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The LAY VESSEL NORTH OCEAN 102 having her new IHC Merwede Flexi-lay tower installed at the BMB in Batam, Indonesia – Photo : Capt. Jelle de Vries ©

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The **NGO FORTUNE** arriving in Rotterdam -

Photo: Willem Holtkamp - http://fotomaker.jalbum.net/FOTOMAKER/

# New life for old tug: Edna G. in Two Harbors gets fresh rigging; more repairs planned

A big year is in store for Two Harbors' tugboat, the **Edna G**. Some repairs, such as the replacement of rotting wood and hull welding, already have been done — but there's more to come. This week, Sea Service, a Superior-based company, installed new mooring lines on the **Edna G**. According to Ed Montgomery of Sea Service, the tug will have 600 feet of new 2-inch nylon line, which he said is "durable with a little bit of stretch." Marlin spikes, used by sailors

for many years, are used to install the lines. The rigging had not been redone for about 25 years, but the replacement recently was recommended by the **Edna G. Commission**.



Mel Sando, executive director of the Lake County Historical Society, said that the new mooring lines and installation will cost more than \$5,000, which represents just a portion of the expected cost of repairs and updates.

"We have new life awakened in us," Sando said. He projected that the Edna G. Commission will spend about \$50,000 this year on boat assessment and maintenance projects. The most expensive single cost is a hull survey, which took place Wednesday. Divers came and examined the underside of the boat using sonar.

"The hull survey will tell us whether or not we need to be concerned about pulling the

boat out of the water," Sando said. "It will tell us how to best preserve the boat." Pulling the boat out of the water and making a place for it on land could result in tug tours turning a profit in years to come, he said.

"We could triple the volume of visitors," Sando said. "It's very difficult to get people to get down to the dock."

Currently, Sando added, the **Edna G**. loses money, and the city reimburses the Historical Society through a fund for the boat. The fund, which has been financed through a lodging tax passed by the Minnesota Legislature, doesn't rely on local taxpayers but on those who stay at motels and inns in the city.

According to Sando, the gap between the costs associated with maintaining the boat and revenues generated by selling boat tours would close considerably with the boat on land. More visitors and locals would be more likely to go on a tour. "It's surprising how many local people haven't been on the G.," Sando said. The **Edna G.** is open seven days a week, weather permitting, from 10 a.m. to 5 p.m. Monday through Saturday and 10 a.m. to 4 p.m. Sunday. Source: Duluth News Tribune



One of the watertaxis which is operating in the port of Rotterdam - Photo: Dirk van Uitert ©

## Chinese ships make longest patrol of disputed waters

China Coast Guard spend record 28 hours in waters around the Diaoyu Islands, a move seen as response to recent hawkish rhetoric from Japan

China deployed ships to waters near islands disputed with Japan for a record 28 hours, drawing a formal protest as it repeated a strategy of pressing its territorial claims through bolder projections of maritime power.

Ships from China's newly formed coastguard remained in the Japanese-controlled waters for the longest time since Japan bought the Diaoyu, or Senkaku, islands last year, Cabinet Secretary Yoshihide Suga said at a briefing in Tokyo. Japan's Foreign Ministry summoned a Chinese diplomat and "sternly protested", he said.

This incursion into our territorial waters is the longest since our government bought the islands in September. It is extremely regrettable and we cannot accept it Four China Coast Guard ships spent more than a day in Japanese-controlled waters around the islands, part of the time stationary within five kilometres of the Nan, or Minami, islet, according to the Japan Coast Guard. The ships left the waters around the East China Sea islands at about noon yesterday.

"It is clear that the Senkaku Islands are Japan's territory, in terms of history and international law," Suga said. "This incursion into our territorial waters is the longest since our government bought the islands in September. It is extremely regrettable and we cannot accept it."

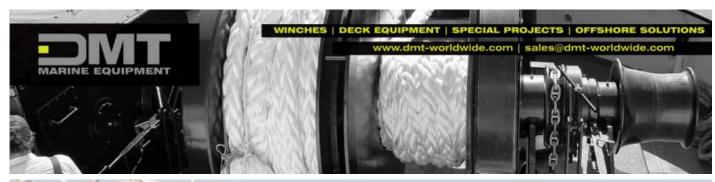
The Chinese ships forced out Japanese "right-wingers" from waters around the disputed islands, the Chinese embassy in Japan said in a statement. The chargé d'affaires filed a diplomatic protest yesterday over the incident and requested that the Japanese ships immediately leave the territory and prevent any future incidents, it said.

Shi Yinhong, a regional security expert with Renmin University's School of International Relations, said that the ratcheting up of maritime patrols was a response to the increase in hawkish rhetoric from Japan's ruling Liberal Democratic Party.

"It is a counter action to [Japanese Prime Minister Shinzo] Abe's repeated tough message to China," Shi said, noting the Japanese prime minister's recent visit to the islands near the Diaoyus and his pledges to "never make concessions" in the dispute. On Tuesday, Japan unveiled its largest warship since the second world war. The Chinese Defence Ministry said yesterday that the region must be on alert over Japan's defence build-up. Shanghai-based military expert Ni Lexiong said the growing maritime activities in the East China Sea were designed to send message to countries involved in territorial disputes with Beijing in the South China Sea. "China's dispute with Japan over the Diaoyus is always seen as a test of its determination and ability to deal with the territorial disputes with several [Association of Southeast Asian Nations] nations over the Spratlys and other islands in the South China Sea," said Ni, who is director of the Sea Power and Defence Policy Research Institute at the Shanghai University of Political Science and Law. Source: South China Morning Post



The HAPPY DELTA outbound from Amsterdam bound for Aberdeen - Photo: Erwin Willemse ©





The MSC TAMARA arriving in Rotterdam-Europoort - Photo: Paul Gerdes ©

### **CREW RESCUE**

A US Coastguard helicopter has transported two burned crew members from a cargo ship about 15 miles southwest of the mouth of the Columbia River.

The agency says the operator of the bulk cargo vessel **AEXANDROS THEO** called for help Monday morning. The Coast Guard sent a helicopter crew from Astoria, Ore., and a response boat from Ilwaco, Wash.

The two men were hoisted aboard the helicopter and flown to medics at the Coast Guard's Astoria air station.

Coast Guard spokesman Zac Crawford in Seattle says the men did not suffer life-threatening injuries.



The KING CANOLA arriving at Lyttelton to discharge Urea. - Photo: Alan Calvert ©

### Crossing the warmest Arctic Ocean

WHITE SEA: The first full day at sea for the Nansen Memorial Expedition was a great mixture of exploring the ocean on the outer deck and learning the history given in lectures on the inside.

Is the Arctic cold? It all depends on how you define the geographical Arctic. Today, we stick oceanographers' definition and they include the White Sea to the list of Arctic Oceans. Well, next time going to the Arctic bring sun-protection cream.

In the northwestern horizon we can see the shore of the White Sea with the sandy banks of the Kola Peninsula. We cruise towards the Barents Sea in calm seas and glorious sunshine. With a full day at sea, and still no Arctic cold

winds, I spent most of the day on the outer deck. "Professor Molchanov" is perfect for staying out and exploring the sea.

Before St. Petersburg was founded in 1703, Arkhangelsk was Russia's main port for international maritime trade. Sailing out the White Sea today does not place you in any kind of peak hour of vessels traffic. We met only a few vessels during the entire day and for hours you can feel totally alone at sea. So, why is it called the White Sea? It can't



There are several explanations depending who you ask. And believe me, onboard our expedition vessel there are many experts and professors to ask. Both locals from the University in Arkhangelsk and inflight experts from Norway. Summed up; let's just say the sea got its name either because it is covered with white ice in the winter, or because it is so foggy in the summer that all you see is white (knock, knock, we haven't seen the fog yet). Photo's: Thomas Nilsen/BarentsObserver

be the color of the water itself. Due to lots of acids washed out to the sea by the rivers, like Northern Dvina, the water has a kind of dark yellow color.



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During the morning hours, several harp seals were swimming by the vessel, curious looking at us, before diving again. Seals are numerous in the White Sea. Until recently, hunting seals on the ice was a tradition of economic importance for the Pomors. That's what the Russians living around the White Sea call themselves. Pomors means "seaside settlers."

Truly White Sea is the beluga whale. We could see many of them all day long. The beluga (Russian for "white one") is a small whale found in most Arctic waters from Svalbard in the north to here in the White Sea in the south. It weights over a ton and averages over 4,5 m in length. You don't have to be an expert on sea mammals to identify a beluga; its pure white color is easy to spot even in long distance. Unlike the seals, the belugas keep a distance to our vessel. Sad for the photographers on the outer deck.

The Nansen Memorial Expedition is in addition to explore the Russian Arctic seaways also a floating lecture paradise. I guess you will find few vessels on the world oceans today with so many PhD and professor titles as among our Nansen memorial expedition. Today, we joined several Norwegian historians that told us about the fascinating life of Fridtjof Nansen and why he managed over 40 years to build such great scientific Arctic cooperation with his Russian colleagues. Then we joined Svein Ruud for his talk on Jonas Lied, the Norwegian business man that convinced Fridtjof Nansen to sail with him to Dudinka, the route our voyage takes today exactly 100 years later.

In the afternoon, we joined Andrey Repnevsky for his talk about the Pomor trade and exploration of the Arctic. The lecture triggered a highly interesting debate among the Russian participants. Are the Pomors a group of people with their own identity linked to special rights for fishing and hunting, or just a group of people around the White Sea with a slightly different historical background?

I don't have the answer. I can just sign up to the statement by Hubert Griffith from his book "Seeing Soviet Russia" from 1932:

"What one knows before one goes to Russia is not worth knowing. In Russia one learns a new truth a minute."

At sunset, we sailed towards the northern entrance to the White Sea, where the water turns blue and the wind is slightly colder. Captain Viktor Aleksandrovich drives the ship slowly, but straight north, having plotted in Cape Kanin on his navigation screen. During the night we will no longer be in the White Sea. The Barents Sea welcomes us and the shore that rises in the east tomorrow will be the Nenets Autonomous Okrug. Source: Barents Observer

























The EUROCARGO ISTANBUL in Haifa - Photo: Peter Psamozi ©

### Ship brokers demand clear guidelines

A change of the Danish visa rules means that it has become much more difficult to implement crew changes in Danish ports and waters. Danish Shipbrokers Association has turned to the Parliamentary Trade and Industry.

"As it many times has been reported to the authorities, it is a major challenge and worry in the business that there are no guidelines on how procedures should be when crew members embark and disembark ships in Denmark", writes Danish Shipbrokers Association in a letter. On 20 June 2013 the Danish Ministry of Justice issued a report on the revision of the Danish visa regulations. Part of the report deals specifically with issues relating to seafarers and include, inter alia, on page 78, that there should be guidelines for issuing visas to seamen.

"We would like to know whether it we should follow these recommendations concerning seafarers and what the time horizon can be expected to be like. We note that while the report was published on the Ministry of Justice's website and before comments on the report had been gathered, the police issued notifications on new procedures and routines", wrote Shipbrokers' Association's director Allan Houtved in the inquiry. "There is still a great need for adjusting the routines in the police so that they are consistent with both political wishes along with those of the industry. Currently there are differences in how the rules are observed, not only in the various police forces, but also individual employees and separate stations observe the rules differently. For the industry, this means that crew changes sometimes are possible in certain places but probably not always elsewhere", it is added in the letter.

The letter also notes that many have the impression that people in Denmark do not want the sailors traveling to or from vessels and therefore makes it as difficult as possible with different rules, some written but mostly unwritten rules. Danish Shipbrokers Association writes that the matter is very urgent and request that the matter will be treated as soon as possible. Source: Danish Shipbrokers Association



The **HIGH PEARL** sailing from Lyttelton after discharging petroleum product from Singapore. **Photo: Alan Calvert** ©

## US oil boom behind product tanker market explosion this year

Obstacles in US oil exporting policy is behind much of the boom times that the product tanker market is enjoying since the start of the year. According to a recent analysis from Poten & Partners, "with United States crude oil production rising to levels unseen in 22 years, the US must find consumers with whom they can place this excess oil. However, the US cannot export any of this crude oil with the exception of limited quantities to Canada due to self-imposed regulatory constraints. Thus the US is left to refine much of this crude and then export it, causing an increase in product tanker movement ex-United States Gulf (USG) to the South American, Central American, and West African

(WAF) zones. Although the US oil surge is having a positive effect on US product tanker movement, it is hurting the already weak European refining and product tanker markets, and could prove to have longer-term negative effects on European refiners if current conditions persist", Poten & Partners said in its report.

According to the analyst, "the implementation of new drilling methods in so-called "tight oil" formations has increased production for upstream companies in the middle of the US. These changes have created a new dynamic within the US that shows the country is becoming less reliant on foreign oil as crude imports decrease and product exports increase. With United States crude oil production rising to levels unseen in 22 years, the US must find consumers with whom they can place this excess oil. However, the US cannot export any of this crude oil with the exception of limited quantities to Canada due to self-imposed regulatory constraints. Thus the US is left to refine much of this crude and then export it, causing an increase in product tanker movement ex-United States Gulf (USG) to the South American, Central American, and West African (WAF) zones. Although the US oil surge is having a positive effect on US product tanker movement, it is hurting the already weak European refining and product tanker markets, and could prove to have longer-term negative effects on European refiners if current conditions persist" Poten noted.

It added that "while Africa is forecasted to see refinery capacity increases over the next 5 years, the changes are expected to be negligible, meaning that it will still need to source refined products from places such as Europe and the US. Furthermore, there is hope that macroeconomic growth can be sustained in some parts of the continent, which would help drive demand for crude oil and refined products. European refineries, dealing with poor general economic conditions, now have to compete with the US in what has been a strong market (WAF). After already experiencing some refinery closures this year and with others struggling to stay open, Europe may even fall below forecasted levels of refining capacity if market conditions persist. And while European refiners find themselves trying to adapt to other markets by increasing exports to South America to make up for reduction in WAF trading, they could just as easily find themselves displaced by a strengthening US refining sector there as well.

While this dynamic has helped support clean tanker demand, and in turn, rates, the situation is still fluid enough that it is tough to pick specific losers. In any case, it seems likely that US refiners will continue to see higher export volumes and be a competitive force in new regions" Poten concluded. Source: Nikos Roussanoglou, Hellenic Shipping News Worldwide



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## Crowley named a Top 100 3PL Provider for fifth consecutive year

For the fifth consecutive year, **Crowley Maritime Corp.**'s logistics group has been recognized as one of the best-equipped industry providers after being named a 2013 Inbound Logistics Top 100 Third-Party Logistics (3PL) Provider, the Group said in a press release. Editors selected Crowley, along with the company's fellow honorees, from hundreds of candidates, based on its ability to offer diverse operational capabilities, scalability and experience to meet readers' unique supply chain and logistics needs.

Distilling the Top 100 is no easy task, and the process becomes increasingly difficult as more 3PLs enter the market and service providers from other functional areas develop value-added logistics capabilities. Inbound Logistics magazine editors select the best logistics solutions providers by carefully evaluating submitted information, conducting personal interviews and online research, and comparing that data to readers' burgeoning global supply chain and logistics challenges.

Inbound Logistics is a leading trade magazine targeted toward business logistics and supply chain managers. The magazine's editorial mission is to help companies of all sizes better manage corporate resources by speeding and reducing inventory and supporting infrastructure and better matching demand signals to supply lines. More information is available at <a href="https://www.inboundlogistics.com">www.inboundlogistics.com</a>.



The CLIPPER ALBA (ex. Lisseborg) anchored at Singapore Eastern Anchorge last Sunday - Photo: Piet Sinke ©

### Druk weekeinde



Afgelopen weekeinde zijn weer vele hulpaanvragen binnengekomen bij het Kustwachtcentrum Den Helder. Zaterdag en zondag tot 21.00 uur werd 41 maal een hulpactie uitgevoerd voor de recreatievaart. Hoofdzakelijk waren het weer jachten met motorproblemen (10), aan de grond gelopen (9) of problemen met mast, roer of schroef (7). Hulp werd verleend door 39 reddingboten van de KNRM, een zestal reddingbrigades en 13 vaartuigen van bergers en een Kustwachtvaartuig. De brandweer Flevoland was nog betrokken bij een man over boord in een vluchthaven langs de Oostvaardersdijk. Helaas heeft deze persoon het niet overleeft. Bron: Kustwachtcentrum

## Shipping giants struggle to keep heads above water

Two local shipping firms - **Orient Overseas (International)** and **Sinotrans Shipping** - reported dismal interim results last week amid continued oversupply in the industry. **Orient Overseas** announced an interim loss of US\$15.26 million (HK\$119.02 million) for the six- month period ended June 30 this year, compared with a profit of US\$116.5 million for the same period last year, due to declining freight rates.

Rates fell especially on Asia-Europe routes as more mega vessels started sailing while cargo demand fell. "The container transportation industry continues to tackle the challenges of weak cargo growth, capacity oversupply and high bunker costs," said acting chief financial officer Alan Tung Lieh-sing. Although the second half is usually the

industry's peak period, the problem of oversupply will remain in the next year or two as industry supply has risen by 10 percent so far this year, Tung said. Average freight revenue per TEU was US\$1,088, a 2.2 percent drop from US\$1,112 per TEU. Separately, Sinotrans Shipping said interim net profit plunged 92 percent to US\$1.61 million, while revenue fell 12.8 percent to US\$93.5 million. Revenue mainly came from US\$57.8 million charter hire income - down 29.4 percent - and ocean freight income of US\$27.7 million, up 90 percent. "The demand-supply equilibrium will not be restored in the short run," the firm said. Neither company declared an interim dividend. Share price of Orient Overseas rose 1.46 percent to HK\$45.25 yesterday, while that of Sinotrans Shipping fell 0.54 percent to HK\$1.86.



The tug UNION 8 in her new livery operating in the port of Rotterdam

Photo: Willem Holtkamp - <a href="http://fotomaker.jalbum.net/FOTOMAKER/">http://fotomaker.jalbum.net/FOTOMAKER/</a>©



### Liquid gold

**Nakilat**, or **Qatar Gas Transport Company** as it is otherwise known, tends to deal in superlatives. It oversees the world's largest fleet of liquified natural gas (LNG) vessels. As Qatar is the planet's biggest producer of LNG — with around 77 million tonnes shipped out per year — Nakilat's role in keeping global markets well-stocked with the country's liquid wealth is nothing short of vital. More than 70 percent of LNG exports from Qatargas and RasGas — the

country's two major gas producers — are transported on Nakilat's ships. That means that about 54 million tonnes of LNG travel around the world annually on the firm's vessels.

One decision that's looming on the horizon could have huge implications for Nakilat's future. In 2005, local officials placed a moratorium on additional projects to produce natural gas from Qatar's giant North Field, which has nearly all of the country's reserves. Next year, Qatar will decide whether to restart new exploration programmes at the North Field, which could result in Nakilat boosting its LNG shipping fleet beyond 54. Either way, the firm won't have any problems securing financing if the ship orders come flooding in. Last month, Nakilat signed a \$917m loan refinancing deal with Qatar National Bank.

"If they decide to go above the 77 million tonnes, it means that we will be requiring additional LNG ships. This means we will be constructing and operating more ships," says Muhammad Ghannam, Nakilat's managing director, adding that the number and size of the vessels will depend on the volume of production and on the export destination.

The question, in fact, is not only whether Qatar will increase its gas production but also to which countries, as some countries don't have terminals that are equipped to host LNG ships of all sizes. "It depends on the volume of production," Ghannam says. "What influences the number of vessels we are going to produce is also the destination. Is it going to the Far East, is it going to Europe, or somewhere else? Distance is another factor and also the size too because some terminals can't receive big ships." Over 5,000 people from 27 different nations are now working for Nakilat and in about three years this number could grow to over 10,000.

"We have around 5,000 people and we expect to really go above 10,000-plus in a few years down the road," says Ghannam. "Once we get all the facilities completed, we will be more than 10,000 people. We plan to double our staff in about three years." Much of that focus will come from employing locals. The managing director says that 20 percent of employees at the firm's head office are locals, and that figure will reach 30 percent soon. Nakilat's Qatarisation rate increased by 139 percent compared to 2010 as 20 Qataris joined the company in 2012.

Nakilat is now building an average of 25 vessels of up to 120-metre LOA (length overall) per year, while simultaneously repairing 100 vessels during the same time frame. These may sound like big numbers, but even these are set to grow in the not-too-distant future. The firm is hoping to boost its repairing capacity to 150 vessels per year in the next few years, as a result of its tie-up with KS Investment, a wholly-owned subsidiary of Keppel Offshore & Marine. Nakilat-Keppel Offshore & Marine (N-KOM) is focusing on ship repair and maintenance, and has also repaired 34 LNG vessels last year. An average of 200-300 people are required to repair one LNG vessel and it takes about 20 days to complete maintenance operations. Up to ten vessels can be repaired at any one time, and N-KOM's CEO, Abu Bakar Bin Mohammed Nor, is expecting to increase the company's capacity soon in order to be able to work on more vessels.

Experts believe that the whole issue of gas production is likely to be reevaluated due to the US shale boom, which has resulted in many US companies applying to the government to export gas. In May this year the White House gave the green light to the construction of the Freeport LNG terminal on Quintana Island, a \$10bn project that is designed to send cargoes to Japan and Europe. Meanwhile, the Sabine Port terminal in Louisiana will also produce gas, starting from 2015. Only last month, ExxonMobil boss Rex Tillerson criticised the US government for its slow processing of applications to export LNG, saying that the country was losing millions of dollars per day. With the US moving onto the global market, the playing field has changed for a number of countries, including Qatar, which has the world's third-largest gas reserves after Russia and Iran. Kostis Antonopoulos-Rothschild, a senior commercial manager at N-KOM, says the move comes as no surprise. "The shift will have a positive impact for the shipyard as it is bound to increase the global gas carrier fleet," he says. "N-KOM, having established ourselves as a leading LNG carrier repair yard, would be in an excellent position to capture and serve the needs of this growing market."

Besides Qatar's abundant supplies of gas, Nakilat believes that additional work will come from other sources. Ghannam is ready to start negotiating with the new port authorities to build the vessels the facility needs, and also to offer repair and maintenance services. Scheduled to start operating in early 2016, the New Doha Port is set to create a new freight location that can compete with Dubai's Jebel Ali and Abu Dhabi's KIZAD. As a result, the market for support vessels at the port is likely to be substantial. "We will start negotiating very shortly with the new port authorities," Ghannam says. "We will start talking to them to see what their requirements are, but we are optimistic that everything for Qatar can be built in Qatar, that's our mandate, I am optimistic we will be successful in getting there."

The new port could also help Nakilat increase its business in terms of maintenance and repair services for some of the vessels, while additional work might also come from Qatar Petroleum, the Qatar Emiri Navy, and the country's coast guard. Diversifying the firm's revenue streams still further, Ghannam is also keen to get into the luxury boat business, by building fibre-glass boats from around 2014 onwards. At the beginning of this year, Nakilat Damen Shipyard Qatar (NDSQ), a joint venture between Nakilat and Dutch shipbuilder Damen, announced the construction of a one-of-a-kind 69-metre-long luxury vessel equipped with the latest technologies. "This vessel is going to be built to do so many things that are not standard. In Holland they build this kind of vessel but to fulfill only two or three specific roles,"

Ghannam said, at the time that the boat was announced earlier this year. There is no specified time frame for the vessel's launch, but the managing director says it will take about three years to build. As to the price, negotiations are still ongoing, but Ghannam says that the cost will be "a fair, equitable, reasonable, competitive price".

Ghannam says that when the luxury boat business does finally get off the ground, private customers will be able to approach Nakilat and ask it to build bespoke models. Each of these will be tailored to the specific needs of each client, he says.

Once the manufacturing facilities are operational in the sixth and final phase of Erhama Bin Jaber Al Jalahma Shipyard at Ras Laffan port, NDSQ managing director Jan-Wim Dekker expects to see between fifteen and 30 clients approaching him every year to build a yacht. Well-heeled Arabs have long been keen yacht buyers and regularly feature as owners on lists of the world's largest private vessels. Saudi Arabia's Prince Alwaleed Bin Talal Alsaud is believed to be the owner of the \$609m 180-metre long superyacht, Azzam. Meanwhile, the number of marinas, harbours and ports being built in Doha and elsewhere in the Gulf is also encouraging the rise of the yacht business.

The marine industry is considered to be fundamental for Qatar's oil and gas sector because it enables the country to deliver its natural resources without the two factors that tend to affect pipeline: political instability. According to Ghannam, seagoing vessels also provide flexibility, security and accessibility. In some cases, this method of transport is even cheaper than pipelines. "The countries that really have high demand for gas are not accessible for transportation of gas through pipelines," he says. "Those countries that could benefit from pipelines also happen to be surrounded by countries with political risk for the pipeline."

In 2011, the flow of gas from Egypt to Israel was stopped due to terrorist attempts to blow up a pipeline. Similarly, Total's LNG pipeline from its onshore field in Yemen has also been attacked on numerous occasions. In Europe, spats between Russia and Ukraine have halted the flow of gas to receiver countries in the west of the continent. There is a long list of incidents in which gas pipelines were involved in political disputes, terrorist attacks and regional instability. But if pipelines can be threatened by terrorists, ships have their equivalent: pirates.

Most vessels are insured against pirate attacks; some companies hire mercenaries to protect their cargoes, and some boats are even equipped to respond to these attacks. But the fact is that the Gulf of Aden and the coast of Somalia have gained the international community's attention in the last few years, with the increasing attacks on ships passing through these waters en route to the Suez Canal. According to the US Department of State, between 2008 and 2012, Somali pirates hijacked 175 vessels and attacked at least 445 others. They have kidnapped 3,000 crew members from over 40 countries. But Ghannam believes that the phenomenon is finally slowing down and that LNG vessels are in a safer position than most other types of vessels. "The likelihood [for an LNG vessel to be captured by pirates] is slim to none," he points out. "The reason is because the vessels are too high, so it's very difficult for pirates to board. The vessels are also travelling at very high speed, so hardly any attempt has been made against LNG vessels. The problem of piracy is now slowing down; we take all kinds of precautions, but we've never had an experience with attacks against LNG vessels."

While Nakilat's past has been wedded to the oil and gas industry, its future could be vital to the diversification of Qatar's economy. After all, as the Gulf state follows its peers in branching out into cruise tourism, logistics, shipping and terminals, which Nakilat and Qatar both stand to benefit. It may look like a paradox, but Qatar's latest step towards a more diversified economy could come from an industry that is directly related to its oil and gas sector.

Source: Arabian Business



The **EXPLORER OF THE SEAS** spotted off Bermuda en route from Bermuda to St. Maarten **Photo: Capt. Geert Dijkema – Master tug Northwind** ©



## Hapag-Lloyd back in black, pre-tax profit up 112pc to US\$228.1 million

GERMANY's Hapag-Lloyd, the world's sixthiggest container carrier, posted a 112 per cent first half year-on-year operating profit increase to EUR171.8 million (US\$228.1 million), drawn on revenues of EUR3.35 billion, down 1.1 per cent. Hapag-Lloyd also declared a net profit of EUR20.9 million in the second quarter, reversing itself out of a EUR7.3 million net loss made in the corresponding quarter in 2012. Transport volumes increased 2.3 per cent, but with sagging rates, more throughput did not improve the balance sheet. "The intense competition in the second quarter meant that it was almost impossible to implement announced rate increases on the market. As a result, the average freight rate of \$1,499 per TEU was down on last year's figure (\$1,594/TEU)," said the Hapag statement accompanying the results. "Although intense competition led to unsatisfactory rate levels, substantial cost cutting and a slight drop in the bunker consumption price were the main factors behind the positive net result," said the statement. Bunker costs in the second quarter averaged US\$622 a tonne, which was below last year's figure of \$694 a tonne, said the company, adding that bunker is still more than three times the level it was in 2009 at \$200 a tonne. "Rate increases are indispensable for liner shipping companies to return to a sound earnings situation. While we managed to implement small rate increases at the start of July, it is still not enough. Further rate increases have been announced," said Hapag-Lloyd chairman Michael Behrendt. Source : Asian Shipper.



The 1950 built **SANDNES** participating at the Steam festival in Bergen (Norway) earlier this month **Photo**: **Hélène Tetteroo**. ©

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The PIO GRANDE arrived in the port of Suape with a part of the cargo (wind turbine parts) SB fwd bungeling overboard and according info received 1 large rack loaded with blades SB aft complety missing Photo: Gerrit Ros ©

## Chiquita saves US\$12 million a year using containerships for bananas

**CHIQUITA Brands International**, which grows and ships bananas worldwide, revealed in its quarterly results report that it saved US\$12 million a year by moving produce in containerships, reported American Shipper.

Chiquita, the parent company of Great White Fleet, said that the reconfiguration of its European shipping system, starting from the third quarter of 2011, provided these annual savings net of transition costs which included expected losses on vessels that were removed from service in 2011 and 2012.

"Comparable operating income of the banana segment excludes a charge of \$6 million in the first quarter of 2012 for net losses on certain ship sublease contracts. These sublease losses will not recur in 2013 since primary leases for vessels expiring at the end of 2012 were not renewed," said the Chiquita quarterly report. Because of the proliferation of self-contained refrigerated container systems on containerships, there are signs of a shift away from conventional reefer shipping in favour of container shipping, when it comes to the export of fruits.

Drewry maritime Research's Container Consensus reported the refrigerated container fleet grew 13 per cent during 2011, almost double the 6.6 per cent increase achieved in the year before. The Financial Times reported last year how fruit shippers like Fyffes of Dublin and Goreefers of Cape Town have discovered the same thing and have shifted towards containerships.

"This has been happening for the past eight years or so, it's just accelerated as the price of oil has risen," said Goreefers spokeswoman Sharon Cilliers.

"With container shipping the per unit cost is so much cheaper than on a conventional reefer vessel. There needs to be 2,500 containers on board, as opposed to 3,000 pallets on a reefer vessel. There is no way to combat this and we've seen a number of reefer shippers shut down. "Ten to 12 years ago conventional shipping was big and containers were very small, now the situation is totally reversed."

In its annual report Chiquita said as a result of the shipping reconfiguration, five chartered cargo ships were subleased to third parties until the end of 2012, and eight ship charters were not renewed for 2013. Source: Asian Shipper



The DONG BANG GIANT no 3 anchored off Singapore last Sunday - Photo: Piet Sinke ©



### **NAVY NEWS**



The Russian cruiser MOSKVA entering the Gatun Locks of the Panama Canal on her way to the Pacific.

Photo: Robert de Vlaming ©

### New Chinese Navy vessels pack Zhoushan port on east coast

A dozen Chinese navy warships, including the latest model destroyers and frigates, have docked in a naval port in Zhoushan, a coastal city in Zhejiang Province, according to pictures posted on the Chinese news website Huanqiu.com.

According to a report on the website Friday, the pictures taken by netizens showed more than 10 naval vessels of various sizes, including destroyers, frigates and supply ships, and some Internet users described the port as being packed with ships.

The Dinghai military port in Zhoushan is one of three bases of the Chinese Navy's East Sea Fleet and the fleet's primary port, the report said, but it did not comment on the significance of the buildup.

The fleet consists of seven missile-guided destroyers, 24 missile-guided frigates, seven submarines and three composite supply vessels.

The Zhoushan naval base, which faces Japan's Kyushu, offers the most accessible channel for the Chinese Navy to enter the West Pacific Ocean and the East China Sea, where the disputed Diaoyutai Islands are located.

China and Japan have been at loggerheads over the islands, which are also claimed by Taiwan, since Japan moved to nationalize them last September by buying some of the rocky outcrops from their private owners.

Beijing has responded by repeatedly sending naval vessels near the islands, which are administratively controlled by Japan.

Most recently, four Chinese naval ships sent to patrol waters off the disputed islands for 28 hours from Aug. 7 to Aug. 8 were still in the vicinity of the islands on Aug. 9, according to information released by the Japan Coast Guard.

Source: Focus Taiwan

### **SHIPYARD NEWS**



The Indonesian PELNI Interisland ferry **CIREMAI** moored at **Sembawang shipyard** in Singapore **Photo**: **E.Knisp** ©

### Cochin shipyard may get new dock

With the construction of Indigenous Aircraft Carrier (IAC) INS Vikrant in advanced stage, Cochin Shipyard Ltd is planning to go in for a new dock capable of repairing jack up rig, semi submersibles and large aircraft carrier, a release said.

In the last decade, the company has built and exported over 40 ships to international owners based out of Norway, USA, Saudi Arabia and Abu Dhabi making it the leading ship building facility in the country. "Cochin Shipyard, is today, the best performing shipyard in India. The yard has registered significant growth from its modest beginnings in 1972.

The shipyard's turnover increased from Rs 720 crores in 2006-07 to Rs 1,554 crores in 2012-13. The net profit during the period increased from Rs 58 crores to Rs 185 crores," it said. The ship yard also signed an agreement with Cochin Port Trust to establish a ship repairing facility. It has recently taken over about 42 acres of land with the existing graving dock for the purpose.

The other prestigious project undertaken by CSL for the nation's security is that of 20 Fast Patrol Vessels for the Indian Coast Guard. These ships are capable of extremely high speed of 33 knots and though small in size are complex and technologically challenging. Source: Deccan Chronicle

## Daesun delivers SINOTRANS SHANGHAI (1,048 teu)

**Sinotrans** has taken delivery this week of the first of two 1,048 teu ships, which the carrier ordered in April 2011 at the South Korean shipyard Daesun. The new container ship was handed over under the name **SINOTRANS SHANGHAL**.

The Chinese carrier will deploy the ship on the China-Japan-Korea service 'Kanto' (#2200), which is offered in cooperation with SITC. Each of the two shipping lines provides one vessel to the loop and the new SINOTRANS SHANGHAI will replace the 953 teu SKY PRIDE. The new ship will trade alongside the SITC-operated FORMOSA CONTAINER NO 4. Sinotrans' second Daesun vessel is scheduled for delivery in September. Source: Linervision

### **ROUTE, PORTS & SERVICES**



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The entrance of the main island of **Singapore** (Isla de la Sabandaria Vieja) and **Sentosa** (Isla de Arena). Base on A/P Peter Borschberg's research, it's also the entrance of the Old Strait of Singapore back in 1594.

Photo: Ey Kuet ©

## India to link with Myanmar port to boost ASEAN connectivity

In its push for greater connectivity with ASEAN countries, India is focussing its attention on a deep-sea port in southern Myanmar that would provide a much shorter sea route to the economically vibrant Southeast Asian region and help boost trade.

The Dawei deep sea port and special economic zone is slated to give a huge boost to connectivity and trade in the Southeast Asian region when it is commissioned in a few years. The \$8-billion project is being developed jointly by Myanmar and Thailand.

"The Dawei deep sea port, when complete, will provide India an alternative sea route to Southeast Asia and reduce dependency on the congested Strait of Malacca and cut transport time," an official told IANS.

The Dawei port is part of the southern corridor of the Mekong India Economic Corridor. India is concentrating on the southern economic corridor, which would connect Ho Chi Minh City in Vietnam, Phnom Penh in Cambodia, Bangkok in Thailand to Dawei in Myanmar.

"When Dawei port is ready, India is planning to connect it with Chennai. There will be no need to go through the Strait of Malacca then," said the official, unwilling to be named. During Prime Minister Manmohan Singh's visit to Thailand last May, the Thai government invited Indian business to invest in the Dawei Special Economic Zone, especially in areas where Indian companies have expertise, such as steel, manufacturing, power, petrochemicals and services.

Thailand's construction giant Italian-Thai Development Co has been involved in construction of the deep-sea port, which is designed to accommodate ocean-going cargo ships that pass through the Indian and Pacific oceans, cutting short the maritime distance over a relatively long detour via Singapore.

The Dawei Special Economic Zone Development Co, jointly owned by Thailand and Myanmar, will be assigned to run the project.

The Greater Mekong sub-region also has a North-South corridor linking cities of the Mekong basin countries - Cambodia, Laos, Myanmar, Thailand and Vietnam - to China. But India is not keen to join this. "That corridor cuts across to China and India is not very keen to join it," said the official.

India is involved in the 1,400-km Trilateral Highway, linking India, Myanmar and Thailand, that is slated to become a reality by 2016. The highway - from Moreh in Manipur to Mae Sot in Thailand via Myanmar - would open up India's landlocked northeast to Southeast Asia. The project is being funded by the Asian Development Bank.

The highway is expected to allow freight and container trucks to move across the borders from India to Myanmar and Thailand and play a crucial role in boosting trade and investment in the three countries.

The Kalewa-Yargi section of the highway in Myanmar, which India has offered to upgrade, is facing some problems due to the hilly terrain, said the source. "The major chunk of the Trilateral Highway has been completed. On the Kalewa-Yargi section and upgradation and repairing of 71 bridges, which India had agreed to undertake during Manmohan Singh's visit to Myanmar in May 2012, work is on," the official added.

India and the 10-nation ASEAN countries of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam have a combined population of 1.8 billion, which is one-fourth of the global numbers. The combined GDP of India and the regional bloc is around \$3 trillion. Among other connectivity projects with the bloc, India is also helping Myanmar upgrade the 160 km Tamu-Kalewa-Kalemyo road, repairing 71 old bridges in Myanmar, besides building the Kaladan multi-modal transit transport project.

The Kaladan project, expected to be completed in 2014, will connect Kolkata port with Sittwe port in Myanmar by sea and also link Sittwe to Mizoram via river and road transport. **Source**: Newstrack India

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## Hyundai slows down 'KMS' Far East to Middle East loop



The HYUNDAI HIGHNESS arriving in Singapore last Sunday - Photo: Piet Sinke ©

**Hyundai Merchant Marine** is to stretch the duration of its Korea - Middle East Gulf 'KMS' service (#188) by one week. At the end of August, the round trip time will increase from 42 to 49 days. A seventh vessel, the 6,350 teu **HYUNDAI NEW YORK**, will be deployed to the service in order to maintain a weekly frequency along the following port rotation:

Jebel Ali, Karachi, Singapore, Hong Kong, Kwangyang, Busan, Ningbo, Kaohsiung, Yantian (Shenzhen), Hong Kong, Singapore, Port Kelang, Jebel Ali.

The 'KMS' was one of the last services calling Iran, until Hyundai decided to drop the Bandar Abbas call as of mid-June. It is a Hyundai standalone operation with Emirates Shipping Lines, Evergreen, MOL and NYK as slot partners. Source: Linervision

## MARPOL - Disposal of Solid Bulk Cargo Residues

In October 2012 Members were advised about the Amendments to Annex V of MARPOL that were due to enter into force on 1 January 2013. The revised MARPOL Annex V places strict controls on the disposal of residues of solid bulk cargoes declared as Harmful to the Marine Environment (HME). However, many ship operators have experienced difficulties disposing of HME cargo residues due to a lack of adequate port reception facilities.

IMO's Marine Environment Protection Committee (MEPC) has therefore agreed that, until 31 December 2015, washwater from cargo holds containing the residues of solid bulk cargoes declared as HME may be discharged outside special areas, subject to the following provisions:

- 1. Based upon the information received from the relevant port authorities, the master determines that there are no adequate reception facilities either at the receiving terminal or at the next port of call;
- The ship is en route and as far as practicable from the nearest land, but not less than 12 nautical miles;

- 3. Before washing, solid bulk cargo residue is removed (and bagged for discharge ashore) as far as practicable and holds are swept:
- 4. Filters are used in the bilge wells to collect any remaining solid particles and minimise solid residue discharge; and
- 5. The discharge is recorded in the Garbage Record Book and the flag State is notified utilising the Revised Consolidated Format for Reporting Alleged Inadequacies of Port Reception Facilities.

Further information regarding these temporary measures can be found in MEPC.1 / Circ.810 – Implementation of MARPOL Annex V.

Members requiring additional guidance are advised to contact the Loss Prevention department.

Source: West of England P&I Club



Master Mariners from the London Offshore Consultants offices in Australia, Singapore and Thailand and Chevron Thailand attended a 2 day training seminar for "The Marine Operations of Mobile Offshore Units" given by Chris Mallett (LOC) at the Centara Grand in Bangkok, Thailand.



### Baltic Dry Index down to 1,001 points

On August 9, 2013, the Baltic Dry Index fell to 1,001 points, down 11 points (1.09%) against the level of August 8. BDI is a number issued daily by the London-based Baltic Exchange. Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a timecharter basis, the index covers Handysize, Supramax, Panamax, and Capesize dry bulk carriers carrying a range of commodities including coal, iron ore and grain. Because dry bulk primarily consists of materials that

function as raw material inputs to the production of intermediate or finished goods, the index is also seen as an efficient economic indicator of future economic growth and production. On 20 May 2008, the index reached its record high level since its introduction in 1985, reaching 11,793 points. On 3 February 2012, the index had dropped 647 points, the lowest since 1986.



The LEWEK CENTURION arrived in Vlissingen
Photo: Wim Kosten – <a href="https://www.maritimephoto.com">www.maritimephoto.com</a> (c)

## Radiozendamateurs V.R.Z.A Helderland bemannen Lichtschip Texel



Ook dit jaar zal deze deelname die bestaat uit het onderhouden van radioverbindingen op de HF/VHF frequentiebanden in spraak, morse en moderne digitale modes met meer dan 400 vuurtorens en lichtschepen wereldwijd gebeuren vanaf het lichtship Texel

Het weekend van 16 t/m 18 augustus staat voor de radiozendamateurs van de V.R.Z.A Helderland in het teken van het ILLW (International Lighthouse Lightship Weekend). www.illw.net



afgemeerd op de oude rijkswerf Willemsoord. Het team van Helderland is vanaf donderdag 15 augustus te vinden op

het lichtschip Texel om alle radio zendapparatuur en antennes te installeren, om vanaf vrijdag de 16e wereldwijd in de lucht te zijn. Iedere verbinding zal tevens schriftelijk worden bevestigd met een zogenaamde qsl kaart (zie bijlage) die na het evenement naar alle landen zal worden verzonden. Belangstellenden zijn tot zondagmiddag van harte welkom om een kijkje te nemen in de radiohut van het lichtschip Texel, en kennis te maken met de wereld van de radiozendamateur, een leuke aanvulling bij uw bezoek aan de Helderse visserijdagen.



The MSC EMANUELA departing from the Singapore Pasir Panjang Container terminal –

Photo: Pieter van Beurden ©

# Imtech Marine Canada awarded first subcontract from Seaspan Shipyards under the Canadian government NSPS Program

Imtech Marine Canada (IMC) has been awarded its first subcontract of the extensive Canadian government National Shipbuilding Procurement Strategy (NSPS) Program for the engineering of an Offshore Fisheries Science Vessel. Imtech Marine takes responsibility for the ships' platform automation, electrical solutions, electric propulsion and heating, ventilation and air conditioning systems and has started the first engineering activities.

In October 2011, **Imtech Marine** announced its involvement in the realization of the extensive NSPS program as a technology partner of Seaspan Vancouver Shipyards.

The NSPS program involves the construction of a number of navy and coast guard research vessels. Imtech Marine is involved in the non-combat section, which is expected to comprise two Joint Support Ships (JSS), each having a length of 175 m, an 85-metre Offshore Oceanographic Science Vessel (OOSV) that will conduct oceanographic research along Canada's eastern coast, as well as three Offshore Fisheries Science Vessels (OFSV's) that will conduct research into the fish stock and the development of local ecosystems along both the western and eastern coasts of Canada. Seaspan will also be building a 140-metre long polar icebreaker.

Stefan Nieuwenhuys, NSPS Program Manager for Imtech Marine Canada: 'As a partner of Seaspan in this OFSV project for the Canadian Coast Guard, we will bring in our expertise for the ships' automation, electrical infrastructure, electrical propulsion and air conditioning and climate control systems, as well as platform system integration.

Imtech Marine has been active in the Canadian market for more than 22 years. Our acquisition of Techsol Marine (Quebec) mid-September 2011 and the local presence of Radio Holland Canada (Vancouver and Halifax), now called Imtech Marine, as well as the integration of the electrical design team of Canadian company DCMT (David Clarke Maritime Technologies) gives us a solid position to work on this program with local people. This is supported by the expertise which Imtech Marine built up over the years in various naval and commercial projects in Europe.'

'This subcontract offers growth potential for us in Canada and it shows that our many years of investment in the Canadian market is appreciated. Our team in Vancouver, with local staff and engineers, is 'on site' so we can be as close to our customer as possible. We are in the process of working with Canadian suppliers and integrating their products and services into our systems and are keen to work with local people and local SME companies as much as possible, to effectively help building these vessels.'

## Container shipping keeps Hanjin in the red in Q2

Hanjin Shipping is the latest major Asian shipping line to report negative quarterly results as low container shipping rates kept it in firmly in the red in the second quarter. Hanjin joined Orient Overseas International (OOIL) and

**Neptune Orient Lines (NOL)** last week in the red last week reporting an operating loss of KRW55.7bn (\$49.6m) for the second quarter. Although revenues grew by 6.9% to KRW2.67trn compared to the first quarter, the company was hit by low rates for container shipping.

In the second quarter **Hanjin's** container volumes on the transpacific, Asia-Europe and intra-Asia trades grew by 10.0%, 7.6% and 8.3% respectively, however, it racked up an operating loss of KRW73.3bn for the boxshipping business. Bulk shipping reported an operating loss of KRW2bn.

Overall for the first half of 2013 Hanjin reported a 66.1% reduction in its net loss to KWR115.2bn compared to KRW339.6bn in the same period a year earlier. Looking ahead Hanjin said: "In the third quarter, container business will see some transport volume growth as we enter into the peak season, and we will focus our efforts on maximizing profit margin through additional freight rate recovery in major trades and continuous cost reduction." Source: Seatrade Global

### **OLDIE – FROM THE SHOEBOX**



The 1940 built FENRIS - Photo: coll Kees van Huisstede

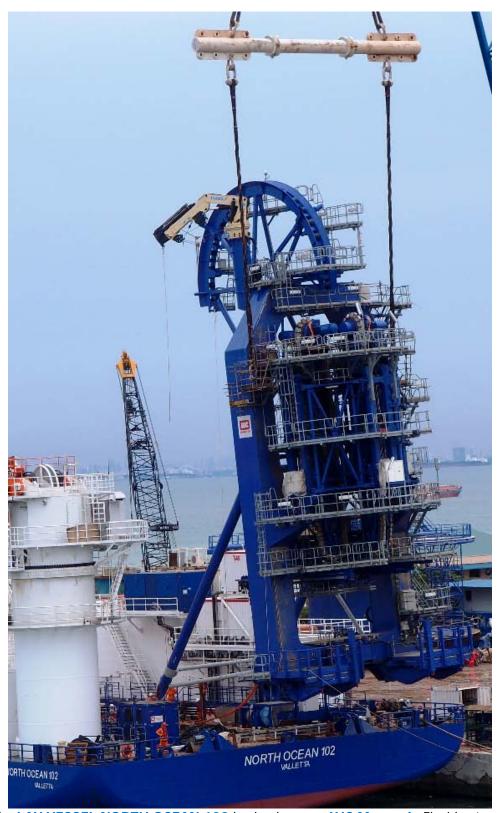
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### .... PHOTO OF THE DAY .....



The LAY VESSEL NORTH OCEAN 102 having her new IHC Merwede Flexi-lay tower installed at BMB in Batam, Indonesia - Photo : Capt. Jelle de Vries ©