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Shipowners will soon face taxes as well as death

BENJAMIN FRANKLIN FAMOUSLY observed that nothing in life is certain except death and taxes. But as far as shipping is concerned, the Founding Father was only half right.

Owners have not — not yet, anyway — unlocked the secret of immortality. But the industry does enjoy the remarkable privilege of an opt-out from imposts that are compulsory for most other business sectors.

In Greece, always the maritime nation par excellence, such exemption is even constitutionally enshrined.

Now, for the first time-ever, these time-honoured arrangements face real challenge, at least at the top end of the game.

After the global financial crisis, electorates are increasingly cheesed off with the likes of Amazon and Google forking out only low single digit percentage points of their vast pandemic-inflated turnovers.

As Lloyd's List reported last week, calls for a global minimum corporation tax of at least 15%, with the muscle of a new administration in Washington behind them, will likely reach fruition in the coming months.

Shipping is in principle just as subject to the outcome of these deliberations as everybody else.

Even flagging in jurisdictions that market registers based on next-to-nothing tax will not help, because the developed countries in which owners are physically based will step in and collect the difference.

A collective statement from several leading shipping trade associations has contended that the industry be allowed continued kid-glove treatment.

Of course, it amounts to special pleading; trade associations are paid to plead specially. But that does not mean their case is nugatory.

Tonnage tax schemes do not typically allow tax deductions on necessary capital purchases, tax relief on finance costs, or carry over of past losses.

Factor everything in, and the net advantage may not be as humungous as campaigners and trade unions seem to think.

Moreover, maritime clusters attract service companies that do pay corporation tax, making tonnage tax a net positive in absolute revenue terms. London is one of the clearest examples of that.

The question is, will special pleading win over the hearts and minds of the political leaders who make the decision on this one?

Don't bet on it. Germany in particular is said to oppose any industry-by-industry opt out, on the grounds that if granted even once, others will seek it. Ms Merkel's flinty-hearted instincts will probably prevail.

A more fruitful means of upholding the status quo will be reliance on the $750m turnover threshold envisaged by proponents of the global tax.

That alone excludes all but a handful of top cruise operators and the major box carriers. And even for the super league, accountants are more than capable of allocating revenues to the right period and place for tax minimisation purposes.

In the long term, the best answer may be for shipping voluntarily to increase transparency, something that this publication has been pushing in all spheres for some time.

The tax issue compounds shipping's reputation as a hole-in-the-corner industry with something to hide. This observation is not just directed to brass plate companies registered in accommodation addresses in some of the planet's less-salubrious money laundering hotspots, either.

Many sizeable shipping concerns remain "closely held" in legal terms, and thus not even required to provide annual audited accounts. Apart from anything else, that can only fuel concern on the part of suppliers.

Why not simply come clean? If it is indeed true that shipping companies are effectively in the same tax bracket as, say, a substantial trucking outfit or a high-street retail chain, the matter could be put beyond doubt simply by publishing the proof.

Neuter the tax issue and all shipping will have to defend is the damage it inflicts on the environment and the occasional accusation of the super-exploitation of seafarers. Frankly, that is enough to be getting on with.

Meanwhile, the relatively small number of shipping giants who could be hit badly under the new global regime should reconcile themselves to the reality of Franklin's aphorism. They may not be avoiding tax for that much longer.

WHAT TO WATCH:

Greek tanker owners in apparent Venezuela U-turn

GREEK shipowners have returned to Venezuela in rising numbers, emboldened by the January inauguration of new US president Joe Biden, as increased tankers are tracked shipping sanctioned crude cargos, mostly to China.

At least 20 tankers owned or formerly linked to Greek shipowners have loaded crude at Venezuelan ports or via ship-to-ship transfers off nearby Caribbean islands since January 1, according to Lloyd's List Intelligence data.

Six of these vessels belong to one anonymous, new Greek shipping company, Piraeus-based Edge Maritime that has emerged during the past year with a focus on Venezuela after buying five elderly suezmaxes, data shows.

In addition, seven tankers sold by some of the most prominent Greek families to mystery buyers outside the country between October 2020 and April were also immediately deployed on Venezuelan trades, data reveals.

There is no suggestion that any of the companies or tankers are breaching US sanctions or engaged in deceptive shipping practices.

Until mid-2020, Greek shipowners carried 80% of Venezuelan cargoes, defying unilateral US sanctions first imposed in early 2019 on the country's oil and shipping sector.

But after six tankers owned by four prominent Athens and Piraeus shipping families were briefly targeted by US sanctions in mid-2020, shipments slowed to a trickle for the remainder of the year.

Venezuela and its Russian marketers instead turned to tankers owned by Vietnam and a series of anonymous single-purpose companies that purchased tonnage specifically for the route.

The renewed focus on Venezuela from Greek interests is at odds with a June 2020 pledge from the country's shipowner lobby group, the Union of Greek Shipowners to encourage its members to refrain from shipping Venezuelan crude.

The increased number of Greece-linked ships now returning to Venezuela comes amid uncertainty about whether the new Biden administration will wind back, intensify or change existing sanctions.

The Trump-era measures failed to dislodge President Nicolas Maduro amid a worsening humanitarian crisis in Venezuela, while talks to lift Iran shipping sanctions are now underway in Vienna.

Venezuelan exports, excluding those to Cuba, totalled about 380,000 barrels per day in May, according to Lloyd's List calculations, although the number is difficult to properly assess because of deceptive shipping practices used to disguise the origin and destination of the cargo.

It is common for tankers involved in shipping Venezuelan crude to switch off their Automatic Identification System to avoid detection when loading.

They are also known to conduct multiple STS transfers in open waters off islands of Aruba, Bonaire and Curacao, as well as at anchorages off Malaysia, as well as spoof their location as part of sanctions-skirting tactics.

Piraeus-based Edge Maritime bought four suezmax tankers with an average age of 18 years: *Zenith* (IMO: 9236016), *Amorosa* (IMO: 9224439), *Cape Bella V* (IMO: 9232929) and *Saint Marcella* (IMO: 9248825) between February 2020 and January 2021, Lloyd's List Intelligence data shows.

Edge Maritime had owned a fifth suezmax tanker, *Berlina* (IMO: 9224453) in November 2020 but it was sold in February 2021 to undisclosed buyers, according to recent data.

Edge Maritime lists its address in 137 Filonos St, Piraeus. This appears to be an office building used by the Bank of Cyprus, the Philippines honorary consul and shipping companies including Multibulk Marine Management and Tomazos Shipping.

Two of the Edge Maritime tankers were purchased from World Carrier Corp, two from Sovcomflot and one from Ernst Russ AG.

Two tankers owned by the Bacolitsas group, which commercially operates them via the Sea Pioneer Shipping, were tracked calling at Venezuelan ports or in waters where the crude is loaded.

A third, which did not have AIS data available before January 12, was also tracked in nearby waters. The three tankers are *Dignity* (IMO: 9413676), *Clarity* (IMO: 9416381) and *Honesty* (IMO: 9416393).

There is no suggestion the tankers are involved in sanctions-skirting activities.

Sea Pioneer Shipping said that its vessels only carried clean petroleum product.

"All vessels managed by Sea Pioneer have always legally and as necessary for its legitimate business purposes called at ports of Venezuela and the same was verified, both pre and post-fixing, by the vessel's P&I Club, which carried out due diligence check on owners' behalf," it said in a statement.

"On top of that, Sea Pioneer has obtained exonerating legal advice from Messrs Freehill, Hogan & Mahar, one of the most esteemed and sanction-specialised law firms in the US, confirming that vessels' calls are considered non-sanctioned. It is to be emphasised that neither port call was or will ever be in relation to a sanctioned activity."

Aframax River (IMO: 9259173) called at Venezuela in January but signals showed it remaining in the region for several months before sailing across the south Atlantic in early May, AIS vessel-tracking data shows. After briefly stopping in waters outside Cape Town in late it is now sailing for Asia.

Owner, Andreas Hadjiyiannis from Cyprus Sea Lines has been approached for comment. In January, tanker *Willowy* (IMO: 9251822), operated by his group Hellenic Tankers, was tracked alongside another aframax tanker laden with Venezuelan crude in waters off Sungai Linggi anchorage.

The vessels did not undertake an STS and *Willowy* was undertaking a turbocharger overhauling, which is why it was in the region with its AIS switched off during this period, the company said at the time.

Another aframax vessel, *Eurostrength* (IMO: 9543524) has made several voyages to China after receiving Venezuelan crude via STS in anchorages off Malaysia since October, vessel-tracking data shows.

That vessel is owned by the Gotsis shipping family via the Eurotankers company. A request for comment was not immediately responded to.

China-based shipbuilders added to US investment blacklist

SHIPBUILDERS are among dozens of Chinese companies facing restrictions on investment from the US after President Joe Biden signed an executive order targeting businesses with alleged links to Beijing's military or surveillance industry.

China National Offshore Oil and China Shipbuilding Industry have been added to an amended blacklist of Chinese firms introduced by the Trump administration last November.

President Biden expanded the list from 31 to 59 Chinese companies in an executive order signed on June 3.

It said "additional steps" were necessary to address a national emergency, including the threat posed by "the military-industrial complex" of the People's Republic of China.

President Biden detailed the threat as involvement in military, intelligence, and security research and development programmes, and weapons and related equipment production under the PRC's "Military-Civil Fusion" strategy.

Other companies added to the revised list are China Marine Information Electronics, China Shipbuilding Industry Group Power, China State Shipbuilding, CSSC Offshore & Marine Engineering (Group) and North Navigation Control Technology.

The original US ban said Chinese companies raise capital by selling securities to American investors trading on public exchanges, lobbying US index providers and funds to include these securities in market offerings and engaging in other acts to ensure access to US capital.

"In that way, the PRC exploits United States investors to finance the development and modernisation of its military," it said.

Mr Biden's order targets companies involved in Chinese surveillance technology used to "facilitate repression or serious human rights abuses", which "undermine the security or democratic values of the United States and our allies", according to a White House statement.

The new order prevents Americans from investing in those 59 companies, with a 60-day grace period, until August 2, before sanctions begin and a one-year period for Americans to divest themselves if already invested in the firms — either directly or via mutual and index or other funds.

China's foreign ministry spokesman Wang Wenbin said the ban "severely undermines normal market rules and order" and "damages... the interests of global investors, including US investors".

The White House said a revision of the blacklist was necessary to ensure the investment ban was legally sound and sustainable in the long-term — and the amended ban comes as part of a wider set of actions targeting China, according to one senior administration official.

"We see this is one action in the sort of broader sweep of steps we are taking to strengthen our approach to competing with China and to countering its actions that are against our interests and our values," an administration official said.

The Department of Homeland Security's Customs and Border Protection agency last week banned products from Dalian Ocean Fishing saying that the Chinese firm uses forced labour on its ships, contrary to US law.

That ban came just two days after the Office of the US Trade Representative Katherine Tai urged the World Trade Organization to address the "global problem" of forced labour on distant-water fishing vessels.

OPINION:

Successful crew change comes from years of hard graft

WHILE the global pandemic has made it more difficult to move seafarers to and from their ships, it is possible to obtain visas even when embassies are closed and to connect seafarers with their vessels when faced with repeated rejection, says one expert.

The Netherlands-based Boers Crew Services chief executive Hans Boers says good communication with embassies and immigration is key.

"It's all about experience," he said in an interview, citing how his time as a former taxi driver in Rotterdam helped him to discover the importance of keeping eyes and ears open. "You learn the possibilities, where to go and what to do."

When combined with European Union governments' anxiety over illegal immigrants passing off as seafarers, immigration authorities demand more detailed documentation from crews.

While some shipping companies are regarded with suspicion and others are struggling to get past the "closed" sign on embassies and consulates, there are more options and ways to secure a seafarer visa when an embassy is closed.

The withdrawal of on-arrival visas, restricted working hours at embassies and a tendency to advise seafarers to try for disembarkation at the next port — always the next port — have all added to the ongoing misery for many of those serving at sea.

To further complicate matters, the rules in one Schengen country may differ from the next.

"I'm a fighter and will always look for solutions to get the crew on board or signing off," says Mr Boers. "If the seafarer has a Schengen area visa — for Belgium or Germany — there's no problem. It's much harder without a Schengen visa.

"When an embassy is closed, I knock on the door of the border police. It takes time but we can usually get a visa for joining a vessel in the Netherlands" for medical issues or when the embassy at the home country is closed.

Mr Boers believes many European port agents are unaware of how to expedite crew transfer when faced with what appear to be formidable obstacles.

It was easy when just advising immigration of the seafarer's name and ship.

To prevent illegal immigrants entering the Schengen area, immigration authorities demanded ships' International Maritime Organization numbers, but those are openly available on the internet. Now they want detailed seafarer identification.

"We think about the family behind each seafarer, and we try everything to get the necessary visa for them to reach their ship or get to the airport," he explains.

Mr Boers' grandfather set up a taxi firm in 1946 and his father started in the crew change business in the 1960s, arranging seafarer transits for Maersk in Rotterdam.

The company handles all travel and logistical requirements, including taxi services to and from ports, arranging letters of indemnity, visas on arrival, hotel bookings, pandemic services and Dutch documents.

"When I tell immigration, we have a ship arrival in Rotterdam and the crew manager has found flights, my request for a few days in a hotel is usually rejected," he says. "I have to go back to the crew manager to ask for better flights, otherwise the crew cannot sign off.

"Then I go back to immigration to say the crew manager has done their best to get better flights, but none are available. I call them back just before the vessel arrives and ask again what we can do with this crew. This time they usually advise we put them in a hotel.

"But if you can't show the email about other flights, and you fail to keep up communication with immigration, the answer will always be no."

Last year, Mr Boers worked with shipowner clients who had arranged charter flights to take seafarers across Europe. They contacted other clients who needed to move crews and managed to fill flights, thereby reducing the cost to the original aircraft chartering company.

ANALYSIS:

Poor packing of dangerous goods implicated in X-Press Pearl fire

WITH the salvage operation of *X-Press Pearl* turning into a wreck removal and pollution containment exercise, attention has turned to the regulation of the dangerous goods cargoes that are often the cause of boxship fires.

The exact cause of the fire on the 2021-built, 2,700 teu *X-Press Pearl* (IMO: 9875343) remains unknown, and with the vessel now almost entirely burnt out will possibly never be known.

But the crew had reported nitric acid leaking from a container. This is highly corrosive and can react explosively with other substances. Carriage of the substance is covered by the International Maritime Dangerous Goods Code.

While the presence of the substance on board may have been known, the quality of the packaging has been called into question.

"While still to be fully investigated, the catalyst for the inferno on X-Press Pearl has been asserted to be a leakage of nitric acid, which was correctly declared but apparently incorrectly packaged or packed," said TT Club risk management director Peregrine Storrs-Fox.

TT Club has been campaigning to reduce incidents of cargo fires from misdeclared and undeclared DGs, which are often at the centre of boxship fires.

The insurer estimates there are in excess of 150,000 containers shipped each year that fall into those categories.

But even where DGs are correctly declared, there can still be incidents if the goods inside a container have not been packed or packaged properly.

The proper stuffing of containers is covered by the Code of Practice for Packing of Cargo Transport Units (the CTU Code), which was developed by the International Maritime Organization, the International Labour Organisation and the UN Economic Commission for Europe.

The code, however, is not mandatory, and adherence to its guidelines relies on national regulations. In many less developed nations, these are either non-existent or weakly enforced.

For that reason, TT Club is focusing on education rather than regulation to try and further its aims of safer shipping.

"Effective review of regulations is to be applauded," Mr Storrs-Fox said. "Indeed, the latest meeting of the IMO's Maritime Safety Committee debated in detail the issue of containership fires. However, such consideration will not result in speedy change."

Instead, "holistic" industry-led initiatives were necessary, he said.

"An understanding by all the actors in the supply chain of safe packaging, packing, loading and unloading of containers, and of the need for detailed, accurate information of the cargo's attributes and any potentially hazardous reactions to any eventuality occurring through the entire transit, is necessary," he said. "Above all truth, trust and transparency must guide all involved."

But he admitted it was a "significant challenge" to have the entire supply chain responsible for the despatch of goods follow the CTU Code.

"However, dangerous goods are subject to mandatory regulation," added Mr Storrs-Fox. "In the case of [the X-Press Pearl] casualty, we see another element to the problem. The offending cargo was apparently correctly declared, with its relevant properties known, and presumably originating from an experienced shipper.

"Yet for whatever reason the packaging was inappropriate or the packing and/or securing within the container was insufficient, resulting in a dangerous leakage.

"While supply chains are complex and the hazards numerous, relevant knowledge and guidance are critical, within a control environment that must include effective inspection and enforcement regimes."

Speed and control will be key to Ever Given dispute

THE question of what speed *Ever Given* was transiting the Suez Canal is emerging as one of the key issues in the dispute between the Suez Canal Authority and the vessel's owner Shoei Kisen.

A lawsuit filed by the SCA seeking damages from Shoei Kisen for the costs incurred during the incident is due to be heard on June 20 after being delayed at the request of the SCA.

The SCA has dropped its initial demand for almost a billion dollars in compensation to $600m, and SCA chairman Osama Rabie has indicated that he may agree to let the vessel proceed on payment of a $200m deposit.

While Shoei Kisen's insurer, the UK P&I Club, "fully acknowledge that the SCA is entitled to compensation for their legitimate claims arising out of this incident", the debate is likely to be over the responsibilities for the vessel's speed at the time of the casualty.

Admiral Rabie last week indicated in an interview that the speed of the vessel during the transit was "very high", and that the master of the vessel was ultimately responsible for its speed.

But the UK Club said in a statement that it was concerned over the allegations made by Adm Rabie against the master of *Ever Given*.

"The owners of *Ever Given* and their P&I, and hull and machinery insurers look forward to responding to these allegations within the Egyptian court proceedings," it said.

"Critically, it is important to clarify that while the master is ultimately responsible for the vessel, navigation in the canal transit within a convoy is controlled by the Suez Canal pilots and SCA vessel traffic management services. Such controls include the speed of the transit and the availability of escort tugs."

Lloyd's List Intelligence vessel tracking data showed the 20,000 teu *Ever Given* (IMO: 9811000) was travelling at 12.9 knots just 0.6 miles before the location where it grounded.

The SCA's rules of navigation put the maximum transit speed at 8.6 knots.

But speaking in a webinar following the grounding, Kuwait Oil port operations team leader Lafi Al-Murtaji pointed out that with wind gusting to 45 knots, the windage forces on the high freeboard and container stacks on *Ever Given* could have amounted to up to 270 tonnes, equal to the forces applied by five harbour tugs.

This, combined with a following current, would have incentivised the master and pilot to increase the ship's speed to ensure steerage.

"Increasing speed was the correct decision to reduce the effect of wind and current," he said. "But higher speed would have led to the ship squatting, thereby reducing the draft and reducing steerage."

Any loss of steering control was likely to have put the vessel away from the deeper centre of the canal channel and led to the introduction of bank effect, which would have pushed the bow across the canal, he added.

Maritime Expert Group consultant Gregory Tylawsky, a former containership master and pilot, told Lloyd's List that speed was a significant determining factor for the development and severity of bank suction and cushion effects.

"Speed plays a huge role in how a ship is affected by wind," Capt Tylawsky said. "More than anything is the reality that speed is all about time. Lower speeds allow more time for a pilot to compensate to external/internal conditions, including human error."

A "rule of thumb" used by pilots was that when speed doubled, the required reaction time went up by the cube root.

"If it takes eight seconds for evaluation/decision/action at 6 knots, I would have only about two seconds at 12 knots," he said. "The point in practical use is that when one doubles speed, one does not have to think, act and do twice as quickly; it is actually exponentially faster."

Salvage claim by Suez Canal Authority faces challenge

CLYDE & Co has written to the Suez Canal Authority raising concerns over the continued delay in granting *Ever Given* permission to sail and the high level of the salvage claim.

The vessel – whose grounding shut down the key waterway for six days last March – remains at anchor in the Great Bitter Lake, on the orders of the Egyptian courts.

Although *Ever Given* has been declared safe to proceed, the SCA will not allow it to do so until there is progress on the settlement of its insurance claim, initially tabled at close to $1.0bn and now reduced to around $600m.

However, it has since hinted that it will accept a deposit in the order of $200m.

Clyde is acting for some of the cargo interests in the incident, which has seen general average declared.

Clyde disputes that the salvage element in the SCA's claim is valid in the first place.

But even if it were, the firm contends it would represent an entirely novel application of Article 13 of the 1989 International Convention on Salvage, which Egypt has ratified.

"We have seen reports stating that the SCA has valued the property salved at around $2bn or even $3bn," the letter by head of cargo casualty Jai Sharma said. "Based on our experience of other large containership casualties the cargo value on the Ever Given is likely to be in the region of $600-700m."

Security for the cargo on similarly-sized boxship *Maersk Honam*, declared a total loss after a fire in 2018, was only $105m.

The salvors had to spend more than $20m out of their own pocket and perform an 83-day service, and then a very long tow to Jebel Ali.

While the salvage claim is in arbitration and remains confidential, the final cost did not exceed the security level, Clyde confirmed.

"We do believe that the SCA needs to greatly reduce their salvage claim to reflect the legitimate expectations of the users of the Suez Canal, and the maritime industry in general," said Mr Sharma.

"We should be grateful if you would confirm that you are willing to release our clients' insured cargo, which is entirely blameless in this whole affair, subject to the provision of reasonable security."

MARKETS:

Chinese grain demand offers significant boost to panamax earnings

CHINA'S strong grain demand signals a structural change in domestic consumption levels that may turn out to be a blessing for the dry bulk market.

The demand has materially improved during the past few years and consequently the purchases, especially in corn, are no longer anomalous, but are now habitual, according to Arrow research.

The record purchases from the world's second-biggest economy has also driven a fierce rally in grain prices, encouraging production growth that is set to continue.

"These developments will provide a solid backstop to freight rates for grain carriers as tonne-mile intensive freight routes see growing volumes," Arrow said in a report.

If grain prices stay high, then the incentive will remain for producers to export, providing a welcome support to freight rates.

"If prompt soybeans end up trading at $15 per bushel again next year, many more cargoes would get lured out of the US into the export market. This could be a significant boost to the panamax segment as fleet growth is lower than potential grain export demand growth."

Soyabean imports into China nearly doubled in March to 7.77m tonnes, according to data from the General Administration of Customs.

The US department of Agriculture forecasts China to import around 26m tonnes of corn from its international suppliers during the year that begins in September, out of which 9.5m tonnes have already been sourced from the US.

Chinese purchases of corn for the next marketing year further indicate the strength of forward grain demand, said Arrow pointing that "these are not stealth purchases to hide their true demand, this is a bold statement that they are in the market for a lot of grain".

Ocean Analytics noted that the demand for livestock feed continues to surge and provides support for healthy seaborne volumes.

Its founder Ulf Bergman said the persistent strength of the container shipping sector is also likely to continue to drive many agricultural commodity consignments to the dry bulk sector, as a result of equipment shortage and high freight rates.

China's big purchases of corn come as the country rebuilds its hog herd after a devastating wave of African swine fever hit its pig population around two years ago.

The country's hog producing capacity continued to grow in the first quarter of 2021 as the hog herd is seen at 416m head by March 31, up 2.3% on the previous quarter and 29.5% higher as compared with the previous year, the National Bureau of Statistics said April 16.

Adding to that, the domestic corn industry is now reflecting a decline in plantings several years ago when Beijing halted its corn stockpiling programme and minimum purchase prices.

Yantian Port congestion spreads into nearby hubs

HEAVY congestion at Yantian Port, a key export hub in Southern China, has shown little sign of abating and has even spilled over to the neighbouring harbours.

"The situation continues to deteriorate as more positive Covid cases have been confirmed in Shenzhen, where Yantian port and Shekou port are located," said Maersk in customer advisory.

According to the Danish shipping giant, operation in the eastern area of the Yantian International Container Terminals is running at a productivity level of 30%. At the same time, the western area remains suspended.

"We expect continued terminal congestion and vessel delays upwards of 14 days in the coming week," it said.

Lloyd's List Intelligence data shows that the number of fully cellular containerships at anchor in the Daya Bay area near Yantian stood at 40 on June 4 versus 44 on June 1.

Meanwhile, about 50 boxships are dotting the Wanshan Archipelago, south of Hong Kong.

By comparison, there were three containerships waiting in the same area this time last year, while seven were reported two weeks ago before the operation at Yantian was disrupted by a coronavirus outbreak.

Vessels anchoring in the Wanshan Archipelago area are normally destined for terminals in Hong Kong, Shekou and Guangzhou's Nansha.

As carriers are forced to omit Yantian, these nearby ports are under stress due to the massive shift of cargo flows.

As part of the traffic control measures, Shekou said it will only allow gate-in of export laden containers three days before the vessel's estimated time of arrival between June 6 and June 13.

At Nansha, the logistics logjam has led to seven-hour waiting time for empty container pick-up and laden container gate-in, according to Maersk.

The company, which is part of the 2M Alliance, has listed 23 vessels in its services, which have been rescheduled to omit Yantian and Shekou.

Hamburg-based Hapag Lloyd, a member of The Alliance, reported 26 affected ships mainly involving Asia-Europe, transpacific and intra-Asia trades.

Linerlytica analyst Hua Joo Tan has said it will take another week or two before the port congestion in the area can be cleared.

He also expected the already rocketing freight rates may "escalate again".

IN OTHER NEWS:

CMA CGM revenues surge on demand
CMA CGM is channelling its newfound financial strength into fleet and equipment upgrades, after reporting a 49.2% rise in group revenues to $10.7bn in the first quarter.

While the annual rise has to be read in the light of last year's pandemic-driven downturn in the first quarter, the company has made a third of 2020's annual revenue in just one quarter this year.

Earnings before interest, tax, depreciation and amortisation were $3.2bn as net profit for the quarter more than doubled over that achieved in the fourth quarter of 2020, rising to $2.1bn.

Declining revenues raise concern over viability of salvage industry
THE International Salvage Union has sounded the alarm over the viability of the industry after a collapse in earnings from wreck removal operations resulted in a significant fall in revenues for the sector last year.

Gross revenues earned by ISU members in 2020 fell by 38% year-on-year to $301m, the union's annual statistics showed.

A "dramatic" fall of 65% in wreck removal income stood out in the statistics, while emergency salvage services under Lloyd's Open Form (LOF) marked a modest increase.

Brit launches marine war consortium
SPECIALTY reinsurer Brit has created a consortium to write marine war and breach call risks.

The consortium, Keel, offers $152.2m of capacity per risk and provides "instant quotes that are fully sanctioned screened", which is an area of increasing importance amid the tightening regulatory environment affecting marine war risks.

Brit said the consortium aims to improve efficiency in covering breach call risks, allowing brokers the opportunity to obtain instant, fully supported quotes.

Diana agrees two charters at double previous rates
DIANA Shipping, a dry bulk carrier owner, has agreed new charters doubling the income for two of its bulkers.

Greece-based Diana agreed a gross daily rate of $26,500 with Singapore-based Olam International for one of its capesizes, the eight-year-old *P.S. Palios* (IMO: 9573103).

The vessel has been earning $12,050 per day since last year on hire to C. Transport Maritime. The new charter, due to commence on June 6, is for a period ending between mid-February and mid-April next year.

Port states raise concerns over crew-change breaches
PORT state control officers issued more deficiencies related to seafarers working beyond their contract limits last year, raising safety fears.

The Paris Memorandum of Understanding on Port State Control said the share of deficiencies it issued related to Seafarer Employment Agreements increased from 1.2% in 2019 to 1.9% in 2020 – a 58% rise.

But coronavirus restrictions meant inspections fell from about 18,000 to 13,000, so the true number of breaches may have been higher.

Classified notices follow

SHERIFF'S SALE

VESSEL "OCEAN PEGASUS"

In The Cause Of Admiralty In Rem No. 24 Of 2021
By Virtue of Warrant Of Arrest In Admiralty Action No. 3 Of 2021

PARTICULARS OF VESSEL

Name of Vessel	:	"OCEAN PEGASUS"
Type	:	Double Hull Crude and Product Oil Carrier
Flag / Port of Registry	:	Singapore / Singapore
IMO No. / Call Sign	:	9388778 / 9VDM7
Official No.	:	392325
Location	:	Lying afloat at the Eastern Bunkering B Anchorage, Singapore
Dimensions	:	235.99 M (Length), 42.00 M (Breadth Mld), 22.80 M (Depth Mld)
Gross Tonnage / Net Tonnage / Summer Deadweight / Lightship	:	62,863 / 31,919 / 108,926 MT / 18,764.4 MT
Capacity	:	130,128.20 M^3 (Cargo), 41,811.10 M^3 (Ballast), 3,442.6 M^3 (H.F.O.), 316.1 M^3 (D.O.), 201.2 M^3 (Lub Oil), 573.8 M^3 (F.W.)
Nos. of Cargo Tanks	:	14 (inclusive of 2 nos. slop tanks)
Built / Builder	:	2009 / Shanghai Waigaoqiao Shipbuilding, China
Classification	:	American Bureau of Shipping
Main Engine	:	1 x HHM - MAN B&W 6S60MC-C MARK VIII, 2-stroke, Single acting, 6-cylinder x Bore 600 x Stroke 2400 MM, MCR at 18,420 BHP (13,741 kW @ 105 RPM; NCR 16,578 BHP @ 101.4 RPM
Generator	:	3 x YANMAR 6N21AL-UV Diesel Engines rated at 880 kW @ 900 RPM
Speed	:	15.0 kts @ Laden

Note: The net value of bunkers on board **"OCEAN PEGASUS"** is **USD 264,954.43/-** which is excluded from the sale, and have to be paid by the purchaser. The amount payable is not negotiable.

Pursuant to the Order of Court dated 26th April 2021, all interested parties are invited to bid for the purchase of the vessel by private treaty. The bids must be submitted in **United States Dollars** together with a deposit of **USD 50,000.00/-** in local cashier's order made in favour of **The Sheriff Of Singapore** and should be placed in a sealed envelope marked **"Tender for OCEAN PEGASUS"** and sent to the Sheriff's Office, Legal Registry, Level 2, 1 Supreme Court Lane, Singapore 178879, to reach him **no later than 3.00pm, on Monday, 21st day of June 2021**. Bids made without the accompanying deposit will be rejected. The deposit shall be returned to unsuccessful bidders. The vessel will be sold on an "as is where is" basis and the sale is on the Sheriff's standard Terms and Conditions of Sale. Permit to inspect the said vessel may be obtained on application to the Sheriff. Please refer to the Supreme Court's website at http://www.supremecourt.gov.sg/services/lists/sheriff's-sales for the Sheriff's Conditions of Sale and further information of this vessel.

All bids are to remain valid for a period of 3 months from the date the bidding closes.

The Sheriff reserves the right not to accept the highest or any bid.

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