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## European Commission unveils plan to regulate shipping emissions



EUROPEAN REGULATORS HAVE confirmed their intention to control shipping's emissions, in a move that could culminate in the first market-based measure for maritime greenhouse gas emissions.

The European Commission revealed that it plans to include the maritime sector in the EU Emissions Trading System, the scheme that caps emissions allowances and lets companies buy permits to emit beyond that limit.

European Commission president Ursula von der Leyen unveiled on Wednesday her highly publicised and anticipated Green New Deal, which outlines the Commission's vision for how the bloc can slash greenhouse gas emissions while also growing its economy.

"It [the Commission] will take action in relation to maritime transport, including to regulate access of the most polluting ships to EU ports and to oblige docked ships to use shore-side electricity," the plan states.

The deal does not outline exactly how inclusion in the ETS would work. While it could mean the application of carbon allowances, it could also potentially include other measures, such as mandatory emissions reductions for vessels calling at EU ports.

Starting this year, the EU has begun compiling annual emission and fuel consumption data of vessels using its port. Regulation of shipping emissions may rely on this specific database.

In the paper, the Commission says the move will happen in co-ordination with action in the International Maritime Organization.

The IMO has been a strong opponent of shipping's inclusion in the ETS, fearing regional regulation will undermine its efforts for a global solution to decarbonisation.

Though not a surprise, the news will come as a disappointment to shipping industry interests, which have long opposed EU regulations on emissions.

The Commission also said it would also review existing rules and directives to accelerate the deployment of the low and zero carbon vessels.

“The Commission will consider legislative options to boost the production and uptake of sustainable alternative fuels for the different transport modes,” it said.

In the context of ecosystem and biodiversity preservation, the Commission further said that it will propose measures for the maritime area based on an analysis of a report recently done by the Intergovernmental Panel on Climate Change.

The Commission's plan to include maritime in the ETS is hardly a revelation. Ms von der Leyen has been vocal about her intention to regulate shipping emissions and has already instructed her Commissioners to work on this.

Wednesday's unveiling elevates this intention to a formal policy push, and as part of a document that will broadly define Ms von der Leyen's tenure. Its inclusion in this text is a message of just how significant this policy area is to the European Commission and a foreshadowing of the effort it intends to make it ensures it happens.

The EU had agreed in late 2017 to temporarily leave the maritime sector out of the ETS, provided the IMO had adopted a satisfactory global decarbonisation measure by 2023.

At the time however, it was essentially only the European Parliament that was backing shipping's inclusion in the ETS.

But the intensification of the climate crisis since then, new scientific reports painting an even dimmer picture, mounting public pressure and the arrival of this new Commission have all forced a new predicament for the industry.

The European Parliament is again a strong supporter of the Commission's plan. The inclusion will require the blessing of the European Council, which comprises of the EU governments.

Given that the Commission and Parliament are in agreement, shipping interests will try to thwart their plans by lobbying governments in Council to reject the ETS extension to the maritime sector.

However, approval from Council in this case requires a qualified majority, not unanimity making. Additionally the Commission's force on this subject will make matters even harder.

Brussels-based non-governmental organisation Transport and Environment welcomed the Commission's plans for shipping, which it described as one of the biggest climate laggards.

Transport and Environment executive director William Todts warned against a revival of what he sees as failed policies, such as the promotion of biofuels and gas vehicles.

“What we do need, though, is a realistic plan to deploy zero-emission electrofuels in aviation and green hydrogen in shipping,” Mr Todts said in a statement.

### **Energy taxation directive**

The EU is also considering revising the bloc's Energy Taxation Directive, which lays the rules for taxation of fuels for transport, electricity and heating.

Under the ETD, marine bunker fuels are not taxed, a policy that a recent study suggested deprives the EU of more than \$26bn of annual revenue.

The Commission reiterated in its plan that it intends “to look closely at the current tax exemptions including for aviation and maritime fuels, and how best to close any loopholes”.

The Council agreed last week that the Commission should analyse potential pathways and publish a proposal on the revision of the ETD.

Scrapping taxation exemptions for marine bunkers will likely be harder than including the sector in the ETS; revision of the ETD requires unanimity from the Council.

## WHAT TO WATCH

# Saudis in tender for first ships to feed LNG ambition

SAUDI Arabia's national shipping firm, Bahri, is seeking bids for carriers supporting its home nation's first foray into the liquefied natural gas trade.

The state-owned outfit is said to have issued an expression of interest for the supply of a dozen LNG tankers.

It is expected to issue a request for proposals to shortlisted industry players as early as next March, sources added.

While the EOI is understood to have gone out mainly to LNG shipping firms, shipyards are also likely to get involved in the bidding process, which looks likely to kick off from the second quarter of next year, observers say.

The coming tender is chiefly backed by Saudi Aramco's contracted offtake of 5m tonnes per annum with Sempra Energy's Port Arthur LNG project in the US.

Drewry's view is that Aramco and its shipping affiliate, Bahri, would want to own some tankers and charter in tonnage for the rest of its LNG shipping needs, lead equity analyst, Santosh Gupta said.

Aramco could be interested in investing in ships to control the scheduling of and costs of transporting cargoes that are likely to be traded globally.

This is one approach certain supermajors have also adopted with their LNG export projects or committed offtake, which previously spurred LNG shipbuilding demand.

Drewry's calculation however, showed that Aramco may not require as many as 12 tankers for its committed purchases from Port Arthur LNG.

Mr Gupta said that just 10 to 11 tankers would fill the national oil company's shipping needs tied to the project, assuming 90% of the offtake heads to Asia and another 10% to Europe.

Factoring in another 10% exports from Port Arthur to Saudi Arabia will further lower the LNG shipping requirement to between 9 and 10 tankers.

If the Saudis choose to charter in the tonnage, there is ample capacity in the market to fill its needs, the Drewry analyst added.

Others hold different views. Pointing to limited spare capacity in the present market, one broker suggested that some shipping players may well have to build new tonnage to supply to Aramco, should they land the Saudi charters.

How the tender may swing could boil down to the finer art of matching demand with supply at the right time.

Data from one ship brokerage point suggested that as recently as early December, just under three quarters of the global LNG shipping fleet are still serving long-term charters of 12-plus years.

Some of these may come off hire, joining the remaining quarter of the world's fleet in the pool of vessels either on hire or up for shorter-term contracts.

The Saudis have to take delivery of the ships ahead of the export of their first cargo from Port Arthur, which is now projected for 2023 or beyond.

Aside from sourcing for Port Arthur's shipping tonnage, the upcoming Saudi tender is also expected to back up Aramco's LNG trading ambition.

Commenting broadly on the current LNG marketplace, S&P Global Platts global director for LNG Ciaran Roe said: "Access to carriers has become an increasingly vital part of any LNG trading strategy in the light of the relatively high volatility of LNG shipping rates over the past few years and consequent fluctuations in carrier availability."

That has not stopped Aramco from venturing into LNG trading as it seeks new growth avenues beyond its oil-dominant business.

Aramco is also one among what Mr Roe described as "a wave of new trading entrants" in "the burgeoning LNG market".

What has helped bolster interest in LNG trading is an increase in spot market activity and the availability of LNG-related hedging tools to enable players to better risk-manage their exposure, he explained.

# Chile's electrofuel push to unleash over \$90bn investments

CHILE stands to harness its vast renewable energy potential to produce green ammonia and green hydrogen to supply ships calling at its ports.

Pressing on with clean energy infrastructure backing the use of such green marine fuels can unlock up to \$95bn of investment, according to a new study released by Environmental Defense Fund at COP 25, the latest round of United Nations climate change talks held in the South American country this week.

Findings from the study suggest fuelling the ships calling at more than 50 ports along Chile's coastline will call for daily production of almost 60,000 cu m of green ammonia or around 110 cu m of green hydrogen.

These figures are computed based on 2018 vessel traffic at Chile's ports, which handled 89% and 97% of the country's imports and exports in tonnage terms last year.

Green ammonia and green hydrogen, which are often referred to as electrofuels, are touted as potential carbon-zero future fuels supporting the International Maritime Organization's target of halving shipping's greenhouse gas emissions by 2050 from 2008 levels.

The green promise of these electrofuels is anchored on production processes that draw energy from renewable sources.

But that also fits in with Chile's push to exploit its renewable energy potential for the purpose of decarbonising its economy.

Chile's current installed renewable energy capacity only accounts for 5.1% and 0.2%, respectively, of some 36 GW and 1,261 GW of the country's potential onshore wind and solar energy potential, the EDF-backed study has found.

This spells room for vast investments in plants not just to produce electrofuels but also to capitalise on the untapped renewable sources.

The study estimated that between \$60bn to \$80bn investments could be required to produce and supply green hydrogen to meet for Chile's ship bunker needs.

About 20% of these would go to generating renewable power feeding the green hydrogen plants.

Green ammonia would demand higher investments ranging from \$70bn and \$95bn, with a 30% share of these going to associated renewable power generation.

The study also proposed four electrofuel plants with dedicated renewable facilities to be built at the port of Mejillones to provide fuel to 730 mid-sized vessels per year, representing about 10% of Chile's vessel fuel demand, based on vessel traffic registered last year.

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## OPINION

# Time to collaborate or risk obsolescence

LAST night Lloyd's List hosted the European Shipping Awards 2019, *writes Richard Meade*.

Each year at these events, I stand before the great and the good of the shipping industry and claim that the Lloyd's List Awards are more necessary than ever, precisely because they reward successful endeavour in the face of seemingly intractable problems.

And I stand by that.

But I also think that the collective view of excellence and endeavour that these awards offer has a more practical purpose.

Sharing ideas is not just a good idea — it's a question of survival.

I also hosted our annual Outlook Forum earlier in the day, and what came out loud and clear from that discussion was that the challenges continue to come from every angle.

From the regulators certainly, but also from the banks, clients — even employees. The very nature of the macro-economic system is shifting around us.

Companies have to adapt or risk obsolescence.

But doing that alone is not going to work.

Collaboration is the competitive advantage we need.

It's also the required key to unlock the door to a very necessary period of innovation for the shipping sector as it responds to an unprecedented series of regulatory and commercial challenges.

Last night we had represented in the room some genuinely important innovation and industry leadership.

But to capture this potential, and not simply fall victim to the emerging changes being thrust upon us from external dynamics, the shipping industry needs to upgrade its foundations.

This requires more accurate data and analysis, and of course insightful and credible journalism that doesn't just inform, it adds to the overall transparency of the industry and allows for more effective risk management.

My message to the crowd last night was simple – change is coming, with or without you.

## Lloyd's List Europe Awards 2019 winners revealed

RUSSIAN energy shipping giant Sovcomflot was awarded the prestigious title of Company of the Year at the Lloyd's List Europe Awards on Tuesday.

“Reputation matters in shipping. It always has done of course, but it feels truer today than ever and our winner this year has a solid reputation for operational excellence and a safety and financial record to back that up,” explained Lloyd's List Editor Richard Meade as he handed over the trophy to Sovcomflot senior executive vice president Evgeniy Ambrosov at the glittering awards dinner held in London.

The winning line-up of entries this year yet again celebrated excellence and outstanding performance in shipping, and the winners stood out for their unwavering drive to innovate and embrace sustainable business practices while the larger industry embarks on a pursuit of digitalisation and a low carbon future.

Grimaldi group's stand-out drive to not only lower emissions at a company level, but also lead the debate across the industry saw managing director Emanuele Grimaldi walk away with the new

It is time to adapt and innovate or risk becoming yet another footnote in history.

Consider this: In the 16th century, Portugal developed the spice trade but it was the Dutch, then the English who were the long-term beneficiaries.

Bulk shipping and containerisation in the 1950s and 1960s was not led by the established national shipping lines. The lead was taken by a new generation of independent owners and most of the traditional shipping lines disappeared.

Ultimately, when it comes to innovation, only the most agile survive.

My request to the finalists in the room last night is something I would like to extend to all Lloyd's List subscribers – let's build on the successes we have celebrated in the Lloyd's List Awards this year, but let's also collaborate and come together as industry leaders.

We need your award-winning mentality more than ever.

Excellence in Decarbonisation towards 2050 category.

Meanwhile, Maersk impressed the independent panel of judges sufficiently to win the Container category and Berge Bulk and Fleet Management were awarded the Dry Bulk and Tanker awards.

The Global Seafarer of the Year honour this year went to Royal Fleet Auxiliary Chief Officer Susan Cloggie-Holden who has championed gender diversity in shipping and worked tirelessly to address fairness, equality and inclusion within the maritime sector.

Given the World Maritime Day theme for this year has been “Empowering Women in the Maritime Community” the judges, felt it was important that the awards reflected and supported that drive.

Addressing the 450 strong audience at the ceremony, CMA CGM veteran Farid Salem delivered a heartfelt message of thanks and gratitude to his colleagues and the wider shipping industry he loves.

Mr Salem was the co-architect of the French container giant CMA CGM which he started with the late Jacques Saadé over 40 years ago as a one ship company that has today grown to a fleet of over 500 ships generating an annual revenue of over \$30bn.

### **The winners of this year's Lloyd's List Europe Awards**

Company of the Year — *Sovcomflot*

Deal of the Year — *MOL Chemical Tankers*

Excellence in Container Shipping — *Maersk*

Excellence in Data and Technology Innovation — *Lloyd's Register and Lloyd's Register Foundation*

Excellence in Decarbonisation towards 2050 — *Grimaldi Group*

Excellence in Dry Bulk Shipping — *Berge Bulk*

Excellence in Environmental Management — *Orient Overseas Container Line*

Excellence in Marine Insurance — *Skytek*

Excellence in Maritime Law — *HFW*

Excellence in Maritime Services/Ship Management — *Synergy Group*

Excellence in Port Management and Infrastructure — *Rotterdam World Gateway*

Excellence in Safety & Training — *UK P&I Club*

Excellence in Tanker Shipping — *Fleet Management*

Excellence in Supply Chain Management and Innovation — *BunkerTrace*

Seafarer of the Year — *Royal Fleet Auxiliary Chief Officer Susan Cloggie-Holden*

Lloyd's List Lifetime Achievement Award — *Farid Salem*

## **Awards night sees Greek shipping alive with the possibilities of the new**

MISSION Impossible was adopted as the theme of last Friday's Lloyd's List Greek Shipping Awards, held at the Athenaeum InterContinental Hotel with an audience of more than 1,100 diner guests, and deftly pointed to the extraordinary success, against all odds, of such a small nation topping the league table of world shipping capacity.

It was also apt in that the original Mission Impossible TV series ran during the 1960s and early 1970s when the legendary 'Golden Greeks' such as Onassis, Niarchos and Lemos were at the height of their powers and propelling the Greek-controlled fleet towards industry leadership.

The resourcefulness and adaptability of the Greek shipping community from generation to generation has only become more widely appreciated in more recent years, coinciding with the era of the Tom Cruise-starring Mission Impossible movies.

Few attending the 2019 awards ceremony would have left without a sense of a traditional industry being reinvigorated before their eyes with new names, new blood and new thinking, as Greek shipping prepares to grapple with the challenges of new technology and regulations.

A surprising number of the awards this year were won by relatively new companies, albeit driven by well-experienced teams.

Examples were M/Maritime, hailed as Dry Cargo Company of the Year, Xclusiv Shipbrokers, which took the shipbroking award, and probunkers, winner of The Sustainability Award, being presented for the first time.

All three companies were launched within the last three years.

M/Maritime's John Mytilineos, who founded the dry bulk carrier operation, made a virtue of the company's youth. "It is very young, it's only three years old," he said. "Our fleet is very young, on average it's less than two years old. And our team is very young — on average it's less than 38 years old."

He added: "It's an ambitious team — 'benchmark' is not good enough for us — and I think this award is a good boost for the team."

Lifetime Achievement Award-winner Gregory Hadjieleftheriadis was among those who recognised the diversity of the audience.

“Amongst this evening’s attendees, I see a lot of young and eager faces with whom I would like to share some thoughts,” he said.

“I urge you to work hard, pay attention to details, never lose faith or sight of your goals, be good citizens of our little blue planet and do not forget to be respectful of the vagaries of the seas and vigilant of shipping’s unpredictable markets.”

Mr Hadjieleftheriadis retired from shipping 13 years ago and since then has concentrated more on “sheeping”. He tends a large sheep farm in Australia.

Prior to this he was one of the founding directors of Eletson Corporation, one of the first shipping companies to realise the benefits of double hulls for tankers, even prior to the *Exxon Valdez* casualty, which ushered in legislation obliging double hulls.

He recollected “my humble beginnings, my first summer at sea and the long and hard but rewarding path to success, in our fascinating and highly competitive shipping industry”.

George Economou was crowned Greek Shipping Personality of the Year for 2019.

Mr Economou urged the audience to “push the envelope and pursue your dreams”.

He said that he had “made most of my money past the age of 50 so I would encourage everyone who is

younger than that, or even older who feels young, to pursue their dreams. You may be young in age but also in how you feel.”

Thenamaris chief executive Nikolas Martinos won the Next Generation Shipping Award.

He dedicated it to “the next generation which is here with me from Thenamaris”, although he also paid tribute to his grandmother and parents who established and developed one of the country’s most highly reputed shipping companies.

“The most important recipe for the success of our company is our people, from the past generation and now, hopefully, from the new generation” Mr Martinos said.

People in Greece make the difference and that’s why we are number one in the world.”

By far the youngest of the night’s presenters, Despina Iliopoulou, presented the Safety Award to the Hellenic Coast Guard, which won the award in its centenary year.

Ms Iliopoulou, representing award-sponsor Seajets, said that she wanted to continue the family tradition in shipping started by grandfather Takis Iliopoulos and father Marios Iliopoulos. “I hope I can reach even higher,” the 15-year-old said. “I grew up dreaming of the success of our [Greek] shipping industry.”

## The 5 lifetime achievers 2019

AS part of our annual Lloyd’s List Top 100 most influential people in shipping series, we recognise individuals for their outstanding contribution to the industry.

The five lifetime achievers are compiled from winners of the accolade across the globe at Lloyd’s List’s Excellence in Shipping Awards 2019, recognising their dedication, ambition and contribution to maritime.

They appear in reverse order of event: Europe Awards in London; Greek Awards in Athens; South Asia, Middle East and Africa Awards in Dubai; Asia Pacific Awards in Singapore, and Americas Awards in Houston

### 01 / Farid Salem, CMA CGM

CMA CGM veteran Farim Salem, who worked in tandem with the late Jacques Saadé for more than

40 years, building the French firm into a container shipping colossus, retired in September 2019. He leaves a lasting legacy.

Described by his nephew and group chief executive Rodolphe Saadé as ‘the architect of the CMA CGM adventure’, Mr Salem has mentored many executives who now hold senior positions within the group.

He also took on the role as Rodolphe Saadé’s special advisor after the death of his father.

Despite keeping a lower profile compared to Jacques Saadé, he has remained a highly respected and popular figure throughout the container shipping industry.

Mr Salem is renowned for his hands-on approach to business, an eye for detail in negotiations, industry knowledge, and integrity.

“His unique expertise, outstanding qualities as a negotiator and his incredible capacity for work are recognised around the world, both in our industry and beyond,” Rodolphe Saadé commented upon his retirement.

## **02 / Gregory B. Hadjieleftheriadis, Eletson Corp**

GREGORY B. Hadjieleftheriadis, together with his brother and brothers-in-law, succeeded in making Eletson Corporation one of the most highly reputed tanker companies and one of the forerunners of today’s quality Greek tanker industry.

Eletson was among the few owners to realise the benefits of double hulls prior to the *Exxon Valdez* incident and was ahead of its time in ordering high-specification product tankers, creating a corporate culture and using innovative financing methods.

Throughout his 50-year career in shipping, from which he retired in 2006, Mr Hadjieleftheriadis was an uncompromising voice for safety, accountability and seafarer training.

Among many contributions to the industry, he was the first vice-president of Hellenic Marine Protection Association (Helmepa) and was instrumental in establishing its Australian sibling, Ausmepa.

He was a board member of the Union of Greek Shipowners, a past director of the UK P&I Club and chairman of Lloyd’s Register’s Hellenic Committee.

## **03 / Rita Al Semaani Jansen, Ince**

INCE partner Rita Al Semaani Jansen has been with the firm since it was set up in Dubai in 2006, having previously worked as a senior lawyer at Denton Wilde Sapte, Berrymans Lace Mawer and Wellington Capital.

Based in Dubai since 1992, she has an unequalled depth of knowledge in the laws of the United Arab Emirates, with extensive experience in corporate and commercial transactions, ranging from mergers and acquisitions, restructuring, joint ventures, employment, start-ups and a wide range of commercial agreements for clients in various industries.

While she is highly regarded in her profession, Ms Jansen is also a mentor, an encourager, an inspiration and a role model for young professionals, especially women. She is a prominent figure in Ince’s mentoring programme, supporting individuals.

Ms Jansen is an active member of a host of associations and councils, including the Dubai Business Women’s Council, where she uses her leverage to push for greater balance in the legal profession.

## **04 / Xu Lirong, China Cosco Shipping Corp**

XU LIRONG is chairman of the Chinese shipping gargantuan China Cosco Shipping Corp — born from the merger of the previous shipping giants Cosco Group and China Shipping Group in early 2016.

As well as in 2019, Capt Xu has regularly topped Lloyd’s List’s annual ranking of the Top 100 most influential figures in shipping and has been credited with transforming a state-owned giant into one of the most globally competitive businesses in the industry.

Capt Xu, who became China’s youngest master mariner at the age of 27, previously served in Cosco for 36 years, ultimately as deputy president of Cosco Group, before switching to join CSG in 2011.

Nevertheless, he has left a lasting legacy at both companies, gaining huge respect before he led a joint working group that hammered out the draft merger plan of the two giants.

## **05 / Kathy Metcalf, Chamber of Shipping of America**

US MARITIME veteran Kathy Metcalf is president and chief executive of the Chamber of Shipping of America.

She has been chief executive since 2015 and served in the Chamber for more than 20 years, as part of a career that has spanned both sea and shore time, regulatory and policy issues, government and industry.

Ms Metcalf has been heralded for her passion for the industry, her commitment and her humility.

She has previously acted as an industry advisor to the US delegation at meetings held by the International Maritime Organization, where she now advises as a member of the International Chamber of Shipping, with an emphasis on environmental issues impacting maritime.

Ms Metcalf is also an ambassador for the Women’s International Shipping & Trading Association (Wista).



## ANALYSIS

# Closure of Indian mines to drive new demand for iron ore trade

INDIA is likely to re-emerge as a net importer of iron ore in 2020, as domestic supply is set to take a hit by the closure of local working mines.

According to Federation of Indian Mineral Industries, the tenure of 329 non-captive mining leases is set to expire in March next year. That involves 24 working iron ore mines, which accounted for roughly 30% of last year's iron ore output of 210m tonnes.

Much of the production loss would have to be made up by shipments from distant countries like Brazil — a development that will have a positive effect on bulker tonne-mile demand.

Although the mines will be up for auction from April, industry participants believe it may take at least three to four years for the facilities to be operational again. Obtaining fresh forest and environmental clearances will take time.

“Physical output of the minerals from such mines can only be available not prior to year 2024-25,” the federation said in a note.

The closure of mines would reduce iron ore supply by 65m tonnes, which in turn would affect nearly 45m tonnes of steel production, India's real time market data and financial news terminal Cogencis reported, citing former steel secretary Aruna Sharma.

“In my opinion, the disruption would persist for three years going ahead if the statutory clearances

are not expedited and if the mines that are not coming for auction fail to increase their production,” Mr Sharma was quoted as saying.

The country is likely to import at least 10m tonnes of iron ore next year, according to an Indian credit rating agency ICRA. “Imports are likely to increase further in the subsequent years as stockpiles created by other producers start drying up.”

India was last a net importer of the raw material in 2015 when it shipped in 12.1m tonnes of the mineral compared with about 4m tonnes of exports, according to Cogencis, citing data from commerce and industry ministry. Since then the trend has been significantly reversed.

In 2018, the imports stood at 12.8m tonnes while the exports amounted to 16.2m tonnes.

The gap between imports and exports widened to 8.1m tonnes versus 20m tonnes in January-November this year affected by an oversupply in the domestic market, Banchemo Costa research data shows.

India generally buys higher-grade iron ore above 60% iron content from overseas and sells lower grade below 58% iron content to China.

Market participants expect the exports to decline further with the 30% export duty introduced early this year.

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## MARKETS

# Boxship owners in race for scrubber retrofits

ONE TENTH of the global containership fleet capacity looks set to be fitted with scrubbers by early next month, despite increasing delays in installation.

Figures from Alphaliner show that 212 vessels, comprising 1.8m teu, had been fitted with scrubbers as of this week, and that another 101 are in yards undergoing retrofits.

“Taken together, the scrubber-fitted ships will account for some 5.9% of the total number of containerships or 11.8% of the total teu capacity of the fleet by early 2020 when the new IMO 2020 sulphur cap comes into effect,” Alphaliner said.

But the large number of boxships waiting to head to the yards, along with delays in fitting scrubbers, was

leading to additional costs for carriers with ships out of service while they wait for retrofits to be completed.

Average yard stays for ships undergoing retrofits in 2019 reached 59 days, with 17% of these ships taking longer than 80 days to complete their retrofits. Alphaliner put the cost of delays for larger ships at \$30,000-\$50,000 per day.

This, however, would be partially compensated by the increasing spread between low-sulphur fuel oil and the heavy fuel oil scrubber-fitted vessels will be able to use, which stands at around \$250 per tonne.

“These ships will be able to enjoy the lower price of standard heavy fuel oil, with current IFO380 bunker price dropping to just \$255 per tonne compared with LSFO price of over \$510 per tonne,” Alphaliner said.

Mediterranean Shipping Co, which made an early commitment to scrubbers, stands to benefit most among carriers, with 250 confirmed orders for

scrubbers, 49 of which have already been delivered and 31 are being fitted.

But it is also facing the longest delays, according to Alphaliner, with 15 of its vessels held up in yards for more than 80 days.

“The yard delays are also causing severe congestion, with at least five MSC ships currently waiting for up to eight weeks to enter the repair yards, with shipyards in the Zhoushan region in China especially congested in the last two months,” Alphaliner said.

The other beneficiaries of scrubber installations are tonnage owners, which have seen charter rates boosted by demand for replacement vessels to take the place of vessels out of service for yard visits.

“The vessel scarcity created by this extra demand boosts charter rates, which raises income for all non-operating owners and, for the rare ones who opted for speculative scrubber retrofits, subsidises in some way these retrofits while awaiting the scrubber ‘bonuses’,” Alphaliner said.

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## IN OTHER NEWS

### **Latest update on the kidnap of 19 seafarers from VLCC Nave Constellation off Nigeria**

THE very large crude carrier *Nave Constellation*, attacked by pirates in the Gulf of Guinea on December 3, is now sailing from the region, after its owner Navios Maritime Holdings replaced the 19 kidnapped crew who are still being held ashore.

Navios Maritime Holdings and shipmanager Anglo Eastern said that the crew left behind were “still in the hands of the criminal gang” but the decision was taken to fly in new crew so the vessel could resume its passage.

“We are not providing any operational details that might prejudice their safety, which is the primary concern of owners and managers,” said a spokesman for both companies. Lloyd’s List Intelligence records Total shipping division CSSA had chartered the vessel, which

was loading at Bonny on November 24.

### **Trafigura expects strong performance from mining and shipping in 2020**

TRAFIGURA, a global commodities trader, expects a solid year in 2020 amid continued volatility and uncertainty in the markets.

“We had a very strong performance in 2019, and the trading division in particular had a knock-out year,” chief executive Jeremy Weir said in a short video.

This was largely reflected through the oil unit, with higher US exports seen, while metals and minerals saw a continued “excellent performance” through increased exposure to the battery sector.

“In 2020, we expect to see continued strong performance from our mining division and from our shipping divisions,” he said.

### **Chevron to exit Kitimat LNG project in British Columbia**

CHEVRON Canada says it will exit its entire 50% working interest in the Kitimat LNG Project in British Columbia, a decision that is part of what the firm called its “global portfolio optimisation effort” focused on improving returns and driving value.

The announcement was surprising as Canada’s regulators just this week approved an application by Chevron to export up to 18m tonnes a year of liquefied natural gas from the proposed facility in Kitimat to Asian markets for a period of 40 years.

But Chevron’s decision concerning Kitimat LNG came as the firm said it was cutting the value of a number of properties, notably its US shale holdings in Appalachia, by a combined \$10bn to \$11bn.



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# Greek Shipping Awards 2019

## CONGRATULATIONS TO ALL OUR WINNERS!

- Dry Cargo Company of the Year - **M/Maritime**  
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**

*Thank you to all our Guests, Sponsors, Supporting Organisations and Members of the Judging Panel for your contribution to the success of the 16th Annual Greek Shipping Awards.*





## Container Tracker

# Save time. Stay compliant.



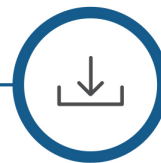
### Track containers, not just ships

Simplify transshipment tracking with end-to-end downloadable data trails on containers – by container number or Bill of Lading.



### Complete checks in minutes, not hours

Save time, with all the data you need in one interface, supported by tracking intelligence from over 600 Lloyd's agents worldwide.



### Download the evidence

Downloadable reports ensure you have the necessary documentation to prove compliance, including specific end-to-end transshipment reports and more.

Request a demo:

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[lloydslistintelligence.com/containertracker](http://lloydslistintelligence.com/containertracker)

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