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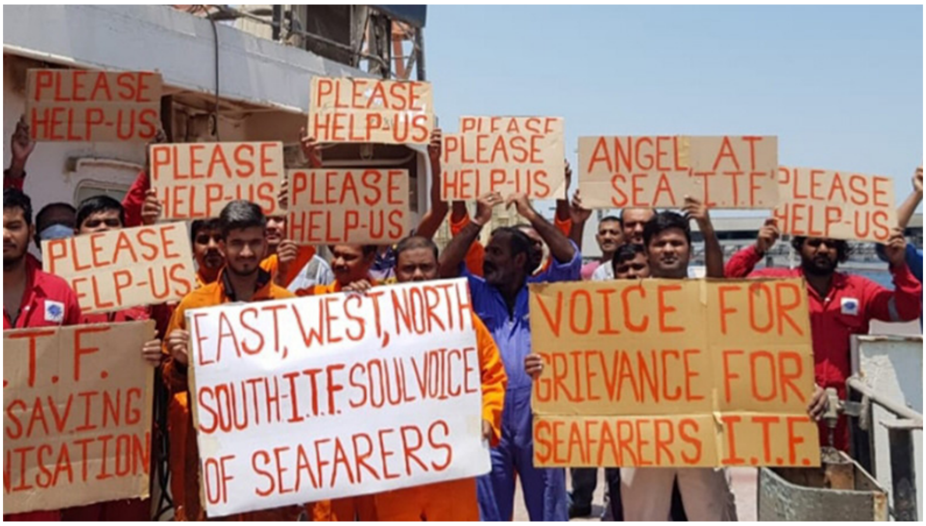
Seafarer abandonment cases continue to climb



SEAFARER ABANDONMENT IS continuing to rise, with the equivalent of 30% of new cases for the whole of 2020 already reported so far this year.

A total of 25 new cases have been reported so far this year, according to the International Labour Organization's head of transport and maritime Wagner Brandt.

Of the total, nine cases occurred in 2020 but were only recently added to the ILO/International Maritime Organization joint database that records abandonment of seafarers.

Lloyd's List reported how abandonment cases had reached a record at 76 cases in 2020, somewhat exacerbated by the coronavirus pandemic, which made repatriations more difficult. Several more were likely to be reported by the end of 2020.

According to Mr Brandt, the total tally for 2020 ended up at 85 cases, compared with 40 in 2019. Of the total, 17 cases made reference to Covid-19, he said, while the majority of cases were held up due to travel restrictions imposed by governments.

While the United Arab Emirates and other Gulf states have traditionally been topping the lists for abandonment cases, Malaysia, India and Sri Lanka are among those involved with this year's cases, the database shows.

The UAE has not signed up to the ILO's Maritime Labour Convention due to freedoms of association, which allow unionisation, according to industry sources. Since 90% of the workforce are migrants, the fear is that this will shift the economic balance.

That is the main deterrent to signing up. Coupled with that is a cultural legacy.

“Since the countries have not ratified the MLC, less international pressure can be applied to companies if ships are abandoned; there is less responsibility,” said Mission to Seafarers regional director for the Middle East and South Asia Andy Bowerman.

The rules seem to be geared towards protecting the owners, not the seafarers, he said.

But plans are afoot to develop maritime legislation in the UAE whereby seafarers, who have to compete with port creditors and banks, will get equal weighting for compensation, he said.

Authorities are trying to get this legislation passed, but it needs agreement from all seven states that make up the UAE, and progress has been slow, spanning more than two years.

“There is a commitment by transport authorities that seafarers should be treated well,” Rev Canon Bowerman said.

One case involving a chemical tanker abandoned in Fujairah, UAE, earlier this year has been resolved, according to the ILO/IMO database.

The Panama-flagged *Lua* (IMO: 9557630), which had 21 seafarers from Pakistan on board, had been abandoned in early January 2021 because of wages totalling more than $260,000 that had not been paid for up to seven months. Some of the crew, who had been working for more than 15 months, had asked for repatriation.

The director of maritime transport affairs of the UAE government of said that “the case has been resolved and agreement has been reached between the seafarers and the owner, after the successful involvement of Port of Fujairah”.

By the end of January, the crew had been paid and repatriated by the P&I club, according to the database.

Another case, involving the Panama-flagged *Iba* (IMO: 9438200), a bunkering tanker that ran aground in Umm al Quwain, UAE, is also on the verge of being resolved.

The vessel, which had been abandoned since January 2019, has now been sold and the crew consisting of two Indian seafarers, one from Myanmar, and one from Pakistan, agreed to settle for 70% of what they were owed.

Rev Canon Bowerman said the crew will receive half of the amount almost immediately, with the rest to be paid in coming days once replacement crew arrive.

The seafarers from Myanmar and Pakistan had been on board for 43 months, and had not been paid for the last 17 months, he said. The conditions bordered on slavery.

Human Rights at Sea founder David Hammond said: “Abandonment is a troubling reality that we do not see being eradicated while there is a lack of accountability from owners and managers.

“There should be a global system of structured and strict time-limited vessel sales and immediate settlement of maritime liens in the case of crew not being paid their wages within limited timescales laid down globally by the IMO.

“Until the workers are put first in the business model, the owners and managers in the present business system will continue to be able to exploit them, despite the best efforts of worker interest groups.

“Until flag states hold their business clients to account, the system will remain exploitative by way of its current structural design. Why do flag states not blacklist owners? Because it would be financial suicide.”

The IMO said in relation to solving abandonment cases that “there should be stricter enforcement of the insurance obligations under the MLC 2006, as amended, and better due diligence in that regard by accepting insurance policies by the responsible flag states in the first place”.

A joint working group has been set up to look into the issue and establish clearer guidance for port and flag states on how to deal with abandonment cases, with a target completion year of 2022, the IMO said.

“Such guidelines could provide a solid basis for the introduction of a unified procedure to follow in order to speed up the process of repatriation of seafarers,” it said.

The ILO said it plans to publish guidelines in March this year, which should improve flag and port state control of the system that requires financial security to be put in place to protect seafarers in the event of abandonment.

Special meetings will be held in April and September this year to discuss the issues further.

WHAT TO WATCH:

Seafarer suicides go uncounted as crew-change crisis drags on

THE crew change crisis may well be increasing the numbers of seafarers taking their lives at sea. But there is no central database, so we don't know.

Charities and aid groups said there were anecdotal reports suicides have increased as the crisis drags on, with seafarers trapped either at sea or on land without income.

International Seafarers' Welfare and Assistance Network executive director Roger Harris said the number of reported suicides, and instances of seafarers calling ISWAN about suicidal thoughts, had "roughly doubled" from about 12 in a normal year to 25 since March 2020.

But since there is no hard data, "no one really knows the extent of the problem".

Mr Harris said the causes of deaths at sea could be hard to establish.

"When someone goes overboard, there's always a question mark: was it suicide or was it an accident?" he said. "I've been told by at least two shipping companies that sometimes it's suspected as suicide, but it's reported as 'missing at sea' because the family wouldn't get a payout from the P&I club."

He said it is also hard to count seafarers who commit suicide on land after struggling with their mental health at sea, since crew move between ships, contracts and employers.

A 2019 study by the ITF Seafarers Trust and Yale University found "significantly higher" prevalence of depression in seafarers: 25%, compared with 6% among the general German population. The study found 17% of seafarers had anxiety and 20% had suicidal thoughts.

Sailors' Society chief executive Sara Baade said there seemed to be increasing cases of depression, and several suicides in recent months.

She said companies might not speak out because of fear for their reputations and crew themselves may fear reprisals. Her charity gave out 12 times as many welfare grants between March and October 2020 than it did the year earlier as demand increased.

But Ms Baade added that shipping did not need hard data to act. "Data is helpful but we are dealing with wellbeing, which in itself is subjective, and data only serves as a guide to the areas one should or could be focusing on," she said.

Mission to Seafarers advocacy director Ben Bailey said while there had been suicides during the crew change crisis, he did not see cases rising.

Mr Bailey said seafarers were talking to chaplains more openly about their mental health. He said many were more worried about being at home than at sea, and noted workers on cargoships were coping far better than those on cruiseships.

When there are deaths, port and flag states do not always investigate in time. Mr Bailey said one flag state did not start investigating a man-overboard case in December until a month after the body was found. "That was obviously very distressing for the family," he said.

Human Rights At Sea chief executive David Hammond published calls to investigate the suicide in January of a 23-year-old Indian seafarer in the UAE after 13 months at sea.

He said such cases were seldom made public. "We don't know the scale of this because it's hidden behind the corporate and legal veil," he said.

Cardiff University Seafarers International Research Centre director Helen Sampson led a 2019 study on seafarer mental health, which found patchy recording of deaths made confident data interpretation "pretty much impossible".

Prof Sampson said it was difficult to link suicides to any one factor, and not possible to assert that the pandemic had caused them to rise.

But she told Lloyd's List the crisis had increased cumulative fatigue, stress and anxiety. Crews did not know when they could return home and could not take shore leave. They feared for their families, and of becoming ill without access to medical help.

Prof Sampson said some companies devoted much effort and resources to their crews' welfare, such as access to the internet, recreation facilities and better food – while others put such priorities last.

She said most companies recognised that crew welfare mattered, but "deliberately aim to be better than the worst without aspiring to be amongst the best".

They tended to lay responsibility for mental health with the seafarers themselves, such as with resilience "toolkits" and apps. These had some merit but were "entirely inadequate in the face of the conditions that seafarers are living and working in".

Prof Sampson said companies should provide facilities like swimming pools and sports courts to encourage the crew to interact, as well as free, fast internet; helping set up shore leave, and contracts no longer than six months. Ports could do more to provide basic amenities like cafes and markets, she added.

But while the pandemic had prolonged seafarers' inability to "walk off the job" the way those on shore can, this inability was "an inescapable part of their daily reality on board."

The 2019 ITF/Yale study highlighted the importance of organizational culture to crews' mental health: "It is of great importance for seafarers to be properly trained for the tasks they are required to perform, to have a sense of personal control over their environment and work in a supportive environment where seafarers' views can influence decisions.

There have been calls for better suicide reporting, including by Seafarers UK last year.

The Australian Maritime Safety Authority wants to amend the Maritime Labour Convention to mandate the reporting of man-overboard and suicide incidents to the International Labour Organization.

AMSA vessel operations manager Michelle Grech said there was no international data set to record all deaths at sea. Flag states must report "operational-related fatalities" to the International Maritime Organization, but not those attributed to medical events, natural causes, man-overboard incidents or suicides.

Dr Grech said the ILO had no such requirement and the MLC does not specify how deaths should be reported, or to which authority.

"Without mandatory, comprehensive and consistent reporting of deaths at sea – especially for man overboard and suicide incidents – the global maritime community cannot effectively address areas of emerging concern like mental health," she said.

AMSA would like a simple format for deaths to be recorded, with ship details, date, time, and location, to be submitted yearly to the ILO.

The ITF union backs AMSA's call for mandatory reporting, as does Mr Harris, of ISWAN.

"It can't be beyond the wit of the industry to get some sort of system together," he said.

Ms Baade said seafarers had put themselves at risk to keep world trade moving through the crisis.

"It's our mission to help these men and women before they lose hope," she said.

Tankers 'not out of the woods' until mid-2022

BRAEMAR ACM has put the brakes on bullish talk of any vaccine-led growth in oil demand leading to a full recovery for the beleaguered tanker sector by the second half of 2021.

"We are probably not fully out of the woods on the dirty side until the middle of next year, or even at the far end of next year," Anoop Singh, the shipbroker's Singapore-based head of tanker research, told a Baltic Exchange forum.

Although oil demand in east-of-Suez regions has already recovered to 2019 levels, the active tanker fleet shipping crude and fuel oil was poised to be 12% higher on average than in 2020, he said.

These added supply pressures are set to neutralise any recovery in oil demand growth.

On top of 30-plus newbuilding very large crude carriers being delivered, any lifting of Iranian sanctions would release an additional 50 ships into the trading fleet, according to Braemar ACM research.

Nominal fleet growth for the clean, or coated, fleet was forecast to expand by 2% in 2021, and 2% in

2021. Uncoated tankers would grow by 0.3% this year and 2.1% in 2022.

Despite these very low growth numbers, the rise in tankers re-joining active trading if sanctions ended would offset rising volumes of seaborne exports.

Combined with the negative drag of inventory drawdowns, the expanding fleet would delay a widely anticipated recovery that has been talked about for 2021's second half.

That is unwelcome news for owners of estimated 2,900 clean and dirty tankers above 35,000 dwt currently trading. Earnings across segments — from medium range tankers through to larger VLCCs — has been below operating expenses for most of 2021.

Some routes have registered prolonged negative time charter equivalent rates for months as stalling economies west of Suez and export curbs agreed by oil producers in the Middle East see the supply of ships outpace demand.

Mr Singh said current tanker demand was 6% lower than year-ago levels when measured on an oil-in-transit basis. By comparison, the active, or trading, fleet was 9% larger than 12 months ago.

For crude and fuel oil shipping, tonne mile demand — which measures volumes carried by distance travelled — was 10% down while clean tonne mile demand was 5% lower, according to ACM Braemar.

Average daily dirty tonne-miles totalled about 300m, compared with 340m tonne-miles when they peaked last June, analysis showed.

Mr Singh was presenting at the Baltic Exchange's Tanker and Forward Freight Agreement Market update.

Chinese tanker demand — which accounts for nearly a quarter of seaborne crude — was forecast to remain at 2020 levels, as refineries drew down land-based stocks. This would neutralise imports even as refinery throughput expanded.

Iranian sanctions have left some 40 VLCCs and seven suezmax tankers owned by the National Iranian Tanker Co unable to trade over the past two years. Most are being used for storage or subterfuge trading.

US policy on sanctions is one of many potential headwinds for tanker earnings in 2021.

Members of the Organisation of the Petroleum Exporting Countries have yet to decide on production levels that may influence the global oil price, which in turn will influence Chinese buying and trade flows.

"Tanker demand for west of Suez we do not think will recover and return to 2019 levels ever," said Mr Singh.

Refinery closures in Europe and the US mean the Atlantic basin will need less crude, which is seen as a positive for clean tankers.

"These refinery closures are incentivising more trade in north America, which will lose about half a million barrels per day," he said.

"That is all positive news coming for clean tankers, but the challenge really is what happens to gasoil demand and when does the gasoil trade start to fully recover."

This influenced long-haul trades such as jet fuel and diesel from the Middle East to Europe, which is dominated by long range two and one tankers.

China's owners and port groups urge efforts to temper sky-high box rates

CONTINUED markups in container shipping rates have prompted shipowners and port associations in China to urge their members to provide grumbling shippers with more comfort.

The traditional Chinese New Year slack season has failed to drag down rocketing shipping costs, while consultancy Sea-Intelligence predicts the record-high prices could even last for another year.

The latest weekly Shanghai Containerised Freight Index showed a sustained strengthening in the spot market. The index was up 1.8% on Friday, led by a 4.2% surge on the Shanghai-Northern Europe trade to $4,281 per teu.

The China Containerised Freight Index, a reflection of the contract market, also expanded by 0.5% during the same period.

"The pandemic remains rather serious in Europe… affecting supply chain operations," said the index composer Shanghai Shipping Exchange, adding that supply-side constraints have offset the holiday-led demand decline and resulted in increases of shipping rates.

In a joint statement, government-backed China Shipowners' Association and China Ports and Harbours Association said shipping lines should try to make up the capacity shortage by deploying general cargo ships and multi-purpose vessels on their services.

At the same time, port operators should improve terminal efficiency to shorten the time at berth for ships.

The two groups also asked their members to stay away from opaque pricing and illegal charges, amid shippers' complaints and requests for regulators' intervention.

The CSA held a meeting with major carriers in January in an effort to stabilise freight rates.

Other suggestions this time include enhancing the communication between ports and carriers about the allocation and storage of empty containers, accelerating the circulation of the equipment via better use of digital technologies.

Nevertheless, Hapag-Lloyd chief executive Rolf Habben Jansen warned last week that supply chains were facing their own 'Long Covid', with lockdown-created congestion forecast to have an impact through the first half of 2021.

"I hope we are going to see some improvement post-Chinese New Year. Given the severity of the problem, I don't see a very high likelihood that it is going to be resolved very soon," he said.

Sea-Intelligence advised shippers to be careful not to use "common sense" and jump to the conclusion that freight rates will drop to more "reasonable" levels in a short period of time.

Based on analysis of historical China and Shanghai Containerised Freight Index data, it argued that the "highly elevated contract rates might actually be with us until 2022".

The situation comes with a freight market fuelled by a pandemic-led surge in demand for containerised goods and a shortage of carrying capacity.

China's container exports grew 9.8% year on year during the second half of 2020 to 43m teu, according to government statistics.

ANALYSIS:

V.Group's new chief builds success on data

THE head of one of the largest third-party shipmanagers believes the terabytes of data generated every second by a huge fleet of vessels can bring business-leading industry insight.

René Kofod-Olsen stepped up to the position of chief executive of V.Group towards the end of 2020. A graduate of INSEAD and Harvard business schools, he more importantly perhaps gained robust maritime training at AP Moller-Maersk, before taking the hot seat at Topaz Energy and Marine.

It is hardly surprising, therefore, that he talks with passion about value propositions, making a difference to clients, and the role of corporate reputation. The context is significant here.

Third-party shipmanagers sit at the heart of the industry. On the one hand, they act as the technical, crewing, and operational departments for a financially stressed ship owner while, on the other, sitting alongside developments at class society, flag administration, regulator, and equipment manufacturer.

In the background, the managers' shareholders demand a steady return on investment. Throw in executives' own foibles plus the impacts of a devastating coronavirus pandemic together with demands for carbon-neutrality and digital revolution — probably none of which were addressed at INSEAD — and the scale of the undertaking can be understood.

Nevertheless, Mr Kofod-Olsen steps into the shoes of Graham Westgarth, who handled a storm of challenges with remarkable fortitude. The ship is now stable, the storm has passed, and the horizon is becoming clearer.

V.Group now has just 6%-7% of its seafarers working beyond their contractual period, and only in exceptional circumstances are any of these more than a couple of months out of contract.

Mr Kofod-Olsen is full of praise for the relentless efforts made by the shore team to find ways to get seafarers home.

This is the right time for the new chief executive to make his mark. He has spent the first weeks in post listening to what his clients, the wider industry, and the company's own employees expect from an outsourcing service company.

"I come from a shipowning background," he says, "so I asked myself that question [about the future of ship management]." His conclusion is that future success for third-party shipmanagement will be built on data and the insight generated by data analytics, and on the people working across the business.

V.Group "cuts across vessel segments, sizes, types of company, and geographies. Why should a client come to a third-party manager? Because we can deliver a service for that client based on data across a fleet of 600-700 vessels. Whether the owner has one ship or a fleet of 50 vessels, having access to scale matters."

The quality of service offered should encourage clients to pay adequately. "If they don't believe we make a difference that matters to their ships and crews, why should they transact with us?" he asks.

The terabytes of data generated every second by the many 'touch points' onboard V.Group's vessels will enable the manager to ensure vessel routeing is optimised, main engines run efficiently, maintenance is based on predictions not schedules, and heavy weather is avoided.

When the third-party manager takes care of vessel operations, Mr Kofod-Olsen says, clients can focus on commercial, market, and product strategies.

"We work closely with engine manufacturers, however we run the ships and we have the data." Everyone can sleep at night.

In spite of all the positive energy from the incoming chief executive, he is keenly aware that shipping continues to operate in the shadows. This remains the case even though the humanitarian crisis has shone a bright light on the difficulties of repatriating seafarers.

"We all expect to click a button on Amazon and our stuff arrives [as if by magic]. The amount of planning and logistics involved is amazing," he says, "but no one talks about it. Shipping must get better at ensuring people understand what we do. We light their homes, we deliver their goods.

"There's no more environmentally friendly way of moving goods than by ship. Now all responsible companies have decarbonisation on their agendas, so we're greener than ever."

Tackling the perennial issue of the industry's low profile might be a little further off. In the meantime, V.Group is on an even keel and has a new vision.

Higher contract rates ahead as shippers seek security

CONTRACT freight rates have risen sharply and could well remain high for the remainder of 2021, but the newly established rates are partially making up for losses incurred over the past five years.

"We see that the contracts that we have closed for 2021 are generally up compared with the previous year, fairly significantly," said Hapag-Lloyd chief executive Rolf Habben Jansen. "But if you look at them by historical standards and go back a bit more than just the last few years then they are still at a reasonable level."

Demand for contract cargo over spot cargo had increased following the log jams that had seen shippers increasingly struggle to find space on board ships for their containerised freight.

"How long you have to wait to get a slot on board depends very much on whether you have a contract or not," Mr Habben Jansen said. "We have a lot of customers who have fixed allocations every week which means that if they book they will get on board a week or two weeks later.

"If you don't have a contract then in many cases it is tough to get space."

The only options available in these cases would be booking with shipping guarantees.

"But you would have to pay a premium for that in this market," he said.

Analysis of the China Containerised Freight Index by Sea-Intelligence indicates that the current contract rate hike could last for at least the remainder of this.

"The contract market is the main bread-and-butter for the carriers and has also continued to increase dramatically in recent months to record levels," Sea-Intelligence said.

It warned that while it might appear to be common sense to expect rates to fall from such elevated peaks, data indicated that past peaks had been slow to come off the boil.

"The conclusion of the quantitative analysis is that there are quantitative arguments, in terms of past market development, as to why we might actually see the current record-high contract rates persist, not only for the next few months, but potentially all the way to spring 2022," it said.

The analyst said freight rates on the main lane trades had been on a sharp decline since 2015 before the pandemic struck.

"Despite the extremely sharp increases in rates in the past few months, these have only made very slight headway in terms of reversing the unit revenue losses experienced by the carriers since 2015," it said.

Nevertheless, there was a move towards more contract shipments now that supply had become so tight, Mr Habben Jansen said.

"We see people who have been sailing the spot market for quite a long time," he said. "If you go back over the past three to five years, in most cases you could get away with it. Sometimes it was a bit cheaper, sometimes more expensive, but you could always get your slots."

But with spot rates now sitting at around $4,000 per teu on the Asia-Europe trade and $4,000 per feu on the transpacific, there were merits in achieving more certainty and avoiding volatile spot markets.

"If you want to stabilise your supply and you want to secure supply there is certainly something to be said for going more towards contracts," he said.

MARKETS:

Texas winter freeze lifts product tanker rates

THE winter storms in the US state of Texas have bolstered product tanker tonne-mile and charter rates as key importers of US products are forced to turn to importing from Europe to meet demand.

Time charter equivalent earnings for medium range tankers on the benchmark Northwest Europe-US Atlantic coast route have already more than doubled to $12,500 per day on Friday, up from $5,000 per day in the week ending February 12.

In noting this rate rise, ship brokerage Poten & Partners attributed it to a rush among charterers to fix medium range product tankers to ship gasoline and diesel from Europe to fill the supply shortfall from the US.

Texas, which bore the brunt of a loss in gas and power supplies from an atypical winter freeze, is a 'workhorse' of or key contributor to the US olefins industry, as research agency Wood Mackenzie pointed out. Olefins are added to gasoline as well as are a feedstock for petrochemicals.

Its state government has thus far ordered a halt in gas use for export purposes to tide over domestic supply pressure.

More than 80% of US olefins capacity was offline as of Friday, according to an estimate from WoodMac's affiliate, Genscape.

"This is a significant impact to one of the world's largest concentrations of olefins capacities, just under 20% of the global total, and tops recent disruptions seen in August 2020 from Hurricane Laura," WoodMac's principal analyst Patrick Kirby remarked.

He suggested that this "emergency" may extend from days to weeks as "upstream and downstream disruptions will likely result in a staggered and complex capacity restart".

Shale oil and gas producing wells have sustained damage from the winter freeze. This compromises supplies or feedstocks for liquefied natural gas export projects and refineries.

Until the US resumes exports of oil products, Latin American countries are expected to turn to long-haul imports from Europe, the Middle East and Asia.

This will temporarily boost tonne-mile demand and support product tanker rates, Poten suggested.

The ship brokerage flagged a significant reduction in US crude output as a consequence of this month's winter freeze.

About 4m barrels per day of production, representing 36% of total US crude oil output, was knocked out as a result of the cold blast, it noted.

The second-largest oil producer in the US Permian basin, Occidental Petroleum Corp has been forced to curtail deliveries to its customers, Bloomberg reported.

Precious positive on bulker market for 2021

THAI dry bulk operator Precious Shipping sees many positive factors combining to support the strengthening of the dry bulk market for the next few years, despite the company reporting wider losses for 2020 as compared with a year before.

Bulker owners appear to be showing some signs of discipline in ordering new ships, which has resulted in the current orderbook-to-fleet ratio currently standing at 6.07% — the lowest quarterly reading for more than 20 years, according to Precious Shipping managing director Khalid Hashim.

"Another way to look at market prospects would be to compare the current forward orderbook of 55.06m dwt until the end of 2023 as a percentage of the existing fleet at the end of 2020 and see when it was as low as this number, that would have been in the mid 1980s!"

Net supply growth in 2020 of 3.84% has exceeded tonne-mile demand growth of -2.19% to 0.5%. However, the reverse is expected for 2021 and 2022 with Mr Hashim projecting tonne-mile demand to grow handsomely, exceeding net supply growth in each of these two years.

Meanwhile, ships aged 20 years or over, comprising about 56.2m dwt or 6.2% of the existing fleet at the end of 2020, would be ideal candidates for recycling as they would have to invest in ballast water treatment systems, dealing with the International Maritime Organization 2020 sulphur cap rule, expensive special surveys, and possibly face regulatory-led forced recycling after 2023.

"If the supply side gets a dividend by the recycling of the very old ships, slow steaming by the rest of the owners who are using low-sulphur fuel oil and forced downtime in dry docks for those owners passing special surveys on 20-plus-year-old ships, then the market would further benefit from this tightening of available ships," he said.

Although coronavirus continues to pose a threat to individual countries as well as to the world economy, if this threat dissipates by the first half of 2021, which appears a distinct possibility owing to the loosening of lockdown policies based on vaccine uptake figures, then shipping would be back to normal by the second half of this year, Mr Hashim noted.

Precious posted a full-year net loss of $40.8m for 2020, compared with a net loss of $7.25m a year earlier.

The result was mainly affected by lower net vessel operating income, which was down 12% as compared with the same period in the previous year and exchange losses of Thai Baht after signing a settlement agreement with Sainty Shipyard.

Forwarders failing on shipper-owned equipment bookings

FORWARDERS are failing to tap into shipper-owned container capacity that could help tackle the shortages of equipment that are plaguing the containerised supply chain, according to a new study.

Container positioning service Container xChange conducted a "mystery shopper" survey of 50 top forwarders, using a fake company ordering a shipment of coffee machine parts from China to Germany, specifying the use of a shipper-owned container.

Twelve of the forwarders approached accepted the booking, but only five could organise SOC transport and source a container.

While this represented 10% of the attempted bookings, and was up from the 6% that would accept a booking when the survey was conducted a year ago, it still indicated a lack of interest in taking this type of booking, Container xChange said.

"It is clear from the survey results that SOCs are an underused resource, particularly now at a time of stratospheric freight rates and shortages of carrier-owned containers," said Wolfgang Lehmacher, a logistics consultant and the former head of supply chain and transport industries at the World Economic Forum.

"I think there are opportunities for SOC moves for agile forwarders. The SOC advantage of avoiding demurrage and detention charges is a huge business plus. But shippers, forwarders and NVOCCs can all benefit from using SOCs — they are an additional instrument in the mix of managing the container-enabled supply chain."

Of the 12 forwarders to accept the booking, two offered to buy the container on behalf of the undercover company and five suggested the company supply its own box.

But shipment offers received from forwarders included container pickup charges ranging between $300 and $2,700.

"The huge price range suggested some forwarders were able to source equipment, but others were suffering from box shortages and would need to purchase the container first," the company said.

The majority of containers used by forwarders and shippers are carrier-owned containers, which allows shippers to buy transport at 'all-in' freight rates including the supply of the box.

After the container is unstuffed, it is returned to the carrier's depot and there are no further obligations to move or utilise it.

SOCs are used less often, as finding boxes from reliable sources can be time-consuming.

They can, however, be useful when trade imbalances create shortages, particularly when carriers are charging premiums for usage of COCs. SOCs also allow the shipper to take control of trucking costs and can act as an insurance against costly carrier demurrage and detention charges.

"There needs to be more awareness about how the SOC option can help better manage the container freight value chain," Mr Lehmacher said. "The business case needs to be clear."

IN OTHER NEWS:

GasLog to go private after BlackRock merger

GASLOG, a liquefied natural gas carrier owner, has agreed a merger deal with BlackRock, the world's largest asset manager.

If approved, the deal will see the LNG shipping company delist its common shares from the New York Stock Exchange.

It envisages BlackRock buying out the company's public shareholders at $5.80 per share and has been unanimously approved by a special committee of GasLog's board. It will now go to a special shareholders' meeting where it will need to be backed by a majority of the free float.

Semiramis Paliou steps up to top job at Diana Shipping

DIANA Shipping has promoted Semiramis Paliou to chief executive of the New York Stock Exchange-listed dry bulk carrier owner.

Ms Paliou takes over the role from her father and Diana's founder, Simos Palios, who will remain company chairman.

Ms Paliou, who has sat on the company's board for six years and has been chief operating officer since 2018, took an even more prominent role last year and was made deputy chief executive as Mr Palios gradually recovered his health after being hospitalised for a lengthy period after contracting coronavirus.

Pavilion Energy and Chevron pen LNG offtake agreement

PAVILION Energy, which counts Singapore sovereign wealth fund Temasek as one of its investors, has signed another multi-year liquefied natural gas offtake agreement with supermajor Chevron, calling for cargoes to be delivered with emission profiles attached to them.

This deal involves the supply of 500,000 tonnes of LNG annually to Singapore over six years from 2023, a statement from Pavilion Energy said.

Each LNG cargo will be accompanied by a statement of greenhouse gas emissions measured from wellhead to the port of discharge.

Four injured in Gibraltar bulker explosion

FOUR people were injured in an explosion on a bulker at the port of Gibraltar.

The Chinese-owned, Hong Kong-flagged, 2020-built, 120,578 dwt *CSSC Cape Town* (IMO: 9853888) was entering

British Gibraltar territorial waters when the incident happened near its forecastle on Friday evening.

Police do not suspect foul play, the Gibraltar Port Authority said. A full investigation will follow.

Korea Shipbuilding strikes $500m newbuilding deals

KOREA Shipbuilding & Offshore Engineering said it has won a string of orders worth Won540bn ($510m).

The newbuilding deals were led by three very large crude carriers contracted by an unidentified Asian owner for about $90m per ship.

Delivery of the VLCC trio is scheduled for the second half of 2022, the Seoul-listed shipbuilder said in a stock filing.

Kuehne+Nagel acquires Asian logistics provider Apex International

KUEHNE+Nagel is expanding its Asian operations with the acquisition of China-based freight forwarder Apex International.

"The combination of Apex and Kuehne+Nagel provides us with an opportunity to offer our customers a compelling proposition in the competitive Asian logistics industry, especially in e-commerce fulfilment, hi-tech and e-mobility," said Detlef Trezler, chief executive of the Swiss logistics company.

No value has been announced for the deal, but analyst indicated it is in the range of $1.5bn.

Lloyd's Register appoints new leadership team with marine focus

UK CLASSIFICATION society Lloyd's Register has appointed a new marine leadership team.

Chief executive Nick Brown, who until the past year headed the company's marine division, has named company veteran Mark Darley as business director for marine and offshore.

Mr Darley, who has been with Lloyd's Register for more than 20 years, will be responsible for running and expanding its classification, certification and verification services.

Offshore wind sector could help re-employ some energy workers

WORKERS in the beleaguered oil and gas industry may be able to find some reprieve in the offshore wind sector, according to a Rystad Energy analysis.

With offshore wind installed capacity estimated to rise 110 gigawatts by 2025 and 250 GW by 2030, the consultancy sees demand for offshore wind staff tripling by the end of the decade, surging to 868,000 full-time jobs from an estimated 297,000 in 2020.

The ramp-up in hiring will already be visible in the middle of the decade, as jobs demand could reach about 589,000 in 2025, Rystad added.

Woodside secures LNG term offtake from RWE

AUSTRALIA'S liquefied natural gas producer Woodside Energy has secured a seven-year offtake from a unit of Germany's utility group RWE.

The agreement signed between Woodside Energy Trading Singapore and RWE Supply & Trading called for the supply of 840,000 tonnes of LNG annually for seven years from 2025, a statement from the Australian producer said.

This deal is not subject to a final investment decision on any new LNG export projects.

Zhonggu completes fleet expansion spree

CHINA'S Zhonggu Logistics has concluded its $700m newbuilding project, with the latest orders for up to eight panamax boxships at compatriot Jinling Shipyard.

The Shanghai-listed container shipping company said in a stock filing that it has signed a contract to build six 4,600 teu vessels with the yard, with an option for two more units.

Jinling Shipyard, part of state conglomerate China Merchants Group, has previously constructed a series of 1,900 teu and 2,500 teu ships for the owner.

Classified notices follow

SHERIFF'S SALE
VESSEL "GOLDEN NORI"

In The Cause Of Admiralty In Rem No. 279 Of 2020
By Virtue of Warrant Of Arrest In Admiralty Action No. 41 Of 2020

PARTICULARS OF VESSEL

Name of Vessel	:	GOLDEN NORI
IMO Number/Call Sign	:	9151137 / 3FBX7
Type	:	Oil and Chemical Tanker (Type II & III)
Flag/Port of Registry	:	Panama
Class	:	Nippon Kaiji Kyokai Class NK
Location	:	Lay afloat in ballast condition at Western Working Anchorage (AWW), Singapore
Dimensions	:	117.0m (Length Overall) / 110.0m (Length BP) / 20.0m (Breadth Moulded) / 11.2m (Depth Moulded)
Tonnage	:	6,268 (GT), 3,549 (NT), 11,666.26 (DWT Summer)
Built	:	1997, by Fukuoka Shipbuilding Co. Ltd. Japan
Capacity	:	12,542.91 m^3 (Cargo) / 706.9 m^3 (Fuel Oil) / 102.88 m^3 (Marine Diesel Oil) / 3,315.98 m^3 (Water Ballast) / 399.46 m^3 (Fresh Water)
Main Engine	:	One AKASAKA-MITSUBISHI UE model 7UEC37LA 7 units, inline, low speed, exhaust gas turbocharged diesel engine directly coupled to a single screw shaft developing some 3,603 kW @ 210 rpm
Generators	:	Two units of Yanmar model 6N165-SN turbo-charged, inline, 4 stroke, 6 cylinder diesel engines each rated at 485 kW x 1,200 rpm output and driving two NISHISHIBA model NTAICL, 3-phase, 450 kW, 450 V, 60 Hz synchronous generators
Service Speed	:	13 Knots

Note: The net value of bunkers on board **"GOLDEN NORI"** is **SGD 67,102.00/-** which is excluded from the sale, and have to be paid by the purchaser. The amount payable is not negotiable.

Pursuant to the Order of Court dated 22nd January 2021, all interested parties are invited to bid for the purchase of the vessel by private treaty. The bids must be submitted in **Singapore Dollars** together with a deposit of **SGD 50,000.00/-** in local Cashier's Order made in favour of **The Sheriff Of Singapore** and should be placed in a sealed envelope marked **"Tender for GOLDEN NORI"** and sent to the Sheriff's Office, Legal Registry, Level 2, 1 Supreme Court Lane, Singapore 178879, to reach him **no later than 3.00pm, on Tuesday, 9th day of March 2021.** Bids made without the accompanying deposit will be rejected. The deposit shall be returned to unsuccessful bidders. The vessel will be sold on an "as is where is" basis and the sale is on the Sheriff's standard Terms and Conditions of Sale. Permit to inspect the said vessel may be obtained on application to the Sheriff. Please refer to the Supreme Court's website at http://www.supremecourt.gov.sg/services/lists/sheriff's-sales for the Sheriff's Conditions of Sale and further information of this vessel.

All bids are to remain valid for a period of 3 months from the date the bidding closes.

The Sheriff reserves the right not to accept the highest or any bid.

Sheriff-in-charge:	Mr Mattias Low	Tel : + (65) 6332 4287
	Mr Desmond Lua	Tel: + (65) 6332 1066
	Mr Ling Thai Chuan	Tel: + (65) 6332 4286
	Mr Teo Pua Wei	Tel: + (65) 6332 4288
	Mr Michael Koh	Tel: + (65) 6332 3964