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Daily Briefing

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Iran's flag-shopping fleet drags registries into sanctions net

REGISTRIES OF PANAMA, Gabon, Honduras and Belize have re-flagged vessels that have either been sanctioned by the US for shipping Iranian energy commodities or engaged in deceptive shipping practices that suggest they are exporting cargoes from the Islamic republic.

The flag-switching practices of a subterfuge fleet of some 40 tankers and gas carriers places registries and flag administrations at the centre of a second wave of Iranian sanctions enforcement by US authorities.

Marine insurers, flag states and other service providers are now being targeted and expected to police blacklisted Iranian shipping and oil exports, London maritime lawyers told Lloyd's List.

The Panama flag registry has flagged 18 tankers or liquefied petroleum carriers over the past 12 months that were removed from their prior registry for suspected involvement in Iranian crude and gas exports, a Lloyd's List investigation found.

Lloyd's List Intelligence data also show a further two Panamanian-flagged vessels, chemical tankers *Forest* (IMO 928760) and *Fortune* (IMO 9283746) remain with the registry since being sanctioned by the US Treasury's Office of Foreign Assets Control in 2019.

There is no suggestion that the registry has engaged in any illegal activity. Of the 18 ships, at least 10 were de-flagged from the Liberian flag registry during 2019.

"There is nothing inherently wrong with re-flagging a sanctioned vessel unless part of an attempt to conceal the identity and activity of the vessel," said Douglas Maag, a New York-based laywer with Clyde & Co, where he holds the post of senior counsel.

Over the past 14 months, Iran has built up a subterfuge fleet of Iranian-owned or controlled tankers for under-the-radar exports to circumvent punitive US sanctions.

These vessels have engaged in evasive patterns of behaviour, including the re-flagging and renaming of vessels to obfuscate ownership and hamper tracking, as well as the so-called practice of 'going dark' — switching off automatic identification transponders for all or parts of voyages.

About 20 of a subterfuge fleet of 39 vessels (which excludes those flagged in Iran) has changed flags over 2019 to smaller, little-known registries, or to Panama.

These vessels were identified by Lloyd's List over the past 12 months as being involved in subterfuge logistics after investigations revealed them to be conducting ship-to-ship transfers with Iranian cargoes or switching off AIS transponders at areas that suggest loading or transfer of crude, condensate, fuel oil or LPG cargoes from Iran.

The Gabon flag registered four product tankers since November, which appear to be now undertaking activities that the US Maritime Administration labelled as deceptive in a September advisory.

This includes AIS being switched off, and misdisclaring destinations in specific regions. These are the first and only tankers to enter the 114-ship registry. The beneficial owner is unknown according to ship databases.

Panama's director-general of the merchant marine said the flag was not supporting or allowing any activity related to terrorism or illegal behaviour and had stepped up fleet control and monitoring since July.

"From July 2019 when we imposed the vetting process, we have rejected at least 40 vessels connected somehow with sanctions, not only Iran," said Rafael Cigarruista, in an emailed response to Lloyd's List. Vessels can only be de-flagged under Panama's legal framework, he said.

"We are not taking sanctioned vessels," Mr Cigarruista added. However, bareboat charters may also obscure legal and commercial arrangements, with vessels flying a second flag under certain operational conditions, he said.

"In other words, the vessel seems to be de-flagged from others and accepted by us, when in fact the vessel has never left our registry. The Certificate of Ownership and/or mortgages are in our registry still, so by the time one of those flags have de-flagged them, then automatically the Panama flag takes that place."

In the case of Gabon, the four newly flagged tankers (*Nawras* IMO 9167162; *Corsa* IMO 9167148; *Nadezhda* IMO 9254915; and *Mirage* IMO 9081813) were tracked sailing to areas near offshore Iran floating storage loading areas before turning off the AIS for three or more days.

Ajman-based Intershipping Services, which runs the newly formed International Ship Registry of Gabon said its vetting procedures were very stringent and there were multiple checks taken, including monitoring the OFAC sanctions list.

"We are aware and fully committed on compliance of international sanctions on Iran," said technical director Karan Kapoor in an email to Lloyd's List.

The Belize and Honduras registries have been contacted for comment.

WHAT TO WATCH

Russian diluent heads for Venezuela via Gibraltar STS

OIL volumes shipped to Venezuela from Russia using ship-to-ship transfers off Gibraltar soared in the final quarter of 2019, as the Maduro administration imported much-needed diluent from its closest ally to offset sanctions on US supplies.

Nearly 1m tonnes was exported to either Venezuela or Aruba in the three-month period, according to Lloyd's List Intelligence data. That compares with less than 270,000 tonnes in the prior quarter, and negligible volumes in the five years before that.

"The vessels are loading via STS in the Gibraltar harbour and surrounding STS areas, and taking the oil to Aruba or Venezuela where it is discharged via STS," said Lloyd's List Intelligence analyst Selwyn Curtis. "AIS [Automatic Identification System] is often off for long periods of time around Venezuela while they do this covertly."

Sanctions drawn up by Washington prohibit US companies from supplying Venezuela with refined products including diluent — used by national oil company PDVSA to reduce the viscosity of heavy crude oil so it can be transported for export.

Before sanctions were imposed in January 2019, the US was the largest supplier of diluent, typically naphtha, providing some 100,000 barrels per day.

Vessel tracking shows that Russia's state-owned oil company Rosneft has stepped up to supply diluent via multiple STS shipments and voyages in which vessels 'go dark'. These vessels do not transmit AIS signals for all or part of the voyage to obfuscate the origin and destination of imported diluent.

The latest vessels tracked are the handymax product tanker *Meronas* (IMO 9798351), which loaded at the port of Novorossiysk on December 19 and was then seen alongside suezmax tanker *Sea Beauty* (IMO 98006627) on January 3. *Sea Beauty* is now sailing across the Atlantic on a similar trajectory to its last voyage, where it discharged via STS off the coast of Aruba.

Aruba, the surrounding islands of Curacao and Bonaire, as well as waters off Trinidad and Tobago, are all used for subterfuge shipments of crude via STS transfers.

Rosneft charters some 80% of vessels lifting Venezuelan cargoes, according to Caracas Capital, with the Russian oil major now an established intermediary for oil sales.

This trading role is used offset money owed via loans to PDVSA.

The US government imposed harsh sanctions on Venezuela's shipping and oil industry from last January in an attempt to oust the government of Nicolas Maduro and endorse an interim leader. Exports plunged to less than 850,000 bpd in December, and shrank by a third over 2019, Lloyd's List Intelligence data show.

STS transfers of Venezuelan crude exports off the West African coast of Togo, as well as Malta, Malaysia and Gibraltar have been observed over the last 10 months. Imported diluent has been tracked from Russian Baltic and Black Sea ports, often via STS through Malta and Gibraltar, data show.

UK ports expect smooth Brexit, as volumes decline after stockpiling spike

BREXIT is likely to roll out smoothly on the UK waterfront on the last day of this month, although throughput volumes are on a continuing downward trajectory following a stockpiling spike in the last quarter of 2018, according to ports industry sources.

While Britain is formally departing from the European Union on January 31, existing arrangements on customs, excise and value added tax rules and regulations remain in place while the details are hammered out. That should make life easier for port operators in the next few weeks.

The UK government is aiming to complete relevant negotiations by the end of the year. But from a port user perspective, no noticeable changes are anticipated in the short term.

The Withdrawal Agreement Bill underwent its second reading in the House of Lords yesterday. Assuming ratification, as is widely expected, the UK will enter into a transitional period on February 1, with the UK staying within most EU institutions such as the single market and the customs union until 31 December.

After that, UK and EU customs arrangements will presumably diverge, meaning that new border procedures will need to be introduced from 2021.

The status at that time of British trade with Ireland — both the republic and those parts that remain within the UK — is one of the major points that still needs to be agreed.

Tim Morris, chief executive of the UK Major Ports Group, commented: "Although we've been assured that with the passing of the government's Brexit Bill that it's business as usual around the 31 January departure date, what the border arrangements will be for January 1, 2021 are a whole different kettle of fish.

"We're all going to need to work very hard and at pace — government, industry, agencies, intermediaries — to put in place a whole new framework in only 11 months. Some of this, such as moving freight to and from Great Britain and Northern Ireland, is wholly new, and has not even been contemplated in necessary detail yet."

Meanwhile, official statistics from the Department for Transport show that overall throughput at UK ports rose to 122m tonnes in the final quarter of 2018, and then steadily fell to 113m tonnes in the third quarter of 2019, the last trimester for which figures are available. That's a drop of 7%.

The figures are for both imports and exports, and reflect world trade, which was sluggish last year, rather than trade specifically with the EU as such.

Nevertheless, ports professionals say it is legitimate to see them as an indication of stockpiling activity ahead of the originally scheduled Brexit deadline last March, followed by a subsequent tail-off.

Richard Ballantyne, chief executive of the British Ports Association, said: "There has been a Brexit effect. If you go and speak to the ro-ro specialists at Immingham and Dover, they've all seen it.

"Particularly on the Humber, there has been loads of stockpiling in the run-up to the first deadline, and then some stockpiling in the run-up to the end of October."

The ports and logistics sectors now hope that the political turmoil that has accompanied Brexit will calm down, although investment decisions will likely await final agreement with the EU.

A spokeswoman for Dover — by far the biggest gateway for ro-ro trade between Britain and the EU — said that the port is expecting business as usual on January 31.

Dover last week announced plans for an unspecified number of redundancies among its hundreds of employees, although it is unclear whether or not Brexit played any part in the decision.

"Given the prevailing market conditions and the impact on our business, we must take steps to be able to operate as efficiently as possible whilst still delivering our services, maintaining our assets, performing our statutory duties and being in a position where we are able to grow again in the future," it said in a statement.

"Clearly, it would be entirely inappropriate to say anything further before the process has completed and the impacts of what are only proposals at this stage are known."

Mick Cash, general secretary of RMT, which organises both dockers and seafarers at Dover, said that the union will "continue to monitor the situation at Dover Harbour Board very closely for any impacts on our members in the port and on the shortsea ferry fleet."

OPINION

Letter to the Editor: PIL responds to arrest claims

SIR,

I note your story about Pacific International Lines on January 10, 2020 (" Bunker bills a bitter pill for PIL"). I would like to make the following points in the interest of giving your readers a fuller picture of some of the events which your correspondent describes, *writes Pacific International Lines chairman Teo Siong Seng.*

I was surprised by your reference to the threat of our ships being arrested. We have not received any legal demands from any of our suppliers that indicate any initiation of an arrest process. We are in regular dialogue with all our suppliers. They understand the difficult market conditions and that we are committed to paying all suppliers in a timely manner. We are confident that our vendors continue to support us.

It is correct to say that some of our vessels have been delayed recently due to the IMO 2020 low sulphur bunker fuel regulations and we are working closely with our bunker suppliers and other stake holders to resume normal schedules as soon as possible. The delays at the start of this year are now easing and most of the vessels to which your article refers have now sailed and our schedules are returning to normal.

You say PIL's bunker issues "may have been exacerbated" by our decision to invest heavily in scrubbers. We are committed to installing scrubbers on 42 of our larger vessels, which will cover almost half our fuel consumption. It has been widely reported that installation is taking longer than expected at some yards.

But when scrubbers are all installed on our ships by the second quarter of this year, we will benefit greatly due to the wider-than-expected spread between the price of 0.5% sulphur-compliant fuel and high-sulphur fuel oil.

We have taken a strategic position on this and we believe we can benefit significantly once all our scrubber-fitted ships are deployed into service.

You refer to a planned US$ bond issue in 2017 which was suspended. In fact, in July 2017 PIL fully redeemed a S$300m bond and we also launched a S$60m bond in November 2017 which was fully subscribed despite difficult markets. In 2018 we explored the idea of a US$ bond but we held back due to the unfavourable market conditions at the time.

Liner shipping has had a difficult time in the last few years, but PIL has overcome these challenges. We and the other liner companies are now well positioned to benefit from a market upturn. We retain a positive outlook for our business and our industry.

SS Teo
Executive chairman, PIL

ANALYSIS

Box lines 'battle-hardened' for challenging year

THE container shipping sector is now "battle-hardened" and able to cope with another unpredictable and challenging year due to improved capacity management capabilities that they have developed over a number of years, according to industry analyst Drewry.

This year will be yet another challenging one for the container industry in terms of capacity management, but "much like last year, carriers should be able to return solid, if unspectacular results and continue to prepare the ground for a better future," the container shipping specialist said.

It said that the unadjusted orderbook indicates that an extra 1.2m teu will be added to the fleet in 2020, of which 532,000 teu is comprised of 23 ultra large container vessels.

These will go to HMM (soon of The Alliance), CMA CGM (Ocean Alliance) and MSC (2M), according to Drewry.

"The current delivery schedules for the new ULCVs are spread evenly through 2020, which should make their integration a little easier than if they arrived en masse," it said. "What would lighten the load is if some of those scheduled for an end-year delivery were to slip into 2021 delivery slots, which — based on past history — is entirely possible."

Even if some of the big newbuilds don't arrive next year as planned, there will be a significant amount of new capacity entering the market, Drewry noted.

"However, that could have been said in most recent years; and despite the standard early-year fears of a capacity glut that will flood the market and depress rates, the reality is that lines are very adept at switching capacity around and hiding it when necessary," the analyst said.

One such method is void sailings, of which Drewry counted an estimated 253 in the east-west lanes alone during 2019, "a significant increase on the 145 cases in 2018".

But it said a large number of scrubber retrofits will also assist. "As of late December 2019, there were still some 260 units with an aggregated capacity of nearly 2.4m teu pending retrofits; so the idle fleet will continue to remain high for a few more months at least, while reported yard delays will keep ships out of service for longer than expected," the analyst said.

"We don't believe the current delivery schedule is anything that lines will not be able to cope with."

Drewry's global supply-demand index — adjusted for idle fleet — from its recently published Container Forecaster report calls for a "tiny" decrease of 0.4 points to 90.6 in 2020.

"Keeping in mind that any index reading below 100 represents overcapacity, the forecast highlights just how far carriers have to go to compensate for the industry's structural overcapacity and reach a comfortable balance that will promote sustainable freight rate gains," Drewry said.

On the demand side, it expects the market "to continue in much the same manner as it did last year". Drewry went on to note: "Lines will remain price-takers as the supply-demand fundamentals will work against them, although they will be able to remain profitable so long as operating costs are kept in check. It will be a tightrope act and the capacity levers of idling and void sailings will be pulled frequently."

Looking beyond 2020, it said carriers' best hope to reverse this course is "to be much more ruthless on demolitions and to remain restrained when it comes to ordering new tonnage".

"The biggest risk to the latter is a significant government influence within some Asia-based carriers that could force politically driven rather than commercially driven investment decisions."

MARKETS

Dry bulk market fragile as sulphur cap takes its toll

THE crash in dry bulk freight rates since the beginning of the year has been dramatic, but it was nonetheless expected owing to the upcoming Chinese New Year holidays and seasonal weakness.

The seasonal factors that drive down the Baltic Dry Index in early January include southern hemisphere foul weather, a tendency for power companies in China to schedule their buying at year-end ahead of the lunar new year holiday, and owners of dry bulk newbuildings scheduled to be delivered at the end of the fourth quarter waiting until January to launch their ships.

Although the BDI was up two points to reach 774 on Friday, having fallen every single day since December 3 last year, the recovery is just a respite and not a turnaround as the abnormally early start of seasonal weakness is due to the inflationary impact of the International Maritime Organization's sulphur cap rule having a knock-on effect on commodity demand.

The rate crash has left the market breathless, with freight rates across all segments testing new lows, particularly for capesize vessels. A spot average of $4,000 per day is insufficient to cover the daily operating costs of the ships, according to Stifel. About 43 days ago, capesize rates averaged about $26,000 per day.

Specifically, the landing price of 62% fine iron ore in China was about $85 a tonne at the beginning of the year.

As of January 1, those ships not fitted with exhaust gas scrubbers would have had to start buying low sulphur fuel, which is about $300 per tonne more expensive.

"Factoring in average capesize consumption and voyage durations, this translates into an increase in fuel cost of about $4.50 per tonne of iron ore," Stifel estimates. The impact on thermal coal is similar.

Thus, overnight, a producer of iron ore or thermal coal, which is collectively 29% of all dry bulk trade, would have seen a 40% increase in freight costs with no immediate ability to recover those costs through higher commodity prices, it noted.

Stifel analyst Benjamin Nolan suggests that there are only two mechanisms to re-balance the market: reduce the cost of freight or increase the price of the commodity being sold.

Still, "a quick way to accomplish both is to simply do nothing," he said.

"By booking fewer cargoes, the balance of supply and demand for dry bulk ships will quickly swing toward oversupplied, while the inventory levels of the respective commodities will begin to fall, eventually pushing up prices."

Assuming that is in fact the tactic being deployed in the current market, it seems to be working.

Iron ore prices are up about $2.50 since the first of the year and freight rates are down by even more than the inflationary impact on fuel prices.

Mr Nolan acknowledged that the reason why dry bulk ships have been affected, while ships like tankers and containerships do not seem to have been, is that the relative value of the respective cargoes are very different.

"A cargo of crude may be worth $130m and freight is a tiny fraction of cost. A cargo of iron ore is only worth $15m."

Box lines benefit from seasonal demand

CONTAINER lines are benefiting from strong pre-Chinese New Year demand, but a slowdown in February could lead to challenging conditions.

Demand has been boosted as shippers seek to transport volumes ahead of the annual shut down of Chinese manufacturing. This year's Chinese New Year celebrations begin earlier than usual, on January 25, meaning a shorter period for exporters to get goods shipped.

This has led to high utilisation, with Platts reporting 100% load factors on some key head haul voyages. With volumes up, rates have also strengthened over the past few weeks.

The Shanghai Containerised Freight Index spot rate from Shanghai to Europe was up 41% to $1,124 per container on in the first week of January, the highest level since December 2016.

The China Containerised Freight Index, which covers both spot and long-term contractual rates in 10 Chinese ports, has also risen by 10% to 1,096 points in the same period.

"This has left carriers vying to maximise profits while rates remain firm on trade lanes from North Asia," Platts said.

"With vessel utilisation on these key head-hauls at or above 100%, carriers are reluctant to employ void sailings at this point, especially with ever increasing roll pools that will likely have to be pushed into February loadings in some instances."

It added that the number of blankings employed by carriers was lower than previously expected for this time of year.

But the surge in demand on the transpacific had been muted on the transpacific trade lane due to the impact of tariffs.

Recently released figures from Containers Trade Statistics showed a decrease in transpacific demand to 1.5m teu in November, the latest date for which figures are available. This was down 15% on the previous year, while year-to-date volumes by November were down by 2.2% to 17.2m teu.

"Many shippers had front-loaded ahead of these expected tariffs and so the spot demand at this point is lower than previously anticipated in the market," Platts said.

Moreover, carriers have been warned that the demand boost may be short-lived. Platts expects void sailings to increase in February as carriers look to mitigate the fall in rates as a result of a sharp fall in demand following the factory closures.

This will also be a challenge for lines trying to recover the increased cost of bunker fuels following the introduction of new sulphur cap rules this month.

BIMCO noted that the increase in rates that had been attributed to carriers pushing through bunker surcharges was in fact jus the usual seasonal uplift in rates ahead of Chinese New Year.

"These rate increases are because of strong seasonality, rather than carriers successfully implementing new bafs to pass on additional fuel costs linked to IMO 2020," BIMCO said. "In the past five years, the SCFI Europe spot rate has averaged $1,063 per teu in the first week of the year. The spot rate on January 3 is thus only $60 above this five-year average."

This would not be anywhere near enough to offset the cost of IMO 2020 compliance, BIMCO added, particularly given the increase in fuel costs in the past month.

"The new bafs have proven hard to implement due to a lack of transparency in the calculations as well as poor market fundamentals," BIMCO said.

US box imports set to stabilise after tariff surges

CONTAINER import volumes shipped through major US ports are expected to return to their usual seasonal patterns after a year of volatility driven by the uncertainty of Washington's trade war with China, according to a Global Port Tracker report.

President Donald Trump is scheduled to sign a 'Phase One' partial trade deal with China this week.

In announcing the deal, the US administration said it would lower tariffs that took effect in September and cancelled another round that was set to take effect on December 15, although others remain in effect, said the report, which was released by the National Retail Federation (NRF) and industry consultant Hackett Associates.

"We'll be more confident after we see the 'Phase One' agreement signed, but right now 2020 looks like it should be back to what used to be normal," said Jonathan Gold, the federation's vice-president for supply chain and customs policy.

"We've been through a cycle of imports surging ahead of expected tariff increases — some of which got delayed, reduced or cancelled — and falling off again afterward. That's not good for retailers trying to manage their inventory levels or trying to make long-term business plans. And tariffs are never good for consumers, businesses or the economy."

Citing recent government data on declines in industrial production and increases in inventory-to-sales ratios, Hackett Associates' founder Ben Hackett said: "It is not surprising that even the Federal Reserve suggests that the impact of the trade war has a negative impact on the US economy. This combination of reduced output counterbalanced by increased inventory underlies the uncertainties of the tariff wars."

US ports covered by Global Port Tracker handled 1.67m teu in November, the latest month for which after-the-fact numbers are available.

That was down 11.2% from October and down 7.5% year on year. With on-again, off-again progress on trade negotiations reported throughout the autumn and other factors affecting shipping, an expected surge ahead of the cancelled December tariff increase did not materialise.

December was estimated at 1.7m teu, down 13.4% from unusually high numbers seen in December 2018, when retailers had frontloaded imports ahead of a scheduled January 2019 tariff increase that was ultimately postponed.

While numbers for the full year are not yet final, estimates indicate that 2019 came in at 21.6m teu, a 0.9% decrease from 2018 but still the second-highest year on record, NRF and Hackett said. Imports during 2018 hit a record 21.8m teu, partly due to frontloading ahead of anticipated 2019 tariffs.

January is forecast at 1.8m teu, down 5% from January 2019. February is forecast to be down 4.9%, year over year, at 1.54m teu but March is expected to be up 5.2% at 1.7m teu, with both swings tied to fluctuations in the lunar new year calendar and related factory shutdowns in Asia, NRF and Hackett explained.

April is forecast at 1.78m teu, up 2.1%, year on year, and May is forecast at 1.87m teu as summer merchandise arrives, up 1% year on year.

Global Port Tracker covers the US ports of Los Angeles/Long Beach, Oakland, Seattle and Tacoma on the west coast; New York/New Jersey, Port of Virginia, Charleston, Savannah, Port Everglades, Miami and Jacksonville on the east coast, and Houston on the US Gulf coast.

IN OTHER NEWS

ADNOC seals LPG and naptha supply deals with Indonesia

ABU Dhabi National Oil Company has sealed deals with Indonesia's national oil company Pertamina and Chandra Asri for the supply of liquefied petroleum gas and naptha respectively.

In addition to a sales agreement to supply 528,000 tonnes of LPG by the end of 2020, ADNOC also signed a memorandum of understanding to explore potential development of a crude to petrochemicals complex in Balongan, Indonesia with Pertamina.

The deal follows on from a broader economic co-operation agreement signed during the visit of the United Arab Emirates' Prince Syekh Mohammed bin Zayed Al Nahyan to Indonesia in July 2019. During the same visit UAE investment agency Mubadala also committed to partner Chandra Asri to build a petrochemical plant in Java.

Indonesia clean energy programme propels Humpuss fleet expansion

INDONESIA's decision to cut its dependency on oil imports is feeding the fleet expansion plan of the country's leading shipping firm.

Jakarta-listed Humpuss Intermoda Transportasi's president director Theo Lekatompessy has said that the shipping line has set aside somewhere between $70m and $90m to acquire and build vessels, the bulk of which will go towards fulfilling imminent contracts for shipping methanol and a liquefied natural gas-to-power project in Indonesia.

Pak Theo, as Mr Theo is commonly known in Indonesia, told Lloyd's List that the firm is negotiating five-year charters from a sister unit of the parent group for two chemical tankers.

Maersk looks to greater digitalisation to boost Indian trade

THE port congestion and vessel delay problem in India has been mostly solved but the next priority is to increase digitalisation to boost trade velocity, Maersk South Asia managing director Steve Felder said in a media interview.

He noted that through India's Sagarmala national maritime development plan as well as generally, port capacity has been increased significantly.

"The biggest issue in India was infrastructure or lack of port infrastructure," he told Indian financial media website Livemint.

Moves to reduce tensions along Middle East shipping lanes

US Secretary of State Mike Pompeo expressed outrage via Twitter on Sunday after a volley of rockets slammed into an Iraqi airbase north of Baghdad where US forces have been based. The attack came as world and regional leaders attempted to reduce tensions along shipping lanes in the Middle East Gulf.

"Considering the importance of regional security — especially in the waterways in the Persian Gulf, the Strait of Hormuz and the Sea of Oman — we decided to have more talks and co-operation for the security of the whole region," said Iran's president Hassan Rouhani.

Mr Rouhani's remarks came after a meeting with Qatar's Emir Sheikh Tamim bin Hamad Al Thani, who said the "only solution" to rising tensions in the Middle East between Iran and the US "is de-escalation from everyone and dialogue".

Qingdao reorganises port management

QINGDAO Port International has embarked on a management reshuffle amid a broader restructuring in the sector initiated by the provincial government.

The Shanghai- and Hong Kong-listed firm, the main operator of China's Qingdao port, has seen the resignations of its vice-chairman Jiang Guangjun and president Zhang Jiangnan, according to an exchange filing.

In addition, two of its vice-presidents, Su Jianguang and Jiang Chunfeng, have stepped down. Ms Jiang was also the chief financial officer of the company.

Shippers call for new criteria to assess consortia rules

THE Global Shippers' Forum has called on the European Commission to change the criteria it uses to assess the effectiveness of the Consortia Block Exemption Regulation as the commission prepares to extend the regulation for another four years.

The block exemption rule, which protects carrier vessel sharing arrangements, was due to expire in April 2020. The commission has made a decision in principle to extend it but has called for additional submissions ahead of its final decision.

In its response, the GSF called for the use of different evaluation criteria to those used by the commission in its review. It claims the commission's chosen criteria did not adequately assess the evidence provided by shippers of poor service levels and other shortcomings.

Tax rebate to make China a self-sufficient nation for low-sulphur fuel

CHINA'S very low sulphur fuel oil production set to enjoy a tax rebate will priories supply at domestic ports and have limited impact on foreign bunker hubs such as Singapore, according to industry experts.

Media reports last Friday suggested that the long-awaited tax waiver had been approved by Beijing, although details of the policy, such as production quota and designated refineries, had yet to be finalised.

Sources from two of China's major oil companies have confirmed the news to Lloyd's List. One executive expected the policy to take effect in February at the soonest with the implementation of the 2020 sulphur cap formally kicked off in the beginning of this month.

BIMCO appoints David Loosley its new chief executive

BIMCO, the Copenhagen-based shipping association, has appointed David Loosley as its new chief executive and secretary-general.

Mr Loosley joins after eight years heading the Institute of Maritime Engineering Science & Technology, a marine membership body.

"We are delighted to have found a successor who can continue to build on the excellent work carried out by Angus Frew in positioning BIMCO as the world's largest international shipping association," said BIMCO president Sadan Kaptanoglu.

Classified notices follow