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Evening view of the World Port days 2013 in Rotterdam as seen from the tug ADRIAAN Photo : Marijn van Hoorn ©

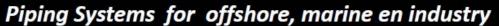
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### **EVENTS, INCIDENTS & OPERATIONS**









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The Pilot tender LYNX operating at the Westerschelde – Photo: FLYING FOCUS luchtfotografie - www.flyingfocus.nl

### NH 1816 the Dutch 'next generation lifeboat' of KNRM

#### A generous insurance company, 'The Noordhollandsche of 1816'

It is a long tradition in the Netherlands that new built lifeboats are donated by philantropic indivuduals or companies. The nature of these generous gifts are sometimes legacies and sometimes donations.



When one of the oldest insurance companies in The Netherlands, 'The Noordhollandsche of 1816', showed evidence of willing to donate an entire new lifeboat KNRM took this opportunity to arrange for a different approach. Both parties in 2010 agreed to the plan to develop a completely new, state of the art lifeboat. With that both the name of the first boat to be built and the name of this new class was abbreviated to NH 1816. It is expected that trials of the first boat shall start by the end of 2013 and the christening of the

NH 1816 is planned in the beginning of 2014. The insurer has, for the last consecutive years, been chosen as the best

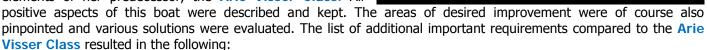
Dutch damage insurers. Not surprising therefore that both quality focused organizations have been able to find each other in this challenging development of designing, engineering and shipbuilding.

#### **Professional** development shipbuilding and consortium

In order to guarantee that all relevant innovations indeed were incorporated in the design a consortium was formed of several leading Dutch organizations. Next to KNRM itself the parties involved are 'TU-Delft' (Faculty of mechanical engineering and marine technology of the Technical University Delft), 'Damen Shipyards' from Gorinchem and 'De Vries Lentsch, Naval Architects'.

#### Basic requirements of the new lifeboat

The principles of the new design consisted of all the positive elements of her predecessor, the Arie Visser Class. All



- 1. A considerable reduction of vertical and horizontal G-forces. Aimed at a decline of at least 40%;
- Massive reduction of vibrations: 2.
- 3. Noise reduction to at least 75 Db in the wheelhouse and external noise reduction:
- The first three mentioned aspects have to lead to a considerable increase in crew comfort. With the same goal 4. in mind a number of other improvements were added: airconditioned wheelhouse, toilet, improved lines of sight in combination with (6) ergonomically designed, relative to each other staggered, crew-seating positions;
- 5. Improved maneuverability at high and low speeds;
- Improved directional stability with the waves; 6.
- Full integration of ICT systems, covering signalizing of engine and board systems, communication-, navigation-7. and SAR related and other information systems;
- 8. Improved interconnectivity with the Netherlands Coast Guard;
- Continuous availability of engine power (both engines have to be able to continue functioning in a full capsize 9. for 30 seconds. Giving the possibility to recover quickly after a capsize and thus prevent a possible second one);



- 10. Restriction of pollutant emissions;
- 11. Relative reduction of fuel consumption;
- 12. Enlargement of the fly-bridge for improved, visual search effectiveness by crewmembers.

#### Positive Arie Visser design aspects are kept

The NH 1816 hull will again be built in marine grade alloy. The transom drowning man recovery bin will be installed, as present in all the Arie Vissers.

Jet propulsion is to be continued and again a tube around the boat will be installed. However here **KNRM** and the architect required a new D-shaped, tapered, fender-like solid foam tube. Thanks to this new shape deck space has been enlarged drastically, while keeping the advantages of the fender when coming alongside. The disadvantage of



the huge, round **Arie Visser** tubes is that they can induce a lot of resistance in foul weather. The new fender is tapered towards the direction of the bow in order to decrease the resistance of water.

What is also kept are the backwards leaning front windows of the wheelhouse. In this way improved aerodynamics, in high seas at high speed, better breaking of massive water leading to relative reduced glass thickness (weight!) were the convincing arguments of the old design.

The desired maximum speed - over 30 knots -

has been maintained as requirement and relates to the maximum wave velocity in the North Sea of 27 knots. "It is a matter of safety to be able to stay ahead of larger waves." This is the shared vision of all KNRM lifeboat skippers.

Also the chosen jockey type of seats (brand **Ullman**) of the **Arie Visser** will again be installed. It has been proven that this active type of sitting - whereby the legs are used to absorb vertical movements - prevents injuries to the knees and back in heavy seas in these high speed, relative small, craft.

Wat has been changed



With respect to the first important design requirement, the reduction of G-forces, fundamental design aspects had to be made to the hull shape. The basic choice was made to introduce the so called 'axe bow' design. The ax bow principle has been designed bu TU Delft, prof. Lex Keuning in 2007. In the meantime this type of hull has been successfully built and deployed many times in several types of vessels. Damen Shipyard is one of the specialists in engineering and building ax bow types of high and normal speed craft.

For SAR operations, especially when operating in shallow waters the forefoot of the 'normal' ax bow had to be altered. The bottom part of an original axe bow's

forefoot is lower than the deepest draft point of the hull. With the objective to create enough buoyancy in the front. Running aground – which occurs now and then - with a bow being the maximum draft was no option.

This lead to an adapted, 'semi ax bow' design. The lowest part of the bow in this form is higher than the maximum draught of the vessel. The buoyancy compensation was found in the upper part of the bow.

The new hull design was intensively tested with self-propelled models in **TU-Delft**'s towing tanks and those of the – in the maritime world famous – **MARIN** (**Maritime Research Institute Netherlands**) in Wageningen. And here we come at another new feature of the **NH 1816**, retractable fins at the rear end of the boat. .

Test results were positively astonishing and reaffirming. The directionial stability proved to be better than the Arie Visser running with the waves, even without deploying the retractable vertical fins at the back of the hull. With fins deployed there never was any sign of broaching at all. With that gained directional stability, by lowering the fins at the discretion of the coxswain, just taking 4 seconds, the high maneuverability at low speed or on the spot - thanks to the jet propulsion – fully remains intact by retracting the fins in these circumstances.

Test results showed in all cases that the capacities and set requirements of the new design have to be not doubted. Yet another important change in the construction is the application of a composite built and separately mounted wheelhouse (welded to the hull in alloy with the **Arie Visser Class**). By choosing this material and the flexible

mounting to the hull the calculations show a considerable decrease in vibrations and noise. The advantage of better temperature- and noise isolation from outside automatically comes with the choice made.

By placing both MTU engines more aft, compared to the **Arie Visser** mounting, directly under the wheelhouse, a separate, internal cabin for 16 people could be created in front of the engine room, directly above the fuel tanks.

The last change certainly worth mentioning is contained in the now fully integrated on board ICT system. From the end users perspective the system consists of five large, (21") multi functional touch screens. The size and placing of the five screens for the three front row crew positions are chosen in combination with an ergonomic study of the wheelhouse. A mockup of the wheelhouse was made to determine the position of seats, screens, windows, throttles, switches etc. The skippers seat is just behind the coxswain, slightly higher, from where he has an overview on all five screens.

The system is referred to as IPMS (Integrated Platform Management System) The most important sets of screen functions that can be selected from each screen are:

- Signalizing and alarms of ships systems (engines, pumps, fuel etc.)
- Navigation (radar, AIS, GPS Plotter)
- Communication (intercom, UMTS/GPRS, WiFi, VHF, C2000Tetra police communication, Irridium satellite communication, Fleet Broadband satellite connection)
- Closed circuit video camera presentation (CCTV).

Provisions are being made for the installation of infra red camera's.

#### NH 1816 key data compared to the Arie Visser Class

| Onderdeel   | NH 1816                           | Arie Visser                            |
|---|-----------------------------------|--|
| Length over all                                     | 19,30 m                           | 18,80 m                                |
| Width   | 6,54 m                            | 6,10 m                                 |
| Draft   | 1,10 m                            | 1,03 m                                 |
| Weight  | 35 tons                           | 28 tons                                |
| Power   | 2 x 1200 HP                       | 2 x 1050 HP                            |
| Engines   | MTU 8V 2000 M84L                  | MAN                                    |
| Powertrain  | Hamilton jets and ZF 2000 gearbox | Hamilton jets and<br>Reijntjes gearbox |
| Max. speed (Knots)                                  | >31                               | 35                                     |
| Range (Nautical miles,<br>Nm, at mainly full speed) | 185 Nm out, 348<br>Nm totaal      | Identical                              |
| Max. saved / victims                                | 120 outside and 16 inside         | 120 outside, 12 inside                 |
| Normal crew   | 6                                 | 6                                      |
| Shipyard  | Damen Shipyard,<br>Gorinchem      | Aluboot,<br>Hindeloopen                |

#### Deployment and sales

Practice starts with the delivery in the last quarter of 2013. From then onwards trials will start on the North Sea from IJmuiden (HQ) and other harbours in the south and north. The concept of this 'next generation lifeboat' in the meantime has been brought to the attention of several other SAR organizations. KNRM and Damen hope and aim at a broader use of the new boat. Both parties wish to share their knowledge and experience with other SAR and Coast Guard type of organizations. They think this is important for the improvement of saving lives at sea but also from an economic point of view.

Eventually 'only' a maximum of ten **NH 1816** 's shall be needed in the Netherlands. Taking into consideration it is the typical strength and selling point of **Damen Shipyard** to base their production and deliveries on series of standard pre-built hulls, leading to lower selling prices and speedy deliveries, both parties are striving for more assignments. From which also **KNRM**, as a voluntary based foundation, will benefit with their subsequent repeat orders.

However it is undoubtfully important to test the boat in real circumstances, at KNRM nobody involved in the development has any doubt about the boat meeting its pre-set requirements. This is due to the very thoroughly executed design, engineering and modeltesting that has taken place. Finally the NH 1816 will - worldwide - be the first lifeboat that is being designed, engineered and built under Lloyds supervision.

For questions or contact please respond to: Henk Kok - e: h.kok@knrm.nl

For more and other information on KNRM products and services: www.knrm.com



See also: http://www.youtube.com/watch?v=Ng8yPtNKFi0

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Upon completion of the seafastenings the **BBC CITRINE** departed from Batam bound for Angra Dos Reis in Brazil – **All photo's : Port Capt. Manuel Saez.** ©



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TERASEA HAWK (nearest) and TERASEA FALCON towing in south China Sea note the HAWK has the Posh/Terasea JV. Funnel marking and logo on ships side.Photo: Salviceroy Crew ©

### Former Panalpina boss joins NOL board



The APL JADE inbound for Melbourne - Photo: Dale E. Crisp ©

**NOL Group** announced the appointment of Bruno Sidler to its board of directors. Sidler is the coo of market expansion services group DKSH Holding, which is listed on the SIX Swiss Exchange.

Sidler will join the NOL Board on 16 September 2013 and he will serve as a member of the executive committee of the board. On the same day, Olivier Lim will step down from the NOL board. Lim is currently a member of the Nominating Committee. "We are delighted to welcome Bruno Sidler to the NOL Board. His vast experience garnered from many years of working in the logistics sector in different parts of the world will be instrumental to our desire to grow NOL's global logistics business," said NOL chairman Kwa Chong Seng. Based in Zurich, Switzerland, Sidler is a logistics and business services veteran with a distinguished career spanning more than 30 years in the industry, most of it with the Panalpina Group where he rose through the ranks to become its president and ceo in 1998, a position he held until 2006. Sidler held senior management roles at Ceva Logistics from 2007 to 2012, with his last appointment as its coo. Sidler joined DKSH in 2013. The company has been active in Asia since 1865 and today employs over 26,000 people across the region, generating revenues in excess of \$9.5bn. Source : Seashipnews

## Bimco pours cold water on Suez terror attacks

The world's largest shipowning body, **Bimco**, has moved to throw cold water on the hot topic of Suez Canal terror attacks. While acknowledging that the canal is "a tempting target for terrorists" Bimco stressed it was important not to exaggerate the threat to shipping and indeed more importantly the threat to closing the canal, which the organisation

said could only really be done for any length of time by sinking a number of ships. "Even the bridges being damaged could be cleared quite quickly," Bimco said. "There is the threat of continued small arms attacks on vessels," Bimco admitted. However, the Copenhagen-headquartered firm said the YouTube video of the RPG attack on the COSCO ASIA containership 10 days ago was being discredited by intelligence analysts. The official Cosco report says that the side of ship was not struck.

"Even if RPGs were fired – we suspect they were - they could cause casualties but no fundamental damage," Bimco noted. Somali pirates in the Indian Ocean and Gulf of Aden have used the weapon innumerable times without sinking a ship. "Intelligence to date suggests it is difficult to see the incident on 31 August as anything more than an opportunist attack by militants unaffiliated with any external insurgent group who saw an opportunity to embarrass Egypt's military government," Bimco reckoned. "Further attacks of this type will likely have the same negligible effect," it concluded. Source: Gulfshipnews





The 2013 built MSC AGRIGENTO, is the 3rd of her class to call in Cape Town, others being MSC ATHOS & MSC ABIDJAN Photo: Ian Shiffman ©

## Smoke on the Water: More Cruise Lines **Ban Cigarettes**

Is it lights out for cigarettes on the high seas? Smoke-free environments are becoming increasingly more popular among travelers, according to a new survey. A poll of more than 500 passengers by Cruise Critic, a global cruise community site, revealed that 54 percent think smoking should be banned from cabin balconies. And nearly a quarter of respondents were in favor of prohibiting puffing from all areas of the ship.

"Smoking onboard cruise ships is a highly debated and contentious issue within the cruise industry, and cruisers have very strong opinions on this topic, as revealed in this survey," said Adam Coulter, UK editor of Cruise Critic, in a statement. A handful of cruise lines have made waves over the last year introducing stricter policies on smoking.

Starting next spring, passengers aboard Cunard's Queen Mary 2, Queen Elizabeth or Queen Victoria will be prohibited from smoking in cabins, on balconies and in any public areas apart from the Churchill Cigar Lounge, designated areas on open decks, and the upper level of the G32 nightclub on Queen Mary 2.

MSC is 90 percent smoke-free, according to CruiseCritic, with smoking "prohibited in dining rooms, theaters and cabins (including cabin balconies)." Designated areas include the cigar room, casinos, one designated lounge and one side of the sun deck.

Similarlly, Seabourn has prohibited smoking from balconies in all category B suites on **Seabourn Pride**, **Spirit** and **Legend**. But passengers staying in suites on **Seabourn Odyssey**, **Sojourn** and **Quest** are permitted to smoke from cabin balconies.



The DISNEY MAGIC moored in Malta - Photo: Gaetano Spiteri ©

In August, Disney Cruise Line announced it would ban smoking from all of its ships' balconies, including electronic cigarettes. "From time to time, we make adjustments to our operation based upon guest feedback," confirmed a disney representative. "Effective November 15, 2013, guests will no longer be permitted to smoke on stateroom verandahs. Portions of open-air decks on each ship are designated as smoking areas in an effort to provide a cruise experience that satisfies both our non-smoking and smoking guests."

**Royal Caribbean** followed suit with a balcony smoking ban last week that will go into effect in the new year. Those found in violation could face up to \$250 in fines. The ban will be enforced on all ships except those traveling through Asia. In the meantime, passengers who prefer to light up can still do so inside of ship casinos and select Connoisseur Clubs on RCI ships. **Celebrity Cruises** also prohibits smoking on verandas, including electronic cigarettes, and restricts lighting up to designated areas of the ship.

But smokers looking for a more permissive environment can still find them. Carnival Cruise Lines, for one, still permits smoking from stateroom balconies except for spa cabins. One can also partake inside of Carnival dance clubs and jazz bars on various vessels. For specific questions regarding rules and restrictions, travelers should always contact cruise staff. Source: abcnews



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### **VEKA** is ready for LNG



After having designed a LNG inland shipping tanker with a capacity of 2.250 cubic meters VEKA Group is ready for the future. 'The GATEterminal the Rotterdam Maasvlakte is the first and up to now the only LNG import terminal in the Netherlands', says project manager Wout van Wijnen. 'We expect that in the years ahead a number of smaller terminals will be built upstream the rivers Rhine and Danube. To supply these terminals LNG inland shipping tankers are required, which VEKA can deliver.'

Extensive experience with LNG

**VEKA Group** has more than ten years experience with the development and construction of LNG ships. In 2003 the company delivered her first seagoing LNG tanker: the Pioneer Knutsen with two LNG cargo tanks of each 550 cubic meters. Last year VEKA Group developed three LNG ships:

- a seagoing transport vessel with two LNG cargo tanks of each 2.000 cubic meters
- a seagoing Combi tanker with one LNG cargo tank of 2.000 cubic meters and four HFO(heavy fuel oil), two MDO(marine diesel oil) and two MGO(marine gas oil) tanks with a total capacity of about 2.960 cubic meters
- an inland waterway container ship, sailing on LNG, with a loading capacity of 268 TEU



10-09-2013, The AidaLuna arriving in Halifax- René Serrao, Portuguese Cove, NS ©

## Vale Awaits Chinese Shipping Decision

Vale SA of Brazil is banking on a pickup in the Chinese economy to lift steelmaking demand, which could pave the way for the mining company's supersize ships to supply directly the market that they were designed to serve but that now bars them from docking.

A decision by Beijing to loosen restrictions on the cargo ships, known as Valemaxes, would be a boon for the world's largest producer of iron ore, an ingredient in steel.

Valemaxes, the world's largest cargo vessels, are about twice the size of the next-largest class of freighters, weighing in at about 400,000 deadweight tons. They were developed by Vale specifically to reduce the disadvantage from the company's longer distance from the crucial Chinese market compared with the Australian operations of rivals BHP Billiton and Rio Tinto. Threatened by the competition to their own fleets, Chinese shipowners including state-owned China Ocean Shipping (Group) Co. successfully lobbied Beijing early last year essentially to ban Valemaxes, describing the ships as "a matter of monopoly and unfair competition" and citing safety concerns.

Drawn by the argument from steelmakers and others that the ships ultimately might mean more abundant, and therefore less expensive, iron ore, Beijing is contemplating a policy shift that could cede power to individual ports to decide the size of freighters they would accept.

Chinese ports formally are limited to allow only ships as big as 300,000 deadweight tons, though some ports have moved to build facilities that could handle larger vessels like a Valemax. Vale Minerals China President João Mendes Faria said Tuesday that China could import iron ore more cost effectively should authorities open the ports to Valemaxes. "The decision is in China's hands," he said.

The Transport Ministry late last month circulated a draft proposal that could free port authorities to accept vessels larger than the limits, subject to safety and other restrictions.

Analysts said that the language in the proposal is vague but could open the door to Valemaxes.

"My interpretation of this is that this will allow a vessel larger than 300,000 deadweight tons to berth at a port with a nominal capacity of 300,000 deadweight tons," said Bonnie Chan, shipping analyst with Macquarie Securities. But the vessel still might be required to offload enough cargo to smaller ships before reaching port to meet the berth's safety limits, she said.

The Transport Ministry declined to comment. An official handling the proposal said it was still collecting feedback from the industry and hadn't made a decision.

Mr. Faria said Vale hadn't received any official communication from Chinese authorities but that he was eager to see what form the rules might take.

"The new regulation may guide how things will move forward," he said.

He said feedback from Chinese steelmakers, shipping companies and ports suggested the direction of revised regulations could be "more positive than negative."

Vale began ordering the first of 35 large cargo ships in 2008 from Asian shipyards at more than \$100 million a vessel. It owns 19 and leases 16 of the ships. Most are already sailing, but the vessels have anchored outside Chinese waters—mostly near Subic Bay in the Philippines—and used smaller ships to feed Vale's cargo to Chinese ports.

China makes nearly half the world's steel.

Vale sold 148 million metric tons of iron ore to China last year, compared with 60 million tons to other markets in Asia, including Japan and South Korea.

Vale is maintaining a "very positive" outlook on Chinese iron-ore demand, and the company is hopeful that China will change its berthing policy, Mr. Faria said.

Chinese imports of iron ore in January through August increased about 8% from a year earlier.

Iron-ore prices have fallen about 12% this year, but Mr. Faria said he believed that prices would "not be significantly lower" in the next couple of years.

"This year, we're sold out," he said. "For next year and the next, we've received indications from our customers that we are sold out. So we have no concerns." He said China's new leadership, which came to power in March, appeared to be pushing Chinese companies—state-owned and private—to face market realities. "We see the environment for our business in China even better in 2013 and onward," he said. Source: Wall Street Journal



### **MAAS RACE IN ROTTERDAM**





with above seen the **LOOTSMAN** manned by Rotterdam Pilots in front and in the back the Kromhout Whaler **SIR LANCELOT SKYNNER** as seen from the support tug **ADRIAAN - Photo's**: **Marijn van Hoorn** ©



During the World port days 2013 at the river

## Will change in Cabotage Law bring down domestic shipping costs?

For many, "cabotage" is a concept beyond the realm of ordinary understanding. Thus, when P-Noy in his most recent State of the Nation Address said that there was a need to amend the Cabotage Law to lower the cost of transportation for the agriculture sector and other industries, most everyone could not help but applause.

Cabotage refers to the transport of goods or passengers between two points in the same country by a vessel or an aircraft registered in another country. The country's Cabotage Law, lifted from the US's Jones Act of 1920 and embodied in the Philippine Tariff and Customs Code, essentially protects the local shipping industry.

Simply put, it disallows foreign vessels to ply inter-island routes. Therefore, when a 20-foot container cargo enters the Philippine international ports (like the Port of Manila or Port of Subic), this is transferred to a local ship if it needs to go to the Visayas or Mindanao.

At present though, the cost of transporting a container cargo intra-country is most of the time much more expensive than the cost of bringing it in, for example, from Shenzhen, China, despite the shorter distance of local travel.

The higher freight cost makes inter-island shipping one of the major reasons why there are many products shipped from one local port to another that have become exorbitantly expensive compared to what it actually costs from the country of origin.

In a sense, this means that the global liberalization in trade that is supposed to break down tariff barriers so that cheap goods from abroad will be enjoyed by our countrymen at relatively the same cost is not happening. Vise-versa, our exporters are not able to send their products to the international ports at competitive costs.

#### Other cost factors

But before we start damning the local shipping industry for inefficiencies in their operating costs, there seems to be other reasons for this inequity.

A comparison of foreign ships versus local vessels will show a number of advantages by the former over the latter. These include lower taxes on bunker fuel, lower or no income tax payments, cheaper manpower (Chinese, Vietnamese, Thai, Indonesian, Burmese or Sri Lankan), and import taxes.

Other advantages have to do with higher financing costs of operating a local ship, accountability on claims being under the strict jurisdiction of Philippine laws, and more expensive security precautions.

There are other bigger reasons that cripple the cost of inter-island shipping. For example, the shipping cost of bulk carriers, whether foreign or Philippine flag, remain relatively the same. The problem, though, lies not in the vessels but with the ports.

#### Poor port facilities

The country's ports lack the facilities like warehouses and silos to speed up the process of loading and unloading bulk cargo, thus causing delays. And we all know that delays cost money.

Our ports need modern equipment like cranes, conveyor belts, bulldozers, and many other specialized gear and apparatus to speed up loading and discharging operations of bulk carriers.

For example, to load 5,000 tons of corn in Mindanao will take 10 days; whereas if there were a silo, the same amount could be loaded in a day. Due to the absence of silos, ship owners are penalized for the nine days. Conversely, if we had modern suctions or grabs, discharging could be done in just two days.

The shipping costs for general cargoes, just like bulk carriers, whether foreign- or Philippine-flagged, is the same. The problem, however, also lies with ports. Our ports lack the modern facilities and equipment to load and discharge cargo effectively.

#### Double handling

Container vessels are beset by double-handling problems. When a foreign-flagged vessel unloads in Manila, and a domestic container vessel loads the cargo in Manila, and then unloads it in Davao, there is double handling, and consequently, higher cost.

There is also the case of loaded containers being discharged at a local destination port, but because the containers go back to Manila without anything in them, an imbalance of trade happens. Hence, this becomes another reason why there is a higher shipping cost.

All of the other reasons, therefore, illustrate that domestic shipping companies cannot be entirely blamed for the high cost of inter-island trade. Therefore, it is important that the government, in preparing to amend the existing Cabotage Law, should have a firm grasp of the transport economics.

#### Indonesian experience

The local shipping industry has invested so much money of late as it tried to upgrade its vessels to be compliant to world standards. Oil tankers, for example, can now be favorably compared with other countries with their having double hulls.

To arbitrarily introduce changes that will disregard the recent investments made by local shippers could lead to the death of the industry, and induce a situation just like what happened in Indonesia when the industry almost died when foreign vessels were allowed to enter smaller ports.

Indonesia subsequently reverted back to its old shipping arrangements to protect the local industry. In the Philippines, local ship owners are also concerned that the modern facilities and strong financial capabilities of foreign ship owners will induce a rate war that would kill them.

The Maritime Industry Authority (Marina) has been cautious about the move to change the Cabotage Law, citing the Indonesian experience. Aside from the massive investments by local shipping companies, thousands of local workers stand to lose their jobs.

Address root cause of high transport cost

Prudence demands that we approach the problems of cabotage by addressing the real reasons behind the high cost of transporting products between islands. Ports need be modernized at all costs if we are to bring down inter-island shipping cost.

If the government does not have the money for it, then privatize the ports so that modern equipment may be installed. Source: Philstar



#### NAVY NEWS



Aviation Boatswain's Mate (Fuel) 1st Class Pangtang Yang observes the fueling process during a replenishment-at-sea between the Military Sealift Command fast combat support ship USNS Rainier (T-AKE 7), left, and the aircraft carrier USS Nimitz (CVN 68). The guided-missile cruiser USS Princeton (CG) 59 approaches Rainier's starboard side to begin replenishment. The Nimitz Carrier Strike Group is deployed to the U.S. 5th Fleet area of responsibility conducting maritime security operations and theatre security cooperation efforts. Photo: US navy

## Naval ship classification – guidance issued by Lloyd's Register

A naval ship must be capable and safe to operate. Lloyd's Register's new publication describes naval classification and how LR can support naval projects worldwide, from the earliest user requirement and concept stages, through life operations, and to end of life.

The ability of most modern navies to sustain their own naval standards has degraded to the point where they must look for alternatives. These alternatives must not only deliver against the provisions of naval standards but against the greater safety and technical governance requirements that navies find themselves subject to both at home and

internationally. The challenges of naval ship safety assurance have evolved and many navies have engaged with industry to manage these challenges.

The pure commercial off-the-shelf model of classification does not adequately provide the specific levels of assurance required by today's modern navies.

Lloyd's Register (LR), having being engaged by the UK Ministry of Defence (MOD) in the late 1990s, has recognised these challenges and supports navies around the world in the naval ship safety assurance arena applying naval classification and naval Rules and also by looking at the broader requirements of naval ship safety assurance. This supports the navies' efforts and supplements their limited resources, allowing them to be confident in the material state of their ships and consequently their safety.

The Chairman of LR's Naval Ship Technical Committee, Rear Admiral Nigel Guild, in his introduction to the guide states: "These services are deeply rooted in the processes that govern commercial shipping – the major regulatory process being compliance with international conventions from the International Maritime Organization (IMO) – but they also recognise the unique operational expectations of naval ships and the higher levels of risk that navies will tolerate when called on to deliver their military capability."

Naval ship safety assurance also draws on the legislation which governs commercial shipping. While warships are exempt in strict legal terms from the requirements of the IMO's Safety of Life at Sea Convention (SOLAS), it can significantly contribute to naval ship safety when applied practically through the Naval Ship Code and naval classification.

This guide details the role that LR plays in the safety assurance process for naval ships. This role is much wider, and more complex, than just the application of prescribed classification Rules and Regulations. LR can also support naval projects from the earliest user requirement and concept stages (before the point at which classification traditionally becomes involved) through to operation and disposal.

A PDF of the guide can be downloaded now at www.lr.org/naval.

## Navy ship's engine room catches fire at sea, restoration underway

The generator room of the Navy's 14,000-ton ship caught fire while the ship was sailing off the west coast of the Korean Peninsula Tuesday, causing a duty officer to suffer second-degree burns. Restoration work is currently underway.



A fire broke in the engine room of the **Dokdo-class** amphibious assault ship which was sailing near the western port of Gunsan around 10:45 a.m.

Crew members immediately put out the fire, but a 23-year-old petty officer first class, who was on duty in the engine room, got second-

degree burns in the process of containing the blaze, according to Navy officers.

"Among two generators in the ship, the burned one broke down, and the other stopped after sea water flowed in during the process of extinguishing the fire," a Navy officer said. "The ship currently remains in the same spot. Repair works will continue late into the night."

Named after the easternmost islets of Dokdo in the East Sea, the lead ship in its class was built by Hanjin Heavy Industries Source : Yonhap

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## Inland barge VEKA makes transatlantic crossing



For the first time in history an inland barge sailed from Europe to South America. After a journey of 44 days and 6,400 nautical miles the 135 meters ship 'DONA MAGDA' arrived at the final destination in South America.

The **VEKA Group** organized this unique transport that started mid-July in The Netherlands. Without any bunkerstop the tug **NEPTUN 11** of Landfall delivered the inland barge successfully in Montevideo on August 26.The 135 meter long inland barge will do service on one of the major shipping routes in South America, the Paraguay river.

#### First European barge in Paraguay

The ship is built by **VEKA Group** in The Netherlands and is the first European inland vessel

that will sail in Paraguay. This ship is bigger, wider and stronger than most of the inland barges used in Europe as waterways of South America are more rough then those in Europe. With 25 years of knowledge and experience of building inland barges, **VEKA** has developed a special ship that is fully adapted to this region.

Specifications of the ship Length 135.00 meters Width 17.50 meters Maximum draft of 3.70 meters Cargo capacity 5,200 tons Propulsion two Caterpillar engines type 3512

## Gazprom set to order 12 new Arctic tankers by 2020

Gazprom plans to order 12 new Arctic tankers by 2020, PortNews correspondent reported citing a Gazprom official statement at RAO / CIS Offshore 2013. Deputy Chairman of the Board of OAO Gazprom Valery Golubev said that the "Vladivostok LNG" project will need up to 4 tankers. The 170,000-tonne tankers will be built to the South Korean green and fuel-saving design. The ice-class vessels will be able to sail independently in the Arctic seas without icebreaker

assistance. Some of these ships are expected to be built at a new shipbuilding complex "Zvezda", which is currently under construction in the Far East by a consortium of investors that includes among others the state-owned gas monopoly. By 2018, the shipbuilding facility will build such a tanker. The rest vessels might be constructed by foreign shipbuilders or in cooperation with them. The Gazprom official noted that due to insufficient shipbuilding capacities in the country, Russian offshore companies will fail to fulfill licensing requirements if they are focused exclusively on Russian shipyards. Source: portnews







left: Frans de Lijster ©

The 19.000 ton YONG SHENG arrived last Tuesday afternoon in Rotterdam-Amalia harbor, the vessel sailed from China via the Northern Searoute to Rotterdam The Yong Sheng departed Dalian, a port in northeastern China, on August 8, stopping off at Shanghai and Busan before beginning her journey in earnest. Most of the voyage was free of ice," 'But northeast of the Kara Sea, in the narrow channel [leading to the Laptev sea], you could see plenty of ice. That area was packed. It took one day to get through." The channel, just north of the Taymyr Peninsula, marks the most northerly point of the Eurasian land mass. Left seen the captain of the YONG SHENG giving an interview to the press upon arrival Photo top: Jan Oosterboer / photo

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## CMA CGM boost Morocco links for citrus season



The 'citrus season' is about to start and the CMA CGM AGADIR is about to phase into the North Africa - North Europe lane / Photo : Mario Schembri ©

In time for the upcoming Citrus season, the French Line CMA CGM is to boost its links from northern Africa to Europe. Late this month, the carrier will restart its seasonal 'Dunkrus' service (#2271) which it suspended in May.

The loop will reopen on 25 Sep with the first sailing of the 966 teu CMA CGM AGADIR and it will link Casablanca, Agadir, Dunkirk, Antwerp, Casablanca. For the time being, the service is announced as forthnightly with one ship on a 14-day roundtrip. CMA CGM's revived 'Dunkrus' adds to the carrier's 'Casa4' loop (#1502), operated in partnership with the German OPDR. This service connects Casablanca to Antwerp, Rotterdam, Dunkirk, Le Havre and Rouen.

Further to the above, CMA CGM will once again begin to take seasonal slots on the West Mediterranean leg of Tarros' 'Great Pendulum' service (#1389). The relevant leg of this loop connects La Spezia, Salerno, Genoa with Casablanca, Setubal and Sines. Source: Linervision

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## JV signed to build R2bn Saldanha Bay crude oil facility

Oiltanking Grindrod Calulo Holdings (OTGC), a subsidiary of Germany's Oiltanking group, and Mining, Oil and Gas Services (MOGS) on Wednesday announced a joint venture (JV) agreement to construct a R2-billion

commercial crude oil storage and blending terminal at the Saldanha Bay port. MOGS and OTGC would each have a 50% shareholding in the company, said MOGS executive director Pieter Coetzee.

Construction on the facility would start at the end of the first guarter next year, he added.

Saldanha Bay was regarded as the most suitable location for the global crude transshipment hub the JV envisaged, as it was close to strategic tanker routes between key oil-producing regions and major oil consuming markets.

It was, therefore, ideally situated for the blending of West African and South American crude oils, explained Coetzee.

The international clients benefiting from the new facility would include oil refineries in the East, which required a certain type of crude oil, he added. The jetty at the new crude oil terminal at the Saldanha Bay port would be designed for handling vessels up to very-large crude carrier size.

OTGC is an independent bulk liquid storage provider in South Africa.

MOGS is a subsidiary of Royal Bafokeng Holdings, and is a black-owned company that provides products and services to the mining, oil and gas services industry in South Africa, Africa and the Middle East. Oiltanking is a subsidiary of Marquard & Bahls, in Germany. It is the second-largest independent tank storage provider for petroleum products, chemicals and gases worldwide. Grindrod South Africa is a South African shipping and logistics company. Calulo Terminals is a South-African black-owned and controlled investment company focused on the oil and chemical sectors. Through direct holdings via Calulo and indirect holding via Grindrod South Africa, the JV would be a fully empowered entity with a level 2 empowerment classification. Source: Bloomberg



## Vostochny port operator handles second Triple-E series vessel

Mary Maersk, the second Triple-E class container ships on September 7 2013 docked at Vostochnaya Stevedoring Company terminal based in the Far Eastern Vostochny port, the facility operator VSC said.

The VSC terminal is the first port of call for Mary Maersk. In its turn the terminal had previously handled two Triple-E series ultra-large boxships.

The Mary Maersk was built at Daewoo Shipbuilding & Marine Engineering (DSME Daewoo) shippard.

The 18,340teu Mary Maersk general characteristics: LOA - 399 m, beam - 59 m, overall height - 73 m.

Upon completion of loading Mary Maersk departed the Far East terminal and set sail to the South Korean port of Busan.

Then the boxship will proceed on her port rotation: Kwangyang, Qingdao, Ningbo, Shanghai, Yantian, Tanjung Pelepas, Suez Canal, Rotterdam, Bremerhaven, Gdansk, Aarhus, Gothenburg, Bremerhaven, Rotterdam, Port Tangier Mediterranee, Suez Canal, Singapore, Yantian, Hong Kong, Busan, Kwangyang, Ningbo, Shanghai, Yantian, Tanjung Pelepas.

Mary Maersk is the second ship of this class, which called at VSC berths. The first mega boxhip was Maersk Mc-Kinney Moller in early July 2013. The Vostochnaya Stevedoring Company is currently the only Russian operator certified to receive at its berths Triple-E vessels.

LLC Vostochnaya Stevedoring Company is the largest container terminal in the Far East of Russia, operating in Vostochny Port, member of Global Ports Group. The VSC terminal capacity is 550,000 TEUs. Source: PortNews

## China demand, Mideast turmoil boost shipping costs

- \* Shipping industry in fifth year of a deep downturn
- \* Dry bulk shipping rates hit near two-year highs
- \* China demand for iron ore pushing up the rates
- \* Bunker fuel costs rising on Middle East tensions
- \* Recovery tempered by glut in vessels

#### By Jonathan Saul and Keith Wallis

While a glut of vessels is keeping shipping rates well below their pre-crisis peaks, the cost of shipping industrial commodities hit near two-year highs in recent days, helped by Chinese demand for iron ore and growing political risks.

The shipping industry is now in the fifth year of a deep downturn after firms ordered large numbers of new vessels between 2007 and 2009, just as the global economy hit the buffers.

But average earnings for capesize ships, among the biggest dry bulk ships used to transport commodities such as coal and iron ore, have spiked to their highest levels since December 2011, reaching nearly \$30,000 a day.

That is a long way from their peak of \$233,988 a day in June 2008, but also substantially above a record low since 2008 of just over \$2,000 a day, which is barely a fifth of the operating costs for a capesize ship.

The rise in rates has mainly been driven by healthy bookings in recent weeks from China for iron ore, used to make steel.

"While the capesize market has benefited greatly from strong demand for imported iron ore cargoes from Chinese buyers, panamax, supramax, and handysize (smaller ship) rates have been aided by a moderate amount of coal, grain, and mineral cargoes surfacing in the market recently," said Jeffrey Landsberg of commodities consultancy Commodore Research.

"We do not expect this to be a full-blown recovery for capesizes or for the entire dry bulk segment, but we see windows of opportunity presenting themselves to owners becoming more common," said Peter Sand, chief shipping analyst with trade association BIMCO. "The fundamental balance is improving almost by the day. But we are coming from a very low point."

The Baltic dry freight index, which gauges the cost of shipping commodities including iron ore, coal and grain, touched 1,541 points this week, its highest since January 2012, and more than double its record low of 647 in early February.

#### **MIDEAST TENSIONS**

Political turmoil in the Middle East is also having an impact on shipping costs.

An attack on a container ship in the Suez Canal and growing turmoil in Egypt in recent months has focused attention on the possibility that vessels might opt to take the longer and costlier route around the Cape of Good Hope.

The 192-kilometre (120 mile) Suez waterway, the quickest sea route between Asia and Europe, is especially used by container ships but also by dry bulk vessels carrying cargoes including grain.

"I do believe the Egyptian authorities are very aware of the importance of keeping the Suez open and safe for the sake of their own economy, and they will do their utmost to keep it as such," said Marc Pauchet, lead dry bulk analyst with broker ACM Shipping.

Even so, shipping fuel costs are on the rise.

"Bunker fuel prices have increased in response to tensions in the Middle East," said Peter Norfolk, research director with ship broker FIS. "There has been some scrambling to cover against further rises."

Such tensions have helped to drive hedging activity by ship owners and others on freight derivatives contracts. The instruments enable investors to take positions on freight rates at a point in the future.

#### SHIPS WITH EVERYTHING

The weaker market conditions have, however, offered opportunities to buy ships more cheaply, which has lured some in recent months to place orders or pick up older vessels in anticipation of recovery, which is tempering any talk of a new dawn for the industry.

"The restocking may last for a couple of weeks, and with finished steel prices lacklustre, I am not very optimistic this uptick will be sustained as newbuilding (ship) deliveries and orders are still fairly much a concern," said Tan Chin Hee, executive director of leading dry bulk ship owner Pacific Carriers.

Khalid Hashim, managing director of Precious Shipping, one of Thailand's largest dry cargo ship owners, said a dry bulk market recovery "could take more solid root" in the first and second quarters of next year, "if the current (level of) imports of iron ore into China continues at this breakneck speed".

Companies that have placed orders or acquired dry bulk vessels in recent months include U.S. agribusiness company Cargill and Norway's Golden Ocean, the bulk shipping arm of billionaire magnate John Fredriksen's business empire.

"We do not expect a proper sustained recovery to settle in before the second half of 2014," said ACM's Pauchet.

"By then, whether the world economy has gone back on a structural growth path or carried on stuttering, a large chunk of the current orderbook will have left shipyards and deliveries will start slowing. That is, if owners don't start an ordering frenzy again, of course." Source: Reuters

# Buss Capital completes Guangzhou Wenchong quartet with delivery of the OCTAVIA (1,714 teu)

Germany's Buss Capital has taken delivery of the 1,714 teu Wenchong 1700-MK2 type ship OCTAVIA, an evolutionary successor type of the popular Wenchong 1700-MK1 standard design.

While the design retains the general characteristics of the MK1, the new series features an entirely redesigned hull and superstructure. The MK2 type has a lower draft and deadweight and comes equipped with an electronically controlled **Sulzer-Wartsila RT flex engine**, compared to the mechanically controlled MAN B&W engines of the MK-1 type. Just slightly shorter than the MK1 type, the MK2 remains within the limits of the **Bangkokmax** dimensions and its thus allowed to navigate the Chao Phraya River.

The OCTAVIA is the last of four similar ships that Buss ordered in February 2011 at China's Guangzhou Wenchong Shipyard for delivery between late 2012 and mid-2013. The ship follows the OCEANA, now the MCC SHANGHAI, which was handed over in July.

Of note, the **German Buss Group**, based at Hamburg, is a major operator of multipurpose terminals and **Buss Capital** is the group's investment vehicle. It is not to be confused with the Leer-based **Hermann Buss group**, which also includes a financing and ship management company.

Since Hamburg's Buss group does not have an own ship management branch, the technical management of the four sister ships has been outsourced to Reederei Gebrüder Winter, also located at Hamburg.

The new OCTAVIA has found a charter with the APM-M's group's intra-Asia carrier MCC Transport for whom she will trade under the name MCC SHENZHEN. MCC has therewith chartered all four of the Buss sisters. The OCTAVIA will join two of her earlier sisters on MCC's 'PHI1' China-Korea-Philippines service (#699), where she replaces the Taiwan built 1,713 teu ship MAERSK WARSAW. Source: Linervision

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



The 2010 built GIB flag vehicle carrier **IMOLA EXPRESS** leaving Grand Harbour, Malta on Saturday 7th September, 2013. **Photo**: Mr. Brendon Attard - <a href="https://www.maltashipphotos.com">www.maltashipphotos.com</a> ©