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## UK's Britannia Club to redomicile in Luxembourg due to Brexit



THE BRITANNIA P&I Club, based in Britain since its inception as the world's first mutual insurer of sailing ships in 1855, is set to legally redomicile in Luxembourg as a result of Brexit.

While the centre of operations will remain in London and there will be no job losses, customers will not see any difference to services, chief operating officer Philip Whittaker said in an interview.

The move, at a cost of over £1m (\$1.4m), comes after the International Group affiliate earlier established a subsidiary in the Grand Duchy to overcome the loss of so-called 'passporting rights' for UK financial services outfits, after previously considering doing so in the Netherlands.

Several of its peers also set up shop in various European Union jurisdictions for Brexit-related reasons, with Standard and North choosing Dublin, the UK Club Rotterdam, and the London Club opting for Cyprus.

Mr Whittaker said that factors in Luxembourg's favour included the location, which offers ready access to adjoining countries, and regulatory authorities already familiar with the workings of P&I.

However, opening up in Luxembourg ultimately involved a restructuring of the business, and the club is now applying to the High Court for a so-called 'Part VII transfer' under the Financial Services and Markets Acts 2000, giving legal sanction to the transfer of insurance business to an EU jurisdiction.

“We needed a solution to our Brexit problems, as European clients are about 30% of our book,” he said. “Our original structure envisaged a UK insurer and a European insurer. When we implemented that structure two years ago, we realised that it had inbuilt inefficiencies in terms of duplication, multiple regulation and capital.

“So we decided to do a ‘lift and drop’ and move the whole thing from the UK to Luxembourg.”

Most business will still be written in London, which remains the centre of gravity for the marine insurance market, especially in terms of brokers, he added.

Legal formalities are expected to be completed by the end of January, and the bill for process is expected to top seven figures.

“Clearly we would not be redomiciling our business if it were not for Brexit,” he said. “It has been an unwelcome diversion and an unwelcome cost.”

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## WHAT TO WATCH:

# Scrubber economics improve for newbuilds

SCRUBBER economics are shaping up in favour of investments for newbuildings rather than vessels in operation even as the fuel oil price spread moves in support of applying the abatement technology.

By one estimate from a bunkering expert, the cost of installing a scrubber on a newbuilding comes up to approximately two-thirds that of retrofitting on an existing vessel.

Adrian Tolson, director of Blue Insight, further suggested with this estimate, that scrubber investments will break even sooner for newbuildings.

Scrubbers can take longer to install on board vessels that have entered into operation.

The time taken for retrofits has also increased since the coronavirus backdrop hit operations at shipyards around the world.

Scrubber retrofits now take 50 to 60 days to complete, up from 30 days at the end of 2018, according to DNV.

The number of vessels undergoing retrofits has however, plunged to just 31 to date, declining consistently from a peak of more than 300 at the start of the past year, data furnished by the class society showed.

Still, the abatement technology remains highly attractive for newbuilding projects, particularly among container players.

Cosco, Evergreen and Mediterranean Shipping Co are three major container lines expected to order more scrubbers to go with new ship orders being placed at yards.

Mr Tolson highlighted one indicator backing scrubber investments.

The price spread between 0.5% sulphur fuel oil, or very low sulphur fuel oil, and 3.5% sulphur fuel oil, or high-sulphur fuel oil, has widened from a low of \$50 per tonne seen late in the past year.

“At \$50 per tonne, shipowners can expect to break even on a scrubber retrofit in five to six years. The payback will be shorter for newbuildings.

“That will justify scrubber investments for newbuildings, but of course most decisions were made with the assumption that the spread would widen quickly.”

A rebound in VLSFO prices since the height of the pandemic has contributed to the widening spread.

Taking in the forward curve from the futures market, Mr Tolson expects the spread to trend in the low to mid-\$100s.

Scrubber-fitted ships made up 31.2% of the shipbuilding order book as of November, Clarksons Research data showed.

# Alternative financing landscape seen improving for smaller owners

THE alternative financing landscape has improved for small to medium-sized shipowners, an online industry event heard.

With 50%-60% of ships belonging to this group of owners, alternative lenders have a role to play in the industry, according to the discussion organised by Mare Forum.

Owners not big enough to attract funding from traditional banks, some of which have retreated in recent years, can tap into the alternative financing scene even during weak freight markets.

George Gourdomichalis, managing director at Phoenix Shipping & Trading, said “doors have opened up” over the last 18 months.

“Alternative lenders are becoming more aggressive,” he said, adding that since “money is cheap these days” they can enjoy good margins.

While these lenders are more expensive than traditional banks, they are more flexible on payments.

Smaller owners have had access to capital from three sources; traditional banks in Germany, Greece, and Cyprus, through an existing relationship; through an established group of alternative financiers; or from lenders on a path to growth through a sporadic or situation-specific basis, according to Stefanos Fragos, a senior representative at YieldStreet.

Banks have been burdened by increasing regulation and compliance, which has paved the way for alternative lenders.

Owners do not mind paying extra to start with, as they can refinance at a later stage, according to Marina Tzoutzouraki, partner at Dagmar Navigation, who is also co-founder of the eShipfinance platform,

For a relative newcomer such as Thanasis Kossidas, chief executive of Aerio Shipmanagement, the main obstacle for classic bank lending was that he had no

track record, and alternative financing was his only option.

The ambition is to grow, and attract mainstream lenders, he said.

Consolidation was not really happening in the shipping industry, though, and institutional investors such as pension or insurance funds showed little interest in getting directly involved.

Credit ratings agencies could take more interest in shipping and help in this regard, but they are more focused on credit rather than assets, according to Stephen Majeski, managing director at Hayfin Capital Management. Institutional investors will come if the money is managed and deployed correctly, he said.

“I believe investors are not in love with shipping,” said Tobias Backer from Fleetscape Capital. “Shipping is only a small portion of their investment portfolio.”

Having a green agenda is also becoming more critical.

The Nordic region has a different approach to risk than the traditional banks which tout “flight to quality” as meaning size matters, said Wilhelm Christian Magelssen, partner at NRP Maritime Asset Management.

It is about lending to the right assets, he said, highlighting panamax and supramaxes in the dry bulk sector, and handysizes and medium range tankers, plus feeders in the container sector, which are all transparent markets.

In addition, it is about lending to the right borrower, who has a good Port State Control record, pays insurance, and has a sound reputation, he said. Some medium-sized shipowners have “a better track record” as they are the second or third generation in a family-run business.

“It just needs the right capital structure to handle the low part of the cycle.”

# Hapag-Lloyd drops west coast call as congestion continues

HAPAG-Lloyd is dropping one of its calls to Long Beach due to the ongoing congestion problem faced by the US west coast port.

The carrier's Mediterranean Pacific Service, which connects ports in the western Mediterranean to Long Beach, Oakland and Seattle on the west coast via the Panama Canal, will no longer make a backhaul call at Long Beach.

"Due to the severe delays that all carriers are currently facing on the US west coast in Californian ports, we regret but have to take precautionary measures to maintain the schedule integrity of the MPS service," Hapag-Lloyd told customers. "It has therefore been decided to structurally omit the current eastbound calls at Long Beach and load the export cargoes on the westbound call already."

The measure would remain in force until further notice until the situation in Californian ports was resolved, it added.

The Hamburg-based carrier warned that delays were to be expected across its North American operations.

Terminals in San Pedro Bay continued to be congested due to the spike in import volumes, which is expected to last until February 2021, it said.

"Moreover, terminals are working with limited labour and coronavirus-related split shifts," the line said. "This labour shortages affects all terminals' turn-around-times for truckers, inter-terminal transfers, the number of daily appointments available for gate transactions and generates delays in our vessel operations."

Figures from the Marine Exchange of Southern California, the San Pedro Bay vessel traffic service, show the number of ships waiting at anchor for berths remains high this week.

As of January 13, there were 32 containerships comprising 263,000 teu at anchor, 11 of which are more than 10,000 teu. Two of the boxships are operated by Hapag-Lloyd.

While the figures are down slightly from the record levels set in the past week, there are only four vacant anchoring slots in the Huntingdon contingency anchorage.

With another 21 vessels due to arrive over the next three days and only 18 scheduled to move to berths, pressure on the anchorage would remain high, the Marine Exchange of Southern California said.

Hapag-Lloyd warned that it was not just the west coast that was suffering delays.

In New York/New Jersey, berth congestion at Maher Terminal and APM Terminals is affecting services, with delays of several days being experienced.

"Increased dwell times for import volumes, and large inventories of empty containers continue to impact operations at all terminals," it said.

The carrier's 4,115 teu Dublin Express (IMO: 9232577) is being held at anchor off New York due to a crew member testing positive for coronavirus.

"Pilots require all crew members be tested before they will board to bring vessel to dock," Hapag-Lloyd said. "The earliest possible docking is currently projected as January 12."

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## ANALYSIS:

# War risk underwriters eye Red Sea rates after Houthi attacks

WAR risk insurers are reassessing rates for vessels transiting the Red Sea following two recent attacks on shipping at Saudi terminals thought to be the work of Yemen's Iranian-backed Houthi insurgents.

The development comes after the US Maritime Administration issued an advisory for most of the Middle East flagging what it described as threats to commercial vessels emanating from Iran and its proxies.

Most underwriters appear to be monitoring the situation, although there have been media reports of increases in rates from about 0.012% of hull value in December to 0.015% now.

The alleged Houthi attacks on Saudi Red Sea ports is being viewed as a terrorist or paramilitary threat rather than piracy, and come within the scope of standard annual war risk cover.

“If you were asking me for a quote, I’d be saying about 0.012% for Red Sea ports in Saudi Arabia,” said one underwriter. “That is probably an accurate reflection of where it is at the moment. We have not moved our rates as yet, although there are rumours of others doing so.”

Rates for ports on the eastern coast of Saudi Arabia, which is the Gulf proper, are significantly higher, at 0.25% for seven days.

That compares to a brief spike as high as 0.8% for British flag tankers following the Iranian seizure of *Stena Impero* in 2019, adding hundreds of

## US blacklisting of Yemeni rebels risks maritime safety

BRANDING Yemen’s Houthi rebels as terrorists is unlikely to make the region safer for shipping, according to maritime security advisers.

But it is not clear whether the incoming US administration can or will reverse the move announced this week by Secretary of State Mike Pompeo.

Observers said the political move would likely antagonise the Houthis, who rule the most populous parts of Yemen, but make it harder for aid groups to help feed starving Yemenis.

It comes as Saudi Arabia, which has fought the Iran-backed Houthis for nearly six years, has blamed them for several explosions on vessels. Insurers are watching the region amid reports that the terrorist designation could provoke more attacks and rates could rise.

There are also concerns the move could imperil the fragile negotiations between the Houthis and those trying to remove the threat of an oil spill from the “floating bomb” tanker *Safer* (IMO: 7376472) in the Red Sea.

thousands of dollars to the cost of a single transit.

There is also a ‘halfway house’, with rates for Oman tending towards 0.025%, the underwriter said, which is deemed to be an intermediate risk, and thus a bit cheaper.

“The dividing line is 58° east. Once you get into the Gulf and the UAE and Saudi Arabia, you’re being hit with between 0.020 and 0.25%.”

The big question now is whether there will be any further attacks.

“People are watching it carefully. There have been enough of these incidents now to say that there’s a pattern emerging, and there have been landside problems with attacks over the Yemeni border.

“Underwriters are aware this is becoming a febrile and dangerous area. If there were another case, you would see some movement in the market. It’s only going to take one more.”

Andreas Krieg, a security analyst at King’s College London, said further excluding and delegitimising the Houthis would not make them keener to negotiate.

“The Houthis are very much driven by an inferiority complex and I am convinced that the group could have been appeased had they been credibly integrated in the post-revolutionary process of state and nation building,” he said.

“While they have committed atrocities and are far from an accountable political actor in Yemen, they still govern large parts of the country with varying degrees of public legitimacy.”

James Spencer, an independent security analyst specialising in the Middle East, said the Houthis were one faction in a multi-faction civil war.

He said the designation was a political play for Donald Trump’s pro-Saudi, pro-Israel, and anti-Iran voting base by Mr Pompeo.

It could also make Iran talks harder for Joe Biden, since it comes into effect the day before he is sworn

in as president, and reversing it could invite claims he is “soft on terrorism”.

But Mr Spencer said the designation would make “almost no difference” in security terms for the Houthis, who controlled most of Yemen’s vast weapons stocks and were partly supplied by Iran, already heavily sanctioned. Worsening hunger could drive more Yemenis to fight against the US, he said.

He added that Mr Pompeo’s proposed exemptions, even if enacted in time, were not enough to reassure private food shippers they were safe from Office of Foreign Assets Control sanctions, so companies would simply avoid shipping food to Yemen. “Children are already dying of hunger,” he said. “This will make it much worse.”

Dr Krieg said Mr Biden could start the process to reverse the designation, but that would require an executive order he was unlikely to use.

“Executive orders have been used excessively for questionable ends by the Trump administration and have undermined the legitimacy of the political process,” he said.

Yemen was also not that high up Mr Biden’s to-do list, with domestic policy and the Asia Pacific likely more pressing, he said.

Mr Spencer said there could be enough congressional will to reverse the decision if Mr Biden had the legislative time, pointing to reports his new defence secretary, Lloyd Austin, opposes the Saudi intervention in Yemen.

Ian Ralby, chief executive of security consultancy I.R. Consilium, said the decision could not be reversed quickly even if Mr Biden wanted to.

“At this point, if Mr Biden and his team want to do something to prevent the spill of the Safer or mitigate its impact, it will have to do so within the heavy constraints created by Mr Pompeo and the Trump administration,” he said.

“It is a very sad situation, and I fear that it is just a matter of time before ‘no one could have seen this coming’ becomes the narrative surrounding a catastrophic environmental and humanitarian disaster.”

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## MARKETS:

# China faces US and UK imports backlash over forced labour links

NEW measures have been announced by the US and UK aimed at stemming imports from China suspected of being produced using forced labour.

British companies doing business in China will face fines if they fail to show their products are not linked to forced labour in the Xinjiang Uyghur Autonomous Region, the UK government announced this week.

In the US, customs officials will be able to detain cotton products and tomato products produced in the region, the Department of Homeland Security said.

The import bans cover the entire supply chains for cotton, from yarn to textiles and apparel, as well as tomatoes, and tomato paste.

The Department of Homeland Security issued a Withhold Release Order against cotton products and tomato products produced in Xinjiang based on information that “reasonably indicates” the use of

detainee or prison labour and situations of forced labour.

The US department’s Customs and Border Protection unit told Lloyd’s List that “the majority of imported cotton products and tomato products from the Xinjiang region enter the United States in the maritime environment. These imports arrive directly from China and also indirectly via third countries”.

The order does not name individual companies, reflecting a broader ban on entire regions and countries backed by recent Congressional legislation.

The US announcement followed a UK government warning that British businesses could face fines for failing to ensure their supply chains are free of slave labour.

Foreign Secretary Dominic Raab this week criticised China over mounting evidence of

widespread human rights abuses and said the UK had a “moral duty” to respond to the “far-reaching” evidence of human rights abuses being perpetrated in Xinjiang.

He said the Chinese government has detained more than 1m Uighur Muslims in Xinjiang and sent many to factories as forced labour, calling it “barbarism we had hoped was lost to another era”.

Mr Raab said the measures he announced would send a “clear message” that human rights violations were “unacceptable”.

“Our aim, put simply, is that no company that profits from forced labour in Xinjiang can do business in the UK and no UK business is involved in their supply chains.”

UK companies that do not meet their statutory obligations to publish annual modern slavery statements under the 2015 Modern Slavery Act could face financial penalties, the government said.

Companies with an annual turnover of more than £36m are required by the law to show that their supply chains are free of slave labour.

The government will also produce “robust” guidance for UK businesses, highlighting the risks of sourcing from Xinjiang and the difficulties of conducting effective due diligence within the region.

Additionally, Mr Raab said the UK government will ensure public procurement rules exclude any suppliers found to have links to human rights violations, which will include a specific review of export controls relating to Xinjiang.

The actions taken in the UK and US follow recent media and government reports linking major brand name firms with entities in China that source goods and raw materials from Xinjiang.

In December, the US Congress passed the bipartisan Uyghur Forced Labor Prevention Act, which assumes that all goods manufactured in Xinjiang are made with forced labour and therefore banned under the 1930 Smoot-Hawley Tariff Act, unless the US Customs and Border Protection commissioner certifies otherwise.

## China imports record iron ore and coal in 2020

CHINESE iron ore imports surged to a record 1.17bn tonnes in 2020 as the economy was boosted by

The US imports about \$9bn worth of cotton from China each year, underlying a ban that could have a considerable impact as Xinjiang produces most of China’s cotton.

China’s National Statistics Bureau estimated 2019 to 2020 cotton production in Xinjiang at 5m tonnes, accounting for 85% of the national total. In 2020 to 2021, Xinjiang’s production share is expected to exceed 85% of China’s total.

US imports of tomatoes and tomato-related products are considerably less than cotton at around \$10m a year, according to Customs and Border Protection, but such importers as Campbell Soup Company and Kraft Heinz Company could still be affected.

In March 2020, a US Congressional report identified some 20 firms as sourcing such goods, including Adidas, Calvin Klein, Coca Cola Company, Costco, Espirit, H&M, Kraft Heinz Company, Nike, Patagonia, and Tommy Hilfiger.

The Department of State issued an advisory to caution businesses about the risks of supply chain links to entities that engage in human rights abuses, including forced labour in Xinjiang and elsewhere in China.

Customs and Border Protection has previously detained shipments of goods at US ports made by forced labour in Xinjiang under other Withhold Release Orders.

A 13-tonne shipment of hair products suspected to have been made by forced labour in Xinjiang was detained at Port of New York/Newark last July. In September, customs at the ports of Los Angeles and Long Beach held a shipment of women’s leather gloves.

A Withhold Release Order issued in November for cotton has resulted in 43 shipments valued at more than \$2m being detained.

Ken Cuccinelli, acting deputy secretary of Homeland Security, took to Twitter this week to say the agency will not tolerate forced labour of any kind in US supply chains and will prevent goods made by forced labour from entering the US, while demanding that China stops “their human rights violations”.

infrastructure spending, bolstering economic growth that suffered amid the coronavirus outbreak.

According to data from the General Administration of Customs, iron ore imports rose 9.5% year on year as increased seaborne supply displaced higher-cost production from mines in China.

Beijing imported 1.07bn tonnes of the steel-making raw material in 2019.

However, imports fell 4.5% on year in December, to 96.75m tonnes, amid surging iron ore prices.

Meanwhile, the key driver for the softness in the dry bulk market – coal – also registered growth in demand during 2020, despite China's ban on Australian coal products.

Chinese coal imports for 2020 were recorded at 303.99m tonnes, up about 1.5% from a year ago, customs data showed.

Coal shipments were 39.08m tonnes in the past month, an increase of 232.3% from 11.76m tonnes in November and up from only 2.77m tonnes in December 2019.

According to Chinese media, the country's top economic planner had granted approval to power plants to import coal without clearance restrictions, except for Australia, which accounts for about 40% of Chinese imports. A diplomatic row between China and Australia about national

## Higher Chinese corn imports boost panamax bulkers

CHINA'S corn imports are buoying the panamax bulker market amid a surge in animal feed demand combined with lower-than-anticipated domestic supply.

US corn producers have been the main beneficiaries of China's appetite for corn imports, but shipments surged from other exporters such as Ukraine, Argentina and Brazil, which resulted in an increase in tonne-mile demand for the segment.

Corn shipments to the giant Asian consumer, which is likely to overtake Japan as the largest importer, jumped to a record because the domestic hog population in China rebounded faster than expected from African swine fever.

China's livestock feed needs declined in late 2018 through 2019 as African swine fever swept through its hog herd.

security has led to a crash in coal shipments from the country.

China is the world's biggest coal importer, while India ranks second.

The increase in Chinese imports means that the tonne-mile demand from these accounted for 48.5% of total dry bulk tonne-miles in 2020, up from 44.7% in 2019, according to shipping association BIMCO. In comparison, when measured in tonnes, China's share has risen from 32.8% in 2019 to 34.9% in the past year.

The strong growth in Chinese imports has, however, not been enough to make up for the fall in imports by the rest of the world when measured in tonnes.

On average, imports to China sailed 1.8 times further than those to the rest of the world. These longer distances meant that when measured in tonne-miles rather than tonnes, growth in China was more than enough to make up for the fall in the rest of the world, it added.

BIMCO's chief shipping analyst Peter Sand expects China to continue to increase its dominance, although growth is likely to be more focused on private consumption rather than the infrastructure-focused stimulus measures of the past year, somewhat dampening dry bulk imports.

But around April last year, the country's corn prices began to rise because of shrinking stockpiles, leading to grain buyers buying alternatives such as rice and wheat, as well as boosting corn imports.

China's Ministry of Agriculture and Rural Affairs' October China agricultural supply and demand estimates indicated that the country has had a corn supply gap for the past several years, which has been met with auctions from reserves.

From May to September last year, the Ministry of Agriculture and Rural Affairs auctioned off 57m tonnes of reserves. The final auction was held on September 13, with no further auctions planned until spring.

With tight reserves, the US Department of Agriculture believes that substantial corn imports



will be necessary to meet demand while also controlling further price increases and maintaining stocks throughout 2021.

“China had a decent domestic production of corn in 2020 and have, according to official data, the largest stock of corn in the world,” according to Danish grains consultancy BullPositions managing director Jesper Buhl.

“But domestic consumption increased to record levels and — despite the apparent massive amounts of corn on stock — the domestic price of corn and other feed stuff increased dramatically and the demand for imported corn started to surge.”

Customs data shows that from January to November last year, imports more than doubled to 9.04m

tonnes, up 122.7% year on year. In November alone, China imported 1.3m tonnes of corn.

The US Department of Agriculture forecasts corn shipments to jump to 22m tonnes, which will be imported for the 2020-21 marketing year, providing further employment to dry bulk carriers.

Meanwhile, to meet its domestic demand, China’s Ministry of Agriculture and Rural Affairs approved two genetically modified corn varieties for import earlier this week.

“I guess that the decision to allow genetically modified corn is primarily to enlarge the pool of possible import sources, in an effort to reduce the supply crunch and cool down prices,” said Ralph Leszczynski, head of research at brokerage Banchemo Costa.

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## IN OTHER NEWS:

### **Ocean Alliance adds capacity for expanded network**

CARRIERS in the Ocean Alliance will increase the amount of capacity deployed in the vessel sharing agreement to 4.1m teu when it launches its ‘Day 5’ product in April.

The move will mark the fifth anniversary of the alliance, which launched in 2017 with 3.5m teu deployed across 350 containerships.

The partners — CMA CGM, Cosco, Evergreen and OOCL — will now use just 333 vessels for the 39 different routes it will serve, meaning the average capacity has risen from 10,000 teu to over 12,000 teu.

### **Odjell targets green investors with shipping’s first sustainability-linked bond**

ODFJELL, the chemical tanker owner, said it is issuing a Nkr850m (\$100m) sustainability-linked bond, claiming an industry first.

The Oslo-listed company, which had been considering the move,

said the bond will mature in January 2025 with a coupon of three-month Norwegian interbank offered rate plus 5.75% per annum with quarterly interest payments.

“The issue was substantially oversubscribed. The redemption price is linked to the company’s ambition to reduce carbon intensity of its controlled fleet by 50% by 2030 compared with the 2008 level,” it said.

### **Alibaba logistics arm launches container booking service**

Alibaba Group’s logistics arm Cainiao Smart Logistics Network has launched a container booking service for air and sea freight that it says will offer rates 30% to 40% lower than average market rates and will cover end-to-end logistics management too.

Cainiao said service coverage would span more than 200 ports in 50 countries, with container bookings confirmed as quickly as two weeks, compared with the industry average of one week to a month. Port coverage in China includes major ports such as

Shanghai, Guangzhou, Shenzhen and Tianjin.

There has been increasing involvement and interest among end users in taking more control of the shipping process. Chinese courier company SF Express launched an ocean freight route from China to the US in July 2019.

### **Attack on Hapag-Lloyd vessel may be drug-related, say authorities**

INTRUDERS who boarded a Hapag-Lloyd boxship in Colombia last week may have been looking for drugs, according to local officials.

Dimar, the Colombian maritime authority, told Lloyd’s List that *Duesseldorf Express* (IMO: 9143556) has been escorted to a mooring area in response to an alert from its master on January 9.

Authority spokesman Commander Diego Fernando Salguero said the five intruders were “presumably part of drug trafficking groups, according to information received from the coastguard”.

### Maersk suffers IT outage

MAERSK suffered "global connection issues" that shut down its office telephones and affected some features of its website, the Danish carrier said.

A later update said that the external provider had identified and fixed the issue affecting the network, and that Maersk services were "recovering globally".

The company did not offer any further detail on the nature or cause of the outage, but advised customers to contact local offices by email.

### NYK implements work from home for all staff

Container line NYK has ordered all employees to work from home until further notice as Japan struggles to contain its coronavirus cases and expands its state of emergency.

A state of emergency previously declared for Tokyo and the three

other prefectures of Chiba, Saitama and Kanagawa is meant to last until February 7. The latest announcement widens the measures to include the key regions of Osaka, Kyoto, Hyogo, Aichi, Gifu, Tochigi and Fukuoka.

The state of emergency orders companies to encourage their staff to work from home and reduce office populations by 70%.

### Oriental Energy linked with VLGC orders at Jiangnan

CHINA'S Oriental Energy is said to be in talks with state-owned Jiangnan Shipbuilding for a series of very large gas carrier orders, according to industry sources.

The deal includes two firm orders for 93,000 cu m liquefied petroleum gas carriers, with options for another four.

Sources familiar with the deal said these newbuildings, priced at about \$74m each, were scheduled for delivery in 2023.

### Shell-linked LNG bunker barge ready for US operations

Q-LNG Transport and Shell Trading (US) Co has announced the readiness for operations of the vessel Q-LNG 4000, which will be part of the first offshore liquefied natural gas bunkering articulated tug and barge unit in the US.

The new unit will help in the development of an LNG bunkering network in the southeastern US, in particular around the US Gulf and South Atlantic coasts — regions where demand for liquefied natural gas is growing — along with the Caribbean itself.

"I'm pleased to have taken delivery and to begin our long-term service contract with Shell Trading," said Shane Guidry, chief executive of Q-LNG, a service company managed by New Orleans-based Harvey Gulf International Marine — a firm with considerable expertise in LNG bunkering.

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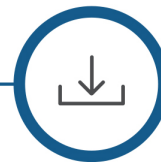
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