The International Association of Marine and Shipping Professionals (IAMSP) is the professional body for Marine and Shipping professionals world-wide, formed in 2015. The association is an independent, non-political organization aims to:

Contribute to the promotion and protection of maritime activities of the shipping industry, the study of their development opportunities and more generally everything concerning these activities.

Promote the development of occupations related to maritime and shipping; serve as a point of contact and effective term for the business relationship with the shipping industry (charter brokers, traders, shipping agents, Marine surveyors, ship inspectors, ship-managers, sailors, and stevedores etc.).

Ensuring the representation of its members to the institutions, national and international organizations as well as with governments, communities and professional groups while promoting the exchange of information, skills and the exchange of experience.

Develop the partnership relations sponsorship, collaboration between IAMSP and other associations, companies, national and international organizations involved in activities related to Maritimes and shipping.

Contribute to the update and improvement of professional knowledge of its members and raise their skill levels to international standards.

Progress towards a comprehensive and integrated view of all marine areas and the activities and resources related to the sea.
Chinese companies have invested more than $1.7bn (AED6.2bn) in the jointly developed China-UAE Industrial Capacity Cooperation Demonstration Zone Project within Khalifa Industrial Zone Abu Dhabi (KIZAD).

According to UAE state-run news agency, WAM, the project – established in cooperation with Jiangsu Provincial Overseas Cooperation and Investment Company (Jocic) – has attracted more than 20 Chinese companies since it was officially launched last year.

Investors include Chinese tyre manufacturer Roadbot, which will develop a tyre manufacturing facility that is due to enter operation in October 2020, with a total value of $598.9m (AED2.2bn). Last year also saw Abu Dhabi Ports and COSCO Shipping Ports Ltd – a subsidiary of Hong Kong-headquartered COSCO Group – open the CSP Abu Dhabi Port Container Terminal at the zone, in a move that positioned Abu Dhabi as the regional hub for COSCO’s global network of 36 ports.

WAM reported the agreement was part of Abu Dhabi Ports’ five-year strategy, aimed at strengthening the maritime sector in Abu Dhabi under the emirate’s ongoing economic diversification strategy. With this in mind, Abu Dhabi Ports has earmarked $2.7bn (AED10bn) in investment that will increase capacity at Khalifa Port from the current five million TEU to 9.1 million TEU. This also includes boosting capacity at Terminal 1 to more than five million TEU.

Other recent China-UAE related announcements include Chinese manufacturing firm East Hope Group's work with KIZAD to explore the possibility of setting up a development worth $10bn (AED36.7bn) within the industrial hub.

The three-phased project – in line with the UAE's and China's cooperation on the Belt and Road Initiative – will see the Chinese firm constructing various manufacturing facilities across a 7.6km2 piece of land in KIZAD over a 15-year period.

[Construction Week Online] One interpretation of the recent attacks on ships—if they were carried out by Iran, as America claims—is that they are intended to signal Iran’s readiness to act on its threat to block the waterway. The country could try to block the strait using speed boats, anti-ship missiles and mines. But doing so would probably be a desperate act of last resort. Iran would be risking a war with America and its regional allies. And military analysts think that America’s Fifth Fleet, based in Bahrain, would be able to re-open the waterway within weeks. In the meantime, at least some of the oil from Saudi Arabia and the UAE could be rerouted via pipelines away from the Strait of Hormuz.

[The Economist]
Panama’s maritime authority has begun the process of withdrawing the registration of the oil tanker Riah, which ended up in Iranian waters after it disappeared from ship tracking maps in the strait of Hormuz on 14 July.

Panama began the flag-withdrawal process on Friday after an investigation determined the tanker had “deliberately violated international regulations” by not reporting any unusual situation, the authority said in a statement. “We roundly condemn the use of Panamanian flagged ships for illicit activities,” it said. Panama, which has the largest shipping fleet in the world registered under its flag of convenience (FOC), has recently withdrawn flags from dozens of vessels, some of which were operated by Iran.

According to Equasis the 31-year old Riah is owned by Riah Shipping and Trading Inc. and managed and operated by Prime Tankers LLC. Both companies are registered under the same address in Dubai, United Arab Emirates. Prime Tankers LLC manages and operates a fleet of seven small, over-aged asphalt/bitumen– and oil product tankers. Six of the vessels are registered under Panama’s FOC.

The latest development followed the British seizure of an Iranian oil tanker, Grace 1, which London suspected was violating EU sanctions on Syria. Sanctions against the regime of Bashir al Assad regime were there to be enforced and international law upheld, the UK argued. There seemed little doubt, given its circuitous route, that the ship was bound for Syria. Iran’s supreme leader, Ayatollah Ali Khamenei, branded the ship’s seizure as “piracy,” and Iran threatened to retaliate.

On Friday it seized two British-linked ships in the strait of Hormuz. Iranian forces took control of the British-flagged Stena Impero, and directed it to the Iranian port of Bandar Abbas, where it remains. A second Liberian-flagged but British operated tanker, the Mesdar, was also detained for several hours by Iranian forces on Friday. It made a sudden diversion from its planned course, and began moving towards the Iranian coast before apparently turning off its tracking signal.

On Tuesday Iran’s semi-official news agency, ISNA, said the country’s navy came to the assistance of the Riah
after it experienced mechanical problems. US officials have said they are unsure whether the tanker was seized by Iran or rescued, creating a mystery at sea at a time of high tension in the Gulf.

The tracking report of the Riah from MarineTraffic.com showed the vessel began its journey near a port off the coast of Dubai, in the United Arab Emirates, on 5 July. It was then tracked near the coast of Ras al-Khaimah before changing course and travelling north towards Iranian waters, after which it stopped transmitting its signal on Sunday at about 4.30am local time (0100 BST). Its last known location was in Iranian territorial waters near Qeshm Island, where the Revolutionary Guards have a base.

Earlier this month, Panama’s maritime authority said it would withdraw its flag from more vessels that violate sanctions and international legislation, following the removal of about 60 ships linked to Iran and Syria from the Panamanian registry in recent months.

Washington has called for greater security for ships in the Gulf. [The Guardian / Equasis]

Oil shipping: Iran seizes a British oil tanker: Construction of the Barra do Dande Ocean Terminal to be resumed

19/07/2019

After more than a week of warnings, Iran has made good on its threat to seize a British oil tanker. The Stena Impero, a 30,000-ton vessel, was travelling west through the Strait of Hormuz on the afternoon of July 19th, bound for Saudi Arabia.
The ship’s owner says she was “approached by unidentified small crafts and a helicopter.” She soon lost contact. That evening, tracking data showed the tanker and its 23 crew members in Iranian waters off Qeshm island, where the Islamic Revolutionary Guard Corps (IRGC) maintains a base. The IRGC says it was seized for “failing to respect international maritime rules”. A second vessel, the Mesdar, flagged in Liberia but operated by a British firm, was also reportedly diverted to Iran. Iranian news agencies said it had later been released.

Iran threatened to do exactly this after Britain seized an Iranian tanker off Gibraltar on 4 July. Britain believes the vessel was carrying Iranian oil to Syria, which is under European sanctions. Iran denies this and accuses Britain of breaking international law. Gibraltar’s supreme court extended the ship’s detention on July 19th, allowing authorities to hold it for another month.

These vessels are now pawns in a worsening crisis caused by America’s decision to walk away from a 2015 nuclear deal with Iran and impose crushing economic sanctions. Though Iran remained in compliance for a year, in recent weeks it has breached provisions on the quantity and purity of its enriched uranium. It is eager to show it can impose costs on America and its allies. Six tankers were sabotaged in the Persian Gulf in May and June. On 10 July Iranian forces attempted to halt a British tanker, reportedly retreating only when a British warship trained its guns on the Iranian boats. But Britain admitted it did not have enough warships to protect all of its commercial vessels.

The skies over the Gulf are growing tense as well. On 18 July the USS Boxer, an American warship loaded with marines, zapped an Iranian drone that had approached within 1,000 yards and refused to “stand down”, according to President Donald Trump. The drone was taken out not by bullets or missiles, but by electronic warfare used to jam its signals. The Boxer and five other ships had been passing through the strait as a show of force, and Iranian helicopters and ships had been making close passes, according to the Wall Street Journal. Iran claims, however, that all its drones are accounted for. One month earlier, Iran shot down an American drone.

All of these earlier incidents were, in a sense, small enough to overlook. Investigators have yet to assign blame for the sabotage operations (and Iran denies it was involved). Mr Trump approved airstrikes after the American drone was shot down, only to cancel them when he decided the response was disproportionate. Seizing tankers on the high seas, however, will be impossible for Iran to disown, and for America and its allies to ignore. Freedom of navigation is a core principle of international law. It will undermine Iran’s strategy of trying to drive a wedge between America and European powers, which remain parties to the nuclear deal and want to preserve it.

Ironically, hours before the tankers were seized, Iran’s foreign minister made a diplomatic proposal to end the crisis. A modest one, to be sure: Muhammad Javad Zarif offered to give international inspectors greater access to Iran’s nuclear facilities if America would lift sanctions. That was meant to happen anyway in 2023,
as part of the nuclear deal. Mr Zarif’s offer would have simply accelerated the timeline. But it was the first concrete proposal from an Iranian government that, less than a month ago, said Mr Trump’s sanctions meant the “permanent closure” of diplomacy.

Making cosmetic tweaks to an old pact and slapping Mr Trump’s name on it is a tried-and-tested trick. In November America’s trade deal with Canada and Mexico was changed slightly, renamed USMCA and then embraced by Mr Trump. “Minimal changes could be enough to call it the Trump Agreement,” says Ernest Moniz, who played a key role in negotiating the original deal as secretary of energy in the Obama administration. But there is a small problem with attempting this solution for Iran, points out Nick Miller, a professor at Dartmouth: “to execute it, Trump would need to fire or ignore most of his national security team.”

Mr Trump’s advisors have been busy trying to box in the president. In May last year Mike Pompeo, the secretary of state, insisted that Iran cease all enrichment as one of a dozen conditions to be laid down for a new deal. On July 18th John Bolton, Mr Trump’s national security advisor, tweeted that “one of the worst mistakes of the Iran deal, now on full display,

was allowing Iran to maintain enrichment capabilities.” Such drastic new prohibitions would go well beyond the face-saving modifications that Iran is likely to accept. More skirmishing probably lies ahead.

[The Economist]

Liquid bulk shipping China: Shenghong Group starts construction of liquid bulk cargo terminal in Lianyungang

19/07/2019

By Katherine Si

The project, located at Xuwei port area of Lianyungang includes a 300,000-ton oil and product tanker berth with a designed annual handling capacity of 17.4m tons and four 50,000-ton liquid bulk cargo berths with a handling capacity of 9.3m tons and related facilities.

Shenghong Group, established in 1992, is a private company focused on the petrochemical, energy, textile, real estate and hotel management industries. Miao Hangeng, chairman of Shenghong Group, said that the terminal project will become an important base for Lianyungang petrochemical industry and a major channel for local chemical products transportation.

The project, with a total investment of RMB2.68bn ($398.7m), is scheduled for delivery and operation in 2021.

[Seatrade Maritime News]

Dry bulk shipping: Baltic Dry Index surge doesn’t spell growth boom

19/07/2019

By Amrith Ramkumar

The Baltic Dry Index has surged, but analysts warn that isn’t necessarily a bullish sign for the global economy

A closely watched index that tracks the cost of shipping commodities around the world is at its highest level since 2014. But analysts warn that the surge shouldn’t necessarily be taken as a bullish sign for the global
While a rise in the Baltic Dry Index is typically seen as pointing to a broad uptick in economic activity around the world, analysts say the recent gains have largely been driven by a resumption of iron-ore shipments from Brazil.

The recent rally is more complex as mines run by Vale SA resume production following a fatal accident earlier this year that kept them closed for months. The sudden increase in shipments has lifted demand for large ships transporting iron ore and other materials to China, pushing up the index 85% in the past month through Tuesday and to its highest level since January 2014.

It closed Tuesday at 2011, putting it 58% higher for the year.

Bullish investors are looking for signs the world economy is picking up steam, but some analysts are skeptical global growth will keep the Baltic Dry Index elevated. Measures of factory activity have slid recently, as have gauges of whether economic data points are broadly meeting expectations.

Global economic growth is still expected to slow this year as uncertainty continues to surround U.S.-China trade tensions and as businesses limit spending. Progress toward a trade deal has stalled while the Trump administration determines how to address Beijing’s demands that it ease restrictions on Huawei Technologies Co., The Wall Street Journal reported earlier in the week.

Although iron-ore prices have surged this year amid supply constraints following the mine closures, other industrial commodities have remained contained with demand expected to stagnate.

Another factor potentially giving the Baltic Dry Index a short-term boost: new international shipping rules taking effect next year that aim to slash the amount of sulfur in marine fuel.

New scrubbing technology will be used on some ships to lower emissions, another element that could skew shipping rates.

“While a large part of this strength is attributed to a pickup in iron-ore shipping activity, the other element is reportedly lower vessel availability due to ongoing scrubber installations,” ING analysts said in a recent note.

[The Wall Street Journal]
Brexit: Uncertainty driving shipowners to ditch UK flag

19/07/2019

By Alexander Whiteman

Uncertainty around Brexit may be making its mark, but the loss of vessels this year from the UK Ship Register may also be due to the requirement for vessel operators to comply with EU maritime regulations.

According to figures from VesselsValue.com (VV) obtained by The Loadstar, 234 vessels have reflagged from the UK since the start of the year, including 53 containerships. Chief operating officer at VV Adrian Economakis told The Loadstar this equated to a 9% reduction, and was equivalent to a 36% cut in the total gross tonnage of UK-flagged vessels.

“There are a host of factors that cause people to leave a flag state, and many are not transparent to normal market participants,” he said. “It’s impossible to attribute the decision to leave to one factor alone, but shipowners prefer certainty and simplicity when dealing with parts of the business that can be easily substituted.”

By far the biggest switch came from CMA CGM, which withdrew 46 container vessels from the UK flag, having had 49 registered prior to the 2016 Brexit referendum. A spokesperson for the carrier told The Loadstar the outcome of that vote and the subsequent uncertainty over withdrawal had been the deciding factor.

“As a French company, CMA CGM complies with the EU regulatory framework regarding our fleet registered in EU member states.

“[But] in light of Brexit, and to avoid uncertainty with our fleet and despite a strong relationship with the UK Ship Register, we have decided to transfer our UK-flagged fleet to other EU countries. This decision was taken after it appeared to us that the UK flag was excluded from the draft agreement envisaged between the UK and the European Union.”

Altogether 70 different companies have withdrawn vessels from the register. And the number of vessels switching flags in the first six months of 2019 is higher than the number withdrawn from the UK flag over the past three years – although it should be noted 150 left in 2015, according to vesselsvalue.com data.

“Competition between registers is fierce, therefore any requirement by a register that burdens an owner with more complexity will likely reduce its attractiveness,” said Mr Economakis. “But the number of departures is well beyond normal and the year is only a little over half done.”

P&O Ferries has pulled its vessels from the register, with five removed so far this year, after a review of the flag status of ships on the Channel, and a spokesperson cited the UK’s pending departure from the EU as a primary motivator in the decision. “For operational and accounting reasons, we have concluded that the best course of action is to re-flag all ships to be under the Cyprus flag,” he told The Loadstar. He added that the Cyprus flag was ‘white listed’ by both the Paris and Tokyo MoUs (harmonised port state control regulations), which would mean fewer inspections and delays.

Furthermore, he said, this would result in “significantly more favourable” tonnage tax arrangements as the ships would still be flagged in an EU member state.

Policy director at the UK Chamber of Shipping David Balston said the loss of tonnage was “obviously a huge concern”. “While in some cases this has happened because of Brexit-related fiscal and financial considerations, it also serves to underline the damage being done to the shipping industry by the continued
uncertainty over Brexit,” he told The Loadstar.

“It also demonstrates that improving UK competitive advantage and the attractiveness of the UK flag, both key parts of the government’s Maritime 2050 strategy that we strongly support, must be given the highest priority post-Brexit.”

Benefits of a shipping register to a country include a substantial level of tax returns, as well as the variety of incremental business generated by the existence of a maritime cluster, of which a register acts a focal point.

A spokesperson for the Maritime & Coastguard Agency told The Loadstar: “We regret that a small number of operators have chosen to reflag their vessels due to obligations under EU regulation. It is, however, no reflection on the UK Ship Register itself. We will continue to work to ensure all eligible operators consider the UK flag in the future.’

[The Loadstar]

To achieve compliance with the sulphur cap, simply switching to a low sulphur fuel at January 2020 will not be enough. High sulphur fuel oil (HSFO) is primarily based on residual fuel and these tend to stick to the inside of fuel tanks and pipelines forming layers of sludge and sediments.

The accumulated layers of existing sludge in the fuel tanks and pipelines may contaminate the new fuel loaded, rendering the fuel non-compliant and pushing emissions above the 0.50% sulphur cap. Cleaning this out will require exhaustive efforts – either manually which is risky, expensive and time-consuming, or with specialised fuel treatments (chemical additives).

As such, members who have chosen to achieve compliance with MARPOL Annex VI regulations by using low sulphur fuel oil, will need to start preparatory and precautionary steps several months ahead of the regulatory enforcement date.

This process is also an important measure to avoid compatibility and stability issues while transitioning to 0.50% m/m compliant fuel from high sulphur fuel oil (HSFO).

**Planning**

Options for preparing fuel oil tanks for compliance include flushing through fuel systems, manual cleaning of tanks during dry docking, manual cleaning during service or cleaning tanks in service with specialised additives.

The process of fully cleaning and flushing fuel oil tanks and piping systems requires advance planning; and at a minimum, the plan should provide guidance on:

- fuel oil tank capacity and segregation capability for different fuel grades
- fuel oil system modifications (if needed)
- assessment of the new fuels on engines and machinery (compatibility testing)
- fuel oil changeover plan
- risk assessment and mitigation plan

It is also prudent to consult the engine maker on the appropriate method of preparation of the bunker fuel oil tanks and flushing of fuel oil piping system.

The overall fuel oil management plan, including tank cleaning/preparation procedures, should form a part of the ship implementation plan (SIP), taking into consideration the ship’s trading pattern, docking etc. While the supply of fuel is the charterer’s responsibility, the responsibility of managing it onboard will be for the owner. As such, shipowners are recommended to reach an agreement with their charterers on when to undertake tank cleaning and purging of the fuel oil lines because the vessel may have to be taken out of service for some days.
The Liza Destiny floating, production, storage and offloading (FPSO) vessel is expected to arrive in September ahead of first oil planned in 2020.

The FPSO, which was converted from a very large crude carrier (VLCC) at the Keppel Shipyard in Singapore, is designed to produce up to 120,000 barrels of oil per day, will have associated gas treatment capacity of circa 170 million cubic feet per day, water injection capacity of circa 200,000 barrels per day and an overall storage volume of 1.6 million barrels. It will be spread moored in about 1,525 meters water depth.

The first of several FPSOs planned for operations offshore Guyana, Liza Destiny will produce as part of ExxonMobil's $4.4 billion Liza Phase 1 development, which includes four drill centers with 17 wells in total: eight production wells, six water injection wells, and three gas injection wells.

SBM Offshore, which completed front-end engineering studies for the project, was awarded the contract to construct, install, lease and operate the FPSO in 2017. The Liza discovery, announced in May 2015, is located on the Stabroek block around 195 kilometers off the coast of Guyana. The 26,800-square-kilometer Stabroek block contains multiple prospects and play types. ExxonMobil estimates the discoveries offshore Guyana have 5.5 million boe of recoverable resources.

ExxonMobil is the operator of the block with 45% interest. Its partners are Hess and CNOOC/Nexen with 30% and 25% shares respectively.

Yesterday, the Transnational Alliance to Combat Illicit Trade (TRACIT) and the United Nations Conference on Trade and Development (UNCTAD) co-hosted a meeting on the negative impact of illicit trade on the UN Sustainable Development Goals (SDGs).

The special UN dialogue exposed where and how progress on the SDGs is inhibited by illicit trade in some of the world’s most important economic sectors.
“From smuggling, counterfeiting and tax evasion, to the illegal sale or possession of goods, services, humans and wildlife, illicit trade is compromising the attainment of all 17 of the UN SDGs,” stated TRACIT Director-General Jeffrey Hardy. “It is crowding out legitimate economic activity, depriving governments of revenues for investment in vital public services, dislocating millions of legitimate jobs and causing irreversible damage to ecosystems and human lives.”

The intergovernmental meeting was designed to help governments understand the challenge of illicit trade and to consider policy measures that account for the negative impacts of illicit trade on the SDGs. During the meeting, TRACIT launched a report, Mapping the Impact on the Sustainable Development Goals of Illicit Trade, which maps the 17 UN SDGs against the following sectors: agri-foods, alcohol, fisheries, forestry, petroleum, pharmaceuticals, precious metals and gemstones, pesticides, tobacco, wildlife and all forms of counterfeiting and piracy.

“The report shows that socio-economic impacts of illicit trade present significant deterrence to SDGs,” said Mr. Hardy. “This is holding back progress, increasing costs and pushing achievement of the goals further away.”

The meeting was attended by government officials representing countries from all regions of the world.

[TRACIT]

Terminal operators Italy: Yilport gets go-ahead for 49-year Taranto port concession

19/07/2019

The regional court (TAR) has rejected the appeal of Southgate Europe Terminal Consortium, giving the definitive go-ahead to the release of the 49-year concession of the entire quay of Taranto port to Yilport Holding.

In November 2018, Autorità di Sistema Portuale del Mar Ionio (Ionian Sea Port Authority) formally approved the concession of the “Molo Polisettoriale” dock of Taranto port to Turkey’s Yilport Holding for a period of 49 years.

Turkish terminal operator Yilport Holding has expressed its intention to double the annual container handling capacity of the pier of Taranto port. It had explained that if it assumes the management of the Taranto Container Terminal - operated until summer 2015 by Hutchison Port Holdings (HPH), Evergreen Marine Corporation and Maneschi - the container handling capacity will be doubled to about 4 million TEU annually.

Current annual handling capacity of the terminal is about 2 million TEU with a quayside draft of -16.5 metres. Yilport plans to expand annual handling capacity to over 4 million TEUs via investments in the next 10 years. Yilport Holding will invest in infrastructure, equipment and technology, including the installation of ship-to-shore cranes (STS), rail-mounted gantry cranes (RMG), and the Navis terminal operating system.

Taranto Container Terminal will be the 21st marine terminal of Yilport’s global portfolio, and the first Yilport terminal in Italy.

[PortSEurope]
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Taranto Container Terminal will be the 21st marine terminal of Yilport’s global portfolio, and the first Yilport terminal in Italy.

Terminal operators Portugal: Government to tender Vasco da Gama Terminal in Sines port

19/07/2019
In addition to recent announcement of the €547 million ($616.13 million) investment by PSA Sines in its Terminal XXI, the government also plans to launch the international public tender for the future Vasco da Gama Terminal, also in Sines port.
A likely partner here is Chinese port operator Shanghai International Port Group (SIPG), which is expected to invest around €600 million ($675.43 million).

In May this year, Portuguese Minister of the Sea Ana Paula Vitorino said that Sines port could start a new era in the relationship between Portugal and China, at a time when Beijing is creating the new Silk Road. The Minister also said that there are other opportunities in Portugal for Chinese companies, such as the ports of Leixões and Lisbon.

Terminal operators Portugal: PSA International to invest €547 million in its Sines Terminal XXI

19/07/2019
PSA International and the Portuguese government agreed on the extension of the container terminal concession from 2029 to 2049 and that PSA will invest €547 million ($616.13 million) in the expansion Terminal de Contentores de Sines (Sines Terminal XXI).
Investments include the extension of the main quay, currently 946 linear meters, to 1,750 meters and a storage area extension from 42 to 60 hectares. It is forecast that the changes will increase the annual capacity of Sines Terminal XXI from 2.3 million to 4.1 million TEU.

Terminal XXI began operations in 2004, under concession by PSA Sines – Terminais de Contentores S.A. The terminal has direct links to national road and rail networks, which are integrated into the Atlantic corridor of the Trans-European Transport Network (TEN-T). In order to respond to the growth projections, a plan for the expansion of road-rail accessibility is being implemented, within the framework of the Infrastructure Investment Plan – Ferrovia 2020, which will ensure connections and in the interior of Spain.

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**Terminal operators Kenya: Court halts plan to privatize operations of Container Terminal Two at Mombasa**

19/07/2019

By Philip Muyanga

The High Court has suspended the implementation of a memorandum of understanding between the government and Mediterranean Shipping Company (MSC) over the operations and management of a container terminal at the port of Mombasa.

Justice Patrick Otieno, sitting in Mombasa, issued the interim orders after suspending the implementation of Section 16 (1) of the 2019 Statute Law Act. The judge also directed the case file to be taken to Chief Justice David Maraga so he can set up a panel of an uneven number of judges to hear the petition.

The Dock Workers Union and Muslims for Human Rights (MUHURI), which had filed the petition alongside the Taireni Association of Mijikenda, were withdrawn from the proceedings following their respective applications. But the court noted that the Taireni Association of Mijikenda, the second petitioner, still remains in the case. MUHURI has since filed a similar petition separately.

The petitioner is seeking a declaration that the MoU between the government and MSC is illegal and unconstitutional. They argue that the purported privatization of the operation and management of part of the Mombasa port (Container Terminal Two) to a private entity is contrary to the principles of sovereignty as the port is a national asset. They argue that the MoU for the transfer of part of the terminal to a private entity is not viable and the implementation will be detrimental to Kenyans.

"The MoU is shrouded in mystery and the government has failed to carry out consultative meetings with members of the public," part of the petition reads.

[AllAfrica]

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**Terminal operators U.S.: APM Terminals and ILWU strike retraining deal for Pier 400 in Los Angeles**

19/07/2019

By Michael Angell

APM Terminals (APMT) reached a deal with the longshore union at the Port of Los Angeles to retrain dockworkers in repairing the automated cargo-handling equipment they argued would take their jobs.

The deal further paves the way for the Maersk subsidiary to start a project to install electrical charging stations and to make other upgrades at a 100-acre portion of its Pier 400 site. The electrical charging stations and other equipment will support a fleet of up to 130 automated straddle carriers to replace yard hostler jobs.

The International Longshore and Warehouse Union (ILWU) has bitterly opposed the project because of the expected job losses among registered and casual longshore workers. But after the project won a second
Right whales, wrong place: To save whales, Canada sets a maritime speed limit

The first six of the autostrads, which are manufactured by Kalmar in Poland, are expected to arrive at the terminal in a week or two. The cranes also are equipped with diesel engines, though eventually APMT said it plans to completely electrify the terminal in order to help meet the goals of the port’s Clean Air Action Plan.

APMT said the agreement “is critical to the continued success of the Port of Los Angeles [and] that the ILWU is trained for the jobs of the future.” An APMT spokesman said the company has not yet determined how many workers will be employed at Pier 400 compared to today, but said registered longshoremen do have a guaranteed income and pension even if they are unable to find work at the port.

The Pacific Maritime Association, which negotiates contracts on behalf of employers with the ILWU, said the “tentative agreement will help longshore workers prepare for the port jobs of the future. It is a comprehensive, fully paid training program to re-skill and up-skill longshore workers to equip them for the next generation of work on the waterfront.”

[American Shipper]

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**Marine pollution Canada: Court sentences U.S. company Kirby to $2.2 million fine for oil spill**

18/07/2019

By Mike Schuler

A Canadian court has sentenced Houston-based Kirby Corporation to pay a $2.2 million fine after the company pleaded guilty to charges related to the 2016 grounding of the American tug Nathan E. Stewart near Bella Bella in British Columbia, Canada.

Approximately 110,000 liters of diesel fuel was released into the environment after the Nathan E. Stewart, while pushing a petroleum barge, ran aground approximately 10 nautical miles west of Bella Bella early on 13 October 2016, as the articulated tank barge was on a voyage from Ketchikan, Alaska to Vancouver, British Columbia, with 7 crew members.

A Transportation Safety Board of Canada investigation into the accident pointed to crew fatigue, revealing that the second mate, who was alone on the bridge at the time of the accident, had fallen asleep after working a 6-on/6-off shift schedule for at least two days leading up to the incident.

Kirby this week pled guilty to three counts of violating the Fisheries Act, the Migratory Birds Act and the Pilotage Act, and was sentenced to the CAD$2.9 million fine. The company still faces a civil suit by the Heiltsuk Nation for environmental assessment and remediation costs, as well as communal harvest and cultural damages associated with the oil spill.

“Kirby Corporation is a multi-billion-dollar American company, and yet it is Heiltsuk that has been on the hook for environmental assessment and remediation costs, while attempting to obtain compensation,” said Marilyn Slett, Chief Councillor of the Heiltsuk Nation.

“This is a stark reminder for all coastal communities that Canada does not have world-class oil spill response, or an adequate compensation system for the victims of oil spills.”

[gCaptain]
Ships and fishing lines are killing an endangered species.

When 12 North Atlantic right whales died in the Gulf of St Lawrence in the spring and early summer of 2017, Canada imposed speed limits on large ships in the area and told snow-crab fishermen to move. In the following year the government worked with researchers, fishermen and the shipping industry to refine the restrictions. No whales died in the gulf in 2018. “We kept wondering if what we had done was good, or were we lucky?” says Moira Brown, a scientist at the Canadian Whale Institute, a research body.

Apparently, it was luck. Six right whales died in the gulf in June this year after colliding with ships or getting entangled in fishing lines. Three others were spotted near Miscou Island trailing ropes, which attach crab and lobster traps on the seabed to buoys. Just 400 North Atlantic right whales, which can grow to 18 metres (60 feet) in length, remain alive. The steps Canada is taking to save them from extinction are expensive for industry.

On July 8th Canada responded to the latest deaths by expanding the zone in which ships must observe a ten-knot speed limit, reducing to 13 metres from 20 the length of ships that must comply, increasing aerial surveillance of whales and extending the period during which a fishing area must close after a whale is sighted. The measures will reduce risk for whales but will not eliminate it, says Jonathan Wilkinson, Canada’s fisheries minister.

The whales, which migrate annually north from the coast of Florida, have been “showing up in areas where we did not anticipate they would be”, says Mr Wilkinson. Because of climate change the Gulf of Maine, where the whales used to stay, is warming faster than almost all other ocean regions. That has pushed northward their favourite food, copepods, a kind of small crustacean.

The Canadian waters into which the whales are now venturing hold some 400,000 fishing lines.

That is in addition to the 600,000 the animals navigate already. An analysis of 30 years of data showed that every year a quarter of right whales, which can live to be 100, are wounded by fishing gear. There is “no place within the fished area along the east coast of North America for which entanglement risk is zero”,
concluded a report in 2018 by the National Oceanic and Atmospheric Administration (NOAA), an American government agency.

Some solutions cause problems. In 2015 the NOAA told American fishermen to put more traps on each fishing line to reduce the number of lines in the water. That required stronger rope, which made it harder for whales to free themselves. Some ships are thought to speed up before entering a speed-limit zone, raising the risk of killing a whale. In American waters, the speed limits near whale sightings are voluntary.

The whale-protection measures have reduced fishermen’s catch. The speed limit on large boats can lengthen by eight hours the time it takes to get from Cabot strait to Montreal. Cruise ships have had to cancel stops. Owners of container ships may need to add more vessels to meet delivery schedules. Despite the extra costs, captains have mostly obeyed the rule. According to the Canadian transport department, only 111 of the 1,472 ships that sailed through restricted zones between April 28th and June 27th broke the speed limit.

The government hopes that eventually new devices, like ropeless fishing gear, will save some whales. It is giving more money to organisations like Campobello Whale Rescue, a group of scientists, researchers and fishermen on Campobello Island in New Brunswick. They set forth in inflatable speedboats to free whales from fishing lines. It is dangerous work. In 2017 a whale struck one of its rescuers with its tail, killing him. On July 8th this year another team sped out from Campobello to free the whales off Miscou island. By July 15th they had disentangled two of them partially. The whales swam off trailing ropes.

[The Economist]

**Gas exploration: Five countries in the eastern Mediterranean are shaking up Europe’s energy map**

18/07/2019

By Khaled Kesseba and Konstantinos Lagos

Discoveries of natural gas reserves in the Mediterranean Sea around Egypt, Cyprus, Israel and Greece are shaking up Europe’s energy politics.

Traditionally, Russia has been Europe’s main supplier of gas, giving it significant influence over Europe. But this influence is under threat from various gas discoveries in the eastern Mediterranean and a tussle is taking place to control the region’s resources. Here are the key players:

1. **Egypt**

   Egypt was an importer of natural gas as recently as 2016. But a massive discovery of gas in 2015, in the Zohr field off Egypt’s coast by Italian energy firm Eni, could make Egypt the region’s most important gas exporter and hub. Zohr is the Mediterranean’s largest gas field and has since been developed, with production starting in January 2018.

   At the same time, the Egyptian government is planning on launching 11 new gas projects and positioning itself as a regional hub for international gas trading and distribution. Meanwhile, the Egyptian army has upgraded its arsenal and training programme. Its all part of the government’s plan to regain its strategic regional role that was lost due to the Arab Spring and the political crises that followed.

2. **Cyprus and Greece**

   Cyprus has been a bright spot for exploration, with a string of giant gas discoveries in recent years. These include ExxonMobil’s Glaucus in 2019 and Eni’s Calypso fields in 2018. There’s also the more developed
Aphrodite plot, which was discovered in 2011 and is projected to have a net revenue of US$9.5 billion over 18 years from selling gas through Egypt’s Idku terminal.

But Cyprus is a divided state. The Greek side, the Republic of Cyprus, is the only side that is internationally recognised and, as a result, has sovereignty over the island’s territorial waters and exclusive economic zone, which is the neighbouring sea area that a country has rights to.

The northern, Turkish side, however, lays claim to gas in these waters and is getting support from the Turkish government in its efforts.

3. Turkey

There have been no big gas discoveries made in Turkey’s part of the eastern Mediterranean but it has sent ships into the coastal waters of Cyprus to drill for gas. Turkey says it will continue drilling for gas in these waters if the internationally recognised Greek Cypriot government does not accept a cooperation proposal put forward by Turkish Cypriots.

In response, Cyprus and Greece issued an arrest warrant for any Turkish drill ships obstructing their gas operations, and the two countries have called on the EU to punish Turkey for its actions.

Turkey’s brinkmanship must be understood in the context of attempts by Egypt, Greece, Cyprus and Israel to create a regional energy architecture that will exclude Turkey from the eastern Mediterranean natural gas market. Agreements between Egypt and Cyprus would lead to the sale of gas from the eastern Mediterranean to Europe, bypassing Turkey and Russia’s pipelines.

4. Israel

Israel is adding further weight to Egypt’s potential as Europe’s new gas hub. The discovery and development of gas fields off the coast of Israel in the last 20 years has resulted in an abundance of gas, which the country is trying to use to its geopolitical advantage. Israel has also built a strong relationship with Greece and Cyprus. The three countries conduct joint military exercises and coordinate on security operations in the eastern Mediterranean.

They are also now collaborating to build a US$7 billion gas pipeline from Israeli and Cypriot gas fields through the Greek island of Crete and into Italy, in order to feed other European countries. This plan will become even more profitable if more natural gas reserves are discovered through the ongoing gas exploration activities around Crete.

Gas has also opened the door to talks with Lebanon, a country Israel has historically been at loggerheads with. Officials from both sides have agreed to discuss their sea border in talks mediated by the US. Newly discovered Mediterranean gas fields can only be safely developed when there is no threat of war between the two sides.

So, clearly, Israel’s offshore gas reserves are highly valuable to its economic and strategic concerns in the region. It has gone to great lengths to ensure its existing gas fields are secure as a result, and has also made agreements with Egypt and Jordan to sell surplus gas.

Russian fears

These developments are clearly worrying Russia. Russia, mainly through its oil and gas giant Gazprom, provides 37% of Europe’s gas supplies and Europe’s energy dependence has paid off for Russia.

The very real risk of losing this influence could result in military conflict. Turkey recently completed the purchase of a Russian anti-aircraft system. This will create a significant power imbalance in the region and give Ankara an advantage in controlling the airspace, especially in disputed areas.

Greece fears that Turkey may deploy the system along its southern coast, near places where Turkish naval forces already escort vessels to explore gas deposits in the eastern Mediterranean. As a result, the Greek armed forces are on high alert. Greece, along with the Egypt-Cyprus-Israel bloc seem to have US and EU
backing, with Turkey being warned not to complete its purchase of the S-400 system.

Whatever happens, it looks like Europe’s energy map could look very different in a few years.

[The Conversation]

Container shipping: World Container Index - 18 Jul 2019

18/07/2019

The World Container Index assessed by Drewry, a composite of container freight rates on 8 major routes to/from the US, Europe and Asia is up 4.9% to $1,373.28 per 40ft container.

Two-year spot freight rate trend for the World Container Index:

Our detailed assessment for Thursday, 18 Jul 2019

• The composite index increased 4.9% this week but, 7.6% down as compared with same period of 2018.

• The average composite index of the WCI, assessed by Drewry for year-to-date, is US $1,453 per 40ft container, which is $7 higher than the five-year average of $1,446 per 40ft container.

• Drewry’s composite World Container Index (WCI) increased 4.9% to $1373.28 for a 40ft container. Freight rates from Shanghai-New York elevated 6% or $167 to touch $2823 per 40ft container. Similarly, rates on Shanghai-Rotterdam climbed $99 and stood at $1399 per 40ft box. Rates on Shanghai-Genoa gained $77 to reach $1368 per feu. However, freight rates from New York-Rotterdam weakened $17 to $519 per 40ft box. Drewry expects rates to remain stable next week.

Our latest freight rate assessments on eight major East-West trades:

Spot freight rates by route - assessed by Drewry
Una nueva publicación del Banco Interamericano de Desarrollo (BID) realiza un análisis regional sobre tres determinantes claves de la competitividad portuaria: (1) las reformas y regulaciones portuarias; (2) gobernanza; y (3) el entorno competitivo de los puertos de la región.

Para tal efecto, se revisa detalladamente el sector portuario de los siguientes países: Argentina, Brasil, Colombia, Chile, Ecuador, Jamaica, México, Panamá, Perú, Uruguay y Venezuela. Estos países, en su conjunto, han sido responsables de más del 80 % del tráfico de contenedores en América Latina y el Caribe en los últimos años.

El documento Competitividad portuaria en América Latina y el Caribe: Un análisis de la regulación, gobernanza, y competencia en el sector portuario de la región, tras revisitar las diferentes reformas portuarias ocurridas en las últimas décadas en los mencionados países, discute la actual situación de la gobernanza portuaria, conjuntamente con los retos pendientes en la región; para luego detallar el entorno competitivo de los puertos, analizando tanto políticas ex ante como políticas ex post, implementadas en la América Latina y el Caribe.

Según los investigadores, las reformas portuarias emprendidas por los países a partir de 1960 comenzaron a generar cambios legales, fundamentalmente, para garantizar el acceso del sector privado a la operación portuaria.

En el análisis se expresa que estos cambios legales no se dieron de la misma forma en todos los países. Por ejemplo, Ecuador, Jamaica y Panamá no hicieron reformas legislativas, pero sí emitieron decretos o leyes ad hoc.

Al mismo tiempo, pese a la existencia de estas mudanzas legales, los especialistas observaron que las reformas a los sistemas portuarios no se aplicaron del todo. “De ahí que queden acciones pendientes que podrían mejorar la operación y desarrollo de los puertos de propiedad estatal a través de participación del sector privado, dentro de un marco apropiado”.

“Países como Argentina, Chile, Ecuador, México y Perú, tienen puertos que aún no incorporan al sector privado, administrados de acuerdo con los modelos de servicios. Por tanto, aún se pueden tomar medidas en relación con lo que fue prometido en las últimas reformas”, añadieron los especialistas.

“Adicionalmente, la cambiante naturaleza de los puertos obliga al sector a emprender nuevas reformas para cubrir futuras demandas. Incipientes retos que no fueron previstos por reformas anteriores pueden poner en tela de juicio la
idoneidad de los marcos actuales institucionales y de gobernanza. Esta misma naturaleza cambiante de los puertos fuerza al sector a estar constantemente actualizado”, agregaron referenciaclando al investigador del International Transport Forum de la OCDE, Olaf Merk.

Los investigadores del BID, además, han detectado que la relación ciudad puerto se ha visto empañada por la obsolescencia de la legislación actual.

“Muchas leyes y políticas que rigen a los puertos, y a las comunidades a su alrededor, se han vuelto obsoletas y se alinean pobremente con los nuevos patrones de comercio global. Los marcos legales actuales a menudo son insuficientes para permitir a los puertos adaptarse a las nuevas realidades. El sector portuario necesita actualizarse continuamente para seguir el ritmo de los siempre cambiantes mercados y tecnologías. Así, los marcos legislativos flexibles se vuelven cruciales, a fin de no convertirse en obstáculos para el desarrollo”, indicaron.

De la misma manera, las políticas vigentes estarían generando - de acuerdo a la investigación - nudos críticos en la cadena logística.

“Los puertos se están convirtiendo en el principal nodo de los sistemas de transporte de mercancías. Sin embargo, la mayoría de los países latinoamericanos aún aplican políticas portuarias específicas que quizás no faciliten el apropiado funcionamiento de las cadenas de valor. La región debe usar soluciones ‘suavés’ para obtener el máximo provecho de la infraestructura actual y así mejorar su competitividad”, resaltaron.

[BID / Portalportuario]

**Suez Canal: Egyptian government announces shipping incentives**

18/07/2019

The Egyptian government has announced a new package of incentives and discounts for shipping companies in a bid to ensure the sustainability of shipping lines’ schedules.

Vessels calling at Egyptian ports and transiting Suez Canal can now expect savings reaching up to 45% on the fees of navigational aids and lighthouses. The new incentives also include the reduction of formalities and paper works in order to facilitate the procedures of transshipment containers and bunkering.

The package will also prevent the duplication between any kind of fees concerning transit toll and any other port dues. The government said it expects this initiative to have a positive impact on the number of vessels calling at Egyptian ports and transiting Suez Canal.

Coinciding with the announcement on new incentives, Mohab Mamish, the chairman of the Suez Canal Economic Zone (SCZone) development project, said Egypt aimed to increase investments in the project to USD 55 billion in 15 years. The value of the projects currently under construction is close to USD 20 billion, Mamish added.

[World Maritime News]

**Terminal operators Australia: DP World is laying off 200 workers amid stalled union negotiations**

18/07/2019

By Sam Chambers

 Strikes across DP World facilities in Australia resurfaced today as the terminal operator announced more
Terminal operators Brazil: ICTSI unit to take over Libra container terminal in Rio de Janeiro

18/07/2019
By Denise A. Valdez
A wholly owned subsidiary of International Container Terminal Services, Inc. (ICTSI) is poised to take over the operations and management of Terminal de Containeres 1 (T1Rio) in Rio de Janeiro, Brazil.

In a disclosure to the stock exchange on Thursday, the Manila-based global port operator said its subsidiary ICTSI Americas B.V. won the bid to acquire 100% of the shares of Libra Terminal Rio S.A. (Libra Rio) from Boreal Empreendimentos e Participacoes SA. “The parties will work to sign a share purchase agreement in due course,” ICTSI said.

Libra Rio holds the concession rights for the operations, management and development of the T1Rio until 2048. The concession started in 1998, and was extended in 2011.

“ICTSI will assume the operational, development and other responsibilities under the current concession contract. The transfer of the facilities to ICTSI management is expected to take place after all conditions precedent and required regulatory approvals have been obtained,” the company said.

T1Rio recorded a throughput of approximately 135,000 TEU last year, out of its capacity of 530,000 TEU. The terminal has a total land area of 18.8 hectares, quay wall of 715 meters and a design water depth of 16 meters, making it capable of receiving large container vessels. The facility is also equipped with five ship-to-shore gantry cranes and more than 16 rubber- tired gantry cranes.

This will be ICTSI’s second terminal in Brazil, where it also operates the Suape Container Terminal. In Latin America the company also operates terminals in Port of Guayaquil in Ecuador, Port of La Plata in Buenos Aires, Argentina; Port of Manzanillo and Port of Tuxpan in Mexico; Port of Buenaventura in Colombia; and Puerto Cortes in Honduras.

[BusinessWorld Online]
18/07/2019

After eight years of planning and preparation, and two false starts, China Harbour Engineering has begun work on a $490m project to build a deep-water container terminal at Timor–Leste.

The development work is being carried out by a consortium led by French group Bolloré Transport & Logistics on a public–private partnership basis. Bolloré won the 30-year concession to design, build and operate the terminal in 2016. The project had previously declared to be live in June 2017 and August 2018, however issues with funding and subcontracting delayed progress both times.

The terminal is being built in Tibar Bay, about 10km west of the capital of Dili. It will have a 630m berth, a 27ha container terminal and 11.6ha of offices and workshops. It will be able to accommodate ships with a draft of 15m. The initial construction phase of the project is valued at $280m, with the Timorese government financing $130m and the private partner the remaining $150m. In the second phase, when the port is operating, Bolloré plans to invest about $210m in expansions.

In October this year the World Bank’s International Finance Corporation issued a press release trumpeting its role in a deal between the state of Timor–Leste and French transport giant Bolloré to build a new port. The project’s supporters claim that the new port in Tibar Bay, just outside Dili, will eliminate a major economic bottleneck caused by congestion at the existing port, and stimulate trade and investment. The project’s detractors — most notably local NGO La’o Hamutuk — argue that it could be a costly white elephant with little economic justification and long-term social repercussions.

Timor-Leste has a minimal private sector and there has been scant investment in its non-oil economy, so close to 95 per cent of containers currently leave the country empty. It is therefore difficult to see how this huge project will live up to expectations.

It is not just the questionable economic value of the project that raises eyebrows. In April this year the founder of Bolloré, Vicente Bolloré, was formally charged with corruption for allegedly providing cut-rate public-relations services for election campaigns in Guinea and Togo in return for port concessions. As a number of reports have noted, Bolloré is viewed as one of the last vestiges of Françafrique, the postcolonial informal business nexus between the leaders — including dictators — of Francophone African nations, French multinationals and French political parties. As is often
Terminal operators China: Yangzijiang buys Odfjell terminal stake for $46 million

17/07/2019

By Lee Hong Liang

Chinese shipbuilder Yangzijiang Shipbuilding has diversified into terminal ownership after it acquired a 55% equity interest in Odfjell Terminals (Jiangyin) Company for approximately $46.23m.

The asset offload by Norwegian firm Odfjell is due to its venture partner Lindsay Goldberg’s decision to dispose of its interest in Odfjell’s Asian terminals. Odfjell said it decided to “tag along” on Lindsay Goldberg’s sale of its indirect shareholding in the China terminal. Odfjell said it expects to make a net proceed of around $21m from the asset sale.

Odfjell Terminals (Jiangyin) Company owns and operates a tank terminal which handles various types of petrochemical products and provides terminal services for petrochemical distribution in the upstream Yangtze River region.

While Yangzijiang did not specify the reason for venturing into onshore terminals, its executive chairman Ren Yuanlin is known for steering his company in different directions depending on current and his projections of future market conditions.

Yangzijiang, which maintains its core business in building dry bulk vessels and containerships, has ventured into investment holdings, vessel leasing, micro-financing, rig building and even mining.

Odfjell, meanwhile, has been offloading its stake in terminals in Oman, Singapore and Rotterdam over the past three years. Following the latest deal, Odfjell continues to operate terminals in Antwerp in Belgium, Charleston and Houston in the US, Ulsan in South Korea, and Dalian and Tianjin in China.

Belt and Road Initiative: China has built a railroad to nowhere in Kenya

17/07/2019

By David Herbling and Dandan Li

Gleaming concrete sleepers run across a new railway bridge in Kenya, the latest stretch of a Chinese-built line from the coast all the way to Uganda.

Only, it doesn’t quite reach the border. Instead, the railroad ends abruptly by a sleepy village about 75 miles west of the Kenyan capital, Nairobi, the tracks laid but unused.
Construction of what was intended to be a flagship infrastructure project for Eastern Africa was halted earlier this year after China withheld some $4.9 billion in funding needed to allow the line’s completion. Beijing’s sudden financial reticence appeared to catch the governments of Kenya and Uganda off guard: Both may now be forced to reinstate a colonial-era line in a bid to patch the link and boost regional trade.

The reason for China’s attack of cold feet may lie in the project’s high profile. Chinese state media repeatedly used the Mombasa-Nairobi Standard Gauge Railway (SGR) project as a showcase for President Xi Jinping’s Belt and Road Initiative. But with concerns rising globally that Belt and Road was loading poorer nations with unsustainable debt, Xi signaled in April that Beijing would exert more control over projects and tighten oversight.

That extra rigor is beginning to be felt worldwide. A planned light-railway system that was the most high-profile belt and road project in Kazakhstan is on hold after the collapse of a local bank that handled Chinese funds. In Zimbabwe, a giant solar project hit a funding shortfall after the Export Import Bank of China backed out of providing financing due to the Zimbabwean government’s legacy debts, RWR Belt and Road Monitor reported this month. Kenya’s line may be next.

The Chinese “are adopting a more cautious approach to their debt exposure in Africa,” said Piers Dawson, a consultant at London-based investment consultancy Africa Matters Ltd. He cites “increased noise around its sustainability and potential default.”

China is now the single largest financier for infrastructure in Africa, funding one-in-five projects and constructing every third one, according to a Deloitte report. With infrastructure needs that the African Development Bank estimates at $130 billion to $170 billion yearly, governments are only too willing to take out Chinese loans to plug the funding gap.

The downside is that Kenya was one of three African countries identified in a March 2018 report by the Washington-based Center for Global Development as at risk of debt distress as a result of its Belt and Road participation. The others were Egypt and Ethiopia.

“China has its own issues it’s dealing with, including perceptions that it is ‘trapping’ many of its Belt and Road partners by drowning them in debt,” said Jacques Nel, an economist at NKC African Economics. China’s government has “put the brakes on its external expansion plans, or has at least become more

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**Kenya's regional railway network plans**

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**Kenya's regional railway network plans**
focused on the viability of projects due to its own corporate debt concerns,” he said.
The first half of the Kenya-Uganda railway, a 470-kilometer (290-mile) stretch between the port city of Mombasa and Nairobi, is operational but not yet making money. Beijing balked at funding the extension to Uganda amid concerns it may be a step too far beyond viability.

Kenya and landlocked Uganda had coordinated their plans for the new railway to reduce transport costs and the time it takes to move goods from the coast across each country and further into the eastern and central Africa hinterland. Yet with the realization that China may not release more funds, Kenyan President Uhuru Kenyatta has given the go ahead to link the line to a narrower-gauge railway that’s over 90 years old. Uganda, which had banked on Chinese funding too, has decided to refurbish the colonial-era line on its side of the border.

But that still means shouldering more debt at a time when the International Monetary Fund is urging spending restraint. China is already Kenya’s biggest external creditor, with some 22% of the country’s external debt as of December, according to Treasury data.

The situation doesn’t bode well for Kenyatta’s legacy, which he was building around the railroad as the nation’s single-biggest investment since Kenya attained self-rule over five decades ago. Knowing that alternative—and probably more expensive—debt could further widen Kenya’s deficit, Kenyatta is courting private investors to build the link between the new and old railroads. Uganda will meanwhile include the $205 million needed to rehabilitate its old tracks in the budget, but hasn’t said how it plans to raise the funds.

Back in 2013, when Kenyatta asked Beijing to fund the railway, a condition was that China supply the constructors. Export-Import Bank of China financed the $3.6 billion line to Nairobi, China Road and Bridge Corp. built it, and China Communications Construction Co. was picked as the operator. Revenue from the railway is supposed to repay the loan, but critics say the cost was too high and it won’t turn a profit for a long time.

They point to southern neighbor Tanzania, which in 2016 canceled $7.6 billion in Chinese funding for a 2,200-kilometer railway and contracted Yapi Merkezi Insaat Ve Sanayi of Turkey and Portugal’s Engenharia and Construcao Africa to build a shorter line at roughly half the cost per kilometer.

Beijing’s tighter scrutiny of Belt and Road projects comes as China shifts the program away from low-cost loans onto a more commercial basis involving its private sector. Clearer rules for state-owned enterprises and building overseas auditing and anti-corruption mechanisms were among other steps floated by officials at the time of the Belt and Road Forum in April.

China supports the Kenya railway project but requires a reasonable and sustainable financing plan, according to a person involved with the project. Because China now requires high-quality projects and a more thorough feasibility study, the process of approving loans has slowed in general, but it doesn’t mean the project is terminated, said the person, who asked not to be named as they are not authorized to speak publicly. Related parties in the Chinese government and banks are still deliberating financing options, the person said.

China’s Ambassador to Kenya, Wu Peng, was asked in May by local newspaper the Daily Nation about expectations President Kenyatta’s visit to China that month would secure funding for the missing section of the railway, to Kisumu by Lake Victoria.

“I really don’t know where those expectations came from,” Wu was cited as saying.

[Bloomberg]
Since the start in early 2018, more than 100,000 containers have been transported via the Intercity Barge shuttle service in Rotterdam.

With the Intercity Barge, customers can pick up and deliver their containers at the location of their choice and are assured of timely delivery. The shuttle service connects the terminals of Hutchison Ports ECT Rotterdam on the Maasvlakte with the terminals and depots in the Waal- and Eemhaven area, the Botlek area, the Merwedehaven, Ridderkerk and Alblasserdam. By bundling containers at these terminals and depots, it is possible to sail to and from the Maasvlakte with larger call-sizes. The Intercity Barge makes use of fixed windows at the ECT terminals and can therefore offer sustainable and efficient, but above all reliable, transport. Intercity Barge is a joint corridor initiative of Danser Group and European Gateway Services (EGS).

The Port of Rotterdam Authority welcomes freight bundling initiatives by market parties. Bundling of cargo, fixed visit agreements with larger cargo volumes and fixed point-to-point connections between inland terminals and deepsea terminals lead to a more reliable inland shipping product thanks to less delays in handling at the terminals. This improves the accessibility of the port of Rotterdam.

[Port of Rotterdam]

Container shipping: Overcapacity still putting pressure on rates

17/07/2019

By James Baker

Overcapacity continues to stalk the container shipping segment despite a slowdown in orders and deliveries in the past year, with surplus tonnage having a related impact on freight rates. While rates in the first half of 2019 were better than in the year-earlier period, the momentum had since turned negative, with average spot rates now 16% down from January, Alphaliner said in its mid-year review of the box market. “The capacity pressure is most apparent on the Asia-Europe routes, where freight rates have fallen by over 30% from their peaks early this year as carriers are struggling to rein in the capacity increase, which is 6% higher compared with a year ago,” Alpaliner said. “Carriers are trying to mitigate the capacity increase through a series of blank sailings in July and August, but these moves have so far failed to reverse the rate
UNCTAD publishes 2019 liner shipping connectivity index

No new services have been added on the transpacific trade so far this year and the spot freight rate decline was largely contained to just 10% to the US east coast and 20% to the US west coast, according to Alphaliner. Nevertheless, extra loaders were being deployed onto the Pacific as the peak season begins, and new strings from the 2M alliance and Zim could add pressure here too.

Alphaliner data showed the containership fleet grew by 3.7% in the year to July 1. “While the rate of fleet capacity growth has decreased from 6.6% in July last year to 3.7% today, slowing demand growth has weighed heavily on the market’s overall performance,” it said. This has shown through in what Alphaliner describes as a “two-tier” market for chartering, where vessels over 6,000 teu have commanded increasing rates but smaller ships have lost ground.

“The looming IMO 2020 sulphur rule deadline has spurred demand for larger ships to fill sailing gaps caused by tonnage removed from the market to undergo scrubber retrofits,” Alphaliner said. It noted that 12 ships over 7,000 teu were undergoing scrubber refits. “This trend is expected to continue for the remainder of the year and a busy scrubber retrofit schedule will continue to bolster demand for ships of 5,000 teu and above,” Alphaliner said. “Any impact from vessel downtime related to scrubbers will however be more limited for the smaller sizes.”

Carriers such as Mediterranean Shipping Co, CMA CGM and Evergreen, which have orders in delivery for ships between 11,000 teu and 23,000 teu, would use newbuildings to cover for scrubber refits, but these will ultimately add to the overcapacity issue, particularly those that can only be utilised on the Asia-Europe trades.

[17/07/2019]

The 2019 shipping connectivity index has expanded country coverage and added a new component on countries that can be reached without transshipment.

UNCTAD’s liner shipping connectivity index (LSCI) for 2019 is out, showing countries that have improved or worsened their positions in maritime transport networks. China has retained its lead as the country best connected to others by sea, the index shows. The country’s LSCI has increased by 51% since 2006.

“A country’s position in the global container shipping network – its connectivity – is an important determinant of its trade costs and competitiveness,” said UNCTAD’s chief of trade logistics, Jan Hoffmann.

Five of the top 10 best connected economies in 2019 are in Asia, with Singapore, Korea, Hong Kong (China), and Malaysia rounding out the top-five list, each with a score of more than 100, according to the index’s metrics.

At the other end of the table, small islands developing states (SIDS) have hardly seen any improvement, meaning trade in shipped goods remains problematic in those countries, with knock-on economic effects. “We observe a ‘connectivity divide’ – a growing difference – between the best and worst connected countries,” Mr. Hoffmann said.
The LSCI covers 178 countries and shows maritime connectivity trends from 2006 to 2019. It is calculated from data on the world’s container ship deployment and released annually. This year UNCTAD has expanded the time series in collaboration with MDS Transmodal to cover more countries, including several SIDS.

**Liner shipping connectivity: Top 10 countries [2006-2019]**

![Graph showing liner shipping connectivity over 2006-2019](source: UNCTAD, based on data provided by MDS Transmodal)

**Countries with the highest LSCI increases over the last 10 years**

![Bar chart showing highest LSCI increases 2009-2019](source: UNCTAD, based on data provided by MDS Transmodal)

**New component**

The 2019 index also includes a new component covering countries that can be reached without the need for
transhipment. “Counting on a direct regular shipping connection has empirically been shown to help reduce trade costs and increase trade volumes,” Mr. Hoffmann said. Research shows that the absence of a direct connection is associated with a 42% lower value of bilateral exports.

The other five components of the index remain unchanged – the number of companies that provide shipping services, the number of services, the number of ships that call per month, the total deployed container-carrying capacity, and the size of the largest vessel.

On 10 August, UNCTAD will release a new port liner shipping connectivity index for more than 900 ports, as well as new statistics regarding port calls and time spent in ports.

[UNCTAD]

**Container shipping: Alphaliner detects two-tier market**

17/07/2019

By Sam Chambers

In its half-year review of the container shipping market, analysts at Alphaliner say they have detected the advent of a two-tier market, split between healthier big boxships and struggling smaller vessels.

The cellular containership fleet reached 22.7m teu as at July 1 2019, for a year-on-year growth of 3.7%.

Slowing demand growth has weighed heavily on the market’s overall performance, Alphaliner in its mid-year report. Alphaliner’s charter rate index is down 14% year-on-year. “In this context, a two-tier market has gradually emerged since the start of 2019, where larger ships – above 6,000 teu – commanded steadily rising rates, while the smaller vessel sizes have lost ground,” Alphaliner stated in its most recent report.

The looming IMO 2020 sulphur rule deadline has spurred demand for larger ships to fill sailing gaps caused by tonnage removed from the market to undergo scrubber retrofits, Alphaliner pointed out.

[Splash]

**Fleet development: Global decarbonisation agenda could see huge swathe of merchant fleet become stranded assets**

17/07/2019

By Sam Chambers

Tanker owners have been given a stark warning today that potential radical global decarbonisation agendas could see tanker demand fall by slightly more than a third through to 2050 with many ships in the merchant fleet becoming stranded assets.

Moreover, the report from Maritime Strategies International (MSI) has some alarming predictions for dry bulk owners, based on likely drops in coal demand. The value of the world’s dry bulk ships could more than halve from $195bn in 2018 to $90bn by 2030.

The report entitled The implications of radical decarbonisation for the shipping industry was prepared on behalf of the European Climate Foundation and looks at how shipping will change if the goals of the Paris
Agreement are met. The analysis projects two demand frameworks – ‘Reduction’ and ‘Reference’ – designed to provide broad narrative and structure to long-term global energy demand.

Global energy consumption in the Reduction scenario is largely based on projections made for pathways consistent with limiting warming to 1.5°C above preindustrial levels, as described in the IPCC SR1.5 report. The Reference scenario is designed to provide a comparison to Reduction. Although it describes a more limited change in the global energy consumption profile, Reference still incorporates substantial restraints on future energy consumption.

The more extreme Reduction scenario is the focus of the report, under which fossil fuel demand sees radical decline over the next three decades. By 2050 world coal consumption falls by 80%, oil consumption halves, and gas demand drops by about a quarter.

Whilst some sectors of the shipping industry, such as containerships, would be virtually unscathed, those for which hydrocarbons comprise a significant proportion of – or all – the cargo mix would undergo decades of falling demand. The results, detailed in the report, would be multi-decade declines in fleet capacity, earnings and asset prices across the affected sectors. Shipowners would be forced to slash new ordering and scrap uneconomic vessels.

Overall, MSI’s models suggest that under the Reduction scenario, tanker demand would fall by slightly more than a third. Bulk carriers would also see demand from coal transportation fall by around half, but overall demand for bulkers would fall by 14% from 2020 to 2035 before returning to modest growth in the latter part of the forecast as the expansion of grain and minor bulks trade offset shrinking coal cargoes.

Earnings for a capesize bulker would spend the 2030s averaging roughly half of their long-term median earnings, whilst for a VLCC earnings would underperform their long-term median by around a third, the MSI report posits.

In a section subtitled Carbon Carrier Crisis?, analysts at MSI predict that under the Reduction scenario, the tanker fleet would fall by around a third over the two decades after 2030, whilst the dry bulk fleet would shrink for nineteen out of twenty years from 2025, shedding 14% of capacity relative to its 2024 peak.

Asset prices would also be hammered, with a benchmark five-year-old capesize bulker losing 40% of its 2018 value by 2030 under the Reduction scenario, whilst a VLCC would slide by 29% over the same period with the lower decline due to the weak tanker market in 2018 rather than any real resilience.

―[D]iscussion of these potentially disastrous demand-side dynamics is almost totally absent from the
“The concept of ‘stranded assets’ has gained increased traction in recent years, mostly to refer to reserves of coal, oil and gas that cannot be burned due to tightening emissions regulation and price competition from renewable energy sources. Most analysis of the financial risk of stranded assets has focused on the ‘upstream’ part of the energy sector, or electricity generation, especially coal-fired power stations.

“This report broadens the debate to encompass the fact that coal, oil, and liquified natural gas are all internationally traded commodities, relying on maritime shipping to function. The discourse within the finance community regarding such concepts can now hopefully be extended to shipping departments and the wider shipping industry,” the report concluded.

Commenting on the report, Stephanie Pfeifer, CEO of the Institutional Investors Group on Climate Change (IIGCC) said: “As MSI’s research shows, the maritime sector is heavily exposed to the transformation underway across the global energy sector. Investors will expect companies to do more to pre-empt and address the implications from reduced demand for fossil fuels.”

IIGCC is the largest European investor group on climate change, representing over 170 members with over £19trn in assets collectively under management.

Kingsmill Bond, new energy strategist at Carbon Tracker, commented: “This is an important new angle on one of the areas which is vulnerable to the early stages of the energy transition, and as such, an early warning signal.”

Marie Cabbia Hubatova, research analyst at the Environmental Defense Fund, added: “The shipping industry will itself need to move away from using fossil fuels to move their ships. Luckily the production of alternative fuels from renewable energy around the world can provide fuel for shipping, and development opportunities for any country producing the shipping fuels of the future. Shipping as a guaranteed, predictable source of energy demand can unlock investment into untapped renewable energy resources around the world.”

James Mitchell, a manager at the Rocky Mountain Institute, said the MSI report ought to make investors think twice about spending on shipping.

“With tens of billions of potential stranded capital, investors must seriously engage shipowning companies to stress-test their newbuilding and vessel acquisition plans in line with robust Paris scenarios,” Mitchell said.

The MSI Paris Agreement report follows hot on the heels of 11 banks creating the Poseidon Principles, throwing their weight behind shipping companies that align with the IMO’s 50% greenhouse gas reduction target.

[Splash / MSI]

Illegal waste export: Authorities detect 83 containers of rubbish from the U.S. and Canada in Cambodian port

17/07/2019

By Chris Dupin

Cambodian officials say 83 shipping containers filled with rubbish were shipped to the country from the U.S. and Canada.

The Phnom Penh Post reported Tuesday that officials broke into the containers at Sihanoukville Autonomous Port after they had been sitting at a terminal “for some time.” They were found to be filled mostly with plastic waste. The newspaper said fake import documents reported the containers held
Officials vowed to return the containers to their country of origin, and in a follow-up story the newspaper quoted a Ministry of Environment official as saying the shipments originated in the U.S. and Canada. The shipment weighed some 1,600 tons.

Last month Greenpeace published a report entitled Southeast Asia’s Struggle Against the Plastic Waste Trade, and in the last year many nations in the region, notably Malaysia, the Philippines and Thailand, have been “leading a growing pushback against a deluge of unwanted and toxic shipments of waste from the developed world since China’s decision to ban imports” of many recyclable products. The environmental group said between 2016 and 2018, the 10 countries in the region that are members of the Association of Southeast Asian Nations “saw plastic waste imports grow by a staggering 171%, from 836,529 tonnes to 2,265,962 tonnes. That’s equivalent to around 423,544 20-foot shipping containers.”

Greenpeace added that “making matters worse, much of it is mislabeled as ‘recyclable’ even though the shipments constitute hundreds of thousands of tons of contaminated plastic and other mixed wastes from developed countries that cannot be processed. Some of these imports are illegally shipped into the region, leaving receiving nations with no real capacity to deal with such waste grappling with the magnitude of the mess.”

While applauding a declaration made by the ASEAN nations last month on combating marine debris, Greenpeace has called for an “immediate ban on all imports of plastic waste, even those meant for ‘recycling,’ and ensure all ASEAN countries ratify the Basel Ban Amendment” aimed at stopping the waste trade and adopt a policy to reduce production of single-use plastic packaging.

### Plastic waste import trends [in tons]

<table>
<thead>
<tr>
<th>ASEAN Member States</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>287,673</td>
<td>549,876</td>
<td>872,797</td>
</tr>
<tr>
<td>Thailand</td>
<td>69,487</td>
<td>152,244</td>
<td>481,381</td>
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<tr>
<td>Vietnam</td>
<td>347,840</td>
<td>659,057</td>
<td>492,839</td>
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<td>Indonesia</td>
<td>120,979</td>
<td>128,951</td>
<td>320,452</td>
</tr>
<tr>
<td>Myanmar</td>
<td>688</td>
<td>1,855</td>
<td>71,050</td>
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<tr>
<td>Philippines</td>
<td>4,650</td>
<td>4,267</td>
<td>11,761</td>
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<td>3,354</td>
<td>6,422</td>
<td>9,018</td>
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<tr>
<td>Lao People’s Democratic Republic</td>
<td>1,181</td>
<td>3,008</td>
<td>4,791</td>
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<td>Cambodia</td>
<td>647</td>
<td>1,685</td>
<td>1,688</td>
</tr>
<tr>
<td>Brunei Darussalam</td>
<td>30</td>
<td>116</td>
<td>185</td>
</tr>
<tr>
<td>ASEAN</td>
<td>836,529</td>
<td>1,507,481</td>
<td>2,265,962</td>
</tr>
<tr>
<td>% Global</td>
<td>5.38%</td>
<td>11%</td>
<td>27%</td>
</tr>
<tr>
<td>Global</td>
<td>15,553,548</td>
<td>13,410,919</td>
<td>8,358,867</td>
</tr>
</tbody>
</table>

Source: Greenpeace: Southeast Asia’s Struggle Against the Plastic Waste Trade [Jun 2019]

[American Shipper / Greenpeace]
Sharing data may be a vital element in ending illegal fishing—a crime currently robbing nations of approximately $23 billion annually while also undermining legal fisheries management and industry practices. A perpetrator of human trafficking, smuggling, human rights violations and environmental degradation, illegal, unreported and unregulated (IUU) fishing poses a serious threat to the economies, environment and security of nations. A new white paper, entitled Ending Illegal Fishing: Data Policy and the Port State Measures Agreement, examines how data sharing between countries committed to Sustainable Development Goal 14 (SDG 14), which entails ending IUU fishing by 2020, can be successfully implemented globally.

"The paper is really about creating a pathway to better implement the UN Port State Measures Agreement (PSMA) globally. This work is all about making fisheries more sustainable, marine ecosystems more resilient, and coastal nation economies healthier," said Annie Brett, André Hoffman Fellow at the Stanford Center for Ocean Solutions and World Economic Forum Center for the 4th Industrial Revolution.

Central to accomplishing SDG 14, the agreement aims to eliminate IUU fishing by denying culpable fishing vessels from using ports and landing catches. In turn, the agreement reduces the incentive for IUU vessels to operate and prevents their catches from reaching national and international markets. As of March 2019, 59 port nations support and signed the agreement, however successful implementation also depends on near real-time communication and data sharing.

Source: WEF: Ending Illegal Fishing: Data Policy and the Port State Measures Agreement [Jul 2019]

To inform their report, Brett and her colleagues examined early PSMA success in tuna fisheries of both the Indian Ocean and Northeast Atlantic. The Indian Ocean Tuna Commission and the North East Atlantic Fisheries Commission adopted systems in full compliance with PSMA, providing working examples of overcoming barriers to combat IUU. Using these as case studies, and consulting with fisheries experts, Brett identified three main ingredients necessary to achieving successful PSMA implementation and
moving nations closer to achieving SDG 14: cross-jurisdictional cooperation; data platforms and exchange mechanisms; and resources and funding.

"An essential piece of PSMA efficacy centers around countries sharing their near real-time data with one another, in order to ensure that IUU vessels are first identified and then quickly prevented from offloading their fish in ports," Brett said.

For example, the Regional Fisheries Management Organization or the Asia-Pacific Economic Cooperation represent existing pathways for data exchange. The study also suggests coupling regional cooperation with national action plans to ensure interagency cooperation and communication, as fisheries intersect with many regulatory agencies such as environment, trade, foreign affairs and law enforcement.

Sharing data between regions and nations cannot be accomplished without developed technology platforms supporting the exchange. While similar information is often collected at port inspections, the researchers found that implementing standardized data collection aligned with PSMA requirements could increase efficiency and ensure regulation. The team suggests the first step in achieving this goal lies in mapping current port inspection and data transfer procedures with PSMA requirements. The researchers also note that designing and implementing data collection requires funding, which may be challenging particularly in developing countries. However, regional coordination of resources may be critical in ensuring investments are effective.

Taking these three components into account, the study suggests a path toward coordinated implementation of PSMA, especially with a focus on effective fisheries data sharing, to provide a critical step toward ending IUU by 2020.

This white paper is part of the World Economic Forum’s Fourth Industrial Revolution (4IR) for the Earth portfolio at the Centre for the Fourth Industrial Revolution, in collaboration with the Forum’s Friends of Ocean Action initiative. The 4IR for the Earth portfolio aims to realize the benefits of technology for the environment and society, while minimizing harm.

[Stanford Center for Ocean Solutions]

Deep sea mining proponents such as the International Seabed Authority (ISA) claim that economic prosperity can only be secured if the global supply of metals doubles by the middle of this century.

Yet UNEP’s International Resource Panel (IRP) brings a different perspective on the future needs for metals and calls for a new global governance mechanism to oversee the sustainable use and supply of mineral resources. Seas At Risk calls on ISA member countries to rethink their support for deep sea mining in light of the UNEP-IRP’s findings and recommendations.

IRP’s proposed sustainability policies would reduce the extraction of metals by almost 50% by 2060, compared to a business-as-usual scenario. There is no need for deep sea mining in such a scenario.

The IRP report, Global Resources Outlook 2019: Natural Resources for the Future we Want, issues an urgent call for transformative change, cautioning that it is not a lack of resources that will limit our economy, but rather the environmental impacts of extractivism.

“The Global Resources Outlook shows that we are ploughing through this planet’s finite resources as if there is no tomorrow, causing climate change and biodiversity loss along the way. Frankly, there will be no tomorrow for many people unless we stop.” Joyce Msyua, Acting
This is a crucial message for the ISA to take on board. Scientists have issued strong warnings that deep sea mining will lead to irreversible significant loss of biodiversity. Estimates of the potential annual output of cobalt by deep sea mining is in the range of 8% of global production by 2050, and much less for other metals. A significant reduction in the demand for metals would effectively make deep sea mining obsolete and allow the ISA to focus on its core mission of protecting the deep seabed from irreversible harm. It would also safeguard many vulnerable terrestrial sites from the mining industry’s expansion dreams.

Execution Director of UN Environment.

The ISA has repeatedly ignored calls from civil society and scientists to properly evaluate the future need for deep sea mining. It is sticking to a narrative that future economic prosperity is only possible if the supply of metals doubles within the coming decades.

The IRP report concludes the opposite: it shows that implementing resource efficiency and sustainable consumption and production policies promotes stronger economic growth and improves well-being across countries, in addition to significantly reducing resource use. The proposed set of policies would also support more equal distribution of GDP per capita, increasing economic growth more in low- and middle-income nations (11% on average) than in high-income nations (4% on average) relative to a historical trends scenario. This is clearly a much more powerful way of lifting countries out of poverty than any ‘benefit sharing’ scheme for deep sea mining could ever be.

In another report, Mining Resource Governance in the 21st Century, the IRP points to an important missing link in global governance, namely that there is no international body mandated to oversee the conservation and sustainable use of mineral resources. The IRP concludes that: ‘Effective governance of mineral resources fundamentally requires better signalling between demand for particular emerging technologies that require minerals and the extractive enterprises that will supply them, in place of the ad hoc arrangements and contracts between particular firms and suppliers, which are often economically and ecologically inefficient.’ It calls for the establishment of an international coordination mechanism, facilitated through an International Mineral Agency, or an international agreement. Until this missing link is addressed, it is impossible for the International Seabed Authority to effectively govern the use of marine resources, let alone ensure they are being managed in a sustainable manner.

The IRP reports should be mandatory reading for the delegates of the 168 countries who will be heading to Jamaica next week to participate in the International Seabed Authority’s Assembly negotiations on deep sea mining. Even though it is mandated to protect the deep sea, and ensure it does not suffer irreversible harm, the International Seabed Authority doggedly continues to take a strong pro-mining stance. Seas At Risk calls on ISA member countries to re-think their support for deep-sea mining in light of the UNEP-IRP’s recommendations and invest in a sustainable future for all.
A new report asserts “corporate capture” of the International Seabed Authority (ISA) and the manipulation of Pacific regional decision-making processes by deep sea mining companies and their backers. It calls for a moratorium on the development of deep sea mining regulations and the issuing of exploration and exploitation licenses in international and national waters.

The report Why the Rush? published by Mining Watch Canada, Deep Sea Mining Campaign and London Mining Network claims regulatory processes have been fast tracked before Pacific Island citizens, whose lives and livelihoods are intrinsically tied to the ocean, have had a chance to meaningfully discuss the industry.

The report describes how the PNG Government is facing a debt equivalent to one-third of the country’s annual health budget for nine million people, with citizens angry that funds used to buy a stake in the Solwara 1 mine could have been spent on much needed infrastructure and services.

The groups that published the report question: why the rush to mine the sea floor, when transitioning to a circular economy and urban mining represents the most financially and environmentally viable way forward? Research indicates it will be more lucrative, will deal with an intractable waste problem as well as being capable of meeting future global mineral demand.

Dr. Catherine Coumans of Mining Watch Canada, stated, “The declining health of the world’s oceans is well documented, with warnings of alarming implications for human health, prosperity and long-term survival. Given the urgency of the species extinction crisis we now face the last thing humanity needs is to hand the deep seabed over to a destructive industry that has proven itself to be so irresponsible on land.

“Rather, we need a moratorium on deep sea mining and on the development of seabed mining regulations. Society at large has not agreed to the emergence of this high-risk speculative industry that is driven by a narrow profit-focused agenda of a handful of people.”

The ISA is yet to publish a response to the report. However, it has responded to a report published earlier this month by Greenpeace. The report In Deep Water stated that the world’s oceans could face severe and irreversible harm unless tighter environmental safeguards are in place that protect them from deep sea mining. In response, the ISA stated the report “regrettably contains a series of inaccurate elements and factual mistakes, particularly in relation to the existing legal regime set up by international law.”

**ISA clarified saying, in part:**

- The legal regime for the seabed beyond national jurisdiction (which covers 54 percent of the global ocean) is an integral and fundamental part of the international system for ocean governance under the 1982 United Nations Convention on the Law of the Sea (UNCLOS), which is often referred to as the constitution for the ocean. The ISA is established by the Convention to manage the mineral resources of the deep seabed, which are designated ‘the common heritage of mankind’ on behalf of all humanity.

- As a regulatory body, ISA’s role is to allow the sustainable development of mineral resources in a way
that balances the need for minerals with rigorous environmental protection. Under international law, no State may explore for or exploit mineral resources in the deep seabed except under a contract with ISA and under the stringent conditions specified in UNCLOS and ISA regulations.

- ISA is an intergovernmental organization and its decisions are made by consensus among its 168 Members, all having one vote, with all States and interests represented. ISA also welcomes 90 Observers including 28 non-governmental organizations (including Greenpeace) that all have the right to share their views and concerns.

- UNCLOS also gives ISA complete and unequivocal jurisdiction to manage environmental impacts of deepsea mining wherever they may occur; be it in on the seafloor or water column. All applications for exploration rights must be accompanied by an assessment of the potential environmental impacts of the proposed activities and by a description of a program of oceanographic and baseline environmental studies in accordance with international law. The regulations of ISA contain the most highly developed rules for environmental impact assessment for any activity in the ocean beyond national jurisdiction. Even more stringent rules are currently under development for the exploitation phase.

- The legal regime to regulate prospecting, exploration and future exploitation of deep-sea minerals is being developed in a transparent public forum of consensus-building by the international community and in compliance with international law. It is anchored in the driving principle that the proceeds of deep-seabed mining will be shared on a basis of equity, in a transparent manner, and for the benefit of mankind as a whole. There is no other comparable regime that places protection of the environment and benefit to humanity at the front and center of its mandate.

[The Maritime Executive]

Container shipping: COA publishes Guide to Container Tracking and Telematics Technology

16/07/2019

The Guide is a step towards standards that are expected to be published later this year. The Container Owners Association (COA), the international organisation representing the common interests of freight container owners, has published a Guide to Container Tracking and Telematics Technology, providing container operators, leasing companies and other relevant stakeholders with an overview of the technology issues that they might face, and the choices that are available to them. This is the next step in the standards initiative for container telematics announced by the COA earlier this year. The main focus of the guide is definitions. “Commencing with a glossary of many of the different industry terms and acronyms that are frequently used, the Guidelines go on to provide a background of the way that the industry has developed over the past decade. The evolution from ‘wired’ to ‘wireless’ has provided great opportunities - but adds significant complexity, because of the wide range of communication technologies available, how they are used around the world in different countries and communication issues with containers on vessels,” the COA noted. The Guidelines cover some of the issues in technology selection for dry and reefer container telemetry, but do not go as far as creating any standards for connectivity at this point. The final section does cover the development of a standard API (Application Programming Interface) to facilitate connectivity across hardware and data sharing, which the COA is working on now.

The COA is moving relatively quickly, but so is the market for reefer monitoring in particular. Some suppliers expect that by the end of this year all the top 10 container carriers will have made a decision on a
reefer monitoring system.

The COA report said despite this complexity “there are existing solutions today from a range of Telematics suppliers which can provide real time data monitoring of all equipment and remote control of reefers. Given the wide variety of communication technologies that will need to be considered, operators of reefers will likely need to carefully consider the capabilities of products being offered by different Telematics suppliers to see which systems best meet their needs today and over the coming years. They should also consider what options conference and partner shipping lines are utilizing and whether alternative systems are also compatible”.

[World Cargo News]

Transparency & corruption Africa: World Bank sanctions France’s Systra subsidiary SAI for corrupt practices

15/07/2019

The World Bank last week sanctioned India-based SAI Consulting Engineering Ltd, 65% owned by France’s Systra, for offering cash and gifts to expedite invoice payments at three infrastructure projects in Tanzania, Mozambique and Ghana.

Systra voluntarily disclosed SAI’s corrupt practices to the World Bank Group’s Integrity Vice Presidency, which led to a lighter penalty. SAI was sanctioned for 24 months with conditional non-debarment, which means it can still bid for World Bank-financed projects as long as it complies with corporate compliance obligations laid out in the settlement agreement. Systra acquired 65% of SAI in 2014.

In Tanzania, SAI had contracts to build and manage several border posts under a World Bank scheme that closed in 2015, and offered cash payment vouchers and gifts to project officials to expedite invoice payments, which is a corrupt practice, the World Bank said.

SAI did the same on the Mozambique Roads and Bridges Management and Maintenance Project, which closed in 2007, where SAI had a contract to do engineering design for a road. Similarly, the practice occurred on a road-construction supervision contract SAI had for the Ghana Transport Sector Project, which closed in 2018.

As a condition for release from sanction under the terms of the settlement agreement, SAI commits to developing an integrity compliance program consistent with the principles set out in the World Bank Group Integrity Compliance Guidelines. The company also commits to continue to fully cooperate with the World Bank Group Integrity Vice Presidency.

Transparency & corruption Colombia: Judge wants U.S. executive extradited in ‘biggest corruption scandal in history’

15/07/2019

By Adriaan Alsema

A Colombian judge on Friday requested the arrest and extradition of a U.S. engineering executive from Chicago Bridge & Iron for his alleged role in what the prosecution calls the “biggest corruption scandal in history.”
A judge asked the international police organization Interpol to issue a red notice for Masoud Deidehban, a former program director of CB&I, which is now part of Texas-based engineering firm McDermott International. The judge also ordered the incarceration of former CB&I CEO Philip K. Asherman, the Prosecutor General’s Office announced on Twitter.

Both men allegedly joined executives of Colombia’s state-run oil company in an unprecedented corporate heist that led to at least $2 billion in losses at Ecopetrol’s oil refinery in coastal port city Cartagena. As part of the refinery’s upgrade, the white collars allegedly spent $16 million on prostitutes, which was written off as a business expense among other exotic excesses, according to the prosecution.

Additionally, some 2,460 subcontracts were made, 18% of which allegedly ended up costing more than double than expected because the executive’s charges for hours that were never made and inflated costs.

While the CB&I bosses went on what could be the biggest spending binge since Pablo Escobar built his private zoo in the 1980s, Colombian executives allegedly received kickbacks and the project suffered delays that further increased the cost.

The modernization project that was initially estimated to cost $3.3 billion in 2013 ended up costing $8 billion by 2016, approximately one and a half the amount of what Colombia’s neighbors to the north paid to widen the entire Panama Canal.

The keystone of the prosecution’s case has been Danish lawyer Nicolas Isacksson, the former director of Ecopetrol’s legal team. When the scandal broke, he made copies of several files, including email exchanges between him and his bosses and communications involving CB&I, which have been instrumental in the prosecution’s case.

The arrest warrants against the CB&I chiefs are the first in the case. Despite the gravity of the charges, all of the alleged suspects in what is allegedly the biggest corruption scandal in history were allowed to await trial from the comfort of their homes.

[Colombia Reports]

Oceans: 30 years of unique data reveal what's really killing coral reefs

15/07/2019

Coral reefs are considered one of the most threatened ecosystems on the planet and are dying at alarming rates around the world. Scientists attribute coral bleaching and ultimately massive coral death to a number of environmental stressors, in particular, warming water temperatures due to climate change.

A study published in the international journal Marine Biology, entitled Nitrogen enrichment, altered stoichiometry, and coral reef decline at Looe Key, Florida Keys, USA: a 3-decade study, reveals what's really killing coral reefs. With 30 years of unique data from Looe Key Reef in the lower Florida Keys, researchers from Florida Atlantic University's Harbor Branch Oceanographic Institute and collaborators have discovered that the problem of coral bleaching is not just due to a warming planet, but also a planet that is simultaneously being enriched with reactive nitrogen from multiple sources.

Improperly treated sewage, fertilizers and top soil are elevating nitrogen levels, which are causing phosphorus starvation in the corals, reducing their temperature threshold for "bleaching." These coral reefs were dying off long before they were impacted by rising water temperatures. This study represents the longest record of reactive nutrients and algae concentrations for coral reefs anywhere in the world.
"Our results provide compelling evidence that nitrogen loading from the Florida Keys and greater Everglades ecosystem caused by humans, rather than warming temperatures, is the primary driver of coral reef degradation at Looe Key Sanctuary Preservation Area during our long-term study," said Brian Lapointe, Ph.D., senior author and a research professor at FAU's Harbor Branch.

A key finding from the study is that land-based nutrient runoff has increased the nitrogen:phosphorus ratio (N:P) in reef algae, which indicates an increasing degree of phosphorus limitation known to cause metabolic stress and eventually starvation in corals. Concentrations of reactive nitrogen are above critical ecosystem threshold levels previously established for the Florida Keys as are phytoplankton levels for offshore reefs as evidenced by the presence of macroalgae and other harmful algal blooms due to excessive levels of nutrients.

Researchers gathered data from 1984 to 2014 and collected seawater samples during wet and dry seasons. Lapointe and collaborators from the University of Georgia and the University of South Florida also monitored the living coral and collected abundant species of seaweed (macroalgae) for tissue nutrient analysis. They monitored seawater salinity, temperature and nutrient gradients between the Everglades and Looe Key. They wanted to better understand how nitrogen traveled from the Everglades downstream to the coral reefs of the Florida Keys National Marine Sanctuary, which now has the lowest amount of coral cover of any reefs in the wider Caribbean region.

Data revealed that living coral cover at Looe Key Sanctuary Preservation Area declined from nearly 33 percent in 1984 to less than 6 percent in 2008. The annual rate of coral loss varied during the study, but increased from 1985 to 1987 and 1996 to 1999 following periods of heavy rainfall and increased water deliveries from the Everglades. Between 1991 to 1995, significant increases in Everglades runoff and heavy rainfall resulted in increases of reactive nitrogen and phytoplankton levels at Looe Key above levels known to stress and cause die-off of coral reefs. Despite reduced Everglades flows, the water quality has not yet recovered to the levels of the 1980s.

Nitrogen loading to the coast is predicted to increase by 19 percent globally simply as a result of changes in rainfall due to climate change, which suggests the need for urgent management actions to prevent further degradation.

"The future success of the Comprehensive Everglades Restoration Plan will rely on recognizing the hydrological and nitrogen linkages between the Everglades, Florida Bay and the Florida Keys," said Lapointe. "The good news is that we can do something about the nitrogen problem such as better sewage treatment, reducing fertilizer inputs, and increasing storage and treatment of stormwater on the Florida mainland."

The impact of local land-based nitrogen contributions from sewage treatment plants that service 76,000 year-round residents and an estimated 3.8 million tourists annually is currently being mitigated by completion of centralized wastewater collection and advanced wastewater treatment plants and nutrient removal facilities throughout the Florida Keys.

According to the Florida Keys National Marine Sanctuary, ocean-related activities associated with coral reefs add more than $8.5 billion each year and 70,400 jobs to the local economy in southeast Florida.

"The Bonaire coral reefs in the Caribbean Netherlands is a great example of effective nitrogen pollution mitigation. These coral reefs are beginning to recover following the construction of a new sewage treatment plant in 2011, which has significantly reduced nitrogen loading from septic tanks," said Lapointe.

The study's co-authors are Rachel A. Brewton and Laura W. Herren of FAU's Harbor Branch; James W. Porter, Ph.D., emeritus professor of ecology at the University of Georgia; and Chuanmin Hu, Ph.D., of the College of Marine Science at the University of South Florida.

"Citing climate change as the exclusive cause of coral reef demise worldwide misses the critical point that water quality plays a role, too," said Porter. "While there is little that communities living near coral reefs can do to stop global warming, there is a lot they can do to reduce nitrogen runoff. Our study shows that the fight to preserve coral reefs requires local, not just global, action."
Illegal waste exports: U.S. objects to new global rules to better control exports of contaminated and mixed plastic waste

15/07/2019

The US is the sole member of the Organization of Economic Cooperation and Development (OECD) -- the group of 36 developed nations, that has chosen to object to the adoption of recently agreed Basel Convention trade controls to ensure that plastic wastes that are dirty and mixed and thus difficult to recycle can only be exported with the prior permission of the importing country.

"Just as in climate negotiations, the U.S. is out of step with the rest of the developed world - - this time in the global effort to stem the tide of plastic waste dumping," said Jim Puckett, Executive Director of the Basel Action Network (BAN) -- a global waste trade watchdog organization.

"Rather than requiring waste traders to first clean and separate plastic wastes or else get the importing country's permission to receive it, the U.S. seeks a free-trade pathway to allow its waste brokers to dump dirty, unrecyclable wastes on other OECD countries such as Mexico, Canada, Turkey and South Korea with impunity."

The adoption among the OECD of new Basel Convention definitions placing dirty and contaminated plastics on its Annex II (wastes for special consideration), is automatic in the OECD's unique waste trading regime, unless one or more of the OECD countries objects, by the 60-day deadline -- in this case by July 9, 2019. As the OECD deadline has now passed, only the U.S. Environmental Protection Agency (EPA) had filed an objection with the OECD office in Paris. The objection will now trigger a lengthy debate within the OECD with a view to reaching consensus. Without consensus, the US can block the rest of the OECD from incorporating the new global listings.

The EPA in their objection letter, claimed that the new rules would hinder recycling, just as they did at the Basel Convention meeting earlier this year. However, the 187 Parties to the Convention did not agree with this analysis. The new controls were passed by consensus in order to improve recycling and not allow it to be used as an excuse for simply global dumping. The US is not a party to the Basel Convention, but it is party to the similar OECD agreement for trade in wastes within that block.

BAN is warning all countries of the world to beware of exports of hazardous, plastic and other wastes that might be exported to them from the US without notice and without any assurances of environmentally sound recycling capacity in the receiving country. According to the watchdog group, this has been the situation for over a decade with respect to American electronic waste which continues to be exported from the US daily to Asia, and to Africa causing serious pollution and occupational disease in communities there. Most recently, following China's new "National Sword" policy barring imports of most scrap, a plastic waste tsunami has slammed Southeast Asia, with much of it coming from the US.

"It is clear that the US is positioning itself further as a country that intends to solve its waste problems by dumping them on their global neighbors. And these are often unsuspecting, weaker, and at times, impoverished countries," said Puckett. "To protect themselves, we urge countries to adopt the same import restrictions that China has put in place, to beef up border controls, and finally, to ratify the Basel Ban Amendment."
The Basel Ban Amendment, which prohibits hazardous waste exports from being exported from developed to developing countries passed in 1995, but still lacks two countries for it to enter into the force of international law and become part of the Basel Convention. It has already been ratified by all EU countries and Norway, but is opposed by the United States.

For a description of the implications of the proposed Basel Convention changes click here.

Terminal operators Pakistan: ICTSI launches rail service between Karachi and Lahore

15/07/2019

Pakistan International Container Terminal (PICT), a subsidiary of International Container Terminal Services, Inc. (ICTSI), in cooperation with the state-owned Pakistan Railways, recently successfully launched a dedicated rail cargo service connecting the cities of Karachi and Lahore.

The cargo rail service hopes to move goods faster and at a significantly lower cost to upcountry markets, benefiting major industries of the country, such as agriculture, textile, fertilizer, sports goods, electronics and FMCG producers to move.

As the only terminal at the Port of Karachi with internal rail connection, PICT enjoys a competitive edge in local market, and expects to improve its global competitiveness with this new feature.

ICTSI acquired a majority stake in PICT in Oct 2012. PICT holds a 21-year concession for the construction, development, operations and management of a common user container terminal at Karachi Port for a period of 21 years, which started in 2002.

[AJOT / BusinessWorld Online]

Intermodal transport Netherlands: EU approves €70 million intermodal state aid

15/07/2019

By Will Waters

European Commission says the publicly funded support ‘provides the right incentives for achieving a modal shift’ of freight traffic from road to rail.

The European Commission has approved, under EU State aid rules, a €70 million support scheme to encourage the shift of freight traffic from road to rail in the Netherlands. It said the scheme, which will run from 2019 to 2023, will be open to all railway companies operating in the Netherlands that have an access agreement with the Dutch rail infrastructure manager, ProRail.

The support will take the form of compensation payments to railway companies to contribute to the cost of track access charges. The EC said the rail freight companies benefiting from the scheme “are expected to pass on the benefits of the aid to their customers, i.e., freight shippers, through lower prices”.

The EU body explained: “The Commission found that the measure provides the right incentives for achieving a modal shift from road to rail. On this basis, the Commission concluded that the measure is compatible with EU State aid rules, in particular Article 93 of the Treaty on the Functioning of the European Union regarding transport coordination and the Commission's Guidelines on State aid for railway undertakings.
It said more information will be available under the case number SA.52898 in the State aid Register on the Commission's competition website once any confidentiality issues have been resolved.

[Lloyd’s Loading List]

Container shipping: Warning over end-to-end integration

15/07/2019

By Cichen Shen

Drewry’s Tim Power says lines and terminal operators should avoid becoming integrated total logistics players, where competing with their customers risks compromising those relationships.

Moves by container shipping carriers and terminal operators to extend their scope to a wider supply chain is a risky business, says Drewry’s managing director Tim Power. The seasoned maritime adviser was not shy of expressing his scepticism about such a path being taken by some companies, such as Maersk and DP World, who are keen to tap new sources of growth with their core business immersed in a saturated market.

“What DP World is now creating is not a port business, but a maritime conglomerate,” Mr Power told the 2019 Maritime Silk Road Port Forum in Ningbo on Friday. As part of its efforts to become a “global trade enabler”, the Dubai-headquartered port giant, for example, has made a string of acquisitions, including P&O Ferries, Unifeeder, Drydock World and Topaz.

“Of course, they will say there are synergies in these businesses, but actually I think the synergies are very little,” said Mr Power.

For example, P&O Ferries and Unifeeder offered an interesting position in the intra-European shortsea trade, but the two could hardly make any difference to DP World’s core terminal business, he argued. And Drydock World, an offshore service provider, had no relation to container shipping, he added.

Risky expansion

In the case of Maersk, the Danish giant is aiming to overturn the current way in which shipping lines are operating and create a new integrated total logistics business that is similar to UPS and FedEx.

“This is a complete transformation, and very ambitious and, in my opinion, extremely risky,” said Mr Power. Whether it is carriers or ports, the avenue to such diversification is coupled with four key risks, he further pointed out. The first one is competing with customers, with whom the close relationships might be compromised.

“If you are DP World and you are offering end-to-end supply chain services to customers who are using Maersk Line, what is your shipping line’s customers going to think of you?” And it was the same for Maersk when it was facing its freight forwarder clients, Mr Power added.

The other risks are loss of management focus, with the dilution of core commercial purpose, failing to manage the expanded spectrum as the services and the customer base become more diverse, and internal conflict caused by more complex operating structures as well as misaligned business unit strategies.

“It’s all very well to say we are going to offer end-to-end logistics services, but that’s hard to do,” Mr Power said. “If you do it wrong, you’ll kill your core business and the new business.”

Improving productivity, increasing hinterland connectivity, establishing logistics zone and embracing digital platforms are instead the prescription he gave to port and terminal companies longing for future success.

“If I were you, I would stick to things that directly related to your port, and leave the end-to-
end to other people,” he said. “Do the first four, you’ll have a very bright future.”

[Lloyd’s Loading List]

**Dry bulk shipping: BHP tenders for LNG fueled ore carriers**

15/07/2019

After almost two years of preparation, BHP’s Green Corridor joint industry project has taken off with the mining giant issuing a tender for 10+2+2 dual fuelled LNG newcastlemaxes with selected owners.

The project is for transportation of iron ore and coal on the Australia-China route. BHP’s aim is to get up to 27 million tons, accounting for roughly 10%, of its iron ore moved on these greener newbuilds.

“We recognise we have a stewardship role, working with our customers, suppliers and others to influence emissions reductions across the full life cycle of our products,” Rashpal Bhatti, BHP’s vice president for maritime and supply chain excellence, commented on Friday.

BHP says the tender is open to a select group of industry leaders, from ship owners, banks and LNG fuel network providers. As well as LNG-fueled transport of its iron ore, the tender seeks other innovative solutions that can lower greenhouse gas emissions and increase productivity from BHP’s freight requirements.

Brokers anticipate Chinese yards to win the orders while as well as traditional shipowners such as U-Ming and Eastern Pacific, a number of leading Chinese leasing companies will also compete in the tender.

BHP notes that introducing LNG-fueled ships into its maritime supply chain will eliminate NOx (nitrogen oxide) and SOx (sulfur oxide) emissions and significantly reduce CO2 emissions along the busiest bulk transport route globally.

[Splash / Marine Log]

**Multipurpose & heavylift shipping: Rates weakening as market sags**

15/07/2019

By Janet Nodar

By Janet Nodar

Project forwarders and engineering, procurement, and construction companies appear confident about the project market through the end of 2019, but jitters are increasing in the multipurpose and heavylift (MPV/HL) shipping niche.
There’s a growing gap in forward contracts and prospective cargo movement looking into 2020, said Susan Oatway, senior analyst for multipurpose and breakbulk shipping at London-based maritime consultancy Drewry. “Rates are constantly slipping for the sector as a whole,” Oatway told JOC.com.

Business uncertainty, driven by the US-China trade wars, Brexit, and a slowing global economy, is affecting the sector, except for a few pockets of activity, Oatway said. Those pockets include construction in India and the Middle East, some Chinese Belt and Road projects, and a couple of large oil and gas projects in Africa. But those may not be enough to keep the fleet going, she said.

However, several of the higher-end “premium” MPV/HL carriers appear optimistic. MPV/HL carrier AAL recently announced a dedicated Europe-Far East breakbulk service, citing a strong wind energy market in particular. SAL Heavy Lift, BBC Chartering, and Zeamarine have hinted that they are considering ship construction orders.

**A disparate sector**

The MPV/HL niche is disparate and can be difficult to pinpoint. As Drewry parses the fleet, the approximately 3,000 vessels that make it up range from high-end “premium” carriers with combinable lift capacities of 350 metric tons and higher, to older, smaller ships with no gear or as little as a 50 metric ton lift cap. These ships carry a wide variety of dry bulk, breakbulk, and project cargoes. Some are in short-sea trades and some are ocean-going trampers — sizes range from 8,000 to 17,000 deadweight tons (dwt), with a few ships as large as 30,000 dwt. The market is privately owned and opaque, according to Oatway. “You don’t see rates, and you definitely don’t see forward rates,” she said.

Hamburg-based Toepfer Transport’s multipurpose index, based on information from a panel of owners, operators, and brokers, is one of the only windows into this market’s rates. It is based on an average of six-to 12-month time charters for 12.5 dwt MPV/HL F-type ships with combined lift cap of 240-360 metric tons. According to a recent market report from Drewry, as of mid-2019, average rates for a 10,000 to 15,000 dwt multipurpose vessel, gearing and type not specified, were $6,630 per day, down from $6,650 per day at the end of 2018.
These smaller, older ships are often trading short-sea and in “less pressured” environments, Oatway said. There’s no iron ore hitting the tanks, they are using their own gear for lighter cargoes, and they are not carrying high-value project cargo. Additionally, there have not been any of the dreadful accidents seen with over-aged vessels in other trades, so shippers are not shying away. Meanwhile, the premium ships hit an age barrier when project cargo owners cannot get cargo insurance.

―Once the shippers say, ‘We aren’t putting our cargo on a 20-year-old vessel,’ that leads to higher demolition,” Oatway said.

Older vessels weaken the niche

While MPV/HL carriers such as Zeaborn and BBC Chartering are talking about building new, more efficient ships, i.e. “eco-traders,” a key question affecting the fleet is what happens to the old ships, Oatway noted. Will they be demolished or sold into the second-hand market?

Does this older, smaller wedge of ships hold down rates for the MPV/HL sector overall? Oatway believes they do. The AALs, BBC Charterings, Zeaborns, Thorco Projects, and Rickmers-Line around-the-world services might carry steel, bulk, and project cargo, while the older, smaller ships may only be carrying breakbulk steel, Oatway said, “but they are still competing on a breakbulk level.”

“If you have a shipper looking to put steel pipe on board, he has a whole range of ships to choose from, and if he doesn’t have to put it on a smart ship and pay that price, he won’t,” she added. “So there’s that trickle-down effect.”

Theoretically, premium ships should be in a world of their own — but then why aren’t they getting the rates they want? The multipurpose sector competes within its own fleet as well as with the container and roll-on, roll-off carriers, Oatway said. “It’s like a whole series of shipping Venn diagrams,” she said.

[JOC.com]
China has inked the cooperation agreements with eighteen Middle Eastern and North African countries to jointly develop the Belt and Road Initiative, including Saudi Arabia, Yemen, Jordan, United Arab Emirates, Oman, Kuwait, Qatar, Egypt, Algeria, Sudan, Morocco, Libya, Somali and Tunisia and others.

China and Middle East/North African joint efforts to push forward cooperation on the Belt and Road has reached notable achievements, showing great potential and broad prospect, Qian Keming, vice minister of China’s Ministry of Commerce said at a press conference.

Qian said that China will further strengthen connections with Middle East and North African countries to jointly build the Belt and Road. Chinese enterprises and financial institutions are encouraged to deepen cooperation with the in sectors of port, railway, electricity and telecommunications. More efforts will also be made to promote cooperation between the two sides covering low-carbon energy, finance and high technologies.

In 2018, bilateral trade volume between China and the 18 countries reached $244.3bn, an increase of 28% year-on-year. Chinese enterprises had invested $1.2bn in countries industrial sectors, primarily energy, infrastructure, manufacture, finance and e-commerce.

[Seatrade Maritime News]

**Drug trafficking U.S.: MSC vessel seized in drug bust released on $50 million bail**

15/07/2019

US authorities have agreed to temporarily release the Mediterranean Shipping Co. vessel seized through a June 17 drug bust in Philadelphia, allowing the container line to redeploy the ship and reducing the financial impact of the incident.

US Attorney William McSwain tweeted that his office had received $10 million in cash and a $40 million surety bond from the owner, J.P. Morgan Asset Management, and the operator of the vessel, MSC, “in exchange for its temporary release pending a final resolution in the case.”

MSC last week told customers that while a “small number” of containers were still being held by US authorities, the rest of the shipments on MSC Gayane have been transshipped via the carrier’s other vessels.

US Customs and Border Protection (CBP) said July 8 it had executed a warrant to seize the vessel and possibly subject it to forfeiture, considering that nearly 20 tons of cocaine were found and crew members are alleged to be involved in the conspiracy. A forfeiture would have pushed up MSC’s charterer rates, compounding the pain the carrier has already suffered via delayed shipments, added docking fees, and damage to its brand.

“Seizing a vessel of this size is an unusual enforcement action for CBP, but is indicative of the serious consequences associated with an alleged conspiracy by crewmembers and others to smuggle a record load of dangerous drugs through the United States,” Customs said in a statement.

The drug bust involving MSC Gayane comes after a joint US task force found 1.5 tons of cocaine in containers discharged from the MSC Carlotta on Feb. 28 at the Port of New York and New
Jersey; Peruvian authorities discovered another 2.4 tons when the ship called in Callao just two months later. In January, Mexican customs officials seized cocaine on the cruise ship MSC Divina during a stop in Cozumel.

A seizure of $10 million worth of cocaine at the Port of Baltimore in June suggests, however, that MSC isn’t the only carrier under the gun to stop illegal cargo. Media reports didn’t identify the carrier involved in the shipments, which came from Panama.

[JOCS.com]

Vessel operations: Safer navigation with AI

15/07/2019
by Martyn Wingrove

Combining machine learning, IoT, weather and port information will lead to smart voyage optimisation in real-time, reducing fuel consumption and emissions.

Artificial intelligence (AI) is filtering into the latest e-navigation technology to improve voyage planning and navigational safety, making ship navigation more intelligent without removing the human element entirely from the bridge. Instead, AI is being adopted for e-navigation to reduce the administrative burden on bridge teams, enabling officers to increase their focus on safe navigation.

A new generation of ship navigation systems is combining internet-of-things (IoT) technology, machine learning and cloud computing to advise navigators on the ocean environment, potential hazards, ship performance and surrounding vessels. All this is enveloped into a cyber-secure system for enhanced route planning and voyage execution.

Wärtsilä subsidiary Transas has introduced AI with machine learning and hazard identification into its new Navi-Planner voyage planning and optimisation solution. This uses AI to auto-create safe navigation routes using the latest electronic navigational charts (ENCs) and notices to mariners. These routes are then optimised against weather forecasts and potential navigation hazards.

“The Wärtsilä Navi-Planner is a safe, type-approved, cyber-secure system that addresses complete voyage planning and optimisation needs in a single service,” says Wärtsilä’s Transas business unit managing director Torsten Buessow. “It improves safety and provides fleet operators and crew with higher-level situational awareness.”

All ENCs within Navi-Planner are automatically updated with the latest navigation notices, cutting this time-consuming task from bridge operations. It also benefits fleet managers as onshore operators can remotely monitor their vessels in real-time and advise seafarers on adverse navigation. Navi-Planner records navigational near misses and supports incident investigation and digital information playback.

Mr Buessow says adding digitalisation technologies improves workflows on ships and shore offices. “We are utilising the latest technologies, including connectivity, machine learning, IoT, cloud computing and cyber security measures to provide tangible improvements to the work of our customers,” he says.
Wärtsilä will continue to add functionality to Navi-Planner to enable navigators to optimise routes in terms of port arrivals and to assist shipping companies to stay a step ahead of environmental regulations. In the future more information, such as port arrival data, could be seamlessly incorporated into the voyage plans. Based on a recommended time of arrival, Navi-Planner will be able to dynamically adjust the route and speed of a vessel’s approach to a port for a just-in-time arrival.

Navi-Planner will use accurate speed information and connectivity with ports to optimise voyages in smarter ways, so shipowners can lower CO2 emissions and reduce fuel consumption without impacting navigation safety.

Mr Buessow anticipates that smart systems will be deployed on vessels to provide automated voyage optimisation in real-time. Shipowners can retrofit their vessels with the latest Navi-Planner ECDIS to achieve these operational benefits.

When ships arrive at ports at the allotted time, technology will assist captains to berth them. Wärtsilä has successfully tested its SmartDock auto-docking system in northern Europe. Sea trials were carried out on 85-m ferry Folgefonn, operated by Norwegian operator Norled, with a Wärtsilä Guidance Marine’s CyScan positioning sensor.

SmartDock assists ships when they enter and leave tight docking spaces, mitigating potential human errors. It manages the ship while departing the dock, manoeuvres the vessel out of the harbour and can sail it to the next port of call if required. SmartDock then manoeuvres the ship into the harbour and docks alongside the quay, all without human intervention.

Norled regional director Inge Andre Utåker says SmartDock “works hand-in-hand with the captain to ensure the best performance on every docking, every day. It is the perfect collaboration between an experienced crew and technology.” This technology will also assist shipping to develop autonomous ships in the future.

**Partnerships combine ENCs with weather routeing**

Shipowners, operators and managers can benefit from ECDIS by combining weather information with updated electronic navigational charts (ENCs) in one system. These services have been introduced through partnerships between e-navigation experts and weather data providers and can result in artificial intelligence (AI)-based solutions being developed. The latest of these partnerships is a collaboration between Norway-based Navtor and Japan-headquartered Weathernews Inc (WNI). Together they deliver updated ENCs and global weather information. For Navtor, this arrangement upgrades the weather information offered within its route planning software NavStation and enables the business to offer a fully integrated navigation solution. WNI gets direct access to ENCs and passage planning for its own services. Together, Navtor and WNI will develop AI routeing services to assist bridge officers, vessel operators and shipmanagers to improve their navigation decision making.

“Weather can make all the difference between profit and loss for shipowners and operators,” says Navtor chief executive Tor Svanes. “The most comprehensive weather data available enables navigators to minimise risks and plan the safest, most cost effective and optimal routes for their individual vessels.”

NavStation will provide all the information navigators, ship officers and shore-based staff need in one intuitive platform. Navtor introduced version 5.0 of NavStation in Q2 2019 with a further-refined passage planner, Marpol manager module, and an e-publication reader providing access to other digital publications. NavStation 5 will also be adapted to seamlessly integrate to WNI OSR (optimum ship routeing) service. Not only will ship operators gain from the weather and route planning information, but so will the
suppliers. “We will have access to tremendous amounts of data from thousands of vessels,” says Mr Svanes. “Together we will leverage that data to develop a solution that learns to perceive its environment and recommends optimal actions. We are plotting a new course for a more sustainable, predictable and cost-efficient maritime industry.”

Ship operators will also access environmental regulatory information in NavStation after Navtor signed an agreement with Total Marine Solutions (TMS). This will see TMS’ Ocean Guardian information included in voyage planning software. Ocean Guardian provides information on environmental regulations pertaining to a specific location worldwide advising shipboard operators what can and cannot be discharged.

It provides searchable data relating to international, national, regional and port regulations, plus alarms and notifications concerning relevant regulations for local compliance.

In another partnership, StormGeo and GNS will combine weather routeing with ENC and ECDIS on 20,000 ships. Together, they are creating situational awareness and route optimisation solutions using data analytics.

GNS is extending its Voyager Fleet Insight online service to include weather-related services for captains and shore managers. StormGeo and GNS will collaborate on developing methods of delivering ENC direct to ECDIS with routes optimised by GNS’ Voyager Hub and planning station software. They will also introduce tailored route optimisation services that can be simultaneously imported, viewed and used ashore and on board.

StormGeo introduced new versions of its Bon Voyage System (BVS) and NaviUpdate in June. It launched NaviPlanner BVS for optimising routes, obtaining charts and creating voyage plans. NaviUpdate connects NaviPlanner securely to the ECDIS to directly transfer routes and charts.

[Riviera]
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- Has held for at least eight (8) years consecutively a high position of responsibility in shipping or related business.
- Has distinguished himself/herself in shipping practice.
- Is a principal in a firm or a director of a company in the business or profession.
- Members in this grade are entitled to use the initials FIAMSP after their names.

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- Mr. Andrianombana Lanja Achille (Madagascar)
- M. Subbiah Thiyagarajah (Malaysia)

### Affiliate (AFFIAMSP)

- CAMPOS LANÇA PALMA (Portugal)
- Singapore
- France
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<td>February 2019 MARITIME RECONNAISSANCE &amp; SURVEILLANCE TECHNOLOGY</td>
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<tr>
<td>April 2019 COPENHAGEN SHIPPING SUMMIT</td>
<td>The Øksne Hall Halmtorvet 11 Copenhagen, 1700 Danmark</td>
</tr>
</tbody>
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