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Crew change commitment from key governments offers promise of political progress

A JOINT PLEDGE FROM a dozen governments committing to open up foreign borders for seafarers and increase the number of commercial flights to expedite repatriation efforts has been welcomed as a turning point by senior industry officials.

However, with no formal timelines in place to accompany the commitments, the process of unblocking the bureaucratic hurdles coronavirus-fuelled restrictions that have left more than 200,000 seafarers stuck at sea will continue to require urgent industry lobbying and further political leverage before seafarers can return home.

Government representatives from 18 states attended a crew change summit hosted by the UK on July 9, bringing together high-level United Nations officials with political and business leaders from across the globe.

The resulting joint ministerial statement, which was signed by an initial group of 12 of the participating governments, detailed a series of pledges aimed at unblocking the current restrictions on seafarer movements.

The measures included: designating seafarers as key workers; accepting seafarers' ID documents as evidence of their key worker status; implementing the industry approved protocols for ensuring safe ship crew changeover; reviewing national quarantine restrictions; and increasing access, as soon as possible, to commercial flights to and from the principal countries of origin of seafarers.

While the initial joint ministerial statement is caveated in language that "recommends" and "encourages" states to action the pledges, senior industry officials present in the meeting report a high level of confidence that the statement will result in tangible action from states. There is also growing optimism that the pledges will provide much needed political leverage to encourage action from governments not yet signed up to the commitments.

"Tomorrow isn't soon enough," said Stephen Cotton, general secretary of the International Transport Workers' Federation. "While we welcome this as a positive step forward, we now need to see solid steps being taken by governments."

According to International Chamber of Shipping secretary-general Guy Platten, the agreement offers the shipping industry a "catalyst for change" and a "solid commitment from governments".

While the scripted outcome of the UK-led summit managed to pull in attendance and commitments from several key governments including Denmark, Germany, the Philippines, Saudi Arabia, the United Arab Emirates and Indonesia, there were many government invited who did not attend and not all those on the summit call signed the pledge.

Precise figures on failed crew change attempts are largely a matter of guesswork from industry bodies trying to track restrictions and blockages internationally, however both the ICS and ITF agree that the most optimistic assessments suggest under 30% of crew changes due to take place are happening.

According to Mr Cotton, the joint ministerial pledge offers some much-needed political leverage to ensure that the message from senior government level can now be heard at port level, where discrepancies between transport, immigration and border control officials are rife.

"Decisions about seafarers need to be made at the highest level," said Mr Cotton. "We can't be struck with a decision from transport when immigration doesn't agree. We can't have immigration agreeing when border control doesn't follow the appropriate rules. We're now going to focus on individual countries to unblock the problems and if countries aren't coming to the party they will be hearing from the ITF about why not from tomorrow."

In his opening remarks to summit, International Maritime Organization secretary-general Kitack Lim stressed the crucial importance of ensuring the functioning of the global supply chains by means of safe and efficient operation of maritime transport.

"However, these are challenging times for many seafarers. More than 200,000 seafarers are still waiting to be repatriated after many months at sea, having stayed beyond their original contracts. Both their physical and mental health are being put to the test," he said.

The IMO — in collaboration with a number of other United Nations agencies — has been developing practical advice and guidance on a variety of technical and operational matters, and has endorsed crew change protocols developed by a broad cross-section of maritime industry organisations.

"It is imperative that governments implement these protocols. To ensure their implementation, co-operation and collaboration between the various government agencies involved is essential.

"It is time to act for seafarers. Safe ship operations and crew wellbeing should not be compromised. The humanitarian crisis seafarers face has implications for all of us, for the world economy and for the safety of life at sea and the environment."

Pledges, platitudes and protocols won't repatriate seafarers

OUR journalists spend hours — sometimes days — chasing down industry leaders to secure the insight and analysis our readers expect.

However, yesterday was different. Yesterday, some of the world's most senior maritime executives responded to our inquiries within minutes.

Why? Because the topic was how to explain why a serious and invisible humanitarian crisis isn't being resolved faster. Hundreds of thousands of exhausted, anxious seafarers remain stuck on ships around the world and can't return home because of travel restrictions imposed as a result of the coronavirus outbreak.

Five months after a cascading series of country lockdowns raised this global logistical challenge, the situation on vessels worldwide is now critical and urgently needs to be addressed. Crew change summits, platitudes, pledges and protocols are failing to repatriate seafarers.

"The goalposts are always moving, even at the last minute," said Matt Dunlop from shipmanager V.Ships. "It's changing by the day."

Three quarters of necessary crew changes haven't occurred since March. Getting crew from supplying nations to fly out to their destination or return to their home country remains challenging. Shipmanagers are making 10 times the effort to get less than half their people changed, another said.

Consistency is at the heart of repatriation. Seafarers need regular daily commercial flights from their home country to key crew change destinations. Consistency helps planning. Ships then don't have to stay in port for indeterminate periods awaiting flights in and flights out. Seafarers don't get stuck in limbo.

Most consulates and passport offices are shut, making visas and certification certificates nigh impossible to secure, especially in the Philippines, the biggest supplier of the world's 1.5m seafarers.

Options in Europe's 26-country Schengen area to have visas available at the airport would facilitate crew travel and transfers on the ground. This isn't in place. Only seafarers with existing visas can change in many European countries, which is where one of the most significant bottlenecks remains.

The International Maritime Organization has issued policies and procedures to guide authorities. Not all governments have adopted them. Many failed to send a representative to yesterday's UK-led International Maritime Virtual Summit on Crew Changes.

Countries must adopt a bilateral approach and then ensure their immigration and transport policies are coordinated, and waivers or exemptions granted and fairly applied.

Those who underestimate the damage that this inconsistency is doing to seafarers' mental wellbeing do so at their peril. Safety is at stake when tired, depressed, anxious seafarers are shipping commodities like oil in tankers.

Even divine intervention in the form of the Pope has failed to stir action over the plight of seafarers and cut through the quagmire of red tape that will alleviate the crisis.

Seafarers have long been the invisible heroes of globalisation and trade, shipping billions of tonnes of energy commodities, consumer goods and industrial materials each year. Of all the many pandemic-related tragedies this one remains among the most distressing for its sheer longevity, scale and invisibility.

It is glaringly apparent how little lobbying power shipowners have. They form a fragmented, disparate group who shun the limelight.

The miners and oil traders who rely on seafarers to ship their commodities that secure their profits have remained silent too, to their shame. They are one of the few segments within the shipping logistics chain with pathways to power and must lend their heft to this desperately sorry situation.

One maritime executive showed Lloyd's List his company's spreadsheet collating thousands of crew changes needed from hundreds of ports involving dozens of nationalities. By the end of the month, a third of the crew will be overdue and once August is over that figure rises to 56%.

The pace of crew repatriation is not fast enough and the backlog is rising.

Unemployed crew ashore need to get on board so they can feed their own families and relieve others. The global maritime sector has failed to persuade governments that seafarers' plight must be higher on their coronavirus agenda.

The virtual summit convened by the UK shone yet another light on seafarers to those governments who bothered attending.

A good start is for countries to designate seafarers as "key workers". This will identify those governments and authorities serious about a resolution.

OPINION

Naming and shaming shipping firms will not solve carbon crisis

THAT shipping has a problem with carbon emissions goes without saying, *writes James Baker*.

Pushing a 23,000 teu containership through the water takes some energy, and burning fossil fuels is still the cheapest and most efficient way to do that.

But in shipping, as in society as a whole, the continued use and abuse of CO2 emitting fuels is unsustainable if there is to be any hope of saving the planet from global warming.

Shipping knows this. The International Maritime Organization has set targets for the reduction of carbon for both 2030 and 2050. These are base limits and many are aiming higher. Several groupings are working towards net-zero emissions by 2050.

Whether this is enough or soon enough is endlessly debatable. But the issue is known and being addressed across the industry.

It does, however, call into the question the validity of singling out any one company for opprobrium due to its carbon emissions.

Campaign group Transport & Environment has again placed Mediterranean Shipping Co among the top 10 carbon emitters in Europe, in a list dominated by coal-fired power stations.

While the numbers are incontrovertible — MSC itself supplies the figures to the European Union monitoring, reporting and verification system — the interpretation can be challenged, and MSC does challenge it.

Not only does Transport & Environment take into account the carbon emitted across a whole voyage to and from Europe and apply it to Europe as if the whole voyage had taken place in Europe, it avoids the rather obvious fact that MSC is not only not the largest shipping company in the world, it is not even the largest container line.

MSC argues that only 40%-45% of its emissions are in Europe. It also differs in that unlike many container lines, it predominantly does its own feedering.

A container coming from Shanghai to Rotterdam, which is then transhipped to Dunkirk, would be counted towards MSC's carbon emissions. Another line using a third-party feeder would only have the main lane leg counted.

Arguably, MSC is being punished for having a comprehensive network of European shortsea services.

Slot sharing and alliance agreements add another level of complexity that T&E does not take into account. Should an MSC ship carrying the containers of others be counted solely to MSC's total?

MSC's *Gülsün*-class 23,000 teu ships can move a tonne of cargo one mile for 7.5 grams of CO2 emissions. This is way below any alternative mode of transport.

No one would argue that shipping should be let off the hook. The value in singling out particular companies, however, is questionable.

ANALYSIS

Maritime rule fails to cap seafarer tours of duty

THE Maritime Labour Convention does not specifically cap the duration of seafarers' tours of duties, although Panama's decision to allow them to be extended to up to 17 months could still be open to legal challenge, according to a legal expert.

The outcome in any such case would hang on an interpretation of the exact wording of the convention, said Stephanie Barrett, a barrister at Quadrant Chambers.

While there are no strict guidelines for maximum length of service, there are the explicit provisions on paid annual leave, shore leave and a right to repatriation on the expiration of a seafarer's contract.

One section of the convention "sets out that a flag state should ensure that there are appropriate provisions in its laws or in collective bargaining agreements, prescribing a maximum service period on board, following which the seafarer is entitled to repatriation, with such period to be less than 12 months.

"That would indicate that a flag state deliberately allowing seafarers to stay on board for 17 months at a time is not in accordance with the MLC."

In terms of enforcement, most of the relevant provisions concern enforcement against individual shipowners, with the flag state itself having a key role in terms of ensuring compliance.

But the mechanisms for enforcement against a non-conforming flag state are less clear.

Mark Dickinson, general secretary of officers' union Nautilus International, has called for all Panama-flagged ships to be targeted for inspection by port state control for MLC breaches.

"That is certainly one avenue worth exploring, because seafarers are entitled to complain to port state control about MLC breaches," said Ms Barrett. "Otherwise, I believe that complaints can be made to the International Labour Organisation."

Where seafarers believe that the UK Ship Register had not complied with its obligations, it is possible to apply for judicial review of a particular decision.

There is a precedent in *Wilson v The Secretary of State for Transport (Rev 1) [2015] EWHC 2330*, in which a seafarer unsuccessfully brought proceedings against the Maritime and Coastguard Agency for failing to enforce the MLC, in which the ILO was joined as an 'interested party'.

The issue is whether similar avenues exist under Panamanian law, and specific local legal advice would be needed on that point, said Ms Barrett.

MARKETS

Capesize spot market cools

CAPESIZE bulker earnings fell over the week as a fall in iron ore demand translated into a lack of activity from Brazil, hurting spot rates.

The weighted time charter average was assessed by the Baltic Exchange at $29,610 per day on Wednesday, down 4.3% from last week, after rising above $33,700 on Monday.

The Baltic Capesize Index fell to 3,570 points on July 8, down 15.7% week on week.

"Fluctuations in Chinese iron ore demand are never negligible for the segment," said a Singapore-based broker, who pointed out that the dip in spot rates is a response to demand tapering off.

"We are optimistic, but that said, we do not see a lot of cargoes, especially from Brazil. Rates have softened, but not by much. They are expected to remain at current levels."

According to Norwegian brokerage Fearnleys, basic market fundamentals remain good, with big ore volumes concluded and expected going forward on main routes. "Atlantic in particular keeps being very tight on early tonnage and appears a key driver for subsequent recovery."

On C3, the rate to haul iron ore from Tubarao in Brazil to Qingdao in China stood at $19.64 per tonne, compared with $20.26 a week ago.

The longhaul round voyage from China to Brazil was assessed at $23,409 per day on Wednesday, down 6.1% week on week.

Meanwhile, as Brazilian iron ore shipments have recovered from supply disruptions earlier in the year, queuing capacity has quickly been absorbed, thinning out supply in the Atlantic, Braemar ACM noted.

The rate from Western Australia to China, the C5 route, closed at $9.24 per tonne, down from $10.10 in the previous week, a decline of 9.1% over the week.

The volume of capesize tonnage waiting at Chinese ports jumped to more than 16m dwt last week, the highest level in more than two years, Braemar ACM said in its latest report.

Over the month of July so far, Braemar ACM has recorded an average of 15.2m dwt of capacity waiting, 41% higher than average congestion during this period over 2015-19 and 33% higher than last month's average. "This is adding to the ongoing squeeze to supply of ships in the Pacific," the brokerage added.

"Heavy seasonal rains are reportedly slowing the rate that incoming vessels can be discharged, but the queues are also in part down to China's enormous purchases of iron ore over the past few weeks, some of which would otherwise be heading to countries which have cut back their imports, such as Japan and South Korea."

Breakwave advisers commented that dry bulk fundamentals in the second half remain healthy and the current drop in both spot and futures for capesizes will prove to be just another short-term mild correction in what will end up being a very strong period for dry bulk shipping.

IN OTHER NEWS

ICBC Leasing agrees distressed offshore assets deal with Sinoocean

ICBC Financial Leasing has signed a strategic co-operation agreement with Sinoocean, an asset management company set up by the Chinese government to handle distressed offshore projects for state-owned companies.

Under the partnership, the two will "build up a communication mechanism for market information, share relevant resources and jointly explore solutions to deal with offshore assets", according to a release.

Sinoocean was established in April 2019 by seven state-owned shareholders led by Chengtong Holdings Group, one of China's largest investment and asset-operating firms, and China National Offshore Oil Corp.

Fall in number of containers lost at sea

THE number of containers lost overboard continues to fall, despite some high-profile incidents still making headlines.

A new report from the World Shipping Council, which represents the leading container lines, found 779 containers were lost at sea each year over the latest three-year survey period.

"There were no individual losses as significant as those noted in the previous periods, which is a welcome development," the report said. "However, 2018 and 2019 were marked with a few incidents that each lost more than 100 containers."

CMA CGM offers environmental leadership

CMA CGM Group is to be lauded for its decision to fight the illicit trafficking in protected species and to black list exporters suspected of involvement in such trade, *writes Eric Watkins*.

This decision by the French shipping giant underscores a commitment to protecting the environment that is surely laudable, but especially so when it also aids in the fight against a global pandemic.

CMA CGM said it is "reinforcing its procedures" for shipping protected species, the trade in which is regulated by the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Insurer American Hellenic Hull hits 3,000 ships

AMERICAN Hellenic Hull has surpassed 3,000 insured vessels as it continues its growth in spite of the coronavirus pandemic.

The Cyprus- and Greece-based hull insurer said that it achieved the milestone in the second quarter of the year, with 3,060 vessels in its hull and machinery portfolio on June 30.

The size of the company's insured fleet was a highlight of what the company said was a "record-breaking" first half. In the first six months the company said it posted a 52% increase in gross written premiums.

K Line joins FPSO project in Brazil

KAWASAKI Kisen Kaisha, the Japanese-owned shipping company known as K Line, has teamed up with Sumitomo and Malaysia's Yinson in a floating production, storage and offloading owning and chartering venture serving the Marlim II project off Brazil.

Upon stable operations of the FPSO being achieved in 2023, K Line will have roughly a 10% stake in the venture, it said in an emailed statement.

Operations are expected to start by the first quarter of 2023 on a 25-year charter period, with no options for extensions thereafter.

SPI Marine starts 'Google-style' shipping data service

SPI Marine, a service provider in the chemical tanker business, has teamed up with Microsoft to offer shipbrokers with quick answers to questions using analytics in a 'Google-style' search system.

The initiative is designed to support day-to-day decision-making, SPI spokesperson Savahna Nightingale said. The data can also be benchmarked against industry averages.

The Vault data analytics system, which is able to create visualisations of the data, is being piloted with a handful of clients, she said, with a view to expanding the service more widely.

American Club backs marine cyber risk training

THE American Club and American Bureau of Shipping subsidiary ABS Consulting are to work together to provide education, training and insurance guidance on cyber security for the marine mutual's members.

The programme is designed to protect operations, as well as the overall safety of crew and the environment.

The two sides said in a joint statement that greater frequency of cyber attacks, increased digitalisation and an emerging global regulatory focus are adding to immediate demands to address and the issue.

Brazil steps in over unpaid crew

BRAZIL has stepped into a dispute involving the crew of a cargoship who claim they have not been paid by its owner for eight months.

The Panamanian-flagged, 5,896 dwt *Srakane* has been laid up in Brazil's Sao Sebastiao channel north of Ilhabela since June 2. Its crew claim they are owed more than $200,000.

The International Transport Workers' Federation said the 16 mostly Ukrainian crew members refused to leave the vessel, which sailed to Brazil from Morocco, until they are paid.

Classified notices follow

KINCARDINE OFFSHORE WINDFARM LIMITED (KOWL) – THE ENERGY ACT 2004

NOTICE OF APPLICATION FOR SAFETY ZONE SCHEME DURING CONSTRUCTION AND MAJOR MAINTENANCE OF THE KINCARDINE OFFSHORE WINDFARM

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 Kincardine Offshore Windfarm Limited (KOWL) (Company Number SC475345, Registered Office at CMS Saltire Court 20 Castle Terrace, Edinburgh EH1 2EN) 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 Kincardine Offshore Wind Farm.

Kincardine is applying for 500 metre (m) safety zones around each structure (Wind Turbine Generator or Offshore Substation Platform) whilst construction works are in progress (as indicated by the presence of a construction vessel). Full details are available in the safety zone application document (download links / access details provided below).

The safety zone application is available to download on the Kincardine Offshore Windfarm website https://pilot-renewables.com/ 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.

Due to the ongoing Corona-19 Virus Kincardine Offshore Windfarm cannot display a public notice as best fits the requirements, however please contact:

Kincardine Offshore Windfarm
The Silver Fin Building
455 Union Street
Aberdeen
AB11 6DB

If you have any questions or queries regarding the on-going project, please do not hesitate to contact KOWL