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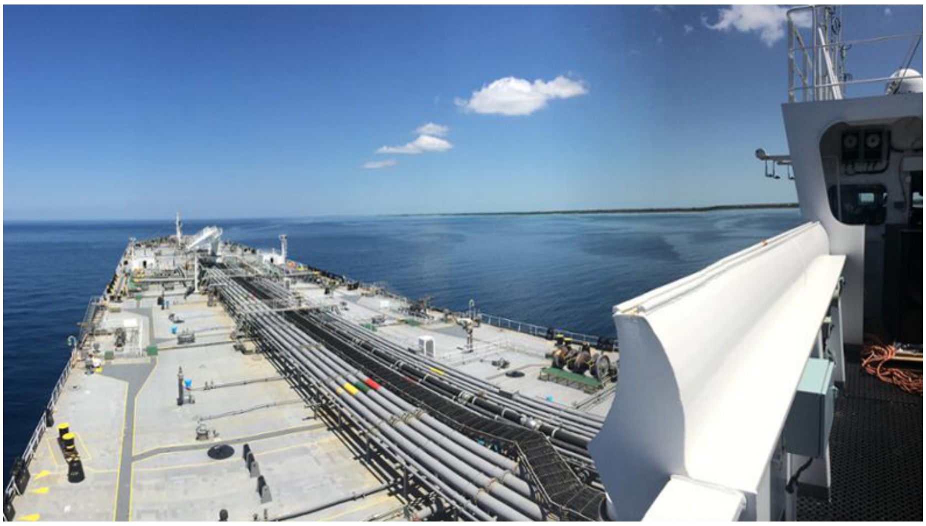
Tanker rally muted as stocks curb crude seaborne shipments



THERE ARE SIGNS of a muted fourth-quarter rally for crude tanker markets, even as oil demand recovers, with refineries estimated to draw down above-average global inventories to meet supply shortfalls.

The cumulative stock change — which calculates additional barrels added to global inventories since March — has declined from the May peak of around 800m barrels to 600m barrels, the S&P Global Platts European Refining Virtual conference heard.

Along with oil held on tankers used for floating storage, these inventories are expected to be sold into the physical market from October, displacing seaborne exports from producing countries that are shipped to refineries.

That suggests that earnings for the seasonally strongest fourth-quarter may not reach owners' expectations, especially for the global fleet of some 770 very large crude carriers currently trading that typically lead rates direction.

Onshore crude inventories were forecast to draw by a further 45m barrels by the end of the year, Platts energy analyst Nicole Leonard told the conference.

She also estimated that US shale oil production would fall by 3.1m barrels per day within a year, and there would be a 5.6m bpd worldwide crude shortfall that the Organisation of the Petroleum Exporting Countries plus their allies would need to plug from December.

That compares with the 21m bpd of excess supply emanating from the 23-nation Organisation of the Petroleum Exporting Countries-plus alliance in April, at the height of coronavirus lockdowns that caused demand to plunge on an unprecedented scale.

“Opec is going to save the day in 2021 when US shale demand collapses, and is unable to produce at previous levels,” Ms Leonard said. But until then there was a gap between demand and the supply of oil from the cartel and its allies.

As well as onshore inventories and floating storage to meet the deficit, some 6m bpd of oil production was offline due to geopolitical tensions.

Most of the large tankers used for floating storage were chartered in April for six months by traders taking advantage of the oil price, according to Ms Leonard.

“Six months after April is October. Contango players either have the option now to roll-over depending on the contango in the market and it does not look great,” she said. “It’s more likely that those with floating storage will sell those physical barrels into the market.”

As much as 3m bpd, or around 100m barrels of crude was held on tankers for floating storage that could be sold to the market from October, she said.

Platts estimated there was as much as 300m barrels in floating storage earlier in the second quarter.

Lloyd’s List Intelligence tracks clean and dirty volumes at 257m barrels on 206 tankers for the week ending August 29, down from a peak of 307m barrels in early July.

Not all these vessels tracked at anchor for more than 20 days were chartered for storing contango cargoes. The tally includes ships laden with Iranian crude or condensate that cannot trade due to US sanctions, as well as those awaiting discharge at congested Chinese ports.

“Quite a bit of supply coming out of storage into the market provides a bearish risk to crude prices,” Ms Leonard added.

Volatile tanker earnings for the largest ships have ranged from $250,000 per day earlier this year to yesterday’s 2020 low of just over $9,000 daily on the benchmark route from the Middle East Gulf to Asia, Baltic Exchange data show.

The coronavirus backdrop and geopolitical upheaval of the past six months remains unchecked as demand for land and air transport fuels rebounds slower than anticipated in the final half of 2020.

Demand in some countries such as China was recovering on government stimulus packages, Ms Leonard said. Nevertheless she forecast weak refinery margins for the remainder of the year.

“We are still looking at a relatively bearish market,” Ms Leonard said.

WHAT TO WATCH

‘We are calling for help’ to end migrant rescue impasse, says Maersk Tankers executive

A SENIOR executive at Maersk Tankers has spoken of the stress and deteriorating conditions on board a product tanker that remains stuck at sea four weeks after being involved in the rescue of 27 migrants in the Mediterranean.

Chief technical officer Tommy Thomassen said stocks of food and water on board *Maersk Etienne* were running low.

The vessel has a normal crew of just 21, but the numbers on board more than doubled on August 4 when it responded to a call from Malta to assist a group of migrants stranded on a sinking boat in Tunisian waters.

After almost a month of providing accommodation, food, water and medical attention the situation has become stressful for all concerned, said Mr Thomassen. He said one asylum seeker had threatened to throw himself overboard.

Mr Thomassen spoke to Lloyd’s List as the company renewed calls for a resolution to the impasse.

The vessel is at anchor 18 nautical miles off Marsaxlokk, a fishing village in southeast Malta. Tunisia and Malta are reported to have denied permission for the vessel to dock at any of their ports.

Mr Thomas said *Maersk Etienne* had specifically been asked by Malta's marine rescue centre to attend an emergency situation.

On finding a small boat in difficulty, the product tanker positioned itself to the windward side of the boat to provide protection for several hours.

Following the master's evaluation that the passengers were unsafe in increasingly heavy winds and high waves, it was decided to take them on board.

The asylum seekers are nationals of a number of north African states, including Libya and Tunisia. They include a pregnant woman and at least one minor.

"We are hosting the migrants in the foreship, and the captain and the crew have provided what we had in terms of mattresses and blankets, fresh water and sanitary facilities," said Mr Thomassen.

"It is very clear that having 27 additional people on board a tanker vessel that is not designed or constructed or equipped for that, over such a long period, is simply unacceptable. That is why we are now calling for help."

He said Maersk had been in touch with the Maltese authorities and Denmark as flag state, and that a Danish shipping organisation had raised the matter with the Tunisian authorities on its behalf.

"Not only have we not found a solution after 28 days with the migrants on board, there's also no clear timeline we can provide to the captain and the migrants and say, look, all this uncertainty is over, you'll be picked up at such and such date.

"There are conventions regulating this, and in our view, politicians need to find a solution. At Maltese, Danish or at least EU level, we should be able to find a solution. But it is not up to us to dictate that solution."

Care of migrants ashore is not charged to private companies but to the authorities, he pointed out, and the migrants should be allowed to disembark in a decent manner and be provided with care and attention on land.

A lawyer at a leading London shipping firm, who declined to be named, confirmed that Maersk Tankers had acted in accord with its responsibilities under the UN Convention on Law of the Sea.

However, no country has an express obligation to take in the men and women, the lawyer believes.

In an email, the lawyer said that under article 98 of Unclos, a master in the merchant navy has a duty to "render assistance to any person found at sea in danger of being lost, in so far as he can do so without serious danger to the ship, the crew or the passengers."

The master must respond to "information from any source that persons are in distress at sea" and is "bound to proceed with all speed to their assistance".

The master may refuse to do so only in special circumstances, which preclude purely commercial considerations.

But while ships are obliged to undertake rescues, the closest coastal state does not have an obligation to allow those rescued to enter, even where it requested the rescue to begin with.

A resolution adopted by the UN High Commissioner for Refugees urges that asylum seekers picked up at sea be accepted ashore at the next port of call, but this stance does not appear to be backed by statute or convention.

The Maltese government has been approached for comment.

Tunisia has also been approached via a Danish shipping organisation, according to Mr Thomassen, but Lloyd's List was unable to contact the relevant officials.

Mr Thomassen declined to comment on the financial costs, but did confirm that *Maersk Etienne* has gone off hire as a result of the rescue, which suggests that the loss of charter income and ongoing opex will be considerable.

Maersk has an established track record of migrant rescue, most notably when it picked up over 100 people on the boxship *Maersk Alexander* in 2018. In that incident, the migrants were accepted by Italy.

OPINION

Green dreamers discouraged from seeking accelerator backing

THERE has never been a better time for maritime businesses wanting to attract attention from entrepreneurs, writes Richard Clayton.

The old certainties of shipping are well and truly over but the new certainties are likely to take a year or two to become established. In this moment, with coronavirus limiting the size of physical meetings and climate change driving the future fuels agenda, the need to find new thinking has become the elephant in the virtual room.

That new thinking might come from within a company but it is more likely to come with a little help from outside.

Just before lockdown in Norway, the management team at Yara Marine Technologies brainstormed a future for the company.

Most of its revenues came from supplying exhaust gas cleaning systems, a single product with limited potential. It was agreed that Yara Marine needed a new mission: to enable a greener maritime industry.

Thomas Gabestad, business development manager, acknowledged the need to diversify and explained that several initiatives were discussed. These included investing in R&D, investigating a possible merger or acquisition, and reaching out to start-ups.

“We connected with a company called XY01, which works in the start-up community, to facilitate this programme,” he told Lloyd’s List. “We want to make sure we are reaching out to that community as much as possible, especially in Europe, Asia, and America where we see maritime clusters.”

The result has been the launch of a competition to identify game-changing initiatives that could be brought within the orbit of Yara Marine’s corporate expertise, focused in line with market requirements, and given the financial and resource boost to alter the fortunes not only of the entrepreneurs and the company but also the wider maritime ecosystem.

The winner would enter a “bootcamp orientation” of two weeks, followed by six months in a tailored accelerator programme.

The programme includes office space, a $10,000 up-front stimulus grant, potential later-stage investment from Yara Marine, and access to the company’s mentors, network, and facilities.

Piloting and distribution opportunities with Yara Marine customers, suppliers and network are part of the longer-term plan.

This is only the latest of several incubator or accelerator initiatives in maritime. Many have received the backing of larger class societies or corporates, with the disadvantage of being overwhelmed by the sheer number of potential ‘game-changers’ under development.

Mr Gabestad accepts that Yara Marine is smaller, but argues that it can offer more management time, greater attention from across the company’s resource base, and open access to its customers.

“We will initially look for a project with ambitious goals,” he said, adding that he expects candidates to have a proposal ready to roll, rather than using the application period to think about a good idea.

There are dozens of new technologies in maritime all promising to cut between 1% and 5% of fuel consumption, he commented, although very few have been proven. Yara Marine’s team of internal and external judges will concentrate on relevance to the industry.

“The most important thing is to keep the customer in mind — otherwise you won’t have anyone paying for it,” he concluded.

This competition will not be looking for dreamers, and because of that the winning entry might just make that critical breakthrough.

Brand power wanes in era of container shipping super-groups

SAFMARINE epitomised the power of the brand for many years, a name that was familiar well beyond the confines of the shipping industry, and one that delivered genuine value to the bottom line, *writes Janet Porter.*

Those were the qualities that Maersk recognised when it acquired Safmarine in 1999, the year that it bought the US giant Sea-Land. While the latter provided scale and catapulted Maersk into the premier league of container lines, Safmarine gave the Danish group access to a market that it had found hard to penetrate.

Safmarine, which dates back to 1946, is a household name across southern Africa, and its Big Whites — for a while the largest containerships in service — were also four of the most best-known ships in the world, popular with both passengers and shippers.

And it was those strong relationships with cargo interests that appealed to Maersk, which recognised the need to keep the name to retain customers.

So while the Sea-Land name was quickly absorbed into Maersk Sealand for a brief spell, and the P&O Nedlloyd name was dropped not long after the Danish group acquired two iconic names in yet another takeover, the Safmarine name survived within the group for more than two decades.

The carrier was kept at arm's length from Maersk Line for many years, with separate management and its own headquarters in Antwerp, but gradually more and more activities were integrated into those of its much larger sister company until there was, quite literally, just the name that was left.

So Maersk's decision to fully absorb the brand by the end of the year came as no real surprise. Maersk has never been one for sentimentality. Sound business reasons would have been behind the decisions to kill off the Safmarine name.

Those Safmarine staff who had built up such a loyal following among customers have probably mostly retired, while Maersk has had long enough to establish its own reputation in southern Africa.

Furthermore, retaining separate units and organisational structures is expensive and few lines can afford any additional costs right now, even one as financially strong as Maersk.

Even CMA CGM, which has long espoused the benefits of operating separate lines within its portfolio and even won plaudits from Maersk a few years ago for its brand strategy when the Danish group revived the SeaLand name, has started to change tack.

Shortsea operators MacAndrews and OPDR have been folded into the Containerships brand, while APL is to become just a US Jones Act line and no longer a player in the global trades.

One group that still operates several different lines is Grimaldi Group, with subsidiaries such as Atlantic Container Line, Finnlines and Minoan Lines,

The Italian group has chosen to keep its various acquisitions as separate identities in those markets where Grimaldi did not have an established presence, and also to capitalise on the individual strengths and trade specific expertise of each. But again, that strategy will be based on a solid business case that works for now.

Most of the pioneers of containerisation have long since disappeared or become little more than a name on the side of the box. Industry expert Lars Jensen estimates that of the top 20 lines in 1980, only five are still in business in their own right, with many other once powerful names now simply subsidiaries.

Of those, there is one in particular that has survived so far, but must be questioning its future.

When Maersk bought Hamburg Süd in 2016, it promised to retain the German line's Hamburg head office and keep what is regarded as one of the most prestigious names in the industry.

But as the Danish group goes through yet another reorganisation, the Hamburg Süd brand looks likely, sooner or later, to become yet another casualty of the ruthless world of container shipping.

ANALYSIS

Economic outlook: Signs of normality returning in Chinese trade figures

THE International Monetary Fund's global gross domestic product forecast, which was updated in June from its previous April outlook, projects 2020 growth at minus 4.9%. For 2021, global growth is forecast at 5.4%.

The IMF also makes the important point that the pandemic's impact on low-income households is particularly acute, taking away a lot of progress made in reducing extreme poverty in the world since the 1990s.

As of August, some type of consensus is forming across all forecasters for world GDP growth of around minus 3.5%-5% in 2020.

Emerging markets such as South Africa and Nigeria in Africa, Mexico and Brazil in South America, as well as Russia, look like they will be hit hard, with negative growth of almost 10%. Even worse though is the outlook for European countries such as France, Italy and Spain, all with an expected drop of more than 10% in 2020.

However, China has seemingly coped better than most countries and they are now back in full production.

Given China is the second-largest economy in the world, this has put some weight behind the global economic recovery and has spared some negative development in the many countries that export to China.

Trade tensions continue between the US and Europe, with the US retaining its tariffs of 15% on Airbus and 25% on other European goods such as French salami and single-malt Scotch whisky.

The increased use of tariffs as a retaliatory measure in disputes, including in the US-China trade war, is a long-term threat to trade volumes.

Despite these tensions, an early indicator of a return to normality can be seen in Chinese container trade volumes. Monthly container volumes at Shanghai port were on par with the all-time high in July 2020. The port handled 3.9m teu in July, up 1.2% year on year and 8.3% m-o-m data from the Chinese ministry of transport showed.

As you would expect, exports and imports all around the world were very downbeat in the first half of 2020, with China again the exception.

In the second quarter of 2020, China imported record volumes — mostly commodities to be used for domestic infrastructure. Chinese domestic steel demand, for example, has been boosted by mega infrastructure projects, such as airports and rail links.

Thus, dry bulk demand is even more dependent on the world's second-largest economy. China had 73% of the total world volumes of imported iron ore in 2019 and has imported 660 million tonnes in the first seven months of 2020, up 12% compared to the same period a year earlier — at a time when others have halted imports.

When it comes to coal, Chinese imports from January to July totalled 200m tonnes, up 7% year on year. For soyabeans, imports in the first seven months of 2020 rose 18% year on year to 55m tonnes.

Chinese import demand is also one of the main factors impacting global oil prices currently.

Despite production cuts by the major producers in the Opec-plus group, rising unemployment and coronavirus-led travel restrictions have hampered any significant price rises for the commodity. The value has hovered around $45 per barrel since late July.

However, heavy purchases of crude oil by China in April and May, when prices were at 21-year lows, led to record imports in June and July. The large volume of oil being shipped to the country led to port congestion and slowed down the pace at which floating storage was unwinding around the world.

How quickly the elevated levels of floating storage unwinds over the course of the next few months will help determine the direction of tanker earnings this year.

China's refinery output jumped 12% in July, compared with the same month last year, to hit a new monthly record high. It processed 59.56m tonnes of crude oil, according to the National Bureau of Statistics, which is around 14.03m barrels per day.

However, this was before flooding hit around the Yangtze River, which has led to construction projects being halted and factories closed, and some analysts have predicted this could reduce Chinese gasoil and gasoline demand by up to 5%.

The Organisation of the Petroleum Exporting Countries recently presented a new forecast of supply and demand in 2020 and in 2021.

The forecast is based on the assumption that there will global negative GDP growth of 4% in 2020 before an upturn to positive growth of 4.7% in 2021.

The 2020 figure for oil demand is 90.6m bpd, more than 9m bpd less than the pre-pandemic forecast. Demand in 2021 is forecast to be 97.6m bpd. Demand will decrease least in China — which will make it even more important for the industry than it already is.

Even though many oil producers reversed voluntary or agreed supply cuts in July, this was the month in which the sharpest falls in tonne-mile demand were noted since the coronavirus outbreak decimated oil demand worldwide.

Global crude demand plunged to 8.17trn tonne-miles in July, down by 18.6% compared to the same period last year, according to data compiled by Lloyd's List. June was 11.1% lower month on month, analysis of Lloyd's List Intelligence figures show.

The steepest falls over June and July were recorded from the Middle East and West Africa, which rely on mostly on very large crude carriers and suezmaxes to export crude to destinations primarily in Asia, Europe and the US.

West African crude grades have been hit by a fall in demand from key buyers in China and India, where imports are down 30% year on year, and, with interest from refiners in Europe downbeat, a lot of September volumes have been left unsold.

In Saudi Arabia, crude oil exports were the lowest on record in June and production fell to the lowest in 17 years.

Tonne-mile demand, which measures volumes carried by distance travelled, is seen as a proxy for demand for crude tankers. Preliminary August data suggests that month-on-month drops in global tonne-mile demand will be of the same magnitude as July.

The global crude tanker fleet will grow by around 23% in dwt terms over the course of the next five years, according to the latest Lloyd's List Intelligence Shipbuilding Outlook.

But future prospects look subdued with a large orderbook already in place, low removals expected due to the relatively young fleet and a market in which some analysts claim the peak has already passed and others that say it will peak in 2030-35.

MARKETS

Grain trade injects life into moribund dry bulk market

GRAIN trades are buoying the panamax and supramax market, thereby injecting life into an otherwise dull dry bulk market.

The surge in grain shipments has more than doubled the freight rates for both the segments in the first half of the year, with total agricultural export volumes being solidly higher.

A significant rise in demand for shipping and a boost in exports in April, May and June has saved the day for panamax and supramax freight rates, BIMCO said in a note.

The average weighted time charter on the Baltic Exchange for panamaxes gained 60% from the beginning of the year to $14,439 per day at the close on Tuesday, while the index settled at 1,604 points versus 1,003 on January 2 this year.

Meanwhile, the supramax index hit the highest level of 965 points on August 24 since the beginning of the year.

However, supramax freight rates bottomed out in mid-May and have been supported by South American grain exports heading into Asia since then, BIMCO noted.

Combined agricultural export volumes from the US, Argentina and Brazil rose to 148.6m tonnes in the first half of 2020, from 136.8m tonnes in the first six months of 2019.

The rise was fuelled by strong Brazilian soyabean exports, which drove total agricultural exports out of Brazil up by 40% in the second quarter compared with the same period last year.

Additionally, with the southern hemisphere's corn export season in full swing, liftings from Brazil surged by 28% month on month in August to almost 6.4m tonnes, according to Braemar ACM.

This boost in volumes was primarily enjoyed by panamax (including kamsarmax and post-panamax) vessels, which loaded a record 4.6m tonnes, 46% more versus July and 20% more year on year, the brokerage said.

"Increased corn trade on panamaxes is being driven by the usual uptick in volumes to Japan and South Korea and Spain, but we have also recorded a boost in the number of ships heading to Iran, Saudi Arabia and Israel."

But US coarse grains and wheat exports fell by 13% and 11% respectively, losing a combined 2m tonnes. As total exports declined by 4.4m tonnes, 59 panamax loads (of about 75,000 tonnes each) were lost, BIMCO data shows.

"As the coronavirus pandemic took hold, it was clear that seaborne exports of agriculture bulks were this year's wild card, the one that could grow, whereas the rest of the commodities were bound to fall," BIMCO's chief shipping analyst Peter Sand said.

"As the main exporters in the western hemisphere were able to ship 22% more agricultural goods in the second quarter this year than in the previous quarter, much of it long-haul, charterers ran down tonnage lists and drove up freight rates."

"If exports of soyabeans and corn from the US are strong from the beginning of the new marketing year, we will get a healthy support to the dry bulk market from September 1," Mr Sand added.

Carriers prepare for post-peak capacity withdrawal

CONTAINER lines are already beginning to prepare for a tailing-off of demand following the current peak season boom as they seek to continue reaping the benefits of the capacity management that has served them well this year.

Members of The Alliance and the 2M have already announced Asia-Europe capacity reductions in October, when demand is expected to decline following the Golden Week holiday in China in the first week of next month.

"This shows that the carriers will continue their cautious approach to avoid overcapacity and that they have mastered the art of fine tuning their capacity to match it with market demand," said analysts at Alphaliner.

Maersk and Mediterranean Shipping Co will cancel the October 3 sailing of the 20,568 teu *Murcia Maersk* for the AE-5/Albatross service, and MSC has confirmed that both the AE-2/Swan and AE-20/Dragon services remain suspended until further notice.

The Alliance will not offer extra Asia-North Europe sailings under the FE4 label in October. Apart from the five blanked FE4 sailings, one sailing each of the FE2 and FE3 loops will be blanked, Alphaliner said.

None of the three Asia-Mediterranean loops will offer a departure from China in week 41 and export cargo will have to wait for the sailings in week 42.

The moves come despite previous steps to increase capacity on many trades as demand has rebounded.

"Carriers have been blamed recently of artificially reducing capacity to push up rates, but the past weeks have proven that this is not the case," Alphaliner said. "Capacity has been increased since May by reinstating blanked sailings, resuming suspended services, launching new services and organising extra ad hoc sailings on the two big east west trades."

Average weekly nominal capacity in the trade between Asia and North America is expected to exceed 500,000 teu this month for the first time as MSC has announced its new "Santana" Asia-US west coast service.

Alphaliner noted that current transpacific capacity has risen by over a quarter since May and is 6.7% higher than at the same time last year.

Asia-Europe capacity, meanwhile, had grown 17.6% since its low point in May, and was now just 4% below last year's figure.

This delicate rebalancing of supply to demand had proven to be a successful strategy for carriers this year, Alphaliner said.

"Most big carriers are profitable, despite the pandemic, as this is the first major crisis that they did not tackle by chasing more market share and fighting a rate war," it said.

"The good results of the carriers are of course not only the result of disciplined capacity management, which is new to the container line industry, but also largely influenced by the fact that bunker prices have dropped considerably."

Container shippers face higher contract rates

RISING spot rates on key headhaul and backhaul trades due to pandemic-driven capacity management could lead to higher contract rates for shippers, according to analysts at Drewry.

"Following the surge in spot ocean freight rates on most lanes since the start of the coronavirus crisis, and pro-active management of shipping capacity by the major lines, it now seems likely that a significant number of contract shippers will see increases in their newly negotiated 2021 freight rates," Drewry said

Spot rates on most routes are very high and Drewry expects them to remain high for months, thus creating upwards pressure on contract rates.

"We can clearly see that 2020 spot rates have exceeded 2019 spot rates by a large margin since March. The Global Freight Rate Index, a weighted average of all-in spot rates on east-west, north-south and intra-regional trades, reached $2,276/40ft container in August, a 32% increase from August 2019."

While there had been some regional variations, key trade lanes such as the transpacific and Asia-Europe backhaul had seen "worryingly high" increases.

"Particularly this year, shippers and forwarders should track the development of spot freight rates because they indicate the tightness of the market on some routes," Drewry said. "They may be a leading indicator of contract rates, and they could point to future problems of capacity availability if ocean carriers prioritise higher spot cargoes over lower-rated, less profitable contract cargoes."

While contract rates had not increased to date, second-quarter carrier result demonstrated that average freight rates were on the increase. Maersk, Hapag-Lloyd, OOCL and Zim all reported increases of between 4.5% and 7.9% in their average spot and contract freight rates between the second quarters of 2019 and 2020.

Drewry data indicates that the trend in contract rates has been downward since May, but it warned that there was no guarantee that this trend would continue.

"This is the difficult question which shippers, forwarders and ocean carriers now face," Drewry said.

IN OTHER NEWS

Cargill invests in Maersk Tankers' digital spin-off

FOOD trading giant Cargill has invested in ZeroNorth, Maersk Tankers' digital spin-off, in a deal to increase the number of ships using its speed optimisation software to boost earnings and cut CO2 emissions.

Cargill will commit its fleet of 650 ships to use Optimise, ZeroNorth's speed software, bringing the number of vessels using the software to just under 1,000.

"We're very happy to contribute our expertise to this because we all know that in the whole decarbonisation drive, size does matter," said Jan Dieleman, head of Cargill's ocean transportation unit. "We will be actively involved in rolling out the product, not only as a user but as a strategic partner."

Third body recovered after tug sinks off Mauritius

THE death toll following the collision of a tug and a barge off Mauritius earlier in the week has risen to three.

Of the eight crew members on board the tug *Sir Gaetan*, four have been rescued and are in hospital, a government spokesman told Lloyd's List. One is still missing.

The Mauritius Ports Authority tug sank off the northeast coast of the island with 25 tonnes of fuel. Its crew were all Mauritians. An inquiry has been launched into the incident.

Freighter with 43 crew missing in typhoon off Japan

A SEARCH is under way for a livestock carrier reported missing with 43 crew members in a typhoon off the coast of Japan.

The Japanese coast guard received a distress call from the Panama-flagged 8,372 dwt *Gulf Livestock* 1 in the early hours of September 2 while it was sailing in the East China Sea, according to Lloyd's List Intelligence.

The vessel, which reportedly has 5,800 cattle on board, was about 185 km (115 miles) west of Amami Oshima Island in Kagoshima Prefecture when the coast guard received the message.

Classified notices follow