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Lloyd's List Daily Briefing

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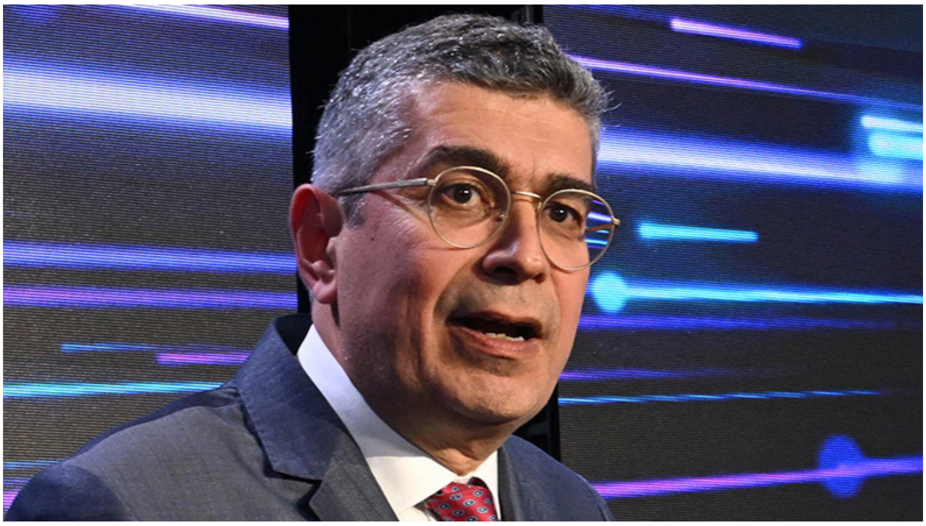
Attica CEO resigns after 'unjustifiable' passenger tragedy



SPIROS PASCHALIS HAS resigned as chief executive of Attica Group, the largest owner and operator of ferries in Greece, after a passenger was killed earlier this week during the embarkation of one of its vessels.

The drowning of a 36-year-old man, Antonis Karyotis, who was pushed off the ramp of the ropax ferry *Blue Horizon* (IMO: 8616336) in the port of Piraeus, has sparked outrage across the country, with Greek Prime Minister Kyriakos Mitsotakis and shipping minister Miltiadis Varvitsiotis among those weighing in.

Publicly listed Attica, that owns and operates a fleet of more than 30 ferries, said its board of directors on Thursday accepted Paschalis' resignation.

He had been with Attica since 1996 and has led the group since February 2018.

Since the past year, Paschalis has also been president of Greece's association for owners of passengerships.

In the same statement, Attica said it is expanding the scope of an ongoing internal investigation into Tuesday night's tragedy to include independent, external consultants.

It pledged to implement the findings of the investigation and carry out "any necessary cuts and changes, at any level and with whatever way is needed".

The company said: “A young man was lost and this has scarred us all deeply.”

Earlier, Attica alleged that its crew failed to follow standard safety procedures both before and after the incident.

Four members of the crew of *Blue Horizon* were arrested on Wednesday after the incident, that was caught on widely-broadcast video footage.

The ferry’s master, chief officer and two further crew members face charges of manslaughter and violations of Greece’s maritime laws.

Mitsotakis voiced “disgust and horror” at Karyotis’ death, calling it a “shameful event [that] does not represent the country we want.”

Meanwhile, Varvitsiotis condemned the conduct of the crew members who have been detained as “criminal and morally punishable.”

In addition to other investigations that are proceeding, the minister has ordered an examination into how the central harbourmaster’s office in Piraeus handled the incident.

Karyotis, who had already boarded the vessel once and then disembarked prior to departure for reasons that are unclear, attempted to run back onto the ferry but was pushed back by one member of the crew.

He was later retrieved from the water with head abrasions but the cause of death was found to be drowning.

Blue Horizon was departing 13 minutes behind schedule, at 2113 hrs, for Heraklion, Crete, which is Karyotis’ home island.

In a separate statement answering some questions that are being widely asked, Attica said that the passenger’s “violent repulsion” by a crewman “cannot be justified under any circumstances and for any reason”.

The decision to prevent Karyotis from boarding was made by the chief officer “for safety reasons, as the ship was in the process of embarking and boarding had been completed,” the company said.

Attica said that it appeared that prescribed procedures “were not followed”. Operating regulations, the safety management code and the company’s own protocols state that all doors, including the loading ramp, must be closed prior to the ship sailing.

No rescue effort

Attica also addressed the question of why the ferry did not immediately halt as it pulled away from the quayside and why there was no effort from the crew to rescue the man in the water.

The company said that the incident happened after the order to depart was given. It was caught on one of the ship’s cameras and was thus likely viewable on the ship’s bridge.

“The master’s assessment and reaction were wrong and in fact completely contradict the training he has received and standard maritime practice,” Attica stated.

“In addition to the master, all involved crew members who had sight of the incident” should have reacted immediately when someone fell in the water.

Industry sources have said that the master of the ferry has had many years of experience as an officer in Greece’s coastal trades.

He joined Attica nearly four years ago and until this summer had been serving as a chief officer but was appointed master of *Blue Horizon* in July. The vessel appears to have been his first command.

The Panhellenic Seamen’s Federation, the umbrella organisation for Greek seafaring unions, has also blasted the conduct of crew on board the ferry as “reckless, dangerous”.

The federation said in a statement: “In no way does it represent the vast majority of Greek seafarers, who have a high level of seamanship and training.

“They prove this every day, safely transporting millions of passengers [and] having as their first concern as professionals the protection of human life at sea.”

The federation added that “responsibilities also lie with the coastguard who, when the ship departed, were not present as they should have been”.

The Piraeus prosecutor has already ordered an investigation into whether the coastguard properly played its role in relation to the departure of the ferry.

Blue Horizon did not halt its trip to Crete until ordered to return to Piraeus by the coastguard.

Empire Navigation pleads guilty to sanctions violations in Suez Rajan case

EMPIRE Navigation agreed a plea deal with US prosecutors ahead of the *Suez Rajan* (IMO: 9524475)'s seizure, unsealed court documents show, marking the first time prosecutors both seized an Iranian cargo and successfully charged the shipping company transporting it.

The documents show the Greek company pleaded guilty in a US federal court to one count of conspiracy to violate the International Emergency Economic Power Act in March, agreeing a $2.45m fine and a three-year probation period.

Stamatis Molaris-led Empire has been approached for comment.

Investigations into the Marshall Islands-flagged *Suez Rajan* began last February after US monitoring group United Against Nuclear Iran alleged it had conducted a ship-to-ship transfer with the Panama-flagged very large crude carrier *Virgo* (IMO: 9236250), who UANI said had previously loaded Iranian crude from Kharg Island.

The factual statement — which is part of the plea agreement and cites UANI's research — confirms these allegations.

UANI chief executive Mark Wallace said Empire Navigation should be commended for its co-operation with US authorities.

"It's a message to every Iranian smuggler that there is an off ramp from the mob. Other shippers that are engaging in this activity, should see this off ramp, take it, and work with us and US authorities to end their smuggling with Iran," he told Lloyd's List.

According to the factual statement, Marshall Islands-based Suez Rajan Limited was the bareboat charterer of *Suez Rajan*, and Empire operated the vessel pursuant to a management agreement with it.

Suez Rajan was chartered by an unnamed company early in February last year to take cargo from both the Panama-flagged floating storage tanker *CS Brilliance* (IMO: 9153513), and *Virgo* for delivery to China.

The unnamed company wired Empire about $1.29m in connection with the suezmax's charter.

The voyage instructions sent to the *Rajan*'s captain instructed him to load about 4,000 barrels from *CS Brilliance*, but the name of the second vessel — from which he was told to load about 1.1m more barrels — was withheld.

According to the factual statement, an employee from Empire instructed the *Rajan*'s captain to take several actions to obfuscate the STS transfer with *Virgo*, like excluding the transfer from the *Rajan*'s records and reporting an inflated draught after the STS with *CS Brilliance* to appear as if *Rajan* was fully laden at its conclusion.

Meanwhile, the *Virgo*'s Automatic Identification System was manipulated to show it was about 8 miles away from *Rajan* when the two were conducting an STS transfer in the South China Sea on February 13.

The *Rajan*'s captain issued multiple letters of protest in connection with both STS transfers, according to the factual statement. He was instructed by the Empire employee on February 16 to correct the vessel's records to reflect the two STS operations.

"The individuals and entities involved conspired to make it appear that *Suez Rajan* received the oil, in its entirety, from *CS Brilliance* rather than primarily from *Virgo*, to obfuscate that it was overwhelmingly of Iranian origin," prosecutors said in the factual statement.

"Specifically, the STS transfer with *CS Brilliance* in which *Suez Rajan* loaded just 4,000 barrels of oil, the *Suez Rajan*'s reported draught depth following the STS transfer with *CS Brilliance* that suggested the vessel was fully laden, the crossed out entry in the *Suez Rajan*'s log reporting that it had received approximately 979,935 barrels of crude oil from *CS Brilliance* when in fact it had received just approximately 4,000 barrels, and the *Virgo*'s false AIS reporting during the STS transfer with *Suez Rajan* all appear designed to conceal that virtually all of the crude oil originated from *Virgo* and previously, Kharg Oil Terminal."

The *Rajan*'s seizure by US authorities in April is believed to have prompted Iran to retaliate by hijacking the Chevron-chartered *Advantage Sweet*

(IMO: 9587192) as it was sailing to Houston. Shortly thereafter, Iran hijacked two other tankers, although those incidents do not appear to have a clear US-nexus.

After idling off Houston for months amid reports that shipping companies were reluctant to touch its cargo for fear of Iranian retribution, *Suez Rajan* began unloading the oil to another Empire vessel, *MR Euphrates* (IMO: 9421324), who has been discharging it in Houston's Fuel Oil Terminal.

The operation is expected to conclude this week, bringing an end to the journey of over 900,000 barrels loaded in Iran in January last year.

Wallace applauded the Department of Justice for the seizure but said the prolonged affair demonstrates that a shift in US policy is needed.

"We need to have a serious review of US policy when it takes nearly two years to seize a single Iranian smuggling vessel when there are more than 300 vessels like it out there on the high seas right now."

Shipping will need a 'staggering' 30-40% of global CO2-neutral fuel by 2030 – DNV

SHIPPING will need 30%-40% of estimated global carbon-neutral fuel supplies by 2030, class society DNV has warned in its latest Maritime Forecast to 2050.

The industry today uses 3% of total energy, including fossil fuels — about 280m tonnes of oil equivalent (toe). But it will demand a far bigger share of future renewable fuels, making competition with other industries another supply challenge.

DNV estimated there will be 44m toe–62m toe of carbon-neutral fuels made worldwide in 2030, of which shipping will need 17m toe.

"It's really is quite a staggering share," DNV Maritime chief executive Knut Orbeck-Nilssen said.

DNV based the figure on estimates for probabilities of different green plans, adding not all of these would be realised and certainly not by 2030.

And while the industry was seeing a technology transition as more dual-fuel ships were ordered, there was "no real fuel transition yet" with 93.5% of ships still run on conventional fuel (and all but 0.1% run on fossil fuels).

Almost half of new orders are conventionally fuelled at 48.7%. Of the 51.3% remaining, 40% are LNG ships, 8% methanol and 2.2% LPG. Some 0.8% are battery-hybrid powered.

DNV identified 2,200 projects into carbon-neutral fuel worldwide, most without a final investment decision.

"The fuel technology transition is definitely underway, but there is no real fuel transition happening at this point in time," Orbeck-Nilssen said.

DNV again advised operators to cut emissions by making ships more efficient.

It estimated 5%-15% cuts were possible through hydrodynamic measures such as hull coatings, air lubrication, cleaning and hull shape. Machinery changes such as engine de-rating, efficiency gains and waste-heat recovery could net another 5%-20% and logistics and digitalisation another 20%.

Possible gains from carbon capture and storage were between 0% and 90%.

Carbon capture and nuclear

The forecast looked at carbon capture from ships and was nuclear propulsion, based on a feasibility study modelling a 15,000 teu containership benchmarked against fuel oil, LNG, methanol and ammonia.

CCS on board was feasible for a large containership storing 4,000 cu m CO2 on board, offloading the CO2 twice per trip Asia-Europe and capturing 70% of the CO2 a year.

It could compete if the ship uses no more than 15% extra energy to capture the CO2, and if the cost of offloading, transporting, and sequestering the CO2 can be kept below $40 per tonne.

There are 160 mostly naval nuclear-powered ships today and nuclear propulsion can compete if reactor costs are in the lower range of historical costs for land-based nuclear power plants.

But barriers include nuclear non-proliferation, developing reactors suitable for commercial use, regulation and public perception.

Onboard CCS and nuclear propulsion would also avoid the problem of competition with other energy-intensive industries such as steel making.

Whichever the technology, large-scale training would be needed; as many as 750,000 people would need upskilling for the green transition by 2050.

Orbeck-Nilssen said the International Maritime Organization's new targets of 20% reduction in well-to-wake greenhouse gas emissions by 2030 and 70% by 2040 represented a "tremendous acceleration" compared with its previous targets.

But these targets hung in the balance. It was fine to have high ambitions but the industry had to deliver on them, Orbeck-Nilssen said.

Details of Ukrainian state war risk deal available soon, promises Marsh

PLANS for the Ukrainian government to take the first layer of marine insurance risk on grain exports are well advanced and details of how it will operate may be available as soon as next week, according to sources involved in the discussions.

The shipments — a vital source of staple food for key markets in north Africa and the Middle East — have been heavily disrupted by the Russian invasion of Ukraine last year.

A temporary respite was offered by the Black Sea Grain Corridor initiative brokered by Türkiye last year, but this scheme collapsed in July when Russian refused to renew it.

Russia has since declared that merchant shipping of all flags, which it deemed to be helping the Ukrainian war effort, will be seen as a legitimate military target, even though this would constitute a war crime.

While shipowners can still buy cover for calls to Ukrainian Black Sea ports from underwriters willing to quote on a net line basis, pricing inevitably reflects the risk involved and the cost has widely been seen as deterring the trade.

It is understood that rates of around 5% of hull value are being quoted, far higher than the traditional fraction of a percentage point in times of peace and the 1%-2% usual when fighting on land is not regarded as a particular danger to shipping.

Marsh McLennan, parent company of the world's biggest broker Marsh, has been working pro bono with the Ukrainian government to come up with a workaround.

This would likely see Ukraine pay out on the first layer of any claims, allowing underwriters to write the excess at low cost while still generating a commercial profit.

While the arrangements are not yet signed and sealed, considerable progress has been made, said Marsh head of marine Marcus Baker. An announcement is expected perhaps next week.

"We still have many moving parts, such as the legal framework and letter of credit language and other such things," he added.

Separately, Lloyd's of London chief executive John Neal has said it is in "active discussions" with the United Nations over the provision of insurance grain shipments ex-Ukraine if the corridor is resuscitated.

But underwriters were not immediately clear whether or not the comments refer to different plans from the Marsh-backed proposals. Lloyd's of London was not able to provide clarification after a request from Lloyd's List.

What is known is that Türkiye's president Erdogan has recently met with Russia's president Putin, in the hope of resurrecting the initiative.

The Kremlin has hinted that it may be amenable to compromise if its demand for the return of agricultural bank Rosselkhozbank to the SWIFT international payment system.

"Are we happy and able to continue to provide insurances if a corridor can be reoperated and can be re-established? The answer to that is yes," Neal said in an interview with news agency Reuters.

"We are in active discussions with the UN about how that might happen. Absent UN intervention and UN clearance, we would not sanction the insurance."

The Lloyd's market has lost an estimated £1.6bn ($2bn) net from the Ukraine conflict so far, although property and aviation have soaked up the biggest outlays and payouts on shipping is thought to be in the low hundreds of millions of dollar range.

However, it clocked up a first-half pre-tax profit of £3.9bn, turning around the loss of £1.8bn seen last time round, largely on the back of higher premium rates.

Idan Ofer accelerates ammonia ambitions

IDAN Ofer's well-trailed ambition to take a commanding lead in the burgeoning ammonia market was confirmed this week when Eastern Pacific Shipping teamed up with Capital Maritime & Trading to order another series of next generation very large ammonia carriers.

The deal, which sees Ofer and Capital's chief Evangelos Marinakis take two VLACs each at just over $115m apiece from Hyundai Heavy Industries, is just the latest tranche of Ofer's ammonia efforts.

Eastern Pacific already has six dual-fuel large gas carriers that can carry LPG and liquefied ammonia gas under construction at China's Jiangnan Shipyard, having recently upped the initial order placed in May by another two.

It is also placing a significant bet on the rapid emergence of ammonia as the dominant green fuel of the future having already signed order with Qingdao Beihai for up to six 210,000 dwt ammonia dual-fuel dry newcastlemax bulkers.

Ammonia has long been touted by Ofer as the next logical step, not just for Eastern Pacific but the wider industry.

Reinforcing that message Ofer was joined by an all-star line up of shipbuilding, broking, class and financial executives this week as he personally signed a series of three separate memorandums of understanding, all aimed at accelerating the introduction of ammonia engines.

Together with MAN Energy Solutions, Hyundai Heavy Industries and yards from the China State Shipbuilding Corporation the gathered green glitterati showcased their latest round of collaborative efforts that promise to supercharge engine deliveries from 2026.

In addition to fitting out their own bulker orders, the agreements aim to catalyse the wider uptake of ammonia-fuelled orders, just at the point that analysts are starting to suggest that the cost gap between green ammonia and conventional fuel oil could close significantly as early as 2026, with price parity achieved by 2030.

Eastern Pacific's latest VLAC order effectively supersizes Ofer's bet on the supply of green and blue ammonia projects in various stages of development, particularly in the US where the Biden administration's Inflation Reduction Act could see America become the cheapest producer globally and start exports of clean ammonia from 2027.

The dual-fuelled Newcastlemaxes represent a different aspect of the ammonia play in that those vessels are likely destined for the China-Australia iron ore trades where several big miners including BHP, Rio Tinto and Anglo American have bold decarbonisation pledges to live up to inside nascent green corridors.

The bid to take a lead on carrying ammonia is not a shipping-specific play and EPS executives are confident that the evolution of ammonia as a commodity will see all ships in high demand from launch. In terms of the timing of the ammonia-fuelled bulker orders, the general feeling is that even if they arrive a year or two earlier than supply allows, the ships will run happily on conventional fuel and the ammonia play will work out over the lifespan of the vessel.

"We have been talking about energy transition and lowering emissions for years," explained EPS chief executive Cyril Ducau. "Today, we are ready to talk about zero-emission solutions. The ammonia engines by MAN ES will be an inflection point for the maritime industry. In the next few years, we expect to operate vessels with significantly reduced emissions running on ammonia".

The deals for the latest round of VLACs were formally unveiled during the Gastech 2023 conference in Singapore this week, where HD Korea Shipbuilding & Marine Engineering confirmed that the four large ammonia carriers had been contracted at Won616.8bn ($462.2m).

This consists of two 88,000 cu m firm ships and two options, set for delivery from the South Korean builder's subsidiary, Hyundai Heavy Industries in Ulsan, by end-2027. Upon delivery EPS is understood to be taking over managing and running the Capital vessels.

The vessels will be equipped with liquified petroleum gas dual-fuel propulsion systems but can switch to ammonia once the new engines are available.

Meanwhile, Jiangnan Shipyard under China State Shipbuilding Corp confirmed an EPS order for two more 93,000 cu m LPG dual-fuel VLACs for 2027 delivery. EPS already ordered four similar ships from Jiangnan in May, each worth more than $100m.

MAN and its main competitor WinGD's ammonia engines are expected to be ready from 2025.

Most reported ammonia orders so far have been for "ammonia-ready" ships, enabling easier retrofitting.

Eastern Pacific said its commitment to the new technology and the MoUs with class and engine manufacturers showed its willingness to invest in new low-carbon fuelling options such as ammonia, to help create pathways to wider adoption.

OPINION

Shipping and decarbonisation: An inconvenient truth?

WHAT do people from outside shipping really think about the industry and its efforts to decarbonise?

With the developments from MEPC80 still fresh in the mind, regulators, governments, companies and organisations may believe they have a fairly accurate sense of how shipping is facing up to what is nothing less than its greatest collective challenge.

A genuine reflection of reputation and an assessment of real progress can only truly be understood by seeking the perceptions and insights from those on the outside looking in. After all, your reputation is what people say about you when you are not in the room, rather than what you say about yourself.

US President Benjamin Franklyn said that "it takes many good deeds to build a good reputation, and only one bad one to lose it". This rings true in life and in business. What is also true is that reputation can be hard to alter and certainly takes time to evolve.

When it comes to shipping's effort to decarbonise, the industry suffering from a credibility gap — where pledges and promises are either dismissed as greenwashing or plain delusional, with very little middle ground.

The sector is awash with zero-carbon commitments, coalitions, pilot projects, green corridors and studies, all charting the industry's alignment to the 1.5°C temperature increase goal of the Paris Agreement.

On paper, the industry is pushing ahead with a twin-track project of near-term efficiency gains, while politicians agree a clear regulatory timeline that unlocks the investment, scales low-emission fuels and addresses ongoing concerns about future supply and demand.

In reality, the distant prospect of any meaningful political agreement is being routinely used as a pretext for widespread inaction — or worse, outright greenwashing — as companies attempt to keep up the pretence of progress amid growing uncertainty and the likelihood of an expensive delayed zero-carbon transition regulated by a fragmented patchwork of national regimes.

Pledges to decarbonise seem commonplace, but how achievable are they really? A small fraction of the several hundred maritime companies signed up to the recent proliferation of zero-carbon coalitions and programmes have set solid 1.5°C Paris Agreement-aligned targets.

How many "LNG-ready" vessels will actually run on LNG? How many "methanol-ready" ships will run on methanol or pledge to use green methanol but bunker the cheaper, dirtier grey variety? From the outside looking in, one could argue that the partial industry observer was being duped.

These grey areas (excuse the pun) do not do shipping's reputation — or its ability to alter it — any good. As more gazing eyes begin to scrutinise the industry, from shippers and cargo owners to financiers and insurers, how long can organisations make claims they cannot keep, or issue statements obscure the truth?

Part of the industry is now stepping up and taking responsibility for its part in the climate crisis. Significant strides in the development and uptake of clean technologies, vessel optimisation and the pace of digitalisation are all markers of progress that the industry should be pleased with. But it is perhaps unsurprising that data and intelligence company Thetius recently showed in its Maritime Decarbonisation Technology Outlook that the shipping industry will not hit its 2030 IMO targets to decarbonise.

Adding weight to this theory is a recent report from the Global Centre for Maritime Decarbonisation and the Boston Consulting Group, indicating that a 'silent majority' of small- to medium-sized shipowners still lack the "capability to be able to access, deploy, and maintain [decarbonising] solutions."

Communicating in this new era for shipping has never been more important; and good communications should be grounded in the truth. But where does the truth lie?

The significance of the climate crisis has seen shipping come under greater scrutiny from previously more distant stakeholders. Shipping has long been much maligned from those outside of the industry, but does it also have its own inconvenient truth it needs to tackle when it comes to decarbonisation?

Targets have been set and only time will tell – but time is a commodity that we barely have to spare.

Lloyd's List editor-in-chief Richard Meade and BLUE Communications managing director and co-founder Alisdair Pettigrew will be discussing shipping's 'inconvenient truth' on Monday, September 11 during London International Shipping Week. The debate will take place 3pm-6pm at 240 Blackfrairs Road. Join them by registering to attend here: blue-comms.com/blue-event-lisw-2023

MARKETS

Container volume growth continues to flatline

GLOBAL container volume growth remained stagnant in July, with capacity rising just 0.1% over adjusted June liftings, according to the latest figures from Container Trades Statistics.

Total volumes for July stood at 15.1m teu and on a year-to-date basis remain 4% down on the first seven months of 2022.

"The rally in Far East-Europe trade faltered in July, with overall volumes flat compared with June 2023," CTS said.

Far East to North America volumes showed a rare increase compared with June 2023 of 3.5%, although this was from a very low base. But year-to-date volumes are still 17% down on 2022."

Trade between Asia and Europe was up year on year was up 5.9% year on year to 1.5m teu in July and is up 2.8% on a year-to-date basis.

But this has failed to stem the fall in CTS' freight index, which is down fallen 76% since last July and now stands at 65. Drewry's World Container Index this week showed at 10% fall on its Shanghai-Rotterdam route, with rates at just $1,449 per feu.

On the backhaul Europe-Asia routing, CTS' index has fallen to 57.

"The last time the index was at this level was in 2009," it said.

The Global Price Index fell a further four points to 75 in July and is down by 127 points on a year earlier, taking it back to levels last seen in October 2020.

The North American headhaul index also remains sharply down, having fallen 70% from 268 to 80 since July 2022.

There were some bright spots outside the key headhaul trades, however.

"The strength in volumes continues to be outside North America and Europe," CTS said.

"The Mediterranean continued its strong performance with a 16.4 % increase on a year-to-date basis."

Growth in sub-Saharan Africa continues on both exports and imports with increases of 5.5% and 9.1% , respectively, compared with the first seven months of 2022.

Indian subcontinent and Middle East exports and imports also continued to show healthy growth with increases on a year-to-date basis of 2.6% for exports and 9% for imports.

"Overall global volumes continued some of their resilience into July but the shifts between the markets continues to be significant," CTS said.

"India, Türkiye, Brazil and West Africa are now covering the large part of the reduction in volumes from the weaker markets of North America and northern Europe which had occurred largely because of retail destocking."

Zim expands ties with MSC

ISRAEL-based container line Zim has boosted it ties with Mediterranean Shipping Co following the signing of a new "operational collaboration agreement" that will see the two carriers share vessels and slots on a number of trades serving the Mediterranean, northern Europe and the Indian subcontinent.

The announcement adds to the agreement in the past month to share resources on a number of services ex-Asia to Australia and New Zealand.

"This important operational collaboration with MSC, a trusted partner and industry leader, marks a mutually beneficial arrangement, delivering cost efficiencies for both carriers, while upholding the highest standards of service and reliability for our customers," said Zim chief executive Eli Glickman.

"Capitalising on this opportunity with MSC will improve efficiencies in our fleet and is consistent with our focus on taking proactive steps amidst continued near-term headwinds in the container shipping market.

He added that the co-operation would benefit Zim both operationally and financially, and was a "testament to our agility".

The additional trades announced will cover services between India and Türkiye and Israel, and between northern Europe and Türkiye and Israel.

"The service restructuring is aimed to ensure improved service reliability and offers seamless connections to other Zim services operating in Asia and the Mediterranean," the company said.

Zim and MSC have had a long relationship that includes Zim's ties to the 2M alliance.

Last year, Zim and the 2M agreed to extend parts of their co-operation agreement, but Zim also decided to go it alone on one of the routes they formerly shared.

Zim kept its slot and vessel sharing agreement with 2M on the Asia-US east coast and Asia-US Gulf coast trades, but cut its ties on the Asia-Med and Pacific northwest trades.

Zim first entered into the agreement with 2M in 2018, forming a "strategic co-operation" deal on five loops to the US east coast. It was later boosted to include the Pacific northwest and Mediterranean services.

Following HMM's announcement that it was leaving its associate membership of 2M to become a full member of The Alliance, Zim also picked up a shared service to the US Gulf.

But with the 2M alliance due to dissolve at the beginning of 2025 and with market conditions becoming more challenging again, Zim is looking to shore up its relationship with its much larger partner.

"Our agile strategy enabled us once again to promptly adapt to changing market dynamics, ensuring that we continue to best meet our customers' needs," Glickman said.

TEN inks MR orders in China as profits soar

TSAKOS Energy Navigation has added two medium-range product tankers to its newbuilding orderbook as it celebrates soaring profits in its 30th anniversary year.

The Greece-based tanker and LNG carrier owner revealed the new order as it posted second-quarter net income of $60.6m, a 31% increase from its profits in the same quarter last year.

TEN generated $4.8m more in voyage revenues than in the second quarter of 2022, despite operating an average of seven fewer vessels.

However, daily average time charter equivalent rates earned across the fleet rose by 31% to $38,353.

The contracts for the two new MRs were inked last month and the vessels, scheduled for delivery in the first quarter of 2026, will be fitted with exhaust gas cleaning systems.

Details, however, were scant, including which yard has been awarded the contracts.

Industry sources, although, told Lloyd's List that two 50,000 dwt tankers have been ordered at

Yangzijiang Shipbuilding in China.

The MRs join an existing company newbuilding programme comprising four dual-fuel aframaxes that have been chartered to Equinor, a pair of DP2 shuttle tankers and two suezmax tankers that have also been ordered with scrubbers.

The latest orders are likely seen as a fleet renewal step, as TEN sold six MRs earlier this year.

The strong second quarter brought TEN's net income for the first six months to $237.2m.

The New York-listed owner said that the results reflected "the good momentum in the tanker markets, which continues to positively impact both operations and asset values".

The "positive" fleet performance combined with the earlier vessel sales increased the company's cash reserves to $534m at the end of June.

Since then, TEN has redeemed in full $88m of publicly traded preferred shares, carrying a coupon of 8.75%, and $19.4m of a privately placed preferred instrument paying interest of 7.5%.

The moves added up to annual cash savings of more than $9m, it said.

Altogether, TEN has now redeemed a total $211m of preferred shares, saving itself about $18m in cash payouts.

A second semi-annual dividend of $0.30 per share and an additional special dividend of $0.40 per share have been announced, bringing total distributions to $1 per share for 2023.

TEN has racked up more than $1.5bn in forward revenues from charters.

"The recent appetite from our major clients for accretive long-term business, particularly in the LNG and tanker segments, has given us the comfort to ensure continuity in providing healthy returns and increased dividends," said company president and chief operating officer George Saroglou.

Winning International orders two VLOCs with CSSC's Beihai Shipbuilding

SINGAPORE-based Winning International Group has ordered two 325,000 dwt ore carriers from China State Shipbuilding Corp's Qingdao Behai Shipbuilding.

Designed by Qingdao Behai Shipbuilding's designing company CSDC, the very large ore carrier is built to carry bauxite from West Africa to China, Winning International said in a statement.

Financial details are not disclosed but a very large ore carrier of this size is estimated to cost $95-105m, according to brokers' data.

In addition to meeting the requirements of the Energy Efficiency Design Index and Phase III, the ship will be able to run on methanol from a 12,000 cu m fuel tank, which will let it run carbon neutral if using green methanol.

The newbuildings will help the group's mining developments in Guinea and global shipping clients with safer, more cost-effective and sustainable services, said Sun Xiushun, founder and president of Winning International.

In 2014, Winning International and its partners, including China's Yantai Port Group, formed the SMB-Winning Consortium and ventured into bauxite mining in Guinea, with current annual production reaching nearly 50m tonnes, making the consortium one of the largest bauxite producers in Guinea.

The Singapore-based group has 41 capesize bulk carriers with a total capacity of about 7.8m dwt.

IN OTHER NEWS

Former top official joins Cosco Shipping leadership

STATE-owned China Cosco Shipping Corp's new group deputy president is Zhang Yong, a former official from the country's top economic policy-making body and a man with no experience in the shipping industry.

Zhang joined as the latest member of the shipping conglomerate's top management of eight executives, led by chairman Wan Min. The company's office of president has remained vacant since the relocation of Fu Gangfeng to the State Development and Investment Corp.

Before joining Cosco Shipping as deputy president, as well as being a member of the Chinese Communist Party committee, Zhang had various positions in the general office of the Central Financial and Economic Affairs Commission, including director of the secretariat, according to a brief profile on Cosco Shipping's website. He also worked in injury investigations and the commerce ministry.

'Hard facts' favour LNG, gas event told

INDUSTRY leaders are choosing LNG as a decarbonisation fuel because of "hard facts", a gas industry event was told.

Schulte Group LNG executive director Felix Leggewie lamented that discussions on decarbonisation are "so full of emotion".

He added the most tedious part of screening, evaluating and compiling information on cleaner fuels was in finding "unbiased data".

Methane abatement initiative moves toward adoption

AN initiative to find and test ways to monitor and reduce methane slip from LNG-fuelled ships is making progress.

After a year of work, the Methane Abatement in Maritime Innovation Initiative, known as MAMII, is ready to move to its adoption phase.

This will include a strategy report covering methane regulatory requirements, well-to-tank and tank-to-wake analysis, and cost-benefit analysis.

London still top location for maritime arbitration

LONDON remains the world's leading centre for maritime arbitration, handling 85% of global caseload, according to a new report from law firm HFW.

Singapore holds the number two slot as its closest competitor but saw the equivalent of just 5% of the caseload heard in the UK capital.

The report — titled The Maritime Arbitration Universe in Numbers — analyses the latest figures from leading maritime arbitration associations and institutions, including those not yet publicly available.

Sweden's Sirius Shipping orders methanol-ready chemical tanker pair

SWEDISH chemical tanker operator Sirius Shipping has confirmed it has signed newbuilding contracts for two chemical tankers with a Chinese shipbuilder.

The 15,000 dwt, methanol-ready pair have been ordered from China Merchants Jinling Shipyard Yangzhou, with delivery of the first vessel booked for 2026.

The 147 m long, ice-class ships are being built to a design produced by Kongsberg Maritime and will be capable of loading 14 grades of chemicals.

New concept LNG carrier aims to meet decarbonisation challenge

A NEW concept LNG carrier designed in a collaboration between Shell, Wärtsilä and Hudong-Zhonghua Shipbuilding has been unveiled at Gastech 2023.

The 'net zero ready' hybrid electric concept LNG carrier is a modular hybrid electric design that features three pure gas engines and two dual-fuel engines that feed into an electrified design in a modular layout.

Shell technology project manager Leonidas Koulouridis said the motivation for the project came from the need to meet the International Maritime Organization's decarbonisation targets while managing the challenge of a multi-fuel future, where neither future demand nor supply were yet certain.

Port of Corpus Christi interim chief Kent Britton goes permanent

PORT of Corpus Christi has announced Kent Britton as its new chief executive.

The port's former chief financial officer became interim chief executive in June following Sean Strawbridge's departure and was chosen for the top spot following a "rigorous" three-month search by the port's commission.

"Kent Britton has played a key role on a leadership team that guided the port of Corpus Christi through six transformational years of milestones," port of Corpus Christi commission chairman Charles W. Zahn, Jr said in a statement.

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