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**The DOLWYN ALPHA passing the Botlek bridge at the Oude Maas last Sunday enroute from
Zwijndrecht to the Mammoet premises in Schiedam**

Photo: Hans van der Linden www.aerolin.nl - AerolinPhoto BV ©

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The **LE MANS EXPRESS** off Malta - Photo : Malta Maritime pilot ANTHONY CHETCUTI (c)

Hellas: Ship owners pen new ship deals worth close to \$1 billion during China trip

The recent trip of Hellas' Prime Minister to China proved to be a rather beneficial one for Chinese shipyards, as the company of Hellenic ship owners which were escorting the Prime Minister, took advantage of the opportunity to secure more deals. According to shipbrokers' reports which have surfaced during the course of the week, Hellenic Shipping News Worldwide estimates that a total of \$1 billion worth of deals were signed, either for newbuilding contracts or for financing of existing orders. Among the most active were two major Hellenic ship owners, Laskaridis and Marinakis. The first one, through Laskaridis Shipping, was involved in the ordering of at least 10 dry bulk carriers for a total of \$255 million (if all options are exercised). All orders were placed with Penglai Zhongbai Jinglu. Reportedly, the first

one was for two 82,000 dwt dry bulkers for a price of \$27 million each and delivery in 2016 (including options for two more). The second one was for a total of four (4) 64,000-dwt bulkers for a price of \$24.5 million and options for two more.

In separate deals, Capital Ship Management of Marinakis was reportedly involved in new orders for a total of four (4) product tankers of 52,000 dwt each (including four options). Each vessel is thought to be priced at \$32 million (\$256 million total if all options are exercised). Two of the vessels (and two options) will be built in Guangzhou Shipyard (PRC) and the remaining at Samsung Ningbo, with deliveries expected during 2016. **Diana Shipping Inc.** also announced the ordering two firm VLOC bulkers (208,500dwt) at Jiangnan Changxing, in China, for a price of \$ 48.7m and delivery in 2016, while China Shipbuilding Trading Co was involved in the deal. In ship financing deals, Angelikoussis Group ruled the day, by securing a \$146.6 million term loan facility from China's CEXIM (China Export-Import Bank). The financing is for three 319,000 dwt VLCCs, currently under construction with Shanghai Waigaoqiao Shipbuilding (SWS) and expected deliveries during 2013 and 2014. Cexim was also involved in a number of deals, including one with Prokopiou, whose LNG shipping company, Dynagas, signed a strategic cooperation agreement with the bank. It is also reported, although yet unconfirmed, that Mr. Theodore Veniamis, head of Golden Union and the current President of the Union of Greek Shipowners (UGS) signed a deal for the financing of three Panamaxes.

Finally, Paragon Shipping's Michael Bodouroglou signed a \$69 million credit facility with China Development Bank ("CDB Credit Facility") to partially finance its two 4,800 TEU containerships currently under construction, that are expected to be delivered in the second quarter of 2014. The Company has granted an option to Box Ships Inc. (TEU), a subsidiary of the Company until its initial public offering in 2011, to acquire the vessels at any time prior to their delivery to Paragon Shipping. The CDB Credit Facility, which is available for drawdown upon the delivery of the vessels subject to certain contingencies and conditions, will be used to finance the lower of 60% of the construction cost of the vessels, or 80% of the vessels' market value at delivery. The facility matures ten years after the drawdown date. Under the terms of the credit facility, amounts borrowed will bear interest at LIBOR, plus a margin of 4.00%. The financial covenants and other conditions contained in the CDB Credit Facility are similar to the ones contained in the Company's existing credit facilities. In addition, this facility can be freely transferred to Box Ships Inc. if Box Ships decides to declare its option to acquire these vessels before their delivery. Commenting on the developments, our Chairman and CEO, Michael Bodouroglou stated, "We are very pleased to start a new relationship with China Development Bank, and appreciate the continuous support of our existing lenders." With the addition of the above deals, it is believed that Hellenic-owned shipping companies are now building more than 150 vessels in China. This was stated by Minister of Shipping Mr. Kostis Moussouroulis, who said to Chinese media that as of April a total of 142 vessels were been built in Chinese shipyards. This represents more than 60 percent of the global orderbook currently been built on behalf of Hellenic shipping companies. The new orders are the investment of Greek shipowners for the future, said Moussouroulis. Wang Qi, general manager of Shanghai Waigaoqiao Shipbuilding Co.,Ltd, said Greece has become an important client of China's shipbuilding enterprises. As one of China's major shipbuilding companies, Shanghai Waigaoqiao Shipbuilding Co.,Ltd has built a total of 67 ships for Greek shipowners in recent years, accounting for about 30 percent of the company's output, Wang said. **Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide**



Roro ferry **EXPRESS K** seen inbound Gelendzhik - **Photo : Dirk van Uiter** ©

Pirates Free Crew Kidnapped from Ship off Equatorial Guinea

— Four crew members kidnapped from a container ship off the West African nation of Equatorial Guinea in April have been released, the vessel's management company said.

Piracy in the Gulf of Guinea region, which includes Africa's biggest oil producer Nigeria, is pushing up costs for shipping firms operating there. Many experts believe the region's pirate gangs grew out of insurgent groups involved in oil theft in Nigeria's restless Delta region.

Pirates raided the Liberia-flagged ship, the [Hansa Marburg](#), on April 22.

"The four seafarers, who were taken from the vessel by armed men 130 miles (210 km) southwest of Malabo, Equatorial Guinea, and held hostage, have now been released," Hamburg-based shipping firm Leonhardt and Blumberg said in a statement.

The company said the crew - two Ukrainians, one Russian and one from the Pacific island nation of Kiribati - were in good spirits, but gave no further details of their release to "avoid encouraging further criminal acts of this kind".

The region is an important source of oil, cocoa and metals for world markets. International navies have not launched counter-piracy missions in the Gulf of Guinea, unlike in Somalia, where piracy was once rampant and has been largely brought under control.

Many vessels are forced to anchor off regional ports with little protection, making them soft targets for criminals.

Source : VOA News

CLAUS SOLD TO MULLER DORDRECHT



[Martrade BV](#) of Sliedrecht is pleased to announce that after the sale of ASD tug [Tryton \(En Avant 10\)](#) to Muller Dordrecht last year they now have sold the German ASD tug [Claus](#) to Muller Dordrecht. The new addition to Muller's fleet is now being dry-docked at [Maaskant Stellendam](#) and will be renamed [En Avant 20](#). The [En Avant 20](#) will fly the Dutch flag. Source : [Marien Kraak - Martrade BV](#)

Photo : Leon de Hoop (c)



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DOLWYN ALPHA DEPARTED



At the **Heerema Fabrication Group** yard in Zwijndrecht the 9300 tons module **Dolwyn Alpha**, was loaded out at Saturday 18-05-2013 **Photo 's : Julien Mos ©**



Photo right : Wim Kosten ©

The **DolWin alpha** platform is the second HVDC platform built and largest (900 MW) built by **Heerema Fabrication Group**. The topsides consists of a 5-deck level structure. To maintain the tight schedule for the construction of the topsides it was decided to split the topsides in 2 modules, fabricated in parallel. Those modules were assembled at the assembled at the Heerema Zwijndrecht yard. Early April 2012, the modules were assembled by means of a so-called mating operation. First, the upper deck module was moved and positioned in front of the lower deck module, followed by the jacking operation for the mating procedure. Once the upper deck module was at the required height, the lower deck section was moved out of the hall and positioned under the upper deck. It took only three hours to complete the mating operation. The DolWin alpha jacket is a 6-legs jacket and has been built for 40% indoors allowing a shorter fabrication period. The design started in March 2011. In August 2011 the materials were ordered, in November 2011 fabrication started and subsequently in September 2012 the jacket sailed to its final offshore destination.

In 2010 HFG's Zwijndrecht fabrication facility was awarded the contract for the Engineering, Procurement and Construction of the DolWin alpha HVDC platform by ABB Sweden. The HVDC platform is destined for the DolWin1 Windpark located in the German Bight.

The topsides are constructed at HFG's facilities in Zwijndrecht and the jacket was fabricated at the Vlissingen yard. ABB contracted Heerema Marine Contractors for the transport and installation of the **DolWin alpha platform**.





Photo : Henk van der Heijden ©



The converter station for Borkum-West is planned to be built on the offshore platform DolWin Alpha, that for feeding the power in the 380 kV grid at Dörpen-West/Heede at

HVDC DolWin1 is a bipolar HVDC with a voltage of 320 kV and a transmission capacity of 800 MW. As valves in both stations IGBTs will be used. The link, which will be completed in 2013, will be built by ABB and operated by TenneT.

HVDC DolWin1 is a high voltage direct current link under construction, which should connect the Trianel Borkum-West II offshore wind park with the power grid of the German mainland. The link will consist of a 165-kilometre-long (103 mi) bipolar cable, from which 75 kilometres (47 mi) will be laid in the sea and 90 kilometres (56 mi) will lay underground on land.

Photo left : Lia Mets © photo below Photo : Dirk Pieter de Vos ©



Photo : Marijn van Hoorn ©



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Cruise Passenger Bill of Rights Introduced

Cruise Lines International Association (CLIA), the world's largest cruise industry trade association, announced earlier this week the adoption of a "Cruise Passenger Bill of Rights." CLIA also will submit the bill to the International Maritime

Organization (IMO), requesting formal global recognition and applicability under the IMO's authority over the international maritime industry.

The passenger bill of rights will be effective immediately for U.S. passengers who purchase their cruises in North America on CLIA's North American member cruise lines, regardless of itinerary, CLIA said.

Cruise lines already employ many of these "rights" when problems occur on their ships. For example, it is customary for cruise lines to issue full and partial refunds for cancelled or interrupted voyages. "The Cruise Industry Passenger Bill of Rights codifies many longstanding practices of CLIA members and goes beyond those to further inform cruise guests of the industry's commitment to their comfort and care," said Christine Duffy, president and CEO of CLIA.

But are there elements in this bill of rights that would have changed things for the passengers on the **Carnival Triumph**, the ship that stranded more than 3,000 passengers at sea for five days under reportedly deplorable conditions? There's no way the passengers could have disembarked the ship: It was not docked when it lost power, as outlined as a requirement in the first part of the bill. And as for refunds, Carnival cruise line did more than what was outlined in the new bill of rights: It refunded passengers for the cruise and travel expenses, plus offered another free future cruise.



The **THOMSON MAJESTY** called at Grand Harbour, Malta **Photo : Malta Maritime Pilot Anthony Chetcuti ©**

In March, Sen. Charles Schumer (D-N.Y.) called on the industry to voluntarily adopt a bill of rights. "Cruise ships, in large part operating outside the bounds of United States enforcement, have become the Wild West of the travel industry, and it's time to rein them in before anyone else gets hurt," said Schumer at the time.

The bill of rights includes the following:

The right to disembark a docked ship if essential provisions such as food, water, restroom facilities and access to medical care cannot adequately be provided onboard, subject only to the Master's concern for passenger safety and

security and customs and immigration requirements of the port. The right to a full refund for a trip that is canceled due to mechanical failures, or a partial refund for voyages that are terminated early due to those failures.

The right to have available on board ships operating beyond rivers or coastal waters full-time, professional emergency medical attention, as needed until shore-side medical care becomes available.

The right to timely information updates as to any adjustments in the itinerary of the ship in the event of a mechanical failure or emergency, as well as timely updates of the status of efforts to address mechanical failures.

The right to a ship crew that is properly trained in emergency and evacuation procedures.



The **SEABOURN PRIDE** enroute Antwerp – **Photo : Walter de Groot ©**

The right to an emergency power source in the case of a main generator failure. The right to transportation to the ship's scheduled port of disembarkation or the passenger's home city in the event a cruise is terminated early due to mechanical failures. The right to lodging if disembarkation and an overnight stay in an unscheduled port are required when a cruise is terminated early due to mechanical failures. The right to have included on each cruise line's website a toll-free phone line that can be used for questions or information concerning any aspect of shipboard operations.

The right to have this Cruise Line Passenger Bill of Rights published on each line's website. Cruisers, what do you think about the passenger bill of rights? **Source : abcnews.go**



MOL QUEST leaving Southampton after her maiden call.

Photo : Gary Davies ABIPP - Maritime Photographic www.maritimephotographic.co.uk ©

River Fal lay up berths to empty for first time in years

Saturday 25th May 2013 in Cornwall River Fal lay up berths to empty for first time in years The River Fal lay-up berths will be empty in the coming month for the first time in years.

The roll on roll off ferry **NORMAN TRADER** has been sold to Stena Line to be renamed **STENA ALLEGRA**. She was expected to leave the Fal last weekend , towed by four harbour tugs. The ship will then be taken to the Cross Roads buoy until a salvage tug arrives to tow her to the Baltic for a refit.

It is reported that the Windsor Castle, the former Scottish lighthouse tender Fingal, will also leave the Fal for dry-docking after eight years in lay-up. Built by Blythswood Shipbuilding Co Ltd, of Glasgow, the **FINGAL** was the last ship to be built by the yard in 1963 and was based at Oban. In 1994 she transferred to Stromness. In 2000 she was sold to

Tamahine Investments Ltd of Hong Kong, registered in London and renamed **WINDSOR CASTLE**. Source [thisisthewestcountry](#) / Ferries of Northern Europe

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Bangladesh allows transport of foodgrains via its port

Bangladesh has agreed to allow India to use its Ashuganj port for transporting food grains to the Northeast.

Bangladesh government last week allowed India to transport 10,000 tonnes of rice for Tripura which would come from Haldia port to Ashuganj port in Brahmanbaria district in Bangladesh, about 40 km from here, and then the grains would reach Agartala by trucks, Tripura Food and Civil Supplies Minister Bhanulal Saha said. The order was passed by the Bangladesh government earlier last week following hectic diplomatic parley and the state government has taken steps to carry the food grains, Saha said. Earlier, Dhaka had allowed to transport heavy and over- sized machineries for the Palatana gas-based thermal power project through its territory. Palatana thermal power project in Gomati district would start generation commercially next month. Prime Minister Manmohan Singh had laid the foundation stone for the 726 MW thermal project in 2005. **Source : Zeenews**



The new build yacht **UTOPIA** moored at the "Koninklijke De Vries Scheepsbouw" Makkum.

Photo Jan Schouten ©

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Shipping industry feels adrift

After buoyant times, the shipping industry is experiencing that sinking feeling, with all hope of a bottoming out and rebirth having been smothered. Shipowners and those who charter vessels were optimistic during the first two months of this year, but during the past couple of months the paucity of orders for new vessels has all but dashed hopes. Times are likely to remain challenging until at least next year. "The shipping industry is at historically low levels, and it can't get much lower. If you are looking to buy ships, you couldn't find a better time. The only issue is that you would have to sustain this market for a few years before you started to make a lot of money," says Ravindranath Raghunath, head of chartering at the Noble Group. "Since 1997, the market has not been any lower than it is today."

China's largest shipping company, China COSCO Holdings, reported large losses for 2012, adding to significant losses in 2011. The Danish giant AP Moller-Maersk A/S has warned that global overcapacity is a threat to the industry. Dry bulk shipping rates in 2012 were a fraction of the 2010 highs and have yet to recover. All of this has put the industry in a funk.

Between 2003 and 2008 the mood was exuberant. They were boom years and the industry dreamed of almost perpetual expansion. Powered by economic growth in China and its seemingly inexhaustible demand for raw materials, the shipping industry reached record highs in 2008. Demand for space in container, bulk and tanker ships far outstripped supply, so owners could easily set almost whatever price they chose to hire out ships, while shipping companies could virtually set their own fees.

Massive profits pushed companies to order ships in record numbers, but those orders marked the beginning of the end of the good times. The addition of hundreds of ships to the global fleet vastly increased the supply of cargo capacity.

By itself, that increase would have imposed significant downward pressure on prices, but the industry was also hit by the global financial crisis. Economies in North America and Europe started to contract, while growth in Asia - most notably China - slowed. This translated into much lower demand at a time of increasing supply. As a result, the industry slumped. The Baltic Dry Index, issued every day by the London-based Baltic Exchange, which tracks the cost of shipping some of the major raw materials, is at levels unseen since 1997. The index reached a record high of 11,793 in May 2008 and then began to plummet. It fell to just 647 in February 2012. On March 22, the index was at 922, up 33 percent for the year but still at historic lows. On May 22, it opened at 829, 6 points below the previous day's close. The problem is that there are just too many ships out there, according to industry stakeholders.

"This is clearly not a demand-driven market," says Raghunath. "The next couple of years will not be about demand."

The industry had expected to see the glut in capacity sorted out this year through the trade in ore and measures taken by companies to cut supply, such as mothballing older vessels or slowing ships along their routes, thus limiting the cargo space available. But, what has actually happened surprised everybody. "Had I made this speech two months

ago, I would have said 'Things are looking good, no one is ordering ships'," says Raghunath. "What we have seen in the past two months is record orders. I don't recall any 60-day period in which so many Capesize ships have been ordered. Certainly not in the past four or five years." Capesize refers to vessels too large to use in the Suez canal, and which therefore have to round the Cape of Good Hope or Cape Horn.

Oversupply, falling profits

The shipbroker Clarkson PLC estimates that there is a 20 percent oversupply in the global fleet, but owners are ordering new and more fuel-efficient ships in almost record numbers.

And, given the time lag between ordering a ship and receiving it, 2014 is not likely to be much better for the industry.

"The margin between revenue and operational costs today is extremely narrow. Owners are finding things extremely tough," says Martin Rowe, managing director at Clarkson Asia Ltd.

The addition of new shipping capacity to an already weak market is likely to extend difficult times well into 2015.

Shipping companies have generally reported weak results for the last year and few expect to do much better in the year ahead. Meanwhile, freight rates for Capesize vessels have dropped from a peak of \$90,000 (70,056 euros) per day in January 2009 to a little more than \$10,000 during the last quarter of 2012 and the first quarter of this year.

According to Drewry Maritime Research, the average daily bulk-shipping rate for a Capesize vessel rose to \$40,300 in 2010, before falling sharply to \$11,700 in 2012. AP Moller-Maersk reported a 33 percent drop in annual profits in February 2012. The company's profits have rebounded this year, but only after the Scandinavian shipping giant reduced capacity and raised fees. In a statement released in February, the company said it expects profits to be lower this year than in 2012 because its container shipping operations have come under pressure.

Meanwhile, COSCO, the largest operator of dry bulk ships by capacity, said it had significant losses for 2012. In common with other shipping companies, COSCO has been hit by low freight rates. In 2011, it lost \$1.7 billion and expects similar losses this year.

All the doom and gloom has created another problem for the industry; financing is drying up. Banks are increasingly unwilling to extend loans to buy new and better ships and it can be difficult for companies to restructure to handle existing debts. The troubled times in the industry have attracted private equity investors looking for opportunities to buy cheap. While banks such as HSBC, Lloyds and Royal Bank of Scotland are all trying to get out of their shipping loans, alternative investors such as Apollo, Blackstone and Centerbridge are snapping them up at prices they hope will prove to be bargains. The challenges for the container shipping industry are not dissimilar to those facing the oil-shipping sector. "(It's) the usual reason: It's the overhang of new building in the order book," says shipping expert Peter Illingworth.

Saving grace

The only saving grace in the oil shipping business is China. Chinese companies are buying up new ships as oil imports continue to rise. "(China) is a great engine for demand growth," says Illingworth. "The reason to be cheerful about China is that the country is increasing its seaborne imports of crude dramatically."

China is increasing its crude imports by about 17 percent per year, according to Clarkson. The extra demand is welcome at a time when the US is reducing seaborne imports. The silver lining may be that most industry insiders expect 2013 to be the absolute bottom of the shipping rates cycle, while some companies have figured out ways to stave off the bad times by raising their rates and slowing down their ships, in effect cutting supply. By the end of the year, supply growth could slip below demand growth. That would be the beginning of the turnaround and good news for the industry - the first in a long time, says Peter Wijaya Surya, managing director of Aptus Maritime Ltd. "We have gone through the biggest bust in the history of shipping," he says. **Source: China Daily**

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Spotted in Cádiz (Spain) the 154,15 metres long Airbus carrier "**VILLE DE BORDEAUX**" (21.528 GT - 5.382 NT - 5.291 DWT - 2004). **Photo : Marius Esman ©**

One Step at a Time: Crude Tanker Delivery Schedule

The crude tanker fleet, like most 'volume' shipping sectors, has endured major overcapacity since the start of the downturn in 2008. This pressure has owners searching for positivity in both the supply and demand side of the market. A Heavy Burden:

The supply side outlook for crude tanker owners remains mixed. As shown in the Graph of the Month, there remains a substantial amount of crude tanker tonnage to be delivered in the next two years. Currently, 8.1m dwt of VLCC, Suezmax and crude Aframaxes have been delivered this year, with 30.5m dwt scheduled to be delivered by the end of 2014. A total of 25.2m dwt has been and is scheduled to be delivered in 2013, only slightly less than the 25.4m dwt delivered in 2012. As a result, the crude tanker fleet is projected to expand 4.3% y-o-y in 2013, while crude tanker deadweight demand is projected to grow 2.2%, widening the differential between supply and demand for another year.

Not All Bad

Consequently, there are likely to remain supply pressures for owners through 2013. However, when placed in a historical context, owners may begin to see some light at the end of the tunnel. Even before accounting for slippage, scheduled deliveries in 2013 are scheduled to fall to their lowest level since 2008. Crude Aframax deliveries are scheduled to reach their lowest level since 2001, with the active crude Aframax fleet projected to decline 1.9% y-o-y in full year 2013. Furthermore, the orderbook by dwt as a percentage of the fleet has fallen in each of the three sectors, as shown on the graph. By dwt, the orderbook at the start of 2013 represented 13% of the combined VLCC, Suezmax and Aframax crude fleets, with the Aframax crude tanker orderbook representing only 7% the fleet. Looking ahead to 2014, crude tanker delivery volumes are likely to ease, with scheduled deliveries declining 47.2% y-o-y. These factors, coupled with a gradually improving outlook for the global economy, and seaborne crude trade volumes, are likely to improve the balance between demand growth and supply growth in 2014.

The Future (Could Be) Brighter

The longer term outlook may offer further positivity for owners, as the orderbook delivery schedule in 2006 had a very different shape to the current outlook. Delivery volumes of crude tankers in 2015 and 2016 are currently scheduled at 4.2m dwt and 0.8m dwt respectively. Even allowing for slippage and some further contracting in the interim, it seems likely that supply growth will slow in this period. By contrast, at the start of the contracting boom, scheduled deliveries was 43.3% higher y-o-y in 2007 and 4.4% higher in 2008, compared to the schedule for 2006. Ultimately, there are currently two sides to the narrative of crude tanker supply. On one hand, there remains a large amount of tonnage to be delivered in 2013, which will add to the oversupply problems for owners. On the other, the medium-term outlook for deliveries seems more positive than it has been for owners since the start of the recession. Tentatively, crude tanker owners may begin to hope for a brighter tomorrow, on the supply side at least! **Source : Clarcksons**

Best course is to be fleet of foot

There is a worldwide glut of merchant ships, yet over the past few months some of the biggest names in the industry have been committing billions of dollars to building even more.

The reason? Fuel efficiency - and the result could, in a few years time, be a two-tier industry, with all the cargoes going to the ships that are cheaper and cleaner to run, with the rest, laid up and rusting away.

Welcome to the age of the eco ship.

Last month, one of the world's richest shipping investors, Norwegian John Fredriksen, set aside US\$2.6 billion (Dh9.54bn) to build the biggest fleet of fuel-efficient ships in history for his company Frontline 2012. This month, Teekay Tankers announced a \$188 million order for four new 113,000 tonne product tankers from South Korea's STX shipbuilders. The order includes an option for a dozen more which may be exercised over the next 18 months at a unit cost per ship of \$47.

"With their fuel-efficient design, which is estimated to result in 20 to 30 per cent fuel savings compared to current vessels in the existing fleet, we believe these new buildings will be very attractive to our customers," said Bruce Chan, Teekay Tankers' chief executive. This is in the teeth of figures from Clarkson, the world's biggest shipbroker, that the capacity of the world's merchant fleet is about 20 per cent greater than demand - the largest glut since the early 1980s.

However, Mr Fredriksen sees this as an opportunity. By taking advantage of the "historically low" cost of building a ship, he is betting that record energy costs and a global capacity glut will not ease any time soon - and leave the seas clear for his new eco ships. These ships will be more competitive because fuel now represents about 75 per cent of an average ship's running costs, double the proportion a decade ago. To get an idea what that means, take a 40,000 tonne merchant ship, build it to the right eco-specs and you cut fuel use by almost 30 per cent, equal to a saving of \$7,000 a day, based on a ship burning 25 tonnes of bunker fuel, at \$700 a tonne. For the cargo shipper, that means it costs less to move his product.

The ships will be built by STX Jinhae in South Korea and at the Longxue and Jinhaiwan yards in China, and the orders will take the number of Frontline 2012's eco-friendly ships on the stocks to 53. Simpson, Spence & Young, the world's second-largest shipbroker agrees with Mr Fredriksen's market assessment. According to its data, a new bulk carrier, built in China, the world's largest shipbuilding nation, currently costs \$42m, the lowest price since 2003, and a supertanker ordered today in South Korea will cost \$90m, the cheapest in at least nine years.

"Fuel-efficient ships will give Frontline 2012 a very strong competitive advantage," said Erik Folkeson, an analyst at Swedbank First Securities. "Fuel-efficient ships will be more competitive and could trigger increased scrapping of older and uneconomical vessels."

Mr Fredriksen's company says its new vessels will be profitable at charter rates that wouldn't cover operating expenses for existing carriers. And the market agrees. "Betting on Frontline 2012 is like betting on the future of shipping," said Erik Nikolai Stavseth, an analyst at Arctic Securities. "Even if there is only a moderate recovery over the next five years or so, Frontline 2012's earnings potential is substantial."

When Mr Fredriksen announced the order, Bloomberg surveyed the averages of 24 analyst estimates of the company's outlook. "Frontline 2012's net loss of \$3.94m this year will rebound to profit of \$32.3m in 2014 and \$151.4m in 2015," Bloomberg reported. "Its shares climbed 56 per cent ... this year."

Carlyle Group and Tiger Group Investments' GCI Group announced in December it was to invest \$5bn in fuel-efficient container ships and had opened talks with five container lines including United Arab Shipping Company. Higher fuel prices meant greater demand for larger and more efficient ships, GCI said. "We are actively pursuing new investments. The focus is heavily on either new eco-ships or looking at opportunities in the distressed market," the Tiger chairman Graham Porter said at the time. Scorpio Tankers, a shipping line based in Monaco, and AP Moeller-Maersk, which has the largest container-shipping fleet, also put themselves in the new orders camp. Last month Scorpio said it had agreed to construct six additional eco-friendly, product tankers for a total cost of \$300m, bringing its closely watched eco buying spree to 33 vessels.

Maersk has 10 of the largest, most efficient container ships ever built on order from yards in Korea, with an option for 20 more of the 'Triple-E' class ships. The data supports the building of these new vessels, Albrecht Grell, senior executive vice president of maritime solutions at the classification company, Germanischer Lloyd told the Connecticut Maritime Association 2013 conference. "In container shipping, we see enough benefits of eco-ships to justify orders beyond what would be introduced due to supply and demand," he said. And the shift seems set to change the entire design of ships. Japan's ECO Marine Group has just unveiled an innovative concept that promises increased fuel efficiency and lower harmful emissions by harnessing both wind and solar power. Eco Marine's Aquarius MRE System incorporates a variety of eco-friendly technologies including solar panels, energy storage modules and an advanced rigid sail design that could lead to greater fuel savings while drastically reducing harmful emissions. The system could

potentially include enough solar panels and energy storage to power the vessel while in port without the use of auxiliary diesel generators. While at sea, the rigid sail design would be used to supplement propulsion, further boosting fuel savings and reducing harmful emissions. The system can fit a variety of ship types and sizes including bulk carriers, oil tankers and passenger ferries. Eco Marine estimates that combination of technologies could lead to fuel savings of 40 per cent and also dramatically reduce the emission of noxious gases such as sulphur oxides and nitrogen oxides.

Other technology advances include a new Mitsubishi Heavy Industries system to reduce fuel costs by using bubbles.

The Mitsubishi Air Lubrication system, to be included in the design of three grain 95,000 tonne carriers for a US line, pumps the bubbles along the ship's hull reducing friction with the water.

Already fearful of being left behind, shipping lines with conventional ships are resorting to a variety of measures to cut costs. Tankers from the huge European line, Euronav have already cut their fuel consumption by up to 20 per cent by sailing slower and fitting modifications to their propellers and engines. And in one incident last month, the tanker Nord Integrity owned by Norden, Europe's biggest commodity-shipping company, stopped its main engine for four days allowing itself to drift on wind and current alone on its way to load at a terminal in Algeria, according to the company newsletter. It drifted 518km, saving 27 tonnes of fuel valued at \$17,064, according to the report. The ship arrived on time. Norden spent \$65m on fuel last year, equal to 67 per cent of its voyage costs, the newsletter said.

"Owners are trying everything because one tonne saved a day is \$600 on your bottom line," Truls Dahl, a shipbroker at Fearnleys in Oslo told Bloomberg at the time. "It's adventurous and interesting and a very good idea," adding he had never heard of [drifting] done before. The story maybe amusing, but the facts facing shipping lines are not. Daily earnings for bulk carriers have dropped 32 per cent since the start of February, according to the Baltic Exchange, and the largest tankers are earning \$14,709 a day, 84 per cent less than a year ago. Supertankers need \$24,200 a day to break even. "For owners who find themselves with less efficient ships than their competitors, innovation will be the key to prosperity," said Rob Almeida, of the US maritime website, gCaptain.com. "Because at the end of the day, a two-tier market with eco and non-eco-ships appears inevitable." **Source: The National**



"Smit Lamnalco tug **Aden** testing the FiFi monitors, on the back ground LNG carrier **BW GDF Suez Paris** at the YLNG terminal in Balhaf (Yemen)" **Photo : Peter Broesder – Smit Lamnalco (c)**

Pollution Incident at UAE Ports

The **Skuld P&I Club** issued last month advisory to its members regarding pollution accidents in UAE ports.

The recurring feature of these incidents has been that they have occurred while vessels were at berth and receiving bunkers from shore side road tankers.

Information available indicates that the occurrence of these spills coincided with the disconnecting of bunker hoses from manifolds. That would indicate that insufficient care and attention was paid to the concluding phase of the bunkering operation and perhaps were carried out in a hurry.

Consequent to these incidents were the levying of fines on both vessel as well as bunker supplier, irrespective of where fault may ultimately have been found for the incident. Fines of USD40,000 or more are not uncommon, but much higher fines can be imposed at the discretion of the Port Authorities.

The approach from the Authorities has been strict and they have not accepted Club LoUs, but insisted on a payment guarantee from the local Agent, absent which there would be no sailing clearance granted. Operators should proceed with caution when conducting bunkering operations and ensure that they are properly supervised, and conducted carefully, until their full conclusion. Any concerns or issues, should be promptly protested by the Master. In case of

serious concern, Masters should not hesitate to either halt operations and / or seek urgent assistance from the Club's local Correspondents. **Source: Skuld.**

<http://www.skuld.com/topics/voyage--port-risks/fines/asia/uae-pollution-incidents-at-ports>

India For Redraw of Piracy Risk Map

With pirate raids in eastern Arabian Sea virtually stopped for the past two years, India has taken up a new battle against global insurance firms to get the piracy risk map redrawn to prevent major shipping traffic from getting uncomfortably closer to its exclusive economic zone that adversely affect Indian fishermen.

In December 2010, the Lloyd's Market Association's Joint War Committee, a group of underwriters based in London, had increased the scope of the piracy-infested region till 65 degree east longitude. The increased area was defined in the 'Best Management Practices (BMP)' industry document, which is strongly endorsed by multinational forum, Contact Group on Piracy off the Coast of Somalia (CGPCS).

On May 1, the CGPCS held its plenary meeting in New York, where India, along with Egypt and Oman, reiterated their demand for review of the High Risk Area, which it had raised in earlier meetings too. "This time, we pointed out with a lot of facts and figures that there had been no incidents reported east of 65 degree since March 2012. And even that incident was 450 nautical miles from the Indian coast," said a senior Ministry of External Affairs official.

This fight, according to the Indian Government, has become necessary to protect the interest of the Indian fishermen, whose livelihood gets hit by large cargo ships navigating these waters close to the Indian coast, apart from ensuring that sailing through the Arabian Sea does not mean heavy insurance premiums for the cargo vessel operators.

"The **Enrica Lexie** incident, which led to the shooting of two Indian fishermen, was a direct result," asserted a senior government official. The Italians had even argued that the incident took place within the High Risk Area, to explain the skittishness of the marines who mistook the fishermen for pirates.

According to Indian officials, despite a lukewarm reception from other groups and global industry bodies, there had been a forward movement in the meeting in May that another ad-hoc meeting later this year will for the first time consider threat assessments by naval forces.

"This is a big step for us, as so far, any objective threat assessments done by naval forces will corroborate our position that there has been no incidents in recent years," he said. A possible compromise suggested by India is that while the piracy map may be shrunk till 65 degree longitude, "there could still be a provision for reporting of incidents till 78 degree."

But, despite the concerted effort, Indian officials were aware that reducing the high risk area is an uphill battle with the resistance from the global insurance industry.

"There is a lot of opposition from the insurance industry groups, since a reduction in high risk area would mean lesser number of ships requiring the specific insurance that has high premium," said the senior official.

As per the BMP, all ships transiting through the high risk area must buy the war risk insurance. Further, they could purchase an additional kidnap and ransom insurance, which covers ransom payment as well as other costs like hostage negotiations. A report was released last month on the Economic Cost of Somali piracy by a US-based non-profit group, Oceans Beyond Piracy which calculated that the additional spending on war risk and kidnap and risk insurance in 2012. **Source: The New Indian Express.**

CASUALTY REPORTING

JASCON 4 SINKS OFF NIGERIA

Tug 2004 built **Jascon 4** (471 gt,) capsized and sank about 30 nautical miles off Escravos oil field area, Nigeria on May 26. The vessel sank while supporting a tanker loading at Single Mooring (SBM) No.3, a loading point 30 km offshore in the Escravos area. Initial reports indicate that heavy ocean swells caused the vessel to capsize while performing tension tow operations of the tanker at SBM No.3. An emergency rescue operation has commenced, including surface vessels, helicopters and divers. It is believed that there were 12 crew members on board the vessel at the time of the incident. No survivors have been found yet. **Source : Iloyds**

NAVY NEWS



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Navy takes delivery of 3 patrol boats



The Royal Thai Navy took delivery of three new patrol boats to guard the coastline and provide security for the royal family. Navy commander Adm. Surasak Runroengrom accepted the vessels from shipbuilder Marsun Co. May 16 at the Sattahip Naval Base's Laem Thien Pier. The boats then were handed over to Coast Guard Squadron commander Rear Adm. Surapol Khuptaphan.

The patrol boats replace three older vessels operating in the Gulf of Thailand and Andaman Sea, guarding against drug traders, smugglers and illegal fishing fleets. They are also tasked with providing security for the royal family. Top Navy

place garlands on the bows of the 3 new vessels. Marsun spent 26 months building the three boats, which measure 21.4 meters long and 5.6 meters wide. They have a top speed of 30 knots, range of 350 nautical miles and can operate continuously 24 hours. The nine-person crew has three weapons at their disposal: a 20mm gun on the bow, half-inch machine gun on the stern and an 81mm grenade launcher. **Source : Pattaya Mail**

Destroyers to be named for MoH recipient, former SECNAV

The two newest destroyers will be named for a highly decorated soldier-turned-senator and a former Navy secretary, the Navy's top civilian announced Thursday.

DDG 117 will be named the **USS PAUL IGNATIUS** for the former defense official, who was a Navy secretary and an assistant defense secretary in the Johnson administration. And the next destroyer built will be named for Daniel Inouye, a Japanese-American who fought in World War II and later received the Medal of Honor for storming a machine gun nest, an attack that cost him his right arm. Inouye was later elected to the Senate from Hawaii and became the second longest-serving senator in history.

"As secretary of the Navy, it is my privilege to name these ships to honor a respected naval leader and a true American hero," Navy Secretary Ray Mabus said in a statement announcing the names. They will be the first warships to bear these names, the news release noted. **Source : militarytimes.com**

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China: Shipyards battling to stay afloat

Chinese shipyards have powered ahead and now produce more ships than anybody else, but the business of shipbuilding is becoming increasingly difficult and profits harder to come by. Although still major players and the world's biggest tanker producers, South Korean mega-yards no longer dominate every sector of the market. China is making more bulk carriers than any other ship producer in the world and Japan is also making a comeback, partly spurred by a lower yen, which makes it an attractive market for ship buyers. "Who still leads the pack? Well, it's China," says Martin Rowe, managing director of Clarkson Asia Ltd. China's output of ships in 2012 was close to 20 million compensated gross tons, an indicator of the amount of work that goes into building a ship. The nation's shipbuilding industry is extremely diversified, with 153 shipyards in operation. In South Korea, the No 2 player, production is concentrated in just four or five "super-yards" that dominate the industry. But the business of shipbuilding is changing rapidly, along with a shipping industry that has gone from massive boom to historic bust in less than half a decade. Through 2012, around 220 yards around the world were taking orders for ships, each holding at least one contract, less than half the number in 2007 or 2008.

"A vast number of yards, particularly in China, have either been mothballed, keeping the facilities running without producing anything, or have gone into liquidation," says Rowe. The boom days of 2008 and 2009, when new-ship orders skyrocketed, have come and gone. Although the number of ships ordered around the world in the first couple of months of this year was surprisingly high for an industry trying to deal with overcapacity, the orders were anything but uniform.

The top yard in China by order book is Jiangsu Rongsheng Heavy Industries Co, which builds bulk carriers, ore carriers, oil tankers, and a variety of other vessels. Despite the country's position as the world's leading shipbuilder, the company has faced difficult times during the last year. In 2012, revenue at its Hong Kong listed arm in 2012 dropped to half of the 2011 figure, and the company posted a net loss for the year. High fuel costs, environmental concerns and regulations mean that shipyards have to be creative. Many build ships at a loss today.

Financing is another issue because money for ships has dried up, with banks less willing to invest given the state of the industry. In 2005, the charter rate of some ships amounted to about three times the cost of the fuel. Today, the cost of fuel can be double the time-charter price of a ship, a result of increases in the cost of fuel and massive declines in shipping rates. The price of a barrel of oil is now more than 40 percent higher than in 2005, while shipping rates have plummeted in the past three years to levels last seen in 1997. A Capesize vessel - a designation for ships too large to use the Suez canal and which therefore have to round the Cape of Good Hope or Cape Horn - that would have fetched an average rate of \$35,300 (27,477 euros) through 2009, fetched \$11,700 last year. And a slew of new factors are likely to come into play to make things even more difficult. These include a series of new regulations, mostly environmental, that will kick in through 2025. The good news for shipbuilders is that turnover is rising. A ship's traditional 25-year lifespan, or number of years in use, is being reduced by roughly 10 years in some cases, as owners try to economize and add newer and more efficient ships to their fleets. **Source: China Daily**

Hyundai Mipo-order

Hyundai Mipo Dockyard Co., a South Korean shipbuilder, said that it has recently clinched a combined US\$300 million worth of orders to build 10 vessels, including seven chemical carriers. Hyundai Mipo, a unit of the country's leading shipbuilder **Hyundai Heavy Industries Co.**, did not give specifics on the terms of the deals and reveal the

names of the buyers. In March, the shipbuilder also secured a massive shipbuilding deal valued at 315 billion won to construct four vessels as well. **Hyundai Mipo** said earlier it is targeting orders worth \$3.2 billion this year and aims to log 3.6 trillion won in sales. The shipbuilder has won deals valued at \$2.1 billion so far this year to build 64 ships. Shares of Hyundai Mipo were trading at 140,000 won on the Seoul bourse as of 11:15 a.m., up 1.08 percent. **Source:** Yonhap

Otto Marine's shipyard sells a rovs support vessel for US\$50 million

Otto Marine Limited announces that, further to the announcement dated 2 April 2013, the sale of the Multi-purpose Field Support and ROV Support Vessel, "**Otto Explorer 3**", to RY Offshore Limited by the company's shipyard, through one of the company's wholly-owned subsidiaries, Otto Explorer 3 Limited, for an aggregate consideration of approximately US\$50 million had been successfully completed, said in the company's press release. The above transaction is expected to have a positive impact on the consolidated net tangible assets per share or earnings per share of the company for the financial year ending 31 December 2013.

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Argentina Customs Practices

Following a recent case where a provisional fine of over 400,000 USD was imposed, the UK P&I Club would like to remind members about the need to comply with local Customs regulations in Argentina.

This bulletin is a refresher of previous Bulletins and has been highlighted by our Local Correspondents in Argentina.

Attention should be paid to local Customs regulations when completing the "store list" at the time of clearing the vessel, and it is important to include bunkers, lubricants, paints, chemicals, spare ropes and the vessel's grabs (if any) in addition to routine items.

The mis-declaration or non-declaration, especially of bunkers, lubricants and other elements such as spare parts which cannot be seized directly, can cause complicated issues as Customs offices in certain ports (most recently at the port of San Nicolas) require a cash guarantee for the market value of those elements/products where the products themselves cannot be seized due to volume or quantity. The placement of a cash guarantee itself constitutes a problem particularly when considering large amounts. It should be borne in mind that the US dollars received will be converted into local currency (Argentine Peso) and deposited into a Customs Current Account where the money will remain without accruing interest.

Assuming that any defence placed on Owners behalf is successful, interest will run from the time a sentence is passed until the money is returned.

It is probable that any money recovered will only be returned in local currency and additional complications will arise when seeking authorisation to convert this back into US Dollars. Further complications may occur if the funds are to be remitted abroad due to complex exchange control regulations. In view of the above it is very important for Owners to properly instruct their Masters about the need to carefully declare everything on board in the "store list" on arrival and also ensure that the quantities are not duplicated in any way (i.e. in a general list and in an inventory) otherwise this will give scope to Customs to allege infringements. **Source:** POEA.



The **ZEELANDIA** just after passing the Botlek Bridge at the Oude Maas – Photo : Jan Oosterboer ©

'ELBE" MODEL VAN DE MAAND.

De sleephopperzuiger "Elbe" van **Baggerbedrijf De Boer** in Sliedrecht is in het Nationaal Baggermuseum het model



van de maand juni. Het schip is nu aan het werk in Marokko. De verwachting is dat over enige tijd het schip de Atlantische Oceaan zal gaan oversteken voor baggerwerk in Brasilië. De sleephopperzuiger "Elbe" werd gebouwd in 2010 bij Vosta/Ben Kien, Hai Phong. Het geïnstalleerd vermogen bedraagt 4480 kW. Laadruiminhoud 2800 m³. De lengte over alles bedraagt bijna 80 meter. De baggerinstallatie aan stuurboord heeft een zuigbuis met een diameter van 800 millimeter. De baggerdiepte is 30 meter. Baggerbedrijf De Boer werkt ook onder de naam Dutch Dredging en is gevestigd in een monumentaal kantoorpand aan het Doctor Langeveldplein te Sliedrecht. In dit gebouw was ooit het baggerbedrijf gevestigd van **K.L. Kalis & Zonen**. Veel Nederlandse baggerbedrijven komen oorspronkelijk uit Sliedrecht,

de bakermat van de mondiale baggerindustrie. Het model van de sleephopperzuiger "Elbe" is onlangs door Baggerbedrijf De Boer overgedragen aan het **Nationaal Baggermuseum**. De "Elbe" staat opgesteld in de expositiezaal in de tentoonstelling over "Leven aan boord".

Het Nationaal Baggermuseum is geopend van dinsdag t/m vrijdag van 14:00 tot 17:00 uur en op zaterdag van 11:00 tot 17:00 uur. Kijk ook op www.baggermuseum.nl



Italian tug **Carlo Marcello** in from Rotterdam 25.05.13 for OGN, Wallsend to tow the barge **H-302** out of the Port of Tyne. The barge is loaded with the bridge for the Apache Forties Alpha Satellite Platform (FASP).

Photo : Kevin Blair (c)

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Ship laying up is an opportunity for Sri Lanka

Present ship prices have decreased drastically around 80% than in 2008 and around 80% of the operational fleet is laid up due to the slump. It is clear that seafarer opportunities have boomed. The vision of the Sri Lankan government is to make Sri Lanka the shipping hub of Asia and the country is on the verge of realising this long awaited possible and achievable dream. Therefore, the port development obviously is not the only option.

There are many other related facets to be looked into such as ship building, ship repairing, ship ownership, crewing and a few other related areas. At present, the ship repairing and the ship building industries have developed with the Colombo Dockyard staking a claim with Japanese assistance. However the rate of development is not on par with the port development to achieve this vision. There are many other untapped opportunities like "ship laying up" in the shipping sector which must be capitalized now.

As the country was not much affected by the 2008 global recession, global "shipping slump" too will not affect the country. The transshipment incidence level handled by the country is enormous. The country handles around 40% of the Indian traffic through other pendulum shipping services. Apart from that, RORO (Roll on Roll off) shipping is increasing rapidly at the MR Port at Hambantota. Therefore, the risk is minimum and the opportunities are enormous in this sector. Since the country has the human resources trained in the country, the seafarer problem too can be solved.

Hence we need to analyse the strength and opportunities of the sector and conduct a meticulous analysis of the particular fields. The government should look into these opportunities and find out the avenues for the growth of the industry. As per opinion of most of the prominent ships managers in India, seafarers' wages may not be affected.

Adversity always has the opportunity and this is true, for shipping as well as for all stakeholders like owners, ships managers and seafarers. Seafarers can make use of this time to upgrade their skills, certification and specialization. Specialization in dangerous cargo can be taken by those who are in the dry bulk sector. This will give them a better edge.

Today, ships are technologically very advanced and the oceans are safer to operate. Females do not join the seafaring trade just for leisure or decent salaries. The adventurous instincts of females in the 21st century to face challenges at sea are a growing phenomenon that the shipping industry should adjust and adapt.

A few of these aspirants are now poised to take over command at sea and some may have already. It has been reported that in the male dominated field of shipping they are put to confront service discrimination. One could say that discrimination begins at the maritime education and training institute where the faculty expresses doubts on women's capability to withstand the vagaries at sea.

Women may have to exert more than their male colleagues in the field task. They are always required to prove their physical endurance and ability. An International Labour Organization (ILO) study reveals that women represent 1.2% of the world 1.25 million seafarers.

The International Transport Federation (ITF) claims that more than 23,000 female seafarers are members of their affiliated unions. Sri Lanka too should think about lady seafarers than thinking of untrained domestic aids which not only damage the image of the country but the culture and the society as well.

Ship ownership

Ship ownership is an essential area in this context. Ownership of ships for a country is very critical, since one core aim is to develop shipping. Therefore, the country needs to look into that specific area very analytically and as it is a two faceted business. At the outset, the government should strengthen the Shipping Corporation.

The Shipping Corporation was thriving during its inception in 1966 where it engaged positively in the trade with around 20 ships. But at present, the Shipping Corporation is badly sidelined with no possession of ships. This is the best time to upgrade this great institution due to the low price of ships in the world market.

Also, the government must encourage the private sector to buy ships at this important moment and conquer the shipping market at least in South Asia and countries in close proximity since the Colombo Port transships 40% of Indian consignments.

The nature of the shipping business is more dependent on prediction, as ship building takes time. More ships ordered from the yard during the boom period is now adding to the fire of recession in the shipping industry. The supply of ships now is too high with the latest development of ship technology. The boom in commodity prices earlier to the financial crisis, gave rise to demand of new ships from the yard. These new ships, being delivered now are adding to the over-supply of ships, resulting in very low freight rates in terms of demand for shipping.

The Baltic index for dry bulk is all time low. The Baltic dry index is the benchmark indicator for the freight rates. The dry bulk owners are running their ships at a loss. Only cash rich owners are able to sustain the loss hoping that the market will recover. The end of the tunnel is still not visible but predicts to start the boom in 2013.

The Baltic and International Maritime Council (BIMCO) is the largest of the international shipping associations representing shipowners. It controls around 65% of the world's tonnage and has members in more than 120 countries, including managers, brokers and agents. The association's main objective is to protect its global membership through the provision of quality information and advice promoting fair business practices, facilitating harmonisation and standardization of commercial shipping practices and contracts.

The declining of the ships prices started off with the European Economic recession in 2008. At present, most of the bulk ships have reduced the price around 80% from the initial price.

At the same time, German companies started selling their ships and chartering them to developing countries in order to keep their registered flags flying.

German companies found it impossible to provide stipulated salaries to German sailors and they wanted chartered companies to employ sailors of their country. Therefore, this is a good opportunity for the developing countries. During the month of September 2012, some German shipping companies offered some of their ships to companies in Sri Lanka to fly the Sri Lankan flag with the local crew. These kinds of opportunities are booming in the world shipping industry.

Apart from buying ships, this country has to look into training of seafarers which is a very attractive employment to the country with high salary scales. For example, a ship captain with a 10-12 years of sea experience may earn more than Ten Thousand Dollars per month including all other benefits like paid leave, air tickets and insurance etc.

A recent report from Clarkson Research Services highlights the effects on investors who have bought ships as alternatives to conventional assets. The price of a five-year-old Capsize (the type of vessel that sails round Africa because it is too big for the Suez or Panama canals) has fallen about 80% from a record high of \$33 Mn four years

ago and is now around 6.6 Mn US Dollars. The price of large oil tankers has dropped more than 60%, which has a high operating requirement in the South Asian region.

Ship laying up industry

World shipping giants like Maersk are laying up their ships in harbours around the world. According to the reports 80% of their fleet is laid up in different harbours like Singapore, Hong Kong and Malaysia. This is mainly to create artificial demand of the maritime industry and increase high prices in the freight industry.

Sri Lanka too can reap benefits in this situation and enter the ship laying up business as we have one of the biggest natural harbours in the world at Trincomalee. The Trinco harbour has the ability to lay up half of the ships in the world. During WWII most of the battle ships were laid up in the Trincomalee port which has around 1,630 hectares of water space. At the moment the free space of the harbour is lying free without generating any income.

Seafarers

Sri Lanka possess a reputed flag in terms of maritime industry. Therefore, we have a high reputation to train seafarers in the country. Flag ranking through meticulous auditing is done by international organizations. At the moment Sri Lanka enjoys a high status in terms of the flag ranking. The maritime world recognises seafarers trained and produced by the country.

Dalian Maritime University in China has conducted a research on the seafarer requirement of 2015. They have found a 50% increase in the demand of seafarers. At the moment the country has very few organizations to train seafarers but they produce international standard products. The negative is producing seafarers to cater to the world vacancy requirements. Therefore, the government should look into these opportunities and find out the avenues for the growth of the industry.

As per opinion of most of the prominent ships managers in India, seafarers' wages may not get affected due to the slump. Adversity always has opportunities and this is true for shipping as well, for all stakeholders like owners, ships managers and seafarers. Seafarers can make use of this time for upgrading their skills, certification and specialization. Specialization in dangerous cargo can be taken up by those who are in dry bulk sector. This will give a better edge to their career in future.

Today's ships are technologically very advanced and the oceans are safe to operate. An International Labour Organization (ILO) study reveals that women represent 1.2% of the world's 1.25 million seafarers.

Opportunities are manyfold in the sector as buying of ships, getting a higher market of the transshipment in the regular service and as many spillover effects that can arise like the laying up of ships, employment of seafarers etc.

Therefore, the government sector as well as the private sector needs to focus on the opportunities to attract the business in order to convert the companies to profitable ranges. Then the shipping network will be efficient and the reality of the shipping hub dream comes true within a few years. The government too needs to think out of the box as well as on the business perspective in order to find and grab the opportunities, where at the same time organisational behaviour and the structures to be re engineered to suit the business behaviour in the shipping sector. Then the three core areas of port, ship ownership and the seafarers can be developed to attract maritime businesses to achieve the Hub status of Asia which is the vision of the Nation. **Source: Daily News Lanka**



The **IVER EXPERT** enroute Rotterdam – Photo : Ria Maat ©

Jaya Group Holds Inaugural Officers' Conference in New Delhi, India



The **Jaya Group of Companies**, the Singapore based offshore energy services provider, offshore vessel operator and builder, held its first ever Officers' Conference in India Monday May 27, 2013

The inaugural event, at the Hyatt Hotel in New Delhi, was attended by more than 100 Merchant Navy officers and their spouses along with Jaya's senior management led by Chief Executive Officer Venkatraman Sheshashayee.

This Conference is the first of a series of Officers' Conferences, which are being planned in Jakarta, Dubai, Kiev and Kuala Lumpur. The event was also attended by senior managers from **Bibby Ship Management**, the UK based manager with whom Jaya has a robust partnership to provide trained and competent fleet personnel for Jaya

vessels. The one-day event was also a chance for senior Jaya officers to network and discuss the future strategic direction of the Jaya Group with the management.

In opening the conference, Mr Sheshashayee said that Jaya had changed dramatically in the past two years and was gradually being recognised as an international energy services provider. The focus was now on reinforcing the Jaya offshore and onshore teams with high quality training and the experience and ability to compete on a global basis.

He noted that the **Jaya Group**, thanks to its home base in Singapore in the heart of Asia, was ready to take advantage of the fundamental shift of economic activity from the West to the East. He told officers: "Jaya is perfectly placed to take advantage of these huge changes now taking place in the world economy. We can see that in future the balance will be tipped even more to the East and towards Asia." He noted that Asia's challenge was to gain greater momentum in the creation and development of technology, not just in the offshore domain, but technologies which drive and underpin all economic activity. The conference theme was growing the role of the Indian seafarer with the Jaya Group as a global offshore vessel operator. Topics included an elaboration of the 'Jaya Way', the group's continuous competence development, crew safety and quality and Jaya's newly developed integrated safety management system. The outlook for the Jaya Group was outlined by Ankush Agarwal, Jaya's marketing manager and Han Chee Juan, technical manager, gave an update on Jaya's technical and operational capabilities. Surrender Kumar, Vice Principal of the Bibby Group Maritime Training Centre in India, gave a talk on Bibby's presence and services in offshore training in India. Mr Sheshashayee added: "This conference, which we will hopefully make a regular event, is an important gathering during which we can focus on our offshore fleet personnel, the people who deliver our clients' expectations with their everyday diligence, professionalism and effort. "We want to ensure that our fleet personnel, who are so central to everything we do, are valued and aware they are part of the great changes taking place at Jaya. Their support and commitment are essential to our long term future and it is important everyone recognises that."



CMA CGM ALEXANDER VON HUMBOLDT arriving at Southampton on 25 May.

Photo : Gary Davies ABIPP - Maritime Photographic - www.maritimephotographic.co.uk ©

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Unisea shippings **BEAUFORCE** departed Freetown / Sierra Leone in rainy conditions.

Photo : Barry Fredriksz / Smit Lamnalco (c)

Fines for Late Submission of Crew Reports, Australia

Club correspondents **Thynne & Macartney**, Brisbane have advised of a recent case where a magistrates court in Brisbane imposed a sizeable fine on a shipowner due to the late submission of the crew report to customs.

Under Section 64ACB http://www.austlii.edu.au/au/legis/cth/consol_act/ca1901124/s64acb.html

of the Australian Customs Act of 1901 a vessel or operator is required to submit a crew report when a vessel is due to arrive at an Australian port from a place outside Australia, detailing each member of crew that will be on board upon arrival. The crew report must be submitted a minimum of 96 hours prior to the estimated time of arrival. However, if the voyage is less than 96 hours, the reporting period for submissions is reduced:

- Voyage duration of 72 hours or more, but less than 96 hours – at least 72 hours prior to arrival.
- Voyage duration of 48 hours or more, but less than 72 hours – at least 48 hours prior to arrival.
- Voyage duration of 24 hours or more, but less than 48 hours – at least 24 hours prior to arrival.

Crew reports may be submitted electronically, by fax or handed to the customs office at the first port of call. A signed original will be required from the vessel after arrival.

Late submission of the crew report is an offence which carries a maximum fine of A\$ 6,600 per crewmember, therefore the larger the crew the greater the possible penalty. The vessel involved in the recent case in Brisbane submitted the crew report 56 hours prior to arrival, 40 hours late. There were 23 crewmembers on board; hence the maximum fine was potentially A\$ 151,800. However, the Australian Customs Service decided to impose a fine of A\$ 1,000 per person, amounting to A\$ 23,000 overall. The local magistrate subsequently reduced the fine to A\$ 660 per person (10% of the maximum penalty permitted since this was the vessel's first offence) and the total sum was rounded down to A\$ 15,000. Higher penalties may be expected if a vessel repeats the offence. It can be seen that a relatively small administrative oversight may give rise to a significant fine, especially in the case of vessels with larger crews such as passenger ships. Members are therefore advised to ensure that their vessels submit their customs paperwork well in

advance of the minimum reporting period when trading to Australia. Further details on pre-arrival reporting requirements including the crew report can be found on the Australian Customs and Border Protection Service <http://www.customs.gov.au/site/page5803.asp> website. Members requiring further assistance should contact the Loss Prevention department. **Source: WoE.**



The **BBC SPRING** enroute Amsterdam – **Photo : Marcel Coster ©**

Cosco Pacific eyes ports abroad

The firm is focusing on its core businesses after selling an asset for US\$1.2 billion

Cosco Pacific says it is in advanced talks to buy ports on the mainland and in Southeast Asia and Greece because of their attractive prices.

The port operator, which is set to pocket US\$1.2 billion from selling its container manufacturing unit to its parent Cosco Group, wants to further focus on its core business - port and container leasing businesses - when the global economy recovers. Opportunities in Southeast Asia as ties with China improve would bring in more trade. Some factories have left China to set up in the region to take advantage of lower labour and land costs as well as more beneficial tax treatments from Europe and the United States.

"We have been pressing hard to invest in ports in Indonesia, Myanmar and Malaysia," said Qiu Jinguang, a deputy managing director at Cosco Pacific, after the company's annual shareholders' meeting yesterday.

Cosco Pacific is jostling for overseas port projects with its counterpart, China Merchants Holdings (International), which recently outperformed Cosco Pacific by securing port projects in Tanzania and acquiring a stake in French firm Terminal Link, which operates 15 mainland and overseas terminals. Wang Xingru, a vice-chairman of Cosco Pacific, said the backing from China Cosco Group, which operates one of the largest container shipping lines, would help them to secure port deals.

"Ports authorities are welcoming us as their investors as we can bring more shipments to them," Wang said.

Piraeus Container Port in Greece turned around in 2011 after two years of losses after Cosco Pacific took control of the operation in 2009.

Cosco Pacific brought in new shipping line customers and pier workers when the ports in Spain and Italy were affected by strikes.

Wang said they were interested in acquiring stakes in the Piraeus Port Authority as Greece was obliged to privatise its state-owned enterprises in accordance with the European Union's bailout package.

Cosco Pacific is also talking to mainland port authorities, including those in Qingdao, Guangzhou and Rizhao, as they were in the process of listing their port assets on the stock market. **Source : South China Morning Post**

Gopalpur Port begins operations

Gopalpur Port in Ganjam district started its commercial operations as an all-weather port, on a trial basis, on Sunday. Around 7,500 metric tonne of ilmenite, a sand mineral product of Indian Rare Earths Limited (IREL), was shipped through a small vessel to South Korea. The empty ship had anchored at the dockyard on May 23.

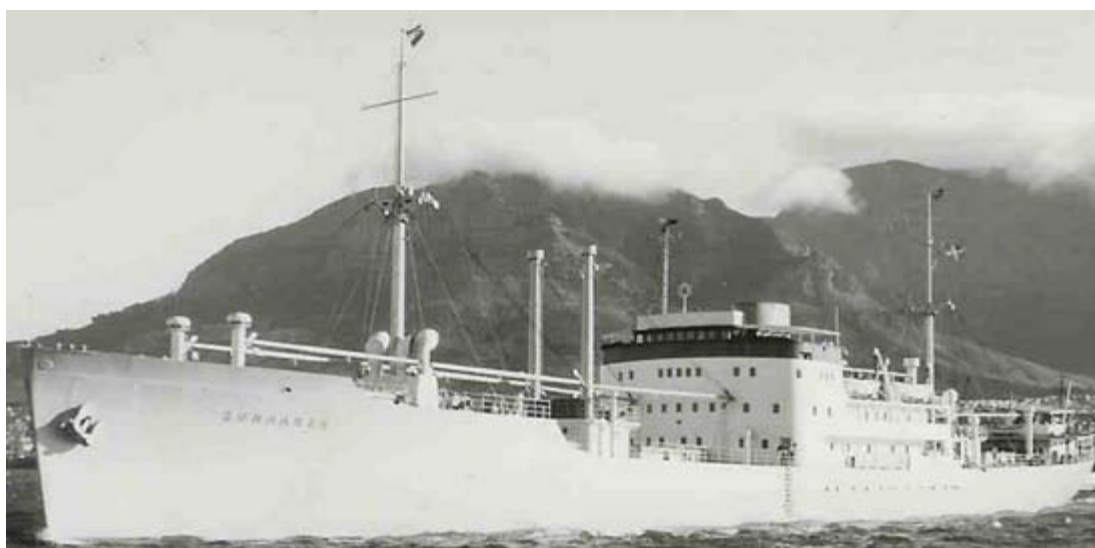
"We will rectify the defects before the port starts functioning in a full-fledged manner, in a month's time," said director (operations) of Gopalpur Port Limited (GPL) M M Moharana. More vessels are expected at the port for shipment of iron ore, IREL products, other minerals and food grains, he added.

The port had got the clearance for its operations from the Odisha State Pollution Control Board (OSPCB) and the customs department on May 14. The shipments were stalled in 2010 for the construction of the all-weather port. Prior to that, a port at Arjeepalli, about 30 km from here, was functioning as a seasonal one.

"We have constructed a multi-purpose berth with a cargo handling capacity of 3.50 million tonne. Another two berths would soon be constructed," Moharana said. Besides the port, work on other supporting infrastructure like power distribution system, railway and road connectivity is in progress, he said. The state government had awarded the Rs 1200-crore port development project to Orissa Stevedores Limited (OSL), Sara International Limited (SIL) and Hong Kong-based Noble Group in 2008. The Nobel Group had, however, pulled out of the project about two years ago.

"Already Rs 850 crore has been spent to make it an all-weather port," Moharana said. **Source : IndiaTimes**

OLDIE – FROM THE SHOEBOX



The 4202 gross ton **SUNNAREN** was built in 1948 at Eriksbergs M/V for the Swedish Rederi A/B Transatlantic's cargo liner service to Southern Africa. **Photo: Robert Pabst (c)**

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.... PHOTO OF THE DAY



The Belgian pilot tender **RAVELINGEN** moored in the Koopmansharbour (Vlissingen) – Photo : Hans de Visser ©