MEETINGS

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Fairplay International Shipping Weekly: http://www.fairplay.co.uk
Lloyds’ List: http://www.lloydslist.com
MER http://www.imarest.org
Naval Architect: http://www.rina.org.uk/tna.html
Safety at Sea: www.safetyatsea.net
Seaways: http://www.nautinst.org/Seaways/index.htm
Tanker Operator: http://www.tankeroperator.com
TradeWinds: http://www.tradewinds.no

CASUALTIES AND SALVAGE

Stern thruster ban after Emma Maersk engine room flood - By Janet Porter and Craig Eason
"Maersk Line has ordered the largest ships in its fleet to stop using their stern thrusters until investigators have discovered the cause of a flood at the weekend that left the Emma Maersk's engine room under 18 m of water. Divers have spotted the place where water gushed into the containership, leaving it adrift in the entrance to the Suez Canal, and have now sealed off the area around one of its stern thrusters that appeared to be the source of the leak. This move will keep water in the engine room, which will only be pumped out gradually in order to minimise further damage. The 15,550 teu ship, which is classed by ABS, was towed into Suez Canal Container Terminal on Saturday after it lost power, but there were no injuries or pollution." LLOYD’S LIST, 5 February 2013, p 3

Emma Maersk may be out of service for months following engineroom flood - By Craig Eason "The stricken containership Emma Maersk could be out of service for more than three months. Sources have told Lloyd’s List that the vessel could stay in Egypt for the repairwork, although the final decision over whether a drydock is needed has yet to be made. Emma Maersk is classed by Houston-based ABS, whose experts will liaise with Maersk Line superintendents to decide whether the vessel needs to be towed for repairs. The immediate task for Maersk Line will be to seal the stern thruster where the water ingress occurred. Emma Maersk and other vessels in its class have two forward and two aft thrusters that assist vessels of this size with berthing. What is known is that the damage was not caused by an object entering the thruster tunnel and damaging the propeller or the surrounding area, as the protective grills were apparently intact." LLOYD’S LIST, 6 February 2013, p 3

Risk managers are unprepared for once-in-a-career challenges - By Liz McMahon "Marine casualties can confront risk managers with a once-in-a-career challenge — and they often have no relevant experience to help them, said Standard Club North America head LeRoy Lambert. Speaking at a Standard Club New York seminar, Mr Lambert said that although well-run companies might have emergency plans in place, it was still easy to underestimate the speed and ferocity of developments and the need to develop strong relationships beforehand. Mr Lambert said: “When something goes badly wrong — say, a collision or grounding — the first few hours can be critical. It’s when big decisions are taken — for example, about salvage. “People have to move with amazing speed in situations where there is confusion and conflicting information. That’s when the quality of your planning will make all the difference.” LLOYD’S LIST, 6 February 2013, p 9
Salvage industry must make way for new blood - By Liz McMahon
“The salvage industry does not sufficiently invest to grow with the accelerating size of vessels and it needs to make way for the “younger generation” who have more progressive ideas, according to former managing director of Smit Tak and ex-president of the International Salvage Union Klaas Reinigert. Mr Reinigert said in former times, salvage companies were family-owned and dared to invest on speculation. Investments now take place based on a return on investment rather than speculation, as the few internationally professional salvage companies left were all part of huge organisations, he argued. To make his point, he said Mammoet was now part of Steenkolen Handels Vereniging in the Netherlands; Smit was part of Boskalis; Svitzer part of Maersk and Titan part of Crowley. “While these companies are only small subsidiaries and do not belong to the core business of their ‘mothers’, they need the financial support and back-up of the organisations to which they now belong,” Mr Reinigert said." LLOYD’S LIST, 14 February 2013, p 1

11 mariners missing in Cyclone Narelle
“Eleven crewmen are missing presumed dead after cement carrier Emeline sank in Indonesia’s Flores Sea during tropical cyclone Narelle. Six of Emeline’s 17 Indonesia crewmen were rescued by passing general cargo ship Mahakam River, while 2 fell into the sea trying to get into life rafts. Nine crewmen had managed to get on to liferafts, but were not rescued until 9 January, after the carrier sank. The vessel went down amid high waves and strong winds said Indonesian search and rescue (SAR) agency Basarnas.” SAFETY AT SEA, March 2013, p 12

How to survive a casualty - By Liz McMahon
“It is vital to get the response to a casualty right because wreck removal costs are an increasingly significant feature of maritime casualties and it is ultimately shipowners that bear the burden through increased insurance costs, Standard Club syndicate claims director Sam Kendall-Marsden says. While some cost drivers such as location are matters of fortuity and cannot be controlled, Mr Kendall-Marsden says others can be and it is important to focus on these to mitigate the overall costs. For example, he says the plan, timing, contract selection and choosing the right contractor can all be managed. “It is important to have a clear picture of true facts as quickly as possible and before you make a decision. You will find that you are bombarded with information immediately after the casualty, and not all of it will be accurate,” he advises.” LLOYD’S LIST, 15 February 2013, p 4

Emma Maersk is towed to Palermo - By Craig Eason
“Giant containership Emma Maersk is heading to Fincantieri’s repairyard in Palermo, Sicily for repairs after a crack in a stern thruster flooded its engine room. The company has opted to use a repairyard rather than attempt the repairs in a terminal berth, as it will need to discharge up to 13,000 cu m of contaminated seawater that is flooding the engine room. Using a repairyard will also provide a specialist workforce for what will become a major job. The 2006-built, 15,500 teu vessel is being towed from Suez Canal Container Terminal, where it berthed following an accident that occurred as it prepared to enter the canal southbound two weeks ago.” LLOYD’S LIST, 19 February 2013, p 3

IMO

IMO aims to halve sea deaths
“IMO chief Koji Sekimizu has pledged to halve the number of seafarer deaths and eradicate piracy by 2015. Speaking at the first IMO subcommittee meeting of the year on 8 January, the secretary general said the target to reduce deaths from about 1000 to 500 within the next two years was “ambitious, but achievable”. SAFETY AT SEA, March 2013, p 6

Is the 1969 Tonnage Measurement Convention still relevant?
“This month the 55th session of the IMO’s Stability and Load Lines and Fishing Vessels Safety (SLF) Sub-Committee will scrutinise the latest proposals into the interpretation of the 1969 Tonnage Measurement (TM) Convention. Dr Raphael Baumler, and Dr. Aykut Olcer of the World Maritime University, Malmo, Sweden discuss the implications.” NAVAL ARCHITECT, February 2013, pp 19-22

LAW AND POLICY

Autumn IUMI meeting will debate how to build a resilient future - By Liz McMahon
“The International Union of Marine Insurance has unveiled its theme for its 2013 conference to be held in London in September: building resilience and a sustainable future. IUMI chairman Ole Wikborg said the theme reflected issues in the market, giving the committee workshops a broad scope to work with. The insurance union held its winter meeting in London on January 29, and took the opportunity to swear in Lars Lange as its new secretary-general. Mr Lange is the first to assume this role on a full-time basis and Mr Wikborg
said this indicated that IUMI was taking itself more seriously as an organisation. Mr Lange was previously head of marine and aviation insurance with the German Insurance Association and is a qualified maritime lawyer. He intends to have a significant presence at the International Marine Organization this year alongside IMO liaison officer Andrew Higgs." LLOYD’S LIST, 5 February 2013, p 8

**Stalled Costa Concordia probe frustrates IUMI - By Liz McMahon** "The International Union of Marine Insurance is frustrated that the investigation report into the Costa Concordia grounding has yet to materialise. The incident claimed 32 lives. Addressing IUMI’s winter meeting last week, chairman Ole Wikborg said the industry needed information about key factors such as bridge management and technical issues that are likely to centre on vessels’ watertight doors. He said that information gleaned from evacuation drills would be important for P&I clubs and that the industry needed feedback about power outages." LLOYD’S LIST, 6 February 2013, p 9

**Owner's limitation upheld – By Timothy Clemens** "On 14 January the Court of Appeal in Bordeaux, France, finally recognised the right of the owner of the German-flagged vessel to limit its liability for maritime claims. When it commenced, explains law firm Holman Fenwick Willan (HFW), it was the first case in France to examine the right to limit liability under the terms of the 1976 London Convention. This case has gained notoriety having been cited in legal textbooks and courts around the world in support of a ‘claimant-friendly’ approach to the interpretation of the shipowner's right to limit its liability for maritime claims under the provisions of the convention." FAIRPLAY, 7 February 2013, p 28

**Case dismissed** "The decision of a Florida judge to throw out the case of a Massachusetts-based family filing for compensation from Costa Concordia has significant ramifications. The judge told the family they must sue Costa Cruises and Carnival in Italy, because that was the condition printed in their tickets to which they agreed when they booked and paid for their cruise. Ever since the accident, there has been a legal debate over whether anyone could get a compensation case to stick in the US and what this might mean for Carnival. Business owners on the Tuscan island of Giglio who filed a US lawsuit were also told to file their case in Italy. It is currently on appeal. The most recent ruling will no doubt be welcomed by Carnival, who must be breathing a sigh of relief after fearing a deluge of crippling US lawsuits in the event of one getting the go-ahead." LLOYD’S LIST, 8 February 2013, p 2

**US judge dismisses Costa Concordia claims - By Rajesh Joshi** "A Florida judge has handed down a landmark decision involving Costa Concordia, telling members of a Massachusetts family who were on board the ill-fated cruiseship that they must sue Costa Cruises and Carnival in Italy because that was the condition printed in their tickets to which they agreed when they booked and paid for their cruise. This is said to be the first such conclusion reached among the slew of lawsuits launched in the US by US citizens against the Miami-headquartered cruise group in the aftermath of the casualty in January 2012. However, the verdict replicates a similar conclusion reached in a US lawsuit brought by business owners on the Tuscan island of Giglio, where Costa Concordia capsized. Another judge in Florida similarly ruled in September last year that these plaintiffs must sue in Italy. The Giglio case is currently on appeal." LLOYD’S LIST, 8 February 2013, p 7

**Industry Viewpoint: Beyond the blame game - By Arne Sagen** "The one-year anniversary of the Costa Concordia casualty has been disgraced by unworthy and superficial accusations that centre on the role played by the cruiseship’s master, Francesco Schettino. We have seen estimations that his conduct on the night of the incident could see him spend anything between 25 and 285 years in jail. Shortly after the incident, the managing director of Costa Cruises questioned the master’s professional competence and personal qualities. But if the master was really that bad, who hired him to take the helm of Costa Concordia?" LLOYD’S LIST, 12 February 2013, p 7

**Developed nations blame Brics for blocking CO2 talks - By Craig Eason** "It is the Brics — Brazil, Russia, India and China — that are blamed, by the developed countries, for the blocking tactics regarding carbon dioxide reduction talks within the United Nations. There remains an ongoing impasse within the International Maritime Organization that mirrors some of the stalemate within the UN Framework Convention on Climate Change. It is all to do with whether all countries should equally share the responsibility for cutting CO2 and paying for adaptation. The developing countries, the Brics and a few others, are generally of the opinion that the West created global warming and should be held more accountable than them. It is what is called common but differentiated responsibilities." LLOYD’S LIST, 14 February 2013, p 4

**The future holds more threats than opportunities - By Liz McMahon** "Claims severity, a depressed shipping market and the churn are all set to take their toll on the P&I market in 2013 and threats seem to far outweigh opportunities. When asked what would be their most pressing concerns, the Japan Club says several issues will have an impact on the P&I market over the coming year, including the increasing trend of large-scale marine casualties where claims, such as for the costs of wreck removal, have risen as the
size of ships has increased. North joint managing director Paul Jennings agrees the high level of claims would remain a challenge in the coming year, as well as the need to ensure that crews are competent and experience issues — which are a key feature of many of the major claims — are recognised and effectively dealt with by the shipping industry.” LLOYD’S LIST, 14 February 2013, p 9

France set to pass new shipping legislation - By David Osler “France is expected to pass new shipping legislation, confirming the post-Erika principle that oil pollution is subject to domestic civil liability law, rather than the International Convention of Civil Liability, and ensuring that all seafarers on cabotage services are entitled to the same conditions as seafarers on French flag ships. The measures, which form part of a wider transport Bill that also covers road and rail transport, will also speed up procedures enabling the government to take possession of abandoned ships. The package, which has cross-party support, was carried unanimously in the country’s senate on Tuesday, but still needs to be ratified in the national assembly.” LLOYD’S LIST, 15 February 2013, p 2

Letters to the Editor: None of the Brics have opted out of Marpol Annex VI - By Lee Adamson “Sir, In his article “Developed nations blame Brics for blocking CO2 talks” (February 14, 2013), your correspondent Craig Eason states: “In a nod to China and the other Bric countries, the amendments to the marine pollution convention that introduced the [energy efficiency design index] did so with a paragraph explicitly allowing a developing nation not to enforce it for a period of five years.” This statement is misleading and, in fact, a wrong understanding of the International Maritime Organization regulations on the matter. Regulation 19.4 of Marpol Annex VI actually reads as follows: “Notwithstanding the provisions of paragraph one of this regulation, the administration may waive the requirement for a ship of 400 gross tonnage and above from complying with regulation 20 and regulation 21.” Hence the EEDI waiver can be applied by any administration of a party to Marpol. Seventy parties to Marpol Annex VI, including developing countries such as China and India, are implementing the regulations. It is important to note also that, in accordance with regulation 19.6 of Marpol Annex VI, those parties that apply the waiver shall inform IMO. No party has done so.” LLOYD’S LIST, 19 February 2013, p 4

Verdict close on EU shipping aid guidelines “Investigations into tonnage tax schemes in EU member states suggest that the European Commission (EC) might be working its way towards a revision of the current guidelines on state aid to maritime transport, notably with regard to tonnage tax. The highest profile investigation involves Malta. In July last year the EC said it was opening a detailed investigation into the Maltese tonnage tax scheme because it considered the scheme had been extended to categories outside its original scope. Furthermore, the commission believed the wide range of exemptions and reductions it offered could be giving Malta’s scheme an unfair advantage over those in force in other EU states. However, Malta is not the only state in the spotlight. In October the EC acknowledged it was looking at the Greek tonnage tax scheme, and as the year drew to a close the Dutch shipowners organisation told Fairplay the Dutch scheme was also being investigated.” FAIRPLAY, 28 February 2013, pp 22-23

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MARINE TECHNOLOGY

Scandlines targets challenge of SOx compliance - By Craig Eason “The German and Danish ferry operator Scandlines is to install a set of batteries and a small scrubber on one of its ferries this year to meet the 2015 emission challenges. The company operates on three routes in the western part of the Baltic Sea. On one Denmark-Sweden route, between Helsingör and Helsingborg, the company’s two ferries already run off distillate fuel that has a sulphur content lower than 0.1%. This is the limit of the sulphur content of fuel or the ships’ emissions after regulation changes come into force in January, 2015. Batteries can be used to even out the load on the engines, ensuring they operate at an optimum capacity to remain fuel-efficient, says Scandlines chief executive Søren Poulsgaard Jensen. With optimised engine loads, a smaller scrubber can be installed, reducing capex while remaining compliant with the 2015 rules.” LLOYD’S LIST, 5 February 2013, p 9

Rules on equipment tightened “The European Commission has proposed a draft directive aimed at streamlining the European Union's internal market for marine equipment, it was reported in December. The draft will next be examined by the European Parliament and European Council. It aims to make the EU marine equipment industry more competitive, by reducing costs and ensuring that rules are applied efficiently, and to improve implementation of standards set by the IMO.” FAIRPLAY SOLUTIONS, February 2013, p 6

BW convention concerns voiced “A group representing leading shipbuilders, shipowners, and classification societies reiterated its concerns about the obstacles faced as the Ballast Water
Management Convention moves closer to ratification. A statement from ICS, IACS, BIMCO, Intercargo, Intertanko, OCIMF, and the Committee for Expertise of Shipbuilding Specifics (CESS) noted that “it was always going to be challenging to fit ballast water treatment equipment to all of the world’s 70,000 ships.” LLOYD’S LIST, 12 February 2013, p 8

Small cargo ships receive bespoke EEDI analysis “Work undertaken in the Netherlands has resulted in the adoption of correction factors for smaller vessels in the IMO’s Energy Efficiency Design Index.” FAIRPLAY SOLUTIONS, February 2013, pp 10-11

More shipowners installing ballast systems in lieu of regulations “Seaspan is the latest shipowner to equip vessels with a ballast water treatment system ahead of the introduction of legislation that will make it a mandatory requirement. The US based owner will install RWO’s CleanBallast system to its fleet of new SAVER (Seaspan Action on Vessel Energy Reduction)-class of 10 000TEU vessels.” SHIPPING WORLD AND SHIPBUILDER, February 2013, p 12

Scandlines zeros in on clean ships “A joint project between Scandlines and GL Futureship has resulted in a zero emissions ferry design. Diesel engines and gas turbines were ruled out for propulsion. Therefore the design that was agreed upon would be powered by 8.3MW hydrogen fuel cells with 140m3 of hydrogen storage on board, 2400kWh batteries, four 3MW propeller plus electric motor pods and four Flettner rotors to utilise wind energy.” SHIPPING WORLD AND SHIPBUILDER, February 2013, p 23

Continual development to meet rules “Many of the advances in engine rooms have been driven by the need to cut exhaust emissions, and no new requirements, such as the need to fit ballast water treatment systems. A further influence has been the pressure on efficiency both in fuel consumption and crewing levels.” MER, February 2013, pp 26-28

No hand on deck “In the modern marine operating environment today, shipping companies still maintain traditional engine room theories on how to manage installed assets. Skilled onboard engineers who monitor vessel operating conditions from an engine control room or from the bridge are still the norm. However, remote monitoring technology is advancing at such a pace that asset suppliers have capabilities to advise the engine room staff on the condition, deterioration, and eventual failure of most types of equipment.” MER, February 2013, pp 32-33

Rightship EVDI backer welcomes IACS move on efficiency index - By Craig Eason "Carbon War Room, a green lobby group supporting a controversial energy-efficiency index for ships, has said it would willingly work with experts looking to find an alternative. CWR has backed the Rightship existing vessel design index and co-created the shippingefficiency.org website that alarmed some owners by providing a colour-coded A to G rating scheme for individual ships. It is the growing interest in this system, which was launched about two years ago and which some industry experts have labelled as misleading and inaccurate, that has led the International Association of Classification Societies to say it will reconvene an expert group to look at the possibility of creating a new index. Talking to Lloyd’s List last month, IACS chairman Tom Boardley said it was not clear whether such an index could be created, but what will not be used as a starting point would be the formula for the energy efficiency design index. One of the main criticisms of the Rightship EVDI is that it is based on the EEDI formula, which was created to assess the theoretical fuel efficiency — and hence CO2 emissions — of a newbuilding design at a specific speed. The EEDI is now a mandatory requirement for newbuildings and comes with a benchmark value depending on ship type. Vessel designs must be a certain percentage under this in the future.” LLOYD’S LIST, 12 February 2013, p 9

PSV to be given futuristic Rolls-Royce bridge system - By Craig Eason "An offshore vessel under construction in Spain for Norwegian owner Simon Mokster is to be fitted with a new bridge system that is one of the most advanced in the market. Vessel design is by Rolls-Royce, a company that has been pushing ahead with innovative bridge designs in recent years. The offshore industry is often seen to spearhead innovation in bridge operations, given the intense nature of the work and heightened visibility and control requirements needed when operating vessels in close proximity to oil and gas structures. Manufacturers and designers have been developing bridge technology and integration, with a particular focus on interaction between the bridge crew and the systems. Rolls-Royce says its design results are borne out by research that is human-centred, a process that claims to create a more consolidated experience for crew and researchers. The result, which the company calls the unified bridge, is a work area that is simpler and more ergonomically appealing. The notable visible features are the uncluttered work areas and the large deck to deckhead bridge windows that offer all-round visibility.” LLOYD’S LIST, 12 February 2013, p 9

Hot topic "The Lloyd’s List SOx scrubber survey has already attracted a huge amount of attention as shipowners and other industry pundits offer their thoughts about the debate on whether the technology is
being accepted by industry. From a shipowner’s perspective, the first consideration has been cost and whether it works. The scrubber debate has become polarised and polemic, much like whole environmental debate for shipping. Here is a technology that does a particular job and, in doing so, offers a way for vessels to be rule-compliant. There is a cost — and it can be a steep one — but the alternatives are being seen as more costly. No vessel can avoid the rule changes, so all shipowners will be facing some tough decisions over their vessel’s operating costs." LLOYD’S LIST, 13 February 2013, p 2

IGC revision clears major IMO hurdle – By Lucy Hine “The revisions include items covering new developments in the industry such as guidance for LNG carriers that periodically service floating LNG (FLNG) production units or floating storage and regasification units (FSRUs), requirements for internal turret systems, different types of containment systems, high-pressure fuel-gas piping and gas combustion units. It also specifies new distances in relation to the location of cargo tanks in a bid to improve ship safety. The IGC revision represents the first time the IMO has allowed a non-governmental organisation (NGO) to rewrite a code with the co-operation of the industry.” TRADEWINDS, 15 February 2013, p 20

Input sought on proposed LNG marine-fuelling body – By Lucy Hine “Keen participants have already been registering their interest to join a planned new non-governmental organisation as Sigotto works on details in anticipation of getting board approval in May. A questionnaire has been sent out to industry players who may be interested in participating in a new non-governmental organisation (NGO) to oversee the upcoming and growing LNG marine-fuelling sector.” TRADEWINDS, 15 February 2013, p 20

What lies beneath By Daniel Kane “Verifying claims of fuel savings and emission reduction is essential, as one hull and propeller technology has proven.” BUNKER BULLETIN, February 2013, pp 27-29

Environmental Ship Index attracts growing interest among ports - By Craig Eason "The use of environmental indexes to show vessel performance is growing. While consternation has increased over the apparent support for the controversial Rightship environmental index for ships, other indexes also seem to be growing in popularity. The Rightship existing vessel design index focuses on fuel consumption, and thus CO2 emissions, although users of the EVDI are more focused on the costs associated with the fuel bills. Another index, the Environmental Ship Index, was created three years ago with the health concerns in ports and harbours as a focus. With this in mind it references more than CO2 emissions, but the overall emissions picture including NOx and SOx. ESI comes for the World Ports Climate Initiative, and is run by the International Association of Ports and Harbours. While it began with a small number of ports, about five, this has now grown to 22 that offer financial incentives, with 1,800 vessels being registered. Rebates on harbour dues for clean vessels vary according to each port, just as port fees differ, but ESI administrator Fer van de Laar says it already has virtually every port in northern Europe participating." LLOYD’S LIST, 19 February 2013, p 9

A ship’s Achilles’ heel - By Craig Eason "As ships get bigger and more complex, the potential threat of previously unknown flaws increases. Oil and water do not mix; that old adage held when there was a big difference in the role and characteristics of a ship’s engineers and deck officers. Despite its modern sophistication, a ship is still a mass of steel — albeit one with a heavy-duty, oil-burning engine and a large-windowed platform to make sure it does not hit anything as it does so. It is apt that in this day of environmental and fuel-saving demands, water additives in fuel are an accepted reality and, while the roles of the bridge and engineering teams remain functionally different, both are changing dramatically." LLOYD’S LIST, 21 February 2013, p 12

Cruise lines spark surge in scrubber sales “Cruise companies are looking at scrubbers because their ships spend much of their time in emission control areas. Green Tech Marine chief financial officer Kenny Strandberg told Fairplay he expected more orders to follow. “This is definitely just the beginning. We have experienced an enormous response after our successful installation on board Liberty of the Seas and after the completion of all DNV certificates.” These certificates were the result of last year’s trial installation, which showed emissions well inside the maximum allowed under IMO MEPC Guideline 184(59).” FAIRPLAY, 21 February 2013, pp 30-31

Ferries follow different routes “European ferry owners and operators appear to be following a different strategy to their compatriots in the cruise industry to meet future emission targets. Despite scrubber manufacturers pointing out that ships operating mainly in ECAs can benefit most, ferry operators would appear to favour the alternative fuels approach rather than investing in exhaust gas cleaning technologies. High on the list of favoured choices for avoiding the need to install additional equipment is burning LNG, either in a dual-fuel engine or a gas-only variant. The latter are particularly favoured by domestic Norwegian operators who can rely on readily available supplies of LNG and a financial incentive in the form of the Norwegian NOx tax and fund.” FAIRPLAY, 21 February 2013, p 32
Power packed “Electric propulsion powered by way of diesel-electric generators has been mainstream technology for passenger ships and ferries since the 1930s. However, few vessel types other than submarines have made extensive use of batteries for storing electricity. It would seem that is about to change as three new ferry types debut in European waters, starting in early summer this year. Two of the designs are described as hybrid because the vessels will have engines providing power some of the time, but the third is completely battery-powered and even relies on shore batteries to recharge those on board the vessel. The first of the ferries to enter service will be the Hallaig, owned by CMAL (Caledonian Maritime Assets Ltd). The pure battery ship is being built by Fjellstrand for Norwegian ferry operator Norled and will have a propulsion system designed by Siemens. The 80m aluminium catamaran will have a capacity of 120 cars and 360 passengers.” FAIRPLAY, 21 February 2013, pp 32-33

Switched on Carnival “Not all shipowners will want to install scrubbers as a means of complying with ECA regulations and will accept that they will need to switch to distillates when entering a low-sulphur zone. Managing the switchover between fuels can be hazardous and time consuming: some advice recommends a period of 48 hours or more. However, technology and equipment is available to manage the switch automatically. Following a period of extensive testing on board the Princess Cruises’ Grand Princess, Carnival has agreed with Sweden-based Jowa Technology to install its Diesel Switch DS MKII on more of its ships.” FAIRPLAY, 21 February 2013, p 34

IMO proposal could clear ballast blockage “An industry decision could provide the final push needed for the 2004 ballast water convention to come into force, writes Malcolm Latarche. With about 40 ballast water treatment systems already fully approved and 20 or more in the early stages of approval, it is generally accepted that there are no longer any technical obstacles to be overcome. The fact that US authorities have already initiated a Federal requirement for ships operating in US waters is testament to this.” FAIRPLAY, 21 February 2013, p 35

Preparing to make savings “An interesting offer is being made by Norwegian ballast treatment system maker OceanSaver which, coupled with the events at the IMO, could help operators save cash and jump the inevitable queue that will form once the convention is signed. For just 10% of the cost of its system, OceanSaver has announced it will configure new ships for easy installation of a unit at a later date by fitting base components to allow its system to be simply ‘plugged in’ when required. Tor Atle Eiken, senior VP Sales & Marketing at OceanSaver, believes shipowners stand to benefit substantially. “It gives owners a kind of insurance policy, whereby they are prepared for any outcome. If the mandates are ratified the system can be quickly fitted, but if not then the shipowner has only paid a fraction of the price of complete installation,” he said.” FAIRPLAY, 21 February 2013, p 35

Policing market-based CO2 reduction will be difficult - By Craig Eason “Enforcing a market-based measure targeting shipping’s CO2 emissions will be difficult, according to a new study from Cardiff University’s Seafarers International Research Centre. The study focuses on how a regional or global fuel levy or emission trading scheme could be regulated, highlighting many of the generic obstacles regulators will need to overcome to avoid fraud and accidental misreporting. Shipping has seen two mandatory measures come into force this year, one technical and the other operational, both aimed at stimulating owners and operators to use less fuel and therefore to reduce CO2 emissions. However, among regulators and environmental experts this is not considered enough to create a lasting reduction in the CO2 emissions from a global fleet that is expected to grow in line with global trade expansion. That means the industry needs a third reduction tool, which is proving to be contentious. Market-based measures proposed at the International Maritime Organization can be grouped into three different varieties. One is to place a levy, tax or other surcharge on bunker prices; another is to develop an emissions trading scheme or have shipping join an existing emissions-trading scheme; and the third is an incentive scheme to push ahead with technical and operational measures and innovation.” LLOYD’S LIST, 26 February 2013, p 9

Emissions rules herald the rise of methanol - By Craig Eason “Stena Line is testing an alternative to LNG as the bunker fuel of the future. Methanol is a common fuel derived from LNG, but is transported as a liquid at atmospheric pressure. There is also an established supply chain for methanol that could easily be adapted, should it become an accepted fuel for shipping. Another benefit of methanol, according to its proponents, is that it need not be refined from a hydrocarbon resource but can be made from discarded wood pulp, the waste product of the pulp and paper industry. Renewable methanol is being considered as a way for vessels to meet future CO2 reduction targets if a market-based measure is ever agreed. Tests on the ability to run vessels using methanol have brought together Stena Group and Gothenburg researchers through the Spireth project. This offshoot of the soon-to-conclude Effship project will switch the generators of a Stena vessel to use dimethyl ether later this spring. Next year, Stena Germanica will use its adapted main engines to trial methanol.” LLOYD’S LIST, 26 February 2013, p 9
Fresh twist on emission trading “While the IMO wrestles with the thorny subject of whether or not market-based measures are the way forward to tackle CO2 emissions from ships, a project involving DNV Research and Innovation Greece and process modelling technology provider Process Systems Enterprise (PSE) could provide an interesting twist to discussions. The project was jointly financed by the UK’s Technology Strategy Board and the Research Council of Norway, under the Eurostars initiative. The two project partners have developed a concept design for onboard chemical CO2 capture. The system consists of a chemical absorption plant that separates CO2 from flue gases, a liquefaction unit where the captured CO2 is compressed and condensed using a refrigerant, and two storage tanks where the liquid CO2 product is temporarily stored until discharge into transmission and storage infrastructure at the next suitable port. The system that was modelled used a particular chemical reagent and could potentially reduce emissions by 65%. Using a different reagent could boost the recovery rate to as much as 80% of the total CO2 in the exhaust stream." FAIRPLAY, 28 February 2013, p 31

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MARITIME SAFETY

Chemicals industry body acts to end small-tanker blasts – By Adam Corbett “A leading chemicals-industry association has reacted to a decision by regulators not to apply an inert-gas requirement to smaller chemical tankers by telling operators they should take such action voluntarily to prevent explosions. Reacting to a recent story in TradeWinds, the CDI says it issued industry guidelines on the use of nitrogen for inerting at the end of last year. And it told members to inert based on the flashpoint of the cargo rather than the size of the ship. TradeWinds reported that a South Korean probe into an explosion on the 6,500-dwt Doola No 3 (built 2002) had identified failure to inert as a major contributing factor to the disaster.” TRADEWINDS, 1 February 2013, p 34

Not so slick “The grounding of Exxon Valdez in Alaska in 1989 and subsequent oil spill was a hideous environmental tragedy that harmed wildlife and generated exorbitant clean-up costs. Even so, the volume of oil spilled was minuscule compared with some of the biggest spills from ships in history. The Exxon Valdez spill of 37,000 tonnes of oil is dwarfed by the world’s biggest spill to date from a tanker, the 287,000 tonnes lost from Atlantic Empress in the West Indies in 1979, according to the International Tanker Owners Pollution Federation. In fact, the Exxon Valdez spill is not even in the top 10 in terms of size of incident; it ranks just 35th. Likewise, the Hebei Spirit incident in 2007 off Korea, which drew massive amounts of media coverage, does not appear near the top of the list, coming 131st with 11,000 tonnes spilled. What all this tells us is that the 1970s and 1980s were dark times that saw vast amounts of oil spilled compared with later decades. Safety has evidently improved but the media attention is greater, leading many to believe that the most recent incidents must have been the worst on record.” LLOYD’S LISTS, 4 February 2013, p 2

Shipping urged to change accident culture – By Jon Guy “The president of the International Union of Marine Insurance (IUMI) has spoken of the industry’s frustration at the lack of any official report by investigators, more than a year after the Costa Concordia ran aground in Italy. Ole Wikborg was speaking at a news conference following the association’s annual winter meeting in London at which he also called for a cultural change on the bridge. The Costa Concordia has been declared a total loss and is the biggest single insured marine loss in history. Wikborg said: “We are frustrated. We would have expected that a preliminary report may have been produced by now.” He added: “There is a broad range of issues that have been discussed and investigated. The Costa Concordia had two watertight compartments. The Titanic had five and still sank. What have we learned from the Titanic?” FAIRPLAY, 7 February 2013, pp 20-21

Lifeboat safety under scrutiny after fatal drill accident - By Tom Leander and Nigel Lowry "Lifeboat safety will inevitably come under renewed scrutiny after five crew members from the cruiseship Thomson Majesty were killed in the Canary Islands at the weekend, when a drop cable snapped during a drill, causing the lifeboat to fall more than 50 ft into the sea. The cruiseship, operated by Thomson Cruises and owned and managed by the Cyprus-based Louis Group, was berthed in the port of Santa Cruz, on the island La Palma. A total of eight seafarers were inside the lifeboat at the time of the mishap, which occurred at about the height of the embarkation deck, as the lifeboat was being hauled back up after being lowered to the water. This is the worst lifeboat casualty of recent years but comes on top of a record of previous incidents that have provoked concern. The dead men included three Indonesians, a Filipino and a Ghanaian, who are believed to have been ratings." LLOYD’S LIST, 12 February 2013, pp 1-2

Comment: Can industry learn from lifeboat loss? - By Craig Eason "An investigation into how five crew members died while taking part in what should have been a regular lifeboat drill needs to be
Conducted quickly. The use of lifeboats in shipping is a contentious subject, particularly with passenger shipping. The Costa Concordia casualty revealed the weakness in being able to launch lifeboats on either side of the ship in an emergency when a vessel is severely heeled over, while the incident on Thomson Majesty has shown there are critical weaknesses in how the boats can be lowered to the waterline quickly and safely. An investigation will reveal whether the cause of the accident was a failure of the release mechanism, of the wire cables used to lower the lifeboat to the waterline, or some other cause. It will also answer some questions regarding the number of crew that appeared to have been on board the lifeboat at the time of the accident." LLOYD’S LIST, 12 February 2013, pp 1-2

Carnival Triumph under tow off Mexico after engine room fire - By David Osler "Carnival cruise ship Carnival Triumph is now under tow in the Gulf of Mexico, following an engine room fire at the weekend that left the vessel without propulsion. Media reports claim the 4,229 passengers on board are short of food and running water, with some now sleeping on the deck on account of the lack of air conditioning, and using buckets as toilets. According to Miami-based owner Carnival, another Carnival ship, Carnival Elation, is on the scene and transferring additional food and beverage provisions to Carnival Triumph. Carnival Triumph's engine room caught fire early on Sunday, during a four-day cruise that left Galveston on Thursday. The blaze was rapidly extinguished by its fire safety system. No one was injured, but the ship was left without power.” LLOYD’S LIST, 13 February 2013, p 4

Safety drive unable to prevent disaster – By Adam Corbett “Three recently introduced key safety initiatives appear to have failed to prevent yet another fatal accident during lifeboat drills. Five seafarers died, and three injured, when a lifeboat collapsed during a routine safety drill on board the 1,462-berth cruise ship Thomson Majesty (built 1991) while it was in the port of Santa Cruz in La Palma, Canary Islands. One question that investigators from the ship’s flag-state of Malta are likely to look into is why there were eight seafarers on board the lifeboat.” TRADEWINDS, 15 February 2013, p 12

Flags under fire over reporting – By Adam Corbett “Flag states' lack of performance on accident reporting has started to draw strong criticism from shipowners who have called for more government investigation into marine casualties. TradeWinds has identified five serious and fatal accidents involving safety critical factors where major flag states have failed to report. Last week, International Chamber of Shipping (ICS) chairman Masanitchi Morooka said in a statement that flag states have failed to report on incidents from "which important safety lessons could be learned”. Italy's failure to come up with a report into the loss of the Costa Concordia and 32 lives was described by Morooka "unacceptable". TRADEWINDS, 15 February 2013, p 30

Lifeboat safety probe will focus on release hooks - By Craig Eason "The incident in which five crew died on the cruise ship Thomson Majesty has rekindled the debate over lifeboats and lifeboat drills. Ahead of the investigation into the accident, experts have told Lloyd’s List privately that the probe could centre on the condition of the fall wires, davits and the on-load release hook. Regulations that came into place in 2011 require thousands of vessels to change the release hooks on their lifeboats by 2019. The manufacturers must secure approval for their release hooks or adapt existing designs to get them approved. On-load release hooks are designed to allow the lifeboats to be released, even when the boats are weighted on the wires." LLOYD’S LIST, 19 February 2013, p 8

Thomson Majesty deaths raise crew issues - By Craig Eason "The incident on board the cruise ship Thomson Majesty has raised important questions about the role that crew play during lifeboat drills. One former accident investigator says the cause of the incident was probably mechanical and may be due to the on-load release hook not being set properly, or to a problem with the davits. Lifeboat falls are to be replaced every four years. In between, the wires must also be end-for-end — taken out and the ends switched — to even out and reduce wear and tear, and be replaced sooner if necessary." LLOYD’S LIST, 19 February 2013, p 8

Evacuation options are all at sea - By Craig Eason “An expert at a leading P&I club points out that cruise ships barely have lifeboat capacity for 38% of the passengers on each side of the vessel. Lifeboats are there to offer a feeling of safety, but are notably dangerous to use. That is why the International Maritime Organization issued guidance in 2008 that the boats should be empty if possible when being lowered and raised during drills." LLOYD’S LIST, 19 February 2013, p 8

Paris MoU targets passenger ship problems “On 1 January the Paris MoU launched the Harmonized Verification Programme (HAVEP), which is due to run throughout the year. The initiative for the programme came from a year-on-year increase in incidents involving passenger ships. Although the launch was decided in May last year, and therefore after the Costa Concordia grounding, a disturbing increase in the number of problems with passenger ships was already becoming apparent to Port State Control (PSC) authorities.” FAIRPLAY, 21 February 2013, p 28
Falling down on the job “The death of another five crew-members in a lifeboat accident during what should have been a routine maintenance procedure is a sobering reminder that all machinery can be highly dangerous regardless of its prime function. In due course the cause of the tragic accident on the Thomson Majesty will be known and hopefully lessons will be learned sufficiently to prevent a similar accident occurring in the future. So far it is clear that a fall wire parted at some point, reportedly during the retrieval process when the lifeboat was, or was very near to being, in its stops.” FAIRPLAY, 21 February 2013, p 34

A boat in human form “Vignola told Fairplay he developed the oversized suit with all the features necessary to survive a sinking ship. With the Pilmic suit on, the wearer can survive an explosion, fire, chemical contamination, a 20m jump, cold water, and more. The entire suit can be put on in under 30 seconds, and is said to be buoyant and roomy enough to carry up to 60kg of supplies. “You can drink inside the survival suit, you can eat, you can sleep, you can sit in the water, you can stay in a kayak position. It’s a boat in human form,” explained Vignola, who said he had even slept in the suit.” FAIRPLAY, 21 February 2013, p 40

Liquefaction fears mount over bulker loss off Philippines – By Adam Corbett “Fears are growing that the loss of the 30-year-old bulker Harita Bauxite, which sank off the coast of the Philippines on Sunday, may have been caused by the liquefaction of a cargo of nickel ore. Liquefaction of nickel-ore cargoes is thought to have been behind the loss of four vessels and 66 seafarers’ lives over the last two years. But after a concerted industry campaign highlighting the dangers of such cargoes and the importance of measuring their cargo moisture content, no ships have been lost since the 56,000-dwt Vinalines Queen (built 2005) went down with the loss of 23 crew in December 2011. Local reports suggested the 49,000-dwt Harita Bauxite (built 1983) was carrying a cargo of “coal or ore” but a number of factors point toward the possible involvement of nickel ore again.” TRADEWINDS, 22 February 2013, p 39

Owners embrace hazardous materials inventories - By Liz McCarthy "Slowly but surely the shipping industry has begun to embrace the benefits of getting inventories drawn up of hazardous materials on board their existing vessels and newbuildings before mandatory regulations come into force. Class societies and independent specialists report that despite the deteriorating shipping markets, owners of all sizes and across all sectors are coming forward to audit their fleets, with checks for asbestos at the top of their priority list. Lloyd’s Register claims to have completed more than 450 inventories of hazardous materials for vessels already in service and around 600 for newbuildings under construction, according to its ship recycling lead specialist, Robin Townsend. “I think owners are coming to the conclusion that they need to have greater awareness of what’s on board their ships, which is something that we would encourage,” he says.” LLOYD’S LIST, 28 February 2013, p 5

Safety sceptics urged to heed emergency call “With the IMO’s polar regulation imminent in 2014, a group of technology companies are working to convince member states to retain a proposed chapter on emergency control. The provisional chapter 14 requires that ships are fitted with equipment that, in the event of an accident, would “[prevent and] limit the consequences of incidents or accidents in polar waters”. But, in the face of resistance by some IMO member states to an additional requirement and its financial implications, some are concerned that the chapter is not a done deal.” FAIRPLAY, 28 February 2013, p 28

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MARITIME SECURITY AND PIRACY

Arms and the men - By Liz McMahon "One of the liveliest debates at the fourth Maritime Piracy and Security conference in London focused on whether shipowners need to employ four-man private maritime security teams. BIMCO chief security officer Giles Noakes acknowledged that some shipowners are using three-man teams and said this was a decision for the company to make. However, BIMCO conducted detailed research into visibility on vessels when it drew up the Guardcon guidelines and Mr Noakes said he could not see how fewer than four guards could provide 360-degree visibility. Clearly some shipowners must think otherwise — unless the decision is driven purely by price.” LLOYD’S LIST, 1 February 2013, p 2

Stop shooting once pirates board - By Liz McMahon "Armed guards must not exchange fire if pirates board a vessel and it is for the master to decide whether security guards and crew should surrender or retreat to the citadel. That is the view of Clipper Group corporate security manager Gary Skjoldmos-Porter, who told Active Communications International’s fourth maritime piracy and security summit in London that Clipper’s heavylift vessels were a prime target for attack. Although pirate attacks have fallen
in the Gulf of Aden, Mr Skjoldmose-Porter said the problem had not changed because the pirates had not changed. Clipper conducts its own due diligence on armed guards. Mr Skjoldmose-Porter said that industry guidelines were good but had come too late. “We have been using armed guards on vessels for two and half years. Good companies will already be applying any regulations that come from the International Maritime Organization.” LLOYD’S LIST, 1 February 2013, p 5

French-owned oil tanker feared hijacked off Ivory Coast - By Liz McMahon “A French-owned oil tanker Gasogne is missing, feared hijacked off Ivory Coast. Intelligence sources are concerned it may be the second such attack reported in the region so far this year. Shipowner SEA-tankers has confirmed that it lost communication with its operated product tanker off Ivory Coast in West Africa on Sunday morning. It said it was in contact with the relevant authorities in the region with the objective of re-establishing communication with the vessel’s crew. “The safety of the crew and vessel remain the overriding priority,” it added. International Maritime Bureau head in Kuala Lumpur Noel Choong said: “We are unable to provide more information at this stage, as the incident is still ongoing.” LLOYD’S LIST, 5 February 2013, p 5

At odds over PMSCs "BIMCO is to open its doors to private maritime security companies to become associate members but the UK Chamber of Shipping has decided not to follow suit, despite mulling over the idea last year. Why has one shipping association taken the plunge while the other thought better of it? The benefits seem obvious. On the one hand, PMSCs are a clear revenue stream for BIMCO. On the other, membership provides PMSCs with credibility that the industry craves so much. BIMCO’s membership list could also be rich with new potential leads for PMSCs.” LLOYD’S LIST, 6 February 2013, p 2

BIMCO opens its door to armed guards - By Liz McMahon “BIMCO is to offer associate membership to private maritime security companies that achieve the International Standards Organisation’s PAS 28007. The shipping association said membership would give companies around the world access to the BIMCO website and to its guidance on security-related issues. Security firms wishing to join will pay a entrance fee of €2,500 ($3,380) and the membership fee for associate members, which stands at €5,000. BIMCO’s website states that private security firms applying for associate membership must obtain ISO 28007 certification before they apply for membership. “Upon receipt of the application, BIMCO will contact the applicant and carry out an internal vetting,” it said.” LLOYD’S LIST, 6 February 2013, p 2

Maritime security must move away from ‘Band-Aid’ solutions - By Rory Lamrock and Sam Pursch “Private firms must build intelligence networks and engage with naval authorities. Pirate attacks worldwide dropped by around 30% last year and, looking forward, new counterpiracy products will continue to emerge in the hope of driving attacks down further. Startup private maritime security companies will continue to flood the market; some will provide a quality service, but many will be forced to sacrifice standards to undercut the competition. Ultimately, the sustainability of the armed guard business model — and novel variations of it, such as private navies — will be called into question.” LLOYD’S LIST, 7 February 2013, p 7

Pirates mounted intelligence-led attack on Gasogne, says Dryad - By Liz McMahon “Although the product tanker Gasogne has been released with crew safe, the nature of the attack demonstrates that this type of piracy is intelligence-led, according to Dryad Maritime Security. SEA-Tankers has confirmed that the vessel and its 17 crew are safe and travelling under the full direction of its master. Although all the seafarers are reported to be safe, two were injured during the incident and are receiving medical treatment. Gasogne had been held by pirates off Ivory Coast since Sunday morning when the company lost contact with the vessel. “This latest EDR (extended-duration robbery) has some similarities with an operation against a drifting product tanker on October 4, 2012, when a party of gunmen boarded the vessel 80 miles south of Lomé and subjected it to an EDR that lasted less than 24 hours. “These long-range attacks, far from shore, clearly demonstrate the fact that such criminal operations are intelligence-led,” the intelligence company said.” LLOYD’S LIST, 7 February 2013, p 7

Letter to the Editor: Paying off pirates opens Pandora’s box - By Antony Morphites “Sir, I would like to refer to your article “Why not just pay off the pirates” by David Osler (Lloyd’s List, January 28) and comment as follows. This is a truly astonishing idea. It is opening a Pandora’s box. It is like saying to all criminals around the globe that crime pays. If you have an activity that costs the world community money, instead of resisting, fighting it or correcting it, let us pay you money so that you stop doing it.” LLOYD’S LIST, 7 February 2013, p 7

Piracy risk widens in West Africa – By Adam Corbett “Security analysts are warning of a heightened risk of piracy attacks off Abidjan following another hijacking off the Ivory Coast hundreds of miles west of the traditional pirate-hunting grounds around Benin and Nigeria. This week’s capture of the 7,100-dwt tanker Gasogne (built 2004) south of Abidjan port is the most recent example of piracy in the region following the hijacking and later release of the 73,400-dwt Orfeas (built 2008) in October last year and the
China-Japan islands tensions cut into Royal Caribbean's Asia push – By Eric Martin "Territorial disputes between China and Japan have impacted on Royal Caribbean Cruises's push into the Asian market, although the company has still posted healthy returns in the region. Royal Caribbean International chief executive Adam Goldstein says that for nearly all cruises from the Chinese cities of Shanghai and Tianjin, virtually all port calls in Japan have been eliminated from itineraries. “Unfortunately, in the short term, the political issues between Japan and China surrounding the disputed islands in the East China Sea are affecting our itineraries and our demand generation,” Goldstein told analysts on an earnings briefing for parent Royal Caribbean Cruises." TRADEWINDS, 8 February 2013, p 19

Nothing new in eco-ship designs, insists Marinvest – By Trond Lillestolen “Gothenburg-based tanker owner Marinvest has attacked suggestions that new, eco-friendly ships represent something fundamentally different from existing designs. The Swedish owner is known for having focussed on a design developed for a series of six ice-class 1A, 74,000-dwt tankers built at Brodospil, Croatia, between 2006 and 2008 and its chief operating officer, Patrik Mossberg, claims that the current promotion of new designs is purely marketing by shipyards and stock-listed shipowners. He says bunker savings can be achieved with existing ships. "We have seen nothing revolutionary in what has been presented so far," said Mossberg. "We don't believe that there will be a two-tier market as a result of this."" TRADEWINDS, 8 February 2013, p 22

'Rhardship and cruelty' on board hijacked 'Iceberg 1' – By Adam Corbett "Crew on the recently released 'Iceberg 1' were regularly beaten and tortured by pirates. Now they are on the road to recovery following a dangerous rescue. One of the most harrowing and disturbing tales of the hardship and cruelty suffered by seafarers at the hands of pirates is emerging following the recapture of the general cargoship Iceberg 1 (built 1977) and release of its 22 crew. The vessel had been held for two-and-a-half years in Garacad, Somalia, with crew cooped up on the bridge and accommodation unit with the threat of violence constantly hanging over them." TRADEWINDS, 8 February 2013, p 35

RUF justice "The 100 Series for Rules for the Use of Force drafting team held an international legal conference today on the naval vessel Wellington. The rules provide a standard response that a security team can use to justify lethal force. But it depends on recognition by the jurisdiction where the case is heard. Although having evidence to show the 100 Series Rules have been followed will arguably do no harm to an armed guard on trial, it could equally be disregarded by the court. The distinct lack of precedent in this matter may be the reason why insurers do not want to sign up." LLOYD'S LIST, 11 February 2013, p 2

100 Series Rules for the Use of Force expected by summer - By Liz McMahon "The 100 Series Rules for the Use of Force are likely to be published in the summer and the drafting team is working hard to dispel any myths and misconceptions around the feasibility of a universal right to self defence. Speaking on Friday on the naval ship Wellington, moored at the Victoria Embankment in London, Security for the Maritime Industry founder Peter Cook said members of the main drafting team developing the 100 Series Rules included the International Chamber of Shipping, Sami and the Security in Complex Environments Group. Mr Cook said: "It is difficult to predict exact times for publication. There is significant enthusiasm and motivation but it is critical not to rush the process. I would like to think it will be ready for the summer."” LLOYD’S LIST, 11 February 2013, p 7

Shipping firms back UN drive to rebuild Somalia - By Liz McMahon "Industry giants, K Line, Maersk Line, Stena, NYK Line, Mitsui OSK Line, Shell and BP have donated $1m to support job creation and capacity building projects in Somalia and have pledged a further $1.5m. The group, brought together by Shell International Trading and Shipping, said its partnership with the UN Development Programme was the first step in a drive launched in February 2012 to stabilise and rebuild Somalia to reduce the risk from piracy to seafarers in the Indian Ocean. The group said: “The UNDP has been selected as a collaborator because of its existing footprint in coastal and city centres in Somalia and the alignment of the objectives of the shipping industry partners with those of the UNDP's Alternative Livelihoods to Piracy in Puntland and central regions project. "Our hope is that this initiative led by the shipping industry will facilitate establishing the foundation for a future generation in Somalia that has choices and no longer supports or condones piracy.”” LLOYD’S LIST, 11 February 2013, p 7

Seafarer killed as security team shooting foils pirate attack - By Liz McMahon "A seafarer has died after a shoot-out in which guards on board the tanker Pyxis Delta foiled an attack at Lagos anchorage on
Monday, in the first confirmed case of a crew member killed during a pirate attack on a vessel that deployed an armed team. Pyxis Maritime has confirmed that an exchange of gunfire took place at around 0040 hrs local time as armed pirates boarded the tanker. “The security team [armed guards] on board immediately activated anti-piracy measures of resistance and the pirates escaped,” Pyxis said. A Filipino crew member was transferred to hospital with a bullet wound, but died on arrival. However, the armed team will not have been hired from a private maritime security company, as local regulations dictate that only teams of Nigerian military personnel can bear arms on board vessels in territorial waters.” LLOYD’S LIST, 11 February 2013, p 7

Taking it ashore - By Tom Leander “The death of a seafarer in the crossfire between security guards and pirates in an attack on tanker Pyxis Delta in Lagos anchorage last week is a stark reminder that deployment of security guards is a temporary fix at best. It is heartening then to see seven shipping companies take a step towards supporting a longer-term solution to piracy, based on supporting a cure on land. Maersk Line, Stena, NYK Line, Mitsui OSK Line, K Line, Shell and BP have donated $1m to support job creation and capacity building projects in Somalia through a UN Development Programme initiative. The companies say this is a first step in an effort to mitigate the problem of problem of piracy onshore in Somalia and have pledged a further $1.5m to come.” LLOYD’S LIST, 12 February 2013, p 2

Hijacking of Esther C reignites debate over ransom payments - By Liz McMahon “The hijacking of three crew members from Carisbrooke Shipping’s Esther C last week has again raised the issue of P&I clubs’ involvement in the payment of ransoms. One circumstance where the International Group of P&I Clubs has said clubs may need to pay ransoms is when the crew is separated from the vessel and a separate ransom is demanded. According to Dryad Maritime, the primary trend for targeted vessels transiting the Niger Delta region now is for personnel to be kidnapped, then taken ashore and held for ransom. “Kidnap is an endemic criminal industry, both on land and at sea,” Dryad said. “This is in part due to the ongoing payment of ransoms.”” LLOYD’S LIST, 13 February 2013, p 4

Indian piracy bill closes loopholes “Proposed anti-piracy legislation, tabled in 2012, aims to factor in relevant United Nations conventions and the legal implications of trying non-citizens – suspected Somali pirates – in India. So far, the bill has passed through the parliamentary standing committee stage but there are no indications of when it will be taken up for discussion. That decision lies solely with the national parliament. Given the seriousness of the crime and the vast number of Indian seafarers who man merchant ships sailing international routes, the bill should pass muster. But the parliamentary committee wants greater clarity in defining the role of overlapping ministries, such as external affairs, home affairs and defence, in implementing the bill’s provisions.” FAIRPLAY, 14 February 2013, p 25

EU boost Gulf of Guinea security “Following the rise in Gulf of Guinea pirate incidents over the past two years, the European Union has set up a $6M project to help seven African states in the area increase their maritime security. The programme, named Critical Maritime Routes in the Gulf of Guinea (CRIMO), provides African states around the Gulf of Guinea with financial and practical help to establish radar, communications, and command and control systems to increase their maritime domain awareness.” SAFETY AT SEA, March 2013, p 14

Latest attack in Niger Delta indicates growing K&R risk as pirates take hostages - By Liz McMahon “Supply vessel Walvis 7 was attacked by pirates at the Nigerian port of Onne on February 10 and two crew are being held hostage, it has been confirmed. The Ukrainian Foreign Ministry has said the Honduran master and the Ukrainian chief engineer of the 1982-built, 1,070 gt vessel have been taken hostage. The remaining 18 Nigerian crew members are safe at Onne. Walvis 7 is St Vincent and Grenadines flagged and the registered owner is Glowlold International. This is the third incident in the past two weeks in West African waters in which crew members have been kidnapped from the vessel. The problem of kidnap and ransom is rising.” LLOYD’S LIST, 15 February 2013, p 2

Crew kidnapped from service vessel in new West Africa attack - By Liz McMahon “Pirates have kidnapped several crew from a service vessel, understood to be Armada Tuah 101, after attacking the ship some 60 miles southwest of Brass, Niger Delta on Sunday. An investigation is under way after reports that an undisclosed number of expatriate crew had been abducted from the Malaysia-flag tug, owned by the energy services firm Century Group. Bergen Risk Solutions chief executive Arild Nodland said that despite a significant increase in attacks, this was a dangerous turn of events, even by Niger Delta standards. “It is hard to speculate why,” he said. “Piracy and maritime crime is a cyclical thing but this particular area of Nigeria is under constant pressure from armed elements and has been for at least five years. Criminals in the region swap between illegal bunkering on shore and attacking ships offshore.”” LLOYD’S LIST, 19 February 2013, p 5

West Africa high-risk area could expand - By Liz McMahon “The high-risk area in West Africa should extend to include Togo and the Ivory Coast to better reflect increased security concerns, say shipping and
security experts. The Hull, War, Strikes, Terrorism and Related Perils Listed Areas were last amended by the Lloyd's Joint War Committee in March last year. Shipowners must gain their underwriter's permission before vessels can enter such waters, areas or specified places. Underwriters may amend cover terms before granting permission for vessels to enter the listed area or refuse to grant cover altogether. To date, the high-risk area is defined as: “Gulf of Guinea, but only the waters of the Beninese and Nigerian Exclusive Economic Zones north of latitude 3° N.” Lloyd's Market Association senior executive underwriting Neil Roberts said: “We are watching it, but on the hull war side it has not yet been thought necessary to extend the joint war-listed areas although it will certainly be a topic at the next JWC meeting in March.” LLOYD'S LIST, 21 February 2013, p 2

$1.3m ransom demanded for Armada Tuah 101 crew - By Liz McMahon "Pirates holding six crew kidnapped from service vessel Armada Tuah 101 are demanding Naira200m ($1.3m) for the men's release. One Russian, three Ukrainian and two Indian seafarers were taken on Sunday, when pirates attacked their Malaysia-flag vessel some 60 miles southwest of Brass, Niger Delta, on Sunday. The vessel is owned by Nigeria-based oil servicing company Century Group. The company has not yet responded to calls for comment. However, Bayelsa police spokesman Fidelis Odunna confirmed the ransom demand, Reuters has reported. The vessel has no P&I club recorded on Lloyd's List Intelligence's database. "One of the kidnappers called to demand the sum of Naira200m. Efforts are in progress to arrest the kidnappers," Mr Odunna told Reuters." LLOYD'S LIST, 22 February 2013, p 2

Stowaway problem persists despite action on security – By Adam Corbett “Insurance is warning that improved guidelines and security measures are still not preventing the problem of stowaways on merchant ships. An assessment provided by the International Group of protection-and-indemnity (P&I) clubs (IG) suggests that stowaway incidents have fallen only marginally, while the cost to the industry is increasing. According to IG, between February 2011 and February 2012, there were 774 incidents involving 1,640 stowaways. That compares with 842 incidents involving 1,955 stowaways in the previous recorded figures between February 2007 and February 2008. In a paper to be presented to the International Maritime Organisation (IMO)’s Facilitation of International Maritime Traffic (FAL) meeting in April, IG said: “The 2011 to 2012 data suggests that the scale of the stowaway problem has not decreased to any significant degree.”” TRADEWINDS, 22 February 2013, p 39

Eos launches West Africa private maritime security start-up - By Liz McMahon “A private maritime security company has launched a new service in West Africa, claiming to be the first to offer its own armed teams to clients. Eos Risk Management does not use local navies, instead putting its own men on board vessels. However, the guards will only load their weapons once the ships are out at sea. This aims to allow the company to overcome a ban in many West African countries — including Nigeria, Benin and Togo — on vessels deploying armed private security companies in their sovereign waters. Other private maritime security companies operate in the region using personnel from the Nigeria, Togo and Benin navies, said Eos Risk managing director David Johnson.” LLOYD'S LIST, 25 February 2013, p 7

Nato consolidates maritime command in UK - By Liz McMahon “Allied Maritime Command in Northwood, west London, has become Nato's maritime headquarters, overseeing the defence against terrorism mission, Operation Active Endeavour, after closing its base in Naples. The move brings both Nato maritime missions under one command, uniting Operation Active Endeavour with the counterpiracy mission Operation Ocean Shield. Active Endeavour is part of Nato's response to the terrorist threat. It started operations on October 26, 2001, following the September 11 attacks on the World Trade Centre in New York with the remit to conduct naval operations in the eastern Mediterranean. Active Endeavour was among the measures that followed Nato's decision to implement Article 5 of the Washington Treaty, expanding its options in the campaign against terrorism.” LLOYD'S LIST, 25 February 2013, p 7

By another name "Aspen has released a new product to cater for the specific needs for kidnap and ransom in West Africa. The insurer says that up until now, K&R policies have operated roughly along the same lines on both sides of Africa. However, shipowners may be paying over the odds as the risks are so inherently different. As Aspen kidnap and ransom underwriter Henry MacHale notes, the only similarity is that the activity in both areas is called piracy. So Aspen plans to offer different rates for ransom and also to provide marginal hull cover so that owners do not need to claim on their hull policy for the kind of damage the vessel may incur in the brief time it is hijacked.” LLOYD'S LIST, 26 February 2013, p 1

Aspen launches West Africa kidnap and ransom cover - By Liz McMahon "Aspen has released a new kidnap and ransom product to tackle the different risks that exist in the Gulf of Guinea and to address the risk that shipowners operating there take out unnecessary cover. In the Gulf of Guinea it is not possible to hold a vessel for long and K&R generally involves individual expatriate crew being taken ashore and ransom demands are between $1m-$2m. Aspen kidnap and ransom underwriter Henry MacHale said Aspen's new product was tailored to the lower ransom demands. "The biggest driver for
piracy is the theft of bunkers; 51% of attacks in the Gulf of Guinea result in a significant loss of bunkers," he said." LLOYD'S LIST, 26 February 2013, p 7

What the fight against Somali pirates can teach us in Gulf of Guinea - By Liz McMahon "Much has been written about the differences in models for piracy between the Gulf of Aden and the Gulf of Guinea, but given the success of anti-piracy operations in the Indian Ocean there are lessons that can be learned as the problem worsens in West Africa. Bergen Risk Solutions chief executive Arild Nodland says lesson transfers are already happening. He cites the guidelines for vessels operating in the region recently published by BIMCO in association with Intertanko and Nato Shipping Centre. He says because local navies have very limited deterrence and response capabilities in cases of piracy and armed robbery, a vessel should take measures to the extent practicable to detect, deter, prevent and delay illegal boardings; ensure crew safety in case of such boardings and note telephone numbers to the International Maritime Bureau’s Piracy Reporting Centre." LLOYD'S LIST, 26 February 2013, p 8

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NAVIGATION AND COMMUNICATIONS

ICS slams 5% Suez toll hike - By David Osler "Shipowners could reroute around the Cape of Good Hope rather than accept “dramatic” hikes of up to 5% in Suez Canal tolls, due to enter force from May, a shipping trade association has warned. The International Chamber of Shipping said that the latest increases followed a rise of 3% implemented in the face of industry protests in March last year. ICS secretary-general Peter Hinchliffe said: “Most international ship operators are trading in the worst shipping markets in living memory due to there being too many ships chasing too few cargoes. “This is not the time for the Suez Canal Authority to be announcing increases, which for some trades seem very dramatic indeed, and which many shipowners will find impossible to pass on to their customers.”“ LLOYD'S LIST, 5 February 2013, p 2

Satellite AIS – ready or not, here it comes… - By Jillian Carson-Jackson “The issue of correlating a ship’s identity and its position in coastal waters and port approaches has been a challenge for many years. Moving from visual identification from high pints on coastal heads to sophisticated vessel traffic service centres using radar, shore authorities have continued to extend the concept of maritime domain awareness." SEAWAYS, February 2013, pp 5-7

What price Suez? - By Tom Leander "The Suez Canal Authority says it will raise its toll rates by 5% by May, prompting an outcry from shipowners that had to absorb a 3% rise only last March. It’s no secret why the authority is raising rates now. Canal toll fees are a substantial source of income for Egypt’s embattled government, now the nation’s biggest source of foreign revenue. The SCA appears to believe that the hikes are justified because service in the canal has not been disrupted — with the exception of a Greek vessel reportedly being shot at by an unknown gunman — during recent political turmoil, which has included strikes in port cities and riots in Port Saïd and Ismaïlia." LLOYD’S LIST, 26 February 2013, p 2

The ECDIS Mandate – The Route to Compliance “Electronic Chart Display & Information Systems (ECDIS) have the potential to change seagoing navigation forever. But transition to the navigation system of the 21st century is about far more than plug-and-play technology. Ian Moncrieff, gives shipowners the route to an ECDIS future.” NAVIGATION NEWS, Jan/Feb 2013, pp 8-11

China aims to increase its presence in Arctic shipping - By Craig Eason "With ever-increasing global interest in the Arctic, commercially and politically, it is no surprise to see China’s presence in the region. On a political level, China is keen to become a permanent observer in the Arctic Council. This organisation is developing the political roadmap for the region, focusing on policies that ensure the Arctic’s environmental stability and safeguarding its indigenous people, while allowing the development of some industrial activity focused on the mineral resources that are becoming reachable. The Arctic Council has its eight full members — those that border the Arctic region: Canada, Russia, Denmark (Greenland), Norway, the US (Alaska), Sweden, Finland and Iceland — and six permanent observers, all European. There are additional ad-hoc observer countries that need to apply to attend any specific working group meetings in the council. China is one of these countries that has ad hoc status. Gaining access as a permanent observer may be a political gesture, but it will allow China unfettered access to all the meetings and to participate more freely in the debate over access to Arctic resources." LLOYD’S LIST, 14 February 2013, p 4

Free database unites critical Arctic information “Previously scattered information critical to Arctic operations is being brought together in a single free database under a project known as ARCTIS (Arctic Resources & Transportation Information System). Driven by the need to manage risk in the region, the
information will include regional regulations, emergency preparedness, navigation, climatology, geopolitics, and energy/mineral resources. A group of six public and private maritime organisations joined to sponsor the portal, which has been five years in the making. One of these, the Norwegian Shipowners’ Association, which initiated the idea, has established the Oslo-based Centre for High North Logistics (CHNL) to oversee the project and maintain the website.” FAIRPLAY, 14 February 2013, p 24

**Beware the single point of failure** “Last month, the General Lighthouse Authorities (GLA) announced the world’s first deployment of eLoran, a low frequency radio-based technology offering an economic and effective back-up to global navigation satellite systems (GNSS), such as GPS. The deployment in the Dover Straits, the world’s busiest shipping lanes, marks the first step in a broader project to implement Initial Operational Capability (IOC) across the UK’s eastern seaboard. In many user communities there is now a dangerous over-dependence on GNSS and the systems’ inherently very weak signals. They are easily disrupted and jammed, resulting in possible denial of service over large geographical areas and across a variety of sectors that use the service, including telecoms, financial systems, and power distribution, as well as of course marine navigation. Incidentally, the same issues affect the forthcoming Galileo system and it is important that a back-up such as eLoran be deployed to underpin its successful operation. For maritime navigation, the complete denial of service, while disruptive and possibly dangerous to operations, is at least detectable. However, there is an even more dangerous and insidious effect when only slight undetectable disruptions occur. This leads to hazardous misleading information (HMI) being presented to the mariner, giving him a false sense of security that his position with respect to his chart is accurate.” FAIRPLAY, 14 February 2013, p 27

**Suez raises tolls** “The Suez Canal Authority (SCA) has announced rises in toll charges from 1 May, which has prompting an outcry from ship owners who had to absorb a 3% rise only last March. For the Egyptian government, these tolls are an important source of income and its biggest foreign revenue source. Rates for car carriers will rise 2.5%, tankers will have 5% added to their tolls and all other cargo ships (except for very small ones) will see 3% increases. The justification given for the increases has been that service through the canal has been uninterrupted despite turmoil in the country and the SCA, under military control, has a greater ability to protect operations especially as disruptions were seen in during recent political turmoil, which has included strikes in port cities and riots in Port Said and Ismailia.” FAIRPLAY, 21 February 2013, p 11

**Sovcomflot proposes Arctic fleet monopoly** “Russia’s Sovcomflot, the state-owned oil and gas fleet operator, has proposed to form a consortium with independent Russian gas producer Novatek to build and operate a fleet of new gas carriers for the Northern Sea Route. Rusanov said competing fleet operators would be ineffective. Shipowners would fight among themselves for trained crews and race each other for salaries. In the end it would not benefit anyone. Therefore a single operator is needed.” FAIRPLAY, 21 February 2013, p 11

**Spooky silence on toll changes – By Eric Martin** “The Panama Canal Authority is cooking a new structure as shipping waits to count the cost of transiting the waterway. “To come up with pricing, it’s like looking into a crystal ball, because nobody knows,” said one local agent who fields regular questions from owners and operators on the future rate. The authority is working to develop a revised tolling structure for the expanded canal and has begun making the rounds with shipping industry organisations in what officials say is an effort to be transparent with canal users.” TRADEWINDS, 22 February 2013, p 26

**Boxships poised for gradual size hikes along canal routes – By Eric Martin** “Liner operators are not expected to immediately supersize on the Asia-USEC trade. Containerships are widely seen as the key target of the Panama Canal expansion but liner operators are not expected to rush the largest of “new panamax” containerships onto routes using the waterway. Canal officials say South Korean shipyard Samsung Heavy Industries (SHI) has confirmed a boxship design of up to 13,200 teu in capacity that will be able to fit the dimensions of the new locks. However, most 13,000-teu ultra large containerships were not designed with the Panama Canal in mind. Still, the Samsung containership has more than double the capacity of the 5,100-teu boxships that fit in the current locks.” TRADEWINDS, 22 February 2013, p 27

**POLLUTION/ENVIRONMENT**

**Global oil spill trends - By Hal Brown** “Downward trends in oil spills continue despite an overall increase in oil trading, according to latest ITOPF analysis. Most oil spilled from tankers from 1970-2012 was leaked during loading or discharging cargoes in oil terminals, rather than during headline-grabbing groundings or sinkings, according to analysis from the International Tanker Owners Pollution Federation.
It also found that spills have fallen since the dark days of the 1970s. However, tanker experts have raised concerns that today’s poor market could see an increase in incidents because owners have less money to spend on basics such as maintenance." LLOYD’S LIST, 1 February 2013, pp 6-7

Carnival scales up expected trajectory of emissions costs – By Eric Martin "The Miami-based cruise giant reckons its annual fuel expenses will surge by up to $275m when sulphur limits are further tightened in January 2015. Cruise giant Carnival Corp has pumped up its estimates on the toll of emissions regulations on its future costs. The Miami-headquartered outfit now expects its annual fuel costs to increase by up to $275m across four emissions control areas (ECAs) when sulphur limits are further tightened in January 2015." TRADEWINDS, 1 February 2013, p 4

ICS backs international emissions monitoring system - By Liz McMahon "The International Chamber of Shipping has voiced support for an international system of monitoring, reporting and verification of emissions with the caveat that this acceptance should not be used for development of any other market-based measure or the mandatory application of energy-indexing measures to existing ships. At its board of directors’ meeting in London, the ICS reviewed recent developments for the international regulation of CO2 emissions from ships. This included proposals by the US and the European Commission and others about establishing a mandatory monitoring, reporting and verification system. ICS chairman Masamichi Morooka said the ICS would fully support the concept of MRV, as long as any measure adopted was developed and agreed at the International Maritime Organization, was simple to administer and based primarily on fuel consumption measured by bunker-delivery notes." LLOYD’S LIST, 7 February 2013, p 2

‘Turning point’ on sulphur limit “French shipowners have hailed as a “turning point” a decision by EU transport ministers to seek solutions for owners’ concerns about the timing of the planned 0.1% marine fuel sulphur limit in the English Channel and North and Baltic seas. The ministers, at the EU Transport Council meeting on 20 January in Brussels, agreed to start talks soon on the implementation date. France and other member countries had expressed concerns that the planned 1 January 2015 introduction of the new limit could not be met. The French delegation, which raised the issue, argued that acceptably priced fuels compliant with the new limit would not be available in time. A statement issued after the meeting added that other national delegations had backed the French position.” FAIRPLAY SOLUTIONS, February 2013, p 9

Maersk urges crackdown on polluting reefer "We urge the European Commission to ensure enforcement of existing EU legislation regarding insulation foam in reefer containers,” said Peter Nymand, CEO of Maersk Container Industry (MCI). Current EU legislation bans the import or “placing on the market” of reefer containers with significant potential to damage the climate and ozone layer. In 2000, the EU banned reefer that use insulation foam containing the gas HCFC141b, which has the highest ozone-depleting potential of any hydrochlorofluorocarbon. But the container industry estimates that 85% of reefer in circulation are still sub-standard.” FAIRPLAY, 14 February 2013, p 24

Sulphur rules need stronger enforcement - By Craig Eason "Poor rule enforcement could allow owners to get away with using or being unwittingly sold bunkers with higher than permitted sulphur content. A report by Cardiff University’s Seafarers International Research Centre has revealed that inspectors in the UK and elsewhere in Europe often use documentation inspections to verify compliance with the low sulphur rules that apply in emission control areas. These inspections revolve around the bunker delivery note and the oil record book. The authors said the bunker delivery note left on a vessel was often a handwritten, carbon-copy receipt in a language other than English that did not always state the sulphur content in the fuel delivered or name its supplier. Bunker delivery notes can be easily modified after issuance and it can be difficult to follow the paper chain to find the original note." LLOYD’S LIST, 21 February 2013, p 5

Next stop ECA? Further steps to curb pollution - By Tom Leander "Hong Kong’s new government has made several promising steps toward addressing the problem of marine fuel oil pollution in the territory. Further, it has pledged to pursue a larger agreement that would encompass the Pearl River Delta with the government of Guangdong to create what would be Asia’s first emissions control area. Shipowners’ role in providing the government an example — as well as a carrot and a stick — by launching the Fair Winds Charter in 2011 and extending it another year this January has been covered by Lloyd’s List several times. Now the hard work begins for the current administration, which has won praise for its attention to maritime affairs. The government is committed to putting forward legislation that would require all ocean-going vessels berthing in Hong Kong to switch to low-sulphur fuel. This would grant the level playing field that participants in the Fair Winds Charter seek as a condition to continue their steps to switch to the more costly, cleaner fuel in port beyond 2013." LLOYD’S LIST, 21 February 2013, p 9

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PORTS AND HARBOURS

Ports to use controversial EVDI to discount their harbour dues - By Craig Eason "Although it has been criticised in some quarters of the maritime industry, Rightship’s energy efficiency index for existing vessels is gaining momentum, with more customers signing up to it and port authorities using it to offer discounts on harbour fees. The Melbourne-based vetting group created its Existing Vessel Design Index about two years ago, modelled on the International Maritime Organization’s Energy Efficiency Design Index. The now-mandatory EEDI is a tool to ensure new vessels are designed to be more fuel-efficient than an average benchmark, whereas EVDI is used to compare a vessel to its peers. However, bodies including Intercargo and the International Association of Classification Societies have slammed the EVDI for being inaccurate and misleading."

LLOYD’S LIST, 5 February 2013, p 9

Brazil takes contradictory approach to seafarers’ ID - By Liz McMahon "Shipowners have been warned of seemingly contradictory approaches adopted by the Brazilian immigration authorities affecting seafarers, according to Steamship Mutual. The P&I club said the Brazilian authorities were imposing fines in respect of seafarers’ identity documents that did not comply with the International Labour Organisation Convention 185/2003. In January 2010, Brazil was reported to have ratified the ILO Convention 185/2003 and, at the same time, denounced the earlier Convention of 1958 (108/1958). However, the immigration authorities appear generally to take the view that, because the ILO Convention 185/2003 has not been sanctioned by the President of Brazil, it is not actually in force, and hence the earlier Convention 108/1958 applies. Steamship said it has recently seen a number of instances where the authorities in Rio de Janeiro appeared to regard the ILO Convention 185/2003 as being in force, and had imposed fines on crew members and required deportation if they do not leave Brazil within eight days, on the grounds that their seafarers’ identity documents did not comply with this more recent Convention 185/2003 — even though the documents did, in fact, comply with the earlier Convention 108/1958 and the crew members never actually left their vessels while they were in the territory of Brazil." LLOYD’S LIST, 13 February 2013, p 9

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SEAFARERS

Research claims seafarers face tough living conditions – By Adam Corbett "Life at sea lacks almost all the comforts of home, according to new research, which paints a dismal picture of the living conditions of seafarers at work. As the Maritime Labour Convention (MLC) comes into force this year, Cardiff University’s Seafarers Research Institute Centre conducted a straw poll of 1,533 seafarers to uncover the nature of seafarer accommodation on modern cargoships. They found that seafarers were facing increasing time on board, where facilities and working conditions are often unsatisfactory, leading to the vast majority of seafarers complaining of stress."

TRADEWINDS, 1 February 2013, p 34

Twitter SOS saves stranded Cosco Wallem bulker crew - By Jing Yang "Crew managed by a joint venture between Cosco and Wallem are heading home at last, having appealed for help from the local maritime authorities after being stranded for 10 days at outer anchorage off the port of Qingdao, China. A letter pleading to be rescued from the 23 crew on board the Hong Kong-flag bulk carrier Haina came to the attention of Shandong Maritime Safety Administration on Wednesday night, having been posted on Weibo, the Chinese equivalent of Twitter. Addressed to the Qingdao authorities, the letter said crew could no longer work due to long voyage delays, inadequate supplies and psychological and physical ill-health. The 1993-built, 165,133 dwt bulker has been held at outer anchorage since January 28, unable to dock as it failed to secure port clearance. However, all crew disembarked safely on Thursday night and the ship was quarantined on Friday morning, according to SMSA’s Weibo feeds. By afternoon, the crew were heading home for Chinese new year."

LLOYD’S LIST, 11 February 2013, p 1

Lifeblood "The Maritime Labour Convention is supposed to ensure minimum employment standards for the world’s 1.5m or so seafarers. The treatment of the crew of bulk carrier Haina underlines exactly why it is necessary. As Lloyd’s List reported, these 23 seafarers spent 10 days anchored off Qingdao, subsisting on rotten food and without adequate fresh water. Many of them were physically or mentally unwell and some of them had been on board for 16 months. While the situation is far too complex to apportion blame, the point here is that this throwback to the bad old days simply should not have arisen in the first place, and cannot be considered acceptable in 2013. Those at the top, not least those who enjoy cosseted multimillionaire lifestyles from their labour, should bear in mind that ships do not sail themselves."

LLOYD’S LIST, 12 February 2013, p 2
"A new website has been launched with the aim of increasing seafarers' fitness. Developed by the Norwegian Maritime Authority for the International Committee on Seafarers' Welfare, the Training on Board website is designed to persuade seafarers to pursue a healthy lifestyle and to understand the link between physical training, nutrition and fatigue. The site allows seafarers to measure their fitness through an online calculator and to start on a programme of physical training to improve their wellbeing and physical health. Seafarers are able to register on the site, record their workouts and compete among themselves, and against other crews and companies, to see who has done the most training and improved their fitness." LLOYD'S LIST, 13 February 2013, p 12

ISF urges an end to the impasse on seafarers' right to shore leave - By Liz McMahon "The International Shipping Federation has called on port states to ease seafarers’ right to shore leave, proposing a pragmatic new approach to visa requirements. The ISF has submitted its proposal to the International Maritime Organization facilitation committee, which meets next in April, to consider its current review of the IMO Convention on the Facilitation of International Maritime Traffic. The FAL Convention includes a blanket prohibition on port states requiring seafarers to obtain visas to enjoy shore leave. "The long-established principle that, due to the special nature of their employment, seafarers should not be required to hold a visa for the purposes of shore leave is enshrined in various international conventions, including the International Labour Organisation Conventions 185 and 108, as well the IMO FAL Convention," the ISF said. However, heightened concerns about security and immigration following the September 11 attacks mean that seafarers' ability to exercise this right is increasingly being challenged, the federation said, with the US and Australia now demanding visas." LLOYD'S LIST, 19 February 2013, p 4

Ex-seafarers see insurance and law jobs as out of reach - By David Osler "Seafarers coming ashore tend to see careers in shipping law and maritime insurance as out of reach, and underestimate how much they would earn in those roles, according to new research commissioned by recruitment agency Faststream. Instead, ex-seafarers tend to focus on traditional and more accessible roles such as superintendent, fleet manager and harbour master. Elsewhere in the report, which will shortly be available online, shore-based respondents in Europe and the US wrongly believed that they earned more than their Asian counterparts, when the reverse was true. Workers in the US and in Asia were largely happy with their earnings, whereas those in Europe were more disgruntled with their pay. Around 37% of maritime professionals felt that Southeast Asia would offer the best career opportunities over the next 10 years." LLOYD’S LIST, 20 February 2013, p 2

Knowing the ropes - By Craig Eason "A survey reporting that seafarers are unaware of some of the shore-side career opportunities available to them highlights ignorance that has been around for many years. In fact, in many professions within the shipping industry, seagoing experience is seen as a benefit as it offers first-hand understanding of the trials of operating and living on board the asset around which the whole industry revolves. That seafarers, often victimised, criminalised and forgotten by some companies, should still be so unaware of the prospects open to them remains one of the biggest missed opportunities in the industry. Today's seafarer gaining much-needed experience can be from anywhere in the world, especially from developing countries and it is to these lands we must look for that experience in the future." LLOYD’S LIST, 21 February 2013, p 2

More power to the Masters - a view from the bridge “The tension between ship Masters and staff in head office is not new: it has probably been one of the items at the top of the agenda for the past 100 years. However, the economic downturn is forcing a reassessment of vessel operations in general, and a rethinking of one controversial issue in particular. It is summed up in an anecdote from Capt Henk Eijkenaar, a Master with Flinter Shipping in the Netherlands: "Seafarers on ships running around the European coast find it hard to feel engaged with shore-side managers who proudly boast that their intranet has successfully brought the company together when there is no access while at sea!" This goes some way to identifying why there has been little progress towards easing the unresolved friction between ship and shore." FAIRPLAY, 21 February 2013, pp 6-9
Cadet rule diluted for lack of space “Guidelines for granting licences to foreign ships engaged in Indian coastal shipping that were issued to address a lack of onboard training slots for cadets have now been diluted because of a claimed difficulty in providing accommodation to cadets aboard ships. India’s shipping regulator, DG Shipping, has now relaxed that by more than half – to 15%.” FAIRPLAY, 28 February 2013, p 29

SHIPBUILDING AND RECYCLING OF SHIPS

ICS slams proposed European recycling regulations - By Liz McMahon and Liz McCarthy “The International Chamber of Shipping has expressed serious concern about proposals being considered by the European Union for a regulation on ship recycling. At its board of directors meeting in London, the ICS said the regulation being considered by the EU Parliament risked undermining the International (Hong Kong) Convention for the Safe and Environmentally Sound Recycling of Ships, adopted by the International Maritime Organization in 2009. The EU proposals include a fund to which operators of EU-flag ships would have to pay to ensure that their vessels were recycled to EU standards, rather than those agreed by governments at IMO. “The ulterior motive of the European Parliament seems to be a wish to create work for ship-recycling facilities in Europe,” the ICS said.” LLOYD’S LIST, 7 February 2013, p 1

Who pays the piper? - By Liz McCarthy “A ship-recycling fund, used to improve or set up new facilities, has been debated at length since the Hong Kong Convention was adopted in 2009. There is much disagreement on why it is needed and who should pay into the pot. Shipowners and operators do not want to pay to create recycling facilities, as they do not pay for shipbuilding or repairyards, they argue. Shipowners have little incentive to pay for recycling facilities. They can easily and legally circumvent European waste-management regulation by flagging out ships being sold for demolition and make good money from selling their old ships for scrap to facilities based in countries outside the Organisation of Economic Co-operation & Development.” LLOYD’S LIST, 7 February 2013, p 1

Shipowners blast recycling move by European Union – By Adam Corbett “The International Chamber of Shipping thinks Europe is trying to go against an international convention on recycling because it wants to develop its own breaking business. Shipowners have accused the European Union (EU) of putting the Hong Kong International Convention on the Safe and Environmentally Sound Recycling of Ships Convention (Hong Kong Convention) at risk by trying to adopt its own rules. The International Chamber of Shipping (ICS) said it believes that a proposal for regional legislation, which contradicts the Hong Kong Convention, now under consideration by the European Parliament is intended to foster a European shipbreaking business.” TRADEWINDS, 8 February 2013, p 9

Poor design? - By Janet Porter “Industry gossip that the world’s most famous containership may have to be scrapped because of the expense of repairing damaged machinery looks totally unfounded. The 15,500 teu Emma Maersk, the first ship in the world of that size, is now being towed to Palermo, where water will be pumped out of its flooded engineroom. Only then will inspectors be able to see what needs to be done to return the ship back into service. That also will be when surveyors start to consider whether the broken stern thruster that caused the deluge was a freak accident, or a structural flaw. Emma Maersk’s seven sisterships have been ordered to stop using their stern thrusters until that becomes clear. If the accident was the result of defective design, that will be an embarrassment for AP Moller-Maersk, for the eight E-class ships were conceived and built by the group’s former Odense Steel Shipyard in Denmark.” LLOYD’S LIST, 19 February 2013, p 2

Industry wins stay on EU recycling regulation “Europe’s own recycling regulation, aimed at interim provision prior to ratification of the Hong Kong Convention, was due to be passed this week but has been stalled by powerful resistance from industry. Shipping interests have said the original legislation, created by the European Commission, accurately reflected the IMO’s Hong Kong Convention regulation but was changed significantly when passed to the European Parliament. “We agree with most of the commission’s regulation but additions made by parliamentarians do not fulfil the requirements for clean recycling. On the contrary, these additions could stop recycling countries from ratifying the Hong Kong Convention, then we won’t have a global regime and things will remain as they are,” Alfons Guinier, secretary-general of the European Community Shipowners’ Association (ECSA), told Fairplay.” FAIRPLAY, 21 February 2013, p 29
Sparks fly as P&I clubs reject ship scrapping cover – By Jim Mulrenan “Protection-and-indemnity (P&I) clubs may be heading for a new conflict with Europe over efforts to make them foot the bill for greener and safer ship scrapping. European legislators and regulators are being told to think again about the clubs providing end-of-life insurance for ships to fund improved demolition standards. The International Group (IG), the organisation linking the 13 leading P&I mutuals, is warning that insurance for recycling ships is very different from the liabilities currently covered by the clubs. The mutuals are opposed to moves to involve them in funding vessel demolition and are particularly against a European Parliament proposal to extend provisions of the third maritime-safety package and the related insurance directive to require a recycling plan to be included on a ship’s insurance certificate.” TRADEWINDS, 22 February 2013, p 42

Why vessel recycling is different to wreck removal – By Jim Mulrenan “The protection and indemnity (P&I) clubs pick up the bill for most of the wreck-removal operations that are carried out around the world but this is crucially different to paying for ship demolition, although there may be some similarities in what physically happens. Providing casualty cover — including wreck removal — amounts to insuring a fortuity, whereas ship demolition is not the result of ships running aground or bumping in the night but rather a usual and inevitable outcome of ships becoming too decrepit to be profitably traded. So recycling insurance has more in common with life assurance or funeral-expense cover for vessels and the P&I clubs do not see themselves as being in this business.” TRADEWINDS, 22 February 2013, p 42

Scraping celebrates a record-breaking 2012 - By Liz McCarthy “Despite having been a year that owners and operators prefer to forget, 2012 was very successful for the ship recycling industry, which expects this year to prove fruitful too. The volume of ships sold for scrap in 2012 broke the previous record of 44m dwt set in the mid-1980s to reach a staggering 59m dwt, according to Braemar Seascope, the broking arm of Braemar Shipping Services. Combined with the tonnage dismantled since the shipping downturn began in 2009, the past four years has seen 166m dwt leave the global fleet for recycling, almost as much as the previous 10 years put together. The 37m dwt of bulk carrier tonnage broken in 2012 was greater than the total 36m dwt of vessels of all classes scrapped in 2009. Although the broker does not expect volumes to match the dizzy heights of 2012, they still expect 2013 to be the second-largest year for demolition volumes on record.” LLOYD’S LIST, 28 February 2013, p 2

A final flag of convenience - Liz McCarthy “Tuvalu hit the shipping headlines last year when a significant proportion of NITC’s fleet temporarily reflagged to the tiny South Pacific island nation after European Union and US sanctions forced major registers to cut their ties with Iranian companies, writes Liz McCarthy. A less well-known fact is that of the 1,414 vessels dismantled last year, Tuvalu — run out of a Singapore office — was the 10th-largest flag of choice for last voyages. Lloyd’s List Intelligence vessel tracking data shows that 34 ships flew its flag en route to the demolition yard. The scraping list is dominated by the world’s major-league flags of convenience. Unsurprisingly, ships flying the Panama flag —the largest register globally — accounted for a quarter of all ships sailing to demolition centres, at 352 ships. A notable drop-down in volume was Liberia, in second place, accounting for 8% of demolition candidates’ last flags.” LLOYD’S LIST, 28 February 2013, p 4

Four years on, the Hong Kong Convention has no signatories - By Liz McCarthy “As the ship recycling industry approaches the fourth anniversary of the Hong Kong International Convention for the Safe & Environmentally Sound Recycling of Ships 2009, it is of little surprise to those in this sector that there are still no signatories. The last of six sets of guidelines that make up the International Maritime Organization’s convention were finalised at the 64th Maritime Environmental Protection Committee in October 2012, and very soon after senior implementation officer Nikos Mikelis announced he was retiring from the UN’s shipping body. Many in the industry believe it is a great shame, as Dr Mikelis fought hard for the adoption of the convention and was often seen as the mediator between those at the coalface of recycling in the Indian subcontinent, where 70% of global volumes are dismantled, and the western organisations pushing for improved standards at facilities. With no confirmed direct replacement for Dr Mikelis, there is concern in the ship recycling industry that the momentum built up over the last few years will be lost.” LLOYD’S LIST, 28 February 2013, p 8

What are the details of the Hong Kong Convention? - By Liz McCarthy “The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 aims to ensure that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health and safety and to the environment. Entry into force criteria The convention is open for accession by any state. It will enter into force 24 months after the date on which 15 states, representing 40% of world merchant shipping by gross tonnage, have either signed it without reservation as to ratification, acceptance or approval or have deposited instruments of ratification, acceptance, approval or accession with the International Maritime Organization secretary-general. Furthermore, the combined maximum annual ship recycling volume of those states must, during the preceding 10 years, constitute not less than 3% of their combined merchant shipping tonnage.” LLOYD’S LIST, 28 February 2013, p 8
Industry split over Brussels’ moves to regulate recycling - By Liz McCarthy  "Earlier this month, the International Chamber of Shipping voiced concern about the European Commission’s proposal to regulate ship recycling, saying that it could undermine the International Maritime Organization’s Hong Kong Convention. The ICS’ main gripe was the proposal for a fund that operators of European Union-flag vessels would pay into to ensure their ships were recycled to EU standards at the end of their working life.

“The ulterior motive of the European Parliament seems to be a wish to create work for ship-recycling facilities in Europe,” the ICS said.” LLOYD’S LIST, 28 February 2013, p 9

Chittagong is changing its ways - By Liz McCarthy  “The last four years have been a boom period for ship recycling, but for Chittagong breakers at the heart of Bangladesh’s demolition industry it has been a rollercoaster ride. Just as volumes really started to pick up in 2009, attempts by non-government organisations and the Bangladesh Environmental Lawyers Association to shut down alleged environmentally unfriendly working practices were successful. Fast forward to 2013 and Bangladesh’s yards are openly and proudly talking about the changes they have made over the last two years. The government recognised shipbreaking as an industry in 2011 and under the Ministry of Industries, guidelines were drawn up to regulate and enforce minimum acceptable standards across Chittagong. “Change is always difficult. Initially it proved difficult for everyone to understand what was needed,” explains PHP Ship Breaking & Recycling Industries director Mohammed Zahirul Islam. However, like many other breakers in Bangladesh with regulation in place there is relief that the uncertainty that blighted the industry between 2009 and 2011 is over.” LLOYD’S LIST, 28 February 2013, p 11

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SHIPPING

London flexes its muscles as premier maritime hub - By Janet Porter  "London business leaders are joining forces to reinforce the capital’s position as one of the world’s pre-eminent maritime centres with an unrivalled breadth and depth of skills. A fresh effort to remind the international shipping community just how much London has to offer the industry has kicked off, with top executives from all sectors of the country’s maritime sector meeting international clients and trading partners at an exclusive function on Thursday evening. The City Maritime Dinner, held at Guildhall in the City of London, brought together the industry’s foremost experts, investors and operators with representatives from countries with which the UK shares a strong maritime relationship. Lord Mayor of London Roger Gifford, a banker with ship finance experience, told guests that shipping and related activities “continue to make an immense contribution to our economy and global pre-eminence in business”." LLOYD’S LIST, 1 February 2013, p 5

Gasnor calls owners to LNG bunker table – By Lucy Hine  “Shell’s new small-scale player says the ‘chickens’ have already hatched and it is now time for the shipping sector to get behind LNG as a marine fuel. Aksel Skjervheim, Gasnor’s head of fuel markets, said: “There is a need for shipowners and freighters in continental Europe to stand up and say we are ready to go. I think we have past the period of the missionaries and are now into the period of the first movers.”" TRADEWINDS, 1 February 2013, p 27

EU eager to part fund LNG bunker projects – By Lucy Hine  “Parties wanting to develop LNG-bunkering vessels and infrastructure are being urged to apply for European Union (EU) co-funding while the window for applications for the current year remains open. Jaroslaw Kotowski, the project manager for the European Commission (EC)’s trans-European transport network (TEN-T) funding programme, told delegates at the IQPC LNG Bunkering Summit this week that a budget of EUR 250m ($339m) is available under TEN-T’s ports-funding scheme — and that, to date, three studies on LNG and one works project had been part-funded through this. For LNG projects that fall into this category, the EC can fund 10% of works or 50% of studies. Submissions for the next round of funding remain open until the end of this month. Under the EC’s “Motorways of the Sea” (MOS) scheme, which is directed at finding transport solutions for large volumes of cargo, there is EUR 80m for maritime related projects.” TRADEWINDS, 1 February 2013, p 27

Islamic finance is not just for Muslims - By David Osler  "Islamic finance is not just for Muslims; in the last few years, banks from non-Muslim countries have put up the money for sharia-compliant deals, while English companies, for instance, have issued the so-called Islamic bonds known as sukuk. The Islamic finance market is worth anything up to $1.5trn, according to industry estimates. Several dozen ships have been financed through Islamic techniques, although so far their use has been confined to shipping companies from the Muslim world. However, given the shortage of liquidity from traditional lenders and the funds available, particularly in the Middle East, it may be only a matter of time before a European or
North American owner signs up for an Islamic finance deal. Some are likely to have already considered such a move." LLOYD'S LIST, 4 February 2013, p 9

Last Word: Sista Aramco "The house of Saud is getting nervous about its long-term future. The ruling family is investing its petrodollars in infrastructure and civil society programmes to keep the people happy two years on from the Arab Spring that ignited revolutionary fervour across the region. Now, Saudi Arabia's national oil company Saudi Aramco has pledged to fund 250 projects to be launched and run solely by women, according to local Arab media. Although the details are vague, the idea is to train women during the next six months to own and run small projects, part of Saudi Aramco's commitment to social responsibility. The move is seen by many as part of the gradual transformation of deeply conservative Saudi society." LLOYD'S LIST, 4 February 2013, p 12

UK exit from Europe will threaten shipping - By Janet Porter "Britain's increasingly confident and vocal maritime industry is warning of the threat to business should the country quit the European Union, with UK Chamber of Shipping president Helen Deeble stressing that the advantages of membership far outweigh the drawbacks. Addressing the chamber's annual dinner on Monday evening, Mrs Deeble said the single market had allowed for unprecedented growth in trade, with no one having a clear idea of the consequences if Britain decided to leave the EU. She was speaking a few days after Prime Minister David Cameron had promised to hold a referendum on membership, possibly in 2017, following pressure from some of his own party." LLOYD'S LIST, 5 February 2013, p 2

Last Word: London calling "Another annual event is likely to be squeezed into the already packed calendars of London's shipping industry leaders following Thursday night's inaugural City Maritime Dinner hosted by the Lord Mayor of London. That brought together nearly 100 of the most influential men and women in the business. Together, they represented virtually every shipping organisation or association located in the capital, from the International Maritime Organization and Maritime London to the Baltic Exchange, International Chamber of Shipping, Intertanko, the UK Chamber of Shipping, International Association of Classification Societies and many more. As the Lord Mayor, Roger Gifford, told the movers and shakers of Britain's vibrant maritime industries, London is one-stop shop for the international shipping community. That, of course, was a message for the converted, but one the maritime fraternity needs to keep reminding the government and each new shipping minister." LLOYD'S LIST, 5 February 2013, p 2

Achieving consistent training – By Richard Speight "Ensuring consistency of training is a key question for companies recruiting staff from around the world. The Stena Association of Maritime Institutions (STAMI) is cooperating on joint projects linking maritime schools around the world." SEAWAYS, February 2013, pp 25-26

UK pledges to co-ordinate maritime policies - By Janet Porter "The UK government is promising a more co-ordinated approach to maritime policy in place of the sometimes disjointed thinking that has frustrated the shipping industry for years. Top-level efforts are under way to ensure that government departments involved with maritime activities ranging from ship operations, professional services, ports and offshore energy, to equipment manufacturers, maritime training, fisheries and leisure craft, work together rather than independently. This was underlined by shipping minister Stephen Hammond on Monday evening when he stressed the need for more co-operation and communication between ministries. Addressing the UK Chamber of Shipping's annual dinner, Mr Hammond acknowledged that “a more joined-up way of thinking” was required from government to create a cohesive maritime policy." LLOYD'S LIST, 6 February 2013, p 2

Tasneef to partner with RINA "Newly founded United Arab Emirates classification society Tasneef and Italy's RINA announced on 14 January that they had formed a partnership. The aim is to develop Tasneef's international activities. It is working with RINA to finalise a portfolio of up to 44 class projects. The projects cover newbuildings and ships in service, as well as support for the UAE flag administration, with thousands of statutory certifications. Abu Dhabi-based Tasneef said it chose RINA as its development partner on the basis of its proven competence and the positive experience the UAE has had in working with it on naval shipbuilding." FAIRPLAY SOLUTIONS, February 2013, p 6

US expansion for ClassNK "Japanese classification society ClassNK is expanding its services in the US to meet growing demand, it was reported on 11 January. In December the US Coast Guard (USCG) granted the class society ‘expanded authorisation’ to carry out a full range of surveys for the SOLAS, MARPOL, and AFS conventions, as well as ISM audits on behalf of the US flag administration, ClassNK noted. This recognition “now makes it possible for ClassNK to issue a wide range of certifications for US-flagged vessels in every part of the industry”, it said. It means ClassNK is now authorised to carry out statutory surveys on behalf of a total of 106 flag administrations.” FAIRPLAY SOLUTIONS, February 2013, p 7
Greek shipping still number one, says Veniamis - By Nigel Lowry "The leader of Greece's shipowners, Theodore Veniamis, has given an upbeat assessment of the industry’s performance in international seaborne trade and efforts to help Greece through its economic and social crisis. According to the UGS, Greek owners had about 15.6% of the world fleet, including almost 23.6% of the world tanker fleet and 17.2% of dry bulk capacity. At the same time, the “consistent contribution of shipping to the Greek economy” was routinely downplayed in its own country, Mr Veniamis said. Recent figures showed that in 2009 shipping directly or indirectly created €13.3bn ($17.8bn) in added value, equivalent to 6.1% of gross domestic product, as well as benefiting 200,000 jobs. But the potential was for far more, he said." LLOYD’S LIST, 11 February 2013, p 2

What will 2013 hold? “In a wide ranging report, BIMCO has forecast growth in the shadow of the tonnage overhand. While there is some optimism that the worst of the global downturn is now behind us, a perceptive economic analysis published by the organisation outlined the challenges facing the main shipping sectors on account of the excessive supply of ships.” TANKER OPERATOR, Jan/Feb 2013, p 4

Meeting the demands of an increasingly regulated industry – By Soren Meyer “For the past 18 months, there has been much debate about sulphur emissions regulations. For example, what the effects of these requirements will be, how likely they are to be enforced and how we can realistically meet these environmental and operational demands in tough and economic conditions. The implementation of the North American Emissions Control Area (ECA) in August 2012, plus the subsequent supply and demand challenges has highlighted the importance of readiness and of having a robust fuel procurement plan in place. It also showed the benefits of shipowners and operators working together with their fuel suppliers to ensure compliancy to gain value in the most cost effective and efficient way.” TANKER OPERATOR, Jan/Feb 2013, pp 8-9

IACS membership falls to 11 if GL and DNV merger goes ahead - By Liz McMahon "If the forthcoming merger goes ahead between Det Norske Veritas and Germanischer Lloyd there will be only one place for them at the International Association of Classification Societies' table, chairman Tom Boardley has confirmed. Speaking at a Lloyd’s Market Association lecture at Lloyd’s, Mr Boardley said that if the merger overcame any regulatory and competition hurdles and was approved, the firms would need to decide who would remain in IACS as there was only one membership available to the merged firm. This will mean the number of societies within IACS will drop from 12 to 11 and the association may feel the knock-on effects in terms of incoming funds." LLOYD’S LIST, 14 February 2013, p 2

Trade makes shipping ‘critical’ to sustainable future - By Nigel Lowry "Shipping should not fear the challenge of operating more sustainably but still needs to get its act together, according to leading environmentalist Jonathon Porritt, one of the driving personalities behind the Sustainable Shipping Initiative. “Change is not detrimental to the fortunes of the industry,” said Mr Porritt in an interview with Lloyd's List. “Practically everything that needs doing has a cost reduction element and the challenge is then how to get that on to your company's P&L,” he said. Mr Porritt said shipping was “strategically critical” to hopes of a more sustainable economy and a chapter would be devoted to it in one of the environmentalist and author's upcoming books.” LLOYD’S LIST, 15 February 2013, p 11

Opinion: China saves its best fireworks for the global trading arena – By Terry Macalister “The decision by neighbouring North Korea to detonate a third nuclear bomb has sent military tension soaring in an area where China and Japan have already been rowing over various competing sovereignty claims. But the bigger seismic shock waves were felt in Washington and that came from formal confirmation that China is now the undisputed leader when it comes to the global trading of goods. Jim O’Neill, the outgoing head of asset management at Goldman Sachs said “For so many countries around the world, China is becoming rapidly the most important bilateral trade partner,” he told Bloomberg this week. “At this kind of pace by the end of the decade many European countries will be doing more individual trade with China than with bilateral partners in Europe.” That would have huge implications for shipping.” TRADEWINDS, 15 February 2013, p 11

Waiting for leadership - By Tom Leander "It is hardly shocking news that China is the world’s lead nation in shipping. China has got there because of its astonishing three-decade journey that will culminate, probably sooner than later, in the nation becoming the world’s largest economy — a feat that has never before been accomplished at such speed. It is the sheer volume of trade that has made China so important to shipping. In this respect, China has been very different to Greece or Norway, relatively small nations that have embraced and excelled in shipping as a business of global free enterprise. It is accurate to say China supplies the business to keep the industry rolling, but not the market leadership that would win it imitators. What is missing from China’s leadership in global shipping is business leadership. It defies common sense that the nation’s shipping companies will not be ascendant here, too. But first they will have to try.” LLOYD’S LIST, 18 February 2013, p 2
China consolidates role as global financier - By David Osler "China is now an important force in global ship finance, only a few years after it first began to strike deals with Western shipowners, and is openly aiming to get bigger still. The country's government has the declared ambition of building Shanghai into an international finance and maritime centre, stronger even than Hong Kong, by 2020. What Beijing wants, Beijing usually gets, and there has already been considerable progress towards that goal. Stringent banking secrecy makes the overall total lending impossible to quantify, although the evidence is that the volume of deals is up significantly, albeit from a low base. Figures from Athens-based research consultancy Petrofin that lump together the Far East and Australia suggest the aggregate regional shipping book has grown from $66.4bn in 2010 to $93bn in 2012, an increase of over 40% in just two years. There is little doubt that China is responsible for the bulk of the surge. However, experts suggest it cannot really storm the global stage until it allows foreign firms to list on its stock exchange, gives foreign investors greater access and introduces a fully convertible currency." LLOYD'S LIST, 18 February 2013, p 9

IFC eyes larger presence in ship and port financing - By Max Lin "The World Bank’s private-sector funding arm, International Finance Corp, plans to increase its presence in shipping, with a focus on port projects and a possible foray into financing eco-friendly merchant vessels. With a shipping portfolio of around $1.3bn, IFC has traditionally been more involved in arranging syndicated loans for port developments and in lending to niche shipping markets, such as barge and river shipping. It has not focused on funding containerships, bulkers and tankers. However, since many commercial banks have shied away from shipping, the financier — backed by some 180 national governments — is taking a more pro-active approach to fill the gap. Moreover, IFC could ramp up its support for owners required by incoming International Maritime Organization conventions to adopt eco-friendly, fuel-efficient ship technology in the coming years." LLOYD'S LIST, 19 February 2013, p 1

Shipping crisis threatens German banking system - By David Osler "German shipping is in “deep crisis” and financiers’ three-digit-billion-dollar exposure to the sector represents “a significant regional and sectoral risk” for the German banking system as a whole, one of the country’s top central bankers has warned. The banker dropped a veiled hint that financial institutions should get tough on owners, arguing that while the current low interest-rate environment seemingly provides incentives to postpone balance sheet adjustments, this course should not be indulged. Andreas Dombret, a German-American who sits on the board of the Deutsche Bundesbank, made his remarks in a speech in Hamburg on Monday night. The speech is available on the BuBa website. With the collapse of the world economy since 2008, freight rates have plunged to unprecedented depths, and this decline is still not over, Mr Dombret stated." LLOYD’S LIST, 20 February 2013, p 1

Could Obama’s bucket of cash benefit shipping? - By Rajesh Joshi "The US president has announced a Partnership to Rebuild America, but the role of private capital has been left vague. A minor detail went largely unnoticed in President Barack Obama’s State of the Union address last week, but both its context and content are pregnant with tremendous possibility. Declaring that US businesses “need modern ports to move our goods” — a tacit acknowledgement of the ramshackle condition of many of these facilities today — President Obama announced a Partnership to Rebuild America, in which he pledged to invite “private capital” to participate. “[I want to] make sure that American taxpayers do not shoulder the whole burden,” Mr Obama said.” LLOYD’S LIST, 20 February 2013, p 8

Arctic circle "China wants to become a permanent observer to the Arctic Council, joining members Canada, Russia, Denmark, Norway, the US, Sweden, Finland and Iceland and six permanent observers, all from Europe. China’s engagement should be welcomed. The council is the body developing the region’s political roadmap, which also makes it the forum to press and negotiate territorial claims. International talks persist over some unclaimed Arctic areas, Russia, the US and other Arctic council members laying claim to sea bed areas that may be rich in resources. China has been strengthening its northern presence with mining and energy investments in Greenland and northern Canada. The Arctic Council is also focusing on policies to ensure the north’s environmental stability and safeguarding its indigenous people, while allowing the development of some industrial activity focused on the mineral resources that, because of the melting ice, are becoming reachable.” LLOYD’S LIST, 21 February 2013, p 2

World’s largest registry UPS safety profile – By Eric Martin "Efforts to boost the status of Panama’s shipping flag by pushing for a younger age profile is producing dividends but has not prevented the country from losing market share. The Panama Registry was once on the Paris Memorandum of Understanding (MOU)’s black list but international shipping bodies now view it as having shed its negative reputation. Not content to keep the black eye, the Panama Canal Authority (ACP) worked to climb its way up the performance ladder by culling substandard ships from the flag and improving the registration profile, after consultations with the Paris MOU. “Now it is clearly up in the ranks of a respectable flag. It’s not
Bye-bye bankers? - By David Osler  "A number of traditional shipping banks have substantially downsized their shipping exposure in recent years, and Commerzbank is even planning to exit the sector altogether. One expert recently publicly likened the chances of most shipowners securing a mortgage to their chances of winning the lottery. That was the debate before the house at a recent gathering of the International Maritime Industries Forum, an informal lunch club for shipping people that meets irregularly in London. Alan McCarthy, a consultant with financial adviser Eurofin said: "That’s shipping, it’s cyclical. What we do know is that the shipping cycle will inevitably turn around at some point in the future and we might even be seeing signs of that happening right now. The banking crisis may even prove objectively helpful, by putting a cap on newbuildings being ordered." LLOYD’S LIST, 25 February 2013, p 9

Cexim stands by $3bn ship finance target for 2013 despite credit risks - By Max Lin  "The Export-Import Bank of China has maintained its target of increasing lending to shipowners by more than 40% this year from the 2012 level, despite rising credit risks, in a drive to promote high-value, hi-tech shipbuilding at Chinese yards. Speaking at an industry event, Cexim’s president of its Shanghai branch Li Li said the state-backed policy bank expected to raise lending to owners to $3bn this year, against last year’s level of $2.1bn. The figures, which did not include direct lending to yards, ports and logistics firms, were fluctuating between $1.8bn-$1.9bn per annum during 2009-2011, but the Chinese government has since moved to ramp up its support for domestic yards that provide employment opportunities.” LLOYD’S LIST, 26 February 2013, p 3

BIMCO opens office in Shanghai - By Max Lin  "BIMCO has become the first of the round table of international shipping associations to establish an office in China, underscoring that country’s expanding power in shipping, writes Max Tingyao Lin in Hong Kong. The opening of BIMCO’s Shanghai office will help the Copenhagen-based organisation to serve Chinese members better and boost contacts with the country's regulators and decisionmakers, said secretary-general Torben Skaanild, who described the move as “only natural”. China, the world’s fourth-largest shipowning nation and a top shipbuilder, will enhance its maritime development with BIMCO’s networks in the European Union and with the International Maritime Organization, said BIMCO president Yudhishthir Khatau." LLOYD’S LIST, 26 February 2013, p 4

Last Word: Whale to go  "Japanese whaling is now so strapped for cash that only taxpayer subsidies are keeping the bankrupt industry afloat, according to a new report from anti-whaling campaigners. Anti-whaling charity the International Fund for Animal Welfare claims that the traditional Japanese industry is “dead in the water” following a sharp drop in the country’s consumption of whale meat. Research suggests that Japan now eats only 1% of the whale meat it consumed during the peak demand years of the 1960s, when blubber provided a vital source of protein. The country has a stockpile of unsold whale meat of nearly 5,000 tonnes, a fourfold increase over stocks held in the late 1990s. IFAW claims that Japan subsidises whaling to the tune of ¥782m ($8.4m) a year and spent more than ¥30bn propping up the ailing industry between 1987-2012. The report calls on Japan to redirect funds spent on killing whales for so-called research purposes into fledgling eco-tourism projects that could make alternative use of the country's whaling fleet." LLOYD’S LIST, 26 February 2013, p 12

Last Word: Riders on the storm  "Hulls can be turned into double hulls, safety training can be increased, technical improvements in navigation can be implemented; but one factor that cannot be controlled — the weather. Responding to the eye-opening fact that the leading cause of total loss of shipping between 1996-2010 was weather, the Nautical Institute has launched a new publication called Numerical Weather Prediction — A Practical Guide for Mariners. The guide "cuts through the jargon and complexity to provide mariners with the confidence and knowledge to exploit all of the advantages of modern meteorology and to avoid the pitfalls”, says author Huw Davies." LLOYD’S LIST, 26 February 2013, p 12

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