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Daily Briefing

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Tanker sentiment sours as producers slash exports and inventories build

TANKER EARNINGS HAVE tumbled this week to fall below operating costs for smaller vessel sizes as crude exports decline and coronavirus cases escalate in Latin America, derailing any rebound in demand for clean products.

Aframax and suezmax average earnings have plunged as much 85% so far in June, dropping to under $5,000 per day to signal a rapid and volatile reversal of fortunes. Average rates for very large crude carriers that reached a record $214,000 daily in late March are now at just under $15,000, down 66% in three weeks.

Similar declines are recorded for clean tanker rates, especially on key routes shipping diesel, gasoline and jet fuel. Medium range tankers, which are the workhorses of Atlantic trades, are averaging just under $8,000 per day in earnings after peaking at nearly $87,000 daily in late April, according to the Baltic Exchange. Long range one tankers shipping jet fuel to northwest Europe from Kuwait are recording spot rates of $8,270 per day, data show, less than half levels seen earlier in June.

Leading rates lower is high compliance to an agreement made by the Organisation of the Petroleum Exporting Countries plus other producers to extensively slash oil production over the next three months to arrest falling prices, which reached 21-year lows over April.

That has reduced Middle East Gulf crude exports by nearly 4m bpd through May and June, based on April's record output, data compiled by Lloyd's List show. That is equivalent to nearly 50 fewer VLCCs over June alone on the key Middle East route.

Saudi Arabia's May exports alone are 27% below April's volumes, which exceeded 10m bpd, according to Lloyd's List Intelligence data. April volumes peaked just before the kingdom ended its oil price war with Russia and the US with the so-called Opec-plus agreement.

Despite production cuts, crude and product inventories in key consuming countries of the US and China are still rising. Alongside shoreside tanks, volumes held on tankers via floating storage also remain largely unchanged over the month while refinery runs show little signs of recovery. This is most acutely seen in the US, the largest exporter of clean products, with Latin America the biggest market.

That has all combined to swiftly sour sentiment across both clean and dirty tanker markets, and particularly in the Atlantic basin. Brazil's clean product imports are reportedly running 40% lower than in the year-ago period, while Mexico is seeing similar figures. This is having a knock-on effect on US Gulf refineries, a major exporting centre for refined products. Utilisation of US Gulf coast refineries is at 64% while inventories reached a fresh record for the week ending June 19.

In the US, June's average clean exports of 4.5m bpd are running 12% lower than in the prior-year period, US Energy Information Agency data show. Coronavirus cases are still escalating across Latin America, fuelling speculation that imports will likely dip further.

Shipowners' biggest concern is that floating storage has not begun to unwind but rates have already fallen to such low levels. Some 282m barrels of crude and products have been kept on tankers at anchor for the past 20 days, Lloyd's List Intelligence data show.

Floating storage shielded tanker owners through the worst of the Covid-19 oil demand collapse, with port congestion, discharge delays, distressed cargoes and an oil price contango deploying as much as 12% of the aframax-to-VLCC fleet for floating storage.

The timing and pace of unwinding floating storage is viewed as crucial to any sustained recovery in tanker rates for the remainder of 2020.

Although the global oil market is rebalancing over the second half to lift oil prices, tankers returning to trade add pressure to the over-tonnaged market. And while Chinese crude imports are expected to reach a record for a second consecutive month in June, inventories there are still building, suggesting any recovery in demand is not occurring as swiftly as hoped. With Beijing returning to lockdown, July volumes will be closely watched.

Operating costs for a product tanker were estimated at $7,280 daily for a medium range tanker, according to RDO's 2019 Opcost report. Suezmax tankers cost $8,800 per day to run, while aframaxes cost nearly $7,400 daily.

WHAT TO WATCH

No container volume rebound until next year at earliest

CONTAINER lines expect little in the way of a recovery in volumes this year, despite the recent upticks in demand seen on some trades.

Moreover, the traditional peak season has already been discounted and any rebound is unlikely to come until 2021 at the earliest.

There are many different opinions out there, but mine is that when the rebound comes it will come extremely hard and extremely fast," said SeaIntelligence Consulting chief executive Lars Jensen.

"It always does. That happens when inventories need to be revamped."

Speaking during a webinar today as part of the Global Liner Shipping series, Mr Jensen said that the rebound, however, would not be determined by the end of the pandemic, but by the restoration of consumer confidence.

"The peak season exists because that's when we ship the goods for Christmas," he said.

"In order to have a rebound in the peak season means that we need to believe a scenario where all the importers in Europe and the US sit down in the next month and decide there will be a strong Christmas sales season and order goods accordingly.

"I cannot see a realistic scenario where a lot of companies now would believe in strong Christmas sales."

The optimistic scenario would be that if Christmas sales turned out to be strong, that would set the stage for a rebound in early 2021.

Carriers had already factored that in, he added, pointing out that capacity was already being removed for the next eight to 12 weeks, particularly on the Asia-Europe trade.

"We're seeing slightly less on the transpacific, but the thing to bear in mind here is that carriers have not necessarily blanked as far into the future here. We are undergoing what I see as a temporary capacity crunch going to the US west coast, as you have had an effect where carriers have been reinstating a substantial number of sailings to the west coast."

There had been speculation that this had been due to a surge in demand, but Mr Jensen is not convinced of this.

"If it is a surge in demand from the US consumer, we would assume this to affect not just Asia-US west coast, but also Asia-US east coast and transatlantic volumes from Europe," he said.

"But when you look at the behaviour carriers are exhibiting on blank sailings, this phenomenon is confined purely to the transpacific west coast services."

The likely cause was an overly aggressive series of blankings that had now caused a backlog of cargo in Asian ports that was now being shipped.

"If we look forward to the coming weeks, we can see that this sharp decline in blank sailings on the transpacific returns," Mr Jensen said.

"The carriers have already announced blank sailings even as they are reinstating some current sailings, so they clearly also see this as a temporary phenomenon and not a sustained pickup in demand."

Speaking in the same webinar, Maritime Strategies International senior analyst Daniel Richards said that while the worst impacts of the pandemic were probably over, the remainder of the year would depend on the products being shipped and on particular trade lanes.

Apparel and textiles would suffer from excess inventory and cancelled orders, but electronics and goods tied to industrial production should be more resilient, he said.

"There will be an uneven recovery in the second half of the year but there will be a sequential improvement."

Lockdowns had struck a heavy blow to some economic indicators, such as housing, that had been improving before the crisis, but these could be the first to recover.

"If, by successful policy responses, these activities can restart, we expect there is going to be quite a bit of pent up demand, and this could drive a stronger recovery of volumes later in 2020 and through 2021."

But he warned there were "clear downside risks" to this projection.

"We are assuming a relatively successful course of containing Covid-19 or at least learning to live with it," he said. "A second wave or an inability to control the disease would drive a stronger contraction in 2020, followed by a fairly weak recovery in volumes in 2021. In that scenario the industry would not get back to its 2019 levels until 2023 at the earliest."

And Mr Jensen warned that when the recovery did come, it would not be smooth sailing.

"We are in the eye of the storm, where it is always calm," he said.

"We will have a lot of blank sailings but it is predictable. When the rebound comes, there will be a huge amount of turmoil again until we finally get out to a normal market at the end."

Dry bulk rally could lose steam

THE dry bulk market could lose steam by the end of the year due to global recessionary fears, according to panellists on a digital version of the Mare Forum.

Andrew Wilson, head of research at Paris-based shipbroker Barry Rogliano Salles, said that while China's recovery showed no signs of abating, European demand had a "long way to go" to get back to normal levels. Iron ore that should have been heading to Europe was making its way to China, he noted.

He expects capesize rates to drop to below $20,000 per day in the fourth quarter, with volatility and uncertainty continuing into next year.

He added that in his base case view, a global recession would last until 2022, with a U-shaped or even L-shaped recovery likely. While that is "bad" for shipping, the lowest orderbook in almost two decades, combined with renewed scrapping, would keep supply and demand more balanced.

Indeed, noted Lorentzen & Stemoco's head of research Nicolai Hansteen, it would take "very little to drive the market upwards". Vale was busy fixing vessels, and the strength in the capeseizes would filter down into the other segments.

China had a robust steel market, while its iron ore inventories were just above 100m tonnes, he said. That gives it 20-25 days of forward cover versus 40-45 days.

Deficits were however rising, even more so than the financial crisis of 2008, according to Harris Antoniou, founder of Neptune International, and the global economic contraction this year woud be "a massive shock". Global trade could dive by 10% if demand for goods and raw materials slowed, he said, warning owners not to rush out and order new ships, just because current capesize earnings were at $28,000 per day.

Martijn Snijder, managing director of Snijder & Associates, who is based in the Netherlands, said he thought the current iron ore trade, which was spurring capesizes to nine-month highs, was "too good to be true" and he expected the bubble to burst within the next six months.

For operator Atlantic Basin Carriers, the recovery in the market would be slow and gradual.

'Shameful and unacceptable'

Panos Zachariadis, who is the Greek company's fleet technical director, said the crew change issue was the biggest challenge. No ship visits, or fuel samples were some of the problems faced.

Echoing words of a leading Greek shipowner, he said that shipping does not carry votes, making the industry less influential when it comes to political decisions.

Intercargo, the international dry bulk owners' association, has been working with other leading industry organizations to highlight the plight.

Slow government action to resolve the crewing crisis was "shameful and unacceptable", said the group's secretary-general Kostas Gkonis.

For the longer term, decarbonisation was still a hot topic, with studies into development of new fuels and technologies to ensure a zero-carbon footprint for the industry.

According to Mr Zachariadis, new designs needed to be scrutinised. In the case of even larger supramaxes, the dimensions needed to be changed to make the ships longer and more slender, rather than just deeper.

Alternative fuels also needed more evaluation because if they are produced in bulk, that "won't be good for the environment".

He said he has been a critic of liquefied natural gas use as there is higher methane leakage into the atmosphere. A lot of electricity is needed for hydrogen production, while hydrogen and nitrogen are required to make ammonia.

Big steps in technology were therefore needed to become greenhouse gas-efficient, he said, adding that biofuels would be a better option.

Mr Antoniou said that there was a reluctance by charterers due to the costs involved. A new ship would cost $5m to $10m more to build with new technological innovation.

For now, methanol might provide the answer as it was the cleanest form of fuel, emitting much less carbon dioxide than other types, he said, adding that fuel cell technology, being trialled in the automotive industry, could eventually make its way into shipping. Carbon capture and green hydrogen could also be in the future mix.

He expected "green shipping" to be a reality in 20 years' time.

OPINION

Day of the Seafarer: This year, do something

THE Day of the Seafarer can often get overlooked, even within the shipping industry. Not this year.

The plight of 400,000 seafarers stranded worldwide on account of coronavirus underlines that this is no time for tokenism, warm words and platitudes praising those at the coalface.

What is needed are concrete plans from all national governments to repatriate those who have already exceeded the 11-month limit on tours of duty set down in the legally-binding Maritime Labour Convention, followed as rapidly as possible thereafter by those who now understandably want to head home.

To that end, Lloyd's List welcomes the news that the UK government has been cajoled into holding what is being billed as an international summit on the crew change issue.

The crisis has been brought about by the monstrously short-sighted imperatives that have dictated the policies of numerous governments, and it is at the governmental level that this imbroglio must be resolved.

But even leaving things until next month is hardly responding with the alacrity that the gravity of the situation demands.

Shipping remains the world's master industry, the sine qua non of globalisation and trade.

Reducing it to a standstill damages – directly or indirectly - everybody else's endeavours and hinders the global recovery.

On Day of the Seafarer 2020, spare us the speeches; redouble efforts to make sure that seafarers get home to their loved ones.

We need actions, not words.

Day of the Seafarer prompts industry calls for action

THE 10th International Day of the Seafarer has been marked with multiple calls for action from across the industry to resolve the crew change issue.

The International Maritime Organization called on member states to class seafarers as key workers, as travel bans have stranded thousands at sea.

Secretary-general Kitack Lim said seafarers deserved "quick and decisive humanitarian action from governments everywhere, not just during the pandemic, but at all times".

Several groups used the occasion to voice frustration at countries' refusal to allow crew changes.

"It doesn't feel like a celebration," Mark Dickinson, general secretary of maritime union Nautilus International, said in a Twitter post.

Mr Dickinson, who this week described Panama's recent contract extensions as verging on forced labour, said he felt seafarers' pain and anger at governments.

"All I can say to you is let them know. Tell them. Honk your horns today," he said. "Film your stories, take photographs. Let's let these governments know how frustrated, how angry you are."

The International Transport Workers' Federation tweeted that it could not celebrate the day "when more than 200,000 seafarers are being denied their human right to stop working, return home & be relieved by fresh crew". It also posted tributes on its website.

The World Shipping Council said much good work had been done to set international guidelines and standards for allowing crew changes, but these efforts were not enough.

"Seafarers deserve our thanks as the global front-line workers that are vital to ensuring the flow of essential goods while the world battles Covid-19," it said. "These workers also deserve government policies that provide them with the necessary support that allows them to join or leave ships."

Danica Crewing Services managing director Henrik Jensen said seafarers were stranded on short-term visas as charter flights were cancelled or delayed. He said 13 Filipino crew members he tried to repatriate had been “treated like half criminals”. “Enough is enough,” he said.

The European Transport Workers’ Federation said human and workers’ rights were at stake and “blaming the situation on the pandemic will not do”.

The ITF Seafarers’ Trust also flagged the issue of mental health. “Our aim is that every seafarer, no matter where they are in the world, knows how they can access help at this really tough time, they know someone has their back and the practical support that’s on offer,” ITF president Paddy Crumlin said.

European Commissioner for Transport Adina Vălean called on EU states to help visa access for seafarers.

ANALYSIS

Shipping's short-term pain won't stifle decarbonisation

A BLEAK outlook for at least the next six months for the shipping industry will not impede decarbonisation progress, according to Danish Ship Finance head of innovation and research Christopher Rex.

The investment push for decarbonisation is very strong in both the equity and the debt side given the Environmental, Social and Corporate Governance (ESG) requirements that lenders have to meet, Mr Rex explained on Wednesday during a webinar.

The cargo owners are also talking about engaging in long-term contracts that can enable this transition. While the big bet is the development of zero-emission fuels and technologies, Mr Rex expects that the short-term potential is mostly within the retrofitting of the current fleet and the reduction of bunkers consumption.

“It needs to go hand and hand with digitalisation efforts simply because we need more sensors, we need more data, we need to understand the bits and pieces before we can optimise further,” he said on decarbonisation.

This dual obligation, however, was especially taxing under the current circumstances, with the coronavirus dragging markets down.

“The catch around decarbonisation and digitalisation in this environment is that both trends require a raise in investments and raise costs, but will do close to nothing in raising revenues in the short term... or in the longer term, at least from the current perspective,” he said.

The short-term outlook was bleak across most ship sectors, especially for the next six months, because demand was weak while vessel supply would keep increasing and demolition rates were relatively low.

“Sure, we will expect orders to be postponed and some vessels will be laid up. But that does not change the conclusion that demand and supply balance is deteriorating and freight rates will have to come down until enough ships have left the table so a new balance of demand and supply can be restored,” he said.

Contracting activity will also stay low for the remainder of this year and next year, Mr Rex added, while second-hand ship values were also anticipated to depreciate.

However, Mr Rex expected second-hand values to increase again when the new balance between supply and demand was established, potentially after 2021, because the contracting activity is low and if demand recovers, vessels will need to be trading longer to service it.

Even though demolition activity is limited at the moment, Mr Rex expected it to intensify “quite soon”, but it was too early to say exactly when.

“I would expect that when we look back 18 months from now, we should expect to see a significant increase in the number of ships being demolished even among vessels older than 20 years,” he said.

Vessels above 15 years are also likely scrapping candidates and in some cases even those over 10 years, if they have are not efficient in their fuel performances.

Fuel-saving technologies struggle to excite shipping

IT IS eight months since Maersk Tankers announced the results of trials involving two 30 metre-high Norsepower rotor sails on the product tanker *Maersk Pelican*.

In a year of testing the vessel to September 2019, aggregated total fuel saved was 8.2%. That was equivalent to about 1,400 tonnes of CO_2.

The ship mostly ran between ports in the Asia Pacific region, where winds are not always favourable, and weather data showed it was an unusual year for wind characteristics.

Initially, the rotors were used for 40% of sailing time, gradually increasing to 55% by the end of the trial period, although this was determined by the ship's onboard automation system and not by the crew.

Nevertheless, the 8.2% saving fell comfortably within Maersk Tankers' expectation of between 7% and 10%. Had the ship operated in the North Atlantic, it is likely the saving of fuel and of CO_2 would have been closer to 20%.

Rotor sails have been around for decades: the technology is certainly not new. What has changed is the urgency to reduce fuel consumption and CO_2 emissions. Therefore, an opportunity to reduce fuel consumption by 20% on an Atlantic crossing is worth investigating further.

Over the past five years several technologies have emerged that can reduce consumption by 1%-2%, even by 5%. There is a sweet spot at 5% that excites the industry because a combination of four or five such technologies would make a material difference to the goal of decarbonisation.

There are many questions around each of these projects, involving installation, maintenance, operation and whether savings seen on trials can be repeated on voyage after voyage.

When asked during a recent webinar about the time taken to pay back the cost of installing and running the Norsepower rotor on the *Maersk Pelican*, Tommy Thomassen, chief technology officer at Maersk Tankers, estimated four to nine years. That outlook has not been helped by a plunge in the price of low-sulphur fuels, he said.

In spite of its immediate success, the Norsepower/ Maersk Tankers initiative does not appear to have sparked a wave of interest from shipping companies wanting to install rotors. That is instructive. It shows the industry is not yet at a point where individual fuel-saving initiatives have gained the confidence of the companies that will have to pay for them. And if that is the case for rotors shown to cut fuel consumption by an aggregated 8.2% — technology which, Mr Thomassen said, "has more chance of succeeding than others" — what chance have projects aiming to trim 1%-2%?

It is now widely accepted there is no silver bullet for decarbonisation. Shipping will only achieve its goal by gathering fuels and fuel-saving technologies which, when bolted together, will get the industry over the line. But that has been made much harder by the low fuel price.

The drive to decarbonise is not likely to be derailed by coronavirus. However, it is much more likely to be severely constrained by the price of low-sulphur fuels.

Maersk heads decarbonisation drive with new research centre

MAERSK and NYK Lines are among the leading maritime companies that have announced plans to set up a new research organisation dedicated to providing decarbonisation solutions to the shipping industry.

The move will see some of the biggest names in the sector collaborating through an established institution rather than via a coalition or for the purposes of a single pilot project.

Other founding members of the Copenhagen-based institution are ABS, Cargill, MAN Energy Solutions, Mitsubishi Heavy Industries and Siemens Energy.

"A highly specialised, cross-disciplinary team will collaborate globally to create overviews of decarbonisation pathways, accelerate the development of selected decarbonising fuels and powering technologies, and support the establishment of regulatory, financial and commercial means to enable transformation," Maersk said in a statement.

To get it done, the new organisation will seek external partnerships but will also take in 100 employees over the next two to three years. The founding partners have agreed to provide one third of the workforce.

"In addition to leadership and administration, the Center staff will include subject matter experts in energy, fuels and ship technology as well as regulatory affairs, finance and the global energy transition," Maersk added.

The organisation will be named the Maersk Mc-Kinney Moller Center for Zero Carbon Shipping after the former AP Moller-Maersk chairman, an emblematic figure in the Danish company.

It will be a non-profit organisation, set up as a commercial foundation with a charitable purpose, and will collaborate with external partners.

The AP Moller Foundation, the Maersk Mc-Kinney Moller family-run fund, is providing it with a start-up donation of DKr400m ($60.7m).

"My father, Maersk Mc-Kinney Moller, was a visionary leader in the global shipping industry for more than seven decades," AP Moller Foundation chair Ane Uggla said in a statement. "He was concerned about shipping's impact on the environment."

The centre's management will be led by chief executive Bo Cerup-Simonsen and will have a board of directors to offer strategic direction.

Mr Cerup-Simonsen told Lloyd's List that he expected the build-up of the organisation, including recruitment, to begin in September.

Maersk chief executive Søren Skou, the first confirmed member of the board, said the Maersk Mc-Kinney Moller Center for Zero Carbon Shipping was a "quantum leap" for decarbonising the shipping industry.

"This joint initiative will fast-track the maturation of solutions and strengthen the basis for decision making among industry players and regulators and hence accelerate investments and implementation of new technologies," he said in a statement.

Mr Cerup-Simonsen said that once up and running, the organisation would effectively work along two lines — research and development, and regulatory and practical measures.

The first would to seek to establish a strong research and development portfolio to investigate the number of different options for decarbonising shipping, both on the energy and technology sides.

"On the other hand, we are going to work with regulatory, commercial and financial means to actually make the transition happen," he said.

Launching on the back of the AP Moller Foundation donation, Mr Cerup-Simonsen was confident that the organisation could attract similar fund interest and bring in new members, as well as establishing partnerships with companies and institutions that would contribute to it in some way.

"You have to commit resources one way or the other to become a member. Because the point is, we want leadership. We want companies that are committed to drive the transition. And it means we want real commitment," he said.

MARKETS

LNG floating storage set to reach record high

FLOATING liquefied natural gas storage is approaching record levels, signalling a bearish market for the commodity this coming winter.

Data from Poten & Partners shows floating LNG storage has reached 58% of a typical month's demand, just shy of the record 61% seen last October, as supplies build up, while demand for the commodity weakens amid the global coronavirus pandemic.

On a monthly basis, LNG demand has ranged between 25m and 35m tonnes on a monthly basis since January 2018.

Head of business intelligence Jason Feer pointed out during a webinar that the volume of LNG held in floating storage would only climb towards the second half of the year as, historically, yearly peaks were seen in the autumn months going into the winter season.

Mr Feer also flagged "record lows" in "average fleet speed" as additional indication of LNG cargoes building up at sea.

LNG tankers averaged a sailing speed of below 13 knots in May, down from about 13.5 knots at the start of this year and 14.5 knots back in January 2018, according to the ship brokerage's data.

Mr Feer also pointed out that Qatar, as the world's largest LNG exporter, has tapped floating storage regularly in the Middle East, Asia Pacific and the Atlantic basin since demand for the commodity collapsed amid the coronavirus pandemic.

The 206,000 cu m LNG tanker *Fraiha*, which called at Ras Laffan in Qatar to load a cargo, spent more than two weeks through to June 24 hovering at an anchorage off the terminal before setting sail for Hazira, India, according to data from Lloyd's List intelligence.

Qatar Petroleum has also "competed aggressively in global spot markets to retain market share", Mr Feer said, highlighting one transacted deal for a spot cargo from the national oil company at "JKM minus 30 cents".

Platts-assessed daily JKM prices are commonly used as a reference to price LNG spot trades in Asia, the host region for the world's top LNG importers.

JKM LNG price fell to record lows of below $2 per million British thermal units in April but has clawed back some losses as economies worldwide were getting back on track.

LNG prices have historically been boosted by winter peak demand for gas heating but a build-up in floating storage for the commodity looks set to hold back any price surge in the coming months.

China adds plants to fuel LPG recovery

CHINESE liquefied petroleum gas demand has started recovering, with propane dehydrogenation plants' operating rates now above 90% after the lockdowns due to the outbreak of the coronavirus.

According to Dorian LPG, an additional 2.6m tonnes per annum of propane dehydrogenation demand is expected to be completed by year-end, boosting LPG shipments as ongoing Chinese government rationalisation of refineries may cut domestic LPG production even further over the next several years.

Further, "20 planned projects are expected to add around 11.9m tonnes per annum of LPG demand through 2023", said Dorian LPG chief executive John Hadjipateras.

Chinese propane dehydrogenation plants and other Asian cracking demand "are expected to outstrip Middle East Gulf supply and force suppliers to look west, boosting tonne-miles", he said during an Evercore ISI webinar this week.

Propane dehydrogenation operating rates in January were around 84% before the pandemic, which slid to below 50% over February with shutdowns, transportation restrictions, weak downstream demand, and workforce issues affecting production, according to Drewry.

China's propane dehydrogenation sector is also expanding despite the pandemic, with four new units set to start operations in 2020, Mr Hadjipateras said.

Construction of the Zhejiang Petrochemical 1 propane dehydrogenation unit has been completed and it is likely to begin operations in this quarter. Other units — Fujian Meide, Oriental Energy, Zhejiang Huahong New Materia — are scheduled to start operations later this year.

There are another 12 plants currently under construction due for start-up in either 2021 or 2022 with a combined LPG consumption capacity of 7.2m tonnes per annum at full run rates.

Drewry expects LPG trade to recover on the US-China route after the latter exempted the 25% tariff that was earlier imposed on US LPG imports.

"Even 10% of China's LPG imports coming from the US by 2023 will create demand for 10-14 [very large gas carriers], improving the overall tonne-mile demand."

IN OTHER NEWS

Female officer recounts harassment at sea

A UK-BASED ice navigator and pilot has described the bullying and harassment she received as a junior member of crew.

Her account of events less than eight years ago provides a rare insight into life at sea for the women who comprise 2% of the world's maritime workforce.

Philippa Bowden, now working in west London in a shoreside position, explained the pressure of having to constantly prove herself to an all-male crew.

After joining a ship as the second mate as the only woman in a 25-person crew, she said of the experience: "I felt like there was a lot of pressure on me to perform and do well because everybody in the company seemed to know my name.

"Obviously I didn't do too badly as I was promoted to second officer," she told a Women's International Shipping and Trading Association and Gard UK online event on the eve of the International Day of the Seafarer. "It was a bit like having 25 uncles as you are a family, you do seven- or eight-month contracts and you've lived with these people 24-7."

But Ms Bowden, who is currently employed by an Italian cruise company as the deputy in the fleet operations department, and as a nautical quality assurance specialist, also mentioned a darker side of her time at sea.

"Whether you like it or not you get some good friends and there are some not particularly pleasant people but that comes in all walks of life, not just on ships," she said. "There were quite a few cases of bullying, harassment, that kind of thing, discrimination.

"One particular captain I served with really disliked me, he would call me all sorts of names on the radio, he had no shame, and anyone in the port who turned into that radio channel and everybody on the ship heard him say 'Where's that effing girl'?

"Every day it was 'you're nothing', 'you're below zero', 'you don't do anything', 'why are you here?', 'you should be pushing a pram', that sort of thing.

"At that age, I must have been 24, 25, maybe I was just more feisty. I took it upon myself to prove him wrong. Nowadays I might have just got off the ship at the next port. But it inspired me to work harder and prove to them I could do the job and that I was more than capable."

Ms Bowden began her cadetship in 2008 after leaving school. She said she was attracted to that because she would achieve qualifications without racking up university debt. By the time her friends who had gone into higher education had graduated "my annual salary was the same as their debt they had to pay back", she recalled.

Other experiences reflected the overall invisibility that international seafarers faced. Ms Bowden was offered a $50 bonus after ending an eight-month contract that involved regularly traversing the pirate-infested waters in the Gulf of Aden, including experiencing one thwarted attack and seeing the vessel approached several times.

"It's not really a glamorous life, it was a little bit scary at the end of that charter so we got a bonus that was worth about $50 and I remember thinking, 'Is my life only worth that much?'" she told the event.

Ms Bowden began as a cadet on a general cargoship, worked her way up to chief mate on ferries and receiving her master mariner's licence in 2016, aged 28.

Lloyd's Register launches Covid-19 seafarer health survey

LLOYD'S Register has joined forces with the UK Chamber of Shipping, the Mission to Seafarers and other maritime organisations to run an industry-wide survey on the impact of coronavirus on employee wellbeing and operational practice.

The online survey, launched today to mark the Day of the Seafarer and set to run until late August, will gather insights on how the industry has coped with the challenges presented by the pandemic.

It is hoped that the findings will help shape disease management, healthcare and remote working practices in the maritime sector. The results of the survey will be shared later in the year.

UK takes lead in push for swifter action on crew changes

DURING these unprecedented times, a spotlight has rightly been shone on the frontline workers who have kept Britain open and functioning, *write Kelly Tolhurst and Bob Sanguinetti.*

We both recognise the importance of safeguarding the mental health and wellbeing of seafarers and we are especially focused now given the extra strains on crews.

To ensure their swift repatriation, regardless of nationality, the UK's Maritime Minister wrote to the International Maritime Organization, the International Labour Organisation and the World Health Organisation at the start of the outbreak on March 23 pressing that all states follow the UK's work in repatriating workers regardless of their nationality or employment.

On top of this, throughout these past few months, the UK has remained open for seafarers to come and either stay on vessels, go ashore, take shore leave or be repatriated, abiding by Public Health England requirements and social distancing.

We have repatriated more than 7,000 cruise ship workers in the UK and the government will continue to do this where countries are allowing their nationals to return home. We are also urging other countries to follow a similar model.

We stand ready to work with other governments to ensure safe crew changes can take place and the world's trade can continue to flow.

Kelly Tolhurst MP is a UK Department for Transport minister responsible for maritime; Bob Sanguinetti is chief executive of the UK Chamber of Shipping

Russian aframax tanker 'goes dark' to load Venezuela crude

THE Russia-flagged aframax tanker *Sierra* is sailing to Venezuela to become the first Russian-organised cargo lifted from there since Rosneft stopped selling crude for the South American country in March.

The 1998-built vessel, owned by Novograin Ltd, left the Russian port of Novorossiysk on May 25 and is sailing in ballast to Venezuela, according to an emailed note from Russ Dallen, of Miami-based investment firm Caracas Capital Partners.

The vessel's Automatic Identification System was switched off five days ago, a practice often used to disguise the destination and origin of sanctioned cargoes.

The vessel is classed by Bureau Veritas and insured by London Steamship Owners Mutual Insurance Association, according to the Lloyd's List Intelligence database. However, the London P&I Club's website no longer has the vessel entered on its website.

Lloyd's List was unable to find anyone from Novograin Ltd to comment.

Iranian seafarers face US sanctions for Venezuela trade

THE US has imposed sanctions on the masters of five product tankers that were used by the Islamic Republic of Iran Shipping Lines and the National Iranian Tanker Company to deliver Iranian gasoline to Venezuela.

The Treasury Department's Office of Foreign Assets Control said Ali Danaei Kenarsari, Mohsen Gohardehi, Alireza Rahnavard, Reza Vaziri, Hamidreza Yahya Zadeh had been added to its "Specially Designated National and Blocked Persons List".

Ofac said all five of the masters undertook their duties on behalf of IRISL or NITC in delivering gasoline and gasoline components to Venezuela, in violation of US sanctions.

It said the five Iranian-flagged ships included the 2004-built, 35,124 dwt combined chemical and oil tanker *Forest*, as well as four product tankers: the 2018-built, 49,288 dwt *Clavel*; the 2018-built, 49,288 dwt *Petunia*; the 2004-built, 35,155 dwt *Fortune*; and the 2004-built, 35,118 dwt *Faxon*.

Crew kidnapped from vessel off Benin

PIRATES kidnapped six crew members from the Ghanaian fishing vessel *Panofi Frontier* in the Gulf of Guinea, according to reports.

Gunmen boarded the vessel at about 60 nautical miles south of Cotonou, the capital of Benin, on June 24 taking five South Koreans and a Ghanaian, Lloyd's List Intelligence reported.

The kidnappers have not been located or identified. South Korea's foreign ministry said it was working to secure the crew's release, LLI said.

The 1987-built, 995 gt *Panofi Frontier* had a crew of 30 on board at the time of the attack, LLI said.

Maersk shakes up regional management

ROBBERT van Trooijen, Maersk's well-regarded chief executive in the Asia Pacific region, is to move to a new role as regional head for Latin America for Maersk, and chairman of the board of Sealand Americas.

His replacement in Asia will be Ditlev Blicher, who will take on the role of regional managing director for Asia Pacific from September 1.

Mr Blicher is joining Maersk from DB Schenker, where he has been chief executive of Asia Pacific for the past four years. His previous roles include stints at UTi Worldwide and CEVA Logistics.

His new responsibilities will include Maersk's ocean and logistics activities, leading a team of over 7,000 employees. He will also assume the role of chairman of the board of Sealand Asia.

Port of Charleston sees throughput decline into 2021

THE Port of Charleston will fall short of its earlier cargo projections as the current fiscal year comes to an end on June 30, with a return to better times not expected until 2021.

The South Carolina State Ports Authority this week approved a budget that predicts a 7% year-on-year decline in containerised freight during fiscal 2021, which begins on July 1.

Since the outbreak of coronavirus in March, ocean carriers have blanked 64 sailings, about 10% of their scheduled visits and the port's throughput levels have declined accordingly by about 55,000 teu below projections.

For the coming fiscal year, officials see a downward trend for the first six months, with container throughput expected to fall by 19.6% during that time and no sign of an uptick until the first quarter of 2021.

Classified notices follow