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Clock ticking to secure shipping's carbon solution

THERE ARE LESS than 3,400 days to hit the 2030 emissions targets set by the International Maritime Organization.

Given the current rate of progress the shipping industry's preference for a global solution is looking less likely.

The previous threats of theoretical moves from the European Parliament aiming to force the IMO into action have given way to tangible political process.

The European Parliament has launched another effort to include shipping in the European Union's Emissions Trading System.

With the European Commission supporting the move include shipping in the carbon market, albeit through a different process, the question has moved on from 'if' to 'when' and 'how' shipping will be incorporated into any ETS.

The likelihood of regional encroachment on global trade is a clear and present danger to the IMO's global but glacial pace of consensus politics.

Trafigura's new proposal to impose up to a $300 levy per tonne of CO2-equivalent on shipping fuel to boost the growth of low and zero carbon fuels is an aggressive tactic.

The ramifications of such a market-based measure and an incredibly complex, mandatory enforcement would be wide-ranging.

While many of the details need to be thrashed out the general themes underscoring this proposal should generate traction rather than gather dust on the IMO shelf.

These private initiatives, alongside regional policy actions and the numerous decarbonisation efforts — most notably the collective push for the development of commercially viable zero emissions vessels by 2030 — should weigh on IMO delegates.

Its greenhouse gas strategy was agreed in April 2018 in what was regarded as a historic moment for an industry that had been widely perceived as a polluter that is unwilling to assume its responsibilities.

The strategy is a crucial and useful foundation. But this debate reveals yet again that by seeking common ground it's not possible to aim for the best solution, which is what those participating in such an import debate should aspire to do.

The EU is close to a market-based measure and the IMO has yet to agree even on an efficiency-based short-term greenhouse gas measure.

Some delays are partly due to coronavirus disruptions but mostly they reflect fundamental flaws in IMO policy making.

Ammonia-fuelled engines are less than five years away, yet the debate to change regulations and set new safety standards to allow the fuel to be used on ships hasn't even started.

Any discussion about a market-based measure can't begin until 2023 and not be finalised until 2030 because of how the regulatory timetable is structured.

The strategy is also due to be revised in 2023. Every aspect, including the timelines, emissions targets and the market-based measures, is up for discussion.

Talk about market-based measures needs to be accelerated so emissions targets can be strengthened and technology and regional remits don't not outpace international regulatory reform.

Introducing fundamental decarbonisation policies after 2030 may be too late.

WHAT TO WATCH

Trafigura proposes new levy on marine fuels to cut emissions

TRAFIGURA has called for a new levy on marine fuels to cut carbon emissions in the shipping sector.

The commodity trader has proposed a global fuel levy of $250 to $300 per tonne of CO_2 equivalent, making it the most aggressive corporate greenhouse gas tax suggestion for shipping thus far.

The plan would align the levies with global emission reduction targets. It would also take into consideration the emissions of shipping fuels from the point of their extraction to their combustion, not just during their use by a ship.

The company, which charters more than 100 tankers and bulkers and accounts for over 4,000 voyages each year, said the International Maritime Organization would create and oversee what it labelled as the "partial feebate system" as it would tax levy the CO_2-intensive fuels and redirect those earnings to subsidising low and zero-carbon fuels.

"The revenue raised by the levy would primarily be used to subsidise and incentivise low and zero-carbon fuels and subsequently also be used to fund the research and development of alternative fuels, and in part to help small island developing states and other developing countries with the energy transition and to mitigate the impact of climate change," it said.

Shipping lobby groups welcomed Trafigura's recognition of their R&D fund proposal to the IMO, but reacted cautiously to the company's move which involves the creation of a CO_2-equivalent intensity benchmark based on the already agreed global 2030 and 2050 carbon intensity targets.

In April 2018, the IMO agreed as part of its greenhouse gas strategy that ships should improve their carbon intensity by at least 40% by 2030 and aim for 70% by 2050.

Fuels with a CO_2-equivalent intensity above their benchmark would be levied, while those below the benchmark would be subsidised, according to Trafigura. The size of the levy would depend on the difference between that and their benchmark.

Different fuels would have different benchmarks depending on their CO2-equivalent intensity profile and an IMO-appointed group of specialists would be responsible for establishing those benchmarks.

"The group would be responsible for carrying out rigorous and unbiased assessments of fuel production routes, determining which gases or pollutants (black carbon for example) should be factored in," Trafigura said.

International Chamber of Shipping deputy secretary general Simon Bennett said shipowners would prefer a levy per tonne of fuel purchased for consumption.

"It is good that if a carbon levy is developed by IMO that this will have the support of a major charterer, who, if they are paying for the cost of fuel would also be paying for the cost of such a levy," he said.

The World Shipping Council agrees with the need to immediately said the level of R&D for alternative fuels. But it warned any carbon pricing will not change behaviours alone and that the necessary alternative fuels are not sufficient today.

"Carbon pricing without alternatives simply increases costs. Once we have the necessary new fuels, it will be much clearer how best to require and incentivize the uptake of those fuels," council president John Butler told Lloyd's List.

BIMCO deputy secretary general Lars Robert Pedersen said the Trafigura proposal includes many useful thoughts, including the need to accelerate innovation of low and zero-carbon solutions.

Alternative fuels

But he suggested alternative fuels need to be an option for ships. "When alternatives are available the next phase of decarbonisation is to make sure ships transition to using the alternatives and this is where we have also suggested a market-based mechanism may be needed," he said.

The IMO is set to revise its greenhouse gas strategy, including its 2030 and 2050 targets, in 2023.

Trafigura said that the benchmark would be "adjusted as necessary as the shipping industry works toward achieving these goals".

It also acknowledged that an impact assessment would be required before the IMO agreed on this measure.

Impact assessments are commonplace in the IMO when proposals as consequential as this one are tabled.

Trafigura urged the IMO regulators to agree on a market-based measure.

"Whether this measure takes the form of a cap-and-trade system or an outright levy, only a market-based measure will bring about the required market shift," it said.

It suggested using as a starting point a high-profile and elaborate industry proposal to the IMO for a $2 per tonne fuel levy on the global fleet to power research and development. The proposal has not been discussed by the IMO yet.

This proposal's backers have vociferously refuted the idea that this would be a market-based measure. Instead, they have stressed it would be run by an IMO-approved but independent body and would generate $500m per year, which they claim would be strictly for research and development purposes.

The IMO has agreed to discuss market-based measures as part of its GHG strategy, but while there is pressure from some quarters for that to happen sooner rather than later, the strategy's agreed time line suggests that any market-based measures would be discussed and finalised sometime between 2023 and 2030.

For Trafigura's proposal to be discussed in the IMO, a government or organisation that has consultative status in the IMO has to officially sponsor it or put it forward to the regulator.

Trafigura did not say whether it was working with any of these actors to this end. A spokesperson for the company did not immediately respond to request for comment.

Trafigura has previously warned about the impending financial impact the battle against climate change would have on its own operations. At the start of 2020, it projected that its current annual $3.5m bill for emissions levies could soar to as much as $100m per year due to increased government decarbonisation policies.

In September 2019, Rasmus Bach Nielsen, global head of wet freight at Trafigura, had also openly supported a premium on the use of hydrocarbons benchmark on current prices.

The company acknowledged that this measure would affect operational costs for major charterers such as itself but deems that to be necessary.

"This increase in operational costs will spur charterers to change behaviour to reduce emissions, charter more efficient ships and switch to lower carbon fuels," it said in its proposal.

OPINION

Marine insurance offers security in a changing world

WHO knows what ancient Babylonians would have made of the internet, but some would have recognised the subject matter of the International Union of Marine Insurance's online deliberations over the past two weeks, *writes David Osler*.

A primitive form of hull cover was available almost 4,000 years ago under that venerable civilisation's legal framework, the Code of Hammurabi.

Indemnity products have been with us ever since, from ancient Greece and Rome through renaissance Genoa and onwards to the Lloyd's market, which began modestly enough in a 1686 equivalent to Starbucks.

These days, marine insurance is pretty cheap for what you get. Rates vary extraordinarily widely, not least on the basis of vessel value and safety record, but H&M and P&I each typically represent single-digit percentage points of overall operating expenses.

In ballpark figures, even when combined they work out at less than 10% of an owner's outlay. Yet both been getting steadily cheaper in real terms.

The most recent authoritative survey from BDO – previously published by Moore Stephens before the merger of the accountancy firms - suggests insurance costs fell by over 7% in 2018 alone.

Marine lines have been perpetually soft for two decades, as those trying to make a living from them frequently complain. Only of late have there been the first signs of hardening.

Hull premiums worldwide were up 0.2% last year, according to statistics presented to IUMI. That clearly disappointed some attendees, who had been hoping for more. But there was general relief that the trend is finally going the insurers' way.

One of the factors at work is the Lloyd's Decile 10 crackdown on underperformers, which cut capacity to the point that Lloyd's of London fell overnight from the world's biggest hull market to number three slot behind the Nordic market and Singapore.

Meanwhile, numerous P&I clubs attempted to make a going rate general increase of 7.5% stick at the last renewal round. While they didn't get all of it, they probably got about half that.

The next edition of the BDO opcost survey, due out shortly, will reveal whether last year's prediction of H&M and P&I hikes in the order of 2% has come good.

Such a prognosis could yet prove right or wrong. Coronavirus has clobbered world trade and cut the number of sailings, and the implications of this for premiums in the round has been one of the big talking points at IUMI.

Marine insurance is not an optional purchase, of course, as adequate cover is a precondition of being able to trade to most of the world's ports. But even if things were otherwise, few owners would willingly forego it.

Because ships sink, ground on reefs and sandbanks, collide with other vessels and slam into dock walls. Because bunkers spill, engine rooms catch fire, and seafarers suffer death and personal injury. Because global pandemics do sometimes happen.

In other words, it's great value for money, and you need it just as much as the guys who bought it in the reign of King Hammurabi.

ANALYSIS

Ammonia technology ready in five years, says MISC chief

MALAYSIA'S leading shipping group MISC aims to prove, in the next five years, the technical viability of a tanker propelled by ammonia, which is a next generation fuel touted for its zero-emissions potential.

"In the next two to five years, we should have an engine that works, the shipyard that can build it and we will know how to run it," said its chief executive Yee Yang Chien.

The company has teamed up with Samsung Heavy Industries, Lloyd's Register and MAN Diesel to develop an ammonia-fuelled tanker.

Mr Yee said that the current focus for this joint development project is to make sure the technology works and to develop an operating framework with which all players involved in the bunkering value chain are comfortable.

He viewed this initiative as one example of MISC giving back to the industry.

The International Maritime Organization has committed to halving ship emissions by 2050 from 2008 levels and has signalled with this institutionalised objective, the intent to eventually transition the industry to zero-emission fuels.

"As a shipping firm with a global footprint, we have the financial muscle to contribute and we believe we should do our part to help the industry get over the 'chicken and egg' dilemma," said Mr Yee.

The adoption of next-generation marine fuels would inevitably face the same hurdles that have set back the development of the liquefied natural gas bunkering industry.

Many shipowners, concerned about the availability of LNG as a marine fuel at their ports of call, have held back investments in LNG-powered tonnage.

The lack of visibility on the demand side on the other hand, has not motivated bunker suppliers and port operators to invest in LNG bunkering infrastructure.

MISC stood out as one exceptional, early adopter of LNG as a marine fuel, having invested in some of the world's first LNG dual-fuel crude and oil product tankers.

In the same vein, the shipping line seeks to tackle the "chicken and egg" concerns pertaining to ammonia adoption head-on.

Said Mr Yee: "We are partnering with ammonia producers in our alliance, who will advise us on accessibility to and how best to handle the fuel.

"These players are also looking at producing ammonia from green sources."

He also highlighted the need to engage port authorities to understand how they intend to draw up "the entire standard operating procedures for handling ammonia as a ship fuel".

MISC and its partners clearly have a lot of ground to cover to prove both the technical and commercial feasibility of ammonia as a marine fuel.

Mr Yee noted too the glaring lack of visibility over the availability of ammonia and other potential zero-emission fuels at present.

MISC has taken the view that on these grounds, LNG remains the most feasible option to achieve lower ship emissions.

Its petroleum shipping subsidiary, AET has committed to build half of its newbuilding tonnage to run on LNG dual-fuel engines.

Mr Yee said it is not appropriate to deem LNG as just "a transitional fuel".

"Shipping industry has many segments — near shore, brown water and deep ocean being serviced by vessels of different sizes (and) the logistics and supply dynamics for vessels will vary from place to place, port by port and across various geographies.

"The only way forward is to have various sources, depending on the ship types and the geographies. We believe there is no single silver bullet for the zero-emission transition and LNG will have a role to play."

Carbon capture could cut decarbonisation costs by 50%, says study

CARBON capture could be one avenue for ships to cut emissions to meet decarbonisation goals, new research claims.

A study by UK-based PMW Technology found that using its cryogenic A3C process was feasible for global shipping application, with minimal impacts on vessel capacity and stability, while the overall cost of carbon abatement was found to be half that of ammonia.

"Our message is that there is a viable alternative to zero carbon fuels for shipping and that it could be radically less costly, could be retrofitted and could be put in place more quickly than alternatives," according to the report.

"Carbon capture may offer a lower cost transition for existing technology in advance of future developments."

The study, funded by the UK Department for Transport, was for a six-month project to evaluate the potential for the A3C process to be applied to shipping. PMW Technology is working with the University of Chester, along with naval architects Houlder and Tees Valley Combined Authority.

PMW said it was in talks with major shipping companies who have shown interest in the technology.

Carbon capture and storage has been applied in industries such as cement or energy, but the principles are now reaching shipping.

Japanese shipping giant K Line is developing carbon capture technology to be tested on one of its vessels. The two-year project is being run in collaboration with Mitsubishi Shipbuilding and ClassNK.

It said the challenge was to develop the more compact equipment needed for the marine environment along with the system requirements for stable continuous operations at sea.

The A3C process, which does not use aggressive chemicals, cleans the exhaust much like an exhaust gas scrubber, and can reduce carbon dioxide emissions by 90%, and up to 99% in some cases, according to the report.

The process involves cooling the cleaned gases to below -100 degrees celsius so that the carbon dioxide is deposited as a frost onto slowly moving cold fine metal beads. The beads then move into a heater, where they are warmed to -80 degrees C to recover the carbon dioxide as a gas. This gas is compressed and cooled to -40 degrees celsius for storing in liquid form in tanks on board the vessel.

Laboratory tests have been carried out, and a pilot will be built on land by the end of next year, followed by sea trials in 2022, subject to approval by a classification society.

While the case study was applied to the 10,200 dwt LNG-fuelled car and truck carrier *Siem Confucius* and hybrid diesel electric/battery ferry *Victoria of White*, feasibility of the process working on tankers and gas carriers is currently under review.

There are plans to work with leading marine technology provider Wärtsilä to incorporate their experience in exhaust gas treatment.

There are other projects working toward onboard carbon capture, but at this stage it is just conceptual.

The DecarbonICE solution, developed by the Maritime Development Center in Denmark, and which is funded by several big shipping names, also proposes "freezing out" the carbon dioxide from the exhaust but this process captures the CO_2 as dry ice, which is sunk into the sea at water depths of 2,800 m using a carbon descent vehicle.

The load penetrates deepsea sediments where it will be stored permanently as CO_2 hydrate.

MDC, which hopes to get to a stage where it can create carbon negative shipping, is working on a paper to be submitted to the International Maritime Organization for approval in the context of storage of CO_2 in geological reservoirs under the seabed.

As with the PMW technology, DecarbonICE can be applied to existing ships using all types of fuels.

Wärtsilä said that while onboard carbon capture was "very interesting" for the maritime industry, there was not just one solution to reach the IMO greenhouse gas emission reduction goals by 2030 and 2050. The solution was complex such as energy efficiency, voyage optimisation, and new fuels.

Looking at onboard carbon capture, the cryogenic solution was one of several technologies under investigation; the others being amine scrubbing or membrane solutions.

"However, there are both significant costs and space requirements installing such equipment," the Helsinki-based company said. "Consistent and purposeful incentives and regulations are needed in the years to come."

Added weight and capital costs

For each tonne of fuel, about three tonnes of CO_2 is produced.

While the benefit to the shipowner is that few design changes are needed, the downside is that the vessel has to carry the CO_2 as deadweight in the arrival condition, according to Houlder. That has more of an impact on large high-powered vessels such as containerships.

Cargo-carrying capacity is also reduced to give way for the CO_2 storage tanks, which when holding their content of liquid carbon dioxide, will be the largest additional load on the vessel.

Operating costs are also bound to increase as more fuel is needed for the additional power demand.

According to the International Council on Clean Transportation, for an 85% reduction in CO_2, fuel use will go up by 37%, while cargo carrying capacity is cut by 8%, citing research carried by the Japanese on a 20,000 teu containership.

More likely to succeed are truly zero carbon fuels such as ammonia or hydrogen, according to one of its programme directors. Energy efficiency will be a key enabling strategy to reduce the energy demand and boost the range of zero emission vessels, he said.

The carbon dioxide stored on the vessel can be unloaded at ports for transfer to undersea deposits/disused gas fields in a process known as sequestration, providing synergies with captured industrial emissions.

Many ports in industrial areas are already equipped for carbon dioxide handling, while others will need investment, with the development of carbon capture clusters such as is already being proposed in the UK and in Norway.

A facility is under construction in Bergen, and others are planned for Teesside, Immingham, Merseyside and Peterhead.

Meanwhile, the port of Gothenburg expects to be able to transport 2m tonnes of captured carbon dioxide per year from its quayside facility.

The CinfraCap project, a collaborative venture between Nordion Energi, Göteborg Energi, Renova, Gothenburg Port Authority, Preem, and St1, complements a number of other ongoing research and development projects, including Preem CCS, ZEROC, and Northern Lights, which is a full-scale carbon dioxide repository project between Equinor, Shell and Total, which will transport liquid CO_2 from capture facilities to a terminal in the west coast of Norway.

The International Energy Agency said in a new report that after years of slow progress, technologies to capture carbon emissions and store or reuse them are gaining momentum, a trend that will need to accelerate significantly for the world to achieve its energy and climate goals.

Plans for more than 30 commercial CCUS facilities have been announced globally in the last three years, and projects nearing a final investment decision represent an estimated potential investment of around $27bn — more than double the investment planned in 2017, the Paris-based IEA said.

The portfolio of projects is increasingly diverse and would double the amount of CO_2 captured globally.

MARKETS

Freight futures suggest muted fourth-quarter tanker rally

TANKER freight futures are trading at values showing earnings for the largest crude tankers will rise a third higher from current levels over the fourth quarter.

The fourth-quarter contract for very large crude carriers shipping 280,000 tonnes to China from Saudi Arabia was valued at $8.13 per tonne for the fourth quarter on September 25, according to the

Baltic Exchange. That compares to $6.07 per tonne for the balance of the September contract

Forward freight agreements are not only an indicator of current sentiment but used by oil companies, traders and shipowners to hedge the future price of freight for shipping crude and refined products.

Two weeks earlier the fourth quarter TD3 contract was valued at $10.24 per tonne, indicating that confidence in the strength of any seasonal fourth-quarter rally in tanker earnings is abating.

Declining volumes of oil and products held in floating storage, as well as a slower than expected rebound in demand for air and land transport fuels, has curbed expectations that tanker rates will significantly rise.

Similar sentiment is seen on FFA contracts for other tanker types and routes.

The TD19 is valued at $8.76 per cent for the fourth quarter, while the September balance month contract is at $6.57 per tonne. That contract covers aframax tankers shipping crude on cross-Mediterranean routes.

Current spot earnings are Wordscale 57.5, which the Baltic Exchange says is equivalent to $1,128 per day, well below operating expenses.

The physical TD3 route is assessed at WS28.77, or $11,900 daily, while the TD3 fourth quarter contract is W37. Contracts are settled against the Baltic Exchange indices.

Fourth-quarter product tanker futures for medium range tankers on the transatlantic route are valued 22% above September.

FFAs on that route have been bought and sold for an average of $14.89 per tonne over the fourth quarter period, compared to the balance-month contract of $12.93 per tonne.

Sentiment is also slipping on that route, with the same Q4 contract valued at $15.82 per tonne a week ago and beginning the month at $16.20.

Refineries in Europe are reducing runs and operating with crack spreads at unprofitable levels as gasoline, diesel, jet fuel and gasoil demand remains subdued, and gasoline consumption in the US has yet to return to pre-pandemic levels.

Container spot freight rates show signs of easing

THE rise in containerised spot rates slowed to a crawl this week, indicating that carriers may be approaching peak pricing on the main lane trades.

After breaking records for the past eight weeks with significant gains on many trades, the Shanghai Containerised Freight Index rose by less than 1% this week.

The main headhaul trades finally saw a reversal of fortunes, albeit by tiny amounts. The Asia-Europe rate fell by 0.3%, or just $3 per teu, to $1,079, while on the transpacific the Asia-US west coast lost $11 per teu at $3,856.

While the tiny slide will not be concerning carrier trade lane managers, it may mark the peak, at least for now, of the capacity driven surge in prices that has defined container shipping during the pandemic crisis.

Prices traditionally peak during August and September, driven by cargo owners stocking up ahead of the holiday shopping season at the end of the year, and begin to tail off again in October, when the Golden Week holiday in China sees production put on hold.

This year has, so far, been no different, being remarkable only in that it was initially thought that it would be different. In every previous economic crisis, falling demand has led to a collapse in rates.

But strict capacity management saw rates hold up when demand collapsed, and despite the economic storm clouds on the horizon, demand, particularly in the US, has remained stronger than expected.

This has been driven partially by inventory restocking, so may not last, but carriers have had their strongest peak season in years, in both volumes and rates.

While this has led to accusations of price gouging and investigations into whether lines are using tight capacity to artificially prop up the market, capacity is actually higher this year than last on the transpacific and lines have been restoring previously blanked sailings to meet the demand.

All eyes now, however, will be turning to what happens after Golden Week, with the expectation being that, having learned a valuable lesson, lines will maintain their discipline and remove tonnage again.

Whether current peak rates on the transpacific are sustainable long term remains to be seen. If demand does tail off significantly and economic conditions deteriorate, it would take a serious amount of capacity reduction to keep rates this buoyant.

Nevertheless, issues such as container imbalances, which have led to a shortage of available boxes in export markets, also play a role.

"We believe what we are witnessing is something beyond the usual dynamics of market supply and demand at work," analysts at Drewry said. "The higher level of concentration in the ocean carrier industry, combined with new, tighter capacity management discipline among carriers are also behind these exceptional freight rate levels.

"Ocean carriers seem to have come to realise the opportunity presented by the coronavirus crisis and that by managing capacity closely, they can manage prices with potency."

Shippers and forwarders should expect contract freight rates on most routes to increase in 2021, it said.

US oil industry slowly recovering, Dallas Fed says

MOST US oil industry executives think the country's crude production will never return to its record-high, pre-pandemic levels, and that the Organization of the Petroleum Exporting Countries will play a bigger role in the determination of the price of oil going forward.

The results are part of the data collected from 166 energy firms by the US Federal Reserve Bank of Dallas during September 9–17. Of the respondents, 112 were executives from exploration and production firms and 54 were from oilfield services firms.

Activity in the oil and gas sector declined modestly in third quarter of the year, but the pace of contraction has slowed substantially as the business activity index improved from -66.1 in the second quarter of 2020 to -6.6 in the third quarter.

Production declines also seem to be moderating. According to exploration and production executives, the oil production index rose from -62.6 in the second quarter of the year to -15.4 in the third, while the natural gas production index rose by 38 points to reach -10.1.

Capital spending is still declining but at a much slower pace, as the index for capital expenditures for exploration and production firms increased from -66.1 in the second quarter to -16.4 in the third quarter.

The index for capital expenditures for oilfield services firms increased from -73.5 to -35.1 – a sign that conditions continue to deteriorate, but at a slower pace than before.

The sector's equipment utilisation index jumped 50 points to -18.9 in the third quarter, implying that utilisation has declined but at a much slower pace than over the previous quarter.

The operating margins index increased from -68.6 to -30.8, while the index of prices received for services moved up, from -64.7 to -26.4. Firms found some relief as the input costs continued to decline. The index stood at -9.5 in this quarter.

Labour-related indicators fell again, but more slowly than in the previous quarter, as the aggregate employment index posted a sixth-consecutive negative reading while moving from -46.1 to -18.1.

The index of aggregate employee hours worked increased from -47.0 to -15.3. The index for aggregate wages and benefits remained negative, but rose from -41.7 to -19.4.

The company outlook index returned to positive territory in the third quarter, albeit slightly, coming in at 1.9. The near-zero reading indicates the outlook remained relatively unchanged, a plateau from the acute deterioration evident over the previous two quarters.

Additionally, fewer firms noted rising uncertainty during the current quarter compared with the most recent one, and the aggregate uncertainty index fell by 19 points to 17.2.

By the end of the year, respondents expect a West Texas Intermediate oil price of $43.27 per barrel and Henry Hub natural gas prices of $2.55 per million British thermal unit.

IN OTHER NEWS

Japanese shipbuilding tie-up postponed by regulatory hurdles

THE tie-up deal between two major Japanese shipbuilders, Imabari Shipbuilding and Japan Marine United, has been delayed for regulatory reasons.

The pair said in a joint statement that the execution of their "alliance agreement" was pushed back for a month to November 1, 2020, citing "reviews and approval processes related to competition law that are still ongoing overseas".

The agreement, announced in March, involves Imabari acquiring a stake in JMU and then the two establishing a joint venture, named Nihon Shipyard, to co-develop and sell vessels — except for liquefied natural gas carriers.

China tightens crew controls as port infections rise

CHINA has requested arriving sign-on crew on internationally trading vessels must test negative for coronavirus, with rising concerns of the government about imported cases.

The new regulation — announced by the Transport of Ministry, the General Administration of Customs and the Ministry of Foreign Affairs — targets ships that have conducted crew changes in the past 14 days before calling at Chinese ports.

Seafarers involved must receive a swab test at sites either appointed or approved by China's overseas embassies or consulates, within the three days before embarkment, said the authorities.

Scorpio sells tankers to raise cash

SCORPIO Tankers, which operates a fleet of 134 product tankers, said it has increased its liquidity by $82m from the sale and leaseback of eight medium-range product tankers.

The sale, previously flagged in an August results call, and leaseback deal was secured with three, unidentified financial institutions, the company said. It did not name the vessels.

Shares in the New York Stock Exchange-listed company traded at the lowest on September 24 since August 2015, shortly after Scorpio said fixed income investor calls began for a bond issue to raise between $100m to $150m.

DP World close to deal with union over Sydney terminal dispute

DP World hopes to reach a deal with Sydney port workers in the coming week to resolve strikes that have caused container delays and diversions.

The Maritime Union of Australia has led stoppages and go-slows over the Dubai port operator's planned changes to rosters and idle time.

The dispute led Maersk to halt bookings to Sydney until October 1, citing delays.

Nakilat lines up four VLGCs for sale

NAKILAT, the Qatari shipping company, is considering a possible sale of the last four liquefied petroleum gas carriers in its fleet.

Lloyd's List understands that the company had floated a tender in the first quarter of the year for the disposal of the vessels.

According to market sources, Clarksons and Braemar ACM have been jointly appointed as exclusive brokers for the four ships.

Oil spotted near stricken Yemen tanker

SAUDI Arabia has reported an "oil spot" west of the rusting tanker that threatens a catastrophic oil spill off Yemen's Red Sea coast.

The 1976-built, 406,648 dwt floating storage tanker Safer has 1.1m barrels of oil on board and has not been maintained for five years.

Yemen's Houthi rebels have blocked UN access to the ship as a bargaining chip in their war with a Saudi-led coalition.

Owners to pay Sri Lanka for New Diamond fire assistance

THE owners of the very large crude carrier which caught fire off Sri Lanka's east coast have agreed to pay Sri Lanka $1.9m for assistance rendered and firefighting efforts tendered to the vessel.

The vessel is owned by Porto Emporios Shipping and managed by Greece-based New Shipping, Lloyd's List Intelligence data shows. Insurance coverage is provided by West P&I.

The crude tanker caught fire on September 3 after a fire started in the engine room of the 2000-built, 299,986 dwt vessel, according to Lloyd's List Intelligence data.

Zhonggu Logistics tol buy six vessels after successful IPO

CHINA'S Zhonggu Logistics, a domestic-focused container shipping company, has raised about Yuan1.5bn ($217m) from its initial public offering on the Shanghai Stock Exchange.

The funds will be used to purchase six 1,900 teu vessels and 82,000 teu of containers, according to the company's prospectus.

Controlling a fleet of 115 ships with more than 168,000 teu in capacity, Zhonggu ranked 13th on Alphaliner's list of the world's top 100 liner shipping carriers.

Congestion surcharge introduced at Felixstowe as costs rise

CMA CGM is to introduce a port congestion surcharge for the UK's largest container port.

The £118 ($150) levy at Felixstowe will start from the beginning of October, the company said in a note to customers this week.

"Due to a combination of factors, including significant increase in import container arrivals, reduced terminal productivity due to Covid-19-safe working practices and the deep cleaning required at each shift changeover, and reduced driver availability in the container sector, the operational costs have significantly increased in Felixstowe terminal over the past weeks," it said.

For classified notices please view the next page.

CLAIM NO. CR-2020-003059

IN THE HIGH COURT OF JUSTICE

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMMPANIES LIST (ChD)

IN THE MATTER OF THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION LIMITED

AND THE BRITANNIA STEAM SHIP INSURANCE ASSOCIATION EUROPE M.A.

AND IN THE MATTER OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

NOTICE

NOTICE IS HEREBY GIVEN that on 24 September 2020, The Britannia Steam Ship Insurance Association Limited ("**Britannia**") and The Britannia Steam Ship Insurance Association Europe m.a. ("**Britannia Europe**") applied to the High Court of Justice of England and Wales (the "**Court**") for:

1. an Order under Part VII of the Financial Services and Markets Act 2000 ("**FSMA 2000**") sanctioning an insurance business transfer scheme providing for the transfer to Britannia Europe of the whole of the insurance and reinsurance business of Britannia (the "**Scheme**"); and

2. an Order making ancillary provisions in connection with the implementation of the Scheme pursuant to section 112 of FSMA 2000.

The business to be transferred comprises Britannia's entire insurance and reinsurance business, including all insurance and reinsurance contracts in respect of which Britannia is the insurer or reinsurer together with Britannia's outwards reinsurance contracts and all other contracts, assets and liabilities of Britannia whatsoever unless expressly excluded from the transfer under the terms of the Scheme (the "**Transferring Business**"). The insurance and reinsurance contracts comprised in the Transferring Business were written by Britannia through its various establishments from time to time. The outwards reinsurance contracts and arrangements to be transferred to Britannia Europe include, amongst others, Britannia's rights and liabilities under the Pooling Agreements between the members of the International Group

of P&I Clubs and any outwards reinsurance arrangements concluded by the International Group of P&I Clubs for its members.

The transfer of those parts of the Transferring Business which are administered in Hong Kong, Japan and Singapore by or on behalf of Britannia, acting through its branches in those jurisdictions, may be delayed pending the authorisation and approval of corresponding branches established by Britannia Europe.

If the Scheme is sanctioned by the Court, it will result in the transfer to Britannia Europe of all the Transferring Business, which will from then on, subject to any delayed branch transfer as referred to in the preceding paragraph, be carried on by Britannia Europe; Tindall Riley, through its various establishments, will continue to manage the Transferring Business. The proposed transfer will secure the continuation by or against Britannia Europe of any legal proceedings by or against Britannia. All claims being dealt with before the transfer on behalf of Britannia will following the transfer be dealt with on behalf of Britannia Europe; all claims arising after the transfer will be dealt with on behalf of Britannia Europe. Each member of Britannia which renewed a policy on, or whose policy commenced on, 20 February 2021 will become a member of Britannia Europe. Following the transfer, Britannia Europe's articles of association and rules governing classes of insurance will apply to the transferred contracts of insurance and reinsurance and all calls and premiums will be payable to Britannia Europe.

If you are a policyholder and have any questions about the proposed transfer, please contact Phillippa Smith at Tindall Riley (Britannia) Limited on +44 (0)20 7407 3588 during normal office hours.

Copies of a report on the terms of the Scheme prepared by an independent expert as required under section 109 of FSMA 2000 together with a summary of that report and a statement setting out the terms of the Scheme can be obtained free of charge by writing to Phillippa Smith at Tindall Riley (Britannia) Limited, Regis House, 45 King William Street, London EC4R 9AN or by e-mail to BritanniaPartVII@tindallriley.com. Alternatively, copies can be downloaded from Britannia's website at https://britanniapandi.com/part-vii-transfer.

The application is directed to be heard by a Judge of the Court at The Rolls Building, 7 Rolls Buildings, Royal Courts of London, Fetter Lane, London EC4A 1NL on 29 January 2021. Any person who believes that they would be adversely affected by the carrying out of the Scheme is entitled to object (by sending written representations to Britannia and Britannia Europe and/or the Court or making oral representations to Britannia and Britannia Europe) or may appear at the hearing in person or by a barrister or solicitor-advocate.

Any person who objects to, or considers they may be adversely affected by, the Scheme but does not intend to attend the hearing may make representations about the Scheme by giving written notice of such representations to Britannia and Britannia Europe at the address provided below or by calling the dedicated telephone number provided below, in each case as soon as possible and preferably before 22 January 2021. All representations will be provided to the Court at the hearing.

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Solicitors for The Britannia Steam Ship Insurance Association Limited and The Britannia Steam Ship Insurance Association Europe m.a., Holman Fenwick Willan LLP, Friary Court, 65 Crutched Friars, London EC3N 2AE, United Kingdom, +44 (0)20 7264 8000, ref. RWH/WJR/667.46.

28 September 2020

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THE "COLUMBUS"

ADMIRALTY COURT SALE

Notice is hereby given that the Admiralty Marshal is currently acting upon an order of the court dated 2 September 20202 to sell the ship **"Columbus"** of the port of Nassau, Bahamas, in an action in rem against the vessel by P&O Princess Cruises International Limited under court reference AD-2020-000121.

The auction of the vessel concludes on 12 October 2020. I put on notice to any parties who may have a claim on items on board this vessel that that they must file an application with me no later than 1 October 2020 to retrieve such items. This application must include proof of ownership.

P Farren
25 September 2020

Admiralty Marshal
Business and Property Court
Rolls Building
Rolls Buildings
Fetter Lane
London
EC4A 1NL

THE “VASCO DA GAMA”

ADMIRALTY COURT SALE

Notice is hereby given that the Admiralty Marshal is currently acting upon an order of the court dated 2 September 20202 to sell the ship **“Vasco Da Gama”** of the port of Nassau, Bahamas, in an action in rem against the vessel by P&O Princess Cruises International Limited under court reference AD-2020-000122.

The auction of the vessel concludes on 8 October 2020. I put on notice to any parties who may have a claim on items on board this vessel that that they must file an application with me no later than 1 October 2020 to retrieve such items. This application must include proof of ownership.

P Farren
25 September 2020

Admiralty Marshal
Business and Property Court
Rolls Building
Rolls Buildings
Fetter Lane
London
EC4A 1NL