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.
22/06/2018
The Port of Long Beach is moving ahead with a $16.8 million project to build infrastructure that will support electric-powered, zero-emissions cargo-handling at the port.

Funded in part by an $8 million California Energy Commission grant, the Port Advanced Vehicle Electrification (PAVE) Project supports the first phase of a transition to zero-emissions at Total Terminals International’s container terminal at Pier T, the port’s largest.

The PAVE project will also be the first in the world demonstrate heavy-duty, off-road, direct current fast-charging system in a seaport environment. The project includes designing and building charging outlets for almost 40 pieces of electrical terminal equipment at TTI’s Pier T.

Four battery-electric yard tractors will be modified to connect to a DC fast-charging system, which, if proven viable, could eliminate the need for onboard equipment chargers and potentially increase battery capacity of electric vehicles.

The Port of Long Beach says other objectives of the project include learning about the electrical grid impacts associated with the deployment of electric vehicles and equipment, as well as developing a portwide Dynamic Energy Forecasting Tool to predict how much energy and supporting infrastructure seaports will need to support zero-emissions terminal equipment.

The demonstration is expected to begin early in 2021 and the project is scheduled to be completed by March 2022.

[gCaptain]

22/06/2018
The port industry has witnessed a multiplication of port co-operation and integration schemes in recent years partly driven by governance reforms, public policy, political forces and market pressures.

PortEconomics members Theo Notteboom, Francesco Parola and Geraldine Knatz co-edited a themed volume in the journal Research in Transportation Management and Business, including some major contributions on port co-operation.

Volume 26 of Research in Transportation Business & Management (RTBM) contains a guest editorial and 13 full papers specifically focusing on port co-operation schemes, strategies and policies, with a specific emphasis on managing bodies of ports or port authorities as a unit of analysis:

1. Port co-operation: types, drivers and impediments, Theo Notteboom, Geraldine Knatz, Francesco Parola
Several container shipping lines have announced their intention to become end-to-end logistics solution providers, either through acquisition, organic investment or incorporating existing logistics entities into the main liner business.

So why should these attempts succeed where others previously failed and how may these developments change the boundaries between shipping lines and freight forwarders? The answers may lie in technology.

In April French carrier CMA CGM took a 25% stake in 3PL and freight forwarder CEVA, not long after announcing its plan to build and operate a 10,000m2 cold store at London Gateway container port in the
UK. And COSCO has been aggressively expanding its landside logistics capabilities in Asia and Europe, in support of China’s Belt & Road initiative. Meanwhile, earlier this year the world’s largest shipping line Maersk announced its vision to become the global integrator of shipping and logistics services. Other container lines are expected to follow suit.

But these developments are not new. Similar attempts were made in the last decade when a wave of consolidation swept the shipping and logistics industry in response to the rapid globalisation of supply chains and acceleration in worldwide trade.

No carrier forwarding activity has made significant breakthrough
The development of shipping lines’ logistics business has taken a variety forms. From low level logistics service add-ons such as customs management, inland haulage and LTL consolidation, right through to separately branded full-scale 3PL businesses. But either way, the logistics activities have operated as peripheral businesses supporting the carrier’s main liner network. They have been used as an instrument to secure large scale beneficial cargo owner (BCO) volume and target strategic cargo business on key trades.

Shipping lines have struggled to integrate their asset-based liner operations with the non-asset based, mode neutral and more entrepreneurial oriented forwarding and logistics activities. The human capital required to operate and manage these businesses is very different and not easily compatible. Even logistics companies continue to struggle with integrating their transaction orientated freight forwarding and process-focused contract logistics activities. In the vast majority of cases these remain separately managed entities, supported by coordinated client management teams.

**What has changed?**

The difference this time could be technology. Digitisation and automation of basic logistics transaction tasks have provided opportunities that did not previously exist. For shipping lines, technology provides the potential for them to perform landside logistics services at a lower cost, through a number of interrelated digital developments.

**Integrated container logistics and required technology**
End to end visibility and cargo control

The development of connected containers using smart devices plays in favour of the asset owner. The technology not only allows near real-time geolocation but also calculation of lead time and exception management and can easily feed BCO’s “control tower” logistics operations with actionable data. Some recent studies on smart container solutions demonstrate potential saving on in-transit inventory of 10% and 40% improvements in estimated arrival times.

These applications enable carriers to strengthen their value proposition to BCOs, providing optimisation of cost and service delivery needs to best meet end customer needs. Direct control and visibility are critical for sensitive goods such as refrigerated cargo. It will become feasible for shipping lines to offer an integrated end-to-end cool chain solution incorporating quality assurance, packing and final mile delivery, through investment in such remote monitoring technology as well as inland facilities.

Landside logistics connectivity

Telematics and mobile applications are enabling easy-to-use, low cost communication between container drayage depots and operators. This traditionally fragmented activity can now be operated remotely and
synchronised more efficiently. Adoption of such connected technology has enabled some operators to increase handling capacity by as much as 40%.

Electronic documentation

Technology is driving the automation of hitherto paper-based tasks that have traditionally been performed by freight forwarders. In particular, the development of electronic documentation, such as bills of lading and certificates, alongside simplification of global trade and compliance management systems has facilitated such advances. An obvious example is the initiative between IBM and Maersk JV to use blockchain technology to simplify and secure the end-to-end documentation trail between exporters and importers. It demonstrates the potential for shipping lines to take over the supply chain data pipeline process from traditional incumbents and the likelihood that other carriers may invest in similar collaborative platforms.

**Supply chain finance and cargo insurance**

In addition to control of the end-to-end physical cargo movement and associated information flows through investment in infrastructure and technology, the one-stop-shop logistics solution can be completed with the inclusion of trade finance and cargo insurance. Some carriers, such as France’s CMA CGM, have already recognised this potential with the recent launch of its Serenity insurance service. This includes an insurance policy to cover costs in case of container damage during handling, while another financial scheme aims to compensate shippers in instances of payment default by their customers.

As reported in an earlier edition of Drewry’s Logistics Executive Briefing, ICC Banking reckons that around 44% of trade finance applications were submitted by small and medium sized enterprise (SMEs) in 2016. But this sector represented 58% of the total number of trade finance applications rejected, with larger gaps in Africa and parts of Asia. Large BCOs have ready access to funding to support their supply chain finance requirements but SME shippers face challenges in this regard and so will be a particular target of smart trade finance and payment solutions.

**Technology is not the only way**

But technology has its limitations and challenges remain in certain areas where standard digital solutions do not apply.

For instance, Customs declarations are a country-based process. In many states they require complex paper-based human intervention which cannot be fully standardised and digitised. Carriers may struggle to compete with more process-orientated incumbents, despite the potential offered by rising cross border ecommerce and LCL trade.

Also, forwarders and 3PLs are intrinsically more client focused, as the value of their asset-light business is driven by the book of customer business they control. By contrast, the value of a carrier’s business is determined more by its assets and its value creation by how it leverages these assets. Forwarders have proven to be very capable at customer acquisition and retention, as witnessed by their growing share of the container shipping market. Technology alone cannot bridge these sometimes conflicting aspirations.

Furthermore, forwarder access to multiple service providers across different transport modes enables a more credible response to reliability and supply chain resilience concerns that carriers, however horizontally integrated, cannot match.

**Perhaps short-sea container shipping’s integrated logistics model provides an answer**
Over the last decade short-sea carriers have demonstrated their ability to develop door-to-door integrated services with a higher degree of customer centricity than large carriers. This includes warehousing and distribution network coverage, as well as payment solutions.

Deep sea container shipping lines have their eye on this approach, hoping to expand the model on a global scale. But it will require a certain degree of standardisation and packaging of logistics services that can be brought to market and operated at scale. The recent launch of faster and guaranteed services by the likes of APL and Hyundai Merchant Marine are a step in this direction, as are investments in short sea operators.

**But integration remains the key and technology the differentiator**

But the key to success of carrier one-stop-shop ambitions remains their ability to integrate disparate entities with different business models and skills sets. Last time these challenges were too great but perhaps now they are more realisable with the support of technology.

[Drewry Supply Chain Advisors]

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**Container shipping: Cost-price disconnect**

22/06/2018

The costs to ocean carriers of running shipping services and the freight rates they are paid for doing so are going in opposite directions. But can this disconnect last?

Shippers and ocean carriers like to be in control of their costs. For shippers, this seems to be the case, nowadays. Average contract and spot freight rates paid by shippers on the East-West appear to have enjoyed an unusual period of relative stability since 4Q17, according to the Drewry Benchmarking Club.

![Development of average East-West spot freight rates and contract freight rates](source)

Source: Drewry Benchmarking Club East-West Contract Index
But the costs borne by carriers to provide these shipping lines at broadly stable prices are going up rapidly and seem to be out of control.

Marine fuel prices have jumped by about 40% in the year to 2Q18 – an argument used by carriers to justify the new “emergency bunker surcharges”.

Similarly, carriers who operate chartered vessels are paying daily hire costs which have also increased by about 40% in the year to 1Q18.

The chart below includes both the costs (fuel and vessel charter) and the freight rates (spot and contract) to compare their respective trends over time on an index basis.

**Diverging trends of fuel/charter costs vs freight rates, 1Q15-2Q18 (indexed)**
The gap between the fuel cost index and the contract freight rate index is the highest it has been at least since 1Q15. Data for the charter cost index for 2Q18 is not yet available, but it is expected that the gap between this index and the contract freight rate index will also be at a three-year high.

In the past, there have been periods when changes in cost did not result in immediate changes in freight rates, often due to overcapacity pressures. However, as the chart shows, during the period 2015-2017, more often than not, costs and rates moved in the same direction. This overall alignment of trends stopped in late 2017.

In recent technical calculations using Drewry’s slot cost model, we found that Asia-Europe spot freight rates of $578/teu on 19 April (World Container Index) were below most carriers’ slot costs. Would carriers pull services or increase rates? Since April, carriers have retained capacity but increased spot rates on this route to $811/teu.

The current level of disconnect between costs and rates is so large that it is unlikely to continue much longer, in our view. Drewry forecasts that freight rates will start to rise again in the second half of 2018, as ship capacity additions moderate, and the advent of the peak season from July should also trigger seasonal increases in spot rates, as happens in most years. On the cost side, bunker prices are forecast to come down a bit from 4Q18 and MSC has said that it plans to terminate loss-making services and slow down ships to reduce costs and, it says, to improve schedule reliability.

These changes will likely mean less favourable freight rates for shippers and longer transit times on some routes, but more stable costs and increasing revenues for the carriers.

[Drewry Supply Chain Advisors]
Two-year spot freight rate trend for the World Container Index:

Our detailed assessment for Thursday, 21 June 2018

The composite index is down by 1.6% this week, unchanged from the same period of 2017.

• The average composite index of the WCI, assessed by Drewry for year-to-date, is US $1,371/40ft container, which is $162 lower than the five-year average of $1,534/40ft container.

• The composite index, as calculated by Drewry, decreased by 1.6% to $1391.1 per feu. Transpacific headhaul and Shanghai-New York rates collectively pulled down the index. Rates from Shanghai to New York fell by $61 to reach $2,352 per 40ft. Similarly, rates from Shanghai to Los Angeles decreased to $1,282 – a change of $42 per feu. Meanwhile, the Shanghai-Genoa rate dropped just $3 to $1,729 for a 40ft box and rates from Shanghai to Rotterdam are down by $22 to reach $1,601. Drewry expects the rates to remain stable for next week.

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

<table>
<thead>
<tr>
<th>Route</th>
<th>07-Jun-18</th>
<th>14-Jun-18</th>
<th>21-Jun-18</th>
<th>Weekly change (%)</th>
<th>Annual change (%)</th>
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</thead>
<tbody>
<tr>
<td>Composite Index</td>
<td>$1,427</td>
<td>$1,414</td>
<td>$1,391</td>
<td>-2% ▼</td>
<td>0%</td>
</tr>
<tr>
<td>Shanghai - Rotterdam</td>
<td>$1,641</td>
<td>$1,623</td>
<td>$1,601</td>
<td>-1% ▼</td>
<td>-3% ▼</td>
</tr>
<tr>
<td>Rotterdam - Shanghai</td>
<td>$928</td>
<td>$1,006</td>
<td>$997</td>
<td>-1% ▼</td>
<td>-30% ▼</td>
</tr>
<tr>
<td>Shanghai - Genoa</td>
<td>$1,707</td>
<td>$1,732</td>
<td>$1,729</td>
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<td>4% ▲</td>
</tr>
<tr>
<td>Shanghai - Los Angeles</td>
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<td>$1,324</td>
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<td>10% ▲</td>
</tr>
<tr>
<td>Los Angeles - Shanghai</td>
<td>$496</td>
<td>$495</td>
<td>$493</td>
<td>0%</td>
<td>-10% ▼</td>
</tr>
<tr>
<td>Shanghai - New York</td>
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<td>$2,352</td>
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<td>14% ▲</td>
</tr>
<tr>
<td>New York - Rotterdam</td>
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<td>$517</td>
<td>0%</td>
<td>4% ▲</td>
</tr>
<tr>
<td>Rotterdam - New York</td>
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<td>$1,837</td>
<td>$1,837</td>
<td>0%</td>
<td>5% ▲</td>
</tr>
</tbody>
</table>

Source: Drewry Supply Chain Advisors
容器航运：运营商处于险境，COSCO的船队到年底将膨胀

21/06/2018

随着运价的下降和世界运营商正在经历的财务困境，人们的注意力转向了现在到年底这段时间内大量集装箱船交付，因为这将使COSCO的船队膨胀。

根据Alphaliner的数据，中国国家支持的运营商将接收总共11艘19,000 TEU到21,000 TEU的超大型船，以及7艘容量从13,800 TEU到14,500 TEU的船只，到今年年底。所有这些都将在中国建造，尽管在不同的船厂。Alphaliner的最新一周报告中的一张最近的照片来自江南长兴造船厂，显示了该造船厂的三种COSCO新建船型。包括13,800 TEU的'花'类船，14,568 TEU的'山'类船只和一艘21,237 TEU的'宇宙'类超大型船。

"那张图片应该在哥本哈根和索伦托（Maersk和MSC的总部）的会议室里,"一位匿名的资深航运执行官说，他指的是

"COSCO的‘megamax’项目是由不同船型组成的，因为它不仅在CSSC，CISC和COSCO，KHI等船厂分拆，而且也来自之前运营商与CSCL合并之前的两个单独的运营商订购了不同的船型。"Alphaliner在其最新一周报告中解释道。

随着今年对香港的OOCL的收购即将完成，COSCO可能超越海洋联盟成员CMA CGM，跃居世界第三位，成为MSC和Maersk之后的全球航运排名。Maersk和MSC的负责人在最近几个月对亚洲运营商和其无法获得国家资金来扩大其船队的能力进行了反击。

在早些时候的一次投票中，三分之二的新加坡的Splash 247读者相信COSCO将在今后的十年内超越Maersk，成为全球最大的集装箱运营商。COSCO今年的巨大扩张正值Maersk Line亏损的公司第一次减少运营能力的十年。

与Maersk Line相比，COSCO可能在运营能力扩大方面在今后的十年内获得优势。COSCO今年的庞大扩张是在Maersk Line实际上减少其运营能力的十年中进行的。
Both Evergreen and Hyundai Merchant Marine have larger orderbooks than COSCO, but no carrier has such a heavy delivery schedule this year as the Chinese carrier.

[Hong Kong Shipping Gazette]

Maritime cargo preferences U.S: A waste of taxpayer dollars

21/06/2018
By Stephanie Mercier and Erin Lentz

In a recent column in The Hill, the authors contend that preserving and bolstering cargo preference requirements — the law requiring U.S. shippers to use U.S. flagged vessels to transport “government-impelled ocean-borne cargo” — is crucial to maintaining America’s standing in international trade, carrying out the nation’s humanitarian agenda, and projecting U.S. military power overseas.

Our findings and those of others, including Christopher Barrett of Cornell University and Vincent Smith of the American Enterprise Institute and Montana State University, suggest otherwise. First, there is little to no evidence that the cargo preference requirement on U.S. food aid shipments does anything to augment the readiness of today’s U.S. armed forces. The Defense Department maintains that it receives benefits from paying higher prices to ship military goods on U.S. flagged ships, but the consensus view of three 2015 studies is that the limited number of cargo ships in the U.S. flagged fleet would not affect a military surge.

The issue is the number of trained U.S. mariners available to crew existing vessels in Military Sealift Command and the Ready Reserve Fleet. In the more than 60 years since the Cargo Preference Act was enacted, the government has never mobilized an agricultural cargo preference vessel and crew, unless they were also part of the Maritime Support Program, which is a completely separate subsidy program that only includes vessels deemed to be suited for military use by Pentagon. Many U.S. flagged ships carrying substantial amounts of U.S. food aid are not eligible for the program.

Second, food aid cargo preference does nothing for the U.S. humanitarian agenda. The mandate that almost all food aid be sourced in America, plus the cargo preference requirement, imposes substantial additional shipping costs of at least $300 million per year. As a result, U.S. humanitarian aid serves at least four million fewer people every year. Third, the food aid cargo preference does nothing to maintain the U.S. maritime industry’s competitiveness in the global shipping services market. The old, slow, technologically antiquated U.S. flagged ships carrying most cargo preference food aid are uncompetitive.

The authors of the column also imply that the 2012 decision to reduce the food aid cargo preference requirement from 75 percent to 50 percent resulted in the loss of one quarter of the U.S. flagged fleet. This is inaccurate. The size of the U.S. flagged fleet has steadily declined despite the protection provided by the 1954 cargo preference statute and other federal programs such as the Marine Support Program. Between 1947 and 2010, the number of U.S. flagged ships decreased from 980 to 115 vessels. As of January, there were only 82.

The longer-term reduction in fleet size has occurred because U.S. flagged ships find it difficult to compete for commercial cargo on the open market. A 2011 survey conducted by the Maritime Administration (MARAD) found that the annual operating costs of an average U.S.

flagged vessel were 2.7 times higher than a comparable foreign flagged vessel. Part of the gap is due to the higher wages received by American mariners over their counterparts on foreign-flagged ships. Though, as
reported in several Government Accountability Office reports, many U.S. flagged vessels require more crew per ship because they are older, and less automated than foreign flagged ships.

It is also simply not credible to argue that the 2012 statutory change to food aid cargo preference could have caused the U.S. flagged fleet to shrink so severely. In fact, the 1985 increase in the use of cargo preference from 50 percent to 75 percent did nothing to stem the fleet’s shrinkage. As global trade volumes have grown steadily, the effect of food aid cargo preference on the maritime industry has been shrinking because the total volume of shipped U.S. food aid has been declining steadily for decades. Most U.S. food aid transported under cargo preferences moves on only a few vessels, suggesting that U.S. cargo preferences, while expensive, only supports a handful of shippers. According to federal data for 2016, five U.S. flagged ships accounted for 56 percent of all cargo preference U.S. food aid shipments.

While cargo preference law requires that eligible U.S. flagged ships be owned by American companies, a large share of the vessels are actually operated by U.S. divisions of foreign shipping lines. Between 2012 and 2015, U.S. flagged ships owned by A.P. Moller Maersk Group, headquartered in Denmark, the American President Lines, owned by a company based in Singapore, and Hapag Lloyd, owned by a German company, carried 45 percent of U.S. food aid shipments by volume. So much for food aid cargo preference being necessary to maintain an American-owned maritime fleet responsive to U.S. government needs.

In sum, the U.S. maritime lobby seeks to divert taxpayer dollars to American and foreign shipping companies instead of spending it on U.S. humanitarian aid urgently needed to save the lives of millions of people. U.S. voters and legislators should protest against the profligate waste of resources that is food aid cargo preference.

[The Hill]

Environmental group offers businesses a way to track their e-waste

21/06/2018
EarthEye tracking will prevent data breaches and environmental dumping.
Basel Action Network (BAN), which has become internationally known for placing GPS units inside discarded electronics and tracking them to horrific recycling operations in Asia and Africa, is now offering an enterprise-scale version of their technology to corporations and governments of all kinds.

Launched today, EarthEye™ offers real-time logistics monitoring to government agencies and to businesses concerned about the possibility of data-security breaches from the theft of data from discarded equipment; unauthorized exports to substandard recycling operations in developing countries; and brand damage from lack of accountability and downstream due-diligence. On Tuesday, a leading computer manufacturer announced a partnership with BAN to track their waste after BAN had discovered their take-back program e-waste going off-shore in violation of law and company policy

"In this day and age, really bad things can happen if you don't know precisely where your old electronics are going to end up," said BAN director and founder, Jim Puckett. "Our work has shown over and over again that there are just too many risks and too many so-called recyclers willing to take them. EarthEye is the result of over 10 years of development, providing what is, in effect, a performance audit every 24 hours - and does so at a very low price."
EarthEye has been created so any business that cares, can know precisely where their wastes, products or assets are at any time. Credit: BAN

Industry investigations have shown that 48% of hard disks and solid-state drives found in used computers sold online contain private residual data. And BAN's own studies have shown that 40% of the tracked devices given over to electronics recyclers were sent offshore to developing countries rather than being recycled in the USA as claimed by the contracted recyclers.

The evidence is compelling that far too many companies are unaware of the risks involved with improper management of electronic waste. BAN's tracking has already led to Federal indictments, convictions, and prosecutions for both fraud and environmental crimes at the companies: Diversified Recycling in Georgia, Executive Recycling in Colorado, Intercon Solutions in Illinois, and Total Reclaim in Washington.

"We have learned that audits, inspections and diligent compliance officers alone cannot always prevent bad actors from jeopardizing a company's reputation and resources," said Hayley Palmer, Program Director of EarthEye. "EarthEye is a cost-effective service that does what nobody else can do -- detects fraud or contractual violations after the auditors have gone home. In doing so, EarthEye can help companies get ahead of potential problems, rather than finding themselves scrambling to react to a PR nightmare."

**About Basel Action Network**

Founded in 1997, the Basel Action Network is a 501(c)3 charitable organization of the United States, based in Seattle, WA. BAN is the world's only organization focused on confronting the global environmental justice and economic inefficiency of toxic trade and its devastating impacts. Today, BAN serves as the information clearinghouse on the subject of waste trade for journalists, academics, and the general public.

Through its investigations, BAN uncovered the tragedy of hazardous electronic waste dumping in developing countries. For more information, see [www.BAN.org](http://www.BAN.org).

[Basel Action Network]
European Union officials who had half an eye on developments in the British Parliament on Wednesday fear the uncertainty will continue and aren’t reassured by Prime Minister Theresa May’s apparent victory.

While they say the failure of U.K. lawmakers to win influence over the final Brexit deal at least allows May to focus on the next stage of talks, they’re far from convinced that it will make the process run any more smoothly.

One diplomat said Brussels was viewing the events in Westminster as if they were a “soap opera” that had little effect on the day-to-day discussions around the negotiating table—but still added to the sense of chaos. And few people think the vote marks the end of the turmoil, he said.

EU officials have been concerned about the prospect of a no-deal Brexit for some weeks. While diplomats don’t think Wednesday’s vote in itself necessarily makes it more or less likely, the potential for more skirmishes and the continuing divisions in May’s Cabinet means they fear talks could collapse “almost by accident,” according to one person familiar with the negotiations.

The European Union (Withdrawal) Bill was only the first of several that May has to get through Parliament. May won by 319 votes to 303.

Further trouble

It was the latest bump in the Brexit road that EU officials have been aware of for some time. They have already identified other votes in the House of Commons, including on the trade and customs bills expected in July, that could lead to further trouble for May.

Other potential flashpoints could be the gathering of May’s ministers at her Chequers countryside retreat in July to thrash out their vision for Britain’s future relationship with the EU, as well as the Conservative Party conference at the end of September, the person said.

But EU officials are not getting too bound up in British politics. When the question of whether to focus more on goings-on in London came up at a recent diplomats’ meeting, the idea was rejected, another person said. Things move too fast, was the verdict—and can’t be influenced from Brussels anyway.

[Bloomberg]

The town already has oil and gas loading terminals, built since 2013, that feed pipelines transporting the fuel directly to Yulin province in Western China. A rail link is planned to connect the container port.

21/06/2018
A cap on sulphur in marine fuel could cost the industry $60 billion.

The shipping industry has encountered rough seas over the past decade. Between 1985 and 2007 trade volumes shot up at around twice the rate of global GDP but since 2012 their rate of growth has barely kept pace, leaving the industry with overcapacity. Freight rates for containers have plunged by a third since 2008. Worse may be to come. The industry does not regard as good news President Donald Trump’s announcement on June 15th of tariffs of 25% on up to $50bn of Chinese goods, which will slow trade growth further. Now a veritable hurricane of new environmental laws is about to hit.

Shipping accounts for only around 2% of global carbon emissions but is quite dirty. Burning heavy fuel oil, the industry produces 13% of the world’s sulphur emissions and 15% of its nitrogen oxides. And by 2050
ships will be producing 17% of all carbon emissions if left unregulated, according to research by the European Union.

The International Maritime Organisation (IMO), the United Nations agency for shipping, last September brought in rules forcing owners to install equipment by 2024 to clean the dirty ballast water their ships suck in and discharge. That may cost the industry as much as $50bn. In April the IMO agreed to halve the industry’s carbon emissions from 2008 levels by 2050. The biggest worries are new rules that cut the global limit on sulphur content of marine fuel from 3.5% to 0.5% from January 1st 2020 to slash emissions from sulphur, which cause air pollution and acid rain. If everyone complies by buying dearer low-sulphur fuels, the bill could hit $60bn, says Suresh Sivanandam of Wood Mackenzie, a research firm—roughly equivalent to the entire industry’s fuel bill in 2016.

Given that either 2020 or 2025 had been agreed as possible dates for bringing in the sulphur cap, firms have had time to prepare, but have gone into panic mode in recent months. In part this is because 2020 was only recently chosen after a study by Finland found that without it there could be 570,000 more deaths from air pollution worldwide in the five years after 2020. Many firms have belatedly realised the huge sums involved. If they cannot pass them on in higher freight rates, “we’re all going to go bust,” Junichiro Ikeda, boss of Mitsui OSK Lines of Japan, has warned.

Neither are the technological choices in adjusting to the new rules easy, says Stephen Gordon of Clarksons, a shipbroker. Shipowners will have to switch to pricier low-sulphur fuels, invest in “scrubbers” which remove it from the smoke of dirtier fuels, or use greener alternatives such as liquefied natural gas (LNG). Although there are suggestions for how the 50% cut in carbon emissions can be achieved by 2050, such as batteries and hydrogen fuel cells, none has been tried on big ships yet.

For neither goal is it clear which option makes most sense financially. On meeting the sulphur cap, there is no consensus. Maersk, the largest container line, thinks low-sulphur fuel is the best choice, but France’s CMA-CGM has opted for LNG and Mediterranean Shipping Company (MSC) for scrubbers. Shipowners worry that the rules will not be uniformly enforced, says David Vernon of Bernstein, a research firm. They fear being the only buyers of scrubbers and the like in an industry with tight margins, or losing money by picking a bad solution. So the industry is holding fire. Demand for low-sulphur fuel oil and marine diesel is expected to double overnight in 2020, sending prices soaring (see chart).
Shipping emissions: Survey shows that LNG is preferred as fuel, but lack of infrastructure a barrier

21/06/2018
Switching to liquefied natural gas (LNG) is the preferred solution for shipping companies to adopt in order to meet the International Maritime Organization’s (IMO) stringent new international emissions standards for marine bunker fuels, according to the findings of a survey by Deloitte.

However, a lack of refuelling and bunkering infrastructure has been identified as the key barrier to the large-scale adoption of LNG as a transport fuel.

The survey of over 80 senior energy industry leaders from across the Asia Pacific region was conducted at the second annual Deloitte Energy Trading Summit in Singapore recently.

Survey respondents cited the retrofitting and/or redesign of the existing shipping fleet to accommodate the LNG bunker fuel option as the second biggest barrier to adoption, followed by the price competitiveness of LNG versus liquid fuels. However, despite the challenges, over two-thirds (68 percent) said if the marine fuel market switches to LNG, it will have a positive effect on their overall business.

Bernadette Cullinane, Deloitte Global LNG leader and Australia oil and gas lead said: “LNG is particularly well placed to benefit from the IMO’s emissions legislation. Our survey results are clear recognition the stricter standards will open the door for cleaner marine fuels like LNG and low sulphur marine gas oil to displace heavy fuels.

“Almost every maritime authority in the world that offers bunkering is now taking a serious look at LNG as an alternative to fuel oil. Whilst infrastructure is an issue, it is being built, and new vessels have been designed, built and are on order.”

Cullinane added that with the globalisation of the LNG market, companies are actively looking at new applications and new markets for gas. “One of the biggest opportunities for LNG over the next decade will be in transportation, particularly as a marine fuel,” she said.

“This option is rapidly gaining momentum, presenting an attractive market opportunity for LNG producers. With competition from alternative fuels, especially renewables in the power generation space, LNG needs to develop new customer markets to absorb supply and justify investment in new production facilities.

Transportation is a terrific opportunity for LNG suppliers to tap into a growing market. By expanding the customer base, it’s a play that will help underwrite and de-risk future supply developments.”

[Deloitte]
COSCO Shipping has suggested a solution to the US officials with regards to the Long Beach Container Terminal in order to get their permission for the OOCL acquisition, The Wall Street Journal informs.

In July 2017, the Chinese state-run Group offered to buy Hong Kong’s Orient Overseas International Ltd (OOIL), the parent company of OOCL container line, for USD 6.3 bln. This includes OOCL’s long-term concession to run the container terminal on Pier E in the port of Long Beach. This deal has been assessed and approved by anti-trust regulators of the world but is currently being reviewed by the Committee on Foreign Investment in the US (CFIUS), a national panel which verifies foreign purchases of American businesses with national security reasons. CFIUS expressed concerns about transferring the Long Beach terminal to COSCO, as it will become their third facility in California.

Today, COSCO, through its US branch COSCO Shipping (North America) Inc., holds 51% of shares in Pacific Maritime Services LLC, which operates Pacific Container Terminal on Pier J at the Port of Long Beach (the remaining stake of 49% belongs to SSA Marine). Besides, COSCO owns 100% of West Basin Container Terminal at the Port of Los Angeles, which it acquired through the merger with China Shipping in January 2016.

According to WSJ, COSCO executives met with CFIUS officials at Washington and proposed to hand over the Long Beach Container Terminal to a third-party trust under US management for a one-year period until COSCO finds a buyer for this terminal. According to the market estimations, the terminal may be worth to USD 1.5 bln.

“COSCO will not have any participation or sway within the trust,” one person directly engaged in the matter explained. “Additionally, it filed a range of amendments previously required by CFIUS.”

Earlier, COSCO Shipping’s vice chairman Huang Xiaowen said that the planned takeover of OOCL is on track and will be completed by the end of June.

As we wrote last year, with this acquisition, COSCO Shipping, which is now #4 liner carrier by fleet capacity having 1.84 mln TEU, will increase its fleet to 2.9 mln TEU and move up to the third place leaving CMA CGM behind.

Meanwhile, COSCO Shipping Ports has announced that on 20 and 21 June 2018, the company’s directors and management as well as management personnel of the terminal companies purchased a total of 1,372,000 shares of the company at an average price of HKD 7.11 (USD 0.9) per share with their personal funds under the Share Option Scheme. The total amount raised reached HKD 9.8 mln (USD 1.25 mln). The purchased shares represent about 0.04% of the total number of issued shares and will be lock up for a year from the date of purchase.

Mr. Zhang Wei, Vice Chairman and Managing Director of COSCO Shipping Ports said: “The Share Purchase reflects management team’s strong confidence in the Company’s prospect, and with the share option formally granted, we have aligned our interests with shareholders.”
Terminal operators Cameroon: Four global operators shortlisted for Douala container terminal concession

21/06/2018

Cameroon shortlisted four port operators for the concession on Douala Port’s container terminal. This follows the international public call for expression of interest issued on January 18, 2018, to replace the actual operator Bolloré-APMT whose concession will end in 2019.

During the submission period, ten companies expressed their interests. Out of the four selected companies, two have never operated ports in Africa: Hutchison Port Holdings (HPH) and PSA International.

Even though HPH, a Hong-Kong based company, has a global network, it has never operated ports in Africa. The company (owned at 80% by CK Hutchison Holdings and at 20% by the Singaporean PSA International) is registered in the British Virgin Islands, a territory usually presented as a tax haven. For fifteen years now, it has been one of the world’s leading container terminal’s operator with a strong presence in Asia.

As for PSA International, it operates 28 ports in 16 countries in Asia, Europe and America. The actual volume it manages is estimated at 11 million TEU.

Apart from those two companies, there is also the present concession holder DIT (a consortium formed by Bolloré Africa Logistics (BAL) and Maersk’s APM Terminals. BAL also operates the container terminal at Kribi deep-water port, thanks to a concession with the French CMA CGM and the Chinese CHEC, is already operating 16 container terminals in Africa while APM Terminals is present in 23 countries and manages 42 dry ports in Africa and in the Middle East.

The last shortlisted candidate is Dubai Ports World (DP World), the third port operator in the world operating 49 terminals. It was operating in four African countries namely, Algeria, Djibouti, Mozambique, and Senegal. On February 22, 2018, however, the government of Djibouti cancelled the agreement for Doraleh port.

“DP World never really wanted to develop Doraleh (which was operating at 40% of its capacity) and favor the emergence of the Dubai port Jebel Ali. It just wanted to restrict the competition by controlling and limiting operations to the local market and Ethiopia even though this may discourage largest shipowners who would avoid our ports. It did the same thing in Aden, Berbera and elsewhere. This is Malthusianism for its sole profit. We are not accepting it”, explained Ismaïl Omar Guelleh, president of Djibouti, to justify the cancellation of the concession agreement with this operator which eyes the container terminal in Douala port.

[Business in Cameroon]

Port development U.S.: South Carolina Ports embarks on $277.6 million in capital expenditure plan

21/06/2018

By Hailey Desormeaux

The South Carolina Ports Authority (SCPA) Board of Directors on Wednesday adopted a financial plan for fiscal year 2019, approving the largest capital expenditures plan in the port’s history.
The board approved $277.6 million in capital expenditures for fiscal year 2019, which runs from July 1 through June 30, 2019. SCPA’s largest capital expenditure for the fiscal year is slated for the Hugh K. Leatherman Terminal, where it will invest $117.1 million for construction, equipment and the port’s share of the access road linking the terminal with I-26.

A SCPA spokesperson told American Shipper Thursday that the port authority expects phase one of the container terminal to open in 2021. Fiscal year 2019 capital expenditures also include $79.5 million in upgrades and modernization of the Wando Welch Terminal, SCPA’s largest terminal in terms of volumes and physical size, according to SCPA. In addition, $18.9 million is slated for the North Charleston Terminal and $19 million is allocated for the construction of the new SCPA headquarters.

SCPA expects operating revenues for fiscal year 2019 will total $280.8 million and operating earnings will reach $42.9 million. The port authority also is projecting 5 percent pier container growth for fiscal year 2019, as well as strong volumes at both inland rail facilities, which include Inland Port Greer and Inland Port Dillon. Inland Port Greer opened in November 2013, while Inland Port Dillon just opened in April.

An official signing ceremony was held Wednesday between SCPA and Finland-based crane manufacturer Konecranes for the port’s purchase of 26 rubber-tired gantry (RTG) cranes. The $46.4 million contract includes 24 new RTGs for the Wando Welch Terminal and two for Inland Port Greer. Last week, Konecranes announced it had received the order, saying that deliveries will take place in 2019-20.

“The RTGs on order have a lifting capacity of 50 tons while stacking one-over-five containers high and six-plus truck lane wide,” Konecranes said.

SCPA said last week that progress of the Charleston Harbor Deepening Project, which is bringing the inner harbor to a depth of 52 feet and the entrance channel to a 54-foot depth, remains on track, adding that the U.S. Army Corps of Engineers’ fiscal year 2018 work plan has allocated $49 million for the harbor-deepening project.

“The USACE Work Plan funding, in combination with a $50 million loan from the state, will enable the Charleston Harbor to be deepened to the Wando Welch Terminal by early 2021 in a record construction period of only 40 months,” the port said.

[American Shipper]
Port of Durban and the Dube Trade Port is multi-focused, but will facilitate the development of Durban into a major logistics city. It will act as a seamless road, rail, air and sea platform to serve the subcontinent of Africa. This will improve overall competitiveness and the cost of doing business, all in a co-ordinated effort to spur sustained economic growth for the country, she says.

The Port of Durban’s current profile of 21 kilometres with rail tracks in the port totalling 302 kilometres, includes 44 commercial berths and one single buoy mooring with a theoretical capacity of 3.4m teu for containers; 12.1m tons of dry bulk cargo; 19.5m tons of liquid bulk cargo; 24m tons of crude oil; 900,000 units for automotive vehicles; and 2.9m tons for breakbulk cargo.

Ms Nkowane confirms that last year the port handled some 2.7 m teu of containers, 10.7m tons of dry bulk, 28m tons of liquid bulk cargo, 455,000 units of automotive and 2.2m tons breakbulk. This clearly indicates that the port has spare capacity, and why it is keen to attract more volume from global shipping companies.

Infrastructure development

The port has, confirms Ms Nkowane, upped its infrastructure development, such as the current project that is deepening three berths at its Container Terminal from 12.8 metres to 16.5 metres. Next is Pier 1 on Salisbury Island, where capacity will be increased from 700,000 teu per annum, to 2.4m.

“We are also extending the length of the existing quay wall at the Container Terminal in order to accommodate mega vessels. This follows on from the completed reconstruction and deepening of berths 3 and 4 at the Maydon Wharf Precinct, which was undertaken in order to also accommodate the berthing of bigger vessels. The Durban Dry Dock outer Caisson has been refurbished and is in operation, and nine new harbour tugs have also been commissioned for build.”

All the projects aim to modernise, develop and expand on existing infrastructure and this is part of the strategy to position the Port of Durban as an ‘Enterprise Driver’, … “one that promotes not just economic growth, but also sustainability of the maritime value chain”, says Ms Nkowane.

Proof positive of its intention to be a full-service port with a provision of diverse services comes from the recent announcement of the conclusion of a R200m-plus ($16.2m) cruise terminal operator agreement.

“The KwaZulu Cruise terminal (Pty) Ltd will finance, construct, operate and maintain the Port of Durban’s Cruise Terminal Facility, which will be operational by October 2020,” confirms Ms Nkowane. “This is a joint venture between MSC Cruises SA and Africa Armada Consortium, an investment company that empowers black financiers through participation in economic activities, in particular port and logistics developments.”

Locally, the Port of Durban serves as the main gateway to the Gauteng province, considered the main economic hub of the country, which is situated some 600 kilometres from the port. It is also the country’s main port for the automotive industry, handling 66% of vehicle manufacturers’ imports and exports from three of the nine provinces in which they operate.

“The Port of Durban is considered the premier trade gateway between south-south trade, the Far East, Europe and US trade. It is also the leading point on the continent for east and west regional trade. We have excellent shipping ties to anywhere in the world, be that America, New Zealand or the hinterland of Africa.”

[Port Strategy]
A Centre of Excellence in Maritime Safety (CEMS) will open at Singapore Polytechnic (SP) later this year at a cost of $14 million.

Announced at the third International Safety@Sea Conference yesterday, it is being launched by the Singapore Maritime Institute and SP to collaborate with the industry and research community to develop technological solutions and training systems that will help reduce maritime incidents. It will be operational by the fourth quarter and also focus on maritime navigation and operations on board vessels.

Senior Minister of State for Transport and Health Lam Pin Min, said CEMS' training programmes will make use of augmented and virtual reality, and focus on new modelling and simulation tools that enhance navigational safety, in tandem with the development of Maritime Autonomous Surface Ships.

Mr Edwin Loh, SP’s senior manager of technology operations, told The Straits Times that over the next five years, CEMS will aim to develop a Next Generation Navigation Simulator (NGNS), which will perform modelling and simulations of a complex port environment, as well as new vessel designs and operational concepts.

Mr Loh said: "As the upcoming Tuas mega port becomes operational, traffic volume is expected to increase over time. The NGNS can be used to simulate operational challenges and recommend optimal solutions for safe navigation." He added that SP students embarking on internships or final-year projects can be involved in the centre as well.

Dr Lam also announced at the conference that the Maritime and Port Authority of Singapore (MPA) will invest $500,000 in developing a VHF Data Exchange System (VDES), a device capable of real-time, high-bandwidth ship-to-shore communications, over the next three years. By combining data from the VDES with data analytics, the MPA will be able to predict traffic hot spots and areas with higher collision risk.

The MPA will also upgrade the Vessel Traffic Information System. Improvements will be made to the resolution of CCTV and video analytics capabilities. Noting that there were more than 830,000 vessel movements in Singapore waters last year, Dr Lam added: "Despite the heavy traffic, the number of major incidents has dropped over the last 10 years, from about one incident per 100,000 vessel movements in 2008 to less than 0.3 last year.

[The Straits Times]

Oil & gas exploration: How much does OPEC disagree on oil prices?

21/06/2018

By Martin Armstrong

The last 12 months have witnessed a rally in oil prices. After bottoming out at around 40 dollars in June 2017, the price of the Brent barrel has almost doubled since then.

The main exporters of crude will be meeting tomorrow in Vienna to discuss their upcoming strategies and price targets, but their starting positions are quite different.

Based on analysis by Bloomberg, this infographic reveals that there is a large gap between the barrel prices
that each country would find satisfactory for their domestic budgetary needs. Meanwhile, those with more solid extractive industries such as Russia or Kazakhstan would like to increase drilling. Countries where production has been affected by political instabilities such as Libya or Venezuela would prefer to keep export quotas as they are for now.

Amid previous disagreements between Iran and Saudi Arabia, it seems like a deal will be reached to increase production, although only slightly. Oil dependence is key in defining each country’s interests: Venezuela and Iran are especially reluctant about inducing a price fall. New U.S. sanctions on Iranian crude exports after Donald Trump decided to cancel the nuclear deal are also shaping the country’s position and belligerence towards fellow OPEC members’ strategies.

[Statista]

Shipbreaking: Shipowners slammed for spreading fake news on green recycling capacity

21/06/2018

By Sam Chambers

Shipowner claims that there will not be enough EU-approved ship recycling capacity following China’s exit from the international ship recycling scene at the end of this year has been rubbished by NGO Shipbreaking Platform.

China, the world leader in green ship recycling, surprised the shipping industry last month announcing it
would stop accepting overseas ships for scrapping as part of an ongoing environmental clampdown on importing waste materials.

On Monday, the EU member states’ experts on ship recycling met in Brussels to discuss the latest developments, six months ahead of the application of the 2013 Ship Recycling Regulation.

Following Beijing’s surprise decision, many within shipping have since suggested that the standard set by the EU must be lowered so that beaching yards can be approved. However, the NGO Shipbreaking Platform has calculated that the facilities which are currently on the list, the 21 EU-based ones only, are in fact sufficient to recycle the entire EU-flagged fleet at end-of-life.

Moreover, there are still other facilities outside the EU, as well as those operating in Italy and Norway, which are expected to be included on the list before the application of the regulation.

Indian beaching yards that have applied to be on the EU list will not be included as there is no way for these yards to comply with the requirements of the regulation as long as ships are beached.

“The overall capacity and sizes of all the facilities that are compliant with EU law will easily accommodate the recycling needs of EU-flagged ships by 1 January 2019. The scaremongering of the shipping industry therefore needs to be debunked, and the European Commission should not bow-down to the ‘fake news’ spread by the shipowners,” the NGO stated in a release yesterday.

SeaEurope, IndustriAll Europe and the NGO Shipbreaking Platform have urged that a financial incentive is needed to push more shipowners towards clean and safe ship recycling. French trade Union CGT also recently called upon the French government to support the development of ship recycling capacity in the Mediterranean.

“With China potentially leaving the international market of ship recycling already next year, there is a clear opportunity for other regions to tailor for clean and safe ship recycling off the beach,” the NGO maintained.

[Splash 24/7]
yards that have applied to be on the EU List will not be included as there is no way for these yards to comply with the requirements of the Regulation as long as ships are beached. The overall capacity and sizes of all the facilities that are compliant with EU law will easily accommodate the recycling needs of EU-flagged ships by 1 January 2019. The

1 The 21 facilities that are currently on the EU List have the capacity to recycle at least 1 mill LDT. Whilst most can only take in smaller vessels, at least 10 of the facilities on the List can take in larger vessels. In 2017, less than 500,000 LDT were registered under an EU flag at end-of-life, out of which 245,827 LDT ended up on the South Asian beaches. All EU-flagged vessels broken last year could have been recycled in facilities that are on the EU List, both in terms of LDT and size. Even when adding also the 423,369 LDT of the 24 ships that swapped their EU flag for a non-EU one few weeks before beaching, the total tonnage does not exceed the capacity of the current EU-listed facilities.

scaremongering of the shipping industry therefore needs to be debunked, and the European Commission should not bow-down to the “fake news” spread by the ship owners.

SeaEurope, IndustriAll Europe and the Platform have urged that a financial incentive is needed to push more ship owners towards clean and safe ship recycling. French trade Union CGT also recently called upon the French government to support the development of ship recycling capacity in the Mediterranean. With China potentially leaving the international market of ship recycling already next year, there is a clear opportunity for other regions to tailor for clean and safe ship recycling off the beach.

“The EU should aim at ensuring that the European shipping industry no longer causes harm to the environment and workers on the South Asian beaches. 30 percent of end-of-life ships are owned by European companies - compared to only six percent registered under an EU flag. There will be a need to support the expansion of existing or building of new facilities to ensure the clean and safe recycling of the many larger vessels that are owned by European companies”, says Ingvild Jenssen, Director of the NGO Shipbreaking Platform. “Circular economy is the buzz-word and a return scheme for ships is the solution”, she adds.

[NGO Shipbreaking Platform]

Oceans: How melting Arctic ice could cook the tropics

20/06/2018
By Gloria Dickie

The loss of sea ice from the Arctic Ocean will alter wind patterns and ocean currents, causing changes across the planet.
Sea ice is disappearing from the Arctic Ocean. Over the past 45 years, the areal extent of summer sea ice has been nearly cut in half. Photo: NASA Scientific Visualization Studio

Every good horror movie needs a sequel, and the follow-up to the real-life 2015 disaster the Blob is coming soon. But this time, the deadly warming in the eastern Pacific Ocean is being produced by the Arctic.

Sea ice is disappearing from the Arctic Ocean, raising the alarm for scientists working in the region. They predict that by the middle of this century, parts of the Arctic Ocean will periodically be entirely ice-free in summer, drastically altering northern marine and terrestrial ecosystems.

But it’s not just the denizens of the Arctic that need to worry about this melting ice: a recent study shows that an ice-free Arctic Ocean could also cause warming across the northern and equatorial Pacific Ocean.

The study, which was conducted using an advanced climate model, shows that within 25 years the temperature from Alaska to Central America could be much warmer than it is now—a condition eerily reminiscent of the Blob, which caused mass carnage of marine life along North America’s Pacific coast from 2013 to 2016. The Blob reduced phytoplankton and zooplankton abundance, and caused mass die-offs of fish, marine mammals, and seabirds.

The difference between the Blob and this projected change is that the Blob came and went, says Eddy Carmack, a Canadian oceanographer who was not part of the study. This new research suggests the world is in for “a very, very different tropical ocean. And it’s permanent.

“The idea that Arctic sea ice loss can affect the midlatitudes is still under debate, but there is mounting evidence that this is the case,” says Carmack. This new research pushes the range of effects even farther—from the midlatitudes down into the tropics.

Explaining exactly how melting Arctic ice will cause warming in the tropical Pacific is not straightforward. After all, the water that flows out of the Arctic Ocean goes into the Atlantic, not the Pacific, so it’s not as simple as warm water flowing down south. Instead, the process that warms the Pacific is a type of “teleconnection” explains Paul Kushner, a physicist at the University of Toronto who leads the Canadian Sea Ice and Snow Evolution Network and is unaffiliated with the study.

A teleconnection is the name given to a process whereby a change in one part of the ocean or atmosphere affects the conditions in a distant place days, months, or even years later. The movements of heat, energy, and particles in the oceans and atmosphere are incredibly complex, but many such teleconnections are common and well recognized. For example, aerosol pollution or a volcanic eruption, which both increase how much sunlight is reflected by the atmosphere, can cause changes in rainfall and temperature thousands of kilometers away, months later. “Teleconnections aren’t new, but what wasn’t known before this [study] was how those teleconnections from sea ice evolved over time,” Kushner says.

Tropical oceans, in particular, are highly sensitive to changes in atmospheric and oceanic systems because strong currents and winds coalesce near the equator, affecting ocean temperature and stratification. When sea ice is lost, the planet’s energy balance changes, Kushner says. The new modeling study shows that the disappearance of ice from the Arctic causes changes in wind patterns, which in turn change the ocean’s temperature in the tropical and subtropical Pacific.

In other words, we can expect that the sequel to the Blob will be, unsurprisingly, much worse than the original.

[Hakai Magazine]
The commission of the Port of Corpus Christi approved $217 million in bonds, in an attempt to expand its ship channel. Of these, around $102 million will be used for the ship channel project, while another amount is possible to be allocated for that work also.

Credit: Port Corpus Christi

With the expansion, the Port will be able to welcome larger vessels and more goods. Namely, the port plans to deepen its channel to 54 feet, enabling the full loading of Suezmax vessels. Moreover, the plans include an increase in exports of LNG from the Permian and Eagle Ford Shale.

According to international sources, this project is considered very important, as if it does not materialize to meet the growing demand, it could have negative consequences to the US ability to strengthen its position in the energy market.

Recently, Reuters reported that the Port of Corpus Christi, which is US's largest oil export port, will attempt to raise $300 million in order to conduct work which will make the Port ready to handle the US shale export increase.

International buyers are currently asking for more US crude. However, they are not getting it due to infrastructure limitations in the US Gulf Coast ports. These terminals have been designed for imports only recently and are now trying to adapt their operations in order to handle exports, including accepting larger tankers.

The US is now exporting more than 2 million barrels of oil a day, but the largest tankers that are currently sailing, choose only the Louisiana offshore port, as the others are not deep enough.

[SAFETY4SEA]
Fjord Line has entered talks with Jotun to acquire property in Sandefjord with the aim of establishing a new ferry port.

Fjord Line plans to build a completely new quay front and interfaces, a terminal building, marshalling areas for tourist vehicles and trailers and other necessary service facilities on the Sandefjord lot.

Once the deal is finalised, Fjord Line will begin talks with local government to get planning and regulation processes underway and for necessary permissions to be granted. Fjord Line are aiming for a 2025 completion date for the project.

[Baird Maritime]

20/06/2018

Number-three container carrier CMA CGM has bought Finnish shortsea container and logistics business Containerships, along with the other holdings of its parent company, Container Finance Ltd. Oy.

When the deal closes later this year, Container Finance’s container logistics operations will integrate into CMA CGM’s regional market offering in Europe and the Mediterranean. In the interim, Containerships continues to develop routes and services, and it will continue to pursue its LNG fuel strategy. The firm’s long-term goal is to power all of its ships with LNG-fueled propulsion, and it plans to take delivery of four LNG-fueled vessels between August 2018 and January 2019. It is also investing in LNG-fueled trucks for its shoreside operations.

The price paid in the purchase agreement was not disclosed, and the agreement remains subject to approval by government authorities.
Containerships is a family-owned business with about 560 employees, and it has been in operation since 1966. It offers multimodal logistics services across Europe, Russia and the UK, with shortsea service networks focused on the Baltic region and the Mediterranean; its 10-ship Baltic operation accounts for about 85 percent its transport volume. Containerships' largest vessel, the 1,000 TEU Containerships VII, is Finnish-flagged and Finnish-crewed, and the remainder of its fleet is chartered-in.

Containerships broke even in 2017, with a profit of about $400,000 on revenues of $220 million. It handled a total volume of roughly 300,000 TEU for the year, including 250,000 TEU in the Baltic.

[Maritime Executive]

Oil & gas shipping: India urges OPEC to boost oil exports at sustainable prices

20/06/2018

India, the world’s third-biggest oil consumer and importer, on Wednesday urged OPEC nations to fill a supply gap and ensure sustainable oil prices as geopolitics affect the output of some producers.

The world faces likely lower oil exports from Iran, OPEC’s third-biggest producer, after U.S. President Donald Trump pulled out of a 2015 nuclear accord with a vow to renew sanctions against Tehran. India is the biggest oil client of Iran after China.

“Political conditions, sometimes internal and sometimes external, result in reduced output of some countries. We expect from OPEC and its members a commitment to step in (and) more than fill the gap to ensure sustainable prices,” Indian oil minister Dharmendra Pradhan said at a seminar in Vienna. He said currently high oil prices dent the economic development of many countries.

“The already fragile world economic growth will be at threat if oil prices persist at these levels. My fear is – this will lead to energy poverty in many parts of the world,” he said.

[Reuters]

Casualties Indonesia: Divers and underwater drone searching for 192 missing in ferry disaster

20/06/2018

By Fergus Jensen and Beawiharta

Divers and an underwater drone on Wednesday joined a fleet of rescue vessels in Indonesia's search for at least 192 passengers missing two days after an overcrowded wooden ferry sank in one of the world's deepest volcanic lakes in Sumatra.

Authorities are unable to confirm how many were aboard when the vessel sank on Monday in bad weather, since it did not have a manifest. Four were confirmed dead and 18 survivors picked up, but officials fear the death toll could be much higher.

Tearful relatives waiting for news gathered at the small port of Tigaras on Lake Toba. Search teams expect to find many more trapped victims once they know where the vessel came to rest in the lake, which is 450 m (1,500 feet) deep.
"We have the coordinates from when it sank, but we need to verify them," said Budiawan, a search and rescue official. A team of 25 divers, including marines, was searching for the vessel, along with a remotely operated underwater vehicle (ROV) that can operate up to a depth of 380 m (1,247 ft), he added.

The first team of divers encountered poor visibility and freezing cold when it got to a depth of 50 meters (164 ft), said Muhammad Syaugi, head of the national search and rescue agency. Rescue teams in boats carrying GPS devices, binoculars, life jackets and oxygen tanks for survivors, have found little on the lake's surface.

Dozens of angry relatives demanded answers from authorities as the search was called off for the night.

**Overloaded**

Transport minister Budi Karya said on Wednesday the boat was designed for 43 passengers and had 45 life jackets on board. The estimate of those missing shows the ferry was overloaded nearly five times above capacity. It was also carrying dozens of motorcycles, say officials and survivors. It was also missing a sailing permit, and the life jackets on board were not up to standard, Karya said.

"There were mistakes. The journey was illegal," Karya told a news conference in Jakarta, the Indonesian capital.

One survivor described panic among the passengers when high waves lashed the ferry and they started falling into the water as it keeled over. "We were floating around for an hour in the middle of the lake before help arrived," said Riko Sahputra, who clutched a motorcycle helmet to stay afloat before a passing boat rescued him, news website Kompas said.

Spread over 1,145 sq km (450 sq miles), the tourist attraction of Lake Toba fills the caldera of a giant ancient volcano that erupted about 75,000 years ago in one of history's biggest eruptions. Weather conditions can quickly change on the picturesque lake, where a string of accidents has included a 1997 sinking that killed about 80 people.

Ships in Indonesia often carry far more passengers and goods than they are designed for, flouting safety rules.

[Reuters]
were shared with the consortium.

The documents showed that Navigator Holdings did substantial business with a Russian energy firm called Sibur, whose owners include Putin’s son-in-law Kirill Shamalov and Gennady Timchenko, a Russian oligarch. Both are subject to American sanctions.

**Russian connections**

Ross received a letter from the New York Times, which is an ICIJ member, on October 26 explaining that it was writing a story on his involvement with Navigator Holdings, the newspaper reported Tuesday. It asked ten questions, including about the company’s Russian connections.

“The reporter contacted me to write about my personal financial holdings and not about Navigator Holdings or its prospects,” Ross said in a 660-word statement on Tuesday providing additional details about the transaction. He added that he did not receive any non-public information due to his government position or from government employees.

“The fact that the reporter planned to do a story on me certainly is not market moving information,” Ross said.

Ross noted that the transaction had been reviewed and approved by government ethics officials. The Office of Government Ethics certified Ross’s disclosures of the short sale and other transactions on Monday after a review that determined they complied with federal ethics laws.

OGE reviews determine whether reported transactions comply with federal conflict of interest and disclosure requirements. The agency does not have investigative powers.

**Financial disclosure**

In his initial financial disclosure form, provided to OGE in January 2017, Ross disclosed that the entities that held his stake in the shipping company, as well as other assets, were valued at $2 million to $10 million. Officials disclose the value of their assets in broad ranges.

Ross said he sold those holdings in May 2017, which he “believed at the time was the extent of my interest in Navigator.” He later learned that he had a small amount of additional holdings due to his service on the company’s board from 2012 to 2014. Ross chose to divest those shares as well, he said in the statement.

Because Ross didn’t have physical possession of the shares, he said he executed the short sale to divest as quickly as possible and to comply with New York Stock Exchange rules that require shares to be transferred within two days of the sale.

‘Borrow shares’

“I had to borrow shares in Navigator equal to the number of shares I sold to complete the transaction under the NYSE rules,” Ross said in the statement. “I then replaced the borrowed shares with the shares held in my name when I received them a few weeks later.” Ross noted that both transactions were reported in disclosures to the Office of Government Ethics.

Forbes initially reported the transactions on Monday. Ross’s short position could have financially benefited him when negative information about the company came to light, it reported, which Ross disputed. “I received the value of the shares as of the short sale date,” he said.

He didn’t explicitly say whether he made or lost money on the transaction. Ross held the position until November 16, a second filing with OGE shows.

[Bloomberg]
20/06/2018
By Sam Whelan, Asia correspondent

Hutchison Ports Thailand (HPT) began operations at Laem Chabang Terminal D on Monday, when the 5,556 teu MOL Grandeur came to call.

The new $600m terminal is HPT’s third at Thailand’s major container gateway of Laem Chabang. The new deepsea facility could pave the way for a 40% capacity increase in the largest vessels calling at the port, helping Thailand challenge Malaysia and Singapore for coveted South-east Asian transhipment traffic.

Stephen Ashworth, Hutchison Ports’ MD for Thailand and South-east Asia, said the terminal could handle some of the largest container vessels currently in use. “Some shipping lines are showing interest in deploying 14,000 teu class vessels on port rotations that include our Terminal D,” he told The Loadstar. The current average vessel size at Laem Chabang is around 3,000 teu, Mr Ashworth said, with the biggest at 10,000 teu.

On completion, the fully-automated terminal, equipped with remote control technology, will have a total quay length of 1,700 metres, 17 super post-panamax quay cranes, and 43 electric rubber-tyred gantry cranes.

HPT was in need of new capacity following strong growth in recent years, including a 16% jump in volumes in 2017. The terminal operator already handles around a third of Thailand’s total 8.3m teu annual throughput.

The first phase of the terminal (D1) adds around 600,000 teu to HPT’s current total capacity of 2.8m. This will increase to 1.2m teu once D1 is fully operational in 2019. Phases D2 and D3 will add 3.5m teu by 2024.

According to HPT, Terminal D is an integral part of Thailand’s Eastern Economic Corridor (EEC), a $45bn special economic zone that aims to modernise the economy through improved infrastructure and innovation. The project includes plans to build double-track railways connecting Laem Chabang with key industrial zones.

Meanwhile, bidding on Laem Chabang’s third expansion phase will commence in October, according to the Bangkok Post. Due for completion by 2025, Terminals E and F will increase the port’s capacity from 7.7m teu to 18.1m teu. Mr Ashworth declined to comment on the viability of this much additional capacity, noting that this was “the responsibility of Port Authority of Thailand”. Hutchison has not yet said whether it intends to bid on the additional terminals.

[The Loadstar]

Operadores de terminales Chile: TCVAL modifica proyecto de Terminal 2 de Valparaíso para viabilizar permisos

20/06/2018
Por Carla Cabello

Proyecto de US$500 millones entra a su última fase para obtener la autorización ambiental que está en tramitación desde 2014. La empresa, además, comprometió recursos económicos de compensación.
2018 será un año clave para el proyecto Terminal 2, a cargo de Terminal Cerros de Valparaíso (TCVAL) - firma que hoy es controlada por el fondo australiano IFM - que consiste en la construcción y operación de un nuevo terminal de contenedores en Valparaíso. La iniciativa está en trámite ambiental desde septiembre de 2014, sin embargo, aún está a la espera de los permisos para comenzar las obras. Las dificultades que ha tenido la implementación del terminal es lo que ha llevado incluso a la firma a evaluar retirarse del proyecto.

Pero la compañía aún apuesta para que el proyecto de US$500 millones obtenga su Resolución de Calificación Ambiental (RCA) y revertir su suerte. Ayer, la compañía presentó a la autoridad ambiental la Adenda con la respuesta a las observaciones formuladas por los servicios públicos al expediente en octubre de 2017.

El documento da cuenta de las modificaciones que la compañía introdujo al proyecto original en respuesta a las observaciones formuladas. En concreto, disminuye el área del proyecto. La concesionaria desistió de una parte de la iniciativa que se sobreponía sobre una ZT (zona típica) Área Histórica de Valparaíso y del sitio de Patrimonio Mundial. “Esto ha significado una disminución de 595 m2 del área del sector TCVAL del proyecto”, señala en la Adenda.

Proyecto Terminal 2. Fuente: Terminal Cerros de Valparaíso (TCVAL)

De esta forma, asegura que no habrá áreas, obras o acciones del proyecto que se emplacen sobre esta zona de Valparaíso. Sin embargo, dice que aún así determinó medidas de compensación ante una pérdida de atractivo de disfrutar las vistas hacia y desde el mar en el Área Histórica de la ciudad, como el aporte de recursos económicos anuales a una “Mesa de Responsabilidad Empresarial y Gestión Patrimonial”.

Dichos fondos se destinarán a actividades vinculadas con la gestión, construcción de infraestructura y equipamiento y la realización de actividades para la protección y puesta en valor del patrimonio cultural de Valparaíso, específicamente en dichas áreas. Esta instancia está constituida por un representante de Empresa Portuaria Valparaíso, dos representantes de la concesionaria y uno de la Municipalidad de Valparaíso. Además, se invitará a participar a un representante de la Subsecretaría de Patrimonio Cultural, del Gobierno Regional y de la Seremi de Medio Ambiente.

Esta medida se implementará desde el inicio de la fase de construcción y durante toda la operación del proyecto. Al obtenerse la RCA, dijo la empresa, se modificará el contrato de concesión, estableciéndose la
Terminal operators Canada: DP World to increase Fairview Container Terminal capacity to 1.8 million TEU

19/06/2018

The Port of Prince Rupert and DP World announced the next expansion for the Fairview Container Terminal. When Phase 2B is complete in 2022, it will increase its annual capacity to 1.8 million TEU.

The Port of Prince Rupert and DP World have agreed on terms of a project development plan that outlines the next phase of expansion for the DP World Prince Rupert Fairview Container Terminal. The Phase 2B expansion will increase annual throughput capacity at Canada’s second largest container terminal to 1.8 million TEU when complete in 2022.

The Fairview Phase 2B project follows the 2017 completion of Fairview Phase 2A, which increased the terminal capacity by 500,000 TEUs to its current capacity of 1.35 million TEUs. Construction on Phase 2B will begin in mid-2019. There will be an initial gradual release of capacity to 1.6 million TEUs, in 2020 following the completed expansion of the container yard to the south.

The project will expand the container yard from its current 32 hectares to 41 hectares and add two new rubber-tired gantry (RTG) cranes as well as an eighth dock gantry crane. The existing maintenance and administration buildings will be relocated to create additional container storage capacity.

Expansion and relocation of the truck gate to the south end of the terminal, where it will connect with the Fairview – Ridley Connector project being advanced by the Port of Prince Rupert, will also improve efficiency. The Phase 2B project will further expand on-dock rail capacity with the addition of 6,680 feet of working track, for a total of 24,680 feet of on-dock rail by 2022.

Terminal operators UK: Carriers divert cargo from Hutchinson Ports’ Felixstowe terminal

19/06/2018

By Hailey Desormeaux

Some liner carriers have started diverting cargo from the Hutchison Ports’ Felixstowe terminal, which has been experiencing operational delays from the implementation of a new terminal operating system.

However, in a customer update Monday, Hutchinson Ports said, “Performance across all areas of the container division — vessel, road and rail — has improved significantly over the last 72 hours.”

Maersk Line’s intra-Europe short sea specialist Seago Line said in a customer advisory Tuesday that the new operating system “has resulted in severe delays and cancellations across all areas of port operations, including rail, road and shipside container moves.

“We are working hard on finding alternative solutions to move our customers’ cargo and making sure that their businesses are experiencing minimal disruption and delays,” Seago said. “Our local operations and
customer service teams are informing our customers of any impact to their cargo. We are maintaining close contact with the port and will provide further updates as we receive them.”

The Loadstar also reported Tuesday that Hamburg Süd, also a subsidiary of Maersk following its purchase last year, announced it will begin diverting ships because of delays. For the next five weeks, Hamburg Süd’s NESM and NETU services will call at Southampton instead of Felixstowe, The Loadstar said, adding that the German carrier said it has been forced to perform two “cut and runs” in which a vessel unloads its cargo and departs the port without waiting to load.

BlueWater Reporting’s Port Dashboard tool shows that Hutchison Ports’ Felixstowe terminal is frequented by 14 direct region-to-region liner services, 11 of which are operated by either the 2M Alliance, Maersk or MSC, and 13 intra-European loops (including those connecting North Europe with the Mediterranean), eight of which belong to either MSC or Seago.

[American Shipper]

Port development U.S.: Construction begins on $125 million Savannah Port Logistics Center

19/06/2018

By Mollie Simon

Infrastructure around the Savannah Harbor is continuing to take shape. Atlanta-based Capital Development Partners Inc. broke ground on the Savannah Port Logistics Center on Tuesday.

The 2.3 million-square-foot, $125 million project was first announced in March and is a joint venture between Capital Development Partners and Greenfield Partners. The logistics center is located 10 miles from the Port of Savannah via Highway 80.

The 190-acre industrial campus will offer dual rail service via Norfolk Southern Railway and CSX. The site also will offer transload capability and more than 2,000 container storage positions, according to a Capital Development press release.

The first building to be constructed is a 1,075,000-square-foot industrial facility featuring a 40-foot ceiling, cross dock capability and dual rail service ready for occupancy in April 2019. Construction on the second building — a 1,310,400-square-foot industrial facility featuring a 40-foot clear ceiling, cross dock capability and dual rail service — is expected to begin late this year.

The Savannah Port Logistics Center is a joint venture between Capital Development Partners and Greenfield Partners.

The Savannah Harbor deepening is set to be completed in 2021 and additional funding for the project was recently included in the U.S. Army Corps of Engineers 2018 work plan.

[Atlanta Business Chronicle / Progressive Railroading]

Port development Vietnam: Tighter control over waste import urged

19/06/2018
The Vietnamese government has urged tightened controls over waste imports in the context of the flooding of abandoned waste containers at local sea ports.

A large number of abandoned waste containers at Vietnamese seaports

The ministries of Finance, Natural Resources and Environment, Industry and Trade and Transport have been asked to closely supervise waste imports and trading activities. More than 3,000 containers of waste have been abandoned for more than 90 days at seaports in Vietnam.

According to Sai Gon Port’s customs board, the abandoned waste has affected the port’s operation, meanwhile, the costs for destroying the waste is very expensive.

A representative from a consumer goods company in HCM City said that “We want to import goods, but now Saigon Port is full of waste, so we have to wait”.

Nguyen Nang Toan, director of the Sai Gon Newport Company’s logistics centre said that China halted the import of 24 kinds of waste from January 1. So, developed countries have exported waste to other countries, including Vietnam. Old waste includes cables, machinery, equipment, plastic and batteries.

Nguyen Xuan Sang, head of Vietnam Maritime Administration, said that a large amount of plastic waste would come to Vietnamese sea ports in the coming time, which would pose environmental pollution as well as fill up ports.

Le Duy Hiep, chairman of Vietnam Logistics Association, said that currently, waste prices in many countries are too low, so, many Vietnamese companies import them for recycling and then resell them for higher prices.

Taking advantage of the waste import, many companies imported second hand electronic products and household utensils from Japan, South Korea or the US for sale. In case when they are detected, the goods were often left at sea ports.

The General Department of Customs will submit the government measures to tighten control over waste imports. “We will instruct local customs agencies to strictly deal with imported waste which do not meet the
required procedures. In such cases, the owners of goods do not collect their containers left at ports for more than 90 days, customs officers will sell off the shipment. Meanwhile, those which can affect the environment will be destroyed.

According to the Vietnam Maritime Administration, by May 31, up to 27,944 containers of good were abandoned at Vietnamese ports. Of the sum, 6,700 containers were left at Haiphong Port; 14,600 at ports in HCM City and 6,500 at ports in Ba Ria-Vung Tau ports. Most of the goods are old electrical cables, machines, fertilizer, garment materials, paper, plastic waste and agricultural produce.

Vietnam allows waste imports for production activities. The country has 928 waste importers.

[VietNamNet Bridge]

### Port development UAE: Expansion projects at Fujairah build on recent progress

19/06/2018

An increase in the liquids storage, bunkering and freight-handling capacity at the Port of Fujairah is expected to further strengthen the emirate's position as a fuelling point and trans-shipment centre.

In late April the UAE-based Brooge Petroleum and Gas Investment Company (BPGIC) announced plans to more than double its holding capacity of crude and oil products at its storage terminal, located close to the port. The expansion will see 600,000 cu metres of new storage capacity added to BPGIC’s Fujairah terminal, up from existing levels of 400,000 cu metres, with work to be completed by the end of 2019.

The development of the BPGIC facility comes on the back of numerous major investments in refining capacity in the Middle East in recent years, with regional oil majors looking to diversify revenue sources and react to strong growth in Asian demand for oil products. Both China and India are expected to see deficits in domestic oil product supply by 2025, according to a statement made by consultancy McKinsey in February.

Strategically located on the east coast of the UAE and at the entrance to the Strait of Hormuz, Fujairah is well situated to take advantage of any increased shipping activity, particularly as it is also a well-established refuelling point for tankers leaving the Gulf, with vessels that choose to port there and not enter the Strait of Hormuz enjoying lower insurance costs.

Meeting broader goals for port capacity

Abu Dhabi Ports (ADP), which took over management of the facility in September 2017 via a 35-year concession agreement, is also looking to leverage the port’s potential.

Establishing a new unit, Fujairah Terminals, to run operations at the site, ADP has committed to expanding freight-handling capacity. Its plans include adding 1000 metres of quays, expanding storage space by 300,000 sq metres and deepening existing berths to 16.5 metres, allowing for the docking of larger vessels.

The additional capacity – including the installation of advanced cargo-lifting equipment, such as post-Panamax quay cranes able to move freight from new generation container carriers – should be brought online by 2021.

One of the first steps in this programme was taken in mid-December 2017, when ADP signed contracts worth Dh500m ($131.6m) for preliminary work to facilitate development of the port.

Fujairah already has nine operational berths with the capacity to handle general cargo, container traffic, and wet and dry bulk, with annual throughput to be increased gradually to 700,000 tonnes of freight and 1m
Storage growth continues as bunkering drop offs

In recent years the port has witnessed exponential growth in storage capacity, which has risen from 3m cu metres in 2010 to 10m cu metres today, with the goal to increase this to 14m by 2021. The increase also coincides with efforts to transform the port from being a basic logistics hub to a major centre for oil trading in the region.

Recent figures from the Fujairah Oil Industry Zone, an energy free zone established at the port in 2011, also point to strong inventory growth in recent times: as of mid-June, oil products stood at 19.3m barrels, representing 6.5% week-on-week growth, with heavy distillate inventories at their highest level for 2018. Of the total, 6.9m barrels contained light distillates, 2.7m carried middle distillates and 9.7m were barrels of heavy distillate.

Despite these positive indications, Fujairah’s position as the world’s second-largest bunkering port was taken by Rotterdam last year, while Singapore remains the global leader. With the UAE banning Qatari or Qatar-bound vessels from using its maritime facilities last year, bunkering demand eased and loading volume fell to between 8m and 9m tonnes, down from 11m-12m tonnes in 2016.

Nonetheless, industry figures are confident that increased container and freight-handling capacity at the port will accelerate growth and reduce costs in other areas, particularly for businesses working in the nearby Fujairah Free Zone.

[Oxford Business Group]

Port development Belgium: Antwerp seeks to double rail volume

19/06/2018

Railport Antwerp, a joint initiative by Antwerp Port Authority, the Left Bank Development Corporation and the industry associations Essenscia Vlaanderen and VOKA-Alfaport, is to expand its activities.

The company will actively serve rail transport in the port, including intermodal container transport, with the aim of doubling the proportion of rail transport in the port of Antwerp over the next few years. An important step in this process is the appointment of Nils van Vliet as CEO.

Railport was set up in 2013 with the aim of taking practical initiatives to improve and promote rail transport in the port. The focus of the activities has so far been on carrying out studies and trial projects concerning distributed transport.

“The part played by rail in total transport within the port is currently less than 7%,” explains Port Authority CEO Jacques Vandermeiren. “This situation urgently needs to change in order to permit further, sustainable growth of the port in future. Together with the other partners we have therefore decided to take Railport to the next level.”

Railport’s main task will henceforth be to coordinate the various rail activities in the port, acting as a link between the rail transport operators, the rail infrastructure operator, port companies, shippers and terminals.

“The development of Railport will run in parallel with the expansion of our collaboration with Infrabel.”
Together with them we seek to develop a new operational model for the rail infrastructure in the port so as to make rail transport more flexible and efficient. The aim is to double the share of rail transport in the port of Antwerp over the next few years,” Jacques Vandermeiren concludes.

[Port of Antwerp]

Port development Australia: China Merchants Port Holdings' purchase of 50% stake in Newcastle under review

China Merchants Port Holdings' (CMPort) acquisition of a 50% stake in Australia's port of Newcastle, the world's largest coal port, for AUD607.5 million (US$457.5 million) in now subject to a review by Australian authorities.

The deal comes at a time of heightened political and trade tension between the strong-performing Asian economies.

Exporters in Australia's wine sector, including Pernod Ricard, owner of the Jacob's Creek, the country's largest wine brand, and the New South Wales-based McWilliams Wines, have complained of serious delays at China Customs that could derail forecasts for Australian wine exports to top AUD1 billion in value for the first time this year. Wine exporters are pressing the Australian government to resolve its issues with China to protect trade and revenues from one of its key export destinations, reported IHS Media.

The Newcastle port deal extends the global port footprint of CMPort to six continents, after the February acquisition of a 90 per cent stake in TCP Participacoes, the operator of the port of Paranagua in Brazil.

"The port of Newcastle will complement the current trading network covered by the company's port portfolio and will further generate synergies and positive long-term financial returns for the company," CMPort said in a statement announcing the completion of the acquisition.

The port of Newcastle has a total land area of 792 hectares, including 200 hectares of vacant port land available for development. It is aggressively seeking to overturn a clause in an agreement between the government of NSW and port Kembla that blocks it from carrying out a plan to develop a major container terminal operation.

"This arrangement, now under investigation by the Australian Competition and Consumer Commission, would see (port Kembla) paid 'compensation' for every TEU handled (above a nominal threshold) if a successful container terminal is operated in Newcastle," said Newcastle's acting CEO Simon Gelder.

CMPort's 2017 volume rose 7.4 per cent at its global container facilities to 102.9 million TEU. Earnings increased by 9.7 per cent to $768 million. Revenue from the core ports business was up 9.6 per cent to $3.4 billion.

At the results announcement in Hong Kong earlier this month, deputy general manager Yang Gang said CMPort was not concerned about a possible China-US trade war and may even benefit from such a situation.

"The loss (of business) from a trade war can be compensated by trade from Southeast Asia and Europe. Our home base in west Shenzhen serves a relatively small proportion (of US-bound trade). (A trade war) might even benefit CMPort as our business mainly serves Southeast Asia and Europe shipping routes," Mr Gang said.

The company forecasts strong growth will continue this year due to the favourable global financial environment, strong global demand and a projected 6.6 per cent GDP growth rate for China's economy.
Shanghai’s three-year (2018-20) action plan to build itself into an international shipping center

19/06/2018

The Information Office of Shanghai Municipality held a press conference recently, during which Xie Feng, director of the local transport commission, gave a brief introduction about Shanghai’s Three-Year (2018-20) Action Plan to build itself into an international shipping center.

The 13th Five-Year period is of critical importance to the city's plan to build itself into an international shipping center by 2020. To achieve the target and raise the city's core competitiveness, the local government has drafted a three-year plan.

**International shipping hub**

One goal of the three-year plan is to further consolidate Shanghai’s status as an international shipping hub. In the Chinese mainland, the Port of Shanghai boasts the largest number of container shipping routes, the highest frequency of route operations and the widest network coverage. In 2017, cargo throughput rose 6.9 percent from 2016 to 751 million tons at the Port of Shanghai, while container throughput increased 8.3 percent year-on-year to 40.23 million TEUs, ranking first in the world for the eighth consecutive year.

At the same time, leveraging on the golden waterway along the Yangtze River, the Port of Shanghai is developing its waterway-waterway transport business and proceeding with its renovation project on high-grade inland waterways at a steady pace. Container lines connecting all ports along the Yangtze River are operated on a regular basis and breakthroughs have been made in the two-way navigation for large vessels along the deep-water passage at the mouth of the Yangtze River.
In 2017, waterway-waterway transport accounted for 46.7 percent of total container transfer. Among all, 10.58 million TEUs were handled along the Yangtze River, accounting for 56.4 percent of the total waterway-waterway transport and 26.3 percent of total throughput at the Port of Shanghai.

**Gateway aviation hub**

Another goal of the plan is to generally establish Shanghai's status as an Asian gateway aviation hub. Shanghai has successfully built a "one city, two airports" system, the first of its kind in the country, whose scale and layout are compatible with their international counterparts.

The city's two international airports, namely Pudong and Hongqiao, have a total of four terminals, six runways, 1.47 million square meters' cargo area and an airport bonded zone, with a total designed capacity for 100 million passengers and 5.2 million tons of cargoes. Over 100 airlines have launched services to the city's airports, which are now connected to 297 cities worldwide.

Transit centers of the three largest logistics companies are all under operation in the international cargo mail and courier service zones at the Pudong airport. In 2017, passenger throughput at Shanghai airports reached 112 million, ranking fourth around the globe. Cargo mail throughput at Pudong airport maintained its No.3 global ranking for the 10th consecutive year. Throughput of international passengers and cargo mail at Pudong airport accounted for one-third and half of the country's total, respectively, making it the No.1 gateway in the Chinese mainland.

**Modern shipping services**

The third aim is to continuously improve Shanghai's function of modern shipping services. A cluster of shipping service areas such as Waigaoqiao, Yangshan-Lingang, North Bund, Wusongkou, Hongqiao, and Pudong Airport, among which the shipping industry in Hongkou district ranks first in terms of its contribution to the district's overall financial income, accounting for 19 percent of Hongkou's public financial income.

A group of international and national shipping functional organizations have gathered in Shanghai. The world's top 20 liner companies, the top four cruise companies, nine global shipping classification societies, and major State-owned and privately-owned shipping companies have all set up headquarters or branches in Shanghai.

Shanghai Shipping Exchange has become the national container liner freight registration center and the China Ship Information Center. The container freight index has become a benchmark for the global container shipping market. The capability of maritime legal services has been continuously improved. The number of maritime arbitration cases in Shanghai accounts for 90 percent of the country's total number of cases. Shanghai Maritime Court is striving to build an international maritime judicial center.

[Global Times]

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**Casualties Taiwan: Grounded tanker breaks up off Kaohsiung**

19/06/2018
The product tanker Shine Luck, which grounded off Kaohsiung, Taiwan during a storm last week, has broken up.

The 5,000 dwt Shine Luck and a second tanker, the Winner 19, both went aground south of Kaohsiung's commercial seaport on Thursday after strong winds sent them drifting towards shore. The Luck grounded on
a hard concrete breakwater about 400 yards from Kaohsiung's Fengbitou fishing terminal, and the Winner grounded on a sandy beach about one nm further to the south. All 32 crewmembers from both vessels were safely rescued.

Credit: Taiwan Maritime and Port Bureau

Video from the scene showed waves rocking the Shine Luck against a tetrapod revetment parallel to a seawall. Despite the efforts of salvage crews to stabilize her, she broke up on Monday morning. Salvors managed to offload about 32,000 gallons of fuel oil from her tanks before her condition deteriorated.

Shortly after she broke up, a salvage crew towed her bow section to Kaohsiung's International Container Terminal in order to prevent it from drifting away. According to local media, the Luck's stern remains grounded in place.

Taiwan's Maritime and Port Bureau said in a statement that there is no sign of pollution from the Winner 19, which remains aground and intact. Fuel removal from the Winner was scheduled to be completed on Sunday, weather permitting. The maritime bureau's director Xie Jiejun, called on the ship's owners to begin salvage operations as soon as possible.

[Maritime Executive]
According to the Boston Consulting Group, foreign private wealth reached 2.3 trillion dollars in 2017. However, the biggest growth was recorded in Hong Kong and Singapore, also due to wealth created in Mainland China.

**Where the Rich Park their Money**

*Countries holding the highest value of private offshore wealth in 2017*

- **Switzerland**: Trillion dollars 2.3, CAGR 2012 to 2017 in % 3
- **Hong Kong**: Trillion dollars 1.1, CAGR 2012 to 2017 in % 11
- **Singapore**: Trillion dollars 0.9, CAGR 2012 to 2017 in % 10
- **United States**: Trillion dollars 0.7, CAGR 2012 to 2017 in % 5
- **Channel Islands/Isle of Man**: Trillion dollars 0.5, CAGR 2012 to 2017 in % 2
- **United Arab Emirates**: Trillion dollars 0.5, CAGR 2012 to 2017 in % 4
- **Luxembourg**: Trillion dollars 0.3, CAGR 2012 to 2017 in % 2
- **United Kingdom**: Trillion dollars 0.3, CAGR 2012 to 2017 in % 2
- **Monaco**: Trillion dollars 0.2, CAGR 2012 to 2017 in % 1
- **Bahrain**: Trillion dollars 0.2, CAGR 2012 to 2017 in % 5

[Statista]

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**Ship financing: Deutsche Bank sells $1 billion ship loan portfolio**

19/06/2018
By Arno Schuetze
Deutsche Bank is selling a $1 billion portfolio of legacy shipping loans to an entity owned by funds managed by Oak Hill Advisors and Varde Partners, it said on Tuesday.

Reuters reported last week that the sale of the portfolio was imminent, as the bank draws a line under sour investments in the sector and starts a fresh push in transport lending. Deutsche Bank said it was not exiting ship financing.

"Following this disposal and other derisking strategies we have implemented, the bank will be left with a performing and a run-off shipping book and can now focus on ship finance areas where it will continue to add value to clients, within defined risk parameters," the bank said.
The loan bundle, which financial sources said included both performing loans and distressed assets, has a notional value of $1 billion. The bank did not indicate the sale price. Deutsche Bank has been seeking to reduce exposure to shipping and other maritime lending, such as port facilities, in the past couple of years. At the end of March, its exposure to the sector was 4.1 billion euros, with 3.3 billion euros for vessel financing.

Cleaning up its transport financing book is part of Deutsche Bank's efforts to overhaul its operations. The plans include cutting headcount to below 90,000 from 97,000. Christian Sewing, the new CEO, has said the bank wants to scale back its global investment operations and focus on Europe and its home market after three consecutive years of losses.

Selling sour shipping loans will leave only a small volume of bad debt, enabling Deutsche Bank to increase exposure to the sector again, one of the sources said.

[Reuters]

**Transparency & corruption: Kleptocracy and kakistocracy**

18/06/2018
By Moisés Naím

In a kleptocracy all high-level government officials are complicit and their priority is to enrich themselves and use their accumulated wealth to perpetuate themselves in power.

Scoundrels have always been in the halls of power, along with amateurs, the inept and the deranged. But these days the criminality of some political leaders has reached levels worthy of the tyrants of antiquity. And the ineptitude of those in power now has much graver consequences due to globalization, technology, the complexity of society, as well as the speed with which things happen.

We are no longer talking just about “normal” corruption, such as when a government official gets a kickback for a weapons procurement deal or for awarding a lucrative construction contract to a friend. Nor is it an isolated case in which the class dunce arrives, to the surprise of his former colleagues, to the highest office in the land.

No, in a kleptocracy criminal behavior is not individual, opportunistic, or sporadic, but rather collective, systematic, strategic, and permanent. It is a system in which all the high-level government officials are complicit, where they deliberately work to enrich themselves, and then use their accumulated wealth to perpetuate themselves in power. For the kleptocrats the common good and people’s needs are secondary and only looked at when they are at the service of their primary goal: to fatten their fortunes and make sure they stay in power.

The case of the inept in power is something different. Kakistocracies (literally, governments by the worst) proliferate in weak and disorganized political systems that repel the talented and attract the inept and most debased. Obviously, sometimes they they come together producing a government that is both criminal and incompetent. When the two coincide, the kleptocracy and the kakistocracy feedback on each other.
An example that illustrates the outrageous conduct of kleptocratic governments was recently revealed by the respected Brazilian journalist Leonardo Coutinho. Coutinho gathered the testimony of a Bolivia Air Force pilot named Marco Antonio Rocha who was involved in the trafficking of large volumes of cocaine from Bolivia to Venezuela and Cuba. Rocha says that every week he flew an Air Force plane from La Paz, Bolivia to Caracas, Venezuela and Havana, Cuba carrying sealed “diplomatic pouches” that were delivered to the plane by the Venezuelan embassy’s military attachés in La Paz. In this case, however, they were not diplomatic pouches but rather enormous bundles containing 500 kilos of cocaine. Obviously, an operation of this magnitude, regularity and impunity requires the complicity of high-level officials in at least three countries. Which makes this not just the story of another drug-trafficking operation, but rather a glimpse into the activities of an alliance of kleptocratic governments.

Other instances of the kleptocrats’ audacity abound. The newly deposed prime minister of Malaysia, Najib Razak, has been accused of organizing a financial scam that allowed him to transfer $42 billion from a government fund to private accounts controlled by his relatives and accomplices. In Brazil, the scandal known as “Operation Car Wash” revealed a vast, sophisticated, and permanent network of corruption that went on for years and involved hundreds of powerful politicians, governors, and businessmen not only in Brazil, but throughout Latin America.

A common mistake is to assume that kleptocracies only occur in the poorest and most underdeveloped corners of the globe. Yet Russia, a rather advanced country, shows all the marks of a kleptocracy. One of the fundamental pillars of the Russian regime is a small but powerful coterie of oligarchs: former secret agents of the KGB who run huge companies that work hand in hand with the Kremlin. In his testimony before the United States Senate in 2017, Bill Browder, a businessman with vast experience in Russia and a staunch critic of its government, asserted that Putin has become the richest man in the world. “I estimate that he has accumulated $200 billion in ill-gotten gains,” Browder said.

It is also a mistake to think that it is only in countries with weak institutions and immature political systems that thieves and goons can reach the most important positions. What we are seeing today in the United States and in many European countries that have long democratic traditions simply shows that no nation is immune to the rise of a kakistocracy. Internet searches for this word, derived from ancient Greek, have seen a huge boom since Donald Trump got to the White House.

Like all good illusionists, the kleptocrats know how to distract us from looking at their misdeeds and the kakistocrats know how to distract us from their ineptitude. They do it by talking to us about ideology and attacking those of their rivals. While we watch and play our part in these ideological circuses, they steal. Or tinker with government policies they don’t really understand.

And we pay the price.

[El País]

Shipping emissions: Shipowner’s five main lobbying groups propose new sulphur plan for IMO

18/06/2018
The five main shipowner’s lobbying groups request the IMO to advance on key challenges regarding the global sulphur cap, in order to avoid putting safety at risk or unfairly penalising individual ships.
The lobbying groups International Chamber of Shipping (ICS), BIMCO, World Shipping Council (WSC), INTERCARGO and INTERTANKO have submitted a number of proposals to IMO, aiming to help smooth the implementation of the global 0.5% sulphur in fuel cap, ahead of the important meeting that will take place in London during the second week of July.

These submissions include:

- A standard format for a ship specific implementation plan with many actions ships may need to consider for achieving compliance but also a call for a practical and pragmatic approach from IMO Member States when verifying compliance with the 0.50% global sulphur cap;

- Safety implications around 2020 fuels and their respective challenges;

- A draft standard for reporting on fuel oil non-availability;

- Proposals for amendments to MARPOL Annex VI to require sampling points for fuel oil;

- Verification issues and control mechanism and actions.

The shipowner’s lobbying groups added that ship owners and ship operators will do what is necessary to meet the standards required. However, the implementation of this new regulatory regime will be more complex than the previous introduction of sulphur Emission Control Areas.

What is more, the lack of global standards for many of the new blended fuels, raises potentially serious safety issues, including those related to the use of compliant but incompatible bunkers.

Another important issue is that, practically, there will not be a transitional period after 1 January 2020. Commenting on this issue, the trade associations said: “Something of this magnitude has never previously been attempted before on a worldwide basis. The industry will do its utmost to be fully compliant to the extent that this is under its control. But safe and successful implementation will necessitate the supply of fuels, in ports around the world, which are compatible as well as legally compliant.”

For this reason, port state control authorities should conduct a realistic approach to enforce compliance during the first months of the global switchover.

[SAETY4SEA]

**Container shipping: Transpacific rates to drop further with impending trade wars**

18/06/2018

Container shipping spot rates dropped meaningfully by 7% and 5% on the China-US West Coast and China-US East Coast trade lanes in the past week ending June 15.
Based on our estimates, Asia-US and US-Asia freight rates have fallen 7% and 17% y/y year-to-date. Meanwhile, US-Europe freight rates have risen 2% y/y year-to-date while Europe-US freight rates have remained steady.

**China-North America container shipping spot market freight rates (2014 to 2018)**

Trade wars to hurt carriers’ financial results in 2H2018

This, together with higher bunker fuel prices (+21% y/y ytd), will negatively impact container shipping companies’ financial results in 2H2018. ZIM, ONE, OOIL, HMM, Evergreen Marine and COSCO SHIPPING will be the most affected.

Globally, carriers with the largest capacity exposure to the Transpacific route region are ZIM, ONE (Ocean Network Express), which is formed by Japanese shipping lines Mitsui OSK (0.65x Price/Book valuation), Nippon Yusen Kaisha (0.69x P/B) and K-Line (0.95x P/B), Orient Overseas International (1.24x P/B), Hyundai Merchant Marine (2.30x P/B) and Evergreen Marine (0.94x P/B) respectively. ZIM and ONE also have the largest capacity exposure to the Transatlantic trade, in addition to MSC.

China’s flagship carrier COSCO SHIPPING Holdings (1.67x P/B) will also be affected. Note that OCEAN Alliance (made up of CMA CGM, COSCO SHIPPING, Evergreen Marine and OOIL) has the largest market share on the Transpacific trade at 40%.

**Spot bunker fuel prices in US$ per ton (2016 to 2018)**
Research & development: Innovating for the future of the European maritime sector

18/06/2018
Government Europa looks at projects exploring how innovative technologies could be translated to deliver the future of the European maritime sector, and an industry which is both energy efficient and safe.

In order to usher in the next generation of maritime technologies, continuous investment in the research and development of products and technologies are key in enhancing and sustaining competitiveness in the future of the European maritime sector. As a result, several high-profile projects have explored the way in which autonomy – which is already becoming a reality for personal transport – could be translated to the marine vessels of the future, in order to provide an industry which is both energy efficient and safe.

Vessels for the future

In 2014, the Vessels for the Future (VftF) initiative was launched, bringing together those with interests in Europe’s maritime industry in a public private partnership (PPP) and overseen by the European Research Association. With 50 members which include companies, research institutes, academic organisations and interested associations, the initiative works to stimulate integration amongst shipbuilders, suppliers, research bodies and classification associations.
With a highly skilled workforce and strong investment influencing its R&D position, it is positioned as the leader in the construction of vessels which are simultaneously high-tech, safe and efficient; the VftF initiative was established to ensure that European vessels remain cutting edge and to pursue the newest market and business developments in the maritime sector. In pursuit of this aim, the project seeks to develop the innovations that will transform the future of the European maritime sector.

The initiative focuses on championing several key areas, including improving the safety and efficiency of waterborne transport, and developing a competitive maritime sector in Europe, which altogether will deliver a holistic vision of a future of the European maritime sector which is safer and cleaner. To achieve these aims, the Vessels for the Future project has set a clear goal to reduce CO2 by 80% and SOx and NOx by 100%, as well as a reduction in risk by a factor of 10, by 2050.

In order to make progress in meeting these goals, several key technologies and strategies are being developed to help unlock enhanced efficiency and improving environmental performance. These include:

- New materials and processes;
- Fuels and propulsion systems;
- Information and communication technology;
- Hull water interaction;
- Energy management; and
- Unique vessel design concepts.

Through the development of energy efficient and safe ships, VftF aims to address the societal challenges which surround transitioning towards sustainable transport. The project will also incorporate an innovative approach to design, manufacture and production capacities, which is expected to contribute positively to employment and the global competitiveness of Europe’s economy.

**A new base for autonomous shipping**

In January 2018, Rolls-Royce opened a state-of-the-art facility in Turku, Finland, whereby research activities will oversee the development of the technologies which Rolls-Royce and its partners envision will mould the future of an autonomous international shipping industry. The Research & Development Centre for Autonomous Ships will feature a Remote and Autonomous Experience facility, which aims to showcase the technologies in development.

On the opening of the R&D centre, Finland’s minister of transport and communications, Anne Berner, commented: “There is great global interest in autonomous vehicles and vessels as a future means of transport.

The opening of the Rolls-Royce Research & Development Centre for Autonomous Ships here in Turku, a maritime city with a history of technological innovation, will help achieve our goal of digitalising the country’s transport sector.”

The R&D centre is anticipated to unlock the ability for Rolls-Royce, and partners, to carry out projects related to autonomous navigations, land-based control centres and the use of artificial intelligence in the vessels of the future and the operations of shipping more generally.

At the official opening, the president of Rolls-Royce, Marine Mikael Makinen, said: “I’m proud to say that the R&D centre is now up and running and that all stakeholders, partners and customers will be able to see
The European Commission estimates the value of the global maritime economy at €1.3tr, and suggests that this could more than double by 2030. To allow Europe to take advantage of this growth and become a world leader in this sector, the fund includes a number of international-level commitments.

What are the commission’s priorities for maritime projects?

Sustainability is the primary aim for the commission’s maritime funding between 2021-2027. The commission hopes to deliver on the potential of a ‘blue economy’ which relies on sustainable, clean maritime activities.

Ultimately, this will serve the EU’s climate ambitions by decarbonising the shipping sector, and the commission estimates that at least 30% of funding for the European fisheries and maritime sector during the period of the next EU budget will be spent on climate change mitigation and adaptation.

The fund will also support innovation in ocean energy, and efforts to prevent pollution, particularly plastic pollution, in the oceans. This will also include projects which could have a wider environmental impact, such as exploring the potential for sustainable, renewable fuels and autonomous vessels in shipping.

How will targeted maritime funding impact the EU?
European Commissioner for Maritime Affairs and Fisheries, Karmenu Vella, welcomed the proposal as an opportunity to fulfil the EU’s global responsibilities to the environment and the growing potential for investment in the European fisheries and maritime sector.

He said: “As a global ocean actor and the world’s fifth largest producer of seafood, the European Union has a strong responsibility to protect, conserve and sustainably use the oceans and their resources. The fund will allow member states and the commission to live up to that responsibility and invest into sustainable fisheries, food security, a thriving maritime economy, and healthy and productive seas and oceans.

[Government Europa]

Oil & gas shipping: China's tariffs on U.S. oil would disrupt $1 billion monthly business

18/06/2018
By Henning Gloystein
China's threat to impose duties on U.S. oil imports will hit a business that has soared in the last two years, and which is now worth almost $1 billion per month.

In an escalating spat over the United States' trade deficit with most of its major trading partners, including China, U.S. President Donald Trump said last week he was pushing ahead with hefty tariffs on $50 billion of Chinese imports, starting on July 6.

China said Friday it would retaliate by slapping duties on several American commodities, including oil. Investors expect the spat to come at the expense of U.S. oil firms, pulling down the share prices of ExxonMobil and Chevron by 1 to 2 percent since Friday, while U.S. crude oil prices fell by around 5 percent.

"This escalation of the trade war is dangerous for oil prices," said Stephen Innes, head of trading for Asia/Pacific at futures brokerage OANDA in Singapore. "Let's hope cooler heads prevail, but I'm not overly optimistic," he added.

The dispute between the United States and China comes at a pivotal time for oil markets. Following a year and a half of voluntary supply cuts led by the Middle East-dominated Organization of the Petroleum Exporting Countries (OPEC), as well as the non-OPEC producer Russia, oil markets have tightened, pushing up prices.

The potential drop-off in American oil exports to China would benefit other producers, especially from OPEC and Russia. The OPEC kingpin Saudi Arabia and Russia indicated on Friday they would loosen their supply restraint and were starting to raise exports.

A cut in Chinese purchases of U.S. oil may also benefit Iran's sales, which Washington is trying to curb with new sanctions it announced in May.

"The Chinese may just replace some of the American oil with Iranian crude," said John Driscoll, director of consultancy JTD Energy Services. "China isn't intimidated by the threat of U.S. sanctions. They haven't been
in the past. So in this diplomatic spat they might just replace U.S. crude with Iranian oil. That would obviously infuriate Trump," he said.

**Booming Business**

China's aggressive riposte to Trump took some in the industry by surprise. U.S. crude exports to China have been rising sharply, thanks to a production surge in the past three years that was a welcome alternative to make up for the cut in supplies from OPEC and Russia.

"We're caught by surprise that crude oil is on the list," said an official with a Chinese state oil major, asking not to be named as he was not authorized to speak to media. We were actually preparing to raise imports according to an earlier government line," he added, referring to a Beijing policy enacted earlier this year to help reduce the U.S. trade deficit with China.

U.S. oil exports, which have been surging thanks to a sharp increase in production in the past three years, were seen as a viable alternative to make up for the cut in supplies from OPEC and Russia. Shipping data in Thomson Reuters Eikon shows that U.S. crude oil shipments to China have soared in value recently, jumping from just $100 million per month in early 2017 to almost $1 billion per month currently.

The threatened tariff would make U.S. oil more expensive versus supplies from other regions, including the Middle East and Russia, and likely disrupt a business that has soared recently.

"With Trump's politics, we're in a world of re-aligning alliances. China will not just swallow U.S. tariffs," said Driscoll. "This is tit-for-tat petroleum diplomacy," he added. "The OPEC/non-OPEC cartel is the big beneficiary of all this oil diplomacy, as it will squeeze global spare oil capacity and likely push up crude prices."

[Reuters]
Advance your career by gaining Professional Recognition. Professional recognition is a visible mark of quality, competence and commitment, and can give you a significant advantage in today’s competitive environment.

All who have the relevant qualifications and the required level of experience can apply for Professional Membership of IAMSP.

The organization offers independent validation and integrity. Each grade of membership reflects an individual’s professional training, experience and qualifications. You can apply for Student Membership as per following:

**Fellow (FIAMSP)**
To be elected as a fellow, the candidate must satisfy the council that he/she:

- 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.

**Full Member (MIAMSP)**
- Individuals holding an internationally recognised marine qualification, or who can prove that they have practiced on a full time basis for a minimum of five (5) years as a consultant or marine surveyor.
- Individuals who, by producing written reports can demonstrate that they have practiced marine surveying or consultancy for at least five (5) years.
- Individuals whose qualifications or experience shall be considered appropriate by the Professional Assessment Committee.
- Members may use the initials FMIAMSP after their names.

**Associate Member (AMIAMSP)**
Associate Membership shall be open to any person, partnership, company, firm or other corporate that does not own a Ship but is engaged in ship operating or ship management. Associate Members can nominate one (1) person to represent them in the Association. Associate Members are entitled to attend General Meetings and to participate in discussion at such meetings but shall not vote or stand for election to the Board of Directors.

**Technician (TechIAMSP)**
Individuals holding a recognised qualification, for example Inspector level 2 or higher (NACE, FROSIO, ICorr), RMCI andIRMII, NDT Technicians (CSWIP), for example gauging personnel, divers or other surveyors with at least three years full time practical experience in a marine related field. Technician Members may use the designation TIAMSP after their names.

**Affiliate (AFFIAMSP)**
Graduates who do not meet the criteria for Full or Associate Membership and are continuing to train and gain experience prior to applying for Associate Membership

**Student (SIAMSP)**
Individuals who are enrolled in training programs related to the maritime or shipping will be appointed as student members of the Association for the duration of their course.
### LAST MEMBERSHIP

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<td>Mr. SUBBIAH Thiyagarajah</td>
<td>India</td>
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<td>Spain</td>
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<td>Brazil</td>
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<td>Capt. Jasim Aqeel</td>
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