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Chinese crew invokes contract clause after order to call at India

CHINESE CREW ARE becoming increasingly resistant to having to use Indian ports in fear of the country's dramatic surge in coronavirus infections.

Many seafarers are seeking to invoke "epidemic area" related clauses in their employment contracts to back their objection against owners' instruction, while a lack of clear definition of the term may lead to a tug of war between the two sides.

The situation has been highlighted by a dispute involving a China-owned general cargo carrier currently anchoring in Nigeria.

A petition letter circulated on the Chinese social media by the crew — mostly Chinese nationals — shows the 48,500 dwt vessel reached the African county in April. Before that, it had a crew changeover at China's Tianjian port ahead of the Chinese New Year.

"During the interview, we were told the vessel was on a fixed service between China and West Africa. Most crew members took the job because the health crisis involving this route is less serious," said the letter.

However, the crew said they were directed by their employer last month to pick up ores in Gabon and then offload the cargo at three different ports in India. The vessel will only head back to China after it gets loaded again at the fourth Indian port.

"When the message was heard... the entire crew has expressed their unwillingness to go."

The vessel and the shipping company behind were not identified, but sources familiar with the matter told Lloyd's List that the tonnage is China-built *Top Elegance* (IMO: 9767900).

It is managed by Nanjing-based Topsheen Shipping Group, which said on its website that the vessel was co-invested by the company itself and compatriot Sumec Marine Co.

A Sumec executive said the company acts as the financial lessor of the bulker, which was bareboat chartered to Topsheen with a buyback obligation.

"So, we have no control of the vessel," the executive said.

A Topsheen official declined to comment.

Lloyd's List Intelligence data shows *Top Elegance* is the only vessel that matches the description in the crew's letter. The ship remains off Nigeria's Port Harcourt as of May 11, with its next destination unstated.

"We are in a seesaw battle with our company," the letter said. "If we go, we'll be staying in India for about a month with the four ports to call. It'll be extremely difficult not to get infected."

India's seven-day average of new coronavirus cases is at a record high, Reuters reported on May 11. The number of daily infections rose by 329,942, while deaths rose by 3,876, according to the health ministry. India's total coronavirus infections are now at almost 23m, while total fatalities rose to 249,992.

The second wave of the virus outbreak in India is unleashing drastic disruptions to the shipping and port sectors.

New cases of infection have been reportedly found on board vessels with recent travel to the populous South Asia county, while key ports and harbours, including Singapore and Dubai, have significantly tightened crew rotation measures.

The *Top Elegance* crew argued that they are entitled to be repatriated from Africa should the ship be dispatched to an "epidemic area", such as India in the current condition, without their consent, according to the clauses in their hiring contract.

"But the company is putting pressure on the officers on board and some crew's family members via messages and calls, trying to force the voyage task upon us. It also said repatriation from where we are is not possible," they said.

"The company has changed the vessel's route because lots of ships are not going to India now, so it can make a fortune out of the high freight rates regardless of whether the crew will be safe or not."

Rong Guanghui, a shipping lawyer at Shanghai-based Shanda Law Firm, said he had received many inquiries from Chinese crew who did not want to call at Indian ports and were seeking repatriation ahead of the schedule.

"These are reasonable requests. They are asked to risk their health to operate in countries with high new infections," said Mr Rong. "And if they do unfortunately contract the virus, not only will their lives be in danger, the crew will also suffer huge financial losses due to owners' reluctance to hire a seafarer who had a history of being infected."

The two main documents that protect Chinese seafarers' rights — the Crew Regulations and the Collective Bargaining Agreement for Chinese Crew — contain clauses entitling crew to refuse to sail to an "war zone" or "epidemic area" and to be repatriated at the cost of the shipowner.

However, disputes might arise when implementing the terms due to a lack of official definition of the "epidemic area" — whether from the Chinese or international rules — especially in a global pandemic environment, according to the lawyer.

For example, the Maritime Labour Convention stipulates a seafarer has a right to be repatriated at no cost to himself or herself should a ship being bounded for a war zone as defined by the UK's Warlike Operations Committee or by the seafarer's employment agreement. But no "epidemic area" is specified in the articles.

Mr Rong, however, pointed out crew could still terminate their service contracts and ask to be sent home if their employers fail to provide them social insurance benefits or to pay salary on a timely manner.

Otherwise, they may have to negotiate with the owners to reach a settlement.

One Hong Kong-based shipping executive said he fully appreciated the crew's concerns, but sometimes owners would have to send their ships to India if they already had a contract to fulfil with the charterers.

"One thing we are doing is to provide the crew with a complete set of protective clothes and equipment, including coveralls, gloves, masks and goggles, and try best to reduce their contact with the local port staff by establishing new protocols and enhancing communications," the executive said.

V.Group wants vaccine-shunning nations to donate to seafarer countries

THE head of the world's largest shipmanager has called on Denmark and other governments that have shunned using approved coronavirus vaccines to donate them to seafaring nations.

Danish national René Kofod-Olsen, chief executive of V.Group, said the number of infections among crew on vessels was rising despite offshore quarantines and extensive testing before signing on.

Although it was "a very small percentage" for V.Group vessels, vaccines were critical to resolving the global crew change crisis and preventing seafarers from being stranded on vessels beyond their contracted period, or unable to join their ship, Mr Kofod-Olsen told Lloyd's List.

"Governments in Europe and in my own country in Denmark are for various political reasons deselecting for the time being some vaccines," he said.

"I think they should donate them to the big seafaring nations; getting our seafarers vaccinated with vaccines that are accredited by the World Health Organisation and ensuring that we get as many of our seafarers vaccinated is simply the right thing to do. It is the right thing to do from a medical standpoint, but for global trade, it's the right thing to do."

Some 200,000 seafarers worldwide are estimated to be stranded on board ships now, half levels seen in the last quarter of 2020.

But numbers are again rising daily with crew changes all but impossible amid a new wave of disruptive immigration and travel restrictions at key hubs to address new waves of coronavirus engulfing southeast Asian countries, including India.

Vaccinating seafarers is seen as key to keeping global trade moving during this latest outbreak.

India, along with China, the Philippines, Indonesia and Russia is among the world's largest suppliers of the world's 1.5m seafarers.

V.Group, which has more than 44,000 crew members at sea at any one time and employs 5,000 Indian seafarers, and says 7% of existing crew on board ships have expired contracts, compared with 30% just 10 months ago.

Mr Kofod-Olsen's demand for vaccine assistance to seafaring nations, echoes renewed calls made by the head of the International Maritime Organization.

Along with shipowner and related maritime trade groups, the IMO has struggled to engage governments worldwide to introduce initiatives aimed at providing seafarer relief, including vaccine access and designating them as key workers.

Key maritime labour supply countries are reliant on the Covax initiative from the WHO to access vaccines, IMO secretary-general Kitak Lim said in a statement.

"To ensure access to vaccines of those countries, I call on all IMO member states to work together towards a fair global distribution, beyond fulfilling their national needs. No seafarers should be left behind or forced to forgo their careers because of limited resources in their home country," he said.

V.Group was fortunate to have many of their employees at sea working on a project in the United Arab Emirates where the government has provided vaccinations for them, according to Mr Kofod-Olsen.

"I've always said that this situation will probably get worse before it eventually gets better," he said. "We have to understand that everybody needs vaccinations and until the last man or woman on this planet has been vaccinated, nobody is out of harm's way."

The Covax initiative is a coalition co-led by the WHO to provide vaccine access to countries unable to fund or secure sufficient supplies.

WHAT TO WATCH:

Grimaldi praises UK flag as ships switch to Malta after Brexit

ITALY'S Grimaldi Group plans to retain a sizeable presence in the UK despite transferring ships to the Malta register following Britain's departure from the European Union.

Grimaldi's other UK operations will continue unchanged, while no jobs were lost as vessels were switched to Malta, according to Grimaldi joint managing director Emanuele Grimaldi, who has made it clear he remains "a great admirer" of the UK Ship Register.

"I hope that at some stage we will be able to fly the British flag again and perhaps have vessels under British ownership," Mr Grimaldi told Lloyd's List as the reflagging process was completed.

"We have nothing against the British register," he continued.

"The UK flag is very competitive, efficient, and maritime-friendly... but it remains to be seen what type of tax treatment will be applied [by the UK and EU] in future."

Despite this setback for Britain's maritime sector, Grimaldi will remain an important employer in the UK, with 195 staff in its Liverpool office, around 30 in London, and more in other locations including Southampton, while the company will continue to employ British seafarers on its ships.

However, under EU law, Grimaldi could no longer keep ships on the UK flag without the risk of double taxation once Britain left the EU, since European-owned ships are required to be flagged with an EU register.

The ro-ro specialist has made no secret over the past few years about the prospect of quitting the UK flag. However, the decision was delayed for as long as possible in the hope that a tax treaty between the EU and UK would be agreed that would enable it to continue to keep ships on the UK register and enter them into the UK tonnage tax system.

Now, though, nine ships operated by Grimaldi subsidiary Atlantic Container Line have been moved to the Malta register. As a Swedish-registered company, ACL had no choice but to switch its ships, which include the world's largest container/ro-ro vessels, to the flag of an EU member country.

The departure of Grimaldi's ships represents another setback for the UK Ship Register, which has lost tonnage since Brexit despite being held in high regard within the shipping community

Taiwan's Evergreen Marine, which has 21 ships on the UK register, says it regards the UK flag as "excellent". However, the company is keeping a close watch on the Treasury's review of the current tonnage tax system in case of any unfavourable changes that could persuade it to reconsider the status of its UK-registered fleet.

Naples-headquartered Grimaldi operates a fleet of around 120 ships flagged in numerous countries including Italy, Greece, Finland, Malta, and now Spain.

That follows a memorandum of understanding signed last month between Grimaldi Group and Spain's Armas Trasmediterránea Group under which the Italian company will purchase five ro-pax vessels and two terminals at Valencia and Barcelona, as well as offices and warehouses located on the islands of Mallorca, Menorca and Ibiza.

Grimaldi will also acquire the rights to operate freight and passenger services between mainland Spain and the Balearic Islands.

This is the latest of numerous regional shipping businesses that Grimaldi has bought over the years, including Finnlines, ACL, and Malta Motorways of the Seas, which has recently expanded its fleet with the purchase of two ro-ro ships as it offers more services between Malta and Italy.

ANALYSIS:

Nigeria's anti-piracy initiative seen as a long-term solution

SHIPPING should take with a grain of salt Nigeria's promises to thwart Gulf of Guinea piracy with its long-awaited Deep Blue Project, an analyst has warned.

Nigeria said last week its $200m maritime crime surveillance project, including a new command centre, more people, patrol boats and aircraft, would be launched on May 21.

It also credited the new assets for a lull in piracy early this year.

But Risk Intelligence senior analyst Dirk Siebels told a webinar the initiative was not solely aimed at piracy but surveillance of Nigeria's exclusive economic zone. He said results were unlikely in the short-term.

The self-funded Nigerian Maritime Administration and Safety Agency (Nimasa) would likely be able to finance and sustain the project – this had not always been the case – but would have to co-ordinate with the Nigerian navy since its own personnel could not carry weapons or arrest people at sea.

But such co-operation was "significantly better" than it had been in the past when inter-agency rivalries hampered anti-piracy efforts.

Nigeria and the Interregional Coordination Centre Yaoundé, a West African maritime security body, recently announced a new anti-piracy framework: the Gulf of Guinea Maritime Collaboration Forum, likened to the Indian Ocean's Shared Awareness and Deconfliction (Shade) forum.

Dr Siebels said this forum could be the place for Gulf of Guinea states to agree to let vessels operate in each other's EEZs to fight pirates – something the "sovereignty-minded" countries have so far been unwilling to do.

But he added that other maritime crimes, such as illegal fishing and smuggling of drugs, fuel, ivory, and even agricultural products were more pressing problems for local authorities than piracy.

"There are customs agents being killed every week, or at least every month in Nigeria over this," he said.

Fuel smuggling cost Ghana $300m a year while illegal fishing cost economies tens of millions. Many incidents reported as piracy were in fact linked to these other crimes, he said. Of the 25 successful kidnap-for-ransom attacks Risk Intelligence counted last year, just seven were random attacks on merchant ships.

Better surveillance would help, but the region still lacked the physical and legal means to intercept, arrest and prosecute pirates.

Dr Siebels said the recent lull in attacks was not the result of better enforcement but of the start of the Gulf of Guinea rainy season and fit the seasonal pattern of attacks in the past five years.

He said there was also more criminal, insurgent and militant activity happening in Nigeria on land, by "more or less the same people who would otherwise be involved in operations against merchant ships".

"I don't really see Nigeria becoming much more peaceful in the next couple of months, unfortunately," he said.

Shipping groups and security consultants have criticised Nigeria for overpromising and under-delivering on piracy.

In June 2019 the then-head of Nimasa, Dakuku Peterside assured the IMO seafarer kidnappings would be "history" in "the next few months."

Maersk transformation gathers pace

MAERSK expects to raise its return on invested capital to between 7% and 12% in 2021-2025 as its strategy to reinvent itself as an integrator of container logistics services beds in.

It has been four and a half years since AP Moller-Maersk started a "massive, multi-dimensional transformation" of the company.

"In the past four years we have transformed our business model, radically changed the strategy of our core business and are in the middle of changing the culture of the business and our technology platform," said chief executive Søren Skou.

"The objective of our transformation is to become a profitable growth company again. Today we have gained execution momentum on our journey to a global integrated logistics company.

"We are even more convinced today that the vision is the right one for Maersk."

Speaking at the company's capital markets day presentation, Mr Skou said the company had "radically improved" the fundamentals of its ocean business and had built a powerful growth engine in logistics.

Even the terminals business was delivering strong returns again, he added.

"We are delivering returns on invested capital above our targets," Mr Skou said. "But we are not done yet."

Maersk has changed significantly from a conglomerate with diversified business interests that spanned shipping and energy.

"We would always like things to develop faster," Mr Skou told Lloyd's List in an interview.

"The first half-year of my tenure we spent time working out what to and started executing in 2017. It takes some time to get things going.

Maersk had to sell its energy interests, acquire Hamburg Süd and reorganise the company from a conglomerate into an integrated company.

"We also had to sort out the foundation of what we already had," Mr Skou said

"We knew we wanted to grow in logistics, but we had a weak foundation in Damco. It took a while before we got going and it was really in 2019 and 2020 that we started to see we had momentum in logistics."

Nevertheless, ocean business remains at the centre of the new Maersk

"We will only succeed as a company if our ocean business can deliver stable resilient earnings," Mr Skou said.

But the "secret sauce" of Maersk was the strong and tangible synergies between its ocean business and logistics, and between ocean and terminals.

"In logistics we are tapping into 70,000 customers we have in ocean," Mr Skou said

"With this framework for value creation, we are confident that we can continue to deliver shareholder returns generating above 7.5% return on invested capital and for the next few years, returns averaging above 12%, given the strong starting point of 2021."

The work done in ocean during the past five years had improved the business fundamentally, he added.

The acquisition of Hamburg Süd brought scale and cost synergies at a time when other carriers were consolidating.

The 2M alliance had also lowered the cost base and helped Maersk with capacity management because of its larger network.

"Our focus on total capacity deployed has enabled us to keep a constant high utilisation of our network," Mr Skou said.

"Most importantly, the business has stabilised," he said.

"We are no longer only selling a commodity product."

But despite this, Maersk is only expecting the ocean division to grow at 1%-2%, lower than forecast volume growth of 3%-4%

"Our concept of how we define the market has changed," Mr Skou said.

"We define the market as our customers' total logistics spend. If we are successful with growing the logistics business at more than 10% a year while doing the occasional acquisition then we will grow market share in end-to-end logistics, even if we are not growing so much in ocean."

Nor us he worried about losing market share to other carriers.

"Whether we have 17% or 20% capacity share in ocean does not matter for our unit costs," he said.

"There is not another level of competitiveness to be gained. If we are only the second biggest container shipping line it will not bother me a bit. If we are doing well in the business in general, if we are a profitable growth company, that is life."

Even so, ocean is expected to deliver earnings before interest and tax margins above 6% once the current exceptionally strong market has normalised, a level "well above previous lows".

While Maersk had benefited from the current tailwinds of high demand and soaring rates, the company was already on the good trajectory, Mr Skou said.

"We are confident that we now have a powerful growth engine in logistics and we are targeting growing logistics at more than 10% a year organically in the next five years, with an ebit margin above 6%," he said.

"On top of that we continue to expect to make some good acquisitions."

These would primarily be strategic bolt-on deals where specific functionality or geography demanded it.

But there would likely be divestments as well.

Maersk is looking into "strategic options" for Maersk Container Industry, which focuses on the manufacture of reefer containers, and has initiated that process.

Its offshore support business Maersk Supply Services was also doing "a good job under difficult circumstances" but was still on the market.

"We have come far on the transformation journey of AP Moller-Maersk, but we are not yet done," Mr Skou said.

"We are confident we can continue offering returns but over the coming years our focus is on stabilising the earnings in ocean by strengthening the business and ensuring a soft landing from the current elevated freight rate levels."

MARKETS:

Off-peak LNG stages dramatic comeback

LIQUEFIED natural gas prices and shipping rates have staged another unusual rebound after exiting from a volatile winter, advancing to multi-year highs as buyers start restocking earlier to couch against an increasingly erratic climate.

The Dutch TTF gas trading platform showed prices more than tripled year on year to reach their highest average in April since 2014, International Energy Agency gas analyst Greg Molnár shared over social media.

Northeast Asia benchmark JKM prices likewise outperformed levels seen during early May compared with the previous three years, holding above $9 per million British thermal units, assessments from pricing agency, S&P Global Platts showed.

Such significant price hikes, of which Mr Molnár attributed mainly to spot buy interest from China and India, have fed the latest surge in shipping rates.

Shipbrokerage Poten & Partners assessed spot charter rates at between $55,000 to $85,000 for ships heading west and $50,000 to $80,000 for those heading east as of May 7, up from year-to-date lows of $20,000s to $30,000s posted in March.

These rate hikes build upon a buoyant ship chartering market, which saw spot fixtures bouncing back from a dip in February to reach a year-to-date high of 49 in April, Poten's data showed.

A cold snap from October 2020 — as was the case three years ago — caught many key importers, especially those in North Asia, by surprise, driving JKM spot prices to record highs in January.

Simpson Spence Young executive director for LNG Toby Dunipace said natural gas end-users have started buying and importing cargoes to replenish inventories now significantly drawn down, months ahead of what was observed in previous years.

Poten's head of business intelligence Jason Feer qualified however, that in this respect, what came to shape buyer expectations particularly in Europe is that current inventories do not stack up well against record levels during the past two years.

Buyers there also need to find ways to cover positions resulting from uncharacteristically sharp demand spikes.

Europe's gas demand jumped 45% in April, a record expansion year on year as a freak drop in temperature to decades low levels drove up gas heating demand, Mr Molnár said on a LinkedIn post.

Industrial gas demand also recovered along with a rebound in economic activity in the region, contrasting with subdued piped gas supply from Norway and Russia, which further fanned the surge in TTF prices, he said.

A corresponding tightness has emerged in the Atlantic shipping market, with availability of prompt tonnage seen dissipating in early May, Poten added.

Mr Feer viewed the combination of low LNG inventories, supply in the coming winter and concerns over vessel as extending "good support" both for the commodity and shipping markets.

The indications so far also seem put to rest fears raised last year of a coronavirus-triggered slowdown for global LNG trade.

But Mr Moore cautioned against two possible wild cards — India's struggle with the pandemic and higher nuclear capacity in Japan and South Korea

India-bound laden tankers were seen diverted to elsewhere last month as confirmed infections rose across the country.

The 157,000 cu m carrier *Cubal* (IMO: 9491812) arrived at China's Fujian terminal in recent days with a cargo originally heading to Dahej in India from Soyo in Angola.

South Korea's nuclear power availability is expected to rise in the second half of this year on lighter maintenance schedules and start-up of a new reactor in July to August.

Several charterers, however, may have taken a contrarian view by locking in tonnage ahead of the coming winter peak season.

Flex LNG secured term charters from Cheniere Marketing for four tankers plus option for a fifth last month. Chief executive Oystein M Kalleklev has said the one-year term charter rate — "the most liquid indicator of charterers' willingness to secure freight forward" — has been "on a bull run lately".

Shipbrokerage Fearnleys assessed the one-year charter rate for 155,000-165,000 cu m tankers at $75,000 as of May 11, compared with $48,000 in early March.

Dry bulk optimism likely to sail on into next year

THE Baltic Dry Index — the barometer for dry bulk shipping markets — has been continuously marching forward in recent weeks, supported by strong commodity demand and inflation.

Shipowners are in the driving seat, enjoying the best times for dry bulk shipping market in more than a decade as the idea of the rise being just a temporary spike fades.

What has led to this growth?

As the price of iron ore breaches $226 per tonne, shippers in Western Australia are trying to maximise their sales, with healthy steel margins in China supporting demand, according to Braemar ACM.

Brazilian iron ore exports have also continued to experience consistent year-on-year strength — a development not seen since 2018.

Yet it is not difficult to see the scarcity factor in the commodities world.

Prices for iron ore, grains, steel, lumber, cement, glass, copper, aluminium, palladium and dozens of other smaller commodities moved by dry bulk ships are up substantially since the beginning of the year.

The surge in demand for commodities, says Breakwave Advisors, is causing shortages, which eventually will normalise as production catches up to demand.

So how high can rates go?

"As that production ramps up, we expect demand for dry bulk ships could be up 5% this year and continue next year," Stifel research said in a recent report.

"The dry bulk market is nowhere close to a theoretical ceiling and could easily quadruple from current levels without destroying demand," it said.

If demand exceeds supply, the primary upward constraint of ship freight cost is the point at which it absorbs the profit of the producer or shipper.

For dry bulk freight, the fact that the underlying commodities prices have increased considerably, the implied cost of freight has actually remained low despite the recent increases.

Taking thermal coal as example, Stifel notes that the landed price of coal in China is about $125 per tonne whereas the producer break-even vessels are generally around $60 a tonne.

Thus, transportation cost could be as much as $65 per tonne before either price would have to rise or trade would be prohibitively expensive.

Even after the recent surge in freight rates, the cost of transportation is about $13 per tonne on a capesize vessel which earns around $40,000 a day for an average coal cargo.

Freight rates would need to rise to more than seven times or around $300,000 per day before the economics are completely destroyed by freight costs, Stifel estimates.

With orderbook to fleet ratio at 5.6% — the lowest it has been since early 2002 and in the absence of a significant reversal in commodity demand, the need for dry bulk shipping is going to outstrip supply resulting in higher day rates, Stifel said.

"We expect demand to exceed supply by about 2% in 2021 and 2022 with limited supply growth in 2023."

Equipment shortage breathes life into conventional reefer shipping

CONVENTIONAL reefer shipping has been granted a new lease of life as equipment shortages continue to plague global container supply chains.

In a webinar on Tuesday morning, analysts Drewry highlighted how the sector, the traditional method of moving seaborne perishables, is in high demand as shippers look for alternative cargo arrangements with the circulation of refrigerated boxes in dire straits.

Indeed, the capacity of the specialised reefer fleet, carrying produce either in the ships hold or on pallets, is expected to grow during the course of 2021 against last year, a trend that has not been seen for "many years", according to Drewry.

Reefer analyst Philip Gray said that supply chain disruption coupled with buoyant demand on general trades has delayed the scheduling of conventional ships destined for scrapping.

"In the past six months, or so, many vessels have received another five-year boost of life thanks to passing special services."

The shortage of equipment in the dry box sector has been well documented, but reefers are also in short supply with carriers struggling to ensure units are allocated sufficiently to suit requirements.

According to Drewry, reefer availability is scarce on all major trades with equipment imbalances an issue globally.

The London-based analysts noted that out of Asia reefer container equipment availability and repositioning remains a significant challenge with a shortfall of up to 1.2m feu, including 630,000 feu on South American routes.

Demand for conventional reefer vessels to help bridge at least some of this gap has driven charter rates for the sector to their highest level in decades, such is the pressure in the container space.

Although Drewry noted that many fixtures have been secured privately, larger vessels in the specialised fleet have achieved monthly spot charters in the second quarter of the year, marking the industry's high season, above 100 cents per cu ft. In the corresponding period last year, similar size ships were earning spot charters of around 60 cents per cu ft on a monthly time charter.

However, despite this unprecedented resurgence in the specialised reefer sector the writing for this ageing fleet is still on the wall.

Drewry estimates that around 13% of the global seaborne perishable trade can be attributed to the conventional sector, with the majority share moved by reefers onboard services operated by the key container shipping lines.

Although this modal split is expected to stay at a similar level this year, the liner operators will once again begin to eat away at the share of their conventional counterparts from 2022 onwards. Not only are a large proportion of the existing specialised fleet coming to the end of their service life, but the current orderbook for this vessel type remains almost empty.

By 2025, Drewry expects more than 90% of refrigerated trade to be carried by container lines or dedicated reefer services, such as the banana multinationals who have increasingly made the switch to the box alternative in recent years.

IN OTHER NEWS:

Cargill misses climate-change and diversity shipping targets
CARGILL Transportation missed its shipping climate-change and diversity targets set for 2020, according to its latest sustainability report.

The green target was missed because more, smaller-sized vessels were used to ship cargo, while the company attributed its gender imbalance to broader factors in the maritime industry that "make shipping unappealing to females".

The shipping division of the private-owned agribusiness and commodities giant had a target to reduce its carbon dioxide emissions on a cargo-ton-mile basis for its time-chartered fleet by 15% compared to 2016 levels.

Seanergy welcomes new capes amid 'strongest market of last decade'
SEANERGY Maritime, a capsize bulk carrier owner, has attributed "optimal timing" for a slew of acquisitions clinched since the start of the year as the first deliveries take place amid a roaring charter market.

The Nasdaq-listed owner took delivery last week of a nine-year-old 181,325 dwt capesize renamed *Hellasship* which has been fixed for 11-15 months to NYK Line at an index-linked rate set above the Baltic Capesize Index (BCI).

A second new acquisition, a 176,387 dwt bulker built in 2013, has also been delivered to Seanergy and has been renamed as *Flagship*.

Over half of container bookings rolled at some ports
CONTAINER shipping service quality is continuing to worsen, with the number of boxes being rolled increasing.

Figures from freight visibility platform project44 shows the percentage of containers missing their scheduled sailings is rising, with some carriers and ports rolling more than half their cargo in April.

"Carriers have been watching their rollover rates increase for over a year, and have so far failed to mitigate the situation," said its vice-president Josh Brazil. "Shippers need to accept this as the new reality."

China Unicom joins TradeLens platform
MAERSK and China Unicom have formed a partnership to commercialise TradeLens, a blockchain-based container logistics platform, in China.

China Unicom Digital Tech, a subsidiary of the state telecommunications giant, will host and operate the Maersk/IBM developed digital platform on the Chinese mainland, making it available to exporters and importers alongside other supply chain partners.

"The China market is huge," said Maersk, the world's largest liner shipping carrier that wants to become an integrated logistics player.

Danaos in best-ever shape as charters hit record rates
DANAOS has reinstated a regular dividend as it takes advantage of the best boxship charter rates for at least a decade.

First quarter of the year adjusted net income rose by 74% to $58m and operating revenues increased by 24% compared with the same period a year earlier, the company said in a statement.

Including a $248m increase in the fair value of the containership owner's stake in Zim and other one-off and non-cash items, Danaos posted a profit of $296.8m for the quarter.

Keppel and Hyundai to build world's largest FPSO for Petrobras
KEPPEL Offshore & Marine has teamed up with South Korea's Hyundai Heavy Industries in a successful bid for a floating production, storage and offloading vessel contract with Brazil's Petrobras.

The contract, worth $2.3bn, calls for the turnkey construction of what is touted as the largest FPSO in the world for deployment in Brazil's Buzios deepwater oilfield development, the Singapore-based yard group said in a statement.

"This project taps our well-recognised capabilities as a leading integrator of offshore energy and infrastructure assets, leveraging our strengths in engineering and project management, with a focus on higher value-adding work," said Keppel chief executive Chris Ong.

BP recognises US oil group's climate policy change

BP said it will remain a member of the American Petroleum Institute after the largest US oil and gas trade lobbying group adjusted some of its policies following earlier criticism from the energy company.

The decision stands in marked contrast to French energy major Total SE which earlier this year severed ties with the API, citing the US organisation's misalignment with the company's environmental goals.

Total's decision identified the institute's support for the rollback of US regulation on methane emissions, which Total opposes, and API's participation in groups that oppose subsidies to electric vehicles.

Classified notices follow

SECTION 56(7) PLANNING ACT 2008

REGULATION 9, THE INFRASTRUCTURE PLANNING (APPLICATIONS: PRESCRIBED FORMS AND PROCEDURE) REGULATIONS 2009 (AS AMENDED)

REGULATION 16, THE INFRASTRUCTURE PLANNING (ENVIRONMENTAL IMPACT ASSESSMENT) REGULATIONS 2017 (AS AMENDED)

NOTICE OF ACCEPTANCE OF AN APPLICATION FOR A DEVELOPMENT CONSENT ORDER

PROPOSED BOSTON ALTERNATIVE ENERGY FACILITY DEVELOPMENT CONSENT ORDER

(PLANNING INSPECTORATE REFERENCE: EN010095)

Notice is hereby given that the Secretary of State for Business, Energy and Industrial Strategy has accepted an application made by Alternative Use Boston Projects Ltd ("the Applicant") of 26 Church Street, Bishop's Stortford, Hertfordshire, CM23 2LY (Company Number 11013830), under Section 37 of the Planning Act 2008 ("the Application") for a Development Consent Order ("DCO"). The Application was submitted by the Applicant on 23 March 2021 and accepted for examination on 20 April 2021. The Planning Inspectorate reference number is EN010095.

Summary of the Proposed Development

The Proposed Development will authorise the construction, operation and maintenance of a power-generation plant, known as the Boston Alternative Energy Facility, substantially within the Riverside Industrial Estate, Boston, Lincolnshire ("the Proposed Development").

The Proposed Development would comprise—

- a wharf and associated infrastructure (including re-baling facility, workshop, transformer pen and welfare facilities);
- a refuse derived fuel ("RDF") bale contingency storage area, including sealed drainage, with automated crane system for transferring bales;
- conveyor system running in parallel to the wharf between the RDF storage area and the RDF bale shredding plant. Part of the conveyor system is open and part of which is under cover (including thermal cameras);
- a bale shredding plant;
- a RDF bunker building;
- a thermal treatment plant comprising three nominal 34 MWe (megawatts electrical) combustion lines (circa 120 MWth (megawatts thermal)) and associated ductwork and piping, transformer pens, diesel generators, three stacks, ash silos and ash transfer network; and air pollution control residues ("APCr") silo and transfer network;
- a turbine plant comprising three steam turbine generators, make-up water facility and associated piping and ductwork;
- an air-cooled condenser structure, transformer pen and associated piping and ductwork;
- a Lightweight Aggregate ("LWA") manufacturing plant comprising four kiln lines, two filter banks with stacks, storage silos for incoming ash, APCr, and binder material (clay and silt), a dedicated berthing point at the wharf, silt storage and drainage facility, clay storage and drainage facility, LWA workshop, interceptor tank, LWA control room, aggregate storage facility and plant for loading aggregate / offloading clay or silt;
- electrical export infrastructure;
- two carbon dioxide (CO_2) recovery plants and associated infrastructure, including chiller units;
- associated site infrastructure, including site roads, pedestrian routes, car parking, site workshop and storage, security gate, control room with visitor centre and site weighbridge; and
- habitat mitigation works for Redshank and other bird species comprising of improvements to the existing habitat through the creation of small features such as pools/scrapes and introduction of small boulders within a Habitat Mitigation Area.

The Application will also seek authorisation for the compulsory acquisition of interests in land, the temporary use of land, and the overriding of easements and other rights.

Environmental Impact Assessment

The Application is an Environmental Impact Assessment development ("EIA development") as defined by The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017. The Application is therefore accompanied by an Environmental Statement.

Copies of Application Documents

The application form and its accompanying documents, plans and maps, including the Environmental Statement and draft DCO, are available to view electronically and download, free of charge, on the project page of the Planning Inspectorate's National Infrastructure Planning website, being a website maintained by or on behalf of the Secretary of State:

https://infrastructure.planninginspectorate.gov.uk/projects/north-east/boston-alternative-energy-facility-baef/?ipcsection=docs

The documents will be available on the website until at least Friday 18 June 2021.

The documents will also be available to view on the project website: https://www.bostonaef.co.uk/document-library/ from Tuesday 4 May 2021 until at least Friday 18 June 2021.

On request, a USB containing these documents can be provided free of charge. Whilst it is preferable to send these documents on a USB, hard copies of the documents can also be made available, however, a charge will be made for hard copies to cover printing, postage and VAT at 20%, up to a maximum of £5,000. Please contact the Applicant for details regarding payment methods and stating whether you would like to receive copies of the suite of application documents or individual documents.

The Applicant can be contacted by the following means—

Email: consultation@bostonaef.co.uk

Telephone: 0800 0014 050

By writing to: Freepost RTLY–RLGH–GKSE, Boston Alternative Energy Facility, 25 Priestgate, Peterborough, PE1 1JL

Making representations about the proposed DCO

Any person may make representations on the Application to the Secretary of State (including giving notice of any interest in, comment on, or objection to the Application) by registering with the Planning Inspectorate as an Interested Party. All representations relating to the Application must be made on the Planning Inspectorate's Registration and Relevant Representation Form and give the grounds on which it is made. The Planning Inspectorate has issued detailed advice on registering as an interested party and making a relevant representation, to which you are advised to have regard. This Advice Note (8.2 – How to Register to Participate in an Examination) is published on the National Infrastructure Planning website under 'Legislation and Advice' and can be found at:

https://infrastructure.planninginspectorate.gov.uk/wp-content/uploads/2013/04/Advice-note-8-2v3.pdf

The Registration and Relevant Representation Form will be made available by the Planning Inspectorate once the registration/representation period has opened on the relevant page for the Application via the National Infrastructure Planning website:

https://infrastructure.planninginspectorate.gov.uk/projects/north-east/boston-alternative-energy-facility-baef/

If you are unable to complete a registration form online and would like to register your interest, please call the Planning Inspectorate's helpline on: 0303 444 5000, quoting the name of the Application and the Planning Inspectorate's reference number EN010095.

Alternatively, you can request a hard copy of the registration form by telephoning the Planning Inspectorate on 0303 444 5000 quoting the name of the Application and the Planning Inspectorate's reference number EN010095. Completed forms should then be sent to the Planning Inspectorate by post or email to—

Post: The Planning Inspectorate, Major Applications & Plans, 3D, Temple Quay House, Temple Quay, Bristol, BS1 6PN

Email: BostonAlternativeEnergyFacility@planninginspectorate.gov.uk.

The period during which you can submit a Relevant Representation to the Planning Inspectorate begins on Wednesday 5 May 2021, being the calendar day after the date this Section 56 Notice is first published and will end on Friday 18 June 2021. **Representations must be received by the Planning Inspectorate by 23:59 on Friday 18 June 2021.**

All representations must include details of the maker's name, address and telephone number, along with an outline of the points intended to be made at the examination stage. Please ensure that you quote reference number EN010095 in all correspondence with the Planning Inspectorate about the Application.

Please note that any submitted representations to the Planning Inspectorate will be published on the National Infrastructure Planning website for the Application and will be subject to their privacy policy which can be viewed at:

https://infrastructure.planninginspectorate.gov.uk/help/privacy-and-cookie/

Further information about the Application may be obtained from the Applicant by using the following contact details—

Email: consultation@bostonaef.co.uk

Telephone: 0800 0014 050

Any details you provide to the Applicant via telephone or e-mail will be subject to its privacy policy, which is available to view at: www.bostonaef.co.uk/home/privacy-statement/

Alternative Use Boston Projects Ltd

4 May 2021