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UGS censures leading Greek owner for 'Black Trail' remarks



THE UNION OF Greek Shipowners has distanced itself from controversial statements made by prominent member Panos Laskaridis in a documentary that depicts shipping as an unreformed emitter of greenhouse gases.

The one-hour long "Black Trail" production by European Investigative Collaborations appears to have made its online debut at the end of last month since when it has been slowly circulating by word of mouth, causing many industry viewers to squirm at some of the unflattering content and criticism of global shipping regulator, the International Maritime Organization.

Theodore Veniamis, the union's president, has unambiguously condemned certain remarks by Mr Laskaridis during an interview segment as being at odds with "the genuine and deep patriotic feelings of the UGS".

At one point, Mr Laskaridis tells the Portuguese interviewers that in terms of shipping policy the Greek government "does what the Union of Shipowners tells them to do".

He appears to add: "And in 99% of the cases, this is a good thing."

In a later on-camera segment, Mr Laskaridis says: "People who are in shipping don't need the Greek government, don't need the ministry, don't need the IMO, don't need the prime minister. They can shit on the prime minister."

He explained that this was because Greek shipping is a global business and the country provides virtually none of its cargoes.

The remarks jarred embarrassingly with the line expressed by Greek shipping and island policy minister Ioannis Plakiotakis during an awkward interview of his own shown in the same documentary when the documentary team ambushed him with the footage of Mr Laskaridis' remarks played on a tablet.

Mr Laskaridis could not immediately be contacted for further comment but has already publicly stated that the comments were edited out of context and "do not reflect my actual sentiments towards the national authorities and generally for the relations between shipping and its social partners".

The shipowner added that Greek prime minister Kyriakos Mitsotakis and Mr Plakiotakis were aware of his esteem for them and respect for their positions.

But Mr Veniamis appears to have calculated that this was insufficient to repair potential damage done to the long-nurtured relationship between Greece's shipping industry and the state, no matter which party may be in power.

"The Greek shipping community respects and honours the Greek prime minister, the members of the Greek government and its officials, advocating consistently the politically impartial character of shipping as a national asset for the country," said Mr Veniamis in the statement issued on May 24.

For the Greek ocean-going shipping community, it was "a choice, but also a moral duty, to

maintain close ties with the homeland", he said.

"Tangible proof of [this] is the fact that the state and the Greek shipping family share the common vision to maximise the benefits for the country that derive from this important productive and economic pillar."

Mr Veniamis added his union's relations with the European Union and the IMO — which was among the topics touched on in the interview with Mr Laskaridis — were also governed by "respect, confidence and sincere co-operation".

The controversy has been heightened by Mr Laskaridis' standing in the industry which includes being a UGS board member and a significant donor to the country's coastguard and navy.

He was president of the European Community Shipowners' Associations from 2018 to 2020 and in addition to heading the Laskaridis Group's large and diverse shipping business, a family foundation is active in protecting Greece's historical and maritime heritage as well as supporting educational and environmental projects.

Greeks were not the only ones that will have winced at some of the footage in Black Trail.

The IMO comes in for criticism and is portrayed as evasive during the documentary. In one breathless scene during the opening credits, secretary-general Kitack-Lim is visibly taken aback when surprised by one of the journalists outside his London home.

WHAT TO WATCH:

Taylor Maritime's oversubscribed IPO draws in shipowner and hedge fund

A US hedge fund and Germany's Christian Oldendorff have emerged as key stakeholders in Taylor Maritime, which raised \$253.7m in an oversubscribed issuing on the London Stock Exchange.

The Guernsey-incorporated company spun out of privately owned Hong Kong-based Taylor Maritime will use the proceeds to fund the purchase of 23 secondhand handysize and supramax bulk carriers, with an average age of 11 years.

Taylor Maritime will complete the purchase of the ships, of which 17 come from its private fleet,

over coming days to coincide with its initial admission to the London Stock Exchange on May 27.

Private fund SteelMill Master Fund LP, managed by Delaware, US-based PointState Capital, will have 11.69% of issued share capital, according to filings.

Venture capitalist Christian Oldendorff, who owns the Reederei Nord Group shipping company, will have 14.9% and Taylor Point (MI) 5.2% of issued ordinary share capital.

The closely watched initial public offering is the first in several years to use the London Stock Exchange to raise funds for the global maritime sector and was timed to capture improved prospects for the carriage of grains and mineral bulks in the smaller, geared bulk carrier trades.

Rates for supramax and handysize bulk carriers have doubled since the beginning of the year on the back of China's faster-than-anticipated economic recovery, rising commodities prices and increased grain shipments to Asia.

Supramax average time charter equivalent rates topped \$26,700 daily on Monday, while handysizes were \$3,000 lower, according to indices from the London-based Baltic Exchange.

Hong Kong-based Taylor Maritime's privately owned fleet, listed by VesselsValue.com as comprising 22 handysize bulk carriers and two supramax vessels, was valued at \$285.4m, the shipbroker told Lloyd's List.

Much has been made of the company's connections to well-established Asian shipping company Pacific Basin, which was co-founded by Christopher

Buttery, the father of Taylor Maritime's chief executive Edward Buttery.

Christopher Buttery has a non-controlling interest in Taylor Point (MI) and will be a non-executive director. Mr Buttery will be employed on a salary of \$500,000, the prospectus said, while the family-owned shipmanagement company Tamar Ship Management and the private arm of Taylor Maritime will also be involved under management agreements.

Taylor Maritime will be the commercial manager of the vessels.

The vessels will be held via special purpose vehicles and according to the prospectus have a remaining trading life of 17 years. This implies they will trade until they are 26 years old.

Six of the vessels are being bought from outside sources, while 17 come from the existing Taylor Maritime fleet.

The company targets an annual dividend yield of 7%.

Egyptian court rejects Ever Given owner's appeal against detention

AN Egyptian court has rejected an appeal by the Japanese owner of containership *Ever Given* (IMO: 9811000) against the vessel's detention in the Suez Canal, where it blocked traffic for six days in March after becoming grounded.

A validation hearing took place at the Ismailia Economic Appeals Court on May 22.

In a reserved judgment issued on May 23, the court rejected the appeal by Shoei Kisen Kaisha for the release of the vessel, which was arrested by the Suez Canal Authority until compensation is paid for the incident that backed up hundreds of ships.

However, it accepted the owners' objection that the appeals court "was not competent to hear the validation proceedings", according to a statement by the UK P&I club. That has now been referred to the court of first instance for a hearing on May 29.

"*Ever Given*'s interests continue to make every effort to negotiate a fair settlement with the Suez Canal

Authority," according to the emailed statement.

Following the arrest of the vessel, the owner lodged an appeal, which was rejected by the Ismailia court on May 4.

The Suez Canal Authority had been claiming almost \$1bn in compensation as a result of the incident, which included \$300m as a "salvage bonus" and a further \$300m for "loss of reputation".

That was later revised to \$600m, while the owner was seeking to cap limitable claims at \$115m.

The head of the SCA has hinted that \$550m may be acceptable as a potential out-of-court settlement, Reuters reported, citing a television interview given by SCA chairman Osama Rabie. He said a \$200m deposit could be enough to secure the vessel's release, with the rest payable separately.

Ever Given remains at anchor in Egypt's Great Bitter Lake.

OPINION:

Legal worries are unnecessary roadblocks for climate action at the IMO

FOR those who work within or around the International Maritime Organization, it is well known that IMO member states have been slow to act on reducing shipping emissions, *write Aoife O’Leary, International Climate director at the Environmental Defense Fund Europe, and Michael Prehn, representative of the Solomon Islands to the IMO.*

These delays waste time right when the shipping sector needs to move quickly to adopt meaningful measures to climate-proof itself.

Some argue these delays are nothing more than a divisionary tactic or a scapegoat for a member’s true reason to reject a climate measure.

One of these scapegoats that emerge in climate discussions is the law, with some members saying the IMO has no legal basis with which to implement new climate measures and that emission reduction measures are not in line with current IMO legislation.

This, in fact, is not the case.

Measures to reduce shipping sector emissions are in line with current IMO legislation.

As shown in an analysis by the Environmental Defense Fund and the Sabin Center for Climate Change Law and Columbia Law School, any type of measure can be implemented as long as it meets the aims of the IMO Convention.

And now that analysis has formed the basis of several submissions by Belgium, the Marshall Islands and the Solomon Islands to the IMO’s Marine Environment Protection Committee.

While the IMO Convention does not explicitly aim to reduce greenhouse gases (GHGs) emanating from the shipping sector, Article 1, which sets out the purpose of the IMO, includes the “prevention and control of marine pollution from ships” as one of the IMO’s aims.

As the type pollution is not limited, this provision provides a clear pathway for GHGs to be the focus of a measure and therefore can be enacted by the IMO.

The IMO has accepted this view in the resolution MEPC.304(72) adopted on April 13, 2018, on an Initial IMO Strategy on Reduction of GHG Emissions from Ships.

The legal analyses find that there are no legal limits placed on the type of measure (e.g. a carbon price) that the IMO can introduce. Measures can both relate to climate and be of any type.

Once we remove the legal roadblocks, the road to progressive shipping climate policy at the IMO comes down to political will.

If the will to take immediate climate action manifests in IMO negotiations, the quickest method through which to enact a measure is via a tacit amendment to the International Convention for the Prevention of Pollution from Ships (Marpol), as outlined in the submissions. A tacit amendment is when a measure is accepted unless countries vote against it.

The shipping sector needs to do its part to address its climate emissions, or risk getting stuck with investments into dirty ships and fuels that have no place in a rapidly decarbonising world.

To unlock the climate progress needed from shipping, and the vast troves of investments to decarbonise the sector, we need to see more of the political will, starting with the next MEPC meetings, to agree on ambitious climate measures now.

The IMO has the legislative green light to take climate action, and as the analysis shows, Member states shouldn’t let shipping’s climate progress get stuck behind legal roadblocks.

ANALYSIS:

Portuguese flag aims to continue rise with opening of new Greek branch

EUROMAR, the Portuguese company providing management services to the International Shipping Register of Madeira (MAR), has opened a full branch office in Greece marking a new phase in the flag's growth strategy.

The Portuguese flag has already risen to fifth-largest in the European Union and is closing in on Denmark in fourth place.

The new office in Piraeus marks an expansion of MAR's presence in Greece where it has been represented since 2016 by Angelos Roupas-Pantaleon.

The importance of the move was underlined as the office was opened by Portugal's maritime affairs minister Ricardo Serrao Santos.

The significance has also been underpinned by the appointment of Carla Olival, Euromar's legal counsel, as executive director for Greece and the Middle East.

Ms Olival, seen as the architect of much of the flag's legal framework, is also vice-president of the European International Shipowners Association of Portugal and the founder and president of Wista Portugal. She transferred from head office in Madeira earlier this year.

Euromar also has key offices in Lisbon and Hamburg.

There are now about 700 vessels of about 24m dwt in the registry, compared with about 100 of less than 2m dwt in 2013.

Greek-owned ships account for a relatively modest portion of the growth so far although 35 vessels of 1.3m dwt were counted as coming from the country's owners in 2020. But the market is seen by registry officials as a clear priority.

"Because the Greek market is knowledgeable and highly professional, you cannot come and wing it," said Ms Olival. "We did a lot of homework and put in a lot of effort in the past few years preparing ourselves for Greece. We see this as potentially our biggest and most important market."

Euromar believes that the flag can win a substantial number of Greek-owned ships "on our own merit"

through the quality of its service, the legal framework and the support it offers owners.

"We have big clients in other markets, and they are continuing to bring vessels. That means something," said Ms Olival.

Among the advantages claimed by MAR are that of being an EU registry and having a strong consular network that Portugal-flagged ships can call on for support when necessary.

A unique commercial advantage is the waiving of lighthouse charges in Brazil that can save about \$3,000 per port call.

The registry is particularly proud of becoming fully digitalised. It has been digitally registering ships since 2019 and had introduced crew certificates in electronic format a year earlier.

"This has proved a great asset and being digital has been even more important the past 15 months during the pandemic when access has been difficult," said Ms Olival.

Digitalisation has contributed to a non-stop service that sets MAR apart, she said. "We are truly 24/7 and shipowners and managers really pay attention to this. Various registries say they are 24/7 but it's only for maritime accidents.

"In Portugal you can get through to someone any time no matter if it is an accident, or another type of maritime case, a seafarer issue, or a registration."

According to Mr Roupas-Pantaleon, MAR is "only just starting" in Greece. He said that the registry is hopeful of as many as 350 Greece-owned vessels by 2025.

"There is a strong word-of-mouth effect in the Greek community, and I believe that it has the organisation and the know-how to do well here."

However, he was adamant that MAR is not targeting tonnage under the Greek flag, which has been losing ground in recent years but remains above Portugal in the EU ownership table.

"We are not here to antagonise other flags or compete directly," he said. "But we believe that we can offer a credible and interesting European alternative."

MARKETS:

Capesize earnings remain resilient

THE capesize market has proved surprisingly durable as bullish market sentiments support freight rates.

Baltic Exchange indices have revealed some gradual recent improvement since the middle of last week, with time charter earnings closing at \$32,593 on May 21, up 959 points compared with the previous day.

Brokers told Lloyd's List that most of the activity occurred in the Pacific region, a point borne out by the C5 Western Australia to China trade route, which surged by 14.9% week on week to \$13.38 on May 21.

One Singapore-based broker noted that the increase in rates in the Pacific was not as a result of extra cargo but by a lack of available ships.

According to a Baltic weekly report, the North Atlantic remains weak and is largely not dropping any further because of an already stretched tether to the Pacific Basin. The Transatlantic C8 route is currently at \$29,790, a difference of \$10,456 to the Transpacific C10 route, which is at \$40,246.

"While prone to a volatile price shock due to its minimal cargo and vessel volume, this week the region was largely a bystander," the report said.

Japanese LNG trader to import ammonia for power generation

JERA, Japan's leading liquefied natural gas trader, plans to start importing large volumes of ammonia cargoes to replace coal used in its power generation as early as 2024.

It has earmarked a thermal power station in Japan's central southern province of Aichi for its joint ammonia pilot project with industrial group IHI Corp, according to a joint statement.

The project aims to co-fire one unit of the ocean-fronting power plant at the city of Hekinan with 20% ammonia.

The project is touted as the first in the world to use imported ammonia to replace coal on a large-scale basis at a power plant.

China's National Development and Reform Commission has reportedly started directing custom authorities to release more coal import quotas

The move follows news on a potential shortage ahead of the busy summer months, when increased air-conditioning tends to elevate coal demand.

Although this marks a shift in China's stringent import quota control system, the move is positive for dry bulk market and could provide near-term support to capesize freight rates.

China has in recent months increased its coal intake from Colombia, the US, Canada and Russia, which has recently begun shipping more of the raw material on capes, Braemar ACM noted.

India in particular is driving a ramp-up in cape imports that has partly been aided by an abundance of discounted cargoes from Australia, which remain off-limits for Chinese buyers.

The London-based exchange notes that in the short term the sentiment on paper was on the up but "whether this is on the back of stronger physical fundamentals or maybe just speculators rolling the dice is as yet unknown".

Jera agreed a deal last week with Yara International, a leading fertiliser producer, to develop a supply chain for blue and green ammonia to enable zero-emission thermal power generation in Japan.

The agreement includes a plan to sequester captured carbon dioxide captured from Yara's existing plant to pave the way for blue ammonia production out of Pilbara in Australia.

Japan has set a target of importing 3m tonnes of ammonia annually by 2030 as part of its green growth strategy to decarbonise its economy.

Costamare announces pricing of unsecured bonds in landmark Greek offer

A LANDMARK bond issue in the Greek market by containership owner Costamare has been hugely oversubscribed, fuelling optimism that the market could open up for similar issues by other owners.

Wholly owned subsidiary Costamare Participations said it raised €100m (\$122m) in the first-ever shipping industry senior unsecured bond on the Greek stock market.

The issue of 100,000 common bonds, with par value of €1,000 each, will trade in the fixed income securities category of the regulated market of the Athens Exchange.

Amid warm interest from both retail and institutional investors, the bonds were priced at 2.7%, which was the bottom of the range indicated by the issuer.

The containership owner, which controls a fleet of 82 boxships, received orders of more than €665m, making the issue 6.7 times oversubscribed. It said it will use the proceeds to repay debt, for fleet expansion and as working capital.

“The successful bond issue further diversifies our company’s sources of financing,” said chief financial

officer Gregory Zikos. He said demand from investors had been “exceptionally high”.

The Athens Exchange announced that 71% of the issue was bought by retail investors with 29% going to institutional investors.

During its decade of public trading on the New York Stock Exchange, Costamare has issued common and preferred stock. It has also demonstrated an ability to obtain debt on competitive terms from leading international banks.

While the attractive terms of the bond reflect the owner’s consistent track record of profits and payouts to shareholders, further applications to issue bonds in the Greek market are now expected from the ocean-going shipping sector.

Costamare’s bonds, which will mature in 2026, are expected to start trading on the Athens Exchange on May 26.

Alpha Bank, Piraeus Bank and Euroxx Securities were managers of the bond sale, with Optima Bank acting as co-manager.

IN OTHER NEWS:

Yantian Port operations affected by coronavirus

TERMINALS at one of China’s largest export hubs have been partly closed after four workers tested positive for coronavirus.

The first infection was confirmed at the Port of Yantian on May 21 during a routine swab test, followed by another three during the weekend, according to a statement by the health authority in Shenzhen, where the port is located.

All four workers, who are described as asymptomatic carriers of the UK variant, were involved in handling the Panama-flagged containership *OOCL Vancouver* (IMO: 9306990) on May 17.

MOL to acquire panamax to transport wood biomass

MITSUI OSK Lines says it is considering acquiring a newbuilding panamax vessel to transport wood biomass for energy because of the strong demand for carbon-neutral biomass fuels in Japan.

The company underlined its intention in a recent release and said that the new vessel’s specifications are in pre-compliance with the Energy Efficiency Design Index phase 3 – the environmental regulations that will be adopted in 2025.

The ship, which is being built at Oshima Shipbuilding, is scheduled for delivery in 2023.

Maritime charity donates medical supplies to Indian seafarers

ITF Seafarers Trust, the London-based maritime charity, will donate 200 oxygen concentrators and other medical supplies to help coronavirus relief efforts in India.

The £215,000 (\$303,000) donation will go to Indian seafarers and their families through local seafarers’ unions. A second grant will help seafarers and their families in lockdown or quarantine.

Oxygen concentrators strip oxygen from the air to help patients breathe. The ITF said the donation was part of wider efforts to boost supply of ventilator beds in government hospitals.

MOL looks to supply chain normalisation in second half of 2021

OCEAN Network Express shareholder Mitsui OSK Lines expects container rates and volumes will level off as the effects of the pandemic on consumer behaviour begin to ease.

MOL managing executive officer Yutaka Hinooka said that while its ONE shareholding had contributed to the company's result, it was taking a conservative approach in its outlook for the 2021-22 financial year.

"We are still seeing strong cargo movements accompanied by high freight rates seen since last summer and taking into consideration the seasonal factor that cargo movements on the key Asia-North America and Asia-Europe routes will increase from now on through the summer, we assume that the favourable market conditions will continue for some time," he wrote in a commentary on the Japanese shipping company's results.

Salvors tackle blaze on X-Press Feeders vessel off Sri Lanka

SRI Lankan maritime authorities have asked the owners of the

2021-built, 2,700 teu X-Press Pearl (IMO: 9875343) to remove the vessel from its territorial waters to avoid pollution.

According to Lloyd's List Intelligence's casualty reporting service, the vessel has been ordered to move despite the fire that broke out in several containers still being active.

"Fire and smoke still remain on board the vessel but is currently under control," X-Press Feeders said in a statement. "More firefighting tugs have been deployed and they will continue to fight the fire."

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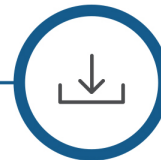
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