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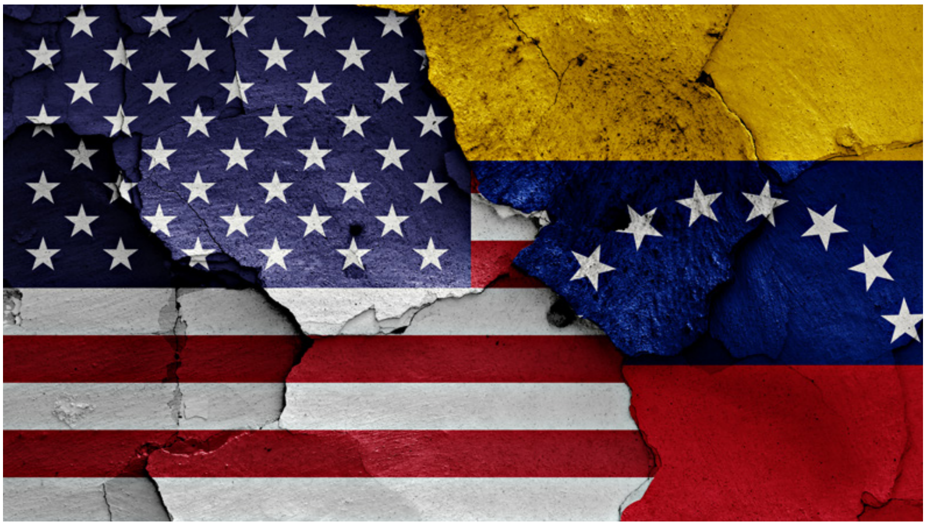
Newly sold Greek tankers sail for Venezuela defying US crude export sanctions



GREEK-OWNED TANKERS involved in Venezuelan trades have been sold to unknown or anonymous owners before sailing to load their next cargo in the South American country.

The development is the latest evasions tactic borrowed from the Iranians to circumvent US sanctions on crude exports and refined products imports.

Three tankers beneficially owned by the Gotsis family via their Eurotankers management arm have changed flag and ownership during the past three months, in addition to another two ships the company sold in June and July, a Lloyd's List investigation shows.

Another two tankers — one of which was also Greek-owned — signalled their location near Venezuela within six weeks and seven days respectively of ownership, flag and other details changing on government or commercial databases.

Greek shipowners transported around 80% of Venezuelan cargoes during 2019 and the first half of 2020, but drastically reduced their exposure after US sanctions were briefly imposed in June on four ships beneficially owned by prominent Piraeus and Athens families.

The five ex-Eurotankers vessels include the aframaxes *Nabiin* (IMO 9251585), *Alastayir* (IMO 9308845), *Calma* (IMO 9157777) and *Alasfal* (IMO 9179634) as well as the 47,147 dwt product tanker *Aldan* (IMO 9258014).

The sale of these ships reduces the Eurotankers' fleet to 12 tankers, from 17, with disposals taking place since July, according to databases.

Eurotankers confirmed the sales of *Calma* and *Alastayir* in September.

The company did not respond to requests for comment on the subsequent sales. There is no suggestion that the company breached any sanctions.

Three of the ships are now linked to a Jebel Ali, United Arab Emirates company called Muhit Maritime FZE. There are no details about the company, or an address, with the registered shipowners all shell companies in Liberia.

The 2003-built suezmax *Zenith* (IMO 9236016), previously owned by Athens-based World Carrier Corp. was sold to unknown owners in mid-October, according to Lloyd's List Intelligence data.

The vessel's latest signal is around Trinidad & Tobago, an area where subterfuge ship-to-ship transfers of Venezuelan crude cargoes are known to occur.

The 2014-built very large crude carrier *Xing Ye*, at anchorage off Puerto La Cruz for the past two weeks, also was sold to unknown owners in September from China National Petroleum Corp, and sailed immediately for Venezuela from China, vessel-tracking data shows.

The ownership changes, combined with changing names, flags and missing Automatic Identification System signals, are all subterfuge strategies copied from the Iranians to disguise the destination and origin of crude.

Iranians, subject to harsh US sanctions on crude and energy exports, developed the sophisticated suite of deceptive shipping practices combined with a complicated logistics chain to keep flows of crude and fuel oil continuing to key customers in China and Syria.

The US imposed sanctions on Venezuela's energy and shipping sectors nearly two years ago, but 2020 has added further pressure by targeting energy traders in Russia, as well as Greek shipowners, to further shrink exports and pressure the Maduro government.

Over the past summer the US also seized four Venezuelan-bound gasoline cargoes totalling 1.1m barrels being shipped on tankers from Greece-based International Marine Service and affiliates, founded by George Gialozoglou.

Two of the vessels have subsequently been sold for scrap, and a further two sold and renamed, the Lloyd's List Intelligence database shows. They have not lifted or delivered any cargoes to Venezuela since any ownership changes.

Venezuela crude production is at an 80-year low, at 367,000 barrels per day, according to secondary sources in the latest Organisation of the Petroleum Exporting Countries monthly report.

WHAT TO WATCH

Green shipping investment requires clarity on IMO emissions measures

THERE is increasing urgency for the International Maritime Organization to offer clarity on its medium and long-term measures to cut greenhouse gas emissions, so that owners will have confidence to invest in next-generation vessels.

One of the key issues that should be put on the agenda is the introduction of "carbon pricing" as an incentive for shipping to take on green technologies, said Gibson in a report.

The view comes amid criticism about the lack of progress and decision to defer discussions regarding market-based measures to reduce carbon emissions during the recent virtual meeting of the IMO's Maritime Environment Protection Committee.

Zero-emission, or low-carbon fuels will not make financial sense without some form of incentive for shipping companies as hydrocarbon-based fuel products remain relatively cheap, according to the report.

"Biofuels, including bio-LNG and bio-marine gasoil, are expected to price at a significant premium to conventional fuels, while green ammonia and hydrogen will also be significantly more expensive, even if costs fall over time.

"Carbon taxes might be the only way to make future fuels more competitive," said Gibson.

Another important issue is the use of liquified natural gas as a transitional marine fuel in the sector's battle against climate change.

"What the industry needs right now is clarity as to where LNG sits within the IMO's climate goals and the likely shape and form of its medium and long-term goals," said the brokerage.

That is because it remains debatable whether the gas can effectively help reduce greenhouse gas emissions.

Gibson cited a study by the International Council on Clean Transportation as showing that there may be no climate benefits in using LNG as a shipping fuel over 20 years, during which upstream and downstream emissions are factored into the equation.

This is because methane, of which LNG mainly consists, traps 86 times more heat in the atmosphere than CO2 over the same period of time.

That said, stretching the time frame to 100 years will see a 15% reduction in the maximum life cycle GHG benefits of LNG compared with MGO, provided high pressure dual-fuel engines are used and upstream methane emissions are also controlled well.

There are studies showing more favourable results, however. A study by Thinkstep on behalf of UK-based Sea\LNG found that the use of LNG could lead to a GHG reduction of up to 21% compared with current oil-based marine fuel.

Despite retrofitting costs, LNG dual-fuel engines could use cleaner fuels such as green ammonia and hydrogen in future, while methane slip can be improved by engine manufacturers.

But emissions from natural gas extraction, liquefaction and transport are not in the hands of the shipping industry, said Gibson.

"Until the industry has more guidance, the best thing many owners can do is nothing, although this is exactly the opposite of what is needed to address climate change."

Greek owners urge priority vaccination for 'heroes of the sea'

SEAFARERS should be near the front of the queue for inoculating against the coronavirus when vaccines become available, the Union of Greek Shipowners has said.

"We are deeply indebted to all the key workers, the heroes of this uneven battle, the doctors, the nurses, the scientists and others, but also to our seafarers who work tirelessly day and night during the pandemic," said union president Theodore Veniamis.

Seafarers have been shunned by authorities in many ports around the world as coronavirus fears have overridden the need for crew changes.

Reiterating widespread industry concern for the welfare of crews, Mr Veniamis said there was, even belatedly, "a dire need for governments around the world to view them as essential workers".

It was "of utmost importance that competent authorities give priority to seafarers in Covid-19 vaccination, together with other key workers, such as medical personnel", he said.

"This will ensure a Covid-19-free environment for seafarers, who work under especially restrictive conditions, as well as the facilitation of crew changes and repatriations, which at the moment are seriously disrupted."

It would also ensure "uninterrupted international trade", he said.

"During this extraordinary global health crisis, seafarers remain faithful to their duty to supply the citizens of the world with essential goods, energy, food, medicines and medical equipment. They do so with professionalism, facing tremendous difficulties and personal sacrifices."

The Greek shipowners' leader said that recent announcements of the results of vaccine trials were "good news".

"We are looking more hopefully into the future after the news that vaccines for Covid-19 are now near," he said.

Sino-Australia trade spat keeps bulk carriers stranded

SOME 26 bulk carriers laden with Australian coking coal remain at anchor off China's northern Caofeidian and Tangshan coal terminals — some for longer than three months — as a trade spat with Australia deepens.

The panamax and capesize bulk carriers were tracked loaded from Australia's northeastern coal ports and have been unable to discharge amid a ban on the steel-making material, alongside other commodities including beef, barley and timber.

Chinese authorities refuse to unload the coal, with subsequent cargoes now diverting to Japan and India pushing delivered prices lower.

Both BHP and Glencore signalled they would cut thermal and metallurgical coal production in Australia in 2020 as the dispute deepens.

There are now targeted, short-term shutdowns at their mines, while another in Queensland will remain shut until 2021 after an industrial accident in May, removing 4m tonnes from the market.

Seven bulk carriers have loaded at north Queensland coal ports and sailed for China since October 1, vessel-tracking data show.

That compares to 27 vessels that sailed to the same areas between the beginning of July and September 1, analytics show.

Five of the seven vessels that loaded have joined the 26 bulk carriers at anchor off Caofeidian and have not discharged.

It is estimated some 2.3m tonnes of coal are stranded on the vessels, with no signs any will be able to discharge their cargoes.

Last week the Chinese embassy in Australia provided Australian media with 14 areas of dispute.

These included raids on Chinese journalists, calling for an independent investigation into how the coronavirus outbreak began, banning the Huawei 5G network, and restricting Chinese foreign investment deals.

Australia is the largest exporter of metallurgical coal used in steelmaking, selling 55% of global seaborne trade, expected to total some 296m tonnes this year.

China is the biggest customer. Australia is expected to ship 172m tonnes worth $23bn for the financial year ending June 30, 2021 to China, according to Australian government forecasters.

ANALYSIS

Cargo and marine hull face turning tide in hard market

THE marine market has faced a difficult period, with high claims costs and more recently the hammer blow of the global pandemic. The forthcoming renewals are set to be challenging as carriers push for rate increases and take a tough line on risk selection.

But market participants say the marine market is turning a corner, with positive signs ahead, boosting hopes that profits could be realised next year.

Primary insurance rates in the cargo line have been rising over the past three years and are set to continue going up, experts say. The hull market has not benefited from as strong a momentum as cargo, but rates are also set to rise in this line

"There is no metric to say rates will not carry on increasing next year," said Paul Ashworth, head of marine, London market and Europe insurance at Sompo International. "Reinsurance will certainly move in a similar direction."

But further progress needs to be made in these segments. The generated premium base across the marine market has generally not been enough to cover carriers' costs.

The pandemic and subsequent economic crisis, as well as natural catastrophe losses, have added to the pressure on the market. Although the number of claims across these markets has remained stable, the costs of the claims have increased. Rising reinsurance rates will also add to the pressure on primary writers to increase prices.

There is optimism the marine insurance sector has reached a turning point.

"It is good to see positive rate movement and positive commentary about the near- and medium-term profitability opportunity in the marine insurance industry," said Mr Ashworth. "We have spent many years talking about poor rates and rates going down, but the outlook is positive."

In the cargo market, pricing has the potential to improve in the coming months. In the hull market there is also hope insurers can continue to move towards improved rate adequacy.

Few marine lines have seen any profit in recent years. Cargo desks in the Lloyd's market, for instance, were placed in the Decile 10 initiative, which required syndicates to submit remediation plans to address unprofitability.

Tim Pembroke, head of marine at QBE, says there are positive signs for the market. The cargo market has been dislocated for six to nine months of the year, but some carriers have started to come out of this period.

"Going into 2021, certainly in the cargo world, there are some rays of sunshine out there and it is starting to improve," he said. "There are still some people looking inwards because they started their remediation too late.

"A reduction in capacity has influenced cargo pricing this year because of the syndicates that pulled out after 2017, which was a challenging year," said Melanie Buitendag, associate director at Gallagher. "Insurance management want to see bottom-line profits and there is less pressure to have any top-line growth."

The market has since increased rates in a push for profitability and rates across cargo are starting to stabilise, Ms Buitendag adds. But hard market conditions are expected to persist in the coming months, driven in part by rising reinsurance costs.

"When there is pressure on reinsurance that also keeps hardening the rates," she said. "For next year we'll see 10% to 15% rate rises on accounts that perform well and more on accounts that do not."

Mr Ashworth says he also expects insurance companies to increase rates by 15% across cargo accounts as the market seeks rate adequacy. There will also be a greater focus on risk selection and a reduction of attritional losses.

Bjørnar Andresen, chief underwriting officer at Gard, agrees risk selection and underwriting discipline are essential for insurance companies to improve profitability. But there is no formula that can be followed, given carriers are far from synchronised in their approach to the market.

"The way insurers handled the soft market was very individual, so the way they can correct their portfolio in a harder market is also very individual," he said. "If they have a better understanding of what the price should be, they should come out better than if writing as much as possible."

Because price movement on cargo was substantial this year, the base point for next year is much more attractive. This means insurance companies are able to select the clients they wish to do business with.

In a hard market there is a "flight to quality" towards carriers that understand their business and add value through other elements like loss prevention or mitigation, said Mr Pembroke.

Rate rises are set to continue in the hull market. This line of business has been slower in making progress towards rate adequacy compared with cargo. "Cargo has had three years of very strong rate growth but there is still some growth required and that is continuing," Mr Ashworth said. "Hull started growing a bit later and is not moving as quickly as cargo, but there is momentum there and it is very much improving."

Mr Andresen agrees the hull market has hardened because the premium base has not grown quickly enough to cover total costs. Even though the number of claims in this line has decreased, Ashworth adds, the cost of individual claims has inflated. Reinsurance costs are also rising.

Choosing the right risk is becoming more important than ever as insurance companies take steps to improve profitability, Ashworth says. "Hull has some significant rate increases required to move towards rate adequacy."

Mr Ashworth predicts hull rates will rise 10% to 15% on many risks next year.

Mr Pembroke says price, risk appetite and deductibles have been the main elements moving the hull market.

"The hull market still has some way to go to what would be a broad consensus of profitability," he adds. "It is not helped by the fact the hull market is the original verticalised market in marine."

He says the hull market is under-priced by 20% and there is still too much capacity in the line.

The market is at a stage where carriers need to differentiate themselves from the competition and that could be accomplished by offering more comprehensive services, such as loss prevention or mitigation services.

"We sell claims-paying ability, but that is your credit rating," he added. "What is really important is your claims-paying attitude."

Container sector set for $14bn earnings after strong third quarter

THIRD quarter of the year results of container lines released over the past month have confirmed their exceptional year being experienced by carriers and indicate they may be heading for record profits.

"Major container lines across the board have reported their best third-quarter earnings since 2010 as a combination of factors including capacity discipline, shortage of container boxes, higher freight rates and lower operating costs created a perfect environment for lines to be profitable," said analysts at Drewry.

The aggregate profit of the top 11 container lines during the first nine months of the year came in at $4.5bn, it added, a major improvement on the $488m for the same period in 2019.

The surging profitability across the sector has seen forecasts lifted across the board, with earnings before interest and tax for the full year reversing from earlier negative outlooks.

"We are now getting to a point where it is doubtless that the carrier results for 2020 will far exceed not just last year, but the past eight years," said analysts at Sea-Intelligence.

"We are now at a point where the expected ebit for the main carriers is $14.2bn for 2020."

Sea-Intelligence bases its assessment on rising freight rates and volume developments that had overturned earlier negative outlooks.

Data from Container Trades Statistics for the first nine months of 2020 showed a global market decline in volumes of 3.4%. But given the sharp reversal in volumes during the past few months, this was likely to improve. September data has already shown growth at 6.9%.

"If this growth is maintained in the fourth quarter of the year, this would lead to a result where global volumes in 2020 only decline by 0.8%," Sea-Intelligence said.

But it added there was a strong chance that global volumes could well be the same as those in 2019.

Drewry said there was evidence of a strong fourth quarter of 2020 on top of the positive news from the third quarter.

Both Maersk and Hapag-Lloyd have increased their earnings outlooks for the full year, and CMA CGM said it expected demand to remain strong throughout the remainder of the year.

The outlook for next year remains less clear, but analysts believe earnings are likely to stay strong.

"Despite the news surrounding the second wave of the pandemic hitting some countries, we remain positive on carrier earnings in 2021," Drewry said.

"Whether the carriers will be able to match this year's performance or even exceed expectations depends on lot of factors but we do believe that the industry should be able to make decent money (about $6bn of operating profit) based on some of the positive data indicators related to contract rates."

Sea-Intelligence said "very large uncertainties" remained because of the pandemic, and that as supply chain bottlenecks were resolved, the historically high spot rates would start to abate.

"We might therefore not expect just as high results for 2021, as the market will hopefully stabilise," it said.

"But given that the underlying strength in 2020 was found in capacity management, and that the orderbook for 2021 is very modest indeed, we should expect a reasonably high degree of profitability for 2021 as well, if indeed carriers can maintain their newfound resolve in the face of exceptionally strong spot rates, something they have struggled tremendously with in the past."

A pricing war among carriers could undermine this, but low supply-side pressures and carrier discipline over capacity meant this was unlikely.

Despite some carriers returning either to the yards or to the secondhand market, the current orderbook as a proportion of the existing fleet is at levels not seen this century, and the few orders at yards are unlikely to affect the market.

Carriers such as Maersk have expressly said it sees no need for further expansion of their fleets and will only order tonnage to replace older vessels.

The wider unknowns of the post-pandemic economic recovery could also play into carriers' hands next year if weak demand continues to drive low oil prices.

Drewry said that while oil prices had been under pressure because of concerns about the second wave of the pandemic, sentiment had improved with the announcement of several vaccines in recent weeks.

"However, the first significant impact will not be felt until far into the second half of 2021, based on last week's price movements in the futures market."

The low price of bunkers has been one of the instrumental factors in carriers maintaining low slot costs during the resurgence in demand, which has helped feed into their profitability.

Energy efficiency costs are not the preserve of shipowners

SHIPOWNERS retrofitting technologies to reduce CO_2 emissions are attracting the attention of cargo owners and bankers.

But while charterers have signalled they are more likely to take an energy-efficient vessel against a competitor, the incentive for owners to invest should include a financial reward.

Sean McLaughlin, strategy consultant at Houlder, a UK-based engineering consultancy, called on the industry to recognise that while investment in energy-efficiency technology must take place, the risk should not rest solely on owners' shoulders.

"Rates must go up for the better class of ship," he told a webinar discussion. "That should be part of the incentive to invest — and the disincentive to do nothing."

Many energy efficiency technologies for both newbuilding vessels and existing ships are not new. However, there has been rapid development, and the range of products has grown over the past two years.

They cover new propeller designs for vessels operating at lower speeds to air lubrication and higher-spec antifouling coatings, and include cold ironing in port, waste heat recovery, kites and rotors to catch the wind, and Becker Mewis Ducts.

Retrofit opportunities are there, proven and cost-effective, according to Kris Fumberger, sustainability manager at RightShip. Those owners who wait for the perfect alternative fuel to come along will be left behind, he said.

"It would be better to hedge your bets and prioritise efficiency."

Retrofitting new technology "can all be done before we start talking about ammonia, hydrogen, methanol or carbon capture," said Houlder's new build and vessel conversion director Jonathan Strachan.

The savings claimed by the technology suppliers appear impressive, Mr Strachan added, although gains would be determined by ship type and operational profile.

"Mewis Ducts and propeller boss cap fins give a performance improvement of 5%–8%, depending on how efficient the ship is already. Air lubrication systems offer 5%–10%, wind technologies are between 10% and 30%. Shore power can see about a 15% improvement depending on hotel load while in port," said Mr Strachan.

But he warned that investors must beware. "When you look at the literature on improvement technology, you cannot just add up all the percentages. Assess them carefully and consider the package for that vessel," he advised.

Shipowners have been installing technology on a ship-by-ship basis because, although the cost is the same, the return on the investment would depend on the trade. Digging into the details of a vessel's trading pattern would enable a better fit.

Selecting the right shipyard is a critical consideration, said Mr Fumberger. Some Asian shipyards focus on energy efficiency in a ship's design, the engines installed, and the hull coatings applied. Neighbouring shipyards may not make the same effort, he noted.

RightShip is working to identify the shipyards building the most energy efficient ships. "Banks are very interested in this... It's important to have more data."

With financiers and cargo owners now focusing on energy efficiency, "laggards are getting left behind at a rate of knots", added Mr Fumberger.

With further pressure expected to come from the EU Green Deal, the Sea Cargo Charter, EEXI (energy efficiency index for existing ships), and from a toughening of shippers' attitude to environmental, social and corporate governance issues, the importance of rewarding shipowners who invest responsibly is urgent.

MARKETS

Swedish Club issues warning for 2021 hull and machinery pricing

THE Swedish Club is set to seek rate and deductible rises for hull and machinery cover in 2021, a move in line with the current climate at Lloyd's and elsewhere in the market.

The International Group affiliate is a non-profit marine mutual for the purposes of protection and indemnity insurance.

However, in common with other Scandinavian clubs, it provides H&M on a commercial basis, with profits used to subsidise P&I for members.

According to a statement on its website, next year will see H&M rates for the year head set at "levels reflecting exposure".

It goes on to point to a hardening of the hull market in the current year, with a number of insurers withdrawing following a period of negative results, leading to significantly reduced capacity.

"The reduction of capacity, in combination with strict action plans for many underwriters to restore positive underwriting results, has led to a general trend of premium correction in the market. A firmer market is therefore expected to remain for the coming policy year," it notes.

However, the Swedish Club's own premium levels are said to be not fully commensurate with exposure.

"Going forward, the club will therefore continue to focus on aligning premium levels, on a case by case basis, across all classes in order to secure a balance in the marine portfolio.

The H&M claims trend points to a slight drop in overall frequency over recent policy years, as highlighted by statistics from peers in the marine insurance market. However, average claims costs are up.

In addition, there is a high degree of volatility for larger claims, and a few large claims in the current policy year have had a detrimental impact on the Swedish Club's H&M outcome, with an unspecified small deficit seen as likely.

Pricing for 2021 will be assessed on a ship by ship basis, tailored to individual performance and exposure.

A presentation at the virtual International Union of Marine Insurance conference in September revealed that global ocean hull premiums in 2019 reached $6.9bn in 2019, a gain of just 0.2% on 2018.

While that development was hailed as a step in the right direction, there was some disappointment — not to mention puzzlement — that the gain had not been higher, especially given anecdotal evidence about what had been happening at Lloyd's and elsewhere.

In particular, it was felt that the Lloyd's Decile 10 programme, essentially a shakeout of underperformers that saw dozens of hull insurers pull out, should have firmed rates more significantly in what has been a Cinderella market for more than two decades.

This year, the coronavirus pandemic and subsequent economic downturn, as well as ongoing natural catastrophe losses, have added to the pressure on the insurance market as a whole. Rising reinsurance rates will also add to the pressure on primary writers to increase prices.

As a result, some brokers predict that hull rates could come in at 10%, 15% or even 20% higher in 2021, according to a recent article in Lloyd's List sister publication Insurance Day.

Samsung Heavy seals $2.5bn contract to provide ship blocks

SAMSUNG Heavy Industries announced that it has signed a $2.5bn deal with a European company to provide ship blocks and other equipment.

The deal is the largest order ever secured by the shipyard and is set to extend until December 2025, the shipbuilder said in a regulatory filing.

SHI has secured orders worth $3.8bn so far this year, meeting only about 45% of its annual order target for the year. The latest deal also raises the yard's orderbook to $21.1bn.

In addition, SHI said chances are high that it will receive more orders for large-scale liquefied natural gas projects in Mozambique and Qatar.

South Korean shipbuilders seem to be having great success by closing out the year with some substantial orders secured in the past few months.

SHI has sealed several large crude tanker orders recently, while compatriot group Korea Shipbuilding & Offshore Engineering also picked up a big order for 10 very large crude carriers worth almost $1bn.

US regulator steps up pressure on carriers

THE US Federal Maritime Commission has stepped up its efforts to find a resolution to the congestion problems and equipment shortages affecting US container terminals and shippers.

The regulator has expanded the scope of its fact-finding mission into detention and demurrage to investigate the carriers operating in alliances and calling at Long Beach, Los Angeles and New York/New Jersey.

"The time has come to resolve the most serious impediments to port performance," said commissioner Rebecca Dye. I'd like to thank my fellow commissioners for their support of the Supplemental Order for Fact Finding 29, as I focus the investigation on the extreme conditions in the Ports of Los Angeles, Long Beach, and New York/New Jersey. The order emphasises that I, as fact finding officer, have all enforcement options at my disposal to address the crisis that exists in our major port gateways."

She added that the commission had a "compelling responsibility" to investigate the situation and was concerned that the practices of carriers and terminal operators may be "amplifying the negative effect of bottlenecks" at the ports.

"Removing the obstacles to port performance allows ocean carriers, ports and marine terminals, drayage truckers, American importers and exporters, and every other business engaged in freight delivery to grow and prosper," said Ms Dye.

Commissioner Dan Maffei said that the investigation into the practices at the country's three main ports seemed to be contributing to congestion and unfairness and may violate US law.

"The pandemic conditions combined with the incredible import volumes partly resulting from the pandemic have created a crisis in the supply chain," Mr Maffei said.

"I perceive that some carriers have taken positive steps to work with other groups in the supply chain to develop more fair and efficient practices as the crisis evolved over the past weeks. However, there are reports that some carriers are threatening high charges for failure to return empty containers on time, even in cases where congestion has made it difficult or impossible to do so. I fear there are too many in the industry who may be ignoring the principles set out in the interpretive rule when it comes to levying detention and demurrage charges."

He said there were increasing reports that delays and congestion were being exacerbated by carrier demands that a container be returned to a different location from that where it was picked up, and that it was imperative that container return policies were being implemented in a reasonable manner.

"The apparent lack of availability of containers needed to export chemical and agricultural products is concerning," Mr Maffei said.

"One of the purposes of the Shipping Act is for the FMC to promote the growth and development of US exports and so I believe we have a responsibility to ensure that carriers do not limit the containers for US exports in a way that is inconsistent with the Shipping Act and other US laws."

US exporters have welcomed the news of the expanded investigation.

"Clearly the commissioners have lost patience," the Agriculture Transportation Coalition said in a statement.

"The carriers and terminals were poorly advised to ignore the FMC's guidance on detention and demurrage. Commissioners are hearing from members of Congress about the export bookings being cancelled and denied. The commissioners' actions are consistent with their obligation to enforce the Shipping Act and the interests of the US economy."

IN OTHER NEWS

AqualisBraemar buys LOC for $20m

AQUALISBRAEMAR has agreed to buy LOC Group for $20.2m.

AqualisBraemar is an Oslo-listed group that offers consultancy services to the offshore energy industries, such as renewables and oil and gas, plus shipping and insurance. It has a strong position in hull and machinery surveys.

Braemar, which already owns about 27% of AqualisBraemar following the merger of its technical team last year, said in a separate statement that the transaction will be funded through debt and equity, and upon completion will hold about 21% of the revised share capital in the enlarged group. It encouraged the board of AqualisBraemar to vote in favour of the deal.

Crew taken from bunkering vessel after hijacking

THREE crew members from a hijacked bunkering tanker have been kidnapped off Lagos, sources said.

The 1995-built, Togo-flagged, 357 dwt *Stelios K* was about 40 nautical miles south of Lome, Togo, when its owners lost contact with the ship on November 16.

British–French piracy watchdog MDAT-GoG reported the attackers were still on board the vessel until Monday morning, when they left the ship 65 nm south of Lagos.

Head of Höegh LNG mulls use of LNG tankers for ammonia

OSLO-listed Höegh LNG is carrying out research into the use of its existing floating storage and regasification units for the storage and delivery of ammonia.

President and chief executive JS Støhle said that the liquefied natural gas-focused shipping line is working with France-based gas containment systems specialist GTT, class societies, and shipyards on a joint study.

Speaking at Höegh LNG's quarterly results briefing, Mr Støhle suggested that with ammonia liquefying at a temperature higher than that for LNG, tanks on board LNG carriers may be fit for storing ammonia.

Höegh LNG firms up India FSRU contract

HOEGH LNG has sealed a with India's H-Energy for the supply of a floating storage and regasification unit.

The binding agreement is for a firm five-year term plus rolling options for up to another five years of extensions, Höegh LNG's president and chief executive JS Støhle said at the firm's third quarter of the year results briefing.

Mr Støhle added that the pipeline transporting regasified LNG to India's national gas grid is now completed.

Mitsatsos bows out at Helmepa after 38 years

DIMITRIS Mitsatsos has stepped down as director-general of the Hellenic Marine Environment Protection Association after 38 years amid widespread appreciation for his role as the anti-pollution body's mainstay since its inception.

Mr Mitsatsos, 83, has circulated his own "brief farewell", that leaves little doubt that he was ousted rather than resigning of his own volition.

"Throughout my time at Helmepa, I have been at the service of the organisation's board of directors," he said. "The current board has decided by majority vote, at its recent meeting, that I step down as director-general of the association."

Diana posts loss after dry bulk market dip

DIANA Shipping slipped into the

red in the third quarter of the year because of lower dry bulk charter rates and vessel impairment charges.

The New York-listed owner of 40 bulkers posted a $13.2m net loss for the three-month period, compared with a $1.8m net profit eked out by the same stage last year.

Revenue fell to $42.3m partly because of the sale of six vessels in 2019 and two more bulkers so far this year, but ended up ahead of the consensus analyst projection of $41m.

TEN stays in the black

TANKER owner Tsakos Energy Navigation saw its share price jump by about 18% in New York early in Monday's trading session after the company posted another profitable quarter and declared a dividend for shareholders.

The Greece-based owner hailed a "positive turnaround", reporting net income of $1.4m for the third quarter of the year compared with last year's $9.5m loss in the equivalent period.

Revenue increased by 9% to $142.8m with TEN's vessels scoring an average daily time charter equivalent of $20,451 compared with $18,837 in the same quarter a year ago.

Classified notices follow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