Monday September 23, 2019

Lloyd's List
Maritime intelligence | informa

Daily Briefing
Leading maritime commerce since 1734

Enforcement and training back under the spotlight as deadly liquefaction casualties continue

THE regulatory framework aimed at reversing the 'liquefaction casualties' that have claimed more than 100 seafarers' lives over the past decade has suffered from poor enforcement, "unscrupulous practices" and commercial pressures squeezing out widely ignored safety standards. This is compounded by a general lack of training and awareness in the countries in which it is needed most.

But there are initial signs that the tide may finally be turning.

The Indonesian government has been gradually stepping up training and testing regimes, focusing on inspections at loading ports and working proactively with shippers to raise awareness of the dangers of moisture levels in cargoes suspectable to liquefaction.

New guidelines on handling hazardous materials have been adopted and the government opened a new laboratory testing facility in Jakarta in June. There is also a new training centre due to start operations next month with the help of the Australian Maritime Safety Agency.

While such steps may sound limited in the wake of nine very serious casualties linked to liquefaction issues that could have been avoided with the correct application of safety standards, the awareness programme represents a recognition that adopting standards is meaningless without robust enforcement and commitment to training.

The disappearance of the 52,378 dwt Indonesia-flagged *Nur Allya* bulk carrier last month with 25 seafarers on board, has once again prompted a resurgence of industry calls for extra vigilance when handling such cargoes, especially during monsoon season in southeast Asia.

The vessel, which was loaded with nickel ore on a domestic run in Indonesian waters from Weda island in North Maluku to Morosi in Southeast Sulawesi, issued a distress signal on August 20, according to Lloyd's List Intelligence reports. The search and rescue effort, which was hampered by bad weather conditions, was called off after 18 days.

While an investigation by Indonesian authorities is yet to reveal the cause of the incident, experts in the dry bulk industry who spoke to Lloyd's List suspect that liquefaction was responsible for the sinking of the vessel and the loss of its crew.

Calls and emails to the vessel's owner Perusahaan Pelayaran Gurita Lintas Samudera requesting comment as to the nature of the incident were not answered.

Transport attache at the Indonesian embassy in London Lollan Panjaitan said that while the cause of the casualty was still unknown, he hoped to have clear answers "soon" so that further investigations could be carried out primarily by Indonesia's National Transportation Safety Committee to enable further improvements.

Focus on Indonesia

Cargo failure and liquefaction has been responsible for claiming the lives of 101 seafarers in nine bulker casualties that took place over a 10-year period to 2018, by far the biggest cause of lives lost, according to Intercargo, the International Association of Dry Cargo Shipowners. Six of the incidents were related to nickel ore carriage from Indonesia.

Intercargo expressed deep concern for the missing seafarers and dismay about those who may have contributed to the tragedy. Once again, they called for a prompt investigation to establish the cause, but everyone involved is well aware that this is now a regular occurrence, where such calls appear to have limited impact on changes being made at government level.

The common factors in cases of liquefaction are well understood by industry officials and safety analysts. Cases continue to emanate from jurisdictions in which the national political environment may not be what one expert described to Lloyd's List as "conducive to safety rigour, particularly where the economy is bolstered by cargoes that may liquefy".

This inevitably results in pressure on many stakeholders. Appropriately competent testing facilities may not easily be available and even if they are, the testing itself requires significant rigour to ensure that appropriate representative samples are taken. That's easier said than done, when these places are often susceptible to variations through actual mining processes or simple weather conditions for a product that is stored in the open prior to loading on board ships. It's also important to note that initial testing is often reliant on the traditional 'can' test to gauge what is known as the Transportable Moisture Level.

That is fine if the test is carried out with sufficient understanding and any 'failure' is appropriately actioned, but inevitably, shippers prefer not to have the disruption caused by adherence to regulations or being told that their cargo might liquefy and endanger the ship.

There are instances in which shippers are ignorant of the International Maritime Solid Bulk Cargoes Code, although it is often in the chartering process that greatest education is required.

In both instances, the national maritime competent authority needs to ensure that knowledge from IMO is transferred to the landside and appropriately enforced.

All these issues are well understood by the technical officials from Indonesia who attend IMO meetings, but enforcement at a national level has been a persistent issue for the Indonesian government.

That is now, however, being addressed, according to Mr Panjaitan.

The country has taken "important steps so that the carriage of dangerous goods can be understood and implemented by all stakeholders," Mr Panjaitan told Lloyd's List in response to questions.

"I agree with the sustainable efforts to improve enforcement and implementation of procedures to avoid future accidents," he said, adding that each party needs to know and carry out its respective duties with the supervision of the competent authority, and supported by cultural awareness that "safety is first".

Recent near-misses

In early September, Norwegian insurance provider Skuld issued an alert on the dangers of nickel ore liquefaction in Indonesia and the Philippines after a near-miss in August during a tropical storm.

"Skuld is monitoring entered vessels that load nickel ore in the region. We see an increase of rain-affected cargo," it said, warning members and masters to exercise "extreme caution" when loading nickel ore in the region, especially during the wettest months.

Gard, another Norwegian provider, urged vigilance after it received 35 geofencing alerts since December 2017. Although no signs of liquefaction were found by surveyors, the practice of misdeclaration of moisture content was still prevalent, it said.

"Masters and ships' crew can experience significant pressure from shippers when they refuse to load the cargo and request independent testing," it said in an advisory in June.

"While the mandatory notification requirement is in place for shipments originating in the Philippines and Indonesia, Gard encourages members to seek advice on any cargo subject to liquefaction if they have any doubts or questions relating to its carriage," it added.

"Shipowners, charterers and Gard share a common goal to avoid another liquefaction tragedy through active loss prevention, communication and education."

In May, the 56,098 dwt bulker *New Beginning* reported that part of its nickel ore cargo started to liquefy in inclement weather conditions, and was listing by up to 10 degrees, but the vessel managed to safely navigate back to New Caledonia, according to the Lloyd's List Intelligence's casualty report.

Heightened risks for domestic traffic

A ban on Indonesian nickel ore exports, which was brought forward to January 2020 from 2022, while hitting supramax demand, should lead to a decline in liquefaction-related incidents for the international fleet, but domestic trades may rise, posing further risks, according to Braemar-ACM.

A side-effect of the loss of the Indonesian material "will be the reduction in international trade for what has been seen as one of the most hazardous cargoes in the market," the brokerage said in a note.

"The change in trade flows may just represent a transference of physical and operational risk for shipping rather than wholesale removal. For though the risk of a liquifying cargo for the international fleet may decline, one assumes that domestic Indonesian nickel ore shipments are set to increase, focusing the risk on the vessels and crew participating in that trade instead," it added.

Nickel ore is a Group A cargo in the International Maritime Organization's International Maritime Solid Bulk Cargoes code, meaning it is seen as a hazardous cargo that has the potential to liquefy.

An individual "schedule" or how to guide for nickel ore was adopted in 2013, two years after the code came into force (previously nickel ore was included in a generic "mineral concentrates" schedule for cargoes which may liquefy). There are requirements for safe handling and storage of the cargo, and to carry out testing for moisture content prior to loading as well as monitoring on voyage.

The IMSBC code has undergone several amendments to include what is known as individual schedules for other types of cargo such as bauxite and coal.

IMO's new model course

The IMO has launched a new course on the safe handling and transport of solid bulk cargoes to intensify its efforts towards training, implementation and compliance, in particular to tackle the dangers of liquefaction. The course was compiled by authorities in China, and reviewed by a group of member states co-ordinated by Japan.

The decision to develop the course, which includes case studies, multiple choice questions, and practical work, was made at the sub-committee on the Carriage of Cargoes and Containers last year, and was introduced in a workshop at the IMO during CCC this year, held between September 9-13.

"Along with the development of new provisions and amendments, it is equally important to ensure proper implementation and enforcement of the IMSBC code and other relevant IMO instruments," said Jack Westwood-Booth, senior deputy-director for the IMO's maritime safety division.

"This organisation has worked diligently for many years to improve the safety for ships transporting of solid bulk cargoes by sea," he said, adding that over the years, the IMO has made every effort "to stay vigilant and proactive in this regard".

But the course is not mandatory, an IMO spokesperson said, and it is up to member states to include the course in respective maritime training programmes.

"This specific training course will be freely available to all member states," the spokesperson said, adding that if resources were limited, the IMO would be able to provide funding from the Technical Co-operation programme.

"Everyone has an interest as no-one wants to see the loss of people, ships or cargo."

Effective implementation critical
"A lot has been done in the research of iron ore fines and bauxite cargoes and even coal cargoes for liquefaction issues," said BIMCO's manager for maritime information Ai-Cheng Foo-Nielsen.

"While there are regulations, it is a matter of enforcement and implementation of procedures," she said, adding that in her experience at the shipping association based in Denmark, shippers do not always fill out cargo declaration forms correctly, posing difficulties for owners.

The views were echoed by Intercargo, which welcomed the development of the course, as further training and subsequently greater understanding of the safe carriage of cargoes was ultimately beneficial.

"However, in our opinion, the effective implementation of the IMSBC Code by the member states is critical," said the group's technical manager Ed Wroe.

"The code, mandatory under the Safety Of Life At Sea convention, requires the shipper to provide the appropriate information to the vessel that enables a cargo to be carried safely. It is Intercargo's strong belief that accurate cargo information, provided by the shipper, is the cornerstone for the safe carriage of bulk cargoes."

WHAT TO WATCH

MSC poised to invest in flagship Liverpool2 terminal

MEDITERRANEAN Shipping Co's terminal operating division, Terminal Investments Ltd, is to establish a joint venture with Peel Ports in the Liverpool2 terminal in the UK's northwest.

Details of the deal, which is still in its early stages, remain obscure, but the venture's existence has been confirmed to Lloyd's List by sources close to both companies.

No figures have been given on the ownership structure of the joint venture, which is still subject to regulatory approval.

One source said that MSC was likely to take an equity stake that would be based on its container volumes through Liverpool2, and could be adjusted over time as throughput grew.

Peel Ports will retain ownership of the rest of the port as well as other facilities such as Sheerness.

The move will come as a major boost to Liverpool2, the £400m ($499.4m) investment that opened in 2016 but which has struggled to attract deepsea services.

The Liverpool2 development was based on the hope that an expanded Panama Canal would change trade routes from Asia to Europe, with vessels of up to 14,000 teu crossing the Pacific, transiting the waterway to reach the US east coast, and then heading on to Europe, with Liverpool the first port of call because of its location.

According to figures from Dynamar, Liverpool only has five deepsea services, with MSC playing a dominant role at the port. These include the 2M alliances TA4/ATL4 transatlantic service; the ATI/Montreal Express/GEX run by Maersk, OOCL and MSC; MSC's Turkey Canada service; a transatlantic services from ACL, which does not use the Liverpool2 facility, and Borchard Lines' Mediterranean service.

The port received a blow earlier this year when, after calling Liverpool for 20 years, Independent Container Line moved its transatlantic service from Liverpool's Seaforth terminal to Southampton.

But Liverpool received a boost last year when problems faced by a failed terminal operating system upgrade at Felixstowe saw MSC move one of its services to Liverpool.

And according to sources close to MSC, TIL's investment in Liverpool2 is "a very logical step" as the company has volumes going through Liverpool.

TIL was established in 2000, partly for the purpose of supporting MSC volumes. While it does serve other customers, MSC is its primary customer at its 54 existing facilities.

It remains unknown whether MSC will add additional services to Liverpool, but TIL's investments around the world have previously been in support of the MSC network so the addition of further services remains on the cards.

The port's location on the UK's Atlantic-facing coast has meant it has failed so far in attracting calls from lines serving the Asia-Europe trades. MSC is unlikely to change this immediately, it is understood.

But Liverpool's location is more beneficial when it comes to the transatlantic trades, and with the UK set to exit the European Union at the end of next month and the government seeking a free trade deal with the US, Liverpool could be set to regain some of its former glory as the primary port for US-UK cargoes.

Peel Ports earlier this week announced it has signed a contract with local engineering firm McLaughlin & Harvey for the next phase of development at the Liverpool2 terminal.

The multi-million dollar project will increase the footprint of the site and see the addition of 10 rail mounted gantry cranes and three ship-to-shore cranes. Work on the new phase of the port is due to be completed by 2021.

The port has also led efforts to bring cargo owners to Liverpool. Its Cargo200 campaign attracted support from regional shippers who want to be able to export from the port rather than truck goods elsewhere in the UK for export.

As Lloyd's List reported earlier this year, rising trucking costs and congestion at some of the UK's southern container hubs has already seen a number of beneficial cargo owners move to the port.

The Middle East bet that paid off

FOR the weary survivors of Southeast Asia's battered offshore supply vessel sector, salvation has come through resourcefulness and a willingness to work new markets.

In particular, those that have ventured out to the Middle East have been particularly well rewarded. Not only have they found employment, but encouragement as well as some find white knights to help them out of their financial woes.

Among these, Singapore-based OSV operators have been especially successful. Early movers such as PACC Offshore Services Holdings and Pacific Radiance moved assets out west and there are now 135 Singapore-owned OSVs in the Middle East Gulf, second only to the UAE in terms of the owned fleet in the region.

"Regional players in the Middle East Gulf have been benefitting from the healthy utilisation rates," said VesselsValue offshore analyst Cheng Zheng Yang. As an example he cited UAE-based Topaz Energy and Marine as having recently reported first half profits of $42m along with an 89% fleet utilisation rate. Topaz has also recently been acquired by DP World.

Meanwhile MEO is also said to be the target of the Dubai-based port operator as it looks to diversify into the offshore sector.

"Due to the perceived healthier market it the Middle East, the region found itself as an option for Singaporean OSV owners as they sought respite from the poor Southeast Asia market conditions," he added.

Further evidence of the proverbial milk and honey in the region is seen in the 80% fleet utilisation rate in the Middle East compared with 73% rate in Southeast Asia. And the fact that the Singapore-owned vessels are the youngest, at an average age of 8.9 years and with an average vessel value almost double that of the UAE-owned fleet suggests that high enough charter rates are being achieved to result in better quality vessels are being sent there.

Mr Cheng notes that the average age of the total OSV fleet operating in the Middle East is 15.8 years old. "The average age of vessels deployed by Singapore-based companies in Middle East is notably lower, allowing them to be more competitive for tenders that are seeking out quality vessels," he points out.

Apart from POSH and Pacific Radiance, VesselsValue notes that others such as Miclyn Express Offshore, Lanpan and Britoil Offshore have also deployed OSVs in the Middle East. Leading the pack, POSH has gone in with some its best vessels putting 38% of its fleet comprising young vessels with an average age of 3.5 years and total value of $79m in. Lanpan and Britoil Offshore have also gone in strongly with 62% and 49% of its fleet worth $26m and $23m respectively in the Middle East.

And they have reaped the rewards of this commitment, with all the five players achieving 100% utilisation of their fleet except MEO, which has three vessels laid up, according to Vessels Value.

This is in sharp contrast to those that did not venture out. Emas Offshore, the OSV arm of integrated offshore solutions provider Ezra Holdings, missed out on bail out opportunities twice in two years — once by Baker Tech Investment in 2017 and more recently seeing a bid by Philippines conglomerate Udenna Corporation fizzle out in 2018.

"Perhaps had Emas made a move into the Middle Eastern market, it would have been a more desirable takeover option," Mr Cheng reflected.

He added: "However, it appears that once without the correct strategy, both BTI and Udenna were unwilling to take the risk" and pointed out that unlike those that have ventured into the Middle East region with high utilisation, Emas has languished while their vessels are arrested and auctioned off.

The simple message in the numbers is that when all is lost, going all-in with a bold move will often prove better than sitting on one's hands and hoping for a better tomorrow. For in some markets, such as OSVs in the Southeast Asia, tomorrow may never come.

OPINION

The known unknowns

Container shipping likes stability but seldom finds it. And with geopolitical events driving the news agenda, there is a risk that opportunities could be missed

FORMER US Secretary of Defence Donald Rumsfeld's poetic mangling of the English language raised a laugh during the dark days of the war in Iraq, but it holds a certain truth, *writes James Baker*.

His categories of certainty — known knowns, known unknowns and unknown unknowns — could as easily be applied to box shipping now as it could to weapons of mass destruction back then.

Box shipping has its known knowns: demand growth is flat, the global economy is struggling, rates remain weaker than they should be, and IMO 2020 is just around the corner.

There are also the known unknowns: the outcome of the trade war between the world's two largest trading partners, the US and China; the impact of Brexit and whether or not a deal will be reached by the end of next month; and the spread between high and low-sulphur fuels.

Then there are the unknown unknowns, which neither the most clairvoyant seer nor highly paid analyst can give guidance on.

Falling into the unknown unknowns over the past couple of weeks has been the UK port sector's readiness for a no-deal Brexit.

The Operation Yellowhammer report warned of shortage of food and medicine in a worst-case scenario, as shippers struggled to get goods into the UK.

But a later report leaked to the Financial Times showed that the real problem would be not so much getting goods in, but getting them out, as truck drivers without the correct documentation for Europe were turned away from ports, leading to further port congestion and chaos on the roads as tailback stretch across the countryside.

One thing overlooked in all this, however, is that UK ports already have a fair amount of built-in resilience.

The potential problems facing export cargoes apply only to accompanied ro-ro traffic, hence the focus on Dover, the UK's largest ro-ro port, in much of the Brexit preparedness discussions.

But accompanied EU ro-ro cargoes account for just 9% of total UK port traffic in 2018, according to UK Major Ports Group chief executive Tim Morris.

He points out that the emphasis making preparations for relatively small volumes of accompanied ro-ro cargo is putting at risk preparations that should be made for more containerised traffic under the new trading regime.

Box ports in the UK have been dealing with customs declarations for years and have plenty of experience dealing with non-EU cargoes. Difficulties with taking ro-ro cargoes across customs borders could provide an opportunity for more of the UK's exports to be carried in containers.

As the UK prepares to exit its special relationship with the EU, the government might be better placed supporting containerised freight than fretting about trucks.

How it will all work out remains a simple unknown.

ANALYSIS

The Interview: Gene Seroka

FOR the past five years, Gene Seroka has been a very steady hand as executive director of the Port of Los Angeles, also known as America's Port, something he likes to mention often.

"We reach each and every one of our 435 congressional districts in the nation," he says "So, the conversations around this port really have national significance."

The New Jersey native got his start in maritime just over 30 years ago, after completing his studies at the University of New Orleans with a graduate degree in management, added to his earlier undergraduate degree in marketing.

"By the time I left graduate school, which was in 1988, the price for a barrel of oil was less than $10," he says, adding that the New Orleans economy was "pretty much" around the energy sector, tourism and banking.

"It had been about a year since the stock market crashed, maybe a little less than a year, and not a lot of folks were hiring. So I wound up sending a bunch of letters out to companies and got even more rejection letters coming back," he tells Lloyd's List in an office overlooking the port's main shipping channel.

"And then, at the request of my father, I went and looked for a headhunting firm. And fortunately enough, they had done some business with a company called American President Lines. And I was able to get a few interviews and then ultimately a very entry-level job. And that's how I started in the industry about 31 years ago," he says.

"I was with APL for 26 years. About 11 of those years I spent in Asia, in the Middle East, starting off in Shanghai. Then I went to Singapore, Jakarta, and my last posting was in Dubai," he says.

It all amounts to experience that he uses "every day in this job which requires work with so many different stakeholder groups to bring the port together".

This year has been a testing time for Mr Seroka, who came under fire from a variety of stakeholders, including dockworkers angered by his decision to grant a relatively low-level building permit to another stakeholder, APM Terminals.

His decision incensed members of the International Longshore and Warehouse Union, who thought the permit would lead to job losses by enabling APMT to begin automating its Pier 400 facility.

A protest movement that began in January and continued through July saw Mr Seroka attending one harbour commission meeting after another, most of them set up in halls big enough to accommodate 2,000 highly vocal protesters.

Angry crowds

Through it all, Mr Seroka remained cool and composed even when shouted down by members of the angry crowds. His decision was eventually backed by the port commissioners, but not before politicians — at every level local, state and national — voiced their support for the ILWU.

Politics is very much at the heart of the job, a point Mr Seroka acknowledges, saying he's "appointed by the mayor and confirmed by the city council".

"I report directly to the mayor as the general manager of the harbour department. And on a day-to-day basis, I also report to a five-member board of harbour commissioners which works with me on strategic and tactical implementation. And they too are appointed by the mayor and confirmed by the city council."

The extent of the job is massive, he says.

"We manage 7,500 acres of land and 43 miles of waterway here at the Port of Los Angeles. And the properties that we manage are held in trust for the people of California.

"So, based on state legislation, the California Tidelands Trust Act, the city of LA holds these properties and puts its designee, the harbour department, in charge of managing the day-to-day activities," he says.

"So, from the political side of our business, it is definitely city, county, state and federal interests that all work with us on various port issues and have dedicated their time to making sure that this port is really running at its highest potential," he says.

Market share

Coming back to the recent seven-month confrontation over the permit for APM Terminals, Mr Seroka remains on good terms with members of the ILWU, saying that he talks with them on "myriad issues and that conversation is ongoing".

"We don't have any direct contractual relationship with the union, but like with many other important stakeholder groups and constituencies, they're a vital part of what we do here at this port. In my view, it's the best and highest skilled labour workforce in the world. Full stop," he says.

Mr Seroka is highly aware that the port of Los Angeles has been losing market share for years. He traces that back to 2002, more than a decade before his arrival. He also notes the huge disruption in 2014-15 and the adverse effect it had on shippers.

"Folks got a little skittish," he says. "Yes, and they decided to look at port diversification strategies, four-corner strategies, to de-risk what might happen in the event of some supply chain disruption and that was revisited again in 2014-15."

All of that occurred around the time that Mr Seroka was appointed executive director of the port, and his memories of the occasion remain vivid.

"You may remember it began with the liner companies divesting of the assets, the chassis or trailer wheels, here in the United States and specifically in Southern California," he says.

"That divestment was shortly followed by the creation of alliances from the shipping lines on the west coast of the US and trying to create the waterborne architecture of what those new partnerships may look like.

"Shortly thereafter we saw that once these vessels were now deployed under the partnerships of alliance, cargo was now distributed to a wider array of terminals than ever before," he says.

That new distribution policy began to create havoc in the port as truck drivers were being requested to drop boxes off at one terminal and, in some cases drive all the way across the port to collect one from a different terminal.

Instead of short turnaround times, the changes in distribution meant longer ones as drivers had to contend with longer journeys, increased traffic, and longer waits to drop off or collect boxes from the scattered terminals.

Mr Seroka underlines the problems that were created at the time.

"Here in Southern California and at the time Los Angeles and Long Beach ports were operating 13 different marine terminals. So the permutations continued to grow," he says.

"We have on average more than 200,000 cargo owners that utilise this port on an annual basis, not one of which has more than a 2% market share. So it's not easy to segment cargo owners by volume of container.

"Spreading cargo around to those 13 terminals, there's 17,000 truckers that utilise this port" not to mention the more than "100 trains per day" that "are no less than two miles in length".

"So getting all this co-ordination plus the mix of new entrants through the partnerships and alliances created a conflict that had not been seen before. Just a lot of people moving cargo in many different directions," he explains.

"All of that ended with a very protracted labour negotiation that I don't think anyone in the industry really predicted. And it wasn't anything sinister. It was trying to get the contract done the right way for both sides reach a fair bargaining conclusion."

He says the crisis of 2014-15 was "not on the backs of labour".

"There are many circumstances that create supply chain disruption. In this case that was only one variable in a contract negotiation, which was two-sided," he says.

Fastest route

Whatever the reasons for the disruption of 2014-15, Mr Seroka agrees that due to the enlargements of the Panama and Suez canals, shippers now have a greater choice of routes to use in moving their cargo from production centres in Asia to consumption centres in the US. And that is putting pressure on him and the port to work smarter.

He still believes the fastest trade route from north Asia to the US Midwest comes right through the US west coast ports of Los Angeles and Long Beach.

But he readily acknowledges that "everything has to be working the right way from our infrastructure to what we're trying to do on our supply chain optimisation and so many other areas".

To get things working right, Mr Seroka recognises that technology is key. But he chooses his words carefully, given the recent ruckus with the ILWU over APMT's plan to automate its terminal.

"Technology can enable us and it can hurt us, but we believe information technology can open up unfound capacity very quickly," he says.

"We will still continue with our work around developing our bricks and mortar infrastructure. That must go on as we have learned from past into the future.

"But at the same time, if we can be a little smarter about how to work with our talent and our capital assets by seeing what is coming towards us much earlier in the supply chain than ever, I think we can bring ourselves to a level of competitiveness that we have not seen just yet."

He adds: "We continue to build value with the Port Optimizer," referring to a digitalisation tool that increases visibility of incoming cargo and improves logistics planning and overall efficiency.

The technology clearly helps. In August, the port moved 861,081 teu, the busiest August in its 112-year history and a 4.2% increase over the same period last year.

Ultimately, for Mr Seroka, working smarter involves deeper co-operation with all of the stakeholders in the port – with the aim of avoiding the confusion of 2014-15 which saw "just a lot of people moving cargo in many different directions".

"We're not going to go into anyone's boardroom and tell them how to manage their business," he says.

Instead, he states "we will convene with those natural responsibilities, dialogue around supply chain optimisation, digitisation, what we're now embarking on in cyber security, on the environmental stewardship that we carry on the design and implementation of our infrastructure."

While it may be a landlord port, the Port of Los Angeles is "not sitting back only collecting rent cheques every month".

"Our job is to enable the success of our stakeholders at this port, whether they be in the supply chain, retail, dining, entertainment, energy sectors, any of the eight lines of business that we manage here today."

IN OTHER NEWS

POSH-Ezion JV defaults on loan

SINGAPORE-listed offshore services vessel player PACC Offshore Services Holdings has warned of an imminent impairment on its interest in a joint venture with financially troubled Ezion Holdings.

The joint venture, POSH Terasea, has defaulted on servicing a loan facility extended by an unnamed lender that is secured solely by five high-capacity anchor handling tugs it and its subsidiaries own, POSH said in a regulatory disclosure overnight.

The lender has consequently declared that "all relevant outstanding amounts", including accrued interest, under the loan are to be payable.

POSH said that it expects to write down its interest in POSH Terasea, which was valued at $27.6m as at June 30.

The joint venture also owed POSH about $14.4m as at the end of June.

Aurelius partners Ardent management team in buyout of salvor

ALTERNATIVE direct lender Aurelius Finance Company has provided financial backing for a buyout of Ardent, the emergency salvage, wreck removal and marine services company.

The acquisition will see Ardent's management team take a significant shareholding in the business and appears to be a step back from the salvage sector for co-owners Svitzer and Crowley Maritime.

The financial terms of the deal have not been disclosed and closing is subject to approval by the German antitrust authorities, said Ardent and Aurelius in a joint statement.

The announcement gave no details of the new ownership structure. Lloyd's List has attempted to contact each of the involved companies for additional comment.

Ardent's chief executive, Peter Pietka, will continue leading the company "with the same team, assets and growth plan," a statement said.

Established in 2015 through the merger of AP Moller-Maersk group salvage arm Svitzer Salvage and Crowley subsidiary Titan Salvage, Ardent has diversified to embrace offshore decommissioning of oil and gas platforms and sub-sea services as well as emergency response and wreck removal.

Richard Janssen takes over as salvors' leader

SMIT Salvage managing director Richard Janssen has been elected as the new president of the International Salvage Union, saying that his goals include promoting "the value and benefit" of members' services

Mr Jannsen was elected at the ISU's annual general meeting in London on September 19, succeeding Charo Coll.

At the same time, Ardent chief executive Peter Pietka was elected vice-president, putting him in line to take over from Mr Janssen in two years' time.

"We want [the ISU] to be the credible, trusted and unified global voice of its members," Mr Janssen said.

Gulf countries step up security measures

KUWAIT has raised the security levels at its ports amid brewing tension in the Gulf while Saudi Arabia and the United Arab Emirates join the latest naval mission in the region.

The Kuwaiti government announced it is raising International Ship and Port Facility Security Code security level to 2, according to Dryad Maritime. Level 2 designates periods when there is a heightened risk of security incidents in an area.

The move came as fellow Gulf countries Saudi Arabia and the UAE decided this week to join the International Maritime Security Construct, the naval US-led mission launched earlier this summer in response to incidents in the Strait of Hormuz.

Members of the IMSC are meant to ensure safe navigation of vessels in the Strait of Hormuz, Bab al-Mandab, the Sea of Oman and the Arabian Gulf.

The other members of the IMSC are Australia, Bahrain and the UK.

Glencore joins global agribusiness blockchain initiative

GLENCORE Agriculture has joined a blockchain initiative launched last year by other global grain merchants to raise efficiency in trading operations.

The initiative was started by four of the world's largest agribusiness firms — Archer Daniels Midland, Bunge, Cargill, and Louis Dreyfus — to digitalise transactions globally.

Trader Glencore has become the latest trading house to join the initiative since the China National Cereals, Oils and Foodstuffs Corporation, one of China's state-owned food processing holding companies, joined in January this year.

"We have been interested in the initiative from the very early days and we are excited now to join as a full partner," said Glencore Agriculture chief executive officer David Mattiske.

"The digital platform this group intends to develop will leverage the newest technologies and has the potential to revolutionise our industry, making contract execution processes more efficient, more accurate and more transparent," he continued.

The consortium said in a joint statement that it is planning to launch the new platform in the second half of 2020.

LNG Ltd and Delta Offshore agree deal for Vietnamese LNG-to-power project

LNG Ltd, Australia, and Singapore's Delta Offshore Energy Pte Ltd have announced an agreement with Vietnam's Bac Lieu provincial government to establish a liquefied natural gas-to-power project for the province.

The development includes construction and operation of an LNG import terminal, a 3,200-Mw combined-cycle power plant, and delivery of power generation to the Bac Lieu province. The integrated project is expected to begin operations in 2023 pending finalisation of anticipated government approvals.

LNGL said the agreement includes the delivery of 2m tonnes per annum of LNG to Delta from LNGL's proposed Magnolia LNG project export terminal at the Port of Lake Charles in the state of Louisiana.

Magnolia LNG LLC, a wholly owned subsidiary of LNGL, is developing an 8.8m tonnes per annum LNG export terminal on 115 acres of land adjacent to the Calcasieu Ship Channel in Lake Charles.

Port of Jacksonville boosts its prospects for more Asian cargo

THE Port of Jacksonville, Florida, also known as Jaxport, has received more backing to boost its prospects for increased container traffic from Asia, with the state of Florida awarding funds to deepen the harbour and its approaches.

The award from Florida comes as Jaxport and SSA Atlantic are set to begin construction on a $238.7m cutting edge international container facility at the port's Blount Island Marine Terminal,

The Florida Department of Transportation awarded Jaxport $35.3m in funding for phase two of the Jacksonville Harbor Deepening project which is divided into four segments running the full length of the 13-mile federally authorised project along the St Johns River.

Marefind offers new careers and jobs platform for shipping and yachting

A NEW online "job placement and networking" platform, Marefind, has been launched for the shipping sector.

Marefind's sponsors claim the platform is unique as it caters for both merchant shipping and yachting, as well as being a two-way tool that can be used by both job-seekers and employers looking to hire seagoing professionals or office staff.

According to the company behind the platform, Marefind International, in both the shipping and yachting sectors it is getting harder for employers to find the right people and for professionals to find the right job for them, especially at the right time and in the right location.

"There is a lot of confusion and disappointment, leading to increased unexploited employment opportunities," said one company source.

Marefind said that the aim is "to simplify this process by creating a user-friendly, direct and transparent environment" to bring professionals and companies together.

Classified notices start here

INVITATION TO TENDER

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
ADMIRALTY JURISDICTION

RE: HCAJ 13 of 2019

The ship or vessel **"BRIGHTOIL GALAXY"** (the "Vessel")

Pursuant to the order for sale of the Vessel made by the High Court of the Hong Kong Special Administrative Region on the 26 July 2019 tenders are invited for the purchase of the Vessel (a general description of which is set out below) upon the following terms.

1. The Vessel is offered for sale as she lies in the waters of Hong Kong in her "as is" "where is" condition at the date of delivery without any warranties or guarantees. The Vessel is sold free from incumbrances, with everything on board belonging to her but excluding any equipment on hire.

2. No error or misdescription in this invitation or otherwise by representatives of the Government or the High Court of the Hong Kong Special Administrative Region shall entitle the successful tenderer ("the Buyer") to annul the sale.

3. Tenderers are advised to make all and any such enquiries as they think fit. Permission to inspect the Vessel may be obtained from the Chief Bailiff.

4. Tenders for the purchase of the Vessel must:
   (a) be in writing addressed to the Registrar of the High Court, Hong Kong Special Administrative Region;
   (b) be in a sealed envelope so addressed and marked **"HCAJ 13 of 2019 – CONFIDENTIAL"**;
   (c) be accompanied by way of deposit by a cashier's order or bank draft drawn by a Hong Kong bank or a bank having a branch office or banking correspondents in Hong Kong or certified cheque drawn on such a bank of 10% of the offer payable to **"Registrar, High Court"** and crossed in **"HCAJ 13 of 2019"** (the "Deposit");
   (d) be expressed to be irrevocable until 16 October 2019;
   (e) reach the Registrar c/o Chief Bailiff (Administration & Admiralty) at Bailiff Office, LG 3/F, High Court Building, 38 Queensway, Hong Kong not later than 2:00 p.m. (Hong Kong time) on 9 October 2019, otherwise such tenders will be treated as invalid;
   (f) follow the arrangement in respect of tender closing time in the times of gale or rainstorm warnings in Hong Kong as set out below:
   (i) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above is lowered or cancelled before or at 11:00 a.m. (Hong Kong time) on 9 October 2019, the tender closing time will remain unchanged;
   (ii) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above is lowered or cancelled after 11:00 a.m. (Hong Kong time) on 9 October 2019, the tender closing time will be deferred to 02:00 p.m. (Hong Kong time) on the next weekday (i.e. except Saturday and Sunday) other than public holidays; and
   (g) be expressed in Hong Kong Dollars or United States Dollars with payment of the Deposit being made in the same currency as the tender.

5. The Registrar is not bound to accept the highest or any tender.

6. If a tender is accepted the balance (plus the sum payable for bunker fuel) of the purchase price also in the form of a cashier's order, bank draft or certified cheque payable as aforesaid must be paid within 7 days of the acceptance of the tender and if not so paid the deposit of 10% will be forfeited in which event the Registrar will be at liberty to sell the Vessel to any other party or parties.

7. The Buyer shall within 7 days of the acceptance of the tender pay by the aforesaid methods the Hong Kong market price for the bunker fuel remaining on board on the date of delivery, such quantity and price to be determined by the Chief Bailiff or his agent.

8. Upon payment of the balance of the purchase price, a bill of sale will be duly executed on behalf of the High Court of the Hong Kong Special Administrative Region in favour of the Buyer.

9. The Registrar may in his discretion agree that the Vessel be sold to a nominee of the Buyer. Such nominee and the Buyer shall sign an addendum to this Invitation to Tender in such form as the Registrar may require. Any nomination shall be made no later than 3 working days prior to the delivery of the Vessel. Any nomination made by the Buyer shall be irrevocable. No further nomination is permitted.

10. Deposits will be refunded to unsuccessful tenderers.

11. Any tenderer who does not receive notice by 16 October 2019 that his tender has been accepted may assume that such tender has been rejected.

12. Should the Vessel become a total loss (or be accepted by underwriters as a constructive total loss) before delivery of the Vessel to the Buyer the sale shall be null and void and the Deposit will be refunded to the Buyer.

13. The Buyer shall be liable for any fees duties taxes or dues of whatever nature which may become payable upon the purchase and transfer of the Vessel.

14. On completion of the sale the Buyer will assume all responsibility for complying with all Hong Kong Marine Department directions regarding the Vessel.

15. This invitation and the sale of the Vessel is made and effected without any liability of whatsoever nature of the High Court of the Hong Kong Special Administrative Region or its officers, employees or agents.

(S. KWANG)
Registrar,
High Court
19 September 2019

PARTICULARS OF VESSEL

Vessel's name:	BRIGHTOIL GALAXY
IMO No. :	9602631
Port of Registry:	Hong Kong
Type of Vessel:	Double Hull Crude Oil Tanker (VLCC)
Builder:	Hyundai Heavy Industries Ltd, Gunsan, South Korea
Built (Delivery Date):	26th November 2012
Classification Society:	Lloyd's Register
LOA/LBP :	333.14 / 319.05 m
Breadth (moulded):	60.00 m
Depth (moulded):	30.40 m
GRT:	161,296 mt
NRT:	110,773 mt
Lightship :	44,817 mt
Summer Deadweight:	299,999 mt
Summer Draught:	21.252 m
Main Engine:	Hyundai MAN B&W 6S90ME C8.2 Tier II
MCR:	30,423 kW @75.6 rpm
NCR:	27,380 kW @73 rpm
Auxiliary Engines (x3):	Hyundai-Himsen 6H21/32 (1,277 kW @ 900 rpm)
C.O.T. Capacity (included slop tanks):	353,626.4 m^3