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The advertisement features a large blue container ship with "NileDutch" written on its side, sailing on the open sea. The ship is loaded with colorful containers. The background is a clear blue sky and deep blue water.

The Bulker INCE ANKARA assisted by the SVITZER HORMUZ in the port of Sohar (Oman) Photo : Rik van Marle (c)

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The Brandnew **REGGEBORG** enroute Amsterdam – Photo : Joop Marechal ©

CMA CGM continues to underpin Global Ship Lease performance

By Mike Wackett

UK-based containership owner **Global Ship Lease (GSL)** has revealed it has contracted revenue of \$900m in long-term charters on 15 of its fleet of 17 ships with French carrier **CMA CGM**, which it said “substantially insulated it from market instability”.

The New York Stock Exchange-listed company, which is 45% owned by **CMA CGM** and since May this year has two CMA CGM executives sitting on its board of directors. During its second quarter interim teleconference yesterday GSL chief executive Ian Webber said container freight markets “remained volatile” and noted that carriers’ success in implementing general rate increases across global trade lanes had been “short-lived”. “**CMA CGM**”, said Mr Webber, “continued to deliver results towards the top of its industry”, but he did not speculate on the carrier’s future plans in the aftermath of the Chinese veto of the proposed P3 alliance with Maersk Line and MSC, and thereafter its exclusion from the diluted 2M alliance proposal made by the two container lines.

The 15 vessels that GSL have on charter to **CMA CGM** have an average time charter remaining of 7.3 years, albeit that in the case of four geared 2,200teu ships these were recently extended at a reduced daily hire. Moreover, two 17-year-old 4,113teu Panamax ships that were off-hired by CMA CGM at the beginning of the year have now been fixed, respectively from 7 May and 16 July, with Sea Consortium for its X-Press Feeders network for six-month periods with options. The temporary loss of charter hire and repositioning costs of the two ships dented the revenue of GSL during the second quarter, which came down from \$35.9m in the same period of 2013 to \$33.5m this year. This resulted in a net loss on paper in the second quarter for GSL of \$2.3m compared to a profit of \$10.1m in the same period last year. The fixture with **Sea Consortium** was described by Mr Webber as a breakthrough in GSL’s strategy to diversify its client base, and he said that establishing additional commercial relationships with new clients was a priority. Following a restructuring of its credit arrangements in mid-March, Mr Webber alluded to an \$80m war chest that it has

available to purchase containerships at the current "attractive asset values" and he said that he was much "encouraged by the potential deals in the market". Nevertheless, Mr Webber said **GSL** did not want to "get carried away in the chase" and would remain "highly disciplined" in its purchases, preferring not to "grow for growth's sake". As an example Mr Webber noted that of the 35 to 40 containerships that had changed hands in the last quarter, none had been purchased by **GSL** despite it being "actively engaged" in a number of negotiations. He said that **GSL's** ideal acquisition candidate was a ship coming to the market with a minimum of 18 months charter hire remaining – distressed ships owned by German KG funds with little or no charter hire remaining were not of interest. In this regard Mr Webber said that **GSL** had to renew its position and credibility in the sales and purchase market to find the right ship purchase candidates at the right price. According to vesselsvalue.com **GSL's** 17-ship fleet has an average age of 11 years, a current asset value of \$254.5m and a scrap value of \$146.6m. **Source : the Loadstar**



Spliethoffs **MERWEDEGRACHT** arriving in Aveiro as seen from Big-Lift's **HAPPY DRAGON**
Photo : Willem van Veen -C.Eng. Happy Dragon ©

S.Korea ferry boss's driver turns himself in

By Ju-min Park

The driver of a South Korean businessman wanted over the sinking of a ferry that killed 304 in April turned himself in on Tuesday, potentially unlocking the mystery of the man's final days after the country's worst maritime disaster in 44 years. Prosecutors in the port city of Incheon said the driver, Yang Hoe-jung, turned himself in at their office, which is leading the probe into the role of businessman Yoo Byung-un in the sinking of the ferry Sewol. The structurally defective and heavily overloaded ferry capsized and sank on a routine journey on April 16, killing 304 people, 250 of them teenagers from the same school on a class field trip. Twelve of their teachers were also killed. The driver Yang was the last among a group of people close to Yoo who had been wanted for allegedly helping him elude South Korea's biggest manhunt. Yang is thought by authorities to have been with Yoo, the head of a family that ran a network of companies that included the ferry operator, in the days before his body was found by a farmer at an orchard on June 12. Police only identified the badly decomposed body as that of Yoo last week, although an autopsy and other extensive testing failed to indicate how he died or came to be in the orchard, forensic experts have said.


Yoo was accused of a range of questionable activities that included embezzlement and negligence that prosecutors believe led to the ferry disaster. A reward of 500 million won (\$488,000) had been posted for information leading to his arrest, the largest possible amount under South Korean criminal law. Yoo's wife, brother and oldest son have been arrested but his younger son remains at large and is believed to be in the United States. A senior prosecutor has said efforts have been made to work with U.S. law enforcement authorities to capture Yoo Hyuck-ki, who was considered Yoo's heir-apparent. The trial of 15 surviving crew members on Tuesday continued to hear testimony from some of the 75 teenagers who survived the disaster. They spoke of the heroic leadership of a classmate amid the chaos, rather than that of the crew or coastguard. "Some boy came around handing out (the life vests)," one student told the Gwangju district court, which has moved temporarily to Ansan, south of Seoul, to accommodate the students. "We were in the hallway, and someone asked, 'Who is willing to go up in the helicopter?' and we raised our hands and went," she said. "Some boy asked, the boy with the life vests." Two helicopters pressed into the rescue effort were able to take off a few passengers who climbed on to the starboard side of the listing vessel. The identity of the boy with life vests was not clear, but he appeared to have been among those rescued by the helicopters. The court has ordered the students' names withheld.

The crew face charges ranging from homicide to negligence for abandoning the ship after telling passengers, including the students, to remain in their cabins. Some of the surviving children who testified on Monday said there was little help from coast guard rescuers who arrived as they scrambled out of the sinking ferry, with many classmates still trapped inside. Others testifying on Tuesday painted a similar scene of students helping one another as the ferry listed sharply and passengers and equipment were thrown around violently inside the cabin, while the crew repeated orders for them to stay put. "Afterwards at the hospital, we met a grown-up passenger, who said the students obeyed the

announcement like fools, while other people broke the windows to get out," one student said. Source : Reuters (Writing by Jack Kim; Editing by Paul Tait and Clarence Fernandez)

Mammoet wins \$80 million wind farm contract

The **Westermeerwind wind farm** consists of 48 wind turbines with a capacity of 3 MW. The turbines will be installed between 500 and 1,100 metres from the dikes of the Noordoostpolder **Mammoet** and **Ballast Nedam** have secured a contract worth €60 million (US\$ 81 million) to construct the **Westermeerwind offshore wind farm** in IJsselmeer, Netherlands. The Westermeerwind wind farm consists of 48 turbines each rated with a capacity of 3 MW. Ballast Nedam has been contracted to design, deliver and install the turbine foundations, while Mammoet has been contracted to transport and install the 48 units. The wind farm's client is **Westermeerwind BV** and the contract for **Mammoet** and **Ballast Nedam** was developed with **Siemens**. The turbines will be installed between 500 and 1,100 metres from the dikes of the Noordoostpolder on foundations between 3 and 7 m deep, a spokesperson said. The monopiles for the foundations measure 5 m in diameter and have an average length of 40 m. Each weighs between 250 and 300 tonnes. "The wind turbine towers have a direct flange connection with the monopiles with no transition piece, so that the driving operation will be performed on the flange," a spokesperson commented. "When the driving work is complete a concrete maintenance platform will be attached and the wind turbines installed." The monopiles will be produced by **SIF Group** in Roermond, and the pile driver will be supplied by **IHC Hydrohammer** in Kinderdijk. Work is scheduled to start in March 2015, with first turbines due for operation at the end of 2015. One complete, the wind farm will supply energy for around 160,000 homes. Source : KHL



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Luxury cruise line accused of offering 'environmental disaster tourism'

A luxury cruise operator in the US has announced it will offer a "once-in-a-lifetime" trip to experience the environmental devastation of the Arctic – using a mode of transport that emits three times more CO2 per passenger per mile than a jumbo jet. It will be the first ever leisure cruise through the Northwest Passage, only accessible now because of the melting of polar ice, and is being marketed at those with an interest in witnessing the effects of climate change first-hand. Tickets for the trip, scheduled for 16 August 2016 and organised by **Crystal Cruises**, will cost between \$20,000 (£12,000) and \$44,000.

Yet there is no mention on **Crystal Cruises'** promotion or FAQ for the journey of the boat's own carbon footprint.

Up to 1,070 passengers will be taken on the 32-day expedition to see seals, walrus, humpback whales and musk-ox – though the company admits there is "no guarantee" of catching a glimpse of a polar bear.

The bulk of the voyage will take place on the **CRYSTAL SERENITY**, a 68,000-tonne, 13-deck ship, though it will also be accompanied by an escort vessel and a helicopter. Popular Science described the trip as "environmental disaster tourism", and quoted research which suggests that the carbon footprint of a cruise ship, per passenger per mile covered, is triple that of a Boeing 747 flight. The cruise promotion was criticised by social media users for giving people the opportunity to "see/help ruin the environment", "watch the ravages of global warming in person and become a human vulture" and take a "high-carbon-footprint cruise to watch polar bears drown".



Left : **CRYSTAL SERENITY** - Photo : **Kees Bustraan**

World Ocean Observatory wrote: "Is no place safe from our intrusion, waste, and consumption?" In an FAQ on its website, Crystal Cruises said 14 experts would be accompanying guests on the cruise to give lectures about the impacts on the environment around them of climate change, as well as the "historic" nature of their inaugural journey down the Northern Passage. Company

executive Thomas Mazloum told the website GCaptain: "During this voyage, speakers will enlighten guests on information regarding climate change, and how it has impacted this passage. "With the recent retreat of polar ice, the time is right for us to lead the way within the travel industry, as Crystal has done throughout our 25-year history."

Under the heading of "Environmental" on its FAQ, Crystal Cruises said both the main ship and escort vessel would "voluntarily use Marine Gas Oil, a low-sulphur fuel... well in excess of the existing environmental regulations". **Source :** **The Independent / www.eco-business.com**



The **DOCKWISE VANGUARD** loaded with the **OCEAN PATRIOT** enroute from Singapore to the Firth of Forth offshore Domburg (Walcheren) - **Photo: Hans van der Linden www.aerolin.nl @ AerolinPhotoBV ©**

Arranmore RNLI evacuates injured man on Ederinis Island



The lifeboat crew at **Arranmore RNLI** was called to Ederinis Island off the coast of Burtonport to assist in the evacuation of a man who fell from the roof of a house on the island. Due to concerns that the man might have suffered a spinal injury, the volunteer crew stretchered him onto the lifeboat and brought him to Burtonport. From there, an ambulance took him to a Coast Guard rescue helicopter at Dungloe Football Pitch and he was airlifted to Letterkenny General Hospital. Arranmore RNLI lifeboat crew are experiencing one of their busiest summer seasons, with calls for assistance from boats and swimmers in trouble to assisting and preparing casualties and sick people from the various islands for evacuation to hospital. **Arranmore RNLI lifeboat** mechanic **Philip**

Mc Cauley said: "The work we do on the lifeboat is so wide and varied that there is no time to get bored and this summer we have been really busy. That is the nature of the business we're in and we are here to save lives at sea and assist those in trouble every day, all year round." **Source: donegaldemocrat**

Subsea system to lift ultra-deepwater output - Petrobras

Brazil's federal energy major **Petrobras** said it will boost ultra-deepwater production by installing a second electrical subsea pump in the Gulf of Mexico this year. The pump, capable of functioning at depths of up to 2.5km, will begin operating in the Chinook field by December, **Petrobras** said in a statement. The announcement comes after Petrobras tested the technology for the first time at the nearby Cascade field during the first quarter. According to the Rio de Janeiro-based firm, the system increases production by reducing pressure at the bottom of the well. The Cascade and Chinook fields are located 24km apart, about 260km off the coast of the US state of Louisiana. Petrobras operates both fields, with a 100% stake in Cascade and 67% in Chinook. **Source : bnamericas**

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Senior Coast Guard official arrested over Sewol ferry sinking

The captain of a Coast Guard patrol boat was arrested on Tuesday to face questioning over the maritime police's botched initial response to April's ferry sinking that claimed more than 300 lives, prosecutors said. The chief of the Mokpo Coast Guard's patrol boat, called the **123**, has come under fire for failing to move swiftly to save more lives even though it was the first ship that arrived at the scene after the **Sewol** ferry sank in waters off the southwestern island of Jindo on April 16. The captain, identified as a 53-year-old police lieutenant surnamed Kim, was specifically charged with damaging and falsifying public records, according to officials at the Gwangju District Prosecutors' Office.

Kim is suspected of removing part of work records written on the day of the ferry sinking and filing in new content possibly from fears that his rescue team's poor initial response would be disclosed, prosecutors said. After questioning the officer over the motive of such behavior and whether there were more officers involved in the suspected crime, the authority will decide whether to seek a court-issued warrant to officially detain him on Wednesday, they said. The patrol boat then had 13 rescue officials on board, including the chief. According to witnesses, however, the rescuers were busy picking up people who jumped into the sea to escape the sinking ferry while doing nothing to rescue passengers locked inside the ship.

Prosecutors said they are considering additionally charging Kim with accidental homicide if he is found to be responsible for the poor initial rescue operations. The arrest came a week after all 13 members of the Vessel Traffic Service (VTS) on Jindo Island were indicted on charges of neglecting their duty of properly monitoring the ferry as it sailed nearby. Of the **Sewol** ferry's some 476 passengers, mostly high school students, a total of 294 people have been confirmed dead, with 10 others still unaccounted for. **Source : Yonhap**

Ship loads first U.S. condensate export cargo in 40 years – sources

An oil tanker has started loading a cargo of condensate, or ultra-light oil, the first such export from the United States since the easing of a 40-year-old ban on U.S. crude exports, two sources familiar with the matter said on Wednesday.

Westport Petroleum Inc, the Franklin, Tennessee-based shipping arm of Japanese trader **Mitsui & Co**, chartered the **BW Zambesi**, an LR1 tanker, also known as a Panamax class vessel, in mid-July for the voyage. The tanker, owned by BW Group docked at the Galveston terminal in Texas on Tuesday, AIS data on Reuters showed. It will load just over 400,000 barrels of condensate and is expected to arrive in Asia in early September, one source said. South Korean refiner **GS Caltex** has bought the cargo from **Mitsui**. Source : Reuters

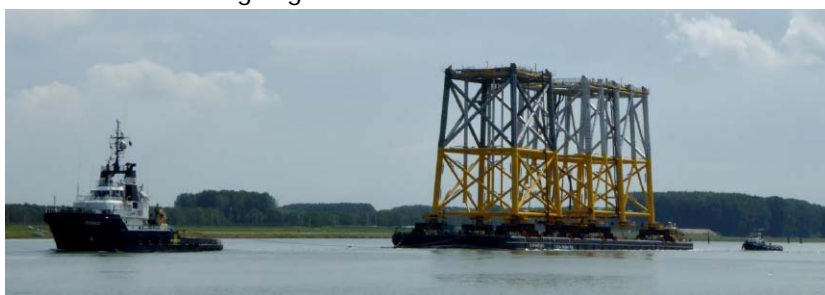
AHT Pegasus working for Seaway Heavy Lifting in the North Sea



After completion of a two week operation for the Dutch construction company **Heerema**, the 100tbp Anchor Handling Tug **Pegasus**, owned and managed by the German company **Harms Bergung, Transport und Heavylift GmbH und Co. KG** was chartered by **Seaway Heavy Lifting (SHL)**. **Seaway Heavy Lifting** is a leading offshore contractor in the global Oil & Gas and Renewables industry. Both North Sea support operation were succesfully fixed by **Offshore Shipbrokers**, one of the leading brokerage houses worldwide within the offshore oil and energy industry. AHT **Pegasus** went onhire in Rotterdam on the 19th of June to support the deck cargo pontoon **CC ATLANTIQUE** in the North Sea. An original planned charter time

of 11 firm days turned out to be a one month charter and is still going on. In direct continuation of the SHL charter

AHT **Pegasus** is chartered by a Norwegian major global designer and shipbuilder of offshore and specialized vessels to tow a new build hull to Norway. The company **Harms Bergung** is based in Hamburg, Germany and is operating a fleet of eight Anchor Handling Tugs worldwide. The fleet of Anchor Handling Tugs ranging from 100-tbp to 300-tbp with DP2 and with the capability to burn HFO and MGO, are purposely built for Long Distance Towage, Subsea Installation, Anchor Handling, Pipelay Barge Support, Salvage Operations and Accommodation Vessel. Photo's : **Jan Oosterboer** ©



of 11 firm days turned out to be a one month charter and is still going on. In direct continuation of the SHL charter

TOTAL E&P NIGERIA FIRST TO USE REFLEX MARINE'S FROG-XT4

Total E&P is the first to use **Reflex Marine's** newly developed **FROG-XT4** on the Odudu field in Nigeria. The French operator purchased the crew transfer device primarily for carrying out inter-field transfers. They have already found the device to be an invaluable back-up method for when adverse weather conditions result in helicopters being unable to fly. Feedback from Total highlights the devices advancements on **Reflex Marine's** original **FROG-3**, previously supplied by the crew transfer company. The **FROG-XT4** was developed in line with the industry's continued drive to improve the safety of its operations – a vision which **Reflex Marine** shares.



The device provides greater comfort and safety to passengers, wider operating parameters, and higher capacity transfers. Its compact frame allows for easy storage and cost effective shipping. Lifting points are now at eye level, making them easier to access and inspect, and a new stretcher mounting system enables rapid deployment in a medical evacuation situation (MedEvac). The deck foreman at Total E&P Nigeria said: "The FROG-XT4 is very portable and easy to transfer from Starboard to Port, and vice versa. In case of impact, it has better personnel protection with improved shielding compared to that of the FROG-3, previously used by Total. Another improvement would be the FROG-XT4's shock absorbers." Total's crane operator added: "The **FROG-XT4** has a very small footprint and can fit on tight deck space compared to the previous model."

The response from the wider industry on the new range has also been positive, with a second unit recently purchased by an international operator in Mozambique. **Reflex Marine** has established a number of accredited service centres for FROGs and TOROs around the world, offering stock, spares, rental services, inspection and maintenance and training to exacting standards set by Reflex Marine; there is now stock on the ground at some of these partners facilities; Norway, Houston and Abu Dhabi. An estimated one million safe crew transfers are carried out every year using the **Reflex Marine's FROG** and **TORO** devices. **Reflex Marine** is now looking to launch a higher capacity version of the product, the **FROG-XT10**, to the market in the coming months. Please visit <http://www.reflexmarine.com/what-we-do/crane-transfer-devices/frog-xt4/> for more information.

Shipmanagers are poor at communicating with owners: Maritime CEO poll

Singapore: There's two weeks to go till the close of voting on our sister title Maritime CEO's shipmanagement poll held in association with Singapore's Masterbulk. Results of the vote will be in the upcoming issue of Maritime CEO magazine, which will be distributed at SMM in Hamburg in September. In early voting – there have been more than 300 respondents so far – there's been plenty of interesting views and opinions. When quizzed on where third party managers are failing today, most respondents said communication with owners was the biggest weak point. Commenting on this point, Nicholas Fisher, ceo of Masterbulk, said: "Whether it's something that was forgotten to be included in the budget or a little bit of offhire that wasn't mentioned, shipmanagers, in the eyes of some of the principals they represent, may sometimes be economical with the whole story. "Communication and transparency are key... In all cases the owner should be told and involved at the outset, rather than an attempt made to bury the problem elsewhere." The vote takes no more than two minutes to complete, although we appreciate comments as well. Readers can leave comments and opinions to each question posed.

Vote now: [Maritime CEO Masterbulk Shipmanagement Poll](#) Source : SeaShipNews



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FINNLINES PLC, INTERIM REPORT JANUARY–JUNE 2014 (unaudited)

Finnlines is one of the largest North-European liner shipping companies, providing sea transport services mainly in the Baltic and the North Sea. **Finnlines'** passenger-freight vessels offer services from Finland to Germany and Sweden, from Sweden via the Åland Islands to Finland and Germany and from Germany to Russia. The Company has subsidiaries in Germany, Belgium, Great Britain, Sweden, Denmark and Poland which all are also sales offices. In addition to sea transportation, the Company provides port services in Helsinki and Turku.



Left : The FINNPARTNER – Photo : Marijke Poot ©

GROUP STRUCTURE

Finnlines Plc is a Finnish listed company. At the end of the

reporting period, the Group consisted of the parent company and 25 subsidiaries. **Finnlines** is part of the **Italian Grimaldi Group**, which is a global logistics group specialising in maritime transport of cars, rolling cargo, containers and passengers. The **Grimaldi Group** comprises seven shipping companies, including **Finnlines**, **Atlantic Container Line (ACL)**, **Malta Motorways of the Sea (MMS)** and **Minoan Lines**. With a fleet of about 100 vessels, the Group provides maritime transport services for rolling cargo and containers between North Europe, the Mediterranean, the Baltic Sea, West Africa, North and South America. It also offers passenger services within the Mediterranean and Baltic Sea. With 77.40 per cent (on 30 June 2014) of the shares, the **Grimaldi Group** is the biggest shareholder in **Finnlines Plc**.

GENERAL MARKET DEVELOPMENT

Based on the statistics by the Finnish Transport Agency for January–May, the Finnish seaborne imports carried in container, lorry and trailer units remained at the same level as in 2013 whereas exports increased by 5 per cent (measured in tons) compared to the same period in 2013. According to the statistics published by Shippax for January–May, trailer and lorry volumes transported by sea between Southern Sweden and Germany increased by 2 per cent compared to 2013. During the same period private and commercial passenger traffic between Finland and Sweden decreased by 5 per cent. Between Finland and Germany the corresponding traffic also decreased by 14 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

During the first two quarters **Finnlines** operated on average 24 (23) vessels in its own traffic. In June, **Finnlines** doubled the departures to Långnäs, Åland. This schedule is planned to last for the summer season. The cargo volumes transported during January–June totalled approximately 325 (320 in 2013) thousand cargo units, 39 (30) thousand cars (not including passengers' cars) and 1,194 (1,070) thousand tons of freight not possible to measure in units. In addition, some 265 (264) thousand private and commercial passengers were transported.

Höegh LNG unit PGN FSRU Lampung commences commercial operation

The **PGN FSRU Lampung** project offshore Indonesia reached an important milestone 21 July 2014 when the unit, along with its associated mooring and pipeline to shore was deemed mechanically complete and commenced commercial operation for its client **Perusahaan Gas Negara (PGN)**, the Company said. The **PGN FSRU Lampung** further completed receiving its first cargo of LNG through a Ship-To-Ship (STS) transfer on 27 July, and has now entered its final commissioning phase. The contract with PGN is for 20 years. Sveinung J.S. Støhle, President and CEO of Höegh LNG Holdings Ltd. (the Company), commented: "We are proud to have commenced commercial operation of this technically advanced and innovative FSRU project for our client PGN. This is the largest and most complex FSRU project Höegh LNG has undertaken so far, and the project team and the Company deserves a lot of praise for their excellent performance. With the second and third FSRU scheduled to commence commercial operation later this year and the fourth FSRU being delivered in the first quarter next year, the Company is in the process of preparing for further expansion within the FSRU segment, thus demonstrating our commitment to keep growing the Company within the FSRU market."

Looming Seafarer Shortage will Challenge Carrier Profitability

Owners and managers need seafarers – and they want experience, expertise and quality. However, they do not have the resources to fund substantial rises in remuneration. In recent years owners and managers have been heavily cost focused as weak freight rate earnings have yielded poor returns. Manning has become the natural target for cost cutting, being the single largest element in ship operating costs, with officer recruitment being directed towards the lowest cost source.



Drewry estimates the current officer supply to be 610,000, representing a shortfall of 19,000 personnel. This shortfall is forecast to rise to 21,700 by 2018 given that there will be a requirement for an additional 38,500 officers by this time.

"While ratings (crew) remuneration packages tend to follow **International Transport Workers Federation (ITF)** standard terms, officer earnings are more market driven,"

explained Drewry's managing director Nigel Gardiner. "Manning costs look set to come under renewed upward pressure, putting a further squeeze on profitability unless owners are able to push freight rates higher." However, there is less supply pressure with ratings and this will have a moderating influence on wage negotiations currently underway between the ITF and International Bargaining Forum, which represents employers. The other factor in owners' favour is that most seafarers are paid in US dollars. When converted to domestic currency, seafarer earnings tend to compare well with other occupations. "But the shortage of officers remains, especially among senior engineering ranks and for specialist ships such as LNG carriers," warned Gardiner. "There is also a general drift towards shorter working tours and increased benefits which is putting further pressure on supply." Reference: drewry.co.uk



COLLEGA'S GEZOCHT
ZEEVARENDEN MET OFFSHORE ERVARING EN NEDERLANDS VBB

- **EERSTE STUURMAN / SDPO**

Multi purpose offshore support vessel 'Deep Helder' (Levering juni 2014)

Seamar SHIPANODV

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Seamar's operation manager **Geert Woord** in front of the **SEAMAR SPLENDID** and **DEEP HELDER** (in the background) in the port of Den Helder With **Seamar's** long term experience in agency, logistics & management services and as ship owners, the **SeaMar Group of companies** offers an allround service package for the offshore and shipping industry. **SeaMar Services b.v.** provides a wide range of logistics and management services, such as vessel management, project management, crew management, vessel brokerage, logistics support and purchasing, vessel agency services for vessels visiting Den Helder, IJmuiden or any other port in the Netherlands, customs formalities, stevedoring, warehousing and forwarding. **SeaMar Shipping b.v.** is a ship owning company, launched in 2001 to widen our service package. Seamar's left seen multipurpose offshore support vessels **DEEP HELDER** and **SEAMAR SPLENDID** can be utilised for air diving support, survey and seismic support work. **SeaMar** is your key to a successful operation.



Second hand market still going strong, on the back of improved market sentiment

With the dry bulk market inching a bit higher over the course of the past week, shipbrokers have started reporting back on the emergence of some positive vibes to the sale and purchasing market for second hand vessels. According to the latest weekly report from shipbroker Lion Shipbrokers, "although we are in the heart of the summer, as the asset prices continue to soften, we experienced a very active week with 3 panamaxs, 3 supras & 2 handies changing hands. Almost all of the units have been committed to the usual Greek and Chinese "summer shoppers", said the shipbroker. In particular, Lion reported that "the Chinese buyers continue to sweep nineties built panamaxs; Vogeman's **VOGE WEST** (70K BLT 1995 ISHIBRAS/BRAZIL, LDT 10640) attracted \$5 mill (which translates to \$471

per It) while **RZS JOY** (69K BLT 1995 IMABARI LDT 9804) & **CSK UNITY** (68K BLT 1995 SASEBO/JAPAN LDT 9861) changed hands within China for a soft \$5.5 mill (having fixed & failed back in May at \$8 mill) & \$6 mill respectively. Remind you that at the begging of July, similar but slightly older units **DURO** (73K BLT 1993 HYUNDAI/S. KOREA) and **THEMIS P** (70K BLT 1994 SUMITOMO/JAPAN), were sold for \$6.3 mill & \$5.8 mill to Chinese buyers. Clients of Technomar have agreed to pay a soft \$19-\$19.5 mill for supramax **BLUE OCEAN** (57K BLT 2011 STX DALIAN/CHINA CR 4X30T), almost same level as three years older **MANDARIN HARVEST** (57K BLT HANTONG/CHINA CR 4X35T) sold for \$19 mill also to Greeks, two weeks ago. Japanese controlled supramax **BULK LEO** (55K BLT 2008 MITSUI/JAPAN CR 4X30T) has attracted a firm \$22.7 mill from Greek buyers (hearing clients of A.M. Nomikos or clients of Almi) compared with this month's earlier deal of one year older sister **BRIGHT MOON** (56K BLT 2007 MITSUI/JAPAN CR 4X30T) for \$21 mill. At an auction by sealed tender, organized by the Admiralty Marshal in Falmouth, England, clients of Eastmed of Greece were the highest bidders, paying \$17.2 mill for the open hatch 8 holds/8 hatches configuration box hold supramax **SANKO MINERAL** (50K BLT 2008 OSHIMA/JAPAN 8HO/8HA CR 4X40T). Japanese controlled, 2-generator handy unit **ATLANTIC ARROW** (28K BLT 2005 SHIN KURUSHIMA/JAPAN CR 4X30T) was snapped by clients of British Bulkers of Greece for a soft \$12.5 mill, while last month, one year older but similar unit **BUMBI** (29K BLT 2004 SHIKOKU/JAPAN CR 4X30T) was sold for \$13.25 million" concluded **Lion Shipbrokers**.

Meanwhile, in the newbuilding market, shipbroker Clarkson Hellas noted that reported ordering this week has been exclusively focused on the Chinese yards. "COSCO Shipyards have announced a number of orders, with two firm plus two option x 82,000 DWT Kamsarmaxes contracted for KC Maritime and a two further 82k Kamsarmax for a European owner. Both orders were placed at COSCO Dalian, with delivery from the later part of 2015 and the majority to be delivered in the first half of 2016. At COSCO Zhoushan, KC Maritime have also increased their orders for 64,000 DWT Ultramax by adding two further vessels taking the total series to four. The latest additions are due for delivery in the first quarter of 2016. At New Yangzijiang, a yet unconfirmed buyer has contracted one firm 82,000 DWT Kamsarmax for delivery in late 2016. Although signed in May, it came to light this week that Densay Shipping added one further Ultramax to their series at Jinling, with three firm vessels now on order. Delivery of the latest unit is in early 2017.

Just one order to report in the tanker market, with Nova Shipping & Logistics (Singapore) contracting two firm 34,500 DWT coated chemical tankers at Taizhou Sanfu. This order marks a return to the chemical Newbuilding market for Sanfu for the first time since 2007, with its more recent ordering focused in the bulk sector. Pricing for this deal is understood to lie in the region of USD 30 Mill per vessel, with delivery from mid-2016 onwards", Clarkson Hellas concluded. Finally, in the demolition market, Lion said that "subcontinent market is keeping its momentum; Pakistan seems really hungry for tonnage and is taking advantage of the Indian bad weather conditions by offering more aggressively and acquiring the majority of demo-candidates out there. China has softened even further (by \$10 per It) since last week, as the local construction industry is absorbing less & less steel, and local experts do not foresee any significant improvement in the near future. Turkey remains stable but with negative prospects (at least until the end of the Ramadan month) resulting to fewer candidates choosing Aliaga shores for their final destination", the shipbroker concluded. **Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide**

ClassNK in Collaborative Research of Condition-Based Engine Monitoring Systems for MAN B&W Engines

Leading classification society **ClassNK** has announced that it will participate in a joint project together with **Mitsui Engineering & Shipbuilding Co., Ltd.** and **MES Technoservice Co., Ltd.** **ClassNK** will support research into the development of condition-based engine monitoring systems for the Mitsui MAN B&W engine. The developed systems will assist in the early detection of abnormalities in electronically-controlled diesel engines in ships. In recent years, vessels are increasingly being equipped with more fuel-efficient electronically-controlled diesel engines, allowing ship operators to obtain large amounts of sensor data in comparison with conventional mechanical engines. However, this means it becomes the responsibility of the ship operators to monitor and assess such sensor data, requiring seafarers experienced in analyzing sensor data to be allocated to such roles. Subsequently, the increase of this sensor data leads to the increase of workloads at shipping companies.

The aim of this joint project is to discover ways to eliminate workloads by creating a system that automatically analyzes the electronically-controlled engine's sensor data for performance diagnoses, to prevent system failures and to extend the frequency of overhaul intervals. With this system, both safe operation of the ship and a reduction in lifecycle costs can be realized. In 2004, **Mitsui Engineering & Shipbuilding** introduced an online marine engine

support system called e-GICS, or electronic Global Internet Customer Support, that provides a variety of functions for performing diagnoses and maintaining equipment. As of the end of June 2014, the number of registered vessels on the system had already grown to 3,000. ClassNK has also teamed up with its subsidiary, **ClassNK Consulting Service Co. Ltd.**, to provide ClassNK CMAXS, an advanced and highly reliable engine condition-based monitoring system that uses sophisticated technology to analyze big data.

Mitsui Engineering and Shipbuilding will incorporate the advanced data analysis functions of the ClassNK CMAXS system into its own e-GICS system as part of this joint project into the development of e-GICSX, a practical and quality preventative maintenance system capable of monitoring engine abnormalities and equipment performance. This project is scheduled to continue until March 2016. In this joint research project, ClassNK will use extensive knowledge gained through years of surveying to make engine inspection even more efficient. ClassNK aims to use the results from this joint research project to incorporate e-GICSX as part of its even more advanced and reliable service system, CMAXS. As well as providing the highest quality technical services as one of the world's leading classification societies, ClassNK supports the needs of the maritime industry both technologically and financially in order to contribute to the industry as a whole, and this joint research project represents our efforts to do so.



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Donation of Ship Model to Singapore Maritime Gallery



James Pang, [Pacific Radiance](#) handed over PSV ship model to Ms Bernice Yeoh, Director ([International Maritime Centre](#))-MPA on 29 July 2014. This **PX121** model is displaying at [Singapore Maritime Gallery \(SMG\)](#) which is open to public and w/o any entrance fee. It's only 5 mins taxi drive from [Marina Bay Sands](#). Photo : Kuet Ee Yoon ©

Asia-South America cargo surge as average ship size rises to 6,200 TEU

THE average size of containerships plying the Asia-South America trade has grown in the past few years to 6,200 TEU for a total of 155 vessels in operation, up from 5,000 TEU for 180 vessels. Half of the fleet is less than five years old, compared with the equivalent figure a year ago of 40 per cent. These newer ships also account for half of the reefer slots available on the route.

Lloyd's List predicts that over the next few years larger, newer ships of up to 13,000 TEU currently on order will be deployed on the Asia-South America route. This is mainly due to the deployment of ultra-large containerships on the main east-west trades leaving the super postpanamax fleet, between 8,000 TEU and 14,000 TEU, to cascade onto north-south routes including Asia-South America. There are currently 149 super postpanamax ships on order. Of these, at least 43 per cent will be operated by Asia-South America carriers - CMA CGM, CSCL, Hanjin, Hamburg Sud, MSC, Cosco, CCNI, Evergreen and CSAV. So far this year, 31 ships of this size have been delivered and four of these are

operating Asia-South America routes. The others are deployed on the main east-west trades, with a few serving the Europe-South America route. Infrastructure investment, however, is required in South America to enable ports to handle larger containerships and for intermodal services to handle higher cargo volumes. According to a study by the United Nations Economic Commission for Latin America and the Caribbean, between 2016 and 2019 vessels of an average size of 13,000 TEU will arrive at the east and west coasts of South America. In preparation for larger ships, Chile's Terminal Pacifico Sur Valparaiso has purchased cranes with 62-metre outreaches and safe lift of 65 tonnes under a twin lift spreader. These can accommodate ships 62 metres abeam. The use of reefer containers is an important part of the South America-Asia trade for transporting fresh fruit and vegetables. There are a total of 120,000 reefer slots on board box ships on this trade. CSAV, Hamburg Sud, Maersk and MSC contribute the most reefer slots at 60 per cent on this route. **Source: Asian Shipper**

Petrofac thrilled with Shah Deniz contract

Petrofac, the international oil & gas facilities service provider, has secured a contract with the BP-operated prestigious **Shah Deniz 2 project** in Azerbaijan to provide their maintenance build capabilities. The contract, valued at around £5 million, covers new onshore, offshore and pipeline assets in the Azerbaijan sector of the Caspian Sea for what is one of the largest gas developments in the world. Plant Asset Management, the asset performance management consulting business of Petrofac, will be responsible for the delivery of this work. Due for completion in 2018, this is part of a long-term project that will see Shah Deniz 2 add a further 16 billion cubic metres (bcma) per annum of gas production to the current 9 bcma produced by Shah Deniz Stage 1, through the opening of a new Southern Gas Corridor to Europe. This award is the latest in a long line of



work Plant Asset Management has undertaken for BP including Clair Ridge, Andrew Area Development, ISG and the Chirag Oil Project, which led to the signing of a master service agreement before this project. They will combine their many years of consultancy expertise with their BuildMETM software platform to complete a full spectrum of services in delivering this project. These services will include the development of reliability and maintenance strategies, validation of the master equipment list, creation of a maintenance assignment and the development of computerised maintenance management systems (CMMS) data. Steve Johnson, Vice President of Plant Asset Management said: "We are thrilled to be supporting BP with one of their most ambitious projects and for the further opportunity to highlight the skills of our high calibre consultants, engineers, developers and analysts." **Source : offshoreenergytoday**



The **GRANDE MEDITEREA NEO** passing the Bay of Biscay as seen from the **SCHOKLAND**
Photo : Jan van Vuuren ©

Global shipping to recover by 2017?

Contrary to popular opinion that the shipping industry will bounce back over the next two years, Korea-based consultancy company **BS Financial Group** has released a report indicating recovery may take a year longer.

In a report titled 'Outlook for global shipping market and tasks of shipbuilding industry in the Southeast region of Korea', the BS Finance Research Institute (a BS Financial Group subsidiary) compared the load capacities of the world's container ships against the total global volume of good shipped, finding the increase in shipped goods will not match container ship tonnage – especially as new (and much bigger) vessels hit the water over the next few years.

According to the report, the numbers won't match until 2017, following several more years of extensive vessel scrapping/recycling and incremental economic recovery. Additionally, the industry's shift to an "eco-ship and large vessel-centred shipping service" will also see the need for Korean shipyards to develop a focus on eco- and large-

vessel construction as well as (or instead of) recent shifts into the offshore industry, continued BS, especially as the market continues to recover under the new industry structure. **Source : Baird**

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Baltic Dry Index climbs to 747 points

On July 29, 2014, the **Baltic Dry Index** gained 4 points, or 0.54% from the previous reporting date (as of July 28) to settle at 747 points.

Lady Fox owner to pay out \$83,969 in back wages

The Far East court has ruled that the owner of the Comoros-flagged **M/V LADY FOX** is to pay back \$83.969 in back wages to seafarers, the Far Eastern Transport Prosecutor's Office press service said. The money will be paid to 19 sailors as overdue wages, payment for unused leave and for their repatriation, and as non-pecuniary damage award. The court also ordered the arrest of the ship as a provisional security measure. The court's ruling has come into force.

Source : PortNews

RV "Akademik Treshnikov" embarks on its maiden Arctic voyage



The research vessel "**Akademik Treshnikov**" owned by the Federal Service for Hydrometeorology and Environmental Monitoring (Roshydromet) set sail from Arkhangelsk on July 28, 2014 on her first Arctic voyage, the service Northern department said. In Arkhangelsk, the expedition team consisting of specialists from Roshydromet's Arctic and Antarctic Research Institute (AARI), Granberg Research Institute for Geology and Mineral Resources of the World Ocean, the RAC's Institute of Geography, as well as helicopter reconnaissance crew from Avialift Vladivostok came aboard adopted expedition.

The Arctic mission is aimed at obtaining new data on hydrometeorological and ice conditions in the Kara, Laptev and Chukchi seas, necessary for the safety of maritime activities on the Arctic shelf. The voyage is said to take 82 days and the vessel is scheduled to return to St. Petersburg on 10 October. The **RV Akademik Treshnikov** will call at the port of Kiel, Germany and then will bound for the

marginal seas of the Russian Arctic from Novaya Zemlya to Wrangel Island. The **RV Akademik Treshnikov** was built at the **Admiralty Shipyards** for Roshydromet. In the future, the research vessel will replace the **RV Akademik Fedorov** that has worked more than 20 years in Antarctica and in the Arctic. **Source : PortNews**



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Asia exports fall on weaker demand, China property market a worry

WEAK demand for exports from Asia is casting a shadow over the economy this year, although growth in India is expected to accelerate into 2015 even as China slows in the face of a sliding property market. But signs of stabilisation are emerging in China which grew by 7.5 per cent in April-June, thanks to a raft of government stimulus measures.

Chinese manufacturing expanded at its fastest pace in 18 months in July, according to a preliminary HSBC survey of purchasing managers, reported Reuters. Growth is expected to slow to 7.2 per cent next year, according to analysts. That underlines the limited effect stimulus measures have had so far and reflects worries that a property market slump could worsen and hurt the broader economy. Chinese exports were up by 7.2 per cent in June from a year earlier, and were 0.9 per cent higher in the first half compared with last year.

"The mini-stimulus measures have helped to support growth in the second quarter but we see some downside risks stemming from a property market correction due to oversupply," said Barclays Hong Kong economist Jian Chang.

Economists have cut growth forecasts for India, Indonesia, the Philippines, South Korea and Thailand, while Australia and Malaysia were predicted to expand at a slightly faster pace, the report said. The forecast for Thailand was cut the most after months of political turmoil that led to a military coup in May, as well as the continuing weakness of exports. Its economy is expected to grow by 1.8 per cent in 2014.

For India, economists see 5.3 per cent growth for the current fiscal year, down from the 5.5 per cent seen in April. Most Asian countries have begun increasing exports to the United States as its economy has rebounded following a dismal start to 2014 but orders to the euro zone, China and regional trade partners have stagnated or slipped. "Despite the pick-up in exports to the US, emerging market shipments excluding those from China have yet to rise broadly," said JP Morgan economist David Hensley. **Source : Schednet**

Rosneft and PDVSA signed an agreement to arrange the training of venezuelan citizens in Rosneft partner universities

Rosneft President Igor Sechin and People's Minister for Energy & Petroleum, PDVSA President Rafael Ramirez signed an agreement to arrange the training of citizens of the Bolivarian Republic of Venezuela in Rosneft partner universities.

The document was signed in Caracas during the visit of Igor Sechin to Venezuela. As part of the agreement, Rosneft will consider the possibility to cover training, accommodation costs and scholarships for graduates of Venezuelan educational establishments, who take part in the program. The Company also intends to cover insurance costs, costs

of travels to the place of training and back, and to address immigration formalities. In particular, Rosneft proposes to arrange the training of Venezuelan citizens in the Russia State Oil and Gas University named after I.M. Gubkin in Moscow.

Commenting on the agreement signed, Igor Sechin said, «Rosneft will continue to implement projects aimed at strengthening ties between Russia and Venezuela. I am confident that the Company universities are able to train highly skilled specialists for petroleum industry. for more information, please visit: [Rosneft](#)

NAVY NEWS

Indian Naval Multi-Role Helicopter Deal Kept on Hold

The procurement of 16 multi-role helicopters for Indian Navy is deferred by Indian government until the Central Bureau of Investigation (CBI) completes its probe in the AgustaWestland VVIP helicopter deal, reported the pioneer. Finmeccanica, parent company of AgustaWestland is one of the two companies in the fray. AgustaWestland is facing charges of kickbacks in the VVIP helicopter deal for the Indian Air Force (IAF). The two contenders in the competition are the European NH-90 helicopters, which have Finmeccanica as a partner, and the American Sikorsky-70B choppers. The Defense Acquisition Council (DAC) chaired by defense minister Arun Jaitley on July 19, deferred the MRH helicopter project while clearing other military procurement proposals. The contract is crucial for the Navy since it was to be followed by a bigger one for 123 helicopters, with anti-submarine warfare (ASW) capabilities as well as customized for amphibious assaults and commando operations, at a cost of over \$3 billion. Source : [defense world](#)

Don't laugh at Kim Jong-un: He has world's LARGEST submarine fleet

North Korea possesses the world's largest number of submarines, followed by the US, according to a US online media outlet. Business Insider said that the North has a total of 78 regular and midget submarines, while the US has 72 submarines. Its analysis is based on data from the Global Firepower, a military power evaluation organisation.

China ranked third with 69 submarines, followed by Russia with 63 submarines and Iran with 31 submarines. South Korea has only 14 submarines while Japan has 16 submarines, according to the BI analysis.

Business Insider pointed out that the North's lead is merely because of the "pure numbers," not the quality of its submarine fleets. "But these submarines are almost entirely unusable. A third of North

Korea's subs are noisy diesel-powered [Romeos](#), which have been obsolete since 1961,"

said BI in the article. "These submarines have a weapons range of only four miles, whereas a modern US submarine has a weapons range of 150 miles." Pyongyang is known to think of its submarine fleets as part of its asymmetric military capabilities to fight against its more affluent, well-equipped adversaries such as South Korea and the US. In 2010, a North Korean midget submarine torpedoed the South Korean corvette [Cheonan](#), killing 46 sailors. Pyongyang denies its responsibility, calling Seoul's argument an outright fabrication. Since the incident, the South has beefed up its antisubmarine capabilities through measures including enhancing its submarine detection systems. Source : [malaysia-chronicle](#)



Smooth transition to women on subs

Inexorably, with careful planning and a pragmatic eye, the Navy is going about the plan it announced in 2010 to integrate women into the submarine force. The service will be better for it. The submarine force trailed far behind the rest of the U.S. Navy when it came to assimilating women into service. Under a pilot program, women began serving

on surface ships in the early 1970s and by the end of that decade were an official part of the surface force. In 1980, the first class of women graduated from the Naval Academy. Yet submarines remained a male-only dominion. The tighter quarters in submarines, the fact they patrol submerged for months at a time, and the physical demands of submarine service were all cited as reasons to continue the ban on women. While it may have been slow to change, the Navy is going about it the right way. A 60-person task force directed by Rear Adm. Kenneth M. Perry considered and addressed all the challenges and undertook an incremental approach.

The Navy began with officers, with more than 60 women officers now serving on 14 ballistic and guided-missile submarines. On July 18, the Department of the Navy forwarded to Congress its plan for next integrating enlisted women as submariners. It calls for adding women to the Ohio-class submarines starting in 2016. Submarine designers can more easily convert these massive Trident submarines to provide separate sleeping and lavatory facilities for women. By 2020, the plan calls for having four new Virginia-class attack submarines outfitted for gender-mixed crews.

Women have served in the United States Navy for over a century, with nearly 53,000 women serving in active duty. Incorporating their skills will enlarge the pool of quality candidates from which the Silent Service can choose.

Women serving on submarines is not new. The Royal Norwegian Navy allowed female crew members on its submarines starting in 1985 and most of Europe's navies have followed suit. With each step of becoming more inclusive - racial integration, integrating men and women, ending Don't Ask, Don't Tell - the military has faced opposition, controversy and concern. Each time it fulfilled its mission. The results are more Americans having increased options to serve in the defense of their nation and a military that is better prepared. **Source : the day**

Russian Naval Destroyer Moving to Mediterranean



RFS VICE ADMIRAL KULAKOV 626 entering the Grand Harbour, Malta on Thursday 10th July, 2014 for the first time. **Photo : Capt. Lawrence Dalli - www.maltashipphotos.com ©**

The Russian Navy's **Vice-Admiral Kulakov**, an Udaloy-class destroyer, is moving to the eastern parts of the Mediterranean Sea, where it will join the permanent Russian naval task force, Northern Fleet spokesman Capt. 1st Rank Vadim Serga said. Earlier this month, the **Vice-Admiral Kulakov** entered the port of La Valetta, Malta, where Northern Fleet sailors celebrated Russia's Navy Day while berthed in Dock No. 6 at the Maltese shipyard.

Earlier, the destroyer has also entered the port of Ceuta, Spain, and Cyprus' port of Limasol. The **Vice-Admiral Kulakov** set sail from the Northern Fleet's main base in Severomorsk on April 15 and has traveled more than 10,000 nautical miles since then. The destroyer was commissioned in 1982 and was on combat duty with the Northern Fleet until March 1991, when she was retired for repairs that lasted more than 18 years. The ship returned to the Severomorsk base on December 7, 2010. **Source : RIA Novosti**

Royal Canadian Navy navigating rough seas

These are difficult times for the Royal Canadian Navy.

Earlier this month, Canada's top sailor, Vice-Admiral Mark Norman, ordered **HMCS Whitehorse** home to Canadian Forces Base Esquimalt, B.C., from a mine-sweeping drill near San Diego that is part of the Hawaii-based Rim of the Pacific (RIMPAC) exercise because of a series of incidents involving misbehaviour by its crew.

The navy lost its West Coast flagship, **HMCS Algonquin**, when the 40-year old destroyer collided with **HMCS Protecteur** during a towing exercise last year. **Algonquin** remains tied up because rust has made it unseaworthy.

In February, there was a serious fire on the 45-year-old **Protecteur**. That incident left it dead in the water in rough seas 600 kilometres east of Pearl Harbor. After getting temporary repairs in Hawaii, the 170-metre refuelling and

supply ship was able to return under tow to Vancouver Island in June. But it is unlikely to ever go to sea again and is not scheduled to be replaced until 2019. Before their accidents, **Algonquin** and **Protecteur** were slated to participate in RIMPAC 2014's war games. With **Whitehorse** ordered home, that left **HMCS Calgary** and the submarine **HMCS Victoria** to fly the Canadian colours in Hawaii. **HMCS Nanaimo**, meanwhile, has continued to participate in the mine-sweeping exercise off California's coast.

At the same time as **Algonquin** and **Protecteur** were unexpectedly tied up, several of Canada's 12 frigates were in for refits that are part of a \$4.2-billion upgrade. This unfortunate convergence of events means that hundreds of Canadian sailors are at risk of not getting the sea time required to remain proficient in highly specialized trades. To try to mitigate that problem, **HMCS Calgary**, which is the only West Coast frigate to have received the upgrade so far, has welcomed about 80 sailors from other ships. "I wouldn't characterize it as difficult. I would say that we are constantly adjusting our plans," Norman said during an interview two days before it was revealed that he'd ordered **Whitehorse** home. "There are always challenges in everything that everybody does," he said.

In regards to the absence of **Algonquin** and **Protecteur** from the largest naval war games ever held, Norman said "the relative impact of one or two ships (being absent) is fairly negligible. From an RCN point of view, we are making the most of the situation." The navy devised a plan four or five years ago to get its bridge watch keepers, engineers and technicians the sea training they needed during the frigate fleet upgrade. It has applied the same principles to overcome the unexpected problems that have beset **Algonquin** and **Protecteur**, said Chief Petty Officer 1st Class Stephane Lesperance of **HMCS Calgary**. "It is a tragedy but we got our money out of those ships," said the ship's coxswain, who has been a sailor for 30 years and is now with his eighth ship. "It was a significant fire (on **Protecteur**) and the crew saved the ship. That was very impressive. A situation like that proved the value of our training." As for the situation now confronting the navy because only a few of its ships can be put to sea, "we have to be honest about it," Lesperance said. "We have to manage it. "We, that is the Canadian navy, are committed to getting them training and this exercise has been the perfect time to do it." Calgary's skipper, Cmdr. John Wilson, said while having a Sea King or another helicopter would have been "a huge multiplier," his ship received help from choppers flown by the U.S. Navy and even the Chilean navy. Without a helicopter on board, he said **Calgary** has been able to bring along several more Canadian-built Hammerhead sea drones, which have provided fast-moving targets that mimic small attack boats for U.S., Norwegian and Chilean warships and U.S. helicopters to shoot at during live-fire exercises.

The Canadian frigate is also expected to fire several new Evolved Sea Sparrow missiles in a live-fire exercise after RIMPAC, which ends Aug. 1. The key upgrade done to **HMCS Calgary** is a new command-and-control combat system. This means that the ship's management of information leaped "from the late 1980s into a concept that is entirely of the 21st century," Wilson said. "Our ability to display information and make decisions has been greatly enhanced." The Royal Canadian Navy is only one part of the armed forces' contribution to RIMPAC. Six RCAF CF-18 fighter jets, two in-air refuelling aircraft, three CP-140 Aurora anti-submarine aircraft and a rifle company from the Edmonton-based Princess Patricia's Canadian Light Infantry are also in Hawaii. **Source: Leader post**

Sealift Command manager sentenced for taking bribes

The former Afloat Programs manager at the **U. S. Navy Military Sealift Command (MSC)** was sentenced Tuesday to eight years in prison for taking bribes. United States Chief Judge Rebecca Beach Smith of the Eastern District of Virginia sentenced 54-year-old **Kenny E. Toy** for one count of bribery, which he pleaded guilty to in February.

Toy's plea agreement stated he used his position at MSC, the leading provider of transportation for the U.S. Navy, to secure hundreds of thousands of dollars in cash bribes, according to Deanna Warren with the United States Attorney's Office for the Eastern District of Virginia. In exchange, he gave MSC business to two local government contracting businesses. The five-year conspiracy began in 2004 and involved multiple co-conspirators. **Toy** and **Scott B. Miserendino Sr.**, a former government contractor who performed work for MSC, were the recipients of the conspiracy. The following were those giving the bribes: **Dwayne A. Hardman, Roderic J. Smith, Michael P. McPhail, Adam C. White, and Timothy S. Miller.** Toy also admitted to a scheme orchestrated to hide the bribery conspiracy — he said he caused more than \$80,000 to be paid to Hardman to keep him from reporting their illegal activities. Earlier this year, Hardman, McPhail, White and Smith pleaded guilty to their parts in the extensive conspiracy. Miserendino and Miller are both set to stand trial in September for their charges related to the scheme.

On Tuesday, Toy was also ordered to serve a supervised release term of three years following his prison sentence, and ordered to forfeit \$100,000. **Source : Wavy**

Japan feels 'strong concern' about France-Russia navy deal

President Francois Hollande has defied allies Britain and the United States by confirming plans to deliver a helicopter carrier to Russia. A 1.2-billion-euro (\$1.62 billion) (960 million pounds) contract for two warships, signed by France's then-president Nicolas Sarkozy's conservative government in 2011, was the first by a NATO member country to supply Russia with military equipment. British Prime Minister David Cameron said last week fulfilling such an order would be unthinkable in Britain after the downing of the Malaysian Airlines plane in Ukraine.

Japanese Defence Minister Itsunori Onodera told his French counterpart, Jean-Yves Le Drian, in a meeting in Tokyo that Japan was strongly concerned about the plan given its potential impact on east Asia's security situation. One of the two French helicopter carriers Russia plans to procure is named **Vladivostok**, after Russia's Far Eastern seaport.

"Strong concern', in a sense, means we want them to stop the deal," Onodera told reporters following his meeting with Le Drian. "The world is highly concerned about Ukraine and we are worried about the recent military buildup in



Russia's Far East. If the ship is deployed to its namesake, that would be something that makes the whole world concerned."

The **VLADIVOSTOK** fitting out in St.Nazaire
Photo : Leon de Hoop ©

Le Drian responded by saying France understood Japan's concern but Russia has already made a payment, adding that if such sales are included in EU sanctions on Russia, France would follow the policy, a Japanese Defence Ministry official said. U.S. and European leaders agreed on Monday to impose wider sanctions on Russia, and EU member states were expected to try to reach a final deal on Tuesday on stronger measures that would include closing the bloc's capital markets to Russian state banks and an embargo on future arms sales. In a letter to EU leaders last week, European Council President Herman Van Rompuy said there was an emerging consensus on some key principles, including only targeting future contracts, which would leave France free to go ahead with the delivery of the helicopter carriers being built for Russia. Western leaders say pro-Russian rebels almost certainly shot the Malaysian Airlines passenger plane down by mistake with a Russian-supplied surface-to-air missile, killing all 298 people on board. Moscow has blamed Kiev for the tragedy. Source : Reuters (Reporting by Kiyoshi Takenaka; Editing by Robert Birsell)

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Korea shipyards soak up complex project losses as China rules in basic ships

South Korea's shipbuilders have racked up more than a billion dollars in loss provisions to cover project delays and cost overruns, paying a heavy price for tackling ever-more complex orders as Chinese rivals eat up the market for simpler ships. Shares in Hyundai Heavy Industries, the world's largest shipbuilder by vessels on order, on Wednesday hit a more-than five-year low after it slumped to a record quarterly loss of 1.1 trillion won (\$1.07 billion). The loss included a provision of about 500 billion won for delayed projects. Hyundai Heavy shares tumbled as much as 13 percent after it said the April-June quarter was plagued by cost increases on big offshore and plant construction projects, as well as delays. The strong South Korean won also undercut the value of earnings overseas, it said. "Korean shipbuilders have focused on complex offshore structures but they don't have the ability to design them, only construct them. So they can't flexibly meet design changes and tend to pay the full brunt of it in delays and costs," said Yang Jong-seo, an industry analyst at Korea Eximbank. Earnings for Korean shipbuilders are expected by analysts to remain under pressure this year, affected by low-margin orders booked in recent years as risks from offshore projects persist. Hyundai Heavy officials on Wednesday declined to comment on future earnings prospects. Hyundai Heavy projects hit by delays include a \$2.06 billion module for a liquefied natural gas plant in Australia's Gorgon project, co-owned by units of Chevron, Exxon Mobile and Royal Dutch Shell, the shipbuilder said. Another is the Goliat floating production storage and offloading (FPSO) facility ordered by Eni Norge AS, a unit of Italy's Eni SpA, in partnership with Statoil, which has 35 percent in the project. The Goliat contract was awarded in 2010, initially for \$1.1 billion, but frequent design changes have pushed up total expected costs to \$2 billion, analysts said. Hyundai Heavy said it is in talks with one or more unnamed customers to change contract terms, seeking to recover some of the losses already booked. The Hyundai Heavy move to book a provision for delays echoes a step taken by Samsung Heavy Industries Co Ltd, the world's second-biggest shipbuilder. Samsung Heavy set aside about 500 billion won during the first quarter of this year for losses expected on offshore structure projects, reporting a 362.5 billion won operating loss for the January-March period. At Daewoo Shipbuilding & Marine Engineering, the country's third-biggest shipbuilder, loss provisions booked throughout the course of 2013 totalled to around 300 billion won, analysts said.

BETS OFFSHORE

Shares of all three big South Korean shipbuilders fell on Wednesday, with Hyundai Heavy hitting its lowest intraday level since late 2008. As Seoul's benchmark Kospi index rose 1 percent, Hyundai Heavy closed 9.5 percent lower, Samsung Heavy dropped 3.3 percent and Daewoo Shipbuilding fell 5.6 percent. South Korean shipbuilders increased their bets on complex projects to fill capacity added during a 2006-2008 shipbuilding boom, as Chinese shipyards have swallowed market share for simpler vessels such as bulk and container ships. China had a 44.4 percent market share for new vessel orders in 2014 through June, compared with 27.1 percent for Korean shipyards, measured by tonnage, according to data by Clarkson Research Services. "Orders won after that time (2006-2008), especially between 2010-2012, tended to be cutting it thin in terms of margins as Korean companies competed with each other to fill order books," said Kim Hyun, analyst at Shinhan Investment Corp. But tackling such massive projects, many with original and constantly changing designs, or lead-managing such complex orders for the first time has caused unforeseen delays and costs to be booked in recent months, analysts say. Samsung Heavy, for example, had experience with offshore projects as part of consortia. But in recent years it won deals to lead big-ticket projects including the \$2.7 billion **Ichthys project** in Australia in 2012 and a \$3 billion **Egina FPSO** in Nigeria in 2013. Both have run into delays. "It's (Samsung Heavy's) first time handling issues like problems in one part of the process slowing down the whole, in a project of this scale," Kim said. The three big Korean shipyards also bet more on offshore projects because they are among the few with the capacity to build the often-large and complex structures. "Samsung is known for its drillships, Daewoo for its rigs and Hyundai for its production and storage facilities. As they compete with each other for sporadic orders and deal with distinct issues per project, their earnings can look very different quarter to quarter," said Sung Ki-jong, an analyst at Daewoo Securities. *Source : (Reporting by Joyce Lee; Editing by Stephen Coates, Tony Munroe and Kenneth Maxwell)*

First domestic offshore order for Chinese shipbuilding group

Contract signing for Sinopacific's first domestic offshore order

Sinopacific Shipbuilding Group has signed a contract with **Shenzhen Huawei Offshore Shipping Transport**, a subsidiary of **Shanghai Salvage Company**, for the construction of five offshore vessels. The order is for three AHTS ships and two PSVs, all are to Sinopacific's own designs, SPA85L and SPP35ML respectively. They will be built at **Sinopacific's Zhejiang shipyard**, with deliveries scheduled for February to December 2016.

Sinopacific says that the order is its first for offshore vessels from a Chinese owner; previous deliveries have all been ordered by overseas owners. As well as being the first domestic order, the group says that it represents its first cooperation with **China Classification Society (CCS)**.

Both ship types are customised versions of existing Sinopacific designs, from associated company Shanghai Design Associates, incorporating experience gained from previous deliveries. Energy saving technologies, including AFE propulsion systems, are among the technical characteristics.

The SPA85L is based on the SPA80 AHTS design, optimised for the South China Sea, and is 70.81m length oa, 2,800dwt, with 85t bollard pull, 13 knot service speed and accommodation for 48 personnel. It features a larger deck area, for enhanced supply capabilities, and increased moulded depth and freeboard to suit the South China Sea conditions. The SPP35ML is an upgraded version of the SPP35 PSV design, several of which have been delivered to date. It is 81.75m long, 17.2m wide, 7.8 moulded depth with 4,000dwt capacity. Maximum speed is 14 knots, while the ship can accommodate 41 personnel and has a deck area of 809m² and the vessel offers a maximum service speed of 14kn and accommodation for 41 persons. It is designed to meet the IBC and SPS Codes, with an emphasis on safety. After delivery, the new vessels will be used for deepwater oil exploration in the South China Sea. At the signing of the contract, Mr Simon Liang, Sinopacific chairman and CEO, said: "As a company driven by technology, we are pleased to witness the success of the strategy that product research and development is driven by market demand. In the future, we will carry on our research and development of forward-looking products and provide more value-added vessels to the industry." **Source : The Motorship**

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SIPG in the running for Israeli port contract

Shanghai International Port Group (SIPG) is among four firms to have been approved to tender for a pair of new ports in Israel. Tenders for the 25-year concessions are now expected in November. The other companies in the mix are **MSC**, **Eurogate** and Manila-based **ICTSI**. **Israel Ports Company** ceo Shlomo Brieman said, "The inclusion of competing private operating companies in the Israeli ports sector will bring Israel's ports up to the same level as modern ports around the world that operate on a competitive model. These companies have high service levels by international standards, to which the importers, exporters, shippers, and those dealing in foreign trade are entitled."

Tel Aviv's plans to introduce private terminals to grow competition in the ports sector has drawn the ire of port workers in the country, resulting in a number of strikes. **Source : sinoshipnews**

Manila's ICTSI borrows US\$350 million for investments, acquisitions

MANILA's International Container Terminal Services Inc (ICTSI) has closed and signed an inaugural loan facility programme for a US\$350 million syndicated revolving credit facility with international and domestic banks. ICTSI's loan facility programme is the first such structure established by an Asian corporate. The funds will be used mainly for investments and acquisitions.

The programme serves as a template from which other loan type financing instruments can be issued as required. It also serves to harmonise the covenants and undertakings across the group's capital structure of ICTSI, in particular with its existing Euro medium-term note programme. **Source : Asian Shipper**

Talisman reports 2Q net loss of \$237M

Canada's Talisman Energy Inc. has announced its operating and unaudited financial results for the second quarter of 2014.

During the quarter the company recorded a net loss of \$237 million. The primary driver for the loss, Talisman said, was a \$171 million movement relating to cash settlements (\$46 million) and non-cash mark-to-market loss (\$125 million) on commodity derivatives. In addition, the company lowered the credit adjusted discount rate applied to its asset retirement obligation liabilities across the portfolio by 100 basis points, resulting in an after-tax impairment of \$50 million in the UK and \$12 million in Norway. Total production averaged 375,000 boe/d in the quarter, up 4% year-over-year. This includes production of 11,000 boe/d in the quarter from the company's Monkman, Ojay and Southeast Sumatra assets that have either been sold or held for sale. Production from ongoing operations averaged 364,000 boe/d, up 12% year-over-year and 3% compared to the previous quarter. Total production from Talisman's core Americas and Asia-Pacific businesses was 341,000 boe/d, up 3% over the same period last year. Production from ongoing operations from these core regions was 330,000 boe/d, up 12% year-over-year. Total liquids production averaged 145,000 bbls/d, up 15% year-over-year and up 2% from the previous quarter, reflecting the company's continued focus on growing higher value liquids. In North America, total liquids production was up 36% year-over-year, to 45,000 bbls/d. In Southeast Asia, total liquids production was up 5% year-over-year, to 45,000 boe/d. "During the past two years we have focused our efforts and capital on a strong portfolio of long life assets in our Americas and Asia-Pacific core regions," said Hal Kvisle, President and CEO. "We have invested to grow production and cash flow from our best assets, while working to reduce operating and overhead costs. "Our year-over-year performance demonstrates solid progress and underlines the strength of our core regions. Total production and liquids volumes from ongoing operations within these areas have grown 12% and 23% respectively. Through disciplined capital investment and a focus on operational excellence, we have grown corporate cash flow by 8% year-over-year, driven by strong performance in our core regions. We remain on track to meet our operating and financial targets for 2014."

Source : offshoreenergytoday

Resolve Maritime Academy builds new wet trainer

Resolve Maritime Academy, Fort Lauderdale, FL, is building a new, two-story wet trainer. Larger and more expansive than Resolve's original, the **L/V Gray Manatee**. it will be used for stability and damage control courses. Utilizing props meant to simulate flooding from breaches, broken pipes, and hatches, the new wet trainer is designed to give the first responders of a vessel the knowledge and understanding necessary to deal with survivable hull breaches.

Located next to the **L/V Gray Manatee** in Port Everglades, the academy's new wet trainer is one of the largest in the industry. Four-times the size of the first, the wet trainer is 40 ft long by 8 ft wide, two-stories high and spans 640 square feet. Featuring a wet room for practicing different types of damage control techniques and a flooding room to run scenarios ranging from command tactics to damage assessment, as well as second flood access, it gives students the ability to enter the flooded compartment from above thus incorporating modern SOPs (standard operating procedures) into their training. Practical exercises can incorporate individual client SOPs for Damage Control). "We are

incredibly proud to offer a course that combines stability and damage control using our new two-story wet trainer," says [Resolve Maritime Academy](#) Director.

"Based on some recent incidents, the industry has been looking for specialized training so we are building the wet trainer to meet their needs and be able to evolve for future training," says Clifford Charlock, Fire School Manager. Offered as a five-day course, Stability and Damage Control encourages team building, correct decision-making and proper damage control tactics in a setting that allows hands on skills in a safe but stressful environment. Students will cover NAPA damage stability, case studies, cross and down flooding and flooding mitigation in the classroom before being tested in the wet trainer. **Source : MarineLink**

USA Port Delays

The ongoing negotiations between west coast dock workers and port management has led to shipping lines warning customers to expect delays at North America terminals. In customer circulars, the shipping lines say shippers had increased their import volumes in anticipation of industrial action while talks continue. Major terminal congestion and delays at Los Angeles and Long Beach is the result of increased June volumes and rail cargo at these ports is still being affected by delays and increased dwell times. The situation could further deteriorate with continuous surge of import volumes, the lines warn, adding that shippers were diverting volumes from the US west coast ports to Vancouver, and that a shortage of rail cars for US corridors had resulted in significant congestion and dwell times.

Negotiations on a new labour contract covering US west coast dockworkers look set to continue into August. Originally, employers and union leaders expected to have an agreement in place by the end of July, but the two sides are taking two short breaks to attend to other business. The US National Retail Federation last week warned that imports into the US are expected to reach their highest levels for five years as retailers rush to stock shelves in case contract negotiations at west coast ports break down. "We're still hoping to get through this without any significant disruptions but retailers aren't taking any chances," said NRF vice-president supply chain and customs policy Jonathan Gold. "Retailers have been bringing merchandise in early for months now and will do what it takes to make sure shelves are stocked for their customers regardless of what happens during the negotiations." **Source : BIFA**

Port of Oakland June container volume rises 4.6pc to 205,692 TEU

THE Port of Oakland handled 205,692 TEU in June, an increase of 4.6 per cent compared to the same month last year. Within this total, full export containers rose by 1.7 per cent to 84,032 TEU, full import boxes were up 5.8 per cent at 73,853 TEU, empty import boxes were up 13.2 per cent to 19,776 TEU, and empty export boxes rose 5.1 per cent to 28,031 TEU.

In the first six months of the year, Oakland handled 1,176,950 TEU, up 2.1 per cent against the first half of 2013, reported American Shipper. In a separate development, the Oakland board of port commissioners have elected new members. Commissioner Alan Yee will serve as president, commissioner Cestra Butner as first vice president, and commissioner Earl Hamlin as second vice president. **Source : Asian Shipper**

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.... PHOTO OF THE DAY



The **LAY VESSEL NORTH OCEAN 105** arriving in Cape Town
Photo : Glenn Käsner ©

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