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Ardent to be wound down after ruling out new contracts

ARDENT, THE LEADING Netherlands-based salvor and wreck removal company, is being wound down after it said that it will no longer enter into new contracts.

"All current preparedness and salvage contracts will be fulfilled, but outside of existing relations no more new salvage cases will be handled," the company said in a statement.

Lloyd's List reported last month that Ardent was looking to find a buyer and that, according to one well-placed source, the company faced liquidation.

At that time, Ardent Americas along with its portfolio of OPA 90 engagements with about 500 shipowners was sold to maritime infrastructure and services giant Boskalis, the owner of Smit Salvage.

Outside of that transaction, however, Ardent executives have remained tight-lipped about the company's future.

In its latest announcement, Ardent thanked customers over the five-year life of the company "for their trust" and said that it had sold "certain parts of its business" to other providers.

While no details were given, other than the OPA 90 services that were highlighted as the most "notable" divestment, this is likely to refer to warehouse and equipment sales.

Since its inception in 2015 through the unification of AP Moller-Maersk salvage unit Svitzer and Crowley affiliate Titan Salvage, Ardent completed more than 300 contracts for the marine and offshore industries.

It was active in emergency management of marine casualties, deepsea oil recovery, decommissioning of offshore units, major wreck removals and adjacent specialist fields.

In recent months, it had tried to narrow its focus and concentrate on salvage and wreck removals. Last autumn it was taken over by alternative finance fund Aurelius.

Separately, Ardent Oceania confirmed that last week it successfully concluded one of the group's last remaining operations, a contract with the Australian Maritime Safety Authority to remove 60 containers and debris from waters off the coast of New South Wales.

The pollution resulted from the containership YM Efficiency that lost 81 boxes overboard in heavy weather in June 2018.

The contract was won together with Helix Robotic Solutions and Avcon, which handled the environmental disposal.

Ardent's biggest ongoing contract is a joint Lloyd's Open Form operation with Smit Salvage to salve the very large ore carrier Stellar Banner off Brazil.

WHAT TO WATCH

D'Amico chief eyes sale of older tonnage

D'AMICO International Shipping is looking to sell its older tonnage despite coronavirus lockdowns that are making transactions more challenging.

"There are a lot of potential buyers, but executing a sale is proving difficult," Paolo d'Amico, chief executive of Italian product tanker owner and operator, said.

Part of the problem is getting inspectors on board for pre-sale surveys, plus difficulties in getting the ships delivered to buyers.

The company's dry bulk unit, which is a private entity within the d'Amico Group, and run by Mr d'Amico's cousin, faced that very challenge when it sold a bulker recently but found that delivering the vessel to its new owner was proving challenging, he said.

The company has 45.5 vessels in its fleet. Of that, 23.5 are owned, mainly comprised of medium range tankers for clean product movements, while nine are on bareboat charters, eight are on long-term time-charters, and the rest are on short-term time charters.

It has six vessels that are over 14 years of age, according to the fleet list on its website; one 2006-built handysize, and five medium ranges — four built in 2005 and one built in 2006.

Last month, the company announced the sale of the 2010-built 46,147 dwt MR Glenda Meredith, belonging to its joint venture with commodities trader Glencore. The deal generated cash proceeds of about $18.8m for the joint venture.

The coronavirus has also added complications to vessel operations, the executive said, with crew changes the most concerning.

"Life is not easy," he told Lloyd's List in a phone interview. D'Amico has Italian and Indian seafarers working on its fleet, and while the Italian government is allowing nationals to embark and disembark, there are no flights in or out of India.

The company said it was working with its partners, customers and local authorities to find solutions that minimise the impact on its business.

If a voyage is less than 14 days, some ports around the world insist that vessels wait until the 14-day mark before they are allowed to enter the port, which is actually helping to support freight rates due to longer employment.

D'Amico has a "couple of ships" being used for floating storage, but the chief executive prefers the vessels to be employed on time charters, as floating storage needs will at "some point" disappear.

In the short-to-medium term, the product tanker market is being negatively affected by limited air travel, reducing demand for jet fuel. However, gasoline and diesel demand is likely to pick up once industrial activity resumes to normal levels. People will also be driving more to avoid using public transport.

Mr d'Amico said he was satisfied with the way things were going with the company, which made a profit of $1.5m in the first quarter, but uncertainty clouded the horizon, as rates were currently being fed by demand which “did not really exist”. The key question was how strong that real demand would be once lockdowns were lifted.

“We have a balanced commercial strategy and at the same time we are strengthening our financial structure quarter after quarter, through a precise and well-executed strategy,” he said in the earnings statement last week. “This will allow our company to navigate safely through negative market cycles, while providing attractive returns in market upswings.”

Its banks were still lending support at a time when other lenders were retreating from shipping, Mr d’Amico said. Share prices had dropped across the board as shareholders “took profits out” but some were now recovering.

Scorpio Bulkers says asset values now ‘at the bottom’

SCORPIO Bulkers, a US-listed owner and operator, has said that the state of the current dry bulk market is attracting cash buyers.

“We have seen a lot of unsolicited offers,” the company’s president Robert Bugbee said. “It has been a huge change in the past five weeks. It is a sign when cash buyers look to pick up vessels — that is why we are confident we are seeing the bottom in asset values.”

It sold three bulkers in the first quarter, one of which will be delivered in May. It does not expect any further vessel sales.

The company expects that freight rates will strengthen through the rest of the year and, as a result, has not hedged or time-chartered any of its forward days, said chief executive Emanuele Lauro. It would like to keep its vessels trading in the spot market.

“We are optimistic about the future of our company,” Mr Lauro said in an earnings release.

The company posted a net loss of $124.7m in the first quarter versus a loss of $3.5m in the year-earlier period. It has cut its dividend, while holding cash of $100m.

To improve liquidity, it has sold some shares in Scorpio Tankers for $42.7m, but still holds 2.16m common shares in the company.

It has also deferred the installation of exhaust gas cleaning systems on 13 of its vessels until 2021 at no additional cost. Final payments will be made next year.

It may conclude more sale and leaseback deals following the completion of transactions in the past two months with Ocean Yield.

As part of the transactions, it has agreed to bareboat charter the ultramaxes SBI Cronos for nine years and SBI Achilles for a period of 10 years, while the kamsarmax SBI Lynx will be chartered-in for 12 years. It also has purchase options.

While the company expects an improvement in market conditions, a persistent slowdown in manufacturing could adversely affect global demand for raw materials, coal and other dry bulk cargoes, it said, adding that it may not be able to “profitably charter” its vessels.

However, it said, the safety of its seafarers and shore staff was the top priority during the coronavirus pandemic.

Seafarers kidnapped in Gulf of Guinea attacks

THE reported kidnappings of five seafarers in the Gulf of Guinea at the weekend could bring the total abductions in the region to more than 50 this year.

The spate of captures was from two separate vessels, with one very large crude carrier making a lucky escape because of the timely arrival of the authorities, according to Lloyd’s List Intelligence.

On Saturday, the 8,646 dwt Comoros-flagged general cargo vessel *Rio Mitong* was attacked by pirates while at anchor at Malabo anchorage in Equatorial Guinea. After boarding the vessel from a speedboat, the pirates took two crew members, one Russian and one Ukrainian, and headed for nearby Cameroon waters leaving the remaining crew on board.

Just down the coast at Luba, 1,592 dwt Equatorial Guinea-flagged ro-ro vessel *Djibloho* was also attacked by pirates in a speedboat on Saturday. The pirates boarded the vessel and abducted three crew members, two Russians and one Equatorial Guinea national, and fled in an unknown direction.

The last speedboat attack, on China-flagged very large crude carrier *Yuan Qiu Hu*, happened about six nautical miles southeast of the Moudi Terminal in Cameroon. The Cosco Shipping Tanker (Dalian)-owned tanker raised an alarm on the VHF Channel 16 and increased its speed.

Cameroon forces sent a patrol vessel, which arrived about 45 minutes later. The pirates broke off the attack after seeing the patrol vessel and fled the area.

Security consultancy Dryad Global noted the proximity of both incidents but said it was unclear which occurred first, or whether the same group was responsible.

If confirmed, the kidnappings could bring the total for the region to 52, from 48 last week.

Dryad Global analyst James Welsh said the milestone was "troubling", but consistent with last year when 46 people were kidnapped across the same timeframe. Mr Welsh said 83 people were kidnapped between January and May 2018.

He said there were historically few kidnappings between May and July, at the peak of the West African monsoon season.

Mr Welsh said data showed little impact of coronavirus on maritime security in the region so far. But he said: "With delays at ports increasing concentrations of vessels at anchor and drifting, this has increased the opportunity for acts of maritime crime and piracy."

He said in one instance, naval teams on vessels in waters off Benin were withdrawn because of coronavirus fears. Soon after doing so, the boxship *Tommi Ritscher* was boarded at the Cotonou anchorage and eight crew kidnapped.

Slim resources

Meanwhile, the French Navy had suspended the Corymbe mission and withdrawn the patrol vessel *Lieutenant de Vaisseau Le Henaff.*

Mr Welsh said several ships from European navies had been involved in responding to pirate attacks during the last year, including Italian and Portuguese Navy vessels.

"A drawdown in international resources for the region will enhance the freedom of movement for would-be perpetrators of maritime crime and acts of piracy."

International Maritime Bureau director Michael Howlett said multiple crew kidnappings continued to occur at considerable distances from the coast. Mr Howlett said 10 crew were kidnapped from an under way product tanker 127 nm southwest of Bayelsa, Nigeria, on April 30.

"Such attacks often occur in busy waterways, thus posing a threat to the safety of navigation and quite possibly the environment," he said.

"From our side, those navies the IMB Piracy Reporting Centre has contacted since the onset of coronavirus have continued to assist and investigate."

Dryad Global said the attempted attack on *Yuan Qiu Hu* was the fourth in the waters off Cameroon this year. It also highlighted another report of a speedboat sighted circling an offshore platform in waters off Mayumba, Gabon.

The consultancy noted an upward trend in severity of incidents notably those involving kidnap for ransom in the Gulf of Guinea and warned that "vessels operating in this region must maintain the highest levels of vigilance and ensure that vessels are adequately hardened when required".

Mr Welsh said the crews of *Elobey VI* and *MSC Talia F* were released on May 1 and May 2, after 40 and 42 days captivity respectively.

ANALYSIS

ABB leader warns of digital tech concerns ahead

TECHNOLOGY businesses working in maritime build close partnerships with shipowners and operators. Together they develop, test, monitor, and refine systems and solutions that are rolled out to the wider industry.

A decade ago, the offshore oil and gas sector was the crucible for technological research, followed by passenger shipping.

In 2014, falling oil prices and rising costs prompted a collapse in the offshore sector. It was a major part of the ABB Marine & Ports business: the last vessels with new ABB technology on board were delivered in 2015-16.

“There have been no new orders at shipyards since then,” managing director Juha Koskela told Lloyd’s List. “We don’t count on that industry recovering.”

The expansion of the passenger shipping sector over the past five years has shifted the focus away from platform supply vessels. ABB works closely with Royal Caribbean Cruises and other operators, testing the limits of digital technology and experimenting with new, often radical ideas.

The company’s collaboration with the cruise sector has driven maritime innovation for 30 years, but the global coronavirus pandemic has brought that sector to a standstill.

Technological development without the catalyst of the offshore or cruise sectors will be more challenging, although it raises the possibility to allowing some of the more cutting-edge technologies to mature.

Juha Koskela did not push for a career in technology. It was one of his many options. At school, he was good at mathematics and physics, and it made sense to move on to Lappeenranta-Lahti University of Technology in southern Finland, close to the border with Russia.

His father was a master mariner, so there may have a stroke of serendipity when Capt Koskela’s electrical engineering-graduate son moved across from ABB’s power electronics division to the marine business in 1999.

A four-year stint in Singapore as vice-president for South Asia was followed by two years as vice-president in Finland. It was during his time in Helsinki that he attended an ABB emerging leaders’ programme run by the Lausanne, Switzerland-based Institute for Management Development.

It was three intensive weeks of training in strategic thinking, personal leadership and finance.

“The most important for me was personal leadership — knowing who you are as a leader, and what you could develop — although all three were very useful.” ABB continues to hone its emerging leaders with IMD, with almost all his senior colleagues attending there or somewhere similar.

Now able to look more widely and deeply into running the business, Mr Koskela was promoted in late 2009 to senior vice-president for propulsion products, stepping up to managing director early in 2016.

ABB’s marine focus moves with the managing director: Mr Koskela’s predecessors were in Zurich and Shanghai. “That was because shipbuilding was transferring from Europe to Asia, and we wanted to be nearby.” But with large teams located in Singapore and Shanghai, the current managing director brought the head office back to Europe, specifically to Helsinki.

“We are still building ships in Finland. Helsinki and Turku have clusters of marine technology companies and start-ups, with expertise in arctic technologies and icebreaking, electric and azipod propulsion. A quarter of the workforce of ABB’s marine business are in Finland.” It’s as good a city as any in Europe for maritime.

Strong ties

The company has excellent co-operation with the shipbuilding department at the University of Helsinki, and with other Finnish, Norwegian and Asian universities. “Students bring a wider perception,” Mr Koskela says, “and we are able to attract them at an early stage.”

In spite of its roots in Europe, he sees ABB as a global company, with colleagues from more than 100 nationalities — including 25 nationalities represented in ABB Marine. If the senior management looks Scandinavian, that is coincidental, he smiles.

The marine division has three catchwords — electric, digital, connected — each of which has served the business well but will perhaps need to be reconsidered in the post-coronavirus world. Electric is the backbone of the business, the framework on to which the developing solutions and systems are appended. Although in development since the early 1990s, electric solutions have become invaluable to the offshore and cruise sectors because they are sustainable and emissions-free.

Even though electric power will be focused on shortsea and passenger shipping, he believes the longer term will see electric solutions ease into ocean-going vessels as well.

"I think we will still see ships built with diesel engines for the next 10 years, then multiple technologies will be brought in to help reduce carbon. Ocean-going cargo ships will need hybrid solutions," says Mr Koskela, although he believes the limiting factor will not be shipboard technology but the challenges of the supply chain. "It has taken a long time to establish a global network for liquefied natural gas; it will take longer for new fuels like hydrogen and ammonia."

ABB Marine does not claim to be the only leader in digital technology. There are more than 3,000 vessels connected to the company's operations centres: it has become "business as usual". But each digital solution gets closer to autonomous shipping, in the sense of artificial intelligence and machine learning rather than unmanned.

ABB Ability products available to shipowners are Marine Pilot Vision for situational awareness, and Marine Pilot Control combining all the ways to manoeuvre and control a vessel. Marine Pilot Decision builds on these to bring a self-driving solution. A tug is being upgraded in Singapore that will autonomously avoid collisions, dock and undock, and perform other functions.

"Digitalisation is asset optimisation; how we utilise technologies to operate vessels. We also have advisory products, like route optimisation — the best route for a vessel so as to consume less energy. It is a new way of operating a vessel."

The third catchword, connectivity, is closely tied to digital.

Ironically, perhaps, given his father's own career, Mr Koskela claims not to have paid much attention to the future role of the seafarer in the digital and connected world. "It's more important to make sure ship operations are safer and more efficient than to consider whether seafarers can be replaced," he replies.

ABB Marine & Ports and other maritime technology businesses will be at the forefront of the push for decarbonisation. While Mr Koskela believes the International Maritime Organization's 2050 target is in the right direction, he thinks a number of hurdles will have to be overcome to get there.

"We are working on several projects around fuel cells and power systems; but how will the fuel be made available on a global scale? That's the limitation for the prospect of zero emissions. Gas engines will become popular, combined with batteries, and electrification will definitely play an important role."

He identifies the year 2030 as a "tipping point", after which no new ships are likely to be built with only diesel engines.

Recent research has been fuel-agnostic: it doesn't really matter whether hydrogen or ammonia gains the ascendency, although he hopes hydrogen breaks through as the fuel of choice. But once again, the question of bunkering is raised.

That is why it has been critical to work closely with shipowners, as in the cruise sector.

"It's the only way," he says. "We have worked with Royal Caribbean, a partner for 20 years, developing several technologies. They pushed us to develop podded propulsion."

ABB Marine is working with other partners on projects that will be unveiled soon. "Shipowners are far more important than shipyards — they decide whether these technologies will be adopted."

An interruption in the collaboration of technology businesses and vessel operators, whether running small fjord ferries using battery technology or mega cruiseships with podded propulsion and marine pilot control systems, could be crucial. Mr Koskela has not yet discussed capital expenditure challenges with his major customers, although he anticipates two or three years of delayed development.

Whether bankers' Poseidon Principles will stimulate sustainable shipping through electric, digital, and connected technology or cruising returns sooner than expected, the pursuit of progress has been stalled. For a little while, at least.

Panama Canal Authority seeks dialogue with cargo owners

THE Panama Canal Authority, ACP, is exploring the idea of establishing direct relationships with cargo interests rather than channelling all communications through shipping companies as it tries to keep abreast of the rapidly changing marketplace and the new trade patterns that are emerging.

This would represent a new concept in the operation of the canal, said Ricaurte Vásquez, the authority's chief executive and administrator.

He cited the energy sector as one example of where ACP has already held discussions with oil companies to hear first hand about changes to the crude trades and fleet deployment.

He also spoke about the container trades where global cargo volumes are falling and many sailings are being blanked as carriers try to match ship capacity with demand. That has led some lines to bypass the Suez Canal on the return leg from northern Europe to Asia and sail around the Cape of Good Hope instead.

While the Suez Canal has responded by cutting transit fee, the Panama Canal has no plans to follow suit, partly because price discounts would require political approval, a lengthy and cumbersome process.

"The Suez Canal has the autonomy to make toll changes, but we do not, so even if we see the market going south and less volume, we still have to go through a review," said Dr Vásquez.

Furthermore, although the canals are in competition to some extent for cargo from Southeast Asia to the US east coast, "the intersection between the two is not very large," he said.

With the Asia-Europe trades being hit by more cancelled sailings than the transpacific trades, Dr Vásquez said the Suez Canal was probably experiencing a steeper downturn than the Panama Canal.

Nevertheless, he said that what could have an impact would be the redeployment of ultra-large containerships from the Asia-Europe to transpacific trades.

Those ships would be too wide to go through the Panama Canal locks and so would discharge cargo in Los Angeles and Long Beach that would then be transported by rail to the US heartlands.

However, that could create bottlenecks along supply chains, with the Panama Canal option to major US east coast ports offering an alternative uncongested route.

Although there are no immediate plans to reduce transit tolls, Dr Vásquez said moves had been taken to help shipping companies' cash flow through a temporary adjustment to reservation systems.

For the next four months, customers will be able to book a transit slot without having to make an advance payment at the same time. Instead, a single combined fee will be required at the time of the transit. "That gives some breathing space financially," said Dr Vásquez.

Welcome gesture

This has been welcomed by the shipping community with the International Chamber of Shipping describing the relief measure, as well as the Suez Canal toll reductions, as "a step in the right direction".

"As we look to the recovery phase of the pandemic, we will need businesses that are strong and resilient, so the question remains whether these initiatives go far enough to support that," the ICS said.

ACP reported an 8.5% increase in transits during the fiscal year to end-March 2020, with bulker traffic unexpectedly strong.

Dr Vásquez said there had been 169 fewer transits in April than planned, while toll revenues were $15m below the projected figure for last month, although still 5% above corresponding 2019 levels.

Furthermore, May is likely to be a critical month as the full impact of the lockdowns on manufacturing and consumer spending is felt, which will dent container traffic in particular.

Dr Vásquez said the queue of vessels waiting to go through the waterway was now below 70, compared with between 80 and 85 vessels in early March when transit times were slowed because of low water levels in the Gatun Lake that affect lock operations.

Transit times are now back to normal because of fewer ship arrivals that are down to about 32 a day.

Dr Vásquez has previously said he was not concerned about the gradual reduction in traffic.

“Our job as a global logistics hub is to be prepared for the unexpected,” he wrote in a LinkedIn post. “As shockwaves begin to multiply and industry changes accelerate, the Panama Canal is preparing to change how we do business in the long-term.”

ACP is closely monitoring key market variables to ensure its service continues to meet the needs of tomorrow’s global markets.

“Keeping an eye on the long-term is crucial given the industry trends we have tracked since before the coronavirus outbreak,” the administrator said.

He cited the way ACP anticipated months ago that the US-China trade dispute would begin to drive changes across the industry – first with a reduction in flows, followed by a potential redistribution of the origin and destination of manufactured products as companies look to become closer to consumers and reduce the risk of prolonged tariffs.

“These changes are happening now at an accelerated pace due to the coronavirus pandemic and resulting economic crisis,” said Dr Vásquez .

He continued that ACP expects to see a permanent shift in the overall supply and demand economics that drive the entire industry, “which will redefine our way of business for years to come”.

He described coronavirus as “a game-changer” that would see long supply chains partly replaced by shorter ones as some production moves closer to consumer markets. That, said Dr Vásquez, would affect volumes through the Panama Canal in the long run.

“I believe tomorrow is one small part of the equation. Preparing for the day after tomorrow and beyond continues to be equally, if not more important to my administration. We are still diligently advancing our plans and potential investments that will ensure the waterway’s continued evolution and competitiveness.”

MARKETS

Small carriers bear the brunt of coronavirus fallout

SMALL niche container shipping lines have been hit the hardest by the coronavirus shockwave, having sustained a worse fleet scale-down than their larger rivals.

The conclusion comes after an analysis by Sea-Intelligence into the changes of fleet sizes of the top 100 carriers from January 26 to May 9 this year.

The research found a downwards level shift for the entire “small-scale segment from rank 60-100”, with only two exceptions — Eimskip which rose 13% and Pan Ocean which was up 17%.

“We can therefore see from the data that the pandemic has already had a strong structural impact on the segment of the very small carriers, which across the board is seen to reduce their fleets,

“This is not structurally the case for the large and mid-sized carriers, although as shown, there are individual carriers with large declines,” said the consultancy in its latest weekly report published on Sunday.

By contrast, the 20 largest carriers during the period showed marginal changes in their fleet size, with the largest fluctuation being a 5% growth of Unifeeder.

Most of the mid-range players ranked 21st-60th saw a similar trend. Only five of them—SM Line, Sea Lead Shipping, Log-In Logistica, CK Line, and Milaha—recorded a steep decline of between 14% and 27%.

Such market developments may lead to further consolidation of the container shipping sector, where the larger lines have already strengthened their grip on market share in recent years through mergers and acquisitions as well as a reshuffling of the alliances.

"This would lead to a hypothesis, that we are also more likely to see these smaller carriers actually disappear entirely from the industry landscape in the year ahead," said Sea-Intelligence.

As of May 9, the top 5, top 10 and top 20 carriers controlled 67.1%, 85.9% and 92.9% of the global fleet capacity in service.

Sinopec Zhongke Refinery Port begins operations with load of Saudi crude

CHINA'S largest petrochemical port has swung into operation with the arrival and offloading of the 2017-built, 318,925 dwt very large crude carrier *New Renown* calling from Saudi Arabia's Ju'aymah Crude Terminals.

According to Lloyd's List Intelligence, the Hong Kong-flagged VLCC arrived on May 5 and finished offloading on May 8 at the new 300,000-tonne crude oil terminal of Sinopec Zhongke Refinery Port, which forms part of what Sinopec calls its "front terminal, rear plant" production model.

Situated 1.1 km from the refinery, the port has eight terminals including the 300,000-tonne facility, a 100,000-tonne oil berth and supporting facilities for a total capacity of 34m tonnes a year.

The total investment of the first phase of the project totals more than Yuan40bn ($5.7bn) and will add more than 10m tonnes of crude oil capacity and 800,000 tonnes of ethylene units a year.

The refinery is part of Zhanjiang Integrated Refinery and Petrochemical Complex, also known as the Sino-Kuwait integrated refinery and petrochemical complex, and is the biggest joint venture refinery project being developed in China's Zhanjiang district.

Located in southern China, Zhanjiang port is connected to the Pan-Pearl River Delta and, according to Clipper Oil, is "one of the nation's most strategic hubs for exporting and importing crude oil".

The project is being undertaken via an equal joint venture partnership between Kuwait National Petroleum Corp and China Petroleum and Chemical Corp (Sinopec Petroleum Refining Co).

Last month, the Asia Times reported that China is ramping up oil purchases amid record-breaking demand destruction caused by the coronavirus pandemic and a supply overhang that has "knocked prices and futures contracts down to levels not seen in decades".

The country's oil imports rose 4.5% in March year on year to 9.68m barrels per day, according to data published by China's General Administration of Customs.

China's January and February oil imports averaged 10.47m bpd, while its first quarter of the year oil imports averaged some 10.2m bpd, representing a 5% year-on-year rise.

The paper said that Saudi Arabia had offered "deep discounts" to its customers in Asia, its largest market.

"The discount offers came just days after it agreed to an historic Opec+ oil cut deal that will remove nearly 10m bpd from global oil markets in May and June, with lower agreed cuts for the rest of the year and into 2021," the paper said.

Capesize rates held back by limited Brazil shipments

THE capesize bulker market continued with its downward trajectory last week as limited longhaul cargo from Brazil and an ample supply of vessels weigh down rates on all the benchmark routes.

Freight rates fell across all the major routes with the Baltic Exchange Capesize Index dropping to 461 points on Thursday, compared with 820 a week ago, down 43.8%.

The segment lost ground in both the Atlantic and Pacific regions with holidays in Asia and Europe and reports of Brazil's Itaqui port's closure from a coronavirus lockdown, according to Cleaves Securities.

The weighted time charter average tumbled 33.1% over the week and was almost half compared to the year ago level. It had spiked above $10,000 on April 20 this year.

Although bunkers were up by over 10% in China and Singapore, it did not provide the necessary support to the freight rates suggesting fundamental weakness in the market, Braemar ACM noted.

"The lack of demand from India or any significant trans-Atlantic market has further reduced the options for owners who normally would not compete on the Brazil routes," the shipbroker said.

This overhang of supply in the near term is likely to cause further erosion in rates on cargoes loading from both Brazil and West Africa, it conceded.

"Pacific owners who do not want to get involved in the current auction will stay in the lower basin opting for short term pinches as opposed to the uncertainty over how much lower it can go and how long this trend will continue."

Breamar ACM analyst Nick Ristic noted that over the past four weeks almost 27m dwt of cape capacity (excluding very large ore carriers) were speculatively ballasting past Singapore and towards the Atlantic.

This is nearly three times higher than the flow of ballasters during June 2019. And so far, the pace of shipments has not yet increased by enough to support this influx of empty vessels.

In the short term it seems unlikely that charterers will find themselves short of ships like they did last year, he said.

While we do see improving cargo volumes from Brazil on the horizon, which should provide some relief to currently dismal capesize returns, Mr Ristic remains cautious over a 2019-style bull run in the coming months.

"With a serious overhang of tonnage and a slump in global raw material demand, it's tough to be optimistic about such a rally."

US box imports likely to see double digit decline this year

US container ports are likely to see double digit year-on-year declines in imports this spring and summer because of the persistent economic effects of the global coronavirus pandemic, according to US retail experts.

"Factories in China are largely back online and stores that closed here in the US are starting to reopen, but volume is far lower than what we would see in a 'normal' year," said Jonathan Gold, National Retail Federation vice-president for supply chain and customs policy.

Mr Gold expects that shoppers "will come back and there is still a need for essential items", but also that "the economic recovery will be gradual and retailers will adjust the amount of merchandise they import to meet demand".

Ben Hackett, founder of consultants Hackett Associates, said his firm believes second quarter of the year economic growth will be "significantly worse" than the previous quarter.

Still, Mr Hackett said "we continue to expect recovery to come in the second half of the year, especially the fourth quarter and into 2021" — an expectation based on the "big and somewhat tenuous assumption" that there is no second wave of the virus.

Ultimately, he said, "much will depend on consumers' willingness to return to spending".

The NRF and Hackett Associates jointly publish the monthly Global Port Tracker, which analyses containerised import data from the major US container ports.

According to the May 8 GPT, US ports handled 1.37m teu in March, representing the lowest volume since the 1.34m teu recorded in March 2016. The current figure is down 9.1% from February and down 14.8% year on year.

The GPT estimates April throughput at 1.51m teu, down 13.4% year on year. It forecasts May at 1.47m teu, down 20.4%; June at 1.46m teu, down 18.6%;

July at 1.58m teu, down 19.3%; August at 1.73m teu, down 12% and September at 1.7m, down 9.3%.

Prior to the adverse effects of the coronavirus, February through May had been forecast at a total of 6.9m teu, but now the expectation is for 5.87m teu, a drop of 14.9%.

The revised forecast for the first half of 2020 is 9.15m teu, down 13% year on year. Before the extent of the pandemic was known, the first half of the year was forecast at 10.47m teu.

Imports during 2019 totalled 21.6m teu, a 0.8% decrease from 2018 amid the trade war with China but still the second-highest year on record.

GPT provides historical data and forecasts for the US west coast ports of Los Angeles/Long Beach, Oakland, Seattle and Tacoma. On the east coast, it covers New York/New Jersey, Port of Virginia, Charleston, Savannah, Port Everglades, Miami and Jacksonville. It covers Houston on the US Gulf coast.

IN OTHER NEWS

UK shipping seeks seafarer quarantine exemption

THE UK shipping industry has urged the British government to clarify quarantine exemptions for seafarers following the release of a new national strategy to begin lifting coronavirus restrictions.

While the UK is expected to be among the first countries to implement shipping's unified 12-point plan to lift barriers to crew changes, industry officials are urgently seeking confirmation from the government that seafarers will not be caught up in new quarantine measures expected to take effect at the end of May.

UK airlines have been told the government will bring in a 14-day quarantine for anyone arriving from any country apart from the Republic of Ireland in response to the coronavirus pandemic.

Remote surveys exceed 25% as demand rises, LR says

LLOYD'S Register has responded to industry demand for remote services by unveiling a global team of "remote survey champions."

The team, comprising dozens of surveyors and dedicated subject experts, has been positioned in key hubs around the world as physical access to vessels and offshore assets continues to present unprecedented challenges due to the coronavirus outbreak.

In April, the percentage of "complex surveys" done remotely jumped to more than 25%, compared with a longstanding norm of 5-10%, the classification society's marine and offshore director Nick Brown said.

MISC warns tanker good times may not last in second half

WHILE Malaysian tanker owner MISC has, like many others in the sector, benefitted from the recent surge in rates, it has warned that prospects for the second half of the year are "highly uncertain".

"The petroleum tanker market has been one of few segments of the oil industry that enjoyed positive momentum in first quarter of 2020," MISC noted in its first quarter results announcement, as it more than doubled segment operating profit to RM336.5m ($77.6m) on higher margins on freight rates while revenue rose just 4.6% to RM1.23bn.

MISC acknowledged similar trends to other tanker owners who have already so far reported what has been an outstanding first quarter for most, as the flood of low-priced oil led to a spike tanker spot rates on a surge in shipping demand followed by high demand for tankers to be used as floating storage amid a slump in global oil demand.

K Line drops forecast due to continuing uncertainty

KAWASAKI Kisen Kaisha has reported a surplus for the 2019 fiscal year, but failed to give a forecast for the next 12 months because of uncertainties from the coronavirus outbreak.

The Japanese shipping giant known as K Line said in a results presentation that the economic shockwave inflicted by the public health crisis was expected to adversely impact a cross section of segments in its business portfolio, including dry bulkers, offshore, car carriers and logistics, as well as containerships.

"At the current time, we cannot forecast the extent to which the global spread of the novel coronavirus disease will impact the global economy and seaborne cargo movements," it said. "As a result, we cannot make reasonable forecasts on the group's financial results."

Containership owner calls for rescue clarity after standoff

THE owner of a containership that rescued 79 migrants in the Mediterranean last week has called for states to allow port access in rescues, after a stand-off between Malta and Italy ended on Saturday with the migrants disembarking at Sicily.

The 677 teu Marina, owned by Germany's Klingenberg Schiffahrts, arrived at Porto Empedocle in Sicily at 0100 on Saturday and disembarked the mostly Bangladeshi migrants, which it rescued from a wooden boat 13 miles off Lampedusa early on May 3.

Ann Fenech, a Malta-based lawyer representing the shipowner and the West of England P&I Club, said Italian authorities agreed on May 8 after the Marina's master warned he would make a distress call unless given permission to disembark.

Eagle Bulk takes first quarter hit on higher operating costs

DRY BULK outfit Eagle Bulk's results give an indication of how conditions are panning out in the business, as it saw higher operating costs amid the coronavirus pandemic.

The US-listed owner of ultramax and supramax vessels, has reported a $3.5m net loss in the first quarter of the year due to the weaker rate environment.

The loss was in contrast to a $29,000 profit in the same period last year, the company said in a statement. Operating expenses came up to around $76.7m, up from $71.2m from the same period a year ago.

Port of Oakland offers berths for idling cruise ships

THE port of Oakland said it will allow three Norwegian Cruise Lines ships to moor in the port following the recent extension of the US government's no-sail order on cruise operations due to the coronavirus outbreak.

"We're a container port, but we're still in the shipping business", said Port of Oakland executive director Danny Wan. "These ships are under federal requirements to report health concerns, and we understand that they haven't had a history of coronavirus."

The port said it is making berth space available as around 100 cruiseships worldwide, with an estimated 80,000 crew members on board, are seeking safe harbour.

Iran confirms 19 sailors killed in Gulf of Oman friendly-fire incident

IRAN has said 19 sailors were killed in a 'friendly fire' incident involving two of its naval vessels in the Gulf of Oman, Reuters reported, citing government sources.

Another 15 personnel were wounded when one warship accidentally hit a support vessel with a missile during an exercise, Iran's navy was cited as saying.

"The incident took place in the perimeter of Iran's southern Bandar-e Jask port on the Gulf of Oman during Iranian Navy drills on Sunday afternoon, in which 19 sailors were killed and 15 others were injured," state TV said, citing the navy.

For classified notices please view the next page.

INVITATION TO TENDER
IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
ADMIRALTY JURISDICTION

RE: HCAJ 69 of 2019

The ship or vessel **"亞投金融"** (the "Vessel")

Pursuant to the order for sale of the Vessel made by the High Court of the Hong Kong Special Administrative Region on the 31 December 2019, tenders are invited for the purchase of the Vessel (a general description of which is set out below) upon the following terms.

1. The Vessel is offered for sale as she lies in the waters of Hong Kong in her "as is" "where is" condition at the date of delivery without any warranties or guarantees. The Vessel is sold free from incumbrances, with everything on board belonging to her but excluding any equipment on hire.

2. No error or misdescription in this invitation or otherwise by representatives of the Government or the High Court of the Hong Kong Special Administrative Region shall entitle the successful tenderer ("the Buyer") to annul the sale.

3. Tenderers are advised to make all and any such enquiries as they think fit. Permission to inspect the Vessel may be obtained from the Chief Bailiff.

4. Tenders for the purchase of the Vessel must:
   (a) be in writing addressed to the Registrar of the High Court, Hong Kong Special Administrative Region;
   (b) be in a sealed envelope so addressed and marked **"HCAJ 69 of 2019 – CONFIDENTIAL"**;
   (c) be accompanied by way of deposit by a cashier's order or bank draft drawn by a Hong Kong bank or a bank having a branch office or banking correspondents in Hong Kong or certified cheque drawn on such a bank of 10% of the offer payable to **"Registrar, High Court"** and crossed in **"HCAJ 69 of 2019"** (the "Deposit");
   (d) be expressed to be irrevocable until 4 June 2020;
   (e) reach the Registrar c/o Chief Bailiff (Administration & Admiralty) at Bailiff Office, LG 3/F, High Court Building, 38 Queensway, Hong Kong not later than 2:00 p.m. (Hong Kong time) on 28 May 2020, otherwise such tenders will be treated as invalid;
   (f) follow the arrangement in respect of tender closing time in the times of gale or rainstorm warnings or "extreme conditions after super typhoons" in Hong Kong as set out below:
   (i) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above or "extreme conditions after super typhoons" is lowered or cancelled before or at 11:00 a.m. (Hong Kong time) on 28 May 2020, the tender closing time will remain unchanged;
   (ii) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above or "extreme conditions after super typhoons" is lowered or cancelled after 11:00 a.m. (Hong Kong time) on 28 May 2020, the tender closing time will be deferred to 02:00 p.m. (Hong Kong time) on the next weekday (i.e. except Saturday and Sunday) other than public holidays; and
   (g) be expressed in Hong Kong Dollars or United States Dollars with payment of the Deposit being made in the same currency as the tender.

5. The Registrar is not bound to accept the highest or any tender.

6. If a tender is accepted the balance (plus the sum payable for bunker fuel) of the purchase price also in the form of a cashier's order, bank draft or certified cheque payable as aforesaid must be paid within 7 days of the acceptance of the tender and if not so paid the deposit of 10% will be forfeited in which event the Registrar will be at liberty to sell the Vessel to any other party or parties.

7. The Buyer shall within 7 days of the acceptance of the tender pay by the aforesaid methods the Hong Kong market price for the bunker fuel remaining on board on the date of delivery, such quantity and price to be determined by the Chief Bailiff or his agent.

8. Upon payment of the balance of the purchase price, a bill of sale will be duly executed on behalf of the High Court of the Hong Kong Special Administrative Region in favour of the Buyer.

9. The Registrar may in his discretion agree that the Vessel be sold to a nominee of the Buyer. Such nominee and the Buyer shall sign an addendum to this Invitation to Tender in such form as the Registrar may require. Any nomination shall be made no later than 3 working days prior to the delivery of the Vessel. Any nomination made by the Buyer shall be irrevocable. No further nomination is permitted.

10. Deposits will be refunded to unsuccessful tenderers.

11. Any tenderer who does not receive notice by 4 June 2020 that his tender has been accepted may assume that such tender has been rejected.

12. Should the Vessel become a total loss (or be accepted by underwriters as a constructive total loss) before delivery of the Vessel to the Buyer the sale shall be null and void and the Deposit will be refunded to the Buyer.

13. The Buyer shall be liable for any fees duties taxes or dues of whatever nature which may become payable upon the purchase and transfer of the Vessel.

14. On completion of the sale the Buyer will assume all responsibility for complying with all Hong Kong Marine Department directions regarding the Vessel.

15. This invitation and the sale of the Vessel is made and effected without any liability of whatsoever nature of the High Court of the Hong Kong Special Administrative Region or its officers, employees or agents.

(S. KWANG)
Registrar
High Court
5 May 2020

PARTICULARS OF VESSEL

Vessel's name:	亞投金融
Hong Kong Class:	IV
Port of Registry:	Hong Kong
Type of Vessel:	Cruiser
Builder:	Ferretti (Custom Line)
Date of Delivery:	2007
Length:	34.16 metres
Breadth (moulded):	7.10 metres
Depth (moulded):	3.50 metres
GRT:	213.00
NRT:	63.00
Main Engine (2 sets):	MTU 12V4000M90
Auxiliary Engines (2 sets):	KOHLER 50EF02D
C. O. T. Capacity:	18,000 Litres

NOTICE OF OWNERSHIP

Trafigura Pte Ltd (Singapore UEN 199601595D) of 10 Collyer Quay #29-00 Ocean Financial Centre Singapore 049315 ("**Trafigura**") is the owner of and has title to the following fuel oil products (collectively, the "**Products**") stored at the following locations:-

(a) about 75,347.849m^3 / 70,996.880MT / 474,088.761bbl on 10th MAY 2020 of low sulphur fuel oil stored in tanks TK404, TK1002 and TK1004 at Universal Terminal at 61 Meranti Crescent, Singapore 627807; and

(b) about 130,096.754m^3 / 124,130.816MT / 818,567bbl on 10th MAY 2020 of low sulphur fuel oil and about 149,927.366m^3 / 142,247.291MT / 943,342bbl on 10th MAY 2020 of high sulphur fuel oil stored in tanks 1X/2X/3X/4X/5X/SLOP W on board the Floating Storage Unit (FSU) "SEA EQUATORIAL" (IMO No. 9116400).

TAKE NOTICE that:-

(A) the Products are not to be taken, removed, disposed of and/or otherwise dealt with in any manner whatsoever by any person, without the prior written consent of Trafigura.

(B) no person (apart from Trafigura) is entitled or authorised to create or confer any security interest in or encumbrance over the Products (including the proceeds thereof), including without limitation any pledge, charge, mortgage, lien and/or assignment, howsoever created or arising.

If you have any queries, please contact Trafigura Pte Ltd by email to SingaporeFuelOperations@trafigura.com.