Friday December 18, 2020

Lloyd's List
Maritime intelligence | informa

Daily Briefing
Leading maritime commerce since 1734

LEAD STORY:
Maersk Tankers-operated vessel aborts transfer of sanctioned Iranian cargo

WHAT TO WATCH:
Alternative finance is on the rise as Chinese lessors falter

Capacity management will be box shipping's new normal

ANALYSIS:
LNG industry finds light in the dark

Fleet scarcity to boost 2021 LPG freight rates

MARKETS:
Expansion in US LNG exports drives winter shipping rates

Skuld combined ratio hits 118% at nine-month stage

IN OTHER NEWS:
Rongsheng Petrochemical eyes chartering 10 VLCCs

Dubai shipowner linked to Iran product tanker logistics chain

US sanctions four companies for supporting Iran's petrochemical sector

ILO slams governments for failing seafarers

UK ports reject retailer demands for congestion inquiry

Signal adds emissions calculator to spot market platform

Marine fuel economics support LNG as propulsion alternative

Keppel O&M lands $600m wind vessel order

Maersk Tankers-operated vessel aborts transfer of sanctioned Iranian cargo

A TANKER MANAGED by Maersk Tankers aborted a ship-to-ship transfer with another vessel carrying sanctioned Iranian refined products after an alert from a non-government organisation, raising questions over the Danish company's integrity and robustness of risk compliance measures.

Aframax tanker *Celsius Everett* (IMO: 9410870) arrived at the Sunngai Linggi anchorage off Malaysia on December 10, where it began the STS with the long range one product tanker *Ocean Schooner* (IMO: 9189110).

That was the same day that Washington DC group United Against Nuclear Iran wrote to Jeppe Jensen, the chairman of Celsius Shipping Aps, which is *Celsius Everett*'s commercial operator.

Lloyd's List understands the letter contained satellite images of *Ocean Schooner* at Iran's Tombak port on November 5, a period when the tanker was not transmitting signals via its Automatic Identification System.

UANI said Tombak port's single mooring buoy where the tanker was located is used for discharging and loading gas and liquid products.

The Dubai-based beneficial owner of *Ocean Schooner*, Kader Management and Shipping Company DMCC, did not respond to an emailed request for comment.

The company, which owns a further four tankers, has a website with the number provided failing to operate.

It is understood that Maersk Tankers, which includes the *Celsius Everett* in its pool of tankers, responded on behalf of Celsius Shipping six days later, on December 16.

Chief commercial officer Eva Birgitte Bisgaard told UANI that Maersk Tankers terminated the STS after it reviewed its compliance-related information regarding the vessel *Ocean Schooner*.

The incident ensnares the reputable Danish shipping company in the subterfuge world of sanctions-busting. Maersk Tankers operates one of the world's largest fleet of product tankers and pools in partnership with prominent owners.

Under sweeping, unilateral US sanctions, non-US companies can be blacklisted if they "operate in or knowingly engage" in sanctioned activities.

The Office of Foreign Assets and Control, which implements the measures, defines "knowingly" as conduct, circumstance, or a result that meant an entity or individual had actual knowledge or should have known.

Maersk Tankers says its risk assessment and mitigation strategies are robust and among the best in the industry.

The Panama-flagged *Ocean Schooner*'s AIS was switched off between October 31 and November 11 in Middle East Gulf waters, from an area immediately adjacent to key Iranian oil and petroleum loading hubs.

Furthermore, the tanker then sailed for Singapore and was at anchorage at Sungai Linggi for the STS, an area for known for floating storage of sanctioned Iranian and Venezuelan cargoes. Numerous STS transfers take place in this region for onward shipment to China.

In May several US government agencies jointly issued sanctions "best practice" guidance for shipping, as well as listing deceptive and illicit practices used by Iran, Syria and North Korea.

These included resources and "relevant controls" to monitor ships' vessel-tracking data and ship-to-ship transfers, as well as following 'know your customer' principles.

Maersk Tankers confirmed to Lloyd's List the scheduled STS transfer of the vessel in its pool.

"As we became aware of allegations that the other vessel may be carrying sanctioned cargo, the transfer was immediately halted and later cancelled," it said in a statement.

"We maintain a steadfast adherence to international sanction regulations and have processes and procedures in place to ensure that this commitment to compliance runs through our daily vessel operations."

WHAT TO WATCH

Alternative finance is on the rise as Chinese lessors falter

IN LITTLE more than a decade, the ship finance landscape has changed radically and is still evolving.

Back then, the industry's needs were more or less covered by banks, the traditional source of funds for shipowners the world over, and the public capital markets that had opened up to a wider circle of industry players amid the allure of shipping's super-cycle.

"So long as you keep building ships, there is capital available," a recent Capital Link conference was told by Richard Jansen, managing director of Braemar Naves, an international corporate finance advisor to all sides of the industry.

"But the sources have changed and they have become much more specific.

"As a shipowner, you now have to spend a lot more time to pinpoint pockets of money. It is a lot more challenging. One thing that could fit today does not necessarily fit tomorrow, even if it is essentially for a similar deal," he added.

According to a recent study by Petrofin Bank Research, a specialist in tracking shipping portfolios, 2019 saw global bank finance for shipping fall to its lowest level for 13 years.

The top 40 shipping banks worldwide had a combined portfolio of $294bn by end-2019,

a fall of 35% since the banks' heyday in 2011.

That trend, however, had shown signs of bottoming out, with a reduction in the global portfolio of just 1% in 2019.

Just as Petrofin felt able to declare that the decline of traditional ship lending, predominantly by western banks, appeared to have "run its course", along came the coronavirus pandemic to cast a further cloud on the industry's financing prospects.

According to Petrofin, banks have inevitably been more cautious given the uncertainties engendered by the pandemic. Yet, on the whole, the shipping industry "weathered the storm well" with the exception of offshore and cruising.

At certain banks, ship finance officers even feel the standing of shipping business within their banks has been enhanced because of the relatively robust performance of their portfolios, compared with many other sectors of business that have been shattered by the pandemic.

A greater impact appears to have been felt among Chinese leasing companies, Petrofin said. They had been heavily exposed to the aviation sector — a factor that, in combination with higher US dollar funding costs, led to a slowdown in their activities.

Independently, Lloyd's List has reported that lending by Chinese lessors has dipped substantially in 2020.

According to specialist Smarine Advisors, the sector is on course to reach about $13.5bn in actual drawdowns for the year, a reduction of 15% from 2019.

Peering through all the smoke in an effort to discern what might materialise in 2021, there appears little immediate prospect of a resurgence of enthusiasm for shipping on Wall Street — at least as far as initial public offerings are concerned.

China remains a major source of capital and some leasing houses that are relative newcomers to the shipping market have shown ambitions to grow their presence in the industry.

However, the overall perception is that the country's leading maritime lessors have relatively full books and are becoming more discerning in the business they take on, with tighter screening of leaseback deals.

As Lloyd's List has reported, some leasing house executives also acknowledge that China's so-called dual-circulation development strategy may divert more funds to domestic shipping business and take a toll on the capacity available for financing international owners.

Meanwhile, banks remain the single largest species of financier for the industry — albeit one that has overall been on the back foot for the past decade.

Those that have remained active lenders to shipping have had relatively free rein in recent years, as many of their strongest rivals have drawn in their horns and may be close to self-imposed ceilings on expansion.

The range of players is gently widening as a number of smaller and medium-sized banks have made their debut in the sector and have cautiously been building their portfolios, in an ongoing process.

For bank ship finance, however, the emphasis will remain less on how much of the shipping industry's voluminous finance needs they can cover and more on precisely to whom they will be lending.

There is a gathering trend for credit committees to favour the larger, more corporate shipping groups over smaller, family-owned players — and in today's market, in any case, most banks can afford to pick and choose their clients.

Moreover, that choice of clients will increasingly be swayed by how well specific fleets accord with the industry's emissions reductions targets, as more institutions subscribe to the so-called Poseidon Principles, the banks' headline move to help promote the industry's decarbonisation.

Given the constraints and uncertainties faced by so many quarters of the ship finance market, it seems likely that the amorphous pool of capital providers, lenders and financial matchmakers that identify as alternative finance providers will continue to grow.

According to Nicolas Duran, who heads the asset-backed finance team at niche maritime and energy sector investment bank Fearnleys, "there are financing solutions out there for most companies in this industry, even for the smaller ones".

He added: "For much of the industry, the cost of capital is the most important factor and one would think that the Tier 1 owners who have access to the cheapest debt are always going to win."

However, that was not necessarily so, Mr Duran said recently.

Shipping was "a very strange industry", where a US-listed owner of more than 100 ships competed with a family-owned firm in Asia with three vessels "and everything in between".

Capital for smaller owners may often be more expensive, "but there are so many other factors in play", said Mr Duran.

"Even for Tier 1 owners, there are parts of their fleet that are not financeable from traditional lenders. If you want to finance a 10-year-old asset, you are going to struggle a bit on that. They all want to finance a dual-fuel newbuilding programme."

Mr Duran said there was a trend towards "private capital and private solutions for everyone except a very few".

By way of example, Fearnleys — which had raised about $11bn for the maritime sector in the past four years — used to rely mainly on capital market transactions, but now "the focus has shifted more towards alternative finance", Mr Duran said.

Capacity management will be box shipping's new normal

THE publication of container lines' third-quarter results confirmed what most already knew: box shipping has had a stellar year.

Despite a global pandemic and a massive collapse in volumes in the second quarter, low oil prices, tight capacity management and strong demand in the second half of the year meant that the sector as a whole turned around a potential $20bn loss into what is likely to be $14bn in earnings for the year.

However, having performed this magic trick once, can container shipping do it again?

The circumstances, hopefully, will not repeat next year, but much of what has happened in 2020 will continue to influence carriers in the years ahead. Some of it will benefit carriers, some not so much.

One thing is for certain: having gained a taste for capacity management, carriers will not let it go.

As Sea-Intelligence Consulting chief executive Lars Jensen points out, lines were already managing their capacity before the pandemic.

Blankings in the final quarter of 2019 and in January of 2020 were far higher than in previous years, as lines removed tonnage from service that was surplus to demand.

By April, when volumes began to fall through the floor, the formerly slow process of matching capacity to demand happened within a week.

Starved of opportunities to spend on services such as travel or entertainment, consumers — still cash-rich from stimulus packages and job support schemes — spent up on goods for their home offices and gyms, gardens and entertainment centres. The majority of what they bought came in containers.

However, the outlook for next year remains clouded, according to BIMCO chief shipping analyst Peter Sand.

"Despite the record volumes seen imported in the US during the third quarter, overall volumes for the year remain down," he said.

"The virus is still spreading at alarming speed, putting the recovery on hold, and once again shuttering many shops in major advanced countries."

Many of the goods driving the import boom have been consumer durables, one-off items that will not be repeated, he added.

Mr Jensen said that if the pandemic worsened, there would be an economic slump that would be bad for container shipping. However, if there was a quick recovery and people reverted to spending on services rather than goods, this would have a bad outcome too.

"We could end up with overflowing warehouses on the physical side, so a rapid reversal out of the pandemic would result in a negative demand dynamic for container shipping in 2021," he said.

"The most positive outlook — if we only look at it from the perspective of container shipping — is that the pandemic continues at the level it is at now, where it is not crazily out of control and is stabilised to some degree, but it is clearly not under control either. If we stay where we are, we will have a positive year for containers."

Without that rather undesirable situation, 2021 would be a difficult year to predict, he added.

"Looking further ahead, once we have the pandemic under control, people will very likely go back to normal patterns of how they live their lives," Mr Jensen said.

"So for the long term, the outlook is really not any different to that of a year ago."

Spot rates, driven high by the strong demand and also by disruption in the supply chain that has led to a shortage of equipment in export markets, remain high at a time when shippers and carriers are due to start negotiating next year's contract rates.

This will lead to a tricky balancing act, according to Mr Sand.

"Spot rates have delivered an upside and the best of it could be yet to come, when we see the renewal of contract rates at a much higher level than the previous one, due to the fact that the alternative – if you stay in the spot market – is so much more expensive," he said.

Carriers, however, would also be seeking to limit the level of contracted volumes, in order to reap the benefits of higher spot rates.

"Carriers will try to push back on increased minimum quantity commitments," said Drewry Supply Chain Advisors director Philip Damas.

"The interest of the carriers here is that the spot market is very profitable and they will not want to get more business from the biggest BCOs, which tend to have lower contract rates."

The key question for the next contracting season would be securing capacity, he said.

"There is clearly huge volatility and unpredictability. The only predictable thing is the volatility."

That is a gamble on demand from both sides of the equation, and many expect spot freight rate pressure will ease when the equipment shortage problem is resolved.

"The demand side will remain extremely uncertain for 2021 and 2022," Mr Jensen said. "Next year could be extremely volatile."

Longer term, however, a recovery from the pandemic and structural changes in container shipping could see rates higher than they have been over the past five years, he added.

"Carriers are in a much stronger position, where they do not constantly engage in freight rate wars," Mr Jensen said.

ANALYSIS

LNG industry finds light in the dark

IF things cannot get worse, they can only get better — and this sums up where the market for seaborne liquefied natural gas stands, following historic lows in spot trades.

By the end of October, global LNG trade looked set to claw back earlier losses, with full-year forecasts from leading agencies ranging upwards from 362m tonnes.

Commodity intelligence service provider ICIS projected LNG output will grow to 363.3m tonnes, 1.3% higher than the previous year, which is the smallest increment seen since 2016.

The year-on-year increase, while modest, reflects how the industry at large was afflicted by — and is now ready to move on from — the eye of a perfect storm.

The coronavirus outbreak that developed into a worldwide pandemic led to economic lockdowns, which triggered vast demand disruption.

This timing, with significant additions to liquefaction capacity — particularly in the US — fed a bulging supply glut and triggered a wave of cargo cancellations.

LNG prices in Asia and Europe plunged to unprecedented lows, trading at less than S$2 per million British thermal units during dismal summer months.

Poten & Partners estimated that from June to October, around 112 cargoes lifted from the US were cancelled.

Shipping rates tumbled to a trough of around the $30,000s as carriers ferrying stranded cargoes resorted to slow steaming.

Behind these dark clouds, however, emerged some silver linings.

LNG shipments to the Atlantic Basin jumped during the first five months, partly offsetting lower cargo flows to the Pacific during the second quarter, Lloyd's List Intelligence data showed.

Europe emerged, once again, as the sink for arbitrage play as bargain-hunters shipped cargoes bought on the cheap to storage readily available in the region.

Overall, trades in the Pacific slipped underwater from April to August, though the region also benefited from some bright spots.

India took advantage of lower commodity prices to expand imports, countering declines in volumes heading to China and Japan during the first quarter.

From April, China, as the second-largest LNG importer behind Japan, staged a strong rebound.

Chinese national oil companies have made up for time lost on bargain-hunting. ICIS LNG Edge named Sinopec and CNOOC as top buyers of spot cargoes for the year through to November 20.

As it draws closer to the winter peak gas heating season up north, two top destinations for US LNG — Japan and South Korea — started ramping up imports in August and September, reversing from a summer slump, LLI data showed.

Shipping firm Golar LNG thus far noted that from early August, a recovery in Asia LNG demand, which overlapped with supply outages in Australia, boosted spot cargo prices and supported inter-basin trades.

Australia's exports took a hit from production shut-ins at Chevron's Gorgon LNG Train 2 and other key liquefaction plants, spurring demand for cargoes elsewhere.

Poten's data showed just two US cargoes cancelled in October, down sharply from 45 in July.

Asia spot LNG prices topped $7 per mmBtu, while shipping rates soared past $100,000 in late October as available tonnage tightened.

Poten's head of business intelligence Jason Feer noted that more LNG deals in the US were priced on a free-on-board basis.

Australia-focused consultancy EnergyQuest flagged one stand-out spot trade in which a cargo, initially negotiated on delivered ex-ship terms from the Ichthys project, was eventually fixed on an FOB contract.

Cargo owners are motivated to sell on an fob basis excess volumes from projects that have no access to dedicated fleets, the analytics arm of S&P Global Platts suggested.

If this trend persists, more inquiries for sea freight may come from cargo buyers rather than sellers.

Any upside in shipping demand during the second half, however, historically rides on a seasonal surge linked to gas heating demand, which many consider as losing steam by now.

ICIS assessments suggested spot price rallies in Asia and Europe ended in late October.

Platts Analytics likewise held that barring colder than normal temperature going forward, Asia's LNG price benchmark for spot trades has already peaked this winter.

JKM is, nonetheless, expected to be relatively supported, ranging around $6 per mmBtu before coming off during summer months, it projected.

What would not support winter demand for LNG is the fact that importers have been motivated by a tripling in spot cargoes for the supercooled fossil fuel since this summer, to review contractual offtake with piped gas suppliers.

Chinese buyers, for instance, were encouraged to buy LNG available at depressed spot prices to substitute piped gas imports earlier this year.

Platts Analytics estimated that this contributed to a year-on-year decrease of roughly 20m cu m per day in China's piped gas imports during the summer months.

ICIS global LNG editor Ed Cox pointed to the likelihood of piped gas contractual obligations standing in the way of any further winter surge for LNG trades.

He noted that gas buyers in Europe and China have nominated pipeline imports "at the bottom end of their long-term take-or-pay contracts as demand weakened in the wake of the pandemic".

These buyers are now obliged to increase their nominations for pipeline imports heading into the new year, he suggested.

Platts Analytics expects Chinese pipeline imports to recover this winter and grow by 5% from December through March, as flows from Russia continue to ramp up and spot LNG prices are no longer as competitive.

That spells possibly slowing spot LNG trades, which have also come under pressure as the east-west arbitrage window narrows.

Mr Feer of Poten highlighted concerns over weakening interest in US LNG imports, which spells bad news for long-haul east-west trades and shipping demand.

US price benchmark Henry Hub had risen to $2.70 mmBtu as of early November – a price level that does not support competitive standing for US LNG, after taking in freight and liquefaction charges, he observed.

US LNG exports were also subject to heightening scrutiny into its methane emission profile, as concerns over the footprint of oil and gas extraction from shale deposits heightened in Europe and elsewhere.

French utility group Engie backed out of a $7bn deal for term offtake from US developer NextDecade's Rio Grande LNG project, dealing a severe blow to new capacities seeking final investment decisions in the US.

Speculation has been rife, too, since Joe Biden was declared as US president-elect that his incoming administration may look to deliver on his climate change pledge of tightening emission control over domestic oil and gas production.

A legislative update on this front will no doubt drive up US LNG prices, as observed from indicative figures from one research body.

Oxford Institute Energy cited one carbon-neutral cargo as having factored in $2.4m additional costs, or $0.70 per mmBtu to $0.80 per mmBtu – more than 10% of Asian spot prices seen late this year.

Yet for now, new radical emission laws are deemed unlikely, not least because the Democrats — with whom Mr Biden aligns — do not control the Senate.

Platts Analytics held that insofar as the US Senate composition is not due for an update until 2023, the LNG industry there stands a good chance of staving off tightening emission controls.

There is no denying, though, that any overhang clouding the US LNG industry — both on commercial and legislative front — will not bode well for shipping tonne-miles and rates.

Mr Feer has warned that shipping rates would be "fairly soft next year", following a winter surge in spot charter rates to as much as $113,000 on some trades, according to Poten's assessments dated November 13.

This still falls short of matching last winter's peak of $140,000, though the worst could be over for LNG shipping demand, if the brokerage's view of the cargo market holds true.

"We think the market will be abundantly supplied with LNG and we expect a moderate level of cancellations in the spring and summer, though not as many as 2020," Mr Feer remarked.

Poten's projections for shipping rates would have factored in significant fleet additions over the next two years.

Cleaves Securities separately forecast a 9% net fleet growth next year, to be followed by another 6% expansion the year after.

This represents 14.6m cu m of new shipping capacity, which will not be matched by demand growth from new liquefaction capacity that will come in at around 5.4m cu m, going by its estimates.

On a brighter note, fleet utilisation looks set to improve if LNG plants, which ran at far below full capacities this summer, continue to expand output as expected next year.

Fleet utilisation for LNG carriers is expected to reach 81% next year, up 80% for this year but down from 84% for 2019, Cleaves Securities suggested in its year-end LNG outlook.

It did not provide guidance on utilisation levels for global liquefaction this and next year.

However, ICIS forecast reflected a year-on-year expansion of 21.4m tonnes for LNG production, to 385m tonnes in 2021.

Platts Analytics weighed in, however, on the downside risks from LNG production continuing to fail to match expectations.

Taking this into account, spot market shipping rates may well drop from $106,000 for December, to average $54,000 for the first quarter of 2021, its assessments as of November 20 showed.

Fleet scarcity to boost 2021 LPG freight rates

NOTHING is certain in this world — and that goes for the liquefied petroleum gas shipping market, as well.

This is what LPG brokers said when asked about the performance of the market in 2020, and whether the freight rates would improve in 2021.

The LPG tanker segment has been a silver lining in the second half of the year, mostly on the back of supply-side disruptions, including delays in the Panama Canal, deviation from the normal trade lane for crew changes, as well as longer discharge times in Asia, causing tight fleet capacity.

Although the number of gas carrier deliveries will be the defining factor for the LPG segment in 2021, drydockings and retrofitting will continue to play a supportive role for freight rates.

Meanwhile, global LPG markets still needs to harness the second wave of the pandemic that has been preventing inter-regional long-haul movements and work through the low oil price environment to bag outsized gains in the coming year.

Another supporting factor for the segment is the spread between US and Asian LPG prices, which is widening. A wider arbitrage window means more US barrels to Asia.

A favourable commodity price relationships, the continued increase in demand for LPG as a more environmentally friendly alternative to other forms of energy, as well as forecasts for high levels of US shipments supported by export capacity and pipeline investments, are expected to provide long-term support for LPG demand, Dorian LPG said in its latest earnings statement.

Invincible demand

Asia-Pacific is expected to remain the biggest demand centre for LPG, according to Poten & Partners, with China and India accounting for more than 60% of the region's total LPG consumption.

At the same time, long-haul voyages from the US to the Far East and Southeast Asia are increasing tonne-mile demand for LPG carriers and supporting freight rates.

China's LPG imports were impacted by the coronavirus outbreak and lower propane dehydrogenation operating rates in the first half of the year.

Since then, the operating rates have risen to pre-pandemic levels and more petchem projects have started, leading to additional LPG demand, Drewry's shipping analyst Aman Sud noted.

More than 3m tonnes of propane dehydrogenation capacity is expected to start operation in China in 2021, depending mostly on imported propane.

Indian LPG imports have been phenomenal and are expected to rise further in 2021-2022, aided by a recovering economy and increase in LPG penetration, Mr Sud predicts.

The emergence of new markets in Bangladesh and Vietnam have been vital for both gas trade and shipping markets. Demand growth is expected to remain strong in these countries, due to rising domestic energy demand and rapidly urbanising populations.

US production support

Resilient US exports — even in the face of a crude price slump — supported the market for very large gas carriers.

Low oil prices have made LPG more competitive but, at the same time, naphtha prices have also become competitive with US propane, both in Europe and Asia.

US exports from January-October 2020 have already surpassed the volume of exports recorded in the whole of the calendar year 2019.

The recent export capacity addition by Targa and at Nederland, Texas, is also expected to help boost exports in coming years.

However, capital expenditure cut plans, announced by many big players because of the pandemic, could weigh on domestic gas plant field production, as well as on exports from the US in the latter half of next year, which appears to be the biggest risk for the LPG market, Poten's consultant Shantanu Bhushan said.

Middle East exports have also recovered, following the incremental downward adjustments to output cuts by the 23-nation Organisation of the Petroleum Exporting Countries-plus alliance.

Special surveys

While strong LPG fundamentals are expected to present the segment with healthy demand in the coming year, freight rates are also forecast to be supported by tight fleet supply, driven by a heavy drydocking maintenance schedule for older vessels.

"The fleet is in a good balance for the time being," senior analyst at Fearnleys Martin Kjendlie said.

"With the current heavy drydock schedule, fleet availability seems limited and is likely to remain so into 2021."

Altogether, 80 VLGCs that were delivered during 2015-2016 are expected to undergo mandatory surveys during 2020-2021. Apart from these, around 23 are scheduled to undergo surveys during the same period, data from Poten shows.

Further, a major share of the 19 VLGCs scheduled for 2021 delivery will join the fleet in the second half of next year, potentially helping freight rates.

Panama congestion boon

Congestion at the Panama Canal has been one of many reasons aiding healthy profits for the segment, especially for VLGCs.

"We believe transits in the neo-panamax locks are likely to further increase on the back of easing restrictions and more trade post-coronavirus," Mr Kjendlie said, pointing out that with a ramp-up of more liquefied natural gas-laden transits, congestion in the new locks would become more severe.

A laden VLGC from Houston takes roughly six round-trip voyages to China in a year if there are no delays at the canal. If there is a waiting time of 10 days for each ship on each leg while transiting the canal, this will result in fewer than five complete voyages in a year, Mr Bhushan estimates.

Meanwhile, US-Indonesia and US-Thailand trade has also increased, and vessels on these trade lanes usually take a longer route via the Cape of Good Hope, thus tightening vessel supply.

MARKETS

Expansion in US LNG exports drives winter shipping rates

BACKED by a widening inter-basin arbitrage window, liquefied natural gas trade between the US and Asia is on track to set a new record this winter, bolstering shipping tonne-miles and spot charter rates.

Asia hub LNG spot prices for cargoes loading in January and February have soared past $10 per million British thermal unit in recent trades, almost doubling levels seen in Europe.

This lifts the profit margin of shipping US cargoes to major importers in the Far East over their counterparts in Europe.

More than a third of LNG cargoes exported from the US in November are expected to land in Asia, shipbrokerage Poten & Partners shared during a webinar, citing data dated December 4.

The US has shipped 83 cargoes, up from 66 last November. Twenty-eight of these are headed for Asia and 24 for Europe, compared with 17 and 33 for the same month a year ago, respectively.

Poten's head of LNG shipping analytics, Jefferson Clarke suggested that Asia's LNG imports from the US could further grow in November on the expectation that the region may draw more cargoes from about 18 shipments that have departed from the US with no specific destinations.

Mr Clarke flagged signs of US LNG exports having bottomed out in July to expand by 30% on year.

US LNG exports have clearly benefited from China lifting a retaliatory tariff hindering access to the world's fastest-rising LNG importer.

China National Offshore Oil Corp, the country's largest importer, entered the spot market to purchase two cargoes from Sempra Energy's Cameron LNG that were shipped to Fujian in July and August, according Lloyd's List Intelligence ship tracking data.

US-China trade further ramped up closer to winter peak in the northern hemisphere.

Lloyd's List Intelligence data showed LNG shipments from US to China more than doubled from September to October.

Mr Clarke noted the expansion of exports from the US this winter has come as shorter-haul trades stayed flat between the Far East and other key export regions.

This trend, which coincided with LNG trade diversion from one major body of water, has boosted shipping tonne-miles.

LNG tankers en route to load cargoes from liquefaction plants in the US spent more days in the Panama Canal, contributing to tightness in shipping tonnage.

US LNG cargoes heading to Asia using the longest trade route via the Cape of Good Hope, South Africa, have thus far more than doubled, boosting the tonne-mile multiplier, Poten's data showed.

The shipbrokerage estimated that it took on average 1.37 vessels to ship 1m tonnes of LNG over the first 11 months of 2020, up from 1.32 vessels for the year-ago period.

That equates to roughly 18 more vessels for projected global trade of 362m tonnes for this year.

As of early December, shipping rates for modern, Tri-Fuel Diesel Electric propulsion LNG tankers have surged to a two-year high of $130,000, according to Poten's assessments.

Skuld combined ratio hits 118% at nine-month stage

SKULD has recorded a technical deficit of $46.2m at the nine-month stage of the P&I year, which runs from the annual 20 February renewal date, sending its combined ratio of 118%, compared with 116% for the same period last year.

The outcome has been driven a surge in pool claims from other members of the International Group, and some of the marine mutual's own large claims within the club retention, the club said in accounts published on its website.

However, the impact was blunted by revenue from Skuld's commercial operations and diversified investment portfolios, which cut the loss to $10m in accounting terms, compared to $12m last time round.

Net investment income for this period reached $38m, with a positive investment return at 5.4%, at a time when the prospect of coronavirus vaccinations has set the stage for improved market conditions and a more promising shipping environment.

Skuld chief executive Ståle Hansen said that 2020 had been a challenging year for many reasons, but Skuld remains in a robust position.

"We are well-capitalised and the combination of our strong commercial operations with our financial discipline on the mutual book leave us well-placed to continue to weather the storm," he added.

IN OTHER NEWS

Rongsheng Petrochemical eyes chartering 10 VLCCs

Chinese refiner Rongsheng Petrochemical is floating a tender to charter in up to 10 very large crude carriers, raising questions about its own long-touted ordering appetite.

The company intends to time charter the super-sized tankers for five to seven years, with longer periods to be considered, according to people familiar with the matter.

The vessels must meet EEDI phase II requirements and NOx Tier III standards. They could either be existing young tonnage or newbuildings.

Owners are asked to submit their offer by the end of January next year.

Dubai shipowner linked to Iran product tanker logistics chain

A NETWORK of four product tankers owned by an anonymous Dubai-based company is shipping sanctioned refined products to offshore Malaysian waters from Iran for onward transfer to other vessels likely unaware of the cargo's true origin.

The aframax tanker *Blue Pearl* (IMO: 9192260), long range one tanker *Ocean Schooner* (IMO: 9189110), and medium range product tankers *Eminence I* (IMO: 911175) and *Bonanza 10* (IMO: 9222699) are all owned by Kadar Management and Shipping Company DMCC.

All are flagged by Panama and had their protection and indemnity insurance removed from the American Club over 2020.

Lloyd's List Intelligence vessel-tracking shows they have engaged in practices identified by US authorities as deceptive and illicit. The current P&I club insuring these vessels is unknown, raising further questions about liability and coverage in ports and anchorages in which they may sail.

US sanctions four companies for supporting Iran's petrochemical sector

THE US Treasury Department's Office of Foreign Assets Control has sanctioned four companies related to the maritime industry for facilitating the export of Iranian petrochemical products by Triliance Petrochemical Co, a Hong Kong-based broker earlier this year.

Triliance has used various front companies in connection with the purchase of petrochemical products by foreign buyers and the transportation of those products from Iran, Ofac said on Wednesday.

"The entities targeted today help facilitate Iran's petrochemical exports in contravention of US economic sanctions," Ofac said.

It identified the companies as Donghai International Ship Management and Petrochem South East, both based in China, along with Alpha Tech Trading FZE and Petroliance Trading FZE, each based in the United Arab Emirates.

ILO slams governments for failing seafarers

SEAFARER and shipowner bodies have welcomed the International Labor Organization's criticism of governments for their inadequate response to the crewing crisis brought on by the coronavirus pandemic.

A recent observation by an ILO committee of experts found that governments are failing to adhere to the Maritime Labour Convention, which defines working conditions and protects seafarers.

International Chamber of Shipping secretary-general Guy Platten and International Transport Workers' Federation general secretary Stephen Cotton issued a joint statement welcoming the ILO ruling and its recognition of government failures.

UK ports reject retailer demands for congestion inquiry

NO GOVERNMENT inquiry is needed into congestion at British ports, despite delays in getting stock to retailers in time for Christmas and fears that food supplies could be disrupted by Brexit, industry voices have insisted.

Disruption has been apparent at key container terminals such as Felixstowe and Southampton since October, which have had to handle large volumes of imported personal protective equipment for key workers at the frontline of fighting the pandemic.

While some importers have experienced difficulties in recent weeks, ports handing containers are always busy at this time of year, and this is neither a systemic issue nor to the UK, it maintained.

Increases in shipping costs, another matter that has caused complaints, is a question that should be raised with shipping companies directly, being outside the control of ports.

"The underlying issues are well understood and there is no case for significant intervention or change to government policy," the BPA added.

Signal adds emissions calculator to spot market platform

THE Signal Group has added an emissions estimation tool to its digital Signal Ocean Platform in another sign of the importance that the market is increasingly allotting to decarbonisation.

The new upgrade to the platform, which made its debut two years ago and is already being used by more than 80 companies, provides an independent estimate of CO_2 emissions alongside time charter equivalent ratings.

Users can thus assess the CO_2 impact of rival ships potentially under consideration for charter.

According to Signal Ocean, its service is being used by shipowners, traders and oil majors that control about half of worldwide crude oil spot tonnage and cargoes.

Marine fuel economics support LNG as propulsion alternative

LIQUEFIED natural gas is emerging as the only cost-effective alternative to marine fuel oils this decade, especially once carbon levies are introduced, according to a white paper produced by shipbroker EA Gibson in collaboration with Channoil Consulting.

"In today's price environment, LNG is a hands down winner," said the report, titled The IMO 2050 Agenda. "We expect LNG to become the dominant interim solution."

At an effective price of $244 per tonne today, an LNG-fuelled very large crude carrier would cost $11,500 daily to run, some $7,732 less than using very low sulphur fuel oil, and $900 below the cost of using marine gasoil.

The high price of biofuels, at more than $1,000 per tonne, made them $34,000 daily more expensive than using VLSFO.

"In the short term, we expect that a substantial proportion of shipping will convert to LNG fuel or other dual fuel options," the report said.

Keppel O&M lands $600m wind vessel order

KEPPEL Offshore & Marine has secured a newbuilding contract worth $600m from Dominion Energy for a wind turbine installation vessel targeted for work on projects along the US east coast.

Construction on the vessel is under way at Keppel AmFELS, which is on the US Gulf coast, the Singapore-based yard group said in a Thursday statement. It will be equipped with a 2,200-tonne main crane with 428 ft of boom length. This means it is capable of handling current and next-generation turbines of 12 MW or larger.

Classified notices follow

FORTH PORTS LIMITED
NOTICE OF INCREASE IN CHARGES
HOUND POINT MARINE TERMINAL

Notice is hereby given that from the first day of January 2021 the charge levied on all ships berthing at the Hound Point Marine Terminal will be as follows:

Charges on ships berthing at the Hound Point Marine Terminal, Firth of Forth:

Ships inward and outward - per call - 50.12p per deadweight tonne

Conditions:
Conditions applicable to charges on ships in the Published Schedule to Port Charges operative from 1st January 2021 shall also apply to all ships berthing at the Hound Point Marine Terminal.

The Secretary, Forth Ports Limited, Prince of Wales Dock,
Leith, Edinburgh EH6 7DX

Port Of Workington Manager

Salary: £57,024 - £59,621

Cumbria County Council has an exciting opportunity for a Port Manager to provide leadership and operational management for the Council owned Port of Workington.

For those looking for a new position, Cumbria has so much to offer. The Port of Workington is strategically located at the mouth of the River Derwent, on the south side of the Solway Firth and at the edge of the beautiful Lake District National Park. There is no better place to work and live.

The ideal candidate will have extensive management experience in a Port (or similar) environment and have strong operational, health and safety and commercial acumen. The Port Manager has overall responsibility for the general management of the port operations and safety, working closely with the Place and Enterprise Team and Commercial Development Lead to maintain the working relationship with existing Port users and proactively attract business. We have ambitious plans for the Port of Workington to become a key centre for growth, technology and innovation within the UK's growing offshore and energy sector to help us achieve a Zero Carbon Cumbria.

The Port Manager reports directly to the Port Duty Holder – the Executive Director for Economy and Infrastructure.

If you are looking for a career that inspires and are ready for a diverse and challenging role, then come and join us here in Cumbria. Please contact Angela Jones, Executive Director Economy and Infrastructure on 07917882992 for more information.

To find out more about this the Port of Workington and about this fantastic opportunity, please watch this short recruitment video:
https://youtu.be/3rO6kc0xpDA

Interview Information

Closing date – 24 December 2020
Interview date – 7 January 2021

Due to the coronavirus, we are operating virtual interviews. This will preferably be undertaken using the Microsoft Teams software, which is currently free for new users, however if there are any issues with accessing this technology, we are happy to discuss alternative arrangements prior to the interviews.

Options will be discussed with candidates once they have been invited to the interview stage of the process, and if you have any concerns or adjustments are needed, we are happy to discuss.

What we can offer you
Cumbria County Council is a modern, vibrant place to work offering a range of staff benefits, including:
*Excellent training and development offers
*Flexible working opportunities
*Opportunity to join the Local Government Pension Scheme
*Various perks and discounts schemes, including money off your phone contract and local gyms
*Competitive rates of pay

'Like' Cumbria County Council Jobs on facebook to keep up to date with the latest job searching tips, news and opportunities.

Looking to publish a judicial sale, public notice, court orders and recruitment?

For EMEA please contact **Maxwell Harvey on +44 (0) 20 7017 5752**
or E-mail: maxwell.harvey@informa.com
For APAC contact **Arundhati Saha - Mobile: +65 9088 3628**
Email: Arundhati.Saha@informa.com

Lloyd's List
Maritime intelligence | informa

VIRTUAL EDITION

GREEK SHIPPING AWARDS 2020

CONGRATULATIONS TO ALL OUR WINNERS!

Dry Cargo Company of the Year **Atlantic Bulk Carriers**
Shipbroker of the Year **Seaborne Shipbrokers**
International Personality of the Year **Guy Platten**
Next Generation Shipping Award **Suzanna Laskaridis**
Shipping Financier of the Year **Alpha Bank**
Passenger Line of the Year **Attica Group**
Technical Achievement Award **Psyctotherm**
The Safety Award **Venlys Maritime Specialisation Services**
Seafarer of the Year **Capt. Apostolos Apostolakis**
Piraeus International Centre Award **Onex Shipyards**
Achievement in Education or Training **National Technical University, Athens**
Tanker Company of the Year **Okeanis Eco Tankers**
Ship of the Year **"Excelerate Sequoia"**
Greek Shipping Newsmaker of the Year **Michalis Sakellis**
Lloyd's List Intelligence Big Data Award **Metis Cyberspace Technology**
The Sustainability Award **Typhoon Project**
Lloyd's List/Propeller Club Lifetime Achievement Award **Athanasios Martinos**
Greek Shipping Personality of the Year **Anna Angelicoussi**

Thank you to all our Viewers, Sponsors, Supporting Organisations and Members of the Judging Panel for your contribution to the success of the ***17th Annual Greek Shipping Awards.***

Event Sponsor:
ClassNK

Champagne Toast Sponsor:

Welcome Reception Sponsor

ExxonMobil

RIGHTSHIP

MARICHEM WORLDWIDE M MARIGASES SERVICES

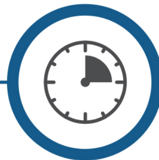
UK Ship Register

Container Tracker

Save time. Stay compliant.

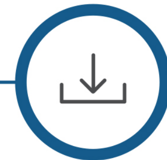
Track containers, not just ships

Simplify transhipment tracking with end-to-end downloadable data trails on containers – by container number or Bill of Lading.



Complete checks in minutes, not hours

Save time, with all the data you need in one interface, supported by tracking intelligence from over 600 Lloyd's agents worldwide.



Download the evidence

Downloadable reports ensure you have the necessary documentation to prove compliance, including specific end-to-end transhipment reports and more.

Request a demo:
America Tel: +1 212-520-2747
EMEA Tel: +44 20 7017 5392
APAC Tel: +65 6505 2084
lloydslistintelligence.com/containertracker