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Maersk will consider carbon offsets in neutrality pursuit

MAERSK WILL EXPLORE carbon offsets as one of the potential tools to get it to net zero carbon dioxide emissions by 2050.

The Danish shipping company said it aims to have its first carbon neutral ship by 2023, a dual fuel feedership that can run on carbon neutral methanol. From that point on, all of its newbuildings will be capable of running on carbon neutral fuels.

The commitment was received warmly as an indication that Maersk is bringing forward its commitment to begin deploying carbon-neutral vessels by seven years and that maritime decarbonisation could happen more rapidly than initially hoped.

But not everyone shares that level of enthusiasm.

Dr Tristan Smith, reader at the UCL Energy Institute and a prominent figure in shipping's international decarbonisation, said that Maersk's announcement and choice of language on carbon neutrality of methanol has led to more confusion in the market.

"I am very disappointed it did that. The last thing the sector needed was more confusion on what is carbon neutral, what is zero, what is net zero," he said.

Aside from questions about the carbon neutrality of methanol, Dr Smith noted that carbon neutrality in general also implies the allowed use of carbon offsets, a policy under which companies can finance external sustainability projects and claim the corresponding emissions reductions from those projects.

Maersk's head of decarbonisation Mortern Bo Christiansen said that the company does not currently use carbon offers and its focus is to reduce its scope one emissions, which are those from its direct operations and owned assets.

But Maersk will consider the use of carbon offsets in the future, he confirmed.

"In this regard, the critical point is to find high-quality solutions that fulfil criteria related to additionality, assurance, life cycle tracking, etc," he said.

Pay to pollute

This appears to signal a break with the previous policy approach from Maersk on carbon offsets. Former chief operating officer Søren Toft had told the Financial Times in late 2018, when the company had first made its carbon 2050 neutrality commitment, that buying offsets would amount to "buying an excuse" and "delaying the pain".

Mr Toft has since left Maersk and is now chief executive of arch-rival MSC.

Carbon offsets are a globally recognised method and companies in the maritime sector have already pursued the tactic to reduce their carbon footprint.

But many critical observers point out they are a quick, cheap option for firms to parade what looks like a contribution to climate sustainability without actually making any adjustments or necessary investments to their own operations and assets.

In revealing its 2023 carbon neutral feedership, Maersk selected e-methanol or sustainable bio-methanol as the fuel of choice for that specific vessel, without having chosen the region of operation of the ship or locked in a fuel supplier.

Mr Christiansen noted that carbon neutrality, which covers the fuel's entire lifecycle, not just its emissions while used by the ship, would allow Maersk to use fuels containing carbon, such as biofuels, provided that what that emitted carbon is absorbed somewhere else in the biological cycle.

"It is not zero carbon in the sense that, for example, biofuels do have carbon in them, as part of the organic carbon flow, but the effect is neutral because the same amount that is emitted is absorbed elsewhere in the biological flow," he said.

Dr Smith said that today the most sustainable methanol can eliminate emissions by between 50% to 75% throughout the lifecycle.

Maersk has acknowledged the fact that there is no at-scale production of carbon-neutral e-methanol or sustainable bio-methanol with net-zero emissions across the lifecycle today.

"There are a number of pilot projects and projects under development, and we are doing everything possible to engage with these projects so that they can advance and we have carbon-neutral fuel available by the start of the feeder operation in 2023," Mr Christiansen said.

But Dr Smith is highly sceptical of the potential for that to happen, especially at a scale that can make such methanol a sustainable decarbonisation option for the industry.

"If what they are doing is embarking on a transition step, which I think they are, that is great," he said.

Instead, Dr Smith felt that Maersk's decision to present this as a pioneering move is misleading everyone by raising expectations that methanol has the potential to be scalable and a viable zero-carbon solution when in fact it cannot.

He also said that if the company was planning to use biosources to source carbon-neutral methanol, it should instead call it biofuel instead of methanol.

Maersk's carbon neutral methanol pledge was specifically for its 2023 feedership. The company is considering ammonia and biodiesel for its ships for its broader carbon-neutrality commitment.

Despite the scepticism, the company is optimistic that it will be able to deliver on its commitment to have a feedership running on carbon-neutral methanol by 2023.

"It is definitely mission possible, among other things, because we already see the commitment from the customer and the consumer side, and we do see promising net carbon-neutral methanol projects developing," Mr Christiansen said.

That, however, will require collaboration and risk sharing across the value chain, he added.

"We need energy suppliers to scale fuel manufacturing and collaboration from regulators," Mr Christiansen said.

WHAT TO WATCH:

Maersk turns away from Cosco crewing arm

MAERSK will stop the use of a Cosco Shipping unit as its manning agent in China, raising a stay-or-go question for more than 200 seafarers.

The Danish giant will replace China Marine & Seaman Service Corp, the country's largest exporter of vessel crew, with Singapore-based Singhai Marine Service, effective March 1.

Lloyd's List understands that about 230 seafarers are involved in this shift of partnership.

They are required to quit the Chinese manning firm, also known as Mases-Coscoman, and to sign up with Singhai, which has its Chinese headquarters in Shanghai.

Without commenting on the details, Maersk has confirmed the transition in an email statement.

"A decision was made to engage with a new crewing (agency) partner in China." it said. "It is always our priority to ensure the welfare and well-being of all our seafarers and provide them with the most optimal service as an employee with Maersk."

The shipping and logistics conglomerate said the move is part of its latest reorganisation efforts, in which the company's onshore and marine human resource departments were merged last year to gain efficiency and create synergies.

Maersk's Asia marine HR team in India has started to take over the operation from China since the beginning of February when Mases-Coscoman was notified of the decision to end the partnership, said sources familiar with the matter.

The Cosco subsidiary appears to have been caught on the wrong foot, according to a reply it wrote to Maersk and the involved seafarers.

The content seen by Lloyd's List said the Chinese manning firm "disapprove" of the way Maersk informed it of the change of agent in just a simple letter.

It added that this could lead to contract issues facing the seafarers in its employment.

"Crew managed by our company should still be sent by us to Maersk before a consensus is reached on the termination of the existing agency agreement," said Mases-Coscoman. "Without our consent, the dispatch [of crew] through other channels will affect the related benefits of seafarers and Maersk."

Shipmanagement experts said manning agents normally do not give up their seafarers, seen as valuable asserts, to competitors easily, with Chinese crew being especially popular now due to the pandemic-led lockdowns in many other countries.

"Some agents might create barriers, for example by prolonging the administrative steps, to deter resignation attempts." said one Hong Kong-based shipping executive. "Of course, whether seafarers will choose to leave or stay with their current employer also depends on the salary and benefits they are offered."

Mases-Coscoman said it fully respects seafarers' choice and will assist with the required procedures if they want to terminate their existing contracts and move to the new company.

"We'll enhance our communication with Maersk and try our best to protect the crews' lawful rights and benefits."

But for those who choose to stay, Mases-Coscoman said it will find them a job with its access to world-famous shipping companies and a raft of positions on board.

Crude demand 'peaks in four years' on latest carbon-neutral policies

THE latest carbon-neutral policies from China and the US will see crude demand peak in 2023 and 2025 respectively for the world's two largest oil consumers, JP Morgan analysis has shown.

China's demand for diesel would be first to peak, in 2023, followed by gasoline no later than 2025, JP Morgan's Natasha Kaneva told an energy forum.

Oil demand in China, which imports a quarter of the world's seaborne crude, will "peak then plateau" within four years.

The petrochemical sector "would continue to perform really well… and we don't see demand peaking any time soon at all," she said.

"What will drop first: the supply [of crude] or the demand [for it]?" asked Ms Kaneva, who is head of the bank's global commodities strategy. "This is a number that needs to be crunched."

The post-pandemic forecasts for oil and refined products were discussed at a Bloomberg forum held as part of International Petroleum Week.

The London-based event has shifted online for the first time, with various panels offering first colour of the evolving 'new normal' for fossil fuels after the vaccine rollout.

Tanker owners are carefully scrutinising these demand numbers post-pandemic, which has accelerated green energy policies that will dictate future volumes of crude and products carried by sea.

About half of the world's crude is exported via tankers, totalling 1.86bn tonnes in 2019.

Seaborne trade for refined products was estimated at 1.3bn tonnes, figures from the United Nations show.

Europe's revised carbon emission targets translated to 25% of transport fuels such as diesel, jet fuel and jet fuel coming from renewable sources by 2030, according to European refiner and fuel retailer Varo Energy.

That compares with an earlier 14% target, chief executive Roger Brown said.

"That's a huge number and you have to look around and say, okay, where's the feedstock going to come from to meet those targets because it's not immediately obvious," he said.

The 27 European Union countries agreed in December on a target to cut greenhouse gas emissions by 55% by 2030, instead of a previously agreed 40%.

Oil traders, producers and refineries are struggling to estimate when there will be a peak in crude demand, and whether there will be any supply gap between dwindling investment in fossil fuels and the transition to greener energy sources.

"We don't see big oil demand in the next decade," said Giovanni Serio, global head of research at Vitol, the world's largest oil trader.

"Obviously there is a slower growth in demand that comes with Covid that has taken out some of the demand levels and resulted in energy transition drivers.

"We think that fossil fuel demand will grow, at least for the next 10 years… and that will be the target — to accommodate both some increase, although a lower pace of demand for oil and gas, at the same time as developing technologies that will lower carbon emissions."

The process "can generate inflation if the actual demand for fossil fuels is met by constrained capacity", he warned.

The pandemic wiped some 9m barrels per day in crude demand in 2020, resulting in falling exports of both refined products and crude.

Although the global deployment of vaccines is expected to restore 5m bpd in demand this year, Vitol and Vero executives both signalled that many refiners would use existing land-based stocks. This development would curb seaborne exports.

"The big questions for us are when is jet fuel demand going to get back up above 50% and is there going to be a big European gasoline driving season?" said Mr Brown.

"If both of those come through and we see jet fuel coming back when we're going to see a strong second half of the year. These are the big questions we'll be watching over the next six months."

Jet fuel accounts for some 6% of global demand, with figures showing travel restrictions keeping consumption at under half year-ago levels.

OPINION:

Marine mutuals must consolidate to thrive in trying times

LIKE all industries, the protection and indemnity (P&I) mutual marine space has been greatly affected by the pandemic, *writes Andrew Taylor, chief executive of the UK P&I Club.*

Our sector facilitates the movement of goods and people around the world, and is a vital cog in the world trade machine. Covid-19 has affected global economic growth and international trade, and severely disrupted crew welfare.

Coupled with other factors, such as Brexit, a large number of expensive casualties, and a highly competitive landscape that has resulted in low premiums, P&I clubs face some serious challenges.

With the renewals season drawing to a close, it is a timely moment to reflect on some of the challenges and opportunities the future will bring to the P&I mutual marine sector.

From both a logistical and a humanitarian perspective, the biggest challenge facing our members during this pandemic has been the difficulties related to crew changes.

Port restrictions and lingering regional lockdowns have stifled crew mobility. Ship operators have found themselves unable to repatriate seafarers in the normal manner, with crew members having to remain on ships beyond their contracted period, and others unable to join their ships.

Economically and psychologically, the strain on the world's seafarers, and their families, is hard to imagine and may have had a contributory role in the large numbers of high-value claims experienced by P&I clubs in 2020.

Globally, P&I clubs have assisted members through a range of initiatives providing guidance on legal, operational, contractual and cover issues. More recently, it has been hugely encouraging to see the industry coming together under the auspices of the Global Economic Forum to create the Neptune Declaration, which set out a framework to solve the crew change crisis.

Extraordinary times call for extraordinary measures. As a signatory to the Neptune Declaration, we at the UK Club back the call for governments to recognise seafarers as key workers, give them priority access to the vaccine, relax documentary requirements and exempt them from laws restricting movement during the pandemic.

Before the onset of Covid-19, one of the main issues dominating the agenda was Brexit. Speaking purely from a logistical standpoint, while it has not been without consequence or disruption, and its full impact will take some time to be fully felt, Brexit has been handled well by the sector.

Many British-based marine mutuals, including the UK P&I Club, set up European subsidiaries as far back as 2017, ensuring uninterrupted cover for European Economic Area members. The new offices have brought fresh opportunities to develop and grow these European P&I hubs.

Another area where adversity and lockdown conditions have inspired innovation is loss prevention. P&I clubs spend a large amount of time, energy and resources every year conducting crew welfare and loss prevention training.

These vital initiatives, which support our members' training programmes, serve to minimise claims and costs for the clubs and their members, as well as preventing sometimes-fatal incidents occurring at sea.

Mutuals by their nature are service-led partnerships. They rely on close connections to members to understand their needs and challenges. P&I clubs throughout the sector have risen to the challenge during the pandemic, delivering remote training programmes, and generally embracing digital innovation to remain connected to members.

The UK Club alone has hosted training webinars with more than 10,000 industry attendees across 58 countries in the last year on a whole range of different topics, as well as advancing its digital documentation process for members.

Adopting new technology provides the foundation for building greater efficiency within the industry while also improving services to members. Such developments are hugely promising and point to a brighter future.

Despite loss prevention initiatives, 2020 proved to be one of the most active years in history in respect of major shipping losses.

The P&I club system continues to deliver a world-class response to such events, providing financial protection to the shipping community, as well as vital expertise and experience in handling major incidents.

When handling such incidents, the protection provided by clubs needs to extend to the environmental impact. Increasingly, P&I clubs are building sustainability programmes based around safety and the avoidance of incidents at sea, through to casualty response and the manner in which the incident is resolved. Clubs therefore play an important part in the overall objectives of safety, wellbeing and environmental protection.

There are many other areas of change and challenge in the shipping industry — use of big data, artificial intelligence, autonomy, cyber protection, blockchain, and planning for a more sustainable future — where there is scope for better education and collaboration, and for which lessons learned from the pandemic may turn out to be relevant.

The long-term viability of the sector is vital to the wider shipping industry and depends on the sound and sensible stewardship of mutual clubs.

To ensure the clubs remain financially sound there is an immediate need to improve premium rates.

However, to remain relevant, the clubs must also consolidate and grow services for members, invest in loss prevention, innovation, and training so we can all thrive in the future.

Maritime experts to examine seafarer exhaustion

SEAFARER exhaustion remains a live issue, although the maritime industry is alleged to have turned a blind eye to widespread work/rest hours recording malpractices.

This was the headline from the World Maritime University report published in 2020. Worryingly, the research that culminated in 'A Culture of Adjustment' stated time and time again that these findings were "fully aligned with previous research".

Despite it being a legal requirement under Maritime Labour Convention 2006 and STCW, 1978 to accurately record work/rest hours, the report concludes that "stakeholders do not have incentive or any advantage to comply."

Seafarers put their employers' interests before their own, flag states see manning levels as a competitive item, and port state control officers believe time taken to validate accuracy of records is a low return for the investment.

Is seafarer exhaustion a systemic failure with implications far across shipping, as the World Maritime University research claims? Does this issue go to the heart of safe manning levels or is there any easy fix?

Nautilus International, which represents merchant marine officers from the UK, the Netherlands and Switzerland, believes it is time to tackle seafarer exhaustion head-on. Its general secretary Mark Dickinson will put forward his roadmap on a webinar panel of experts next week.

He will be joined by Cleopatra Doumbia-Henry, president of the World Maritime University, and Professor Raphael Baumler, head of maritime safety and environmental administration at WMU.

Further expert input will come from Kate Higginbottom, chief executive of the ITF Seafarers Trust, and Julie Carlton, head of seafarer safety and health at the Maritime and Coastguard Agency.

The 90-minute webinar, which will take place on March 5 at 1400 hrs GMT, will be moderated by Lloyd's List chief correspondent Richard Clayton.

The seafarer repatriation crisis, which is inching its way to a conclusion, has raised the importance of the human element at a time when ESG — in this context, the social factor — is under discussion in all maritime board rooms.

Register for this webinar here.

ANALYSIS:

Gard emerges as early renewal round winner, as North admits tonnage loss

GARD has emerged as the clear winner among the three P&I clubs that have so far declared the size of their entered fleets.

The renewal round closed on February 20, with North admitting to a loss of tonnage and Standard booking a subdued 95% renewal rate that may also point to departures.

While definitive conclusions cannot be drawn until more of the International Group's 13 affiliates have published figures, the information in the public domain so far may point to some degree of club-hopping on the part of owners faced with fairly hefty rate hikes in the range of 5%-10%.

Justification on the part of the clubs for seeking higher premiums includes sizeable technical underwriting losses in recent years, coronavirus, rapidly rising pool exposure, uncertain investment returns and pressure from ratings agencies.

Most brokers accept that the clubs do indeed need more money, but have sought to cheesepare initial quotes from underwriters, and hold the line at half a club's declared general increase.

Some observers earlier predicted that club-hopping or perhaps splitting fleets between different clubs would be a feature of the current round, as owners look to keep down bills, even at the risk of incurring release calls.

Few changes of hands, at least among major shipowners, are yet in the public domain. But the situation is set to become clearer in the coming days and weeks.

Norway's Gard said it had topped a renewal rate of 99.4% by adding a record 17m gt over the last 12 months, the bulk of it in the renewal period. That brings its total owners' mutual tonnage to 246m gt.

Chief underwriting officer Bjornar Andresen — who can be heard on this week's Lloyd's List shipping podcast — said: "The key theme of this renewal was consolidation. We saw many owners shifting more, or all, of their fleet to Gard. We have achieved a record amount of new business at renewal at prices that achieve a good balance between owners' needs and underwriting profitability."

But North is bracing itself for a fall in entered tonnage after what chief executive Paul Jennings described as "a very demanding renewal for our P&I mutual business".

However, the reduction is described as small, and said to be result of a planned de-risking exercise, implying a deliberate effort to part company with fleets with poor claims records.

Last year's entry was reported by the club itself to be 160m gt owned and in excess of 70m gt chartered.

Newcastle-based North also pointed to what it described as "solid progress in raising premiums" better to reflect market conditions.

Mr Jennings highlighted the fact that the renewal was the first in North's 160-year history to have taken place virtually, without face-to-face discussions, on account of the coronavirus pandemic.

Nevertheless, the club had secured premium growth across all of its business lines throughout the year, and is projecting a significant increase over the last 12 months.

Chief underwriting officer Thya Kathiravel added: "The challenges around securing the increase in P&I premiums that we flagged up as necessary in November should not be underestimated.

"The market remains competitive, with owners understandably very sensitive to costs. We have tried to recognise this in balancing our renewal outcome."

North's freight, demurrage and defence business was once more strongly supported, with combined owned and chartered tonnage projected to be 185m gt.

Its diversification lines are making an increased contribution to results, with the Sunderland Marine and North Hull lines achieving strong premium income growth, and the fixed premium P&I offering ahead of target.

Meanwhile, the Standard Club said it had seen some 95% of its expiring portfolio renew, and has picked

up a "small number" of new members, according to a statement issued this morning.

Given its book ran to 155m gt last year according to brokers' reports, that would indicate that something like 7.5m gt did not renew.

Unless that substantial figure were offset by the gains, that would suggest an overall loss of tonnage, although the statement does not specify figures.

Standard has been approached for comment.

There have been media reports that Hong Kong's Wah Kwong Maritime Transport has shifted some ships from Standard to Skuld, though Skuld declined to comment last week.

Many existing members have expanded their entries and in a number of cases consolidated their fleet into Standard from other clubs, the statement said. While the 2020/21 policy year is forecast to perform better than 2019/20, it is still anticipated to result in an underwriting deficit.

"This is primarily due to the frequency and cost of large claims arising within the International Group Pool, which has affected all clubs, but it also reflects the general low level of premium rating," it said.

Standard's defensively positioned investment portfolio made a positive contribution, and reserves will remain in excess of regulatory and rating agency requirements.

Mark Collins, director of underwriting at the Standard Club said: "We, like all clubs, have seen a greater frequency of expensive market losses than predicted which has had an impact on underwriting".

"We have successfully completed our renewal in line with the budget set by the board with a view to returning to breakeven underwriting, so we can continue to support our members in the long-term."

Northwest Seaport Alliance offers uncongested alternative to Southern California

EVEN as the number of containerships continues to rise at anchor off Southern California, there is plenty of space for them 1,100 miles to the north at the Northwest Seaport Alliance of Seattle and Tacoma in Washington state.

"We are absolutely reaching out to all carriers and beneficial cargo owners and letting them know we have a lot of capacity to handle additional cargo," said NWSA chief commercial and strategy officer Tong Zhu.

Her remarks followed last week's announcement by the port of Los Angeles that it will see some incoming containerships diverted to other US west coast ports in an effort to reduce the backlog of cargo on vessels currently at anchor and awaiting berths.

That represents a welcome opportunity for Ms Zhu, who told Lloyd's List that the coming year is about "getting back" to the throughput level of 2019, before the pandemic hit "all of us", when NWSA handled about 3.8m teu.

"I will be very happy if we ended up at between 3.8m to 4m teu this year," said Ms Zhu, who oversees the NWSA's commercial team, including its cargo and real estate businesses, marketing and research.

Port spokeswoman Melanie Stambaugh underlined those views: "Our supply chain can handle additional vessels, have them offloaded and loaded efficiently, and ensure cargo moves quickly onto its final destination."

In a word, she said "NWSA is well-positioned to be part of the solution in relieving some of the heavy congestion at gateways along the US west coast."

According to the Global Port Tracker, produced by Hackett Associates for the National Retail Federation, the forecast for the NWSA projects a 0.9% dip in imports between January and June 2021 versus July through December, compared with a 16.4% fall between the same two periods of the past year.

The 0.9% "dip" thus represents a more than 15 percentage point increase out of negative territory.

Meanwhile, the ports' volumes in the first half of 2021 are forecast to surge by 20.5% versus the equivalent period of 2020, with 682,000 teu, while the forecast import volume for all of 2021 is 1.31m teu, representing a 4.6% increase over 2020.

The projected growth is part of a trend that, as in other ports around the nation, has been developing

for several months now: Rapidly rising imports and slumping exports.

In January, the NWSA said it handled a total of 288,289 teu, a rise of 9.3% over January 2020. Full imports increased 10.9%, while full exports decreased 13.4%.

In December, the NWSA processed 301,814 teu, a 6.1% increase compared to December 2020. For the month, full import volumes grew by 15.7%, compared with December 2019. Total imports grew 9.6% while total exports declined 2.1%.

At the time, port officials said "import demand remains strong and is forecasted to remain steady through the first quarter", a trend supported by the NRF's Global Port Tracker.

Still, as Ms Zhu told Lloyd's List: "We have room for more cargo."

The decision about calling the NWSA really rests with carriers, said Ms Zhu, who noted the start of CMA CGM's new Golden Gate Bridge service over the weekend, as well as new services by Zim and Wan Hai coming in March.

The 2010-built, 3,650 teu CMA CGM Africa Four (IMO: 9451965) called the NWSA's Seattle Harbour for the first time on February 20 as part of the new service, which the firm said would allow for "new capacity to Pacific Northwest customers".

The Golden Gate Bridge service has a Shanghai, Yantian, Oakland, Seattle, Kaohsiung and Shanghai rotation. CMA CGM is one of several ocean carriers selecting the NWSA gateway to avoid congestion issues to the south.

The French firm said its new service "will remove the Port of Los Angeles from the current route and enhance service by providing customers with an innovative and creative fast-transit alternative that enables them to avoid congestion."

Officials said the Golden Gate Bridge service will increase import and export capacity in the NWSA gateway, potentially adding extra container movements to and from inland hubs across the Midwest.

Port of Seattle commission president and NWSA co-chair Fred Felleman emphasised the opportunity to expand "our relationship with our valued partner, CMA CGM, while alleviating congestion in Southern California ports."

Beginning in March, the NWSA also will have the opportunity to welcome Wan Hai's new AA5 service that will call Kaohsiung, Yantian, Shanghai, Ningbo, Seattle and Oakland before returning to Kaohsiung.

Calling Terminal 18 in Seattle, Wan Hai said the new service provides direct connections from Asia to the Pacific Northwest, which will reduce import transit times and increase loading options.

Zim, too, has announced a new expedited transpacific service that will call Tacoma. Zim's standalone ZX2 service will focus on "time-sensitive" cargo and will start mid-March.

The service will call at Tacoma's Husky Terminal, which recently underwent a $250m modernisation project, and will serve the growing Southeast Asia market.

Zim's service will utilise seven vessels on the rotation calling Laem Chabang, Cai Mep, Yantian, Los Angeles, Tacoma and back to Laem Chabang.

MARKETS:

Cargill forms joint bunker business with Maersk Tankers

CARGILL, a commodities trader, and Maersk Tankers have extended their partnership with a new bunker service.

The service, which will launch on April 1, will initially procure bunker fuel for the two companies' combined fleet, before adding customers in the coming months, according to a statement.

Cargill currently charters about 700 vessels and procures 2.5m tonnes of marine fuel per year. Maersk Tankers needs a further 1m tonnes per year

from its commercially managed fleet of more than 220 product tankers.

"As independent bunker consumers with no physical oil activity or bunker assets, there will be no conflicts of interest," said Cargill Ocean Transportation's head of tankers and marine fuel Olivier Josse. "We can therefore focus on providing transparency, robust benchmarking, and a modern and digital customer experience."

The new service will give customers enhanced access to market information, optimisation of bunker logistics, and improved claims support

"Tramp shipping companies face challenges today in a bunker market that is becoming increasingly complex," said Maersk Tankers' chief investment officer Claus Gronborg. "Through our scale, they will get access to bunker fuel at competitive prices, while getting an experienced partner that will navigate the bunker market on their behalf.

"We are excited to venture into this together with Cargill and utilise our combined expertise to provide this new solution to both our pool partners and other shipowners and operators."

As the maritime industry transitions towards a carbon-neutral future to meet the International Maritime Organization's target to reduce greenhouse gases by 2050, the bunker market will go through a radical transformation.

As such, Cargill and Maersk Tankers are "united in their firm commitment to accelerate decarbonisation" and are building expertise in the use of new fuels and technologies. The new bunker service will provide unique access to future marine fuels, including Cargill's growing internal biodiesel business.

This partnership follows a series of strategic collaborations between Cargill and Maersk Tankers over the years.

Last year, Cargill became a strategic investor in ZeroNorth, a technological start-up founded by Maersk Tankers which focuses on vessel performance optimisation and decarbonisation.

In 2019, the two created a joint medium range tankers pool and launched Project Njord with Mitsui & Co to bring energy-saving solutions to the market.

German owners optimistic for post-pandemic recovery

GERMANY's shipping sector remains optimistic for a post-pandemic recovery, despite recording another decline in the size of its fleet.

"We have largely put the crisis that has preoccupied us since 2009 behind us and, in many segments, we have surprisingly also navigated through the pandemic unscathed so far," said German Shipowners' Association, known as VDR, president Alfred Hartmann.

German shipping companies, particularly larger ones, now had an "optimistic view" of the future, he added.

"At the moment, no one can predict whether this positive trend will continue, especially in the container shipping segment."

New figures released by the VDR showed that Germany remained the fifth largest shipping nation, with a 4.5% share of the global merchant fleet.

At the end of 2020, a total of 2,001 ships with a combined gross tonnage of 48.7m gt were registered in German shipping registers, or 139 fewer vessels than the year before.

This remains well down on the peak years of German shipping that culminated after the first decade of the century, with nearly 4,000 vessels comprising close to 90m gt.

German shipping went through a boom period up to 2009, supported by the KG tax relief system that allowed private investor to buy into single-ship funds. The collapse of a large number of these arrangements following the global financial crisis led to a severe downturn in the number of ships in the fleet.

"Following the years of unusual growth in the early 2000s, especially in the container shipping segment, and the subsequent decline, we now have a new normal," said VDR chief executive Ralf Nagel

"The German fleet is roughly as strong and in large parts even stronger than it was before this boom. Despite the pandemic, we are seeing a new dynamic in some maritime shipping markets in which German companies are active."

This made it more important to have "framework conditions" that were reliable and supported German shipping, however.

Among these were a means of safely changing crews, a crisis that VDR said was still affecting 400,000 seafarers worldwide.

Crews needed the same functioning logistics chain that applied to goods, with entry and exit from ports permitted and repatriation flights made available.

"We are confronted with constantly changing regulations regarding tests and quarantines, which makes this task exceedingly more difficult," Mr Hartmann said.

He also called for greater recognition of seafarers as key workers and called for preferential access for the offering of vaccinations.

"We must not get into a situation in which seafarers cannot get on board because they have not been vaccinated yet," Mr Hartmann said.

"There are looming impacts on the global trade in goods that would have repercussions for us all."

The VDR also reiterated its position on climate change regulation, insisting that regionally limited trading systems for greenhouse gasses, like that proposed by the EU, would not work.

"Shipping is the most international of all industries, so it needs international regulations," Mr Nagel said.

"We doubt that a regionally limited emissions trading system can achieve what it aims at: Reducing CO2 emissions in a lasting way."

The appropriate forum for regulation of shipping emissions was the International Maritime Organization, he added.

"Germany's shipping sector is determined to actively support a proactive, effective and global regulation," he said.

"The crucial thing is that we need an energy revolution. All the efficiency measures on ships will in the long run not suffice; other marketable and fossil-free fuels are necessary."

IN OTHER NEWS:

Commodities traders and shipowners get their say on charter rates indices
THE Baltic Exchange is directly accommodating the views of shipowners and commodities traders in its assessment process for the first time.

The London-based provider of daily and weekly freight and shipping indices for the dry bulk, tanker, and gas markets will still rely on its shipbroker members who have historically and exclusively provided numbers, said chief executive Mark Jackson.

But the so-called "principals" behind the charters reported by shipbrokers are now able to have their say in the assessment process, he said, but their contribution would not "in any shape or form" be used to develop the final numbers.

Maran Gas orders at Samsung run to five LNG carriers
MARAN Gas Maritime has five liquefied natural gas newbuildings on order at Samsung Heavy Industries, it has been confirmed.

Industry sources with knowledge of the yard's order book verified the tally, which represents a significant swerve in the ordering policy of the Angelicoussis Group's gas shipping arm.

Greece-based Maran had previously only built LNG carriers at Daewoo Shipbuilding & Marine Engineering and Hyundai Samho, with the former heavily favoured.

Greek data analyst launches Poseidon Principles emissions index
A DATA analytics specialist has refined its existing cloud-based data acquisition and ship performance reporting tool to predict the trade-off between emissions reduction and debt servicing for ships financed under the Poseidon Principles.

The Principles offer a framework for financial institutions to lend in line with International Maritime Organization goals to halve greenhouse gas emissions by 2050.

So far, 20 banks have signed up, representing more than $150bn in loans — more than a third of shipping's global financing.

Australia sets new safety checks for livestock carriers
AUSTRALIA has announced new safety inspections for livestock carriers, saying more scrutiny is needed following recent casualties.

The Australian Maritime Safety Authority said a six-month

"focused inspection campaign" will assess the level of compliance with international conventions and the familiarity of masters and officers with checking their ships' stability in differing conditions.

It comes after Amsa imposed a two-year ban on the livestock carrier *Barkly Pearl* (IMO: 9042295) for sailing off Western Australia with a large hole in its hull. It found the owners were negligent and put lives and the environment at risk.

CMA CGM expands future fuels coalition

THE future fuel organisation launched by French container line CMA CGM has added three new members and outlined seven projects that it will develop over 2021.

The Coalition for the Energy of the Future was initiated in 2019 by CMA CGM chief executive Rodolph Saadé and formally launched last year. It aims to accelerate the development of future energies and technologies to sustain new green mobility models and reduce the impact of transport and logistics on climate change.

CMA CGM and the other 10 members have now been joined by terminal operator PSA International, classification society Bureau Veritas and aviation industry giant Airbus.

Maersk and DFDS back carbon-neutral ammonia plant

DANISH shipping majors Maersk and DFDS have added their support to a planned ammonia production facility planned for construction in Denmark.

The project, which is being led by fund manager Copenhagen Infrastructure Partners, seeks to establish what would be Europe's largest production facility of CO2-free green ammonia.

Located in Esbjerg, on the west coast of Denmark, the Power-to-X-facility will convert power from offshore wind turbines to ammonia. This will be used by the agriculture sector as CO2-free green fertiliser and by the shipping industry as CO2-free green fuel.

Sembmarine braces for energy transition amid pandemic

SINGAPORE'S yard group Sembcorp Marine has twinned its announcement that it has incurred a wider net loss — blamed largely on lockdown-led disruption — with the unveiling of a pipeline of wind energy and carbon capture projects as it tries to cash in on the shift to new energy sources.

After a flurry of positive tests last year among dormitories housing foreign labour, which make up the bulk of Singapore's yard workforce, Sembmarine was forced to shutter in operations and postpone delivery of projects on its orderbook.

President and chief executive Wong Weng Sun also flagged deferments in final investment decisions that slowed contracting activity tied to new projects.

Greek shipping non-profit's coronavirus aid nears $16m

GREECE's shipping community has raised in excess of €13m ($15.8m) to help the health system battle coronavirus.

In its most thorough accounting to date, the Greek Shipowners' Social Welfare Company, or Syn-Enosis, said 151 donors have so far contributed €13.1m.

This has gone towards strengthening more than 55 hospitals and laboratories in Athens, Thessaloniki, Patras, Larissa and other cities.

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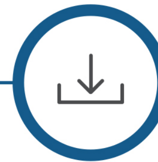

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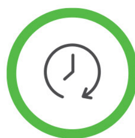

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