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Daily Briefing
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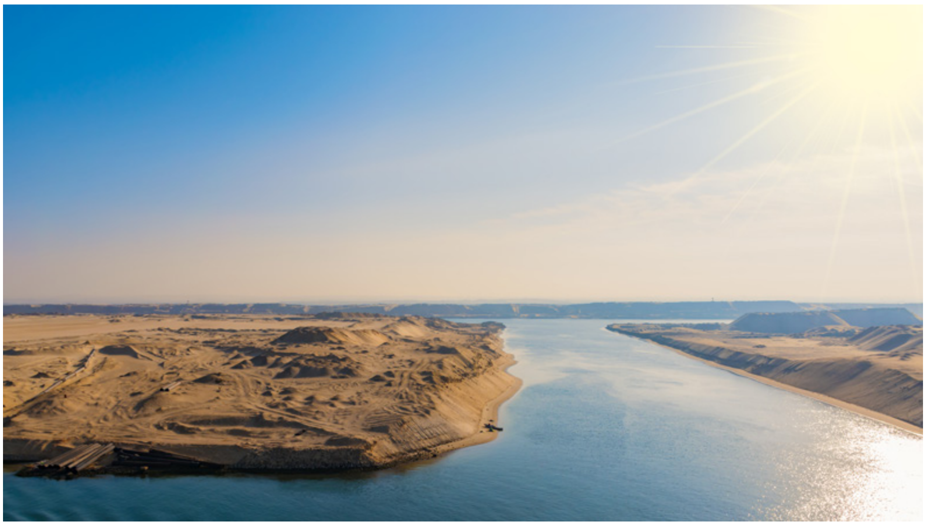
Asia-bound vessels rerouted to avoid Suez Canal



LEADING CONTAINER LINES are bypassing the Suez Canal on return voyages from northern Europe to Asia and routing ships via the Cape of Good Hope.

Maersk and Mediterranean Shipping Co have revised two of their joint services that will now sail round Africa on the backhaul eastbound leg in response to rapidly changing market conditions.

CMA CGM, which belongs to the Ocean Alliance, is another carrier that has diverted some ships via the Cape of Good Hope rather than use the much shorter route, but is no longer doing so.

Hapag-Lloyd said members of The Alliance had switched a US east coast to Asia service that usually transits the Suez Canal to the longer route, which takes an additional week, but is much cheaper.

The Alliance, consisting of Ocean Network Express, Hapag-Lloyd and Yang Ming, is currently evaluating other services.

Confirmation of more detours came as both the Panama Canal and Suez Canal announced cuts in transit tolls.

Nevertheless, bypassing the two waterways is a tactic deployed in the past to help absorb tonnage during a periods of weak market conditions.

With very cheap fuel prices, the much longer voyage is a viable alternative to a Suez Canal transit.

The Asia-Europe corridor, in particular, has the problem of how to manage surplus capacity when most of the ships in service are between

18,000 teu and 24,000 teu, which are not suitable for other trades. Since these are either owned by carriers or on long-term charter, they cannot be returned to their owners.

While they could be temporarily idled, lines would not want to put such expensive assets into long-term lay-up.

Instead, some of these ultra-large containerships will now be seen off the coast of Africa, starting with the 23,000 teu *MSC Febe*.

This vessel, deployed by the 2M lines, is now approaching Tanger Med, but will then head south rather than sail across the Mediterranean and through the Suez Canal.

The ship, which left Felixstowe on April 20, is deployed within Maersk's AE2 loop which MSC brands as its Silk service.

The 13,000 teu *MSC Laurence*, deployed within the AE6/Lion service, left Antwerp on April 10 and is now off the coast of Angola in its new route.

The port coverage remains unchanged, the two carriers said.

"The adjustments are part of our efforts to handle the changing market conditions," Maersk told Lloyd's List.

The extended trip will add another seven days to the round voyage, meaning that an extra ship will be needed in the loop to maintain a weekly schedule.

CMA CGM has also sent some ships round the Cape of Good Hope on an occasional basis, but said on Thursday that no more vessels were scheduled to take that route on the return leg.

Container lines face an unprecedented drop in cargo volumes because of lockdowns in the big consumer markets of North America and Europe.

Only once before in the 60-plus years of containerisation has the industry ever suffered a net drop in volumes, during the 2009 financial crisis, when liftings fell about 10% before rapidly rebounding in 2010.

Forecasts for 2020 and 2021 are being revised almost daily. Clarksons predicted recently that container liftings could be down 5% this year to 188m teu, but admitted the situation was "highly fluid" and that further downgrades were likely.

Others expect the decline to be much steeper, forcing lines to respond however they can.

"Carriers will continue to look for ways to reduce costs," said Olaf Merk, ports and shipping administrator at the International Transport Forum. "In 2015, carriers rerouted traffic after the opening of the new Suez Canal, forcing the canal authority to cut rates by 65%.

"Now, some are again rerouting Asia-Europe services via the Cape of Good Hope to avoid Suez Canal charges, a course of action made viable by very low oil prices."

He said companies have "shifted not only the bankruptcy risk to the public sector, but also climate change risks, health risks from air pollution and financing risks of public infrastructure".

"The rerouting of vessels via the Cape of Good Hope to avoid the Suez Canal provides a good example," he said. "The longer distance means burning more ship fuel and thus increasing both greenhouse gas emissions and local air pollution in coastal regions, while avoiding canal charges reduces the operator's revenues and thus cost coverage of the public investment in the canal."

Panama and Suez offer incentives to keep ships transiting

THE Panama Canal Authority, known as ACP, and the Suez Canal are easing conditions for customers to help mitigate the impact of the coronavirus outbreak.

The ACP will from next week implement temporary changes to the requirements for the placement of booking guarantees and advance payment of reservation fees when the reservation is confirmed. Customers will be allowed to place the guarantee for the payment of the booking slot prior to the vessel initiating transit.

"The Panama Canal has served customers for over a century's worth of ebbs and flows, and so we know the importance of adaptability and partnership during this time," said administrator Ricaurte Vásquez Morales.

"The months ahead will be challenging across our industry, but we aim to help reduce the financial burden for our customers today so we can all stand ready for a brighter future tomorrow."

Separately, the Suez Canal has extended its discount offer for containerships transiting the canal on backhaul voyages.

Ships heading eastbound from the US east coast have received discounts since 2016, but that has now for the first time been extended to voyages from northern European ports destined for terminals east of Port Klang.

Vessels whose voyages start in northwest Europe, as far south as Tangier Med and Algeciras, will be offered a 17% discount on standard Suez Canal tolls.

For voyages originating on the US east coast, boxships coming from Norfolk and ports to the north, destined to Port Klang and eastward, will be granted a rebate of 60%.

Those from ports to the south of Norfolk will receive a 75% discount if heading east of Port Klang, and a 65% discount if destined for ports between Colombo and Port Klang.

The discounts apply from May 1 to June 30, but previous discounts have been extended in the past.

The Panama Canal measures will remain in place for 120 days, ending on September 1.

WHAT TO WATCH

No quick fix for box shipping

THERE are no quick fixes to the crisis in container shipping caused by the coronavirus pandemic and the sector should prepare for an extended downturn, according to BIMCO chief shipping analyst Peter Sand.

"We left 2019 looking at 2020 with mixed feelings. For container shipping, we expected a repeat of what we already had, but the one thing that has ruined every forecast and projection is the pandemic," Mr Sand said in a webinar.

"The World Trade Organisation's optimistic outlook is for world trade falling by 13% and a rebound by 21% in 2021. Its pessimistic scenario is a 32% drop in 2020. It is highly likely we will see at least the 13% fall in trade."

Figures for imports of goods into the US, which reported a 4.8% economic contraction for the first quarter, already showed a collapse in consumer confidence.

"American shoppers are not buying clothes, with retail clothing sales down by 50% since February," said Mr Sand. "Furnishings and motor vehicle parts are also down by a quarter. These are all key containerised goods so when we see no more buying, it will affect the demand from shippers, further impacting the number of loaded containers. The change is likely to be severe and go one way only."

Loaded containers into the US west coast had already seen a significant contraction, falling by 13% in the first quarter compared with last year.

BIMCO expects no V-shaped recovery "nor any other letter in that game", but a slow and gradual return to what will become a "new normal".

"When you look at 2021 growth and see 21%-24% growth, it depends on your base year," Mr Sand said. "We are staring down the abyss and it is going to be a challenge climbing back."

Caution was also needed when looking at manufacturing growth figures, he added.

Figures from the Chinese manufacturing purchasing managers index showed the sector had taken a hit in February, followed by those in Europe and the US, but have since shown a sharp increase, but this was deceptive.

"The V that you see now shows only a stabilisation from the month earlier," Mr Sand said. "A reading of 35 moving to 52 shows we are only now slightly ahead of the lows we saw in February. In order to get back to normal levels, we need multiple months of much higher levels."

While container shipping was "holding up" in terms of freight rates, volumes of containerised exports were likely to remain low.

"Freight rates are being held up artificially, by idling 10% of the fleet," he said. "Idling is across the board and blank sailings are at record highs."

There were no quick fixes to the pandemic situation, he added.

"It is still a moving target that we haven't seen the full extent of. All sectors are likely to see demand contract this year and the overcapacity that we brought into 2020 is only getting bigger."

Dry bulk charterers guard against Hin Leong fallout

RIO Tinto's decision to amend bunker clauses in the light of Hin Leong's financial troubles could result in other dry bulk charterers following suit.

In what has been described as an unusual yet prudent step by the global miner to safeguard against any potential future claims that may arise from the collapse of major Singapore bunker supplier Hin Leong, Rio Tinto has advised brokers to exclude the stricken company from its bunker contracts.

That means shipowners are required not to use fuel from Hin Leong or its bunker unit, Ocean Bunkering Services, in any charter hire contracts.

Rio Tinto declined to comment.

Shipping association BIMCO said its charter party clauses would never oblige an owner not to use a particular named bunker company.

"It is an entirely commercial decision to essentially 'blacklist' fuel from one particular source because of misgivings about the financial stature of a company," the Copenhagen-based group said. "It is up to each individual company to make a risk assessment as part of their due diligence process when concluding a contract."

A Singapore-based industry source who declined to be identified said his company was considering adding additional clauses for potential protection on its voyage charter agreements, although there remained a question over effective enforcement.

His company has been working directly with its bunker suppliers to ensure it is mitigating any potential exposure, he said, adding that most vessels lifting cargo from Western Australia will likely bunker in China, with Singapore as a deviation, so additional clauses may have little applicability.

According to market sources, the precautionary measures taken by Rio Tinto stem from general concerns about widespread issues that were encountered when OW Bunker went under in 2014. Cases were still being tried as of last year.

In January 2019, bunker supplier NuStar lost an appeal in the US to recover its fuel bill.

The chances of competing claims are slim as OBS is a direct supplier to the market, according to Daniel Rose, chief executive of bunker supplier LQM Petroleum Services.

"When OW collapsed, it was the OW estate and physical suppliers that had a competing lien on the bunkers, effectively doubling payments from charterers and owners," he said.

"The Rio clause is probably an over-precaution driven by concerns dating back to when OW went under. But it is not the same thing now because, as far as we know, there is no financial intermediary involved."

With OW, a number of owners were "burned" as vessels ended up being arrested as collateral for non-payment of fuel supplies, said Stephen Simms, principal of Simms Showers, a US-based law firm working internationally with bunker traders and brokers.

"With the appointment of the Hin Leong estate, there will be demands going up soon, and as an owner, you will want to make sure fuel supplies have been paid for as Hin Leong will have also used traders to secure extra supplies," he pointed out, adding that it would be difficult for suppliers to Hin Leong to arrest ships, because they would have sold in bulk to them.

Beth Bradley, partner in the shipping team at Hill Dickinson, said that the step taken by Rio Tinto, if confirmed, was likely to "have been motivated by a desire to avoid potential delays arising out of arrest or attachments by creditors of Hin Leong."

"Whether others will follow remains to be seen, but there it is a relatively elegant move to try and avoid the potential fallout of Hin Leong's present predicament," she said.

ANALYSIS

Sanctions on Chevron exports from Venezuela put tanker operators on alert

TANKER operators are being strongly advised to steer clear of lifting Chevron exports in Venezuela, following the latest twist in Office of Foreign Assets Control sanctions against the government of Nicolas Maduro.

One prominent US shipping law firm is warning clients that while Venezuelan-origin petroleum and petroleum products are not specifically banned as things stand, the indications are that they will soon be an explicit target of US ire.

Meanwhile, the West of England P&I Club has told members to consider avoiding any involvement with Chevron-related cargoes emanating from that country, precisely on account of the mounting sanctions risk.

The development comes after Ofac's decision in March to designate Geneva-based TNK Trading International for allegedly receiving illicit Venezulan oil on behalf of Russia oil major Rosneft.

A small degree of leeway was granted, by way of waivers for consignments in transit. But otherwise the restrictions appear to have been strictly applied.

The development comes following a politically controversial shake-up of the top brass in Venezuela's beleaguered oil industry.

Earlier this week, president Maduro sacked army general Manuel Quevedo as oil minister and appointed former intelligence chief Tareck El-Aissami in his place.

Mr El-Aissami has since 2017 been wanted in the US on drug trafficking charges. He denies the allegation.

Mr Quevedo was also removed from his job as head of state oil company Petroleos de Venezuela, and replaced with Asdrubal Chavez, a cousin Venezuela's late president Hugo Chavez.

Ofac last week issued an amended version of its so-called General Licence 8 rules, allowing named US entities namely Chevron, Halliburton, Schlumberger, Baker Hughes and Weatherford International to undertake certain operations in Venezuela between now and December 1, 2020.

This is seemingly designed specifically to grant Chevron additional time to wind down joint ventures with PdVSA. However, the measures notably fall short of giving the green light to Chevron's right to export oil.

Technically, General Licence 8 only applies to US persons. But given its express exclusion of oil cargoes shipped by Chevron and joint venture partners, non-US shipowners undertaking such trades may find themselves subject to enforcement action by the US authorities, said Freehill Hogan & Mahar.

The firm said in an advisory note: "The changes in the licence are indicative, in our view, of the administration's enhanced focus on Venezuela and international shipping.

"The licence forecasts that Venezuelan-origin petroleum and petroleum products may become a direct focus of the US's sanctions policy. As such, any voyages involving the carriage of such may present sanction risks."

Daniel Pilarski, a partner with Watson Farley & Williams in New York, commented that the new licence supersedes the prior licence, which permitted operations that maintained Chevron's existing operations in Venezuela.

"In general, under the new licence, tanker operators should lift Chevron cargoes in Venezuela only in connection with the wind down of Chevron's operations with PdVSA, and only for operations that were in effect prior to July 26, 2019.

"Chevron is well aware of the requirements of the new licence, and is unlikely to attempt to subvert it, but ultimately it is the responsibility of tanker operators to ensure their own sanctions compliance."

Venezuela's oil output has fallen by two-thirds since 2017. It now produces just 660,000 barrels per day, the lowest figure since the 1940s.

Tankers anchor off California as crude oil demand slackens

OIL tankers are idling off the US west coast as the supply overhang of crude wrought by a price war and the coronavirus pandemic means refineries in the region have no need for further supplies and even less space to store them.

The latest US Energy Information Administration figures show gross inputs at US refineries dropped to their lowest level since 2008 in the week ending April 17.

There are currently some 30 tankers anchored along California's coast — about 20 in the south at San Pedro Bay and nine more to the north in the San Francisco Bay Area. Assuming only 1m barrels per tanker, that adds up to a 30m barrels just riding the waves.

Kip Loutitt, executive director of the Marine Exchange of Southern California, told Lloyd's List that the area has 48 anchorages, of which 28 are currently taken.

The surfeit of tankers off California comes as global oil producers — primarily Russia and Saudi Arabia — have been overproducing and underpricing each other to secure more market share.

This price war has coincided with the onset of the coronavirus outbreak, which has added downwards pressure on oil consumption due to lockdowns.

As motor vehicles were parked and airplanes taken out of service, the consumption of gasoline and jet fuel plummeted — with the result that oil refineries reduced their production of fuels and their need for more supplies of crude oil.

The Energy Information Administration said in its latest report that transportation fuel demand in the US had decreased since mid-March 2020 as a result of reduced economic activity and stay-at-home orders aimed at slowing the spread of coronavirus.

"With low demand and a decrease in profitability, US refineries have reduced gross inputs, which dropped to 12.8m barrels per day for the week ending April 17, 3.8m bpd lower than the previous five-year average and the lowest level since 2008. Gross inputs increased slightly to 13.2m bpd the week of April 24," it said.

The administration tied the reduced refinery runs to the reduced demand for gasoline that began on March 13 when the US national emergency was declared.

"From March 13 to April 24, finished motor gasoline consumption fell by 3.8m bpd,or 40%, to 5.9m bpd, the fourth-lowest level of product supplied recorded since the US Energy Information Administration began tracking these data in 1991."

It said jet fuel product supplied increased during the past two weeks, averaging 800,000 bpd for the week ending April 24, but the four-week average continued to decline, falling 133,000 bpd, or 17%, from April 17 levels to 658,000 bpd for the week of April 24.

As a result of the low refinery runs, there have been "record increases" in US commercial crude oil inventories. From March 13 to April 24, US crude oil inventories rose 16%, up by 73.9m barrels.

"US crude oil inventories are now higher than the previous five-year average for this time of year, but are still within the five-year range," the EIA said.

US crude oil storage is at 61% of working capacity, up from 60% a week earlier. Storage utilisation in the Gulf Coast and Midwest is at 60% and 65%, respectively. Utilisation is at 81% in Cushing, Oklahoma, in the Midwest. On the US west coast, the figure is at 61%.

The figures cited by the EIA regarding reduced demand for transportation fuel and fewer refinery runs also hold for California, according to the California Energy Commission's Weekly Fuels Watch Report of April 29.

Summed up in percentages, California's refinery input is down 32.3% year on year; its production of gasoline is down 36.9%; and jet fuel production is down 66%.

California's refineries are clustered in the San Francisco Bay Area and in Los Angeles. With their reduced output of fuels, those refineries have little need for new supplies of crude oil and little space for more in any case.

It is hardly surprising, given the figures, that loaded oil tankers are being used as floating storage units offshore California. No one knows how long the stay-at-home orders will remain in effect. But as long as they do, the oil tankers are likely to remain at anchor.

And, if the situation worsens, there are still anchorages available, as Capt Loutitt advises.

“We have room for 20 more ships before we would need to go to ‘drift boxes’ offshore,” he says. “For comparison, we had as many as 36 ships at anchor during 2014-2015 congestion, so we have a way to go before we reach even those levels.”

MARKETS

MOL lifted by improved tanker and container earnings

MITSUI OSK Lines has booked a 43% jump in full-year ordinary profit, but is preparing for a poorer months ahead in light of an expected slowdown spilling over from the coronavirus pandemic.

The Japanese shipping group booked a full-year ordinary profit of ¥55bn ($520bn) backed by its container shipping unit returning to profitability and a stronger tanker market, which more than offset a steep decline in contribution from the dry bulk segment.

Full-year revenue fell 6% to ¥1.23trn due to negation of non-consolidated revenue for the container shipping business, which was included in the results for the year-ago period, the group said.

Its energy transport business posted ¥25.4bn of profit for the year ended March 31, up 20.3% from the previous financial year.

This was supported by a surge in crude oil tanker rates during the second half, spurred on by tension in the Middle East and the US sanctions on Chinese shipping companies.

Product tanker rates benefited from demand to transport gasoil, which is used to blend and produce marine fuels complying with the International Maritime Organization’s 0.5% global sulphur cap.

Its product transport business comprising container shipping firm ONE turned black on a profit of ¥4.1bn for full year 2019, reversing from a loss of ¥14.3bn for full year 2018.

Measures were taken to counter falling container shipments, such as introducing flexible reductions of services, the Japanese shipping group has said.

Its dry bulk unit, however, eked out just ¥1.2bn of profit, down from ¥21.9bn for the previous year.

Capesize earnings were hurt by the collapse of a dam leading to a hiatus on mining activities in Brazil. The tough backdrop was exacerbated by the inclement weather at loading ports since the autumn and slowing commodity demand spilling over from coronavirus-led economic disruption.

Dry freight revenues also fell following the expiry of long-term charters fixed during the last upswing.

Taking into account the drastic global economic slowdown we are seeing, MOL has forecast lower profits for its key shipping businesses for the coming financial year.

Dry bulk and container shipping segments are expected to slip into the red, chalking up as high as ¥10bn and ¥24bn in losses respectively.

The energy transport business is projected to fare better, staying in the black albeit with a smaller profit of between ¥12bn and ¥15bn, the group said.

These projections are based on an average exchange rate of ¥105 to $1 and built on the assumptions that 3.5% and 0.5% sulphur fuel oil will on average trade at $268 per tonne and $403 per tonne, respectively.

ONE issues outlook warning after posting full-year profit

OCEAN Network Express has said that its forecasts for the financial year 2020 have not yet been finalised owing to the coronavirus situation changing dynamically and rapidly after posting profits for the financial year 2019.

The global economy is rapidly deteriorating owing to the coronavirus-led slowdown, which is seriously impacting the global supply chain, the Singapore-based carrier noted.

Its earnings statement warned: “Demand is declining in large consumption regions such as Europe, North America, and many other locations, and we have executed considerable scale of void sailings in April.

“Uncertainties are still increasing regarding the situation after May.”

The company — a joint venture set up by Japan’s NYK, MOL and K Line — posted a profit of $105m for the full financial year 2019 ended March 31, compared with a loss of $586m during the same period a year ago.

Revenue reached $11.8bn for the full year, during which the company showed an improvement on volumes lifted on both the transpacific and Asia-Europe trades, which were up 1% and 8.5%.

The carrier said the coronavirus outbreak had impacted liftings more than was forecasted after the lunar new year.

Although extra variable costs were incurred due to stagnated liftings, suppressed fixed costs helped to achieve the results that were not worse than previously forecasted, it added.

Meanwhile, as the coronavirus-led slowdown spreads globally, the company reports that it is seeing occasional instances of berth waiting by quarantine reinforcement or operation delay due to shortage of container yard.

The target of realising 100% of the merger synergy, worth $1.05bn, has been actualised due to expedited decision-making speed and strengthened bargaining power, ONE said.

At the last count, the carrier operated a fleet of 224 containerships, with a total carrying capacity of 1.59m teu.

Earlier, Ocean Network Express chief executive Jeremy Nixon said carriers should brace for “rough seas ahead” and “challenging times” as the coronavirus pandemic takes its toll on containerised freight volumes.

DSV to cut 3,000 staff due to demand slump

DSV Panalpina, the freight forwarding and logistics group, is to cut around 3,000 staff as part of a cost-cutting programme following a drop in demand.

The Danish company is seeking savings of DKr1.4bn ($204m) due to the impact of the coronavirus outbreak.

Staff reductions have already begun in some markets, according to chief executive Jens Bjørn Andersen. Most of the job losses will be from among the company’s 30,000 white-collar staff rather than its 30,000 blue-collar workforce. The announcement came as the company announced first-quarter results below its health crisis expectations.

IN OTHER NEWS

CMA conference moves to October

THIS year’s CMA Shipping conference has been pushed back from the end of June to mid-October, it has been confirmed.

The event will now form the second element of the first North American Shipping Week. The event had already been postponed from its annual date in March.

“The health and safety of attendees is of paramount importance to the CMA and as a safe environment cannot be guaranteed in June the summer edition will not run,” said Joe Gross, president of the Connecticut Maritime Association. “The CMA’s primary goal is to deliver an event which best serves the maritime community.”

Fortescue lifts iron ore shipments guidance

FORTESCUE Metals Group, an Australian miner, has revised upwards its guidance for iron ore shipments for its financial year.

The miner said in a statement that based on a strong operating performance to date, it expected to ship 175m to 177m tonnes in the 12 months to June. That compares with its previous guidance pegged at the upper end of its 170m-175m tonnes range.

In the January to March quarter, the third quarter of its financial year, FMG exported 42.3m tonnes, 10% higher than over the same period a year earlier. It mainly ships to China.

PO Ferries faces union call for nationalisation

THE UK's RMT union has called for P&O Ferries — which is seeking government financial support to keep it operating during the coronavirus crisis — to be taken into public ownership instead.

The ratings union timed the call to coincide with parent company DP World's scheduled £270m ($330m) dividend payment to private shareholders.

The ferry operator is already in receipt of £10m of state support to fund 80% of the wages of some 1,400 seafarers, dockers and other staff through the Coronavirus Job Retention Scheme, the RMT said.

Singapore provides $19m to support maritime industry

THE Maritime and Port Authority of Singapore is to provide financial support to the industry.

It has announced a package worth S$27m ($19.1m) to support maritime companies and individuals in the wake of the global coronavirus outbreak.

The MaritimeSG Together Package, which will be launched on May 1, will include a 30% port dues concession for cargo vessels as well as non-passenger carrying harbourcraft in the Port of Singapore to December 31. That is over and above other existing concession schemes and applies to oceangoing vessels with a port stay of not more than five days.

Kuehne + Nagel eyes 'rebound' in second half

KUEHNE + Nagel, the global freight forwarding and logistics group, expects markets to begin to normalise in the second half of the year.

The improvement will place the group in "a much stronger position" than at the start of the coronavirus outbreak, the duration and severity of which is "totally uncertain, as is its economic impact".

While the company's business in China has started to recover and is back to 90%-95% of normal, trading conditions in Europe and the US remain "heavily impacted" by the pandemic, according to chief executive Detlef Trefzger.

Box line bailouts should come with conditions, says ITF

ANY government bailouts to aid container lines suffering from the coronavirus pandemic should come with conditions to leverage better behaviour from carriers, according to a new report from the International Transport Forum.

With volumes falling and global economic activity at a standstill, carriers' earnings will be hard hit this year, the report said. That would add further to debt burdens, which for the top 14 carriers combined stood at $95bn in 2019.

"This makes it likely that the coming months will see carriers seeking more government aid," the report said. "And governments wary to disrupt supply chains during the current pandemic might, a priori, be willing to bail out container carriers."

Costamare steps up first in unique reporting season

COSTAMARE has reported a strong set of first-quarter results and in doing so underlined some of the ways the shipping industry has been forced to adapt by the coronavirus crisis.

The Greece-based containership owner reported early in the morning in the US, during the European afternoon, in what was a first for those following the company. Since it went public in 2010, Costamare has always released quarterly results after market close in New York, with an earnings call with analysts held the following day.

Chief financial officer Gregory Zikos told Lloyd's List that this had been the original idea for the latest quarter, but demand for online and telephone conferencing has been driven so high with many companies working almost entirely remotely that Costamare struggled to find a reliable provider for its intended Thursday slot.

For classified notices please view the next pages

MORAY EAST OFFSHORE WINDFARM (EAST) LIMITED – THE ENERGY ACT 2004

NOTICE OF APPLICATION FOR SAFETY ZONE SCHEME DURING CONSTRUCTION AND MAJOR MAINTENANCE OF THE MORAY EAST OFFSHORE WIND FARM

THE ELECTRICITY (OFFSHORE GENERATING STATIONS) (SAFETY ZONES) (APPLICATION PROCEDURES AND CONTROL OF ACCESS) REGULATIONS 2007 – STATUTORY INSTRUMENT 2007 no 1948

Notice is hereby given that **Moray East Offshore Windfarm (East) Limited** (Moray East) (Company Number 07101438, Registered Office at **C/O Shepherd and Wedderburn LLP, Condor House, 10 St. Paul's Churchyard, London, EC4M 8AL**) has applied for consent from Marine Scotland as set out in the Energy Act 2004 and the Electricity (Offshore Generating Stations) (Safety Zones) (Application Procedures and Control of Access) Regulations 2007 (SI No 2007/1948) for safety zones for the previously consented Offshore Renewable Energy Installation known as the Moray East Offshore Wind Farm.

Moray East is applying for 'rolling' 500 metre (m) safety zones around each structure (Wind Turbine Generator or Offshore Substation Platform) and/or their foundations whilst construction works are in progress (as indicated by the presence of a construction vessel). It is noted that such safety zones have already been granted as part of a prior application, however Moray East are seeking an amendment to the number of 500m construction safety zones that can be concurrently active. Full details are available in the safety zone application document (download links / access details provided below), noting that no amendments to the other types of safety zones previously applied for and subsequently granted are included within the new application.

The safety zone application is available to download on the Moray East website ([https://www.morayeast.com/current-works/offshore-works]) / published on the Marine Scotland website http://marine.gov.scot/ml/safety-zones-moray-east-offshore-wind-farm-outer-moray-firth. Any person wishing to make representation regarding the application should do so in writing to the **Scottish Ministers, c/o Marine Scotland – Licensing Operations Team, Marine Laboratory, PO Box 101, Victoria Road, Aberdeen, AB11 9DB** or **MS.MarineRenewables@gov.scot** stating the name of the proposal and nature of their representation, not later than 28 days from the date, or latest date of this notice.

Fair Processing Notice

The Scottish Government's Marine Scotland Licensing Operations Team (MS-LOT) determine applications for marine license under the Marine (Scotland) Act 2010, the Marine and Coastal Act 2009 and Section 36 consents under the Electricity Act 1989 (as amended). During the consultation process any person having an interest in the outcome of the application may make a representation to MS-LOT. The representation may contain personal information, for example a name or address. This representation will only be used for the purpose of determining an application and will be stored securely in the Scottish Government's official corporate record. Representations will be shared with the applicant and/or agent acting on the behalf of the applicant, any people or organisations that we consult in relation to the application, the Directorate of Planning and Environmental Appeals should the Scottish Ministers call a PLI and, where necessary, be published online, however personal information will be removed before sharing or publishing.

A full privacy notice can be found at https://www2.gov.scot/Topics/marine/Licensing/marine/PrivacyNotice. If you are unable to access this, or you have any queries or concerns about how your personal information will be handled, contact MS-LOT at **ms.marinerenewables@gov.scot** or **Marine Scotland - Licensing Operations Team, Marine Laboratory, 375 Victoria Road, Aberdeen, AB11 9DB**.