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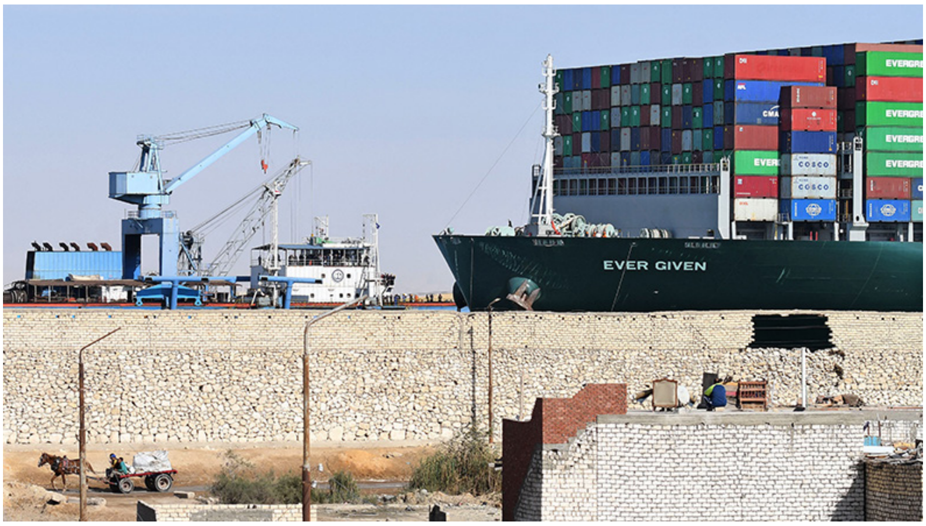
Too early to assess Suez grounding pool hit, says International Group



IT IS STILL too early to assess the size of the likely claim on the International Group pool arising from last month's shutdown of the Suez Canal in the wake of the grounding of *Ever Given*, according to the chief executive of the influential club of P&I clubs.

But the clear potential for a massive hit will be of major concern for the marine mutuals on the hook, at a time when pool claims levels have hit successive all-time highs in each of the past three years.

The sheer extent of claims has been the main driving force for big general increases at the last two renewal rounds, which clustered around 7.5% in 2019-20 and 5%-10% in 2020-21.

If liability for Suez, primarily first instance salvage costs and compensation for loss of revenue, comes in at the level many are now openly braced for, the impact would be felt by all shipowners, in the shape of further higher premiums next time round.

The claim now looks certain to exceed the $10m retention layer held by the UK Club, with which the Evergreen boxship was entered.

In that eventuality, it will become a pool claim, with the payout up to $100m shared between the 13 IG affiliates according to a weighted formula.

If the claim tops nine figures, the burden above that figure will fall on the reinsurance markets, which take on the risk under what is the world's largest reinsurance contract.

As Lloyd's List reported last week, Suez Canal Authority chair Osama Rabie has told Egyptian television that he is minded to seek $1bn

The SCA has a reputation for inflating past salvage claims, according to market sources, who add that Egypt has an incentive to go large to make up for lost foreign currency earnings from tourism as a result of the pandemic.

That there may be some leeway on the numbers is indicated in a report from Associated Press, which said Lt Gen Rabie had told him that he hopes talks with the ship's Japanese owner Shoei Kisen Kaisha can be concluded without legal action.

"We are discussing with them a peaceful resolution to the matter without resorting to the judiciary," it quotes him as saying.

Even so, the anticipated claim will probably be in the order of the low hundreds of millions of dollars, which would be entirely justified.

A spokesperson for the UK Club confirmed that the SCA has yet to specify its liability claim, which will be considered once it lands.

"No formal claim from the Suez Canal Authority relating to the grounding of *Ever Given* in the Suez Canal has been received by either the owner of the ship or the UK Club.

"However, as the vessel's liability insurer, all valid claims will be considered by the club," he said.

International Group head Nick Shaw commented: "It is too early to speculate on the claims that might be brought and the quantum of the same.

"The UK Club are the holding club for the shipowner and will be the first to be approached in this regard.

"We are very pleased that the vessel was freed in a matter of days and that traffic is flowing freely through the canal again."

Meanwhile, Shoei Kisen has declared general average, which means that cargo interests will be exposed to a proportionate contribution towards salvage costs.

Richards Hogg Lindley has been appointed average adjuster, the Charles Taylor Group unit's head of marine hull Andrew Slade confirmed, although he declined to discuss the issue further.

Average adjuster sources said that while the claim would be hugely complex, given that the 20,000 teu *Ever Given* is carrying thousands of 20 ft and 40 foot boxes, with up to 20 cargo interests per box, it would in many other ways be a straightforward old-fashioned GA.

There are no reports of extensive damage to cargo, meaning that most of the claim will be towards the cost of Smit's salvage efforts, which were additional to the SCA's initial salvage efforts.

These entailed the use of 11 tugs and three dredgers, so the bill will not be cheap.

Hull and machinery underwriters will have to make a substantial contribution to the GA. *Ever Given*'s H&M is underwritten in the Japanese market.

Some cargo interests may lodge claims for delay, but these would seem to be excluded under rule 3C of the York Antwerp Rules, which state: "Demurrage, loss of market, and any loss or damage sustained or expense incurred by reason of delay, whether on the voyage or subsequently, and any indirect loss whatsoever, shall not be allowed as general average."

Meanwhile, information in the public domain shows that shipping law firm HFW has filed an limitation of liability claim on behalf of Shoei Kisen in the Admiralty Court, against Evergreen and "all other persons claiming or being entitled to claim damages by reason of the grounding of the M/V *Ever Given* along the Suez Canal". HFW declined to comment on the matter.

Lloyd's List Intelligence's vessel tracking service has *Ever Given* currently at anchor in the Great Bitter Lake, where it is undergoing a number of technical investigations.

A spokesperson for technical manager Bernhard Schulte Shipmanagement said that investigations are being conducted by the SCA and flag state Panama. Investigators from the vessel's classification society ABS are also understood to have boarded the vessel and begun inspections. Experts appointed by the UK Club are also carrying out an investigation, as is a technical team from BSM.

The SCA has requested access to the voyage data recorder and other materials and data, which have been granted.

"All 25 Indian national crew remain onboard and are assisting with the investigations and hull inspections. All crew are in good health. We are not aware of any criminal investigations or charges," the BSM spokesperson added.

LLI data shows that 114 ships aggregating 9.1m dwt were currently waiting to transit the Suez canal on Tuesday, however a statement issued by the SCA over the weekend said that the backlog of vessels stranded by the grounding of the *Ever Given* had been cleared over the weekend.

WHAT TO WATCH:

Neptune Maritime launches new leasing platform with backing from Latsis family

SHIP finance veteran Harris Antoniou has announced his return to the industry at the helm of Neptune Maritime Leasing, a new company he has launched with the aim of simplifying leasing of vessels for owners.

Neptune has already gained backing from Greece's Latsis family as "anchor" investor in the Jersey-registered company.

Mr Antoniou told Lloyd's List that Neptune will concentrate on all "traditional" commodity shipping sectors — dry bulk, tankers, containerships and gas carriers.

It has already inked a first transaction, a financial lease for a containership chartered to a major liner company. "We are working on the documentation and expect to see it close within April," he said.

Neptune is aiming to "combine attractive returns with responsible investments," focusing on modern, fuel-efficient "eco" vessels.

"Economic growth forces and the call to decarbonise mean that the industry's structure and competitive landscape is about to change, increasing its needs for capital.

"There is a huge need for refinancing as well as for shipowners to renew their fleets and these are the two major components driving the market forward," Mr Antoniou said.

Neptune is part of a wave of alternative financing solutions being offered to shipping due to an exodus of banking institutions from the industry, he acknowledged.

"The aggregate expansion in other finance is nowhere close to the gap left by the banks though," he said. "That's why it's still an interesting place to be."

Neptune is able to consider sale and leaseback deals with individual exposures of "up to about $20m to $25m", he said.

"We have what it takes in terms of capacity, but also in understanding of the industry, in investors who understand it too, and in having contacts on a global scale," he said.

Initially, Neptune will focus mainly on the European market and is likely to appeal particularly to medium-sized owners needing capital to go forward. At the outset, operations will be conducted from offices in Switzerland and Greece.

A key part of the company's strategy will be to use new technology to create a "seamless" platform for investors to directly put money into maritime leasing, which is being touted as a separate asset class and one that offers investors a good entry point for shipping due to long-term cashflows and various layers of protection.

"Typically leasing transactions are quite cumbersome in terms of the legal process and all the paperwork. Technology allows you to do this today faster and easier and we aim to simplify the process," said Mr Antoniou. "Speed is really a key."

In February last year Mr Antoniou left his job as chief executive and chairman of the management board of Amsterdam Trade Bank after four years in order to pursue "new challenges".

A first project was involvement in a merger between blank check company AMCI Acquisition Corp II and Advent Technologies, a Boston-based leader in fuel cell and hydrogen technology that emerged from the transaction with a Nasdaq listing.

From 2013 to 2016 Mr Antoniou was president and chief executive of AMCI, a private group active in mining, trading, transportation and private equity.

Prior to that he served as managing director of energy, commodities and transportation at Dutch bank ABN Amro.

"I am thrilled to be back in shipping," he said. "It is a homecoming."

The Latsis family, which has a long background in energy and finance as well as more than 70 years in shipping, has invested in the company through the Latsco Family Office, which represents the family of Marianna Latsis for investments across several different sectors.

Latsco Shipping is a leading owner of tankers and liquefied petroleum gas carriers. The family recently diversified with its first liquefied natural gas carriers.

Mr Antoniou is on a five-person board chaired by Gabriella Kindert, a former banker who is specialised in alternative credit and private markets and who most recently was NN Investment Partners' head of alternative credit until 2019.

The Latsco Family Office is represented by its president and chief investment officer Nikoletta Fouska. Other non-executive board members are Julie Gallon, an associate director at fiduciary and fund services provider Highvern, and auditor and administrator James Bryant, who is Highvern's head of fund operations.

New dry bulk platform focuses on emissions

A NEW dry bulk commercial and operational management platform has been launched in Denmark with a focus on emissions.

Led by Christian Bonfils, the Copenhagen Commercial Platform, backed by BW Group and Weco Shipping, aims to help owners improve their footprint and charterers to find environmentally friendly vessels, which are vetted and rated by efficiency and emissions metrics.

"Historically, charterers have chosen price over other factors when chartering dry bulk vessels," said Mr Bonfils, who has more than 20 years' worth of experience in dry bulk shipping. Most recently, he was managing director of BW Dry Cargo.

"We now find ourselves in an era where environmental factors are being taken into consideration alongside price," he said.

He added: "Charterers are increasingly looking for vessels that help them minimise the environmental impact of their business activities. Therefore, owners increasingly need to follow the green agenda. CCP can help owners and charterers with their needs in this regard."

The idea was formed about a year ago based on demand from charterers, Mr Bonfils said.

The platform, which focuses on period charters, currently has two clients — BW and Marubeni, he told Lloyd's List. It aims to expand its client base, looking at 100 vessels in two years' time.

BW Group's chairman Andreas Sohmen-Pao said: "We are pleased to support CCP's ambition to manage vessels beyond BW's fleet and to provide a dry bulk platform embracing a more environmental focus."

Weco's chairman Johan Wedell-Wedellsborg said: "A good investment is matching the right idea with the right people and that is exactly what we see in CCP."

The platform began operations on April 1.

Kenya calls to redraw High Risk Area, complaining of high cost and dwindling Somali piracy

KENYA wants out of the Indian Ocean High Risk Area, complaining of the economic cost amid a drastic fall in Somali piracy.

It said the HRA has had "a tremendous negative impact" on its economy despite its waters being safe, with higher import costs and reduced foreign investment.

Shipping groups drew up the HRAs in the Gulf of Aden and Indian Ocean at the height of the Somali piracy crisis a decade ago. Ships were urged to avoid them or beef up security measures, such as armed guards.

In a submission to the International Maritime Organization, Kenya said there had been no piracy incidents reported off its coast since 2011 and one case south of the equator in the past six years.

The HRA was last revised in 2019 and its boundaries in the Arabian Sea and Indian Ocean were reduced. Kenya complained it was not consulted at the time.

"There has been a dramatic change of safety and security status since Kenya took charge of its waters and the adjacent sea," it said.

"The area to the south of the equator should therefore be the southern extremity of the HRA."

Kenya said the classification deterred foreign investment and cruiseship tourism and increased the cost of oil imports by sea for it and other countries that relied on its port of Mombasa.

The issue will be raised at the IMO's Maritime Safety Committee, which next meets from May 5-14.

Shipping groups the International Chamber of Shipping, BIMCO, Intertanko, Intercargo and the Oil Companies International Marine Forum are reviewing the HRA and the Best Management Practices (BMP5) antipiracy guidelines.

They warned the IMO maritime threats were dynamic and pirates had adjusted their tactics in response to previous HRA changes.

"During this review great care is being taken to ensure there are no unintended consequences from any changes which may dramatically affect the ability to protect ships and seafarers," the groups said.

The HRA review does not include the Lloyd's Joint War Committee's listed area, which insurers use to charge ships for more dangerous transits.

ANALYSIS:

Controlling Southern California's ship congestion is an 'orderly process'

THE San Pedro Bay ports of Los Angeles and Long Beach have been inundated with growing numbers of containerships since last October, creating a continuous daily backlog of up to 40 vessels at anchor since then.

Much media attention has focused on the outsized number of vessels at anchor — attention that is hardly surprising since containerships carry the consumer goods bought by most people in the country.

As officials often say, the twin ports serve all 435 Congressional Districts in the country. That means when the delivery of goods slows down, all eyes turn to the US west coast for answers.

A main source of information is the Marine Exchange of Southern California and its executive director Kip Louttit, who monitors and reports on all ship movements in and out of the twin ports.

"We watch the ships from a hundred miles off the shore to when they approach the port at 25 miles. We take control of them there to make sure they safely get either to an anchor or a berth," he says.

While much attention has focused on the continuing backlog of ships at anchor, as though it were an unbroken string, Capt Louttit describes several turning points in a year of ups and downs.

"After a very normal January and February 2020, the first turning point came mid-March when coronavirus came on suddenly," he says. That sudden arrival led to what he calls "the March to June backup of tankers".

The shut-down caused by coronavirus caused demand for gasoline, diesel, and jet fuel to plummet while "tankers with crude oil come from as far away as Iraq — way around the world — and take a month to get here".

"Once on the way, they had nowhere else to go because demand dropped everywhere," he says of last year's tanker traffic.

So they came to "destination Los Angeles-Long Beach", where they anchored for as long as three months while the oil companies slowed "the parade" of ships to meet the reduced demand.

"The record was 32 ships at anchor including 24 tankers and 6 cruise ships," Capt Louttit says.

"The second turning point was in May and June when we had the lowest ship count — 599 altogether — in the modern history of the Marine Exchange that extends back to 1980. This is when everyone hunkered down due to Covid, people and factories," he says.

The third turning point came on October 15, 2020 when the boxship backup started and reached its peak of 40 ships at anchor on February 1, 2021 — a surge in traffic "caused by 57 extra containerships coming in September through November 2020."

He underlines the extraordinary situation of that surge by contrasting it with earlier numbers.

"The average number of containerships at anchor from January 1, 2019 to October 1, 2020 was 1.04 and the range was usually 0 to 1 caused by normal reasons, fog, high wind, an occasional breakdown, a Coast Guard inspection, and so forth," he says.

By contrast, the surge of ships was so great then that on January 28, Marex even ran out of anchorages and had to place three ships in drift boxes — "the first time we needed them since the backup in 2004."

At one stage, even the drift areas saw a sudden influx of vessels moving from anchorage.

"The first time this happened was on the night of the storm of January 25 with 17 ft seas and 55 kts of wind. 17 ships got underway that night and went to drift areas, and at one point we had 24 ships in drift areas," he says.

The ships were neither driven to sea nor ordered from their anchorages, contrary to some reports.

"We don't order the ships to sea," he says. "From our perspective the choice is made by the ship's captain. They may have guidance from ashore, procedures, protocols, and limits on their equipment."

"As far as we're concerned, the ship's captain contacts us and we respond to facilitate them safely getting under way, exiting the anchorage, and determining an agreeable drift area," he says.

In the case of the January 25 storm, "the ships returned to their anchorages" the next day.

While some observers have played up the congestion angle, suggesting that the growing number of ships amounts to an uncontrolled traffic jam, Capt Louttit insists that the process is under control and orderly.

"Our function is very much like an air traffic control tower to ensure safe, secure, efficient, reliable, and environmentally sound, maritime transportation so that people in the ports can then move the cargo to its destination," he says.

For the record, the Ports of Los Angeles and Long Beach have a combined total of 42 berths of varying dimensions for containerships. When they are full, incoming ships are assigned an anchorage outside of the ports.

Making those assignments has always been an "orderly" process, he says, pointing to a computer slide that "may make it look like the ships are randomly placed and blocking the entrances to the ports of LA and LB."

But when properly viewed, he says the slide "shows how each ship is in an anchorage, the anchorages are out of the shipping lanes, and all is very orderly."

"It's not a traffic jam in the middle of the road. The anchorages and drift areas aren't a mall parking lot where drivers make their own decisions where to park," he says.

Capt Louttit likens the Marine Exchange to a "truck stop where we make the decisions on what ship goes where based on the ship's length, draft, cargo, next port, how long they plan to be at anchor, and so forth."

While at anchor, they are "tagged" by the Kongsberg Norcontrol computerised vessel traffic control computer system, which will sound an alarm if the ship starts to move from its anchorage, and also "watched by my great people," he says.

Matters have greatly improved since the February high of 40 containerships at anchor, and have now reached a "status quo" of around 25 ships.

As for what's coming: "We only look out 96 hours in advance due to the post-9/11 advance notice of arrival protocols. Beyond that, beyond our scope."

OPINION:

Standardisation of vaccination essential for seafarers, says Synergy

SEAFARER vaccine passports are an important step to passing through port checks, but what is more significant is the universal standardisation of vaccination for crew members that can allow them to sail freely, according to shipmanager Synergy Marine.

Disjointed nationalised vaccination policies are being enforced at ports around the world, thereby further complicating crewing problems, said its chief executive Rajesh Unni.

He fears big problems ahead if countries insist on crew being inoculated with a particular vaccine, while other vaccines may not be recognised.

"An average ship has a mix of at least two nationalities on board, and sometimes as many as six or even more," he said in an interview with Lloyd's List. "This makes the current model of vaccinating by nationality a huge challenge."

"What if the Sinovac vaccine given to Chinese or Filipino seafarers is not accepted by health regimes of certain countries?"

"There should be some level of understanding that all the vaccines have to come through the World Health Organisation," Capt Unni said. He noted that the "industry should recognise a particular set of vaccines to be globally accepted, which is likely to be achieved through an independent body."

Although countries should have vaccinated seafarers as part of their key worker status, he said that only few of them prioritised the mariners as frontline workers and began vaccinating them.

"Seafarers need to be protected through vaccination as soon as possible to facilitate their safe movement across borders, as they are on long tours of duty away from their home country.

"Clear vaccine passport protocols in line with WHO recommendations need to be followed globally as vaccinated seafarers are critical to keeping the world supplied with personal protective equipment and vital goods."

While the supply of vaccines remains monopolised by governments, there are countries where seafarers can get vaccines by way of private healthcare.

"Predominantly, I think that we would still be guided by different rules (for vaccinations) by the countries, but we should keep the options of private clinics, as and when they open for jabs," he said.

He believes that the cost of getting vaccines for the crew is significantly less as compared with the exorbitant cost for crew changes or ship deviations given that many countries are making vaccination of crew a condition for entering ports.

At present, the company is carrying out many more crew changes than it could six months ago. However, the situation is still far from perfect, he said.

According to the latest estimates, some 200,000 seafarers are currently affected by the crew change crisis, down by about half from the height of the situation in July last year, when more than 400,000 were over-running their contracts.

"A similar number of seafarers have been waiting to join ships and earn a living. However, I must warn that the crisis is far from over, and the number could rise again as governments reintroduce stricter border control and travel restrictions due to new coronavirus variants."

Key crew supply nations such as India and the Philippines are going into lockdown again, he said, adding that "the fact that ports are turning away unvaccinated seafarers is further aggravating the situation and creating a perfect storm for global seaborne trade."

MARKETS:

China's coal imports expected to decline this year

COAL imports into China are expected to decline this year, a potential negative for dry bulk shipping, which had been counting on growth.

China's demand indicators usually lead the direction for dry bulk freight rates, which have been boosted by grains and minor bulks, with expectations of increased iron ore and coal trades this year.

Any drop in China's import needs will therefore likely dent earnings prospects.

Speaking at the Coaltrans conference, Fenwei Digital Information Technology Co general manager Feng Dongbin said China's total coal imports were estimated to reach 258m tonnes, down 15% year on year.

Thermal coal is estimated to drop by 12% to 203m tonnes, while coking coal is expected at 55m tonnes. That is 24% below the past year's import level, he said.

In the first two months of this year, total imports dropped 40% to 41m tonnes, comprising 35m tonnes of thermal coal, a drop of 34%. More significant was the decrease in coking coal imports of 58% versus the year-ago period.

The reason for the decline can be attributed in part to higher import prices versus domestic supplies, he said, adding that new coal mines have gradually been commissioned, with 146m tonnes added in 2020 and a further 143m tonnes expected to be added this year.

Domestic coking coal capacity is expected to see an additional 39m tonnes this year, while imports may be curbed by policy uncertainties, leading to a structural shortfall, Mr Dongbin said.

Amid curbs on Australian coal, thermal supplies can be substituted by Indonesia and other regions, or increasing domestic output, but coking coal alternatives are harder to find, he noted. In December, no imports from Australia were recorded.

Separately, Mitsui OSK Lines anticipates a downward trend in China's imports this year, even though currently, the country's steel production and iron ore imports continue to rise.

China's steel output reached 83m tonnes in February, up 11% from the same month last year, according to the latest statistics from the World Steel Association.

Shipping association BIMCO has been warning of a long-term slowdown in iron ore and coking coal demand as China increasingly uses scrap metal in steel-making furnaces as Beijing focuses on its environmental protection policy.

Attica blames Covid for $136m revenue shortfall

ATTICA Group, the largest owner and operator of ferries in Greece, ran up a near-€50m ($59m) loss last year due to the coronavirus outbreak, which is continuing to play havoc with its business during the first months of this year.

Unveiling the extent to which its 2020 results were hit by the pandemic, Attica said that the pandemic and related curbs led to a 74% reduction in passenger traffic, 51% drop in private vehicles and a 13% fall in truck traffic during the first two months of 2021.

While no immediate change is expected, the group voiced some hope that increasing vaccinations and an easing of restrictions may come in time to improve traffic numbers in time for summer when it earns most of its revenue.

Last year, Attica had reported significant increases in the first two months, only for a promising year to be "completely reversed" by the pandemic.

The 12 months saw a 53% reduction in passengers, 38% fewer private vehicles and a 14% reduction in truck traffic carried by the group's 30 vessels across the SuperFast Ferries, Blue Star Ferries and Hellenic Seaways fleets.

Revenues slumped by €115m ($136m), or 28%, compared with 2019 and Attica crashed to a consolidated loss of €49.4m, in contrast to a profit of more than €20.8m in 2019.

Despite the tough climate for the sector, Attica has begun overhauling its fleet to meet new environmental requirements.

Recently it inked a €21m order for three ultra-modern passenger catamarans from Norwegian ferry builder Brodrene.

The 'Aero'-type catamarans, capable of carrying up to 150 passengers at a maximum speed of 34 knots, are intended to replace older tonnage on the group's Saronic Gulf services and reduce emissions.

The light carbon fibre construction contributes to the vessels' lower fuel consumption and they will be equipped with solar panels for all lighting and energy needs in the accommodation areas, further increasing the design's energy efficiency.

Attica has also completed installation of exhaust gas cleaning systems on three conventional ropax ferries — *Blue Star Patmos*, *Superfast XI* and *Blue Star Delos*.

Last month the group clinched a bond loan for up to €14.7m with Alpha Bank and the Norwegian export credit organisation to finance 70% of the three Brodrene-built catamarans.

It also concluded an agreement with Piraeus Bank for a five-year common bond loan of up to €55m for general business purposes.

The new funds, Attica said, will significantly expand liquidity and "contribute to the acceleration of [the group's] investment planning and adaptation to a green and digital economy".

IN OTHER NEWS:

Crew rescued from listing Dutch cargoship Eemslift Hendrika off Norway

A DUTCH cargoship was in danger of sinking off Norway on Tuesday evening after listing heavily and taking on water, leading to the dramatic rescue of its crew on Monday in 15-metre swells.

Plans were being drawn up to salvage the Netherlands-flagged, 2015-built, 4,200 dwt yacht transport vessel *Eemslift Hendrika* (IMO: 9671486), according to Lloyd's List Intelligence.

The ship lost main engine power overnight and could capsize and sink, the Norwegian Coastal Administration said. It has 353 cu m of heavy oil, 75 cu m of diesel and 10 cu m of lubricants on board.

Eight of its crew were winched to safety by helicopter at 1200 hrs local time on Monday. The other four, who had stayed to help salvage the ship, were rescued at 2010 hrs after jumping into the sea. One was taken to hospital in Alesund.

For up-to-date details of the casualty head to Lloydslist.com

Greece launches tender for Heraklion as port privatisation warms up

GREECE has launched a tender for the sale of a majority stake in the port of Heraklion as the country's programme of privatising key regional ports heats up.

Interested investors are required to submit expressions of interest for 67% of the port authority controlling the main port on the island of Crete.

Parties meeting the prequalification criteria, such as having relevant experience in ports, terminals, shipping or logistics, will go forward to a second round in which competitors will be asked for binding offers.

Heraklion has been under the Hellenic Republic Asset Development Fund (HRADF), the Greek privatisation agency, since 2012.

After the sale of Piraeus to Cosco and the privatisation of Thessaloniki under a long concession agreement with an international consortium, the privatisation of a further 10 ports, including Heraklion, was stalled until public tenders were launched last year for Alexandroupolis, Igoumenitsa and Kavala.

MSC reaffirms northern sea route rejection as Russia ramps up Arctic rhetoric

LEADING boxship owner-operator Mediterranean Shipping Co has doubled down on its stance against the use of the northern sea route following pronouncements by Russia, which has been promoting the opening up of the Arctic as a viable alternative route for ships seeking to avoid bottlenecks at the Suez Canal.

"The NSR is neither a quick fix for the current market challenges, nor a viable long-term strategy," said MSC chief executive Soren Toft, reiterating MSC's "Arctic commitment" first spelt out in 2019.

"MSC will not seek to cut through the melting ice of the Arctic to find a new route for commercial shipping and I consider this a position the whole shipping industry must adopt.

"Some of our peers have already made the same commitment to put the preservation of the Arctic environment ahead of profits," Mr Toft said.

CNOOC to bunker Guangdong's first LNG-fuelled bulkers

CHINA National Offshore Oil Corp's gas and power subsidiary has signed a liquefied natural gas bunkering deal with Guangdong Province Navigation Holdings Co.

The deal involves the supply of LNG as marine fuel to 50 bulk carriers that the shipowner has commissioned China State Shipbuilding Corp to build, a statement from the Chinese national oil company said.

This series of bulk carriers split evenly between 2,000 dwt and 3,000 dwt units are scheduled for delivery from CSSC's Guangxi shipyard by March 2022.

They are the first ships that will run solely on LNG to join GPNH's fleet and will trade in China's Pearl River Delta emission control area.

BW wins FSRU charter from the Philippines

BW Gas has secured a five-year time charter for a floating storage and regasification unit to be deployed at Batangas in the Philippines.

The charterparty is with a unit of First Gen Corp for the 162,400 cu m *BW Paris* (IMO: 9368302), which has a nominal send-out capacity of 500m to 700m cu ft per day of gas.

As the fourth FSRU delivered to BW Group, *BW Paris* was ferrying liquefied natural gas cargoes before landing the time charter, Lloyd's List Intelligence vessel-tracking data showed.

The leased FSRU is expected to start importing LNG into the Philippines as early as in the third quarter of 2022 to feed gas-fired power plants, First Gen said in a disclosure.

Classified notices follow