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Maersk Product Tankers linked to $400m deal for 14 MR vessels

MAERSK PRODUCT TANKERS is said to be selling 14 of its modern medium-range product tankers to CDB Financial Leasing for over $400m under a sale and leaseback deal, Lloyd's List understands.

The deal covers five MR tankers built by Sungdong Shipbuilding and Marine Engineering between 2016 and 2017 and nine MRs built by Samsung Heavy Industries Ningbo between 2018 and 2020, brokering sources told Lloyd's List.

Maersk Product Tankers, a joint venture between AP Moller Holding and Mitsui & Co, will sell each vessel to the subsidiary of state-owned China Development Bank for over $30m, sources said.

Another Maersk MR, the Sungdong 2016-built *Maersk Tokyo*, was also being sold under a sale-and-leaseback deal but to a Japanese buyer, a source said.

Maersk Product Tankers did not confirm or deny the transaction, saying it did not comment on "rumours and speculation". A CDB Leasing shipping executive declined to comment, citing disclosure rules from the stock exchange.

"A part of our strategy for Maersk Product Tankers is to adjust the fleet size and composition when opportunities arise to strengthen our financial position and sustain a competitive fleet that is meeting customers' demands," the company told Lloyd's List.

The reported deal comes amid previous reports that Maersk was looking to sell 25 of its newer product tankers, including the 15

aforementioned MRs and 10 new long range two tankers.

The deal also marks a foray into the international tanker market for CDB Leasing. The Chinese company had in its portfolio several aged oil tankers acquired from domestic owners, but they have been disposed of.

Its current fleet of over 90 ships with operating and financial leases does not include tankers and consists overwhelmingly of bulkers, followed by containerships and other types of ships.

WHAT TO WATCH

Greek-owned aframax damaged in blast off Saudi Arabia

A GREEK-owned aframax tanker has been damaged in a suspected mine attack off Al Shuqaiq, Saudi Arabia.

UK security firm Ambrey told Lloyd's List the 2009-built, Malta-flagged, 107,009 dwt *Agrari* (IMO: 9389083) was berthed at one of the Al Shuqaiq Steam Power Plant jetties on the night of November 24-25.

Senior analyst Robert Peters said an explosion punctured the hull of the vessel, which had been discharging cargo and arrived from Rotterdam the day before.

TMS Tankers, which manages the Economou Group-owned vessel, said the cause of the blast was unknown at this stage.

"The *Agrari* was struck about one metre above the waterline and has suffered a breach," it said in a statement. "It has been confirmed that the crew are safe and there have been no injuries. No pollution has been reported. The vessel is in ballast condition and stable."

TMS said local authorities, the coast guard and the company's agent had boarded the ship and an investigation was underway.

A source close to the company told Lloyd's List the blast happened late at night, when the vessel had finished discharging.

"There will be an investigation to determine the cause, but the belief is it was a mine," the source said. "The working hypothesis is that it was a terrorist attack."

The source said there was some structural damage which would have to be repaired, but "the important thing is that no-one was hurt and there is no pollution".

Mr Peters said satellite images showed the vessel at berth on November 24.

He said the blast follows an increase in cross-border Houthi attacks on Saudi infrastructure in the Red Sea, including Jizan and Jeddah. Ambrey was reviewing its risk assessment to shipping in the area.

"We have assessed that shipping affiliated with Yemen conflict combatants is particularly at risk, so this has not changed," he said.

Mr Peters said the risk had moved further north in the Red Sea as the conflict has evolved in Yemen.

"Two weeks ago the Jazan Bulk Plant Terminal was also attacked, that time by two remote-controlled, waterborne improvised explosive devices, so this would represent a continuation of these trends."

A Saudi-led coalition has fought the Houthi rebels for control of Yemen since 2015.

On Tuesday the coalition said it had removed and destroyed five Iranian-made naval mines planted by the Houthis in the Red Sea, the Associated Press reported.

The Saudis said the mines posed "a serious threat to maritime security in the Bab al-Mandab strait".

Dryad Global, a security consultancy, said it was vital to look at the incident in context.

"There are some 33,000 transits of the region with incidents almost exclusively limited to those vessels of Saudi flag and those involving vessels calling within Southern Saudi ports," Dryad said.

"The most recent incident is commensurate with a vessel being struck by an explosive device. Whether this is the result of deliberate targeting or drifting sea mines remains impossible to say at this stage without further verification.

"However early indications are that this was a deliberate attack commensurate with known targeting and attack methodologies."

Call for scrubber phase-out on ships on environmental concerns

EXISTING guidelines for scrubber operations need to be reviewed and strengthened with a view to banning the sulphur abatement technology all together, a study by the International Council on Clean Transportation concludes.

The council's November 2020 assessment of air emissions and water pollution discharges from ships with scrubbers found that the technology substantially reduced sulphur dioxide emissions.

However carbon dioxide particulate matter and black carbon emissions were higher than using marine gasoil and there was no guarantee that scrubber discharges, while compliant with International Maritime Organization guidelines, were safe, the report said.

The Washington DC-based organisation recommended that governments take unilateral action to ban the use of open-loop and closed loop scrubbers in their jurisdictions. Some 29 countries have already taken this step.

The council also called for a scrubber ban on newbuildings, harmonising of rules for scrubber discharges, and for the equipment to be phased out on existing vessels.

Some 4,300 vessels have scrubbers installed, which allow them to use cheaper, higher-sulphur fuel oil, while still remaining compliant with international regulations introduced on January 1, that mandate lower-sulphur marine fuel used by the international merchant fleet.

'Scrubber discharges from both open-loop and closed-loop systems usually comply with IMO guidelines," the report said. "We question whether complying with the IMO guidelines should be taken as evidence that scrubbers are doing no harm to the aquatic environment. "

The review cited a 2019 study that found some 35 million tonnes of scrubber discharge water was emitted off the British Columbia coast, some 90% from cruise ships.

Even though some scrubbers were so-called 'closed loop' and stored sludge waste, it ultimately ended up in landfill as hazardous waste, according to the ICCT.

"Scrubbers can substantially reduce SO2 emissions, with emissions from ships using 2.6% sulphur Heavy Fuel Oil with a scrubber averaging 31% lower than 0.07% sulfur Marine Gasoil," the study said.

"We also found that scrubbers seem to somewhat reduce CO emissions, by 11% on average, although the mechanism by which this occurs deserves further investigation.

"For other pollutants, including CO2, PM, and BC, using HFO with scrubbers results in higher emissions than Marine Gasoil.

"Average CO2 emissions were 4% higher using HFO with a scrubber compared with MGO. On a life-cycle basis, well-to-wake CO2 emissions are expected to be 1.1% higher than using MGO. "

The ICCT said that the IMO had opportunities to strengthen scrubber discharge guidelines in 2009, 2015 and 2020 but member states declined, citing too little scientific evidence to revise them.

"We recommend that individual governments continue to take unilateral action to restrict or prohibit scrubber discharges from both open-loop and closed-loop systems," the report said.

"We also recommend that the IMO focus on harmonizing rules for scrubber discharges including where, when, and even if those discharges should be allowed, and to do so with urgency.

"The IMO should consider prohibiting the use of scrubbers as a compliance option for newbuild ships and work to phase out scrubbers installed on existing ships. This is because we have found that using HFO with scrubbers is not equivalently effective at reducing air pollution compared to using lower sulphur fuels, such as MGO."

Environment and Climate Change Canada funded the study.

ANALYSIS

Newbuild orders look set to regain pace

UNCERTAINTY as a result of the coronavirus pandemic has ship orders sinking to an all-time low in 2020 as the industry continues to assess the short-term impact of the health crisis.

However, as the world regains its feet, owners are expected to return to the yards with a healthy appetite for fresh tonnage next year, according to Lloyd's List Intelligence's latest Shipbuilding Outlook.

The dearth in ship ordering this year had left owners performing a balancing act, unsure of how the pandemic would play out, said Christopher Pålsson, head of consulting at Lloyd's List Intelligence.

"No-one really knows what it means," he said. While some ship operators in certain sectors have seen demand fall off a cliff, others have "plenty of business to do".

The market volatility brought on by the pandemic has made forward planning a proverbial minefield for owners.

There is also the overarching issue shipping faces in making the transition to so-called future fuels, as the industry looks increasingly to lower emissions and creating a pathway towards decarbonisation.

"The big question you have to answer is how to fuel and propel a ship going forward," Mr Pålsson said. "Today, and over the next five years, maybe it will not seem a big issue, but if you order a ship and even get it in two to three years, which will supposedly last 20-25 years, then we're looking ahead to the beginning or mid-2040s.

"So you really need to have an idea of, at least, how flexible you need to be. And there is not really a good answer to that."

Although Mr Pålsson says certain flexibility is built in with dual-fuelled engines, which have gauged strong interest — most notably using liquefied natural gas alongside traditional fuel oils — this is still only a short-term fix "until the next NOx [nitrogen oxide] regulation or something similar kicks in".

This uncertainty that has engulfed the shipping industry has understandably led to an air of caution among owners considering replenishing their respective fleets.

Lloyd's List Intelligence expects the total number of ships ordered in 2020 to come in at around 917 units, down more than 60% on its year earlier total of 2,284 ships.

The slowdown in orders has also dragged down the global orderbook-to-fleet ratio, measured in deadweight terms, to around 15%, representing its lowest level since the early 1990s.

Mr Pålsson said the ratio, seen as the yardstick for assessing future supply growth, would continue to slide through to 2023-2024 to as low as 9% before flattening out. This would be its lowest level since the late 1980s.

Nevertheless, with hope that the pandemic will be brought under control and a sense of normality will return to the global economy, expectations are that shipowners will dust off their cheque books and return to the yards with renewed vigour next year — albeit with a slightly more cautious approach to the excessive ordering that has blighted some shipping sectors in the past.

In 2021, expectations are for new orders to climb close to 2019 levels to around 2,202 ships, according to Lloyd's List Intelligence.

The major beneficiary of this upswing in business will be China.

Like every other major shipbuilding nation, China is set to witness a sharp fall in orders accumulated in 2020. Lloyd's List Intelligence estimates that its end-of-year tally will come in at 363 ships.

In 2021, however, China is expected to see orders at its yards more than double to above 800 ships, before increasing gradually to more than 1,000 units come 2024.

Indeed, China is set to account for around 40%, or 4,198 vessels, of the 10,542 ships forecast to be ordered in the five-year period from 2020 through to 2024.

Europe, Japan, South Korea and ‘other Asia’ will all have between 1,350-1,600 units on their respective books, representing around 13%-15% each of the global orderbook.

Lloyd’s List Intelligence anticipates that a large of chunk of China’s units will come from the dry bulk sector, where the country is notoriously strong.

The outlook, though, is not so positive for their South Korean counterparts, who rely heavily on the tanker sector for business.

Although the number of tanker orders is expected to brake sharply in the coming years, South Korea will still increase its end-of-year tally for 2020 of 150 units to around 300 units by 2024, according to Lloyd’s List Intelligence.

However, in terms of tonnage, China’s share of the orderbook is even larger, at 47%, during the same period.

South Korea is forecast to have the second-largest orderbook on a deadweight tonnage level, with 28%, while Japan will have a 17% share.

Between the three largest shipbuilding nations, this represents 93% of all orders, according to Lloyd’s List Intelligence.

In terms of the current orderbook, China’s yards also continue to dominate.

Of the 6,098 ships contracted globally, China’s yards are responsible for 2,477. This represents 41% of the total orderbook, followed by Europe with 1,243 ships (20%) on order; South Korea with 841 ships (14%); and Japan with 732 ships (12%).

Just under half the total ships on order are comprised of tankers and those in the dry bulk/general cargo sector.

As many as 1,709 firm orders for tankers were reported by Lloyd’s List Intelligence at the start of October, including significant orders for crude carriers (484 ships), and product/chemical tankers (524 ships). The global orderbook also comprised 200 LNG carriers.

The dry bulk/general cargo sector had a slightly larger number of ships on order, at 1,751 units, which also make up a large proportion of deadweight tonnage due to come off the ramps. However, the totals are still modest for the sector, which has been heavily over-supplied in the past.

Elsewhere of note is the strong orderbook contribution from the cruise sector, with 175 ships on order, representing as much as 33% of the existing fleet.

China’s share of the total orderbook is also the largest in terms of capacity. Lloyd’s List Intelligence data shows that the orderbook stands at 323m deadweight tonnes, of which 49% is assigned to China, with 157m dwt on order.

Meanwhile, Korean yards have 94m dwt on their books, representing 29% of total forward bookings; Japanese facilities 48m dwt (15%); and other Asian yards 11m dwt (3%).

While orders have certainly slowed in 2020 due to market uncertainty, the impact this has had on vessel deliveries has not been as marked as once envisaged.

Although delivery numbers in many countries have been delayed, the number of slippages, or vessel deferrals, was still higher than in 2019.

In 2020, Lloyd’s List Intelligence expects 2,251 ships to hit the water, compared to 2,011 last year.

“At the beginning of the year, we would have expected more slippages, given the situation. But we have seen strong output, first and foremost from Chinese producers, who were back up and running even by April – and, by all accounts, were almost at capacity by mid-summer,” says Mr Pålsson.

He added that even in the cruise sector — one that has been hit particularly hard during the pandemic — there had been a notable absence in renegotiations on delivery terms.

“As we saw in 2009, amid the global financial crisis, when there was loud talk that everything — or a minimum 50% of the orderbook —should be cancelled, it only turned out that around 5% was deferred. Once again, it has proved difficult to walk away from contracts.

“Yes, there are slightly more slippages than usual, but we don’t have any strong indications of a magnitude that would make a significant difference to this year’s deliveries,” says Mr Pålsson.

In the 2020-2024 period, Lloyd's List Intelligence expects vessel deliveries to total 12,269 ships, 495 fewer than the previous five years from 2015 through 2019.

Over the next five years, the major drivers of fleet advances will come from the bulker/general cargo sector (3,924 ships) and tankers (3,044 ships).

For both these sectors, that is an increase in deliveries versus the previous five years, helping offset a large fall in the offshore and service sector, which will have 40% fewer deliveries at 2,145 ships, according to Lloyd's List Intelligence.

EU to tighten recycling rules amid coronavirus uncertainty

AS ANOTHER year comes to an end, another environmental obligation for shipowners comes into effect.

Seven years after it was first introduced by the European Union, owners of existing ships will need to have an Inventory of Hazardous Materials on their vessels, documenting the location and quantities of these materials on board.

The new requirements — which apply to all vessels of 500 gross tonnes and above built before December 31, 2018, carrying an EU flag, or which want to call at an EU or European Economic Area port from next year — are part of the 2013 EU Ship Recycling Regulation.

Around 35,000 ships would need to comply with the new rules, law firm Watson Farley Williams said.

Their purpose is to ensure safer conditions for workers at recycling yards by supplying information on hazardous materials on the vessels they are dismantling.

The inspiration for the IHM obligation is global; the requirement is part of the IMO Hong Kong Convention for the safe and environmentally sound recycling of ships — which is not yet in force, however, due to insufficient support from governments.

The EU's December 31, 2020, deadline for compliance with IHM requirements in its own regulation is fast approaching.

Shipowners who have not yet started preparing for this deadline are most probably too late, considering the required three-step process that culminates in an onboard survey by a recognised organisation, which then issues the compliance certification.

"If someone now starts preparing for the IHM, it would take three months. You cannot finish it in a few days," DNV GL global head of ship recycling Gerhard Albert told Lloyd's List.

Governments around the world have restricted travel and closed off borders throughout 2020 to contain the spread of coronavirus.

Shipping companies have also, at times, imposed lockdowns on ships for that purpose and to prevent disruption to their commercial operations.

Aside from affecting seafarers — hundreds of thousands of whom are still working beyond their contracts at sea, in the face of unwillingness and inability by governments to facilitate crew changes and repatriations — this has also had an impact on ship surveys.

Mr Albert said DNV GL was seeing a bottleneck in IHM survey requests because of the pandemic, which has created problems for inspectors, given the restrictions that are in place.

"There is no big difference if I look at an IHM survey or a Solas [Safety of Life at Sea] survey," he said.

Verifavia, a verifier that also offers IHM services to ships, helping them prepare for certification by recognised organisations, said coronavirus had forced it to work differently to service customers.

The company, which is servicing around 800 ships preparing for IHM compliance, has its own hazmat experts who go on board vessels to inspect and conduct the inventory.

However, chief executive Julien Dufour said the pandemic had forced them to reconsider their approach, prompting them to find and use local surveyors instead of flying out themselves.

Verifavia now has a network of around 50 local surveyors across the globe.

Those surveyors can spend between 10 and 14 hours on board, collecting the necessary samples. Verifavia uses two mobile applications to monitor their activity on a minute-per-minute basis.

"We are much more efficient than we were before Covid-19," Mr Dufour said.

For Verifavia, disruption from coronavirus has therefore not been a factor.

However, Mr Dufour noted it could become a problem in the next stages — especially during certification by the recognised organisations that need to inspect the ships.

Vessels that call at European ports without the necessary certification or statement of compliance could face detention, exclusion from the port or other repercussions.

While it is difficult to gauge the exact extent to which there will be violators, the European Commission said in mid-October that "industry stakeholders estimate that several thousand ships are likely to be unable to comply with the IHM obligations".

Recognising the extraordinary circumstances and potential coronavirus impacts — particularly for onboard inspections — the Commission advised port EU inspection authorities to take a harmonised approach.

They should consider the exceptional situation and carefully assess individual cases of ships that do not have the proper IHM certification or have incomplete documentation.

The Commission guidelines still put the onus on shipowners to prove they have tried to attain the certification but have been unable to do so in due time.

"In most cases, the pending survey on board should be the main reason for granting an exemption," Mr Albert said.

The EU SSR has been in place since 2013, so not having at least prepared the paperwork for the IHM approval may be difficult to justify.

However, a six-month "reprieve" may prove necessary, considering the global situation today.

"It is an important environmental requirement, but it is not crucial for being able to sail as it is with many Solas requirements — and that should be taken into account for a moment such as the one we have now, of course," Mr Albert said.

Verifavia general manager for IHM, Yuvraj Thakur, said the main point of this requirement should be for workers in ship recycling yards to use IHM reports to know where hazardous materials, like asbestos, are located and take the necessary precautions before accessing that area.

"If that happens, we will have achieved something. If that does not happen, then it is just another compliance," he said.

MARKETS

BIMCO cautious on dry bulk market recovery in 2021

BIMCO remains cautious over the recovery of the dry bulk freight market in 2021 despite a 20-year low in fleet growth.

The shipping association noted that demand for dry bulk goods was developing in different global regions depending mainly on the varying focuses of governments' stimulus packages.

BIMCO pointed out that for example, while China's commodities demand has come from the infrastructure sector in a bid to boost industrial production, extra government spending in more advanced economies has been aimed at avoiding mass unemployment and securing consumer spending.

The Chinese approach helps dry bulk shipping, while the other gives a boost to container shipping.

"More stimulus is needed in many advanced economies, but this is unlikely to skew towards infrastructure spending until the health crisis has been put behind us, and if there is any money left."

Meanwhile, the recovery in the market has been derailed due to developments in the trade for Chinese coal imports, with quotas being limited and strong anecdotal evidence of verbal notices to stop imports of Australian coal.

Based on ship-tracking data from VesselsValue, BIMCO noted that there were 133 dry bulk ships waiting to discharge in Chinese ports in mid-November, 59 of which had been waiting for 20 days or more.

In the third quarter, Chinese coal imports were 31.9% lower compared with the year before and October imports were down 46.6% versus 2019 — a loss of 60 capesize loads (200,000 tonnes).

The limits on coal exports will likely mean further drops in imports in the final two months of the year, it conceded.

"In the short-term, delays in discharging reduces the supply of ships, increasing demand for ships that are not tied up and providing a little support to the dry bulk market."

"However, in the longer term, once these backlogs have been cleared, the impact is likely to be more damaging."

Although the distance between Australia and China is not particularly great, the volumes are important, comprising around 74.9m tonnes in the first three quarters of 2020.

A potential upside could appear if China replaced Australian coal with seaborne coal from regions further afield, it said.

As it stands, Australia and Indonesia account for 78% of total Chinese imports.

"Both offer short sailing distances to China, so any reduction in this share would lead to increases in tonne-mile demand. Whether or not this materialises will depend on Chinese government policy and any decisions it makes about coal imports in 2021."

In particular, this refers to what level Beijing sets for new coal quotas and how the spat with Australia develops.

"All forecasts now point to a slow recovery in 2021, which even a 20-year low in fleet growth will not be able to make up for, leaving dry bulk shipping to face another trying year."

Carriers unlikely to repeat this year's success

NEXT year's outlook for container lines remains clouded but it is unlikely that 2021 will be as profitable for carriers as this year has turned out to be.

"What has benefited demand in 2020 is that fact that consumers could not spend money on services and instead spent what they had on containerised goods," BIMCO chief shipping analyst Peter Sand said in his latest outlook for the sector.

"This was boosted by stimulus plans where in Europe consumers were protected from downside risk of Covid-19 by having salaries paid by governments, and in the US where there were pay-outs of $1,200 and extra money for unemployment schemes.

"The effects of these are now running out, and although more stimulus is much needed, that is unlikely to come until the new administration takes over in late January."

Despite the record volumes seen imported in the US during the third quarter, overall volumes for the year remain down. US west coast imports were down by 4.4% and the US east coast by 4.3% during the first nine months of the year.

Restocking and low inventories were still ongoing on the transpacific, maintaining high volumes, not only because of the holiday season, but because of strong demand earlier.

But many of the goods that had been carried to the US and Europe were consumer durables.

"You're not going to buy those things again and again," said Mr Sand. "That is a one-off in many ways. But not everyone has equipped their home office or home gym. There is still room for more of that but at a certain point in time you cannot repeat that."

With the recent announcements of a number of successful vaccine trials, there was some hope of a return to normality next year, but this would not necessarily aid the container shipping sector.

"There is pent-up demand for services and it is likely that more money will be spent on services as soon as there is the opportunity to do so," he said. "This is a negative for container shipping."

Moreover, any return to previous trends would see a return to the multi-decade decline in containerised freight, he added.

"The GDP-to-container-demand multiplier had already fallen to around one, meaning that if global economic activity grows by 2% so too do container volumes," he said. "That is significantly down from the 2000-2008 period and also from earlier in the past decade. We expect those trends to stick around."

On the positive side, however, contract rates, where carriers make the bulk of their revenue, where likely to be better in 2021.

"Spot rates have delivered an upside and the best of it could be yet to come when we see the renewal of contract rates," Mr Sand said. "This is due to the fact that the alternative, staying in the spot market, is so much more expensive. It is better to pay a higher contract rate than to have to compete on the spot market."

Nevertheless, falling bunker prices would and the waning effect of bunker adjustment factors would also trim profitability next year.

"The oil price is stable and if that continues, lines are not capable of improving on bunker costs to the same extent as they have been this year," he said.

IN OTHER NEWS

UK ports 'coping' with unprecedented demand

THE UK's container ports are witnessing freight volumes up to 20% higher in November than those handled last year as the pandemic takes its toll on supply chains.

"There's no doubt that the pandemic-driven events of 2020 have put huge strain on global supply chains," said Tim Morris, chief executive of UK Major Ports Group. "The situation we're seeing at ports around the world has symptoms here in the UK too."

But a survey of its members by the UKMPG, which represents the top container ports in the country, showed that terminals were "adapting and coping".

Frontline tanker fleet earnings stay below break-even amid oil demand uncertainty

FRONTLINE, which operates 68 tankers, reported net income of $57.1m on operating revenue of $274.4m for the period ending September 30.

Time charter equivalent earnings secured for the company's fleet of VLCCs, suezmax and Long Range 2 tankers last quarter would drop by as much as half for crude shipments.

Last March former Frontline chief executive Robert Hvide Macleod declared the pandemic a "once-in-a-generation" event for the oil and tanker markets.

BioLNG has green fuel advantages over hydrogen or ammonia

TRANSITIONING from fossil-based to bio-liquefied natural gas offers a clear commercial advantage over switching to zero-carbon fuels like green hydrogen and ammonia, one joint study by an LNG-focused group of advocacy bodies said.

BioLNG, which is produced from secondary food crop, biomass or recycled methane, can be transported using existing infrastructure for LNG now derived from fossil sources without incurring costs for modifications, according to a joint paper by SEA-LNG and three other European gas and bio-gas associations.

BioLNG can also be used in existing LNG engines with little or no modification, suggesting a seamless transition is possible between the two.

London Club seeks double-digit rate hikes for P&I and FD&D

THE London Club has joined the rush of International Group affiliates announcing substantially higher pricing for next year, with a general increase of 10% for both P&I and freight, demurrage and defence at the next renewal round.

Deductibles are also going up by $2,000, the marine mutual said in a circular.

One of the smaller players in P&I, London has been paying out more in claims and expenses than it has been taking in through premiums for the last three years, recording a hefty combined ratio of 137% last year, despite an operating surplus of $5m.

US regulator increases surveillance of alliances

THE Federal Maritime Commission is to increase the level of its monitoring of the major container line alliances by requiring them to file carrier-specific trade data on a monthly basis.

The Commission's Bureau of Trade Analysis has traditionally relied on a combination of individual vessel operator confidentially provided data and information from commercially available industry data to monitor and analyse container carrier freight rates and service market trends.

This had previously been submitted on a quarterly basis, but now the 2M, Ocean Alliance and The Alliance will be required to file monthly.

Surcharges and diversions as China frozen food checks cause Tianjin reefer congestion

PROBLEMS with reefers going into Tianjin's port of Xingang due to coronavirus-related congestion have re-emerged.

Major lines including Mediterranean Shipping Co, CMA CGM, Ocean Network Express and Hapag-Lloyd have notified customers of the problem, with the former three companies also imposing congestion surcharges. MSC has stopped shipments outright while also warning that it might re-route some reefer boxes already underway.

"MSC, with a view to contributing to the de-congestion of the port, with immediate effect, and until new order, will not be able to ship reefer containers from any origin, destined to port of Xingang," said MSC in an advisory note.

Yemeni rebels allow UN access to 'floating bomb'

YEMEN's Houthi rebels, or Ansar Allah, have agreed to a UN mission aimed at inspecting and repairing the abandoned floating storage vessel *Safer*, anchored off the Red Sea port of Hodeidah and at risk of spilling oil.

"We have now received an official letter from the de facto Ansar Allah authorities on Saturday indicating their approval for the UN proposal for the planned expert mission to the tanker," UN spokesman Stephane Dujarric said on Tuesday.

"Now that the UN proposal for the expert mission has been agreed, mission planning will immediately pivot towards deployment preparations," he said.

Bulk carrier industry draws up new guidelines on ventilation

A NEW guide on ventilation has been launched by Intercargo, the Standard Club and DNV GL to provide ship masters' and crew with an understanding of the different requirements for bulk cargoes.

Proper ventilation in bulk carriers is essential to preventing damage to the cargo and ensure the safety of the crew.

The guide covers the main aspects on how and when to ventilate to control humidity and to remove flammable and toxic gases released from cargoes, according to a joint statement.

Classified notices follow

INVITATION TO TENDER

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
ADMIRALTY JURISDICTION

RE: HCAJ 62 of 2020

<u>The ship or vessel "ANGELIC GLORY" (the "Vessel")</u>

Pursuant to the order for sale of the Vessel made by the High Court of the Hong Kong Special Administrative Region on the 30 October 2020, tenders are invited for the purchase of the Vessel (a general description of which is set out below) upon the following terms.

1. The Vessel is offered for sale as she lies in the waters of Hong Kong in her "as is" "where is" condition at the date of delivery without any warranties or guarantees. The Vessel is sold free from incumbrances, with everything on board belonging to her but excluding any equipment on hire.

2. No error or misdescription in this invitation or otherwise by representatives of the Government or the High Court of the Hong Kong Special Administrative Region shall entitle the successful tenderer ("the Buyer") to annul the sale.

3. Tenderers are advised to make all and any such enquiries as they think fit. Permission to inspect the Vessel may be obtained from the Chief Bailiff.

4. Tenders for the purchase of the Vessel must:
   (a) be in writing addressed to the Registrar of the High Court, Hong Kong Special Administrative Region;
   (b) be in a sealed envelope so addressed and marked **"HCAJ 62 of 2020 – CONFIDENTIAL"**;
   (c) be accompanied by way of deposit by a cashier's order or bank draft drawn by a Hong Kong bank or a bank having a branch office or banking correspondents in Hong Kong or certified cheque drawn on such a bank of 10% of the offer payable to **"Registrar, High Court"** and crossed in **"HCAJ 62 of 2020"** (the "Deposit");
   (d) be expressed to be irrevocable until 5 January 2021;
   (e) reach the Registrar c/o Chief Bailiff (Administration & Admiralty) at Bailiff Office, LG 3/F, High Court Building, 38 Queensway, Hong Kong not later than 2:00 p.m. (Hong Kong time) on 29 December 2020, otherwise such tenders will be treated as invalid;
   (f) follow the arrangement in respect of tender closing time in the times of gale or rainstorm warnings or "extreme conditions after super typhoons" in Hong Kong as set out below:
   (i) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above or "extreme conditions after super typhoons" is lowered or cancelled before or at 11:00 a.m. (Hong Kong time) on 29 December 2020, the tender closing time will remain unchanged;
   (ii) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above or "extreme conditions after super typhoons" is lowered or cancelled after 11:00 a.m. (Hong Kong time) on 29 December 2020, the tender closing time will be deferred to 02:00 p.m. (Hong Kong time) on the next weekday (i.e. except Saturday and Sunday) other than public holidays; and
   (g) be expressed in Hong Kong Dollars or United States Dollars with payment of the Deposit being made in the same currency as the tender.

5. The Registrar is not bound to accept the highest or any tender.

6. If a tender is accepted the balance (plus the sum payable for bunker fuel) of the purchase price also in the form of a cashier's order, bank draft or certified cheque payable as aforesaid must be paid within 7 days of the acceptance of the tender and if not so paid the deposit of 10% will be forfeited in which event the Registrar will be at liberty to sell the Vessel to any other party or parties.

7. The Buyer shall within 7 days of the acceptance of the tender pay by the aforesaid methods the Hong Kong market price for the bunker fuel remaining on board on the date of delivery, such quantity and price to be determined by the Chief Bailiff or his agent.

8. Upon payment of the balance of the purchase price, a bill of sale will be duly executed on behalf of the High Court of the Hong Kong Special Administrative Region in favour of the Buyer.

9. The Registrar may in his discretion agree that the Vessel be sold to a nominee of the Buyer. Such nominee and the Buyer shall sign an addendum to this Invitation to Tender in such form as the Registrar may require. Any nomination shall be made no later than 3 working days prior to the delivery of the Vessel. Any nomination made by the Buyer shall be irrevocable. No further nomination is permitted.

10. Deposits will be refunded to unsuccessful tenderers.

11. Any tenderer who does not receive notice by 5 January 2021 that his tender has been accepted may assume that such tender has been rejected.

12. Should the Vessel become a total loss (or be accepted by underwriters as a constructive total loss) before delivery of the Vessel to the Buyer the sale shall be null and void and the Deposit will be refunded to the Buyer.

13. The Buyer shall be liable for any fees duties taxes or dues of whatever nature which may become payable upon the purchase and transfer of the Vessel.

14. On completion of the sale the Buyer will assume all responsibility for complying with all Hong Kong Marine Department directions regarding the Vessel.

15. This invitation and the sale of the Vessel is made and effected without any liability of whatsoever nature of the High Court of the Hong Kong Special Administrative Region or its officers, employees or agents.

16. The Buyer shall be responsible to observe and comply with all the requirements laid down in the Prevention and Control of Disease Ordinance (Cap. 599 of the Laws of Hong Kong) including but not limited to its amendments and subsidiary legislations and to make enquires with the relevant authorities on all the latest requirements which are to be satisfied in relation to the purchase, operation and departure of the Vessel. No error or oversight of the Buyer to observe and comply with the relevant legislations shall entitle the Buyer to annul the sale.

(S. KWANG)
Registrar
High Court
18 November 2020

PARTICULARS OF VESSEL

Name:	ANGELIC GLORY
IMO No:	9261798
Registered in:	Piraeus
Type of Vessel:	Gearless Bulk Carrier
Built:	Hudong-Zhonghua Shipbuilding (Group) Company Limited, Shanghai, China
Class:	ABS - Suspended 18/9/2020
Year of Build:	2002
Special Survey due:	2022
Dry Dock due:	08/2020 (Overdue)
Length :	225 m
Breadth :	32.26 m
Depth :	19.6 m
GRT :	40,597 m/t
NRT :	26,220 m/t
Light Weight :	12,330 mt
Summer Deadweight :	75,007 M/Tons
Summer Draft :	14.268m
Grain Capacity :	91,717m^3
Main Engine :	MAN B&W 5S60 MC-C 15350 bhp
Auxiliary Engine :	Daihatsu 5DK-20
Cargo Gear:	Gearless
Hatches / Holds:	Seven

<u>Singapore Suit No. HC/ADM 60/2019 (the "Suit")</u>

Sea Consortium Private Limited (Singapore UEN 197200045E) and X-Press Container Line (UK) Ltd (United Kingdom Reg. No. 2470077) (the **"Parties"**), time-charterers and slot-charterers of the vessel "AS FORTUNA" (IMO No. 9428322)(the **"Vessel"**), have been granted the right to limit their liability (without any admission thereof) in respect of any loss or damage arising out of or in connection with the Vessel running aground at or around Guayaquil, Ecuador on or around 13 September 2018 (the **"Incident"**) and/or any consequential loss resulting therefrom by reference to the Limitation Fund in the sum of SGD5,217,205.28 (the **"Limitation Fund"**) constituted by AS Fortuna OpCo BV (Netherlands Reg. No. 6955969) and AS Fortuna ShipCo CV (Netherlands Reg. No. 69630496) pursuant to the Order of Court HC/ORC 8175/2019 dated 26 November 2019.

Such loss, damage and/or infringements of rights in respect of which the Parties are entitled to limitation are those mentioned in Section 136(1) and Article 2 of the Schedule to the Merchant Shipping Act (Cap. 179, 1996 Rev. Ed).

TAKE NOTICE that persons with claims claims against the Parties arising out of or in connection with the Incident may enter an apearance and file their claims in the Suit, in a separate admiralty action and/or arbitration proceedings for determination of the Parties' liability (if any) and/or take out a Summons if they think fit to set aside the Parties' right to limitation by 4 February 2021.

Contact with the Parties should be made through their solicitors, Gurbani & Co. LLC of 78 Shenton Way, #31-02, Singapore 079120 or by email to huitsing@gurbaniandco.com / ganesh@gurbaniandco.com.

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