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# Iranian box fleet continues to trade despite sanctions

ALL BUT SEVEN of Iran's fleet of over 30 containerships have continued to trade internationally over the past 12 months, including regular European Union port calls, despite operating within what lawyers describe as a political and legal grey area.

While Iran's fleet of sanctioned tankers have resorted to increasingly complex subterfuge tactics under intense international scrutiny, the Iranian container fleet, largely owned and operated by Islamic Republic of Iran Shipping Lines Company (IRISL), has avoided attention and quietly continued trading despite being subject to US sanctions.

According to Lloyd's List Intelligence vessel tracking data, China has been the most frequent destination for Iranian containership voyages while subject to sanctions with regular services between Bandar Abbas and most major Chinese container ports.

Malaysia, Sri Lanka, the United Arab Emirates and India are also major trading partners. However, over the past 12 months European destinations have also become more frequent.

Antwerp is now a regular call for five IRISL vessels while Spain, Bulgaria and Romania are also popular EU destinations for Iranian container tonnage, often via Turkey or Syria.

Unlike Iran's tanker fleet which routinely switches off AIS signals and transfers cargoes via Ship-to-Ship transfers as part of a systemic programme of subterfuge tactics, Iranian containerships have continued to operate with only minimal AIS outages and openly broadcast vessels' destinations.

All IRISL containerships are subject to US sanctions with the most recent executive orders imposed by the Trump administration in June 2020 and maintained under the Biden administration, albeit in the context of negotiations towards a nuclear deal with Iran likely to result in sanctions being lifted.

The sanctions bar any US person or entity from dealing with IRISL and leave any non-US company conducting transactions with IRISL effectively facing the threat of exclusion from US markets – a situation not without precedence.

Six Chinese entities were blacklisted for dealings with IRISL in October 2020 when the then US Secretary of State Mike Pompeo said: "Our warning is clear: If you do business with IRISL or its subsidiaries, you risk US sanctions".

Enforcement of US sanctions in relation to Iranian shipping links, however, has become more ambiguous under the Biden administration amid the European-led negotiations towards an Iran nuclear deal.

Those talks aim to restore a 2015 nuclear pact with Iran in return for the lifting of US international sanctions on the oil and shipping sector. While the US state department has stated that sanctions will continue to be enforced until a conclusion has been agreed, examples of enforcement action against maritime breaches are notable by their absence over recent months.

Companies chartering Iranian sanction containerships run the risk of being targeted by US action via the US State Department or US Treasury's Office of Foreign Assets Control, however if those companies are operating outside of the US without links to the US financial system enforcement becomes a largely theoretical exercise.

IRISL's ability to continue trading is partly down to its successful ring-fencing of available routes for US to enforce sanctions. While trading partners face theoretical challenges finding banks and insurers that are willing to support lawful trade with Iran, IRISL has withdrawn from international insurance and finance in favour of domestically supported mechanisms like the Iranian Kish P&I Club.

Sanctioned Iranian vessels calling into European Ports adds another layer of legal complexity. Over the past 12 months five sanctioned IRISL vessels have made multiple calls into Antwerp and several others have alled regularly into Spain, Romania and Bulgaria. As a signatory to the Joint Comprehensive Plan of Action (JCPOA), EU restrictions that would have prevented such calls were lifted in 2016, even though the call breach US sanctions. Legal experts consulted by Lloyd's List argue that the port calls present a grey area that has been untested due to the apparent unwillingness of the US to take on the EU in its pursuit of sanctions enforcement.

Punitive secondary sanctions on Iran give the US extra-territorial reach that extends beyond US companies and citizens, but they also place European companies in conflict with EU blocking regulations, designed to protect against these kinds of extra-territorial measures.

While the European Union blocking statute has not yet been tested against a maritime case, in theory it could constitute a serious risk for European traders caught between Ofac's demands and the European legislation designed to "protect EU operators, whether individuals or companies, from the extra-territorial application of third country laws."

In practice the shipping industry has opted to risk breaching untested EU legislation that dates back to the early 1990s rather than risk the known retribution of Ofac, which has a more recent and tangible track record.

A spokesman for the port of Antwerp told Lloyd's List: "Port of Antwerp is a European port and port state control is responsible for the verification of compliance of sanctions; therefore there is no legal basis for our Harbour Master's Office to refuse [the sanctioned Iranian] ships".

Despite the relatively low-risk of enforcement outside of the US, the list of charterers, ports and cargo interests willing to use IRISL tonnage had limited the number of voyages during the heights of the US 'maximum pressure' campaign against Iran.

Lloyd's List Intelligence data indicates that several IRISL containerships that had remained at anchor, or confined to domestic Iran voyages, started operating internationally in the second half of 2020, at the point that container rates started climbing.

Demand for container tonnage, however, is only likely to be part of the context of Iranian vessel movements which continue to operate outside of mainstream market arrangements and have remained largely consistent in terms of the number of port calls throughout the period of sanctions being applied.

Lloyd's List approached the US State Department to discuss enforcement of sanctions against Iranian container tonnage but no response was given.

## WHAT TO WATCH:

# Liberalised maritime regulation can aid trade recovery

THE economic recovery from the impact of the pandemic could be aided significantly if countries around the world reduced restrictions on maritime trade.

"All countries stand to gain from a reduction of maritime protectionism regardless of economic development," said International Chamber of Shipping secretary-general Guy Platten. "Policy reforms towards liberalisation offer notable gains in both trade and gross domestic product for countries at all levels of development."

He said maritime trade restrictions raised the cost of doing business to the detriment of national economies, local consumers and other sectors that rely heavily on these maritime services. These restrictions were wider than simple trade tariffs, he added.

"It is crucial to give equal focus to removing tariff and non-tariff restrictions to help nations better identify all forms of restrictive trade measures," Mr Platten told a webinar to promote an ICS report on deregulation.

The study translates non-tariff restrictions, such as cargo reservation and discriminative treatment of foreign ships into tariff equivalents. In doing so it revealed that for most countries, non-tariff barriers were typically three to five times more restrictive than traditional tariffs.

"The 10-most common restrictions on maritime trade identified in the study are employed by a significant number of the 46 nations assessed in the study," he said. "Of those, 39 countries impose restrictions on the scope of maritime services that can be supplied in cross-border trade.

"A further 21 impose and obligation to use local maritime and port services."

While the collective reductions or removal of trade restrictions through multi-lateral agreements can lead to considerable trade and GDP developments for national economies, the research also shows that in the absence of multilateral agreements, individual countries can still have much to gain from liberalisation.

A combination of domestic reforms and multilateral negotiations was "absolutely vital", said Mr Platten.

The study comes provides four scenarios describing the benefits of liberalisation across a range of measures in both emerging and developed countries. The most ambitious is a 50% reduction in trade restrictions to a modest 10% decrease based only on traditional tariffs.

The findings suggest that on average, the GDP gain to national economies under the best scenario would range from 0.3% to 3.4%. If all countries were to reduce barriers by 10% the benefits would still accrue to 0.4%-0.6%

"In essence, any decision to reduce a level of restrictiveness to a lesser degree of ambition amounts to a lesser degree of benefit," said Mr Platten. "If countries limit their reforms to what might be gained from trade negotiations only, they would leave most of the potential gains on the table."

Maersk head of global ocean network Lars Mikael Jensen said that the pandemic had shown the global nature of shipping and the importance of a globalised model of regulation.

"The operational constraints we have seen globally prove the importance of a uniformed easing of trade regulations," Mr Jensen said.

While coronavirus has spread across the world, incidents such as the congestion at Los Angeles and Yantian showed that local incidents could have global impacts, he said.

"What has been so visible over the past 15 months is that there is a necessity to be agile in shipping," Mr Jensen said. "When supply chain patterns change, when a country locks down and traffic moves to another origin, shipping needs to have the ability to also shift its focus.

"When production shifts from one country to another it is important that we have as uniform a set of regulations across the board to be able to move with that."

# Lloyd's Register asset sale sharpens focus on maritime

LLOYD'S Register said it has sold its Business Assurance & Inspection Services division, including cyber security business Nettitude, to Goldman Sachs Asset Management.

The deal, which is subject to antitrust and regulatory approvals, is expected to be completed later this year.

The move is part of a strategy that shifts the traditional classification society toward becoming an adviser to its maritime customers on compliance, performance and sustainability.

LR said the transaction will enable it to "better support its clients to respond to the regulatory, economic and societal pressures to digitalise and decarbonise within challenging time frames".

Proceeds from the sale will allow accelerated investment in LR's maritime service offering, both organically and through acquisitions.

Speaking to Lloyd's List, Lloyd's Register Group chief executive Nick Brown, said the sale marked a refocusing of the group on maritime and the broader ocean economy at a time when customers are under pressure to align their businesses with the push for decarbonisation.

"We are focusing on the sector with which our brand is most associated and where we have the deepest technical expertise," he said. "There are some exciting opportunities out there, and we are convinced it is the right time to have that focus."

He said the classification sector is evolving rapidly, and LR is seeking to position itself as an independent trusted advisor for customers wanting to know how to invest in the industry in the future.

"Ultimately," Mr Brown said, "it depends on us understanding our customers' business strategy and their expectations. In the past we would have been talking to the fleet manager or the technical director.

"Now these conversations are taking place at chief executive and board level. So, in addition to class matters, we need to be looking much more around risk and advisory services and professional services."

Under its new ownership, Lloyd's Register's Business Assurance & Inspection Services division will adopt the brand name LRQA to reflect its 35 years of expertise and heritage in the assurance market.

Paul Butcher, who has led the growth of the Business Assurance & Inspection Services division within LR for the past three years, will become LRQA chief executive.

He said it was the right time for it to become a fully independent business.

"This transaction will provide the additional focus we need to accelerate our ambition of becoming a leading digitally enabled assurance provider, at a time when our customers face an increasingly challenging operating landscape."

Mr Butcher said the new ownership structure "would help to strengthen the business's first mover advantage in digital and capitalise on increasing demand for assurance, inspection and cyber security services".

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## OPINION:

# Simulating new ship designs could be a decarbonisation strategy

IGOR Sikorsky, the inventor of the helicopter, was inspired to develop his revolutionary machine by Jules Verne, *writes Christopher Wiernicki, chief executive of the ABS class society.*

He believed Mr Verne's 1873 supposition that, "Anything one man can imagine, other men can make real" described the modern history of technology development.

Those words are truer now than ever before because the rate of change in our new normal is extremely rapid. Radical advances occur on an almost yearly basis.

That is fortunate because, quite frankly, the maritime industry needs radical advances to cope with the demands of decarbonisation mandates. Ships must operate with ever-greater energy efficiencies, which means their designs must be fine-tuned to a previously impossible degree.

Just as simulation is being used in automotive design to decarbonise vehicles, shipping must embrace new ways of seeing things to bring forward innovation for greener vessels.

Multi-physics simulation is one of the advances that is key to unlocking the next generation of vessels that will propel us to IMO 2050.

Also known as multi-physics modelling, it is a technique that integrates multiple engineering strands with 3-D tools to turn a design into an "active" digital model that mirrors physical reality.

As we deploy this technology at ABS, we are seeing how it enables new concepts in design, engineering and operations to be assessed while a vessel is in its design stages. This brings down development costs while accelerating the journey from concept to market.

And, as 3-D modelling and simulation is increasingly at the centre of a totally digital classification process, it is eliminating the requirement for paper drawings altogether.

We can all understand the potential of alternative fuels in shipping's push to achieve a sustainable footing. ABS sees the potential of MPS, sitting as it does at the intersection of data, digital and decarbonisation as another, less heralded, advance with the potential to make a significant contribution.

Energy content and energy density of alternative fuel pathways will drive the next generation of vessel designs, and there will be a greater need to understand the interconnectivity of cyber-enabled physical shipboard systems.

The impact of dynamic fuels will be taken to another level and there will be a greater need to visualise and help us understand unintended safety consequences.

MPS allows in-depth evaluation of the effectiveness of multiple design adjustments and equipment modifications on energy efficiency, carbon output and vessel performance, and helps assess the integrity and operation over time of the complicated software-driven systems on which it relies.

The technology can also be used to efficiently train and test the machine learning algorithms we rely on to drive next generation performance outcomes.

Using MPS, a designer and owner working together can assess the carbon intensity of alternative fuel and propulsion systems, vessel configurations, hull air lubrication systems, energy-saving devices, low-friction coatings, speed profiles and routeing strategies and all other inspirations in any and all combinations, rapidly and for next to no cost.

The capability this unlocks for rapid advancement in vessel design and the consequent benefits in terms of reduced emissions should not be underestimated.

We are exploring how this technology could assist owners grappling with the implications of Carbon Intensity Indicator for their fleets and how proposed compliance measures will impact performance and viability.

These calculations will effectively determine the survival of many existing vessels as the guidelines become mandates. As owners partner with designers to future-proof vessels against carbon obsolescence, MPS may become a key tool in these efforts.

This is where we are today and, as you might imagine, this is only the beginning. What we are now building towards is genuinely revolutionary.

Imagine being able to run a digital model of an asset through a digital model of an experience and, informed by an immense amount of well-chosen, comprehensive and appropriate data on many factors such as ship structures, machinery behaviour and ocean forces, obtain a rigorously accurate picture of what is most likely to happen to that asset in real life.

To paraphrase Mr Verne 150 years later, if we can envision it today, he or she will build it tomorrow. This is the unspoken mantra of the decarbonisation movement.

MPS represents a big step towards creating that capability.

Today MPS is on the cutting edge of resolving decarbonisation and efficiency challenges, but in a not-too-distant tomorrow it will be a legacy

component of a new technology that can provide such a degree of insight and understanding as to enable us to truly maximise vessel efficiency, environmental protection and safety at sea.

# Casualty highlights exhaust gas boiler fire risk

THE fire on board *New Diamond* (IMO: 9191424), in which one crew member died and another sustained serious injury last year, calls for the industry's sharp focus on the prevention of exhaust gas boiler fires, *writes Ritesh Kaushik, an expert in international maritime law and former marine chief engineer.*

The blaze took more than 11 days to douse, with several salvage teams working round the clock.

So far, no report appears to have been issued either by the owner of the vessel or the Panamanian flag state authorities who, considering the seriousness, will have conducted an investigation to prevent recurrence of such tragic incidents.

However, one possible explanation is that the fire was due to excessive soot accumulation around the EGB tubes.

An EGB utilises the heat from the exhaust of the main engine before it escapes into the atmosphere, to produce steam for the vessel.

These high temperature exhaust gases contain soot (unburnt oil, carbon particles and ash) which deposits on the EGB internal surfaces and self-ignites. Excessive soot deposition can cause a substantial fire such as this.

Given the above, what are the standard operating procedures followed on board, as part of shipowners' due diligence under The Hague Visby Rules, to prevent such a contingency, which has the potential not only of immobilising the main engine, but in extreme cases may lead to the loss of vessel, cargo and even life?

While departing port, frequent starting and stopping of the main engine generates more soot. Though not apparent in daylight, the burning soot at night appears as prolonged fireworks atop the funnel, with the vessel appearing with its tail on fire.

Though smaller EGB fires die on their own with minimal efforts, sparks flying out from the vessels' funnel in several cases have caused mooring ropes and their canvas covers to catch fire and caused holes on the funnel deck and container tops in container vessels.

On several occasions, sparks from the funnel have been swept away by the wind across the channel or fairway, and vessels have needed to slow down or even temporarily stop the main engine to allow a terrified inbound tanker vessel to pass.

As set out by the Marine Accident Investigation Branch report on the *Kocatepe S* (IMO: 8107787) casualty, the entire funnel area was on fire, producing a spectacular ball of flame and dense black smoke.

The improper monitoring of oil consumption and heavy build-up of carbon deposits in the engine created excessive soot in EGB.

In case of large fires caused by extreme deposition of soot, the meltdown of EGB tubes occurs at high temperatures.

As any internal supply of water to EGB at this stage may aggravate the fire owing to chemical reactions, boundary cooling of EGB remains the only option.

All efforts should therefore be taken to extinguish an EGB fire in its early stages as this may become impossible later.

The MAIB report for the EGB fire on board *Maersk Doha* (IMO: 9103685) in 2006 at Norfolk revealed several other possible reasons. In this incident, a failure of water supply to the EGB resulting from machinery breakdown caused the tubes to overheat.

Soot deposits accumulated within the EGB then ignited, resulting in the EGB temperatures rising sufficiently to cause metal fires.

The fire was so intense that it ignited light fittings, cables and paint on bulkheads in the funnel uptakes. Firefighting teams using water hoses were beaten back by heat and smoke while the fear of structural collapse prompted the team leaders to withdraw the front-line firefighting teams.

MAIB listed several noteworthy reasons which led to this fire such as auxiliary machinery failure due to ineffective maintenance, ineffective team leadership and communication between onboard and shore technical teams, inadequate crew training and emergency response, non-readiness of emergency equipment and ineffective auditing of safety management system.

The Hague Visby Rules impose an obligation on a shipowner to exercise due diligence before and at the beginning of the voyage to make a vessel seaworthy.

The use of very low sulphur fuel oil, as mandated by the International Maritime Organization sulphur cap, has added to the severity of the soot deposition, as this fuel has been reported to have poor combustion properties in some cases.

The shipowners' due diligence thus consists of timely EGB cleaning and maintenance of the EGB and associated auxiliary machinery as per the makers' instructions and safety bulletins.

Additionally, the guidance issued by fuel analysis laboratories for the fuel bunkered should be strictly adhered to, and a robust SMS should be on board with effective contingency planning and emergency response procedures.

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## ANALYSIS:

# Terror threat 'too high' for crew changes in Mozambique

SHIPOWNERS have been warned not to make crew changes in northern Mozambique because of violence from alleged affiliates of the Islamic State.

The International Transport Workers' Federation said the risk of an attack harming seafarers or ending in their kidnapping was too high to justify continuing to switch crews in the country's northern province of Cabo Delgado due to the insurgency there.

It issued a statement in support of the Norwegian maritime unions, which are calling for a crew change suspension until the threat to seafarers' lives reduces along the Mozambique coast.

"The security situation in Cabo Delgado is dire," said Norwegian Seafarers' Union president Johnny Hansen. "Foreign workers are being targeted by terrorists, and seafarers will be no exception. Their lives are in danger."

He said that while the unions' actions would not solve the conflict, it would prevent hostage-taking from becoming a revenue stream for the armed groups.

ITF Africa regional secretary Mohammed Dauda Safiyanu noted that there has been widespread loss of life and property in Cabo Delgado.

"Mozambican transport workers have also been suffering due [to] the disruption of the conflict on their jobs and industries. Our affiliates are concerned for what will happen to the thousands of local workers who rely on income from the gas project to feed their children," he said.

"We are calling on Mozambique's government to take all necessary efforts to foster peace and security in the war zone areas so that the people of Mozambique, and Mozambican transport workers in particular, can pick up the pieces of their lives."

He said other ports, such as Beira, Nacala and Maputo, were relatively safe for crew changes.

Earlier this year, the Joint War Committee of insurers has added waters 50 nautical miles off Mozambique's Cabo Delgado province to its Listed Areas, in which transits incur higher insurance costs.

Forces loyal to Islamic State had also captured the port of Palma, killing dozens of civilians and forcing French energy giant Total to postpone its $20bn liquefied natural gas project in the region.

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## MARKETS:

# Dry bulk higher earnings are 'a predawn', says Lindström

AFTER a cautious year the dry bulk market is at the point where supply and demand are coming back into balance, but operators seem to be looking to go back to the yards to refresh their fleets.

Yet, in the absence of new black swan events of a similar magnitude as the Brumadinho dam disaster in Brazil and a global pandemic, Peter Lindström believes that the coming years will deliver demand growth of vessels that exceeds the fleet growth.

"This will increase freight rates further," the head of Klaveness Research said in a presentation.

While he does believe that higher freight rates will trigger more newbuilding orders, he expects supply growth to trail demand growth of vessels in the coming three to four years because of the uncertainty around the choice of fuels and propulsion systems.

Mr Lindström argues that "if we walk down the memory lane, we see that any uptick in freight rates in the past 20 years have triggered big waves of newbuilding orders".

So, "is there any reason not to expect a big wave of newbuilding orders this time around?", he asked.

The average lead time between orders and delivery in recent years has been more than 24 months and the orderbook of the yards are being filled up with container orders. This means that time is running out for orders with delivery in 2023.

Based on the current level of the orderbook, Mr Lindström with a high level of certainty, predicts that fleet growth will be at historically low levels in the next couple of years.

Further, Mr Lindström argues that what happens on the demand side in the coming months is not that important for dry bulk freight market at present.

"The reason is that today's prices of commodities, such as iron ore and coal, are far above the costs of the exporters with the highest marginal costs." It is the supply of raw materials that are the restrictive factor for trade — not demand.

He cited the example for iron ore which is around $200 per tonne for China delivery.

Those seaborne exporters with the highest marginal production cost have a delivered cost in China of about $100 per tonne given today's freight rates, he said.

"We see the same picture on coal and within the minor bulks. The growth levels in the seaborne trade will depend on how fast the exporters are able to ramp up production."

He agreed that with commodity prices well above the delivered cost of the marginal producers, the exporting companies are incentivised to ramp up export as much as possible.

"Higher earnings in dry bulk is not a false dawn, it is only the predawn."

# Norden raises full-year guidance for fourth time

NORDEN, a Danish owner and operator of dry bulk carriers and tankers, has raised its profits guidance for the fourth time this year.

The company said it raised its adjusted result expectation to $140m-$200m, given continued increases in dry bulk freight rates combined with a strong performance in its dry operator unit.

Its previous forecast, which had been revised in early June, was $110m-$160m.

The new guidance was based on significant gains in forward freight rates for the last two quarters of the year, while the broader range reflects the fact that earnings expectations are based on a currently large position held in a dry cargo market with unusually high volatility, and which is mainly based on unrealised future earnings, it said.

Supramaxes and panamaxes, the size categories in which Norden operates, gained about $10,000 per day since the end of May.

Rates in the last week alone have increased $2,750 per day, the company said.

Chief executive Jan Rindbo said: "With significant rate increases in recent weeks and especially in the last few days, expected future earnings continue to increase based on Dry Operator's long position (more tonnage than cargoes).

"The operational performance in our Dry Operator business unit enables us to continuously leverage the market volatility as well as the daily utilisation of vessels."

From an earnings perspective, Norden's other business units — Asset Management and Tanker Operator — are developing in line with previously announced expectations, the company said, adding that portfolio values are also rising in line with the stronger dry bulk market.

# Demurrage and detention charges double in a year

DEMURRAGE and detention charges imposed on shippers by containers lines have soared at unprecedented rates globally during the past year — more than doubling, on average, at the world's 20-largest container ports.

A new report from equipment trading platform Container xChange found that the rates are "hugely inconsistent" with large differences apparent both by port and by carrier.

Fees varied from just $132 at Busan in South Korea to more than $2,500 two weeks after discharge at the Port of Long Beach and neighbouring Los Angeles.

Across the world's 20-largest container ports, the report found that average demurrage and detention fees levied by container lines on customers more than doubled in the 12 months to March, climbing 104% or the equivalent of $666 per container across all container types.

None of the world's top 20 ports by throughput saw a decrease in fees over the period.

On average, demurrage and detention charges in March were $720 per box across standard container types.

Demurrage fees are charged when a container is left inside a container terminal beyond the allowed number of free days, while detention is a charge for extended use of the container until it is returned empty to the shipping line.

Some of the biggest percentage rises were in China, where the 10 leading Chinese ports experienced a 126% increase in average demurrage and detention charges from March 2020 to March 2021.

Qingdao saw the biggest increase, up 194% year on year, followed by Dalian where shippers suffered an average increase of 187%. Charges in China remain far lower than in many other leading ports with seven of the top 10 cheapest ports located in the country.

Average fees two weeks after discharge at the Port of Long Beach in March were $2,638, the most expensive in the world. In second place was neighbouring Los Angeles at $2,593.

"The Federal Maritime Commission is now looking into the practices of the container shipping industry and searching for ways to ensure that container users, many of whom feel they have been charged unfairly by carriers for D&D, can be refunded," said Container xChange chief executive Johannes Schlingmeier.

"D&D rates have been accelerating, adding to the burden on shippers and industry on top of record container rates and global container shortages."

At the other end of the spectrum was Busan, South Korea, with average demurrage and detention charges of $132 in March. The next cheapest were at the Chinese ports of Dalian and Tianjin, with averages of $201.

Key container ports towards the middle of the range include Rotterdam with an average rate in March of $756, Singapore at $615 and Antwerp at $709.

The report highlights that demurrage and detention charges do not just vary by port, but also by shipping line within each port.

At the port of Los Angeles, which has been central to the chaos evident on the transpacific container trade over the past year, average charges increased by 142.7% from March 2020 to March 2021.

CMA CGM's rates rose 167% over the period, with Maersk a close second, with its customers seeing a 161% increase, the report noted.

By contrast, Cosco, unlike the other carriers in the Port of Los Angeles, lowered its average fees 15% in the period to $1,213, compared with $1,417 in March 2020.

In Hamburg, the cheapest carrier was CMA CGM, which charged $258. Yang Ming was the most expensive line with rates of $1,612, the report noted.

Globally, the cheapest combination of carrier and port was Cosco and the Port of Busan in South

Korea. The most expensive combination was CMA CGM at the ports of Long Beach and Los Angeles, the study highlighted.

"Demurrage and detention prices have always been an area of conflict between shippers and carriers and that tension has reached a new level this year as costs have spiralled," said Container xChange co-founder Christian Roeloffs. "The key to minimising D&D is to create transparency around the fees.

"With shippers informed about the costs associated with D&D, they'll be able to make business decisions and enter negotiations informed of the accurate costs and per diems."

## IN OTHER NEWS:

**Emanuele Grimaldi to be next ICS chairman**

THE International Chamber of Shipping has named Emanuele Grimaldi, managing director of Italian-based shipowner Grimaldi Group, as its next chairman.

Mr Grimaldi will replace Ebsen Poulsson, who has served as chairman since 2016.

The privately held Grimaldi Group is best known as a roro specialist and owns some 130 vessels, mostly passenger and roro and vehicle carriers.

**HMM orders 12 post-panamax newbuilds at domestic yards**

HMM, a South Korean container shipping carrier, has joined the sector's latest order binge with a dozen 13,000 teu newbuildings worth about $1.6bn.

The company said the 12 vessels, which will be fitted with hybrid scrubbers and can be converted to run on liquefied natural gas, are scheduled for delivery in the first half of 2024.

The orders will be split by two domestic builders, Daewoo Shipbuilding & Marine Engineering and Hyundai Heavy Industries.

**Seaspan adds six 15,000 teu newbuilds to orderbook**

SEASPAN Corp, the world's largest independent containership owner, has agreed to order another half a dozen 15,000 teu vessels, boosting its orderbook to 45 ships.

The scrubber-fitted newbuildings, scheduled for delivery between the first and second quarter of 2024, will be built by "a major shipyard" and hired by "a leading global liner" on long-term charters, said the company, without identifying the counterparties.

Shipbuilding sources suggested the sextet are an option exercised by the owner who placed a firm order at China's Yangzijiang Shipbuilding in March to construct six boxships of the same size and design.

**China-based digital logistics platform raises more funding**

YQNLink, a Chinese digital container logistics platform, said it has raised another $50m from venture capital investors.

The new investment has pushed the company's Series D round funding, referring to the fourth stage in the seed stage financing cycle of a new business, to $150m.

Citic Capital, part of China's state-owned conglomerate Citic Group, is the leading investor. Co-investors include Beijing-based Xianghe Capital and some existing YQNLink shareholders.

**Sembmarine extends solar power system at Tuas yard to cut emissions**

SEMBCORP Marine is counting on big data-driven solar energy to decarbonise operations at its flagship Tuas Boulevard Yard.

The yard operator has commissioned utility provider SP Group to deploy 4 MW-peak of solar energy across seven rooftops. It will bring the combined solar power capacity to 8.5 MW.

SP Group has already installed 4.5 MW-peak of solar power at Tuas under an agreement signed with Sembmarine in 2017.

**Titan LNG lines up interim bunker fix**

TITAN LNG, a supplier of liquefied natural gas as a marine fuel, is rolling out an interim solution to fill bunkering demand during scheduled maintenance at the Gate terminal in Rotterdam.

The Amsterdam-based physical supplier of LNG as a marine fuel has commissioned an LNG truck loading facility to process additional cargoes coming to Zeebrugge from next month.

This solution, dubbed Project Bridge, is expected to fulfil up to 300 orders while the Gate terminal undergoes four weeks of maintenance.

**US recovery pushes ports throughput to record levels**

THROUGHPUT at US south Atlantic ports showed continuing high numbers in May, underlying consumers' prolonged buying spree as the pandemic recedes and the economy reopens.

Jacksonville, Savannah, Charleston and Virginia each showed double-digit growth compared with May 2020, with high figures forecast for the remainder of 2021 — all generated by the nation's emerging economic recovery.

"A mix of government financial aid, vaccination rollout and strong consumer demand have come together to generate an economic recovery with growth in international trade not seen since the Great Recession," said consultant firm Hackett Associates founder Ben Hackett.

### American Club books pre-tax loss

AMERICAN Club, the New York-based marine insurer, booked a $5m pre-tax loss for 2020 on revenue of $90.6m, according to its annual report.

Its combined ratio came in at 112% and would have been four percentage points higher but for a favourable accounting change.

While that puts it at the lower of end of this year's CR spectrum for International Group affiliates, the marine mutual dropped hints of higher pricing at the next renewal round.

### V.Group recruits LNG expertise from Shell

V.GROUP, the shipmanagement giant, has appointed liquefied natural gas expert David Taylor as managing director to strengthen its commitment in the energy sector.

Capt Taylor joins V.Group from the leadership team at Shell Group, where he has held roles including shipmanagement general manager, global discipline head and logistics process owner.

V.Group shipmanagement chief executive Bjoern Sprotte said the appointment reflects the company's commitment to the evolving LNG sector.

### Okeanis buys VLCC pair from Alafouzos as duo sold to Frontline

OKEANIS Eco Tankers said it has agreed to acquire two very large crude carrier newbuildings in a resale deal with chief executive Ioannis Alafouzos.

It will also sell a pair of two-year-old VLCCs to John Fredriksen-backed Frontline.

The Oslo-listed, Greece-based tanker owner is paying $194m for the new VLCCs, which are expected to be delivered in the first and second quarter of 2022 by Hyundai Heavy Industries.

### TEN eyes new Equinor deal as results beat forecasts

TSAKOS Energy Navigation has alluded to "a new phase of development" as it posted better-than-expected first-quarter results.

The Greece-based owner of 65 tankers and three liquefied natural gas carriers, including one newbuilding for delivery this year, said a $4.8m net loss in the period was "modest" given the challenging tanker market.

A $0.80 loss per share was comfortably in excess of analysts' expectation while revenue of $139m, although 22% less than in the first quarter of 2020, also beat predictions.

### Metis and Geislinger analyse vessel vibrations in Neptune Lines trial

METIS Cyberspace Technology, a maritime data analytics specialist, said it has successfully concluded a performance trial for marine powertrain condition analysis.

The trial, with Geislinger, was hosted by a vessel belong to Neptune Lines, the Greece-based pure car and truck carrier operator.

Metis has had a fleet-wide contract from Neptune for data acquisition and advanced analytics since last year.

## Classified notices follow

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هـيـبـروك للـنـقـل البـحـري

# HYPROC SHIPPING COMPANY spa

AU CAPITAL SOCIAL DE 40.000.000.000 DA

NIF N° : 0 999 3101 03669 77
Tél : +213 41 82 15 15/16 16 Fax : +213 41 82 18 18

## NATIONAL AND INTERNATIONAL OPEN CALL FOR TENDER N°.03 /HYPROC S.C/PMD/2021

HYPROC SHIPPING COMPANY, located at ZHUN USTO, BP 7200, ES-SEDDIKIA, 31025 ORAN, is seeking for a qualified shipyards interested in the Design, the procurement, the construction, the commissioning and the delivery ready for service of ONE (01) Oil Product Tanker, ranging from 38 000 to 40 000 DWT on firm basis + one (01) sister ship on option in one batch.

Once the Tender Call advertisement is published on two daily newspapers and BAOSEM, interested companies may obtain a copy of the tender documents and specifications from "HYPROC S.C. SPA, Cellule Centrale des Marchés de l'Entreprise", ZHUN USTO - BP 7200 Es-Seddikia- Oran 31025, Algérie against presentation of Power of Attorney and bank voucher for tender fees of Two hundred US Dollars (200 United States Dollars) for International Bidders or Twenty thousand Algerian Dinars (20 000 D.A) for National Bidders net of bank charges for the Beneficiary :

**HYPROC SHIPPINC COMPANY** at following bank account:

**Banque Extérieure d'Algérie (BEA), AGENCE EL DJAMEL**
**RIB number : 002 00081 081 22000 36/49**
**SWIFT: BEXA DZ AL 081.**

The bidder can request to receive the tender book by electronic mail (mail: **ccme@hyproc.dz**), after delivery of payment vouchers.

The bidder shall present the technical offer under two sealed envelopes. The external envelope should be anonymous with only the following indications:

**"National & International Open Call for Tender**
**N°03 / HYPROC S.C / PMD / 2021**

**Technical offer – Do not open".**

The internal sealed envelope shall contain the indication "Offre Technique», the name, the logo and the bidder stamped.

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The offers should be couriered to:

**Hyproc Shipping Company**

**La Cellule Centrale des Marchés de l'Entreprise**

**ZHUN USTO - BP 7200 Es-Seddikia- Oran 31025, Algérie,**

or directly handed to Bureau d'ordre General (BOG) of Hyproc SC.

The bidder must provide all the documents and appendixes laid out in the tender book.

Non transmission of one of the following documents will lead to systematic rejection of the submission:

1. **Declaration to be signed.**
2. **Tender submission bond or the swift** (the swift is provided by the bidder, in the case of the impossibility to produce the tender submission bond).
3. **Technical offer.**

The deadline for the reception of bids at BOG (Bureau d'Ordre Général) is fixed for the **August 16th, 2021 at 9h.30 a.m (L. T).**
Submission reception date is to be considered according to Hyproc's BOG (Bureau d'Ordre Général) stamped date of receipt by post or by hand delivery.

Bids opening ceremony will be held to the same day at **10 .00 a.m (L.T).**

If the date of deposit of the bids coincides with a public holiday or a legal rest day, this date is extended until the next business day.

Any submissions received after the closing date will not be considered.

Bidders shall be committed trought their offers for 180 days from the closing date.

Technical offers will be opened in a public session at HYPROC SHIPPING COMPANY headquarters as per date and address indicated here above.

The present call of tender is considered as an invitation letter to bidders who have already sent their Technical offers to attend the opening ceremony.

After the evaluation of the technical offers, the bidders whose their offers are declared eligible technically will be invited by mail to submit a financial offer.

The opening of the financial offers will take place, in public session, at the headquarters of HYPROC S.C on the fixed date in the invitation letter.

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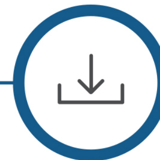

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