Thursday October 31, 2019

Lloyd's List
Maritime intelligence | informa

Daily Briefing
Leading maritime commerce since 1734

LEAD STORY:
Maritime trade forecast to see 3.4% annual growth to 2024

WHAT TO WATCH:
The search for shipping's green tipping point

Shipping ill-prepared to deal with future challenges

Shipping 'leading from the front' with lending initiative

OPINION:
Newbuilding hiatus could be just the ticket

Tanker markets can look back on an extraordinary year

ANALYSIS:
Data sharing essential in race to cut shipping fatalities and injuries

MARKETS:
Poland to award first LNG carrier charters in first quarter

Australia starts to supply VLSFO

Significant transpacific ocean freight price rise is forecast

IN OTHER NEWS:
Cyber attack on Asia Pacific ports could cost $110bn

Singapore MPA signs decarbonisation and digital tie-up with DNV GL

Carrier emissions down 10% in five years

Texas LNG project attracts Middle East investment

International Propeller Club elects Niels Aalund as president

Ports in Iraq and Brazil hit by protests

GasLog Partners maintains growth forecast

Navios Containers eyes higher average rates in 2020

Maritime trade forecast to see 3.4% annual growth to 2024

INTERNATIONAL MARITIME TRADE is set to increase by an average 3.4% over the next five years, driven in particular by growth in containerised, dry bulk and gas cargoes.

Containerised and dry bulk trades are expected to see a compound annual growth rate of 4.5% and 3.9% respectively over the 2019–2024 period while the tanker trade is projected to grow by 2.2% during the same period, according to the UN Conference on Trade and Development.

Figures from the Annual Review of Maritime Transport show that world maritime trade lost momentum in 2018, with volumes expanding at 2.7%, below the historical averages of 3% and 4.1% recorded in 2017. However, seaborne shipping volumes have reached a record 11bn tonnes.

"The dip in maritime trade growth is a result of several trends including a weakening multilateral trading system and growing protectionism," said Unctad secretary-general Mukhisa Kituyi. "It is a warning that national policies can have a negative impact on the maritime trade and development aspirations of all."

While the review pointed out that in addition to heightened trade tensions between China and the US, growth in maritime trade is also being affected by developments in market segments that suffered some setbacks earlier in 2019.

These include disruptions to the iron ore trade caused by cyclone Veronica in Australia and the severe repercussions of the Vale dam incident in Brazil.

Although crude oil shipments from the Atlantic basin to Asia are expected to support tanker trade volumes, sanctions affecting Iran and Venezuela, as well as effective compliance with production cuts imposed by the Organisation of the Petroleum Exporting Countries, are likely to put further pressure on the trade.

Other risks were the economic transition in China, geopolitical turmoil as well as the transition to lower-sulphur fuels and low-carbon shipping.

"These forces were influential in 2018 and can be expected to exert further pressure on maritime transport and trade in the near and longer terms," it said.

Unctad noted that some positive developments in the offing may help offset current pressure on maritime trade.

These include China's Belt and Road Initiative new bilateral and regional trade agreements, and potential opportunities stemming from the global energy transition, such as the growing gas trade.

Profound structural trends that started more than a decade ago and have taken hold are slowly transforming the maritime transport landscape.

The intergovernmental body noted that the industry is transitioning away from patterns observed before the global financial crisis and economic downturn hit the world economy.

"Today, the maritime sector is dealing with much more than market uncertainty and short-term cyclical factors," said Shamika Sirimanne, Unctad's director of technology and logistics. "Other factors that are structural and existential, such as technological disruptions and climate change are at play and are redefining the sector."

According to the report, a "new normal" for maritime transport is in the making, with effects permeating all aspects of the industry, from demand to supply, markets, ports and regulatory frameworks.

WHAT TO WATCH

The search for shipping's green tipping point

WHILE shipping can be said to be many things, one of the things it is not is green, *writes Richard Meade.*

While the recent proliferation of principles and pledges to decarbonise shipping suggests a promising momentum in the right direction from a coalition of the willing, the reality is somewhat different.

Even the most environmentally advanced of maritime businesses would barely register as grey, judged by the standards currently applied to green finance investment for other sectors.

Most would be designated a somewhat sludgy hue and dismissed out of hand by investors looking for less carbon-intensive industries.

Consider the basic calculation of tonnes of carbon dioxide (CO_2) emitted over the value of an asset — a metric that is increasingly becoming the standard benchmark around green finance discussions.

The 'carbon intensity' of the 15,000 teu LNG dual-fuel boxships about to enter service for CMA CGM will be around 350 tonnes of CO_2 per $1m of asset.

A conventional equivalent running on low-sulphur fuel would clock in at around 600 tonnes, while an old-tech model from 2008 (the year against which the IMO's greenhouse gas emissions benchmark is set) would be more in the region of 850-900 tonnes.

Yet green finance investors are currently only considering projects coming in under 100 tonnes of CO_2 per $1m of asset.

Shipping has a long way to go before it can be considered anything approaching green.

And there lies the dilemma. The greenest investment options on the table today offer shades of grey at best, while investment in technology that could, potentially, hit the mandated green targets of the future are littered with uncertainties and dynamics well beyond the control of the shipping industry.

The 'transitional' option of LNG-fuelled reductions is far from ideal, or green, but delaying decarbonisation action until zero emissions options are viable is, at best, optimistic. At worst, it provides cover for those working on the assumption that the Paris Agreement target is a goal to be missed.

Whatever the motivation, investment at this stage is a question of hedge-betting and buying flexibility for a future as yet undecided on fuel choice, but resigned to the fact that the transition to zero-carbon fuels will be more expensive.

And choices must be made quickly.

The International Maritime Organization's agreed target to "at least" reduce GHG emissions by 50% by 2050 equates to around an 85% reduction in carbon intensity, given the forecast growth in world trade.

Shipping's much-vaunted energy efficiencies continue apace, with varying claims on this trajectory driving the majority of shipping's near-term decarbonisation targets.

Yet, even with a rather optimistic 60% efficiency improvement to be achieved by 2030, absolute emissions will be more or less flat.

To hit the 2050 target, zero-emission vessels need to enter the fleet in 2030 and form a significant proportion from there on.

But even as the industry rallies around a slew of decarbonisation projects, there is no emerging orthodoxy of where to focus the required research and development and very little of that dilemma is down to either the ships or the shipping industry.

The bio-gas pathway is promising because it presents a clear and smooth transition possibility from current technology and ship design.

However, the supply chain methane slip concerns that have dogged LNG-fuelled calculations apply here. There are also questions around sufficient supply of sustainable biomaterial and the technology challenges of producing synthetic gas as an intermediate step.

For alcohol, there is no easy transition from current technology and infrastructure but, more significantly, it is an open question as to whether there is enough supply of sustainable biomaterial.

Ammonia and hydrogen both offer a promising zero-carbon pathway but while there are technological challenges to overcome with both options, the more significant hurdle rests on finding cost-efficient renewable energy to produce the fuels at scale.

This is less a shipping technology challenge, more a global energy infrastructure issue. Shipping is going to require clean, cheap renewable energy to completely transition to zero-emission fuel options — and that is a major problem.

Renewable-energy advocates may talk of a 'tipping-point' at which renewables become cheap enough to drive fossil fuels out of the electricity mix.

Yet even as falling technology costs and more effective government policies have helped to drive the higher forecasts for renewable capacity deployment, the share of renewables in power generation is only expected to rise to 30% in 2024 from 26% today.

For all the promising headlines about how fast the price of a kilowatt-hour of solar-generated electricity has fallen in recent years, the price of a gigabyte of data storage has fallen far faster. That's because the recent drop in solar prices has largely been due to economies of scale rather than improvements in performance.

Applying improving battery technology to store power and smooth demand could help, as could cross-border interconnected power systems.

However, just as shipping's zero-emissions dilemma has little to do with the ships, these are less engineering challenges and more related to the realm of renewable geopolitics.

At the current rate of change, the world is set to miss sustainable development targets. An accelerated rate of investment in renewable capacity could yet tip the balance in favour of greener energy, and with it, shipping's transition to a dominant fuel option.

Michael Liebreich, founder of Bloomberg New Energy Finance, says the substitution of old technology with new is like waiting for a sneeze.

"The first 1% takes forever; 1% to 5% is like waiting for a sneeze — you know it's inevitable, but it takes longer than you think; then 5% to 50% happens incredibly fast."

Clean energy is entering a period of rapid transformation. Regardless of which fuel options end up dominating the engineering research race for shipping, there is growing confidence that zero-emission vessels could be developed to hit the water within the next two years.

The real challenge, however, will be getting the right fuel ready and the necessary supporting infrastructure on land.

Aligning such efforts with the required policy interventions, a global energy transition towards renewables and joint action from researchers, regulators, technology developers, investors, customers and energy providers — that's a tall order for a fragmented sector currently struggling with a relatively minor shift in sulphur content for existing fuel types.

Shipping ill-prepared to deal with future challenges

THE maritime industry is relatively unprepared to respond to some of the most serious threats it could face in the years ahead.

That is one of the key findings of a survey published at the start of the Global Maritime Forum's summit in Singapore this week.

Respondents also said environmental and climate-related issues had jumped to the top of decision-makers' agenda.

The results were published in the Global Maritime Issues Monitor 2019, which ranks 18 issues likely to affect the shipping world over the next decade, and the industry's preparedness to cope with each.

These range from subjects such as a global economic crisis, climate change, and cyber attacks, to artificial intelligence, geopolitical tensions, skills shortages, terrorism, and piracy.

Of those, the maritime industry is least ready for a global economic crisis, although this is also considered to be relatively unlikely to occur. It is best placed to respond to a resurgence of piracy attacks.

These topics are all due to be addressed during the invitation-only summit, which will be attended by top executives from across the industry.

The latest Global Maritime Issues Monitor, published by the Global Maritime Forum; Marsh JLT Specialty, a division of global insurance broker and risk adviser Marsh; and the International Union of Marine Insurance, has collated the views of industry leaders from 46 different countries.

The decarbonisation of shipping, environmental regulation, societal demands for sustainability, cyber attacks, failure of climate-change mitigation, and skills shortages, are singled out as some of the top issues in terms of potential impact on the maritime industry.

"Important environmental initiatives are under way within the maritime sector and the pending 2020 sulphur regulation appears to be on senior leaders' radar," said GMF chair Peter Stokes.

"They see new environmental regulation as most likely to occur in the next 10 years and deem the issue to have the third-highest impact. Worryingly, they perceive the maritime industry as relatively unprepared for the issue close to the deadline for the new fuel requirements. When it comes to decarbonisation, the maritime sector must play an even larger role in addressing climate change and the sector is a key stakeholder when it comes to both the causes and solutions related to the issue."

The findings also underline the multiple challenges that the maritime industry is grappling with simultaneously.

Environmental, economic, geopolitical, and digital areas are attracting the most attention when top issues regarding likelihood, impact and preparedness are compared.

For the second consecutive year, a potential global economic crisis is regarded as the issue that could have the greatest impact over the next 10 years, the survey found, and is also the one issue the industry is least prepared for, although this is considered a relatively unlikely event.

Likewise, cyber attacks and data theft remain a top concern for the industry.

Complex cyber attacks on critical infrastructure — which are designed to inflict damage or disrupt operations — are at an all-time high, according to Marcus Baker, global head of marine and cargo at Marsh JLT Specialty.

"As recent attacks show, highly skilled hackers have demonstrated the ability to easily penetrate the systems used by the global maritime sector. Respondents to this year's research are also rightly concerned about their vulnerability to rising geopolitical tensions in certain parts of the world and the increased use of automation and advanced analytical technologies," he said.

Conversely, those polled this year were less concerned about insufficient access to finance.

Overall, though, seven out of 10 issues considered to have the biggest impact are among those for which respondents consider the industry to be least prepared.

“The maritime industry is not alone in questioning its preparedness for many of the issues in the survey,” said Richard Turner, president of the International Union of Marine Insurance.

“Most sectors are struggling with issues related to climate change, cyber attacks, the ongoing technology revolution, and geopolitical concerns. We hope this view of preparedness is taken as a challenge. Our qualitative research indicates that the industry has the power to influence many of the top long-term issues identified, and the expertise and resources to focus on them.”

The Issues Monitor’s in-depth look at ‘getting to zero’ — which considers six barriers to shipping’s decarbonisation — indicates that the availability of zero-carbon vessels and fuels is seen as a major barrier to achieving this goal.

While both issues rank relatively high in perceived impact and likelihood of occurring within the next 10 years, they received the lowest preparedness scores of the entire survey.

“Commercially viable zero emission vessels powered by zero emission fuels must start entering the global fleet by 2030 and their numbers need to be radically scaled through the 2030s and 2040s if international shipping is to meet the target of reducing greenhouse gas emissions by at least 50% by 2050. This represents an unparalleled challenge, but it can be done through close collaboration and deliberate collective action between the maritime industry, the energy sector, the financial sector, governments and IGOs,” said Johannah Christensen, GMF managing director, and head of projects and programmes.

Shipping ‘leading from the front’ with lending initiative

OTHER industries should follow the example of shipping, whose groundbreaking set of bank lending guidelines have set a benchmark for environmental responsibility.

So often a laggard, shipping is this time “is leading from the front” with the voluntary policies designed to encourage responsible lending and responsible shipowners, according to Michael Parker, chairman of global shipping, logistics and offshore at Citi.

Mr Parker is one of the architects of the Poseidon Principles, whose main purpose is to align banks’ portfolios with the goals of the International Maritime Organization to cut ship emissions, while retaining confidential relationships between lender and client.

Speaking at the Global Maritime Forum in Singapore, Mr Parker said he expected the current 12 signatories to be joined by two or three more before the end of the year, but momentum was likely to gather pace in the early part of 2020 when the IMO’s decarbonisation drive kicked in.

Asian lenders, including Chinese banks and lessors, were expected to join, with Mr Parker tentatively forecasting that 80% to 90% of serious ship finance banks would have signed up to the Poseidon Principles by this time next year.

Pressure for this was likely to come in part from financial regulators who will want to understand why a bank has not accepted the idea of aligning lending with moves to cut ship pollution.

“This is not about auditing, but about regulators wanting to know how how we do business,” said Mr Parker, who gave a joint presentation at the GMF with Paul Taylor, global head of shipping at Société

Générale, and Kristin Holth, global head of ocean industries at DNB.

Under the terms of the Poseidon Principles, ship finance banks will have to be transparent to their shareholders about lending policies, given that every shipowner will be required to provide data and apply them to the IMO's trajectory on reducing shipping's total annual greenhouse gas emissions by at least 50% by 2050.

OPINION

Newbuilding hiatus could be just the ticket

GREENER shipping and decarbonisation have established themselves at the top of the industry's agenda, *writes Linton Nightingale*.

Strides are already being made, with some notable shipping heavyweights pledging to the cause. However, the steps towards a carbon-free and cleaner fuel future are still at a nascent stage, while the attainment remains unclear.

Such ambiguity has made decisions about vessel procurement a tough ask.

Whereas before size, durability and trade suitability would pre-empt the sign-off for newbuildings, adding fuel choice to the mix has brought a new layer of complexity.

It explains why shipowners and financiers are perhaps hesitant to part with the substantial sums it takes to put new ships on the water and hedge their bets on a fuel type with shipping's green path so unclear — not to mention the uncertainty surrounding supply of certain fuels.

While larger players will seek to spread risk and pilot future fuels, which could bring handsome rewards to first-movers, others with less financial clout will be forced to take a back seat.

Major fleet upgrades will be put on hold until clarity over future fuels is realised.

Ships are expensive. An asset that could become obsolete or too costly to operate in a decade is not an option for most.

This tentative approach to ordering is already unfolding, with the current orderbook notably sparse. Indeed, in some sectors, the orderbook is at its lowest ebb in years.

However, this slowdown in orders, as the wider industry plays out this waiting game, could be a blessing in disguise.

A reluctance to head to the yards could finally bring some order to the supply imbalance and overcapacity that has long been the bane of the shipping.

Of course, this is not good news for the already downtrodden shipbuilding market; but for shipowners, this inadvertent play could be a most welcome tributary towards a greener future.

Tanker markets can look back on an extraordinary year

IT has been an extraordinary year for tanker markets, which have been front and centre of Iran-US-China geopolitics dominating world trade, *writes Michelle Wiese Bockmann*.

Crude oil prices have spiked on significant events in the Middle East, including attacks on tankers in two separate incidents in May and June.

At all times, sentiment quickly changed to levels that reflected more sobering supply and demand fundamentals.

The benchmark Brent price had gained 12% by late October — a relatively minor increase, given unilateral US sanctions on Iranian and Venezuelan crude have removed these exports from the market.

The shooting star-style tanker rates of early October should be seen within the same context. While owners long anticipated fourth-quarter rate gains for both refined and crude tankers, supply and demand fundamentals are again taking hold.

Very large crude carrier-assessed rates fell from the unprecedented and startling headline figure

of $300,000 daily as quickly as they had ascended.

The pace and duration of further falls will be tested by the global economic headwinds and revised oil demand forecasts.

These lower estimates have also subdued the over-hyped benefits that the sulphur-cap rules being introduced at the start of 2020 was expected to deliver to tanker markets.

Earnings for refined product tankers have risen on increased flows of distillates and other fuels to bunkering hubs this quarter, albeit from barely breakeven levels. Gains seen in the larger crude sizes are also trickling down.

The overheating of early October illustrates how swiftly the mercurial evolution of US foreign policy can reshape risk assessments for oil companies and traders.

US sanctions have raised questions about the wider risks of involvement in any companies linked in any way with trade to or from Iran or Venezuela.

Banks, class societies, marine insurers and other suppliers are re-evaluating their exposure — or potential exposure — and trying to second-guess US foreign policy.

That probably explains why ExxonMobil and Unipec inserted chartering clauses excluding tonnage that had called Venezuela.

While US sanctions can be removed as swiftly as they have been imposed, as seen recently with Turkey, their haphazard application keeps uncertainty within the maritime sector.

Undisputedly, the US is boldly reshaping tanker markets — and not just with its foreign policy.

The redistribution of global crude flows as oil exports from the US Gulf continue expanding, alongside Iranian and Venezuelan sanctions, has dramatically changed the tanker trading landscape this year.

Global regulations for low-sulphur marine fuels and efforts to decarbonise shipping — especially through slower vessels speeds — are also factors weighing on owners and charterers ahead of the first quarter.

Any further escalation in rates will likely be the result of a random tweet from the US president, rather than any underlying improvement in the global economy.

ANALYSIS

Data sharing essential in race to cut shipping fatalities and injuries

SHARING data is vital if the maritime industry's terrible safety record is to be tackled and the unacceptably high accident rate cut, campaigners have said.

Data must be standardised to tackle the 1,500 fatalities recorded in the maritime industry in a typical year, according to Grahaeme Henderson, vice-president of shipping and maritime at Shell UK, who has been leading efforts to make shipping safe.

Speaking at the Global Maritime Forum, in Singapore, he said the true figure is probably higher, reflecting the lack of any international accident reporting system that would accurately assess the numbers killed or injured at sea or ashore.

Nevertheless, a great deal of work has been done since the inaugural summit in Hong Kong a year ago when the vision of a zero-accident maritime industry was adopted through the Together in Safety initiative.

That was based on three core principles, leadership, accountability and collaboration, that were needed to reduce accidents.

But much more needs to be done to create a safe maritime industry.

Currently, there is no standardisation across the industry regarding the classification of incidents and this creates barriers to accurately analysing accidents on an industry-wide scale, said V.Ships chief executive Graham Westgarth.

Shipping needs to establish an anonymous independent database that is capable of collecting data from all sectors.

“We know that is the elephant in the room,” he said. “There is a real fear of sharing data in case it is used against us, or used by others to gain a competitive advantage, but as leaders we need to rise above that.”

Shipping needs to learn from the airline industry, with the two sides already exploring areas of common interest such as global standards for safety, and the handling of dangerous cargo, he revealed.

Mr Henderson said the initiative had made “great progress” over the past years as he stressed the need for safety to be the number one agenda item.

“Working in shipping, you are five times more likely to suffer a fatal accident than working in construction,” he said, while suicides are also prevalent in the maritime industry. “These are appalling statistics and we need to change that now.”

MARKETS

Poland to award first LNG carrier charters in first quarter

POLAND’S state-owned oil and gas firm is expected to finalise term charters on liquefied natural gas carriers before the end of March 2020. This will be about two years ahead of the scheduled delivery for its first cargoes contracted on a free-on-board basis from two new projects in the US.

Maciej Wozniak, vice-president for trade at PGNiG, said the tender process for the term charters on roughly six fourth-generation LNG carriers is mainly designed to cater for the shipping requirements of committed offtake with Sempra Energy and Venture Global LNG.

PGNiG has a standing 20-year agreement with Sempra Energy for about 2m tonnes per annum of LNG from the Port Arthur project.

The Warsaw-listed firm also has another offtake arrangement also spanning more than 20 years with Venture Global LNG for some 3.5m tonnes of LNG, 1m tonnes from the Calcasieu project and another 2.5m tonnes from the Plaquemines project.

The separate agreements are fixed on a free-on-board basis, which will see PGNiG bearing the costs and onus of shipping the contracted LNG cargoes.

The term charters being tendered out for the LNG carriers will be awarded in phases to two or more shipping companies. They will be staggered in stages from 2022 to time with the delivery of PGNiG’s first cargoes from the three named projects.

Lloyd’s List understands that PGNiG has not fixed any time-charter period because this would allow greater room for negotiation with shipowners, but the preliminary expectation is that the charters may span as long as 10 years.

State-owned shipowner Polsteam is seen as a potential contender, although it is likely eyeing a joint bid with more seasoned LNG tanker operators.

Timed years before the first projects from its designated projects, PGNiG’s tender is intended to give the charterer breathing space to secure the required shipping tonnage as capacity looks set to once again tighten heading into the winter season.

LNG shipping rates in the spot market have hit $130,000 in recent weeks, although rates on term charters appeared to have flattened out in the $80,000s, Fearnleys weekly reports showed.

Evercore ISI analysts have earlier noted that with eight new liquefaction plants of a combined annual capacity exceeding 29m tonnes having started or starting production, LNG shipping demand is expected to outpace end-user LNG demand growth.

Mr Wozniak, speaking at the Gas Summit 2019 in Singapore, suggested that PGNiG is building capacity to re-export some of its committed offtake should the opportunity arise.

Poland has embarked on expanding its Swinoujscie LNG terminal by another 50% to raise its annual import capacity to 7.5 bn cu m by 2022.

Sources said that this may fall short of matching PGNiG’s committed LNG offtake from the US and Qatar.

As one of Europe's fastest-growing LNG importer, Poland is also tapping the floating regasification market to expand its import capacity.

But the country's first FSRU is now targeted to enter operation in 2024-2025.

Australia starts to supply VLSFO

AUSTRALIA has started to supply very low sulphur fuel oil ahead of the introduction of the International Maritime Organization's regulations on January 1.

The fuel, which has taken more than 12 months to develop, is being produced at Viva Energy's Geelong refinery, and is available at Geelong and Melbourne ports, the refiner said in a statement.

It was tested on vessels owned by TT-Line operating under the Spirit of Tasmania brand and is expected to be cheaper than diesel and marine gasoil, according to Viva Energy. Its viscosity and lubricity are superior to that of diesel, while its higher density means that ships can run further. It is also compatible with most fuel systems on board.

The availability of VLSFO or compliant fuels is increasing as the deadline approaches.

GP Global said in September it performed its first LSFO bunkering operation at the Port of Fujairah enabling it to supply adjoining ports with IMO standard fuel oil.

According to the International Bunker Industry Association, the launch of new VLSFO supply locations is being announced with increasing frequency, especially since late September, with supplies outstripping demand in many locations.

In a presentation to the IMO earlier in the month, IBIA director Unni Einemo said that demand for VLSFO was very low up to mid-September, at about 1%, but was rising rapidly, up to about 5%, although with regional variations.

Suppliers were reporting that owners who initially sought 0.5% sulphur fuels from October were postponing purchases into November and December, she noted.

Significant transpacific ocean freight price rise is forecast

THERE are indications that container lines are looking for price rises of 15-20% in early November on transpacific ocean freight trades, according to digital rates specialist Freightos, although west coast prices will still trail last year's rates by more than 35%.

The latest Freightos Baltic Index container price update notes that China-US west coast prices are little changed from last week at $1,365/feu, 4% up on 2017 prices "but well behind (46%) last year's frontloading-driven high prices".

China-US east coast prices are stable at $2,688/feu.

Less affected by advance shipping, the gap on last year's prices (18%) is narrower than the west coast, but they are 56% up on 2017 and 5% up on 2016, Freightos said.

"Mid-month price rises on both transpacific lanes have held this week, a sign that demand is up, carriers have supply in check, and that peak season, while not high, is not a total washout," said Eytan Buchman, the analyst's chief marketing officer.

"The first week of November was when prices peaked for the season last year, driven by holiday sale stocking and a looming China trade tariff change," he added. "The same conditions apply this year, with importers having had plenty of lead time to frontload before December 15's tariff change. In other words, expect a significant price increase in the first week of November."

He said carriers seem to be looking for west coast price rises in the $250-$300 range and east coast price rises in the $350-$400 range. That would convert to 20% and 15% increases, respectively.

Klaus Lysdal, vice-president of operations at digital freight forwarder iContainers, said there have been "rather mixed views and signals about how the ocean freight industry will see out the year", but he was expecting "a weaker-than-usual fourth quarter for US ocean freight, with much of it due to uncertainty".

He described the US-China trade war, Brexit, a slowing global economy, and the IMO 2020 regulation as "the main culprits of the incertitude

and wariness that have been sweeping across the industry for over a year now", with 2018 and 2019 "truly tumultuous years for importers and exporters".

Container trades between Asia and the west coast of North America are still struggling to ward off the impact of the trade war between China and the US, according to container shipping analyst Drewry.

Despite providing a welcome boost for carriers last year, as front-loading ahead of the imposition of tariffs lifted volumes, the artificial stimulation of shipments has since regressed, the analyst said.

IN OTHER NEWS

Cyber attack on Asia Pacific ports could cost $110bn

A SINGLE cyber attack on major Asia Pacific ports could cost $110bn, roughly equivalent to half of all losses from natural catastrophes globally in 2018, according to research.

The estimate is based on an extreme scenario, in which a computer virus carried by ships scrambles cargo databases at 15 key ports across Japan, Malaysia, Singapore, South Korea and China, leading to severe disruption.

Although the direct impact could be contained regionally, economic losses would be felt around the world due to the global interconnectivity of the maritime supply chain.

Singapore MPA signs decarbonisation and digital tie-up with DNV GL

SINGAPORE'S Maritime and Port Authority and classification society DNV GL have agreed a collaboration deal to drive digitalisation and decarboniation.

The three-year research and development partnership will target four main areas including market and technical feasibility, research on low and zero carbon ship fuels, autonomous and remote-controlled ships as well as shore-based operation and control centres and blockchain technologies for port and shipping processes.

"The operating environment ahead for the maritime industry will be defined by three trends — digitalisation, disruption and decarbonisation," said MPA chief Quah Ley Hoon. "The unprecedented pace of change we face today would affect maritime trade flows, transform business models and impact our collective commitment to sustainability."

Carrier emissions down 10% in five years

CARBON dioxide emissions from the world's largest container lines continued to fall during 2018, as new larger vessels boost the sector's energy efficiency.

Emissions from 17 of the world's leading ocean container carriers, representing about 80% of global containerised shipping, have declined by 9.6% since 2015, despite an increasing number of vessels in service, according to a report by Clean Cargo, a freight forwarding forum.

The aggregate average trade lane CO2 emissions factors are compiled from data reported by more than 3,200 ships.

Texas LNG project attracts Middle East investment

A MIDDLE Eastern sovereign wealth fund has announced plans to invest in a US company aiming to develop the largest LNG export structure to link gas from the Permian Basin to the global LNG market.

Mubadala Investment Co, with $229bn in assets under management, is Abu Dhabi's sovereign wealth fund. It plans to purchase $50m in shares of NextDecade, a US energy infrastructure company focused on LNG export projects in Texas.

Houston-based NextDecade is planning to develop a gas liquefaction and export facility named Port of Brownsville, along with a 137-mile-long feed gas pipeline called Rio Bravo as part of the project. It is awaiting final approval from the Federal Energy Regulatory Commission for the project, which will liquefy natural gas from the Permian basin and Eagle Ford shale.

International Propeller Club elects Niels Aalund as president

NIELS AALUND, senior vice-president of the West Gulf Maritime Association, has been elected as the president of the International Propeller Club of the United States for a two-year term starting on October 17.

"I consider it a great honour and a true highlight of my career to be selected to lead such a storied group. This is an exciting time for the International Propeller Club," Mr Aalund said.

Elected at the Club's 93rd International Convention and Conference in New Orleans, Mr Aalund extended thanks on behalf of the worldwide membership to past president Joel Whitehead for his outstanding work and for taking "our International Propeller Club to a new level".

Ports in Iraq and Brazil hit by protests

PROTESTS in Iraq forced operations to drop to 20% of normal levels at the Umm Qasr port near Basra, with a complete halt was reported, according to Reuters, citing officials. The terminal receives imports of grains, vegetable oils and sugar.

According to Lloyd's List Intelligence, a product tanker, two tugs, and a ro-ro carrier arrived at the port on October 29, while a bulk carrier, two fully cellular containerships and a general cargo vessel were due to arrive on Monday.

GasLog Partners maintains growth forecast

GASLOG Partners has maintained its growth guidance for 2019 despite a decline in profit in the third quarter.

The US-listed partnership's net earnings were $29.4m compared with $33.02m in the year-earlier period. Revenue climbed 18% to $96.5m, while earnings before interest, taxes and depreciation hit a high of $71.8m.

Under IFRS 'Common Control' accounting, profit and revenues showed a dip due to higher earnings from GasLog vessels before they were acquired by the partnership.

Navios Containers eyes higher average rates in 2020

NAVIOS Maritime Containers is upbeat about prospects headed into 2020 despite a drop in third-quarter profit and revenue.

The owner of 29 container vessels said that the average expected daily contracted charter-out rate for its fleet is $15,690 for the remainder of this year and $19,549 for 2020.

"We believe that Navios Containers is well-positioned going into 2020," said chief executive Angeliki Frangou. "It enjoys materially improved charter rates, with current market rates having increased by almost 70% since the first quarter of 2019."

Classified notices

Looking to publish a judicial sale, public notice, court orders and recruitment?

Please contact **Maxwell Harvey on +44 (0) 20 7017 5752**
or E-mail: maxwell.harvey@informa.com

Lloyd's List
Maritime intelligence | informa

Greek Shipping Awards 2019

16th Annual Awards & Gala Dinner

Friday 6 December 2019 | Athenaeum InterContinental, Athens

The Lloyd's List Greek Shipping Awards have been recognising achievement in Greek shipping since 2004 and are established as a showcase of excellence as well as a great opportunity to review some of the year's key events and top personalities.

BOOK YOUR TABLE NOW!

Ensure you are part of the excitement as the 2019 Winners are announced.

Book online or call our Event Co-ordination Office

+30 210 42 91 195

www.greekshippingawards.gr

Event Sponsor:

ClassNK

Champagne Toast Sponsor:

Cocktail Reception Sponsor:

Award Sponsors:

ExxonMobil

RIGHTSHIP

DNV·GL

Lloyd's List Intelligence
Maritime intelligence | informa

The Next Generation Lloyd's List Intelligence

Uniquely powerful vessel tracking, characteristics, ownership and incidents data.

At the centre of Lloyd's List Intelligence is our online vessel tracking system, Seasearcher. This gives you access to the transactional and analytical data required to make a measured difference to your business, whether you are trying to increase operational efficiencies, manage risk, or develop new business opportunities.

The new Next Generation platform was launched earlier this year to offer our customers a greatly improved service and some fantastic new features including:

- A modern, simplified search and mapping interface
- Streamlined operational workflows and geospatial tools
- Enhanced visibility of port, terminal and berth activity including new alerting and filtering tools
- Increased vessel tracking data granularity with improved AIS capabilities
- Raw data manipulation through Excel downloads

To find out more about Lloyd's List Intelligence services, please email **info@lloydslistintelligence.com**, call **+44 (0)207 7017 5392** or visit **info.lloydslistintelligence.com**