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World Bank calls on policymakers to cut support for LNG bunkering



LIQUEFIED NATURAL GAS will have a limited role in shipping's future fuels and policymakers should cut their support for LNG bunkering, the World Bank has said.

In a new study, the World Bank downplays the future potential of LNG as a shipping fuel in both the short and long terms due to questionable environmental benefits and additional costs for fleet and infrastructure expansion that could potentially be rendered useless if shipping is to decarbonise.

"The analysis in this report concludes that LNG is likely to have a limited role as a bunker fuel, with any demand for LNG rapidly declining after 2030," the report said.

The World Bank's call on authorities to "curtail" existing and "avoid" new public policy support for LNG, which some in shipping see as a bridge between today's fuel oil and future zero, is one of the highest-level repudiations against the fossil fuel, which can reduce CO₂ emissions but can lead to greater methane emissions.

It comes in direct opposition to the large investments that energy majors such as Shell and Total, and shipping juggernauts such as CMA CGM and Hapag-Lloyd, have made in the fuel's future.

The report also serves as a poignant reminder of the disparity that still exists among key stakeholders in the energy transition over what role LNG should play in it and which will likely persist for the next few years as both the pressure to reduce shipping emissions and the size of the LNG-powered fleet increases.

In its report, the World Bank says that the “large-scale use of LNG in the long term” is not consistent with the IMO’s initial greenhouse gas strategy, which aims to reduce GHG emissions from international shipping by at least 50% compared to 2050.

LNG’s short-term prospects are not much better either, according to the report.

It examines LNG’s potential use both as a transitional fuel, where LNG infrastructure and LNG-fuelled ships have a place in a zero-carbon future through the use of compatible fuels such as liquid biomethane and liquefied synthetic methane, and as a temporary fuel where these assets are only utilised initially but not at the zero-carbon stage.

The report casts doubt on both possibilities. Fuels such as LBM and LSM have pricing and availability shortcomings that make them less competitive than fuels such as ammonia and hydrogen, which the World Bank said are the zero-carbon fuels with the best prospects.

It published another report that highlights the potential and benefits of these two fuels over the likes of biofuels and synthetic carbon-based options.

But ammonia and hydrogen will also need infrastructure and onboard technologies that are not aligned with investments in LNG technologies and supply infrastructure for shipping, according to the bank.

“The technical incompatibility of the lower-cost ammonia and hydrogen bunker fuels with LNG assets means that there are significant risks that speak against LNG as a transitional fuel,” the report said.

In the temporary case, the level of necessary capital expenditures should inhibit LNG’s development; the report suggests that in case of full decarbonisation by 2050, around \$186bn in spending on LNG fleet and land infrastructure would be required.

Financial cost aside, the report also questions the environmental benefit of LNG as a fuel. It claims that depending on the methane leakage assumptions, a 40% market penetration of LNG in energy terms of global bunker fuel 2030 would result in either a peak GHG

benefit of 8%, or a peak disbenefit of 9%.

“The temporary use of LNG is, thus, likely to lead to GHG outcomes which may range from moderate GHG benefits to GHG disbenefits — in addition to considerable additional capital expenditures relative to a counterfactual scenario with a rather limited role for LNG,” the report said.

Though LNG can reduce CO2 emissions compared to fuel oil, it can also lead to what is known as methane slip, which occurs when unburned methane escapes from the LNG engine.

Methane causes 86 times more warming than CO2 over a 20-year period, and 36 times more warming over 100 years.

Though the overwhelming majority of shipping’s GHG emissions are CO2, methane emissions rose by over 150% between 2012 and 2018 as LNG use grew by 28%-30%, according to the fourth IMO GHG study.

A recent study by pro-LNG lobby SEA/LNG found that LNG can reduce its life cycle CO2 emissions by around 23% compared. However, Bryan Comer of the International Council on Clean Transportation noted that this applies to engines with the lowest methane slip, which were responsible for just 8% of LNG consumption in 2018.

The World Bank’s report calls on policymakers to urgently regulate strong policy action to regulate methane emissions both in the supply chain of LNG and on board ships.

“This will be important regardless of whether LNG becomes a significant bunker fuel or not,” it said.

They should also focus their support on establishing policies that would accelerate the research, development, and deployment of zero-carbon bunker fuels.

“Such policies would send another clear signal with respect to LNG’s future role, and help mitigate the risks associated with a significant future uptake of LNG,” the report said.

The World Bank’s report said that there could be niche cases where LNG use could serve some purpose, but those would not materially alter the demand for LNG as a marine fuel.

WHAT TO WATCH

HMM eyes newbuilding orders with government support

HMM is planning to join the latest containership ordering binge, backed by the South Korean government, which has pledged support to domestic owners to renew their fleet.

The Ministry of Oceans and Fisheries said in a statement that it would “actively” back newbuilding investment for “national carriers” to replace old or costly chartered ships with new, highly efficient fresh tonnage.

The schemes include having state-owned Korea Ocean Business Corporation order and then lease back new vessels to owners, as well as providing easier financing to small and medium-sized players.

The move represents part of Seoul’s initiative to sharpen the competitive edge of the domestic maritime sector, even though such efforts have previously drawn concerns over unfair competition created by excessive state support.

The ministry highlighted the goal for HMM, the country’s largest shipping line, to expand its boxship fleet size to more than 1.1m teu by 2025.

The company currently ranks in eighth place among the world’s top liner shipping carriers, boasting a fleet capacity of 845,000 teu, including six 16,000 teu ships to be delivered later this year.

Korean news agency Yonhap quoted a ministry official as saying that it planned to help HMM build

about 10 new boxships of 10,000 teu-13,000 teu by end-June.

An HMM spokesperson told Lloyd’s List in an emailed response that the company is eyeing “new orders for containerships including 13,000 teu-class”, but no decision has been made yet.

“We expect to derive a conclusion within the first half of this year at the soonest,” the spokesman said.

The South Korean carrier had shocked the industry with its ordering spree for 20 ultra-large containerships — including a dozen 24,000 teu, the largest of its kind at the time — in 2018 during a market slump. Since then, it has been relatively quiet in the newbuilding market.

HMM now seems to be playing a game of catch-up with its big rivals, with the other top 10 carriers — except for Maersk — having already returned to yards for large shipbuilding projects spurred by a pandemic-led market boom.

Market participants are keeping an anxious eye on the new capacities being ordered at a breakneck speed. However, some analysts have argued that the situation is less concerning than it otherwise may have been, due to the sector’s healthy long-term fundamentals.

Meanwhile, the race for ever-bigger ships appears to have also slowed, with lines taking to smaller and more flexible units.

US fails on Iran sanctions enforcement promise as China crude imports escalate

THE US has failed to deliver on its promise made more than four weeks ago to enforce sanctions against Iran as April crude shipments to China from the Islamic republic are estimated to surpass 1.3m barrels per day.

This is the highest monthly figure of Iran-China shipments tracked since US sanctions announced in 2018 were fully re-imposed in mid-2019.

On March 17 this year, unnamed officials from the new Biden administration told the UK newspaper

the Financial Times that the US would continue to enforce the sanctions, and there was no tacit green light to rising Iran-China oil imports.

The comments were made just before a crucial meeting with national security advisers from the US and China, and ahead of European-led negotiations on the Iran nuclear deal now under way in Vienna.

Those talks aim to restore a 2015 nuclear pact with Iran in return for the lifting of US international sanctions on the oil and shipping sector.

Against this backdrop, China continues to import without penalty escalating volumes of cheap Iranian crude, using a subterfuge fleet of largely unregulated, elderly tankers purchased by anonymous buyers over the past 12 months.

Some 750,000 bpd of Iranian crude was tracked on these tankers imported to China over February and March, according to vessel-tracking information compiled by Lloyd's List using data from Lloyd's List Intelligence.

That figure has risen sharply for April, with preliminary data showing imports are likely to reach between 1.1m bpd and 1.3m bpd this month. Some 21.8m barrels in total are forecast to arrive on 19 tankers laden with Iranian crude.

During February and March volumes tracked to Iran averaged 750,000 bpd on 36 tankers, according to information compiled by Lloyd's List.

The US State Department has declined to comment on reports that a subterfuge fleet of some 130 or more tankers is being used to ship Iranian crude to major buyers in China and Syria.

Asked about rising imports of Iranian crude to China and provided information about tonnage involved a US State Department official told Lloyd's List: "I'm afraid we don't have anything for you on that question".

The US Office of Foreign Assets Control has not updated its Specially Designated Nationals list relating to Iran since those March 17 comments suggesting tighter enforcement.

Lloyd's List has identified and monitored the tanker fleet involved in shipping sanctioned crude from Iran and Venezuela over the past year, excluding ships from national oil fleets.

All engage in deceptive shipping practices, including multiple reflagging in smaller registries, unauthorised ship-to-ship transfers and turning off vessel-tracking equipment to disguise the origin and destination of cargo.

Tankers do not largely ship direct from Iran but

vessel tracking shows they load via ship-to-ship transfers from anchorages at Malaysia, Indonesia, the United Arab Emirates before sailing to China. False bills of lading can show the oil's origin as Malaysian, Iraqi or Emirati are also used.

Official Chinese customs data does not show Iranian imports.

The US has imposed sanctions on several Chinese refiners and oil traders, as well as briefly designating the tanker subsidiary of China's state-owned shipowner, Cosco, in September 2019.

China is the world's biggest importer of crude, regularly importing more than 10m bpd each month.

Rising volumes may reflect additions to the subterfuge fleet. More than a dozen tankers above 120,000 dwt that were built in 2002 or earlier have been sold since September 2020 and immediately used for shipping Iranian crude.

The new owner is often unknown or related to a single-entity company registered in known shipping jurisdictions for which full information does not have to be disclosed.

The mixed messages have left tanker owners unable to get a read on what the new Biden Administration will do about the Trump-era sanctions on Iran and Venezuela.

There has been a new appointment within the US State Department in the role that typically liaises with the international maritime sector over sanctions and counterterrorism.

The international maritime industry managed to thwart unworkable sanction implementation proposals widely lobbied for by David Peyman, who was replaced in April 2020 as the deputy assistant secretary of state for counter threat finance and sanctions.

His replacement Andrew Weinschenk was ousted in January after the Biden inauguration and Erik Woodhouse took over.

OPINION:

Suez Canal compensation claim is simply outrageous

THE television cameras — and with them the public gaze — have moved on from the Suez Canal.

With traffic flows back to normal, owners and operators not directly involved can be forgiven for thinking no more of the grounding of *Ever Given* last month.

But marine insurers have been left aghast at the Suez Canal Authority's arrest of the boxship, as a means of putting leverage behind its blockbuster \$916m compensation bill.

Given the delicacy of the situation, public comment is impossible, and the underwriting equivalent of omerta prevails.

Yet behind the scenes, the feeling is very much that the sum sought is not just silly, but simply outrageous.

What we are seeing may be, in sales parlance, a highball bid, proffered tactically in the expectation that insurers will try to beat it down.

There may also be an element of national pride at stake, not to mention genuine penury.

Egypt's need for dollars is particularly acute now the pandemic has trashed tourism, leaving the key waterway as the country's biggest foreign exchange earner.

As a publication based in London, also home to some of the insurers involved, it would be tone deaf not to factor in potential historical resonances.

Britain colonised Egypt in all but name after 1882, precisely on account of the canal, and invaded again in 1956, exemplifying Marx's famous dictum that great events often recur the second time as farce.

The days when pith helmet-clad Brits with double-barrel surnames called the shots while blithely plundering the country's immense architectural treasures are long gone, and there can be no question of dictating terms. Egypt is legally and morally entitled to a fair deal.

But the quest for close on a billion bucks is taking the mickey, to euphemistically paraphrase some of

the comments marine insurance professionals have made in private.

Suez Canal revenue last year was \$5.6bn. Divide that by 365, and that works out at around \$15m a day.

The six-day shutdown caused by the *Ever Given* grounding does not necessarily mean six days' loss of revenue, as most of the backed-up traffic eventually made the transit and paid the toll. But let's not quibble; \$100m should meet the tab.

Legitimate salvage expenses must be met. Let the SCA present an itemised account, which will presumably be in the order of tens of millions.

Some element by way of saying sorry for the aggro and the inconvenience is also arguably reasonable.

Tot everything up, and this is nothing that, say, \$225m shouldn't comfortably cover. Asking for four times that figure — including a \$300m for a 'salvage bonus', whatever that might be, and a further \$300m for 'loss of reputation' — is transparently petulant.

The sense that SCA is grandstanding is only heightened by the news that the crew are not able to leave the ship.

This is a row between the Egyptian government, the vessel's owner, the vessel's charterer, the cargo interests and the insurers.

It has nothing whatsoever to do with regular guys who work hard for a living, who could now be stuck on board for an extended period while wrangling between desk jockeys of various stripes goes on over their heads.

Unless there are any grounds to suggest culpable navigational error — and no-one has mentioned this possibility so far — they should be allowed to take recreation ashore, and fly home once their tour is concluded.

Seafarers are human beings, not bargaining chips. Most of them are Indian nationals in this instance, and we trust the Indian government will make suitable representations.

From a technical standpoint, American Bureau of Shipping has completed the necessary class surveys and declared *Ever Given* is fit to sail.

Now the industry now needs to know what happened and what lessons are to be learned. Accident investigations are ongoing, and flag state Panama must complete it with alacrity, and publish the findings as soon as possible.

General average has been declared, and the cargo interests have one hell of a legitimate grievance. Some 20,000 teu-worth of goods are still sitting in the Great Bitter Lake when they should have arrived at destination long ago.

It is in the interests of all concerned to seek rapid resolution of all outstanding concerns.

The UK Club has tabled what it describes as a carefully considered and generous counteroffer. Its size is undivulged, although it may be of the order we suggest above.

The constructive way forward stares everybody in the face; post suitable security; let the vessel finish its voyage; get the cargoes to the consignees; sign the crew off; get the arbitrators on the case; and work out a settlement everybody can live with.

What no rational person should want is for is for the matter to become needlessly politicised, dragging on for months or even years, to the common detriment of all. We can only urge Egypt not to go down that road.

ANALYSIS:

US west coast ports and supply chains need 24/7 work week

US west coast ports and their supply chain partners must adopt a 24/7 work model to compete in a world of consumers ordering goods around the clock from factories that work the same hours to meet the demand.

That claim by Port of Long Beach executive director Mario Cordero came as California ports announced record-breaking levels of container throughput in March as US consumers prolonged a buying spree that began last autumn, a spree that may extend for months to come.

“It seems that we need to have a new model on how we operate here,” Mr Cordero told Lloyd’s List.

While a 24/7 model would be new to Long Beach, it is not new to much of Asia and pressure to improve the flow of cargo through the ports of Long Beach and Los Angeles has been growing for some time.

“The challenge in North America is that we’re not working 24/7 and we’re not hitting the productivity levels in the terms of berth/hour moves that we are elsewhere,” Ocean Network Express chief executive Jeremy Nixon told the TPM Conference at the beginning of March.

According to the lines low productivity at US terminals is one of the main factors behind the

slowdown in container transport that is seeing ships stuck at anchor and carriers unable to move containers back to export markets.

But according to Mr Cordero, the solution required must extend well beyond the dockworkers and the port itself, “because ultimately to have a robust 24/7 model, it has to move to the supply chain” as a whole.

That view is supported by Jim McKenna, president of the Pacific Maritime Association, which handles labour on the docks of US west coast ports for the marine terminal operators and ocean carriers.

Mr McKenna said the idea of working a third 8-hour shift is “logical” but not practical at the moment since there are other elements of the supply chain that need to be brought into alignment with the 24/7 model.

That’s especially true now, he says, when “in a nutshell, the whole supply chain is under siege.” Changes to dockworker hours alone will not solve problems created elsewhere along the line.

He notes in particular that ship-to-shore transfers of containers cannot take place if container yards are full. That, in turn, prevents terminal operators from ordering work gangs for ships.

“We got guys that have ships against docks that aren’t asking for labour because they can’t work on the ship,” he says, referring to marine terminal operators. “They’ve got to clear their yard and keep them fluid” before any more boxes can be moved from the ships.

If ships can’t be worked, then they occupy berths and that forces arriving ships to be sent to anchorages — a trend that led to a record high of 40 vessels at anchor off Long Beach and Los Angeles in February.

Mr Cordero believes the growing volumes of cargo coming through his port are evidence that “the American shipper still has very much confidence in this gateway”.

But he warns that “we cannot be presumptuous in thinking we’re going to continue to capture that market if we don’t change our ways.”

He is no less aware that making such sweeping changes will be costly, but he believes the cost of not changing could be even higher.

“For those who question the cost to implement 24/7, think about the costs that are incurred when you don’t do that,” he says, referencing the year 2014, “the last time we had a serious crisis here”.

When the port had a congestion issue back then, he says, the national newspaper headlines were about the billions of dollars in losses because of the backup of ships.

So, he says, if the loss is \$2bn a day, the cost of not implementing the 24/7 model “is even greater” than the cost of implementing it.

Mr Cordero’s remarks came as California’s container ports all announced burgeoning throughput numbers for March:

- Los Angeles processed 957,599 teu, the strongest March in its history.

- Long Beach moved 840,387 teu, the highest monthly total in its history.

- Oakland’s total of 241,479 teu, included 97,538 teu of imports and exports of 94,169 teu — both single-month records in its history.

These historic highs show that the ports are doing more than just rebounding from the drastic cargo shortfalls they faced last spring when the pandemic was closing factories and shops. They are entering a new era, according to National Retail Federation vice-president for supply chain and customs policy Jonathan Gold.

“We’ve never seen imports at this high a level for such an extended period of time,” Mr Gold said. “Records have been broken multiple times and near-record numbers are happening almost every month.”

Even so, there is still more for both ports to do, according to the Marine Exchange of Southern California, which said there were 19 container ships at anchor awaiting a berth on Thursday.

Marex also noted that the 19 containerships at anchor include nine mega-container ships more than 10,000 teu — three of them clocking in at more than 14,000 teu.

That observation underlines a trend that has been developing for at least 20 years according to a study by the port which shows ever larger numbers of containers arriving on fewer ships — but increasingly larger ones.

The 24/7 model has perhaps been a long time in coming, but its time may be at hand.

“I think for those who are hesitant or question the risks about this, we’re already there, when it comes to vessel-to-the-dock,” Mr Cordero says. “We need to finish the model from container-out-of-the-terminal to into-the-supply-chain.”

Combating Covid-19 with containers

WITH 150,000 vials of coronavirus vaccine fitting into a single container, it would be possible to ship enough doses to protect the entire world on just a handful of ultra-large containerships.

The challenge, however, is far more difficult than that and to date, the vaccines that have been

exported from their countries of manufacture have moved by either road or air.

But there are hopes that container shipping can have a role in the distribution of the world’s coronavirus vaccines.

“Given the sheer scale of the exercise of getting the

majority of the world vaccinated, and the demands these vaccines will place on finite, temperature controlled airfreight capacity, our view is that ocean shipping is likely to play a prominent role in the distribution of the less temperature sensitive coronavirus shots,” said PSA International vice-president for cargo solutions Siddharth Adya.

Speaking at a Cool Logistics webinar, Mr Adya noted that ocean freight would help reduce the costs of transport, particularly for the developing world, and that the associated inventory of consumables such as syringes and personal protection equipment were already shipped by sea.

“To that extent, we believe containers can and will play a critical role in the medium term,” he said.

Michael Culme-Seymour, a consultant with the World Economic Forum and vice-president of shipment tracking service Roambee, said that with a target price of \$3-\$5 per dose, transport could add 30%-40% to the costs of vaccines.

“We have to find ways to ship them more cost effectively,” he said.

“If we can start on some small trade lanes, such as India to Southeast Asia, and get the systems and equipment in place, people can start to gain confidence that ocean works.”

But while the box shipping sector is already experienced in shipping vaccines, there was work to do before pharmaceutical companies would entrust such shipments to ocean freight.

“Speed is the key at the moment, so road and air are dominating,” said DHL Global Reefer Competency Centre director Sebastian Steinmüller.

“There are opportunities, but there are a lot of challenges. The industry has already proved it can move pharmaceuticals but not every trucking company might have the experience of delivering reefer containers in a compliant way.”

Nevertheless, huge volumes of supporting products going on ocean already and in some niche trades, like intra-Europe and intra-Asia would definitely see vaccines going by ocean, he added.

“But the vaccination ratios will have to reach a certain level before this will be common.”

A key element of any ocean transport of vaccines will be data transparency and regulatory compliance.

“Sharing of critical logistics and product information as quickly as possible will be important so that events can be flagged,” Mr Adya said.

“This will also be important to avoid time lags when shipments arrive at port and need to be quickly entered into the vaccine supply chain. By providing timely and steady fulfilment of vaccines and PPE we can minimise the need for handling at destinations that maybe do not have the equipment or infrastructure.”

Visibility will also be important from a carrier perspective, according to Maersk head of pharmaceuticals and healthcare Hristo Petkov, particularly given the requirement for refrigerated containers, which are also in short supply.

“We can get the containers to the customer but the demand needs to be forecast,” he said.

“If a pharma company asked for 50 containers tomorrow, it would be very hard to find them and it might have to come at the expense of someone else.”

Matching supply with demand is perhaps one of the biggest problems container shipping will face with distributing vaccines.

“The delays from Suez and on the US west coast mean there is an absolute lack of confidence,” Mr Culme-Seymour said.

Prioritising the global distribution of vaccines would require relationships with producers, rather than just transactional interactions, Mr Petkov added.

“Convincing pharma to move to ocean will be a long process that requires quality commitments to be in place,” Mr Steinmüller said.

“The switch from air to ocean will be a process. Equipment availability is simply not going to be able to keep up as we move into less developed countries. Mindsets will have to change. But we will also have to look at how data is shared and how we priorities vaccine deliveries by sharing information across the supply chain.”

MARKETS:

Surging imports show importance of global supply chains

POLICY makers should be wary of talking down the role of globalisation, despite the disruptions seen in the supply chain from high demand and the recent *Ever Given* grounding in the Suez Canal

“Globalisation is the work of decades; do not let it run aground,” said BIMCO chief shipping analyst Peter Sand.

“The whole world has been made aware of the significance of the shipping industry and some of the strengths and weaknesses of global supply chains. But at the end of the day, resilience comes not from autarky but from diversification of supply,” he said speaking on a webinar Thursday.

Globalisation had been “shifting down through the gears” since the launch of the trade war between the US and China, but it was “nowhere near being in reverse”, Mr Sand said.

This had been witnessed by the strength of imports into the US, which in February were twice as high as they had been at the low point at the start of the pandemic last year.

“The doubling of volumes in February was good for business but also extended the troubles that have been experienced for at least half a year,” Mr Sand said.

The 100% increase in US imports was not only a result of a strong stimulus package to US consumers but also due to a “very slow” recovery in the US manufacturing sector.

“US manufacturing struggled throughout last year and when demand was picking up and underpinned by cash-rich consumers, they had nowhere else to go but to the key providers of consumer goods in Asia,” Mr Sand said.

As retail sales rebounded to end up 3% ahead over the full year 2020, the value of US manufactured shipments remained down by over 5%.

“We are also seeing the strength and efficiency of the Chinese manufacturing sector as it has been capable

of not only recovering fast but also catering to a very strong demand,” he said.

“At some point in time consumers will start spending on something other than goods, and that is when we will see this reverse.”

In the meantime, elevated freight rates were set to remain in place for the remainder of this year.

“Any normalisation is not likely to manifest itself until 2022,” Mr Sand said.

“This is a fully global disruption in terms of equipment and congestion.”

These issues had been exacerbated by the Suez Canal grounding and the supply chain would feel the effects for several months as the impacts trickled down into the inland network.

“The disruption will not be as much in Europe as would have been the case in the US, because there are more options in terms of ports and terminals at which to call, compared to the US west coast, for example,” he said.

Nevertheless, pressure on equipment and capacity saw rates tick up again this week, with the Shanghai Containerised Freight Index rising 7% to 2833, just shy of its recent all-time high.

Rates from Asia to Europe and the Mediterranean rose 5.6% and 5.3% respectively, with both trade lanes now commanding around \$4,200 per teu.

But the biggest main lane hike this week was on the transpacific, where rates jumped by 12.7%, or \$501 per feu, lifting them back over the \$4,000 mark to \$4,432 per feu for Asia-US west coast services.

“The normalisation of the container market is taking longer than expected, due to ongoing bottlenecks and capacity constraints, exacerbated by the recent blockage of the Suez Canal, while container demand is supported by the greatest re-stocking cycle on record in the US,” said Jefferies analyst David Kerstens.

India set to increase phosphate imports

INDIA is set to increase phosphate imports ahead of the monsoon season due to low inventories.

With India's Kharif crop, comprising rice, corn and sorghum, about to be planted before the first rains in May, farmers, who are experiencing a phosphate shortage, need to build up stocks, which have dropped below the 2m tonnes mark as of early April, according to Danish grains consultancy BullPositions.

That is the lowest stock level in the period from January 2019 to March 2021, leaving farmers with a shortfall of some 3m to 4m tonnes.

Phosphate is a key ingredient in the making of fertiliser, along with nitrogen and potash.

The much-needed imports should have "a significant influence" to regional supramax and handysize employment, the consultancy's managing director Jesper Buhl said.

Margins for fertiliser importers are being squeezed, due to a sharp rise in global prices, a weaker Indian currency, and no indication of government subsidies, yet the need for additional phosphate supply before the coming 2021 summer planting season is "overwhelming," he said.

This import demand translates to 800,000 to 1m tonnes per months in June, July and August, he added, which is way above the monthly deliveries of 100,000 tonnes seen in the first three months of this year.

Major swing suppliers to India include China and Morocco, with Saudi Arabia adding to steady export flows.

Supramaxes and handysizes have been enjoying decade-high earnings based on increased demand for minor bulks such as cement, fertilisers, and petroleum coke, among other commodities, as the global economy recovers from the lockdown-hit slowdown.

IN OTHER NEWS:

Abandoned bulker crew beg for relief
SEAFARERS stuck on an abandoned bulker at an Iranian port are begging for relief from their plight as they lack diesel and provisions.

The crew, mainly from India, have been on board the 1990-built *Aizdihar* (IMO: 8906846) since February 2020. The ship is currently at Bandar Abbas in Iran.

The 42,025 dwt vessel was flagged with St Kitts and Nevis at the time of the abandonment, but was reflagged with Tanzania in August 2020. The abandonment was only reported in October last year, according to an industry database run by the International Labour Organization and the International Maritime Organization.

According to charity Human Rights at Sea, the crew are urgently requesting support as

they rapidly run out of provisions. They are "living miserable lives".

In a video message, two crew members, who are both fourth engineers, said they only have power for two hours a day. A problem had arisen with the cargo and loading had been cancelled due to a dispute between the owner and charterer, they said, which has led to this situation.

Sanctioned tanker 'fraudulently' registered with Nauru
NAURU'S international registry claims the US-sanctioned shipowner that reflagged a tanker with the tiny Pacific registry did so fraudulently.

The 21-year-old, 76,002 dwt crude tanker *Angel* (IMO: 9176773) was flagged to Nauru from Cameroon on March 18 and amended in shipping databases on April 5, according to

information compiled by Lloyd's List.

The tanker has been used to shuttle sanctioned Venezuelan crude.

The Nauru registrar has since alerted nine Port State Control secretariats that the vessel *Angel* is a 'phantom vessel' and that certificates of registry issued in Singapore are fraudulent.

Navios Acquisition suspends dividend in 'difficult' market

TANKER owner Navios Maritime Acquisition has axed dividend payouts as it posted a loss for the fourth quarter of 2020.

Chairman and chief executive Angeliki Frangou said that while the outlook for the tanker sector has begun looking brighter, "the market remains difficult today".

Of the decision to suspend

dividends, starting with the dividend for last year's fourth quarter, the company said that the board believed the move is "in the best long-term interests of the company and its stockholders".

Ms Frangou said that it was "to preserve cash while we navigate through this difficult market".

Illustrating the tough market context to the decision, she said that very large crude carriers are earning average spot rates "below operating costs", versus a 20-year average of almost \$45,000 per day.

TEN hails new charter deals for four LR1s

TSAKOS Energy Navigation has clinched two-year charters for four long range one product tankers that it says illustrate the early stages of a recovery in tanker earnings.

The New York-listed tanker owner did not name the charter, simply describing it as "an oil concern", but said that combined revenues from the contracts purely based on the base charter rates are expected to reach \$40m over the duration of the deal.

Profit-sharing provisions in the

charters could add significantly to TN's earnings if, as the company expects, the tanker market mirrors the surge in dry bulk and containership rates.

"These charters highlight our policy of flexible long-term contracts with first-class counterparties that on the one hand provide cash flow security while on the other preserve the company's ability to capture market upturns," said chief operating officer George Saroglou.

The contracts reflected "strong industry fundamentals as world economies restart," he added

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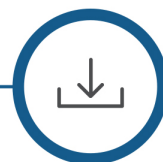
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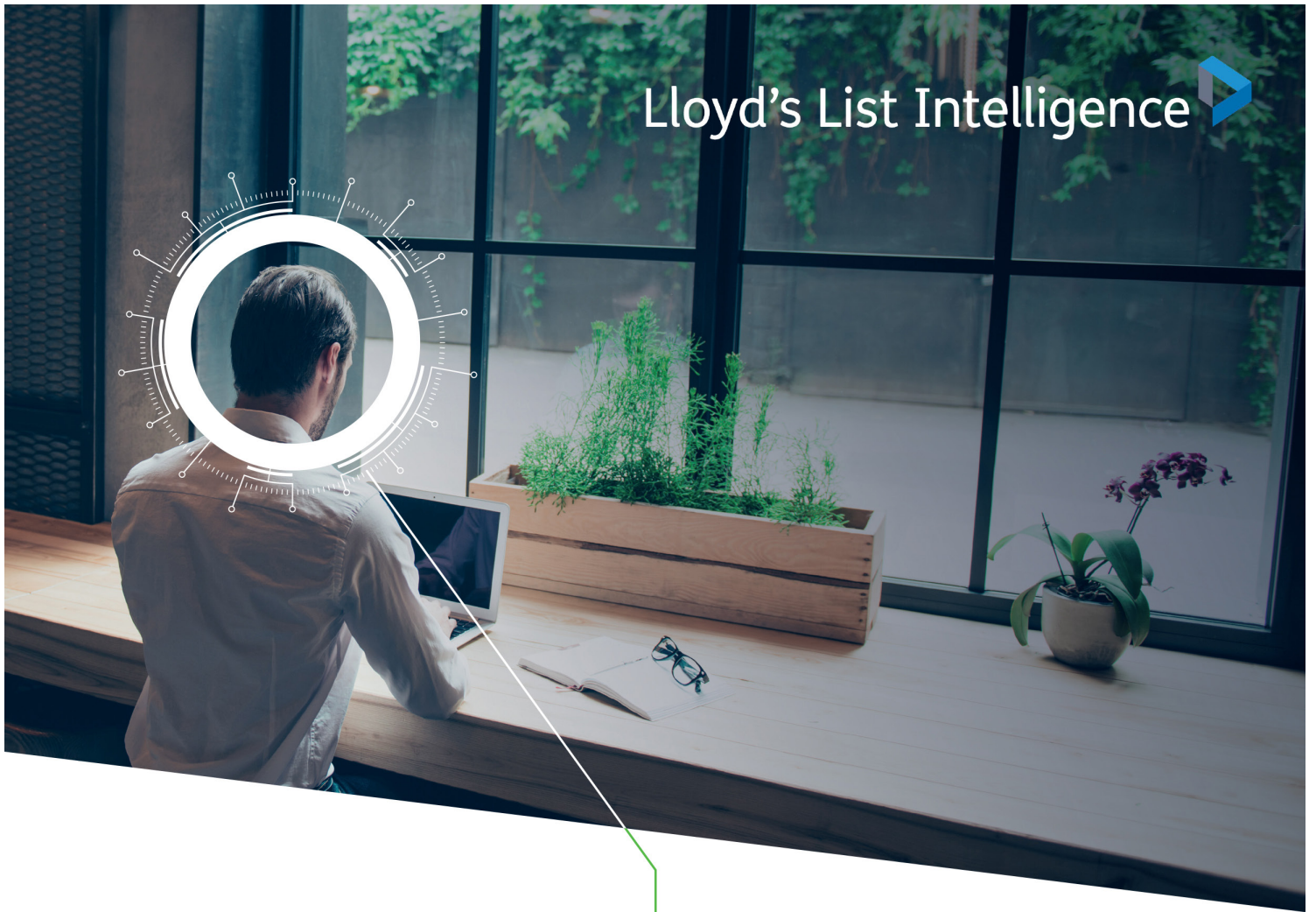
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