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The FLEX 38 crewboat SC GLORY 4 in Singapore waters last Saturday afternoon

Photo : Piet Sinke ©

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The **STAR DISCOVERY** operating in the port of Singapore – Photo : Piet Sinke ©
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Aframaxes could be in for a positive surprise in the Caribbean market

Survival in the tanker market at this day and age is all about carving out niches and vessel employment strategies. As has often been the case, one can find positive "slots" within the tanker market and given that he possesses the right type of ship, he can book a solid profit. One such case seems to be the Caribbean Aframax market, since earnings for TD9 route have been the highest average year to date, \$12,700, since 2010 and compare very favorably to the 2011 average of \$4,200.

According to a recent report from Poten & Partners, "a rare Aframax summer surge was driven by delays at ports in the US Gulf and an increase in lightering work following the most recent Motiva outage in the mid-summer months. Owner resistance has been firm this year for earnings below \$5,000/d or WS 80, helping maintain a floor for rates. Rates had approached that floor level very recently with several prompt ships in the region. But can owners look forward to the potential for a late season earnings jump?

US Gulf refinery utilization dropped for three consecutive weeks following turnaround operations at several refineries in the region. Completion of these operations should renew demand for Caribbean crude oil, which remains on refiners slates in spite of the high inventory levels of light US domestic crude oil. The 2013 turnaround window does appear to be several weeks later than in 2011 and 2012, which could delay a market uptick by an equal period", Poten noted.

The analyst added in its weekly analysis that "tropical storm activity has been limited to one storm of importance so far - Karen shut almost 62 percent of Gulf oil production, 866,000 barrels per day, but production came back online quickly. Should storms develop late in the season we expect the disruptions to contribute to the sensitive rate window in November.

Beyond the discussion of seasonal factors, the overall the market should be supported in the long run by the small orderbook - only 18 uncoated Aframaxes are on order. Additionally, 116 ships are older than 15 years out of a total of 626 in the DPP trade, one of the most favorable age profiles of any tanker segments. Also, when the LR2 market has firmed, several owners were reported to have cleaned coated tankers to move them to the CPP market, further reducing the supply of DPP tankers" it said.

According to Poten, "the overall market share of Caribbean cargoes moving on Aframaxes has dropped as more cargoes are reported to be loading onto larger ships bound for the Far East. Also, the weekend Suezmax market had left the larger tankers as contenders for combined Aframax stems, and hurting upside potential. The very recent uptick in Suezmax rates should improve the potential for Aframax rates. In spite of a declining share of the market overall, the reported volume moving on Aframaxes out of the Caribbean has seen a generally upward trend since January 2009 helping to support the Aframax rate environment. The steady demand for tankers in the Caribbean and the balanced fleet have left the segment with a volatility not seen on their smaller Panamax cousins. It remains to be seen if rates will recover given the state of the market today, but a strong historical precedent could provide some hope", Poten concluded. **Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide**



HAL's **AMSTERDAM** leaving leaving Nha Trang Viet Nam – **Photo : Julian Wigman ©**

What is the Deal with Greek Shipping Companies?

What on earth is the deal with Greek shipping companies? For anyone in the habit of watching the biggest moves in stock prices for a given day, double digits shifts, up and down, from dry bulk shipping companies in Greece have become old hat. Monday saw DryShips (DRYS) plunge just over 10 percent. Which would be tragic for its shareholders but for its year-to-date returns of over 90 percent. Volatility, thy name is Greek dry bulk shipping.

But what is going on with this segment? Not only is DryShips constantly making big daily swings seemingly every week, but it's averaging a daily volume of close to 20 million shares. So the stock's moving in more ways than one. And it's not alone. Costamare (CMRE), the largest shipper in Greece, has been on a roller-coaster ride since early July. It hit a 52-week high on July 15 and closed the day at \$18.46 a share. Then it plunged over the next week to land at \$16.80 a share on July 23. It bounced back, though, climbing to \$18.08 by August 1. Then plunged to \$16.87 on August 16. Then back up to \$17.72 on August 26. Then back down to \$16.73 two days later. Then a choppy climb to peak at \$18.32 on September 24. Followed by a fall to \$16.65 by October 8, another jump to \$18.12 by the 16th, and it's declining again, back under \$17.50 on Monday.

Clearly, "volatility" and "Greece" are two words that aren't strangers to being used in the same sentence, but this is enough to make your head spin. But why is this one segment, from this one country, getting so much attention?

A Long History

The Greeks have been a maritime nation since the days of Socrates and earlier. In short, the combination of mountainous terrain on the land, limited agricultural capacity, and a strategic positioning in the Mediterranean have pushed the Greeks to the sea for thousands of years.

And, even today, the same geographic realities have led shipping to be among the biggest industries in Greece and puts Greece among the world leaders, particularly after investment from the legendary Onassis and Niarchos led to a doubling of the Greek fleet during the 1960s. Shipping accounts for 6 percent of Greece's GDP and the 160,000 people employed by the maritime fleet represent 4 percent of the country's total workforce.

If you count the monetary value of shipping services as an export, Greece has been among the top five countries in the world since 2000. Greek shippers have 22.5 percent of the world's tankers and 16.8 percent of the world's bulk carriers with an additional 20.5 percent of tankers and 12.1 percent of bulk carriers on order.

Baltic Dry Shipping Index

While shippers seem to be swinging up and down on any given day, the overall trend has clearly been up, particularly since late summer. Since the start of August, the Guggenheim Shipping ETF (\$SEA) is up just under 12 percent. And the reason is the Baltic Dry Shipping Index. The index tracks freight shipping costs for several commodities (including grain, coal, and iron ore) on ships with a capacity of 15,000 tons or greater over the 23 different shipping routes. It's one of the most visible and reliable indicators of shipping costs, and it spiked in September, climbing 86.7 percent from September 2 to September 25.

The Baltic Dry Shipping Index is prone to jumps like this because of the nature of the shipping industry. Construction of new ships is a time-consuming and expensive process. Building a new ship takes about two years, meaning shipping supply is generally pretty static. As such, shipping companies can't adjust their fleet size to respond to the market, and even relatively small shifts in shipping demand can result in fairly large swings in shipping prices. Thus, with demand for dry goods on the rise in September, and shipping companies unable to increase their fleet size in a timely manner, the cost of shipping went up. A lot.

Rising Tide

So, since early September most Greek shippers (and most shipping companies in general) have been on the rise. However, a few other factors continue to help make the picture murky enough that the industry is prone to pretty big swings from week to week. On the one hand, investors tend to view Greek shippers as a monolith, with movement in share prices often working in lockstep. Some of this might make sense given that all these companies are dependent on similar factors, like shipping prices. However, the make-up of each fleet could also mean different things.

For instance, rates for shipping via Capesize class ships have been falling since peaking at \$42,511 per day on September 25. Capesize class ships are the largest available, with capacity exceeding 100,000 tons, and represent 10 percent of the global fleet and 62 percent of its capacity. And since the September 25 peak, rates are down \$28,868 a day. However, the rates for Panamax and Supramax classes (60,000-80,000 tons capacity and 45,000-59,000 tons capacity, respectively) have continued to climb. Historic performance would give one reason to believe Panamax and

Supramax rates will follow Capesize down, but in the meantime it means that the precise makeup of different fleets is going to make a difference. And, in the long term, shipping rates may be on the decline again which, if the trend continues, probably doesn't mean great things for Greek shipping stocks.

Up for a Wild Ride?

Few things seem to attract investors and traders alike like big swings in value. The idea that a stock's only a few months from doubling in value makes it easy to rationalize buying in, even if it's just as easily a few months from losing half its value. And Greek shipping companies, exposed as they are to shipping rates that can make big swings with relatively marginal shifts to demand, appear to fall into the category of stocks that are capable of big swings. And where there's risk, there's opportunity. It certainly seems possible that a savvy investor could benefit from digging deeper into the segment and isolating the difference between these companies and exploiting the market's tendency to treat them as a monolith. **Source: Equities**



A large black and white photograph of a BBC Nordland ship, a specialized vessel for mining and civil engineering, sailing on the ocean. The ship has a prominent red structure on its deck. The text "BBC NORDLAND" and "BBC Chartering" are visible on the hull.

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The **SEA-LAND RACER** (in the need of some fresh paint ?), changed recently from the US Flag to the Hong Kong flag, above seen the liner enroute Antwerp, **Photo : M., P. & Ph. van Luik - www.shipsoffterneuzen.nl** ©

Dry bulk market keeps on retreating, but newbuilding orders keep on piling

The dry bulk market kept on retreating this week, with the industry's benchmark, the Baltic Dry Index (BDI) falling to 1,708 points, down 78 on the day, on the back of lower demand for Capesizes. The Baltic Capesize Index was down by 168 points yesterday to 2,775 points, while a lower fall was evident in the Panamax market, with the Baltic Panamax Index retreating by 51 points to 1,959. Smaller ship types though were a bit higher yesterday, which could be a sign of improved sentiment.

According to the latest report from shipbroker Fearnleys, commenting on the Capesize market, it noted that "Brazil remains absent from the spot market and the West Australia demand has slowed somewhat. As such, there has been little support for the big ships this week and rates have tumbled. West Australia rates have come off \$1 w-o-w, with USD 9.75 PMT reported fixed at the time of writing. The T/A index has also taken a notable hit and has lost USD 6000

w-o-w, with a lack of fresh fronthaul enquiry causing an inevitable build-up of tonnage in the Atlantic basin. The weaker Q4 outlook has been echoed on the paper side, with November FFA contracts in particular taking a massive hit, losing USD 8k w-o-w and currently market at around USD 22k. Short period rates are falling as a result, although little has been reported fixed", Fearnleys said.

On the Panamax front, the shipbroker mentioned that "with plenty of major players in Berlin for the Coal Trans conference and lack of fresh cargo in the market, we have seen rates slip across both hemispheres this week. It seems that the Chinese has halted their re-stocking of iron ore for now as the rally we have experienced the last month seems to have come to a halt. TA's are now paying around 18k while for the shorter Baltic/Murmansk runs owners are fetching low 20's (from high 20's end of last week). In the Pacific the rounds are now fixing low teens. The period market is less active with takers withdrawing because of the uncertainty for the short term market", it stated.

Finally, on the Handy markets, Fearnleys said that "we were back from holidays but still not much enquiries in the market. Overall future direction is uncertain. Currently, ships passing Singapore for coal to India talking around USD 15-16k and few discount for trip to China. ECI/WCI/MEG/South Africa remain same", the shipbroker concluded.

Meanwhile, on the newbuilding market this past week, Clarkson Hellas said that "this week's ordering has been spread evening across the sizes ranging from Newcastlemax down to Handysize, and with yards in China, Japan & Korea all receiving orders in the dry sector. Starting with the largest sizes and Polaris Shipping are understood to have contracted one firm plus one option 208,000 DWT Newcastlemax at Daehan, with delivery of the firm vessel in the first quarter of 2016, and option in the second quarter if declared. Further ordering at one of China's most experienced yards in the Capesize sector, with SWS taking an order for four firm 180,000 DWT Capesize from Zhejiang Herun Group. Pricing is understood to be in the region USD 54 Mill, with delivery of all four vessels in 2016. At Tsuneishi Zhoushan, Santoku Senpaku are understood to have placed an order for three firm 82,000 DWT Kamsarmax, with long term charter to SwissMarine. The first two vessels are due for delivery in 2015 with the final vessel in 2016. The same owner has reportedly also placed an order for two firm 77,000 DWT Panamax at Sasebo. With the order understood to have been placed earlier this summer, the two vessels are due for delivery in 2015, and both lined up for charter to Rio Tinto. In the smaller sizes China Navigation (CNC) have continued their ordering in the Handysize section having announced an order for four firm 39,500 DWT Handysize bulkers at Zhejiang Ouhua, with delivery split between 2015 and 2016.", the shipbroker noted.

It also said that "there was some activity to report in the container sector this month, starting with Rickmers reportedly placing an order for two firm 5,400 TEU container carriers at Hanjin Subic. These wide beam post panamax vessels are understood to be the 9th and 10th in the series, with delivery in the second quarter of 2015. Taizhou Sanfu are also understood to have taken an order for ten general cargo/MPP vessels from Quanzhou Ansheng Shipping, each with a container capacity of 2,400 TEU. Delivery of these vessels is to be split between 2015 and 2016.

In other sectors Scorpio Tankers have contracted two firm 84,000 CBM LPG carriers at Hyundai Samho. Pricing is in the region USD 75 Mill with delivery of both vessels in the first quarter of 2016. Finally, EMS AG are reported to have placed an order for a single 4,000 GT Passenger/Cargo vessel at Fassmer Werft. The vessel, which is due for delivery in April 2015, will be LNG fuelled with a price in the region EURO 30 million", Clarkson Hellas concluded.

Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide ©

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OSHA Fines BAE for Carnival Breaking Free

The Occupational Safety and Health Administration (OSHA) has cited and penalized BAE Systems Southeast Shipyard Alabama, LLC. It comes after a wind storm caused the Carnival Cruise ship **Triumph** to break free from its moorings

while in Mobile Bay in early April. **BAE** employee of 18 years John "Buster" Johnson was killed in that accident. OSHA has fined BAE \$7,000, classifying the violations as serious. The penalty notice stated, "Employees were exposed to the hazards associated with vessel mooring bollards and hardware breaking free from a pier under load." It also stated the company failed to analyze Pier K. About six months ago, gusty winds caused the **Carnival Triumph** to break free from its moorings. Sixty-four year old Johnson was reportedly thrown from a guard shack and drowned. Safety regulators say BAE failed to inspect and perform repairs to the moorings of its piers. OSHA would not comment on its findings but stated in the notice, "The employer did not furnish employment and a place of employment which was free from recognized hazards that were causing or likely to cause death or serious harm to employees." Carnival has filed a lawsuit against BAE seeking damages from the incident as well. OSHA officials said BAE has formally contested the citation. BAE declined Local 15's request for comment. **Source : Local15tv**



The **MOL MOTIVATOR** off Victoria BC (Canada) **Photo : Josephine Leder ©**

Why ship scrapping activity affects dry bulk shippers

While shipping scrapping activity does affect supply, it's best suited to get an immediate to medium-term assessment of supply and demand dynamics (depending on how you slice and dice it). The rate at which companies scrap ships often reveals whether the dry bulk shipping industry is facing excess capacity. When excess capacity pressures the shipping industry, firms will often retire older ships to relieve pressure on shipping rates and maintenance costs.

Scrapping activity rises, but remains in downtrend

On October 18, the total number of ships retired since IHS Global Limited began collecting the data in 2005 rose 7 vessels from a week ago, reaching 2,709 vessels. On an eight-week moving average basis, used to show a clearer trend, the number of vessels scrapped rose from 7.74 to 7.75 the recent uplift that we've seen.

As we mentioned in previous updates, the late increase in scrapping could reflect some near-term weakness in the dry bulk sector. However, companies have been scrapping fewer and fewer vessels since June 2012, which is a medium-to long-term positive. As new ship deliveries are coming down after years of significant supply additions, there should be less of an incentive for managers to scrap vessels. We should see scrapping activity fall to levels seen during 2009 and 2010 in late 2014 or 2015.

Falling scrapping is actually positive, not negative

Companies often report the number of ships available to scrap as evidence of limited supply concerns, but the reality is that several ships do celebrate birthdays beyond 25. Managers are also unlikely to scrap ships just because they're old and will often try to hold on to old vessels as long as they can find customers to use them.

So although the industry can scrap another 200 ships, investors should see falling scrapping as a positive sign that shipping rates are rising. Besides, when shipping rates do recover, second-hand vessels actually increase in value way more than new-build prices—another key indicator.

Why the current trend is positive for dry bulk shipping companies

As long as scrapping activity continues to fall over the medium-term trend, it's a positive indication that fleet utilization (supply and demand dynamics) is tightening, which is positive for shipping rates and stocks like DryShips

Inc. (DRYS), Diana Shipping Inc. (DSX), Safe Bulkers Inc. (SB), and Navios Maritime Holdings Inc. (NM). The Guggenheim Shipping ETF (SEA) will also benefit. In the near-term, we could see some weakness in share prices if scrapping activity continues to rise. **Source: MarketRealist**



The May 2013 commissioned **Mount Hikurangi**, IMO 9580039, 2013/19836gt, in to Melbourne off Portsea

Photo : Andrew Mackinnon – www.aquamanship.com ©



Southeast Asia still worst for pirates despite high-profile Somali attacks

An action packed scene from Sony Pictures' latest epic 'Captain Phillips', starring Tom Hanks. SOMALI pirates are in the news again. Kidnappings, ship hijacks, a run-in with the Australian navy and a Tom Hanks movie have put them back in the spotlight. But, despite several high profile incidents off the Horn of Africa, the lawless brigands terrorising shipping heading in and out of the Suez Canal are not the worst offenders on the high seas. The worst area for piracy is right on Australia's doorstep. Shipping industry figures show that the waters around Indonesia and the Malay Peninsula is the world's hotspot for pirates. And, in an ominous development, a third force of pirates is emerging off the west coast of Africa. The Somalis may get all the press, but they're heavily-armed rivals off the coasts of Indonesia, Singapore and Malaysia have been hard at work, boarding ships, terrorising crews and stealing what they can. While Somali pirates are more violent, their raids are becoming more rare. Ships are far more likely to be the target of pirates while sailing in southeast Asia. In just the seven days up to October 25, three ships have been attacked in Indonesian waters alone.

In the first six months of 2013, there were 48 attacks in Indonesia's waters. Of these, 43 involved pirates boarding vessels and assaulting the crew. Other attacks were recorded in the Singapore Straits, in Malaysian waters, in the Straits of Malacca and in the Philippines This compares to just eight off Somalia in the same period. Crews have been held at gunpoint, tied up and valuables stolen. The masked bandits usually creep aboard at night or just before dawn when the vessels are at anchor. They go about their business and speed away to the jungles of Sumatra or Java.

And it's not just South-East Asia and Somalia. The west coast of Africa is fast becoming a piracy hotspot, with a string of shipping attacks over the past year. In the latest incident, pirates attacked a commercial ship near the coast of Nigeria and kidnapped two US mariners this week. The captain and an engineer were taken away from the offshore supply vessel **C-Retriever** during an attack in international waters off the Gulf of Guinea. The International Maritime Bureau charts piracy around the globe. It warns that armed pirates in the Gulf of Guinea took 56 sailors hostage and



were responsible for all 30 crew kidnappings reported so far in 2013. One person was reported killed and at least another five injured. Attacks off Nigeria accounted for 22 of the region's 31 incidents and 28 of the crew kidnappings.

In its latest report, released last week, it says that piracy has hit its lowest levels in seven years.

left : The **C-RETRIEVER** just the morning after the vessel arrived back in Onne-port after the attack.

Photo : Crew CSD. Jokra 1

Despite that, in the first nine months of 2013, pirates hijacked 10 vessels, fired at 17, and boarded 140. A

further 21 attacks were thwarted. In total 266 crew were taken hostage and 34 kidnapped. One seafarer was killed, twenty were injured, and one is reported missing. The clampdown by navies off Somalia had been the main reason for the fall in attacks there.

Even the Australian navy has been involved, with sailors from the **HMAS Melbourne** chasing and capturing a pirate crew last month. The chase resembled scenes in Captain Phillips, the new Tom Hanks movie based on the five-day hijacking ordeal of an American cargo ship captain in 2009. Captain Richard Phillips was steering the Maersk Alabama towards Kenya when it was boarded by four heavily-armed Somali pirates. Not getting what they wanted on board, the pirates took Phillips hostage, bundling him into the ship's lifeboat and heading for the Somali coast.

SOUTH-EAST ASIA

Shipping industry experts say piracy is moving back to its former heartland in the seas around Indonesia. As fuel becomes one of shipping's biggest expenses, pirates are targeting valuable cargoes of highly saleable and easily transferred oil - in some cases operating on the high seas as floating pumps for below-cost stolen bunker oil that is transferred from ship to ship. "The statistics would seem to suggest it's on the rise in Asia," an industry source from a Hong Kong-based ship management company told CNN earlier this year. "It's now very dangerous for slow vessels with low freeboards to pass through piracy areas."

Pirates have favoured Southeast Asian waters for centuries, picking off traders who sailed through the Straits of Malacca to and from India and China. Estimates suggest that around one-third of the world's trade still moves through this waterway, so it is no surprise that piracy continues to thrive there.

SOMALIA and THE GULF OF ADEN

Since Somalia's devastating civil war kicked off in the early 1990s, the country has become lawless and the scourge of pirates greater.

While attacks have dropped significantly in recent years, this is due to the increased military action on suspected skiffs, military land based anti piracy operations and an increase in armed guards on-board ships, The IMB reports.

Somali pirates is to attack ships in the northern, eastern and southern coast of Somalia using "mother vessels" to launch attacks at very far distance from coast. These "mother vessels" are usually hijacked dhows or ocean going fishing vessels and are able to launch smaller boats or skiffs to attack and hijack unsuspecting passing vessels.

Farther north, towards Yemen and the Gulf of Aden and the entrance to the Suez Canal, a safe passage has been established since 2009. The Internationally Recommended Transit Corridor (IRTC) is patrolled by warships and planes to provide protection.

WEST AFRICA

Piracy off the coast of West Africa has now overtaken Somali piracy. In 2012, 966 sailors were attacked in West Africa, compared with 851 off the Somali coast. West African pirates mostly steal fuel cargo and the crews' possessions, often resorting to extreme violence. Five of the 206 hostages seized last year off West Africa were killed. One has been killed this year. The IMB warns that the waters off Nigeria are very risky. "Pirates are often violent and have attacked,

hijacked and robbed vessels / kidnapped crews along the coast, rivers, anchorages, ports and surrounding waters," it says. Their target is usually oil. The waters off Togo, Benin and the Ivory Coast are also at risk. "Attacks in the region remain a cause of concern. Pirates in the area are well armed, violent and dangerous," an IMB report warns.

WHAT CAN CAPTAINS AND CREW DO?

It may sound like something from the 17th century, when buccaneers plundered the Spanish Main, but modern counter-piracy tactics include ringing the deck with razor wire, equipping freeboard areas with spiked fences, mesh grills on the bridge to deter RPG attacks, steam-jet nozzles and even strategic placement of dummies to make the ship appear better manned than it is. Most importantly, industry guidelines advise ships' captains to proceed at full speed through pirate waters, noting that no ships have been boarded when the vessel has been sailing at more than 18 knots. Some ships operating in Somali waters have even resorted to "citadels"; safe rooms where the crew can barricade themselves into a ship that has already been boarded by pirates. This tactic was employed by Captain Phillips, who was himself taken hostage. But experts warn that committed pirates hell bent on capturing valuable hostages have been known to take plastic explosives onto vessels to breach citadels, drill through bulkheads to pour in petrol or shoot at the doors indiscriminately and the industry is still divided on whether citadels are a safe haven or a death trap. **Source: News.com**

Armed guards back in spotlight after detention of anti-piracy ship in India

Irrespective of the outcome of the detention of the Sierra Leone-registered counter-piracy ship named **Seaman Guard Ohio** since 12 October, the incident puts the spotlight back on the unintended consequences of the decision by the global shipping industry to deploy armed security guards on board cargo ships to protect against attacks from Somali pirates.

The ship, owned by US-based maritime security firm AdvanFort International Inc., was intercepted off the coast of Tamil Nadu and later escorted to VO Chidambaranar port (earlier known as Tuticorin port) on the eastern seaboard and detained there by India's Coast Guard for carrying some 35 assault rifles and around 5,680 rounds of ammunition in Indian waters without valid permits. The ship, whose 10 crew and 25 security guards are now under arrest, is also accused of buying diesel illegally. **AdvanFort** has denied both assertions. Is the global shipping industry's decision to hire armed security guards on ships to fight the menace of piracy turning out to be a much bigger problem than the problem itself?

For one, it has spawned the growth of several private maritime security companies who provide armed guards on ships transiting the high-risk area of the western Indian Ocean and the Gulf of Aden. That two of the noted incidents surrounding armed ship guards involved India, which has seen frequent terrorist strikes, is a mere coincidence. In February 2012, two Italian marines were detained in India for killing two unarmed Indian fisherman off the coast of the southern Indian state of Kerala. The marines, members of a military security team protecting the Italian cargo ship *Enrica Lexie* from Somali pirates, mistook the fishermen for pirates and fired on the fishermen's boat, killing them. India has handed over the case to its National Investigation Agency, which functions as the nation's counter-terrorism law enforcement agency and a trial is underway.

The case of *Seaman Guard Ohio* is different from the one involving the Italian ship. The US-based owner of *Seaman Guard Ohio* says that the arms and ammunition on the ship were purchased legally and meant for use in counter-piracy operations to safeguard vessels in high-risk areas.

Besides, it has raised jurisdictional issues arguing that the ship was outside India's territorial waters when it was intercepted by the Coast Guard to wriggle out of the tight spot it finds itself in. In fact, the firm claims that it strayed closer to Indian waters to refuel and escape a cyclone that hit India's eastern coast around the time.

India's deputy national security adviser Nehchal Sandhu said the investigation would be dropped if it was established that the ship was outside Indian waters. India's territorial waters extend up to 12 nautical miles from the coast.

According to a Coast Guard official, the ship was 15 nautical miles off the coast when she was intercepted. He, however, explained that the 12 nautical mile-limit for India's territorial waters will not apply in this case because the Gulf of Mannar—where the ship was intercepted—is an eco-sensitive zone with several small islands and would require a slightly different yardstick to measure the water limit. This forms the main legal basis to allegations against the ship.

Marine police in Tamil Nadu, where the vessel is detained, have filed first information reports (FIRs) and arrested 10 crew and 25 armed guards for illegally carrying arms and ammunition without authorization.

The crew has also been booked under India's Essential Commodities Act for buying 1,500 litres of diesel illegally with the help of a local shipping agent. AdvanFort says it was itself "the victim" of possible local violations under the law. India's shipping minister G.K. Vasan, who hails from Tamil Nadu, has said that the ship would not be allowed to leave

until the investigations are over. **AdvanFort** says that it had the requisite permits and licences and that the weapons were properly registered and licensed to the firm. But the Coast Guard says that the ship could not provide documents to support this claim by the US firm, which is why this episode looks a bit intriguing. If the firm had kept a comprehensive log of all the weapons and ammunition on board, which it claims, why was India's Coast Guard not convinced?

The ship, in fact, is a so-called operator support vessel that provides accommodation platform for **AdvanFort's** counter-piracy guards between transits on client commercial vessels transiting the high-risk area in and around the Indian Ocean. This kind of a floating armoury is a cause for concern and a recipe for disaster. The 26 November 2008 terror attack on Mumbai is fresh in memory and haunts Indians. The Mumbai attacks killed 180 and injured over 300, besides causing large-scale destruction to the iconic Taj Mahal Hotel, owned by the Tata Group, and the Trident Hotel. The terrorist gang reached Mumbai by sea using a hijacked fishing trawler exposing India's porous coastal surveillance mechanism. The spectre of the huge cache of weapons stashed on board such counter-piracy ships getting into wrong hands is frightening, to say the least. The International Maritime Organization (IMO), a United Nations agency tasked with the safety and security of shipping, does not endorse the use of privately contracted armed security guards but has issued guidance in 2011 to private maritime security companies providing armed security guards on board ships in high-risk areas. The IMO, however, said that its guidance was not legally binding. Neither was the guidance a set of certifiable standards. Following IMO's guidance, many maritime nations, including India (many Indian sailors have suffered at the hands of Somali pirates), have framed rules for deploying armed private security guards on board their ships and also the procedure to be followed by foreign ships with armed guards while visiting India. It has to be acknowledged that the presence of onboard security guards has helped prevent ships from being hijacked and for attacks being unsuccessful. Yet, the two incidents should make the global shipping community sit up and take notice to check any misadventure involving armed ship guards. **Source: LiveMint**



The **SMIT PANTHER** operating in a windy Europoort - **Photo Kees Torn ©**

US tanker firm files for IPO

American Petroleum Tankers Partners LP, controlled by Blackstone Group LP, filed with U.S. regulators to raise up to \$172.5 million in an initial public offering of common units. The company, which operates tankers that transport crude oil and refined petroleum products between U.S. ports, said in a preliminary prospectus that BofA Merrill Lynch, Barclays, and Credit Suisse were among the major underwriters for the IPO. The filing did not reveal how many shares the company planned to sell or their expected price. Blackstone bought Plymouth Meeting, Pennsylvania-based American Petroleum Tankers LLC in a \$500 million deal in 2006. GSO Capital Partners LP and Cerberus Capital Management LP also own equity interest in the company. American Petroleum sued the U.S. Department of Transportation last year after the Maritime Administration rejected one of its financing application. The company said the rejection was based on the fact that it was owned by investment funds managed by private equity firms. The company intends to list its common stock on the New York Stock Exchange under the symbol 'JAT'. Net proceeds from the offering would be used to repay debt under its existing credit facility, the company said in the filing. **Source : Malaya Business Insight**

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OHT'S EAGLE LOADED THE QATAR 2022 IN SINGAPORE



Last Saturday OHT's **EAGLE** loaded the Brandnew Keppel-Fels built Jack Up rig **QATAR 2022** in a smooth operation at the Singapore West Jurong Anchorage , the Semi Submersible heavy load vessel **EAGLE**



submerged partly at the first Daylight creating enough draft to load

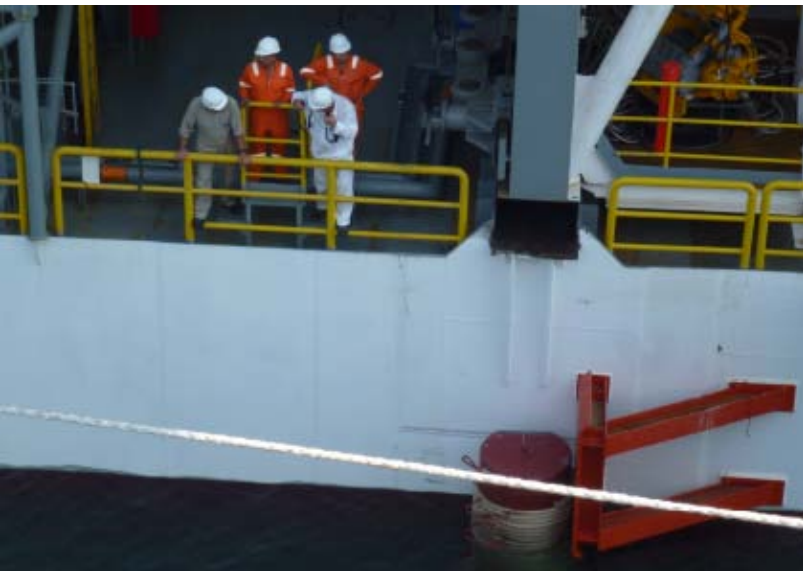


was pulled in position under command of Loading superintendent **Capt. Ken Bekkevold** and **Capt Viesturs Viksne**, the master of the **EAGLE**



the rig , which was having a draft of 16 ft during the loading, the rig built for **Gulf Drilling International** was delivered by 3 harbour tugs at 09:15 alongside the **EAGLE** and positioned alongside after when the mooring lines were brought across and in continuation the 13.850 tons Jack up Rig





Right **Capt Ken Bekkevold** in action during the winch operations, whilst pulling the rig in position over the deck of the submerged **EAGLE**, which was done in a professional way, and the rig rested against the stopper just before 11.00 AM, in less than 2 hours after the arrival of the rig alongside by the harbour tugs, at 11:00 hrs the **EAGLE** started deballasting, and when the deck started to get dry the welding team started with seafastening and within 24 hours the **EAGLE** departed the Singapore West Jurong anchorage bound for Ras Laffan in Qatar , now under command of **Captain Ivan Dyomin**, as **Capt Viesturs** went home on leave after the loading and prior departure, we wish **Capt Ivan** and crew a safe journey to Qatar. **All photo's : Piet Sinke ©**





The **EAGLE** seen during the deballasting operation at the West Jurong Anchorage



All the photos on top can also be viewed in High Resolution just by **CLICKING at the Photo** which you like to view



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**Manual of ports, shipping and admiralty
law launched**

Pakistan's trade with different countries could be enhanced further if international laws of trade, Customs and shipping could be fully understood and practiced at local level by traders and businessmen or lawyers on their behalf.

This was stated by Judge of Supreme Court of Pakistan Justice Mohammad Ather Saeed, while speaking as a chief guest at the launch ceremony of book "Manual of Ports, Shipping and Admiralty Law" by AMCO Enterprise at Karachi Club, said a statement here on Sunday. He said the international trade disputes should be resolved on a fast track basis to boost the confidence of foreign investors in Pakistan, as well as protecting local businessmen in different countries in the settlement of issues of Customs, shipping and admiralty.

He said the laws and their implementation could be easily made at the local level when the field and its related legal issues are comprehended by lawyers and businessmen. However, complexity has observed in the laws of Customs, ports and shipping at local level due to unavailability of a guide, he added. He expressed the hope that the book will serve as a comprehensive guide to the legal fraternity and traders in understanding issues of local and international trade by port and Customs.

The book will be equally fruitful for government officials at Customs, ports and maritime department to learn about the implementation of laws in a right way, avoiding any legal dispute and saving money and time of the country and the traders alike. Author of the book, Mohammad Ahsan Ghani Siddiqui, who is an ex-engineer of merchant shipping and a practicing admiralty and international trade lawyer, said that the book has been written on high demand at local level to create convenience for legal fraternity and businessmen. He said that laws and rules and regulations of Customs, shipping and admiralty have changed over the period of last couple of years but there were no such books available that address new developments to help the lawyers. The book has been compiled in a way that traders and professionals of maritime sector could understand various subjects of their fields and follow international trade laws in their business and duties, he further said. The author said that the book is a complete guide for lawyers, government officials, freight forwarders, maritime executives, shipping engineers. Mohammad Ahsan Ghani Siddiqui also presented a copy of the book "Manual of Ports, Shipping and Admiralty Law" to Justice Mohammad Ather Saeed. **Source : The**

Nation



The fast ferry **DE NIEUWE PRINS** which serves the route Hoek van Holland-Europoort seen approaching Hoek van Holland during the South Westerly gale last Sunday, the ferry stopped operating due to the weather

Photo : Kees Torn ©

Seatruck Ferries voted Irish Sea Shipping Line of the Year

Seatruck Ferries, Clipper's fully owned subsidiary operating ro-ro-vessels on the Irish Sea, has been voted Irish Sea Shipping Line of the Year at the annual Export & Freight Transport & Logistics Awards, the company said in its press release.

As those watching on at the awards ceremony heard: "This award is all about what the customer thinks and hauliers have voted for a company that has grown substantially over the last decade and a half, not only in size of fleet but in the quality of a service that has successfully filled a gap in the market for a freight operation serving Ireland".

Managing Director Alistair Eagles comments:

"Throughout our continued growth and expansion we have remained close and committed to the customer whilst not losing sight of our humble beginnings. We remain focused on the needs of operators and are well positioned for the future with the backing of our parent company Clipper. We have had fantastic support from our customers, on behalf of everyone at Seatruck I would like to thank you for your continued support. Seatruck's focus on a freight only model is clearly working, with four ports and three routes we actively look at ways to reduce road miles for our customers

compared with the traditional routing through Scotland or Wales. Seatruck has made large investments in purpose built new tonnage with 8 new buildings joining the fleet in the last 6 years. These new vessels bring the Seatruck Fleet size to a total of 12 modern freight ro-ro ferries." **Source Portnews**

Club de Ruyter Singapore

NEDERLANDSE MARITIEME LUNCH IN SINGAPORE



Via deze weg willen wij de "Maritieme" Nederlands of Vlaams sprekenden in en rond Singapore uitnodigen voor deze lunch, wat tevens een uitstekende plaats is om te netwerken, en kennis te maken met andere Nederlands sprekenden uit de industrie

De lunch word gehouden in de TRADEWINDS BAR van de :

Hollandse Club in Singapore

op **vrijdag 1 november 2013** tussen **12:00** en **14:00** uur

Deze lunch wordt u aangeboden door :

Vroon Offshore Services Pte Ltd



a look into Vroon



VROON OFFSHORE SERVICES Pte Ltd, in Singapore represented by **Ko Nieuwenhuijse** is a part of **Vroon** which is a diversified international shipping company with headquarters located in Breskens on the estuary of the Westerscheldt river in the Netherlands. Today the company operates worldwide and has a fleet of around 160 vessels transporting livestock, dry cargo, containers, automobiles, and clean and dirty oil products, as well as a large fleet of offshore-support vessels.

Als U van plan bent vrijdag aanwezig te zijn, gelieve even een mailtje te sturen naar clubderuyter@gmail.com zodat wij er rekening mee kunnen houden voor hoeveel personen er nasi goreng en sate ☺ gemaakt moet worden.



NAVY NEWS

Pakistan Naval ships arrive Colombo

Two Pakistan naval ships **PNS NASR** and **Khaibar** arrived at Colombo Port on Sunday on a four-day goodwill visit. As part of goodwill, Pakistan Navy ships frequently make port calls on Sri Lanka and these visits are aimed at further strengthening the defence relationship between Sri Lanka and Pakistan. Sri Lanka is an important regional country and Pakistan Navy accords great importance to cooperation with the Sri Lankan Navy, says a press statement received here from the Pakistan High Commission in Colombo, Sri Lanka on Saturday.

The **PNS NASR** is a leading unit of Pakistani Navy Fleet's 9th Auxiliary and Mine Warfare Squadron. Its name, an Arabic word meaning "HELP", denotes its combat support role vital for sustained naval operations at sea.

The ship in addition also undertakes long range helicopter operations with anti-ship missile and torpedoes.

The **PNS NASR**, commanded by Captain Tarique Hussain PN, has the honour of participating in a large number of multinational/joint exercises.

The **PNS NASR** participated extensively in tsunami relief operations in 2004 at Maldives having the distinction to undertake the very first rescue operation in that country by any organization.

It also had the honour of visiting various countries like Australia, Gulf, Far East region and South East regions.

The **PNS Khaibar** derives its name from a famous battle in 629 AD during which seemingly impregnable fortress of Khaibar was captured by the Muslim forces led by Hazrat Ali (RA) under the guidance of Holy Prophet (PBUH). Khaibar is the third ship of Pakistan Navy to be so named. The **PNS Khaibar**, commanded by Captain Muhammad Faisal Abbasi PN, is the fourth of eight **Type-21 'AMAZON' class** frigates. This ship was acquired by Pakistan Navy from UK in early 90s. After its induction in Pakistan Navy, it has undergone major modifications and up-gradations.

Source AP/ Pakistan

Workers at the Faslane nuclear submarine base were exposed to radiation, reveal MoD

WORKERS at the Faslane nuclear submarine base were exposed to radiation, the Ministry of Defence (MoD) has revealed. The MoD released information which revealed that there were six significant safety incidents in the last five years at Faslane.

Some of the incidents meant that staff were exposed to radiation while working at the base. The incidents included radioactive waste being spilled, power supplies being lost and waste being mistakenly dropped overboard as well as the exposure to radiation. The information was revealed by UK defence minister, Philip Dunne, in response to a parliamentary question from Angus Robertson MP, the SNP's defence spokesman and Westminster leader.

According to the MoD two of the incidents since 2008 were defined as “category B.” This is the second worst rating which involves, “actual or high potential for a contained release within building or submarine or unplanned exposure to radiation.” In 2008 there was a loss of power at the base after valves on board a submarine were shut “in error.”

In 2009, there were two instances in which cranes were being used more often than they had been authorised for.

In 2010, an ice plug melted after the failure of a liquid nitrogen supply resulted in radioactive coolant leaking into a submarine reactor.

Later, in the same year, a bag of clothing, which was potentially contaminated, fell overboard. Last year, a group of maintenance workers entered an area close to a reactor compartment “without the proper radiological controls in place and hence received an unplanned exposure to a radiological dose.” Recently the danger of using cranes to lift nuclear-armed Trident missiles was highlighted by American journalist Eric Schlosser. He said:

“I hope in Scotland that they’re very careful when loading and unloading missiles.” MP Angus Robertson said that the information made for “scary reading.

He said: “These answers from the MoD make for scary reading. They concern the most serious types of incidents, and information about them wouldn’t be made public without asking. “Safety should be paramount at all nuclear bases...some of these incidents do not inspire confidence about what is going on there.” John Ainslie, coordinator of the Scottish Campaign for Nuclear Disarmament, said: “This catalogue of safety errors shows there is always the risk that something can go catastrophically wrong so long as nuclear submarines remain in Scotland.” Despite fears, UK defence minister Philip Dunne said that none of the incidents at Faslane were serious enough to rate on the International Nuclear Event Scale. **Source : Deadline**

Shipyard President: We Are Driving Cost Out of New Carrier

The most expensive ship now under construction for the US Navy is the nuclear aircraft carrier **Gerald R. Ford (CVN 78)**. Representing the first entirely new carrier design since the 1960s, the ship’s cost has risen more than 22 percent since construction was authorized in 2008 and is projected to hit \$12.8 billion by the time it’s delivered in 2016.

Ford’s design embodies a number of new and untried technologies, chief among them new launch and recovery systems for aircraft and a new dual-band radar system. The Navy and Congress were aware at the time of authorization that a high level of risk was attached to perfecting each technology on time and on budget, and delays have contributed to the cost growth.



The Government Accountability Office (GAO) is a long-time critic of the **CVN 78 program**, and its reports have garnered considerable attention from analysts and other observers. A recent GAO report recommended slowing production of the next carrier, the **John F. Kennedy (CVN 79)**, until costs on the first ship are better understood. But the shipbuilders at Newport News Shipbuilding bristle at many of the criticisms. Matt

Mulherin, president of the shipyard, addressed the carrier issue during an interview Oct. 22.

“There is a view out there that a typical first-of-class ship has over 30 percent cost growth over the baseline. Today we are at 22 percent. I am not saying that I am happy with that, but I think we have done an awfully good job of controlling the costs. “I think this ship is going together well — we are seeing the value of the product model, we are seeing the technologies that we were responsible for putting together [coming] to operational status. I know we are going to meet all the key performance parameters for the pieces of the ship that we’re driving to. I feel very good about the ship.”

Q. One of the chief worries about the ship's construction was over the testing and delivery of the new electromagnetic aircraft launch system (EMALS), an item developed by the Navy and furnished to you for installation. Has that caused problems?

A. "Some of the government-furnished equipment — the EMALS, the advanced arresting gear — have been a challenge. But, with EMALS, I have all of the hardware inside the ship ... the catapults are coming together. We are on our plan on that stuff. Now are we going to have integration challenges? I think you would be a fool to say we are not going to. I tell you that is what we do; that is what we do well. We understand how this stuff works. I have had people up at [Joint Base McGuire-Dix-Lakehurst, N.J.] operating this stuff; they are qualified shooters. They are up there doing the test program so they know it quite well.

"So I feel pretty good about the fact that we are going to be able to bring this stuff all together. We are going to deliver, in 2016, a **Gerald R. Ford** that is a ready round. It is able to shoot [aircraft]; it is able to catch; it is going to have all its phased array antennas working. We are not far off our plan — we were supposed to launch this thing in July, and here we are four months late. That was to a date we set over 10 years ago. I wish I was on the plan, but I do not think we are in a terrible place. I think this has been a great ship, I really do, and I think it will be."

Q. Citing the cost growth, the GAO warned recently that additional increases could come from "shipbuilder underperformance."

A. "I know it is a lot of dollars, and 22 percent cost growth is a lot of money," Mulherin said. "I think we are being good stewards of the taxpayers' dollars as we are driving to deliver to the Navy the ship they want. I do not know that people really recognize that we pay attention to that. I get penalized for that cost growth. I am making these decisions trying to figure out how I drive to the least cost, and because that is in my best interest as well. "I think we are going to see a different position for CVN 79, where that ship is going to go together better; it is going to be less cost — but building an aircraft carrier is an expensive thing. "Everybody is going to be forced to go back to the requirements and say if I really need to drive costs out of here, what can I do? That is where we are as we get ready for CVN 79. I think we all have to look in our own houses and say how do we drive cost down? I have to do that; the Navy has to do that. That is where we are, but at least the Navy recognizes that the least cost for CVN 79 is if I stay on that plan for building the ship. Because we have laid out the most efficient build plan. "We are being very effective; we are still implementing things; there is no end to what we are trying to do to drive costs out of this thing. We know we are in a position where none of us want to be. We are going to great lengths to try to figure out how we [become] much more efficient and how we build Kennedy." **Source: DefenseNews**

SHIPYARD NEWS



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Davie shipyards christens first large boat in two decades

The traditional smashing of the champagne bottle on the first ship built at Canada's oldest and biggest shipyard christened the **Cecon Pride** Friday. That symbolic act at a dockside ceremony in front of some 1,000 guests at the Davie Shipyard also signalled the resurgence of shipbuilding in Quebec.

The **Cecon Pride** is the 717th vessel to be built at the **Davie shipyard**, which was itself launched in 1825.

"I've seen some high and very low tides here over the years," said Steven Blaney, MP for Lévis-Bellechasse, from a raised podium next to the blue-and-white vessel as the sun broke through the clouds on a bitterly cold fall day.

"But today is the beginning of a new direction for Davie." The **Cecon Pride** is a 130-metre vessel specifically built to operate in harsh conditions like that of the North Sea oilfield. While not technically launched — it was sitting in about four metres of water in a dry dock — it is about 90 per cent completed, said Kiley Sampson, the Cecon Pride's project director.

There are about 5,000 ships of this kind operating around the world, as opposed to about 80,000 cargo ships.

Billed as the most complex vessel ever built in Canada, it can be used for multiple deep water tasks in the offshore oil and gas industry, from emergency deep sea well intervention to pipe laying and construction. "They're not like the cookie cutter ships built in China, but Canada can very easily built these kind of ships because they're not easily duplicated," Sampson said. "They're small and we can make them." Davie chairman Alex Vicefield said earlier such specialized vessels are normally built in Europe.

It is the first large ship to be built at the Davie yard in two decades. The last was a ferry for Marine Atlantic that plied the 110-km-wide Cabot Strait between Cape Breton Island and Newfoundland. "I think this is a very important day for the shipbuilding industry in Canada," said Peter Cairns, president of the Shipbuilding Association of Canada. "Davie has gone through some really tough times and (the new British owners) are following up on what they said they would do when they bought the yard earlier this year." Friday's launch came almost a year to the day of the announcement of Davie's sale to Zafiro Marine — recently renamed Inoca Capital Partners — a London- and Monaco-based fleet management company.

The new owners credited the **Cecon Pride** ceremony on the efforts of the 739 workers who have been recalled to the yard in recent months. They also say they are now well positioned to compete for new shipbuilding and maintenance contracts in Canada and abroad. According to Vicefield, the costs of new ships are roughly 60 per cent materials, 40-per cent labour.

"You can't do much about material costs," he said in a CBC Radio interview this week. "But labour costs — that's where the competitive edge lies." He noted that the unionized wage rates being paid at Davie are far lower than in European yards. "I can tell you that compared to yards in, say, Norway, it's about half," Vicefield said.

He added however that the quality of workmanship at Davie is second to none.

"The labour force is excellent and the facilities are extremely good," Vicefield said. "There has been a lot of money invested here over the past 20 years." The result is that many Canadian and foreign companies have made formal inquiries about ship building projects, particularly for ferries and offshore vessels like the Cecon pride — about \$1.2 billion worth in the last few months alone, Vicefield said.

In addition to bidding on those countries and finishing the five vessels already in the yard, Davie is also interested in federal shipbuilding work.

He noted that Davie has recently hired several senior managers from the two 2011 winners of the \$33-billion national shipbuilding strategy bid process — Halifax's Irving and Vancouver's Seaspan. Davie finished a distant third — it was then insolvent and had been out of operation for 18 months. But it soon reopened under new management and landed an untendered and controversial \$120-million contract to build two car ferries for the Société des Traversiers du Québec.

The deal was needed for Davie to be eligible to make a last-minute bid for the federal contracts. Vicefield is now confident however that Davie has a good chance to land some of the remaining \$2 billion that the federal government plans to spend on the construction of more than 100 smaller support and patrol vessels for the Canadian Coast Guard and the Navy. "They absolutely interest us," he said. "What we can do at Davie is create a production line which creates efficiencies that can make cost savings as a result."

He also hinted that Davie would be "capable and ready" to take on work from the first bidding process if Irving or Seaspan don't have the capacity to do so.

He was referring to a report earlier this year from federal spending watchdog Kevin Page, who questioned the ability of Seaspan to fulfill its \$8-billion part of the contract to build seven or eight combat and non-combat vessels.

"Seaspan's experience has been in the field of barges, ferries, smaller commercial ships," the parliamentary budget officer wrote in his report, which was released in February. "The company has very little experience in the class of ships that will be produced (and) the workforce, while potentially experienced generally, will have less direct shipbuilding experience than would be desirable."

Vicefield said **Cecon Pride**, together with Davie's storied past in making warships, provides tangible proof that his yard has the ability to handle the engineering complexities of the federal shipbuilding program.

"We're now building five ships and we're operating at only 30 per cent capacity," he said. "And (Friday) shows what we're now capable of doing."

That is a sea change from a generation ago, when the yard was marred by union troubles and a militant workforce.

"The union was more in charge than the bosses were," said André Vermette, a former ship's manager who spent 38 years at the Davie yard, many of them as the top blue-collar worker on site who directed the work on new-build ships.

He recalled one incident in the early 1980s when Paul Desmarais visited the yard, which was a subsidiary of his Canada Steamship Line, with former prime minister Jean Chrétien, then a senior Liberal cabinet minister.

"The workers burned Desmarais in effigy from the top of the highest crane on the yard," Vermette said. "Desmarais sold the place (to former prime minister Paul Martin) not long after that."

The yard then began a slow descent into a financial abyss that lasted until the mid-1990s, when former owner Dominion Bridge declared bankruptcy.

The yard spent a decade in receivership and was about to be liquidated in a dockside auction when a Norwegian company — Teco ASA — bought it in 2008.

Another Norwegian company — Cecon ASA, an Oslo-based subsea installation contractor — ordered three ships.

The Canadian government provided the publicly-traded Norwegian company loan guarantees of up to \$200 million U.S. to support construction of the three vessels at the Davie yard.

However, the yard's owners — a subsidiary of another publicly-traded Norwegian company, filed for creditor protection in Quebec Superior Court in February 2010. As a result, the three ships have sat unfinished in the Davie yard.

Since Zafiro/Inoca's acquisition of the yard was approved on Nov. 1, 2011 by the yard's major creditor — the Quebec government — a series of events have unlocked the financial resources required to complete work on the Cecon vessels.

Cecon notably secured \$280 million in financing from York Capital Management, a Manhattan-based employee hedge fund, and repaid the Export Development Canada \$107.5 million in outstanding loans in February. Cecon announced in April that "ownership of (our) vessels under construction in Canada" now belongs to a new subsidiary called Rever Offshore AS. Cecon and York respectively own 85 per cent and 15 per cent of shares in Rever.

Rever is supplying money to Inoca and Davie to complete the three vessels, which are legally identified as hulls 717, 718 and 719.

Friday's ship naming, together with the apparent turnaround in the oft-scuttled shipyard's financial fortunes, both amazes and puzzles Stephen Gordon, a Université Laval economics professor who writes an internationally popular blog on Canadian economic matters.

"The fact that there were able to attract and rebuild a skilled labour force in this region is a major accomplishment, a real tour de force. The unemployment rate in the Quebec City area is extremely low — the lowest of any city east of Saskatchewan in fact. We're on a par with Calgary."

Once the hoopla from the Cecon Pride ceremony dies down, however, Gordon said the company will be faced with the return to the harsh realities of the shipbuilding industry.

"It takes huge investments to be profitable in a business like that," he told The Gazette. "It takes a lot of time and money to do that only time will tell if they have the wherewithal to do that."

"(Friday's) event is nice and it's a real accomplishment for the new owners. But it is not an indication of their long term viability." **Source : The Montreal Gazette**

Dutch shipyard in Santiago delivers fifth vessel to Venezuela

The Cuban subsidiary of Dutch shipbuilder **Damen Shipyards** delivered the third of four logistics ships built for the Venezuelan navy, official media reported.

In a televised ceremony, the **Damex Shipbuilding & Engineering shipyard** in Santiago, which is 100-percent owned by Damen, delivered the **AB Los Roques (T-93)** to the Bolivarian Navy of Venezuela.

The ship's tasks include facilitating international trade and providing support in disaster relief efforts in the Caribbean.

The 57-meter **Los Roques** belongs to the **Damen Stan Lander class**. It has a cargo capacity of 740 tons — in 42 containers or as general cargo — and reaches speeds up to 11 knots. Built for shallow water, the vessel has a roll on-

roll off ramp at the bow for vehicles and machinery. Under cooperation agreements between Cuba and Venezuela, in addition to the fourth lander, **Damex** is scheduled to deliver two patrol boats next year. Previously to the Stan Landers, **Damex** built two tug boats for the Venezuelan navy. Netherlands-based **Damen Shipyards**, the owner of



the Santiago facility, is one of the world's largest shipbuilders. The Cuban subsidiary was established in 1995 and is, according to its Website, "a self-sustaining organization" with 140 employees. **Damex** acts as a license holder and an aftersales service location for **Damen Shipyards** Holland, and can build new ships with a length of up to 100 meters.
Source :Cuba Standard



Maersk Drilling's new drillship "MAERSK VIKING" prior to commencing sea trial off Geoje, Korea.

Photo: Christian Surel Johnsen and Allan Linder-Madsen ©



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Ingalls Shipbuilding holds naming ceremony for Coast Guard's NSC Hamilton

Huntington Ingalls Industries' Ingalls Shipbuilding division christened the National Security Cutter (NSC) **Hamilton (WMSL 753)** on October 26 2013 in front of nearly 1,000 guests. Hamilton is the fourth NSC Ingalls has built for the U.S. Coast Guard, the shipbuilding company in a press release. Linda Kapral Papp, wife of commandant of the Coast Guard Adm. Robert J. Papp Jr., was the ship's sponsor. The ship is named in honor of Alexander Hamilton, who is credited with establishing the Revenue Cutter Service, the forerunner of today's U.S. Coast Guard. It is the third Coast Guard cutter to bear the name Hamilton.

NSCs are 418 feet long with a 54-foot beam and displace 4,500 tons with a full load. They have a top speed of 28 knots, a range of 12,000 miles, an endurance of 60 days and a crew of 110.

NSCs are the flagship of the Coast Guard's cutter fleet, designed to replace the 378-foot Hamilton-class High-Endurance Cutters, which entered service during the 1960s. Ingalls has delivered three and has three more under construction, including Hamilton. Keel laying for Ingalls' fifth NSC, James (WMSL 754), took place on May 17. The ship is currently 33 percent complete and will launch the spring of 2014. Ingalls has started construction on 28 of 45 units for NSC 6 and she will launch the fall of 2015. An advance long lead material procurement contract has also been awarded for a seventh NSC. The **Legend-class NSC** is capable of meeting all maritime security mission needs required of the High-Endurance Cutter. The cutter includes an aft launch and recovery area for two rigid hull inflatable boats and a flight deck to accommodate a range of manned and unmanned rotary wing aircraft. It is the largest and most technologically advanced class of cutter in the U.S. Coast Guard, with robust capabilities for maritime homeland security, law enforcement, marine safety, environmental protection and national defense missions. This class of cutters plays an important role enhancing the Coast Guard's operational readiness, capacity and effectiveness at a time when the demand for their services has never been greater. **Source : PortNews**

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CMA CGM and Delmas open ECSA – WAF service as partnership with NileDutch ends

The French Line **CMA CGM** and its affiliate and Africa specialist **Delmas** have opened a new service from the East Coast of South America to West Africa. The service was recently launched with the first sailing of the 1,732 teu charter

vessel **RHL AQUA** The loop turns in six weeks with three vessels, offering fortnightly fixed-day departures. It serves the following ports: Buenos Aires, Rio Grande, Itajai, Santos, Abidjan, Pointe Noire, Luanda, Buenos Aires.

The launch of the new service follows the termination of an agreement with **NileDutch** under which **CMA CGM** and Delmas used to operate a joint ECSA - WAF service with the Rotterdam-based carrier - the 'Samwaf' loop.

Since the recent withdrawal of the French, the 'Samwaf' continues as a NileDutch standalone service. The sole remaining operator replaced the CMA CGM tonnage with NileDutch vessels and continues to offer one departure every ten days. The following ports are covered: Buenos Aires, Rio Grande, Itajai, Santos, Rio de Janeiro, Pointe Noire, Luanda, Buenos Aires. Since July, the Hamburg-based north-south specialist carrier Hamburg-Süd takes a slot participation on the 'Samwaf'. **Source : Linervision**

APM Terminals Pipavav takes environmental efforts to new heights

APM Terminals Pipavav is continuing to focus on making their terminal a sustainable and environmentally friendly one.

Here are a few initiatives they've kicked off so far with great results: The terminal coal yard is surrounded by wind and water curtains to prevent coal dust from spreading out. This coal yard is a unique feature at Port Pipavav.

An organic manure site converts kitchen waste from the employee canteen kitchen into compost, which is then sold or distributed amongst employees and local villages for use in gardening and farming. The water quality at various locations including seawater at the jetty is analysed and monitored. A sewage treatment plant reuses the treated water for gardening while the residue is used as compost for plants. Two villages near the port – Behrai and Shiyalbet – have been adopted for spreading awareness and implementing a waste management plan.

560 hectares of mangroves have been developed – 300 hectares in Surat and 200 in Bharuch. Under the 'Greening Project' the port has planted 7000 saplings nurtured in an in-house nursery. This is an on-going project. Rain water is harvested in two ponds, one with 10 million litres and the other with a 0.5 million litre capacity. This water is then used by employees living at the housing colony at the port. The water curtain at the coal yard also gets its water supply from rain water. **Source: APM Terminals**

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YML boosts Far East to Middle East loops as it recovers ships from Coscon charter.

As of November, Yang Ming Line will begin to boost its 'CGX' Far East to Middle East service and inject a number of 5,551 teu vessels into the service. The ships in question are presently chartered out from Yang Ming to Coscon, and they will join the 'CGX' loop upon their return to the Taiwanese carrier.

Simultaneously, Yang Ming is to phase several chartered ships in the 4,250 to 4,700 teu size range out of the loop. These smaller vessels are expected to be returned to their respective non-operating owners.

Coscon so far traded the ships chartered from Yang Ming on Transpacific routes. Here, the 5,551 teu units are being replaced by Cosco-owned tonnage which has become available due to low-season adjustments and winter service withdrawals. **Source : Linervision**



Dockwise **BLACK MARLIN** loaded with the Jack up Rig **FORTIUS** seen from OHT's **EAGLE** last Saturday at Singapore West Jurong Anchorage, the **BLACK MARLIN** sailed later in the afternoon bound for Mexico

Photo : Piet Sinke ©



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3.0% growth for port of Antwerp in first 9 months

The port of Antwerp handled a freight volume of 143,015,226 tonnes in the first nine months of this year, 3.0% more than in the same period last year. Liquid bulk once again produced good growth figures, helping to push the overall volume higher.

Liquid bulk

The volume of liquid bulk handled during the past three quarters rose by 32.0% to 44,472,343 tonnes. Oil derivatives stood at 32,211,312 tonnes by the end of September, representing growth of 36.7%. Chemicals (up 9.2% to 8,467,896 tonnes) and crude oil (up 71.4% to 3,481,679 tonnes) completed the impressive series of results in the liquid bulk segment.

Dry bulk

The dry bulk volume by contrast was down by 25.6% to 10,941,785 tonnes, due mainly to reduced coal imports. 57.4% less coal was handled in the period from January to September. The main reason for this decrease lay in the rail freight rates to the German hinterland, making the rates offered in Antwerp less competitive than in some neighbouring ports.

The Port Authority in collaboration with a number of private-sector players is making strenuous efforts to close this gap.

Containers and breakbulk

The container segment showed a slight decline, both in tonnage and in TEU (standard containers: twenty-foot equivalent units). The number of containers fell by 2.8%, totalling 76,508,857 tonnes in the first nine months.

The ro/ro volume was also down, decreasing by 5.3% to 3,406,385 tonnes. On the other hand the number of cars handled was up by 5.5%, to 969,105. During the past nine months 26.2% more cars were imported than in the same period last year. Conventional breakbulk also declined, down 6.0% in the first three quarters to 7,685,856 tonnes. Apart from steel, which showed a dip of 9.1% to tonnes, the other breakbulk categories remained fairly stable in volume.

Seagoing ships and prospects

During the first nine months 2.4% fewer seagoing ships called at the port of Antwerp than in the same period last year, with the number down to 10,769. On the other hand the total tonnage was up by 3.4% to 246,890,887 GT. These figures reflect the trend for fewer but more heavily laden ships visiting the port.

Antwerp once more demonstrated that it has all the capabilities needed to handle even the very largest ships without problem when the 18,000 TEU Mary Maersk berthed here on Saturday 19 October. This vessel, in the class of the largest container carriers in the world, entered the port of Antwerp smoothly without problem on its trial visit. Simulations by the Hydrological Laboratory in Borgerhout had previously demonstrated that such ships are able to call at Antwerp, and the arrival of the Mary Maersk proved this irrefutably.

In the meantime the alliance of the three largest container shipping companies in the world, the P3 Network (Maersk, MSC and CMA CGM), has opted favourably for Antwerp. The port has gained a call from the Far East, while the number of calls on the trans-Atlantic route is being maintained. This definite choice in favour of Antwerp is a clear expression of confidence in the advantages offered by the port, and will result in even more calls by vessels of 13,000 TEU and over.

Added value and employment

A report by the National Bank of Belgium on the economic significance of the Belgian ports once more confirms that the development of the port of Antwerp is of crucial importance for the Flemish economy. In 2012 the port generated direct added value of 9.76 billion euros, an increase of 1.1% compared with the previous year. The amount of direct employment also expanded, with 60,815 people directly employed compared with 60,010 the previous year, an increase of 1.3%. **Source: Port of Antwerp**

MARITIME ARTIST CORNER



The latest painting of Maritime Artist and photographer / contributor of the newscippings **Frits Janse**, is the new Dutch Pilot Cutter **POLARIS**, above seen operating at Maaspilot station together with the pilot helicopter

www.fritsjanse.nl

.... PHOTO OF THE DAY



The **EAGLE** loading the **QATAR 2022** at Singapore West Jurong Anchorage last Saturday morning -
Photo : Jonathan Lee ©

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