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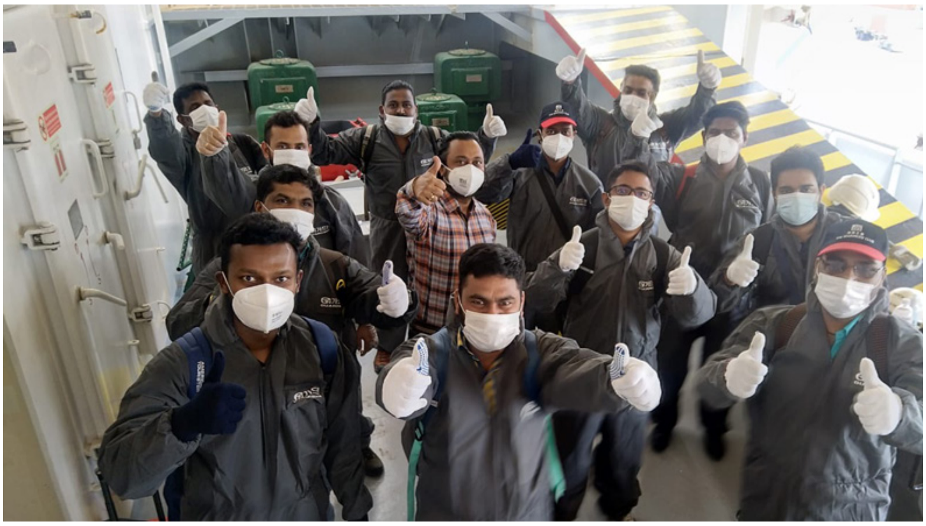
Cargo owners' muscle needed to get seafarers home



SHIPOWNERS AND SHIPMANAGERS do not have the political clout or connections to resolve the crew crisis on their own, *Michelle Wiese Bockmann and Janet Porter.*

That much has become clear in recent weeks, with only slow progress made in resolving the situation despite an unprecedented collective effort that has brought the entire maritime industry together.

But their customers, which include some of the world's biggest corporations and brands, probably do have the power to make a difference.

They are the ones that have direct contact with policy makers, unlike all but a handful of shipping companies.

Right now, retailers in the US and Europe are under pressure to boycott apparel and other merchandise produced by persecuted Uighur Muslims in China.

Those same companies will be shipping their cargoes on vessels crewed by seafarers who are trapped at sea because no port will allow them to disembark and fly home. There are loose parallels here, although no one wants shippers to stop using certain lines. What is needed is their help.

Most are probably unaware of this humanitarian emergency that they are effectively endorsing. It is now up to the shipping industry to team up with cargo interests in a joint approach to authorities around the world to find a global solution.

With reputations at stake, should the general public wake up to the fact that their favourite supermarkets, stores or designer labels were turning a blind eye to the plight of these "key workers", it should not be too difficult for shipowners and operators to gather support from their customers.

But it will need to be led by industry heavyweights to really be effective.

In the container trades, top carriers such as Maersk, CMA CGM and Hapag-Lloyd, which are already well-connected politically, could team up with a handful of their best-known customers and lobby on behalf of all stakeholders.

Similarly, it is remiss of miners such as BHP and Rio Tinto, whose profiles tout a corporate social responsibility agenda, to let those men and women on the ships that bring their commodities to market to do so under such circumstances.

National oil companies who rely on tankers to ship their oil and products need to pressure their government owners and insist on changing restrictive immigration and quarantine policies and opening up airline corridors.

US and European producers who always manage to secure the ear of ministers when lobbying for change in their own interest should use this access to ensure they get the message too.

For this is not about individual operators, but about all those who work at sea.

The big shipowners, charterers and shipmanagers may be able to charter aircraft or use the company jet to fly crew home, but most cannot afford to do that.

So the industry leaders need to flex their muscles on behalf of the whole maritime world, and should not be shy about seeking the support of their customers who, after all, have a lot to lose if awareness of this crisis grows, and they find themselves being named and shamed on social media.

This is the time when all parties involved in the transport chain need to pull together to ensure crew change procedures are harmonised and simplified in key hubs, so that seafarers no longer suffer from the "out of sight, out of mind" syndrome.

WHAT TO WATCH

Singapore prioritises certain crew change applications

SINGAPORE has updated its guidelines to prioritise certain crew change applications in the light of the increasing number of applications with which it is having to deal, while also taking into consideration reports of a rising number of coronavirus infections being found among signing-on crew.

The Maritime and Port Authority of Singapore noted that with the port facilitating an average of about 300 crew changes per day in July there was a need to prioritise certain categories.

These will include crew with expiry of contracts which flag states are not extending further, Singapore-registered ships and crew sign-offs, it said.

The MPA added that Singapore had seen three cases within one week, where crew members scheduled to sign-on to vessels were found to have tested positive for Covid-19 upon arrival and this had hindered the crew change process.

The Singapore authorities had earlier this week warned that it had found cases where pre-arrival tests had been altered or tampered with, and pre-arrival protocols not adhered to.

The MPA said it was enhancing safety measures in view of the heightened risks of importing Covid-19 cases into Singapore, but would continue to work with the industry to review current policy to adapt to the fast-changing situation relating to the disease.

Extra precautions are also being taken among port operations staff, with all shore personnel coming into contact with ships' crew advised to wear face shields or goggles in addition to face masks and gloves when working on the ships.

Hong Kong, the other major crew change hub in Southeast Asia, has faced pressure to take better control of these procedures after some seafarers were found to be part of a third peak in coronavirus infections.

The two main shipping associations in the city have voluntarily suspended crew changes for three weeks.

Hong Kong has role to play in helping stranded crew

HONG Kong shipping associations have reiterated the importance of facilitating crew change operations and supporting seafarers, while also taking into consideration public concerns about imported coronavirus infection cases, which have included seafarers among them.

While stressing the importance of crew change operations to the global community, the Hong Kong Shipowners Association and the Hong Kong Liner Shipping Association said "the industry fully supports the government to take all necessary measures to protect the local community".

These measures include, among others, requiring incoming seafarers to take a virus test within 48 hours prior to departing for the Hong Kong airport, and to take another virus test on their arrival at the airport.

In reaction to the rapidly evolving health situation, they added that they had asked their member companies to postpone or reschedule crew changes in the Port of Hong Kong for at least three weeks, unless absolutely necessary for ship safety or on compassionate grounds.

Emphasising that seafarers are key workers who need to be able to get to and from work just like other first responders,

"The coronavirus pandemic impacts us all. Nobody can tell how this will play out eventually, but what we do know is that shipping, as the facilitator of the world supply chain, is indispensable for human beings to win this battle," said Hong Kong Shipowners Association chairman Bjorn Hojgaard.

"Many other major ports in the world have already gradually made special arrangements to facilitate crew changes. Hong Kong, as part of the global community and a global maritime centre, should play its role too."

Acknowledging the 300,000 seafarers still stuck out at sea and the urgent need to relieve them, Hong Kong Liner Shipping Association head Roberto Giannetta said: "In this difficult time for all, the most important thing is for the global community, including Hong Kong, to work together for the common good."

Mr Giannetta pointed to the Hong Kong government's established mechanism to facilitate crew change operations, urged all shipping companies, agents and seafarers to continue to strictly follow the rules and protocols.

OPINION

Corporate restructurings reveal a view of new normal

GERMANY's MAN Energy Solutions bit the bullet and acknowledged the challenges the company faces as a direct consequence of the coronavirus pandemic on trade, *writes Richard Clayton*.

The executive board, led by Uwe Lauber, announced a programme for the company's future with an immediate and painful downside: a significant number of job losses and the cutting of costs by almost €500m.

The move followed the launch of a restructuring for Wärtsilä, the Finnish tech leader, which split the business into two – Energy and Marine – and split Marine into three divisions.

Both decisions were courageous and, in the leadership they have shown, both Dr Lauber and his counterpart at Wärtsilä, Jaakko Eskola, are to be applauded.

The details of the restructurings can be found elsewhere in Lloyd's List. What they reveal is something that goes to the heart of what the industry has been grappling with for three or four months: the shape of the "new normal".

The industry has been hoping that the new normal would look remarkably like the old normal.

Wafer-thin operating margins, fragmented capability, duplication of effort and sluggish application of technology. It has worked for decades without too much angst.

That was placed into context when Uwe Lauber acknowledged: "We need to prepare ourselves for a market environment that will remain difficult for a long period of time."

If the good doctor means MAN Energy Solutions must prepare itself, he is right. The analysts in Augsburg have done their sums and reported to the board that, essentially, the business cannot rely on its old business model.

But what if he means the wider maritime sector needs to prepare? Dr Lauber's clear statement that some of the key areas of his business — cruise shipping in particular — are not expected to recover to pre-crisis levels until 2023 has a resonance that runs very deep indeed.

Tellingly, Wärtsilä began its restructuring before the pandemic hit. The company had been on an acquisition spree that gave it bulk but with a strong sense of indigestion. The restructure has been in response to the company becoming a conglomeration of disjointed parts.

Similarly, MAN Energy Solutions had seen the writing on the wall long before the coronavirus swept away its core markets.

The old banner that proclaimed diesel and turbo was dismantled in favour of sustainable energy solutions. And although there had been determined efforts to combat negative market influences, the time had come to take the bull by the horns.

If the company does not improve profitability and become more competitive, Dr Lauber believes, it will struggle to implement its strategy.

So both Wärtsilä and MAN Energy Solutions were aware of the need for change even before the pandemic hit.

By the end of the year they will be appropriately positioned for the new normal. Both will be smaller businesses, more tightly run, closely focused on core capabilities, and possessing a pragmatic view of what could and should be achieved.

Many rivals in the smart shipping space have hunkered down to ride out the storm.

This will work in the short term but not, as Dr Lauber fears, if the market environment remains difficult into the medium term.

In any moment of decision, the best thing to do is the right thing; the next best thing is to do the wrong thing; and the worst thing to do is nothing, said Teddy Roosevelt.

The new normal will be led by people who took the tough choice; those who did nothing will remember the old normal with fondness.

ANALYSIS

Jet fuel stored on tankers amid moribund European demand

GLOBAL demand for jet fuel has barely recovered from the coronavirus-led freefall, pushing land-based inventories of middle distillates to records in the US, with tankers storing surplus cargoes off the UK and refiners blending with diesel to deal with the oversupply.

Demand is said to be down by as much as 80% in key hubs, while land transport fuels such as gasoline and diesel are showing gradual recovery across Asia, the US and Europe.

Some 1.4m tonnes of jet fuel, diesel or gasoil is tracked on floating storage off the eastern England port of Southwold, a well-known area frequently used for ship-to-ship transfers and used by tankers that need to remain at anchor for protracted periods of time.

At least eight long range two product tankers and two long range one vessels, as well as one very large crude carrier and two suezmax ships, are in the region storing these cargoes, according to vessel-tracking data from Lloyd's List Intelligence and information compiled from traders

Some are engaging in STS transfers as traders seek to blend surplus jet fuel to diesel cargoes.

Jet fuel is trading at a discount to diesel, a rarely seen price inversion that reflects the moribund demand for aviation transport.

The different density of ultra-low sulphur diesel and jet fuel along with the price anomaly means that jet fuel traders can take profits using a formula that blends cheaper jet fuel into diesel while keeping it in line with specifications.

"Savvy traders are blending into the diesel pool and getting rid of jet fuel at the same time," a trading consultant told Lloyd's List. "That's why there's so many tankers sitting off Southwold, as this is all taking place via STS."

Until the pandemic grounded aircraft jet fuel sold in Europe always traded at a premium to the London low-sulphur gasoil price. Over the second quarter of the year prices have been at a discount to the front-month gasoil future and remain moribund.

A similar blending practice has evolved in the US. Refiners there blending jet fuel to diesel pushed up inventories of the land transport fuel to the highest since 1982 for the week ending June 18, based on US Energy Information Administration figures.

Jet fuel demand comprises between 6% and 8% of global oil consumption of approximately 100m barrels per day, but has seen greatest falls in percentage terms among refined products. Along with gasoline and diesel, transport fuels that account overall for 40% of refined products produced.

Passenger revenue in km, a proxy for jet fuel demand, fell 91% in May, the latest month for which statistics are available from the Geneva-based International Air Transport Association.

International passenger demand was 98% lower than for the same period a year ago.

Such gyrations in the jet fuel market are closely monitored by owners of the larger product tankers. Jet fuel shipped from the Middle East countries of Saudi Arabia, the United Arab Emirates and Kuwait to northwest Europe and the Mediterranean is a key employer for LR2 and LR1 tankers.

The (then) 28-member European Union countries imported 35.7m tonnes in 2019, according to customs data. That is equivalent to just under 400 voyages for LR2 tankers. Medium-range tankers are also used to ship jet fuel within the Mediterranean.

Early figures from Europe how just how deeply jet fuel demand has fallen. In the Netherlands demand was provisionally assessed at 32,000 bpd in May, Joint Organisations Data Initiative figures show. That compares with 90,000 bpd for the same period a year ago.

The UK shows demand at 131,000 bpd versus 330,000 bpd in May 2019.

Recovery in Europe and the US reflects that fact that their economies were slower to go into lockdown than those in Asia. Chinese gasoline demand in May was 17% below levels seen 12 months ago, while jet fuel had rebounded strongly.

Demand was measured at 671,000 bpd based on preliminary Jodi figures, up from 221,000 bpd in April, and comparing with 737,000 bpd 12 months ago.

By contrast US jet fuel demand was down 67% year on year, and the UK by 60%. Both are still showing month-on-month falls.

Korean Register sets course for digital transition

KOREAN Register is to speed up its transition to becoming a digital classification society, says chief executive Hyung-chul Lee.

The new normal for class will be diminished reliance on physical surveys and inspections, and much heavier dependence on remote surveys, big data and increased digitalisation.

The coronavirus pandemic has prevented KR from conducting some physical surveys as travel restrictions and the need for social distancing has made it difficult to send surveyors on board ships.

In such situations, it has granted extensions for one month or the period of a voyage to the next port, whichever is longer, in close consultation with the relevant flag administrations.

Remote survey techniques are being used that do not require a surveyor's attendance on board. These are conducted with the authorisation of the respective flag administrations.

"We are working to expand this to include Inventory of Hazardous Materials surveys for ships in service as well as all occasional surveys — subject to authorisation from the flag administrations," Mr Lee told Lloyd's List in an interview as part of KR's 60th anniversary celebrations.

Its growth is closely aligned with the expansion of South Korea's commercial shipping sector.

In the year before KR was established, there were only 39 ships of 101,000 tonnes in the country's entire merchant fleet. Following independence from Japan in 1945, South Korea grew rapidly and was extremely ambitious.

"Part of that ambition was to take charge of its own trade. To do that, the country had to grow its domestic fleet. Shipowning was only part of the picture and South Korea wanted to build and service its own vessels," said Mr Lee.

During the 1960s, the government's economic development plan demanded that domestic shipping capacity be increased to 175,000 tonnes during the first five years.

To achieve that, the government planned to build a fleet of smaller (3,000 tonnes) ships and buy larger vessels. This was South Korea's first proper move into shipbuilding.

KR was established in 1960 to guide the construction and survey the new fleet.

Its first classed vessel was a 1,048 tonnes bulk carrier *Eunryong* owned by Samik Shipping.

"KR was partly responsible for the growth and development of South Korea's shipbuilding industry. In 1973, the South Korean government asked KR to carry out a research project that resulted in a comprehensive report on the development of South Korea's shipbuilding industry. This was adopted by the government and became the blueprint for the country's highly successful shipbuilding industry."

By 1980, with strong government support, South Korea had become the world's 10th largest shipbuilder and 19th largest shipowning country. KR's fleet of classed ships grew rapidly, reaching 10m tonnes in 1987.

In addition to offices in Seoul, Busan, Ulsan and elsewhere on the Korean peninsula, the first overseas office opened in Kobe, Japan in 1971.

Offices followed in Las Palmas, Paramaribo and London and KR became an associate member of the International Association of Classifications Societies in 1975, and a full member in 1988. The society has chaired the body three times and led a range of IACS technical meetings.

"The growth of KR's overseas branch offices and becoming recognised by overseas administrations to conduct statutory work on their behalf was also central," Mr Lee said.

He said the first Japanese-built ship to join KR class was the liquefied gas carrier *Gas Harmony*, built at Shitanoe Shipbuilding for KSS Shipping in the early 2000s. "This encouraged KR to seek additional business from Japan and farther afield."

Today, the KR fleet is comprised of 65% South Korean owners and 35% international customers. There are more than 3,000 vessels of 70m gt in the KR-classed fleet, split between bulk carriers (43%), tankers (22%), containerships (12%), ro-ros (9%) and gas carriers (7%).

KR is authorised by 80 flag administrations to act as a recognised organisation. It now has 68 offices worldwide, 15 in South Korea and 53 in other countries.

"Traditionally, ship classification has been regionally sensitive with close ties to the local shipping and shipbuilding sectors, this being more apparent in Asia Pacific and some parts of Europe," said Mr Lee. "However, this is changing as class societies try to expand their market share worldwide.

"It is important that the client portfolio is as regionally diversified as possible so that any downturn in the local market will not have a grave impact on the organisation's financial sustainability. This was underlined in the case of Hanjin Shipping."

To this end, KR has set up regional headquarters in China (Shanghai), Asia-Pacific (Singapore) and Europe (Athens).

Setting up these regional centres has allowed KR to meet its customers' needs wherever they are in real time. KR also plans to hire more local staff members enabling the organisation to overcome barriers created by language, culture or business practices.

The society offers its customers a range of software to keep them up to date with the latest regulatory requirements.

In 2018, KR established its cyber security certification process in accordance with international security standards and cyber security guidelines; in 2019, it launched a new greenhouse gas online data management system KR GEARs (GHG emission authentic reporting system). And earlier this year, it released the latest updated version of KR-CON, a digital database of International Maritime Organization convention documents.

The society communicates regularly with its customers around the world, with a monthly webzine, monthly cyber security newsletter, a quarterly bulletin, and Annual Regional Committee meetings.

Mr Lee stepped up to the role of KR chairman in December 2019. Despite the coronavirus pandemic, he is determined to look forward. KR staff in South Korea are now back in their offices, planning for the future of ship classification.

"KR has long-prioritised the transition to a fully digitalised classification society and is building big data platforms, developing e-certificate systems, and implementing remote inspection technologies and virtual reality to further support this transition.

"Traditionally, design approval of a ship by a class society has been a paper-based process, involving the exchange of numerous large-format drawings between the shipyard and the classification society. However, KR has developed and launched a 3D model-based (paperless) design approval system which provides a more accurate and intuitive review of ship structure."

In addition, he said, e-certificates are widely used as they offer a more secure way of reducing the risk of falsification. KR has been authorised by many flag state administrations to issue e-certificates on their behalf, and Mr Lee KR expects this to increase even more moving forward.

"The global pandemic is an evolving situation," he concluded, "but KR will do its utmost to remain fully operational and accessible to its clients during these difficult and disruptive times."

MPC says Wilhelmsen tie-up not about the money

MPC Capital said it did not sell a 50% stake in its Ahrenkiel Steamship unit to cash in on its profitable shipmanagement company.

The key driver for the deal was the desire to reap the procurement and network benefits of scale, even though the combined entity will not be large enough for immediate admission to the global big league, says Christian Rychly, managing director of MPC's maritime holding company insists.

Mr Rychly also rejected suggestions from Hamburg shipping sources that the move — at a time when some of its other shipping businesses are facing cashflow strain — forms part of a move away for the north German maritime cluster from owning and towards management.

Wilhelmsen Ahrenkiel Ship Management — as the combined entity will be known — will be based in Hamburg and Rhoon, and supported by Wilhelmsen's global network. Its 100 or so employees will manage a fleet of 72 boxships.

MPC Capital is a shareholder in Oslo-listed MPC Container Ships, which has openly warned that its cashflow situation is becoming acute in the wake of the health pandemic.

As a result, there has been speculation that the Schroeder family, which controls MPC Capital, were happy enough to sell up, if only to rake back some of the money they have lost on MPC Container Ships.

However, MPC Container Ships has recently secured additional funds through a private placement on the Norwegian bourse, which should enable it to meet bond obligations, at least for now.

In addition, some commentators see the Wilhelmsen deal as of a piece with a number of recent German consolidation moves, such as V.Ship's acquisition of Norddeutsche Reederei and NSB's joint venture with Indonesia's Temas Line.

But Mr Rychly rejected such analysis. MPC's shipping strategy will continue to be built on the three pillars of ownership, commercial management and technical management, he said.

"Some are suggesting there's a tipping point for the realignment of German shipping's business model from ownership to management," he told Lloyd's List. "Actually, it's the complete opposite."

He added: "To my knowledge, we are the only company here in Hamburg that has raised over $800m in the capital markets in the past few years. Shipping is a capital-intensive industry."

MARKETS

LNG freight futures interest steadily grows

LIQUIDITY in the nascent liquefied natural gas forward freight agreements market is creeping up, according to brokers.

Since the LNG FFAs launched in December, volumes and participation have steadily increased.

April saw the highest volume at 258 lots traded in the Baltic LNG2 route from Sabine Pass in the US to Isle of Grain in the UK. One lot is equal to one charter day.

That is mainly due to expectations of a higher spot freight market in the second quarter based on a short-lived rally in Asia.

May dropped off to just 95 lots, while June has seen the second-highest volume traded, with 161 lots. So far in July, 159 lots have dealt.

While the volume may look small compared with other FFA markets such as dry bulk and tankers, the level looks promising, brokers said.

"Most participants currently are those who have exposure in the physical market, and include the trading houses and utilities, but banks, funds and owners are now looking to enter this market," said Henry Bennett, LNG FFA broker at Simpson Spence Young.

"Liquidity should therefore grow meaningfully in the next six to twelve months' time."

Liquidity has mostly been centred on the BLNG2 route.

Clarksons' LNG and LPG derivatives broker Christian Greenop said that about 90% of the trades so far have been concluded by a handful of participants.

"LNG volatility is such that tools for hedging become more important," he said.

Clarksons said it fostered the first LNG freight futures trade just before Christmas, concluded between trading giants Vitol and Trafigura.

The trade, which took place hours after the products launched on CME Group, was a first-quarter 2020 spread between BLNG1 (Gladstone to Tokyo round voyage) and the BLNG2 index.

Global seaborne trade reached 356m tonnes in 2019 and was set to grow by 11% this year, of which 30% is traded in the spot market, according to Clarksons. "It is hoped that the LNG freight futures will not only facilitate risk management but also offer transparency in an otherwise opaque market," it said.

Affinity's LNG shipbroker Benjamin Gibson said that liquidity should pick up as the autumn and winter months approach. It is working with 10 counterparties and that should "grow significantly" once internal approval processes are concluded by potential clients.

Cargo cancellations from the US has had an effect on the supply-demand balance in the physical spot freight market, leading to a number of time spreads being concluded, he noted.

The physical market to an extent leads paper sentiment.

According to Poten & Partners LNG analyst Kristen Holmquist, as many as 55 cargoes have been cancelled from the US for August due to lower demand. That compares with 40 previously estimated.

So far for September, the figure is 25 to 30 cargo cancellations.

"The economics for October look better so cargoes loaded in the second half of September may be able to take advantage of higher prices through hedging," she said, adding that November economics look even more favourable, although there is a question of whether to float for a month or cancel and pay the liquefaction fee.

Ben Woodbridge, who is heading up the LNG FFA desk for a new venture between GFI and Poten, said:

"It is extremely encouraging and progressive to see the LNG market get involved in the freight derivatives industry.

"The potential for participants and end users in this field is very exciting."

Asia-Europe capacity at six-year low

SERVICE changes, cancellations and blankings on the Asia-Europe trade lane have seen the total trade capacity on the main lane route reduced to levels not seen since 2014.

Figures compiled by Dynamar show that the three alliances that dominate the Asia-Europe trade — 2M, Ocean Alliance and The Alliance — between them operate 16 loops, three fewer than a year ago, following the removal of HMM's standalone service and the suspension of one service each from 2M and The Alliance.

"Altogether, overall annualised trade capacity now stands at 9.3m teu, a reduction of 18% compared to a year ago," Dynamar said.

"In reality, capacity is even lower, due to the cancellation of quite a large number of sailings."

The reduction in sailings does not, however, directly relate to a reduction in capacity, as the size of vessels deployed on the trade lane has continued to rise.

"The average ship size went up by 1,400 teu to 16,600 teu, indicating that it is the smaller ships that are being phased out," Dynamar said.

In July, for example, the Ocean Alliance had 68 vessels deployed on the Asia-Europe trade, compared with 72 by the 2M partners and 70 by The Alliance. But the larger average size of the Ocean Alliance vessels, at 17,900 teu, meant that the consortium had the most deployed capacity, at 1,219,100 teu.

But the annualised combined capacity of the three alliances now stands at 9.3m teu, compared with 11.3m teu this time last year.

"The (temporary) reduction of Europe-Far East services brought the annual trade capacity under that of 2014, certainly when taking into account that additional sailings are being stricken," Dynamar said. "The average ships size, however, is the highest ever noted in this corridor".

With volumes still down on where they were before the coronavirus pandemic took its toll on demand, further deployment of capacity on the Asia-Europe trade lane looks unlikely this year.

Chinese ore demand ties up 3.9% of capesize fleet

CONGESTION at Chinese ports has hit a new high, with 71 capesizes at anchor waiting to discharge cargoes, representing a near four-fold increase on average congestion during July 2019, according to Braemar ACM.

This translates into 3.9% of the trading capesize fleet.

"Given that China on average accounts for around 6m dwt of congestion at this time of year, we can say there is around 8m dwt of excess congestion (2.2% of the fleet)," Braemar ACM analyst Nick Ristic said.

With growth in Chinese steel output offsetting large declines in other steelmaking countries, China is absorbing iron ore volumes that would have otherwise headed to countries, such as Japan and South Korea, and is helping to drive further growth in trade.

But as these iron ore shipments have arrived over the past few weeks, the speed at which they can be unloaded has remained throttled by limitations at port facilities.

As a result, there has been a growing backlog of ships waiting to discharge, particularly around the northern ports such as Tianjin and Tangshan.

The virus-related measures such as precautions surrounding crew changes and testing procedures are also reportedly slowing the speed at which ships can be turned around, exacerbating port logjams.

Of the capesize iron ore voyages which have completed discharges in China this month, vessels spent on average almost four days waiting on arrival before coming alongside, Braemar data shows. This compares to an average of around 1.5 days during July 2019.

Although 90% of the ships queuing are laden with iron ore, the surge in capesize liftings of coal and bauxite have also added to the recent build-up of queues in ports.

So far this month, capes discharging coal waited on average 15 days at anchorages compared with an average of less than five days in July last year, the shipbroker estimates.

Mr Ristic pointed out that despite congestion increasing during the month, there has been a jump in the number of ships opening up in China after discharging and re-entering the Pacific market.

Meanwhile, cargoes have not been as plentiful as they were in June, fuelling weaker sentiment and a correction in freight rates, he added.

IN OTHER NEWS

Distillates switch pushed to combat black carbon emissions

GREEN groups are calling for vessels to switch from burning heavy fuel oil and very low sulphur fuel oils to lighter distillates, especially in the Arctic Sea, to combat black carbon emissions.

The Clean Arctic Alliance, a coalition of lobby groups seeking to ban the use of HFO by ships in the Arctic Sea, says any uncertainties around the impact of VLSFOs should not hinder progress on black carbon emissions eradication.

“It is clear that there is considerable uncertainty around the composition of the new VLSFOs, the relative importance of the paraffinic and aromatic content and the emissions that result from these new fuels,” the alliance’s lead adviser Sian Prior said.

Cocaine found in container at UK port

BRITISH officials have seized cocaine worth about about £15.2m ($19.4m) hidden in the floor of a refrigerated container at the London Gateway port in Essex.

Border Force officers found 380 kg of the drug in a container carrying bananas from Costa Rica to Germany, after an X-ray revealed an anomaly in the insulation cavity.

“This was a sophisticated concealment and one that is rarely seen in the UK,” Border Force assistant director Pete Roffey said in a statement. “The smugglers had cut the inner floor, raised it, removed and scraped out the insulation, packed in the drugs and then welded the inner floor back in place.

MAN Energy Solutions restructuring to cost 4,000 jobs

MAN Energy Solutions has set out a restructuring programme which will see the loss of 4,000 jobs.

It aims to cut costs by €450m ($521m) as a result of the impact of the coronavirus outbreak, from which it is expected to take years to recover, said chief executive Uwe Lauber.

The company is preparing itself “for a market environment that will remain difficult for a long period of time”, he said.

Platsidakis to step down from Angelicoussis empire

JOHN Platsidakis, a former chairman of dry bulk shipowners' association Intercargo, has confirmed he is leaving the Angelicoussis Shipping Group after a career of more than 30 years. Angelicoussis is Greece's largest shipowning group.

Mr Platsidakis, who has just turned 69, told Lloyd's List that the decision to step down was made amicably, and he hoped to spend more time on “a range of interests” for which he had little spare time in past years. He hoped to “remain engaged in shipping if at all possible”. It was too early to say what the next project might be.

It is understood that he will continue assisting the group on certain tasks until the end of this year.

Keppel warns of ‘adverse’ impact of virus

KEPPEL Corp has issued a first half of the year profit warning mainly as a result of impairments at its offshore and marine business.

It said the results for the first six month will be “significantly and adversely impacted”.

“Amid the highly volatile environment and low oil prices, oil majors are curtailing exploration and production spending, which has adversely impacted day-rates and utilisation rates of the O&M industry generally and the group's O&M business more specifically,” Keppel said in an exchange announcement.

Seanergy chief slams scrubbers and giant ore carriers

SEANERGY chief executive Stamatis Tsantanis believes the capesize market will bounce back to its long-term historical average of $24,000 to $25,000 per day.

That is double the five-year average and significantly higher than the average so far this year.

"Demand for iron ore is very strong," Mr Tsantanis said at an interview with Noble Capital Markets senior research analyst Poe Fratt. "The only issue is that the supply of product is not sufficient to meet the requirements in China."

Seaspan adds two boxships for $146m

NEW York-listed Seaspan has bought two 13,000 teu boxships for about $146m in cash backed by long-term charters.

Seaspan said the 2010- and 2011-built vessels were expected to be financed from additional borrowings and cash in hand.

The new ships bring the company's global fleet to 125 vessels and 1.05m teu, with a total contracted revenue of about $4.5bn and weighted average remaining lease period of about four years.

Classified notices follow

Enforcement Officer Risto Sepp sells the vessel named "OCEAN SPIRIT" IMO 8325793, located at Vene Balti Port, Tallinn, and belonging to "img EHF" of Iceland at an oral auction.

Claim of DAN Bunkering serves as grounds for conducting the auction.
The auction begins on **25.08.2020 at 14:00**. The auction shall be conducted in the offices of "Ühinenud kohtutäiturid" at Rävala pst 5, Tallinn, VII floor.

Starting bid of auction is 750,000 euro.

Persons having the right to maritime claims are to submit such claims no later than on **10.08.2020** with substantial grounds.

Any additional information concerning auction or vessel details or inspection of the vessel sold at the auction is possible on arrangement with the Enforcement Officer.
A request must be submitted by **e-mail** buroo.sepp@taitur.net or by **phone +372 53 48 34 83**.

M/V MAERSK HONAM – FIRE ON 6 MARCH 2018
NOTICE OF GENERAL LIMITATION DECREE

In The High Court of Justice of England and Wales
Business and Property Courts
Queen's Bench Division
Admiralty Court

AD-2020-000024

BETWEEN

MSC Mediterranean Shipping Company SA

Claimant

and

(1) Becton Dickinson Medical (S) Pte Limited

(2) All other persons claiming or being entitled to claim damages by reason of the fire on board the "MAERSK HONAM" in the Arabian Sea on or about 6 March 2018

Defendants

BY A GENERAL LIMITATION DECREE made on 15 July 2020, the High Court of Justice ordered that by reason of the provisions of the Merchant Shipping Act 1995 (as amended) the Claimant is not answerable in damages beyond:

a) **123,308,412** Special Drawing Rights or GBP **138,430,128** in respect of loss of life or personal injury; and
b) **61,654,206** Special Drawing Rights or GBP **68,206,267** in respect of all other claims (including, but not limited to, any claims in respect of the loss, damage and delay to any property or to the infringement of any rights);

caused through its act or omission or through the act or omission of any person on board the vessel "Maersk Honam" in the navigation or management of the "Maersk Honam", when she suffered the casualty in international waters on or about 6 March 2018.

The Court also ordered that all further proceedings in any claim against the Claimant arising out of the aforesaid casualty be stayed.

The Claimant was not the operator of the "Maersk Honam". A Limitation Fund has already been constituted in respect of this casualty by the provision of a Letter of Undertaking from the vessel's owners' P&I Club, the Standard Club, to the Court in accordance with the Order of Mr Registrar Kay, dated 10 September 2019 in case number AD-2018-000156.

TAKE NOTICE THAT in accordance with the Decree parties intending to file a claim against the Limitation Fund or to issue an application to have the Decree set aside have until **30 September 2020** (being a date at least 56 days after the publication of this advertisement) to do so. Any such claims or applications must be filed in The High Court of Justice (Queen's Bench Division – Admiralty Court), Ground Floor, 7 Rolls Building, Fetter Lane, London EC4A 1NL (Claim No. AD-2020-000024). Attention is drawn to the provisions of CPR Part 61, including rule 61.11(15) which concerns service of any statement of case.

For the avoidance of doubt, this advertisement and the Decree are without prejudice to the question of liability for the casualty and their contents are without prejudice to, and do not affect, any and all rights that the Claimant may have, including in relation to limitation and/or time bar.

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Reference: IAC/CRKO'C/8295/8837

Solicitors for the Claimant