Adelaide has been impressed with Forgacs' standard of work on its original \$150 million hull construction contract.

The company has now been awarded work by the AWD Alliance on another three hull blocks due to problems encountered with another contractor, BAE systems in Victoria. The three Air Warfare Destroyers are being built using a block strategy, with production work underway at three shipyards across Australia in Adelaide, Melbourne and Newcastle. Forgacs General manager Tony Lobb says the company has begun recruiting an extra 70 tradespeople for the work at its Tomago shipyard.

"With this additional work we will need more boilermakers, welders, riggers, dogmen and scaffolders,"He said. "Running concurrently to that we've just finished our blast and paint shed and we needed that building to address the initial contract" Mr Lobb says Forgacs is due to complete the work by mid 2014."

But Mr Lobb admits that the company is having trouble attracting enough workers due to current skill shortages. "In the last 12 months we've gone from 15 people to around 300 at Tomago so we do need about another 70, but it is proving difficult to get," he said. "We're getting a good dribble I suppose, were using different options to attract labor but it is starting to get more and more difficult to get." Newcastle MP Sharon Grierson says the new contract will help to secure the city's future in shipbuilding.

"I think it was a very uncertain time and Forgacs have shown that they really do want to invest into shipbuilding,"she said. "They do want to be part of these big contracts and they are willing to invest and put the additional training, the additional equipment in place, so I congratulate them Source: 1233ABC Newcastle

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The MARINER SEA seen in IJmuiden - Photo: H.Blomvliet ©

Maersk move from Hong Kong raises the same old questions

The strategy of a container shipping line is as basic as it gets – go where the cargo is and fill up with boxes. profitability may be determined by freight rates and fuel costs, but the decision to call at a particular port is driven by the availability of cargo. This is a lesson Hong Kong's rulers refuse to heed. The market share of South China's direct export cargo has been steadily declining with the rise of mainland ports. China's ports are closer to the manufacturing centres of Dongguan and Foshan and exporting boxes from Yantian, Shekou, Chiwan and Dachan Bay is cheaper than trucking cargo down to Hong Kong. Now another mainland port has joined it – Nansha, about 50 miles up the Pearl River. The port began offering direct calls in 2009, boasting savings of US\$100 per TEU compared to shipping from Shenzhen. Last week the world's largest carrier, Maersk Line, decided to shift a third of its business from Hong Kong to Nansha, making the port its third Pearl River Delta gateway after Yantian and Hong Kong. Maersk was diplomatic about the reasons for shifting so much of the business and pledged continued support for Hong Kong. But the reason it made the move was because Nansha had built up its volumes and the critical mass required to sustain direct calls from large container ships. If another port in the PRD achieves the volume of business as Nansha you can bet the Danes will shift even more business away from Hong Kong.



The Maersk Brani seen in Otago harbour - Photo: Ross Walker ©

The alarm bells should have been clanging with red lights flashing all over the Transport and Housing Bureau of Hong Kong. But in keeping with its long tradition of inertia in the face of rising competition from across the border, the Transport and Housing Bureau was silent (Hong Kong has the world's third busiest port and the busiest cargo airport in the world, yet transport is held in such high regard here that the government lumps it in with housing). Faced with report after survey after study that all conclude Hong Kong is losing market share of the region's direct exports because of expensive cross border trucking costs and high terminal handling charges from the lines, the government continues to stumble about in somnambulant splendour. Although, it has managed to commission another masterplan study. This is great for the consultants compiling the report, but it is certain to reach the same conclusion its Masterplan 2020 predecessor reached six years ago – bring down cross border trucking costs and reduce THCs or the shippers will vote with their feet.

Six years on and shippers are indeed deserting the port. Hong Kong's share of the South China direct export market has fallen sharply, dropping by 25 percent in the last two years alone. Direct exports are way more economically beneficial to the city than transshipment boxes, so the losses have a very real impact. Frustration at the government's inaction has turned to resignation across the industry that nothing will change until it is too late. The Hong Kong container terminals all have large interests across the border in Shenzhen, effectively hedging their bets and growing their mainland operations as Hong Kong business slows. The net result is that Hong Kong is sliding down the busiest port list while its direct competitors over the fence are posting steady growth in throughput. Maybe that was inevitable, but a complete failure to address the problem has placed the port in a dangerous position. Container volume is the port honey that attracts the big carrier bees. Lose lines and you lose volume and connectivity that are the bedrock of any port hub. And the word from the Hong Kong Transport and Housing Bureau on the Maersk move is

...still nothing. It either doesn't regard the loss of Maersk business as significant, or the bureau has some serious housing issues to attend to. Such as planning what kind of luxury housing to build on the port's container terminals when they move across the border. Source: Maritime Professional

Court quashes carrier-terminal operator appeal against low-sulphur fuel rule

THE Pacific Merchant Shipping Association (PMSA), representing carriers and terminal operators, failed to void the California Air Resources Board's (CARB) rule insisting on low-sulphur fuel use within 25 miles of the coast.

Since 2009, cargo vessels leaving California's ports must use low-sulphur gas oil or diesel by next January, reported American Shipper. Rules require detailed record-keeping and calls for civil fines, injunctions and criminal prosecutions for non-compliance. The US Circuit Court of Appeals did not support PMSA which contends that California penalises container lines and terminal operators, already dealing with national and continent-wide emissions compliance. Judges said state fuel regulations were in keeping with the "severe" environmental problems, and "neither the constitution nor federal maritime law" should "bar a state from exercising its own police powers". Source: Schednet



Iskes SATURNUS seen with the OVERSEAS SKOPELOS seen in the IJmuiden locks - Photo: Marcel Coster ©

Diana Shipping Inc. announces time charter contract for M/V Semirio

Diana Shipping Inc., a global shipping company specializing in the transportation of dry bulk cargoes, today announced that it has entered into a time charter contract with Cargill International S.A., Geneva, for one of its Capesize dry bulk carriers, the **m/v Semirio**, at a gross charter rate of US\$17,350 per day, minus a 5% commission paid to third parties, for a period of about twenty-two (22) months to about twenty-six (26) months. The charter is expected to commence mid-May 2011.

This employment is anticipated to generate approximately US\$11 million of gross revenue for the minimum scheduled period of the charter. The m/v Semirio is a 174,261 dwt Capesize dry bulk carrier built in 2007. Source: Diana Shipping.



Capsize-proof MTU Engine for UK RNLI 'Severn-class' Lifeboat

If a British RNLI (Royal National Lifeboat Institution) 'Severn-class' lifeboat bent on a lifesaving mission in foul weather were to capsize, it is designed to upright within seconds (the righting lever must be a long one) but how can the engine keep running after the boat has 'looped the loop'?

Inverting a running diesel engine would likely cause engine oil to enter the cylinders through the crankcase ventilation system, causing uncontrolled combustion as surely as pressing the self-destruct button. A few years ago, the RNLI was looking to re-engine its 'all weather' boats and asked MTU if they could tackle the problem.

The Revolving Cradle Test-bed

MTU design engineers took their Series 2000 M94 engine and fitted it to a special-purpose cradle that would rotate it through 360 degrees about its own longitudinal axis in order to study closely and practically the effectiveness of modifications they made to the design of the crankcase ventilation and oil lubrication galleries.

Most importantly they fitted a valve to the crankcase breather that would close, depending upon the angle of rotation, and would then re-open automatically when the engine was restored to the upright. Subsequently, for so much depends upon it, every M94 engine destined for RNLI installation must pass through final testing on the revolving cradle before it is sent out from the factory.

Sea Trials of the Modified MTU M94 Engine

'Severn-class lifeboats', with a 39 ton displacement, are the largest in the RNLI fleet, built to operate in conditions that send boats of comparable size scurrying for shelter, so the reliability and efficiency of propulsion is key to safe operation in extreme conditions.

The same engines must cold-start to work under full load almost immediately for the duration of the rescue operation; a severe regime for any diesel engine. Despite this, the M94 engine is unlikely to be out of service much for engine maintenance, as MTU advise that the first oil and filter change is not needed until after 500 hours of operation.

To test performance in operational conditions, modified twin 10-cylinder MTU Series 2000 M94 engines, each rated at 1,120 kw at 2,450 rpm were fitted in October 2008 to the RNLI lifeboat Margaret, Joan & Fred Nye stationed in the storm-exposed Arran Islands off the West Coast of Ireland. Such has been the success of these extended sea trials, that according to a MTU report in April 2010 RNLI had decided to re-engine more of its 'Severn-class' lifeboats with these engines. Source: Maritime Propulsion



Seen at port of Antwerp mt " Fure Nord " Photo : Daniëlla Vermeer ©

New cargo chaos at Jawaharlal Nehru

Congestion and labour problems are causing major delays at DP World's terminal at Jawaharlal Nehru Port Trust, India's leading container gateway, IFW reports. The Western India Shippers Association (Wisa) told IFW a go-slow by workers operating Nhava Sheva International Container Terminal (NSICT) this week had increased congestion.

A spokesman said inventory levels at the terminal were far beyond rated capacity, export gates weren't functioning properly and two shipping lines calling at the terminal were refusing to accept export boxes until at least the middle of April. A spokesperson for CMA CGM confirmed that container movements were "limited", while the situation at the "very congested" terminal had worsened due to the normal strong growth of exports in March. A spokeswoman for DP World said the congestion was caused more by the pressure of increased volumes on the storage yard at NSICT than the dispute with workers. Wisa claimed the congestion at JNPT was causing additional problems for shippers using the rail services provided by Concor, with some 2,000 boxes deposited in the wrong yards because of the lack of space at NSICT. Source: ifw-net.com

K Line acquires a 100% stake in SAL Group

Kawasaki Kisen Kaisha, Ltd. ("K" Line), which acquired through its European subsidiary a 50-percent stake in 2007 in SAL Group, has reached a basic agreement with joint venture partners on purchasing the remaining 50% of the shares of the Group at the end of June 2011. With this transaction, "K" Line will become a 100% owner of SAL Group, the company's press release said. Germany-headquartered SAL Group specializes in heavy lift cargo transportation.

K Line expects the acquisition of the heavy lifter business will help to increase the development of big projects in oil and gas industry.

After acquiring 100% ownership of SAL, "K" Line expects to keep the trading name of SAL, location of head office and employment of all current staff; especially "K" Line would like current staff to continuously play an important role in SAL. Mr. Lars Rolner, who is one of the existing partners, will remain as CEO after the sale of his share.

The "K" Line group has a firm intention to develop heavy lifter business as a core business of "K" Line with the established trade name of SAL and combining abundant experiences and know-how of management and staff of SAL in heavy lifter business.



SAL latest fleet addition LONE seen outbound from Rotterdam - Photo: Jan Oosterboer ©

SAL Group was founded by the Heinrich Family, its company history going back to 1865 when the first vessel SS Amoenitas built at Sietas Shipyard was commissioned. SAL has a staff of almost 120 onshore, and about 100 German and 400 Philippines crew members on vessels worldwide. The SAL Group of companies provides a large array of services including sales/project management, vessel operation and ship management engineering and crewing. SAL possesses and operates 16 heavy lift carriers which have lifting capacity of 600 - 2,000 tons offering 20-knot navigation speed, fastest in the heavy lift industry. And SAL is also the first heavy lift specialist to be certified for HSE (OHASAS18001 and ISO14001), as well as having an environmental passport and meets all highest environmental standards. Its high- spec fleet and highly-skilled officers and crews have an excellent reputation in the market.

Source: kline.co.jp



Above seen the **THORNBURY** assisted by a Fairplay tug in the port of Rotterdam **Photo**: **Robbie Höll** ©

Electric motors installed in new carrier

Converteam reports that it has delivered of the first propulsion motor for the Royal Navy's **Queen Elizabeth class** aircraft carriers, as part of its contract for the electric propulsion systems for both ships.

Each ship be propelled by a Converteam designed and supplied integrated full electric power (IFEP) system, which incorporates two shaft lines, each driven by two advanced induction motors (AIMs). The IFEP system includes six

generators, four 11kV switchboards, 12 VDM25000 variable speed drives, harmonic filters and an electrical power control and management system.

The first AIM, weighing around 110 tons, recently left Converteam's Rugby,UK, factory by road, for BAE Systems' Govan shipyard where it was craned into position in one of the construction blocks of **Queen Elizabeth**. Source: The Motorship

Maersk Wins Contract For \$1.1 Billion Pier at Top Peru Port

A.P. Moeller-Maersk A/S, the world's largest container shipping line, won a contract to build and operate a \$1.1 billion pier at Peru's largest port, the Andean nation's government said. Copenhagen-based Maersk's APM Terminals unit beat out Hong Kong-based Hutchison Whampoa Ltd. (13) by offering a bigger discount for services at the Muelle Norte pier at the Callao port, state investment promotion agency Proinversion said today at a ceremony in Lima. The concession, which comes before April 10 presidential elections, will reduce costs at Callao, which handles 45 percent of the country's cargo.

"Investors feel that the next government will have to respect their rights," Finance Minister Ismael Benavides told reporters in Lima. "Peru's trailing the region in port modernization as everybody's awarding concessions." Maersk and the \$600 million Muelle Sur pier operated by DP World Ltd. (DPW) will compete to handle grain imports and exports of metals, natural gas, fishmeal and coffee, according to Proinversion. Peru is the world's second-largest copper producer and No. 1 in silver. The concession was awarded as opposition presidential candidate Ollanta Humala widened his lead in a poll released today. Humala said in a March 23 interview that he opposed the pier concession. Source: Bloomberg

Maintenance planning for ferry fleet

UK company Marine Software reports that ferry operator Tallink-Silja Line has installed its Marine Project Manager on the Galaxy, Silja Serenade, Silja Symphony and Silja Europa.



This software is intended to facilitate the production of drydocking specifications and tenders; to assist with final contractor selection, to control repair works in dock, and to produce docking reports, for historical and financial purposes. The installation included an office-based system for the head office in Tallinn, together with four superintendent laptop systems.

The ship system enables a planning specification to be produced on board, which can be sent to the office-based superintendent systems to be incorporated into the final master specification. The existing marine planned maintenance system on board the vessel can send details of scheduled

maintenance and defects to the planning specification as well as incorporating directly entered dry dock jobs requested by the crew. During the production process the superintendent is able to send copies of the master specification to both the vessel and to head office. The final master specification is used to produce tenders and receive returns from all shipyards invited to tender. A free contractor version download is available with the invitation to tender to enable shipyards to enter prices electronically directly into the specification which can then be imported into the master specification for tender evaluation. Marine Project Manager has been installed as the final part of a complete Marine Software suite. The other modules are Marine Planned Maintenance, Marine Storekeeper, Marine Purchasing System

and Marine Safety & ISM Document Manager As part of the supply, a 'master Tallink specification' was created by Marine Software for the Silja Europa from an existing Microsoft Word specification. This will be used as a template to create future docking specifications. A two-day training course was provided in Tallinn for the ship's senior officers and technical superintendents.

Fairstar Heavy Transport N.V wins new contracts for FJORD and FJELL in 2011

Fairstar Heavy Transport N.V. (FAIR) has signed two marine heavy transportation contracts with GAC in Aberdeen Scotland. Fairstar's semi-submersible vessels **FJORD** and **FJELL** will transport a flotilla of 42 tug boats from Singapore to Maracaibo, Venezuela in April and May of 2011. Both vessels are now mobilizing to Singapore. Chris Muilwijk of the Fairstar Client Services Group provided some additional details.



Above seen the **FJELL** anchored at Cowes 28-9-2010, in Western Port south east of Melbourne after delivering a jack up barge for the Victorian Desalination plant further along the Victorian coast at Wonthaggi.

Photo: Andrew Mackinnon - www.aquamanships.com ©

"The safe, secure loading and transport of these tug boats from Singapore, around The Cape of Good Hope to Venezuela requires precise planning and seamless operational execution. We are delighted to have been chosen by GAC and take their trust in our company very seriously. The combined skills of our Operations Team with our experienced Team on board FJORD and FJELL will be a significant factor in performing the complex maneuvers required to safely load and unload such a multitude of floating objects. This is an unusual assignment for our Team, but we are determined to exceed the expectations of our client for safety and reliability." stated Muilwijk. Ingmar den Blanken, Fairstar's Treasurer and Financial Controller, highlighted the financial contribution of these two contracts for Fairstar in 2011. "Fairstar is now projecting minimum operating revenues of USD 40 million for our 2011 Financial Year as a result of these new contracts. We expect to formalize the recently announced LOI for the transport of fertilizer plant modules from Kenai, Alaska to Koko, Nigeria in the next ten days. This USD 25.5 million contract as well as the previously signed transportation contract with DSME, relating to the CLOV FPSO project in Q4 of approximately USD 4.7 million, combined with 2011 Q1 revenues of USD 1 million will exceed USD 40 million for the year. There are still some gaps in our schedule for the rest of 2011 which may allow further improvement. We are projecting USD 40 million operating revenues as our minimum guidance for 2011." Fairstar's Chief Executive Officer Philip Adkins summarized the importance of the two new contracts by stating "The doldrums of the current spot market for marine

heavy transport continue to be characterized by a shortage of cargoes, excess capacity, and savage discounting by our competitors. Our financial performance and low vessel utilization rates in Q4 of 2010 and Q1 of 2011 reflected this dangerous and unsustainable situation. These new contracts with GAC have an immediate impact on our vessel utilization and cash flow. It is a relief to see the remaining three quarters of 2011 are now filling in and we are less than a year away from starting our work on the USD 90 million, multi-voyage, multi-vessel Gorgon LNG Project." Source: Fairstar.



Andre-B and the jack-up Excalibur arriving from Vlissingen for Swans, Wallsend. Excalibur is in for demob which is expected to take 8 weeks Photo: Kevin Blair ©

Throughput of Chinese ports in Q1, 2011 up 15.2% to 2.1bn tons

Freight volumes handled at the seaports of People's Republic of China (PRC) in January-March 2011 rose by 15.2% compared with the same period last year, to 2,1 billion tons, the Ministry of Transport of China said. China plans to inject RMB 192 billion (\$29,35 bn) in the country's transport infrastructure this year, 15.4% more than a year earlier. Source: PortNews

Indonesian firm cancels MOA for AHTS Pearl

Fearnley Offshore Supply reports that PT Bahtera Nusantara Indonesia recently chose to cancel a MOA for AHTS **Pearl** (built 2008, 12,240 bhp) due to a delay in the tender for the charter. CH Offshore has announced the disposal of the vessel. **Source : Offshore News Online**

.... PHOTO OF THE DAY



The container ship **Hanjin Copenhagen**, approaching First Narrows, Vancouver, B.C. - April 2, 2011

Photo: Mike Zelt ©

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