DAILY COLLECTION OF MARITIME PRESS CLIPPINGS 2014 – 087

Number 087 * COLLECTION OF MARITIME PRESS CLIPPINGS *** Friday 28-03-2014**

News reports received from readers and Internet News articles copied from various news sites.

The tug ELBE returning to her homeport Maassluis after successful trials last weekend

See also : http://www.youtube.com/watch?v=3jdAAI8fuiU&feature=youtu.be

Photo top : Jan Plug – Movie is made by : Joop Terpstra ©

EVENTS, INCIDENTS & OPERATIONS

The arriving **CSCL MERCURY** seen from the departing **HANNOVER BRIDGE** in Rotterdam- Europoort
Photo : Luuk Silvius (c)

Wintermar Offshore Marine Net Profit for FY2013 up 34% to US$27 million on 50% Revenue Growth

PT Wintermar Offshore Marine Tbk reported net profit for FY2013 rose 34% to US27 million on 50% revenue growth, and EBITDA jumped 62% to US65.4 million.

WINS's accelerated fleet expansion in 2013 drove gross profit from Owned Vessels up by 71% YOY to US51.4million on revenue growth of 50%. Rising charter rates and the strength of the USD against the Rupiah underpinned gross margin expansion in an environment of strong demand for offshore vessels. A total of 12 vessels were delivered, 7 in the first half and 5 in the second half of the year, adding up to USD90million of total capex. New vessels comprised : 1 unit Platform Supply Vessel, 1 unit 8000 BHP AHTS, 1 unit 5000 BHP AHTS, 1 unit Heavy Load barge, 4 units Fast utility vessels and 4 units Anchor Handling Tugs.

Cabotage implementation in 2013 for offshore operations support vessels of 5000 BHP and higher, including Platform Support Vessels and Dynamic Positioning vessels, means that all our fleet is now fully covered under the cabotage law. Domestic rates have therefore risen vis a vis international rates as supply of Indonesian flagged vessels has become restricted.

Chartered vessels

Higher demand for deepwater drilling has also contributed to a pickup in our chartering business, which has seen a 71% jump in revenues to US78.1 million and nearly doubling of profit to US5.2million for FY2013. However, these contracts are mainly on short term tenures given the high proportion of exploration activity, and we are not expecting the same growth in 2014 as we focus our efforts on our new Owned Vessel fleet. The implementation of cabotage in 2013 has also reduced the number of vessels available for chartering.

Gross Profit

Total gross profit showed growth of 65% owing to very strong result from Owned Vessels, as margins improved significantly compared to the previous year, particularly in the higher value segment of the market.

Indirect expenses and operating profit

Indirect costs saw more modest growth of 31% to US11 million, mainly from personnel related costs. Our continued efforts to develop our human capital and build out our internal infrastructure in anticipation of scaling up meant higher indirect expenses, primarily from staffing and development of personnel. We have built up a stronger network of vessel teams to be able to handle a larger number of high value vessels. However, the increase in indirect cost was more than offset by higher gross profit, resulting in a 76% YOY jump in operating profit to US46.7million.

The higher capital expenditure associated with our increased fleet expansion plan was funded through internally generated cash as well as bank loans. Interest expenses therefore rose accordingly by 49% from US 5.6 million to US 8.4 million as loans were drawn down. In Q3-2013 we sold an old vessel at a loss to raise cash for the reinvestment into our revised fleet expansion plan, therefore there was a loss in sale of fixed asset of US 1 million FY2013, as compared to a gain of US1.8million in 2012.

Net Profit attributed to shareholders has increased by 34% YOY to US 27 million while EBITDA has risen by 62% from US 40.4 million last year to US 65.4 million this period. Earnings per share for FY2013 amounted to US 0.74 cent or Rp 90 which is an increase 32% in US term from the previous corresponding period in 2012.

Total Assets amount to US 422.2 million with our fleet valued at US299 million as at end 2013 compared to US232.6 million at end 2012, an increase of 28% reflecting our expansion into higher value vessels Our net gearing has risen but still remains at a manageable level of 69% as at end December 2013 compared to the previous year end gearing of 57%.

Outlook

The combination of higher exploration activity and the strict implementation of cabotage in 2013 led to strong growth in all areas of our business, and margin expansion. We continue to be optimistic about the longer term trend of offshore oil and gas in Indonesia as several larger development projects are due to start in the coming months. There have also been more foreign vessels reflagged into Indonesian flag which supports the longer term viability of the Indonesian deepwater drilling industry. There continues to be strong activity in deepwater drilling which feeds demand for higher value vessels, in particular vessels with Dynamic Positioning capability. Although most of the contract tenures for deepwater vessels are still short because most are engaged in exploration work, the commencement of some larger development projects will be very welcome news for the industry. The limited supply of high value OSVs flying the Indonesian flag has led to firmer rates across the high value segment of the market, which are at a premium to global charter rates for the same class of vessels. There has admittedly been some delay in awards of longer term tenures. However, we continue to be optimistic on the outlook for our business and our fleet expansion strategy is still very much on track.

Contracts

At 1 March 2014, the total value of contracts in hand is US 111.2 million.

PT Wintermar Offshore Marine is an Indonesian offshore marine services company that owns a fleet of over 64 vessels ready to handle a large variety of marine support services required in upstream oil and gas exploration and production activities including transporting crew, equipment and supplies, as well as providing services such as anchor handling, towing, and mooring of offshore rigs. Our young and growing fleet, comprising a wide variety of vessel types, enables us to offer innovative vessel and logistics solutions to serve our client base of multinational oil and gas companies. In 2011, WINS became the first shipping company in Indonesia to be certified with Integrated Management System by Lloyds Register Quality Assurance, comprising ISO 9001:2008 (Quality), ISO14001:2004

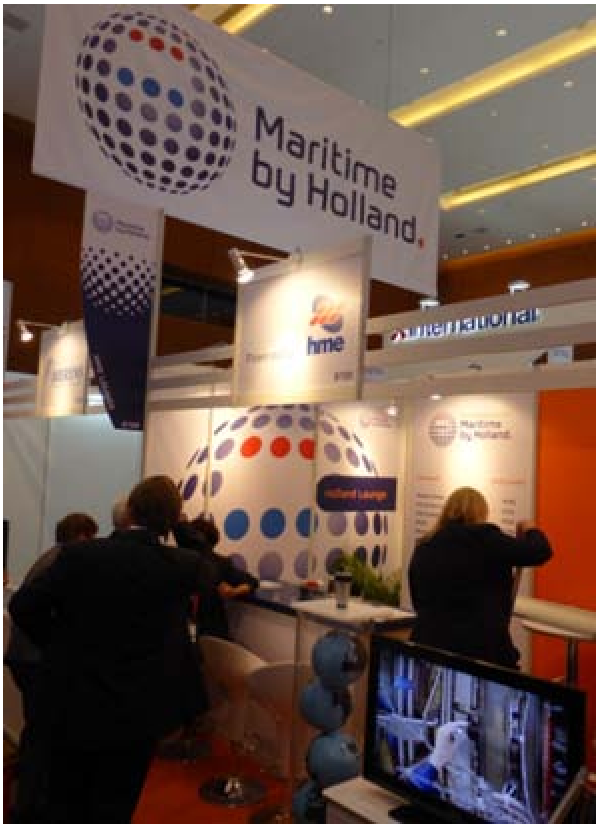
(Environment) and OHSAS 18001:2007 (Occupational Health and Safety). For more information, please visit www.wintermar.com **Source: PT Wintermar Offshore Marine**

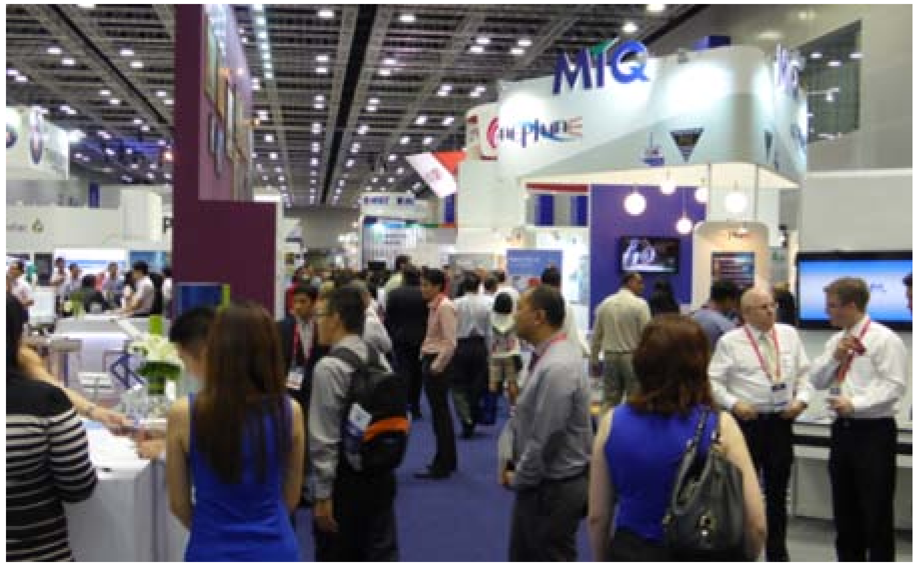
The **SEVAN LOUSIANA** on DP at 1 NM off the harbour entrance of Willemstad (Curacao) for crew change and stores which movements between the rig and the port are done with the **FAIRMOUNT SHERPA**
Photo : Kees Bustraan – http://community.webshots.com/user/cornelis224 (c)

Landfall Marine Contractors further fleet expansion

Recently, **Landfall Marine Contractors b.v.** of Ridderkerk, the Netherlands have reached a management-agreement with the owners of the seagoing anchorhandling tugs "**SOUTHWIND**" and "**NORTHWIND**", commencing on 1st April 2014. This includes the full commercial-, technical and operational management of these two medium sized tugs.
As a result of this new management agreement, Landfall now operates and manages a total of eight medium-sized ocean going anchorhandling tugs between 15 en 53 tons bollard pull, which further increases their flexibility and service to the international towage market. The tugs "**NORTHWIND**" and "**SOUTHWIND**" are presently "en route" with a tow from Africa to Bangladesh, where they are expected to be available for further international towages and anchor handling charters around the end of April 2014. For further information, kindly contact **Landfall Marine Contractors bv** in Ridderkerk, the Netherlands, website www.landfall.nl

The Netherlands present at Offshore Technology Conference Asia





As reported earlier from last Tuesday upto today the 28th of march, the first edition of **Offshore Technology Conference Asia** takes place in Kuala Lumpur. The Netherlands is present at this event with a small **Holland Pavilion.** Participating companies at the **Holland Pavilion were :**

Bierens Machinefabriek BV - CSI Control Systems- Oliveira Hydro, Marine & Shipping – HMSA - SoluForce / Pipelife Nederland – TKF- Van Leusden BV – Winmag

Photo's : Piet Sinke ©

Lifeboat restoration project inline for heritage award

A LIFEBOAT restored by history enthusiasts could be on course for a national award.

East Durham Heritage Group's work to return the **George Elmy** to its original glory has been short-listed for The Museums and Heritage Awards for Excellence in the Restoration and Conservation category.

The boat, involved in a disaster in November 1962, leading to the loss of nine lives, was brought back to Seaham in 2009 after it was spotted on eBay.

The group, with the help of donations from supporters and organisations, including Durham County Council and the Limestone Landscapes Programme, set about restoring it to a Liverpool Class lifeboat.

It had been used as a fishing vessel after it was taken out of RNLI service in 1972. It made its voyage back to Seaham Harbour in June, when the group sailed it from a the South Shields yard. The boat, now housed in a heritage centre in the marina, is up against The Royal Palace Kitchens at Kew, The Mary Rose Museum and Oxford University Museum in the awards.

George Maitland, group member, said: "We're thrilled to be nominated for this award. Anything which helps draw attention to this lifeboat and its story is fantastic. "We're all very proud to be involved with its restoration, and I hope the people of Seaham, who so generously supported us, feel proud too. The crew of the George Elmy were very brave men and the people of Durham have never forgotten that." Durham Heritage Coast officer, Niall Benson, added: "The dedication and resolve of this group to bring the **George Elmy** back to Seaham was tremendous and fully deserving of this national recognition." **Source : Sunderland Echo**

Samskip Multimodal adds 140 new reefers to its fleet

Samskip Multimodal recently added 140 brand new electrical reefer containers to its fleet, further enhancing its capability to ship temperature-controlled or perishable goods across Europe. The final batch of 50 Samskip Coolboxx reefer containers arrived earlier this month at the Rotterdam Shortsea Terminal, after being manufactured in China.

Enhanced features

Due to an improved design using a flat composite inner lining, the new reefer containers are lighter, stronger, easier to clean and allow for a smoother (un)loading process.

In addition, unit Tare weight has been reduced from 5,990 kilograms to 5,760 kilograms, further increasing payload capacity. What is more, the insulation material used is 100% non-CFC (Cyclopentane), in line with our environmentally friendly business standards.

Each unit includes a high performance Thermo King Magnum Plus generator set, designed specifically for long distance transportation of deep frozen, frozen, chilled or heated cargo in a temperature range of -30°C to +30°C.

Sjaak Melissant, General Manager, Samskip Coolboxx, says: "These improvements are focused on expanding the network while offering an even more sustainable and cost-effective solution to our customers, with enhanced quality assurance for our customers' temperature-controlled goods and perishables".

Canadian Minister of Industry visited KOTUG and sailed on board of the hybrid Rotortug RT Adriaan (E- KOTUG)

March, 24th 2014, Canadian Minister of Industry, the Honourable **James Moore**, visited the KOTUG's Headquarters and sailed on board of the hybrid Rotortug **RT Adriaan,** the so-called **E-KOTUG,** in the Port of Rotterdam.

The Prime Minister, **Stephen Harper** and the Minister of Industry, **James Moore** of the Government of Canada combined the Nuclear Security Summit in The Hague with a working trip to the Port of Rotterdam. The visit to Rotterdam was focused on highlighting the trade and business relations between Canada and Europe. The Prime Minister and Minister of Industry were accompanied by a delegation of 15 to 20 Canadian business people.

Minister of Industry, **James Moore** visited **KOTUG's** office and sailed on board of the hybrid Rotortug **RT Adriaan** and was inspired by the company's global success and forward-thinking leadership. He was also impressed with the innovative and sustainable maritime technology and the durable partnerships with several Canadian companies. After the boat trip James Moore visited the **KOTUG** office in Rotterdam, where a MOU Signing Ceremony has been taken place between Canadian companies and **KOTUG**.

James Moore, Canada's Minister of Industry: "I am delighted to witness these partnerships between Dutch and Canadian firms from coast to coast. Having companies like Teekay, Robert **Allan Ltd** and **AKA** involved in projects with KOTUG and Damen is an excellent example of collaboration opportunities between Canada and the Netherlands."

• Partnership with Aspin Kemp and Associates Canada

In 2012 the construction of world's first fully classed hybrid Rotortug, the **"E-KOTUG"** was developed in partnership with Aspin Kemp and Associates Canada, supplier of the Xeropoint Hybrid Propulsion system. The E-KOTUG has many advantages: significant noise reduction, a 45% reduction in emissions, and improved fuel economy in the range of 25%. This represents a dramatic improvement in the vessel's overall efficiency. Hybrid technology has also been integrated into KOTUG's new building program. By mid-2014, two new hybrid Rotortugs (ART 80-32 series) will be added to the KOTUG fleet. These Rotortugs will be equipped with Aspin Kemp & Associates' XeroPoint Hybrid Propulsion System, the latest generation of the hybrid system fitted on E-KOTUG, RT Adriaan.

The revolutionary ART 80-32 Rotortugs are designed by Rotortug B.V. and naval architects and marine engineers, Robert Allan Ltd Canada. The hybrid Rotortugs will be constructed by Damen Shipyards in Europe. Recently, a prestigious contract has been awarded to KT Maritime Services Ltd (joint venture of KOTUG and Teekay) for 3 Offshore Rotortugs in order to support world's first 'FLNG Shell Prelude' project. The Offshore Rotortugs are designed by Rotortug B.V. and Robert Allan Ltd.

Photo left to right: **Paul Jamer** of AKA, **Jim Hyslop** of Robert Allan, **Ard-Jan Kooren** of KOTUG, **Evan Willemsen** of ROTORTUG and Minister **James Moore** of the Canadian Government

KOTUG is a leading towage operator offering its innovative services on a global scale. With a sophisticated, powerful fleet, its dedicated staff and well trained crew, **KOTUG** operates in a variety of markets including towage services to ports, terminals and at sea as well as in the salvage, offshore and dredging industry. **KOTUG** remains committed to the highest industry standards of health, safety, environment and quality. More information: www.kotug.com

Red-Med' rail alternative to Suez Canal to start construction this year

A $2bn, 300 km freight rail link connecting Eilat, on the Red Sea, with Ashdod Port, on the Mediterranean, is all set to start construction. The massive infrastructure project, dubbed Red-Med, partially funded by the Chinese, will provide an alternative container link to the Suez Canal. Construction, which will take five years, is expected to start soon. Israeli prime minister Benjamin Netanyahu said, "It's the first time we'd be able to assist the countries in Europe and Asia to make sure they always have an open connection between Europe and Asia and between Asia and Europe." The rail link will also be open to passenger trains. **Source : GulfShipNews**

Scouting Jan Willem Friso, het eerste binnenvaartschip met een pellet brander

De verwarmingsketel op motorschip "**Bornrif"** van **Scouting Jan Willem Friso groep** uit Krimpen aan den IJssel is vervangen door een pellet brander. Een pellet brander wordt gestookt op pellets, geperst afvalhout. Naar ons weten zijn we het eerste binnenvaartschip dat uitgerust is met zo'n ketel. Afgelopen zaterdag is de gloed nieuwe ketel in bedrijf gesteld.

De pellet brander is efficiënter dan de verouderde diesel gestookte ketel. Pellets zijn minder gevaarlijk dan diesel. Daarnaast zijn pellets gebruiksvriendelijker. De productie van pellets levert geen extra milieu belasting op doordat dit van afvalhout wordt gemaakt. Het project is geheel in eigen beheer door onze vrijwilligers uitgevoerd. In eigen beheer is er een opslag bunker voor de pellets gemaakt. De oude ketel is afgevoerd, de nieuwe ketel geplaatst en de vijzel die de pellets naar de brander toevoer is geïnstalleerd plus de verdere aansluitingen (rookgasafvoer, cv pomp etc). Uiteindelijk de afstelling van de brander, waar we er uiteindelijk achter kwamen dat de pellet aanvoer niet goed functioneerde. Voordat we zover waren, heeft helaas langer geduurd dan we hadden verwacht, maar we zijn erg blij met het resultaat. Daarom willen we ook via deze weg alle vrijwilligers en sponsors bedanken die dit project mogelijk hebben gemaakt! Ruim de helft van de investering voor deze ketel hebben we weten te financieren door sponsoring. Dit omdat deze investering zwaar op ons budget drukt. De sponsors tot zover zijn: **Autobedrijf M. de Koning, Euro Nordic Logistics,** de **Krimpense Kringloopwinkel** en **North Sea Tankers**. Mocht u Scouting Jan Willem Friso groep ook willen ondersteunen dan kunt u ons benaderen via sponsoring@scoutingjwf.nl of een bijdrage overmaken op onze bank rekening NL60INGB0001665012 onder vermelding van 'pellet brander'. Deze innovatieve pellet brander gaat er hopelijk voor zorgen dat we als groep met al onze jeugdleden erwarmpjes bij kunnen zitten aan boord van ons wachtschip **Bornrif!**

Liberia authorises Croatian Registry of Shipping as Recognised Organisation

The Liberian Registry has authorised the Croatian Registry of Shipping (CRS) to act on its behalf in connection with the survey, audit, certification, and plan-review of Liberian-flag ships and the companies which operate them.

The Liberian Registry adopts a proactive approach to the service which it provides to the record numbers of ships which fly the Liberian flag. It is the only ship registry to provide harmonised audit and Maritime Labour Convention verification services, using its exclusive global network of highly trained nautical inspectors. Where appropriate, it also delegates authority to perform audits, inspections and certification to Recognised Organisations which it knows and trusts. Part of Liberia's mandatory criteria for authorisation of a classification society is full membership in the International Association of Classification Societies. CRS is now authorised to provide services to Liberian-flag ships to the same extent as the other eleven class societies accorded Recognised Organisation status by Liberia.

Scott Bergeron, chief executive officer of the Liberian International Ship & Corporate Registry (LISCR), the US-based manager of the Liberian Registry, says, "As is the case with other classification societies authorised by Liberia, the Croatian Registry of Shipping is a member of the International Association of Classification Societies. We have conducted our own audit of CRS's systems and procedures and are satisfied with its competence and capability to provide statutory services in accordance with Liberia's robust standards. As we continue to increase our market share, we have great confidence in the ability of CRS to work alongside Liberia to help maintain the quality of our fleet to the highest standards and beyond." The Liberian Registry is one of the world's largest and most active shipping registers, and has long been considered the world's most technologically advanced maritime administration. It has a long-established track record of combining the highest standards of safety for vessels and crews with the highest levels of responsive service to owners. www.liscr.com

The **SAGA PEARL** moored in Haifa – **Photo : Peter Szamosi ©**

Maersk Line Art-Box Arrives in Philadelphia

Frozen mussels from New Zealand to Port of Philadelphia begins Art-Box's journey around the world to promote value of global container shipping Maersk Line, an ocean transportation company and a unit of the Maersk Group, announced the arrival of the **Maersk Line Reefer Art-Box,** a 40' high-cube, at the Port of Philadelphia marking the first voyage of the container designed to promote container shipping. The Art-Box's inaugural shipment contains frozen OP Columbia's Coromandel Greenshell mussels from New Zealand. The mussel shipment is destined for Mark Foods, New York.

Maersk Line and the Port of Auckland, New Zealand co-commissioned two famous, New Zealand street artists Askew1 and Trust Me to each paint one side of the reefer container. 'Gigi' by Askew1 covers one side of the container and a reworked version of Trust Me's 'Greetings from Aotearoa', appears on the other side.

After Philadelphia, the container will continue to travel around the world to gain attention for container shipping. Often considered the 'invisible industry', container shipping is actually the most low cost, energy efficient form of global transportation that functions as the world's economic engine. The refrigerated Art-Box will serve as a reminder, as it delivers food and other perishables to people throughout the world, that container shipping is essential for global economic growth and vitality.

"We are pleased to be part of this exciting project that illuminates container shipping's value as a driving force in connecting world markets and creating economic growth. The fact that the Art-Box is a refrigerated container further emphasizes the contribution state-of-the-art containerized technology makes to providing healthy, fresh food to markets throughout the world," said Bill Duggan, Vice President of Refrigerated Sales, Maersk Line North America.

"The refrigerated trade is vital to the Port of Philadelphia," said Philadelphia Regional Port Authority's Director of Marketing, Sean Mahoney. "Beyond that, the importance of world trade and containerized shipping cannot be underestimated for the local economy. We are excited that Maersk has chosen to make Philadelphia the ArtBox's first destination on its trip around the world." **Source : MarineLink / maerskline.com**

P3: dawn of a new age?

The **MSC REGULUS** arriving in Rotterdam-Europoort – **Photo : Luuk Silvius (c)**

Despite outcry from a number of international bodies, the Federal Maritime Commission (FMC) has announced that it has given the green light to the P3 alliance. The news may come as something of a disappointment to the Global Shippers Forum (GSF) who, as early as November 2013, made note of the possible implications that the formation of such an alliance could have on the rest of the shipping world.

The P3 alliance; a massive shipping union between A.P. Moller-Maersk, CMA CGM S.A. and MSC Mediterranean Shipping Company S.A. would result in granting three of the largest shipping carriers to jointly operate trade routes between the US and Asia, Northern Europe and the Mediterranean. During their third annual meeting, members of GSF urged a number of international shipping bodies, including the FMC, European Commission, and Chinese regulators to re-evaluate the effects such an alliance could have.

The fear is that P3 could greatly affect prices, services and service quality globally. GSF Secretary General, Chris Welsh voiced these fears during the meeting, stating that such an alliance could eliminate any offers for smaller operators in the area and "fundamentally change the structure of container shipping markets."

"The major fear is the market impact that the P3 Agreement would have. If P3 were to proceed in its current form, the structure of container shipping markets serving EU and global trades would be fundamentally changed, including the possibility of eliminating effective competition." Similar fears have been issued globally; earlier in the month the Korean Shipowners Association announced that they would be teaming up with the Chinese Shipowners Association to protest the development of the new super-carrier.

However, despite these fears, the FMC has allowed the alliance to continue plans to begin operations later in the year.

The commission decided that as of the immediate future, it is not likely that the agreement will "produce an unreasonable increase in transportation cost or unreasonable reduction in transportation services." However, they do accept the possibility that such an issue could occur in the future.

Therefore, the body has decided to issue alternative reporting requirements to members of the agreement, keeping a close eye on any possible changes in the marketplace and ensuring P3 doesn't force anyone out. Whilst not the result the GSF wanted, they praised the FMC for their efforts, and welcomed "the fact that the FMC is to implement alternative reporting requirements".

Nevertheless, attention now turns to Brussels where the European Commission will examine a recently submitted legal brief provided by GSF, which hopes to re-examine the legality of P3, specifically in regards to the EU's guidelines on competition and the knock-on affects that could result from the P3 agreement.

The Game has changed

Already, ripples of apprehension can be felt within the shipping community, and with them, attempts to adapt and prevent the development of an almost one-sided market. Several other large-scale carriers are now following suit, in hopes of developing alliances of their own.

This includes the G6: A consortium consisting of Hapag-Lloyd, OOCL, NYK, APL, Hyundai Merchant Marine and MOL, with hopes to compete with the P3 network. G6 plan to expand operations to service up to 12 container trade services with a fleet of 76 vessels between Asia and the US, whilst operating an additional 42 ships across five transatlantic loops servicing the US eastern and western coasts, Canada, Panama, Mexico and northern Europe.

Outside of this, Hapag-Lloyd has announced that discussions are being held with CSAV in the hopes of a merger or some sort of partnership in the near future.

Yang Ming, United Arab Shipping Company (UASC) and China Shipping Container Liner (CSCL) are also planning to unify operations in Asia-North American trade routes. If alliances like these are allowed to happen, it leads many to question what is next for the industry.

Already, we are seeing an over-saturated market place developing. With financial reports from 2013 now being released, a clear image is painted – a year where supply has begun to exceeded demand. This may have much to do with the influx of new 'Mega' class new builds being delivered and beginning operations worldwide, some carrying up to a staggering 18,000 TEU.

However, in order to prevent over-saturation, there comes the need to dilute fleet operations into over routes.

Orient Overseas Container Line (OOCL) was one of the many to experience this need.

Chairman of OOIL, OOCLs parent company, Mr. C C Tung noted this in an official statement: "deployment of the largest newbuilds to the Asia-Europe trade triggered cascading into the Trans-Pacific trade, which in turn displaced a considerable number of mid sized ships to other trade lanes.

"This cascading effect brought considerable excess capacity to the Intra-Asia and Australasia trades as well as the Trans-Pacific trade, and added volatility to the market."

With oversaturation already happening in the market place, the inclusion of these new partnerships, and the increased financial infrastructure that comes with them, can only result in the following: Exponential growth in all shipping routes as larger vessels cascade into alternative ones to cope with the over-saturation.

As such, the industry is going to have to do the same. This much is clear with new dredging operations being announced every day. Even the Panama Canal has undergone significant works in order to accommodate with this explosive growth.

Despite the GSF fears, the likelihood that the P3 Alliance will go ahead is becoming more and more a reality, and with it, a new industry would be born: one where companies must adapt and grow or be left behind. **Source : Port Technology**

Martin Linge jackup nears delivery

The **MAERSK INTERPID** under tow in the port of Singapore - **Photo : Piet Sinke (c)**
CLICK on the photo to view and/or download the Hires version

Keppel FELS expects to deliver the first of three new **GustoMSC CJ70** jackups soon to **Maersk Drilling**.
The **MAERSK INTERPID** has been customized for year-round operations in the North Sea, in water depths of up to 150 m. It will initially work for Total on the **Martin Linge field development** offshore Norway. The **CJ70,** which has a leg length of 206.8 m , provides dual pipe handling. While one string is working in the wellbore, a second string of casing, drill pipe, or bottomhole assembly can be assembled/disassembled and stored in the set-back area, ready for subsequent use, reducing non-productive time. Drill floor features include "Multi Machine Control," a remotely operated pipe handling system that allows standard operations such as stand building and tripping to be performed without personnel on the drill floor. This **Keppel FELS** claims, leads to a high level of consistency across crews and improved efficiency. Up to 150 people can be accommodated on board in single cabins. **Source : Offshore**

After 1 year of a lifetime extension program and outfitting Heerema's "**H-851**" left the Shekou area and at the Zhizhou anchorage tow was taken over by the **POSH Terasea's** AHTS "**SALVANGUARD**"
Photo : Willem van Woercom (c)

OCEANTEAM TAKES 40% STAKE IN NEW OFFSHORE SHIPPING COMPANY

Oceanteam Shipping ASA announced that it has founded together with Grupo Diavaz a new shipping company named 'DOT Shipping'. DOT Shipping will focus on providing high-end vessel solutions for the Mexican market. Details of the transaction remain confidential and further details on DOT Shipping will be disclosed in the coming period.

25-03-2014: **SEAJACKS** new build **HYDRA** seen during the overload tests off the Dutch made 400tons **Kenz-crane** At Lamprel's construction yard in Sharjah, United Arab Emirates.

Photo : Gert-Jan van der Meiden crane-engineer Kenz-Figee ©

UK Department for Transport Extends Partnership with BMT

BMT Reliability Consultants (BMT), a subsidiary of **BMT Group Ltd,** has announced a one year contract extension with the UK Department for Transport (DfT). BMT will continue working with the DfT to provide maritime statistics support, as part of the statutory legislative requirements set out in the Maritime Statistics Directive.

BMT has been working with the DfT for the past nine years collating information on all maritime freight traffic and ship movements in and out of UK ports. DfT commented: "We have a statutory requirement to provide detailed and accurate maritime statistics to the EU in a timely manner. We are pleased to continue our relationship with BMT who has demonstrated that it has the technical skills, domain knowledge and a working relationship with the key stakeholders, to support us and ensure that the maritime statistics data is collected in an accurate and timely manner."

Maritime freight data is supplied by approximately 400 shipping lines and agents in any one year. Other data, which is less detailed, is supplied by approximately 150 port authorities and operators. The information collected by BMT is required to help inform UK policy and to support the European Community (EC) Maritime Statistics Directive which was introduced to assist the EC in developing policies and monitoring the impact of policy measures. Once analysed, shipping lines, shipping agents and port operators are also able to access the data to develop their own business strategies.

The information provides an invaluable insight into the freight movements to and from the UK including the impact of the global recession. Andrew Cooper, Managing Director of BMT Reliability Consultants comments: "The award of this continuation contract recognises the importance of the relationship which we have established with the data providers over the past nine years enabling us to deliver accurate and timely information to the DfT. This is further supported by BMT's strong maritime background and its expertise in data collection and IT."

Another Mammoth Gas Ship Ordered for MHI

The U.S. Shale Gas Revolution continues to drive orders for some of the world's largest, most sophisticated tonnage.

Mitsubishi Heavy Industries, Ltd. (MHI) received an order from Astomos Energy Corporation for a very large liquefied petroleum gas (LPG) carrier. The LPG carrier on order is identical to a vessel ordered to MHI by Astomos Energy late last year. Completion and delivery of the ship are scheduled for the first half of 2016.

The newly ordered LPG carrier will measure 230.0 meters (m) in length overall (LOA), 36.6m in width and 11.1m in draft, with gross tonnage of 48,300 tons (t) and deadweight tonnage of 51,100t. It will have capacity to carry up to 83,000 cubic meters (m3) of LPG. The adoption of MHI's unique hull design and other features will provide the carrier with superlative fuel efficiency and outstanding adaptability to the diverse connecting conditions of the world's LPG terminals. The ship will also be equipped with the industry's most advanced systems, including mooring arrangement, to enable passage through the newly expanding Panama Canal, which is expected to become operable early in 2016. Construction, as with the previously ordered vessel, will be carried out at MHI's Nagasaki Shipyard & Machinery Works.

Astomos Energy presently operates a total of 23 large-scale LPG carriers. All six vessels owned by the company were constructed by MHI; of the remaining 17 time-chartered vessels, eleven were built by MHI. Today Astomos Energy is pursuing a medium-term business plan to expand its LPG transport structure, targeting an increase in gross LPG handling volume from the current 10 million tons per year (mtpy) to 12mtpy in 2015. The order newly placed to MHI is an integral part of that initiative. The new carrier, when completed, will replace one of old vessels owned by Astomos Energy. With the emergence of the "shale gas revolution" in the United States, demand for LPG produced in North America is projected to increase in markets worldwide, including East Asia. In tandem with this expansionary trend, coupled with the enlargement of the Panama Canal, newly constructed ships must offer increased carrying capacities and be able to transport over longer distances. They must also perform to tightening environmental restrictions imposed on such ship navigations. Both of MHI's LPG carriers ordered by Astomos Energy will satisfy these various requirements as they simultaneously meet the needs of the company's current plans to build the world's most advanced fleet of LPG carriers. MHI possesses the comprehensive capabilities in ships and major marine machinery to respond to the heightening demands being made of today's LPG carriers. Going forward, the company will apply these capabilities to the development of ever more efficient LPG carriers as it also pursues more proactive proposal-based solutions marketing. **Source : MarineLink**

Record revenue of US$5.5 billion this year for Suez Canal

EGYPT's Suez Canal Authority expects to achieve revenue of US$5.5 billion in the current fiscal year, as it attracts the larger ships that cannot pass through the Panama Canal until its expansion is completed. Authority chief Mohab Memish said this would be a record high. Revenues from the canal increased by 8.5 per cent in November compared to the same month a year ago to $442.4 million, according to the latest statistics, Reuters reports. Source : Asian Shipper

Holyhead: Fears Stena Line's Anglesey employees could be replaced by international workers

MP holds crunch with unions over ferry firm's plans to freeze pay and change working conditions in bid to "compete with low-cost operators" Crunch talks have taken place over concerns relating to planned pay cuts and changes to reduced working conditions by a major ferry operator at one of the UK's busiest ports.

On Friday, Albert Owen MP met with local representatives of the RMT and Nautilus trade unions over concerns that the proposed actions by Stena Line could lead to staff at Holyhead being replaced by international workers. Mr Owen, a former seafarer himself, has pointed to Stena's alarming proposals to cut the time off given to its seafaring staff, freeze pay and significantly reduce the wages of new employees to minimum levels, as a "significant risk to safety".

Following the meeting, he said: "Both unions share my concerns and I will work closely with both local and national officials to try to persuade Stena to re-think its future strategy. "The Holyhead corridor is a profitable and well-run route, which is a testament to the hard work and dedication of local seafarers and shore-based staff. Stena should recognise this. "Instead of cutting pay and conditions, Stena should look to build on the success of the central corridor route. It simply doesn't make sense to lower standards, which could very well impact on safety and the local economy. I will be calling to meet with senior Stena management as well as asking the Government to look closely at a situation that once again puts the future of British seafarers at risk. "The Port of Holyhead is best situated to benefit from an energy bonanza in North West Wales and this should be the focus of attention not lower standards on board and for its existing staff." Meanwhile a Stena employee, who did not wish to be identified, told the Mail: "The ordinary staff are very unsure of their futures at present and Stena's short and medium term intentions.

"There are currently on-going talks between the unions and the company over maritime staff levels and terms & conditions of contract, and the staff are unsure as to the companies intentions after that – i.e. will there be more redundancies or is that an end to it?" Wishing to shave up to £10m off its Irish Sea wage bill, Stena have warned in a letter to staff, that replacing local staff with 'foreign crew' would be their only option if new working conditions are not implemented. Rhun ap Iorwerth AM, also met union representatives to discuss the issue last week. He said: "I want Stena to be very, very profitable, but I also wish it to remain an important part of the community which it profits from." "Stena is a major employer on the island and cross-Irish Sea shipping is part of the fabric of our community on Anglesey. "Of course Stena needs to be profitable, and I will do all I can to help. But I also wish Stena to remain a central part of – and committed to – the community which it profits from, as an important employer that our young people can aspire to work for and earn a good living from for many years to come.

"Generations of Anglesey families - including my own – have contributed to the success of the shipping industry in Holyhead. Long may that continue." In a statement, Stena say that the company's European ferry business had operated at a loss in recent years, and need to compete with low-cost operators.

"The company has been and will continue to be in discussions with trade unions and staff representatives designed to help secure the continuing employment of its current Irish Sea seafarers and not as has been speculated to become involved in 'mass downsizing'. "Stena Line has identified some initial measures which will lay the foundation for the discussions, which includes a decision not to increase salaries for all staff in 2014 and the transfer of the technical management of its Irish Sea vessels to an internal Stena Group company, Northern Marine Ferries Ltd. As a basis for ongoing discussion the company has put forward a number of options giving potential cost savings from the range of current terms and conditions." **Source: Daily Post**

Costa Concordia: Teesside could miss out on scrappage work due to political pressure

Able UK bosses say work to could go to Italy due to 'political pressure' for the job to be carried out in the stricken cruise liner's home country. The wreck of the Costa Concordia could be dismantled in Italy instead of Teesside due to political pressure, Able UK bosses have claimed.

They say the Billingham-based company is one of two frontrunners for the work to scrap the vessel, which sank almost two years ago near an Italian island, killing 32 people.

Its rival - an Italian company - could win the contract due to political pressure for the work to be carried out in the stricken cruise liner's home country. The team leading the salvage operation has confirmed it will begin removing the ship from near the Italian island of Giglio in June, ready for demolition later this year. But according to Italian media reports this week, Giglio's mayor Sergio Ortelli has called for a delay amid concerns the timing of its removal clashes with the onset of the tourism season.

Executive chairman and founder of Able UK Peter Stephenson said: "There's a lot of political pressure for [the dismantling] to be done in Italy. "We need to know soon. It's between us and an Italian company, so fingers crossed.

"They're looking at floating it towards the end of this year before the winter weather starts." Able UK, which employs up to 200 at its Teesside sites and supports hundreds more supply chain jobs, applied for the work alongside companies from across Europe when the wreckage to be scrapped was put out to tender by **London Offshore Consultants** in January. **Source : Gazette Live**

NAVY NEWS

Iran says US Navy ship a fake

A US Aircraft carrier spotted just off the coast of Iran is just a replica being used as a movie set, Iranian media have said. Reports from the New York Times, quoting US intelligence, said last week that the Iranians were building a mock-up of a US nuclear-powered aircraft carrier, possibly so they could then blow it up for propaganda purposes.

Satellite photos showed what looked like one of the US Navy's Nimitz-class aircraft carriers, complete with planes, rising from Iran's Gachin shipyard, near the port of Bandar Abbas.

Iranian newspapers said it was "part of the decor" of a movie being made by Iranian director Nader Talebzadeh on the 1988 shooting down of an Iran Air civilian plane by the **USS Vincennes**. The United States claims the downing of the plane, which killed all 290 passengers and crew, was an accident.

Iran's Alef new website, which carries views close to the official line from Tehran, says the issue has turned into a good excuse for another wave of hype against Iran. **Source :Arabian Supply Chain**

Two Dead in Shooting on Navy Ship

Reuters reported that there are two dead aboard the U.S. Navy Destroyer **USS Mahan** docked at Naval Station Norfolk last night., as a civilian apparently shot and killed a sailor, and in turn the shooter was in turn killed by based security forces, according to the Navy. According to the Navy, the incident occurred at approximately 11:20 p.m. at Pier 1 on board **USS Mahan (DDG 72).** No other injuries have been reported.

Naval Station Norfolk was briefly put on lockdown as a precautionary measure, with the lockdown lasting approximately 45 minutes. With the exception of Pier 1, operations have returned to normal at Naval Station Norfolk.

The shooting and the details surrounding it are under investigation. **Source : MarineLink**

Israel, Greek and US Navies Kick Off Annual Med Sea Drill

Israeli, Greek and US military personnel are slated to meet in Crete Tuesday to kick off Noble Dina 2014, a two-week, trilateral exercise in the Mediterranean Sea. This year's annual multimission drill, the fourth conducted by the three nations, will involve hundreds of military personnel deployed on advanced surface ships, air assets and submarines, Navy sources here said.

In addition to search and rescue, sea maneuvering, anti-submarine warfare (ASW) and coordinated command-and- control missions, which have been practiced in previous years, Noble Dina 2014 will feature undersea divers and other specialists deployed for joint port protection. The Israel Navy's Snapir Unit, a relatively new and highly specialized force trained for persistent surface and underwater port security, will support the newest element of the drill scheduled for later this week at a Cretan port.

"This is something new that reflects common, critically important operational requirements," said Rear Adm. Yaron Levi, chief of staff of the Israel Navy. Noble Dina, sources here said, is the result of routine cooperation among the three navies and many months of focused planning. "It's a long, complex and extremely substantive exercise aimed at enhancing the already significant coordination and interoperability among the three navies," said Levi.

Israel's contingent for the trilateral drill set sail Monday morning for the 24-hour trip to Crete, where it will join counterparts and other assets from Greece and the US Navy's Sixth Fleet, based in Naples, Italy.

It includes a Dolphin-class submarine, a Sa'ar-5 Corvette-class ship, two Sa'ar 4.5 missile boats and ASW capabilities in addition to the Snapir Unit. In a March 24 interview, Levy insisted that despite widespread perceptions, Noble Dina is not a replacement for Reliant Mermaid, a trilateral exercise that Israel had conducted for 10 years with the US and Turkey.

Since 2010, Ankara has refused to allow Israel to participate in the annual drill due to the diplomatic fallout over Israel’s seizure of a Turkish civilian ship bound for Gaza. Nine Turkish nationals died in violent clashes with Israeli commandos deployed to enforce Israel’s naval blockage of Gaza.

“Noble Dina didn’t replace Reliant Mermaid, which was a trilateral exercise that became a bilateral exercise. I would be very happy to have this return to a trilateral exercise,” the Israel Navy’s number two-ranking officer said of ongoing, US-facilitated efforts to reach an Israeli-Turkish rapprochement. **Source : DefenseNews**

US guided missile submarine visiting Subic Bay

The **USS Michigan (SSGN 727),** a Ohio-class guided-missile submarine, will arrive at Subic Bay on Tuesday for a routine port call, the US embassy in Manila said Monday.

The nuclear-powered submarine, which carries cruise missiles, will replenish supplies at the former US naval base, the embassy said.

The port call will also give its crew an opportunity for rest and relaxation, it added. The **USS Michigan,** which is under the command of Capt. Erik Burian, is part of the US Pacific Fleet.

It was previously a ballistic missile submarine before it was converted into carrying guided missiles, the embassy said.

The Philippines, Australia, and other parts of the region have seen a resurgence of US warships, planes and personnel since President Barack Obama announced a "pivot" in foreign, economic and security policy towards Asia.

The Philippines has agreed to allow the United States access to its military bases under a new security deal being negotiated by the two allies, amid mounting concern over China's increasing assertiveness in the disputed waters of the South China Sea.

The offer was made during a sixth round of talks held in Washington last week, Filipino officials said on Friday. The two sides hope to finalize terms before US President Barack Obama embarks on a visit to Asia, including the Philippines, next month. "Consensus was arrived at on many provisions of the draft agreement," Defense Undersecretary Pio Lorenzo Batino told a news conference, adding the deal is 80 percent done. "The proposed agreement will allow the sharing of defined areas within certain AFP (Armed Forces of the Philippines) facilities with elements of the U.S. military."

The new agreement on enhanced defense cooperation will allow the United States increased deployment of troops, ships, aircraft and humanitarian equipment. Manila would welcome the return of a U.S. military presence to deter China's ambitions in the South China Sea, and to help provide humanitarian assistance during natural disasters, according to analysts. – **Source : ABC – CBN NEwswith a report from Reuters**

PORTLAND: Navy ship visits isle

The Royal Navy’s Type 23 frigate, **HMS Iron Duke,** made a short visit to Portland last weekend (March 21st-23rd).

Sailing into port on Friday at 11am, the ship hosted invited guests for a capability demonstration that evening.

This was followed by a weekend of youth group and schools visits, before the ship returned to sea late afternoon on Sunday. **HMS Iron Duke** is nearing completion of eight weeks of Operational Sea Training alongside in Devonport, Plymouth and the waters of the English Channel. This visit to Portland is part of that training, ensuring the ship is ready for all eventualities. In those eight weeks, the ship's company of more than 180 men and women have dealt with simulated war, fires, flood, famine, disasters and intruders, exercising for any eventuality that may occur to a Royal Navy warship on deployment across the globe.

The team at Flag Officer Sea Training have put **Iron Duke** through her paces, building up the crew's knowledge, ability and determination to succeed in daily tests, usually starting very early in the morning and finishing very late at night.

With further successes in testing the new Artisan 3D radar, crammed in between the tough training regime, HMS Iron Duke is close to completing the course before returning to her base port of Portsmouth in readiness for deployment later this year. The thirteen Type 23 – or Duke-class – frigates can typically be found east of Suez, safeguarding Britain's vital maritime trade routes or the nation's interests in the South Atlantic.

Based in Portsmouth and Devonport, the ships were designed to deal with the Soviet submarine threat – but in the 20 years since the fall of Communism, the frigates have proven their versatility by dealing with virtually every mission imaginable in the four corners of the globe - as well as maintaining that original mission of submarine hunting, aided by the world's finest sonar and either a Merlin or Lynx helicopter.

The current Iron Duke is the third Royal Navy ship to bear the name. Launched on March 2nd 1991 by the ship's sponsor, Lady Jane King, the wife of the then Secretary of State for Defence, **Iron Duke** was commissioned on May 30th 1991. **Source : View fromonline**

SHIPYARD NEWS

MHI Reports $586M Loss on Cruise Ship Builds

Mitsubishi Heavy Industries, Ltd. (MHI) booked an extraordinary loss of approximately 60 billion yen (roughly $586 million USD) on the build of two cruise ships as a loss provision related to the construction work in its consolidated financial results for fiscal year (FY) 2013 (ending March 31, 2014).

In November 2011, MHI received an order for two large-sized cruise ships for the **AIDA Cruises** brand, a company that belongs to the **COSTA Group**, a European subsidiary of Carnival Corporation & plc. The original order was for two ships of 124,500 gross tonnage with capacity to carry approximately 3,300 passengers, for delivery in spring 2015 and spring 2016 from MHI's shipyard in Nagasaki. Based on its previous experience building cruise ships, the company set up a project to facilitate prompt implementation of measures necessary for the newly ordered ships' construction. Also, the company, because it views the two ships as next-generation energy-efficient cruise vessels that will function as a prototype for the **AIDA Cruises** brand, accordingly allotted a proportionate amount of time to handling the pre-construction details. Construction of the first of the two vessels got under way in June 2013.

The foregoing initiatives notwithstanding, as work proceeded in the actual construction phase of the project, difficulties involved in the construction of the prototype became evident, MHI said. Moreover, the volume of design work relating to the cruise ships cabins and other areas has been vast and significant design changes have been made, with the combined result of a delay in the design work. The delay has translated not only to increased design costs but also to negative factors in terms of additional material procurement, construction schedule, etc.; and these adverse influences have eroded the originally planned cost structure. MHI said it won't change the company's current earnings forecasts for FY2013 announced on February 6, but should it be determined that any revisions are necessary, the company will make announcements as necessary. Source : mhi-global.com

B.C. ferry workers hope legal appeal leaves proposed cable ferry dead in the water

BC Ferries could be hauled into court over its plans for a cable ferry connecting Vancouver Island and Denman Island at the northern end of Georgia Strait. The BC Ferry and Marine Workers' Union has issued a bulletin to its members saying union lawyers will request the B.C. Court of Appeal hear arguments against the ferry commission's approval of spending for the link.

Seaspan Marine announced in February that its North Vancouver shipyard had won a $15-million contract to build the ferry, capable of carrying 50 vehicles and 150 passengers. **BC Ferries** argues cable vessels offer fuel and labour savings of up to $2-million dollars annually, over the cost of similar-sized, self-propelled ships. Cable ferries are propelled between opposite docks by winches and water currents and the 1.9-kilometre crossing between Buckley Bay and Denman Island, off the east coast of Vancouver Island, would be the longest in the world.

Critics say switching to a cable ship will cost as many as 15 local jobs, and they add the length of the crossing and unpredictability of water conditions raise concerns about safety and reliability of the vessel. Source : Vancouversun

Shipyard Yaroslavsky to build two seagoing tugs for Russian Navy

On March 24, Yaroslavsky Shipbuilding Plant OJSC and the Ministry of Defence of the Russian Federation signed a state contract for construction and delivery of two seagoing tugs under the state defence order of RF Navy.

The first tugboat is to be delivered to the customer in 2016, the second one – in 2017.

The vessel's class: KMμArc4 [1] AUT1 FF3WS EPP Tug of Russian Maritime Register of Shipping.

The tugboat is intended for towing of vessels, floating facilities and structures in ice-covered and ice-free water; assistance to vessels within port water area and mooring operations; escort operations in sea; extinguishing of fires on floating and shore-based facilities, extinguishing of fuel burning on water surface; refloating of ships and vessels.

Yaroslavsky Shipbuilding Plant is situated in the central part of Russia, on the bank of the river Volga. It is an Open Joint Stock Company since 1993. The company specializes in construction of both civil vessels and warships. The shipyard's current state-ordered projects are: seagoing tug of project 745 mbs and three landing boats of project 21820 for the RF Ministry of Defense; three high-speed patrol boats of project 12260 for the RF Federal Security Service; six boom-laying boats of project SV 2407 and three bunkering tankers of project RT 18 for the Federal Marine and River Transport Agency. Source : PortNews

ROUTE, PORTS & SERVICES

Delay to Panama Canal expansion presents opportunity for Moin

The six-month delay in completing the Panama Canal expansion will be positive for APM Terminals' container terminal project in Moín, Costa Rica, Joe Nielsen, APM Terminals Latin American director told BNamericas.

"The delay might actually be an opportunity for us given the project we have in Costa Rica," said Nielsen. The Panama Canal expansion was meant to be complete in June 2015, but following a cost dispute with construction group Grupo Unidos por el Canal (GUPC), completion has been delayed until December next year.

The Hague-based port operator won the concession to build and operate Moín terminal in August 2011 and plans to invest US$992mn in the project. While the terminal is designed to handle imports and exports that go through the port, the expansion of the canal could turn Moín into a hub for transshipment business, Nielsen said.

"The delay in the canal expansion fits very well with the opening of Moín a year and a half later," he said. APM Terminals is currently investing in its terminals in the region, such as Santos in Brazil and Callao in Peru to ensure that they will be ready to receive the larger vessels that will use the expanded canal. **Source : BN Americas**

SEAWAY HEAVY LIFTING RENTS WAREHOUSE FACILITIES

Seaway Heavy Lifting signed a contract with **Rhenus Logistics** to rent warehouse facilities, open storage area and quay-side for 10 years. From 1st March 2014 **Seaway Heavy Lifting** has its own Offshore yard facilities at Rhenus Logistics on the Maasvlakte in Rotterdam. The yard provides close to 5,000 m2 of covered warehouse, 35,000 m2 of open storage and quay-side for the mooring of up to two **Seaway Heavy Lifting** vessels. **Seaway Heavy Lifting's** COO **Peter de Bree** says: "With the facilities at **Rhenus Logistics** in Rotterdam, it is now possible for us to centralize all our equipment which is presently stored in various locations, both in the Netherlands as well as in other parts of the world

Both "**Oleg Strashnov"** and "**Stanislav Yudin**" at **Rhenus Logistics,** Maasvlakte Rotterdam

." Rhenus Logistics, Managing Director Peter van der Steen says: "we are pleased with the confidence Seaway Heavy Lifting is expressing in our organization by signing this long term contract. It confirms the strategic location of our Maasvlakte Deepsea Terminal as ideal basis for shipping companies in general and offshore contractors in particular. Rhenus Logistics will continue to invest in infrastructure for the offshore wind sector where we are currently in the process of setting up a dedicated business unit."

Iran looks beyond Hormuz for new terminal

Iran is planning to build a new oil terminal beyond the Strait of Hormuz. Akbar Torkan, a senior trade official, was quoted by the ISNA news agency as saying that the new terminal will be at Bandar Jask port in the Gulf of Oman. Iran's sole major crude export terminal is at Khark Island in the Persian Gulf. The narrow Hormuz Strait has long been seen as a potential chokepoint for Iran's exports if an incident occurred there. Approximately a fifth of the world's seaborne oil passes through this narrow strip of water. **Source : Gulfshipnews**

The **NORDIC PHILIP** passing Vlissingen inbound at the Westerschelde – **Photo : Henk Nagelhout ©**

TH Heavy lifting load-up capacity at yard

TH Heavy Engineering Bhd is upgrading its fabrication yard to achieve a fourfold increase in load-up capacity to 8,000 tonnes by the third quarter of this year. Its general manager for marine, Zainol Abiddin Johari, said the upgrade is expected to push the yard's current annual capacity above 20,000 tonnes, depending on the evaluation done by **Petroliam Nasional Bhd (Petronas).** TH Heavy is the third largest oil and gas (O&G) facilities fabricator in Malaysia. "Annual capacity is evaluated and approved by Petronas, based on the available job contracts," he said at the O&G exhibition held in conjunction with the Offshore Technology Conference Asia, yesterday. TH Heavy's fabrication yard on Pulau Indah, which is also the only such facility in the Klang Valley, completed the first phase of modernisation last year, which allowed it to undertake major offshore and onshore fabrication works. Zainol said the expansion is part of TH Heavy's strategy to strengthen its position in the country's highly-competitive O&G fabrication industry. "There are eight players in the industry, with SapuraKencana and Malaysia Marine and Heavy Engineering being the top two players. We can safely say that we are number three," he said. "We have many plans in the pipeline to push the company forward and in becoming a credible global O&G player," he added.

Apart from fabrication, TH Heavy is also involved in hook up commissioning (HUC) and offshore crane manufacturing. It is also in the early stages of diversifying its services into the Floating Production Storage and Offloading (FPSO) system. "Each crane costs some RM5 million on average. We build the cranes at our workshop on Pulau Indah. Delivery usually takes about 48 weeks," he said. On the FPSO system, Zainol said TH Heavy is bidding for a contract by an international O&G player that, if materialised, would mark its first venture into the FPSO segment. Describing the contract value as "a reasonable charter rate", Zainol said TH Heavy is close to sealing the deal, likely in the first half of this year. "Our venture into FPSO is very important as it will allow us to have a more sustainable and persistent cash flow due to the long-term contract tenure of around 10 years," he said. "Right now, we are focusing on this particular FPSO, but moving forward, we plan to own more FPSO units as we see this segment as a potential revenue driver for the group," he added. An associate company of Tabung Haji, TH Heavy, formerly known as Ramunia Holdings Bhd, was incorporated in 2003. Through its unit THHE Fabricators Sdn Bhd, it has secured contracts from local and international O&G players, including Petronas Carigali, Shell, Talisman, Murphy, ExxonMobil and Woodside. THHE Fabricators has executed more than 16 modules and topside structures, and 15 substructure fabrications. With its first batch of own-brand cranes expected to be launched in June, Zainol said TH Heavy is committed to growing its crane business as it as an important component in offshore services. Currently, TH Heavy has the capacity to produce six offshore crane units per year and, with a full take-up rate, it expects the segment to contribute between 10 and 15 per cent to the group's revenue. **Source : New Straits Times**

Singapore vehicle created to invest in Indonesian shipping

Asset management firm **Mandiri Investment Management (MIM),** a Singapore-based subsidiary of Indonesia's Mandiri Manajemen Investasi (MMI), expects to book $100m in total assets under management during the first year of its operations, which will officially begin Wednesday. The new subsidiary will assist Singaporeans wanting to invest in Indonesia, both through foreign direct investment (FDI) and the Indonesian capital market platforms, the company's chief executive officer Evan Lim said. "They may want to invest in the real sector or enter the capital market. In the real sector, we will help them to get in touch with the BKPM [Investment Coordinating Board], while in the capital market, we will provide them with access to Indonesian securities," he said. MIM has held talks with several potential investors and it expects to launch its first products in the next quarter. Shipping, infrastructure and renewable energy are among the business sectors that the investors are currently looking into. Both MIM and MMI are part of Indonesia's largest lender, Bank Mandiri. **Source : SeashipNews**

Asia Dry Bulk-Capesize rates to fall on paper sell-off, charterer pressure

By Keith Wallis

Rates for capesize bulk carriers on key Asian routes are set to slide further, after a freight derivatives sell-off on Wednesday prompted a retreat from 11-week highs, ship brokers said. Charterers such as Rio Tinto and BHP Billiton may also pull out of the market in an effort to push rates down after a flurry of fixtures in the past week, brokers said.

"The market is not very active and owners have started to panic," said one Shanghai-based shipbroker. "I think the market will drop a little bit. I don't think it will roar again." Charterers are aiming to book capesize ships at below $9.50 per tonne for a voyage from Australia to China, the broker said. One charter may have been done on Thursday at $9.45 a tonne, the broker said, although the deal has not been verified.

Such a deal would be a drop of more than $2 per tonne in a week after Rio Tinto fixed a charter from Dampier to Qingdao last Friday at $11.65 per tonne, the highest level since Jan. 9, according to Reuters freight data. That represents a loss of about $10,000 per day in earnings for a 180,000-deadweight-tonne capesize ship, Norwegian ship broker Fearnley said in a note on Wednesday. Rates started dropping after a sell-off of forward freight agreements (FFA), paper derivatives that allow cargo owners and traders to hedge against physical freight rate fluctuations.

"April and quarter two FFA contracts lost $3,740 and $3,000 respectively on Tuesday. It is difficult to tell whether this represents bearish sentiment toward the front end, or simply profit taking from some of the bigger traders," Fearnley said in its note. Rates for the Western Australia-China route closed at $10.96 per tonne on Wednesday, although the last concluded fixture was slightly lower at $10.14 per tonne, indicating the market has turned downwards. Rates for the Brazil-China route <.BATB> closed at $26.84 per tonne on Wednesday, the highest since Jan. 10, although the last done deal was lower at $26.20 per tonne. A lack of cargoes and a surfeit of tonnage are expected to hit panamax rates in Asia after they held steady this week, brokers said. Rates for a panamax transpacific voyage closed at

$11,331 per day on Wednesday, although the most recent fixture saw rates down to $11,153 per day. Lower rates could also affect the supramax market as more ships come available amid an absence of fresh cargoes, ship brokers said. Still, freight rates climbed 2.6 percent last week to $9,750 per day for a supramax voyage from Indonesia to China according to data from British ship broker Clarkson. The Baltic Exchange's main sea freight index closed at 1,496 on Wednesday, down from 1,570 last Wednesday. **Source : ThomsonReuters (Editing by Tom Hogue)**

Hapag-Lloyd announces voyage cancellation on Japan China Express Service

Hapag-Lloyd will implement the following voyage cancellation on the Japan China Express (JPX) Service: "Adelheid-S." voyage 21 (Eastbound week 18 / Westbound week 20), the Company said in a press release. The JPX sailing originally planned to depart Kobe May 1 and Oakland May 18, 2014 will be cancelled. **Source : PortNews**

…. PHOTO OF THE DAY …..

UNION SOVEREIGN & **SMIT ANGOLA** getting ready for their next assignments, at Waalhaven, Rotterdam. In the background is seen the trailing suction hopper dredge **CRESTWAY. Photo : Dirk van Uitert ©**