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Lloyd's List
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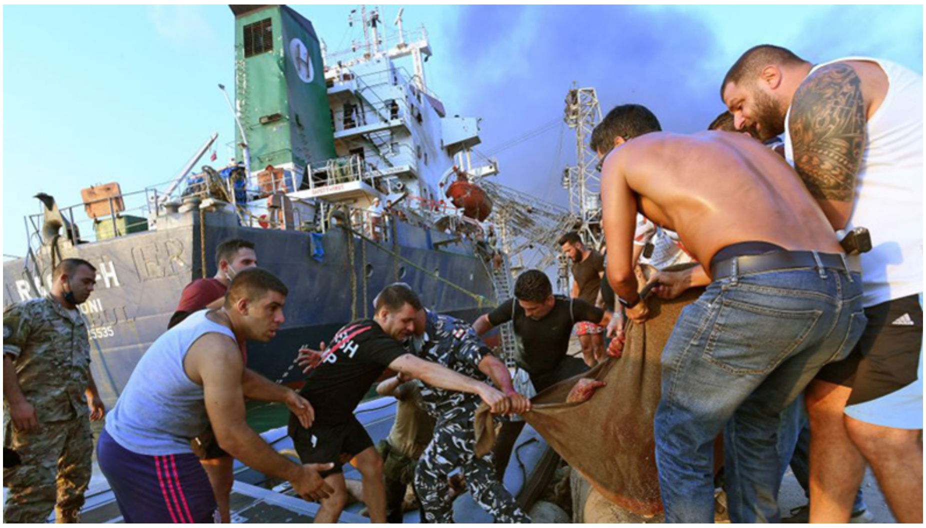
Revealed: Vessels damaged and destroyed in Beirut blast



SEVERAL VESSELS WERE damaged in the Beirut explosion, it has emerged.

Beirut remains under a state of emergency, with the army in control of the city, particularly in the port, which remains off limits to everyone while the search and rescue operations and investigations continue.

The death toll currently stands at around 150, with 5,000 people injured. Many tens of thousands have been left homeless due to damage caused by the blast.

So far, 16 port officials have been arrested pending investigation.

According to Jamil Sayegh, of Admiral Ship Management, the Lloyd's Agency in Beirut, the following vessels sustained damage:

• *Orient Queen* (IMO 8701193): The passengership listed severely to starboard in the port and is currently lying sunk on its starboard side.

The vessel was moored directly opposite to warehouse No 12 where the explosion originated. The crew said it was lifted by a wave surge of about 6 m, consequently slamming down on the quay on its starboard side, leading to flooding.

Two crew members are confirmed dead, but the vessel had no cargo or passengers on board. The vessel caused severe pollution in the port.

• *Jouri* (IMO 9174775): Sustained severe damage to the interior, including all wood partitions and cabins roofs inside the accommodation, electrical installation, electrical equipment, bridge equipment and navaids. Six crew were injured, none fatally. No reported pollution from the vessel.

• Bunker barge *Amadeo III*: The vessel was lifted out of the water onto the quay as a result of the wave surge from the blast. It then caught fire and was completely scorched. Casualties not known, pollution status not known.

• *Mero Star* (IMO 8321682): The vessel, carrying a cargo of wheat, started to take in water in the engine room. Pumps remain in operation. All crew were reportedly injured in the blast and hospitalised. Presently the ship is alongside with no crew.

• *Abu Karim* 1 (IMO 7120768): The vessel, which had been under arrest for several years due to financial issues, capsized on the quay. One crew member was on board the vessel at the time but is thought to be safe.

• *Raouf H* (IMO 8321682): The vessel was discharging its cargo of 5,500 tonnes of wheat on berth 9 at the time of the explosion. The accommodation and bridge were destroyed, and the lattice booms of the silo conveyor fell into the hold. Two crew members are confirmed dead, with three still missing. There are reports of pollution.

The impact of the blast on the maritime sector has been severe.

Hapag-Lloyd's office in Beirut "was completely destroyed" in the explosion. It has said it will take a few days to organise ship re-reoutings.

Maersk's office in the port was severely damaged, with three employees said to be slightly injured.

French container giant CMA CGM said at the time of the explosion its 11,400 teu *CMA CGM Lyra* was 1.5 km from the blast and escaped damage.

However, the group's Merit Shipping headquarters in Beirut has been severely damaged. Of the 261 staff in the city, one was killed and two were seriously injured.

Grimaldi, whose agent's offices were totally destroyed, said one of its vessels was due to call in Beirut on August 9. This ship, which usually serves Tripoli as well, may discharge its cargo there instead, depending on how the situation evolves.

Beirut is Lebanon's key container port. It handled 1.2m teu in 2019.

An operational organisation has been put in place to establish a logistics hub in Tripoli. All ships will be diverted to Tripoli or other terminals in the region until further notice. In order to maintain business continuity, the group said it had set up three recovery sites, of which two are in Beirut and one in Tripoli.

Tripoli has just 600 m of quay space with two cranes, compared with the 1,100 m at Beirut with 16 cranes. Tripoli has capacity for only 400,000 teu per year.

Capt Sayegh said the port's container terminal had escaped much of the blast.

He said areas of the port housing major freight forwarder warehouses and offices, as well as the customs inspection yard and customs warehouses, "appear to have been obliterated".

He confirmed that the Customs Authority has announced plans to allow access to the container terminal to clearing agents on August 10.

Beirut's container terminal prepares to resume working ships

WHILE the situation on the ground in Beirut remains "very bad" following this week's explosion, sources say they expect the undamaged parts of the port to resume working vessels soon.

"You cannot imagine what it is like," said Ziad AbouRjeiley, managing director of AbouRjeily Ship Management, which acts as local agent for Grimaldi. "We've have been through three wars in Lebanon, but nothing like this."

Mr AbouRjeily had left his office before the explosion on August 4. The blast, which destroyed a wide area of the port, left the building standing but the interior of his office was completely destroyed.

But despite the widespread damage to the port, Mr AbouRjeily said vessels were already being worked on the quays that had not been damaged.

"Quays 7-11 have been destroyed," he told Lloyd's List. "Near each quay was warehousing and this has also been completely destroyed."

But the container terminal remained largely untouched.

"Yesterday they inspected the cranes and the position is so far from the main blast that it is okay. They have started to work on vessels and have discharged the *CMA CGM Lyra*."

Only a small number of containers stored at the terminal had been damaged, and road access for trucks was still open.

Grimaldi was due to call at the port on Monday, but Mr AbouRjeily said he had decided not to accept the vessel.

"We have one vessel expected, but I am afraid to berth the first vessel after the explosion," he said. "All the customs and port authority offices were destroyed and for that reason I cannot take that risk and discharge the cargo in Beirut."

The vessels would be diverted to Tripoli instead, he said.

Mr AbouRjeily said it would be two to three weeks before customs services were available again, but that cargoes would still be discharged.

"I have been informed that one grain vessel will call at Beirut and be discharged directly to trucks. But we don't know when the warehouses will be rebuilt again."

As for the future of the wider port, the economic situation in Lebanon would be the main consideration, he said.

For the meantime, the economic crisis meant that Beirut would be able to work with the half of the port that had not been damaged.

"We will need diversions to Tripoli for one or two weeks, but after that I think ships will call again at Beirut. We expect that we will continue working but not at the previous levels. Half of the port was destroyed but we can still keep working with the remaining half."

WHAT TO WATCH

Jailed former shipowner Nobu Su is determined to fight on

NOBU Su, the former billionaire shipowner jailed in London over a long-running dispute about money owed in failed freight futures deals, has filed for personal insolvency and wants to leave the UK.

Three months after his early release from HM Prison Pentonville, where he was serving a 21-month civil sentence related to contempt of court, Mr Su said he is determined to reveal the truth in order to clear his name.

In the interview, the Taiwanese shipowner told of his time at Pentonville and how the experience changed his life. He spoke of being threatened with a knife, refusing to take drugs and witnessing fights daily.

The 62-year-old was best known as one of the commodities super-cycle's biggest high-flyers and risk takers in the international maritime world from 2005 until 2009.

At one stage he operated more than 100 vessels, and ordered ships in billion-dollar deals, all backed with massive futures positions in the wet and dry shipping markets.

When the market collapsed and he was on the wrong side of many of these trades, Mr Su embarked on protracted litigation, mostly representing himself, to fight the many court judgements that didn't rule in his favour.

He was jailed in March 2019 for "continuing substantial failures to disclose his assets" without any defence or apology according to the Commercial Court judgements.

His passport was seized and he was arrested as he attempted to embark on a ferry at Liverpool after a series of hearings resulted in an arrest warrant.

Claimants including Greek shipowner Polys Haji-Ioannou took the court action as part of decade-long attempts to recover money owed which included a $57 million judgement in November 2014.

Looking relaxed and happy, Mr Su told Lloyd's List over lunch at a favourite Turkish restaurant that his petition for personal insolvency was granted on July 8, and he must report to the police station at

Charing Cross daily as part of his early release conditions.

The early release was part of government attempts to free non-violent prisoners at the height of the coronavirus pandemic, which Mr Su said was spreading rapidly in Pentonville.

He maintains he will continue his legal battles in a dispute that pits him against one of the most famous Greek shipping families. Legal proceedings against him are continuing. Mr Su told how his apartment was raided in June, and documents and computers seized under a search warrant.

This signals that the protracted and expansive litigation against shipowners, banks and other principals that has engaged Mr Su for the last 12 years, is far from over.

He has long crusaded against banks, including the former Royal Bank of Scotland, writing of his experience within the global financial collapse in his self-published book, The Gold Man From the East.

Crew change costs shipowner $820,000, says ICS

ONE shipowner is facing a bill of about $820,000 for changing over 18 seafarers, according to International Chamber of Shipping estimates.

It highlighted the plight of the unidentified shipowner who tried to transfer crew from Cote d'Ivoire to Paris, where a charter flight awaited to Doha, where the seafarers could fly to India. Their tanker had sailed to the Ivory Coast in ballast from Luanda.

However, the seafarers' luggage could only be checked in as far as Paris and then had to clear immigration. No visas could be issued to allow the seafarers to collect them as they had to remain in transit. This flight was off and the ship sailed in ballast for Gibraltar.

Flights from Gibraltar to European countries that had airline connections to Doha via Qatar Airways were ruled out because of the same visa restrictions.

The earliest flights to the UK were in 10 days, with only four seats available, and 18 crew to change, the shipowner said.

The tanker is now sailing for the UK where 'keyworker' status allows seafarers to disembark so they can more easily catch a connecting flight to Doha from Heathrow airport when they arrive next week.

"This has all been done off hire and at the shipowner's expense," the ICS told Lloyd's List. "We estimated that with the loss of hire at $15,000 per day and bunkers at say $12,000 per day we are probably talking about a total cost of $820,000 which this shipowner has had to pick up to ensure their seafarers get home.

"This is obviously not sustainable for the entire sector and shows how red tape, bureaucracy and a lack of political focus is creating significant issues for seafarers and the industry."

The same shipowner has now found a workaround to allow crew on other tankers working in the West Africa region to disembark and sign on in Spain, which nonetheless still incurred significant expense.

Other stories relayed to the ICS from members include 15 Indian seafarers who were refused boarding after their plane was delayed and due to depart 11 minutes after their 48-hour deadline for a negative coronavirus test expired. Relieving crew had to return to Delhi, at the shipowners' expense.

The stories emerged after Lloyd's List highlighted how exorbitant costs of changeovers was deterring some owners from undertaking them.

Shipowners are going to extraordinary lengths and this example was the tip of the iceberg, ICS chief executive Guy Platten said.

"At a time when governments are rushing to revive their economies and even to resume tourism, happy to use the goods that are supplied by the seafarers, they cannot in all consciousness continue to ignore the plight of our seafarers trapped at sea," he said. "Shipowners are going the extra mile and doing much more that could reasonably be expected but this is just getting ridiculous.

"Governments must start taking this situation more seriously by classifying seafarers as key workers, removing travel restrictions for them, process visas or better still allow seafarers to travel on their papers, which in turn will provide the encouragement for airlines to put on appropriate capacity."

China adds four valemax berths to diversify iron ore imports

FOUR new valemax berths approved in China fit into the country's strategy to diversify sources for iron ore imports but are unlikely to have a significant impact on trade flows in the short term, according to industry experts.

Beijing this week sanctioned the use of four berths — in Yantai, Ningde and two in Rizhao — to receive the 400,000 dwt bulkers, on top of the seven existing facilities.

These behemoths, mostly run by Chinese firms and backed by long-term contracts from mining giant Vale, are designed to carry iron ores from Brazil to China to save shipping costs.

Four Chinese owners — Cosco Shipping, China Merchants, ICBC Financial Leasing and Bocomm Financial Leasing — own a total of 46 vessels of such size through secondhand acquisitions and newbuilding orders in 2015-2016.

They later ordered another batch of 325,000 dwt very large ore carriers that have more flexibility when docking and can be hosted by more ports.

One leasing executive familiar with the matter said the new berths made available will increase the handling capacity at Chinese ports to accommodate the 400,000 dwt ships, which were more than the other seven berths could handle previously.

But the additional berths will not lead to ordering appetite for more such super-sized ore carriers, the person added.

The port of Yantai in Shandong province received its first valemax on August 5. The fully-laden Sea Maranhao, owned by South Korean owner Pan Ocean, left Brazil's Ponta Da Madeira terminal on June 20, according to Lloyd's List Intelligence data.

Ralph Leszczynski, head of research at brokerage Banchero Costa, said the Chinese government's latest move reinforced its intention to reduce its reliance on Australian iron ores, which will have a long-term impact on trade flows of the commodity.

"It's not only for political reasons." he said. "Commercially, it is also not healthy to rely on just one supplier," he said.

According to customs data, China imported 1.07bn tonnes of iron ores in 2019, of which about 62% were shipped from Australia and 21% from Brazil.

Shipment from Australia increased 8.4% for the first half of this year, despite the escalating tensions between Beijing and Canberra over issues, including the ban on Huawei's 5G services and the investigations into coronavirus' origin.

The results also reflect the production woe being experienced by Vale with high absence rates of mine workers amid the pandemic impact.

Brazil's iron ore exports shrank more than 10% year on year in January-June. While the figure in July has shown a pick-up, S&P Global Platts still forecast that volume will retreat 4.4% for the whole of 2020.

Mr Leszczynski said that the Brazilian exports to China so far this year were essentially flat compared to last year, while the volume to Europe has collapsed.

This has made it impossible for the Brazilian products to challenge the Australian ones any time soon.

"The bottleneck on the Brazil-China trade at the moment is lack of Brazilian export capacity, not lack of [valemax] terminals in China," he said.

That said, some logistical impact can be expected as more valemaxes are enabled to make direct calls at the Chinese ports without having to tranship at the port of Teluk Rubiah in Malaysia. As a result, some capesize or panamax dry bulkers may lose jobs.

But Mr Leszczynski noted that 90% of the Brazilian iron ores landed China without deviation last year and "that number is going up further".

According to his statistics, China imported 114m tonnes of iron ores directly from Brazil and just 5.9m tonnes from Malaysia for the first seven months this year.

OPINION

Cruise sector could come to the aid of Beirut victims

THE deadly explosion that flattened Beirut's port and large swathes of the city has left tens of thousands homeless in a country that was already in economic meltdown and with few resources to cope with such a huge humanitarian crisis, *writes Janet Porter.*

So could cruiseships be deployed to provide temporary shelter for those whose homes and businesses have been destroyed, and may be sleeping on the streets?

The world's cruise fleet is currently idle and dozens are at anchor in the Mediterranean. Each is a small town in its own right, with the capacity to house and feed several thousand people when fully crewed and staffed.

Of course, there are any number of reasons why these ships could not be brought back into service to help the people of Beirut. First and foremost, how they can be made coronavirus-safe?

Then sufficient numbers of crew, plus hotel, catering, and medical staff, would have to be employed. Ships' stores would have need to be stocked up with food, pharmaceuticals and other necessities.

With the port badly damaged and closed, people presumably would have to be taken out to ships by tender. Indeed, there are many arguments against the emergency use of these passenger ships.

But shipowners have never lacked vision, ingenuity, or flexibility, while the industry also has a very good track record of coming to the aid of communities or countries struck by catastrophe.

During the Ebola outbreak in West Africa, for example, the big shipping lines continued to serve the region, and bring in relief supplies including provisions and medicines when many multinationals had fled and sent their staff home.

Earlier this year, MSC converted one of its passenger ferry vessels into a floating hospital for victims of coronavirus.

In 2019, the Aponte-owned group provided a huge amount of support for the Bahamas when it was devastated by Hurricane Dorian. These are just a few of many examples of shipping's willingness to provide aid.

The devastation of Beirut is much closer to home than most disasters. Some of the world's top shipowners live close by in Greece, Cyprus and Italy, while two of the biggest container lines, MSC and CMA CGM, are also headquartered in the region.

Most have been directly caught up in the catastrophe, with CMA CGM particularly hard hit.

Group chief executive Rodolphe Saadé has already visited Beirut to see the devastation for himself and console staff, two of whom have been badly hurt, while many more have minor injuries. One CMA CGM employee was killed. The French line's offices have been badly damaged, as have those of several other shipping companies.

Shipping lines have started to establish emergency hubs to ensure supplies keep flowing, and will continue to do so in the coming weeks and months as the port is rebuilt and the surrounding area redeveloped.

But more immediately, there is the question of whether the maritime community could do even more by providing somewhere to live for those whose houses and apartments have been wrecked or damaged.

One of the world's biggest cruiseship operators, MSC Cruises, must be wondering whether it could step in, but maybe the whole industry should pull together to help cover the cost of diverting a few unemployed cruse vessels to Beirut. There also many passenger ro-ro ferries in the area that could be drafted in to assist the relief effort.

It won't be an easy task, but this is also an ideal opportunity for shipping to draw attention to the vital role it plays at a time when the crewing crisis, and the plight of seafarers who are unable to get home, remains largely ignored by the outside world.

ANALYSIS

Is there a future for shipping ammonium nitrate?

LEBANON's Prime Minister Hassan Diab has said 2,750 tonnes of ammonium nitrate stored in a port side warehouse was probably the cause of the huge explosion in Beirut.

The substance has also been a factor in numerous other explosions on ships and in ports over the last century.

Its main legitimate uses are the production of fertiliser, cold packs for medical applications, and commercial explosives, particularly for the mining sector.

It is also the oxidising agent of choice for terror groups, typically compounded with fuel oil to manufacture what is known as ANFO.

Yet the shipping and ports industry handle vast quantities of ammonium nitrate every day, and on the whole, the safety record is excellent.

While the causes and consequences of the tragic events in the Levant will only unfold over the coming weeks, but it is possible to venture some intelligent guesses as to what happens next.

One chemicals industry source is expecting increased reluctance on the part of shipowners to carry ammonium nitrate consignments.

The precedent on which he is basing the prediction is the Spiliada judgment handed down by the House of Lords in 1986, which centred on damage caused to two vessels by a consignment of wet sulphur.

The claim was disallowed, largely on grounds of jurisdiction and so-called 'forum conveniens test'.

But the reaction in the market was predictable; greater reluctance of owners to carry sulphur and, consequently, higher rates for those prepared to do so.

In addition, he expected increased insurance premiums for the carriage and storage of ammonium nitrate.

Finally, he believes the chemicals industry is already seeing more reticence on the part of traders to be involved in the ammonium nitrate business at all, which may already be the case in the US.

In layperson's terms, ammonium nitrate combusts or explodes when exposed to heat. Naturally, that has important implications for storage and handling, and guidelines are available on the website of the Agricultural Industries Association, and other places.

Most of the advice — which should be intuitively obvious — does not seem to have been followed by the port authorities in Beirut.

It should, for instance, only be stored away from centres of population rather than downtown in a capital city, and certainly not near potential sources of ignition or other explosives, such as fireworks.

Warehousing should be suitably constructed from non-combustible materials, which does not seem to have been the case in Beirut.

The most common method of shipment is in bulk, typically in one tonne or 50 kg bags. Where shipped in containers, only dry containers should be used. It is not suitable for operating or non-operating reefers, because of the potential for damange from the corrosive vapours it gives off.

Practical guidance can be downloaded from the Maritime Cyprus website here.

Shipping joins banking on front line of sanctions enforcement

THE US and UK now clearly expect shipping to do as much as the financial services sector in tackling sanctions evasion, according to a Clyde & Co analysis of the latest sanctions guidance from the two countries.

The shipping law firm looks at advisories issued by the US Office of Foreign Assets Control in May and the UK's Office of Financial Sanctions Implementation last month, and concludes that the clear parallels are intentional.

"The fact that these two notes have followed each other in short order is instructive," said partners Patrick Murphy and John Keough. "The industry has been put on notice that the two enforcement bodies are looking closely at it."

If the industry does not play ball, it can expect the sort of attention that the banking industry has received in recent years.

The financial sector has been compelled to boost due diligence and compliance efforts to match the regulators' expectations.

This itself is significant, as the US in particular has traditionally looked to banking to do the heavylifting on identifying sanctions evaders.

In line with Washington's 'maximum pressure' campaign targeting Iran, North Korea, Syria and Venezuela in particular, the Office of Foreign Assets Control is ratcheting up the focus on the maritime and commodities industries.

Its advisory of May 2020 is far more comprehensive in both scope and detail than earlier notes.

First, it is not limited to guidance in respect of specific sanctions targets, but instead sets out comprehensive guidance to the maritime community generally.

Second, it provides detailed specifics on what is required from specific industry participants, from flag states, port state control authorities and insurers to owners, charterers, crewing companies and even masters.

Since its inception in 2016, the Office of Financial Sanctions Implementation has also tended to focus on financial services, and these are its first guidelines for maritime.

It is notable that the risks identified as relating to Iran differ notably from the Office of Foreign Assets Control's, given the UK's continued commitment to the Iran nuclear deal.

MARKETS

Scorpio Tankers sees market uncertainty 'for remainder of year'

SCORPIO Tankers has said it expects markets to weaken after favourable conditions in the oil market boosted its second-quarter performance.

Second-quarter net income was $143.9m compared with a net loss of $29.7m in the year-earlier period, the company said in a statement. First half net income was $190.6m, compared with a net loss of $15.2m.

Scorpio Tankers paid down debt from $3.1bn to $2.9bn and was in talks to refinance debt on eight vessels to raise $80m in liquidity.

It said it had delayed scrubber fits for 19 vessels until 2021 at least.

The reduction of economic activity resulting from the coronavirus outbreak had cut global demand for oil and refined petroleum products, it said.

"The extreme volatility in the oil markets and the steep contango that developed in the prices of oil and refined petroleum products resulted in record increases in spot [time charter equivalent] rates as an abundance of arbitrage and floating storage opportunities opened up," it said.

"These conditions persisted for most of the second quarter of 2020 but began to abate in June as the underlying oil markets stabilised.

"The company expects that the future impact of the ongoing pandemic and the uncertainty in the demand for oil and refined petroleum products will continue to cause volatility in the commodities markets.

"The scale and duration of the impact of these factors remain unknowable but could have a material impact on our earnings, cash flow and financial condition for the remainder of 2020 and beyond."

Star Bulk admits consolidation interest after new spate of sale and leaseback deals

STAR Bulk Carriers has confirmed an increased interest in consolidation deals.

The company says it has no current need to raise further cash after agreeing sale and leaseback deals with Far Eastern leasing outfits for 16 of its bulk carriers.

"I think people are getting more comfortable with the current situation and the future getting more comfortable with how the world will react to" the pandemic, company president Hamish Norton told a second-quarter earnings call.

"We would be very interested in consolidation opportunities that fit with our operations that did not increase our leverage."

Mr Norton underlined that Nasdaq-listed Star Bulk would not be buying fleets for cash but would seek to use its stock as it has done in a number of previous merger and acquisition deals that has made it the largest publicly traded dry bulk owner quoted on a US stock market.

The $274m in aggregate funds generated through the new leasing transactions are primarily to refinance outstanding amounts under existing debt facilities but are also calculated to increase the Greece-based owner's cash balance by $75m.

The deals, all entered into last month, relate to three newcastlemaxes, two post-panamaxes and 11 ultramaxes in Star Bulk's fleet of 116 bulkers.

Five ultramaxes and the two panamaxes are to be sold and leased back in a five-year $89m agreement with China Merchants Bank Leasing with a purchase option at the end.

Another five ultramaxes are to be sold to the leasing affiliate of Shanghai Pudong Development Bank for $76.5m and leased back for eight year with a purchase obligation.

A commitment letter for $92.6m with another Chinese financial institution, that was not immediately identified, covers the three newcastlemaxes for a 10-year lease period and includes a purchase obligation.

The Nasdaq-listed owner has also signed up with an unidentified Japanese financial institution to sell and lease back for seven years the 2016-built ultramax *Star Lutas* for $16m.

In recent weeks the company has already increased its cash by $37.4m through refinancing transactions.

These included drawdown of $155.3m from ING Bank, Alpha Bank and Piraeus Bank to refinance amounts under the loan and lease agreements for 14 vessels.

"We continue taking proactive steps to strengthen our balance sheet via refinancings that improve our company's liquidity," said chief executive Petros Pappas.

"Despite the challenging market conditions, there has been significant interest from our lenders to engage with Star Bulk in new transactions," he said.

Company cash has now been rebuilt to $154m and is expected to reach $230m or more by year-end, executives said.

We look out as far as we can see and we don't have a cash problem at all. We probably don't need any more," said Mr Norton. Executives also said the company may not do any further sale and leaseback deals although it had the potential to finance the whole fleet that way.

The transactions that Star Bulk has done "are much lower leverage than traditional sale and leaseback deals have been, and at a much, much more competitive cost," said one.

The owner disclosed its latest financing moves as it posted a $44.1m net loss for the second quarter, a slightly higher loss than the same period last year when it was $40.2m in the red.

Adjusted for non-cash items including a $24.1m unrealised loss on forward freight agreements and bunker swaps, the second-quarter loss came to $18.1m.

Star Bulk, the largest US-listed owner in the dry bulk sector, said that during the quarter the market was "overall weak" as a result of the impact of the coronavirus pandemic.

This was reflected in a dip of the company's average time charter equivalent rate to $9,402 per day, compared with $10,549 daily per vessel for the second quarter of 2019.

However, Star Bulk was optimistic about market fundamentals for the rest of 2020.

"There is a record low order book as a result of recent demand shocks and the uncertainty related to future decarbonisation regulations," Mr Pappas said.

"Dry bulk trade and tonne-miles are expected to recover, propelled by the global infrastructure stimulus response to Covid-19, which, we expect, will lead to a better balanced dry bulk market."

In the wake of the earnings release, Deutsche Bank Research maintained a 'buy' rating on the company's stock, lauding it for "extremely impressive" cash management and debt reduction against a tough market backdrop.

IN OTHER NEWS

ICS renews call for green fund to cut emissions

THE International Chamber of Shipping has revived calls for a $5bn research and development fund for 'green' ships after an International Maritime Organization study flagged rising emissions.

The shipowners' group called for a mandatory $2 per tonne levy on ship fuel at the end of last year.

The levy would be effective for between 10 to 15 years and fund an independent research body known as the International Maritime Research and Development Board.

Forth Ports joins DP World for Thames freeport bid

DP WORLD and Forth Ports have announced plans for a joint bid for a freeport on the Thames that would incorporate the companies' London Gateway and Tilbury facilities.

"We believe a freeport on the Thames will ensure that the UK continues to be an attractive destination for inward investment, and that bringing London Gateway within a freeport will help lower the total cost of trade to the benefit of UK industry and retailers and ensure resilience in the overall supply chain," said DP World UK chief executive Ernst Schulze.

"Working with Forth Ports will enable us to create the most sustainable, strategically located, trade enabling centre of excellence in the UK, whilst allowing us to support the development of local industry and create high skilled employment for the local area."

RCL adds feeder service linking Ho Chi Minh to transhipment hubs

MORE evidence is emerging of a supply chain shift to Vietnam as container lines allocate more resources to serve the market, with intra-Asia feeder specialist RCL launching a new shuttle service linking the key transhipment hubs of Port Klang and Singapore to Ho Chi Minh.

Branded as the RHS03 service, which RCL will run together with its partner Gold Star Lines using a 900 teu vessel, the maiden voyage will start on August 18.

The rotation is Ho Chi Minh-Singapore-Port Klang (Westport) and will complement the current RSH01 service between Singapore and Ho Chi Minh.

Sembcorp Marine plans rights issue to ride out downturn

UNDER pressure Singapore yard Sembcorp Marine has spelled out plans to ride out the industry downturn while appealing to shareholders to support its capital raising exercise.

In an exchange release ahead of an extraordinary general meeting next week, SembMarine said: "Our current priority is to ensure that we have adequate liquidity to sustain operations and ride through this severe downturn."

In this regard, "the rights issue will provide SCM with the much needed recapitalisation to ride out the industry downturn, to strengthen its balance sheet and reposition the company for its long term viability."

Euronav boosted by floating storage highs

EURONAV, the independent oil tanker company, reported record second-quarter results boosted by soaring demand for floating oil storage.

"Tanker markets continued to deliver strong earnings throughout the second quarter and into the early part of the third quarter," said chief executive Hugo De Stoop.

Floating storage requirements declined sooner than expected, "pivoting the tanker market to a transition phase ahead of our prior forecast," he said in a statement.

Eagle Bulk sells ageing supramax amid wider losses

EAGLE Bulk, a US-based owner and operator of supramax and ultramax bulk carriers, has sold an ageing vessel amid wider losses in the second quarter.

The company sold the 18-year-old supramax *Goldeneye* ahead of a scheduled statutory drydock for gross proceeds of $5m, it said in a statement. The vessel will be delivered to its new owner this quarter.

Eagle Bulk said it would continue to execute its fleet renewal and growth programme on an opportunistic basis. It has 50 vessels in its fleet with an average age of 9.2 years.

Classified notices follow

IN THE HIGH COURT OF JUSTICE **CR-2018-009677**
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF

CERTAIN OF THE MEMBERS AT LLOYD'S FOR ANY AND ALL OF THE 1993 TO 2020 (INCLUSIVE) YEARS OF ACCOUNT, REPRESENTED BY

THE SOCIETY OF LLOYD'S

AND

LLOYD'S INSURANCE COMPANY S.A.

AND

IN THE MATTER OF

PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

NOTICE IS HEREBY GIVEN that on 12 November 2018 an application (as amended on 12 May 2020) (the "**Application**") was made under section 107 of the Financial Services and Markets Act 2000 (as amended) (the "**Act**") in the High Court of Justice, Business and Property Courts of England and Wales Companies Court, (ChD) in London (the "**Court**") by: (1) The Society of Lloyd's ("**Lloyd's**"), acting as transferor on behalf of certain of the members, former members and the estates of former members of Lloyd's who have underwritten liabilities under non-life insurance policies originally allocated to all or any of the 1993 to 2020 (inclusive) years of accounts (the "**Members**"); and (2) Lloyd's Insurance Company S.A ("**Lloyd's Brussels**"), for an Order:

i. under section 111 of the Act sanctioning an insurance business transfer scheme for the transfer to Lloyd's Brussels of certain insurance business written by the Members and related assets and liabilities (the "**Transferring Business**") in accordance with the Order and without any further act or instrument (the "**Scheme**"); and
ii. making ancillary provision in connection with the Scheme pursuant to sections 112 and 112A of the Act.

Further information about the Scheme, including:

- a copy of the report on the terms of the Scheme (the "**IE Report**"), prepared in accordance with section 109 of the Act by the independent expert, Mr Carmine Papa of PKF Littlejohn LLP, whose appointment has been approved by the Prudential Regulation Authority, in consultation with the Financial Conduct Authority;
- the full terms of the Scheme; and
- a summary of the IE Report and a summary of the terms of the Scheme,

is available free of charge and can be downloaded from **www.lloyds.com/brexittransfer** or by calling or writing to us at the address below.

The Application is due to be heard before a Judge of the Court at 7 Rolls Building, Fetter Lane, London, EC4A 1NL, United Kingdom on 18 November 2020 (the "**Hearing**"). If approved by the Court, it is currently proposed that the Scheme will take effect on 30 December 2020.

Any person who thinks that they would be adversely affected by the carrying out of the Scheme may make representations about the Scheme at the Hearing either in person or by a representative, or by telephone or in writing using the contact details below.

Any person who intends to appear at the Hearing or make representations by telephone or in writing is requested to notify his or her objections as soon as possible and by 11 November 2020, setting out why they believe they would be adversely affected.

Lloyd's contact information:

To speak to a representative of Lloyd's about the proposals, or to object, please contact us on the Information Line: **0044 190 494 7001**

Lloyd's representatives can answer enquiries in English, Dutch, French, German, Italian and Spanish.

The helpline will be open from 9.00a.m. to 5.00p.m. on Monday to Friday UK time (excluding bank holidays) until the Scheme takes effect on 30 December 2020 .

Alternatively, please contact us in writing in any language by email: **enquiries@lloydsbrexittransfer.com**

Or by post: Lloyd's Brexit Transfer, PO Box 274, BANGOR, BT19 7WZ, United Kingdom.

For all enquiries unrelated to the transfer, please contact your normal market representative, Managing Agent, Broker or Coverholder.

Lloyd's appointed Solicitors: Freshfields Bruckhaus Deringer LLP.
Ref: 053895:0542/GHFS

August 2020