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Boskalis cable laying vessel NDURANCE seen under professional guidance of Rotterdam pilot Marijn van Hoorn navigating the Oude Maas passing Spijkenisse outward bound Photo: Anko Staas ©

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EVENTS, INCIDENTS & OPERATIONS



The brandnew **SEAJACK SCYLLA** seen during her first TP installation in the Veja Mate Windturbine field
Photo : Flying Focus Aerial Photography www.flyingfocus.nl ©

10 year warranty on Ecolock for FSRU in China

In the second half of 2015 application of Ecolock started on a newbuild Floating Storage and Regastification Unit (FSRU) in China. This is the second project carried out for EXMAR nv, after the application on the **Caribbean FLNG** in 2013. Like the first project, the FSRU is built in blocks. These blocks are coated individually before assembly, leaving only the weld seams and the areas inaccessible due to the support blocks to be painted after the barge is assembled. The Ecolock system consists of a single, homogenous covering of the steel. Painting over weld seams after the blocks have been assembled is very easy. It leaves a smooth finished surface and the erection joint paint blends in perfectly with the coating of the rest of the hull.

As with all Ecolock applications, a trained and qualified paint inspector is on site monitoring the entire preparation and application to ensure adherence to the specifications at each step of the process and to assist with any problems that may arise. This is essential for a coating that is intended to last the life of the ship. Ecolock comes with a warranty as long as it is standardly applied and if the coating is maintained according to the specifications. Ecolock is an extremely



tough and durable coating designed to remain in excellent condition for 15 - 25 years without drydocking, repair or replacement. Ecolock can be cleaned underwater as often as needed to meet the UWILD and weight requirements of FPSOs, drill ships and other offshore vessels. Ecolock is the result of continual R&D on offshore hull coatings since the 1990s. Application of Ecolock can be done at

newbuild or, to replace another coating, in drydock after the vessel has been in service. The newbuild option is ideal. In either case the surface preparation requires a profile of at least 75µm and white or near-white steel (SA 2.5 or better). Once the preparation has been carried out and inspected, Ecolock can be applied rather rapidly. No primer or other type of coating is required. Just two or more coats of Ecolock each of 500µm with an overcoat time of about three hours minimum and no maximum. Ecolock is completely non-toxic. It is a hard, impermeable coating which even the toughest barnacle will not penetrate. This is in direct contrast to antifouling or foul-release coatings. Barnacles and other fouling organisms attach and penetrate those coatings right through to the steel permitting the start and spread of corrosion. In the case of Ecolock the barnacles, coral and other fouling organisms can be removed completely by divers using special equipment, leaving no trace and restoring the coating to its original condition. And because it is non-toxic, it is safe to clean the Ecolock coated hull when needed for UWILD or simply to reduce the weight when too much fouling has accumulated. This can be done even in sensitive waters. The application on the FSRU is scheduled to be finalized later this year with a planned delivery of the unit not much after. For more information contacts us at +32 3 213 53 18 or via info@subind.net

Driedaags gratis evenement in Delta Hotel 'Beleef de haven op bijzondere wijze



De Rotterdamse haven is de kurk waar de Nederlandse economie op drijft. Er vindt dagelijks een enorme goederenstroom plaats, die nauwelijks is te bevatten. In de afgelopen jaren is er ontzettend veel in de haven veranderd en die ontwikkeling gaat maar door. De Rotterdamse haven behoort nog steeds tot de grootste van de wereld en is zeker de meest boeiende van alle havens. Een kijkje nemen in de wereld van de haven kan op vele manieren, maar krijgt op 15, 16 en 17 april wel een heel bijzonder karakter, wanneer in het **Delta**

Hotel in Vlaardingen het evenement 'Beleef de haven te zien zal zijn. Jong en oud hebben drie dagen gratis toegang tot een fraai opgezette tentoonstelling, met ondermeer een zeer realistische havenbaan met modelspoor en prachtige schepen. Bezoekers zullen versteld staan van de vele herkenbare elementen uit de hedendaagse Rotterdamse haven. De 17 meter lange havenbaan is inmiddels bekend in binnen- en buitenland en heeft in veel modelbouw-vakbladen gestaan. Maar wie denkt dat er niets nieuws is te zien, die komt bedrogen uit, want het bouwteam van **havenbaan**

Kai-M treedt allen naar buiten wanneer er noviteiten te zien zijn. En dat zijn er voor deze bijzondere gelegenheid heel veel. Zo is onder meer de **Matador 2** van drijvende kranenspecialist Bonn & Mees met de vertrouwde **Pieter L** te zien. De **Ostara** van de **Spido** en de nieuwste hybride sleepboot van **Kotug**, allemaal op schaal 1:87 nagebouwd. Toeschouwers zullen versteld staan van de vele details die te zien zijn en horen zelfs de bijzondere geluiden van de havens. In **'Beleef de haven'** gaat het niet alleen om de havenbaan. Miniworld Rotterdam ontbreekt niet en kinderen kunnen bij deze stand een heus diploma als rangeerder behalen. Een bijzondere plek is er voor de Koninklijke **Roeiers Vereniging Eendacht (KRVE)** met de fraaie filmvoorstelling van het werk van de roeiers. Vletten van de KRVE zijn trouwens ook prachtig op schaal nagebouwd en te bewonderen, evenals het nieuwe ShoreTension System, waarmee internationaal succes wordt geboekt.

Ook Lego-fans kunnen hun hart ophalen bij de unieke scheepsmodellen van **Edwin Kostanje**. En in het Delta Hotel aan de Maasboulevard 15 in Vlaardingen zijn tevens verschillende schilderijen van de bekende havenschilder **Henk van der Veer** te bewonderen. Zijn werk is ook te boek gesteld in 'Schepen van Weleer', dat evenals andere boeken over de Rotterdamse haven te koop is. De Spido maakt **'Beleef de haven'** compleet en verzorgt speciaal voor deze gelegenheid vijf keer per dag een rondvaart van één uur langs zeer bijzondere plekjes van de Rotterdamse haven. Kaarten voor deze unieke rondvaart, met vertrek en aankomst nabij het Delta Hotel, zijn ter plaatse te koop zolang de voorraad strekt. **'Beleef de haven'** is in het Delta Hotel op vrijdag 15 april van 10.00 uur tot 21.00 uur en op zaterdag 16 en zondag 17 april van 10.00 uur tot 17.30 uur. Nieuwsgierig, kijk dan ook op www.trainsandtrucks.nl/beleef



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SeaZip continues fleet expansion

Two Damen Fast Crew Suppliers strengthen offshore portfolio



In a celebratory atmosphere, marking the sustained growth of its fleet, SeaZip Offshore Services has taken delivery of two Damen Fast Crew Suppliers (FCS) 2610. Continuing the company's vessel-naming trend, the new additions will be known as **SeaZip 5** and **SeaZip 6**. The offshore service provider now has six Damen FCS 2610 vessels in its fleet.

Photo left : Michel Kodde ©

"Once again, it's a great pleasure to work with SeaZip Offshore Services," states Damen Sales Manager Benelux Roel van Eijle. "We are proud to be involved with the development of their fleet since day one. An April delivery suits their needs perfectly – these two vessels can get to work straight away as this year's offshore wind O&M [operations and maintenance]"

period begins." A key modification made to both vessels was to increase their draught. Jan ReierArends, SeaZip Offshore Services Managing Director, highlights the importance of this design rethink: "By strengthening the hull in certain areas, the vessels are able to sit 5 cm lower in the water. This will allow us to load an additional 5 tonnes of cargo – this is a 25% increase of loading capacity. We will be able to carry a lot more equipment and materials." The new vessels exhibit a number of additional adaptations, says Mr Arends: "You can call this fine tuning – coming from lessons that we have learned from the earlier SeaZip vessels. For example, together with the fender supplier, we have improved the bow fenders. The **SeaZip 5** and **SeaZip 6** will join their four sister vessels – **SeaZip 1, 2, 3** and **4** – in what Mr Arends describes as a pool of vessels. "Together with our conservative financing strategy – we are financed approximately 60% from bank loans and 40% from private equity investors – having a pool of vessels means that we are well positioned to handle market fluctuations." SeaZip Offshore Services, part of the JR Shipping Group, has taken delivery of six FCS 2610 vessels in no less than three years. "We have a good working relationship with Damen. This helps a lot when we are discussing new concepts and new vessels. The technical communication with the new build department, in particular, is very supportive. When brainstorming over the **SeaZip 7** and **8**, for instance."

Not just offshore wind

Damen's FCS 2610 has become the industry standard for fast, safe and comfortable supply of crew and materials to offshore wind farms. Well-known to the offshore wind industry, the beneficial characteristics of the design have not gone unnoticed by other offshore industries either. Features such as speeds of up to 25 knots, excellent seakeeping, comfortable accommodation and fuel efficiency are by no means applicable only to the offshore wind industry: they are equally valuable to a wide spectrum of offshore sectors. For example, the **SeaZip 4** is about to commence its second season providing logistics support to Heerema Marine Contractors in their installation and decommissioning operations in the oil and gas sector. Furthermore, notes Mr Arends, an additional SeaZip vessel is currently working on a North Sea salvage contract.

Damen Shipyards Group operates 32 shipbuilding and repair yards, employing 9,000 people worldwide. Damen has delivered more than 5,000 vessels in more than 100 countries and delivers some 180 vessels annually to customers worldwide. Based on its unique, standardised ship-design concept Damen is able to guarantee consistent quality.

Damen's focus on standardisation, modular construction and keeping vessels in stock leads to short delivery times, low 'total cost of ownership', high resale values and reliable performance. Furthermore, Damen vessels are based on thorough R&D and proven technology. Damen offers a wide range of products, including tugs, workboats, naval and patrol vessels, high speed craft, cargo vessels, dredgers, vessels for the offshore industry, ferries, pontoons and superyachts. For nearly all vessel types Damen offers a broad range of services, including maintenance, spare parts delivery, training and the transfer of (shipbuilding) know-how. Damen also offers a variety of marine components, such as nozzles, rudders, anchors, anchor chains and steel works. In addition to ship design and shipbuilding, Damen Shiprepair & Conversion has a worldwide network of 15 repair and conversion yards with dry docks ranging up to 420 x 80 metres. Conversion projects range from adapting vessels to today's requirements and regulations to the complete conversion of large offshore structures. DSC completes around 1,500 repair and maintenance jobs annually.



HAL's **KONINGS DAM** seen leaving Venice during her maiden voyage

Photo : Marlijn Stoutjesdijk ©

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HAZARDOUS MATERIALS ASBESTOS CERAMICS

Damen DOP dredge pump used in hazardous project

Continuous dredging process ensures high efficiency



Damen Dredging Equipment has delivered DOP submersible dredge pumps to many dredging contractors around the world. As a result, an enormous variety of dredging projects have been brought to a successful conclusion. Currently, an interesting project is being undertaken by the Dutch contractor Martens & Van Oord in Cadzand, the Netherlands. The project has quite a challenge in store – unexploded ordnance (UXO). The village of Cadzand is located in the south west of the

Netherlands, on the shores of the North Sea. Its old marina entrance needed to be updated and the harbour was to be deepened. Not a simple job taking into account that conventional Second World War explosives were hidden in the seabed. Martens & Van Oord was up for the job – using a DOP submersible dredge pump in the process. The DOP350 was attached to one of **Martens & Van Oord's** pontoon-based excavators. The DOP pumped the bottom material – sand and occasionally UXOs – to a reinforced screening installation. From there, another Damen pump was used to bring the screened sand further to replenish the nearby shores. The choice for using the DOP was a simple one: the submersed dredge pump ensures a continuous process (in UXO-areas) contrary to mechanical dredging. For sand mining purposes, a somewhat customised sand mining head with plenty of jetwater was fitted. This DOP head was designed for mining a maximum concentration using pressurised water to fluidise the bottom material. Damen Dredging Equipment is proud that its DOP submersible dredge pump has been chosen by Martens & Van Oord to play a vital role in this extraordinary dredging project. A short video is available at youtube.com click here :

<https://youtu.be/4aPXbrUVRrs>

BOSKALIS STRENGTHENS POSITION IN GERMAN MARKET

Royal Boskalis Westminster has completed the acquisition of the dredging activities and assets of Strabag Wasserbau GmbH. The transaction price of Euros 70 million was financed from Boskalis' cash reserves. The transaction includes the equipment, personnel and relevant contracts of Strabag Wasserbau. The most important assets are two young trailing suction hopper dredgers with a capacity of 7,350 m³ each, a large modern backhoe dredger and four self-propelled barges. "Through this acquisition, Boskalis has strengthened its market position in Germany, where it recently acquired a contract together with Züblin AG from the Bremen port authority for the construction of a transshipment terminal for the offshore wind sector in Bremerhaven," the company said. Boskalis' share of the contract

has a value of more than Euros 35 million. The dredging of three million cubic metres of sand by a medium-sized trailing suction hopper dredger forms part of the activities that are expected to commence at the end of 2016 and will take two years. **Source ; dredging news online**



Some participants of the **Race of the Classics** for Dutch students with old sailingvessels which started on april 4th in Rotterdam with as destination the UK coast and then back to Amsterdam for finish on april 10th. On the photo some vessels are seen passing Rozenburg/Maassluis. **Photo Arie van Oudheusden.(c)**

Chevron Gorgon LNG plant halts exports due to mechanical problems

- * Suspension comes less than a month after LNG output started
- * Export halt caused by mechanical issue at cooling unit (Adds detail, LNG prices, chart, analyst quote)

By Henning Gloystein

Chevron's massive Gorgon liquefied natural gas (LNG) facility in Australia has hit technical difficulties, a spokesman said on Monday, resulting in a temporary suspension of exports less than a month after it started first production. Chevron's \$54-billion project began producing LNG for export on March 7, but has since encountered mechanical problems at a cooling unit that prevents the plant from chilling natural gas for exporting on tankers.

"We are working through some mechanical issues with the propane refrigerant circuit on train 1 at the Gorgon plant site," a Chevron spokesman said. The spokesman said he could not at this stage give any details and added that "a site team is currently assessing the situation and we should know more shortly." Traders said that the outage of the huge facility, located on Australia's northwestern coast, could support Asian LNG prices LNG-AS which have slumped by almost 80 percent from their peak in 2014 to \$4.30 per million British thermal units. Prices have plummeted as supply has soared but demand has stalled, especially in formerly booming Asia. The interruption in exports will put pressure on Chevron, whose stock price so far has fared relatively well in the slump compared with peers

Investment bank Jefferies said on Monday that Chevron remains its "top pick in the integrated oil sector" due to rising production and an expected improvement in its cash cycles. Yet, Jefferies warned that "the key risk to our Buy thesis over the next 12 months is project execution risk, particularly at Gorgon and Wheatstone (another LNG project in Australia)." Gorgon has the capacity to produce 15.6 million tonnes of LNG per year. The facility was initially expected to cost \$37 billion and start exports in 2014, but delays and soaring costs pushed the start date back and the price tag up. Its first cargo, which was shipped in March, is expected to be delivered to Japanese utility Chubu Electric this month, sources said. **Source : Reuters (Reporting by Henning Gloystein; Editing by Himani Sarkar and Christian Schmollinger)**

Navios Maritime Holdings Inc. Regains Compliance with NYSE Continued Listing Requirements

Navios Maritime Holdings Inc. announced today that, based upon a notice received on April 1, 2016 from the New York Stock Exchange, Inc. the Company is once again in compliance with the NYSE's continued listing requirement of a minimum average closing price of \$1.00 per share over a consecutive 30 trading-day period. At the close of trading on

March 31, 2016, the average closing price of the Company's common stock for the previous 30 trading-days was above \$1.00 per share and its closing share price on March 31, 2016 exceeded \$1.00. Accordingly, the Company has resumed compliance with all NYSE continued listing requirements. **Source: Navios Maritime Holdings Inc.**



US oil rig count sees double-digit drop for 2nd consecutive week

The US oil rig count dropped by double-digits for a second consecutive week, Baker Hughes said on Friday, as analysts scrambled to revise projections of how low the figure could dip and what it means for domestic crude output. The oil rig count fell to 362 for the week ended April 1, down by 10 from the previous week and 47% lower from 679 in the same week a year ago. The rig declines were reported as crude oil dropped from a recent rally to levels at or near \$40/b but has now stepped back toward the mid-\$30s/b. On Friday, NYMEX crude futures settled down \$1.55 at \$36.79/b.

Last week the oil rig count plummeted by 15 rigs, following similar or greater numbers of rig declines over several weeks starting in late January. In the last 15 weeks, the rig count has dropped every week but one. During that week, in mid-March, it rose by just one before continuing to decline. Industry-watchers widely predict a trough for US drilling activity in second quarter or around mid-year. "With a re-acceleration in the US land rig count decline exacerbated by abrupt work stoppages in several major international markets such as Mexico, Brazil and West Africa, the capex bottom is increasingly near," Evercore ISI analyst James West said in his latest Global Oil Patch Weekly report. West anticipates a bottom for US activity in Q2 "with international E&P spending sliding into year-end." Wells Fargo analyst Jud Bailey, who met with a handful of oilfield service companies last week, said in a Thursday investor note some smaller upstream operators "have already hit rock bottom in terms of rig count." "One of the more notable themes from our meetings ... is the deeper, structural changes being made to organizational structures as the industry tries to right-size itself," Bailey said. Oilfield service companies have made massive cost cuts in the last 12 to 15 months as they accommodated upstream customers by making price concessions to help them operate through the downturn, he said. But changes currently being envisioned may have a longer-lasting structural impact. "Most of the changes are to reverse a series of '\$100 oil' decisions made in the last 10 years that were in response to widespread growth opportunities and customer requests," he added. For now, despite a relatively large-scale idling of rigs--the oil rig count has declined nearly 78% from a peak of 1,609 in late 2014--domestic crude production declines have been sluggish as oil output remains near 9 million b/d, according to US Energy Information Administration estimates. But energy investment bank Tudor Pickering Holt noted in its daily investor note on Friday that over the past three months, onshore Lower 48 production has declined 225,000 b/d or 75,000 b/d per month. "And the rig count continues to fall," TPH said. "For those who might suggest US oil supply from shales has been resilient, we'd point to the scoreboard that reads DECLINE 256 and GROWTH 0."

"Depletion may have once again become the 'forgotten factor,' but the data show the laws of nature are being enforced," TPH added. Earlier in the week, the bank revised its US total rig count forecast to average less than 400 this year compared to an earlier assumption of 670. Last Friday, the total US Baker Hughes rig count stood at 450, about half the 905 this week a year ago. The total US rig count started 2016 at 664. In tandem with its lower rig count assumptions for 2016, TPH revised down its domestic production decline estimate this year. The bank projects year-on-year 2016 output declines increasing by about 50% year-to-year to 760,000 b/d and 2017 declines jumping

over 70% to 520,000 b/d. But it believes industry will be back in growth mode in 2018. In most of the US' larger basins this week, the oil rig count slipped a bit or remained the same, although the Eagle Ford Shale of south Texas gained two rigs to 39 this week, down from 91 during this week in 2015. But both the Permian Basin of West Texas and New Mexico and the Williston Basin in North Dakota and Montana each lost two oil rigs this week. The Permian, the US' most active basin, inched down to 143 oil rigs. That was also down from 235 the same week last year. And the Williston Basin, where the massive Bakken Shale resides, slid to 29 oil rigs on Friday. That is less than half its 80 rigs a year ago this week. **Source: platts**

Marine Construction Industry Veteran Kim Shaughnessy Launches ACK Marine & General Contracting

Nationally Certified Woman-Owned Business Provides Diverse Marine Construction and General Contracting Services

Internationally-known marine construction veteran Kim Shaughnessy, longtime chief financial officer and chief operating officer of Cashman Equipment Corp., officially announced the opening of ACK Marine & General Contracting, LLC, a global marine construction and contracting company based in Quincy, Massachusetts. The firm is certified as a Women Business Enterprise (WBE) at the national level. "I literally have grown up in the marine construction and services industry, working with clients around the world, and know it represents a huge untapped market for female entrepreneurs," said Shaughnessy, who serves as president and chief executive officer of ACK Marine & General Contracting. "I believe this company is well-positioned for success in the rapidly growing marine services industry."

Shaughnessy, a 30-year industry veteran, added, "Establishing this company is a natural progression in a career in which I have been a member of executive management teams focused on off- and on-shore marine construction, barge, crane and tugboat rentals, oil spill response services, salvage and wreck removal support services and project cargo services. ACK Marine & General Contracting will broaden my reach, and open new channels to expand operations and provide services throughout the world." During her career, Shaughnessy has formed close working relationships with labor unions including Pile Driving & Divers, the International Union of Operating Engineers, the United Brotherhood of Carpenters and Joiners of America and the International Union of Teamsters, and plans to continue those relationships in her new company. "Pile Drivers Local 56 looks forward to working with ACK Marine & General Contracting and supporting their operations with skilled marine construction workers," said David Borrus, Business Representative of Pile Drivers Local 56. "We have worked with owner Kim Shaughnessy for many years during her tenure at Cashman Equipment and J.M. Cashman Inc., we know her to be an experienced and responsible manager, and wish her every success with the launch of her new company." "Kim Shaughnessy's willingness to outwork everyone to ensure the job is done right contributed to the success of Cashman Equipment Corp. and positions her for continued accomplishments," said Lou G. Rasetta, Business Manager & General Vice President and Paul C. Diminico, Business Agent & Financial Secretary of The International Union of Operating Engineers Local 4. "We look forward to working with her in her new role as CEO of ACK Marine & General Contracting and supporting the firm's projects."

The certification of ACK Marine & General Contracting as a WBE establishes that the business is majority-owned, controlled, operated and managed by a woman or women. The WBE certification enhances the company's ability to compete for business opportunities throughout the country as well as with government entities at all levels. "I have worked closely with Kim in her roles with Cashman Equipment Corp. as she expertly guided the company's worldwide operations," said John J. Hannon, President and Chief Executive Officer, Mayflower Engineering, Inc.; Brigadier General, Massachusetts National Guard, Retired. "I am confident that her diversified experience and extensive insight in contract management and marine equipment rental will enable her to lead ACK Marine & General Contracting to great success." Shaughnessy's fast-paced, global career includes C-suite and management positions at some of the industry's most prominent companies. Since 1995, Shaughnessy has served as the CFO and COO of Cashman Equipment Corp. (CEC) a global provider of barges and marine services with more than 130 vessels, as well as specialized oil spill recovery barges, tugs and cranes. Owned by entrepreneur Jamie Cashman, CEC has offices in the United States, Mexico, Colombia, Singapore, Australia, the United Arab Emirates, Kazakhstan and Africa.

Since 2006, Shaughnessy also has been owner and chief financial officer of Servicio Marina Superior, LLC (doing business as Superior Marine International 4barges.com). A tugboat rental and marine contracting and transportation business, Servicio Marina Superior operates on both inland and offshore waterways with a special emphasis on the international market. Shaughnessy began her career in the industry in 1986 as an accountant at J. M. Cashman, Inc., a

marine construction and services company. While attending Newbury College in Brookline, Massachusetts, Shaughnessy studied Financial Accounting. She also has studied accounting at Quincy College and Massasoit Community College and has taken advanced education courses in tax, insurance and other fields. Shaughnessy holds a Captain's Master 50 Ton License, a Captain's Master 100 Ton Certificate and an Assistance Towing Endorsement License from the U.S. Coast Guard. Based in Quincy, Massachusetts, ACK Marine & General Contracting is a global marine construction and contracting business that provides marine equipment rentals to the construction industry and a full suite of construction capabilities. The firm is certified at the national level as a Women Business Enterprise (WBE) business. For more information, please visit www.ack-marinecontracting.com.

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Report raises alarm over Canada's aging coast guard ships

A report done for Transport Canada and quietly tabled in the House of Commons, paints a grim portrait of the country's coast guard fleet, saying it is understaffed, desperately in need of new ships and without political support. The comprehensive analysis of the nation's transportation network was part of a statutory review submitted to the Trudeau government last December, but not tabled until the end of the February.



The Canadian Coast guard's medium icebreaker **HENRY LARSEN** is seen in Allen Bay during Operation Nanook in this 2010 file photo. **(Sean Kilpatrick /THE CANADIAN PRESS)**

Among other things, it noted that unplanned maintenance on aging coast guard vessels skyrocketed in 2014. "Not only is it understaffed, but its fleet is one of the oldest in the world and urgently requires renewal (individual ships average nearly 34 years of age)," said the review of the Canadian Transportation Act, which was led by former Conservative cabinet minister David Emerson. "Without such renewal, it will have to pull ships from service, further reducing reliability." The independent report, which was accepted by Transport Minister Marc Garneau, also notes that the hands of coast guard service were tied by the previous Conservative government when it comes to buying new

ships."Under the national shipbuilding and procurement strategy, which requires the Canadian Coast Guard to purchase ships from Canadian shipyards, it can only replace one ship a year, at most," said the review."At that rate, the median age of the fleet will not decrease. Other strategies, such as outsourcing or leasing, are not part of the strategy and thus cannot be deployed to meet short-term requirements."The report warned that coast guard icebreaking services in Arctic are decreasing, while vessel traffic in the region is increasing. It blames the number of breakdowns on underfunding of maintenance by the Conservatives and a general neglect by politicians in Ottawa. "Indeed, for such a critical piece of transportation infrastructure, the Canadian Coast Guard is not receiving the political attention, or the administrative and financial resources it requires," the report said. From a security perspective, the coast guard does not have the authority to enforce international and national laws without RCMP officers present, something the reviewers seemed mystified about. "This has resulted in an inefficient enforcement regime," said the report.

The coast guard falls under the jurisdiction of the Fisheries Department, where no one was immediately available to comment. Similarly, Public Services and Procurement Canada was asked to comment, did not respond. Vancouver-based Seaspan Shipyards is planning to build the replacement vessels, and is one of two companies designated as the federal government's go-to shipbuilders. The first in a series of science vessels is already under construction, but the major project to build a heavy icebreaker is not expected to get underway until the 2020-21 time frame.

Last month, Quebec-based Davie Shipyards, which was shut out of the shipbuilding strategy, dropped on the desk of Procurement Minister Judy Foote a roughly \$1.7 billion unsolicited proposal to build -- or repurpose -- a fleet of icebreakers and support ships for the coast guard. The plan was rejected by the Liberal government. Michael Byers, a University of British Columbia professor and defence expert, says the Liberals need to go back and re-examine whether the country needs to add another shipyard to the strategy and the Emerson report should serve as a wake-up call. "The need for ships is not going wait," he said. "The obvious step to take is to break out of this mindset that we only need two shipyards building ships for the government of Canada." Byers said the Harper government made the decision to go with only two yards in 2011. At that time, the Davie yard, in Levis, Que., was in receivership, but has since been purchased by foreign owner. "The government needs to question following the two-shipyard model. They recently reaffirmed that commitment, but I think it was a mistake." **Source: ctv news**

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The Hong Kong registered bulk carrier "**MOUNT OWEN**" inbound to Timaru with a full cargo of cement for Holcim
Photo : Tom Johnston ©

Oversupply forces rare gasoline storage on ships in Asian waters

By Seng Li Peng

At least three European trade houses are keeping gasoline aboard long-range tankers in Asia in an extremely rare move as the market is badly hit by oversupply, traders said on Monday. Some of the traders are unable to discharge the cargoes which came in from Europe to Singapore/Malaysia as onshore tanks in the latter are full to the brim, while others are "floating" volumes in view of the persistent contango market structure. Contango refers to prices in the front-month being lower than the following month. The lower the front-month price versus the following month, the

weaker the market" It is not unusual for gasoil and fuel oil to be stored in vessels in Asia but it is rare for gasoline, as demand usually will soak up the supplies fairly quickly," said one trader. "The contango started sometime in fourth quarter of last year and persisted through until now. From what I see, the cargoes could be on the tankers all through April," said the same trader. The current contango is about \$1 between April and May, based on traders' estimates. Traders who have been either storing gasoline on vessels since March or are waiting to discharge cargoes are thought to include Vitol, Total and Gunvor but this could not be confirmed as traders do no comment on trading activities. "Supplies are ample and land storage is full. The hope for the sellers now is on the Muslim fasting month," said a second trader. Ramadan, which falls in June this year, and summer demand, usually mark the peak demand season. Analysts expect Asia to see a gasoline supply squeeze next year as cheap oil and strong car sales will still continue to drive growth. Gasoline was a bright spot for refiners globally last year due to an unexpected run-up in demand in most parts of the world, including China and India. That prompted refiners to keep their refinery throughput at high rates, resulting in ample supplies as demand lagged. But Chinese state oil firms are cutting back runs as independent oil processors ramped up production and boosted fuel sales. **Source: Reuters (Editing by David Evans)**



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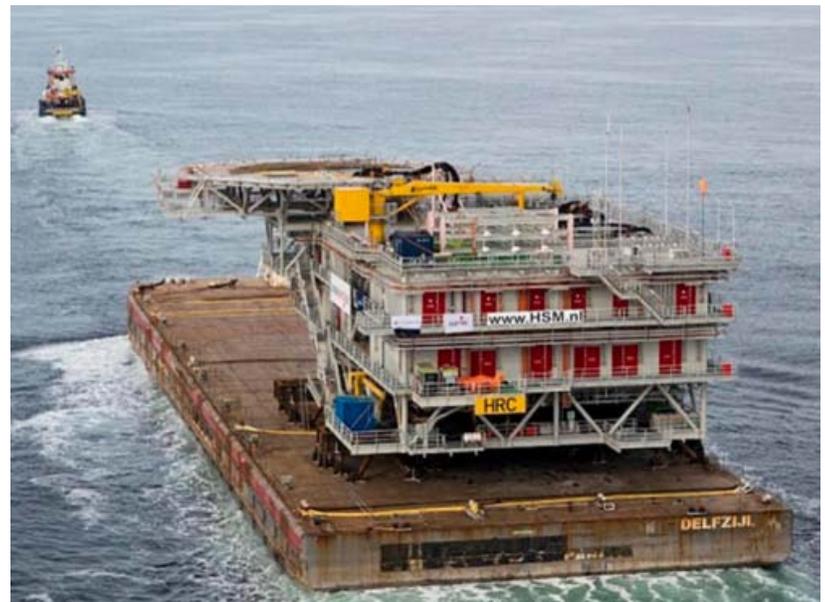
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WATERLAND WITH WAGENBORG BARGE 9 ENROUTE ESBJERG



Last weekend **'WATERLAND'** and **'WAGENBORG BARGE 9'**, the largest tug and barge in the **Wagenborg** fleet, left Schiedam with



a 1,600 tonnes topside destined for Esbjerg, Denmark. The topside is built by HSM intended for the high voltage substation of the 400 MW **Horns Rev C offshore wind farm**. The barge, measuring 122 meters in length and 36,6 meters in width, was loaded by means of SPMTs. A specialized team of Wagenborg ballast engineers assisted during the load-out at the quay side of the HSM premises in Schiedam. Upon arrival at the port of Esbjerg, **'WATERLAND'** and **'WAGENBORG BARGE 9'** will await further instructions from **'STANISLAV YUDIN'**, the heavy lifting vessel installing the topside offshore. **Photo's : Flying Focus Aerial Photography www.flyingfocus.nl ©**



The **SAPURA RUBI** inbound for Rotterdam passing the pilot station in Hoek van Holland Photo : Willem Schilder ©

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'Illegal immigrants increasingly use Hoek van Holland to get to Britain'

The number of illegal immigrants using the ferry terminal at Hoek van Holland to reach Britain is increasing, the Telegraaf said at the weekend. In total, 150 illegal immigrants were caught at Hoek van Holland in the first two months of this year, compared to 450 for the whole of 2015, the paper said. Last weekend, for example, the Dutch military police picked up a Turkish teenager with a fake ID, six Albanians hiding in lorries and a Tunisian with a French ID card. This increase comes as tightened security makes the Calais-Dover channel crossing more difficult for migrants.



Last month, authorities in France bulldozed an enormous shanty town in Calais known as The Jungle where hundreds of people have been living. A known route Last year, British officials in Harwich discovered 68 illegal immigrants on a ferry from Hoek van Holland.

Photo : Rob de Visser ©

The group of Afghans, Chinese, Vietnamese and Russians were found locked in cargo containers. Four Polish lorry drivers were arrested. Several such incidents happened last year, prompting the Daily Mail to call the route between Holland and Harwich a

'carousel system for immigrants, who come to Britain, are deported back to the Netherlands and then try to sneak

back again.' Sources The Dutch transport sector also warned that a wave of stowaways was moving north from Zeebrugge in Belgium to Hoek van Holland. 'It is not true,' a military police spokesman told DutchNews.nl. 'We check everyone who comes through here, and we check lorries based on the intelligence reports we get from several sources.' 'Nor have we seen any real increase in numbers since Calais was closed last month,' he said. Source : DutchNews



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THREE FRED OLSEN EXPRESS CAPTAINS OBTAINED THEIR PILOTAGE EXEMPTION

Capt. Antonio M. Padrón y Santiago, "IMO Maritime Ambassador" and Maritime Authority of Tenerife, aboard the ship **BENCOMO EXPRESS**, carrying out the practical examination to three Captains of **FRED OLSEN EXPRESS** in order to obtain their "pilotage exemption" According to current legislation, to obtain the pilotage exemption, the Captains of High Speed Ships (HSC) must pass a written examination and perform a series of maneuvers in the presence of the Maritime Authority. In addition to the three Captains examined on board, were present Capt. Jesus Pineda, Pilot of the Port of Santa Cruz de Tenerife, Ms. Susana Garcia, Maritime Safety Inspector of the Maritime Authority of Tenerife and Capt. Eduardo Rodriguez, Branch Manager of **FRED OLSEN EXPRESS** at the Port of Santa Cruz de Tenerife. The Canary Island archipelago enjoys a mild, spring-like climate all year round, an average annual temperature of 22° centigrade and three thousand hours of sunlight a year. Surrounded by the blue waters of the Atlantic Ocean, they display all the diversity and wealth that makes this an archipelago that is unique in the world. Canaries is one of the regions of the world with the greatest biodiversity. It has a wide variety of landscapes: spectacular volcanoes, lush forests, deep ravines and wonderful beaches. The shipping service of **FRED OLSEN EXPRESS** is made up



exclusively of latest generation fast ferries. A spectacular concept of ships that links the seven Canary Islands, making to this company one of the most important in Spain.



The **MAERSK LUZ** outbound from Rotterdam – Photo : Jan Oosterboer ©

Vietnam seizes Chinese boat as US and Philippines start drills

Vietnam's coast guard in a rare move has seized a -Chinese vessel for allegedly -intruding in its waters, state media reported yesterday. The Thanh Nien newspaper said the vessel has been towed to the northern port city of Hai Phong, and that the ship, its captain and two sailors, all Chinese, were under the supervision of Vietnamese authorities. The vessel, disguised as a -fishing boat, was carrying 100,000 litres of diesel oil and was intercepted by the Vietnamese coast guard near Bach Long Vi island in the Gulf of Tonkin on Thursday, it said. The captain told authorities the fuel was to be sold to Chinese fishing boats operating in the area, it said. The newspaper said in the last two weeks of last month, the coast guard had chased 110 Chinese fishing boats out of Vietnamese waters. Vietnam's coast guard often warns and chases Chinese fishing boats out of its waters but rarely seizes them. Vietnamese fishermen complain they are harassed, attacked and have had their catches confiscated by Chinese authorities while they fishing in the South China Sea. Vietnam is locked in a territorial dispute with China in the South China Sea, which is rich in resources. China claims almost all the South China Sea, where about \$US5 trillion (\$6.5 trillion) of ship-borne trade passes every year.

Vietnam, China and Taiwan have competing claims over the Paracel islands that are occupied by China, while the three along with The Philippines, Malaysia and Brunei have claimed parts or all of the Spratly islands. Chinese territorial assertiveness in the region, including recent massive land reclamation of reefs and atolls in the Spratlys and its increased military actions in the two island chains, have raised concerns among neighbours and the US. A Japanese submarine made a port call in The Philippines at the weekend, the first in 15 years. One of the newest and largest submarines in the Japanese navy, it was escorted into the former US navy base at Subic Bay by two Japanese destroyers on a tour of Southeast Asia. Japan is increasing its presence in the South China Sea, sending more ships and planes to allies in Southeast Asia, such as Vietnam and The Philippines. Meanwhile, The Philippines and the US started military drills yesterday, including simulating the retaking of an island seized by an imaginary enemy in the South China Sea, an exercise likely to rile China. "The ... exercises caps Manila's recent attempts to involve outsiders in (a) regional row," China's official news agency Xinhua said. The commentary cited Australia and Japan. "However, a provocation so fearmongering and untimely as such is likely to boomerang on the initiators," Xinhua added. "A big country with vital interests in Asia, the US should first clarify the targets of its Pivot to Asia strategy, which so far has featured no more than unscrupulous inconsistency between fearmongering deeds and peace-loving words." The US does not take sides in the territorial disputes but has asserted the importance of keeping sea and air routes open. US Defence Secretary Ash Carter is to fly to The Philippines next week to observe live-firing of artillery and visit US Navy ships taking part. Source: AP, Reuters, AFP

Barge from 10 Indonesians' hijacked tugboat found: MMEA

A barge that was towed by a tugboat from which 10 Indonesians kidnapped in the Philippines on March 26, was found in waters off Tungku in Lahad Datu. District Malaysian Maritime Enforcement Agency director Maritime Captain A. Razak Abd Rahman said the barge, Anad 12 was recovered following information received from the public at about 1.05pm yesterday, The barge, which was towed by Brahma 12, was carrying 7,000 tonnes of coal from Kalimantan to the southern Philippines. The tugboat was hijacked by armed men last week near Tawi-Tawi. Its 10-man crew was taken hostage by Abu Sayyaf gunmen. Razak said the barge might have been carried by the current from the Alice

Reef near Tawi-Tawi into Malaysian waters. "Two MMEA assets, Bot Kilat and Banggi 35, as well as the marine police's PA 47, were dispatched to waters off Tungku after receiving information about the barge about 10.30am," he said in a statement. The coal-laden barge was found about 8.4 nautical miles northeast from the Tun Sharifah Rodziah Platform, and about 13.7 nautical miles southeast of Tungku. It has been towed by a rented tugboat to the Fordeco Jetty in Lahad Datu. The Indonesian Foreign Ministry had confirmed that Abu Sayyaf had demanded a ransom for the release of the 10 crewmen. **Source: New Straits Times**

Norwegian Shipowners' Association Reports Growing Number Of Vessels In Layup

By John Stansfield,

The **Norwegian Shipowners' Association** says that as of February 2016, 101 offshore vessels belonging to its members were in lay-up. "If the shipowners' prognosis is realised, this number will grow by 10 by the end of June 2016," said the association. "A significant increase is expected in the number of stacked rigs. As of February 2016 the total was 16, and offshore contractors expect this number to rise to 23 by the end of June 2016." The association said its members also anticipate more staff reductions in 2016. In all, between 4,000 and 4,500 employees are expected to be laid off or terminated over the course of the year, compared to 7,300 in 2015. Available training positions are expected to fall by around 200 in 2016. The association said the majority of reductions will be Norwegian apprenticeships in the offshore contractor and offshore service segments. **Source: OilPubs**

The image is a promotional banner for TOS. On the left, the TOS logo is displayed, consisting of a red circle above a red horizontal bar, a blue horizontal bar, and the letters 'TOS' in blue. To the right of the logo is a photograph of an offshore oil rig at sea during twilight. On the far right, a blue background contains white text: 'Contact us: +31 10 436 62 93 www.tos.nl' and 'People on demand'.

Drewry Questions Viability of 'Megaships'

By Aiswarya Lakshmi

Drewry Maritime Advisors say that the trend of "big ship obsession" may soon come to an end. The three largest carriers in the world – Maersk Line, MSC and CMA CGM – extended their dominance by taking on the most capacity, while the five leading carriers between them accepted two-thirds of all the new capacity. The desire for mega-ships is logical for individual carriers "but the impact on the industry at large has been disastrous with rock-bottom freight rates that we're seeing now the end result," says the London-based consultancy. According to Drewry, the emphasis last year was on the big ships. Vessels over 10,000 TEUs accounted for 55 percent of the total capacity delivered in 2015 and now make up approximately a quarter of the current world fleet, up from less than 5 percent in 2011. The share will continue to grow as vessels of this size currently make up around three quarters of the total orderbook. Twenty-four ships above 17,000 TEUs joined the world fleet in 2015, accounting for 446,000 TEUs out of record total deliveries of 1.7 million TEUs. The economic argument for ordering ever bigger ships diminishes as they grow and actually reverses upon reaching 24,000 teu as ports struggle to turn them around efficiently and the total system cost rises. "We know that for each individual company the desire for big ships is logical, but the impact on the industry at large has been disastrous with rock-bottom freight rates that we're seeing now the end result," Drewry said. Most of the new orders occurred in the first nine months of last year as things cooled off in the fourth quarter.

Source ; marinelink

DNV GL wins verification contracts

Statoil has awarded contracts to **DNV GL** for verification of all 4 topsides, the 3 bridges, 3 of 4 jackets, topside installation by use of the Allseas single lift vessel 'Pioneering Spirit and extended site assessment for the jack-up. Third

party verification gives the operator and the authorities confidence that the project development has the required safety and quality level."The contract demonstrates that our investment in technology, service development and efficient operations is making us competitive also in this cost challenged market. We sincerely look forward to supporting Statoil and the Johan Sverdrup partners on this important project," commented Regional Manager for DNV GL- Oil & Gas Norway, Kjell Eriksson. The value of the contracts is approximately 60 MNOK. **Source: energyglobal.**

Saudi Arabia preventing Iranian oil tankers from entering its waters

Riyadh is apparently taking steps to thwart Tehran's return to the world oil market after the ending of Western sanctions. Iranian oil tankers are being stopped from entering ports in Saudi Arabia and Bahrain, the FT reports, quoting shipping data. An Arab Gulf man rests on a main street in Riyadh © Ali Jarekji Saudi Arabia loses oil market share in key countries Due to these obstacles, by mid-April only about eight tankers will have sailed from Iran for Europe according to shipbrokers, the newspaper reports. The transported cargo is only 12 million barrels. After the sanctions on Iranian oil ended in January, Tehran has only managed to export small quantities of oil to Europe. Intertanko and other industry players have told the FT there are no formal restrictions by Riyadh, but no one wants to complicate relations with the Kingdom. "It's seen as an unknown risk. No one wants to disrupt their relationship with the Saudis," said one shipbroker. Some of the traders say Saudi Arabia is blocking Iran's access to SUMED, the Arab Petroleum Pipeline Company Tehran used to send crude from the Red Sea to the Mediterranean before sanctions were imposed. SUMED's is half owned by Egypt, with Saudi Arabia, Kuwait and the UAE together holding a 45 percent stake in the company. The oil market is now waiting for the world's leading crude producers, headed by Russia and Saudi Arabia, to meet on April 17 in Qatar to discuss an output freeze. According to OPEC Secretary General Abdalla Salem el-Badri, these talks may be successful even without Iran's participation. Tehran wants to boost its production to the pre-sanctions level of four million barrels per day (bpd) from the current 2.8 million bpd. However, this has been put under question by Saudi Arabian Deputy Crown Prince Mohammed bin Salman, who last week said Riyadh would agree to freeze oil production only if Iran joins the pact. On Sunday, Iranian oil minister Bijan Zanganeh said the Islamic Republic boosted its exports to 2 million bpd. **Source: Russia Today**



HFW strikes alliance with Shanghai law firm Wintell

By Lee Hong Liang from Singapore

International law firm Holman Fenwick Willan (HFW) has entered into a formal association with China's Wintell & Co, which operates in the Shanghai Free Trade Zone and in Tianjin. Wintell specialises in shipping, insurance and corporate law, and HFW has worked with the company for many years, the latter announced. HFW said its Shanghai office and Wintell will come together to work on mutually beneficial marketing and business development opportunities, combining HFW's international footprint with Wintell's local Chinese law expertise to provide clients with enhanced on the ground service. Henry Fung, partner and chief representative of the HFW's Shanghai office said: "As the first law firm specialising in international trade to enter an association in the Shanghai Free Trade Zone, this is a significant

development for HFW's practice in China." The collaboration between the two law firms has been approved by the Shanghai Justice Bureau. **Source:** [seatrade-maritime](#)

'Grossly negligent': Judge approves historic \$20 billion settlement for BP oil spill

A federal judge gave final approval to a \$20.8 billion settlement to be paid by BP for what US Attorney General Loretta Lynch has called "the worst environmental disaster in American history" – the 2010 Deepwater Horizon oil spill in the Gulf of Mexico. Monday's settlement, approved by US District Judge Carl Barbier, finalizes an agreement reached in July. In the earlier ruling, Barbier found that BP petroleum company had been "grossly negligent" with respect to the oil rig, whose explosion resulted in the death of 11 workers and caused 3 million barrels of oil to leak into the Gulf of Mexico. Fire boat response crews battle the blazing remnants of the offshore oil rig Deepwater Horizon, off Louisiana, in this handout photograph taken on April 21, 2010. © U.S. Coast Guard

BP to pay nearly \$21bn to settle world's largest oil spill BP only managed to stop the flow of oil 87 days after disaster struck. The spill ultimately spread across 43,000 square miles, wreaking havoc on coastal communities and ecosystems from Florida to Texas. The Department of Justice estimates that the settlement will cost BP \$20.8 billion, \$5.5 billion of which will be paid to the DOJ itself for cleanup costs – \$1,720 for every barrel of oil spilled. The money will be paid out over a 16-year period, \$379.3 million each year from 2017 to 2031. In a statement released on Monday, Attorney General Loretta Lynch called the 2010 oil spill "the worst environmental disaster in American history." "BP is receiving the punishment it deserves, while also providing critical compensation for the injuries it caused to the environment and the economy of the Gulf region," Lynch wrote. Texas and four other Gulf states will be awarded a total of \$4.9 billion in damages from the settlement. The company will pay an additional \$7.1 billion to the five states to restore the natural resources devastated by the spill. "We are pleased that the Court has entered the Consent Decree, finalizing the historic settlement announced last July," BP spokesman Geoff Morrell said in a statement. BP has reached similar agreements with private businesses and individuals who claim to have suffered monetary losses because of the spill, such as fisherman whose fisheries were shut down. The company claims that its total expenses related to the spill will end up costing in excess of \$53 billion.

Nigeria: Nimasa Confirms Hijack of Vessel, Pledges Speedy Passage of Anti-Piracy Bill

By Nosa Alekhuogie

The Director General (DG), Nigerian Maritime and Safety Agency (NIMASA), Dakuku Peterside, has confirmed the hijack of a Liberian chemical tanker, MT Sampatiki with five crew members onboard at Excravos, Delta state. The vessel was reported to have arrived Port Harcourt on March 21, 2016 heavily loaded with gas oil and was allowed to sail out of the port on March 24. The federal government was informed of the hijacking incidence on March 26. According to the DG, the Minister of Transportation, Chibuike Rotimi Amaechi has given instructions to the Agency to investigate the incidence with a view to rescuing the abducted crew and recovering the vessel. Briefing journalists at the NIMASA Head quarters, weekend, Peterside revealed that the draft Anti-piracy Bill would be passed by the National Assembly as soon as possible. **Source:** [all Africa](#)

Swanage's new Shannon Class lifeboat being launched on Friday

THE volunteer RNLI lifeboat crew at Swanage are due to welcome their new vessel this Friday, April 8. The **GEORGE THOMAS LACY** will be the first Shannon Class lifeboat to be put into service in Dorset. It has been named for the late Mr George Lacy, who left a legacy for the use of the RNLI in the county in his will. The craft is expected to arrive at 12noon before volunteers demonstrate her capabilities. She will then be moored up alongside the pier so members of the public can take a closer look. RNLI mechanic Dave Turnbull will be at the helm at the new craft arrives, while current lifeboats Robert Charles Brown and Phyl & Jack lead the way. A flotilla of local vessels will also take to the water to welcome the **GEORGE THOMAS LACY**'s arrival. Mr Turnbull said: "We're really getting to know the new lifeboat and there's a vast difference." "Our Mersey class, which has served us so well, is based on design which is around 30 years old, so you can imagine how much the technology and design have moved on." "That said, despite the amount of technology involved, in many respects the new lifeboat is simpler to work with, as well as being quicker, more comfortable, and above all, safer." Mr Turnbull is due to take over as coxswain from Martin Steeden, who will

officially stand down when the Shannon is declared operational later this month. Once the lifeboat arrives in Swanage, the remainder of the crew will undergo 10 days of intensive station-based training. Four volunteers have already attended the RNLI College in Poole for a waterjet boat handling course, which will give them the skills to operate the new lifeboat. Waterjet boats handle differently to conventional propeller-driven vessels. The current Mersey class lifeboat will remain in service throughout until the Shannon is declared an operational lifesaving asset. The new craft will be operational from a mooring in the bay until the station build is complete at the end of the summer. **Source;** bournemouthecho



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The advertisement features a large container ship, a Hapag-Lloyd vessel, docked at a port. The ship is loaded with numerous colorful containers. The background shows a busy port area with cranes and other vessels. The Antwerp Towing logo, a blue star with a red center, is in the top left, and a yellow and blue logo is in the top right.

NAVY NEWS



The 1974 built Russian Navy Baltic Fleet Amguema Class Polar Logistics Ship **YAUZA** entering Valletta, Malta on Monday 4th April, 2016. Amguema-class cargo vessel (Rus: Project 550M special-purpose large naval dry cargo vessel) YAUZA was built at Kherson Shipyard for the Soviet Navy. It was laid down in April 1974 and joined the Northern Fleet in 1975. In 1988, the vessel was resubordinated to the Ministry of Defense's 12th Main Directorate, which oversees military nuclear safety and security programs. Since then, the vessel had been used to transport cargo between the Russian mainland and Novaya Zemlya. On April 3, 2008, the Ministry of Defense signed a contract (253/05/7/K/0329-08) with Nerpa Shipyard in Snezhnogorsk (Murmansk Oblast) to perform capital repairs, modernization, and conversion of " **YAUZA** ", to include increasing the number of passengers it could carry to 98. The vessel's superstructure was lengthened, and two new cranes were installed: one on the bow (Liebherr CBW 60/16, 60 metric ton lift capacity) and one on the stern (9 metric ton lift capacity). Other changes included the installation of new main (4 x 1,500 kW) and emergency (1 x 200 kW) diesel generators, steam boilers (2 x 4,000 kg/h), and modern control, safety, and communications systems. The vessel has four cargo holds. On October 8, 2012, "**YAUZA**" was relaunched. The vessel commenced post-modernization factory sea trials in June 2014 and was turned back over to the Northern Fleet in May 2015. In July, employees of the 51st Central Design and Technology Institute of Ship Repairs received awards for developing design documentation for the vessel's repairs and modernization. The "**YAUZA**" conversion was not completed without a few scandals. In October 2013, investigators claimed that Nerpa Shipyard had not completed RUB 415 million in work for which it had already been paid. Additionally, the price of the original contract had grown an

additional RUB 159.8 million. Contracts fulfilled just between July 2013 and December 2014 totaled RUB 28,006,934, including RUB 6,000,000 for round-trip towing services between Nerpa Shipyard and Severodvinsk in 2014. The final cost of the project reportedly more than doubled from the original RUB 1.6 billion to nearly RUB 4 billion. In July 2015, former Nerpa Shipyard general director Aleksandr Gorbunov was sentenced to four years in prison and fined RUB 600,000 for falsely claiming the shipyard had completed repairs on " **YAUZA** " for which it received RUB 10 million. In September, shipyard employees were still waiting to be paid salaries for June through August. When one worker asked via social media where the money for employees' salaries had disappeared to, another responded it had "sailed away" with " **YAUZA** ". **Photo: Capt. Lawrence Dalli - www.maltashipphotos.com**

U.S. Navy Ship Interdicts a Weapons Shipment

The U.S. Navy said Monday it had seized an arms shipment in the Arabian Sea that originated in Iran and was probably bound for Houthi rebels in Yemen. The seizure of the weapons, the third by a foreign naval force in recent weeks, occurred March 28 and included 1,500 AK-47s, 200 rocket-propelled-grenade launchers and machine guns, the Navy said in a statement. The reported arms interdictions come as international efforts to end Yemen's war gather momentum. A United Nations-brokered cease-fire is set to begin Apr. 10, with a new round of political talks scheduled to start eight days later. The weapons intercepted last week were being transported in a dhow, a traditional wooden boat common in the region, that was stopped by the **USS SIROCCO**, a coastal patrol ship assigned to the U.S. Navy's Bahrain-based Fifth Fleet, the statement said. The weapons were confiscated and the dhow and its crew were freed, it said. Iran supports the Houthis politically but has denied sending them arms to fight a military coalition led by Saudi Arabia, Iran's main regional rival. A representative for Iran's mission to the U.N. in New York didn't immediately return a request for comment on the seizures. A French destroyer intercepted a dhow carrying weapons to Somalia last month, as did an Australian ship the previous month. The countries didn't say if Somalia was the arms' final destination. Yemen has descended deeper into chaos since March 2015, when Saudi Arabia launched a multinational air campaign aimed at defeating the Houthis and restoring Abed Rabbo Mansour Hadi to the Yemeni presidency. Saudi Arabia, the region's main Sunni Muslim power, sees the Houthis as a proxy for Shiite Iran, its main rival for power and influence in the Middle East. The Houthis adhere to the Zaidi offshoot of Shiite Islam. The U.N. estimates that more than 6,000 people have been killed in war-related violence in Yemen since the Saudi-led campaign began last year. The violence has slowed aid deliveries and led to near famine conditions in some parts of the country. The U.N.'s World Food Program estimates that 20% of Yemen's 26 million people are in urgent need of food aid. **Source; the wall street journal**

Keel Laying Held in Rhode Island for New Navy Submarine

The keel has been laid for the future **USS SOUTH DAKOTA**, the nation's 17th Virginia-class attack submarine. The milestone was marked in a ceremony Monday at the Rhode Island manufacturing plant for General Dynamics' Electric Boat. The submarine's sponsor is Deanie Dempsey, wife of former Joint Chiefs of Staff chairman and retired U.S. Army Gen. Martin Dempsey. She is an advocate for military families and volunteers with military support organizations. "I am beyond honored and thrilled to be here and to start this relationship with all of you," she said. In a Navy tradition, Dempsey wrote her initials on a metal plate, which were made permanent by a welder and will later be mounted on the submarine. The nuclear submarine doesn't have a traditional keel running the length of the ship and is being built in modules. It is said that the sponsor's spirit and presence guides the ship throughout its life. Dempsey said she takes the responsibility seriously. Martin Dempsey, who was in the audience, said he loved the tradition of the ceremony and the "heartfelt passion" for building submarines that it showcased. "The merging of men and machines is really remarkable," he said. Groton, Connecticut-based Electric Boat and Newport News Shipbuilding in Virginia build two Virginia-class attack submarines annually under a teaming agreement.

The **SOUTH DAKOTA** features improvements designed to increase stealth, including quieter machinery, said Rear Adm. Michael Jabaley, the Navy's program executive officer for submarines. Construction began in March 2013, and the submarine is now 65 percent complete. Its contracted delivery date is August 2018. "With the undersea environment constantly changing and becoming more crowded with capable threats, the Navy has decided to use South Dakota as a prototype ship that will include significant investments in stealth beyond anything seen to date," Jabaley said. The submarine is expected to cost about \$2.5 billion, according to the Navy. The stern section served as the backdrop for the ceremony. Members of Congress from Rhode Island, Connecticut and South Dakota spoke at the ceremony about the nation's need for submarines. They, along with Rhode Island Gov. Gina Raimondo, a Democrat, thanked the shipbuilders and service members in attendance. U.S. Sen. Mike Rounds, a South Dakota Republican, said "a new symbolic link" is now formed between South Dakota and the Navy. **Source : abcnews.**

Philippines, US launch large-scale naval drills 'without China in mind'

The annual Balikatan military exercise has been launched in the Philippines, involving about 8,000 American and Filipino military. Troops are training to ensure maritime security in the region, where China bolsters its military presence continuously. The drill will last for two weeks and is going to include, among other tasks, command-and-control interaction, combined operations in logistics and communication establishment, amphibious beach landing and recapture of oil and gas extraction facility. Australia is also joining the exercise with a small contingent, while Japan and Vietnam have dispatched officers to observe the training. "The Balikatan exercise is designed not to address a particular concern but the whole lump in the spectrum of warfare," Reuters cited Vice Admiral Alexander Lopez, the Philippine military's exercise director, as saying at a news conference.

To make sure that importance of the exercise is well understood by other players in the region, the US defense secretary is going to pay a first-ever visit to the maneuvers. Ash Carter is expected to be observing the exercise next week. The commander of US Marine forces in the Pacific, Lieutenant-General John Toolan, told the news conference the joint task force is going to get trained to respond to any situation that could possibly occur in the region, which according to Toolan "absolutely" includes a hypothetical security crisis with China in the South China Sea. The commander also said that, for the first time in the Philippines exercises, a mobile long-range truck-mounted multiple-rocket launcher (HIMARS) is going to be fired. China has territorial disputes over a group of natural and artificial islands in the South China Sea, rich in deposits of natural resources, with most of its neighbors in the region, namely Brunei, Malaysia, the Philippines, Taiwan and Vietnam. The South China Sea is also an extremely important trade route crossroads, with estimated US\$5 trillion worth of goods shipped through the area annually. Beijing strives to maintain control over it since most of the goods and supplies passing there are either of Chinese origin or are destined for Chinese ports. To assure that goal is reached, Chinese authorities have launched an unprecedented program of land reclamation in the South China Sea, which includes construction of airfields and port facilities on some reefs and isles, including construction of manmade islands. The US Navy, which used to control the sea routes in the area over the last decades, is actively opposing the Chinese initiative, deploying additional warships into the disputed zone and conducting maneuvers in imminent vicinity to Chinese artificial islands and flying over them, citing the "freedom of navigation" principle as an excuse. Beijing has warned Washington it plans to protect its sovereignty in the disputed waters of the South China Sea, rejecting to use international laws and freedom of navigation as a pretext to undermine its national security interests. "China will firmly safeguard the sovereignty and related rights in the South China Sea," Chinese President Xi Jinping told US President Barack Obama at the fourth Nuclear Security Summit in Washington, DC, according to Xinhua news. While acknowledging that Beijing "respects and safeguards the freedom of navigation and overflight other countries are entitled to under international law," Xi stressed that China will "not accept any freedom of navigation as an excuse to undermine China's sovereignty and national security interests." **Source;** **Russia Today**

Russian naval group led by antisubmarine warfare ship returns from Mediterranean mission

A naval task force of the Russian Northern Fleet led by the **VICE-ADMIRAL KULAKOV** large anti-submarine warfare ship has returned to the fleet's main base in Severomorsk after its long-distance Mediterranean and Atlantic missions, the fleet's press office said on Monday. The naval task force entered Kola Bay on Sunday and on April 4 the large anti-submarine warfare ship **VICE-ADMIRAL KULAKOV** anchored at its organic berth, the press office said. "The distant mission of the **VICE-ADMIRAL KULAKOV** lasted over five months after it started on October 23, 2015," the fleet's press office said. The naval task force comprising the Vice-Admiral Kulakov large anti-submarine warfare ship and the support vessels - the Dubna tanker and the SB-406 rescue tug boat - was greeted by acting Commander of the Northern Fleet Vice-Admiral Nikolay Yevmenov at a ceremony in Severomorsk. The anti-submarine warship held a number of exercises in the Mediterranean Sea as part of the Russian Navy's regional grouping. Also, the ship's crew ensured safe navigation of merchant ships in the area. Drills were held aboard the ship during its inter-sea passage. The latest combat training drills involved maneuvers in the Atlantic jointly with Russia's advanced Project 11356 frigate **Admiral Essen**. Overall, the **VICE-ADMIRAL KULAKOV** covered a distance of over 25,000 nautical miles during its distant voyage. **source: TASS**

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Last Friday **ROYAL BODEWES** shipyard in Hoogezand launched the 87 mtr long **ARKLOW VALIANT**
CLICK at the photo to see the actual launch video !

S. Korean Shipyards Order Books Empty?

By Aiswarya Lakshmi

The global slump in the shipbuilding industry means that South Korea's ship yards have to look far and wide for new orders. Combined, the three major yards have only received one order in the first quarter of the year. Daewoo Shipbuilding & Marine Engineering (DSME) and Samsung Heavy Industries (SHI) have received zero new shipbuilding orders, according to sources quoted by local media Yonhap. Hyundai Heavy Industries (HHI) is the only one among the three to have landed a KRW150bn (\$130.6m) order in March to build two petrochemical tankers. But a report in Korea Times says that so far this year affiliate shipbuilders of Hyundai Heavy Industries Group received only six orders while the small shipbuilder Yeunsoo Heavy Industries clinched an order to build three small vessels that carry chemical products. U.K.-based shipbuilding and marine transport-related data provider Clarkson Research Services said this is

the first time in 15 years for Korean shipbuilders to receive orders amounting to only a single-digit in a quarter, the second time this has happened since the research center started collecting data in 1996. Despite the crisis in the shipbuilding industry, Chinese and Japanese shipyards are reportedly maintaining their backlogs with domestic orders. Korean shipyards, on the other hand, are losing business because of a resurgence in Japanese shipbuilders after restructuring, and rising competition from Chinese shipbuilders who get massive government support.

The nation's three biggest shipyards are expected to layoff some 15,000 workers by the end of this year; and a total of 40,000 to 50,000 workers will lose their jobs in the next three years, says the news paper. **Source: Marinelink**

Kooiman speelt actieve rol in de doorbraak van LNG in de binnenvaart.

Scheepswerf Gebr. Kooiman B.V. uit Zwijndrecht (www.dekooimangroep.nl) maakt onderdeel uit van een consortium waaraan een subsidie is toegekend voor het verder ontwikkelen van LNG als brandstof voor de binnenvaartmarkt. Het Expertise- en Innovatie Centrum Binnenvaart (EICB) is coördinator van het consortium. De subsidie, "Breakthrough LNG deployment in Inland Waterway Transport", www.lngbinnenvaart.eu, is toegekend door de Europese Unie vanuit het CEF project (Connecting Europe Facility).

De missie van de subsidie is het reduceren van barrières voor scheepseigenaren om in LNG te investeren met als doel op grote schaal implementatie van LNG voor de binnenvaart. Het consortium heeft daarom de volgende naam gegeven aan het project: "Breakthrough LNG deployment in Inland Waterway Transport" of in beter Nederlands: "Doorbraak in de LNG ontwikkeling voor de binnenvaart". De subsidie-periode loopt van 01/01/2016 tot en met 31/12/2018. Kooiman heeft recht op subsidie voor de volgende activiteiten:

- Studie naar standaardisatie en goedkeuring van LNG systemen en standaardisatie voor inbouw van deze systemen aan boord van schepen voor de binnenvaart;
- Installatie van een LNG brandstofsysteem aan boord van een nieuwbouw schip of in reeds be-staande vaartuigen.

De studie en bouw moet binnen de subsidieperiode gerealiseerd worden. Zowel nieuw- als verbouw projecten komen in aanmerking voor subsidie. Het deel van het subsidiabel budget voor Kooiman be-draagt € 1.550.000,= waarvoor 50% subsidie kan worden verleend. Het totaal subsidiabele bedrag voor het gehele consortium bedraagt circa € 22 miljoen. Bij de aanpassing van een schip en voor de installa-tie van de LNG systemen aan boord kunnen meerdere toeleveranciers uit het consortium samenwer-ken om de subsidie doelstellingen te realiseren.

Scheepswerf Gebr. Kooiman B.V. heeft de nodige kennis in huis voor de toepassing van LNG. Meerdere scheepsontwerpen zijn voorhanden. Voor de ombouw van het LNG aangedreven koppverband Eiger – Nordwand van Danser heeft Kooiman het verbindend dubbelwandig geventileerd leidingwerk voor de gassystemen geleverd.

Wilt u in aanmerking komen voor deze subsidie of heeft u hierover vragen dan kunt u contact opnemen met **Peter Vrolijk**, Tel. 078-610047 Email petervrolijk@scheepswerfkooiman.nl

ROUTE, PORTS & SERVICES



Hyundai Merchant mulls over selling oil-carrier business

Hyundai Merchant Marine, South Korea's No. 2 shipping line by sales, said on Monday it was mulling over selling its oil-carrier business unit to improve its financial footing. "We are considering selling the oil carrier division (composed of five to six oil carrier ships) to secure liquidity and improve financial health. But nothing has been decided yet," the company said in a regulatory filing. Hyundai Merchant has stepped up its efforts to sell non-core assets and properties as part of a self-rescue program after being hit by an oversupply and declining freight charges since the 2008 financial crisis. **Source: Yonhap**

Hanseaticsoft goes international with ECKS MARINE

Alexander Buchmann, CEO of Hanseaticsoft and Torsten Ecks, CEO of ECKS MARINE, decided to work closely together to further strengthen international sales activities around the Cloud Fleet Manager (CFM). The partnership combines over 10 years of experience in software development for the shipping industry with a vast experience in software sales and management as well as a holistic knowledge of the processes and requirements of maritime companies. Hanseaticsoft was founded in 2009. The Cloud Fleet Manager so far has more than 20 applications (Schedule, Particulars, Ports, Chartering, Disturbances, Inspection Report, Insurance, Crewing, etc.) and is accompanied by the Cloud Ship Manager, which presently is installed on more than 1,200 on-board computers worldwide. ECKS MARINE was founded in 2015 and provides sales and marketing support for international suppliers of maritime components, services and IT/software. **Source: Hanseaticsoft GmbH**

Panama Canal sets further draft restrictions for ships as drought continues

The **Panama Canal Authority** has imposed further draft restrictions for vessels transiting through the canal effective April 29 due to ongoing El Nino-related droughts in the region. In a shipping advisory Friday, the authority said the maximum allowable draft will be reduced further to 11.74 meters (38.5 feet) from April 29. This is the second restriction announced this year. On March 21, the authority, also known as the ACP, said it would temporarily lower the maximum allowable draft for transiting vessels to 11.89 meters (39 feet) from April 18. "As in the past, draft restrictions will be implemented in 15 cm (6 inch) decrements at a time, with each restriction announced at least four weeks in advance," the ACP said in the Friday advisory. "Vessels already loaded to the prevailing draft limitation at the time of announcing the new draft restriction will have this restriction waived for transit, subject to safety considerations." The ACP added that it would remove the draft restrictions as soon as water levels in the Gatun Lake returned to normal. If the draft restrictions go ahead as planned this month, it will be the first such curbs in nearly 20 years. The ACP announced similar restrictions in August last year, but they were never implemented in September as planned as rainfall in the region improved. The 80-kilometer (50-mile) long Panama Canal is a key waterway that connects the Atlantic and Pacific oceans. The canal is being widened, and when the new locks are operational — expected from June 26 — ships with larger draft, longer beam and length overall will be able to pass through.

Source: Platts

VLCC tanker rates jump to multi-week highs on robust demand and declining outlook for ship availability

VLCC rates surged this week on a fresh demand rally and declining certainty over availability in the Middle East and West Africa markets as units set to return from current voyages to points in Asia experienced rising weather and ullage/trade delays. According to the latest weekly report from shipbroker Charles R. Weber, "chartering demand in the Middle East market jumped to a six-month high tally of 40 fixtures (+38% week-on-week) and demand in the West Africa jumped to 200% w/w to a three week high count of six fixtures. Notably, China-bound fixtures accounted for a large portion of the demand gains; 22 such fixtures were recorded for all VLCC loading regions this week, representing a 214% w/w gain and also the loftiest count in six-months". CR Weber noted that "whereas the week commenced with a seeming oversupply which had charterers hoping to test lower rates, the quick influx of requirements thereafter revealed that there were far fewer certain positions than participants had previously assumed. Weather-related delays reemerged in key Chinese ports and were augmented by fresh delay issues in Korea, Singapore and Thailand -- in cases exceeding 14 days. This saw charterers reach progressively further forward on

requirements with the result of the rush to cover leading the highest extent of forward coverage in over a year. Over the course of the week, benchmark AG-FEAST rates rallied to ws90 and average VLCC earnings jumped 44% to over \$80,000/day”.

The shipbroker noted that “to-date, 100 April Middle East cargoes have been covered, leaving a likely 30 remaining. Against this, there are 35 positions presently showing availability and believed unlikely impinged by delays. While West Africa draws on this pool of units is likely, the extent will likely be tempered by recent ballasts from the Caribbean to West Africa amid an effective halting of demand in the former and strong rate gains in the latter. Thus, there is potential that the end-April Middle East surplus could match March’s multiple-year low tally of zero units (but probably not a shortage). We believe that this implies rates and earnings will remain elevated through the coming weeks on tight supply/demand fundamentals; however, further rate gains could be complicated by the limited remaining April Middle East demand a longer- than-usual lag between April and May cargoes while strong losses will be complicated by the fact that Asian delays are unlikely to subside sufficiently to overpopulate position lists”.

Middle East

“Rates to the Far East rose by 26.5 points w/w, the latest fixture at ws92.5 for a voyage to Malacca. Corresponding TCE’s rose by 50% to ~\$84,125/day. Rates to the USG via the Cape gained 22.5 points w/w to ws60. Triangulated Westbound trade earnings gained 35% w/w to an average of ~\$92,300/day. This week’s activity brought the April cargo tally to 100 fixtures, leaving some 25-35 cargoes to go through the remainder of the month. We compare this to a position list that shows some 30 or so vessels available over that same period. While multiple “hidden” positions are certain to appear, delays in China remain a factor and could add or subtract from that list. The balanced supply-demand equation will likely keep pressure on rates in the short term”, said CR Weber.

Atlantic Basin

The shipbroker added that “rates in the West Africa market retained their usual lagging correlation to those in the Middle East. Rates on the WAFR-FEAST route pushed into the high ws70’s. The strong TCE returns and limited inquiry in the Caribbean brought USG positions into play, limiting the upward momentum in West Africa. The Caribbean market, continued quiet, following last week’s closure of PDVSA in Venezuela, making expectations for this week busier. However, this was not the case, although rates did actually improve on the back of overall market sentiment. CBS-SPORE rates improved to as assessed value of \$5.9 m lump sum”, the CR Weber concluded.

Source; Nikos Roussanoglou, Hellenic Shipping News Worldwide

Dry bulk revisits 1980s lows and faces uncertain longer term outlook

With the market near bottom, attention is turning to the length of the downturn, the effect on asset values and the impact of broader demand side changes.

In terms of annual average fleet employment rates, the dry bulk market has now dropped to levels last seen over 20 years ago in 1992, according to the latest quarterly dry bulk market forecast from MSI*. However timecharter rates are much worse now (\$5,700/day for a Panamax) than they were then (\$9,500/day). It is necessary to look back to 1986 to see nominal timecharter rates as low as today in annual average terms. The spot market is in even worse condition: according to a theoretical voyage cost calculation across a representative sample, almost a fifth of aggregate earnings for Capesize vessels on the spot market would have been negative this year to date, taking into account individual vessel fuel consumption characteristics.

Asset values at scrap-plus

With earnings currently at OPEX or below, even 15 year old vessels are now being valued at their realisable scrap value, plus a nominal mark-up for vessel-specific condition. Age beyond 15 years is now purely a number and has little impact on value. The extreme levels to which prices for old vessels have collapsed can be seen in the Chart below, which compares the current second hand Panamax vessel values in terms of Net Replacement Value (NRV) with historical ranges. Thoughts are no longer fixated on how low earnings and prices will fall – the general consensus is that both are at or near the floor. The focus is now on the shape of the downturn – or rather how long it will last. First and foremost is there any hope for bulker earnings and prices in 2016?

In terms of downward momentum, the good news is that the end is nigh with an expectation that second-hand prices will bottom out at levels marginally below current values during 2Q 2016 for almost all ages and sizes of dry bulk carriers. This is underpinned by expectations of a minor rate correction in Q2, driven by a seasonal uptick in iron ore imports by China and strong South American grains exports. Enthusiasm should be tempered for the remainder of this year, however; the outlook for dry bulk supply/demand fundamentals in aggregate for 2016 is far from promising, with supply growth set to more than offset demand growth by a small margin.

Changing demand dynamics

The story is not much brighter for beyond this year – it is not until 2018 before we see any sustained improvement in market balances. Moreover, there are significant risks on the downside to this view. In MSI's latest dry bulk report we present a scenario in which plausible downside risks to MSI's forecast for Chinese and Indian coal imports and Chinese iron ore imports are realised, including a robust supply-side response. Under this scenario, we would not anticipate an uptick in market balances or timecharter rates before 2020. **Source: Maritime Strategies International**

Container shipping approaching crucial trigger point in 2016



The **CSCL PACIFIC OCEAN** outbound from Rotterdam Europoort –
Photo : Capt Charles Bijl – Coxwain Pilot tender Gemini ©

Further expected container shipping liner losses throughout the first half of 2016, exacerbated by the awful prevailing spot and contract freight rates will lead to a major trigger point at some stage later this year. This will happen either through radical capacity management at the trade route level and/or a much more sensible and logical approach to commercial pricing, according to the latest Container Forecaster report published by global shipping consultancy Drewry. Global rate levels are no longer sustainable and with the lines' GRI mechanism soon to be defunct on European trades due to new EU regulations that are about to be implemented, carriers will need to find new tools. Drewry estimates that global freight rates will deteriorate further this year while at the same time carriers will no longer be able to reduce costs at the same pace, given that the main advantages of lower fuel prices have already been realised. At the moment, ocean carriers continue to cling to the vain belief that the lower slot costs of the 14,000 teu and 18,000 teu vessels will bring them success. However, Drewry's contention after a recent study is that the hoped for economies of scale are much reduced after vessels of this size are deployed. The three months grace just given to beleaguered HMM does nothing to dispel the myth that ocean carriers are made of bullet proof material. Asking shipowners to bail them out by drastically cutting charter rates is a sign of the times. Having focused on the cost side for so long, it is vital that carriers turn themselves to the revenue side of the equation if shippers are to have a sustainable container industry. Some 66 void sailings in February in the major east-west trades did nothing to prop up freight rates. A global idle fleet that hit one million teu (5%) by March also seemed to do little to sentiment. Drewry even heard anecdotally that spot rate levels from Asia to the West Mediterranean reached as low as \$5 per 40ft. While global handling growth is forecast to reach an estimated 2.1% in 2016 and this is by no means back in 2009 negative territory, the industry could get very ugly by the second half of this year if current commercial trends continue. Drewry believes a trigger point will be reached when more radical action on the capacity front will have to take place. Neil Dekker, Drewry's director of container research added: "This inflection point will only deliver any kind of market stability if carriers start to use their in-house rate profitability models and offer commercially sustainable freight rates. Ocean carriers should be looking at revenue per teu rather than industry load factors. In a world where overcapacity is a given on every trade, headhaul load factors of, for example, 85% need not be considered a disaster by any means. With 2.6 million teu of new capacity to be delivered by the end of 2017 this kind of load factor and potentially even lower is the new reality, so get used to it." **Source: Drewry**

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.... PHOTO OF THE DAY



24-03-2016 : The Korean H-Line Shipping owned LNG transporter **HANJIN RAS LAFFAN** heading north up the Malacca Straits **Photo Laurie K Gilbert - Aerial Marine Media www.aerialmarine.com** ©

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