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MSC urges solution to crew-change problem off China coast



MEDITERRANEAN SHIPPING CO is seeking an urgent crew-change solution for a bulker which has been stuck off the coast of northern China since August.

MSC said it has brought the matter of the 2012-built, Panama-flagged *Anastasia* (IMO: 9625970) to the attention of the International Maritime Organization and other international governmental and industry bodies.

The bulker is currently on charter to a commercial operator.

"MSC has already shared information with various authorities and encourages governments to take an interest in forging a solution to this growing humanitarian problem, not only for seafarers on board the *Anastasia*, but also on dozens of other non-MSC vessels in the area which we understand to be stuck in a similar situation due to trade issues between China and Australia," the company said in a press release.

The 92,214 dwt MSC-owned bulk carrier *Anastasia* is among dozens of ships anchored near the port of Caofeidian, after being caught in the ongoing trade spat between Australia and China

China's ban on Australian coal, which has left at least 38 bulkers stranded, has exacerbated the current coronavirus-led crew change crisis and MSC said many of the crew have been at sea for several months longer than was initially anticipated.

MSC noted that it has repeatedly requested during the ship's voyage that the seafarers on board should be relieved but these proposals

have not yet been implemented by the chartering parties which determine the ship's movements.

In addition, China has also prohibited crew changes at Chinese ports due to Covid-19 restrictions and MSC's mid-December requests for a crew change at anchorage or in Japan, a few days sailing away, have not been carried out.

MSC said it first attempted crew change in Hong Kong in June 2020. A subsequent attempt in early August to change crew in Hong Kong was prohibited due to local authorities' Covid-19 restrictions.

Japanese authorities later in August approved the vessel to berth at Mitusure Island in Japan, but the request was not implemented. During the

period August to December, further attempts to permit a crew change in Manila, Hong Kong, Singapore and Busan were also refused, including as recently as December 17, 2020 after MSC suggested a potential deviation to Japan for crew change.

MSC said it was deeply concerned that none of these solutions had worked so far, pointing out that as the vessel's technical operator it cannot order voyage deviations on its own.

"As the technical operator of the ship, MSC is very concerned for the wellbeing of these sailors and is in regular contact with them, and with their families ashore, as well as supplying a clinical psychologist for remote support," MSC said.

IMO condemns 'no crew change' clauses in charterparties

CERTAIN charterers are demanding the inclusion of "no crew change" clauses in charterparties, which means no crew changes can occur whilst the charterer's cargo is on board the vessel.

The International Maritime Organization's Seafarer Crisis Action Team said it has been made aware of such additions to employment agreements in recent weeks, while the International Maritime Employers' Council highlighted the issue in late October.

The IMO said in a statement that such clauses undermine efforts undertaken to solve the crewchange crisis, which is now in its 10th month.

Hundreds of thousands of seafarers remain on board ships well beyond the expiration of their seafarer employment agreements; some are not being paid and all are unable to be repatriated.

A similar number remain unable to join ships, unable to begin their contracts and work to support their families, the IMO said.

"As a matter of safety and corporate social responsibility, we call upon all charterers to refrain from requesting to include such clauses in charterparties, and we further call upon shipowners

and operators to reject them if they are demanded. Alternative contractual clauses that allow for crew changes during the pandemic are available and should be utilised," the IMO said.

Such clauses also go against the urgent calls recently made by the United Nations General Assembly, the Maritime Safety Committee and the ILO Governing Body to designate seafarers as key workers.

The IMO added that they exacerbate the mental and physical fatigue among exhausted seafarers, undermine compliance with the provisions of the Maritime Labour Convention 2006, and further threatens the safety of navigation.

Dry bulk owners' group Intercargo has previously criticised the practice of adding "no crew change" clauses into charterparties, while some member states and international organizations made statements at the recent 107th session of the IMO's Legal Committee.

Some 45 IMO members have now classed seafarers as key workers. Lloyd's List recently named The Seafarer as number one in its Top 100 most influential people in shipping list for 2020.

WHAT TO WATCH

France cuts links to UK ports over mutant coronavirus concerns

THE UK government is to hold an emergency meeting after several European countries banned the flow of freight in and out of Britain.

The move, instigated by France on Sunday and due to last 48 hours, is due to concerns over a new strain of coronavirus that has particularly affected London and the southeast region where cross-Channel ports are located.

An estimated 10,000 trucks normally cross the Channel daily in the run-up to Christmas.

Within hours of France closing its border to passengers and freight traffic, countries including Germany, Italy, the Netherlands, Austria, Switzerland, the Irish Republic and Belgium cut all travel connections.

The port of Dover, the UK's largest ro-ro port, said accompanied freight and passengers should not travel to the port due to the travel restrictions.

"Accompanied freight and passenger customers are asked not to travel to the port," it said in a statement. "Unaccompanied traffic continues to be allowed into France.

"All traffic into the UK is currently unaffected by those restrictions (subject to pre-existing travel constraints for tourists) but please check with ferry operators regarding their sailings."

Eurotunnel said it had closed its terminal at Folkestone to freight and passenger traffic.

UK Transport Secretary Grant Shapps toured television news studios on Monday to reassure the public that talks were being held to get the ban on freight traffic lifted.

Mr Shapps said his French counterpart Jean-Baptiste Djebbari is "very, very anxious to get this resolved".

"Not least actually because it is a lot of French and European lorry drivers who are the ones who are stuck as they sell us more stuff than we sell to them."

He said the blockade would not affect coronavirus vaccine supplies.

"The vaccine wasn't coming in through the roll on, roll off – precious few lorries had brought it in that way," he said. "It comes via containers and the container traffic isn't affected at all, so this isn't an issue with the vaccine at all and indeed will never be an issue for medicines regardless because we have freight contingencies in place."

EU member states were holding a crisis management meeting to find a common policy approach towards the UK in light of the new variant.

The Port of Dover did not immediately respond to requests for comment.

Stena Line has said its ro-ro services from the UK to Ireland and the Netherlands are affected by the measures, but freight transport services are unaffected by the restrictions.

ANALYSIS

Hapag-Lloyd chief sees extra inventory as protection against supply chain shocks

SUPPLY chains could benefit from higher levels of inventory to protect them against future shocks, according to Hapag-Lloyd chief executive Rolf Habben Jansen.

The head of the world's fifth-largest carrier told a webinar that the coronavirus pandemic has shown

longer time horizons than just a few weeks in decision-making would benefit supply chains stakeholders.

The containership market today is under very strong demand pressures and the very high spot rates have been compounded by port congestion and box shortages. Mr Habben Jansen said the push by customers to slash inventories at the start of the pandemic in March made sense as a cost cutting exercise when demand was falling. But it has also proven to be one one of the root causes of why there is so much supply pressure today with the demand resurgence.

After the steep decline in the first months of the pandemic, global demand bounced back over the summer and especially over the past three to four months has shown "unprecedented and enormously quick and strong rebound" that caught people by surprise and caused difficulties in the supply chains, said Mr Habben Jansen.

That abrupt change has shown that having a little bit of inventory in the supply chain is not such a bad idea, he said, as it could smoothen the landing.

"Because it just gives you a lot more time and room to react rather than being in a situation where everything is very tight," he said.

Mr Habben Jansen said that despite efforts to add boxes and more ships sailed in the market, it has been difficult to satisfy demand.

Drewry recently concluded that the ongoing shortage in containers has come down to operational circumstances rather than a lack of equipment, stemming back to the spring's unprecedented blank sailings by carriers.

With this overwhelming blank sailings policy earlier in the year and carriers recording billions of dollars in profits amid a pandemic, the companies have come under criticism and tighter scrutiny.

Mr Habben Jansen refuted the notion that companies are being greedy, but he did acknowledge that this will be the first year in a decade that Hapag-Lloyd will earn back its cost of capital.

"It is also true that the spot rates we see are very, very high on many trades," he said.

That is why Hapag-Lloyd is exploring longer term agreements with some of its customers.

The massive blank sailings undertaken at the start of the pandemic were about cost-management, he said. Within 10 days between March and April, Hapag-Lloyd's volumes were dropping by 20%, which meant a decline in \$6-\$7m revenues per day, forcing the company to take ships out of the market.

"I think it was a matter of survival more than anything else," Mr Habben Jansen said.

Looking ahead, the Hapag-Lloyd chief executive said that high rates could last until sometime into the second quarter because of continual port congestion and because of efforts in Asia to continue production throughout the Chinese New Year.

"But to be honest, I also don't know. We've all been proven wrong many times in the last months," he said.

MARKETS

Scorpio bids farewell to bulkers with writedowns

SCORPIO Bulkers will finally be exiting the dry cargo space with the sale of its remaining vessels next year.

Following the recent sales of vessels, the company's board of directors has authorised, as part of its transition to a sustainable future, the sale of its remaining bulkers and "exit the dry bulk sector during 2021", Scorpio said in a statement.

The company expects to record a writedown from \$475m-\$500m on vessels sold and those held for sale.

The estimated writedown includes non-cash charges of \$425m-\$440m to "reflect the current fair market value" of the fleet and \$50m-\$60m of estimated cash charges, which include \$34m-\$36m for the termination of various vessel-related agreements, as well as other selling costs, it added.

Scorpio, which expects to write off about \$10m of deferred financing costs as outstanding debt is repaid, is also "ending its relationship" with Scorpio Commercial Management and Scorpio Ship Management, which have provided commercial and technical management to its fleet.

A name change will be announced on or before January 8.

The company said in August it was shifting its focus to the offshore wind sector. It signed a letter of intent for a new wind turbine installation vessel, which is expected to be delivered in 2023 from Daewoo Shipbuilding & Marine Engineering in South Korea.

Since the announcement, it has sold or agreed to sell 24 bulkers. That is about half its fleet.

Most recently, the company agreed to sell the 2016-built kamsarmax *SBI Zumba* (IMO: 9728629) for about \$20m, and the 2015-built ultramax *SBI Aries* (IMO: 9699270) for about \$16.5m. Both vessels will be delivered to new owners in the first quarter of 2021.

That leaves Scorpio with an owned fleet of 25 bulkers consisting of seven kamsarmaxes and 18 ultramaxes, which are expected to be sold in the first half of 2021.

IN OTHER NEWS

Safe Bulkers clinches post-panamax newbuild

SAFE Bulkers, the Cyprus- and Greece-based dry bulk carrier owner, has clinched a deal for a post-panamax newbuilding for construction by a Japanese builder.

The acquisition is the second newbuilding deal for the company in a matter of weeks after a kamsarmax it sealed, also at a Japanese shipyard, in October.

Safe, which has built up strong liquidity for itself, last month said that it is looking to renew its fleet with modern designs that satisfy new environmental requirements.

New Capital Maritime boxship order may top \$600m

CAPITAL Maritime, the Greecebased owner led by Evangelos Marinakis, has placed an order for 13,000 teu containerships at the Hyundai Heavy Industries Group.

The contract includes four firm vessels for delivery in the third quarter of 2022, and options for two more.

It is understood that the agreed price for each vessel is about \$100m and this could increase if Capital exercises a contractual option to configure the vessels to use liquefied natural gas as a fuel.

SITC orders six more boxships from Yangzijiang Shipbuilding

HONG Kong-listed regional container shipping specialist SITC has exercised options with Singapore-listed Yangzijiang Shipbuilding for half a dozen more feeder container ships.

The shipbuilding agreement calls for the series of 2,600 teu newbuildings to be delivered from 2022 to 2023, Yangzijiang said in a stock exchange filing on Monday.

This agreement extends SITC's options for four identical vessels to be exercised in two batches.

Wakashio owner drafts accident prevention plan

NAGASHIKI Shipping, the Japanese owner of the capesize carrier that grounded on a coral reef off eastern Mauritius in July, has implemented a "prevention plan" to avoid future casualties.

"We have reviewed our efforts to ensure safety operation based on the probable cause, not only on the vessel's side, but also shore-side support, including the management system of the shipowner and ship management company," it said in a statement.

Mitsui OSK Lines, the Japanese shipping company that chartered the 203,130 dwt Wakashio (IMO: 9337119, has said it is investing the equivalent of about \$5m in stepping up internal safety measures to ensure no such incident happened again.

Class association changes governance rules

THE International Association of Classification Societies is revamping its governance structure and decision-making procedures in an effort to modernise its operations.

The body comprised of 12 of the largest classification societies will change its fixed rotation policy for its leadership and instead move to an elections-based model starting next year.

Until now, the IACS Council chair rotated every year among the 12 class societies. The new method will see the chair elected for two-year terms with a possibility for further renewal.

BWs dual-fuelled LPG carrier involved in collision off Panama

BW LPG's first dual-fuelled liquefied petroleum carrier, BW Gemini (IMO 9703007), was involved in a collision with another vessel off the Panama Canal.

Lloyd's List understands that BW Gemini collided with another LPG carrier, Sunny Bright (IMO 9287948), off the Atlantic entrance to the Panama Canal at

the weekend. Both tankers are bound for the Pacific.

According to Lloyd's List Intelligence vessel movement data, both the vessels are anchored off Cristobal following the incident.

Classified notices follow



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