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Decarbonisation delay 'poses shipping's biggest threat'

THE WORLD'S SECOND-BIGGEST charterer of tankers says shipowners and operators must take all practical steps available right now to cut vessel greenhouse gas emissions, amid rising uncertainty over which marine fuels will best for long-term use to meet decarbonisation targets.

Grahaeme Henderson, vice-president of shipping and maritime for oil major Shell, said delays in addressing decarbonisation was the biggest threat to shipping over the next five years. Emissions could be as much as 60% to 70% lower on the newest, liquefied natural gas-fuelled vessels, he told the Lloyd's List Outlook 2020 forum, held in London on Tuesday (December 10).

"We should be doing the very best that we can do today, not sitting back and waiting," Mr Henderson said. Shell chartered nearly 700 tankers in the spot market last year and is the third-party operator of a further 200, giving the oil company an influential voice in shipping's decarbonisation debate.

Uncertainty over fuel strategies emerged as the greatest challenge to operational efficiency in shipping in the Lloyd's List Outlook survey. Some 51% of survey respondents said fuel technology was a greater challenge over the next five years than regulatory, supply chain digitalisation and change management issues.

The global commercial fleet of some 60,000 vessels must halve greenhouse gas emissions by 2030 and reach zero by 2050 under new International Maritime Organisation targets. However, the decarbonisation agenda is accelerating faster than the development of zero-carbon fuel alternatives such as ammonia and green hydrogen to replace existing marine fuels.

"I don't think that the fuel choice of the future has been made yet," Mr Henderson told the forum. "There's a long way to go on this, and the more that I look at these (future) fuels, the more that my technology team and Shell looks at these, the more we see challenges."

Newbuilding orders are stalling amid fears that ships propelled by liquified natural gas or residual or distillate fuels may have a limited lifespan. There's also rising concern that the slow adoption of LNG-fuelled engines is because it's seen as a "transitional" marine fuel.

But the world's largest classification society, DNV GL, signalled at the forum that gas might be used for longer than expected as a marine fuel.

"Many talk about gas as a fuel being a transition type of fuel. I'm not so certain that the transition will be short," Knut Ørbeck-Nilssen, DNV GL Maritime chief executive, told the forum. Shipowners had only two choices today — to do nothing, or use LNG as a fuel, he said.

"We could even see in 2050 and beyond that gas as a fuel will still be a very attractive solution. Gas is absolutely a very viable solution now and will be for the next couple of decades," he said.

The forum discussed recent challenges for a hydrogen-fuelled vessel trialled by Shell. Mr Henderson said hydrogen was chilled to a liquid at minus 253 degrees Celsius, compared to minus 162 degrees Celsius for LNG. As a result, Shell could not use the same inerting system for LNG.

Kathi Stenzel, the managing director for Intertanko said there were no regulations for shipping hydrogen, either as a fuel or as a cargo, and that the trial presented significant engineering challenges. Intertanko represents independent tanker owners shipping energy commodities for oil traders and companies.

Hydrogen was piped initially through the same pipe as LNG in the trial, she said. "There was liquid oxygen forming out of the air around it, which if course is incredibly dangerous and not to be recommended," according to Ms Stenzel.

There's no single solution for alternative fuels, she added. "Batteries and fuel cells might be the answer for the ferry sector and short sea shipping. LNG right now is [a solution for tankers] but it's probably not getting us close to where we want to be [on carbon emission reductions].

"It's not just a shipping question, but a question about global energy. We have to do something now and there's no excuse to sit back and say 'there's no perfect solution'. We don't have a perfect solution."

Mr Henderson said technology needed to be developed with support from governments and industry to fund research and development alongside widespread collaboration.

"It's going to need collaboration on a scale that we have never ever seen in this industry," he said. "Not just collaboration across shipping, with owners, engine and equipment manufacturers, shipbuilders and class societies. It's going to need collaboration outside with other industries as well."

"We may not have the first choice when it comes to ship fuel," he warned. "It could be that in even more difficult to de-carbonise industries such as airlines, they may have the first choice of the fuel, and we may have to have the second or third choice of the fuel."

Shell had trialled wind sails which had reduce fuel use by 8% and also used air lubrication, which reduced friction underneath ships to achieve a further 5% reduction in emissions. Digitalisation had cut fuel costs a further 15%, while a joint project with the Port of Rotterdam had reduced time in ports by 20%, again achieving emission savings, Mr Henderson said.

"If you then add to that LNG as a fuel, where an independent study has shown a reduction of emissions of 20%, we can get to a stage by reducing our emissions by something of an order of 60 to 70%.

"That reduces the [decarbonisation] challenge, so it's not 100%, it's something like 30 to 40%. Then we can look at mobile carbon capture on ships, and get to the situation where we're making very big inroads on reducing carbon emissions."

WHAT TO WATCH

IMO 2020 transition faces obstacles to bunkering

WITH just a few weeks to go until one green shipping regulatory deadline, shipowners with no prearranged sources are now facing challenges in getting prompt delivery of fuel oil with 3.5% sulphur in Singapore.

Punit Oza of Klaveness Asia told Lloyd's List that at the world's top bunker port by marine fuel sales volume, most tankers have switched from carrying and supplying 'high-sulphur' 3.5% fuel oil, or HSFO, to the 'very low' 0.5% sulphur fuel oil, or VLSFO, complying with the International Maritime Organization's global sulphur cap on marine fuels taking effect on January 1.

Many large shipowners have sought cover for such exposure.

Dry bulk-focused Oldendorff Carriers confirmed to Lloyd's List that it has chartered in a bunker tank in Singapore to mitigate disruption in refuelling its vessels, with some 47 of its ships fitted with scrubbers.

The green shipping regulation commonly dubbed IMO 2020 extends to ships with pre-installed scrubbers the option to continue to burn HSFO into 2020 and beyond.

Still, as Mr Oza suggested, many other smaller shipowners have struggled with HSFO availability and other hurdles. These are holding back turnaround times and driving up delivery costs tied to their bunker operations in Singapore and elsewhere.

One trader, citing tightness in bunker tanker fleet supply owing to tank cleaning ahead of IMO 2020, estimated that bunker delivery fees have at least doubled to $10 per tonne in Singapore.

But Lloyd's List understands some Singapore-based licensed bunker players have already cleaned the tanks of their vessels in preparation for the switch.

Equatorial Marine Fuel, which ranks among the top five suppliers by bunker sales volume, has almost completed the tank cleaning and recalibration of mandatory mass flow meters for supplying VLSFO.

Executive director Choong Zhen Mao told Lloyd's List this process, which also calls for MPA's involvement in the MFM recalibration, took on average one week per vessel.

Considering most bunker players would have completed their fleet preparation by now, Mr Choong argued that "land-based logistical bottlenecks" were the primary driver behind the surge in bunker delivery costs in Singapore.

Concurring with Mr Choong, Simon Neo, the founder of bunker consultancy SDE International, suggested that the still ongoing preparation for onshore storage to supply VLSFO had in several cases held back bunkering operations in Singapore.

One veteran estimated that cleaning and switching onshore tanks would take on average seven to 10 days.

That said, certain shipowners also contributed to longer bunker turnaround times in Singapore.

Calls made to refuel ships partially with VLSFO during each time inadvertently lead to lower bunkering efficiency, a trader said.

By Mr Neo's estimate, the monthly bunker turns for each tanker in Singapore would have dropped to six to seven, down from eight to nine previously.

He qualified however that small to medium-sized bunker players that did not lock in fuel supplies ahead of the transition were more exposed to delays in topping up their tankers at terminals.

Lloyd's List has earlier reported that major licensed bunker suppliers — Sentek Marine, Ocean Tankers and Equatorial Marine Fuel included – are likely to have tankers lined up off Singapore and Malaysia to inventorise marine fuel.

Both Mr Oza and Mr Neo shared similar views that the dust raised by Singapore's preparation from IMO 2020 may only settle in early January, though this is not expected to sway the port's standing as the preferred bunkering destination.

"VLSFO may not be as tight at Fujairah [which ranked third in bunker sales last year] but I see shipowners as still inclined to bunker in Singapore," Mr Oza said.

Whether it be for Singapore, Fujairah or for that matter at any other ports, bunker efficiency is not expected to match pre-IMO 2020 levels given the increasing complexity from a mandatory transition to a multi-fuel future.

Outlook offers few hopes for box shipping

CONTAINER shipping shows little prospect of improving in the year ahead, with the only bright spots emerging being reliant on even lower freight rates, according to speakers at the Lloyd's List Outlook Forum held in London this morning.

"When we look at the outlook for trade there are some dark clouds on the horizon," said Lloyd's List Intelligence managing director Chris Palsson. "As of recently, there is a new face that has risen above the horizon, Greta Thunberg."

The International Monetary Fund has revised its outlook for global GDP growth down to 3%, the lowest since 2009 and concerns are still mounting over trade tensions and the effect they will have on container shipping.

But Mr Palsson noted that over a five-year period, general cargo volumes were still growing in line with overall GDP growth.

"Containerisation of goods still continues, which means containerised cargo will grow faster," he said. "But there are varying opinions on how much faster — anything from 0% to 5%."

There was even room for more containerisation of cargo, he added, particularly from bulkier commodities like forestry products.

"There is still some potential for some more forest industry products, where there is lots of volume that can still be containerised," Mr Palsson said.

"Not everything will be, but if we have a situation where we have fleet growth above demand growth we have a situation where freight rates will be under pressure, which will attract more cargoes in to boxes."

But that still left the container sector in a situation with little to look forward to.

When questioned about the best investment opportunities in the sector, BIMCO chief shipping analyst Peter Sand said that building further capacity was unnecessary, and that merger and acquisition activity had run its course.

"When we look at container shipping, which is the most consolidated sector of all, carriers are still not capable of exercising pricing power into higher freight rates," Mr Sand said.

While investment in digitalisation brought carriers closer to their customers, it was also a cost-cutting exercise in which the benefits would be passed onto the customer rather than the carrier.

Moreover, these decisions had to be made in the context of increasing trade tensions that were likely set to stay in place.

"We need to accept we are now working in a different environment," he said. "The world is becoming much more protectionist now. This is geo-politics in the real world, and shipping is a servant to that."

This was likely to bring about a lowering of demand commensurate with what had been seen for the past decade since the meltdown in markets in 2008," Mr Sand said.

"It has been 11 years, but we are still dragging along with a lower level in the GDP/trade demand multiplier, which is now half where it was a decade ago."

ANALYSIS

Has shipping taken its eye off the ball on safety?

HAVE safety matters taken a back seat in shipping?

Industry leaders taking part in the Lloyd's List Outlook Forum largely agreed that environmental issues have overtaken safety matters to a degree, although steps are being taken to address various safety-related concerns such as liquefaction and misdeclared cargoes, among others.

According to DNV GL's chief executive Knut Ørbeck-Nilssen, safety culture needs to evolve as shipping too evolves with new technologies and complicated systems, which, if not properly managed, will lead to catastrophes.

"Environmental issues have taken centre stage, maybe rightfully, but new technologies and practices will keep safety a priority," he told attendees at the forum held in London on Tuesday. "And class societies have a role to play here."

"We take our responsibilities seriously."

Royal Dutch Shell's head of shipping and maritime Grahaeme Henderson said that "very good work" has been done in safety over the past decade, with some sectors more involved than others.

"Shipping is one of the most dangerous sectors," he said.

The industry is five times more likely to suffer a fatality than the construction industry, for example, while suicide rates at sea are 6% to 15% higher than those working on land, he pointed out.

Improving safety stems from leadership in setting a safety culture, he said, adding that research into understanding how to make inroads in the area of seafarer wellbeing is important, as wellbeing affects the way a ship is operated.

"Greater safety translates to greater business performance," he said, adding that there is still concern around safety.

As a result, major industry groups such as the International Chamber of Shipping, BIMCO, and others are meeting to try and start to address some of the issues such as liquefaction in the dry bulk sector and misdeclared cargoes in the container industry.

The Top 10 in ship finance

AS PART of our 2019 Top 100 most influential people in shipping series, we look at the prominent rivals in ship finance, where Chinese lenders remain the top players in the league

01 / Zhao Jiong, Bocomm Financial Leasing
ZHAO Jiong hardly appears in the media; nor does he often speak on public occasions.

However, the chairman's habit of keeping a low profile does not prevent Bocomm Financial Leasing, a subsidiary of China's Bank of Communications, from a remarkable expansion in ship finance this year.

Excluding offshore business, the company is the largest shipping lessor in China, with about Yuan80bn ($11.4bn) of vessel assets as of mid-November, Lloyd's List understands.

This year, it almost doubled the amount of invested capital in the sector from 2018 to nearly $4bn.

Various new deals were reported over the past 12 months, the foremost of which was the $750m orders of up to 10 very large ore carriers placed at Chinese yards in August.

02 / Zhao Guicai, ICBC Financial Leasing
ZHAO Guicai told a recent local maritime forum that Chinese leasing houses "have been playing an increasingly important role in the global ship finance market".

The president of ICBC Leasing has good reasons to be confident. His company is undoubtedly is a top-notch player in this arena, with invested capital in shipping expected to reach $2.8bn this year and existing vessel assets (excluding offshore) to top $10bn.

The highlights of the leasing arm of Industrial and Commercial Bank of China, the world's largest commercial bank by asset size, include the $600m tanker and bulker newbuilding projects on which it worked together with state-owned domestic owner, Shandong Shipping.

More recently, ICBC Leasing agreed on a $544m sale and leaseback deal for 10 Frontline suezmax tankers to be acquired from Trafigura.

03 / Hu Xiaolian, The Export-Import Bank of China
COMPARED to its domestic leasing peers, which are in the ship finance limelight, the Export-Import Bank of China, also known as Cexim, appears to be moving backstage, with fewer deals reported in recent years. Yet it is by no means retreating.

For example, Bocomm Leasing revealed in January that Cexim, chaired by Hu Xiaolian, was its third-largest bank financing source.

The state lender is also a main stakeholder of the Silk Road Fund, which finances many shipping and port projects, including Cosco Shipping's $6.3bn acquisition of Orient Overseas International Ltd.

According to the latest data published by Petrofin, the policy bank ranked at the top of a list of global shipping lenders, with an existing loan book worth $17.5bn at end-2018.

04 / Michael Parker, Citigroup

INDUSTRY veteran Michael Parker has been a long-term fixture in ship finance at Citigroup, one of the few western banks still lending money to shipping on any significant scale.

However, the past 12 months have been a landmark year for Mr Parker. That includes promotion to chairman of its shipping and logistics division, with the extremely capable Shreyas Chipalkatty stepping up into his old job as global head of shipping.

Part of his new brief will be to focus on the top bank's environmental criteria for lending to the industry to the sector.

That is fitting, too, because Mr Parker is a key architect of the Poseidon Principles, a set of lending criteria unveiled by 11 banks in June, which make decarbonisation a central concern when considering loans to shipping companies.

05 / Lee Donggull, Korea Development Bank

IN the second year of his three-year term, Lee Donggull has achieved one major milestone in 2019 with the signing of the Won2trn ($1.7bn) merger deal for Hyundai Heavy Industries and Daewoo Shipbuilding & Marine Engineering.

While not a done deal yet, this would have relieved the KDB chairman of one of his biggest headaches as the bank applied much of its efforts in recent years to helping the maritime sector, a key element of the South Korean economy.

Securing regulatory approvals from various jurisdictions are some of the hurdles the deal still faces.

However, Mr Lee already seems to be turning his attention to other important aspects of the economy. Those involves attempts to streamline operations of Seoul's two policy banks — the key lenders to the country's industrial sectors that include shipping and shipbuilding companies.

Earlier this year, he suggested the government should consider merging KDB and the Export-Import Bank of Korea for state budget efficiency.

06 / Andreas Povlsen, Breakwater Capital

ANDREAS Povlsen has built London-based Breakwater Capital into a significant player, starting from scratch as recently as 2011.

Indeed, he is known to pride himself on forming the kind of relationships with shipowners that used to be the preserve of old-school shipping bankers, building on the kind of industry knowledge that enables Breakwater to see beyond the short-term horizons of private equity.

Mr Povlsen has also made some great hires, most notably Robin Perkin, head of global shipping coverage at RBS before the axe fell, and former Investec shipping head Jeremy Dean.

Landmark Breakwater deals — the ones we know about, that is — include the arranged marriage of United Offshore Support and Hartmann Offshore under the UOS banner, creating a substantial presence in the anchor-handling tug support niche, and loan finance for Global Ship Lease boxship purchases.

07 / Andy Dacy, JP Morgan

ANDRIAN (Andy) Dacy heads global transportation at JP Morgan, which is still actively taking equity positions in shipping companies.

Unlike some people in the investment bank space, he actually seems to know what it is doing.

He is also a regular fixture on the shipping conference circuit, where he has been notable for his stress on the use of environmental protection considerations when deciding on loan applications from shipowners.

Environmental, social and governance targets are becoming increasingly important, he stresses.

"Capital is only going to flow in the direction of companies that are doing the right thing," he argued in an interview with Lloyd's List earlier this year.

Pension funds will not invest in companies that do now comply with ESG requirements and, while the acronym sounds like jargon now, in two years, everyone will have the message, he insisted.

08 / Kristin Holth, DNB

DNB's exposure to shipping has fallen sharply in recent years, from $21bn at the end of 2016 to just $6.9bn now.

Yet even at that much diminished level, it still ranks as a major lender to the industry — and Kristin Holth, DNB's global head of ocean industries, still claims her place as one of the leading women in ship finance.

Among the highlights of the year for Ms Holth has been her decision to throw the weight of DNB behind the Poseidon Principles, a set of yardsticks that ties ship lending decisions to environmental criteria, which were launched last June.

Ms Holth is a graduate of the Norwegian School of Management, where she studied international finance and earned an MSc in Business. Joining a forerunner of her current employer in 1984, she has been there ever since.

09 / Philipp Wünschmann, Berenberg Bank

BERENBERG is that relative rarity, a European bank that is actually increasing its lending to the shipping sector at the moment, where it is said to be generating respectable yields on the back of low loan-to-value ratios.

Heading up the show is Philipp Wünschmann, its head of shipping. Mr Wünschmann previously worked for Deutsche Bank's Deutsche Schiffsbank unit, where he was responsible for a $9bn book.

In addition to his banking jobs, he was also managing director of Erck Rickmers' shipping interests prior to their sale to Zech Group.

Mr Wünschmann gets a lot of plaudits from his peers, too. "Nobody else is so respected and positively active in creative fields like him," one of our friends in Hamburg tells us.

10 / Yang Li, CSSC (Hong Kong) Shipping

YANG Li is making his debut in Lloyd's List top 10 finance list, by chairing China's first listed pure shipping lessor that raised $250m from a Hong Kong IPO in June.

While the valuation was questioned by some industry observers before the deal, the yard-backed leasing house has since then fared steadily.

Net profit increased 11.7% to about $57m for the first half of 2019. The size of its leasing fleet — consisting of all types of commercial vessels — stood at 101 units as of end-June.

The business has been almost entirely built on the strong orderbook and credit support of its state-owned parent China State Shipbuilding Corp — now the world's largest shipbuilding group after the recent merger.

Mr Yang (centre in the photo above) and his company's performance will demonstrate whether such a business model can sustain its prosperity over time.

The Top 10 in finance list is compiled by the Lloyd's List editorial team and considers the most influential people in commercial banking, investment banking, and alternative finance.

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MARKETS

Globus Maritime cites negatives for dry bulk shipping

GLOBUS Maritime says there is a continuing negative backdrop of factors in the dry bulk sector, despite posting a profit rise in the third quarter.

The company, led by Georgios Feidakis, said it experienced a short-term rise in spot rates during the third quarter, allowing it to enjoy higher earnings.

However, the market turned at the start of the fourth quarter due to increased supply as vessels returned from drydocks, and was "further deteriorated by some demand-driven pressure, which put a weight on rates," it said.

"We are still being affected by the negative sentiment created by the trade war, as well as the ore export bans in Indonesia and the coal import quotas in China," it added.

Looking ahead, the company expects that the new low-sulphur regulations by the International

Maritime Organization will likely boost the market.

"The market is expected to be volatile, but we do expect an upward trend," it said, adding that its fleet will be using low-sulphur fuel to comply as it is a "better-suited approach for the type and size of our vessels than using exhaust gas scrubbers that are expensive to install and operate".

The company, which has four supramaxes and one panamax, will be carrying out maintenance on two bulkers this quarter, which is expected to last 40 days.

It posted an increase in profit to $280,000 in the third quarter versus $254,000 in the year-earlier period, it said in a statement. It also made a gain on derivatives.

Ocean freight rates recovering on Asia-Oceania trade

OCEAN freight spot rates have begun recovering on the Asia-Oceania trade and are likely to continue rising — particularly exports to Northeast Asia — thanks to gradually improving utilisation and higher bunker surcharges, although they remain well below their levels last year, according to container shipping analyst Drewry.

The analyst noted that "not since the early part of this decade had the Asia-Oceania southbound container trade registered a quarter where volumes had declined on a year-on-year basis. Then recently, along comes four in a row".

It said the decline started in the last three months of 2018, "when headhaul traffic just dipped into the red". This was followed by a 6.6% decline in the first quarter of this year, with a further 4.2% drop between April and June, it noted, adding: "Returns for the third quarter of 2019 were even worse, with a deficit of 6.8%.

"By the end of October, data from Container Trade Statistics shows that year-to-date volumes from Northeast Asia had fallen by 5.3% and those from Southeast Asia by 6.2%. At the receiving end, Australian imports — covering 84% of the trade — decreased by 7.0%, while flows into New Zealand actually recorded an increase of 2.9%."

Taking a "glass-half-full attitude", Drewry said October's year-on-year comparison "did move closer to the neutral line. Because the demand slump started in late 2018, upcoming months will find it easier to improve on the weaker corresponding months of a year prior."

It said the rolling 12-month demand chart "is now plateauing at around -5%, and we anticipate that it will soon begin to ascend, although not spectacularly."

While container demand "has ebbed away for most of the year", freight rates — at least from Northeast Asia — "have actually taken the opposite path since June", Drewry noted, with its Container Freight Rate Insight reporting that average 40ft container prices from Shanghai to Melbourne have nearly trebled over the course of seven months, rising from $1,090 in May to $2,800 in November.

"November's benchmark was the highest since February 2018 and marked a 21% rise over the previous month," it noted.

But it said higher freight rates on the Northeast Asia-Oceania corridor are also the consequence of reduced capacity since the end of the first quarter of 2019, "when Maersk, Hamburg Süd and MSC temporarily suspended their joint Yo-yo/CAE/Panda operation that used four ships of approximately 5,000 teu".

Capacity was added back into the trade in August, but as of November, the total number of slots available to the market was still lower than in March, thanks to other service rationalisations and void sailings, Drewry said, adding: "Fewer slots countered the demand lull and pushed Northeast Asia to Oceania ship utilisation up from around 60% in March to just over 80% in October. Load factors are much lower in the Southeast Asia to Oceania lane, where ships are estimated to operating barely half full."

It reported that there has been a significant capacity influx from Southeast Asia, including two more new services starting in October.

According to Drewry research, slot capacity from Southeast Asia to Oceania in November was up by 11% on October and 26% year on year.

"Unsurprisingly, spot rates from Southeast Asia have not had the same impetus as from Northeast Asia with Singapore to Melbourne spot rates currently only around $1,500 per feu according to Drewry's

Container Freight Rate Insight, which is roughly $200 down on where they were at the start of the year," the analyst noted.

It concluded: "The headline growth rate figures for Asia-Oceania will start to look better soon, but that does not mean that the trade will return to the heights of 2018 in the near term. Spot rates are likely to continue rising (more so exports from Northeast Asia) thanks to gradually improving utilisation and higher bunker surcharges."

IN OTHER NEWS

Plakiotakis urges faith in IMO

GREECE'S shipping minister, Ioannis Plakiotakis, has called for international backing for the International Maritime Organization in the battle against climate change.

Mr Plakiotakis' support for the IMO comes as the EU appears on the brink of taking its own regulatory steps for shipping emissions. It also comes just days after he created a stir at the IMO podium by asking the London-based organisation to consider delaying implementation of its global sulphur cap.

During a speech made at the Capital Link 'Invest in Greece Forum' at New York's Metropolitan Club, he said: "A global shipping industry requires global rules and international regulations to operate smoothly on a level playing field."

MPA revokes IPP bunker supplier licence

THE Maritime and Port Authority of Singapore has revoked yet another bunker supplier licence, bringing the number of licensed players at the world's top bunker hub to under four dozen.

Privately owned Inter-Pacific Petroleum will cease to operate as a marine fuel supplier with effect from December 9, 2019, following the appointment of a judicial manager for the financially insolvent player, MPA said in a statement.

IPPS' insolvency was seen as among the final triggers leading to Société Générale's decision to shrink or exit from extending financing to Singapore's bunker industry.

China Merchants names new president

CHINA Merchants Group has appointed Hu Jianhua as president, the second-in-command at the state conglomerate, which boasts more than $1trn of total assets.

Mr Hu, 57, was a vice-president of CMG. He had a long career in port and logistics sector with various senior roles at several Chinese state-owned enterprises, including Shanghai Zhenhua Heavy Industries and China Harbour Engineering Co.

Before entering the top management of CMG in 2018, he was the vice chairman and managing director of China Merchants Port. Prior to that, he was at the helm of China Nanshan Development (Group) and Colombo International Container Terminals — both affiliated with CMG.

Pipeline operators to develop VLCC-capable terminal off Texas

PIPELINE operators Enbridge Inc and Enterprise Products Partners have agreed to develop an oil export facility that can receive very large crude carriers in the Gulf of Mexico.

The so-called Sea Port Oil Terminal, or SPOT, consists of onshore and offshore facilities, including a fixed platform located approximately 30 nautical miles off the Texas coast south of Houston, in Brazoria County, in a water depth of about 115 ft.

It is designed to load VLCCs at rates of about 85,000 barrels per hour, or up to 2m barrels per day.

The Louisiana Offshore Oil Port, or LOOP, remains the only facility in the US able to accommodate VLCCs.

EPP chief executive Jim Teague said SPOT was "to support growing exports of US crude oil".

Freeport LNG starts commercial operations in Texas

FREEPORT LNG has started commercial operations for its first liquefaction train, part of a planned four-train facility, located on Quintana Island near Freeport, Texas.

Michael Smith, founder, chairman and chief executive of the company called the start "a significant milestone" and said the firm was looking forward to kicking off production from the next two trains.

Commercial operations for the second and third trains are expected to start in January and May next year, respectively, with the commissioning work for the former underway and the construction on the latter nearly completed.

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Lloyd's List GREEK SHIPPING AWARDS 2019

Greek Shipping Awards 2019

CONGRATULATIONS TO ALL OUR WINNERS!

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Tanker Company of the Year - **Latsco Shipping**
Passenger Line of the Year - **Levante Ferries**
Shipbroker of the Year - **Xclusiv Shipbrokers**
Shipping Financier of the Year - **Piraeus Bank**
Technical Achievement Award - **SeaBright**
The Safety Award - **Hellenic Coast Guard**
The Sustainability Award - **probunkers**
International Personality of the Year - **Despina Panayiotou Theodosiou**
Piraeus International Centre Award - **Municipality of Piraeus**
Seafarer of the Year - **Capt. Dimitrios Spanoudakis**
Achievement in Education or Training - **Dept of Maritime Studies, University of Piraeus**
Ship of the Year - **"WorldChampion Jet"**
Lloyd's List Intelligence Big Data Award - **DeepSea Technologies**
Next Generation Shipping Award - **Nikolas Martinos**
Lloyd's List/Propeller Club Lifetime Achievement Award - **Gregory B. Hadjieleftheriadis**
Greek Shipping Newsmaker of the Year - **George Youroukos**
Greek Shipping Personality of the Year - **George Economou**

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