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Sanctioned Iranian fuel oil shipping from Iraq

A SPIKE IN fuel oil exports from Iraq's Khor al-Zubair export terminals accompanied by subterfuge shipping practices used by tankers which load there reveals hidden flows of Iranian oil cargoes being shipped to the bunkering centre off Fujairah and to floating storage off Malaysia.

Some 2.1m tonnes of dirty cargoes loaded from the offshore port limit of the Iraqi port in January, Lloyd's List Intelligence data shows, compared with 1.3m tonnes in the same period a year earlier.

Overall loadings tracked at the OPL region in 2019 totalled 23.8m tonnes, more than double the 11.4m tonnes tracked in 2018, before the US imposed sanctions on Iran's oil and shipping industries.

The OPL volumes tracked by Lloyd's List Intelligence do not separate between crude and fuel oil loadings. But the port is from where most of Iraq's fuel oil is shipped, with volumes much greater than official data reported to the Joint Organisations Data Initiative.

Along with rising exports, there are increased numbers of tankers seen "going dark" — switching off their Automatic Identification System — while in the OPL area, suggesting ship-to-ship transfers are undertaken in this way to disguise the identity of the other ship and the cargo origin.

Some, but not all of the tankers that engage in this practice are tracked discharging off Fujairah.

This includes a network of four tankers identified using Lloyd's List Intelligence data, now undertaking a range of deceptive shipping practices associated with sanctions-busting activities.

These include two very large crude carriers, the Panama-flagged, 2000-built *Duras* (IMO number 9203265) and the 2000-built *Duna* (IMO 9203253), which have recently been sold to unknown owners within the past six months, both of which are linked to shell companies in Belize and share the same ISM manager in India. The shipmanager has no details except for a Gmail account.

Both VLCCs have sailed to offshore Malaysia — a known floating storage hub for Iranian crude and ship-to-ship transfers — via non-traditional shipping routes, often avoiding the Malacca Strait.

These and other tankers around Khor al-Zubair are seen switching off AIS around Iraq, after sailing through the Strait of Hormuz or while engaging in STS activities.

Four tankers managed by Dubai shelf company Seapro Technical Service and owned by British Virgin Islands shelf company Nautical Wonder are also identified shipping regularly from Khor al-Zubair to Fujairah and conducting STS transfers in the OPL area without AIS.

The St Kitts & Nevis-flagged aframax tanker *Phoenix 1* has twice been in the area in December and January, has gaps in its AIS and loaded while it was dark, vessel-tracking data shows. The shipmanager is based in India as well.

Similar shelf company practices with Indian shipmanagement were seen with the Iranian-controlled VLCC *Grace 1*, which was seized off Gibraltar and held for six weeks for shipping crude to a Syrian refinery in breach of EU sanctions.

Other practices used to ship sanctioned Iranian crude, condensate and fuel oil include false bills of lading showing Iraq as the cargo origin.

WHAT TO WATCH

Shipping struggles with exposure to coronavirus

THE impact of coronavirus is rippling through the shipping industry chain, *writes Cichen Shen*.

Container shippers have witnessed record high blank sailings by carriers amid a plummeting of Chinese exports.

Meanwhile, scores of boxes are still stuck at several major ports in China, with the lack of truck drivers who are being blocked from their duty by strict quarantine rules enforced by the government.

Ports are working hard to find solutions. Some have garnered policy support to relax the travel restrictions on drivers; some are allowing shipside operations for traders to pick up or load their cargo so that they can skip the overcrowded storage yard.

But the stalled factory output and disrupted supply chain cannot be fixed in a short time. That's why Maersk chief executive Søren Skou admitted that "we will have very weak exports in February and March".

With China, the world's second-largest economy, reeling from the virus onslaught, its imports are not faring any better.

The dry bulker and tanker markets have also taken a sharp knock from China's dulled appetite for commodities such as crude oil, liquefied natural gas, iron ore and coals.

A recent survey showed that Chinese refinery runs in February are 4m barrels per day lower than January, implying the loss of 120m barrels of oil demand, or 320,000 barrels per day over the year.

The muted shipping movement has also been reflected in increased fuel oil inventories in Singapore, which last week jumped to their highest in more than nine months.

That said, demand for high-sulphur bunkers might see a short-term surge if Beijing accepts domestic shipowners' request for a temporary reprieve in Chinese waters from the International Maritime Organization's sulphur cap.

That would be good news for shipping companies that have suffered great damage from the disease or have failed to put scrubbers on board on time due to postponed shipyard schedules. But the halt of the sulphur mandate at the same time will pose a big challenge to China's international image and perhaps more importantly, to the IMO's authority.

Nevertheless, Chinese shipyards are also victims of the virus. An insufficient workforce, as seen in sectors elsewhere, is putting hundreds of newbuilding and repair projects at risks of delays or even cancellations. Their Act of God claims will be strongly contested by shipowners and their suffering is being once again cited by analysts as a positive sign for a longer-term improvement in shipping fundamentals.

Soon the banking sector behind those shipping and shipbuilding contracts will also feel the pain as lenders start to renege on their payments.

However, like Maersk, many shipping firms hope to have "a strong rebound in April", with the infection numbers falling and production activities rising in China, where the virus originated.

The stock markets had held a similar view, before they crashed earlier this week over news about the extended outbreak in South Korea and Italy.

A recovery will eventually come. But let us hope this battle against the epidemic won't take longer than expected.

Box shipping will face long-lasting effects from coronavirus

THE coronavirus outbreak will continue to have a huge impact on container shipping even after Chinese factories reopen as the supply chain, particularly in Asia, struggles to come back up to speed.

"The coronavirus has a massive impact on global supply chains," BIMCO chief shipping analyst Peter Sand said. "A lot of global container demand originates from the intra-Asia region; it is the biggest container shipping market so this business is working at a high pace to adjust to this abnormal situation."

Between 30% and 60% of normal capacity coming into the market has been cut on the back of the disruptions, Mr Sand said in a webinar.

"This is having a massive impact on container shipping and we can only hope that factory workers are getting back to business now. But we are still lacking truck drivers to bring the containers to the ports and back. Container shipping is naturally affected by the huge number of containers not being shipped out of China."

While demand for dry bulk and tankers was driven from China, for container shipping the demand element came mainly from developed markets in North America and Europe.

"The intra-Asian business is the largest, and more containers are transported here than on any other trade. There is a certain level of demand destruction here, particularly in intra-Asia when people are sitting at home quarantined."

The intra-Asia trade lanes needed to be running optimally before goods could be shipped on to long-haul trades, said Mr Sand.

"We saw the impact from the trade war last year where intra-Asia trade volumes were flat through to December. A jump in volumes in December brought annual growth up to 0.6%, but it will be massively down for this February and moving forward, it will take a long time before the region gets back on its feet again."

This would then have an impact on long-haul deepsea trades, he said.

"Lower intra-Asian trade now equals lower exports from the region in the near future," Mr Sand said. "On the global level, we saw a drop in container shipping demand last year, which grew at just shy of 1%, significantly down from the 3.6% we saw the year before.

"Our estimates for container demand are between 0% and 1% this year. We are expecting a slow recovery simply because it takes time to bring supply chains back on track."

For container carriers, the impact would be felt in continued pressure on rates throughout the year, Mr Sand said.

"January 2020 did provide a window of opportunity for the liner business to demand higher freight rates," he said. "But the costs of transporting a box did not rise enough to cover the extra costs of using low-sulphur fuels. But we have also seen freight rates come down since that spike in January."

While container lines could expect to see a resumption of volumes later in the year if the situation recovers, it was unlikely to lead to a bumper year.

"I'm not sure that they are capable of producing much more than they already are," Mr Sand said. "The indications are that manufacturing is still at only 70% of capacity, but you need all the supply chains up and running; it is not enough to have the workers back at the factories if the goods are not shipped."

FPSOs face exposure to coronavirus delays

FLOATING production, storage and offloading vessels numbering at least 15 units in China are exposed to construction delays amid the coronavirus outbreak.

Those at risk include two destined for BP's Tortue-Ahmeyim oil and gas development and Energean's Karish-Tanin leases.

Lloyd's List understands a red flag has already been raised on the delivery of an FPSO commissioned with Cosco Qidong for the Tortue-Ahmeyim field straddling the maritime waters between Mauritania and Senegal.

Mediterranean-focused Energean separately warned this month of work and the consequent sailaway of a hull for the Karish FPSO being built at Cosco Zhoushan being held back by labour constraints and travel restrictions.

BP declined comment. TechnipFMC, the main contractor for the Tortue FPSO, did not respond to a request for comments.

Yard officials who do not wish to be named said the two projects are "still proceeding as scheduled" and "making progress in a normal way".

The risks on delays to these two projects have generally been linked to operational hurdles surfacing in China following the coronavirus outbreak towards the end of January.

Still, some pointed to other possible factors including changes in owner specifications that can contribute to delays in construction schedules even before the outbreak.

The Karish FPSO was originally scheduled to depart China late last year for Singapore.

That said, the outbreak in China is clearly swinging the odds against these projects progressing according to their original schedules.

Rystad Energy head of oilfield services research Audun Martinsen cited several post-coronavirus challenges in China that can hold back FPSO construction by three to six months. Yards there are operating on fewer work shifts, at least halving the available man hours on ongoing projects. Utiliation rates on equipment manufacturing plants in China have fallen to less than 10%. Travel restrictions to China are likely to hinder end-client inspection and project management.

Mr Martinsen further suggested that these projects can be held back by up to 12 months if the coronavirus outbreak continues to escalate.

Rystad believes that 16 out of 28 FPSOs under construction worldwide are being built in China.

Clarksons Research shows 15 FPSOs are still on order in China, of which nine are supposed to be delivered this and next year.

Wood Mackenzie noted that these projects being built in China are destined for countries including Brazil, Guyana and Mexico as well as the North Sea.

Energean and BP have targeted to bring Karish and Tortue FPSOs online next year.

Japan's floating production specialist Modec has contracted Cosco Shipyard and Dalian Shipbuilding Industry Company for work on at least two FPSOs that are targeting first oil next year. These vessels are to be deployed in Eni-operated field off Mexico and Brazil.

Mr Martinsen said that any delays going past three months would be "hard to mitigate" and this may force projects to postpone starting up production.

Wood Mackenzie's research director, Andrew Harwood suggests that offshore projects — fixed and floating included — with peak production capacity of 1.5m barrels per day and 4bn cu ft per day of gas could be at risk in China.

Ralph Leszczynski, the head of research at brokerage Banchero Costa, noted that industrial activities, including shipbuilding in China, are recovering with the government keen to reboot the country's economy. There is a significant swing in sentiment towards fear in South Korea, where the number of new infections have surged recently.

Project developers have turned to yards in South Korea for turnkey construction of large newbuild

FPSOs. China and Singapore, by comparison, attracted more conversion units.

"The epicentre in South Korea is Daegu in the south-east of the country, dangerously close to Busan and Ulsan where most of the Korean shipyards are," he said. "Therefore, we now have to start worrying about Korean shipyards more than about Chinese ones."

All these factors raise the likelihood of contract deferments for shuttle tankers designated to work alongside any affected FPSOs.

Contracts for oceangoing tankers may suffer collateral damage in the event any delayed start-ups pull back oil and gas exports significantly.

In this respect, analysts have flagged one major coronavirus downside that would hurt the pockets of project developers and eventually shipping demand.

Rystad Energy estimates oil demand alone will fall by as much as 1.1m barrels per day in the first quarter of this year.

Mr Martinsen expects oil and gas companies would be extra "careful of investments" during the first half of the year. This will mainly be impacting flexible budgets in unconventional shale assets and their production volumes going forward.

Mr Harwood said: "The biggest fear... will be the impact of lower oil demand on oil and gas prices — a $10 per barrel drop in the oil price has a $40bn impact on global upstream cash flows per quarter."

ANALYSIS

China port calls show signs of return to normal

THE number of vessels calling at China's leading container hubs at Shanghai and Yangshan indicates the trajectory of the coronavirus impact may be beginning to turn.

Figures from Lloyd's List Intelligence show a sharp increase in the number of container-related vessels from 270 in week seven to 426 in week eight, suggesting the flow of goods from China's ports is resuming again.

The week seven figures were below those seen during the corresponding week in 2019, but the later Chinese New Year last year meant that week seven in 2019 was the lowest point in seasonal cycle, as factories were closed for the holidays.

The week eight figures have seen ship calls return to higher levels than the first week after last year's holidays for the first time this year.

Combined figures for port calls by containerships, general cargo vessels with container capacity, con-ro vessels and container barges at Shanghai and Yangshan are now up 58% on last week and are 12% higher than for the same week last year.

At the same time, however, Lloyd's List Intelligence fleet data shows that the number of idle containerships has soared to new highs since last week, with over 1,040,746 teu, representing 4.6% of the global fleet capacity, unemployed.

This is up from 977,581 teu, or 4.3%, this time last week, and indicates carriers have taken yet more tonnage out of service to meet reduced demand for transport. Delays in fitting scrubbers due to stoppages at Chinese yards have also kept ships out of service.

"China's extended lunar new year holidays and the COVID-19 outbreak have seen demand for cargo space out of China reach a record low during February," Alphaliner noted.

"Over the past three weeks, some 30%-60% of weekly outbound capacity has been withdrawn from the Asia-Europe and transpacific trade, as well as from intra-regional routes."

Alphaliner added that the reopening of factories in China meant that demand was gradually returning, but this cargo volume recovery was expected to take a few weeks.

"Until 'normal' volumes are reached, carriers thus continue to selectively implement blank sailings until the end of March," it said.

Germany maintains its place in shipowning league

GERMANY remains the fifth-largest shipowning nation, with a 4.9% share of the world fleet, down 0.6 percentage points on last year, according to statistics released today by the German shipowners' association.

A total of 2,140 ships aggregating 52.8bn gt were registered to German owners as of the end of 2019, Verband Deutscher Reeder said.

But only 302 of them were Germany-flagged, with Antigua & Barbuda and Liberia the most common open register flagging options. Some 43% of vessels are registered elsewhere in the European Union, with Portugal, Cyprus and Malta leading the way.

VDR president Alfred Hartmann said that while German owners have 184 fewer ships, or 4.7m less in gross tonnage than a year ago, the fleet is still substantially larger than when the global shipping boom began 20 years ago.

Germany is no longer the biggest nation in the container shipping sector, using teu as a yardstick, but the rise of China to the top slot was to be expected in the wake of the downturn after 2009, he added.

"Unfortunately, the earnings situation varies quite substantially and is volatile on top, depending on the industry segment, the shipping areas and partly also even daily events," he said. "Nevertheless, meanwhile most shipping companies at least have a cautiously optimistic outlook for the future."

Despite the decline in the number of vessels, it has been possible to keep the number of crew members subject to mandatory social security cover more or less stable at 8,265 employees.

Vocational training efforts have also been successful, with 420 seagoing apprentices joining in 2019 and 249 signing¬¬¬¬ up onshore, in both cases outstripping the 2018 tally.

German shipowning remains characterised by a large number of small to medium-sized enterprises, with some 80% of German shipping companies operating fewer than ten vessels.

VDR chief executive Ralf Nagel highlighted competition issues, pointing out that German shipping companies compete fiercely with counterparts in the Far East and other EU member states such as Denmark, Belgium and the Netherlands.

"To be able to survive in the prevailing intense global competition, the shipping industry must be able to operate competitively from the location of Germany on an international scale. We're not interested in privileges, but simply in equal opportunities," he said.

With yields still at roughly at the same level as they were 20 years ago, Germany should not impose new taxes on its shipping companies that are not paid elsewhere, as in the case of insurance tax charged on premium payments for marine insurance policies.

"This is particularly fatal because parts of the landscape of German shipping companies are developing into a ship management service industry, away from classic ownership," said Mr Nagel.

The tax relief currently granted in Germany for maritime shipping remains in force, in order to maintain German competitiveness, and further detailed adjustments and extensions should also be provided.

"We recommend that the tonnage tax relief already enacted in Denmark, the Netherlands and Norway should also apply to offshore vessels and activities in Germany," he said.

Addressing environmental issues, Mr Hartmann said that while global seaborne trade has increased by over one-third in the past 10 years, CO2 emissions by maritime shipping have declined 18% over the same period.

"When it comes to climate and environmental protection, shipping is on a more ambitious course than any other global industry. Our plan as an industry segment is to achieve the climate targets laid down by the IMO or even to exceed them if possible."

OPINION

Investing in the next generation of seafarers

THERE has never been a better time to get involved in maritime, *writes Richard Clayton*. And there has never been more support for men and women who seek a career in the broad maritime sector, whether they have years of experience at sea or new tech skills.

However, there are some myths to correct and some obstacles to overcome before skills are fully aligned with demand.

Among the many reasons for this positive outlook is the impact of digital technology, which is gender- and ethnicity-neutral. And, as maritime becomes increasingly driven by data and data analysis, there is every expectation that sustainable shipping and efficient port operations will generate new skills that are open to all the talents.

Meanwhile, educators are providing courses from shipboard operations to leadership ashore that not only meet current requirements, but also anticipate future needs.

That means the traditional career path from ship to shore across much of the shipping business will be challenged by candidates with softer human resource skills and cutting-edge artificial intelligence or virtual reality skills.

With such a range of non-traditional skills suddenly available to the maritime sector, it should no longer be acceptable for recruitment officers to bemoan a lack of competence anywhere in their business.

The emphasis will turn to attracting skilled professionals, giving them the tools to do the job, enabling them to stretch their role and retaining their services through a mixture of salary, motivation, work/life balance and good leadership.

The maritime industry also needs to switch from short-term thinking — which lies behind company executives regarding seafarers as a cost to the business — to a longer perspective in which both sea- and shore-based skills are seen as an investment to be developed for the greater good of the enterprise.

This will not be easy. While many seafarers served their employers loyally for their entire careers, it will be much harder to get IT engineers and HR managers to commit to five years' service, let alone 35 years.

The key to retention is training, so the key to retaining skills and talents both at sea and on shore is to regard training as an investment.

This applies from the Asian shipmanager "striving to create a culture where talents can thrive" to the shipowner who believes "when top talent is fully engaged, not only do they stay with us but they become our best brand ambassadors".

One chief executive comments that "a maritime academy education provides... personal development and leadership training that results in a career of contributions to the profession and the nation". Another says having more women in the labour force means "more dynamism, a better working environment and better opportunities for more nuanced decision-making".

Training itself is in transition. Companies are offering digital learning in a variety of ways, including gaming, apps and bite-sized learning packages to suit students' needs.

Perhaps the biggest myth to be corrected is that it is harder to recruit for the maritime sector than for anywhere else.

According to Henrik Jensen at Danica Crewing Services, crewing reports suggest demand and supply of seafarers is in balance but that hides the real position.

The real problem, he says, is a shortage of competent people — and that is a consequence of failure to invest in training.

"Companies must ensure they have the right people on their ships," Mr Jensen urges, adding: "When I look over the landscape, I think a long-term strategy may have been missing in many cases."

By taking the long view and recognising the value of training, shipping company executives will be creating that culture where talents can thrive. It will sweep away the myth that maritime is an unattractive industry in which to work.

The biggest obstacle to overcome is that maritime is not an attractive option for women. Tradition has it that men go to sea, so men progress to shore jobs.

That attitude is long gone, although only a small percentage of women are fully licensed maritime officers is a reality.

It will take more than a decade before women take the 50% of seafarers that the talent pool offers. Yet momentum is building.

Danish Shipping chief executive Anne Steffensen believes “there has definitely been a transformation in our work towards getting more women into the shipping industry”.

The shift has gone from ‘nice to have’ to ‘need to have’, she says.

“The right talent needs to be groomed now in order to stay competitive and have a strong and growing industry in the future,” she adds.

There is no real reason why maritime should struggle to attract the brightest talent to what is increasingly a data-driven technology business.

The contributions to this special report suggest the future for maritime is positive. However, a longer-term perspective must be taken together with an understanding that training is an investment, not a cost.

MARKETS

No respite for dry bulk sector

THE dry bulk market will virtually see no respite from the steady erosion of freight rates this year as supply growth is forecast to exceed the increase in demand, according to BIMCO.

The fundamental balance is expected to continue to worsen in 2020. This situation offers little support to operators hoping to pass on higher fuels costs that have been caused by the sulphur cap, to shippers, said BIMCO chief shipping analyst Peter Sand.

Before the coronavirus outbreak, BIMCO estimated that demand for dry bulk shipping was set to grow between 1.5% and 2.5% in 2020, compared with only 1.1% growth in 2019. Demand growth is now projected to be at the lower end of the range following the outbreak.

In comparison, BIMCO expects fleet growth of 3.1% for 2020.

Demolitions are expected to rise to 12m dwt this year, up 4.2m dwt from 2019.With expected deliveries of 39.3m dwt, the dry bulk fleet is set to exceed 900m dwt for the first time.

However, Mr Sand argues that higher growth in 2020 is much needed to mitigate the increased costs associated with compliance to the 2020 sulphur cap.

Scrubber-fitted ships’ earnings have remained higher because of the lower cost of high-sulphur fuel, rather than premiums for scrubber-fitted ships.

“What matters is who pays for the fuel,” he said pointing that the steep drop in earnings illustrates that passing on the extra fuel cost has been nearly impossible to implement on voyage charters for now.

Skuld grows book 4.6% and expects to top 100m gt

NORWAY’S Skuld secured a 4.6% net increase in mutual P&I gross tonnage as of last week’s renewal deadline, with the book now standing at 95.3 tonnes, according to a statement from the marine mutual.

Growth was also recorded in the commercial P&I lines, which include charterers, offshore and fixed premium/yachts business.

Chief executive Ståle Hansen said: “With 95.3m gt at renewal and with more committed, we note that we will soon pass the 100m gt mark.”

Skuld announced a combined ratio of 112% last November and warned owners in advance that it would be seeking firmer pricing.

Of the clubs that have declared so far, American Club yesterday said that it had lost 9% of its mutual tonnage, with some owners evidently baulking at premiums up to 10% higher on a per-tonne basis.

West of England P&I Club said that its owned tonnage had increased by 10m gt and now exceeds 100m gt for the first time. Total entered tonnage is expected to exceed 150m gt in 2020.

Last week, Gard declared a gain of 15m tonnes over the past 12 months, with a renewal rate of 99% and a book now standing at 229m gt.

North P&I Club said that total entered tonnage had grown to more than 230m gt, with owned P&I tonnage reaching 160m gt.

IN OTHER NEWS

Genco to sell 10 handies in fleet renewal

GENCO Shipping & Trading, which has been in the process of offloading 15 older ships, says it will also sell 10 handysizes as part of the plan to renew its fleet and exit from the panamax segment.

"In addition to the 15 original vessels designated to be sold under this plan, the company wishes to pursue the sale of 10 handysize vessels that were not already part of the plan and are viewed as non-core vessels within our fleet," Genco said in its fourth quarter of 2019 earnings statement.

"This is consistent with our focus on implementing our barbell approach towards fleet composition primarily weighted towards capesize and ultramax/supramax vessels."

Cheniere upbeat on long-term LNG demand despite cargo cancellations

CHENIERE Energy, the leading US exporter of liquefied natural gas, says it does not expect "significant or prolonged curtailment" of American LNG production even if low global gas prices cause some customers to cancel cargoes.

Two LNG cargoes for April loading from Cheniere's terminals were recently dropped by customers, and the New York-listed company has acknowledged difficulties in securing enough long-term purchase agreements to support new projects, such as the proposed Stage 3 expansion at Corpus Christi.

"I do think the market, because of all the issues — be it the coronavirus, the warm winter — the whole urgency among customers to sign long-term contracts has dropped," chief executive Jack Fusco said during a conference call with investors.

KPI Bridge Oil buys Glencore bunker outfit

BUNKER broker KPI Bridge Oil has acquired Glencore subsidiary OceanConnect Marine for undisclosed consideration, and will rebrand it as KPI OceanConnect once regulatory approval is achieved, according to a statement on its website.

The combined outfit will see the creation of one of the biggest players in the bunker sector, with a 170-strong team operating across 15 locations globally, it added.

KPI OceanConnect will be led by KPI's existing chief executive, Søren Høll, with other executives drawn from both parties.

Flex LNG says short-term outlook is challenging

FLEX LNG, an Oslo-based owner and operator of liquefied natural gas carriers, says the short-term outlook is challenging because of a mild winter in the northern hemisphere combined with the effects of the coronavirus outbreak, which is reducing demand.

"Lower than expected tonne-mile growth due to the muted US-Asia trade and limited arbitrage opportunities has been a challenge for the LNG freight market," Flex LNG said in an earnings release.

"In spite of the lower than expected tonne-mile growth, LNG freight rates performed well in the fourth quarter of 2019, suggesting that recent years fleet growth to a large degree has been absorbed by the market," the company said.

Matson expects a $15m dent from coronavirus impact

US CARRIER Matson has said the coronavirus outbreak could adversely impact its finances by $15m this year, although the damage could be offset by gains from other areas of operation.

"For the full year 2020, we expect improved consolidated financial performance led by the reduction in fleet deployment to nine vessels in our Hawaii trade lane service and the financial benefits from our other infrastructure-related investments," said Matt Cox, the company's chairman and chief executive.

However, he also noted "the negative financial impact" from the virus-led disruption to its China-Long Beach express

service as well as its terminal and logistics business of about $15m in total.

Union calls on new UK maritime minister to boost jobs

MARITIME union Nautilus International has welcomed the UK's new shipping minister with a list of policy demands to boost employment in the sector.

Rochester & Strood MP Kelly Tolhurst was appointed parliamentary under-secretary of state at the Department for Transport on February 13. She replaced Nusrat Ghani, who has moved to the back benches.

In a statement, Nautilus called on Ms Tolhurst to meet the union to discuss its plans to prevent falling local employment and improve maritime safety.

Venture Global wins LNG offtake from EDF

US-BASED developer Venture Global has secured a long-term offtake contract from Electricité de France for the supply of 1m tonnes of liquefied natural gas annually from the Plaquemines export project, which is set to be built in the state of Louisiana.

The contract, which will last 20 years from the commercial start-up of the project, is fixed on a fob basis.

Venture Global had earlier sold 2.5m tonnes per annum of LNG under a 20-year sale and purchase agreement from the same project to the Polish state-controlled oil and gas group PGNiG.

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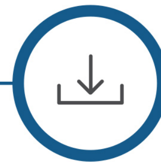

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