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Maersk calls for focused development of new fuels

MAERSK IS CALLING on the energy industry to focus on developing and producing viable zero-emission fuels urgently, in order that new ships can be designed and built to use them by 2030.

"We know that we need new fuels because we can see that even with 60% efficiency gains by 2030, shipping's absolute emissions will still be flat and will not go down," Maersk chief adviser for climate change John Kornerup told Lloyd's List in an interview.

"The decarbonisation of shipping will require a change in fuels and we only have 11 years in which to do that if we are going to have ships operating by 2030."

Maersk sees 2030 as the deadline as it wants to have all shipping decarbonised by 2050, which given the working life of a ship would require the first non-fossil fuelled vessels to be developed by the end of the next decade.

"That is not long, especially in a situation where you do not have any of that readily available in the market," Mr Kornerup said. "We know what some of the options are, but we don't know which will be most feasible and commercially viable."

In an effort to accelerate development, Maersk has published a study in conjunction with Lloyd's Register that has selected three potential fuel sources — alcohol (ethanol/methanol), biomethane and ammonia — that it wants the industry to focus on developing.

"We have looked at technology readiness, cost projections and feasibility on the energy side, and have concluded that these three are the ones that are likely to be the first generation of net-zero fuels for shipping," Mr Kornerup said.

Maersk now plans to plough 80% of its research and development resources into developing these fuels, while keeping 20% aside for any "dark horses" that may emerge.

"We feel confident these are the frontrunners," Mr Kornerup said.

But behind the decision is a wider desire to promote convergence so that the entire energy ecosystem is focusing on the same issues.

"From the studies it is clear that ship design and engines are not the challenge here," he said. "New types of engine can be produced and ships can be redesigned."

The real challenge was on the landside, he added.

"It is the energy sector, the integration of the infrastructure to build up the scale and the availability. It is important for us to come out with some communication that can fixate the focus and the resources in the energy sector ecosystem around this."

This does not mean sitting back and waiting for the energy sector to come up with answers, however.

"We are there as partners and will put in all our knowledge of shipbuilding and ship operations," Mr Kornerup said.

"But it is clear that the bulk of the innovation, scaling and investment needs to take place on land and therefore we need to be vocal about that."

But shipping is a small part of the global energy picture, and has been content for decades with the burning low-cost residue of the refining process. Because of that, there has been little investment or interest from energy firms in developing new fuels.

"Admittedly, the shipping sector has not called for it, but that is what we are doing now," Mr Kornerup said.

"We need to clearly communicate as an industry customer that the demand is there. We don't see any other way than getting many actors together to lift this together."

Maersk is also calling for assistance from policy makers, which it believes will be critical to both pushing for changes to fuel sources, and possibly helping in pay for new fuels.

"The mapping clearly shows that it is unlikely that these fuels will be as cheap as the ones we have today," Mr Kornerup said. "The question of who bears the cost is not a simple one. A simple version is that we pass it on to the customers who will pass it on to the consumer. But another is that it is passed on to society. You either penalise the CO2 use or you subsidise some of this. There is a cost from climate change that the public already bears, which would be reduced."

Maersk hopes that its scale and fleet size will help incentivise fuel providers, and Mr Kornerup points to the progress of LNG.

"We think of LNG as an example that shows that a major change in fuel sourcing can be done. It has different challenges, but what is clear is that it can only be done if a range of actors get together and move in this direction at the same time."

WHAT TO WATCH

Expect general increases from most clubs, Standard chief executive predicts

MOST International Group affiliates will be forced to impose a general increase this year, the chief executive of the Standard Club has predicted, in the wake of his own marine mutual's decision to charge 7.5% more across the board for P&I cover.

Jeremy Grose also confirmed that Standard is looking at a deficit only slightly less than the $26.8m clocked up last time round, although he did not specify an exact figure.

The Standard Club's GI — the largest rate rise seen at any club in recent years — was necessitated by a sharp fall in real terms pricing, he insisted.

In many cases, the cost per tonne has fallen 15-20% below where it was in 2016, even excluding inflation.

This has only been sustainable, at least until now, thanks to a benign claims environment and positive investment returns.

But an increase in the number and scale of larger claims in 2018 and the current year means that this situation cannot continue.

Asked straight out if shipowners can now expect GIs across the board, Mr Grose replied: “Most clubs would need to increase their rates, and I suspect that most clubs will announce a general increase, so I suppose the answer is yes.

“I don’t think we have been the worst hit. I just think we have been first to announce our position.”

The only other major club to declare its hand so far, Britannia, has stated that it is dispensing with GIs altogether as a concept and will from hereon price vessels individually, according to their record.

But Britannia is known to have made an underwriting deficit, so the expectation is that owners will pay more for cover, however the matter is presented.

Standard’s position is such that a hefty deficit this year is now baked in, Mr Grose conceded.

“We are expecting, taking into account all of the pluses and minuses, investment returns and underwriting results, the net result will be a similar position to last year, which was a deficit of $26.8m.

“I think it’s slightly less this year, but it’s in a similar area,” he said.

The other big event of the last financial year was Standard’s decision to put Standard Syndicate 1884, its Lloyd’s marine syndicate, into run-off, in response to pressure on underperformers from the Corporation.

The syndicate has now been sold off, subject to regulatory approval, but the Standard Club continues to carry a proportion of the underwriting risk until that deal is done and dusted. Mr Grose expect that that will generate a relatively small negative contribution.

Also of note is the co-operation deal between Standard Asia and China’s Ping An, announced late last year.

This now has just three members, but Mr Grose insists that this is entirely in line with projections.

“We are testing a new model, working with new partners in a new market. These sorts of collaborations take a little bit of time to get some traction.

“It is a slow start, which was what I was expecting. We expect these things to be done slowly and carefully, and to build up over a period of time.”

The Strike Club — which shared Charles Taylor management — was incorporated into the Standard Club at the end of last year, and Mr Grose intends to develop the relationships already established to grow Standard’s delay cover offering.

Standard Club Ireland is also up and running, and members in EU countries were renewed into that vehicle last February, to avoid any Brexit complications.

“We are entirely protected against any possible outcome, whatever the politicians may decide,” said Mr Grose.

Fuel price spreads show signs of IMO 2020 impact

WITH less than three months to go before the deadline for the International Maritime Organization’s low sulphur rules, the shipping community has finally embarked in earnest on the mandatory transition, which is being reflected in the price spread between compliant and non-compliant fuels.

Heavy fuel oil prices have fallen to their lowest in almost three years in the major hub of Rotterdam, as the world’s ocean-going ships start filling up with fuel complying with the regulatory sulphur cap of 0.5%, which takes effect on January 1.

Prices of high-sulphur fuel oil with a 3.5% sulphur content fell to below $200 per tonne on October 18 as the deadline nears, assessments from oil market pricing agency Platts showed.

These recent trades saw HSFO prices collapse to levels not seen since early 2016, Facts Global Energy’s head of refining Steve Sawyer said.

Mr Sawyer also viewed this sharp drop, which saw HSFO trading at a $30 per barrel discount to Brent in the Amsterdam-Rotterdam-Antwerp region, as taking place "slightly quicker than anticipated". That is the widest margin since the first half of 2008.

What would have pushed shipowners to make the low-sulphur switch earlier rather than later this year, is a tightness in HSFO supply, particularly in Asia — the host region for the fastest-growing tonnage providers.

Platts' head of analytics Chris Midgley said: "Traders have sold off HSFO stocks to free up storage for very low-sulphur fuel (containing no more than 0.5% sulphur) in anticipation of a large drop in HSFO demand at the end of the year."

At the world's busiest bunkering port of Singapore, however, shipowners were recently caught by HSFO supply tightening before they embarked on switching to compliant fuels.

That drove up cash premiums for HSFO in Singapore as the port nation holds less HSFO in stock compared to bunker hubs in other regions, Mr Midgley explained.

Platts assessments also showed HSFO prices peaking at $518.90 per tonne on September 17.

At Rotterdam, which came in second only to Singapore in bunker sales last year, HSFO prices also rebounded to above $300 per tonne on September 12.

But HSFO prices did not hold up for long, with Platts assessments reflecting a drastic drop to a low of $280.17 per tonne on October 7, the first time the oil-based product was seen trading at below $300 this year.

The price spread between Singapore trades on 0.5% and 3.5% sulphur fuel oil, or the difference between very low-sulphur fuel oil and HSFO, has widened significantly since early September, Platts data showed.

Mr Midgley of Platts noted that ships with longer voyages would need to change their fuels to ensure they complied with the IMO 2020 rules when they arrive at their destination ports.

This has given rise to marine demand for VLSFO finally materialising. This will hopefully provide greater visibility over a still-developing price spread against HSFO.

Mr Sawyer of energy consultancy FGE viewed the current VLSFO-HSFO spread in Northwest Europe as "incentivising" refiners to pump more VLSFO into the market.

"But refiners will still be producing HSFO so we will start seeing more product heading into storage."

FGE estimates some 900,000 barrels per day of HSFO would have to be inventorised, though this is expected to significantly fall through the course of next year.

Industry feedback points to a general preference among refiners to supply compliant marine fuel oil derived from blending HSFO with low-sulphur marine gasoil.

Mr Sawyer expects the prevalence of marine gasoil of 0.1% sulphur content to rise towards the end of the year, owing to increasing demand from the shipping industry.

Cosco restructures LNG shipping business to avoid US sanctions

COSCO Shipping Tanker (Dalian) has disposed of its holdings in China LNG Shipping, freeing the gas carrier business from the US sanctions fallout.

The company held 50% of the joint venture known as CLNG that has 18 liquefied natural gas carriers on the water and three units on order.

The stake was transferred to Dalian Tanker's Shanghai-and Hong Kong-listed parent company Cosco Shipping Energy Transportation, the latter said in an exchange filing on Wednesday evening.

Dalian Tanker, among several other Chinese individuals and companies, was blacklisted by Washington last month in relation to transport of Iranian oil.

The designation applies to these listed entities and any entities in which they own a 50% or greater interest, putting CLNG within the sanctions sphere before the restructuring. It does not apply to Dalian Tanker's ultimate parent company, China Cosco Shipping Corp, or any other of its subsidiaries or holdings.

Earlier this week, Teekay LNG said in an announcement that CSET had "completed an ownership restructuring on arm's-length terms which has resulted in CLNG no longer being classified as a 'blocked person'".

Teekay and CLNG via a joint venture own six 172,000 cu m ice-class LNG carriers serving the Yamal project operated by Russian gas giant Novatek.

The news, however, has failed to lift CSET's share price. The company's stock was traded at Yuan6.20 in Shanghai and HK$3.58 in Hong Kong when news of the Dalian Tankers blacklisting broke, just 0.16% and 1.65% lower, respectively, than the closing prices on Wednesday.

OPINION

Maersk seeks to create supply for demand

MAERSK's latest effort to get the shipping industry working towards decarbonisation has turned the focus shoreside to the energy sector, *writes James Baker*.

It is an interesting approach. Shipping cannot move to zero-carbon fuels unless those fuels are available. And shipping cannot make its own fuel.

Maersk has set a goal of making shipping carbon neutral by 2050. To do that it needs the first ships, with their 20-year working lives, to be coming out of the yards by 2030, and designed and ordered a couple of years before that.

Effectively it wants to change the entire fuel policy of shipping in less than a decade.

But developing new fuels is no easy business. Creating the infrastructure to supply those fuels to ships around the world and guaranteeing supply is an even bigger ask.

In an effort to focus attention, Maersk has today narrowed down what it sees as the only realistic options to three potential fuels: alcohols, in the form of ethanol or methanol, biomethane and ammonia.

Each has its own issues. There is a risk of methane leaking into the environment, ammonia is dangerous and there is little to define how alcohols could be used in shipping.

On the other hand, Maersk's research says these are the best possible options in terms of cost and feasibility.

But it will still face hurdles in bringing on board the energy sector, which has its own drivers and paths towards decarbonisation.

Shipping is by no means the biggest customer for energy companies and their investments will focus on where they can sell the most fuel for the most profit. Moreover, shipping has been happy to burn the dregs of the refining process for years, with little account for the environment.

Maersk can point to the emergence of LNG as a fuel, which in the past decade has gone from being non-existent to a contender for meeting IMO 2020 low-sulphur requirements.

And it does have the advantage of a large fleet of ships. If it can, along with others, show there is a sufficient demand for whichever of its choices turns out to be the successful one, it may be able to convince energy companies that there is economic sense in developing the fuel and the infrastructure to supply it.

It does, however, admit that the laws of supply and demand may not be enough, and is calling on policy makers to encourage, either through subsidies or taxes, a move towards cleaner fuels.

Society at large will decide whether it wants to help out the shipping and energy sectors, but Maersk deserves some credit for continuing to drive efforts to provide for a cleaner future.

Viewpoint: Combining aid and training

WHAT'S not to like about a scheme that will address two serious problems simultaneously? a*sks Michael Grey*.

There is scarcely a month goes by without some sort of natural disaster overwhelming people who have a very limited capacity to deal with it. Hurricanes, typhoons, tropical revolving storms and cyclones, we are told by earnest climatologists, are becoming more frequent and more dangerous.

You might argue with this; suggesting that these patterns have always been cyclical, and that so much of the damage is caused by wretchedly poor infrastructure and too many people building close to floodable areas, but there is no dispute about the need for regular humanitarian aid and disaster relief, when these regular catastrophes occur.

There is also no arguing with the need for a maritime sealift as the most effective way of dealing with these emergencies, backed up with helicopters.

Only ships can land the heavy plant and equipment, the tonnes of supplies and shelter that are needed when a natural disaster has wrecked a local economy. But not every ship is suitable, as the chances are that any port will be unusable and that equipment may have to be landed on open beaches. You will probably need landing craft, pontoons and portable jetties.

The other problem that will not go away is the difficulty of providing adequate training places for UK cadets, giving them the sea time and sea experience that they need to progress.

In the bad old days, fine British shipping companies trained their own cadets and apprentices, many employing their own training ships for the purpose.

They have, like the companies themselves, long gone. And in the days of international manning, with training judged by many to be too expensive, there is a paucity of training places, despite a number of public- spirited owners and managers doing their bit.

So could there be answers to both of these two problems? A charity, Britannia Maritime Aid, proposes just this solution, with a multi-purpose disaster relief vessel to be stationed in the Caribbean, an area of regular and demonstrable need.

Disaster relief vessel

As a concept, it has moved quite far and fast, with a design for a ro-pax vessel, which could be also employed to train good numbers of UK and Commonwealth cadets and other trainees. The charity has a design devised by the naval architects Leadship and at the recent London International Shipping Week announced that Cammell Laird would be the constructor of the vessel.

Drawings of the proposed vessel reveal a conventional ro-pax configuration, but with an extensive helicopter landing area at the after end of the ship and sizeable davit launched landing craft deployed on the sides of the vessel.

The stern door and ramp gives access to a capacious cargo deck in which modules for whatever task is needed can be easily accommodated.

The organisers have clearly looked outside the box and suggest that the craft would also be capable of a range of other functions, from scientific, environmental uses and even providing a ferry service if there is a demand. Moreover, such a ship, when not involved in humanitarian assistance, could provide mobile exhibition space for British exporters. The ship would be permanently stationed in the Caribbean, arguably a place of great and regular need.

On the face of it, it is a brilliant concept, lacking only a substantial amount of money to see the scheme under way. Where is the money going to come from? You could probably make a very good argument that a substantial slice could be contributed from the UK's aid budget, which is regularly under attack for its misspent millions.

As a worthy recipient for charitable giving from both industry and individuals, it would surely make a very good case. And the charity has also indicated that in order to get the show on the road, before the new ship can be completed, it would be possible to acquire a cheaper, interim vessel, which seems eminently sensible.

Could it work? It is a convincing case, although the multiple role of the ship will need careful handling to avoid confusing the issue. A donor to humanitarian aid may find it difficult to reconcile the donation that is apparently funding a maritime training operation.

Those with cadets to train will find it easier, although they will wish to know that the training regime is relevant to their subsequent career. Some might even suggest that there is no place for trainees in the aftermath of a huge humanitarian disaster. But it deserves to fly, for all the reasons above.

There is thus a convincing case for both sea training and disaster aid. I was talking to a team from Mercy Ships at the recent Interferry conference and that organisations has demonstrated the efficacy of a maritime dimension, albeit for medical assistance. Mind you, its staff are volunteers, which must make a huge difference to its affordability.

Others have suggested alternative ideas for disaster relief. The Australian designers Sea Transport have a design adapted from one of their transhipment port craft, which can support a substantial aviation component.

There has been much interest in the US Navy's Forward Operating Base ship design, which has seen additional units ordered and is effectively a mobile port with huge helicopter and landing craft capability. A ship with an on board floodable dock, like the useful Royal Fleet Auxiliaries, would obviously offer other possibilities. Cost is obviously a major sticking point with any one-off design and a "conventional" ro-pax obviously is less of a risk.

But where there can be no argument is over the needs that the BMA charity hopes to address. The UK used to be a "maritime nation". Now we are regularly visited each year by beautiful big sail training ships operated by countries, with far more modest maritime credentials.

They think sea training is worth the investment. Combining this obvious requirement, with the provision of humanitarian assistance ought to be worth the effort.

ANALYSIS

Nippon Foundation chairman leads drive for ocean understanding through seabed mapping

THERE are 193 member states of the United Nations but only one body of water linking them all. "This ocean is crying for help," Nippon Foundation chairman Yohei Sasakawa told Lloyd's List this week. "Few experts have heard this cry, even though it is reflected in climate change, acidification, and the loss of flora and fauna," he said.

Mr Sasakawa was speaking ahead of a Nippon Foundation-GEBCO (General Bathymetric Chart of the Oceans) Seabed 2030 Project conference, entitled 'From Vision to Action', in London. The conference was convened to mark progress in the two years since the project was launched.

The Nippon Foundation is a private, non-profit organisation headquartered in Tokyo. It has been working to understand the challenges faced by the world's oceans since it was established in 1962. Explaining the motivation, Mr Sasakawa said there was a tendency for humans to want to know what was in space "but much less attention is paid to the situation under the ocean surface".

He continued: "Some 70% of the Earth's surface is covered by sea, and 70% of that is high seas. We need to set up an international organisation focusing on the sound preservation of the ocean."

Mr Sasakawa is urging the United Nations to dedicate an entire agency to the oceans, drawing together the many stakeholders currently located within other agencies, from maritime law and fisheries to seabed mining and environmental protection.

The basis for that dedicated agency, he said, is knowledge of the seabed — "the topography of the Earth when all the water is taken out" — its shape and structure, and its resources. "I'm sure [changes in the oceans] are related to the climate change we see today."

A significant part of this knowledge will come from seabed mapping. Today, only about 15% of the world's seabed has been accurately charted. Mapping must be done "as soon as possible" because most of the publicly available charts contain "more art than science". This is the driver for Nippon Foundation's support for the Seabed 2030 project.

Asked how merchant shipping can help with this project, Mr Sasakawa urged the industry to offer its support by installing high-tech data-loggers on ships to capture as much information as they can about the seabed. The technology will also be placed on deep sea fishing and leisure vessels. So far, he said, the International Maritime Organization has not given its backing to the project.

Mapping of remote areas is being tackled through the development of autonomous underwater vehicles kitted out with multibeam echosounders, while Royal Dutch Shell, the energy major, has supported a competition to map the topography 4,000 metres below the ocean surface: the competition was won by GEBCO.

Many universities and research institutions have proprietary data, which is being fed into the Seabed 2030 project. Further progress can only be achieved "through co-operation and collaboration between scientific research institutes, private organisations, and industry partners on an unprecedented scale," Mr Sasakawa urged, adding that "people think that use of the ocean is free of charge". Now "everyone who travels, explores, or uses our oceans has a role to play and can benefit from this initiative."

Since the launch of Seabed 2030 in 2017, there has been a doubling of the bathymetric data available — an increase equivalent in size to the landmass of the entire African continent.

"A complete map, accessible by everyone, anywhere, will be an invaluable tool in the global effort to protect our oceans for generations to come," Mr Sasakawa concluded.

New Orleans port director leverages railroad to boost container throughput

AS president and chief executive of the Port of New Orleans and chief executive of the recently acquired New Orleans Public Belt Railroad Corp, Brandy Christian wears a lot of hats, and she wears them well.

In an office overlooking the Mississippi River, Ms Christian holds forth on the opportunities now coming to the US Gulf Coast region and how her port has been positioning itself to capitalise on that growth.

"There is growing and significant opportunity in the Gulf and at the end of the day our job as a port is to be ready with the infrastructure," she tells Lloyd's List.

"So, we laid out a master plan about two years ago that looked at every line of business that we have and what were the critical pieces of infrastructure that had to be put in place in order to capture that significant opportunity."

"In our master plan we spent a lot of time thinking about 'we only have so many resources, so many facilities and infrastructure and so many dollars in capital'."

"Where do we invest? You know, some ports may make the decision 'we're going to go all container', but we really stuck to diversity, diversity, diversity," she says.

Leveraging port property is a key element of Ms Christian's thoughts on diversification, a skill she developed via 14 years' experience as vice-president of strategy and business development with the port of San Diego in southern California.

"I came from the port of San Diego where the real estate portfolio was the majority of our revenue," she says, adding again that diversity is key to the economic viability of ports.

"In our business there is volatility in commodities," she says. "So we want to stay diverse in our mix of cargo, but also diverse in our lines of business."

"So, when you have a line of business like real estate that doesn't take a lot of infrastructure, it's a great supplement to help you fund the maritime side of the business."

The port's recent acquisition of the New Orleans Public Belt Railroad is a case in point. It is a critical piece of infrastructure that makes New Orleans the only port in the US with direct on-dock rail access to six of the nation's seven class-one railroads.

Ms Christian says the line was acquired "to integrate and take any tensions out of our supply chain by now having both the rail and the port offering".

But apart from the operational point of improving the port's supply chain, the railroad is "another line of business that brings diversity and revenue. And that line of a railroad is the second highest revenue generator for us".

Diversification also applies to the port's cargo business, a point underscored by the tariffs imposed over much of the past year, especially on steel and metals, one of the port's main lines of imports.

"We definitely had a decline in the break bulk side, but our containers are doing so well that we were able to offset that," she said, adding that "last year alone we grew 12.3% in our container business".

Much of that growth is driven by the expansion of the Panama Canal, which allowed for much larger ships to pass through.

"The ships are just getting bigger. The cruise ships, the cargo ships, and we have to adjust our facilities to be able to handle those sizes of ships. But definitely the size of ship has grown our container business."

Billions of dollars of investment by the state of Louisiana in the region's petrochemicals industries has also boosted the port's container business.

"We are probably one of the strongest export ports in terms of those petrochemicals, the plastics and resins, that get shipped to Asia and to Europe. And they probably come back through a retailer as Barbie dolls and you name it," she says, adding that the trade is "massive".

The port's throughput growth is also increasing simply because more and more types of cargo are being containerised. "We've actually recently been bringing in aluminum in containers, like heavy metals, in containers.

"It's just market demand. I think wherever they can, anything they can figure out how to containerise, we're going to containerise it. It's just more efficient, less costly, less damage to the product."

To boost throughout, the port has even invested in another new line of business: the retrieval of empty containers from farther up the Mississippi River in Memphis, Tennessee.

"We actually started a container on barge service that runs almost weekly to Memphis based on demand. Memphis has a lot of empty containers with all of the distribution centres in that area," she says.

From Memphis, the barges travel south down the Mississippi River to the port of Baton Rouge, handily located near many of Louisiana's petrochemical plants. They bring their products to the port of Baton Rouge and load them into the empty containers.

Officials from the port of New Orleans then clear the containers through customs, have them reloaded onto barges and towed south to their export facilities. "We're probably the biggest container on barge service now in the US," Ms Christian says, underlining that the business grew by 58% last year alone.

"Repositioning equipment out of other markets has been a big strategy," she says, noting that the port has worked hard to establish inland connections to markets that have containerised imports.

A key example of that strategy was the launch last year of a new weekly intermodal rail service between the port of New Orleans and Dallas, Texas. The containers come into the port, are loaded onto the on-dock rail service and delivered to Dallas.

Acquisition of the New Orleans Public Belt Railroad is central to that enterprise, clearly improving the port's intermodal capabilities and global competitiveness.

As the head of a landlord port, Brandy Christian knows how to create income streams and leverage them for even more import-export traffic. "At the end of the day," she says, "our job is to provide the transportation infrastructure that's going to attract the cargo to New Orleans".

MARKETS

Costamare triples profit on back of post-panamax demand

HIGHER charter rates for larger vessels have helped containership owner Costamare to post strong results for the third quarter.

The New York-listed company tripled adjusted net income for the quarter to $30.9m, after deductions for preferred shareholders, beating the consensus expectations of Wall Street analysts by $0.07 per share.

Voyage revenues increased by 36% compared with the third quarter last year, reaching $123.6m, thanks to additional vessels and the higher market for larger ships.

Costamare currently owns 75 boxships ranging from 1,000 teu to 14,500 teu vessels. Of these, five are newbuildings with deliveries in 2020 and 2021.

"Charter rates for the larger container ships continued to improve and there is limited supply available for the post-panamax sizes," said chief financial officer Gregory Zikos.

"We have 18 post-panamax ships coming off charter over the next year, which positions us favourably should market momentum continue," Mr Zikos added.

The owner chartered no less than 14 vessels during the most recent quarter. Two of the company's 11,010 teu vessels were fixed to Zim for just under one year, both at a rate of $43,250 per day.

Two older vessels also achieving strong rates were the 5,928 teu *Venetiko* that was extended with Hapag Lloyd for nine to 12 months at $20,000 daily, and the 5,576 teu *Ensenada* that was extended with ONE for seven to nine months at $21,000 per day.

On the financing front, Costamare completed the refinancing of two 2013-built, 8,827 teu vessels for an amount of up to $94m with an unidentified European financial institution.

The sale of the 1991-built 2,023 teu *Sierra II* is expected to be completed this month, Costamare said.

The company has declared a quarterly dividend of $0.10 per common share for the quarter, its 36th consecutive quarterly dividend.

IN OTHER NEWS

Wind propulsion cuts Maersk Tankers emissions

WIND propulsion technology saved a Maersk Tankers vessel around 8.2% in fuel over a one-year period, as companies seek technologies that can help them curb emissions.

The long range two product tanker *Maersk Pelican* trialled the use of two rotor sails, provided by Norsepower, for 12 months beginning in September 2018.

The 8.2% fuel savings are equivalent to approximately 1,400 tonnes of $CO2$, according to the two companies.

Maersk Tankers chief technical officer Tommy Thomassen said that the 2008-built, 10,9647 dwt *Maersk Pelican* will continue to sail with the two rotor sails and the company will "closely follow the development around the financial and commercial viability of the technology for potential future installations on some of our other larger vessels".

Shipping leads Moore Global move to become more interconnected

SHIPPING has been identified as a pilot sector for sharpening up teamwork and co-operation across Moore Global, the international accountancy and consultancy network that last month rebranded from Moore Stephens, its name for the last century.

Moore Greece has become the latest network member to rebrand, replacing the Moore Stephens Greece title it has had since its establishment in 1963 by chartered accountant Damianos Constantinou, and by mid-2020 most of the 260 or so member offices will have adopted the Moore name.

The change coincides with the appointment of Costas Constantinou, Damianos' son and the managing partner of the Greek office, as Moore's global head of shipping.

CDB offers $629m loans to Nigeria deepsea port

CHINA Development Bank has agreed to provide $629m of long-term loans for the construction of the first deepsea port in Nigeria.

A consortium led by China Harbour Engineering Company will build and run the port project in Lekki under a 45-year concession, the company said in a statement.

The $1bn Lekki Deep Sea Port phase 1 in the Lagos Free Trade Zone consists of two container berths with 16.5 m water depth and total length of 680 m, according to CHEC.

SembMarine awards LNG cargo system engineering contract to Korea's Gas Entec

SEMBCORP Marine has awarded the engineering, procurement and construction contract for the cargo handling system for Mitsui OSK Lines' 12,000 cu m LNG bunker tanker to Korean small- and mid-size liquefied natural gas infrastructure player Gas Entec.

The dual-fuel vessel is being built for MOL Singapore subsidiary Indah Singa Maritime, with delivery scheduled for the first half of 2021. French market leader GTT has won the contract to provide the membrane type containment system.

Gas Entec is a unit of Singapore-headquartered gas and LNG logistics company Atlantic Gulf & Pacific Company.

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