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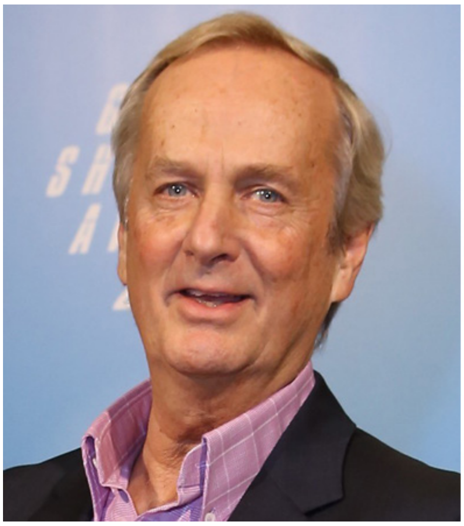
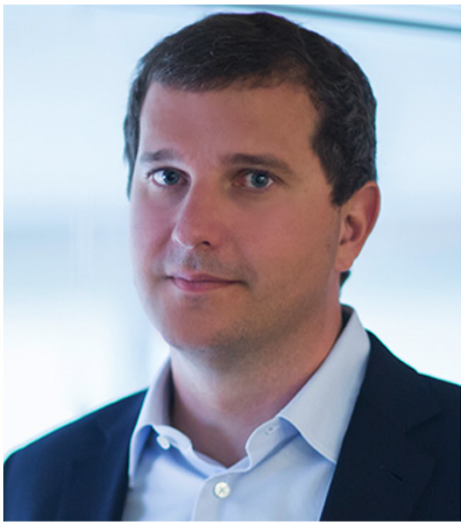
Economou sees Signal alliance as game-changer for tanker pool





THE BUZZ AROUND the 'milestone partnership' announced this week between tanker pools operator Heidmar and Signal Maritime Services has centred on technology, which is natural given the state-of-the-art tools that Signal is bringing to the party.

But the rational for the two sides teaming up is just as much about old-fashioned considerations like consolidation and scale, and – underpinning all these aspects – results, which is the raison d'etre of the pooling concept.

In the first instance the deal, which in stages will hand over the pool operation to Greece-based Signal and eventually see the Heidmar name disappear, will create a pool of more than 30 aframaxes in the crude trades.

Signal takes over, within a one-month transition period, commercial management of 18 aframaxes in Heidmar's Sigma Pool, effectively adding these vessels to 14 aframaxes in Signal's own pool, which was launched in September 2018 and now includes six participants.

"Consolidation is a driving principle," Signal's chief operating officer Dimitris Tsapoulis told Lloyd's List. "But it is worthwhile pursuing how much performance can be aided by technology."

Signal will be expected to use its proprietary technology and analytical capabilities, that are backed by artificial intelligence, to deliver superior results.

Insiders claim that Signal has achieved industry-best, or thereabouts, aframax results for three straight years going back to operation of its own fleet prior to formation of the pool.

"Pooling is a very competitive business," said George Economou, who bought a half-stake in Heidmar in 2008 from Morgan Stanley, two years after the investment bank purchased it from founder Per Heidenreich. The Greek magnate took full control of the pooling company last year, vowing to revitalise it.

He revealed he had "not been happy" with results from Heidmar for a long while, as evidenced by a move to pull his own tankers out of the pools several years ago. His tanker fleet has grown and is currently commercially managed by the group out of London.

Mr Economou has clear respect for the innovative culture and capabilities of Signal, led by Ioannis Martinos who he describes as the "brightest 42 year-old I have seen in shipping worldwide."

But nonetheless, the aim behind the move was crystal-clear.

"It's a simple rationale, not rocket science," said Mr Economou. "We have done this so we can improve the results for existing pool members and attract more members.

"There was nothing that we could do to have the same results with Heidmar because of the company's evolution. Its results are similar to other pooling companies.

"But I'm a very competitive guy and I want to win the game. Ioannis is the same. We want to be the best."

Based on Signal's track record, their management could deliver spot rates of as much as $4,000 per day more than industry averages in the aframax sector, according to Mr Economou. But that was in a low market. In a good market, the differential could rise sharply.

Heidmar has been talking to owners participating in the pools about the change and Mr Economou said that initial feedback had been "positive", adding: "At the beginning people are hesitant but the rational reaction is to wait and see what the results are. I think we will get a lot more members in future."

Meanwhile Signal executives were "excited" by the alliance and "eager" to take up the challenge of demonstrating its abilities to the clients, he said.

While aframax tankers may be Signal's core specialty, the company also includes experience in managing very large crude carriers and suezmaxes. These sectors were covered from the beginning when the group publicly rolled out the Signal Ocean Platform, a tool to aid spot market insight and chartering decisions that has already garnered an impressive list of users among owners, charterers and brokers worldwide.

The deal with Mr Economou also spans the other vessels in Heidmar's operation totaling "about 50 vessels".

In the early stages, Sigma will also be "working with" the Heidmar team to commercially manage the long range two product tankers in Sigma, which currently lists a total of 24 vessels controlled by 11 different participants.

The same goes for the suezmaxes in Heidmar's Bluefin Pool, which currently lists a fleet of 18 units belonging to six partners, and for the VLCCs in the Seawolf Pool, currently numbering five with three different owners, according to the Heidmar website.

These additional tankers are said to be remaining in their existing pool structures, Signal not having its own presence in those market sectors yet. But they are nonetheless expected to "benefit from access to Signal's capabilities".

News of the pairing came as a surprise but is one of those developments that with hindsight seem almost preordained.

Signal has developed a new vision of pooling that uses technology to be more dynamic, more flexible for participating owners who can hop on and hop off more easily, and more equitable in its ability to price in aspects such as positioning.

But despite its stellar initial results, it has hankered after an opportunity to strut its stuff on a larger stage. Meet Heidmar!

Meanwhile, Mr Economou – who will retain a financial interest in the operation – gets the immediate opportunity to scale up again and improve results. Meet Signal!

There are currently eight or nine aframax pools in operation – a crowded field – but the combined Heidmar and Signal fleets will form the largest in the segment if the LR2s, which are mostly trading crude at the moment, are counted.

One major tanker owner who will be closely studying Signal's results over the next year or so and comparing them to his in-house operation is Mr Economou himself.

If the results warrant, rejoining the pool with some of his own vessels is "a possibility", he said.

While the deal with Signal spells the end, eventually, for the Heidmar operation, the transition will not be rushed and it is understood that the rehiring of some Heidmar staff has not been ruled out, although this will depend on Signal's needs.

WHAT TO WATCH

VLCC rates keep most tankers transiting Hormuz

AT LEAST two companies have suspended tanker transits through the Strait of Hormuz in the light of growing tensions in the Middle East.

But so far, the decision of Saudi tanker giant Bahri and Brazil's Petróleo Brasileiro, is the exception, as a spike in tanker rates continues to offer enough incentive to keep others sailing, according to market sources.

At this early stage, the impact on either crude shipments from the region and on rates for operators willing to make the trip remains unclear.

But informed opinion among brokers is that, if anything, the withdrawals will tend to push rates higher still.

Asked if he was aware of anyone likely to follow the lead provided by Bahri and Petrobras, one London-based hands-on tanker broker commented: "No is the short answer. It's one of those things that, if it were going to happen, would have happened already."

A senior figure at a major broking house told Lloyd's List: "There were rumours circulating about a very small number of owners, none of which has been substantiated. The rumours were early yesterday [Wednesday] and the situation is calmer today, so at time of this message, it is a nothing story, in all honesty."

A source at a rival shop said that he was aware of potentially one other owner in addition to Bahri and Petrobras that had said in its own words that it would "rather not" accept a stem in the Gulf, but declined to name it on grounds of client confidentiality.

State-owned Bahri has decided to stop Hormuz transits following Iranian missile strikes on US military bases in Iraq in recent days, according to a report in the Wall Street Journal.

The development may constrain lifting from what remains the world's largest oil exporter, which last saw its output cut following drone strikes on production facilities last September.

The company has been contacted with a request for comment.

Meanwhile, Petrobras' decision has been taken "to avoid sections that pose a risk to the safety of its operations", it said in statement on its website, presumably mindful of the escalation of tensions in the region since the US killing of Iranian general Qasem Soleimani last week.

"Such a change will not have any impact on fuel supply in Brazil. Local developments continue to be monitored and evaluated," it said in a statement in Portuguese on its website.

Richard Matthews, head of research at broker EA Gibson, said that the markets remained calm, as there are no signs of heightened threats against tankers.

"There's been no real change between today and yesterday, and I haven't heard of any other companies not transiting," he said. "There have been no attacks on tankers, or any specific threats to shipping at this stage. I don't think anybody is massively concerned at the moment, although obviously everybody is a little bit more alert."

Andrew Wilson, his opposite number at Barry Rogliano Salles in Paris, said: "The way I see it, when [very large crude carrier] rates are $100,000 per day, owners are willing to take some risks.

"If you have Bahri and Petrobras pulling out — and Bahri is a big one — then the rate is going to go up and owners are going to be willing to take it. That's the way the market is. There's enough storage in the Gulf, so that's not going to be an issue."

The only circumstances in which Mr Wilson can foresee a widespread boycott of the Strait is if a specific threat to shipping is identified.

Rocket attack in Baghdad hits tanker shares

A LATE-NIGHT rocket attack on Baghdad's Green Zone, home to the US embassy in Iraq, wiped out stock market gains for oil tankers in New York on Wednesday afternoon, even as President Donald Trump and Iranian leaders appeared to back away from further confrontation.

News of the attack reversed earlier gains across the market as US stocks rose on Wednesday morning following remarks by Iranian officials and President Trump suggesting that both countries were hoping to de-escalate tensions in the Middle East.

Iran's foreign minister Javad Zarif said his country was not seeking escalation or war after launching 16 short-range ballistic missiles from three locations in Iran on Tuesday night. Eleven of those missiles hit two US army bases in northern Iraq, but no one was killed or injured.

Iran, in a letter to the UN secretary-general and Security Council, called the missile strikes a "measured and proportionate" act of "self-defence" as they targeted US military bases responsible for launching the attack that killed their top military leader, General Qassem Soleimani.

President Trump ordered the drone strike that killed Gen Soleimani at an airport in Baghdad on Friday. The US said Gen Soleimani was responsible for the deaths of hundreds of American troops and was planning future attacks.

In its letter to the UN, Iran said its operation on Tuesday was "precise and targeted military objectives thus leaving no collateral damage to civilians and civilian assets in the area".

Even the US president was unwilling to let the attack lead to any further escalation of hostilities, pointing out on Wednesday morning that no American or Iraqi lives were lost in the incident. He added that the US was "ready to embrace peace with all who seek it".

The Iranian rocket attack on the US bases in Iraq on Tuesday had rattled markets overnight. But by market opening time on Wednesday morning, concerns had eased as investors diminished the chances of a broader conflict.

"The balance of market opinion is that this could be a one-off and the situation may well settle down," Philip Shaw, chief economist at Investec, told The Wall Street Journal.

Earlier in the day, the UAE's energy minister Suhail Mohamed Al Mazrouei had also tried to ease concerns by saying there was no immediate risk to oil passing through the Strait of Hormuz even after Iran attacked the bases in Iraq housing US forces on Tuesday.

On the sidelines of a conference in Abu Dhabi, Mr Al Mazrouei told reporters that the situation did not amount to war and that current events should not be exaggerated.

"We will not see a war," he said. "This is definitely an escalation between the US, which is an ally, and Iran, which is a neighbour, and the last thing we want is more tension in the Middle East."

Still, just hours later shares in Nordic American Tankers, Scorpion Tankers and Teekay Tankers — along with many others — all dropped in price during the closing minutes of trading in the New York Stock Exchange as news broke of the second rocket attack near the US embassy in Baghdad.

All three firms were down more than 5% when the market closed.

Colonel Myles Caggins, a spokesperson for the US-led coalition in Iraq, said in a tweet that "small rockets impacted near Baghdad's International Zone, January 8 at 11:45 pm". The Iraqi joint military command identified the missiles as "two Katyusha rockets".

Katyusha rockets are indeed “small” as described by the US military official in Baghdad, and even the largest of them — the M-13DD — has a range of 12,900 yards or about seven miles. That means it was launched from inside Iraq and not from Iran as the Tuesday attack had been.

While the two Katyusha rockets may not have been fired from Iran, suspicion has fallen on Iranian-inspired militias operating in Iraq — the very sorts of forces that Gen Soleimani had been accused by the US of orchestrating.

Iraqi militia groups have directed their rocket fire against bases hosting American troops in the past. Indeed, the rocket launch which killed a US contractor on December 27, precipitating the current crisis, was the 11th such attack in the previous two months.

Even as suspicions range over a host of culprits, the rocket attack that unsettled the New York Stock Exchange on Wednesday clearly indicates that hostilities between the US and Iran are hardly over.

The late-night attack in Baghdad altered that picture, forcing investors to abandon the belief that hostilities “may settle down”. Investors had no doubt about the meaning of that Katyusha attack in Baghdad, and the adverse effects on tanker shares showed it.

OPINION

The Interview: Kitack Lim

IT IS difficult to deny that a lot has changed over the past four years, especially considering how old this business is.

The slew of new international regulations that have been given the green light will reverberate across the industry for decades to come; since 2016, the International Maritime Organization agreed a 0.5% sulphur cap for January 1, 2020, it adopted — and then partially delayed — the Ballast Water Management Convention, it agreed to explore how it could regulate autonomous vessels and adopted a landmark greenhouse gas emissions strategy.

Sitting down to talk to Lloyd’s List, IMO secretary-general Kitack Lim describes the overview of his first four years at the helm as a success that has left him satisfied.

The South Korean former president of the Busan Port Authority believes the progress he sees has been underpinned by the conscious deployment of certain strategies from the IMO. These include fostering greater communication and collaboration among member states and industry, increasing capacity building for developing countries and engaging in outreach activities.

He also sees improved data management as a central part of his strategy, having pushed for the review and strengthening of the IMO’s database known as the Global Integrated Shipping Information System.

“This will enable us to use data more effectively. Data is critical to how we operate and move forward,” he says.

While these things could all contribute to the way the industry is regulated, Mr Lim’s next four years and perhaps his legacy will primarily be defined by one issue in particular.

The IMO agreed back in April 2018 to several commitments regarding the industry’s greenhouse gas emissions, including to reduce them by at least 50% by 2050 compared with 2008.

This strategy secured plaudits from the world over and has helped to push the industry to act through initiatives, pledges and even concrete regulatory proposals toward this direction.

The hard work, though, has barely begun. As the regulators gathered in London try to deliver a short-term emissions reduction measure to begin with, the other measures they have in mind will be works in progress for years, if not decades, to come.

In the time since April 2019, the IMO has at times been frustrated by slow, drawn-out talks and has been criticised for not acting quickly enough.

Like other industries, combating climate change on an international level is a highly political endeavour and one of the central points of contention will be the different burden developing and developed countries should carry.

The problem may become especially acute as discussions about emissions-reducing measures heat up and governments try to assess potential impacts on different countries.

As the secretary-general, Mr Lim does not decide on what governments should do. Nor is he expected to support one measure over another.

But he will bear much of the weight of keeping the strategy intact and bridging the anticipated differences between the various sides in this argument.

"The UN says, 'no one left behind'. I know the sentiment of developed countries. I know the sentiment of developing countries. I want to connect both sides," he says.

The last year of his tenure, 2023, is also the year the IMO will revise its GHG strategy. That date, though still distant in terms of the progress the IMO and its members have to make by then, is not lost on Mr Lim.

"By 2023, we have to finalise GHG. At any cost, we have to finalise. If the IMO does not finalise, it will be a burden to the IMO and a burden to myself," he says.

Research and development will be necessary to develop alternative fuels. The IMO is encouraging contributions and collaboration, something which Mr Lim acknowledges will cost a lot of money and effort.

All this pressure on the IMO will be going on as it works against the shadow of interference from the European Union; the European Commission and the European Parliament want to regulate shipping's emissions, a move the shipping industry strongly opposes.

An outspoken critic of the move in the past, Mr Lim has recently warned against undermining progress at the IMO and insists it has progressed sufficiently.

Whether he will be able to convince EU regulators and governments that progress is enough to restrain the urge for EU action amid a reinvigorated political drive in Brussels will be one of his major challenges in 2020.

"As always, I would reiterate that global regulations are essential for the international shipping sector. This has always been the key message emanating from IMO," he says.

Avoiding a chaotic delay

Making the IMO's case in the face of a backlash is hardly something unfamiliar to him.

Mr Lim spent a considerable part of the past three years pushing the message that the January 2020 0.5% sulphur limit would not be delayed. Promoting the sulphur cap date came amid calls for it to be put on hold. There were, at times, confident — yet usually private — speculation that it would be postponed.

His organisation did not make life easy for itself. In the summer of 2017, it offered a partial two-year reprieve on compliance with the Ballast Water Management Convention, raising questions about the IMO's ability to stick to its own deadlines and offering hope for many in the industry that the same would happen with the sulphur cap.

It didn't. The diplomatic shutdown of a 2018 proposal for an experience-building phase all but ended the potential for some kind of phasing-in of the new rules.

Nonetheless, as dissenting voices appeared to subside, Greece, one of the most important of maritime nations, suggested delaying the sulphur cap rule, in late November.

Stated fears about the global availability of compliant fuel oil, especially pertinent for tramp sectors, the compatibility of new compliant fuels and their safety implications for crew continued to come up throughout 2019 from certain corners of the industry.

Among the powerful voices stressing the dangers of the regulation was the Union of the Greek Shipowners, which is one of the most influential lobbies in the business. Joining in with the dissent was Intercargo, the global dry bulk association, which has a strong Greek presence. The Greek government also made protestations.

Mr Lim accepts that there are still safety, availability and quality issues. In the early days of the regulation taking effect, he expects challenges in implementation.

But postponing the sulphur cap was not an option.

"I know a lot about the sentiment of the Greek shipping community. But we couldn't change it [the date]," Mr Lim says.

He says he informed the Greek authorities directly that there was no way the regulation could be postponed, on either legal or procedural grounds.

"If we postponed, it would have been chaos," he claims.

In the face of continued concerns about the implementation of the 0.5% limit, Mr Lim says his secretariat put in an extraordinary effort in 2019 to assist member states and the industry with outstanding questions.

He says he sympathises with shipowners who are confused about what technologies to invest in and how to comply with all the incoming environmental regulations.

He believes, however, that he has helped to eliminate some of that uncertainty. He has tried to do this by working with external partners, such as the International Standardisation Organisation and the International Energy Agency.

There will be tremendous public scrutiny surrounding the implementation of the 0.5% sulphur cap this year. Shipping industry observers will be keen to find out the extent to which these fears were accurate or inflated.

Governments continue to lag on casualty reporting

Environmental regulation will certainly be among his biggest priorities in the IMO's next four years. But Mr Lim will urgently have to address an especially worrying trend relating to gaps in the way serious accidents are being reported. This rise in the failure to submit mandatory reports is something he has already pledged to reverse.

An investigation by Lloyd's List earlier this year showed that flag states have submitted less than 50% of mandatory reports relating to very serious casualties that have occurred over the past five years. The secretary-general told Lloyd's List he wants to raise that to more than 80% by 2022.

Work on safety, which has been the IMO's traditional point of interest, will also need to continue elsewhere in tandem with stronger environmental policy.

In 2017, the IMO adopted the Polar Code. This sets out rules for ships voyaging through the Arctic. But Mr Lim believes there has been little attention paid to the region since and that the IMO needs to do more.

"We developed the IMO Polar Code, but we have to know more about the Arctic," he says.

Elements that require a closer look are regional rescue operations and combating issues relating to pollution, as well as the conditions of the seafarers working there.

He anticipates that in 10 years' time there will be two, perhaps even three, times the number of vessels than there are in the region today.

"We have to look at the safety aspect of the Arctic more comprehensively," he says.

He is also targeting greater collaboration with the port industry and wants to promote information sharing, to enable the development of harmonised single windows.

Recent regulatory changes from the IMO have made it mandatory for ships and ports to exchange data electronically, preferably through single windows, according to the secretary general.

"In the years to come, I believe this will help ships pass more efficiently in and out of ports from the administrative perspective, something the IMO has been increasingly keen to support and promote," Mr Lim says.

ANALYSIS

Forwarders frustrating box-owning benefits

FREIGHT forwarders are failing to support shippers wishing to use their own containers, despite the benefits the option provides, according to a new report from container repositioning service Containers xChange.

"Shipper-owned containers are the fastest growing container market segment, with a compound annual growth rate of 15.8% between 2014 and 2015, and account for $11bn of carrier revenue," the report said.

"However, due to difficulties in handling SOC shipments operationally, only 18% of the 50 largest freight forwarders have been able to offer SOC containers."

SOC shipments allow shippers to use their own containers instead of those of the forwarder or carrier.

Among the benefits of SOC are equipment availability, access to less well-served locations and the avoidance of detention and demurrage charges when using carrier-owned containers beyond the contracted free time.

Shipper-owned containers can be used for storage at a destination without concerns about returning them on time, and where there are delays in trucking or unpacking containers, charges of $300 to $400 per day can be avoided.

In an effort to assess the scale of the issue, Container xChange set up two test companies for a mystery shopping exercise. Requests were sent to 50 freight forwarders seeking information on shipments from China to Hamburg.

The first asked for delivery of 50 containers ex-Guangdong for pulp and paper products that needed storage inside the containers for 45 days in Hamburg.

"Without carrier-owned containers that would cost us approximately $200,000 in demurrage and detention charges," the report said. "Companies being aware of SOC containers should advise us to use SOC containers to avoid these tremendous charges."

Of the 50 companies asked to quote, only half responded. Of those that did offer a quote, three quarters were not for SOC services and included detention and demurrage.

A second test specifically asked for quotes for SOC transport. In this instance, positive replies came from under a fifth of respondents and only three could offer SOC shipments.

But the cost of SOC shipments was high, the report added.

"One included a SOC surcharge of $100 per containers, another company would have charges us a $1,200 pickup charge per container."

It added that because 42% of companies responded at all indicated they did know about SOC shipments and the potential benefits, but would still not take the business, the report added.

Organising SOC shipments can be difficult and can take weeks. Finding and vetting partners, setting up legal agreements, negotiating, sending emails back and forth for pick-up references all meant that managing SOC shipments was complicated.

Aggravating this, freight forwarders need an NVOCC licence to issue their own House Bill of Lading to their customers, which is expensive if only used for project business.

"Compared to the full-service offer when using carrier-owned containers, SOC shipments require a strong agent network to, for example, have someone in the drop-off location with pickup reference to get your containers out of the port," the report said.

The result was that forwarders would only offer SOC shipments for large volumes or for their best customers.

To solve the problem and make SOC shipments more readily available, the report recommends a greater use of technology and industry platforms to reduce the overheads in organising shipments.

"Recent studies confirm a huge platform interest," the report added.

"The first timid attempts of data standards by the Digital Container Shipping Association and platforms as connectors between different stakeholders support decrease transaction costs between companies even further. For the SOC market this means that technology providers create transparency to make the sourcing of equipment and the managing of deals less complicated."

Cargill shipping unit reaps benefit of planning ahead

GLOBAL commodities trader Cargill says its ocean transportation business has benefited from "its readiness" for the low-sulphur cap regulations that came into force on January 1.

The shipping unit said it "prepared extensively for two years" to make sure its chartered fleet of more than 600 vessels were fully compliant before the implementation date.

To achieve this, it maintained a "close dialogue with shipowners, ensured ship-by-ship implementation plans, secured compliant fuel from reputable suppliers at key ports across the world, and installed exhaust gas cleaning systems" on some of its vessels to be able to burn the high-sulphur fuel in authorised geographical zones, it said.

"Cargill has taken a portfolio approach to compliance because there is no single solution for complying with the new regulation," it says, adding that it is using compliant fuels for the majority of its chartered fleet.

Cargill also says that as the new regulation came into force, compliant fuel prices spiked.

"We will manage the risk of higher fuel prices by continuing to secure contracts with reputable fuel suppliers, hedging our exposure and maintaining a portfolio approach," it said, adding that it has done a "good job navigating external events".

The ocean transportation business is part of Cargill's industrial and financial services segment, which provides Cargill customers and the company with physical products and risk management in energy, metals and ocean freight, and offers asset management products and services.

IN OTHER NEWS

Pavilion Energy completes Iberdrola acquisition

TEMASEK-BACKED Pavilion Energy has retained the former head of Iberdrola's global gas business to oversee its newly launched operations in Europe.

At the start of this year the Singapore-based energy player completed the acquisition of Iberdrola's liquefied natural gas and gas assets.

José Simón who formerly headed up the global gas business, has been appointed managing director of Pavilion Energy for Europe.

China Merchant Energy Shipping takes $500m in shares offer

CHINA Merchant Energy Shipping raised about Yuan3.6bn ($519m) in a private offering, with JP Morgan listed as one of the main subscribers.

The issuance price was set at Yuan5.36 per share, according to an exchange filing. Stock of the Shanghai-listed dry bulker and tanker owner closed at Yuan7.6 on Thursday.

The company, which has more than 50 very large crude carriers, has benefited from a buoyant oil shipping market since late last year, when freight rates were ramped up by the traditional peak season demand and the withdrawal of tonnage from the sanctioned tanker unit of Cosco Shipping.

Sulphur cap violation reported in China

A FOREIGN-FLAGGED boxship has been found to have used non-compliant fuels at the port of Dalian, the second such case reported in China since the roll-out of the 2020 sulphur cap.

Inspectors boarded the vessel, which was said to be nearly 300m long, late last week after seeing black smoke blowing astern, according to a release by Dalian Maritime Safety Administration.

A test of a fuel sample detected 0.59% sulphur content, above the stipulated ceiling of 0.5%.

Woodside receives go-ahead for Sangomar project

AUSTRALIA'S Woodside Energy has been granted the regulatory green light to develop Senegal's first offshore oilfield development.

The host government has approved the exploitation plan for the Sangomar field development, about 100 km south of Dakar, Woodside Energy said on Thursday.

Sangomar is touted as among the world's largest oil discoveries in the past decade.

Ocean Alliance holds steady with new services

OCEAN Alliance partners CMA CGM, Cosco, Evergreen and OOCL have announced a revised service offering that will come into effect from April.

The product, dubbed "Day 4" differs little from its "Day 3" services announced last year.

CMA CGM will remain the largest member of the group, providing 112 ships, one more than last year. But the total number of vessels utilised by the partners is falling from 330 to 325, as larger vessels are employed.

Port of Rotterdam supports EU action on emissions

THE Port of Rotterdam Authority has backed European Union regulation of shipping's greenhouse gas emissions in 2023 if there is no sufficient global action by then, adding further pressure on global regulators.

Europe's biggest port said that the extension of the Emissions Trading System, the EU's tool for controlling GHG emissions in the bloc, should be a "back-up instrument" for the EU to clamp down on emissions if the International Maritime Organization does not adopt "sufficiently ambitious measures in 2023".

"The EU should work with stakeholders to investigate how market-based measures and pricing can best be implemented at a European level without carbon leakage if the IMO does not put forward ambitious measures in 2023," the port authority said.

Classified notices follow