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The SMS ODYSSEY (ex Smit Lloyd 57) anchored Offshore Lamongan / Indonesia, At present underway to Singapore as she is sold from PT Wintermar to new Vietnam owners Photo: Bob Slot - Wintermar Offshore Marine Group ©

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EVENTS, INCIDENTS & OPERATIONS





Princess cruises ship **GRAND PRINCESS** inbound to Ogden point VICTORIA BC July 21th 2013

Photo: Robert Etchell ©

CrewPlan fullfills requirements MLC

HMC supports objective of the ISM to ensure safe operations



When the Maritime Labour Convention (MLC) of 2006 comes into force it will replace and update more than 68 International labour standards related to the maritime sector adopted over the last 80 years. The MLC will provide seafarers with fair terms of employment and certifies the working and living conditions of all ships over 500 GT in the International trade. Ship-owners will benefit from having a clear, consistent set of standards which must comply. On the 20th of August 2013 all ships which trade internationally must meet the new requirements of the MLC.

Hydrographic and Marine Consultants BV HMC's CrewPlan helps complying to these MLC regulations by managing crew certificates, physical checks, on and off times and managing documents. The program gives automatic warnings for the renewal of certificates with expiry dates and has the ability to combine crew and voyage schedules.

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A demonstration version is available on our website www.hmc.nl



The CAP SAN NICOLAS in Santos (Brazil) during her maiden voyage -Photo: Roberto Smera - www.pbase.com/smera (c)

Cross-Med Afra freight rates soar on tight tonnage, Kirkuk loadings

Spot freight rates for Cross-Mediterranean and Black Sea-Med Aframaxes climbed steeply on firmer sentiment since Iraq's Kirkuk grade crude restarted following a near month-long outage. Cross-Med and Black Sea-Med Worldscale freight rates were assessed Friday at w105, basis 80,000 mt, a w15 rise day-on-day and a w32.50 rise in freight rates since Monday on improved demand for cargoes tightening tonnage levels.

Shipowners, charterers and shipbrokers pegged the rates on Cross-Med and Black Sea-Med at within the w95-w110 range for July 26-31 and for early August dates. Iraq's Kirkuk oil grade is transported via pipeline from the oil field in the northeast corner of the country and through Turkey, where it discharges at the Mediterranean port of Ceyhan. Prompt demand for the cargoes in July resulted in the tightness of tonnage, shipping sources said.

"The tonnage list is quite thin, and there is still inquiry to be worked, and a good amount of vessels are there on subjects," a shipbroker said.

The SC Sara, owned by Heidmar, was heard on subjects to Litasco at w110 loading on July 31 from Ceyhan, Turkey, to the Mediterranean. Sources close to the deal confirmed the fixture. Another vessel, the Maltida, owned by Thenamaris, was heard on subs to Total's shipping arm, CSSSA, loading July 31 from Ceyhan, Turkey, to the Med at w110. Total was not immediately available to comment, and Thenamaris declined to comment. Source: Platts





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The INNOVATION arrived last Saturday in the Eemshaven, the installation vessel is expected to be in the future a more regular visitor to the port and will be moored at the new **ORANGE BLUE TERMINAL** in the Juliana harbour, on the right is seen the largest windturbine in the Eemshaven

Photo : Pieter van der Wal - Chief Port Operations, PFSO - www.groningen-seaports.com ©

Cheoy Lee AHTS Handed Over to Teras Offshore

Hong Kong's **Cheoy Lee Shipyard** has handed over the second in a series of five 50m Towing/Anchor Handling Tugs for **Teras Offshore** in Singapore. The new AHTS **TERAS BETHEL** sailed directly to Batam in Indonesia (dodging a typhoon) where she will enter service. Prior to departure, the vessel and crew were blessed by the reverend Stephen Miller of the Mariners' Club in Hong Kong.



Designed by Wärtsilä Ship Design Singapore, the capabilities of these vessels include; towing/moving barges and rigs, tanker handling and berthing, anchor handling duties, transporting equipment and materials, external firefighting, maintenance and pollution control.

Construction is to ABS class, with the notation +A1, Towing Vessel E, +AMS, UWILD. All five vessels are powered by twin

Yanmar 6EY26W diesels, each developing 2610hp at 750 RPM. Power is transmitted to two Berg 2650mm diameter controllable pitch propellers via Twin Disc gearboxes. Free running speed is 13.5knots, with a bollard pull of 69 tonnes. Maneuverability is enhanced by a 320kW Nakashima TCT-105 electric bow thruster, also with a controllable pitch propeller, and delivering 4.9 tonnes of thrust. Three Caterpillar 350kW 3-phase generators supply onboard power requirements via Teresaki switch and distribution boards. An 82kW, air cooled Caterpillar C4.4 generator serves as a stand-by. There is a capacity of 544 cubic metres of fuel and tankage for 234 tonnes of potable water allows for extended range. The vessel accommodates a crew of up to 24, in four 4-man cabins, three 2-man cabins and two single cabins for the captain and chief engineer. The elevated bridge has excellent all round visibility, with both

forward and aft facing control stations, each with Bostrom helm seats. Steering is by Jastram, and the full array of navigational equipment is primarily from **Furuno**. Towing gear is exclusively from **MacGregor** in Singapore, including the 75 tonne anchor handling/towing winch, 6 tonne anchor windlass, a rope storage reel, a combination shark jaw and towing pins, two tugger winches and two capstans. The deck crane with 9m reach for lifting the work boat is from Palfinger. There is also a **Zodiac** 6-man SOLAS rescue boat with 'A' frame launching davit on the starboard side and a work boat on the port side. Principal Dimensions: 50.00m LOA x 12.60m Beam x 4.50m Draft. **Source**: MarineLink



Van Oords Cutter dredger ATHENA with muticat OCEANUS alongside working on approaches to wharves for new LNG plants on Curtis Island Gladstone QLD Photo: Peter Williamson ©

Ukraine intends to ratify agreement on merchant shipping with Italy

An agreement between the Cabinet of Ministers of Ukraine and the government of Italy on merchant shipping will be submitted to the Ukrainian parliament for ratification, the press service of the Infrastructure Ministry of Ukraine has reported.

The press service said that the government at a cabinet meeting on July 17, 2013 approved a relevant resolution and a draft law. Infrastructure Minister Volodymyr Kozak said that the realization of the agreement would promote the further active development of relations in the transportation sector between Ukraine and Italy, and in particular, the improvement of the conditions of sea voyages and the strengthening of partnership merchant and economic links between the two states as a whole.

"The agreement will promote improved bilateral interstate and business liaisons between Ukraine and Italy, in particular, it will improve the development of cooperation in the merchant shipping area," reads the report, citing Kozak. According to the agreement, equal conditions of access will be created for national ships at the ports of the two countries regarding free entrance to ports and leaving them, the payment of duties and tariffs, port fees, port taxes, and the use of port equipment for loading and unloading, embarkation and debarkation of passengers, crew members, etc. Ukraine and Italy will also take measures to prevent delays to ship schedules, and facilitate administrative, customs and other procedures at ports. Source: Interfax

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WELDING COURSE FOR BBC CHARTERING'S PORT CAPTAINS



BBC Chartering's Singapore conducted a "welding course" for their port Captains operating in the Far East and Middle East Area, the 2-days course was conducted in the **M-Hotel** in Singapore, above seen the participating captains, the instructor (middle) and Capt. **Jimmy Jensen – Photo's Piet Sinke** ©



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HB RENTALS MAKES KEY APPOINTMENTS TO EASTERN HEMISPHERE OPERATIONS

Offshore accommodation and workspace specialists **HB Rentals**, part of **Superior Energy Services** has made two key appointments to its business operations as it continues to grow in the eastern hemisphere.

Brad Hirst and Mike Christie have been appointed sales & marketing manager and technical manager respectively and will operate out of the company's new purpose built UK facility.

Norman Porter, business unit managing director for Europe, Africa and Middle East spoke highly of the latest additions to the team: "These new appointments will be crucial as we continue to consolidate and improve our services in key markets such as the North Sea in line with our ongoing strategy for international growth. Both Brad and Mike bring a wealth of oil and gas experience to the company and their knowledge will be critical as we enter this new phase of development." Mr. Hirst joins HB Rentals with five years experience in the offshore module business holding various commercial positions with the majority of that time spent working in the Middle East.

He has been tasked with ensuring that the company's sales and marketing plan is developed and executed for the company's core unit hire and maintenance business as well as HB Rentals' capabilities in the high growth custom build market. Commenting on the new role, Mr. Hirst said: "HB Rentals is an industry leader in the provision of offshore accommodation and workspace solutions and I look forward to working with the team and facing the challenges ahead. As demand for our products and services continues to grow in the North Sea, new markets are being explored and the knowledge and experience that I have accumulated will enable me to contribute to the overall success of the company." Mr. Christie joins as the company's new technical manager and will oversee all engineering matters with his remit spanning both UK and European operations. With 13 years in module manufacturing and installation and nearly 35 years of overall oil and gas experience Mr. Christie's previous roles include technical and project management. Both Mr. Hirst and Mr. Christie join eastern hemisphere operations after a strong 2012, a period that saw considerable growth for HB Rentals in its key market areas and significant investment in its operations with the opening of brand new £1million facilities in Sauchen, Aberdeenshire. HB Rentals operate a fleet of more than 400 A60 units comprising a wide variety of two to 12 man accommodation cabins, galleys, laundry, recreation and mess rooms, gymnasiums, heliports, offices, laboratories, MWD, mudlogging and well-support cabins as well as other custom fit-outs as specified by its worldwide customer base. It offers full certification, modification and refurbishment, offshore installation, hookup and commissioning services as well as maintenance support with a 24/7 technical service worldwide.



22-07-2013: The 2011 built OSLO BULK 7 2011/5679gt, out from Geelong off Sorrento Photo: Andrew Mackinnon – www.aquamanships.com ©



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Port industry reawakens with Law on Sea Ports

On June 14 2013 the Law on Sea Ports came into force, providing new opportunities for the Ukrainian port industry and firing the starting gun for port reform. The main implementation measures of the law have been assigned to the Ukrainian Sea Port Authority (USPA), which began operations on June 13 2013. This state enterprise, with registered capital of about \$5 million and more than 10,000 employees, consists of a headquarters in Kiev, 18 branches at Ukrainian sea ports and one special pilotage and dredging branch. The main task of USPA is to ensure that all stakeholders (of state, private and other forms of property) have equal access to strategic port infrastructure. USPA branches will act directly as the maintenance and operation divisions for port infrastructure. They will also be responsible for the implementation of port development and financial plans and the observance of safety standards, among other duties.

However, despite the commencement of port reform, the strategy plan for the development of ports has not yet been approved. The strategy plan was slated for adoption in February 2013, but is still under discussion. This plan should contain the essence of the reform, while the law itself is assumed to be the tool for realising the strategy. It has now emerged that the reform must be based on the strategy adopted in 2008. The draft strategy plan covers the next 25 years and is intended to attract more than \$3.25 billion of private investment in order to create more than 15,000 additional jobs and ensure an annual state revenue from the port sector of \$700 million. The plan envisages the development of the industry on the basis of 18 state-owned ports – not including sea fishing ports, which also engage in transshipment of cargo such as steel, grains and coal, thus creating some competition. The cargo turnover of private terminals and river ports is also not taken into account, even though private terminals may overtake the traditional industry leaders over the next decade. The first stage of reform entails the reorganisation of port structures and reassignment of authorities; therefore, certain increased risks may arise during this period which require detailed assessment and competent legal advice. Source: International Law Office

Pirate Negotiator Can't Upend Life Sentences

The 4th Circuit affirmed the convictions of a Somali pirate who served as a ransom negotiator for hostages on two ships captured in international waters. According to his indictment, Mohammad Saaili Shibin negotiated a \$5 million ransom for the German merchant vessel, the Marida Marguerite, in 2010. He also was described as the "negotiator" by pirates who held hostage, and later killed, four Americans aboard the Quest, a sailing ship participating in an international yacht rally. Shibin was captured in Somalia in April 2011. He was transported to Virginia for trial and

convicted of multiple counts of piracy and related crimes. Shibin received multiple life sentences. On appeal, the Richmond, Va.-based 4th Circuit rejected all of Shibin's claims for relief. Shibin challenged his piracy convictions by arguing that he did not himself act on the "high seas." He claimed that he had boarded the Marida Marguerite only after the ship had docked. Shibin also argued that he was never personally asked to be the negotiator for the Quest piracy, and was unaware that other pirates had named him. This argument missed the mark, however, with the appellate court finding that "liability for aiding and abetting piracy is not limited to conduct on the high seas."

Two United Nations Security Council resolutions "reflect, without ambiguity, the international viewpoint that piracy committed on the high seas is an act against all nations and all humankind and that persons committing those acts on the high seas, as well as those supporting those acts from anywhere, may be prosecuted by any nation under international law," Judge Paul Niemeyer wrote for a three-member panel. The court also refused to dismiss the indictment because Shibin was "forcibly seized and removed from [Somalia] by agents of the United States government and was provided no opportunity to challenge either his detention or his removal." Somalia's lack of an extradition treaty does not limit U.S. jurisdiction over the case, the panel found. Shibin's non-piracy convictions, which included hostage taking, violence against maritime navigation, and use of a firearm during a crime of violence, also stand, according to the ruling. Congress specifically designed the statutes in question to apply extraterritorially, the court noted. Finally, the panel upheld the admission of an FBI's agent's rebuttal testimony that relied on interviews mediated by an interpreter. "While interpreted testimony might be unusable without the interpreter's presence in a circumstance 'where the particular facts of a case cast significant doubt upon the accuracy of a translated confession,' no such facts were presented in this case," Niemeyer wrote. Source: Courthouse News



The AHTS ODIN VIKING, BB TROLL and NORTHERN SUPPORTER moored in Aberdeen Photo: Dik van Uitert ©





The BBC OLYMPUS in Rio Grande - Photo: Marcelo Vieira ©

Tanker officers plead guilty to dumping oily water overboard, and lying about it

Two officers aboard the oil tanker M/T Stolt Facto have pleaded guilty to improperly disposing of oily bilge wastes overboard, then falsifying records to hide the disposal. Former Stolt Facto second engineer Anselmo Capillanes, 46, a citizen of the Philippines, was sentenced on July 9 to two years of probation and was ordered to pay a \$15,000 fine, by U.S. District Judge Jay Zainey in New Orleans. Former Stolt Facto chief engineer Inigo Albina, 57, also of the Philippines, will be sentenced on Aug. 7 for his role in the pollution incident. The two men pleaded guilty to violating the federal Act to Prevent Pollution from Ships. The 26,328-gross-ton oil tanker Stolt Facto is owned by Stolt-Nielson LLC and operated by Gulf Stolt Ship Management, based in Dubai. A statement from the company said it is cooperating with the U.S. Justice Department in the investigation.

"Two crew members from the ship confessed to violating maritime pollution regulations on their own accord," said the statement. "The ship's captain and company officials were unaware of the actions taken by the two crew members.

"Gulf Stolt Ship Management strongly condemns the actions of these two crew members. The company has a very robust environmental policy in place that all employees are aware of," said the statement.

According to explanations filed with the court when the two officers pleaded guilty, beginning in October 2012, Capillanes directed members of the ship's engine room crew to connect hoses from bilge wells and a bilge holding tank on the lower deck of the engine room, and to pump their contents into a sewage holding tank, which caused the oily water to bypass an oil-water separator and be discharged into the ocean.

The transfers and discharges were not recorded in the ship's Oil Record Book, as required by the federal law, which makes it a crime to knowingly violate the MARPOL Protocol, an international treaty regulating pollution from ships.

Albina was responsible for the operation of the engine room, including the maintaining of the Oil Record Book, and he made and signed all the entries in the book, which said the oily water passed through the separator before being discharged overboard.

The violations were discovered on Jan. 15, when the ship was boarded and inspected by the Coast Guard while anchored in the Mississippi River near New Orleans.

"During the boarding, the Coast Guard inspectors found the hoses and pump used to bypass the oil-water separator," said a "factual basis" statement filed during Albina's May 1 guilty plea before U.S. District Judge Stanwood Duval Jr. "When the Coast Guard inspectors questioned the engine room crew about the purpose for the equipment and the operation of the oil-water separator, all except one engineer denied that they bypassed the oil-water separator despite some of them having been ordered to assist with the connection of the hoses and pumps.

"After the Coast Guard's initial interviews of the engine crew, Albina asked each one how he had responded to the Coast Guard's questions," the statement said. "Albina then conducted an all-hands meeting with the engineers and lower-level engine crew. The illegality of the operation was discussed, but Albina told everyone in the meeting to deny

knowledge of the hoses going to the sewage holding tank, bypassing the oil water separator." Albina admitted that he was trying to influence the inspection by telling the crew to lie, the statement said. Source: The Times-Picayune



Last week Wednesday a special meeting off IJmuiden by the MSC OPERA and the MSC MAGNIFICA.

Photo: Henk Honing - info@fotohoning.nl ©

Replacing Isolation with Belonging Aboard A Whale – Current situation



The **Sailors' Society** aims to meet the needs of seafarers when they are most needed and that has been tested in the case of the abandoned crew of the TMT-owned tanker **A WHALE**. Abandoned for six months the crew of **A WHALE** stranded off Suez have experienced a roller-coaster of emotions not knowing when their situation will be resolved. Pawns in an immensely complex legal case, they have suffered through lack of basic supplies. When the predominantly Indian crew first contacted maritime charity, the **Sailors' Society**, the situation sounded beyond desperate, with concerns over critically low supplies of food, drinking water and bunkers. Amidst the words of their early emails to the Society came the overwhelming sense of isolation and abandonment. The crew were desperate for someone to

listen, to care and to act on their behalf:

"It is our request to you, to keep a track of us till the time our situation comes back to normal, because we are afraid that if our company does not provides fuel on time then we will even lose this little means of communication that we have, as ships communication is already out of order & not being fixed by company. Your follow up is very much required" The charity responded assuring them that we would do everything they could to help. As the crew had not been paid for six months they were desperately concerned about family at home. One seafarer had not been able to send promised money to his pregnant wife, and a second, with an elderly widowed mother (his father having died at sea), knew their loved ones would be going hungry without their wages to help. The charity assessed the need and arranged for crisis payments to be made. The relief was evident in the reply they received "This was the happiest day of my seafaring life" wrote the grateful seafarer. Since that first email the Society has been in daily contact with the crew. Taking up their cry and advocating on their behalf with the various parties involved; and that tone of desperation and loneliness in the first emails has reduced. The company has now delivered water and bunkers and their satellite communications have been reconnected, so the crew have a sense that their plight might almost be over.

Jan Webber, Director of Fundraising who has liaised with the crew commented, "it's the duty and privilege of charities like ours to be able to meet the needs of seafarers where and when they most need us, of course this is just one case of desperation and we hear hundreds through our chaplains who are on the ground listening to the worries and

struggles of seafarers far from home for months at a time." On this occasion, the charity were pleased to be in the right place at the right time to help the captain and crew. If you would like to know more about the work of the Sailors' Society or to find out how you can support the maritime charity please visit www.sailorssociety.org contact Scot Bower sbower@sailors-society.org.

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What will life be like with P3?

THE P3 alliance proposed by Maersk Line, Mediterranean Shipping Co and CMA CGM can be regarded as the next attempt by the container industry to deal with the aftermath of the end of the conference system and the collapse of Lehman Brothers within weeks of each other in 2008. It may not be the last. The abrupt end to a culture of rapid growth and collaboration on price while dealing with far higher bunker prices than those upon which existing vessel and service structure selection had been predicated inevitably led to an atmosphere of crisis.

Meanwhile, the almost comic volatility of the Shanghai spot rate index fills many column inches despite the fact that most cargo moves on medium-term rate agreements that are misleadingly labelled as contracts. Yet despite these pressures, the container industry has much to be proud of. It has morphed into a number of global networks, each able to provide a geographically comprehensive service to shippers. The Box Trade Intelligence/MDST databases and models allow us to estimate that had the size, service structure and speeds of ships operating in 2006 not changed, then general and bunker price inflation would have raised costs per teu by 39% by 2012.



The MAERSK KLAIPEDA outbound from Rotterdam - Photo: Ria Maat ©

Remarkably, however, our estimate is that costs per teu in 2012 on the east-west trades have fallen by 4% and freight rates by 5%. Slow steaming and investment in ever larger vessels has made a remarkable contribution. Now an absolute decline in cargo on some routes, coinciding with the delivery of even larger ships to allow lines to address those falling rates through further scale economies, is leading to a further decline in utilisation.

While both Maersk and CMA CGM posted profits in the first quarter of 2013, those profits were wafer thin; around \$15 and \$10 per teu respectively — equivalent to around 1% of turnover. Excess supply can be expected to lead to further falls in rates and therefore to losses. Such a potential crisis could have global consequences. We estimate that eastwest services carried container traffic to the value of \$4.7trn in 2012. The P3 members alone would have carried some \$1.5trn worth of goods, equivalent to the gross domestic product of Australia. It is crucial that these services are commercially sustainable and sold at stable and predictable rates for the sake of global recovery.

The three lines announced in June that their east-west services would be managed as a single 255 vessel (2.6m teu capacity) strong fleet by a joint vessel operating centre from the second quarter of 2014. At one level, the P3

proposals could be regarded simply as a vessel sharing arrangement, albeit on a huge scale: a third of global east-west capacity and therefore exceeding the European Commission's '30% rule' that is designed to achieve efficiencies.

From a combined east-west fleet of 346 ships of a mean capacity of 7,100 teu there will be a dramatic reduction in ships to 255 of 10,200 teu mean ship capacity. There will be a marginal increase in fleet capacity from 2.5m to 2.6m teu, as compared with the 3.5m teu if newbuildings were simply added to the existing fleet. No less than 25% of that figure of 3.5m teu is therefore being discarded. However, even if shipper organisations, which pressed so hard for the end of conferences to Europe, are placated by assurances that the P3 members will continue to compete on price in a kind of "code sharing" regime, other members of the container industry may feel less comfortable.

Maersk has confirmed that port terminals will be selected by the P3 members sitting together; given the P3 members' interest in their own terminals and a clutch of existing contractual agreements this itself is potentially anti-competitive. Furthermore, 70%-75% of the capacity of these 255 ships will in effect reflect those ships that they either already own or are being built specifically for them. This amounts to one member agreeing to use capacity provided by another instead of going out to the open charter market, a strategy that could also be regarded as anti-competitive with respect to independent shipowners.

At present, only 50% of the ships deployed (50% of capacity) is owned by P3 members, a proportion which will fall to 25%-30%. Given independent owners do not generally possess the container equipment and the administrative and commercial infrastructure to return such ships to the container services market themselves, global capacity could in effect be reduced because 50% of P3 member capacity is currently chartered in. The scale economies available to the P3 members will confer an immediate competitive advantage as costs will fall (the mean ship capacity of P3 members will rise by from 7,100 teu at present to around 10,200 teu).



The CMA CGM JULES VERNE moored in Rotterdam - Photo: Frans Sanderse ©

That in itself may spur further reactionary consolidation to recover scale competitiveness (the current mean ship capacity for the current largest alliance, CHKY, is "only" 6,100 teu and 6,600 teu for the G6 alliance). If all the lines collectively reduced capacity through reducing charters by a similar proportion, then mean east-west rates would clearly rise, following the experience between 2006 and 2013.

But that could be the price that the global economy should pay if it is to enjoy services it can rely upon, because it may be that the P3 initiative has been forced on some of the members to avoid financial catastrophe. Perhaps as important, however, without such an alliance the individual P3 members would find that competing operators in other alliances would enjoy higher economies of scale.

How will competition authorities react? Eyes will turn to Brussels, where some may place blame for creating this crisis in the first place, but Washington will also take a view. The European Commission generally comes down hard on excessive market shares; witness its recent instruction to Eurotunnel to dispose of three ex-Sea France ferries because it would thereby control more than 50% of the Dover Straits unit load market.

One view may be that the conference system was anti-competitive but the shipping lines have failed to learn to live without it. Even so, the lines' accounts, so transparent and public, could be taken as evidence that efficient operators do not currently have a problem, being profitable in the first quarter of 2013. If that is the view, however, it is not enough to simply reject P3 as anti-competitive. The industry clearly is facing a crisis. Demand on the world's two major routes is currently falling. The rate volatility with which it is now plagued damages trade, inhibits investment and wastes energy. It is a gamblers' charter. Attendees at successive industry conferences offer no solutions.

"Contracts" are no more than rate agreements. Concerted actions by the lines to raise rates themselves smack of being anti-competitive but generally fail. There may therefore be a general case for shipper organisations to develop their own view as to what sort of shipping networks they want. There is a lot at stake and it is perhaps not sufficient to assume that a competitive environment will eventually produce a satisfactory result.



The MSC TAMARA changing pilot at Vlissingen pilot station – Photo: Peter Andriessen – www.tughunter.nl ©

The very fact that the P3 members have a market share of over 30% for the east-west trades combined triggers the attention of the European Commission as a competition regulator. On some corridors, the share is much greater (42% between Asia and Europe). To allow such an alliance would itself therefore create a precedent, implying that authorisation will go hand in hand with a range of safeguards. A return to the conference system cannot be a solution because price fixing and capacity capping have no place in a modern Europe. Such a reversal would in any case be politically challenging. Perhaps the P3 proposals should be seen as the start of a wider debate to determine what kind of liner structure needs to emerge that involves shippers, shipowners and terminal operators too. Mike Garratt is managing director and Antonella Teodoro is a consultant at MDS Transmodal, an independent consultancy providing economic and commercial advice in the international transport sector. Source: MDS Transmodal Ltd



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It is time for Ghanaians to pay attention to Maritime Law

Maritime law as a specialisation in law is not a favoured amongst Ghanaian law practitioners. A cursory survey amongst lawyers suggests that specialisations like this do not pay. They would rather opt for other specialties of law. There are some Maritime Lawyers who have distinguished themselves in this country and beyond. Very conspicuous is Dr. Kofi Mbiah, CEO of the Ghana Shippers Authority, who has made Ghana proud on the international scene by serving as Chairman of the IMO's Legal Committee. Not too long ago, we heard about Stanley Ahorlu of Amitlaw, who amongst other shipping related endeavours like shipbrokering, education etc. has also ventured into Short-sea or Coastwise Shipping. Also to be acknowledged are the few who are working in Government agencies like the Ghana Maritime Authority, Ghana Shippers Authority, and allied organisations etc. that are working to create the enabling environment for shipping business to take place in this country through policy-making, drafting laws amongst others. However, what is lacking is the aspect that deals with commercial activities of a maritime nature; and following that, an admiralty court capable of dealing with such cases. It may be too early a call, but I anticipate this area will be crucial in the wake of our oil exploitation. Our neighbour, Nigeria, has built some amount of capacity in this area since it has had oil for a long while.

Thoughts on developing this area of law hit hard when the issue of an Argentine vessel that was detained at the Tema Port came up. Having followed the news with keen interest waiting to hear the opinion of a maritime lawyer about the whole issue, it was sad that the radio stations and newspapers relied on the opinion of Advocacy groups and opinion leaders rather than maritime lawyers. Among the publications was an article published in the Daily Graphic by Frank Cudjoe of the 'Think Tank', IMANI, captioned "ARGENTINA CONTINUES DEFIANCE OF GHANA IN COURT" on 8th February 2013.

We took particular interest in that one, because the author was evidently pissed with the conduct of Argentine authorities in the ARA Libertad case and showed passion to ensure that Ghana's interest was served. However, whether this was based on fact or emotions is not quite clear. First of all, he mentioned that the Argentine Authority circumvented Ghanaian law by going to the International Tribunal for the Law of the Sea (ITLOS). We take exception to this allegation. The issue is about conflict of law. In actual fact the issue borders on forum non convenience under maritime law.

Maritime law allows a petitioner or party of an issue to dismiss or to stay conditionally an action on the grounds of Forum non convenience where they find that although the court has jurisdiction to hear and decide the dispute, another forum exists where trial of the suit is more appropriate for the interest of the parties and the ends of justice. In deciding the choice of forum, the overriding factor is actually the suitability of the forum. Less emphasis is placed on the juridical advantages of which the claimant will be deprived if the claim was not heard by previous jurisdiction. Looking at the circumstance of the case, that was exactly what the Argentines did. Secondly, the writer asserted that the "the orders issued by the ITLOS are not binding on the Ghanaian court". On this issue we beg to differ, based on international maritime law. The article seems to create the erroneous impression that Ghana is not bound by the decision of the ITLOS. The fact is that so long as Ghana is party to the Vienna Convention on the Law of Treaties, 1969 and United Nations Convention of the Law of the Sea (UNCLOS), 1982, provisions of the conventions are binding by the principle of pacta sunt servanda. So the Government of Ghana is right in adhering to its international obligation. Again, the fifth paragraph of his article asserts that "the treaty clearly does not have jurisdiction over disputes in Ghana's ports or disputes regarding the immunity of warships". Under international maritime law, the ITLOS has jurisdiction over the matter. Besides, looking at the substantive case — the argument of the Argentine authority and the decision of the tribunal — we believe that the tribunal did not err in deciding that "the detention of the vessel was against the treaty (UNCLOS, 82)". The argument was that the vessel was a warship owned by the Government of Argentina and was immune to arrest. Under the 1999 International Convention on Arrest of Vessels, article 8, section 2, warships, naval auxiliary or other ships owned or operated by a state cannot be arrested. Even Government vessels not used for commercial purposes cannot be arrested. Article 29 of UNCLOS also defines a warship as "a ship belonging to the armed forces of a State bearing the external marks distinguishing such ships of its nationality, under the command of an officer duly commissioned by the Government of the State and whose name appears in the appropriate service list or its equivalent, and manned by a crew which is under regular armed forces discipline". In actual fact, this was the contention of the Argentine Authority. This fact was not refuted by the Ghanaian authority. In a real sense under maritime law, vessels of such nature are immune from suits. Even without International statutory provisions, common-law also allows maritime lien to lie dormant till transfer out of Government ownership before the vessel can be arrested. Moreover, a vessel cannot be arrested based on national law unless the suit is based on a

maritime claim. Even though the issue has died out, we believe that the interest of Ghana would have been better served if we had contacted the appropriate people for comments. Source: Business & Financial Times



NEW SHIP ORDERS, CHINA DEMAND THREATEN DRY CARGO RECOVERY

By Keith Wallis

A flood of orders for new vessels and slower Chinese growth in demand for commodities could derail a recovery in dry bulk shipping, industry leaders warn, keeping freight rates low and threatening a further shake-out among shipping firms.

As dry cargo shipping rates recover from 14-year lows touched in March, shipowners have splurged on a raft of new orders, taking advantage of cheaper prices, more fuel efficient designs and money from private equity funds looking for a new home.

The rise in capacity comes at a time of slowing economic growth in China, which has raised fears that its vast appetite for imported raw materials such as iron ore and coal may start to wane.

"The ordering wave is indeed worrying," said Henning Oldendorff, chairman of Oldendorff Carriers, one of the world's largest dry cargo operators with about 400 owned and chartered ships.

"If it coincides with a China slowdown and possible recession in the global steel industry, then freight rates could potentially stay low for many years to come," Oldendorff told Reuters.

He estimated some 35 million dwt (deadweight tonnes) of new capacity was ordered during the first half of 2013, well above the 22 million dwt ordered during the whole 2012.

More than 50 per cent of recently ordered tonnage was contracted at just a handful of Chinese shipyards, figures from Norwegian shipbroker Fearnleys showed.

NASCENT RECOVERY

The moves come as average spot charter rates for large Capesize ships, capable of hauling more than 150,000 tonnes of iron ore or coal, have risen from the March lows to better than break-even at around \$13,000 per day, according to Clarkson Research Services.

The operating cost of a Capesize vessel is around \$7,000 a day, with the shipping company paying finance costs on top of that.

The current rate is double the average for the year and despite jitters over China's growth outlook has been driven by China's strong steel sector, where steel output climbed 8 percent in the five months to May, according to official data. But consultants Drewry Maritime Services believes the dry bulk shipping recovery may be shortlived and could replicate the rollercoaster ride in freight rates after 2009.

Capesize charter rates rocketed to more than \$80,000 per day in mid-2009, fuelled by stronger-than forecast demand from China, compared with \$10,000 per day at the start of the year.

But an influx of new tonnage, which outpaced the actual growth in cargo volumes, saw average rates plummet over the following three years to fall below operating costs.

Rates hit just \$1,700 per day in late March this year, the lowest in 14 years, according to Clarkson data, sparking a series of shipping company failures including STX Pan Ocean, South Korea's fourth largest ship operator, which is undergoing a court-approved restructuring. For the dry bulk sector now, "the risks outweigh the upside potential", said Drewry group managing director Arjun Batra.

The over-ordering of bulk carriers and a commodities growth slowdown could delay a recovery in rates from next year to 2016, he said.

Oldendorff said a replay of the last four years could have more severe consequences because the current recovery would be shortlived, leaving less time for shipowners to rebuild cash reserves. "There will be more failures in the next few years in the bulker field," he warned. But fears of a downturn in Chinese commodities growth may have been overdone, said Jeffrey Landsberg, president of Commodore Research & Consultancy, a New York-based commodities advisory group. "Chinese demand for imported dry bulk commodities will remain strong over the long term," Landsberg told Reuters.

The biggest threat - and the key factor to watch - will be vessel oversupply, Landsberg said, especially if new vessel ordering remains as strong as it was during the first six months of this year. Source : Reuters

SHIPYARD NEWS



The INDUSTRIAL MERCHANT (6th ship in the Sole 10000 series) was spotted leaving the Peters Shipyards
Kampen construction building for the slips.

Photo: Hans van der Linden www.aerolin.nl @AerolinPhotoBV ©

GD Bath Ironworks Awarded 'USS Independence' Contract

Among the latest US Department of Defense, Navy contracts, General Dynamics Bath Iron Works, Bath, Maine, is being awarded a \$7,526,038 cost-plus-award-fee modificationc for work on Littoral Combat Ship 'USS Independence'.

The contract announced is additional to the previously awarded task order under a Basic Ordering Agreement (N00024-09-G-2301 ER09) to provide engineering and management services for advance planning and design in support of the post-shakedown availability for the USS Independence (LCS 2).

Bath Iron Works will provide design, planning, and material support services for the vessel. Efforts will include program management, advance planning, engineering, design, material kitting, liaison, and scheduling. Work will be performed in Bath, Maine (55 percent), and San Diego, Calif. (45 percent), and is expected to be completed by March 2014. Fiscal 2013 Research, Development, Test & Evaluation and Fiscal 2013 Operations & Maintenance, Navy

funding in the amount of \$7,526,038 will be obligated at the time of award. Funding in the amount of \$602,083 will expire at the end of the current fiscal year. The Basic Ordering Agreement was awarded on a sole-source basis pursuant to 10 U.S.C. 2304 (c)(1). The Supervisor of Shipbuilding, Conversion, and Repair, Bath, Maine, is the contracting activity. Source: MarineLink



Fairmont Shipping's (Canada) Dwt 54,514 Wood Ship Carrier "LUMINOUS SKY" undergoing repairs in the Graving Dock, Maestro Reefer's Dwt 14,519 Refrigerated Cargo Ship "ICE RIVER" on her 5th Special Survey in the Floating Dock and Victoria Oceanway's (Greece) Dwt 23,130 Container Ship "QUEEN OF LUCK" under afloat repairs at Cernaval Shipyard in Algeciras port. Photo: Enrique Pérez - Cernaval Shipyard ©

ROUTE, PORTS & SERVICES

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And a special salut to MSC Magnifica by the Brent of Iskes Towage & Salvage
Photo: Henk Honing - info@fotohoning.nl ©

Maersk Line extends 'South Atlantic Express' service to Colombia

Maersk Line announced a revision of its 'SAEX' service (#461), a weekly loop that connects the East Coast of North America to Central America and soon also to the North Coast of South America.

As of late August, new calls at the Colombian ports of Santa Marta, Barranquilla and Cartagena will be added. As a consequence, the service's rotation is to be extended from 21 to 28 days and a fourth ship will be added to the 'SAEX' fleet. The additional vessel is yet to be nominated.

At the same time, Maersk Line will remove the service's present call at Miami. The Florida port will last be visited by the 1,296 teu VARAMO on 21 August.

The revised rotation will read: Savannah, Norfolk, Wilmington (NC), Santo Tomas, Puerto Cortes, Puerto Moin, Manzanillo (Panama), Santa Marta (new), Barranquilla (new), Cartagena (new), Manzanillo (Panama), Puerto Cortes, Santo Tomas, Savannah. Source: Linervision

Temasek Holdings announces new Chairman

Temasek Holdings (Private) Limited ("Temasek") announces that Mr Lim Boon Heng will succeed Mr S Dhanabalan, to become its fourth Chairman, on 1 August 2013, said in the company's press release.

Mr Dhanabalan will be retiring from the Temasek Board with effect from 1 August 2013, ahead of his 76th birthday in early August. His 17-year leadership since September 1996 as Chairman of Temasek was marked by his clarity of purpose and a deep commitment to the larger good.

Mr Lim Boon Heng, a shipping pioneer and a well-respected retired union and political leader, joined the Temasek Board in June last year. Elected unanimously by the Board to succeed Mr Dhanabalan, Mr Lim brings with him a lifelong dedication to improve the lives of workers, families and the elderly.

Mr Dhanabalan guided **Temasek** over almost two decades of growth and change, as its longest serving Chairman. He enabled **Temasek** to build on its strong foundation in Singapore and nurture a global leadership team of diverse talent.

The 1990s saw the addition of corporatised entities to the Temasek portfolio, such as SingTel and PSA. These have since transformed into competitive regional and international enterprises.

Post 2000, Temasek stepped up its regional investments to add a robust Asia growth element to its portfolio. This layered in a more resilient balance of growth and stability for the Temasek portfolio as a whole.

In the process, the Temasek portfolio grew from a value of S\$70 billion in March 1997, to S\$215 billion in March 2013, amidst a turbulent era which included three major economic dislocations - the 1997 Asian Financial Crisis; the extended post-2000 recession including the effects of 9/11 in 2001 and SARS in 2003; and the Global Financial Crisis in 2008.

In 2003, Temasek initiated a policy to set aside a share of its returns above its risk-adjusted hurdle for community contributions. Such funding for community causes has been gifted mostly in the form of endowments. Earmarked for various non-profit philanthropic organisations (NPPOs) such as Temasek Foundation and Temasek Cares, these endowments support public good and social causes in a sustainable manner over time.

The Temasek Trust was established in 2007 with its own Board of Trustees to independently oversee the management and sustainable distribution of endowments and gifts from Temasek for specific NPPOs. Source: PortNews



Brandnew "Damen Design" PSV 3300 series "WORLD DIAMOND" docked at quay nr 38 in Den Helder. She is the first of a serie of six, owner is Norwegian company "World wide supply" Build in Galati, Romania. Vessel is prepairing for her first contract with the Peterson's pool. Agent is Seamar Services. Photo: Geert Woord ©

Zodiac Maritime takes delivery of MSC AGRIGENTO (8,827 teu)

Four of the orders have been placed directly by MSC, whereas two ships of the type were ordered by the Greek non-operating owner Costamare, which charters them to MSC on ten-year contracts. The Costamare ships MSC ATHENS and MSC ATHOS were delivered in March and came on stream as planned. MSC however decided to sell at least two of the follow-up ships to non-operating owners and charter them back on long-term contracts.

The series' third ship, planned as MSC EDNA, thus came on stream as Zodiac Maritime's MSC ABIDJAN. It has since been passed on from Zodiac Maritime to Eastern Pacific Shipmanagement. This Singapore-based company took control of the vessel as Eyal Ofer and Idal Ofer, sons of the late shipping magnate Samuel 'Sammy' Ofer, split up parts of the Ofer-controlled vessel fleet and brought the ships under management of separate, individually-managed companies.

The fourth ship of the series, delivered this week as **MSC AGRIGENTO**, it is to remain with Eyal Ofer's London-based Zodiac Maritime. At the end of this month, the new **MSC AGRIGENTO** is to phase into MSC's Far East-South Africa-Europe Pendulum service (#1701).

The ship is named after a city on the southern coast of Sicily. Agrigento is known as the site of the ancient Greek city of Akragas, one of the leading cities of Magna Graecia during the golden age of ancient Greece. Agrigento's 'Valle dei Templi', the valley of temples is a listed UNESCO heritage site. Source: Linervision





HAL's PRINSENDAM cruising the North Sea - Photo: Barry van der Meijden ©

New 135,000-ton cruise ship set to debut in 2016 to be named Carnival Vista

Carnival Vista is the name selected by Carnival Cruise Lines for its new 135,000-ton ship scheduled to enter service in 2016, said in the company's press release. The announcement was made today by Carnival President and

CEO Gerry Cahill during a media briefing aboard **CARNIVAL SUNSHINE** which is in the midst of its inaugural European season.

To be built by Italian shipbuilder **Fincantieri**, the 4,000-passenger **CARNIVAL VISTA** will be the 25th vessel in the line's "Fun Ship" fleet.

CARNIVAL VISTA will offer a wide variety of dining, bar and entertainment options that are part of the line's groundbreaking Fun Ship 2.0 product enhancement initiative, along with a number of innovations unique to this vessel. Additional design details regarding **CARNIVAL VISTA**, as well as homeport deployment and itinerary information, will be announced at a later date.



BC FERRIES QUEEN OF CUMBERLAND inbound to village bay MAYNE ISLAND BC in the Gulf Islands july 21th 2013

Photo: Robert Etchell ©

SBM Offshore Awarded Contracts to Provide World's Deepest Disconnectable FPSO for Shell Stones in Gulf of Mexico

SBM Offshore is pleased to announce it has signed contracts with Shell Offshore Inc. to supply and lease an Floating Production Storage and Offloading (FPSO) for the Stones development project in the Gulf of Mexico. The contracts include an initial period of 10 years with future extension options up to a total of 20 years. The Stones development is located in 2,896m (9500ft) of water approximately 320km (200 miles) offshore Louisiana in the Walker Ridge area. When installed, the Stones FPSO will be the deepest FPSO development in the world. The converted Suezmax FPSO will have a turret with a disconnectable buoy (Buoyant Turret Mooring or BTM) allowing it to weathervane in normal conditions and disconnect from the FPSO upon the approach of a hurricane. The BTM will be configured with Steel Lazy-Wave Risers (SLWR) which will be a first application for a disconnectable FPSO. The mooring system will also incorporate the ability to adjust line tension during operations by use of an In-Line Mooring Connector (ILMC). SBM Offshore's 30 years of turret experience including the delivery of nearly 50 systems will be leveraged to supply this pioneering BTM system.

The FPSO is a typical generation 2 design with a processing facility capacity of 60,000 barrels of oil per day (bopd) and 15 mmscfd of gas treatment and export. No water injection facilities are specified. The Suezmax hull will be able to store 800,000 barrels of crude oil and total topsides weight will reach 7 thousand tons. In March 2012, Shell and SBM Offshore signed an Enterprise Framework Agreement (EFA) for the supply of medium and small FPSOs on a lease and operate basis. The Stones FPSO is the first Shell project to award contracts utilizing the EFA. SBM Offshore and Shell have been engaged in front-end development work for the Stones FPSO solution for the past two years. Execution work has already commenced in SBM Offshore's Houston Execution Center with early procurement and commitments underway.

The total asset value of the FPSO is approximately US\$ 1 billion.

SBM Offshore CEO Bruno Chabas commented: "We are delighted to have been selected to supply the deepest floating installation in the world, setting a new technological benchmark and confirming our position as a leader in the FPSO

market and large turret mooring systems for Deepwater. The Stones project is the latest successful FPSO award with Shell and reaffirms SBM's continued focus on building long term relationships and FPSO-led strategic vision. We look forward to working on further groundbreaking projects with Shell in the years to come."

OLDIE – FROM THE SHOEBOX



21-11-1973. The ocean going tug WITTE ZEE operating near the Bermuda Islands, after transferring fuel on 18-11-1973 to the tug NOORDZEE which was enroute with the SEDNET 1 in the Atlantic Ocean - Photo : Jan Almoes ©

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.... PHOTO OF THE DAY



The tug JAN LEENHEER with the Sheerlegs MATADOR passing Maassluis into the sunset Photo: Monique Davis-Mulder ©