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## 'Illogical' airline inaction blocking Singapore crew repatriation



AIRLINES HAVE BEEN accused of being the biggest barrier to crew changeovers

Singapore Shipping Association said carriers must urgently introduce regular commercial flights so that seafarers can be repatriated.

“The crux of the matter is the airlines... they are the other missing link in the entire value chain we’re looking for,” said association executive director Michael Phoon.

“We’re not sitting on our hands; we’ve been trying so hard to get them to work and come to the table with us.”

Between 200,000 and 300,000 seafarers worldwide are estimated to be stuck on ships with expired contracts after the coronavirus pandemic led to cascading country lockdowns that prevented three quarters of scheduled changeovers from happening since March.

Airlines have not arranged extra flights from key crew-supplying countries such as the Philippines and India to hubs such as Singapore to meet demand, according to Mr Phoon.

“We have literally done all we can to help,” he told Lloyd’s List, referring to extensive liaison with airlines and the airline industry’s lobby group, the International Air Transport Association.

“We have tried to get as many companies as possible to provide forecasts of which ports vessels are going to and are due for crew

changes to provide visibility. It's really up to them [airlines and IATA] to figure out whether they want to resume flights.

"I don't buy the reasons that they say, such as 'we need to work with the airlines to figure out whether this is a business proposition'. If you were to check the limited flights that are flying out now, they're all at full capacity, what more indicators can they want?"

"Then they said, 'Maybe we don't have to resume [flights], why don't we think about chartering?'"

"But if you're going to charter, you're extending the same efforts to get the flights in place so why don't you resume a normal commercial flights? The logic is not there."

Shipowners and managers are also battling constantly changing quarantine, testing and immigration policies at countries and ports worldwide, alongside closed consulates and embassies, which make securing visas difficult.

Shipmanager V.Ships reported earlier this week that the company had signed in and signed off more seafarers from the US and the UK than any other countries since March.

The figures provided a real-time insight into how usual transfer hubs were avoided for their inconsistent rules, with goalposts constantly changing at different countries and ports, executives reported.

Although Singapore was among the first to establish protocols for crew changes, numbers passing through the country have been limited.

## Dubai opens for crew changes

DUBAI, a key hub for crew changeovers, has relaxed crew change restrictions, with the Dubai Maritime City Authority allowing moves under certain conditions.

According to DMCA, ships can rotate seafarers in Dubai port and anchorages subject to compliance with the Dubai Health Authority coronavirus guidelines and scheduled flights in United Arab Emirates.

"All agents are required to co-ordinate with the General Directorate of Residency and Foreigners Affairs' Dubai Ports and Airports, and make sure the quick process of crew transfer from ships to airports and from airports to ships," the authority's Marine Anchorage Operations Department said.

Fourteen-day advance notice is required for those who can't directly join a flight from the port and crews must transit through airports in hazmat suits.

Nearly 31,000 crew members have changed in Singapore since March 27, according to the Maritime and Port Authority of Singapore.

That averages out to some 2,000 crew weekly, in a country with 130,000 port calls annually and a reputation as the world's number one maritime centre and regional bunkering, oil and refinery hub.

Singapore's shipping sector has put together a system that integrates information from participating companies about crew changes and activity to a central portal, which was provided to the local IATA contact, Mr Phoon said.

"I'm not sure what they are doing with it... we have literally done all we can to help," Mr Phoon said.

"As the saying goes, the ball is no longer in our court. The specific oversight to manage airlines is not our job, they're not going to listen to us. IATA has to step up and support them."

Global airline industry losses are forecast to top \$84bn in 2020, according to IATA as travel demand drops by an average 50% this year.

The Asia-Pacific region was the first to feel the brunt of the pandemic IATA said, and estimated to post the largest absolute losses.

Geneva-based IATA has been contacted for comment.

On-signing crew will have to arrive within 96 hours of receiving a seaman visa and should carry their polymerase chain reaction test results (valid for 96 hours) upon their arrival to Dubai Airport. A polymerase chain reaction test is a swab test.

However, hotel stays are still not permitted for signing off crew, unless the seafarer in question has tested negative.

The relaxations should send a positive signal to the international shipping world, where the pace and scale of removing crew change barriers is said to be lower than expected.

Until now, the UAE had restrictions that were among the most confusing, according to port agents and ship operation managers.

“Direct verbal discussions with numerous authorities means crew changes may proceed at Dubai, Port Rashid, Jebel Ali, DMC and Dubai

dry-dock,” information collated by shipmanagers said about the UAE, as of July 14.

However, for weeks, crew have not been allowed to enter the country to board a ship, despite guidance saying this was the case and tourists being allowed to fly in.

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## WHAT TO WATCH

# Allianz says shipping losses at record low

LARGE shipping losses are at an all-time low, according to the Allianz Global Corporate & Specialty annual safety review.

The study shows losses declining by over 20% year on year — and by 70% over a decade — compared with last year’s record.

However, the coronavirus will present challenges to the industry, as operating conditions become more difficult and the world economy enters into a downturn, the marine insurer added.

In particular, safety and maintenance spending should not be cut in the wake of the pandemic if standards are to be maintained, it added.

The study analysed reported shipping losses in excess of 100 gt and found 41 actual and constructive total losses of vessels worldwide in 2019, down from 53 in 2018.

The secular trend towards fewer casualties is the result of sustained efforts in the areas of regulation, training and technological advancement, among other factors. Even so, there have been 950 shipping losses since 2010.

The report also highlights 10 coronavirus-related challenges that Allianz believes could heighten shipping safety risks.

The current inability to change crews is impacting seafarer welfare, which could lead to an increase in human error on board vessels.

Disruption of essential maintenance and servicing heightens the risk of machinery damage, which is already one of the major causes of insurance claims.

Reduced or delayed statutory surveys and port inspections could lead to unsafe practices or defective equipment being undetected, while cargo damage and delay are likely as supply chains come under strain.

The ability to respond quickly to an emergency could also be compromised, with consequences for major incidents, which are dependent on external support.

The growing number of cruiseships and oil tankers in lay-up around the world pose significant financial exposures, on account of potential threats from extreme weather, piracy or political risks.

“Shipowners also face additional cost pressures from a downturn in the economy and trade,” said Rahul Khanna, the insurer’s global head of marine risk consulting.

“We know from past downturns that crew and maintenance budgets are among the first areas that can be cut, and this can impact the safe operations of vessels and machinery, potentially causing damage or breakdown, which in turn can lead to groundings or collisions. It is crucial that safety and maintenance standards are not impacted by any downturn.”

The South China, Indochina, Indonesia and the Philippines maritime region remains the top loss location, with 12 vessels lost in 2019 and 228 vessels over the past decade.

That represents one in four of all losses, although the tally has declined for two years in succession. High levels of trade, busy shipping lanes, older fleets, typhoon exposure, and safety issues on some domestic ferry routes are contributing factors.

The Gulf of Mexico, with four losses, and West Africa, with three, rank second and third.

Cargoships, with 15 losses, accounted for more than a third of vessels lost in the past year, with foundering the main cause of all total losses, accounting for three in four. Bad weather accounted for one in five losses.

Issues with car carriers and ro-ros remain among the biggest safety problems. Total losses involving

ro-ros are up year on year, as well as smaller incidents.

Capt Khanna observed that ro-ros are more exposed to fire and stability issues than other vessel types. Turnarounds are quick, and pre-sail stability checks were sometimes not carried out as required, or based on inaccurate cargo information.

While total losses continue to see a positive trend, the number of reported shipping incidents increased by 5% year on year to 2,815, driven by machinery damage, which caused over one in three incidents.

A rise in incidents in the waters of the British Isles, North Sea, English Channel and Bay of Biscay meant that they replaced the eastern Mediterranean as the top hotspot for the first time since 2011.

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## ANALYSIS

# Gulf of Guinea now a piracy hotspot that threatens all seafarers – report

ATTACKS on seafarers have risen in the first half of the year, with 77 seafarers taken hostage or kidnapped for ransom since January.

The Gulf of Guinea is now the piracy hotspot, overtaking Southeast Asia and accounting for 90% of the problem, according to the latest quarterly piracy report from the International Maritime Bureau.

In total, IMB's Piracy Reporting Centre in Kuala Lumpur recorded 98 incidents of piracy and armed robbery in the first half of 2020, up from 78 in the corresponding period last time round.

The increasing threat of piracy adds to hardships already faced by hundreds of thousands of seafarers working beyond their contractual periods due to coronavirus restrictions on crew rotations and international travel, the IMB argued.

“Violence against crews is a growing risk in a workforce already under immense pressure,” said director Michael Howlett.

“In the Gulf of Guinea, attackers armed with knives and guns now target crews on every type of vessel. Everyone's vulnerable.”

So far this year, 49 crew have been kidnapped for ransom in the Gulf of Guinea and held captive on land for up to six weeks. Rates are accelerating, with 32 crew kidnapped in the past three months alone.

Attacks are also taking place further out to sea. Two-thirds of the vessels were attacked at a range of 20 to 130 nautical miles from land.

Mr Howlett stressed the need to change the risk-to-reward ratio for pirates operating within the Gulf of Guinea.

“Without an appropriate and proportionate deterrent, pirates and robbers will get more ruthless and more ambitious, increasing the risk to seafarers.”

There are also issues in the Singapore Straits, which saw 11 incidents in the first half of 2020, raising the risk of collisions in this busy shipping channel, especially at night.

Although most are opportunistic, low-level attacks that are aborted once the alarm is sounded, two reports in May 2020 indicated crew were threatened with knives, taken hostage and injured.

The IMB is also recording more incidents in new areas of Latin America, but believes that many further attacks go unreported, making the problem more difficult to assess.

Four attacks in a span of 11 days in April in Mexico all targeted offshore vessels, while incidents continue to be reported off Callao anchorage, Peru. There were also three attacks on boxships off Ecuador in the second quarter.

However, there were no incidents reported off Somalia, once the world's unquestioned piracy hotspot. Nevertheless, vessels are urged to continue implementing BMP5 recommended practices while transiting these waters.

# GPS hacking remains a global threat

SHIPPING's progress towards a digital future is making the industry much more vulnerable to cyber-attack, according to security experts.

Digitalisation is an inevitable step in the push for reduced costs, increased manpower efficiency, and smarter ship and port management systems.

Roi Mit, chief marketing officer at start-up Regulus Cyber, said there is a direct connection between this technological development and the vulnerability that occurs "when we rely on systems more and more".

Speaking on a TOC Digital webinar, Mr Mit said he has seen an increased reliance on digital tools and a diminished awareness of back-up support such as paper maps or any kind of manual navigation.

This means that the impact of disruption in any of those digital tools is a lot more hazardous. Those tools are heavily reliant on accurate data that is up to date and transmitted in real time.

He gave examples of how hacking GPS signals has become a global concern. Once a method used by state and military actors, "over the past few years new devices have made this kind of hacking cheap, easy, and very accessible to anyone.

"Today, teenagers can go online and purchase the required hardware, which is only about \$100, and they can hack GPS in their close vicinity," he said.

Jamming — blocking the signal — and spoofing — taking the signal over — has become a "huge security concern" because a ship's crew is unable to

identify an attack involving the altering of incoming GPS information.

He said the motivations behind such attacks are numerous, with criminal groups and terrorists becoming much more knowledgeable about how data can be manipulated.

"GPS has been used in illegal fishing. The way law enforcement monitors illegal shipping is by looking at the AIS system transmissions, locations, and identifications of the ships, making sure they are in the area they should be. Illegal fishermen have spoofed their own ships with another location while they are actually performing illegal fishing."

There is already evidence of piracy, especially near Somalia, using GNSS spoofing because if vessels call for help from the regional maritime taskforce, responders will be sent to the location transmitted by the AIS rather than the ship's actual location.

Further, there are examples of collateral damage from military conflict, where bad actors transmit spoof signals and generate collisions or inadvertent incursions into hostile territory.

In 2017, the International Maritime Organization's Maritime Safety Committee adopted Resolution MSC.428(98) — Maritime Cyber Risk Management in Safety Management Systems.

This encourages administrations to ensure that cyber risks are appropriately addressed in the ISM Code no later than the first annual verification of the company's Document of Compliance after January 1 next year.

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## MARKETS

# LNG cargo cancellations forecast from US as demand drops

MULTIPLE liquefied natural gas cargo cancellations are expected from the US as demand continues to falter.

Kristen Holmquist, forecasting manager at Poten & Partners, said that 40 cargoes in July have been cancelled, with a similar figure expected for August. That compares with June, when 30 were cancelled. The US usually exports 88 cargoes a month.

US gas plants are operating at very low levels, and it is not just the US that is cutting shipments. Lower exports have also been reported from Australia, Indonesia, Malaysia, Trinidad and Russia, Ms Holmquist told a webinar hosted by the Baltic Exchange.

Qatar seems to be the only country maintaining exports as it looks for greater market share.

The weakness in the market is “unique and challenging”, and the drop in demand due to the coronavirus crisis has been more severe than expected, said Ms Holmquist, who is anticipating a U-shaped recovery. That is forecast in 2022, which would lead to a tightening in the supply-demand balance.

Most countries, apart from China and Taiwan, are expected to record a drop in demand this year, according to Poten estimates. Europe’s storage is at near full capacity, and while a fall in imports is likely over the next few months, additional cargoes could be required ahead of the winter months.

Although floating storage needs have increased, freight rates have been softening as a result of the

lower global demand, and Ms Holmquist does not see much strengthening to 2022.

The liquefied petroleum gas sector should see activity ramp-up by the end of 2020 as four new propylene dehydrogenation plants, used to make plastics, start operating. These are located in China. That will add 1.5m tonnes to demand for LPG and annual growth for the sector is pegged at 2% through to 2021.

Thereafter, new plants in Europe will drive demand.

This year, European LPG imports from the US have been hurt, almost negligible, as naphtha has been the cheaper choice.

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## IN OTHER NEWS

### **Vessel linked to Iran has been 'hijacked'**

A TANKER detained in the United Arab Emirates over links to Iran has been hijacked and its abandoned crew have returned home to India, according to a charity.

Human Rights at Sea chief executive David Hammond said the 150,812-dwt crude tanker *Gulf Sky* (IMO 9150377) was hijacked on July 5, citing a witness testimony by its master Joginder Singh.

Mr Hammond tweeted that “all crew were safe and now home”. It was earlier reported that 26 of the crew were sent home to India, while two were still in Iran.

### **Hapag-Lloyd optimistic for first half but sees prevailing high risk**

FURTHER signs of the health of the container shipping sector have emerged as Hapag-Lloyd said it expected earnings in the first half to be higher than in the first six months of last year.

The Hamburg-based line said it expected earnings before interest, tax, depreciation and amortisation to be in the region on €1.2bn (\$1.4bn), up 17% on the first six

months of last year. Ebit would be up nearly a third to €500m.

The company has maintained its ebitda forecast for the full year in the range of €1.7bn-€2.2bn, but warned that this could still change.

### **EU halts South Korea merger probe again**

A PROBE into the proposed \$1.8bn merger of Hyundai Heavy Industries and Daewoo Shipbuilding & Marine Engineering has been halted again.

It is the third time European Union antitrust regulators have suspended the probe.

A European Commission filing, dated July 14, did not give an explanation for the decision.

### **Keppel agrees FPSO fabrication contracts with Modec**

SINGAPORE’s Keppel Offshore & Marine has won S\$73m (\$52.5m) worth of floating production, storage and offloading vessel fabrication work for Japanese FPSO specialist Modec.

The two contracts have been signed with its Singapore unit

Modec Offshore Production Systems (Singapore) for various work on two vessels.

The first is for Keppel Shipyard to fabricate, complete and integrate the topside modules and mooring support structure for an FPSO in Singapore. Integration and installation work is scheduled for the last quarter of this year and delivery is expected in the second quarter of 2021.

### **Methanol Institute joins China's marine fuel study**

THE Methanol Institute continues to push for the use of methanol as a marine fuel in China after joining a study led by Ministry of Transport think tank China Waterborne Transportation Research Institute, which will look at the technical and operational requirements for the use of the cleaner-burning fuel.

The study, supported by Methanex and leading Chinese methanol producer Shanghai Huayi Energy Chemical, aims to give guidance and policy suggestions on methanol as a marine fuel. This will build on the experience the various parties have already gained in large and small

methanol-fuelled marine engines, and will develop a roadmap for adoption in China.

"China is progressive in developing clean alternative fuels for its energy diversification and pollution control," said Ji Yongbo, director of CWTRI's Shipping Technology Research Centre.

### **MPC Container Ships turns to investors for restructuring**

STRUGGLING MPC Container Ships has secured Nkr260m (\$27.4) in new financing after a fully underwritten private placement of new shares at a subscription price of Nkr1 each.

The German-owned, Oslo-listed feeder specialist had previously warned that it stands at risk of bankruptcy, given a looming bond repayment deadline.

The company – which operates 68 smaller boxships in the 1,000 teu-3,000 teu segment – blames liquidity pressure owing to the coronavirus backdrop, and is known to have been in talks with creditors for some time.

### **European container shortages ease, but imbalances remain**

EUROPEAN ports are seeing higher levels of container availability despite volumes remaining well below pre-pandemic levels.

During the worst phases of the crisis, falling demand meant that

empty equipment was left idle at depots for significant periods of time, according to container repositioning service Containers xChange.

"Thankfully, that trend is changing," the company said. "Containers are now being loaded and returned, although the industry is still working on a lower heat than what we were used to before the pandemic."

### **Qatar's LNG Shipping Arm Boosts Profits**

NAKILAT, which owns the world's largest fleet of liquefied natural gas carriers, said first-half net profit rose 15.5% as it reduced administrative costs and bought out minority stakes in four jointly owned vessels.

The Doha-based company said there had been no disruptions to its business despite the "ongoing challenges" of the coronavirus pandemic.

The company took control of the remaining 49% interest in the LNG carriers from joint venture partner US-based International Seaways, adding to revenues that reached QR2bn (\$555m) over the half year. That was up 11.3% on the prior six-month period, the company said.

### **American Club elevates Dorothea Ioannou**

THE manager of the American Club has named Dorothea

Ioannou as its deputy chief operating officer.

The Shipowners Claims Bureau said Ms Ioannou's duties will "entail the day-to-day oversight of the managers' operating activities in their offices across the world, as well as involvement in the setting of management policy and global strategy in general."

Ms Ioannou, who has been the company's chief commercial officer, will be supporting president and chief operating officer Vince Solarino, and by extension chief executive Joe Hughes.

### **Daehan lands Tsakos shuttle tanker order**

DAEHAN Shipbuilding has emerged as the winner of a Tsakos Energy Navigation order for up to three suezmax shuttle tankers.

An industry source with knowledge of the order confirmed that the New York Stock Exchange-listed owner has inked a deal with the South Korean yard for one firm DP2 newbuilding, with two contractual options for further ships.

It is thought to be the first firm shuttle tanker contract Daehan has landed although the yard's conventional tankers have won favour with a number of leading Greek owners.

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## **Classified notices follow**

# COURT-ORDERED PUBLIC AUCTION OF THE SEAGOING VESSEL “BASEL EXPRESS”

At 11 a.m. on FRIDAY, 7 AUGUST 2020

in the ‘HILTON ANTWERP OLD TOWN’  
Groenplaats 32 – 2000 ANTWERP (Belgium)



Overall length:	126.42 M
Overall width:	19.40 M
Draught:	9.50 M
Gross tonnage:	7,111.00 mT
Net tonnage:	3,482.00 mT
Type of vessel:	Cargo vessel
Propulsion system:	MAN B&W, 5S42MC
Total power:	4,975kW
Classification:	Registro Italiano Navale (RINA)
Flag:	Panama
Home port:	Panama
Year built:	2000
Place built:	China
Shipyard:	Jingjiang Shipyard
Current berth:	Port of Antwerp, Quay 315
IMO number:	9210701
Call sign:	3EMK5
Hull:	Steel

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# COURT-ORDERED PUBLIC AUCTION OF THE SEAGOING VESSEL “VLAANDEREN XIX”

At 11 a.m. on FRIDAY, 7 AUGUST 2020

in the ‘HILTON ANTWERP OLD TOWN’  
Groenplaats 32 – 2000 ANTWERP (Belgium)



Overall length:	99.90 M
Overall width:	18.50 M
Draught:	4.80 M
Gross tonnage:	2,970.00 mT
Net tonnage:	891.00 mT
Type of vessel:	Dredger
Generator motor:	2x Mirrlees diesel engine, KM6, 2610 kW
Dredger motor:	2x Mirrlees diesel engine, KM8, 3311 kW
Classification:	Bureau Veritas (BV)
Flag:	France
Home port:	Marseille
Year built:	1978
Place built:	The Netherlands
Shipyard:	IHC Kinderdijk
Current berth:	Port of Antwerp, Quay 317-319
IMO number:	7704552
ENI number:	01831258

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