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Shipping targeted as regulators seek to tighten Russian sanctions

THE EUROPEAN UNION and the US are looking to target the shipping industry as regulators consider mechanisms to tighten sanctions measures against Russia.

As part of the 11th sanctions package being prepared by the European Commission, officials are exploring how they could target vessels turning off Automatic Identification System signals.

While the current package of measures is still being finalised, proposals to include the targeting of vessels switching off AIS signals features in a draft set of measures being circulated among member state officials.

The focus of the package will be to further close loopholes and deal with the circumvention of existing restrictions, including by companies in third countries.

The headline proposals are understood to include extending the list of banned goods transiting through Russia, however the AIS focus is being considered in the wake of increased interest in AIS spoofing and manipulation from the US.

The US Treasury last week issued an advisory notice amid reports that some companies had been involved in Russian oil trades that may have breached the oil price cap.

The Treasury's Office of Foreign Assets Control claimed that US shipping service providers could have been duped by false documentation or spoofing of AIS signals to disguise tanker calls to Russia's eastern ports, including Kozmino.

While no official guidance on enforcement actions have been issued by any US government agency, Lloyd's List has been told by well-placed officials that a "disruption" of the dark fleet's opaque operations is now seen as a priority.

Lloyd's List understands that US, EU and UK officials are co-operating closely on the issue, however it is not yet clear whether the EU will have sufficient internal support to keep the AIS targeting in the final draft of the next sanctions package.

European shipping industry representatives have already raised concerns that any proposed mechanism requiring AIS monitoring would be very difficult to enforce, particularly with non-EU flagged vessels.

Even those EU officials supporting the inclusion of the current draft AIS proposal have privately conceded that the complications regarding enforcement may ultimately see the proposal drop off this package during negotiations.

The proposals need the backing of all member states to be adopted and could change before they are formally presented to diplomatic envoys or during discussions to agree the package.

If that does happen it remains a possibility for the commission to include reference to AIS manipulation in the so-called FAQ clarification documents that will follow the publication of the 11th package of sanctions. These could replicate the warning issues by Ofac last week.

According to several media reports citing early drafts of the EU sanctions drafts, the suite of measures is also expected to include about 30 new listings as well as further restrictions on several firms and entities.

It is not yet clear whether any of those targeted will be maritime businesses or vessels, however Lloyd's List understands that US officials have made clear their desire to see more countries such as the UK and EU designate shipping targets.

Proposals for the EU package are expected to take several weeks to emerge and more substantive drafts are not expected to be ready until next week with the final package expected to be announced in late May.

WHAT TO WATCH:

Black Sea containership trade flows shift in wake of Ukraine conflict

BOXSHIP trade in the Black Sea has changed significantly since Russia's invasion of Ukraine.

While overall traffic has plummeted, neighbouring countries have seen a boost in demand for container services.

Traffic in the region has decreased by 28.4% last year, according to data from Informall Business Group, an Odesa-based consultancy. Laden import volumes fell 25%, while export volumes were down 33%.

Ukraine's boxship market, which pre-war had an annual turnover of more than 1m teu, has suffered the most. The country's key container terminals have been blocked since the start of the invasion in February 2022.

While the port of Odesa is open and operating under the Black Sea Grain Initiative, boxship services are unable to sail given the deal only applies to vessels carrying grain and other specific agricultural commodities.

Containers can still be delivered direct to Ukraine via barges and smaller ships.

Prior to the war Ukraine's Danube river ports of Reni and Izmail did not handle boxships, however, the port infrastructure and supply chains have been adapted to accommodate the trade.

"This logistics solution offers much-needed relief from overland transit trucking from Romania to Ukraine, which was previously the primary option for moving containers post-invasion," said Daniil Melnychenko, a data analyst at Informall BG.

Imports and exports destined for Ukraine are now being funnelled through the port of Constanta, boosting Romania's yearly turnover.

Constanta handled an additional 75,000 teu in

2022, according to data from Informall BG.

"A 15% increase in laden container turnover is a significant jump for Constanta, and it would be for any other port of that size," says Mr Melnychenko.

Under normal circumstances Constanta's container terminal yearly growth rate is around 3%-5%.

Georgia's boxship terminals have also benefited from the conflict with a 22% increase in laden volume year on year reaching 302,000 teu, according to Informall BG's research.

The country, which borders Russia, is viewed as a potentially viable route for moving products between Europe and Asia.

"Opportunities for Poti and Georgia are driven by the port's location at the western end of the Central Asia/Caucasian rail network connecting Asia with Europe through the Middle Corridor," said Iain Rawlinson, chief commercial officer of APM Terminals Poti, in a statement announcing CMA CGM's Caucasus Georgia Express service.

"This is a trade which is in its infancy, but with a container penetration rate estimated at less than 5% of the potential market, and a $250bn economy, the opportunities for cargo growth over Poti are enormous."

CMA CGM's CGX services transports cargo from Poti to Piraeus, Greece and Ambarli port in Istanbul, Türkiye. The first call of this new service was made in February.

"The Middle Corridor leg connecting Georgia and Romania via container liner services has not yet proven its viability," said analysts from Informall BG. "Many intermodal operators are utilising railway routes via Türkiye to avoid time-consuming transhipment via the ports of Poti and Constanta."

Imports were largely responsible for the growth in Georgia's container trade in 2022.

Georgia was a popular destination for Russian citizens fleeing their home country because of the conflict and other war-related policies.

This immigration wave has pushed up import demand.

"Cargo volume through Georgia has continued to be strong since the start of the conflict in Ukraine," said a spokesperson for APM Terminals Poti. "While we do not have visibility on the final destination of all cargo transiting through the port, the information we have is that most of the cargo growth has been destined for Georgia itself, or for the countries that have had their traditional supply chain through Russia curtailed as a result of the international sanctions."

APM Terminals Poti, owned by Maersk, is sanctions compliant and does not do business in Russia nor with Russian interests, it said.

Russia uses Sevastopol attacks to threaten extension of grain deal

NAVAL drone attacks on Russia's Black Sea fleet in Sevastopol "jeopardise" an extension of the Black Sea Grain Initiative, the defence ministry in Moscow said in a statement.

The port city of Sevastopol, which was annexed by Russia in 2014, has been a repeated target throughout the invasion.

Russia says it repelled three "unmanned speedboats" that attacked the naval base in the early hours of April 24.

"The analysis of the route of movement of Ukrainian unmanned boats showed that they were all launched from the water area of the port of Odesa, designated for the implementation of the Black Sea initiative," the defence ministry said in a statement.

This claim was made without providing evidence. Kyiv has not claimed responsibility for the attack.

Sevastopol is operated by Russian occupied forces. Non-commercial vessels, such as yachts and fishing ships can be tracked calling at the port, according to Lloyd's List Intelligence data.

Investigations have revealed Sevastopol's prominent role in the smuggling and export of Ukrainian grain that is taken from occupied territories.

It is not common for merchant ships to call at Sevastopol while transmitting Automatic Identification System signals, with only one vessel doing so this year. Russia-flagged general cargoship *RM 3* (IMO: 8877241) called at Sevastopol on January 21.

Russia briefly suspended its participation in activities relating to the implementation of the grain deal in October after a drone attack on the Black Sea fleet.

It resumed participation in the agreement after receiving guarantees from Ukraine that the corridor and export hubs would not be used for military operations.

Moscow's warning that these attacks could prevent the renewal of the Black Sea Grain Initiative is the latest in a string of anti-grain deal rhetoric from Russian officials who have hinted that an extension may be refused.

The grain deal was renewed in March. Russian diplomats said the term would only run for 60 days, rather than 120, with a further deadline set for May 18.

A further extension hinges on tangible progress in the facilitation of Russia's grain and fertiliser exports.

US shipping bill targets 'unreasonably anti-competitive' agreements

THE US congress has unveiled more ocean-shipping focused legislation aimed at "foreign" carriers.

The Ocean Shipping Competition Enforcement Act was introduced by Democrat representative John Garamendi who said shipping is dominated by "nine foreign-flagged ocean liners that openly collude under three carrier alliances handling some 80% of cargo".

The act will allow the Federal Maritime Commission to block agreements among ocean carriers and marine terminal operators without having to first obtain a federal court order.

The proposed bill comes after FMC commissioners Carl Bentzel and Max Vekich wrote to US Congress asking legislators to grant them the authority to prevent these agreements from automatically coming into effect if they deem them to be unreasonably anti-competitive.

"This legislation will provide the authority necessary to challenge an anticompetitive agreement and allow the FMC to work constructively toward resolutions, making this a much more efficient and accountable process," Mr Bentzel said in a statement. Mr Vekich said it will simplify the process by which the commission reviews agreements between "foreign-owned entities" in the US supply chain.

"While agreements often have pro-competitive benefits, it is important for the FMC, as the watchdog agency, to once again have the ability to determine when such agreements go too far and result in an unreasonable reduction in competition which produces an unreasonable decrease in service or increase in cost. As the expert independent regulatory agency, the FMC is in the best position to make the initial determination."

World Shipping Council president John Butler said the bill is founded on the false premise that ocean carriers jointly set rates.

"The carrier agreements under the Shipping Act are used to share space on ships, which provides more services to more ports (including small and medium size ports) in the most efficient way possible," he said. "This benefits US importers, exporters, and consumers. The Federal Maritime Commission has a full suite of oversight tools to make sure that there are no negative effects on competition, and the FMC itself has found that the industry is fiercely competitive. This bill is a solution in search of a problem."

The Ocean Shipping Competition Enforcement Act is the third ocean shipping bill introduced in Congress in recent weeks.

The Ocean Shipping Antitrust Enforcement Act was introduced in March seeking to repeal ocean carriers' long-standing anti-trust exemptions. That was followed by the Ocean Shipping Reform Implementation Act, which was aimed at the growing influence of China on the supply chain.

ANALYSIS:

Offshore wind gets European push

NINE states that border the North Sea have agreed to double offshore wind power targets to meet climate goals and to reduce reliance on energy from Russia.

Political leaders from Belgium, France, Germany, the UK, The Netherlands, Ireland, Norway, Luxembourg, Denmark and the European Commission president Ursula von der Leyen met at the coastal town of Oostende in Belgium this week. A similar summit was held in Esbjerg, Denmark, in May last year.

In a statement, Ms von der Leyen said that the European Union has raised its target for renewables use in power generation to 42% by 2030. The previous target was 32%.

The new target for offshore wind has been boosted to 120 GW by 2030 from 65 GW agreed at the meeting last year. The 2050 goal has been raised to 300 GW from the previous goal of 150 GW.

Currently, about 30 GW of power is generated from offshore wind in the region.

The doubling of targets will "give us all the wind we need in our sails to set the course on to climate neutrality", she said, adding that the European Commission would help deliver on the targets in part through the Green Deal Industrial Plan.

Danish Shipping expects the acceleration of the development of offshore wind projects to provide "huge" opportunities for shipping companies.

"The prospect of unprecedented large-scale deployment of offshore wind energy in Northern Europe, promises many things — also for the shipping industry," said the EU's head of representation Bjarne Løf Henriksen. "We need green fuels and for that to happen, we need dedicated renewable energy."

However, challenges remain such as the availability of vessels to meet the targets. So far, 500 ships are on order globally, and plenty more will be needed to service the offshore wind industry.

With the oil and gas industry taking off due to high prices, there is no idle capacity right now, said Danish Shipping's deputy chief executive Jacob Clasen.

Shipyard capacity remains a risk factor, though some owners had ordered new ships, which have been delivered ahead of project approval or start-up.

Denmark has 2.3 GW of installed offshore wind and Mr Clasen is confident that the targeted 9 GW by 2030 can be achieved. The Norwegian authorities have mapped out potential new areas for bottom-fixed and floating offshore wind along the entire coast.

"Norway has been ranked number two among the world's most interesting markets for floating offshore wind, and we are right at the top when it comes to technology development," said Norwegian Offshore Wind head Arvid Nesse. "The Norwegian industry now hope to see a clear plan for the further process around new offshore wind parks."

Europe is the leader in terms of already installed capacity, followed by China, he said. However, in terms of future growth plans, China and the US are driving developments.

Research from the Renewables Consulting Group, an ERM Group company, found that global offshore wind market development soared during 2022 due to energy vulnerability across several key European markets.

More than 550 GW of offshore wind capacity was added to the global development pipeline in the Americas, Sweden, Australia and China, taking the total to 1,250 GW at the end of 2022.

According to its annual market report, the Russian invasion of Ukraine forced many European countries to rethink their dependence on imported fuels and many turned to offshore wind as "a sound mitigating strategy".

Of the total 145 GW of operational and secured offshore wind capacity, China leads with 37%, followed by the UK at 20%, the US at 10% with 17.5 GW of awarded contracts, and Germany at 9%.

Momentum is building with Spain, Portugal, Lithuania, Norway and India intending to hold their first offshore wind auctions this year, it said, adding that floating offshore wind now exceeds 20% of the global portfolio total, with the UK, Norway and France being market leaders.

Associated British Ports will be holding an offshore wind conference in Hull next week. As the North Sea development accelerates, the Siemens Gamesa manufacturing site in the city is set to double in size, ABP said.

"ABP is in a unique position to support the acceleration of the UK's energy transition by providing the necessary port infrastructure to support offshore wind that will help to create a more sustainable future."

Its Grimsby port is strategically located adjacent to the 1.3 GW Hornsea 2 offshore wind farm, hailed as the world's largest. The port is the UK's largest offshore wind operations and maintenance port, supporting wind-farm operators and the wider supply chain.

Shipyard capacity expected to expand amid push for dual-fuel orders

SHIPBUILDING capacity will need to increase to cater to the demand for dual-fuel vessels expected to grow from 2025.

Order volumes, which experienced a strong recovery in 2021-2022 with more than 80m cgt contracted globally in total, will drop to below 50m cgt in 2023-2024, according to estimates by Maritime Strategies International.

However, a rebound is forecast during the second half of the decade, with about 35m cgt expected for 2025, and then over 40m cgt, respectively, for 2026 and 2027.

The bounceback will mainly be led by demand for fresh tonnage using alternative marine fuels, especially those in the dry bulker and tanker sectors, said MSI managing director Adam Kent during a Sea Asia shipbuilding outlook seminar.

"We think it will be very much driven by a requirement for [the industry] moving towards dual-fuel vessels across the entire fleet. At the moment we've seen orders predominantly for containerships and car carriers, but when you got proven technologies and vessels on the water, we expect to see a lot more ordering for tankers, bulkers and some of the other main sectors where we haven't really seen the uptake."

Such demand will spur expansion of shipbuilding capacity, including bringing some of the collapsed yards back to life, Mr Kent added. However, the kind of boom witnessed before the previous global financial crisis, which later led to severe overcapacity problems, is unlikely to be repeated.

"It's not the sort of hockey stick that we saw in the early 2000s, but more gradually increase."

Yard capacity is expected to grow 12% in 2025-2029, compared with levels seen in the previous five years and then to increase 8% further in 2030-2034, according to MSI.

In comparison, capacity surged more than 60% during 2005-2009 compared with 2000-2004.

Part of the increase to meet the potential demand for dual-fuel orders will come from the improved utilisation of the existing shipbuilding facilities, said Mr Kent.

He said some large shipyards previously operating two eight-hour shifts are starting to work around the clock. "And it will be those years that do have the technology and advancements that we think will be expanding very rapidly over the next five to 10 years."

Most of the orders for cleaner ships will continue to be obtained by established players, with those from Japan that have seen reduced market share, but invested heavily in green ship technologies, likely to enjoy a resurrection.

If shipping is to reach net zero emissions by 2050, about 2,000 to 3,000 ships out of the existing merchant fleet of some 70,000 units need to be replaced each year by new vessels burning green fuels, starting from the next three to four years, according to the Maersk Mc-Kinney Moller Center for Zero Carbon Shipping chief executive Bo Cerup Simonsen.

"You can really imagine the number of shipyards that need to prepare themselves for building to new standards and completely new levels of innovation. It's a massive undertaking in terms of scale."

But the industry, which burns about 300m tonnes of fossil fuel oil annually, needs to send much stronger demand signals in order to secure a sufficient supply of low-emission alternatives.

"And where do those demand signals come from? They come from the International Maritime Organization on the regulatory side. And they come from cargo owners and shipowners coming together," said Mr Simonsen. "If this is not coming along... then the ordering of those green-fuel ships will also not be coming along."

Internet connectivity seen as 'transformational' for seafarers

GLOBAL connectivity has transformed the crewing marketplace, with seafarers now able to find job opportunities on their mobile phones, which gives them more employment choices.

Danica Crewing Specialists chief executive Henrik Jensen said access to the internet had made the crewing world more transparent and enabled seafarers to consider a range of worldwide employment opportunities.

Further, qualified seafarers are vetting the shipping companies they work for, choosing based on business ethics and environmental credentials, in addition to employment conditions and work-life balance.

"Society has moved on a lot over the past 10 years and the competition for recruiting and retaining top talent has become even stronger," he said. "The best seafarers are in a position to choose which contracts they accept and have become much more selective in which companies they want to work for."

The internet has had a huge impact on recruitment and retention.

Today, all manning agencies, crew managers and shipping companies advertise their vacancies online with joining dates, wages and benefits. This has made the employment market fully transparent.

"Previously a seafarer needed to attend several manning offices or make a lot of phone calls to get a full understanding of what employment conditions they could get — now they can collect that intelligence in just a couple hours surfing on the internet," Mr Jensen said. "This makes the employment market much more competitive."

The former ships' captain said the internet is readily available on board most ships, an investment that has "transformed the lives of seafarers," not only for their well-being and convenience "but also because it takes away a lot of the isolation while away at sea."

He said seafarers are now able to follow all news and events like anyone else.

"In the past, seafarers were at risk of developing a sense of rootlessness. They were on board a vessel for a period, then shifted to shore for a limited time, then on to a new ship, and the pattern continued. For some, this created a feeling of not belonging anywhere. Internet connectivity at sea enables them to feel part of wider society and to stay in touch with their family and friends on a real-time basis, which is hugely beneficial to their mental health."

Online connectivity enables crew managers to use social media for recruitment and to reach seafarers whether they are at sea and on shore, of all ranks and ages — particularly young aspiring ones.

Hamburg-headquartered Danica Crewing Specialists has grown significantly from its origins in Odesa, Ukraine. It spans eastern Europe, India, and the Asia-Pacific region, giving it access to a crew pool of more than 70,000 seafarers. More recently, it has opened an operational centre in Cyprus and has further expansion plans in the pipeline.

Mr Jensen stressed the importance of timely contract renewal and swift decision making when recruiting and retaining talent.

"With a world of vacancies accessible on their screens, seafarers can ensure they secure good quality work when they need it. If you want to retain competent crew, sign them up for their next posting before their current one ends, as uncertainty can lead to them being snapped up by someone else."

The global nature of shipping, combined with the necessity to adapt crewing strategies during the pandemic, has changed the way shipowners approach their crewing needs. Mr Jensen predicts a move to a much more diversified crew sourcing strategy to reduce risk and ensure a strong talent pool.

"Many owners have been sticking to two to three crew nationalities but that will change in the wake of the problems presented by the Covid lockdowns, particularly in the Philippines, and the turbulence caused by the war in Europe," said Mr Jensen.

"Owners will now be looking to add more nationalities to their crew pools to mitigate such risks and to ensure sufficient quality talent."

MARKETS:

Box freight rate rises do not mark a recovery

THE "barely perceptible" rise in container freight rates when set against the peaks of 2021-2022 should not be seen as a sign of recovery for the sector, which will likely see losses later this year.

"It is newsworthy, in as much as it signals a potential change of direction that could alter the hitherto gloomy narrative that has surrounded the market for a little while now," said Drewry container research manager Simon Heaney. "The question is whether this is going to be a sticky trend or not. There's always danger that we read too much into just a handful of datapoints, especially true in a notoriously volatile market like the container shipping market."

He said many of the reasons for the recent turnaround did not fill him with enough confidence to be able to call the bottom of the market yet.

"On spot rates, prices were at just below breakeven on the Asia-Europe and transpacific lanes, which therefore reduces the opportunity for them to fall any further and has breached the threat of harder capacity cuts to come," he said. "We've seen much news of the pending newbuilding tsunami coming this year, but actually new ship deliveries were slow to start the year. So, while there was still ongoing demand weakness, that did help prevent the market from tipping over completely and kept sentiment broadly in carriers' favour."

Carries had done "a pretty good job at frightening shippers" into believing that more capacity reductions would follow if general rates increases weren't at least partially successful.

"We would be more confident in calling the recovery if the foundations were in place, but they're just not," he said, adding demand in terms of port throughput and loaded trade volumes remained "incredibly weak."

"The orderbook for this year next is still vast and it's about to land with much bigger vengeance very soon. Demolition is still well below where we had expected it to be at this stage of the year. So, without those building blocks, in our view this recent uptick in spot rates is transitory."

World container throughput ended last year slightly better than Drewry had anticipated with a nominal growth of 0.5%. The outlook for this year is a "fairly muted" 1%, as the period of artificially stimulated high growth comes to an end.

"As the market settles, there will be some striking year-on-year declines that will catch the eye, but we will start seeing that calming down very shortly," Mr Heaney said. "In our view quarterly throughput has now bottomed out and should return to positive territory from this quarter and through to 2027."

The problem for carriers was that rising demand growth was not going to be sufficient to offset the capacity surge.

"That's why we're unconvinced that freight rates have bottomed out. The bill is due on the ordering frenzy of 2021. There was a record 4.4m teu that was contracted and a large chunk of those are now coming on to the water and the timing couldn't be worse from a demand perspective, coinciding as it does with an easing of congestion around the world."

The schedule for delivery this year stands at 2.5m teu. That sum will be reduced by scrapping and delayed deliveries, but demolition levels are well below what was expected.

"Subsequently, we're expecting the cellular fleet to grow by 4.7% this year. Without the comfort blanket of port congestion, the rise in effective capacity is going to be much higher than that of 25%."

That would only be partially offset by the fact that carriers were slowing down services.

"Where owners are falling down is with the other part of the equation," he said. "They are just not getting rid of older, much more heavily polluting ships. We just can't think of a justifiable reason for owners to persist with some of these older clunkers and the failure to get them off the books is just going to press down on charter rates and asset values in the coming months."

But carriers were also to blame, he said. "I think it's fair to say that carriers' capacity management performance to date has to be graded as suboptimal. By not acting sooner, lines have allowed the collapse of the spot market to infect the contract market as well."

Factoring in projections for effective capacity and demand, as well as significantly reduced Asia-Europe contracts and expectations for the transpacific, Drewry anticipates the average global freight rates will drop by almost 60% this year. Rates are likely to fall again in 2024 with a reduction of around 14%.

"That means that carrier results will get progressively worse as the year develops," Mr Heaney said. "There could well be losses at the operating margin level by the end of the year. We think that will carry over to 2024. Our prediction for next year is for a loss of $10bn. Lines will be able to cope with this from their significant cash buffers, but it is going to be a harder landing than it might otherwise have been."

Wärtsilä's order intake rises 26% as customers seek decarbonisation solutions

WÄRTSILÄ said it managed to deliver growth and higher profit in the first quarter of the year, despite global economic headwinds.

"In the energy market, the investment environment remains uncertain, especially for new power plants," it said in a statement. "Price pressure on fuel and raw material cost has eased during the beginning of the year but rising interest rates have caused further uncertainty.

On the other hand, investments in the energy transition have been at a high level, and supportive policies regarding battery energy storage and clean hydrogen has continued to develop."

The Finland-based energy and marine power and systems business said first-quarter net earnings was €61m ($67m), compared with a loss of €142m in the same period a year earlier. Operating profit was €92m, compared with a loss of €147m.

Much of the business was generated by existing customers, with organic growth boosting order intake and net sales.

The order intake in the three-months ending March 31 was €1.7bn, compared with €1.4bn. Service order intake increased by 21% to €889m.

"Our order intake increased by 26% supported by good development both in services and equipment," said chief executive Håkan Agneval. "The good development in services has supported our profitability and our comparable operating margin improved to 6%. Nevertheless, cost inflation continued to burden the order backlog of our new equipment business. Cashflow from operating activities improved, supported by a higher result and reduced working capital."

The demand environment for the next 12 months is expected to be similar to that of the comparison period. Although the operating result margin is "still clearly below target", action is being taken to improve profitability "step by step."

Wärtsilä Marine Power vice-president Hannu Mäntymaa, said talks with shipowners are focused on decarbonisation, and how to meet theInternational Maritime Organization's green targets.

There has been strong interest in the Fit4Power derating retrofit solution for two-stroke engines, which extends the emissions-compliant lifetime of merchant vessels by improving combustion efficiency — up to 15%. This in turn reduces both fuel consumption and greenhouse gas emissions.

"This is not new technology," he said, "but decarbonisation has given it a strong push to comply with regulations."

Wärtsilä Marine Power president of marine systems Tamara de Gruyter, said discussions with customers are hardly ever limited to products, rather "they are looking for knowledge, competence, advice, and service agreements".

Wärtsilä has taken steps to improve profitability over the past year, including the merger of the voyage business into marine power. After a strategic review it was decided to focus on end-to-end voyage optimisation, which would mean moving other parts of voyage activities to the portfolio business, including marine electrical systems.

The changes are expected to be completed during the second quarter.

IN OTHER NEWS:

Samsung accuses South Korean carrier of 'staggering' amount of detention and demurrage charges

SAMSUNG Electronics America has filed a complaint alleging South Korean carrier SM Line burdened it with a "staggering" amount of "unlawful" detention and demurrage charges.

It is the second complaint lodged by the electronic giant's US arm since October when it brought a similar case against Israeli carrier Zim, which is still ongoing.

Samsung's complaint to the Federal Maritime Commission, which did not specify the level of damages being sought, alleges SM Line hit Samsung with over 4,500 individual demurrage charges and over 10,000 detention charges since 2020.

Shipping urged to adopt just-in-time approach

SHIPPING is being urged to adopt a just-in-time approach to accelerate decarbonisation and digitalisation efforts.

"Hurry up and wait" is one of the biggest sources of waste in shipping, according to Wärtsilä Marine Power president Roger Holm.

The just-in-time arrival effect at the Singapore container terminal, based on a simulation of the optimisation of the last 72 hours voyage of 50% of containerships heading to the city-state, shows a more than 1.5m tonnes reduction in carbon dioxide emissions, equal to over 300,000 driven for one year, he said.

Additionally, the just-in-time approach brings about more than 9% or around a 500,000 tonnes fuel reduction, which is equal to over €300m in savings.

CMA CGM's start-up initiative to set up Asia-Pacific hub

CMA CGM's Zebox innovation centre will set up its first Asia-Pacific hub in Singapore, to accelerate decarbonisation and operational optimisation efforts in the supply chain through co-operation with start-ups.

The initiative will work with local government-linked Enterprise Singapore to identify promising Singapore small- and medium-sized enterprises and start-ups to match promising solutions with problem statements posed by its corporate partners, in areas such as supply chain optimisation, transport, logistics and energy.

CMA CGM chief executive Rodolphe Saadé founded Zebox in 2018 with a commitment to supporting entrepreneurs and transforming the industry. Since then, more than 15 corporate partners, all leaders in their fields, have joined Zebox's ecosystem.

PSA to fund transformative port R&D projects in Singapore

PSA Singapore has entered a joint initiative with Singapore's port authority to fund transformative port research and development projects.

The $12m fund pledge, under the renewed Port Technology Research & Development Programme, will prioritise new technologies for PSA terminals in impactful areas of research, such as automation, robotics, digital and sustainability solutions.

It includes robotic solutions for coning and deconing containers and the test-bedding of smart grid and energy storage systems.

Zhonggu Logistics feels negative impact of declining freight rates

ZHONGGU Logistics saw a decline in profit in the first quarter of the year, amid a drop in container freight rates.

The Shanghai-listed container shipping company said net profit fell 2.2% year on year to Yuan610m ($88.1m) in the first three months, with revenue down 7.8% to more than Yuan3bn, according to a statement.

"Against the backdrop of a significant decline in the global container market compared to the same period last year, the company has been committed to domestic container shipping business," China's major container carrier mainly serving domestic trade said.

Notice of proposed changes to an accepted Development Consent Order

Regulations 7 and 8 of The Infrastructure Planning (Compulsory Acquisition) Regulations 2010

Sheringham Shoal Offshore Wind Farm Extension Project and Dudgeon Offshore Wind Farm Extension Project

An application for a development consent order ("DCO") was submitted by Equinor New Energy Limited ("the Applicant") of 1 Kingdom Street, London W2 6BD to the Secretary of State on 5 September 2022 and was accepted for examination on 3 October 2022 ("the Application"). The reference number applied to the Application by the Inspectorate is EN010109. This notice concerns changes to that Application which are sought by the Applicant.

Notice is hereby given pursuant to Regulations 7 and 8 of the Infrastructure Planning (Compulsory Acquisition) Regulations 2010 that the Applicant made a request to amend the Application on 11 April 2023, including changes to the areas of land which would be subject to powers of compulsory acquisition ("the change request").

Summary of the Project:

The Application is for development consent to construct, operate, maintain, and decommission two offshore wind farms known as the Sheringham Shoal Extension Project ("SEP") and the Dudgeon Extension Project ("DEP"), and the associated development to connect each offshore wind farm to the national grid.

SEP and DEP will include both offshore and onshore infrastructure including offshore generating stations, which comprises up to 23 wind turbines and up to 30 wind turbines, located approximately 13.6 km and 24.8 km north of the North Norfolk coast for SEP and DEP, respectively. SEP and DEP are located within the UK's Exclusive Economic Zone.

SEP and DEP will be connected to shore by offshore export cables installed to the landfall at Weybourne, on the north Norfolk coast. From there, the onshore export cables travel approximately 60km inland to up to two new high voltage alternating current (HVAC) onshore substations near to the existing Norwich Main substation. The onshore substation(s) will be constructed to accommodate the connection of both SEP and DEP to the transmission grid.

The DCO would authorise the compulsory acquisition of land, interests in land and rights over land, and the powers to use land permanently and temporarily for the construction, operation and maintenance of SEP and DEP.

Summary of the proposed provision:

The onshore cable corridor for SEP and DEP passes through Phase 2 of a development site known as the Food Enterprise Park ("the FEP Phase 2 site"). The SEP and DEP cable corridor bisects the FEP Phase 2 site and there is a potential conflict between the Phase 2 FEP development and the current proposed location of the SEP and DEP cable corridor.

The following changes are being sought by the Applicant to:

1 Amend the Order Limits for the Application to include additional land where the cable corridor passes through and to the south of the FEP Phase 2 site;

2 Reduce the Order Limits slightly in the northern part of the FEP Phase 2 site;

3 Utilise the existing FEP access road and remove the separate new access that was proposed through to the FEP Phase 2 site; and

4 Include the option to use trenchless crossing under Church Lane to the south of the FEP Phase 2 site. This would also involve a small increase to the area of land over which rights are sought, which were previously subject to temporary possession only.

The amendments to the land affected by compulsory acquisition as a result of the changes sought are:

- Plots 28-002, 28-009 and 28-010 would reduce in size as a result of a slight narrowing of the Order Limits to the northern part of the FEP Phase 2 site crossing the A47;
- Plots 28-011, 28-014, 28-015 and 28-016 would increase in size as a result of the widening of the Order Limits through the FEP Phase 2 site and crossing Church Lane;
- Plots 28-012 and 29-013 would be “no longer used” as a result of removing the new temporary access road that was proposed to the FEP Phase 2 site;
- Plot 28-018 would reduce in size, as the area subject to temporary possession only would reduce to allow for the trenchless crossing under Church Lane;
- Plot 28-019 would increase in size, as a result of the increase in the area subject to acquisition of rights to allow for the trenchless crossing under Church Lane; and
- New plots 28-023, 28-024, 28-025, 28-026 and 28-027 would be created to allow the use of the existing and proposed FEP access road. All of these plots would be subject to temporary possession only.

These amendments have been incorporated into and are shown on the updated version of the Land Plans and Book of Reference that have been submitted to support the change request.

An updated Statement of Reasons and an Addendum to the Funding Statement have also been submitted to support the change request.

Copies of Application documents

A copy of the change request, updated Land Plans showing the land affected, the revised draft DCO, an updated Book of Reference, an updated Statement of Reasons, an Addendum to the Funding Statement and further information relating to the change request, including a copy of the Supplementary Environmental Information supporting the change request, can be viewed and downloaded, free of charge, from the documents tab at the Planning Inspectorate’s project website:

https://infrastructure.planninginspectorate.gov.uk/projects/eastern/sheringham-and-dudgeon-extension-projects/?ipcsection=overview

and in the ‘DCO Application Documents’ section of the Applicant’s website:

https://sepanddep.commonplace.is.

The change request and supporting documents can be inspected at the following locations:

Location	Opening Times
• North Norfolk District Council, Holt Road, Cromer NR27 9EN	• Monday, Tuesday & Thursday 8:30am-5pm. Wednesday 10am-5pm. Friday 8:30am - 4:30pm.
• Broadland and South Norfolk Council Offices, Thorpe Lodge, 1 Yarmouth Road, Norwich NR7 0DU	• Monday - Friday 8:30am-5pm.

If you require alternative methods for inspection of the application documents, please telephone the applicant on: 0808 1963 673 or email: info@sepanddep.co.uk.

Documents will be available for inspection until 26 May 2023.

A copy of the change request and supporting documents can be made available in hard copy format on request at a cost of £500. For any bespoke document requests please contact the Applicant using the contact details below, who will provide the cost.

USB device copies can be provided for free and are available upon request to the Applicant. Further information can be obtained from the Applicant using the following contact details:

- Email: info@sepanddep.co.uk
- Freepost: FREEPOST DUDGEON AND SHERINGHAM EXT
- Telephone: 0808 1963 673

Representations in relation to Compulsory Acquisition

Any person may submit a representation on the change request - including giving notice of any interest in the land affected by it, or making any comment on or objection to the change request - during the representation period, which must be made directly to the Planning Inspectorate. Any representations (giving notice of any interest in the affected land, or objection to the change request) must be made on the Planning Inspectorate's Registration and Relevant Representation Form. The Registration and Relevant Representation Form can be accessed and completed on the relevant page for the Application on the following website:

https://infrastructure.planninginspectorate.gov.uk/projects/eastern/sheringham-and-dudgeon-extension-projects/?ipcsection=overview

If you would like to request a hard copy of the Planning Inspectorate's Registration and Relevant Representation Form, please telephone 0303 444 5000. Completed forms should be sent to: The Planning Inspectorate, National Infrastructure Directorate, Temple Quay House, Temple Quay, Bristol, BS1 6PN.

The Planning Inspectorate reference for the Application (EN010109) should be quoted in any correspondence.

All representations must be received by the Planning Inspectorate no later than midday on 26 May 2023.

In submitting a representation, it should be noted that the personal data and correspondence relating to any representation will be made publicly available. If you do not wish personal data to be made publicly available, you should state why when submitting the representation. The Planning Inspectorate will publish the representations with your name removed, however, the representations may give them less weight during the Examination as a result. Please note that all representations submitted will be published on PINS' website and will be subject to their privacy policy, found online here: https://www.gov.uk/government/publications/planning-inspectorate-privacy-notices/customer-privacy-notice

Equinor New Energy Limited