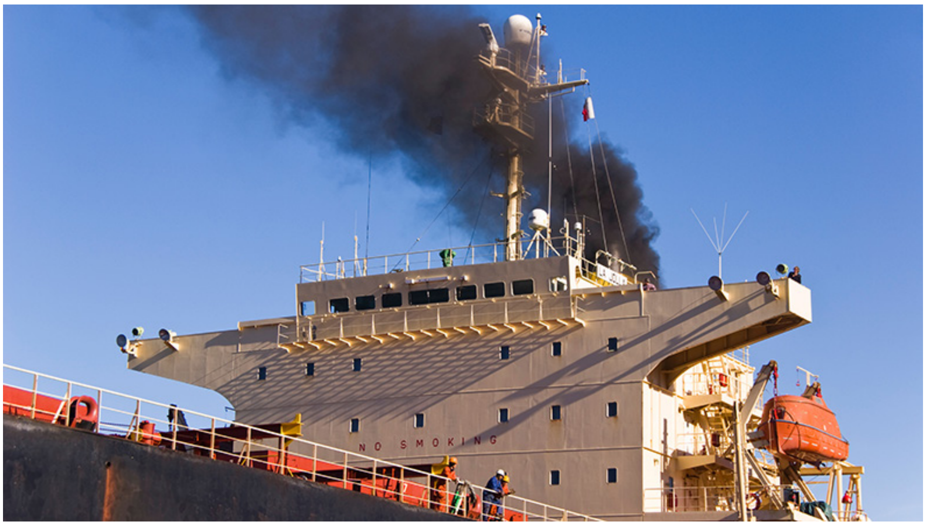
Wednesday June 2, 2021

Lloyd's List
Maritime intelligence | informa

Daily Briefing
Leading maritime commerce since 1734

IMO carbon cut plans could boost emissions, BIMCO warns



INTERNATIONAL MARITIME ORGANIZATION plans for ships to cut CO_2 intensity by 2% a year between 2023 and 2026 could actually boost overall emissions, according to a leading shipowner trade association.

The measures may also infringe charterers' basic rights, BIMCO deputy general secretary Lars Robert Pedersen added.

His comments come after the IMO's intersessional working group on greenhouse gas emissions last Friday provisionally backed the proposals, as a short-term step towards cutting shipping's CO_2 intensity by at least 40% on 2008 levels by 2030.

Although voting was confidential, sources indicated that the package only got through by a slim majority, with the backing of key Asian and Latin American countries. The US and EU opposed the scheme as insufficiently ambitious.

It still needs approval from the IMO's Marine Environment Protection Committee at its next meeting from June 10 to June 17, although this is expected.

The technical stipulations essentially amount to retrospective application of the Energy Efficiency Design Index yardstick for newbuildings, known as EEDI, to the existing world fleet.

This is to be achieved by calculating an Energy Efficiency Existing Ship Index, known as EEXI, based on the same formula.

"You cannot easily change the design on an existing ship. What you can do is limit the power of the main engine," said Mr Pedersen.

"So it becomes a sort of design-specific speed limit for ships. Obviously there are commercial implications if a ship cannot sail as fast as it did anymore."

However, the process is manageable and predictable, and therefore a reasonable policy given the desired end.

The bigger problem is the mandated year-on-year improvements to carbon efficiency. This will be calculated on an Annual Efficiency Ratio formula, which boils down to emissions per deadweight tonne-mile.

Speed for speed, a fully-laden vessel generates more emissions in absolute terms than a ship carrying less cargo. But at the same time the former could be the most carbon efficient carriage, relatively speaking.

"To put it simply, the incentives are a mixed bag with this formula. It's probably not good business to emit more carbon to improve your carbon efficiency.

"But if you are forced to do something by regulation, it may be an option you need to choose, because commercially it's the only thing you can do.

"You have this ambiguity in the incentive formula. It might go the right way, or it might go the wrong way. It's difficult to say."

There are also legal implications which do not appear to have been taken into account.

It is traditionally a charterer's prerogative to use a ship as they see fit, which may not be compatible with slower steaming to improve carbon efficiency.

"We are trying, as BIMCO, to develop some clauses that facilitate implementation. But as it stands at the moment, it's not an easy task.

"There are some fundamental rights you enjoy as a charterer that maybe won't be your rights anymore."

BIMCO has observer status at the IMO and has done its best to keep governments informed of practicalities, but now accepts the latest developments as more or less a fait accompli.

"This is a first for any industry in the world to be regulated this way. There's no other industry, to our knowledge, that is regulated operationally.

"It's akin to requiring you to improve the mileage on your car every year or to improve the consumption of your refrigerator."

Mr Pedersen reiterated that nobody in the shipping industry is in any doubt about the need for decarbonisation, but urged clarity for how this can best be achieved in the real world.

Meanwhile, law firm HFW has produced a briefing examining some of the issue from a legal standpoint.

Meeting the EEXI regime may require the renegotiation of charterparties, for instance to agree the allocation of risk and responsibility for compliance, and details of when, where and how a vessel should undergo any modifications needed to meet requirements.

A balance will need to be struck between the needs of the owners and the needs of the charterers, and this will depend on the willingness of charterers to accept compromise.

"Charterers may also contribute expertise and possibly finance towards the modification(s), especially in long term time charterparties where this could lead to an improvement in energy efficiency," HFW suggests.

WHAT TO WATCH:

Euronav chief says Shell court ruling is 'wishful thinking'

ONE of the world's largest tanker owners has defused concerns that the recent Royal Dutch Shell court ruling will impact the energy company's charterers and intensify decarbonisation pressure on the oil carrier fleet.

Hugo de Stoop, chief executive of Euronav, the owner and operator of 77 tankers, said it would be impossible for Shell to comply with last week's ruling in the Dutch court that mandated a 45% cut in its CO_2 emissions by 2030, from 2019 levels.

Shell has said it will appeal the landmark climate change case, which included its customers and suppliers in emissions reductions rulings.

The global energy company is the world's second-largest charterer on the tanker spot market, according to New York-based shipbroker Poten & Partners, lifting 57m tonnes over 478 fixtures in 2020.

Many tanker owners have Shell as their customer, said Mr de Stoop, who does not expect the court ruling — if it is not successfully appealed — to impact Euronav or the tanker sector directly.

Dutch courts have no jurisdiction to enforce their ruling on tankers shipping Shell cargoes outside the Netherlands, he said, rendering the ruling "just wishful thinking", if the court believed this was possible.

"Let's not be naive. This is a case that will go to appeal," he told Lloyd's List, noting that Shell "is a good and careful operator" and last year released a strategy to reach net-zero emissions by 2050.

"The court is ordering them to do something that can only be tested in 2030… and what the court is asking them to do is simply, simply impossible with today's technology and infrastructure."

"Reducing further than their (net-zero emissions) plan, or certainly going as far as the court is pushing them to go means that they have to sell assets.

"But that doesn't solve any problem, right? If you sell assets to people who are going to continue to operate those assets, then the carbon emissions are identical."

In addition to being the world's second-largest crude tanker charterer, Shell has a significant global ownership or long-term chartering presence in the liquefied natural gas carrier and product and crude tanker markets.

Shell International Trading & Shipping Co, known as STASCO, controls a fleet of more than 200 vessels, while various subsidiaries have long-term deals with owners or Chinese leasing houses to charter newbuilding LNG-fuelled tankers on order worth some $2.3bn.

Their substantial investment in LNG technology has attracted criticism from green groups, including those that took the court action against them in The Hague.

But independent tanker operators supplying tankers for charter on a spot or long-term basis should remain unaffected by the court ruling, according to Mr de Stoop.

"It's good that there is a spotlight. It's good that people see that there is no place to hide [when it comes to decarbonisation]," Mr de Stoop said.

"But then it's ridiculous because when you look at what they [the court] is asking Shell to do. The only thing that they can do to meet what the court is asking them to do, is to sell assets.

"And then very likely, they will sell assets to people who are not under the same jurisdictions."

Intertanko, which represents the world's independent tanker operators, was approached for comment.

Shell was also approached for comment but a London-based spokeswoman said the company would not comment specifically on the ruling and its potential impact beyond a statement released last week.

Mr de Stoop said it was "nonsense, to sell assets in order to decarbonise".

"That is not what the ambition should be. The ambition should be to be more efficient in our operations, and to invest as much money as we can into technologies that enables us to gradually go to a zero-emission energy.

He said the focus should be on diverting the "nearly half a trillion dollars" spent on capital expenditure by the oil and gas industry annually to fossil fuel replacements.

"If we want to accelerate our path to decarbonise the world, you need to put a price on carbon [in shipping], you need to put a price on that pollution," he said.

"We are big advocates to put that in place because that would do two things; that would first hopefully, in due course, equalise the cost of the fuel that we are using with the cost of the zero-emission fuels.

"Second, as we need to invest trillions of dollars into the infrastructure to distribute those fuels to the shipping industry, and we need to capture the funds that are being raised through a carbon levy or through a market based measure."

Mr de Stoop also signalled that he would be amenable to a regional approach to a shipping carbon tax, with caveats, as Europe prepares a controversial plan to incorporate the sector into an emissions trading scheme from next year.

"A global approach for a global industry such as shipping is the only way but maybe you have to start somewhere," he said.

"If Europe shows the way, it's okay, as long as at the same time, they put a high degree of pressure onto the International Maritime Organisation and the coalition of the people who believe that a carbon tax is a good thing.

"The IMO is moving to the right direction as soon as possible; unfortunately, the IMO has a reputation for moving very slowly.

"At this point in time, I think that pretty much everyone recognises that it's a necessity and therefore they should not be too many lobbying against it."

Boxships piling up near Yantian Port amid heavy congestion

MORE than 40 fully cellular containerships are at anchor near the Yantian Port as the Southern Chinese export hub struggles with severe congestion.

The 44 vessels, with a combined capacity exceeding 470,000 teu, are dotting the Daya Bay area in the South China Sea on June 1, vessel-tracking data from Lloyd's List Intelligence shows.

By comparison, there was not a single boxship waiting in the same area this time last year, while only two were reported in Data Bay just two weeks ago before the port was struck by a coronavirus outbreak.

Vessels anchoring in the area are normally destined for the nearby ports, such as Yantian and Hong Kong.

"Carriers have already made the decision to omit Yantian where they can, but a large number of ships are still waiting to berth so it will take another week or two before all of that can be cleared," said Linerlytica analyst Hua Joo Tan.

The situation comes as Yantian, a key gateway port linking China with Europe and the US, started to take in ladened containers again on Monday, after nearly six days of suspension of the service partly caused by the health crisis.

But unclogging the logjam will be time consuming.

By June 7, the restriction is only partly lifted for ladened boxes onboard vessels expected to arrive at the port within the next three days, while trucks are required to book their entry online to control the traffic.

In addition, about 20,000 loaded containers remain in the port's backlog, which is not expected to be cleared until later this week, a port statement said.

State-run broadcaster China Central Television reported that more than 7,000 port workers at the Yantian International Container Terminals are tested for the coronavirus daily as part of the efforts to contain the infections. This could also reduce operational efficiency at the port.

Container lines have already started to shift services to adjacent ports.

Cosco Shipping, for example, has advised its customers to change port calls to neighbouring Guangzhou's Nansha Port for big ships heading out to the US west coast.

But the impact on vessel schedules and capacity shortage is unlikely to be solved easily, according to Mr Tan.

"Other South China ports are also congested so there's not much options available," he said. "Carriers just need to work at clearing the backlog, which has been made worse due to diversions from Yantian made in the past week."

As a result, the already rocketing freight rates may "escalate again," he added.

Spot rates to Europe ex-Asia reported by the Shanghai Shipping Exchange continued their relentless rise last week, closing in on $6,000 per teu for Shanghai-northern Europe volumes.

For the third week in a row, freight rates on the spot market to both northern Europe and the Mediterranean have sat at more than $10,000 per feu, and the 4.2% and 5.2% increases, respectively, will put yet more pressure on shippers.

ANALYSIS:

How to get ahead in alt lending

SETTING up as a shipping alt lender is easy, right? Round up some buddies, rent some desk space, raise a couple of hundred million bucks from somewhere and then farm it out to shipowners who cannot borrow elsewhere and are ready to pay through the nose.

Well, not exactly, according to two people who should know. Andreas Povlsen launched Breakwater Capital in the wake of the global financial crisis in 2011, while Christoph Toepfer set up investment manager Borealis in 2010 and lender Australis Maritime rather more recently, in 2019.

Both admit that it has been a long haul from the early loss-making years of 70-hour weeks before getting to where they are now, but would recommend other people emulating their example.

“Of course it’s do-able. We did it,” notes Mr Povlsen.

“If I had known what I know now in regards to how difficult it is, I would never have done it. Thank God I didn’t know, because obviously it has been a success.”

Mr Toepfer adds: “I would always set up Borealis and Australis Maritime again. Both have been great successes, but only in combination of hard work and assembling very high calibre teams.”

Lending is a very different proposition to buying a ship, where lawyers do most of the heavy lifting for you.

Tip number one is that while there is always a gap in the market, would-be starts need to be certain that there is a market in the gap.

Even though alt lenders are not regulated banks, many aspects of what they do are regulated or controlled. While it is possible to use higher leverage to take more risk, taking more risk is … well, riskier.

“Unless you do something that’s really scalable — and not a lot of people have done that in the alternative space — it’s rare you get the same kind of returns providing a loan as you get providing equity,” said Mr Povlsen.

You are therefore better off raising seed capital from credit funds than private equity, because private equity needs private equity-sized returns.

Family offices are another option, especially if you are from an established shipping family, as was the case with Mr Toepfer.

Select borrowers carefully. Origination can be hard work and you may need to look at 20 deals before being able to execute one project.

Borrowers will rightly want to have trust in lenders, and assurance that lenders stick around in bad times. On the other hand, one badly loss-making deal can wipe you out.

“People know that there are some deals that will go well and some deals that won’t go so well. But if you make enough money on the deals that go well, that supports the ones that don’t go so well,” says Mr Povlsen.

In lending, everything starts when the deal has closed. You must be mindful of environmental, social and governance considerations, sanctions, know-your-customer rules and much else.

You need to monitor deals constantly, see where things are not going as planned and act quickly and to find a solution with the borrowers.

“The one mistake we made is that we initially considered the vast Greek market for us as the key market, and underestimated the extent to which Greek banks were willing and able to continue lending to smaller Greek-based owners at very attractive levels,” Mr Toepfer reveals.

There is also the question of whether now is a good time to take the plunge.

Mr Povlsen thinks that in some ways, the train has already left the station — although he points out that good markets in containers and bulkers may offer new entrants some leeway.

Mr Toepfer, as a relatively new lender, will likely differ on that point.

However, both interviewees agreed that a start-up alt lender is not a job for someone with a freshly minted shipping MBA from Cass.

“We did it early enough when the competition was not there,” says Mr Povlsen.

"It's not as if there are people out there who have $100m and just want to throw it at something like this.

"Why would they do that with someone who has no track record or background in lending? If somebody comes out of Cass or a shipping family, that doesn't mean they know anything about lending."

Mr Toepfer adds: "One needs to credibly show that one understands shipping cycles in the different shipping segments, with a track record of successful executions, and evidence access to deal-flow at senior level across shipping segments."

So the advice is to get a background in banking, private equity or hands-on shipping first, and build networks that will allow you to source transactions and cut specific deals with specific investors.

"Right now, I would say think twice. And maybe think about how you would benefit from being a partner in an existing set-up and create value both for yourself and that set-up," Mr Povlsen concluded.

"But it's a fantastic thing to be an entrepreneur. I can highly recommend it to anybody who has the guts to do it."

What every entrepreneur should know — but is afraid to ask

WHY do some economies sparkle with innovation, while others appear satisfied with marginal improvements to old technology?

How can shipping hope to attract the brightest talent when the overwhelming attitude is: If it ain't broke, don't fix it?

There are several reasons why entrepreneurs have found shipping tough to penetrate. The most obvious of these are culture, financial support or lack of it, and industry (non-)expertise.

What is less obvious, but is probably the deal-breaker for start-ups, is commercial acumen.

Shipping has been swamped with entrepreneurs and their fantastic ideas, but very few of these ideas meet the simplest of tests: will the investor make a decent return on their investment?

In a 2020 study of Japan's innovation culture entitled 'A quiet revolution', the authors Nick Chubb and Leonardo Zangrando lamented that the dearth of start-ups in the maritime sector was a serious weakness for an economy needing to leverage its growth potential.

In Japan, the report observed, innovation involves combining established technologies to create entirely new categories, "which perfectly suits an industry that still depends on technology that is hundreds of years old".

Cultural hurdles there dictate that new ideas are created, developed, refined and brought to market by giant corporates. They inevitably come up with solutions for the problems of a decade ago.

Contrast that with Singapore's innovation ecosystem. Here, a "highly entrepreneurial and mobile population is driven further by the power of proximity", according to a 2021 study of the city-state's innovation culture, 'The Startup Magnet', by the same authors.

Singapore appears to have all the ingredients required to be a global success: Government funding for start-ups; access to a steady stream of educated talent; a small geographic footprint; closeness to some of the world's tech giants; and in constant touch with the global maritime crossroads.

All these qualities are in abundance in Singapore, which has been a hub for unicorns (high-growth start-ups worth more than $1bn).

However, fewer than one in 10 of Singapore's start-ups are said to be gazelles (profitably growing companies), which are a major engine of economic expansion and creators of large numbers of sustainable jobs.

This is a concern, along with research showing that more than half of all Singapore's start-ups lose money and fail to grow.

For deep tech start-ups, which attempt to make fundamental leaps in science, technology and engineering, the report suggests that despite the Singapore government's strategy of support, "there is a clear gap between research and its commercialisation".

Innovation in shipping is a slow process. Seismic change tends to come along once in a generation, otherwise change is incremental.

Partly that is a reflection of ambition being tempered by the harsh winds of commercial reality. The experience of working with autonomous vessels — seemingly an innovation that would transform the industry to a more efficient and sustainable level — is a case in point.

Autonomy is an innovative concept that offers improved levels of safety, because almost all accidents and incidents stem from human error; greater efficiency, because data analysis is a better decision-making tool than human intuition; and sustainability, because reduced fuel consumption is not only better for the environment but also saves money.

So why is autonomous shipping still far off, and what can this experience teach about other innovative ideas?

The mantra now is that 'autonomous does not mean unmanned', which is an attempt to counter the widespread concern of substantial job losses among seafarers.

The International Maritime Organization has established four levels of autonomy, only the last of which — the fully autonomous ship — requires no human interaction either at sea or on land.

The necessary intervention of regulators, the fear of social consequences, and the lack of a clear commercial business case has delayed the introduction of autonomous vessels beyond a few harbour tugs and ferries on pre-determined routes.

These are also the key stumbling blocks for less ambitious innovation and for entrepreneurs with little industry experience.

Transformation innovation requires buy-in from a substantial part of the industry and is more likely to come from outside shipping.

Containerisation invaded breakbulk shipping from the trucking sector, which suggests that successful innovation might be imposed by the logistics supply chain, rather than coming from the IMO.

Then there is the issue of speed. "Singapore is unique for many reasons, but its defining characteristic is agility," say Mr Chubb and Mr Zangrando.

"[Singapore is] small, powerful, nimble, and able to safely guide the world's shipping industry through the complexities of the 21st century."

Agility and nimbleness are valuable in software design but less so in maritime, where ships are built for a design life of 25 years, and long-term charters rarely go beyond 10 years. Investment in innovation must be mindful of this extended timeline.

Lloyd's List is aware of start-ups that have won awards for their innovation, only to find the venture itself was swallowed up by a competitor or taken in a different direction by stakeholders, even before the award was handed over.

Nimbleness might be an admirable attribute in the world of innovation but it rings alarm bells in the world of shipping.

So, while Singapore sparkles with innovation, Japanese corporates and European shipowners and operators are timid by comparison. They are reluctant to invest in new technologies until the business case is watertight — or their immediate rivals have taken advantage of innovation.

Entrepreneurs already active within shipping work for technology companies with a mandate to grow year by year in a predictable way. Such companies are unlikely to invest in resources that will create transformation technology for which the industry is not ready; they must stay on the conservative side of the innovation timeline.

The future of innovation in maritime is expected to be cautious, leading the industry but only by a few paces, and never straying far from the guidance offered by regulators. There will be claims and promises, few of which will live up to expectations.

If real transformation happens, it is more than likely to hit maritime from the wider logistics supply chain, driven by mega customers. Those customers live and breathe innovation in a way of which shipping can only dream.

MARKETS:

Strong demand set to keep bulker earnings high

STRONG demand for dry bulk commodities as economies recover from the global pandemic have helped to lift bulk carrier earnings, but it would be premature for owners to pop open the champagne just yet, according to shipping association BIMCO.

"Despite the current strength of the dry bulk market, fundamentally little has changed, with high demand primarily being driven by short-term factors linked to pandemic-related stimulus spending and stockpiling," the group's chief shipping analyst Peter Sand said. "This means that, even though volumes are currently strong and the orderbook relatively low, BIMCO is not holding its breath for the next supercycle to begin."

"Whatever happens in the longer run, the strong start to this year has padded dry bulk owners' and operators' bottom lines, and with continued strong demand for many of the major dry bulk goods, this year looks set to be one to remember," Mr Sand said.

The dry bulk market had a stellar start to the year, driven by agri-products on long-haul voyages, combined with higher iron ore from Brazil as Vale, the country's largest miner, ramped up output following a dam breach in early 2019. Even coal volumes showed strength.

The first four months of the year had record-breaking volumes, with demand reaching 1.69bn tonnes, an increase of 6.1% compared with the year-earlier period. That is the highest ever start to a year, although it is slightly lower than the 1.72bn tonnes shipped in the final four months of 2020.

Most vessel sizes were beneficiaries of the strong demand, with supramaxes topping the chart.

Demand for supramaxes increased by almost 11% in the January to April period versus the same time last year, while capesizes gained 6% and panamaxes rose by 1.5%, according to BIMCO. Handysize demand however only grew by 0.1%.

Capesize earnings are set to have the best month of May since 2010, with an average of $36,536 per day, which is about nine times greater than the same month last year, BIMCO said. The last time average earnings were above $25,000 per day for a peak season was back in the fourth quarter of 2013.

So far this year, however, rates have averaged $23,054 per day, based on Baltic Exchange data.

Panamax earnings have meanwhile averaged $20,487 per day, while supramaxes were at $19,188 per day, and handysizes were at $18,274 per day.

On the supply side, BIMCO expects fleet growth at 2.4%, the lowest since 2016. So far this year, vessel supply has expanded 1.3% based on new ship deliveries of 16m dwt out of an expected 30m dwt and demolitions amounting to just 4.2m dwt.

Ordering-wise, 92 new ships have been contracted to date, versus 111 in the same period last year. Panamax ships have proved to be the most popular with 44 ordered, according to BIMCO.

Capesize rates fall to lowest level in two months

CAPESIZE bulker earnings have fallen further over the past week as a sharp drop-off in iron ore demand translated into a lack of activity among all the major iron ore miners in Brazil.

The decline in shipping activity came as China signalled a crackdown on "excessive speculation" in commodity markets, thereby causing prices of raw materials to plunge, with iron ore contracts being hit the hardest.

The Baltic Exchange Capesize Index dropped to 3,089 points on Friday from its week-ago level of 3,930 points, following a rally that saw it rise to 5,404 points on May 5. The index is now at its lowest level in two months.

The weighted time charter average fell to $25,614 per day on May 28 from $32,593 a day, a decline of 21.4% over the week.

All the benchmark routes that make up the index finished the week down slightly on the previous week.

On C3, the rate to haul iron ore from Tubarao in Brazil to Qingdao in China stood at $24.25 per tonne, compared with $26.21 a week earlier. The rate from Western Australia to China, the C5 route, closed at $11.16 per tonne, down 16.6% on week.

The Atlantic market continues to be the poorest performer, but rates in the Pacific also fell back against an increasing tonnage list, Cleaves Securities said in its recent report.

Norwegian brokerage Fearnleys noted that the ballasters in the Atlantic are presently having a hard time closing fixtures on the Brazil-China route as demand is pretty much limited to one major miner.

The gap of 100 days on a China-Brazil round voyage and 50 days Pacific round is roughly $10,000 a day in favour of the latter, which means no flow of "new" ballasters as long as Pacific iron ore and coal trades keep absorbing prompt tonnage, it said.

The brokerage agreed that the main players are waiting for the market to find a floor and improve once more, as major commodities are still in demand and overall fleet efficiency remains moderate.

Meanwhile, China is expected to increase iron ore imports from long-haul exporters at the expense of Australia in the long term.

According to Danish Ship Finance's quarterly report, the Chinese economy will be increasingly driven by advanced technology and less by building and construction activity in the coming years. This will reduce the Chinese economy's need for steel, hampering demand growth for iron ore and putting pressure on the capesize fleet.

IN OTHER NEWS:

Saadé and Sachs lock horns over LNG

RODOLPHE Saadé has defended using liquefied natural gas fuel on environment grounds in a heated on-air exchange with a top economist and UN climate adviser.

The chief executive of French container line CMA CGM, a major LNG backer, hit back after Jeffrey Sachs called for an end to new fossil fuel development and a faster switch to zero-carbon fuels.

Mr Saadé argued such fuels were still five-to-10 years away and the industry needed to do what it could to cut emissions incrementally.

"LNG might not be the ideal solution but it is a solution that is available today that allows us to reduce our CO2 emissions by around 20%," Mr Saadé said, adding LNG also reduced emissions of sulphur and fine particles.

"It's always easy to criticise what others are doing. But what is important, especially in view of the current situation, [is] we need to take action."

Salvage operations continue as X-Press Pearl owners face lawsuit

THE fire on *X-Press Pearl* (IMO: 9875343) has nearly been put out as salvors are trying to tow away the blackened containership.

No visible flames have been reported on board the Singapore-flagged, 2021-built, 2,700 teu feeder ship, anchored off Colombo, although smoke is still emerging from the aft areas.

Operator X-Press Feeders said the ship's hull remained structurally intact, and there had been no loss of oil into the port's waters as of May 31.

Meanwhile, contractors and local authorities continued their operations to remove chemical and other debris washing up on the coast.

The Sri Lankan Marine Environment Protection Authority has said that they would take legal action against the owners of *X-Press Pearl*, its crew and insurers.

"We have gone through the details and will be taking action against those responsible," MEPA chairman Dharshani Lahandapura told reporters in Colombo.

While the environmental damage of the incident has yet to be assessed, she reckoned it to be the "worst marine pollution" Sri Lanka has ever suffered.

Costamare fuels earnings with wave of new acquisitions

CONTAINERSHIP owner Costamare has increased its dividend after a strong start to the year that has so far seen it sign deals to acquire 15 boxships.

Posting a doubling of first-quarter profits, the Greece-based owner said that employment already secured for the new acquisitions, together with that for the last two of five 12,690 teu newbuildings long-term chartered to Yang Ming Marine Transport, is expected to add contracted revenues of more than $830m.

Altogether the purchases add up to an investment of $765m.

The New York Stock Exchange-listed company reported net income of $68.1m for the quarter, up from $32.8m during the same period last year.

The management has recommended a 15% increase in the quarterly dividend, to $0.115 per share.

Overdue seafarer numbers increase amid India's Covid surge

THE Global Maritime Forum says 7.4% of seafarers are working past their contracts, up from 5.8% a month ago, as travel curbs imposed amid India's coronavirus surge start to bite.

The GMF said the 24.1% relative increase in overdue seafarers was based on its Neptune Declaration Crew Change Indicator, based on data from 10 big shipmanagers responsible for about 90,000 seafarers.

But the number of seafarers on board vessels for more than 11 months — the maximum time allowed by the Maritime Labour Convention — fell from 0.8% to 0.4%.

"Unfortunately the increase in seafarers on board vessels beyond the expiry of their contract is not unexpected," said GMF head of research Kasper Søgaard.

Lloyd's Register opens Greek hub to guide clients through future maze

Lloyds' Register has launched a new Maritime Performance Services hub for South Europe that aims to help guide shipowners and managers through a maze of factors currently impinging on industry decision-making, including decarbonisation requirements over the next 10-30 years.

Wan Hai doubles down on mega ship orders at Samsung Heavy

WAN HAI Lines has signed for four additional 13,100 teu newbuildings with Samsung Heavy Industries, pushing the size of its latest round of order spree to 13 post-panamax containerships worth about $1.5bn.

The new order will cost $474m-500m in total, with vessels scheduled to be delivered from the second quarter of 2023, the Taiwanese carrier said in a stock filing.

It is expected to enhance the transpacific presence of the container line, which has its traditional stronghold in intra-Asia markets.

"This new shipbuilding contract is the company's latest fleet upsizing plan, so as to ensure that the company's vessel fleet is able to remain competitive and support continuous market development," said Wan Hai.

Norden raises full-year profits guidance again

NORDEN, a Danish shipowner and operator, has revised up its full-year profits guidance based on a continuously strong dry bulk market.

The company expects an adjusted result between $110m-$160m, compared with a previous forecast of between $75m and $125m.

"The broad guidance range reflects expectations that are mainly based on unrealised future earnings in a market with unusually high volatility," it said.

The company's chief executive Jan Rindbo said it continued to benefit from increased exposure to a strong market, especially in the smaller vessel segments in which it operates. It was also benefiting from the long position (more tonnage than cargoes) taken by its dry operator unit.

Classified notices follow

CR-2020-003995

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

IN THE MATTER OF TT CLUB MUTUAL INSURANCE LIMITED

AND IN THE MATTER OF UK P&I CLUB NV

AND IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

NOTICE

NOTICE IS HEREBY GIVEN that on 2 June 2021 TT Club Mutual Insurance Limited (**'TTI'**) and UK P&I Club NV (**'UKNV'**) applied to the High Court of Justice of England and Wales pursuant to section 107(1) of the Financial Services and Markets Act 2000 (**'FSMA'**) for:

1. an Order sanctioning an insurance business transfer scheme providing for the transfer to UKNV of certain of the insurance and reinsurance business of TTI (the **'Scheme'**); and

2. an Order making ancillary provisions in connection with the Scheme pursuant to section 112 of FSMA.

If you are in any doubt as to whether your policy is affected by the proposed transfer or if you are a policyholder and have any questions about the proposed transfer, please contact TTI by email at contactus@thomasmiller.com. Alternatively, you can write to 'TTI Part VII Transfer' at 90 Fenchurch Street, London EC3M 4ST or call +44 (0)20 7283 4646 between 10am and 4pm UK time.

Copies of a report on the terms of the Scheme prepared by an independent expert as required under section 109 of FSMA, a summary of that report and a statement setting out the terms of the Scheme can be obtained free of charge from TTI's office at 90 Fenchurch Street, London EC3M 4ST between 10am and 4pm UK time, or on TTI's website at https://www.ttclub.com/ or UKNV's website at https://www.ukpandi.com/ or by sending an email to contactus@thomasmiller.com, writing to the 'Part VII Transfer' address given above or calling the telephone number given above.

UKNV is regulated by the De Nederlandsche Bank NV and the Dutch Authority for the Financial Markets. If (i) the Scheme is approved, (ii) you meet the criteria to benefit from the dispute resolution services provided by the U.K. Financial Ombudsman Service (**'FOS'**) and (iii) your policy transfers to UKNV, you will maintain the right to bring a complaint to the FOS in relation to the acts and omissions of TTI prior to the Scheme taking effect but you will not have any such rights in relation to the acts and omissions of UKNV from the Scheme taking effect. The qualifying criteria to bring a complaint to the FOS can be viewed at https://www.financial-ombudsman.org.uk/faqs/using-service.

The application is directed to be heard before a Judge of the Business and Property Courts of the High Court at **The Rolls Building, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NL** on 9 September 2021. If approved by the Court, it is proposed that the Scheme will take effect at 24:00 hours Greenwich Mean Time on 30 September 2021. **Any person who alleges that he, she or it would be adversely affected by the carrying out of the Scheme is entitled to appear at the hearing and/or to make representations in person and/or to instruct someone to appear at the hearing and make representations on his, her or its behalf and/or to make written representations about the Scheme without appearing at the hearing**.

If anyone intends to appear at the hearing in person, or to instruct someone to appear on their behalf at the hearing, we would request that he, she or it give notice of their intention to do so setting out the reasons why he, she or it would be adversely affected. In addition, any person may make written representations about the Scheme without appearing at the hearing (or without instructing someone to appear on their behalf at the hearing). Such notices and representations should be sent to TTI and UKNV in writing by email to contactus@thomasmiller.com or by post to the 'Part VII Transfer' address given above, or they can be given over the telephone by calling the telephone number given above, in each case as soon as possible and no later than close of business on 26 August 2021. All representations will be provided to the Court at the hearing.

DATED this 2nd day of June 2021

Reed Smith LLP
The Broadgate Tower
20 Primrose Street
London
EC2A 2RS
Tel: +44 (0)20 3116 3000
Ref: PMT/JH/767268.00037

Solicitors for TTI and UKNV