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The Pilot seen getting winched off at departure Durban from the SAFMARINE MAFADI. Photo: Rene Grootenboer ©

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EVENTS, INCIDENTS & OPERATIONS





The FAIRMOUNT SUMMIT seen enroute Rotterdam - Photo: Leen van der Meijden ©

Maersk netprofit of 2.7b dollar in 1st half year

A.P.Moller - Maersk bagged a netprofit of 2.7 billion dollar in the first half of 2011, compared to a result of 2,5 billion in 2010. Revenue rose from 27.4 billion in 1. half of 2010 to 29,9 billion in 2011. Maersk Line reached a 372m dollar profit in the first halfyear. Supply of new capacity reduced rates and this, combined with high bunker prices, set margins under pressure throughout the period. The number of containers carried increased by 6% to 3.8m FFE, while average freight rates, including bunker surcharges, were 3% lower than in the same period last year. Oil and gas activities continue to benefit from the high oil prices and made a profit of USD 1.2bn (USD 0.9bn) and a ROIC of 54.7% (36.1%). At an average oil price of USD 111 per barrel, the oil price was 44% higher than the same period last

year. The Group's share of oil and gas prodction declined by 11% to 342,000 barrels of oil equivalent per day, primarily due to a lower share of production in Qatar and lower production in Denmark and the UK. Exploration costs were USD 355m (USD 180m).



Above seen the **Maersk Norwich** at the Port Chalmers container terminal, this is her first visit into the port. **Photo: Ross Walker** ©

The A.P. Moller - Maersk terminal activities made a profit of USD 304m (USD 528m and USD 231m excluding divestment gains and other special items). Container throughput increased by 8% on a like-for-like basis and ROIC was 12.2% (21.5% and 9.9% excluding divestment gains and other special items). During the period, APM Terminals secured a number of new investment and development opportunities primarily in emerging markets.

Tankers, offshore and other shipping activities made a profit of USD 250m (USD 171m) and a ROIC of 3.4% (2.4%). The profit was negatively affected by impairments of USD 250m in Maersk FPSOs and positively affected by reversal of impairments of USD 91m in Maersk LNG.

Outlook for 2011

The Group still expects a result lower than the 2010 result, as stated in the interim management statement in May 2011, including the USD 0.7bn gain from the divestment of Netto Foodstores Limited, UK. The Group expects global demand for seaborne containers to grow by 6-8% in 2011. The global supply of new tonnage is expected to grow more than the freight volumes especially on the Asia to Europe trade. The Group expects freight rates to remain under pressure, and high bunker and time charter costs are expected to continue to impact margins negatively. The Group's container activities now expect a modest positive result.



The MESSOLOGI seen at the Westerscheldt river outbound from Antwerp - Photo: Richard Wisse ©

Oil and gas activities now expect a profit at the same level as for 2010, based on an oil price of USD 105 per barrel, higher level of exploration activities and a share of oil and gas production of around 120 million barrels which is 13% below 2010. The result for Terminal activities, Tankers, offshore and other shipping activities, Retail activities and

Other businesses is expected to be above 2010. Cash flow from operating activities is expected to develop in line with the result, while cash flow used for capital expenditure is expected to be significantly higher than in 2010. The outlook for 2011 is subject to considerable uncertainty, not least due to developments in the global economy, oil price and global trade conditions. Source: A.P. Moller - Maersk / maritimedanmark.dk



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The **DELMAS KETA** seen arriving in Dar es Salaam, the vessel sails in CMA CGM Delmas SWAX service to the Middle East — **Photo**: **Anton Klaassen** ©

Capesize ship rents may more than double

The cost of hiring Capesize ships that haul iron ore and coal may more than double in the next few weeks, Mr Omar Nokta a New York based analyst at Dahlman Rose & Co in a report said that daily rents for the ships, up by 34% in August, may rise to USD 33,000. Hire costs today climbed 5.5% to USD 12,607 a day. According to Nokta, iron ore from Australia and Brazil costs less than the steelmaking ingredient produced in China for the first time this year, boosting shipments and driving up rents. Still, Capesize hire costs have averaged USD 9,145 a day so far this year, less than a third of the figure for all of 2010. Mr Nokta said that "The stage is set for a rebound for at least the next several weeks. Charter rates can improve materially in the short run to last year's averages in the coming weeks." According to the exchange, Capesizes are the biggest vessels tracked by the Baltic Dry Index, a broader measure of commodity shipping costs. It rose for a sixth session, gaining 2% to 1,371. According to Mr Nokta, higher domestic ore and steel prices in China, the world's largest steel producer, combined with improved profits for producers to influence short

term dry bulk rates. The global steel industry is the single most important influence in dry bulk shipping, with ore, coking coal and steel products accounting for 51 percent of seaborne trade, estimated at 3.56 billion tonnes for 2011, according to DVB Bank SE, a German transportation lender.

Steel Importance

The global steel industry is the single most important influence in dry-bulk shipping, with ore, coking coal and steel products accounting for 51 percent of seaborne trade, estimated at 3.56 billion metric tons for 2011, according to DVB Bank SE, a German transportation lender. Forward freight agreements that traders use to bet on, or hedge, the cost of hiring capesizes for September were trading at about \$13,200 as of 4:26 p.m. in London, according to data from Clarkson Securities Ltd., a unit of the world's largest shipbroker. Australian ore shipments will reach 10 million tons for the week ending Aug. 19, two million tons higher than the week ending July 30, according to ICAP Shipping International Ltd, a unit of ICAP Plc. "That's why rates are reacting; it's pretty good news for the spot market," GeorgiSlavov, the unit's head of dry freight and base resources said in an interview. Rents for panamax ships, the largest that can transit the Panama canal, are climbing as numbers of the vessels available for hire over the next 15-day period fall as coal and ore cargos rise, according to Slavov.

Panamax Numbers

There were 145 panamaxes for hire in the Pacific trading region over a 15-day period, down from between 210 and 226 that were available between July 10 and July 15, Slavov said. The average panamax rate gained 1.1 percent to \$12,674 a day, the highest since July 14, data from the Baltic Exchange show. Supramax vessels, about 25 percent smaller than panamaxes, gained 1.1 percent to \$13,555 a day, according to the exchange. The cost to hire handysize vessels, the smallest tracked by the gauge, was 0.2 percent higher at \$9,494 a day. Source: Bloomberg



The CHEMICAL VOYAGER seen enroute Rotterdam - Photo: Harry van den Berg ©

Pak security agency rescues Indian ship

Pakistan's maritime security agency rescued an Indian cargo ship 'Noore Panjtani' with 11 crew on it after the dhow sent out a distress call about onboard flooding triggering the possibility of sinking. Soon after leaving the Gwader port on Friday following repairs, the vessel sent out a distress call about flooding onboard due to which it was reported to be sinking off Pakistan's coast.

On receiving the call, the MSA immediately directed a defender aircraft with media personnel on board to provide rescue assistance, a media report said on Saturday. The aircraft located the dhow 23 nautical miles south of the Ormara Naval Base and passed her position to Pakistan Navy ships 'Rajshahi' and 'Kalmat' on MSA's request.

Meanwhile MSA ship 'Nusrat', which was operating near Gwadar, was also tasked to arrive in the area to assist the Indian dhow. Necessary assistance was provided to the dhow in the form of de-flooding pumps/equipment and fuel, it said. Presently, the MSA ship Nusrat took over custody of the Indian dhow, it said. On December 18, a dhow carrying a cargo of 300 tonne of dates from Dubai was provided assistance by MSA Base Gwadar on receiving a

distress call, it said. After essential repairs at Gwadar, the dhow had set sail for Mundra port, India, before running into the flooding problem. Source: indiatimes





ARCADIA arriving from Southampton for Northumbrian Quay, North Shields.- Photo: Kevin Blair ©

Up to 80% of owners want their ships armed

As many as 60% to 80% of ship owners are in favour of arming their vessels even though the cost can be as high as \$50,000 per passage, a leading Danish ship owner has claimed. "We took the decision three to four months ago that we could not defend our ships without contracting-in armed guards with light machine guns and who will shoot back," said Per Gullestrup, CEO & Partner of Clipper Ferries/Ro-Ro.

"I hear that 60% to 80% of owners are in favour of arming their ships, which is a lot, and if you figure out that every time you do, it costs an owner between \$30K and \$50K to put armed guards on each passage then you are talking about a lot of money," he said. Mr Gullestrup has built up first hand knowledge of dealing with pirates after he negotiated with Somali pirates over the release of the CEC Future back in 2008. Pirates held the CEC Future for 71 days, and only released the ship after negotiations and the payment of a ransom of nearly DKK 9 million. Per Gullestrup was heavily involved in negotiating with the pirates in 2008. A Somali pirate now faces a 25 year prison sentence in the US after he was convicted. "Despair is a good word," to describe the way ship owners feel about the whole piracy issue, he told SMI. "It is a hard word but there are times in a quiet moment when you say, look what is going on here. It is 2011 and we are five years into this and we are still being run around by a bunch of criminals because that is all they are – extortionists, murderers and criminals. And even the largest naval powers in the world haven't been able to do anything about it and they won't until we do something fundamentally ashore in Somalia. Until

then, we will not solve this problem," he said. "We now have the monsoon season and this will have a strong reflection on the level of activities going on. But even when the monsoon settles down, I suspect you will see a lot of the ships being armed now. But what will that do to the equation? Hopefully it will put a dampener on activities but it won't solve anything. Because the pirates might start to lose too much money and the investors will stop getting the returns they want, they will retrench and ease off. The naval forces will then say the situation is better and the pirates will be back in action and we will be back where we started. We as ship owners are very frustrated. If this kind of criminal activity happened anywhere else on this scale something would have been done about it but 94% of the seafarers involved in this are from developing countries and that is the reason. If the 94% of seafarers were from Europe or the US, I guarantee we would not have been talking about it now. It is a disgrace," he added. Source: ship management



The MOL EFFICIENCY seen outbound at the Westerscheldt River - Photo: Willem Kruit ©



Hijack of MT Fairchem near port disturbing

The hijacking of a merchant vessel which was at anchorage off the Salalah coast of Oman on Saturday has brought to light a disturbing trend wherein pirates are now not only attacking ships sailing in the high seas but entering areas near the ports to carry out their operations.

Recently, suspected Somali pirates launched an attack on the oil tanker MT Fairchem Bogey, anchored off the Salalah coast. After capturing the vessel and taking its 21 Indian crew members hostage, the pirates forcibly sailed the ship towards some island off the Somali coast. "Earlier, pirates were found to carry out attacks on ships sailing in the high seas but now we find that even at places near the port or the coast, where ships are anchored and considered safe by seafarers, pirates are fearlessly carrying out attacks," said Satish Agnihotri, director general of shipping. He added, "It could be the first such case but is very alarming. Despite deployment of forces in the high seas, pirates are not stopping their operations and are going a step ahead by carrying out attacks like this one."

The ship management company Anglo Eastern Ship Management Private Limited informed the Directorate General (DG) of Shipping about the ship being attacked and its crew members being taken hostage by suspected pirates on Saturday. Subsequently, DG Shipping officials informed maritime security agencies like the Navy, Coast Guard and also special forces and navies of other countries. Agencies and special forces have been asked to keep a watch on the vessel's movements and trace its trajectory since the hostages are not being allowed to communicate with maritime agencies. "We have information about where the pirates are taking the vessel to but they cannot be intercepted until they reach their destination as they have 21 crew members hostage and their life could be under threat. We are

waiting once they reach their destination and then start communication from their side so that negotiations and talks could be done for the release of the captured vessel and crew members," said Agnihotri. Source: DNA India



The PACIFIC EMPIRE seen anchored off Singapore yesterday – Photo : Piet Sinke ©



Can we reduce harmful emissions?

Other than CO2 ships also produce a number of atmospheric emissions which are considered harmful. They are products of combustion, and the most significant are sulphur oxides (SOx and nitrous oxides (NOx), along with tiny waste particles known as particulates. All are now being limited by international, regional and national laws and will be subject to increasing severity of regulations over the next few years. Emission Control Areas, where these limits apply, might be expected to spread around the world in the future.

What practical means can be undertaken to reduce, or even prevent any of these emissions entering the atmosphere? In the case of sulphur, the quality of the fuel that is used can be changed to low sulphur oil or distillates, which will make a marked difference. Alternatively, the emissions can be scrubbed to clean them before they pass into the atmosphere. Or it might be feasible to use liquefied natural gas which burns cleanly, or even biofuels, although there are issues about the use of products which would otherwise have been available for food, and objections to the felling of tropical rainforests for the planting of oil palms. Engine manufacturers have been working hard to address these problems, coincidentally producing very much more efficient marine engines which, by burning less fuel in the first place, go some way to solving emission problems. The problem of NOx can be reduced substantially by means of exhaust gas recirculation, a system which, rather than pumping the exhausts straight into the atmosphere cleans, cools and recirculates the gases back into the engine. This reduces the amount of NOx that is generated in the combustion chamber. Tests have confirmed that if just 20% of the exhaust gas is recirculated, there is a 50% reduction in the amount of NOx produced. Waste heat recovery, (which in Seascapes No. 104 we saw reduced CO2) also reduces other emissions, and increases engine efficiency. The big challenge is less to do with the design of new ships and new engines, but with the existing fleet, ships which were built according to all the regulations that obtained at the time, and with the expectation of a 20-25 year life. In the past, such as when fuel prices quadrupled in the 70s

making steam turbine ships uneconomic, it was possible to re-engine, but this is obviously vastly expensive. It is however possible to "retrofit" exhaust gas cleaning systems to existing machinery, that will enable tighter emission controls to be complied with. And while ships built before certain dates may be allowed to operate to the term of their natural lives without modification, it is possible that pressure from the users of ships who might wish to be seen using "cleaner" and greener ships might encourage changes. Source: Bimco



The ITAL LIRICA seen westbound in the Singapore Straits yesterday - Photo: Piet Sinke ©

Maritime Disaster Waiting to Happen

As sanctions bite against Iran, its national shipping line is believed to be putting unsafe ships to sea to try to beat them. Are Asian nations prepared for the costs of a disaster? International sanctions against Iran's national shipping line in response to Tehran's nuclear ambitions are intensifying. The world's largest container carrier, Maersk, has suspended operations at three Iranian ports, while the US Treasury Department has launched legal action against 121 companies and individuals affiliated with the Islamic Republic of Iran Shipping (IRISL). The latest round of measures, aimed at Iran's ballistic missile and nuclear programmes, came after IRISL was ostracized by the international maritime community with mortgage foreclosures on its ships and saw access to insurance greatly limited, prompting speculation IRISL is facing its own death knell.

However, as IRISL limps on, a new and potentially deadly risk has emerged – particularly in East Asia, where the monitoring of IRISL's fleet has improved dramatically, but surveillance still remains patchy. 'Any Iranian ship in Asian waters should send alarm bells ringing as Iran tries by all means to escape sanctions imposed for its involvement in nuclear weapons proliferation,' says Carl Thayer, Emeritus Professor with the University of New South Wales. 'The effect of the sanctions led IRISL to put unsafe ships to sea, where they pose a potential environmental hazard. Who will foot the bill if an IRISL ship is involved in an accident and spills its fuel? Asia states that allow IRISL ships into their ports should have second thoughts.' Doing business with Iran and IRISL has become increasingly difficult in recent years with United Nations, European and US sanctions making even the most awkward operator cautious about trading with the country. Tehran insists the sanctions are unjust and that its nuclear programme is purely for peaceful purposes; IRISL has echoed those sentiments and says its operations remain profitable and sound.

'We don't want nuclear arms, nor are we seeking to possess them,' Iranian President Mahmoud Ahmadinejad said Tuesday. 'These weapons are directed against people. We oppose them because of our religious beliefs – our religion says that they are prohibited. We are religious.' While maintaining this stance, IRISL has also been accused of attempting to evade sanctions through a complex network of front companies to take advantage of loopholes in maritime security. But maritime law now poses a problem for IRISL and the waters that its ships ply. Under the International Convention on Civil Liability for Bunker Oil Pollution Damage (2001), ship owners are required to hold insurance or other financial security to cover the liability for pollution damage in an amount equal to the limits of liability. This limit is usually up to \$1 billion. A well-documented cat and mouse game has therefore been played out as IRISL tries to buy adequate insurance for its operations. Of one specific class of insurance – protection and Indemnity, or P&I – the potential consequences could be felt well beyond the United States, Europe and Iran. When goods are shipped around the world, the owners of the goods and vessels usually take out marine insurance. This cover, however, doesn't generally extend to third party liability in the event of an accident.

P&I cover is third party liability insurance, which provides compensation to third party victims of maritime incidents,' says Andrew Bardot, Secretary-General of the International Group of P&I Insurers. It is essential to reassure port authorities that should a vessel run aground, collide with another ship, or become involved in an oil spill or other serious incident, that insurance cover is in place to pay for damage to ships, ports or the environment. The enormous costs associated with the Deep Horizon spill in the Gulf of Mexico of between \$2 billion and \$5 billion, or the still evolving Fukushima disaster in Japan, have driven home the potential cost of nightmarish accidents. The Exxon Valdez showed litigation and reparations could take decades to resolve.

IRISL's P&I cover was withdrawn by Lloyds of London in 2009 following UK sanctions against the shipping line. IRISL then found cover from a P&I provider operating out of Bermuda. In 2010, Bermuda passed legislation, bringing the country in line with the UK.

'EU regulations have resulted in cover being terminated or not renewed for a number of designated Iranian shipping companies including IRISL and the NITC (National Iranian Tanker Company),' Bardot says. IRISL then approached the Islamic P&I club, which refused to provide cover. Finally, IRISL secured P&I cover from Moallem, an Iranian insurer with no record of providing this type of insurance. NITC was faced with a similar issue with regards to P&I cover and has publicly stated it is using an 'Asian P&I provider' with cover that's reliable, but more expensive than that secured through London. However, the lack of transparency on the identity of the provider does nothing to reassure on the reliability of the cover. Either way, on December 21, the US Treasury sanctioned Moallem. All P&I providers re-insure against catastrophic losses, which kicks in for large exposures, but it isn't clear who Moallem uses for re-insurance. Major European insurance houses wouldn't be in a legal position to offer cover, leaving the Peoples Insurance Company of China (PICC) being touted as a possibility. But analysts say that given its ongoing negotiations over access to Lloyds of London, it was highly unlikely that PICC would risk its international standing by being associated with a controversial and sanctioned client like IRISL.

Within maritime circles, the presumption is the Iranian government is the reinsurer of Moallem. But analysts say that given the doubts over Moallem and the severe restrictions on the Iranian government, banks and other institutions, the key question is how IRISL and Tehran would react to a shipping and environmental calamity, and what options would be open for redress and compensation.

It's an issue that Greenpeace says must be addressed by the 10-nation Association of South East Asian Nations (ASEAN) given the threats to livelihoods and food security – and it says that any legal loopholes should be closed, while uninsured ships should be barred from entering regional ports. Keith Loveard, a regional security analyst with Jakarta-based Concord Consulting, says an Iranian shipping disaster off the coast of Indonesia would likely cause a rift within government, as was seen with the leak from a Thai rig off the northern Australian coast last year. 'The government would be caught between different currents, with the Foreign Ministry attempting to maintain smooth relations, while the Environment Ministry would be hopping mad and local communities would be left to deal with the mess,' he says. 'This is all very hypothetical. But the longer rogue ships operate without any insurance cover, the likelihood of something going wrong obviously increases.' Others suggest one means of recovering costs incurred in dealing with an environmental incident would be to sequester any Iranian state-owned property or assets within the affected country, such as aircraft operated by state-owned Iran Air. Gavin Greenwood, a risk analyst with Hong Kongbased Allan & Associates, says the recent seizure of a Thai aircraft used by the country's crown prince in Germany to try and resolve a long standing dispute over money was one example over how this could work.

'The International Court of Justice could also be involved, though this is a long term proposition,' he says, adding that 'Iran used the ICJ to claim restitution from the US after a US Navy warship shot down an Iran Air Airbus in July 1988.' Mohan Malik, Professor of Asian Security at the Asian-Pacific Center for Security Studies in Honolulu, says the location of an accident involving the Iranian shipping line would also be important. 'If it happens in the busy Malacca Straits or in the South China Sea, most littoral and major powers will be forced to contribute to the clean-up in order to facilitate an uninterrupted flow of energy and goods,' he says.

'Of course, there will be law suits against the Iranian government too, but the Islamic clerics can be expected to invoke Allah's wrath on those who do so. Also, the International Maritime Organization (IMO) and other UN agencies would be called upon to play a greater role in ensuring that uninsured shipping lines aren't allowed to operate in international waters.' The IMO declined to comment on IRISL. However, sources close to the organisation say it has been undertaking amendments to its strategic direction in regards to liability and compensation claims in the wake of the Deep Horizon disaster. Most maritime authorities demand a Blue Card from the P&I insurer as evidence that sufficient insurance is in place to meet liability requirements under the Bunker convention. But in Asia it's not clear how routinely this is enforced or checked. If a maritime agency had doubts about the owners or operators ability to meet a liability it is able to deny a vessel entry or exit from ports or waters under its control. Thayer says that lack of clarity in Asia demonstrates 'yet again' the weakness of the region's security architecture and the reluctance of many Asian states to support sanctions.

'By allowing the IRISL to continue in the face of sanctions, they are undermining not only good order at sea but inviting a disaster for which they will have to assume responsibility,' Thayer says. 'Banning IRISL ships from Asian ports would be a good first step in supporting the non-proliferation regime and protecting the marine environment against an accidental fuel spill.' While the United States, EU and UK have taken the lead against Iran in regards to its declared and undeclared nuclear weapons ambitions, the real world impact of those sanctions are now being seen well beyond the Iranian interests that have been targeted.

IRISL continues to operate in Asian waters, with untested and unproven insurance. The responsibility for ensuring Asia doesn't become a victim of events in Iran now rests squarely on the shoulders of Asian governments and their maritime authorities. Source: Diplomat





The ELBELLA seen in Point Noire - Photo: Marc Veenstra ©

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NAVY NEWS



The HSV 2 SWIFT seen moored in Cotonou - Benin - Photo: Jan Pieter Honkoop (c)

Contradicting news on trouble missile

Russia's newest submarine returns to shipyard after White Sea mission without launching the Bulava missile. Speculations take off, BarentsObserver reports. Russia's first strategic missile submarine built after 1992, the Boreiclass "Yury Dolgoruky" sailed quietly in the White Sea this weekend and made port call to its homeyard, Sevmash in Severodvinsk. The submarine had been on a high-profiled mission to the northern part of the White Sea and was supposed to launch a test-missile on Saturday.

Interfax was Sunday afternoon quoting an official from Sevmash naval yard as saying the missile test did not take place due to a malfunction in the submarine's energy system. Other Russian media reported Sunday evening that it was the missile itself that didn't worked properly and couldn't be fired.

"We are absolutely convinced that the missile will be passed into service, but considering its importance for the state security, we have decided to check all its qualities one more time," RIA Novosti quoted an unnamed source in the Defense Ministry as saying. That report sounds somewhat foggy since the same Ministry earlier said "Yury Dolgoruky" would sail out in late August to test-fire a Bulava missile.

BarentsObserver posted an editorial this spring arguing that successful launches of the Bulava missile this summer are of enormous prestige for Moscow. Not only for military officials, but also for top politicians that have proudly announced that the Bulava missile is so high-tech that it can penetrate any US missile defence systems.

Out of 15 Bulava missile tests carried out over the last six years, only seven of them have been considered a success.



Monday afternoon 22th august **HrMs Zuiderkruis (A 832)** left the Dutch port of Den Helder for the last time. Her last mission will be pirate hunting near Somalia. When she returns to Den Helder she will be decommissioned from de Royal Netherlands Navy and will be sold. **Photo: Ron Damman - www.newdeep.nl** ©

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Rongsheng Heavy Industries gets \$4.4bn bank loan

China Rongsheng Heavy Industries has secured a credit of RMB28bn (\$4.4bn) from Agricultural Bank of China (ABC) in Nanjing under a Bank-Enterprise Comprehensive Strategic Cooperation Agreement, Seatrade Asia online reports. Chen Qiang, ceo and executive director of China Rongsheng, said: "Chinese banks have gradually tightened credit against the backdrop of a series of austerity measures launched by the government to rationalise credit activities. Thus, the signing of the strategic cooperative agreement with the ABC has demonstrated the group's strong position in the industry and the firm trust of the banking sector in the group's development prospects." The credit will be mainly used as a capital loan, buyer credit and foreign exchange service, according to China Rongsheng. Source: PortNews



The newbuilding DON DANIEL seen during trials - Photo: Willem Holtkamp ©

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GC Rieber Shipping: "polar prince" contract extended one year

GC Rieber Shipping and the subsea contractor Technocean has agreed on a one year extension of the charter regarding vessel "Polar Prince". The time-charter with Technocean for the subsea vessel "Polar Prince" has been extended to September 2012. The vessel is engaged in subsea operations related to installations of offshore wind farms in the North Sea. "We are pleased with the renewal of the contract and the extension fits with our overall fleet plan going forward," comments CEO in GC Rieber Shipping, Irene Waage Basili. Technocean is a subsidiary of the subsea service company Reef Subsea. GC Rieber Shipping owns 50% of Reef Subsea. Source: GC Rieber Shipping



The HAPPY ROVER seen outbound from Rotterdam - Photo: Ruud Zegwaard (c)

Lagos starts canals dredging project

As part of measures to stem flooding and attendant consequences, Lagos State has begun dredging of canals following the discovery that major canals in the state had been blocked, a developing which aggravated the July 10, 2011 flooding in which scores of residents drowned in overflowing canals in parts of the state, BusinessDay reported.

This is also in preparation for a possible heavy downpour later this August as predicted by meteorologists. The state government has therefore directed contractors handling various dredging of water channels to hasten pace of work before the predicted heavy rains begin. The commissioner for environment Tunji Bello, told newsmen during an inspection tour of some flood prone communities in Shomolu, and Yaba Local Government Areas of the state. He also urged those living near canals to refrain from dumping into the canals, saying the recent heavy flooding in the state had been due to blocked drains warning that the state government will not hesitate to demolish illegal structure erected on the drainage channels.

He specifically ordered residents along Bajulaiye Canal, in Akoka area to vacate or have their structures demolished.

Bello who allayed fears of the residents emphasized that indiscriminate dumping of refuse in the gutters had caused a lot of environmental disasters that would have been averted, pointing out that government would no-longer tolerate the building of illegal structure in the state. "Canals is a reservoir of water for flooding, they are God's natural protection for holding water during massive flood and it is not a place for anybody to build a house," he warned, revealing that the government has commenced the dredging of Bajulaye canal in Shomolu to de-silt the entire 10 kilometre stretch, adding that the lining of the canal with concrete is being done by Zarpex Construction Company.

Chairman of Shomolu local government, Gbolahan Bago –Stowe who was in the company of the commissioner, disclosed that the council has constituted a team to monitor and arrest anyone caught dumping into canals in the area. Source: businessdayonline.com/



CSL Bergen seen in the port of Delfzijl loading Salt. - Photo : Geert Jan Reinders - Groningen Seaports ©



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Metso bags major automation contracts for advanced ships

Metso has been awarded major automation system contracts for 3 advanced vessels to be built in Finland. One contract is for 2 Multifunctional Icebreaking Supply Vessels (MIBSV) by Arctech Helsinki Shipyard Oy for Russian Sovcomflot. The second is a Multipurpose Deck Cargo Carrier by STX Finland Oy for Finnish Gaiamare Ltd. belonging to Turku based Meriaura Group, MarineLink reported.

The MIBSV's are designated for the Sakhalin-1 Arkutun-Dagi gas field and will be used as supply vessels for the Exxon Neftegas Ltd gas platform. They are designed for the harsh environmental conditions in the Sakhalin area with drifting ice and temperatures down to minus 35°C. The vessels' main task is to transport personnel, supplies and storage materials to the platform, protect the platform from ice, escorting ships in ice conditions, oil spill containment operations, fire fighting and ocean towage of platforms and other large installations. Both vessels will be similar and measure 99.2 m in length and 21.7 m in width. Deadweight will be 3.950 tonnes. Four diesel generators will provide a total power output of 18 MW where the electric propulsion system will consume up to 13MW. The first vessel is scheduled for delivery end 2012 - early 2013.

The Metso DNA Integrated Automation System (IAS) handles control, alarm and monitoring functions in the vessel's machinery and liquid / bulk cargo spaces. The vessel's power plant is fully managed by Metso DNA Power Management System.

The Multipurpose Deck Cargo Carrier is an innovative and versatile vessel designed for transportation of large steel fabrications, such as offshore and wind farm structures. It is also suitable for transporting energy wood in the Baltic Sea region. The vessel is A1 ice classed and includes double acting ship mode meaning it will run ahead in open waters and astern in ice. Another important design feature is the ability to operate as an oil spill recovery vessel. The ship has 2.700m3 oil spill tank capacity and can carry versatile oil spill recovery equipment on its deck. The environmental friendly vessel has an efficient low carbon diesel electric propulsion system and is designed to use biooils as alternative fuel. The ship length is 105 m and width 19m. Handover of the vessel to owner is mid May 2012.

For this vessel Metso DNA system handles control, alarm and monitoring of the machinery plant including controller loops, control and standby functions for pumps, fan controls and the management of the diesel electric power plant. For all these vessels Metso DNA automation system includes the DNA Operate user friendly multifunctional operator stations, redundant fibre optic communication network, redundant process controllers with main and reserve in different locations all enhancing the system reliability and availability, Metso DNA Historian information management system that provides versatile analysing and reporting tools for optimization of e.g. machinery performance and fuel consumption, LCD touch panels in accommodation for Unattended Machinery Sailing (UMS) mode alarm announcement, and finally a dead man alarm system for machinery spaces.

Further, Metso has a contract for an automation system delivery to a cruise ship being constructed at a European shipyard for a reputable owner.

Ship automation since the early 80s

The Metso marine group is established in Norway to further develop and execute Metso's strategic focus and services in the ship automation market. The group has engineering resources with broad automation competence for machinery, power plant and air-conditioning systems on board ships. Metso's marine automation solutions fit all types of ships and complexities, from crude oil carriers to passenger ferries, cruise liners, offshore supply and oil & gas processing vessels. Ship automation systems from Metso have a long history. Ship automation systems started in the early 80's with Damatic Classic and has developed through to today's Metso DNA. Majority of these installations are for advanced ship types, such as cruise liners. In particular, redundancy features and high product quality that guarantee undisturbed and safe ship operations have contributed to the success story of Metso's automation systems.

The first delivery of a Metso automation system to a ship was in 1983 and until today several hundred ships have been equipped with a Metso automation system. **Source**: **PortNews**

Jack-Up Barge Signs Charter Agreement with BARD Group

Jack-Up Barge has announced signing a multi-year charter agreement with the German BARD Group for Jack-Up Barge's Self Elevating Platforms JB-115 and JB-117. The contract is valued at in excess of EUR 100 million. Both

platforms will be deployed in the BARD Offshore 1 offshore wind farm - the largest German offshore wind farm to date. The JB-115 and JB-117 will assist in the completion of the 400MW wind farm, which is located some 90 kilometres northwest of the German East-Frysian island of Borkum.



The charter agreement was officially announced at the Dry Docks World Graha yard in Batam, Indonesia, on 9 August 2011. The announcement was attended by (from left to right) Lim Wei Liang - Site / Project Manager Jack-Up Barge, Maarten Hardon - Commercial Director Jack-Up Barge, Ronald Schukking - Managing Director Jack-Up Barge, Jan Patrick Daniel - Head of Controlling & Bookkeeping BARD Logistik GmbH and Mark J. Morris - Technical Director of Dry Docks World Graha. Commenting on the agreement Ronald Schukking stated: "We are very pleased with this charter agreement with BARD Group. It not only confirms our long-term relationship but also our leading position in the offshore wind market in which also BARD Group is committed to playing a leading role."



The JB-117 newbuild is currently being outfitted at the Graha yard, where she was built and launched on 6 July 2011. According to schedule, the JB-117 will be transported to the Netherlands this October, prior to commissioning for her assignment off the Borkum shores. The JB-117 is Jack-Up Barge's largest newbuild to date. Built to a GustoMSC

type **SEA-3250 design**, the platform measures 75.9 m in length with a breadth of 40.0 m. The JB-117 is designed for a water depth of 50 m, a 4.0 m maximum wave height, a 1.0 m/s current and a wind speed of 25.7 m/s.

One of the platform's main assets is without a doubt the Favelle Favco built 1,000 ton crane, with a maximum boom length of 97 m. Moreover, the newbuild offers BARD a free deck space of 2,500 m2. Having already been involved in offshore wind farm installations off the Belgian and German coast, **Maarten Hardon** comments on this particular contract for Jack-Up Barge: "To us this a relatively large contract and the JB-117 is very much the flagship. She is a very multifunctional unit."



The initial contacts between BARD Group and Jack-Up Barge already date back to the summer of 2010, when they worked together on the installation of the BARD 1 transformer station for BARD Offshore 1, according to Jan Patrick Daniel. "At the end of last year we were looking for an opportunity for a barge helping us with the installations on BARD Offshore 1", he says. "That is when we chartered the JB-115 for the installation of the turbine rotors." Looking for a replacement for one of the installation vessels for which the charter ended, they again called on Jack Up Barge. "We worked with the JB-115. We know what their performance is like and we were very satisfied. Of course we did our calculations and we decided that economically and performance- wise this was the best way to exchange the unit."

The project area for the **BARD Offshore 1** wind farm in the North Sea covers approximately 60 km2. The water is around 40 m deep. The installation started in March 2010 and BARD will install 80 BARD 5.0 type wind turbines. Already sixteen wind turbines are connected to the grid, delivering approximately 80 MW. Once completed BARD Offshore 1 will be able to cover the energy needs of 400,000 households. The project is being supported by the European Commission in the framework of the European Energy Programme for Recovery (EEPR) with a grant of EUR 53.1 million.

Robust results announced by APM Terminals

1st Half 2011 characterized by new terminal openings, strong financial performance and steady container volume growth. The Hague, Netherlands – APM Terminals earned \$2.212 billion USD in revenue during the first six months of 2011, representing a 6% increase over the same period in 2010, and generating \$304 million USD in profits as the company continued to aggressively expand into high growth markets.

In the first half of the year new operations have commenced at the recently completed 1.1 million TEU annual capacity deep-water Cai Mep International Terminal in Vietnam, and at the multi service facilities at the Port of Monrovia, Liberia, West Africa, as well as at the Poti Seaport in the Republic of Georgia on the Black Sea. Concession agreements were also signed for the Terminal Muelle Norte at the port of Callao, Peru on the west coast of South America. Of interest, the successful takeover of operations in the port in Callao, Peru in just 50 days after contract signing reflects the company's unique scale and expertise in managing new port locations.

Commenting on the results, APM Terminals CEO Kim Fejfer, stated "We achieved very good results for the first half fiscal year and our key business metrics continue to trend positively. I am delighted to see our client portfolio expanding, our new business activities performing well, opening new markets in line with our growth strategy. Our investment in new terminals continues to drive APM Terminals strong market leading position."

Return on Invested Capital after tax (ROIC) was 12.2% for the period, and profit before depreciation, amortization and impairment losses, (EBITDA) increased by 22% over the 1st Half of 2010 to \$513 million USD, representing the highest level for first half results in the company's history. On a like-for-like basis, container throughput increased by 8% to 16.2 million TEUs, weighted by equity share, for the period, and by 3% in a straight year-on-year comparison. Container traffic from non-A.P. Moller-Maersk Group affiliates rose to 46% of total business for the first half of the year, compared with 43% in the same period the year prior.

"Our strategies in meeting the needs of the market, and our customers have been effective, and we will continue to make the necessary adjustments and investments in operations and personnel to become the best and the leading port operator in the world. During the first half of 2011, we have committed more than \$1 billion USD in new terminals to drive our portfolio expansion and the execution of our strategic growth program. I remain optimistic about our opportunity to create value and grow the business." Mr. Fejfer concluded. Source: APM Terminals



The DEUTSCHLAND seen moored in the port of Antwerp - Photo: Martin Kramer ©

Shipper to take in 11 new vessels costing RM266mil

Miri-based Shin Yang Shipping Corp Bhd expects to complete its RM266mil fleet expansion programme by the end of next year. Chief executive officer Capt Ting Hien Liong said the expansion, with 11 vessels of different types currently under construction, was to cater for increasing demand in its services "Our fleet expansion will see an additional two cargo vessels, five units of 37m anchor-handling tugs, two 23.8m tugboats and two pneumetic cement vessels," he told StarBiz recently.

Last Tuesday, Shin Yang saw the maiden call of mv **Danum 133**, its new container vessel, at Northport, Port Klang. To date, the group owned a total of 282 vessels. Ting said **Danum 133** cost about RM20mil and would serve the Port Klang-East Malaysia routes. Shin Yang was listed on Bursa Malaysia in the middle of last year. It is one of a handful integrated shipping companies in the country that operates and builds its own vessels.

Besides shipping, the group, via its shipbuilding division, also provides repair services at two shipyards in Kuala Baram, Miri, and Bintulu. The shipyards can build vessels of up to 15,000 deadweight tonnes. The company also announced last year that it would use part of the RM190mil proceeds from its initial public offering to set up a shipyard in the United Arab Emirates (UAE). In March, Shin Yang held a keel-laying ceremony for the construction of two units of landing crafts worth US\$30mil (RM90mil) for the UAE.

The crafts were to be delivered on or before the second quarter of 2012. According to Ting, despite higher demand for its services, the group would still need to overcome several challenges including the full utilisation of resources and

assets in its effort to maximise returns. In addition, the movement of bunker oil prices and the quality of its crew were important to achieve substantial growth, he added. Source: The Star



The MULTRATUG 10 seen with the EMILIE BULKER in the Gent-Terneuzen channel – Photo: Marius Esman (c)

Chinese to handle Somaliland port extension

Chinese petroleum firm PetroTrans is to carry out extension works to the port of Berbera, in the wake of signing a transaction agreement with the government of the breakaway enclave of Somalia, esi-africa reports.

The Horn of Africa has been attracting increased investment in the area of exploration by foreign oil firms, due to its proximity to east Africa, where oil has been discovered in Uganda and natural gas found in Tanzania. "Redevelopment of Berbera Port to make it a gateway to East Africa is the major project of the framework of an agreement signed by the government of Somaliland and PetroTrans Company," Somaliland foreign minister Mohamed Abdillahi Omer told Reuters.

"The full agreement has not been finalised as the financial and technical details will only be settled in the next few weeks." he added. In addition to extension of the port, other projects will be carried out under the terms of the deal that was signed when the Somaliland President Ahmed Mohamed Silanyo visited China last week. They include laying pipelines for natural gas and fuel to Ethiopia. A refinery will also be built at the port, as well as a road linking Berbera to Wajale, a town on the Ethiopia-Somaliland border. PetroTrans has signed a separate agreement with the Ethiopians.

Somaliland, which has been contributing to the fight against piracy off the Somali coast, hopes the deal will create thousands of jobs, raise its profile and attract more investments into the region. It declared independence from Somalia in 1991. Source: PortNews

OOCL joins MOL and Samudera to offer China-India NCS service

HONG KONG-based OOCL has offered the China-India NCS service currently run by MOL and Samudera. The service links central China, Shenzhen-Da Chan Bay and Nhava Sheva. Weekly calls at Da Chan Bay Terminal One is offered every Sunday, following an extended port rotation: Ningbo, Shanghai, Da Chan Bay, Hong Kong, Singapore, Nhava Sheva, Colombo, Port Kelang, Singapore, Hong Kong, and Ningbo.

Deploying a total of five vessels with an average capacity between 2,000 and 2,700 TEU, the service comprises one from OOCL, three from MOL and one from Samudera. Source: Schednet



The GREEN EXPLORER seen in Ijmuiden - Photo: Ruud Coster (c)

Keppel's associated company to amalgamate with Floatel International Ltd

Keppel Corporation Limited wishes to announce that its associated company, Aqua Pellentesque Ltd, has entered into an Amalgamation Agreement with Floatel International Ltd on 21 August 2011. This agreement paves the way for Keppel, with a current stake of 31.7% in Floatel, and other shareholders of Aqua, to acquire the remaining Floatel shares which they do not currently own, at a consideration price of NOK 19.50 per share ("Cash Consideration").

Mr Choo Chiau Beng, CEO of Keppel, said, "Over the past year, we have gradually increased our stake in Floatel, reaching our current interest of 31.7%. This reflects our growing confidence in the long term prospects of Floatel in its ability to provide high quality floating accommodation semisubmersibles for Brazil and the North Sea. Through this amalgamation, we hope to increase our interest in Floatel, to enable us to play a more active role in growing the company."

Pursuant to the Amalgamation, the Floatel shares held by the shareholders or proposed shareholders of Aqua who will hold the entire issued share capital of Aqua (the "Shareholder Consortium") will be converted into shares of the Amalgamated Company, whereas the Floatel shares of the shareholders not forming part of the Shareholder Consortium will receive the Cash Consideration of NOK19.50 per share in the capital of Floatel, issued and outstanding immediately prior to the effective time of the Amalgamation.

Aqua was formed by Wideluck Enterprises Limited, a wholly-owned subsidiary of Keppel, and Jonathan Fairbanks. As part of the amalgamation, the other shareholders forming the Shareholder Consortium will become shareholders of the amalgamated company. The Cash Consideration was arrived at taking into account the share price of Floatel in the last six months, the control premium, Floatel's new fleet and the potential synergies between Floatel's business with Keppel's offshore and marine business. The Amalgamation Agreement will be presented for the approval of Floatel's shareholders at a Special General Meeting ("SGM"). A notice of the SGM is expected to be issued on 22 August 2011, and the detailed terms and conditions of the Amalgamation will be contained in the notice of the SGM. The SGM will be held fourteen clear days after the distribution of the Amalgamation Agreement and the notice of SGM.

Subject to the Amalgamation Agreement being approved by Floatel's shareholders, the Shareholder Consortium will fully own all the shares of Floatel. This transaction is not expected to have any material impact on the earnings per share and the net tangible asset per share of Keppel for the current financial year. This press release should be read in conjunction with the detailed Amalgamation announcement dated 22 August 2011 issued to the Singapore Exchange.

Source: Keppel Corporation Limited



The BOW SIRIUS seen enroute Rotterdam - Photo: Harry van den Berg (c)

Hong Kong companies shift work from PDR to western Guangdong to cut costs

MANY Hong Kong companies in labour-intensive industries in the Pearl River Delta have relocated some production activities to western Guangdong in the face of rising production costs and labour shortages, reports the Hong Kong Trade Development Council (HKTDC). A recent HKTDC survey reveals that among the enterprises polled, 6.2 per cent indicated that they plan to set up new factories in the mainland within the next three years. Among them, 18 per cent would choose locations in Guangdong.

With increasingly convenient transport links and lower labour costs, western Guangdong has drawn the attention of Hong Kong companies which want to relocate production activities. In recent years, Yangjiang has been actively developing itself into a destination for industrial relocation. At present, there are four provincial-level industrial relocation parks in Yangjiang. Maoming has also been very proactive in setting up industrial relocation parks and in promoting investment in the city. At present, there are three provincial-level industrial relocation parks in Maoming.

Hong Kong-invested export enterprises that have started relocating are mainly engaged in labour-intensive industries such as textiles and garments, printing, sporting goods and electrical appliances. The production costs in both Yangjiang and Maoming are lower than that in the PRD partly because of more abundant manpower resources.

Western Guangdong is adjacent to the PRD and is the provincial gateway of Guangdong to the south western region with a well-developed transport network. When the western coastal railway is completed for operation in three years' time, it will only take two hours to travel from Shenzhen to Zhanjiang. As for sea transport, both Maoming Port and Yangjiang Port are category one national ports open to the outside world. As transport links between western Guangdong and the PRD improve, western Guangdong will become a more convenient venue for Hong Kong companies to expand production lines and accelerate production expansion in Guangdong. Source: Schednet

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.... PHOTO OF THE DAY



Above seen the container ship **CCNI Columbia**, on the main arm of the Fraser River, Vancouver, B.C. - August 21st

Photo: Mike Zelt ©