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Bunker bills a bitter pill for PIL

SHIPS OPERATED BY Pacific International Lines could be facing the threat of arrest as the company struggles to meet payments to its bunker suppliers.

Reports from Lloyd's List Intelligence's credit reporting service indicate that at least one bunker supplier is considering a vessel arrest due to large exposure and delays.

The news comes as bunker suppliers are understood to be holding off from doing business with the Singapore-based carrier due to delays in receiving payments.

A report from Alphaliner earlier this week indicated that a number of laden vessels operated by PIL were waiting for low-sulphur fuel from bunker suppliers. Alphaliner noted that six PIL ships were idle at Singapore as of January 7 and suggested that a shortage of suitable bunker fuel may be behind the idling of the vessels.

But it now appears that PIL's financial position may be at the root of the problem.

Under the vessel arrest process, a supplier must deliver a notice of demand, after which the owner has 30 days to settle.

A spokesman for PIL told Lloyd's List that the company had "categorically received no notices of demand".

"All vessels are trading normally," he said. "PIL is in constant dialogue with its suppliers and is not expecting any of its ships to be arrested."

Nevertheless, he confirmed that some vessels were delayed due to "the tight supply of low-sulphur bunkers in Singapore in recent times", adding that that the situation was now improving.

"We note that bunker prices have been volatile both before and after the new IMO 2020 regulations that came into force on January 1 this year, which has led to tight supply.

"We are confident this market situation is temporary. Of the seven ships, most of the vessels have now been supplied with bunkers and have sailed."

But reports from Lloyd's List Intelligence's credit reporting service indicate that the company's issues with acquiring fuel may be driven by bunker suppliers' concerns over the carrier's creditworthiness following a series of late payments.

"Three suppliers are experiencing payment delays ranging from two to four months delay and many more in the region are not comfortable dealing with them," Lloyd's List Intelligence said.

Three bunker suppliers are understood to have stopped dealing with PIL entirely, while others are working on a cash-only basis.

One bunker supplier in Singapore told Lloyd's List that cash flow issues were holding back settlement of bunker bills at PIL last year. The supplier said PIL took five to six months to pay an outstanding invoice, adding that no other boxship operators appeared to be facing similar issues.

PIL said it had adopted good bunker fuel procurement practices for many years and would continue to do so.

"PIL has existing bunker hedges to minimise volatility, and given the unprecedented price volatility of low-sulphur fuel oil and quality variability, making it impossible to mix, it is more appropriate to purchase LSFO on a spot basis, and this is the approach PIL is taking," the spokesman said.

"This does mean that when the supply is tight, there may be delays. We will continue to monitor the market closely and will review our practices to be in line with the market."

Privately owned PIL has been under financial pressure for some time and has not published financial results since the first half of 2018, when it posted a $141m loss.

As of mid-2018, it had about $3.5bn total debts outstanding, of which over 30% were due last June. At the same time, its cash and short-term deposits were less than $400m.

Since then, its Singamas container manufacturing subsidiary has sold the majority of its business to Cosco, raising $500m.

The future of PIL, which ranks as the ninth largest container carrier, with a fleet capacity just shy of 400,000 teu, has been considered to be in the balance for some time.

With a fleet of about 120 containerships, mostly small-to-medium sized vessels, PIL runs as a regional carrier with its strength in North-South trade, especially the Red Sea to Africa and Latin America services.

Despite protestations by chairman Teo Siong Seng that the company is "small but strong", there have been rumours about an acquisition of the Singapore-based carrier, often citing Cosco as a potential suitor.

But PIL maintains that the company is not for sale.

"The board of directors again affirms the company's independence and determination to remain as an independent operator," the spokesman said.

"Like all other carriers, we continue to face tough trading conditions, but we have a long-standing commitment to ensure all payments are made within a reasonable timeframe. For example, charter payments to the Chinese leasing companies for sale and leaseback vessels are kept up to date."

PIL has made various sale-and-leaseback deals for its fleet of containerships in the past few years. A planned launch of a US dollar bond issue in 2017 was suspended due to poor market conditions at the time. It has not since been revived.

Ironically, PIL's bunker issues may have been exacerbated by a decision to invest heavily in scrubbers.

According to Lloyd's List Intelligence, PIL had originally planned to retrofit 60% of its fleet with scrubbers, and was advocating open-loop scrubbers until these were subsequently banned or restricted in some major ports. Effectively, this means the vessels cannot enter many ports unless they have some low-sulphur fuel on board.

WHAT TO WATCH

Saudis defy global safety shipping rules to switch off AIS for Hormuz transits

BAHRI, Saudi Arabia's national shipping company, has defied safety and security advice from its own insurers and the US government by allowing tankers to "go dark" during Strait of Hormuz transits.

For most transits over the last six months, Bahri-owned and operated tankers have switched off their Automatic Identification System required under international regulations to transmit vessels' locations at all times, according to satellite-tracking data analysed from Lloyd's List Intelligence.

Intentionally disabling AIS transponders on vessels was labelled a deceptive shipping practice by the US government in a September advisory to the international maritime sector. P&I Clubs, including those that provide cover for Bahri, also warned the practice could invalidate insurance.

Bahri, which claims to own and operate the world's largest fleet of very large crude carriers, ships some 832m barrels of oil a year, according to its most recent annual report. This translates to about 4.4% of crude seaborne trade. The company's fleet totals some 90 ships including 45 VLCCs, 32 chemical and product tankers, and nine bulk carriers.

Analysis over the past 10 days shows that five Bahri-owned ships, including three VLCCs, a bulk carrier and container/ro-ro ship have sailed through the strait, all with AIS switched off.

Since October no Bahri-owned tanker has been tracked sailing through the Strait of Hormuz with its AIS on.

Gaps between AIS signal transmissions are clearly evident for Bahri when compared against other tankers sailing the same voyage, which show more frequent signals that allow tracking throughout the the entire waterway.

Bahri's head office in Saudi Arabia referred Lloyd's List's questions about these practices to a London-based public relations company which then emailed the following response: "Bahri does not comment on the specific regional operational procedures of its vessels."

Risk in the Strait of Hormuz escalated to its highest in 17 years over 2019, with the US and Saudi Arabia accusing Iran or its proxies of orchestrating attacks on six tankers over two incidents in the Middle East Gulf in May and June. Two Bahri tankers were among four attacked off the bunkering port of Fujairah. Tension further escalated this week with the US assassination of the leading Iranian general Qasem Soleimani in Baghdad on January 3.

Some 20m barrels per day of crude and refined products transit through the energy commodities waterway — a fifth of all oil products — in additional to liquefied natural gas and liquefied petroleum gas. The crucial trade artery saw 67 crude tankers, 16 liquefied natural gas carriers, 17 liquefied petroleum gas carriers and 27 product tankers sail through the strait in the first six days of 2020, Lloyd's List Intelligence data show. Some 75% of traffic is destined for Asia.

AIS is required for all vessels under an International Maritime Organization convention to protect the safety of life at sea. The regulation was initially designed as a collision avoidance system. However, the subsequent collection and commercialisation of AIS satellite data evolved into the development of sophisticated vessel-tracking programs that have increased global visibility of ship location, voyages, and destinations.

Unilateral US sanctions on Iran's energy and shipping sector in place throughout 2019 resulted in many Iranian- owned and operated tankers switching off their AIS to obfuscate the origin and destination of cargoes, and complicate sanctions enforcement. These tactics have also been used for Venezuelan cargoes, which are also subject to US sanctions, over the past 12 months. AIS is often turned off at crucial points of voyages in order to disguise loadings and ship-to-ship transfers.

The International Group, representing 13 P&I clubs that provide cover for 90% of the commercial fleet, have repeatedly warned the industry that switching off AIS is a red flag for potential sanctions-busting activities. There is no suggestion that Bahri vessels are breaching sanctions.

"There will also be grounds to deny P&I cover on the basis of imprudent or unlawful trading where an owner trades his vessel in breach of sanctions, disguising its location by manipulating or

withholding the transmission of AIS data," the International Group said in a recent circular to members.

The Saudi's avoidance of AIS in the strait of Hormuz is the subject of much anecdotal shipping chatter, but there is little evidence of it in practice.

"It's a question for individual companies in terms of risk assessment," said BIMCO's head of safety and security Jakob Larsen.

While stressing that BIMCO had no first-hand knowledge of Bhari's risk assessments, Mr Larsen said: "I think the logic that a company like Bhari, which is obviously facing a pretty significant threat, will be considering is how much of a risk it will be to try and disguise where their ships are.

"We advise that all shipowners should keep AIS on, but they'll have to do their own risk assessment and also factor in that if they don't have AIS switched on that also means it's more difficult for friendly warships in the area to identify them and that could be a disadvantage."

Under the Safety of Life at Sea Convention, the AIS can be switched off only if its use compromises the safety or security of the ship and crew. This was frequently done in pirate-infested waters off Somalia and the Gulf of Aden some eight years ago, when hijackings of vessels and crew were commonplace.

Naval missions currently patrolling the Strait of Hormuz have emphasised in communiqués to shipowners and operators that ships must not only report their intention to transit some 72 hours in advance, but also leave their AIS on.

ANALYSIS

Port congestion risk rises as US LNG exports ramp up

LIQUEFIED natural gas projects coming on stream in the US Gulf of Mexico is heightening the risk of traffic congestion at key waterways.

Gordon Shearer, senior advisor at Poten & Partners, first flagged up these risks just over a year after the US first began exporting LNG. "A lot of waterways in the Gulf aren't ready for prime time … everything is going into a very concentrated strip of coastline," he said back in June 2017.

But after a number of delays, many export projects are now finally operational, particularly in and around Port Arthur and the Calcasieu River or Lake Charles waterway. These are two areas not seen as well-placed to handle dramatic surges in vessel traffic, especially during times of inclement weather.

Mr Shearer estimated that just three export projects around Port Arthur and the Sabine-Neches waterway would call for 1,000 LNG carriers to be deployed annually.

The Calcasieu River or Lake Charles waterway may see more than 2,000 shipments annually if all proposed terminals currently on the table are built.

Drewry Maritime Research's estimates come in a tad lower — LNG shipping demand is bound to increase in the Sabine Pass approach and Lake Charles areas, which are expected to add 68 vessel loadings each month or 800 more vessel loadings annually, senior analyst Aman Sud said.

These estimates are based on Drewry's projection of some 84m tonnes per annum of liquefaction capacity — most of which still under construction — coming online in the next five years.

The US exported just 57 LNG cargoes in 2016.

Mr Shearer, who was previously chief executive of Hess LNG, noted that between the two areas, Port Arthur and its nearby Sabine-Neches waterway would face "the most pressure from LNG transits over the next five years", given that its projects are advancing faster.

Cheniere Energy's Sabine Pass — the first LNG export project in the US — is expected to bring its sixth train online following the start-up of its fifth earlier this year.

The Sabine Pass project, which features multiple trains, each with about 4.5m tonnes in annual capacity, has already emerged as the top LNG export terminal in the US, having shipped 284 cargoes during the first 10 months of 2019, official data shows.

ExxonMobil and Qatar Petroleum have started construction on the 16m tonne per annum ‘Golden Pass’ project in the same vicinity.

Commercial operations at Golden Pass are now slated to start up in 2025, a year later than the project partners originally proposed.

The 36-mile Calcasieu Ship Channel, home to Port Charles of the Lousiana state, hosts at least eight other projects that are either operating, under construction or being planned.

Sempra Energy’s three-train, 14.95m tonnes per annum Cameron LNG plant, which began commercial operations last year, is ramping up capacity to the north of this waterway.

Construction also began last year on Venture Global’s 10m tonnes per annum Calcasieu LNG export project at the southern tip of the Calcasieu ship channel.

This body of water would see more significant vessel traffic when all projects in the pipeline enter operation.

Cyclones present ‘major’ supply threat

LNG tankers were seen waiting up to 24 hours at the port entrance and had to travel in small one-way convoys along this channel, Poten & Partners pointed out in its 2017 report.

Over the Sabine-Neches waterway, an expansion project is now under way to deepen the channel to make way for larger vessels calling in the area.

Still, analysts raised concerns over weather disruptions, which can still choke up these waterways and hold back shipments from the US.

“Being prone to cyclones, the region can present a major supply threat in the coming years,” Mr Sud said.

Mr Shearer warned of congestion during the fogging seasons, which run from October to April, and overlap with the winter gas demand uptick each year.

“Fogs can still cause traffic to be halted [even after the waterways have been expanded] — there simply is too much risk to allow ships to enter the same channel where tankers and smaller boats may cross paths,” he explained.

Mr Sud argued, however, that new supplies also entering the market from upcoming projects in Africa, the Middle East and Russia may well be more than adequate to make up for any supply disruption in the US.

Therefore, he does not presently see the US as a major swing factor for LNG shipping rates in the spot market in the near future.

OPINION

Digitalisation and globalisation pose problems for competition authorities

IN A speech at the Chillin’ Competition Conference in December, European Union commissioner for competition Margrethe Vestager acknowledged that globalisation and digitalisation “have caused an earthquake on our markets”, *writes August Braakman*.

She added that this earthquake causes the commission to revisit the definition of the relevant market as laid down in the 1997 Notice on Market Definition.

The commission proposes to prolong the consortia block exemption regulation in its current version until April 25, 2024. The definition of the relevant market is the applicability criterion. On the basis of this definition it must be decided whether the combined market share of the consortium members is less than 30% in the market in which the consortium operates.

All major lines have shifted their focus to containerised liner shipping end-to-end services. These services are embedded in a contract between the line and its customer. Inevitably, end-to-end services require other actors being engaged in the implementation of individual stages in these services, like other lines, ports, terminals, customs authorities, shipping lines, third-party logistics, inland transport companies and shippers.

One stage cannot be severed without seriously affecting the implementation of other stages, while linkage can only be achieved by digitalisation.

In order to achieve a perfect fit, all actors should use the same technology standards, while business intelligence and analytics systems should be semantically interoperable with the computer programmes used. This implies that, taken altogether, these stages constitute an indissoluble entity.

It would therefore seem safe to say that, from a competition point of view, all actors to be engaged in the implementation of individual stages of a contract on end-to-end services, whether lines or not, should be considered as consortium members.

Distortions of competition that fall within the cartel prohibition of Article 101(1) TFEU and are not exempted by virtue of the consortia BER or otherwise, are null and void. The indissoluble link between all consortium members implies that a distortion of competition that does not qualify for exemption of the cartel prohibition and occurs in only one stage of the end-to-end services may invalidate the agreements underlying all the other stages.

Anyone is entitled to invoke this invalidity. Moreover, it is absolute in nature and unlimited in time, catching all the past and future effects of the services concerned. In the occurring event, all consortium members will be exposed to huge fines and possibly even higher costs incurred for private actions.

To each and every consortium member, self-assessment is a must, even more so since it is required in the case of allegation of infringement of the cartel prohibition.

It should be made in light of the current state of the case law of the European Courts of Justice and guidance from the commission. Each case must be assessed after its own facts.

It will presumably take at least two years from April 25, 2020 for the commission to provide conclusive guidance on the effects that globalisation and digitalisation are likely to have on the definition of the relevant market.

Neither are there any cases at present pending before the European Courts that might provide the redemptive message at an earlier stage. As a result, at least during that two-year period, consortium members themselves should provide this definition in their self-assessments. This is a very tall order indeed, considering the following, non-exhaustive problems they are likely to encounter.

Globalisation

According to current case law and other sources of EU guidance, the relevant market in which to assess a given competition issue is established by the product and geographic markets combined. The relevant product market comprises all products and/or services regarded by consumers as interchangeable or substitutable by virtue of their characteristics, prices and intended use.

The definition of the relevant geographic market is based on the definition of the relevant product market. The determining factor for assessment of the relevant geographic market is the customer's situation and the transport and distribution possibilities offered by individual lines.

The European Courts held that the relevant geographic market consists of the area in which containerised liner shipping services are marketed. With regard to deepsea trades, the Courts held that the EU-end of the catchment areas consists of a range of ports in northern Europe and the Mediterranean and that this definition of the relevant geographic market is commensurate with the scope of an inland tariff.

The General Court held that the distinction between a relevant market for maritime and for inland services leads to the application of a different legal regime for assessment of anti-competitive behaviour in each of these geographic areas.

This case law relates to maritime transport and distribution services in deepsea trades. However, digitalisation has extended the scope of these services to end-to-end services.

The EU-end of the catchment areas of end-to-end services is not a range of ports either in Northern Europe or the Mediterranean, but the inland terminal where the containers in question are loaded or unloaded. Thus, in defining the relevant geographic market that would apply to a specific case, consortium members should start from the assumption that there are no distinct legal regimes for maritime and inland transport and distribution services and that varying scopes of tariff for each type of services are not commensurate with EU antitrust law.

As case law and guidance is lacking, in defining the relevant geographic market consortium members will be abandoned to their fate for a period of at least two years.

Most containerised liner shipping end-to-end services have a global reach. This implies that other jurisdictions may be applicable. In 2017 the European Court of Justice confirmed that EU antitrust law catches agreements or practices that make it possible to foresee to a sufficient degree of probability future developments that may have a substantial effect, direct or indirect, actual or potential, on the pattern of trade between member states, thus forming a sufficient basis for each participating undertaking to concert its market conduct.

Global end-to-end services meet these criteria, particularly — though not necessarily — if they relate to an EU location to or from which containers are loaded or unloaded. As a result, consortium members cannot rely on the explicit or tacit allowance of distortions of competition by local jurisdictions while conducting their self-assessments. The determining factor is whether or not these distortions are allowed under EU antitrust law. There is a lack of proper guidance in this area as well.

Digitalisation

The question now focuses on the nature of the effect that the predominant impact of digitalisation has on the concept of establishing the relevant market on the basis of the product and geographic markets combined and, more particularly, on the calculation of the 30% threshold being the applicability criterion for the consortia BER.

The variety, volume and velocity of Big Data — the so-called three Vs — and consequently business intelligence and analytics systems, are extremely volatile and subject to rapid change. Change like this may well affect demand and supply in the market of containerised liner shipping end-to-end services. Therefore, the relevant market must also be defined in light of the three Vs in their then current capacities time and again.

As a consequence, not only the product and geographic dimensions, but also the temporal dimension should be considered as an independent dimension when defining the relevant market as such. This is another area that demonstrates a lack of proper guidance.

The source code is surely one of the most closely guarded trade secrets. Lines protect their source codes by intellectual property rights wherever possible. Other means for protection are (i) the use of non-English-based programming languages; (ii) encryption of the source code and (iii) the use of largely inaccessible jurisdictions.

Although consortium members have no access to source codes and consequently cannot see or modify them, they do have access to object codes. The computer language of the object code must be translated back into human language. As a rule, lines partition object codes by using so-called views that enable a line to only make that part of the object code human-readable that is required to enable a consortium member to implement its stage of the services. As a result, this “need-to-know” data is both individual and highly confidential.

The source code is the essential determining factor when assessing competition issues. Object code translations that are not based on the underlying source codes are tantamount to mere explanation of the meaning of the computer language of the object code. Either intentionally or negligently, such explanation will blur the competition issues emanating from the source code. Combined with the fact that a consortium member only has access to the translation of the object code that relates to its stage of the end-to-end services, this will create a serious obstacle to a fair and reliable self-assessment and definition of the relevant market to all consortium members involved in end-to-end services. I end up saying that proper guidance is lacking here as well.

The lack of guidance on the anti-competitive effects of globalisation and digitalisation on the relevant market of end-to-end services precludes a reliable definition of that market. A prolongation of the consortia BER in its current version renders competition issues emanating from these phenomena unpredictable.

Consortium members that implement a stage of the end-to-end services need to be aware of these issues and the risks they entail. Small errors breed great mischief.

While conducting their self-assessment they would therefore be well advised to hedge and control the risk of such errors. The key to this is to be found in transparent communication at all levels. A first, and in my opinion crucial step forward towards legal certainty would be the confirmation by the commission that disclosure by lines of the entire source code is a necessary evil, enabling all consortium members involved in the implementation of end-to-end services to monitor adherence to the EU antitrust rules on the basis of proper and reliable self-assessment.

The principles of antitrust law must take precedence over the fruits of digitalisation acquired and paid for by lines, even if the nature of these fruits is highly confidential and, as the case may be, protected by IP rights.

August J Braakman (www.braakmanadvocaat.nl) is an advocate practising in the Netherlands. He specialises in Dutch and European antitrust law, with a focus on European maritime antitrust law.

IACS chairman Arun Sharma joins Qatar Summit speakers

CLASSIFICATION leaders from IR Class/IACS and Bureau Veritas have joined the influential speakers who will address the Qatar Maritime and Logistics Summit in Doha on February 18.

Arun Sharma, who stepped up to the position of chairman of the International Association of Classification Societies, served for 15 years with Indian owners Shipping Corporation of India and Great Eastern Shipping before joining IR Class.

His expertise in the chartering, technical, and marketing teams gave him a good insight into the broad range of issues covered by classification. As chairman of the class societies' association, Mr Sharma is aware of the list of tasks to be achieved.

"We need to make sure our quality keeps improving at IACS step by step," he said. This will involve an International Quality Assessment Review Body, good progress on emissions control and a data-driven policy, and an increased level of communication with IMO. Mr Sharma will outline the IACS strategy at the Doha Summit.

Pascal Poilliot, regional chief executive for the Middle East Marine and Offshore at Bureau Veritas, joined the French class society in 1988, and served as a surveyor, then as a manager in France, Greece, China, the Philippines, the Mediterranean and the Gulf region. He will explain the importance of safety throughout the maritime and logistics sectors, and how to bring safety best practice to every part of the supply chain.

The Qatar Summit will hear a keynote speech from the chief executive of Qatar National Bank on financing sustainable shipping. There will be presentations from Mwani Qatar, the ports authority, QTerminals, and Qatar Free Zones Authority on the evolving transport hubs in the Gulf and further afield, and on how maritime and logistics players can work with ports and terminal operators to create the intelligent supply chain.

Transportation and cargo handling throughout the supply chain must acknowledge the influence of key responsibilities: safety of life, security of assets, and protection of the environment. These will be highlighted by Abdulrahman Al Mannai, chief executive of Qatar shipowner Milaha and Ranjeev Menon, chief executive of Gulf Warehousing Company.

Richard Clayton, chief correspondent at Lloyd's List, will chair the summit and deliver the final presentation on 'Leadership in an ethical, sustainable, and safe environment'.

The Qatar Maritime & Logistics Summit will be held at the Sheraton Grand Doha Resort & Convention Hotel in Doha on Tuesday February 18, with guided tours and a gala dinner on Wednesday February 19, 2020.

For further details and registration, click here.

MARKETS

India's coal sector reform to replace up to 135m tonnes of imports

INDIA's new mining rules to enhance foreign participation in the coal mining sector in efforts to reduce dependence on imports, will have a knock-on impact on dry bulk shipping which has benefitted from increased demand for seaborne coal in the previous year.

Speaking at a cabinet briefing on Wednesday, India's minister for coal and mines Pralhad Joshi discussed state-owned producer Coal India's ambitious production targets as well as the recent move to allow foreign direct investment in the country's coal blocks, a first for the country.

India wants to move away from coal imports and boost domestic production to 1bn tonnes by 2024-2025, Mr Joshi said. It has identified 40 coal blocks for its maiden commercial coal mining auction to be held before March this year.

India imported 235m tonnes of coal in fiscal year ending March 2019, compared with 208m tonnes a year before, of which only 100m tonnes was non-substitutable by domestic production, he noted.

In the April-November period of 2019, India imported about 161.4m tonnes of coal, which was a 4.5% increase as compared with the same period a year ago, Banchero Costa data shows.

The country is the world's second-largest coal importer behind China and plays a pivotal role in the global seaborne market given the surge in coal shipments in recent years as demand for the raw material peaked in China.

"Perhaps encouraging more private investments in the coal industry rather than relying just on the Coal India monopoly could introduce more dynamism in the industry and provide a boost to domestic output," Ralph Leszczynski, the head of research at Banchero Costa, said.

However, in his view, the new rule would only affect seaborne coal imports in the medium term.

IN OTHER NEWS

Chinese leasing majors fund Pacific Gas' VLEC orders

TWO large Chinese leasing houses are behind the $240m orders of two very large ethane carriers placed at Jiangnan Shipyard, part of China State Shipbuilding Corp.

Bocomm Financial Leasing and SPDB Financial Leasing have each placed an order for one of the 98,000 cu m newbuildings, according to a yard release.

The pair are, respectively, a subsidiary of China's Bank of Communications and its smaller domestic rival, Shanghai Pudong Development Bank.

China's Fenghai Shipping seals approval to restructure $1.3bn debts

DEBT-RIDDEN Dongguan Fenghai Shipping, a Chinese chemical and product tanker owner, has received court approval for its restructuring plan.

As of January 9, the total outstanding liabilities involved amounted to Yuan8.8bn ($1.3bn) at the privately run firm based in China's Guangdong province, according to an announcement by the company's bankruptcy administrator.

Lloyd's List Intelligence data shows that Fenghai is the beneficiary owner of 25 vessels aged nine years on average, with a combined carrying capacity of about 300,000 dwt.

China reportedly waives tax on VLSFO exports

CHINA has reportedly issued tax waivers for exports of very low sulphur fuel oil out of the country but may try to limit them to promote domestic consumption.

Reuters reported on Friday that the Chinese government had agreed the tax waiver on very low sulphur fuel oil, which is one of the options shipowners have to choose from when complying with the 0.5% sulphur cap that came into effect on January 1.

China has a Yuan1,218 ($176) per tonne consumption tax and 13% of value-added tax on fuel oil production, according to Reuters.

Exmar enacts corporate changes

EXMAR, a Belgian owner of gas carriers led by chief executive Nicolas Saverys, has announced management changes and a new corporate structure that will result in a simplified business unit set-up.

The company, based in Antwerp, has appointed Francis Mottrie as deputy chief executive, responsible for internal management, it said in a statement. Mr Mottrie headed up Bexco, Exmar's subsidiary producing synthetic ropes for various industrial applications.

He also spent more than 20 years in the maritime industry, working in various senior roles at CMB, Safmarine and AP Moller-Maersk.

Woodside sanctions Sangomar offshore oil project

A JOINT venture led by Woodside Energy has sanctioned Senegal's first offshore oil and gas development and finalised the awards for the production facilities, including the purchase of a floating production, storage and offloading vessel.

This follows on from Woodside's announcement yesterday that Sangomar, the field development pegged at $6bn, has won the regulatory green light to proceed.

The joint venture had last year awarded the FPSO contract to Japanese oilfield services group Modec.

Canada's Teck Resources signs new deal with Ridley Terminals for increased coal throughput from Vancouver

TECK Resources, a Canadian metals and mining company, has announced an expanded commercial agreement with Vancouver-based Ridley Terminals Inc for shipments of steelmaking coal from Teck's British Columbia operations.

The agreement runs from January 2021 to December 2027, and increases current contracted capacity from 3m tonnes a year to 6m tonnes a year, with a further option for Teck to extend up to 9m tonnes a year.

Teck currently has an agreement with Vancouver-based Westshore Terminals, which expires on March 31, 2021. The agreement provides Teck with annual capacity at the terminal of 19m tonnes.

Classified notices follow

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NOTICE INVITING ONLINE E-TENDER

Online tenders are invited from eligible agencies for the Selection of Operator for following Ferry Services projects:

1. Between Okha-Mandvi across Gulf of Kutch.
2. Between Rozi-Old Mundra across Gulf of Kutch.
3. Between Gogha-Hazira across Gulf of Cambay.

Detailed terms & conditions and other related information of above tenders is given in respective Bid Document & will be available at https://nprocure.com & http://gmbports.org

Release of RFP document	16/01/2020
Pre-Bid Conference	27/01/2020 @ 12:00
Last date of online submission of duly filled bid document	29/02/2020 by 18:00
Last date of submission of Tender Fees, Bid Security and other documents in physical form by RPAD/ Speed Post only	29/02/2020 by 18.00
Tentative online bid opening date	02/03/2020 @ 12:00

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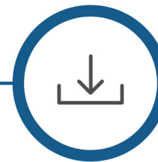

Download the evidence

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

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