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.
Transhipment hubs were the most significant winners and losers in terms of liner connectivity in 4Q17, according to Drewry’s new global container port connectivity index.

The latest edition of Drewry’s quarterly port sector report Ports & Terminals Insight analyses the winners and losers in its index of liner connectivity at the world’s container ports. Table 1 shows the ports that saw the biggest increase in the number of direct service connections in 4Q17 vs the previous quarter. Of the 19 ports in the list, eight of them are major transhipment hubs – places with high levels of connectivity, but also a degree of volatility as individual operational decisions by carriers about liner networks can have a big effect. The bedding down of the mega-alliances together with the impact of consolidation and M&A in the liner industry are clearly still rippling through the world’s hub ports.

Table 1: Ports with largest increase in mainline services per week, 4Q17 vs 3Q17

<table>
<thead>
<tr>
<th>Port</th>
<th>Primary traffic</th>
<th>Region</th>
<th>Total number of mainline services per week</th>
<th>Change 4Q17 vs 3Q17</th>
<th>Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>Transhipment</td>
<td>South East Asia</td>
<td>149</td>
<td>158</td>
<td>9</td>
</tr>
<tr>
<td>Algiers</td>
<td>Transhipment</td>
<td>West Med</td>
<td>39</td>
<td>47</td>
<td>8</td>
</tr>
<tr>
<td>Ningbo</td>
<td>Gateway</td>
<td>Greater China</td>
<td>155</td>
<td>163</td>
<td>7</td>
</tr>
<tr>
<td>Shekou</td>
<td>Gateway</td>
<td>Greater China</td>
<td>59</td>
<td>66</td>
<td>7</td>
</tr>
<tr>
<td>Guangzhou (Nansha)</td>
<td>Gateway</td>
<td>Greater China</td>
<td>45</td>
<td>51</td>
<td>6</td>
</tr>
<tr>
<td>Balboa</td>
<td>Transhipment</td>
<td>Central America/Caribbean</td>
<td>27</td>
<td>33</td>
<td>6</td>
</tr>
<tr>
<td>Colombo</td>
<td>Transhipment</td>
<td>South Asia</td>
<td>53</td>
<td>59</td>
<td>6</td>
</tr>
<tr>
<td>Aqaba</td>
<td>Gateway</td>
<td>Middle East</td>
<td>13</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Cotonou</td>
<td>Gateway</td>
<td>West Africa</td>
<td>16</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>Guayaquil</td>
<td>Gateway</td>
<td>West Coast South America</td>
<td>10</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td>Manzanillo</td>
<td>Gateway</td>
<td>West Coast North America</td>
<td>26</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>Shanghai</td>
<td>Gateway</td>
<td>Greater China</td>
<td>168</td>
<td>172</td>
<td>4</td>
</tr>
<tr>
<td>Tanger Med</td>
<td>Transhipment</td>
<td>West Med</td>
<td>35</td>
<td>39</td>
<td>4</td>
</tr>
<tr>
<td>Dakar</td>
<td>Gateway</td>
<td>West Africa</td>
<td>14</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Sokhna</td>
<td>Gateway</td>
<td>East Mediterranean &amp; Black Sea</td>
<td>5</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Freeport</td>
<td>Transhipment</td>
<td>Central America/Caribbean</td>
<td>14</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Izmir</td>
<td>Gateway</td>
<td>East Mediterranean &amp; Black Sea</td>
<td>5</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Port Said East</td>
<td>Transhipment</td>
<td>East Mediterranean &amp; Black Sea</td>
<td>14</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Salalah</td>
<td>Transhipment</td>
<td>Middle East</td>
<td>26</td>
<td>29</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Drewry Maritime Research

Global transhipment hub Singapore topped the list of winners, with nine additional service connections in 4Q17. Note though that this is not necessarily nine separate liner services. Just one new liner service string can create multiple additional connectivity if it calls at more than one world region (see methodology summary below). Also, in the case of Singapore, these additional service connections, while significant in...
absolute terms, represented an increase of just 6% due to the sheer number of weekly connections the port has. In second place, major West Med hub Algeciras saw an increase of eight service connections per week as two new calls were added in 4Q17. The port was included in the rotation of the CMA CGM/Hapag-Lloyd NEMO/EAX service which links Europe with Australia, this being a service that also makes calls at ports in North Africa, the Indian Ocean and India. In addition, the Maersk Line FEW7 service commenced calls at Algeciras, with the line having changed the routing of its Asia-West Africa loops from the Cape of Good Hope to the Suez Canal, adding the Algeciras port call as a result. Like the CMA CGM/Hapag-Lloyd loop, this is also a multi-trade service, with wayport calls in locations including the Middle East. As a consequence, the gaining of these two services generated an increase in Algeciras’ weekly service connections from 39 to 47.

The remaining three ports in the top five list of largest increases were major Chinese gateway ports with substantial numbers of services per week, and so the absolute increases are relatively small as a proportion of the total. In sixth and seventh places, two more transhipment hubs can be found – Balboa and Colombo.

Of the other ports in Table 1, the Jordanian gateway port of Aqaba in Jordan saw an increase of five weekly service connections, covering Africa, Europe and Asia. This was due to the gaining of two services – MSC’s Petra Express (a new service started in December and covering Asia-Middle East and Red Sea region) and the CMA CGM/Cosco/APL IndiaMed/IPM/GEM2 service (added Aqaba port call in December and covering South Asia/Middle East-Med region). West African gateway Cotonou also saw an increase of five service connections, mainly covering Europe and the Middle East/South Asia, with calls being added from MSC’s Angola Express and the Maersk Line FEW7. These were big increases for ports with a relatively modest number of service connections.

Table 2 provides the ports that saw the largest decrease in the number of service connections in 4Q17. Only two ports saw a decrease of three or more service connections per week, both of them are transhipment hubs - Colon (Manzanillo) and Khor Fakkan. Colon’s loss was a reduction in service connections to Europe and North America (the Hapag-Lloyd/Hamburg-Sud MPS/MCPS service dropped the Colon port call) while the main reason for Khor Fakkan’s decline was a reduction in the number of weekly service connections with Africa. Here, two services were lost – the CMA CGM/Cosco/APL IndiaMed/IPM/GEM2 dropped the port call in 4Q17 and the CMA CGM/Emirates Noura/GMX service (suspended in December 2017). During 2017, Khor Fakkan has seen its transhipment business hit hard by the Hapag-Lloyd – UASC merger, which saw the latter’s activity consolidated at Jebel Ali.

Table 2: Ports with largest decrease in mainline services per week, 4Q17 vs 3Q17

<table>
<thead>
<tr>
<th>Port</th>
<th>Primary traffic</th>
<th>Region</th>
<th>Total number of mainline services per week 3Q17</th>
<th>Change 4Q17 vs 3Q17</th>
<th>Decrease (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colon (Manzanillo)</td>
<td>Transhipment</td>
<td>Central America/Caribbean</td>
<td>19</td>
<td>-6</td>
<td>-31.6</td>
</tr>
<tr>
<td>Khor Fakkan</td>
<td>Transhipment</td>
<td>Middle East</td>
<td>12</td>
<td>-3</td>
<td>-25.0</td>
</tr>
</tbody>
</table>

Source: Drewry Maritime Research

The result of these various service connection changes in terms of Drewry’s port connectivity index figures for the top 20 ports globally is shown in Table 3, based on 4Q17 liner service data. Shanghai remains the port with the highest (maximum) index figure, being directly connected by services to all six world regions, and having the highest number of mainline service connections per week (172 in total, up from 168 in 3Q17). In fact, the top eight ports are unchanged versus the previous quarter. However, Shekou has moved up to ninth place from 12th, by virtue of having gained seven additional direct service connections (covering Africa, Europe, Latin America and the Middle East/South Asia). Elsewhere, Colombo has moved
up five places to 13th and both Jebel Ali and Algeciras enter the top 20 list this quarter. All three are major transhipment hubs.

Table 3: Global container port connectivity index, 4Q17 (Top 20 ports)

<table>
<thead>
<tr>
<th>Global ranking 4Q17 (3Q17)</th>
<th>Port</th>
<th>Region</th>
<th>Mainline services per week</th>
<th>Number of trade routes served</th>
<th>Connectivity index score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (1)</td>
<td>Shanghai</td>
<td>Greater China</td>
<td>172</td>
<td>6</td>
<td>100.0</td>
</tr>
<tr>
<td>2 (2)</td>
<td>Ningbo</td>
<td>Greater China</td>
<td>163</td>
<td>6</td>
<td>94.8</td>
</tr>
<tr>
<td>3 (3)</td>
<td>Singapore</td>
<td>South East Asia</td>
<td>158</td>
<td>6</td>
<td>91.9</td>
</tr>
<tr>
<td>4 (4)</td>
<td>Busan</td>
<td>North Asia</td>
<td>101</td>
<td>6</td>
<td>58.7</td>
</tr>
<tr>
<td>5 (5)</td>
<td>Hong Kong</td>
<td>Greater China</td>
<td>87</td>
<td>6</td>
<td>50.6</td>
</tr>
<tr>
<td>6 (6)</td>
<td>Yantian</td>
<td>Greater China</td>
<td>85</td>
<td>6</td>
<td>49.4</td>
</tr>
<tr>
<td>7 (7)</td>
<td>Qingdao</td>
<td>Greater China</td>
<td>72</td>
<td>6</td>
<td>41.9</td>
</tr>
<tr>
<td>8 (8)</td>
<td>Port Klang</td>
<td>South East Asia</td>
<td>66</td>
<td>6</td>
<td>38.4</td>
</tr>
<tr>
<td>9 (12)</td>
<td>Shekou</td>
<td>Greater China</td>
<td>66</td>
<td>6</td>
<td>38.4</td>
</tr>
<tr>
<td>10 (9)</td>
<td>Kaohsiung</td>
<td>North Asia</td>
<td>64</td>
<td>6</td>
<td>37.2</td>
</tr>
<tr>
<td>11 (10)</td>
<td>Rotterdam</td>
<td>North West Europe</td>
<td>62</td>
<td>6</td>
<td>36.0</td>
</tr>
<tr>
<td>12 (11)</td>
<td>Antwerp</td>
<td>North West Europe</td>
<td>61</td>
<td>6</td>
<td>35.5</td>
</tr>
<tr>
<td>13 (18)</td>
<td>Colombo</td>
<td>South Asia</td>
<td>59</td>
<td>5</td>
<td>28.6</td>
</tr>
<tr>
<td>14 (13)</td>
<td>Savannah</td>
<td>East Coast North America</td>
<td>53</td>
<td>6</td>
<td>30.8</td>
</tr>
<tr>
<td>15 (21)</td>
<td>Jebel Ali</td>
<td>Middle East</td>
<td>52</td>
<td>5</td>
<td>25.2</td>
</tr>
<tr>
<td>16 (14)</td>
<td>Xiamen</td>
<td>Greater China</td>
<td>52</td>
<td>6</td>
<td>30.2</td>
</tr>
<tr>
<td>17 (16)</td>
<td>Guangzhou (Nansha)</td>
<td>Greater China</td>
<td>51</td>
<td>6</td>
<td>29.7</td>
</tr>
<tr>
<td>18 (25)</td>
<td>Algeciras</td>
<td>West Med</td>
<td>47</td>
<td>6</td>
<td>27.3</td>
</tr>
<tr>
<td>19 (15)</td>
<td>Le Havre</td>
<td>North West Europe</td>
<td>47</td>
<td>6</td>
<td>27.3</td>
</tr>
<tr>
<td>20 (17)</td>
<td>New York</td>
<td>East Coast North America</td>
<td>47</td>
<td>6</td>
<td>27.3</td>
</tr>
</tbody>
</table>

Source: Drewry Maritime Research

Methodology: Drewry global container port connectivity index

Two simple variables are focused on: First, the number of mainline services calling at each port per week, and second, the number of world regions with which each port is directly connected. For every port, the number of weekly mainline services is listed for each of seven world regions. Each port is located in one world region, and so, the maximum number of regions it can be connected to is six. Note that only direct services are included, not indirect services that involve transhipment. The index produces a score for over 330 ports around the world.

Each quarter, the port with the highest number of services per week will set the maximum figure against which calculations are made, so the connectivity measure is always relative to the port with the most services. A figure for mainline service density is calculated out of an overall score of 10 for the port with the most weekly services. Thereafter, a trade route breadth index is calculated, with a maximum score of 10, when a port has connections with six world regions. A port with connections to three world regions would score 5 and so on. The mainline trade density and trade route breadth index are then multiplied together to produce a maximum connectivity index score of 100.

It is important to note here that the connectivity index deliberately does not take account of vessel size. The purpose of the index is to show the degree of connectivity (in essence, the ability of shippers using the port to directly access the widest range of origins and destinations). Hence, even though a large port with the
same range of shipping services, but with larger ships, is likely to generate more port volume overall, its connectivity index may be no better than a smaller port with the same range of liner services.

**Key notes:**

1. The degree of connectivity is determined by the combination of: a) Number of trade routes served, and, b) Number of mainline services per week

2. The maximum number of mainline services per week is taken from whichever port in the global sample has the highest number that quarter. Both the port and the maximum number of services may vary from quarter to quarter

3. Trade routes that are not direct (i.e. that involve transhipment) do not count as a ‘service’ for the purpose of connectivity

4. The maximum number of possible trade routes served will always be six (there are seven world regions and each port will always be in one of them)

5. Intra-regional services are not included in the analysis

6. For the purposes of the port connectivity index, we count a "service" as any direct port-to-port linkage with another world area. So if, for example, an ECNA port has a liner service to Europe and then on to the Middle East, this counts twice because there are direct links with two world regions. This would be the case even if only a single port call is made by the service in one of the regions.

**Our view**

The liner connectivity of the world’s ports is fluid and dynamic, particularly so for transhipment hubs. Even though the effects of liner M&A and alliance formation should be easing off going forwards, more changes are inevitable. The dominance of Chinese gateway ports will not alter though.

[Drewry Container Insight Weekly]

---

**Ocean internet: Sailing the wired seas**

10/03/2018

An internet infrastructure is being built to span the oceans.

Credit: Alamy
The first use the modern world made of the oceans’ depths was to run telegraph cables across them. That opened up a new era of intercontinental communication and spurred a new scientific interest in the abyss. Both enterprises have prospered: single cables now carry as much as 160 terabits across the Atlantic every second; oceanographers have mapped and drilled into the ocean floor around the world. But they have not come together. It is now very easy to get vast amounts of data from one side of an ocean to another; but it is hard to get even modest amounts of data out from the ocean itself. A new infrastructure is needed to enable sensors at sea to transfer their data back to land.

Sebastien de Halleux of Saildrone, the firm whose drones keep an eye on Alaska’s pollock, dreams of doing much more than that. Saildrone recently increased its build-rate from one a month to one a day; by 2021 Mr de Halleux wants to have a thousand of his little craft sailing the seas. A full Helen of Troy’s-worth sounds extravagant. But it is important to put it into context. First, smartphone components make such boats cheap; Mr de Halleux thinks he can build the whole fleet for less than the cost of one research vessel (roughly $100m). Second, the ocean is very big. Divide its surface into 1,000 pieces and each one is still the size of Japan. That is quite a lot of ground for a single little boat to cover.

There is already one research network considerably larger than this. An international collaboration called Argo has a regularly replenished fleet of nearly 4,000 untethered buoys (see map) which divide their time between the surface and the depths, drifting at the whim of the currents. Over ten-day cycles they sink slowly down to about 2,000 metres and back up, measuring temperature and salinity as they go. Their data have revolutionised oceanographers’ understanding of their subject. But the network is still sparse—one float for every Honduras-sized patch of ocean.

Though restricted to the surface, Saildrone’s craft are much more ambitious. They will not just monitor temperature; they will track fish and pick up pollutants, analyse carbon-dioxide and oxygen concentrations in the water, record the height of the waves and the speed of undersea currents, feel variations in the magnetic field and more. There are already markets for some of these data: weather forecasters, fisheries managers, oil and gas companies. For others the scheme has a –Field of Dreams‖ approach: build the data set and they will come.
Saildrone has so far raised $29m for this work. Ion Yadigaroglu, managing partner of the Capricorn Group, one of the investors, compares the company to Planet, a satellite company in which Capricorn has also invested. Planet has used smartphone technology and Silicon Valley agility to produce a constellation of over 100 small satellites. They provide images of every spot on Earth every day, allowing all sorts of new insights and monitoring possibilities. -Planet is a scanning platform for the Earth, he says. -Saildrone wants to be a scanning platform for the oceans.

Planet, though, has been able to build a network of ground stations to get its daily terabits of data down from the satellites passing overhead and out to customers. For Saildrone, where the data start off on the surface, the equivalent would be to build its own satellite network. This it cannot afford to do, so, like Argo, it uses satellite services provided by others. And these are expensive.

Argo can afford such satellite services because its floats produce relatively little data—a quick spurt every ten days or so. Saildrone boats produce far more, and so currently have to throw almost all of it away. Mr de Halleux says the drones’ filtering algorithms cut the data down by a factor of 60 before transmission. If the company knew exactly what data the market would put most value on that might be acceptable. But with data never routinely gathered before it does not know.

Systems are also needed to get data out of the depths and up to the surface. Eamon Carrig, co-founder of Autonomous Marine Systems (AMS), based in Massachusetts, seeks to meet that need, providing power, communications and bandwidth for other projects. His dataraman sl, which also rely on wind for free propulsion using a solid wing sail, are smaller and cheaper than those built by Saildrone. They are designed to deploy sensors and buoys for third parties, such as Argo, and also to act as relays for things which can communicate only through sound.

Jayson Semmens of the University of Tasmania, who tracks sharks with tiny sensors, says that what he would really like to do would be to track animals that never break the surface, and find a way to exfiltrate data from them. Among other things, live data from underwater animals would allow conservation biologists to manage ecosystems directly, instead of making decisions based on historical averages. It might be possible to get such data swiftly from fish to shore using a local network of AMS drones equipped with acoustic modems as an intermediary.

Other schemes exist for allowing connectivity to pop up as and when needed and swim away when all is done. Jeff Smith of Riptide Autonomous Solutions, a drone company also based in Massachusetts, is working with POSYDON, a programme run by DARPA, to build a system of small torpedo drones which will swim out and create a temporary acoustic communications chain in any area of the ocean that needs it, bouncing information from drone to drone.

The more of such systems there are, the wider the range of research which will be possible—especially if standards now being developed allow all the different systems to talk to each other. New buoys could add to the data Argo provides in particular places of interest without the need for a research ship to schlep out and deliver them. New types of buoy could be added, too. Last year Paul Allen, a co-founder of Microsoft, announced that he would spend $4m on 33 new Argo floats which could go down far deeper than the current ones, profiling temperature, pressure and salinity to a depth of 6,000 metres.

What is most needed, though, is a new generation of satellite internet to get data from the surface to the shore. Happily this seems to be on the way. Various companies are racing to deliver high-bandwidth internet to the entire surface of the Earth using hundreds of small, cheap satellites in low orbits. SpaceX, Elon Musk’s rocket business, launched its first prototypes on February 22nd. The main beneficiaries are...
likely to be people in areas not served by current infrastructure. But to serve all those parts of the world, these services need to serve all the oceans, as well.

The bottom line

With satellite connectivity available at the surface, and acoustic systems deployed as and when needed below, there would be one more thing needed to complete the picture: a map of the ocean floor. Valuable in itself, it would also be a great help to underwater vessels trying to navigate or to prospect for minerals. Being able to compare what sonar shows below you with a map stored on board would make things a lot easier.

The best overall maps of the ocean floor to date have been made from space. Large underwater features like mountains and trenches exert a gravitational influence on the water above them, subtly changing the shape of the surface. Orbiting altimeters can measure those small excursions from mean sea level, and computers can use that data to infer what the sea-floor topography responsible for it looks like. This has produced maps with an average horizontal resolution of 5km—good for getting the gist of things, but little help to a drone trying to find its way.

Maps made with modern sonar systems towed behind research ships are better, but currently cover only 10% of the ocean floor at high resolution. Jyotika Virmani, an oceanographer working at XPRIZE, a non-profit outfit which gives awards for technological progress, is trying to improve this. Nineteen teams from around the world have entered the competition she is running to map the sea floor without using any human-piloted craft at all. The first round of the competition asked the teams to map 100 square kilometres of seabed to a five-metre resolution in under 16 hours. Next year the second round will ask for the same resolution over 250 square kilometres in a day. Ms Virmani is hoping the whole seabed will be mapped to a resolution of 100 metres or better by 2030.

That will not be an end to the mysteries of the deep. But it will mark a new era in their exploration. With easier communications from any point of the surface, a clearer idea of what lies below each of those points, and ever better sensors populating the volume in between, the oceans will be much better known. This will not make them any less marvellous. But it should make it easier to preserve their marvels.

[The Economist]
previous three months, with a total tonnage of 1.26m GT. That’s 60% of all ships in the fleet and 96% of the tonnage.

The integration of the position data with defined geographic ‘global zones’ across the world helps us understand where the vessels were. As the graph shows, four zones accounted for the location of 59% of the vessel positions: East Asia (16.6%), SE Asia (16.5%), UK/Continent (13.5%) and Med/Black Sea (12.6%), and for 50% of the tonnage represented by the positions. East Coast North America and the Middle East are the other zones to make up the leading half-dozen.

A quick comparison of ‘Atlantic’ versus ‘Pacific’ zones (leaving the Middle East, East Africa, Indian Sub-Cont. and polar zones aside) also reveals some interesting results. In terms of ship numbers, the Atlantic led the Pacific with 45% compared to 41% of vessels’ positions, but in terms of tonnage the result was reversed, with the Pacific leading the Atlantic by 45% to 36%. And as one might expect, there was significant variation across the major volume vessel type sectors.

What goes where?

Bulkcarrier and containership locations were more ‘Pacific-centric’ than those of the overall fleet. 55% of bulk carrier tonnage was in the Pacific and 50% of boxship tonnage. Oil tankers offered variation on this theme though, with 14% of tonnage in the Middle East and 12% of units in the East Coast North America zone. Alone amongst the major sectors, oil tankers were more heavily located in the Atlantic (38% of tonnage) than the Pacific (33%).

People and places
More _niche_ sectors reveal different patterns again, particularly those concerned with the transportation of people. Despite expansion of the industry in Asia, 64% of cruise tonnage was in the Atlantic, 43% in the East Coast North America zone which includes the Caribbean. 71% of passenger ferry tonnage was in the Atlantic, with 66% in the UK/Cont. or Med. Variation between major owner nations' fleets was also apparent. Unsurprisingly, the fleet of Greek owners, the great _cross-traders_, was well-spread, with 10 _zones_ home to more than 6% of tonnage, whilst the Chinese-owned fleet was, as one might expect, heavily focussed in Asia with 66% of tonnage (and 76% of ships) in East or SE Asia.

It all goes to show that whilst shipping is a global business, regional patterns are important, with distinct variation across ship types and owner groups. Happily, in the today's world, vessel position data allows us to keep track.

[Clarkson Research]

---

**Terminal operators: APM Terminals unveils investment plan to become port services integrator**

09/03/2018
By Gavin van Marle
The direction of APM Terminals' move into hinterland container logistics services became clearer this week, after it announced plans to invest in warehouse facilities to serve shippers and freight forwarders.

The company has a vision of becoming a port services integrator and, on the sidelines of this week's TPM conference in Long Beach, chief operating officer Henrik Lundgaard Pedersen said the next phase of its investment programme would be focused on serving its landside customers – shippers whose cargo passes through its global facilities.

–We have four main container terminal expansion projects under way – Moin in Costa Rica, Vado in Italy, Tema in Ghana and Tangiers in Morocco – and once these are completed, our focus in terms of capex will be on optimising our terminals and the way they interact with the hinterland.

Whereas previously the operator's inland services were run by just one executive, a new team has been hired, headed by Dries van Dongen as global head of landside customers and inland services. –When [our parent company] Maersk talks about being a global integrator of container services, that is end-to-end. Our part of that is to make sure the cargo moves in and out of our terminals on the landside in the most efficient way, Mr Lundgaard Pedersen said.

At its Buenaventura terminal on Colombia's Pacific coast, shippers deliver coffee and sugar exports in bags, and APMT has been stuffing these into containers in the terminal yard. –Similarly, we have de-stuffing at Asian container import yards before the cargo is released inland.

In contrast, in Chile and Peru the company has set up operations to stuff containers at shippers' premises – a copper mine in Chile and at a large food plantation in Peru – before they are transported to the sea ports. This has led to supply chain coordination between different parts of the Maersk group: at an inland APMT facility in Thailand, there are Damco employees working on container logistics on behalf of some automotive suppliers.
Oceans: Melting glaciers do more than raise sea levels

09/03/2018
By Amorina Kingdon
The movement of meltwater from ice to the ocean carries some surprising cargo.

Meltwater brings a lot of changes to the coast when glaciers and ice sheets dwindle. Photo: Colin Monteath/Minden Pictures
Novels and blockbuster movies that tackle climate change gravitate toward the dramatic, especially when it comes to melting ice. In these stories, mountainous glaciers crumble and cities flood as the sea rises. But a lot more happens in between the mountains and the sea, as meltwater passes through the liminal space of the coast. Here are five ways the slow, non-dramatic drip of melting ice changes our coastlines and oceans.

**Released toxins**

Glaciers, like many venerable objects, can act as time capsules. Like a dusty vinyl record holds an era’s songs, ice holds very old molecules—not just the H2O of snow, but traces of airborne particles like dust, ash, and chemicals that hitched a ride on falling flakes. In the Antarctic, Adélie penguins harbor consistent levels of the pesticide DDT even though it’s been widely banned since the 1970s. The source: glacier meltwater that trickles past the penguins on its way to the sea, eventually making its way into the penguins’ food webs. That means at least some of the ice now melting inland was once snow that fell before DDT was restricted in the 1970s. Many other once-airborne and now-banned pollutants are reappearing in glacier meltwater, such as PCBs and CFCs, the latter of which were a component of hairspray and other aerosols until they were phased out in the 1980s. Thanks, Van Halen.

**Re-emerged diseases**

In 2016, an anthrax outbreak killed a young boy and decimated reindeer herds in Siberia. The source of the disease puzzled scientists since the area had been anthrax-free for 75 years. Eventually, they traced it to an anthrax-bacteria-ridden reindeer carcass once locked in the permafrost and now thawed due to climate change. The story raised fears that global warming might resurrect other once-vanquished diseases. Viruses can lurk in frozen bodies for a long time, which may not be an entirely bad thing. In 2005, researchers carefully reconstructed the virus that caused the 1918 flu pandemic from a corpse buried in the icy Alaskan ground, allowing the study of the virus’s genome for the first time. In reality, the chances of these diseases re-infecting humanity are very small, but millions of microbes live on and within ice sheets and glaciers.

**Smothered sea life**

As the volume of meltwater increases, it erodes more sand, dust, and rock. One Norwegian study projected that the volume of sediment in the meltwater of one mountain glacier will double between 2070 and 2100. Once deposited downstream, the extra sediment can change a river’s shape and function, causing channels to shift or widen, and waters to flood over the banks. And the impacts go all the way to the ocean. Sediment can smother animals living on the seafloor and murkier water means there is less light available for photosynthesizing phytoplankton. But those same sediments can also carry nutrients, which could fuel plankton growth. Either way, the extra sedimentation can cause ripples throughout marine food webs.

**Flooded rivers**

Glacial lake outburst floods, or GLOFs, are one of the few fast and dramatic events in a field devoted to things that are literally glacially slow. GLOFs usually happen at the edges of the ice. When glaciers grind forward, they plow up the sediment leaving long ridge-like piles of sand and gravel—called moraines—at the glacier’s toe and along its sides. If the glacier then retreats, meltwater can pool in the open space between the ice and the moraine, forming a lake. But these new lakes can suddenly burst through weak spots in the melting ice or moraines, sending water barreling downstream. As well as delivering pulses of sediment, GLOFs can cause rivers to flood, widen, or alter course. The impacts can be significant in some mountainous regions where climate change is making GLOFs more common. In 2008, after 21 GLOFs tore down the coast of Chile from melting Andean glaciers, the water widened the country’s largest river by more than 40
meters and carried 25 million cubic meters (enough to fill 1,000 Olympic-sized swimming pools) of sediment downstream.

Changing coastlines

When all this meltwater finally reaches the coast, it causes the sea to rise. Sea level rise is already subsuming coasts around the world, including many sandy or low-lying islands. But sometimes, if the coasts are steep, jagged, and formerly ice covered, melt can actually expose coastal features including whole islands. That’s because many glaciers and ice sheets spill over from the land into the sea. Their retreat reveals the underlying coastlines. And the more convoluted the terrain, the more dramatic the effect. Dozens of islands emerged in the past few decades as ice sheets receded along the crinkled edges of Greenland; Svalbard, Norway; and Novaya Zemlya, Russia. Cartographers scramble to keep up, but it can take several years to update digital maps and charts with high-tech satellite data, especially for remote places. With ice melt accelerating, just a few years can usher in a total sea change on the coast.

EU member states in call to end crippling reporting formalities for ships

09/03/2018
13 EU member states have called on the Commission to present an ambitious proposal on revising the Reporting Formalities Directive. Danish Shipping strongly supports the ambition to sufficiently eliminate the huge administrative burdens on maritime carriers in the EU.

The current directive introduced the concept of National Single Windows as a way to harmonise reporting obligations from ships to a single electronic system in each Member State but failed to harmonise data requirements or the mechanisms for sending them thus creating more burdens on maritime carriers in EU.

The 13 member states belong to a group of ambitious countries willing to pursue the directive's original objective of simplification and to lead on the creation of an internal market for shipping in the EU. In an official letter to the Commission, they want to “unleash the significant potential for simplification and harmonization by making the Directive future proof and fit for the digital age by making better use of existing data sources and automation of administrative processes.”

Danish Shipping has stressed again and again the urgent need to correct the adverse effects of the directive that have created new burdens rather than creating a real internal market for shipping in the EU. Today, captains and maritime carriers are required to report variations of the same data over and over and in different formats for every EU-port. Sometimes even differently in ports in the same country.

The Commission proposal is set for publication 2 May. The following countries joined the call for an ambitious proposal: Belgium, Cyprus, Denmark, Estonia, Finland, Germany, Greece, Luxembourg, Malta, Poland, Romania, Slovenia and Sweden.

[Danish Shipping]
This week, the European Sea Ports Organisation (ESPO) has submitted its contribution to the public consultation in preparation of the new Connecting Europe Facility (CEF II) for the financial period 2021-2028. To prepare its submission, ESPO commissioned a study to investigate the future investment needs of European ports, as well as the past ability of ports to benefit from the different EU financial instruments.

In order to live up to their significant role, not only as primary nodes of the transport network, but also in terms of energy transition, attracting industry and logistics and enabling passengers’ connectivity, and being defined as critical infrastructure, ports need to continue to invest into modern, sustainable and well-connected infrastructure.

The study, The Infrastructure Investment needs and Financing Challenge of European Ports, estimates that European ports face investment needs of around 48 € billion for the period 2018-2027. These needs are mainly caused by external drivers, such as growth in trade flows, new trends in the maritime industry, decarbonisation and other environmental requirements, digitalisation, automation, urban development and security challenges.

This wide range of investment drivers leads to a very diverse range of investment needs. In spite of this diversity, investments in basic infrastructure, maritime access infrastructure and hinterland connections account for more than half of the projects that port managing bodies foresee for the coming 10 years.

Despite the overall recognition of the significant role of ports and of their diverse responsibilities, projects initiated by port authorities only succeeded to attract 4% of the CEF funding so far and only one-third of the submitted projects received funding. The study results show that public funding mechanisms remain a very relevant element for port managing bodies, even though innovative financial instruments are to be welcomed.

Based on the results of the study, ESPO pleads for a strong Connecting Europe Facility reflecting the following elements:

- Grants as an essential component of financing port projects with a high added value but low financial returns;
- A well-defined and transparent methodology to define EU added value, that goes beyond –cross-border‖ projects;
- Responsible grant management, through a more rigorous cost-benefit analysis;
- A long-term vision on funding priorities allowing the ports to prepare high quality projects;
- Co-financing to be defined on the basis of the funding gap;
- The right level of endorsement: smaller port projects which do not involve national or regional funding should not require prior endorsement of the Member State.

[ESPO]
La construcción y financiación de la nueva terminal de contenedores del Puerto de Cádiz ha sido una carrera de obstáculos. La Autoridad Portuaria de la Bahía de Cádiz (APBC) lleva diez años sorteando adversidades para sacar adelante esta infraestructura.

Se trata de un proyecto clave para el desarrollo del puerto gaditano, pero a estas alturas cabe pensar que se trata de una inversión gafada. El último contratiempo ha surgido a cuenta del túnel que se diseñó para facilitar el acceso de los camiones desde la glorieta del parque de Bomberos hasta la terminal. No hay que olvidar que la nueva plataforma logística se encuentra en el extremo del puerto y el astillero de la capital es la única vía de paso posible para llegar a ella.

La obra del subterráneo comenzó hace dos años en el suelo de Navantia, sin embargo, los problemas aparecieron cuando la obra se encontraba al 70% de su ejecución. La aparición de una enorme chapa en el trazado obligó a paralizar la obra y a buscar fórmulas para quitar esa estructura del camino. No hubo tregua. Mientras los técnicos de la empresa adjudicataria, Vías y Construcciones SA, buscaban una solución al problema surgió un nuevo revés, el agua empezó a brotar por las paredes del túnel. Las filtraciones han acabado con el subterráneo. Se demostró finalmente que la ejecución del proyecto no era la correcta.

La APBC rescindió el contrato de la empresa adjudicataria y ahora se encuentra con un túnel empantanado en mitad del suelo del astillero de Cádiz y con una inversión en el aire. Este problema ha llevado a los gestores portuarios a buscar una alternativa que garantice la apertura de la nueva terminal de contenedores en 2020.
Maritime safety: Maersk Honam joins a growing list of horrific containership fires

09/03/2018
By Marcus Hand

The huge fire that continues to rage on the ultra-large containership Maersk Honam brings into focus longstanding concerns in the industry over the severity of fires on boxships.

While the cause of the fire onboard the 15,262 teu Maersk Honam remains unknown, Maersk Line say it started in the cargo hold, implying as very often the case the fire started somewhere in the vessel’s cargo. Of particular concern will be the fact the Maersk Honam is by no means some an aging vessel that might have antiquated or poorly maintained fire safety systems. It is a nearly new vessel having been delivered just last year yet the fire in hold has led to one confirmed death, four missing, and two seriously injured.

Warnings over the problems of containership fires have come from the International Union of Marine Insurers, Allianz, the Swedish Club and DNV GL, among others in the recent years. With temperatures reaching in excess of 500 degrees centigrade inside boxes on fire extinguish the blaze is both extremely difficult and dangerous, and the fire can easily spread to other containers and the ship as whole.

As with the Maersk Honam the consequences can be tragic – the fire on the MSC Flaminia in the Atlantic in July 2012 claimed the lives of three crew members – two confirmed dead, and one missing. The insurance costs for both the vessel and cargo can be huge and far out of proportion of the number of claims caused by fire. According to the Swedish Club just 0.76% of cargo claims are due to fire, yet in terms of total costs of claims fire relates to some 28%.

Seatrade Maritime News has compiled a list of some of some of the more notable containership fires in recent years to give some sense of scale of the problem.

• **MSC Daniela – 4 April 2017** – The crew of the 13,800 teu boxship sent a distress call at around 11am on 4 April last year 120 nm off Sri Lanka, the vessel had to reroute to Colombo and the fire took over 12 hours for Sri Lankan and Indian coastguard and Navy vessels to bring under control.

• **APL Austria - 12 February, 2017** – The vessel carrying hazardous materials caught fire off the coast of South Africa and was forced to enter Port Elizabeth after the crew sent a distress call. The blaze took two days to bring under control.
**Hansa Brandenburg – 19 July 2013** – The 1,740 teu containership caught fire while sailing from Singapore to Durban causing major damage to the aft cargo hold and fore superstructure. After the fire was extinguished the vessel was towed to Mauritius.

**Eugen Maersk – 13 June 2013** – Fire broke out on the vessel in the Gulf of Aden enroute to Rotterdam. The Eugen Maersk diverted to the Port of Djibouti where the fire was extinguished on 23 June with 16 containers destroyed by the blaze.

**MSC Flaminia – 14 July 2012** – The 6,750 teu vessel suffered a fire in cargo hold four which resulted in an explosion and the crew were forced to abandon ship in the middle of the Atlantic Ocean some 1,000 nm from the nearest land. The fire claimed the lives of three crew members – two confirmed dead, and one missing. The vessel took two years to return to service.

**Hyundai Fortune – 21 March 2006** – The crew of the 5,551 teu ship abandoned ship south of the coast of Yemen after an explosion below deck caused a fire that spread through the vessel. The fire burned for several days and one third of the containers onboard were damaged.

[Seatrade Maritime News]

---

**Maritime safety: Container ship fires are not an easy issue to solve**

09/03/2018
By Malcolm Latarche
One crewman dead, four seafarers missing and the 2017-built Maersk Honam and its cargo of over 7,000 containers in danger of being a total loss. Fires on container ships are fortunately an infrequent occurrence relative to the number of box ships in operation but each year adds more incidents to the growing list.
In the vast majority of cases, the official investigation finds that the likely cause of the fire was mis-declared hazardous cargo loaded in the cargo holds rather than being in a safer position on the open deck. In such cases, the safety measures required under SOLAS introduced two years ago in January 2016 are useless in preventing the initial spread of the fire in the holds of the ship.

The 2016 requirement in the amended Regulation SOLAS II-2/10 required all new ships designed to carry containers on or above the weather deck to be fitted with at least one water mist lance, in addition to all other fire protection arrangements that should be provided on board as per existing regulations.

It also required all new ships designed to carry five or more tiers of containers on or above the weather deck to be provided with mobile water monitors, in addition to the water mist lance and all other fire protection arrangements that should be provided on board as per existing regulations. Ships with a breadth up to 30 m should be provided with at least two mobile water monitors and ships with a breadth exceeding 30 m or more should be provided with at least four mobile water monitors.

As a ship built after those requirements, Maersk Honam will undoubtedly have had all the necessary equipment on board and the four missing seafarers engaged on fire fighting duties were probably making use of some of them. While the lance and monitors could be used on some containers on deck they would not have been of use for a fire that started in the hold. Even within the holds of cellular container ships, systems such as CO2 flooding or water mist are not effective means of fire fighting.

The question of mis-declared cargoes whether it be hazardous cargoes wrongly described or overweight boxes declared as being lighter are a continuing safety hazard for container ships and as ships get bigger so does the problem. Questions have already been asked about the insurability of mega ships and incidents of this kind only add to the issue.

When hazardous cargoes are mis-declared the most common reason is not poor knowledge but a blatant attempt to avoid paying the premium freight rates for the cargo. It is bad enough that a box which should have been careful thought as to its location on board is treated as non-hazardous and stowed in a position where access is most restricted, but not fully describing a hazardous cargo also means that the crew may use wrong tactics for dealing with a problem. A water mist lance may be useful in fighting some fires, but the presence of water can actually increase the hazard if the product is a chemical that reacts with water to form flammable or explosive gases.

Sadly, there is no obvious answer to determining the actual content of a container if it is deliberately mis-declared for whatever reason and no effective sanctions on companies that practice deception because random checks on cargoes never take place anymore as they once did.

It seems therefore that the Maersk Honam incident is the latest but will certainly not be the last in the list of incidents involving fires on container ships.
Tugs are tackling a major ship fire in the Indian Ocean after 22 crew were evacuated. Tugboats CSC Nelson and Maersk Involver started working with coastguard ship Shoor on 9 March, fighting the fire on 2017-built container ship Maersk Honam.

The fire has been raging on the 15,262 TEU boxship since 6 March. According to Container Shipping & Trade, at least 23 crew were evacuated to nearby ship ALS Ceres, of which one was dead through sustained injuries and two required urgent medical care. Four other crew members remain missing, presumed dead. The remaining 19 crew on board ALS Ceres were taken to Cochin, southwest India.

It is not yet known what caused the fatal fire on Singapore-flagged Maersk Honam as it was sailing towards Suez, Egypt. There were around 7,800 containers on board and the fire reportedly started in cargo hold number 3, close to the crew accommodation.

Once the fire is extinguished, the stranded ship will be towed to a dock for survey and repair, and for inspectors to begin to investigate how the fire started.
Maersk Honam fire in the Arabian Sea.
It is yet another maritime accident to hit Maersk Line in March, as 2008-built container ship Eugen Maersk suffered a technical malfunction on the Elbe off Hamburg, Germany, on 3 March. In another incident, Maersk Aras had an engine failure during a cross-Pacific voyage and reached Manzanillo, Mexico on 1 March.

Also this week, tugs were deployed to rescue a stranded bulk carrier in the Gulf of Finland. Finnish icebreaker Nordica and anti-pollution vessel Kindral Kurvits were first on the scene when Glory Hongkong reported water ingress in its engineroom. These were joined by Estonian tug Atlas, and according to Vesseltracker, Glory Hongkong will be towed to Tallinn.

A tug has also been deployed off Lisbon, Portugal to assist in the salvage of grounded cargo ship Betanzos on 8 March. The vessel got into trouble during a strong storm in the area. Tug Fairmount Alpine sailed from Gibraltar to assist the stricken vessel. Refloating of Betanzos will be attempted once this storm has passed, expected on 10 March.

In Germany, tugs have towed damaged 2004-built ship Akacia from the Kiel Canal to Hamburg, after Akacia had severely damaged the Great Northern Lock in the key shipping canal. SFK tugs Kiel and Stein towed the ship to the port of Rendsburg and then Hamburg on 7-8 March. On 9 March, tugs VB Perfect and VB Bremen pulled Akacia to the Norderyard for repairs.

**[Tug Technology & Business]**

Shipping emissions: Decarbonising maritime transport - the case of Sweden

09/03/2018
Today, the International Transport Forum (ITF) published a report that examines the factors that have put Sweden at the forefront of decarbonisation of maritime transport, and how other countries could learn from this success story.

The report Decarbonising Maritime Transport: The Case of Sweden details Sweden’s efforts to decarbonise its shipping industry and sheds light on remaining challenges and potential solutions to achieve zero-carbon shipping.

The analysis has particular relevance in the light of proposals to develop national action plans for the decarbonisation of maritime transport in the context of the International Maritime Organization’s (IMO) Initial Greenhouse Gas (GHG) Strategy. As such, the analysis presented will be of use not only to policy-makers in Sweden but also to decisionmakers in other countries seeking to reduce maritime GHG emissions.

**[ITF / OECD]**

Shipping emissions: Norway's $1-trillion wealth fund may blacklist more companies for high emissions, including shipping

09/03/2018
The ethics watchdog for Norway's $1-trillion sovereign wealth may blacklist more companies that produce too much greenhouse gas by scrutinizing more industry sectors, including shipping and power.
Carbon emissions became a criteria for exclusion from the fund in 2016 and last year the watchdog recommended that a small handful of firms be excluded from the fund for producing too much greenhouse gas emissions in either the oil, cement and steel industries. Those recommendations are currently under review with the board of the central bank, which oversees the fund, and a public announcement is expected soon, the bank’s governor told Reuters on Feb. 27.

Johan H. Andresen, chair of the fund's publicly appointed Council on Ethics, said the watchdog would look at more firms in the energy, steel and concrete industries and add more sectors, including shipping and power producers. Speaking in an interview ahead of publication of the council’s annual report on Thursday, he said: “I expect there will be more companies recommended for exclusions based on the climate criteria.”

“Shipping and power producers are among the sectors we may be looking at.”

The world’s largest sovereign wealth fund was created from the proceeds of Norway’s oil industry and operates under ethical guidelines set by parliament. It owns shares in 9,100 companies, 1.4 percent of the world's listed equity, so its decisions to drop or reinstate companies from its investments carry considerable weight among investors.

Andresen said a company that is a big emitter of climate gases must show what plans it has to cut emissions by 2030 to remain in the fund's portfolio, revealing for the first time what factors the watchdog takes into account.

“If they are very big emitters of greenhouse gas on an aggregate level and they are ‘worst in class’, they will really have to move,” said the 56-year-old Norwegian. “They will need to have very credible plans to reduce emissions, that they have said they are going to do, not only to us, but to their shareholders.”

The fund has also been looking at blacklisting companies because of corruption risks. One is Brazil’s Petroleo Brasileiro SA which is on a watch list for possible exclusion in the future if the ethics watchdog deems there is a risk of corruption. In January, state-controlled Petrobras agreed to pay $2.95 billion to settle a U.S. class action corruption lawsuit. The fund held a 0.68 percent stake in Petrobras worth $436 million at end-2017, according to fund data.

The fund's ethics procedure was launched at the start of the millennium and 73 companies are presently excluded on recommendations by the Council on Ethics, on various grounds. Another 69 companies are excluded directly by the central bank based on their dependence on thermal coal.

The fund gradually sells shares in any company it wishes to drop, before any announcement is made. The main aim is to remove the ethical risk. The fund is forbidden by law from investing in companies that produce nuclear weapons or landmines, or are involved in human rights violations, among other criteria.

Andresen also anticipated there could be more recommendations against shipping companies for the practice of “beaching” - running old vessels aground to be scrapped by manual labor. The fund excluded four shipping companies on these grounds in January.

[Reuters]
Ahead of a key meeting at the International Maritime Organization in April, Brazil is leading objections to setting tough climate targets for the sector.

Brazil is seeking to water down prospective climate targets for the shipping sector, documents seen by Climate Home News show. A joint submission to the International Maritime Organization (IMO) from Brazil, India, Argentina and Saudi Arabia scratches out large parts of a draft global agreement due to be finalised next month.

The group deleted sections proposing to cap greenhouse gas emissions from shipping at 2008 levels and reduce them significantly by 2050, arguing only relative measures of carbon intensity should be used. An overarching vision to achieve a zero-carbon sector by 2075 was replaced with the vaguer “no later than in the second half of this century.” It added that no policy measures “are expected to be implemented” before 2023, ignoring suggestions for action that could be taken sooner, such as speed restrictions.

Sources involved in the talks say Brazil has been the most outspoken blocker of ambition in meetings. Paulo Chiarelli, director of climate change at Brazil’s foreign ministry, told Climate Home News this was driven by concerns the cost of moving to a low carbon shipping sector would hit developing countries hardest.

The strategy should “give a signal to the private sector that the transition is inevitable,” he said. But “the trade in food and food security should not be threatened in any way by whatever measures the IMO agrees.”

Changes proposed by Argentina, Brazil, India and Saudi Arabia to the draft climate vision for shipping, in their submission to the IMO

Sources said that during informal meetings, delegates at the IMO have explored ways to address Brazil’s concerns while setting a vision compatible with the goals of the Paris climate agreement. That could mean offering targeted exemptions, rebates or assurances on costs.

Outwardly, Brazil’s stance is being challenged both at home and abroad. In a comment article first published in Brazilian business paper Valor Econômico and translated into English for CHN, researchers from the Institute for Climate and Society warned Brazil had become a laggard on this issue.

Ana Toni and Natalie Unterstell noted that mining and logistics giant Vale had no fewer than five advisers
Under this influence, the purpose of the delegation has been to avoid any cost increase to companies based here, be they freight operators or contractors, they wrote. -This may be what is best for Vale, but not for the Brazilian economy as a whole.

With experience in producing biofuels, Brazil had a market opportunity to supply greener fuels to the shipping industry, they said. Chiarelli rejected the suggestion – raised by Influence Map research published last October – that Vale had excessive influence over Brazil’s position.

-Vale has not captured the Brazilian delegation, he said. -Vale is one of the stakeholders that we consulted and has participated in the domestic process that defines our position for the IMO, as did other interested stakeholders… they are there [at IMO meetings] to support positions that have already been agreed at the domestic level between all interested stakeholders.

Internationally, a coalition of European and Pacific island countries is leading the charge for higher ambition. The Marshall Islands – a small island state with the world’s second largest flag registry – Kiribati, Solomon Islands and Tuvalu have been joined by New Zealand in proposing the most aggressive timeline for slashing emissions: full decarbonization by 2050.

A broader group of nearly 40 countries has signed up to the Tony de Brum Declaration, named after a Marshall Islands statesman, which is less specific but emphasizes the urgency of action. These include South American states Chile, Peru and Colombia, which face some of the same challenges as Brazil and have previously aligned with its IMO positions.

[Climate Home]

**Container shipping: World Container Index - 08 Mar 2018**

08/03/2018

The World Container Index assessed by Drewry, a composite of container freight rates on 8 major routes to/from the US, Europe and Asia, is down by 6.2% to $1374.6/40ft container.

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

The composite index is down by 6.2% this week and down by 9.2% from the same period of 2017.

- The average composite index of the WCI, assessed by Drewry for year-to-date, is US $1,462/40ft container, which is $13 lower than the five-year average of $1,475/40ft container.

- In line with Drewry's expectation, spot rates on key routes originating from Asia continue to spiral down, casting a pall of negativity for carriers over the mid-March rate hikes in the pipeline. Rates on Shanghai-Rotterdam lost another $146 per feu this week to reach $1,538. Rates from China to the USEC tumbled by a whopping $258 for a 40ft box to $2,460. However, the decline on Shanghai-Los Angeles was a modest $58. Meanwhile, spot rates on the Transatlantic market remain stable. Consequently, the Composite Index inched down by $90 to reach $1,374.6 per feu this week.

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

<table>
<thead>
<tr>
<th>Route</th>
<th>22-Feb-18</th>
<th>1-Mar-18</th>
<th>8-Mar-18</th>
<th>Weekly change (%)</th>
<th>Annual change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite Index</td>
<td>$1,497</td>
<td>$1,465</td>
<td>1374.6</td>
<td>-6% ▼</td>
<td>-10% ▼</td>
</tr>
<tr>
<td>Shanghai - Rotterdam</td>
<td>$1,740</td>
<td>$1,684</td>
<td>1538</td>
<td>-9% ▼</td>
<td>-12% ▼</td>
</tr>
<tr>
<td>Rotterdam - Shanghai</td>
<td>$641</td>
<td>$641</td>
<td>641</td>
<td>0%</td>
<td>14% ▲</td>
</tr>
<tr>
<td>Shanghai - Genoa</td>
<td>$1,674</td>
<td>$1,634</td>
<td>1503</td>
<td>-8% ▼</td>
<td>-13% ▼</td>
</tr>
<tr>
<td>Shanghai - Los Angeles</td>
<td>$1,486</td>
<td>$1,471</td>
<td>1413</td>
<td>-4% ▼</td>
<td>-13% ▼</td>
</tr>
<tr>
<td>Los Angeles - Shanghai</td>
<td>$489</td>
<td>$489</td>
<td>492</td>
<td>1% ▲</td>
<td>0%</td>
</tr>
<tr>
<td>Shanghai - New York</td>
<td>$2,825</td>
<td>$2,718</td>
<td>2460</td>
<td>-9% ▼</td>
<td>-19% ▼</td>
</tr>
<tr>
<td>New York - Rotterdam</td>
<td>$501</td>
<td>$501</td>
<td>509</td>
<td>2% ▲</td>
<td>6% ▲</td>
</tr>
<tr>
<td>Rotterdam - New York</td>
<td>$2,067</td>
<td>$2,070</td>
<td>2070</td>
<td>0%</td>
<td>22% ▲</td>
</tr>
</tbody>
</table>

Source: Drewry Supply Chain Advisors

[Drewry]

Port development West Africa: Ghana hub expansion in game of catch-up with rival Cameroon port

08/03/2018

The Port of Tema, serving Ghana's capital of Accra, is now moving swiftly to develop a regional transshipment hub with the movement of the first concrete elements that mark a new phase of the expansion by Meridian Port Services (MPS), a local state-authorised monopoly.
Terminal operators: ICTSI reports net income of USD208 million for 2017, plans to invest USD380 million in 2018

08/03/2018

By Leslie Gatpolintan

Port operator International Container Terminal Services, Inc. (ICTSI) has earmarked a capital spending of USD380 million this year after ending 2017 with a seven-percent increase in profit.

In a disclosure to the Philippine Stock Exchange, ICTSI said this year's capital expenditure budget would be mainly allocated for the capacity expansion in its terminal operations in Manila, Mexico and Iraq.

The company said it would also finance the completion of its new barge terminal project in Cavite City, Philippines, the continuing rehabilitation and development of its container terminal in Honduras, and procurement of additional equipment and minor infrastructure works in its newly acquired terminal operations in Papua New Guinea.

This year's capital spending budget is 58.3 percent higher compared to USD240 million in 2017. ICTSI booked a net income of USD208 million last year from USD 193 million the previous year.

It attributed the increase in net income mainly to the continuing ramp-up at its new terminal in Matadi in Democratic Republic of Congo, strong operating results from the terminals in Iraq, Mexico, Honduras, Madagascar, China, Poland and Brazil; and the gain related to the termination of the sub-concession agreement in Lagos, Nigeria.

Higher earnings, however, was tapered by higher interest and financing charges, higher depreciation and amortization expenses, start-up costs at the company’s terminal in Melbourne Australia, and increase in share in the net loss at its joint venture container terminal project with PSA International Pte Ltd. in Colombia.

Its revenue from port operations reached USD1.24 billion last year, 10 percent higher compared to This achievement is significant as it shows the project is on time for building the first 700 metres of quay wall ensuring the new port facility can be operational by June 2019, reports GhanaWeb. But this competes with Kribi, a port in the Cameroon, which is also developing as a rival transshipment hub with direct support from French shipping giant CMA CGM, whose feeders serve the Democratic Republic of Congo and Gabon.

As Ghana sees it, Tema will have upgraded its container facility and attract bigger ships. But already 8,721-TEU CMA CGM ships are calling at the Port of Kribi. The Kribi terminal is jointly operated by CMA CGM, Bollore Transport & Logistics and China Harbour Engineering Co (CHEC), a subsidiary of China Communications Construction Company (CCCC), providing infrastructure construction.

MPS chief executive Mohamed Samara said he expects vessels calling Tema will increase in size from today's 5,500 TEU to 14,000 TEU in future, which will bring economies of scale to West Africa and lower costs for all, driving growth and employment.

"Including Phase 2 we will build 1,400 metres of quay which will enable several big vessels to berth simultaneously giving Tema the capacity to both serve Ghana and become a transshipment hub for West Africa," said port project director Jesper Kjaerulf-Moeller.
USD1.13 billion in 2016.

ICTSI handled consolidated volume of 9,153,458 twenty-foot equivalent units (TEUs) in 2017, five percent more than the 8,689,363 TEUs handled in 2016. It said volume increased due mainly to continuing improvement in global trade activities, particularly in the emerging markets.

[INTERAKSYON]

Maritime safety: Singapore identifies poor US Navy training in collision between USS John S. McCain and tanker

08/03/2018

Singapore authorities have laid the blame on last year’s collision between the USS John S. McCain and the tanker Alnic MC on the warship’s decision to make a sudden turn in one of the world’s busiest shipping lanes.

In the pre-dawn hours of 21 August 2017, the Liberian-registered Alnic MC and the US Naval vessel USS John S McCain collided in the westbound lane of the Singapore Strait, in Singapore territorial waters about 4.6 nautical miles (nm) from Horsburgh Lighthouse. The collision resulted in 10 fatalities on the USS John S McCain.

Collision location: Source: Maritime and Port Authority of Singapore

Singapore’s Transport Safety Investigation Bureau (TSIB) today issued a 35-page report into the accident: Safety Investigation into Collision Between Alnic MC and the USS John S McCain in Singapore Territorial Waters on 21 August 2017.

The report concluded that the accident was caused by a sudden turn by the warship resulting from confusing after a transfer of propulsion controls.
Maritime safety: One dead after Maersk Line vessel en route from Singapore catches fire in Arabian Sea

08/03/2018

A crew member died and four others went missing after fire broke out on a new Maersk Line container vessel in the Arabian Sea, the company said.

The vessel caught fire at around 1520 GMT on Tuesday, about 900 nautical miles southeast of Salalah, Oman, the world's biggest container shipping company said in a statement. 23 crew members were rescued but one of them, a Thai national, died on Wednesday, added Maersk. "His health condition drastically deteriorated ... due to the injuries sustained in connection to the fire," said Maersk Line, a unit of Danish shipping firm A.P. Moller-Maersk A/S.

The fire was still burning on Wednesday and searches were still going on for four other crew members who went missing after the blaze, it added. "This is a very serious fire," a company spokeswoman said. "At this
Coming unstuck: Latin America needs an infrastructure upgrade

08/03/2018

Governments risk wasting a golden opportunity to improve the region’s transport, sanitation and energy systems.

The Transnordestina railway is supposed to carry soya beans, iron ore and other commodities from farms and mines in Brazil’s northeast to ports in Ceará and Pernambuco, and then on to markets in China. Brazil has spent more than 6bn reais ($1.8bn) on the project since work began a decade ago. But cows still amble along its unfinished tracks. In Lima and Bogotá workers can spend half as much time commuting as they do at the office. In Brito, a village on Nicaragua’s Pacific coast, there are no paved roads, electricity or running water. –It’s like we’re still living in the era of Columbus,‖ laments a fisherman.

Latin America is hobbled by its inadequate infrastructure. More than 60% of the region’s roads are unpaved, compared with 46% in emerging economies in Asia and 17% in Europe. Two-thirds of sewage is untreated. Poor sanitation and lack of clean water are the second-biggest killer of children under five years old, according to the World Health Organisation. Losses of electricity from transmission and distribution networks are among the highest in the world. Latin America spends a smaller share of GDP on
infrastructure than any other region except sub-Saharan Africa (see chart).

There are some bright spots. Chile’s roads are better than those of Belgium, New Zealand and China, according to the World Economic Forum. Uruguay’s electricity and telecoms outclass those in the United States and Canada. But in general, the quality of infrastructure is more of a drag on than a boost to Latin American economies. If the infrastructure of the region’s middle-income countries were as good as that in Turkey and Bulgaria, their growth rates would be two percentage points higher than they are, according to McKinsey, a consultancy.

Recently a window of opportunity to upgrade it opened up. Global interest rates have been unusually low, which makes it cheap to raise money to repair old infrastructure or start new projects. Market-friendly presidents have taken office in several countries, including Brazil, Argentina and Peru. They have made improving infrastructure a priority. Pedro Pablo Kuczynski, Peru’s president since July 2016, promised to turn the country into a “construction camp”. Mauricio Macri, elected Argentina’s president in 2015, launched an infrastructure plan called Plan Belgrano for the country’s poorly connected north. His cabinet chief, Marcos Peña, calls it “the most ambitious in Argentina’s history”. In Colombia a promise to build rural infrastructure is part of the peace agreement between the government and the FARC, a leftist guerrilla group that had been at war with the state since 1964.

A window closes

But the region’s governments have not made the most of the opportunity. A big setback was the Lava Jato (Car Wash) investigation, which began as a money-laundering case in Brazil and has engulfed the governments of a dozen Latin American countries. Odebrecht, a Brazilian firm that built highways, dams, power plants and sanitation facilities across the region, admitted to paying $788m in bribes. Its money financed political campaigns, including those of Colombia’s president, Juan Manuel Santos and Juan Carlos Varela, now Panama’s president. Mr Kuczynski has admitted that companies linked to him have taken (legal) payments from Odebrecht.

The scandal has left a trail of unfinished projects, frightened politicians and bureaucrats, and wary bankers. A $7bn contract with Odebrecht to build a pipeline to transport natural gas from the Amazon basin across the Andes to Peru’s coast has been annulled and work has been suspended. Ruta del Sol 2, a 500km (300-mile) stretch of highway to help connect Bogotá to Colombia’s Caribbean coast, has stalled. Panama’s government cancelled a contract with Odebrecht for a $1bn hydroelectric project. Mexico’s biggest scheme, a new airport near the capital, has been plagued by corruption allegations. Andrés Manuel López Obrador, the front-runner in Mexico’s presidential election, scheduled for July 1st, has threatened to scrap it.

Governments also worry that a rise in interest rates will raise the cost of borrowing to build infrastructure and that a reduction in corporate tax in the United States, signed into law by Donald Trump in December, will pull capital away from Latin America. They are racing to get their infrastructure plans back on track before the opportunity passes.
The biggest need, say economists, is for roads, railways, ports and urban transport to speed exports and the travels of workers. To move sugar from Jujuy in northern Argentina to Buenos Aires by rail, a journey of 1,675km, takes 22 days, as long as it takes to ship it on to Hamburg. Cargo can take two days to journey from Bogotá to Santa Marta on the Caribbean coast; then it can wait as long to pass through customs.

A big difficulty in widening such bottlenecks is cumbersome procedures, legal hurdles and ponderous bureaucracies. A new airport near Cusco, Peru’s most popular tourist destination, was proposed in the 1970s; a contract to build it was signed in 2014 but scrapped last year.

Projects often impinge on indigenous lands, which can slow things down further. Conflicts over projects cause average delays of five years, according to a study by the Inter-American Development Bank.

Despite low interest rates, governments cannot borrow much to pay for infrastructure. Non-financial public-sector debt rose from 30.6% of GDP in 2008 on average in Latin America to 40.4% in 2016. In Brazil it reached a record of 74.4% last year. Brazil, Chile, Colombia and Peru have rules that limit public spending or borrowing.

**Privacy, please**

So governments must form partnerships with private enterprises, says Jose Fernandez, a former assistant secretary in America’s State Department. They are no panacea. Public-private partnerships (PPPs) are open to abuse by construction firms such as Odebrecht, which make low bids to secure contracts and then renegotiate them to push up the cost, often by bribing a politician or two. More than three-quarters of Latin American PPP contracts in transport have been renegotiated within about three years of signing, according to José Luis Guasch, a professor of economics at the University of California.

PPPs require competent agencies and often government guarantees, as well as sophisticated domestic financial markets. In Chile, which has strong institutions and financial markets, most roads, ports and airports are operated by private companies. In most countries private participation is a complement to, rather than a substitute for, public money, the World Bank argues. The region’s volatile politics makes investors wary. Michel Temer, Brazil’s centrist president, is dogged by scandal and will not run in the presidential election in October. Mexico’s election may bring the populist Mr López Obrador to power. In Peru congress is threatening to impeach Mr Kuczynski, who narrowly avoided impeachment once before.

Not all the news is bad. One reason for cheer is that infrastructure can be less expensive than governments think. With conventional policies, South America needs to spend $23bn-24bn a year to upgrade its electricity networks, according to the World Bank. But if the region manages demand better, introduces renewable sources of energy and promotes conservation, it can cut that cost to $8bn-9bn. Freight can be sped up and made cheaper by simplifying bureaucracy and improving regulation as well as by expanding roads. Latin America’s trucking industry is now 15 times more concentrated than that of the United States, the World Bank says. Promoting competition would reduce costs.

A second source of encouragement is China. Its banks invest more in Latin America’s infrastructure than the World Bank and IDB combined, according to David Dollar of the Brookings Institution, a think-tank in Washington. Last year Chinese companies invested at least $21bn in Brazil, not least in power plants and ports. Bolivia has a $10bn Chinese credit line to spend on motorways and hydroelectric dams. China has agreed to build two nuclear-power plants in Argentina. But some Chinese ideas, like a railway through the Amazon and a canal through Nicaragua to rival the Panama canal, may never materialise.

Latin American countries may be learning from their mistakes. The scandals are changing how business is done. Companies are increasing radically the number of compliance officers, says Brian Winter, vice-president for policy at the Americas Society and the Council of the Americas. New laws seek to bring more transparency and strike a balance between discouraging corruption and chilling investment. Legislation in Peru, for example, exempts from penalties firms that co-operate with anti-corruption
Some countries, including Colombia and Peru, have passed laws that make it harder to renegotiate PPPs. Brazil’s plan for 34 partnerships in roads, ports and other projects seeks to reduce red tape by making sure that they have environmental licences before their details are announced.

Such reforms improve the chances that Latin America’s president-builders will eventually realise their ambitions. Repairers are at work on the rail line through Jujuy. Peru’s government hopes to find new investors in the gas pipeline this year. With the right policies, honestly executed, rolling stock, rather than livestock, could someday glide along the tracks of the Transnordestina railway.

[The Economist]
The Mozambican government has approved a 10-year extension on the management concession for the port of Beira, in Sofala province, to Cornelder de Moçambique, the Council of Minister's spokesperson said on Tuesday in Maputo.

Ana Comoana said that the approval from the Council of Ministers includes a recommendation that the company making the investments needed to increase the processing capacity of the container and multipurpose terminals at the port in the provincial capital.

–It is hoped that with the investments to be made by the concessionaire the port of Beira can increase the cargo processed to and from the countries in the region without direct access to the sea and also contribute to the appearance of new shipping lines,‖ said the spokesperson and Deputy Minister of Culture and Tourism.

Ultimately, according to Comoana, the extension of the concession period and the expected investments should allow the port of Beira to make public investments in the area feasible and profitable, namely the recovery and expansion of National Highway Number 6 (EN6) and the restoration plan for the Machipanda railway line.

Comoana said that the terms and conditions of the extension of the concession and the amount of investments have yet to be negotiated between the government and the concessionaire. The current concession contract for the management of the port was signed in 1998 and is valid for 25 years and will end in 2023.

Cornelder de Moçambique is a public-private partnership between state-owned rail and port manager CFM and the Cornelder Holding group of the Netherlands.

[Macauhub]

07/03/2018

The Maritime and Port Authority (MPA) of Singapore will top up its Maritime Cluster Fund (MCF) by S$100 million to help the industry test-bed and embrace new technologies as well as groom talent for a digital and automated maritime future.

Senior Minister of State for Transport, Dr Lam Pin Min said at the committee of supply debate on Wednesday that MCF is expected to support about 30 new projects and benefit some 5,000 people annually. This latest injection will lift the total investment since 2007 under MCF to S$285 million.

Dr Lam who is also the Senior Minister of State for Health, added that the Maritime Transformation Map (MTP) Programme, that will be rolled out over the next few months, will co-fund, with matching investments from industry partners, the development of technology with high potential for industry application.

The Port of Singapore has recorded strong throughput growth in 2017, with the volume off boxed cargoes handled here expanding 8.9 per cent to 33.7 million TEUs (20-foot-equivalent-units). This growth in container throughput was spurred on by improvements in global trade growth and repositioning of major shipping lines.

But with competition heating up among regional ports and global transportation and supply chains facing disruption from digitalisation, there is no room for complacency, said Dr Lam.
Singapore has already benefited from additional investments pumped in by major shipping lines to build capacity here. Port operator PSA and shipping giant CMA CGM launched the second phase of their container terminal joint venture in March 2017, lifting the total operating capacity at the CMA CGM-PSA Lion Terminal to four million TEUs, up from two million TEUs. PSA and Cosco Pacific also began operations last year from three new container berths that can handle mega box ships at the Pasir Panjang terminal.

Still, Singapore has to work on boosting connectivity, not just for physical but also non-physical trade flows, to stay relevant as a maritime hub, said Dr Lam. More specifically, he said that Singapore has to "build a more inter-connected and vibrant network" to position itself as "a node for maritime business activities and information flows".

He has considered catalysing the growth of non-traditional players including maritime technology enterprises as a step up towards bolstering non-physical connectivity and inter-linkages.

MPA has already extended funding support to technology start-up, XjeraLabs, which has been working with Jurong Port to develop a proof-of-concept for the use of video analytics to track container vehicles moving in and out of the port.

In addition, MPA has set out to establish a one-stop data repository, the SG-MDH, which will help enable the development and test-bedding of digital apps and services for the maritime industry.

[The Business Times]

---

Reducing global emissions relies on cities reducing consumption

07/03/2018

New research from C40 Cities Climate Leadership Group (C40) released at the IPCC Cities Climate Science conference, has analysed city emissions from a different aspect, looking at the consumption of goods and services including transport, food, clothing and electronics.
C40’s new research, Consumption based GHG emissions of C40 cities, has revealed that cities have a 60 per cent larger carbon footprint than previously estimated. With greenhouse gases generated by cities being much higher than expected, mayors worldwide have an opportunity to deliver on the Paris Agreement goals.

Sources and boundaries of city GHG emissions

The results were compiled by C40 Cities alongside the University of Leeds, University of New South Wales and Arup who all examined the GHG emissions associated with goods and services consumed within 79 C40 cities.

It was found that almost two-thirds of consumption-based emissions are generated in the supply chains of goods or services that are imported into cities. Whilst the city’s government has little control over these emission sources, they are released because of the city’s demand. This ‘sphere of impact’ creates opportunities for mayors and officials to influence the higher percentages of emissions.

―By revealing the scale of emissions generated by the urban consumption of a range of everyday goods and services, including public transport, the food on supermarket shelves or online shopping and home delivery, consumers and policy makers can make better informed decisions about the impact their choices are having,‖ said Mark Watts, Executive Director, C40 Cities. ―Mayors need accurate data and scientific advice to make good policy decisions. This new research will help city policy makers to better understand the true impact of their city on global climate change and so play an even bigger leadership role in delivering climate action.‖

The results from this study demonstrated how consumption-based GHG emissions are often significantly larger than those calculated under different methods which focus on emissions within the city borders, for example the Global Protocol for Community-scale Greenhouse Gas Emissions Inventory (GPC) BASIC level reporting standard. Fifteen cities, mostly in Europe and North America, have consumption-based
GHG emissions at least three times the size of the GPC calculations.

Public transport, which includes rail, shipping and aviation, contributes on average 10 per cent to consumption-based GHG emissions across C40 cities. For cities in Africa, South and West Asia and Latin America, more than one fifth of the consumption-based emissions are generated in food production, compared to below 10 per cent in North American or East Asian cities. In European cities, expenditure on restaurants, hotels, recreation and culture account for as much as eight per cent of consumption-based emissions.

Shipbreaking: Major shipping companies and banks to shed light on scrapping

07/03/2018

A group of leading ship owners, investors, and NGOs has today officially launched the Ship Recycling Transparency Initiative in a bid to crack down on environmentally irresponsible ship-breaking practices that continue to dog the global shipping industry.

Backed by Forum for the Future, the Sustainable Shipping Initiative, and a number of leading shipping firms, the initiative aims to facilitate the voluntary disclosure of detailed ship recycling data by ship owners and ensure financial stakeholders, shipping operators, and cargo owners are better informed about how ships are processed at the end of their life.

Initial signatories to the new initiative include ship owners A.P. Moller Maersk, Hapag-Lloyd, Wallenius Wilhelmsen, The China Navigation Company and NORDEN; financial stakeholders Standard Chartered Bank, Nykredit and GES; and classification society Lloyd's Register.

The group said it is working with stakeholders to develop –a common set of disclosure criteria and an independent, user friendly online platform where ship owners will be able to share critical information that will be accessible to investors, customers and the wider public.

The group acknowledged the initiative had been launched in response to an –information gap‖ within the sector, as well as an awareness that existing legislation and international standards are not being applied consistently across the global shipping industry.

Out of a global fleet of 50,000 ships 835 were recycled last year, but concerns are widespread that many ship-breaking projects are carried out in the informal sector with few safety and environmental controls.

–We see increasing levels of transparency as a key lever for change in ship recycling‖, said Stephanie Draper, chief change officer at Forum for the Future. –If ship owners share their practices then it raises awareness of what’s happening, puts pressure on under-performers and allows customers and owners to reward good performance. Ultimately this will lead to better social and environmental outcomes which are so critical for ship recycling‖.

John Kornerup Bang, head of sustainability strategy at Maersk, urged other ship owners to join the group.

–Ship recycling is a dangerous undertaking‖, he said. –The industry is characterised by widespread use of sub-standard practices and lack of access to information on ship owners’ policies and practices. Therefore, it’s difficult for cargo owners, investors and civil society actors to know what ship recycling practices are in place. The Ship Recycling Transparency Initiative is an excellent response to overcome this information gap. We hope all ship owners will agree and support this initiative‖.
His comments were echoed by Roger Strevens, head of sustainability at Wallenius Wilhelmsen, who said he hoped the initiative would help drive up standards across the board.

-Transparency in vessel recycling empowers all responsible stakeholders, including customers, investors and banks, to take informed decisions on whether to be associated with carriers that recycle responsibly, or those that continue with practices that have horrifying human and environmental consequences, he said. -It is unthinkable that change won’t be driven with such knowledge. It also sends a clear signal to tonnage providers on the new normal.

[Business Green]

Shipbreaking: NGOs respond to legal threats by scrapping industry and withdraw from industry conference

07/03/2018

On Monday, the NGO Shipbreaking Platform, an international coalition of labour, human rights and environmental organisations, withdrew their participation from the TradeWinds Ship Recycling Forum that starts today in Hamburg.

This is in response to a letter from cash buyer GMS threatening to sue unless the Platform removes all mention of GMS from their website. The Platform has frequently exposed the cash buyer for enabling the dirtiest and most underhanded practices in the shipbreaking industry [1]. Tradewinds refused to replace GMS company staff as chair in the sessions in which the Platform was to participate as experts, despite being noted that it is a conflict of interest and inappropriate to allow discussions to be moderated by a person representing a company that is threatening to legally attack a session invitee.

-No company would accept to participate in a debate moderated by someone threatening to sue them, says Ingvild Jenssen, Founder and Director of the NGO Shipbreaking Platform. -We regret not being able to present our views at TradeWinds where we would have especially provided our support to the many financers, investors and authorities that are now engaging to set a standard for the industry and who are demanding to move the industry off the beach, she adds.

In reaction to the attempt by GMS to silence critical civil society voices that reveal the company's unethical, dangerous and environmentally disastrous business practices, the Platform's legal counsel in Belgium and in the US has further responded in a letter that neither an apology nor retractions will be forthcoming.

-We have no intention to remove truthful information from our website and will not apologise for reporting on the business of trafficking ships for dirty and dangerous breaking. It is our organisation's mission to provide authorities, journalists, and industry stakeholders with information on the deplorable realities of current shipbreaking practices which encourage the circumvention of existing labour and environmental protection laws", says Ingvild Jenssen.

The harassment by GMS comes in addition to the earlier threat to sue the Platform made by PHP, a Bangladeshi shipbreaking yard and a supporting sponsor of this year's TradeWinds Ship Recycling Forum.

Notes [1] Dubai-based GMS has been involved in several cases of illegal hazardous waste exports that are being/have been investigated by authorities and the police in several countries. For instance:

- GMS was revealed to be the cash-buyer for the illegal export of the North Sea Producer from the UK to Bangladesh: https://old.danwatch.dk/en/undersogelse/maersk-og-det-farlige-affald-i-bangladesh
Shipbreaking: Tanker scrapping surges to 3.5 million dwt in first two months of 2018

07/03/2018

By Jamey Bergman

Scrapping in the tanker market has seen a pronounced rise in recent months after some 18 months of depressed activity, according to analysis prepared by market research group VesselsValue.

Stronger spot market returns, low prices at recycling yards, and storage demand in the wake of 2014’s oil price collapse each played a part in slowing tanker scrapping between early 2015 and mid-2017. Credit: Naqiyah Shabbir via Wikimedia Commons

The analysis pins the uptick to a recent rise in steel prices in China as the country implements emissions limits and restricts steel production in a bid to combat its air pollution problems.

–The impact of this is seen in the global steel markets, which influences the value recyclers are willing to pay per lightweight tonne. The price being offered in India for tankers and bulkers has been trending upwards since mid-2016, the VesselsValue report said.

- Three drill rigs cold-stacked in Scotland were stopped from leaving after their destination was suspected to be to a beaching yard in South Asia. GMS has been confirmed as the buyer of the rigs: 

- Last year, a worker in Bangladesh claimed compensation for injuries incurred while breaking a ship owned by Zodiac Maritime. GMS was revealed to be the cash buyer behind the sale to the shipbreaking yard:

- In 2009 the company was fined $518,500 dollars by the US EPA for illegally exporting a PCB laden passenger liner to South Asia: http://www.marinelog.com/DOCS/NEWSMMIX/2009jan00311.html

[NGO Shipbreaking Platform]
A recent report from NGO Shipbreaking Platform, which tracks the industry practice of sending ships to south Asian locales where they are beached and broken up for recycling, showed that almost 85% of tanker vessels recycled in 2017 went to India or Bangladesh.

The increase in scrapping is particularly pronounced relative to lowered activity in recent years, the research showed. Stronger spot market returns, low prices at recycling yards, and storage demand in the wake of 2014’s oil price collapse each played a part in slowing tanker scrapping between early 2015 and mid-2017.

Higher levels of removals over the years leading up to 2015, combined with fewer newbuilding orders over ensuing years has led to a contraction in fleet sizes in many segments. Additionally, the practice of sequestering oil spiked along with the sudden drop in oil prices in 2014. This led some to use tanker vessels to supplement the capacity of shoreside tanks due to contango in oil markets.

Older ships were taken on three to 12-month charters to store oil on cheap day rates, and their employment ruled them out as candidates for scrapping.

―As the decision to remove a ship from service varies depending on the financial situation of the owner … some may be motivated to scrap when the offered price offsets enough of their remaining mortgage to allow them to move out of a low cash flow market, while others may remove a [vessel] after it completes a long-term storage contract,‖ the report said.

The recent surge in scrapping produced a rosy outlook from analysts who said that high scrapping and market consolidation will contribute to better returns for owners over the next several years as older units are removed and replaced with new vessels and rates recover.

In recent weeks, the world’s largest international shipping association, Baltic and International Maritime Council (BIMCO), relaunched its ship benchmarking system known as Shipping KPI. The system allows BIMCO members to compare some 33 different performance indicators between ships of similar type, tonnage, trades or flag states, while remaining anonymous.

When asked if the system would help owners and managers in determining which ships to scrap, BIMCO told Tanker Shipping & Trade: “As all the information submitted is confidential, it will allow a shipowner or manager to compare an older vessel with the general fleet, without anyone being able to see how his individual ships perform. How that information will influence the users would be speculation on our side."

“―There is no intention of pushing or guiding the industry to specific actions behind Shipping KPI. It is simply a tool which the industry can use to make strategic decisions and compare apples with apples."

Of the 6,000 vessels enrolled in BIMCO’s KPI system, 1,572 are tankers.

[Tanker Shipping & Trade]
The ship fuel oil consumption data reporting requirements are the latest mandatory requirements aimed at enhancing the energy efficiency of international shipping.

The data collection will begin on 1 January 2019 with data reported at the end of each calendar year to the International Maritime Organization (IMO), the United Nations agency with responsibility for regulating the safety, security and efficiency of shipping and preventing marine and atmospheric pollution from ships.

The data collection system is intended to equip IMO with concrete data on fuel oil consumption, which should assist Member States in making decisions about any further measures needed to enhance energy efficiency and address greenhouse gas emissions from international shipping.

The mandatory requirements were adopted by IMO’s Marine Environment Protection Committee (MEPC) in 2016, through amendments to chapter 4 of annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL).

Under the new Regulation 22A on Collection and reporting of ship fuel oil consumption data, ships of 5,000 gross tonnage and above are required to collect consumption data for each type of fuel oil they use, as well as other, additional, specified data including proxies for transport work. These ships account for approximately 85% of CO2 emissions from international shipping.

The aggregated data will be reported to the flag State after the end of each calendar year and the flag State, having determined that the data has been reported in accordance with the requirements, will issue a Statement of Compliance to the ship.

Flag States will be required to subsequently transfer this data to an IMO Ship Fuel Oil Consumption Database. IMO will be required to produce an annual report to the MEPC, summarizing the data collected.

In addition, on or before 31 December 2018, in the case of a ship of 5,000 gross tonnage and above, the mandatory Ship Energy Efficiency Management Plan (SEEMP) shall include a description of the methodology that will be used to collect the data and the processes that will be used to report the data to the ship’s flag State.

The new mandatory data collection system is intended to be the first in a three-step approach in which analysis of the data collected will provide the basis for an objective, transparent and inclusive policy debate in the MEPC, under a roadmap (through to 2023) for developing a "Comprehensive IMO strategy on reduction of GHG emissions from ships". The roadmap was agreed in 2016.

The next stage in the process will see an initial GHG strategy expected to be adopted by the MEPC at its 72nd session (9-13 April 2018). The MEPC session will be preceded by the third session of the Intersessional Working Group on Reduction IMO of GHG Emissions from Ships (3-6 April).

The initial strategy is expected to include, inter alia, a list of candidate short-, mid-, and long-term further measures, with possible timelines, to be revised as appropriate as additional information becomes available. The data collected under the mandatory reporting system will help inform the MEPC when it comes to adopting a revised strategy in 2023.

In 2011, IMO became the first international body to adopt mandatory energy-efficiency measures for an entire industry sector with a suite of technical and operational requirements for new and existing vessels that entered into force in 2013. By 2025 new ships built will be 30% more energy efficient than those built in 2014.

Garbage requirements under MARPOL Annex V
Amendments to MARPOL Annex V on Prevention of pollution by garbage from ships also enter into force on 1 March 2018. They relate to cargo residues of products which are hazardous to the marine environment (HME) and Form of Garbage Record Book. In particular,

- Amendments to Regulation 4 and 6 of Annex V require the shipper to declare whether or not they are classed as harmful to the marine environment. A new appendix provides criteria for the classification of solid bulk cargoes.

- The Form of Garbage Record Book is updated. The Record of Garbage Discharges is divided into Part I for the use of all ships and Part II, required for ships that carry solid bulk cargoes.

- A new category of garbage -e-wastel is included. E-waste is defined in the 2017 Guidelines for implementation of MARPOL Annex V as electrical and electronic equipment used for the normal operation of the ship or in the accommodation spaces, including all components, subassemblies and consumables, which are part of the equipment at the time of discarding, with the presence of material potentially hazardous to human health and/or the environment.

Marine pollution: Global campaign challenges Starbucks to curb plastic pollution

06/03/2018

The campaign formed ahead of Starbucks' 2018 annual shareholder meeting happening March 21 in Seattle, where the coffee giant is urging its shareholders to vote "no" on a sustainability proposal by As You Sow. The proposal asks Starbucks to address its plastic pollution problem by developing stronger efforts to move toward sustainable packaging.

Starbucks fails on sustainability pledges

The campaign is being launched amidst a backdrop of corporate pledges to address plastic pollution, including from McDonald's and Coca-Cola. In 2008, Starbucks pledged to make a 100% recyclable paper cup and sell 25% of drinks in reusable cups by 2015. To date, Starbucks has failed to produce a 100%
recyclable paper cup, and currently serves only 1.4% of drinks in reusable cups.

"Starbucks serves an astounding 4+ billion paper cups each year, most of which end up in the trash because their plastic lining makes them unrecyclable in most places. That's a disgraceful amount of plastic pollution ending up in our local landfills. It's time for Starbucks to start living up to its promises." -Ross Hammond, Stand.earth

**Starbucks plans massive global growth**

Despite knowing its environmental impact, Starbucks has pledged to dramatically expand its presence in Asia in 2018 — with no plan to address its plastic waste. Because of this inaction, governments are being forced to step up. A parliamentary committee in the UK recently proposed a "latte levy" on single-use cups to help address the growing plastic pollution problem.

"Starbucks has pledged to open one store every 15 hours in China in 2018. CEO Kevin Johnson continues to turn a blind eye to his company's contribution to our global plastic pollution problem even as the coffee giant continues to open stores at an astonishing pace." -Sondhya Gupta, SumOfUs

Starbucks part of global plastic pollution problem

Starbucks cups, lids, and iconic green straws make up a visible portion of the catastrophic plastic pollution in our oceans. In the marine environment, plastics break down into small indigestible particles that birds and marine animals mistake for food, resulting in illness and death.

"Each minute, the equivalent of a garbage truck full of plastic ends up in the ocean, and by 2050, there is projected to be more plastic in the ocean than fish by weight. Starbucks needs to take immediate steps to #breakfreefromplastic before our global plastic pollution problem overwhelms our oceans and marine life." -Von Hernandez, Break Free From Plastic

The campaign is calling on Starbucks to address its plastic pollution in 5 specific ways:

- Create a 100% recyclable paper cup without a plastic lining.
- Reduce plastic pollution by eliminating single-use plastics like straws.
- Promote reusable cups and encourage customers to change their habits.
- Recycle cups and food packaging in all stores worldwide.
- Report publicly on the type and amount of plastics used in packaging.

The campaign includes 5 Gyres, Care2, Clean Water Action, CREDO, Greenpeace USA, Plastic Pollution Coalition, Stand.earth, The Story of Stuff Project, SumOfUs, Texas Campaign for the Environment, UPSTREAM, Hannah4Change, Captain Planet Foundation, Kōkua Hawai‘i Foundation, Plastik Diet Kantong, Heirs to Our Oceans, Wild at Heart Taiwan, and a variety of organizations participating under the Break Free From Plastic global movement.

[Cision / Stand.earth]
La zona destinada para la movilización de contenedores luce desierta y las grúas en el abandono.

El Puerto de La Unión en El Salvador, la infraestructura que le ha costado al país $200 millones y que se anunció como un polo de desarrollo para la Zona Oriental, no movió el año pasado un solo contenedor en su plancha de concreto situada en el Golfo de Fonseca.

De 2010 a 2012 se registró la movilización de 12,839 contenedores y unos 23,242 TEU. Desde 2013 hasta la fecha ya no se registra movimiento de contenedores, aunque sí usaron el puerto embarcaciones de otro tipo. Entre los años 2010 y 2017, transitaron apenas 190 buques o embarcaciones, según la Comisión Ejecutiva Portuaria Autónoma (CEPA).

Los datos de CEPA también indican que a la terminal portuaria llegaron el año pasado un crucero, 24 embarcaciones pesqueras y dos embarcaciones con carga de granel, y uno en la categoría de otros, con lo que llegan a un total anual de 28 buques.

La cifra anterior está por debajo de la movilización de 33 embarcaciones que se registró en 2016. Además, solo llegaron 10,920.87 toneladas métricas de carga a granel, en concepto de importaciones. Por la terminal marítima no salió embarcación alguna con producción salvadoreña. En el puerto se ha concentrado la entrada de carga a granel. Entre 2010 y 2017 se movilizaron 175,827 toneladas métricas.

**No llega la concesión**

En las ocasiones que se ha intentado concesionar el Puerto de La Unión, no ha existido interés de las empresas por invertir en la terminal. Aunque el Gobierno hizo una ley especial para concesionarlo a la medida en 2011 y la modificó posteriormente al gusto de las empresas interesadas, ninguna ha decidido invertir, y la licitaciones se han declarado desiertas.

Cada año, CEPA tiene que pagar más de $10 millones para el préstamo que se le hizo al Banco Japonés de Cooperación Internacional (JBIC), así como para el mantenimiento de las instalaciones.
El proyecto se vendió como una área de desarrollo para la ciudad de La Unión, pero no acaba de llegar. En noviembre pasado el alcalde de la ciudad de La Unión, Ezequiel Milla, destacó la necesidad de aprobar una legislación que permita operar al puerto, ya que tiene unos 10 años de estar con bajo funcionamiento y su mantenimiento y pago de deuda cuesta unos $125 mil mensuales.

El edil recordó que en la ciudad se invirtió en un Megatec que ya graduó a unos tres mil jóvenes con competencias para trabajar en la terminal portuaria. A finales de enero de este año, la Asamblea Legislativa modificó la Ley de Concesión de la terminal portuaria. El Legislativo planteó que con las reformas se permitirá iniciar el proceso de licitación pública que otorgue a un operador privado la administración, operación, diseño y desarrollo del puerto.

La idea es que a partir de estas reformas se pueda concesionar la estructura de dicho puerto a un operador especializado con los conocimientos, experiencia, recursos, presencia internacional necesaria para explotar al máximo las oportunidades que presenta la infraestructura portuaria existente y futuras ampliaciones.

En este nuevo intento por atraer la inversión, se amplió el plazo de concesión de 30 a 50 años y no pone límites en el monto de inversión inicial. Anteriormente la concesión del Puerto La Unión tenía un tope de 30 años y establecía que lo mínimo que una empresa debe invertir son $30 millones.

06/03/18

The UK Department for Transport published new guidance that focuses on corporate governance for all statutory harbour authorities in England and Wales. It also includes sections relevant to all types of statutory harbour authorities with specific detailed guidance for trusts ports and local authority owned ports.

The Ports Good Governance Guidance sets out principles of openness, accountability and fitness for purpose in managing harbours in the broad public interest in three main parts:

• guidance to all statutory harbour authorities (SHAs)

• guidance specifically directed at trust ports

• guidance specifically for local authority (LA) owned ports

The guidance recognises the particular circumstances of those ports and covers corporate governance, stakeholder engagement, provision of information, safety and a number of other topics. Moreover, as the new Guidance says, in August 2017, the UK Government announced a package of changes to corporate governance. As part of implementing these changes, during 2018 legislation will require:

• Around 900 listed companies to annually publish and justify the pay ratio between CEOs and their average UK worker;

• All companies of a significant size to publicly explain how their directors take employees’ and shareholders’ interests into account;

• All large companies to make their responsible business arrangements public.

The key principles and other points from the UK Corporate Governance Code (UKCGC) in relation to port governance are described below:
Terminal operators Djibouti: Doraleh Container Terminal signs deal with Pacific International Lines

06/03/2018

Djibouti’s Doraleh Container Terminal Management Company has signed a deal with Singapore-based Pacific International Lines (PIL) to raise by a third the amount of cargo handled at the port, the country’s Ports and Zones Authority said on Tuesday.

The agreement is expected to raise performance at the Doraleh Container Terminal, allowing it to handle an extra 300,000 TEUs annually, the authority said, without providing any further details.

Last month, Djibouti ended its contract with Dubai’s DP World, one of the world’s biggest port operators, to run the Doraleh Container Terminal, citing failure to resolve a dispute that began in 2012. DP World called the move an illegal seizure of the terminal and said it had begun new arbitration proceedings before the London Court of International Arbitration, which last year cleared DP World of all charges of misconduct over the concession to run the terminal.

The Doraleh terminal has a capacity of 1.6 million TEUs per year. –This agreement is a first important step towards Doraleh Container Terminal fulfilling its capacity potential,‖ the ports authority said.

PIL is one of Asia’s biggest shipping companies, ranked –11th amongst the top container ship operators in the world,‖ it said on its website.

[Reuters]

Terminal operators U.S.: FMC to investigate carrier and port operator charges on demurrage and delays

06/03/2018

The Federal Maritime Commission (FMC) has ordered a formal investigation on the detention, demurrage and per diem charges made by ocean carriers and marine terminal operators.

• **Leadership:** The board’s job is to set an organisation’s strategic aims, ensure that the necessary financial and human resources are in place to meet those objectives and to review management performance in meeting them.

• **Board effectiveness:** The board needs to be of a sufficient size so that the requirements of the business can be met. It should include an appropriate combination of executive directors and NEDs such that no individual or small group of individuals can dominate the board’s decision taking.

• **Accountability:** The board should present a fair, balanced and understandable assessment of its position and prospects. This responsibility covers annual reports and information required to meet statutory requirements.

• **Remuneration:** Executive directors' remuneration should be designed to promote the long-term success of the business. Any performance-related elements need to be transparent, stretching and rigorously applied.

[SAFEY4SEA]
Commissioner Rebecca Dye will lead the investigation and have the authority to issue subpoenas and hold hearings, and make recommendations on commission actions on enforcement and rulemaking. A final report is due by Dec. 2.

"I look forward to working with our stakeholders to strengthen the nation’s freight delivery system and increase American competitiveness," Dye said. Dye’s investigation will focus on billing practices for demurrage and detention, how supply chain delays caused by major events at ports are treated, and whether current practices help or hinder the efficient movement of cargo through U.S. ports.

The call for an investigation follows a two-day hearing in Washington last January by the commission, where representatives of trucking companies and beneficial cargo owners reported that they were charged fees during major events like weather emergencies and labor slowdowns when it was virtually impossible to pick up and return containers.

The Coalition for Fair Port Practices, a group representing trade associations, asked that detention and demurrage fees should not apply when a problem is beyond the control of the trucker.

Ocean carriers and terminal operators responded that current charging practices generally work well and that shippers had the ability to choose their ports, terminals and transportation partners.

But Khouri said that the Coalition for Fair Port Practices raised substantive issues in both their petition and their testimony at our January hearing investigating carrier and terminal detention and demurrage practices.

"Various alleged practices were described that — without countervailing or explanatory testimony and evidence — would be troubling from my perspective. However, without any filed complaints by cargo stakeholders, where the crucible of adversary proceedings can bring light and transparency to such practices, I supported this investigatory fact finding so as to more fully develop a tested factual record," Khouri said.

In announcing the investigation Commissioner Daniel Maffei said, "While many questions remain after the hearing, I do believe it effectively established that the practices surrounding detention and demurrage charges can be out of date, confusing, inconsistent, and in my view, often unfair."

[Transport Topics]

Operadores de terminales México: Hutchinson anunció inversiones de US$ 350 millones en Veracruz

05/03/2018

Susana Díaz Virgen, gerente general de Hutchison Ports ICAVE, anunció inversiones del orden de los 350 millones de dólares en adquisición de grúas y otros equipos requeridos en su terminal en el nuevo puerto de Veracruz.
La construcción de la nueva Terminal Especializada de Contenedores (TEC) del nuevo puerto de Veracruz registra un avance de más del 90% en cuanto a relleno de terrenos ganados al mar, por lo que estará en condiciones de recibir el primer barco en julio de este año.

Hutchison Ports ICAVE en el 2017 movió un millón de TEUs en su terminal actual en Veracruz.

[El Dictamen / T21]

---

05/03/2018
By Felicity Landon

‗Potential‘ is a word that crops up pretty frequently when discussing developments in East Africa‘s ports sector. Certainly, there are a number of significant projects moving ahead to provide deeper water, expanded facilities and entirely new ports.

But for this region, ‗potential‘ stretches far beyond national borders. In the tussle to serve landlocked countries, a port‘s success is as much about its hinterland links and IT infrastructure as it is about straightforward quays and cranes. As such, there is significant investment in rail, bridges and inland terminals and dry ports.

–There is a lot of investment in Africa, particularly from the Chinese. I am sure the potential is there – but how many years have we been saying Africa has potential?‖ says Dean Davison of London-based Clipper Maritime. –Certain ports benefit from their geographical location but they can‘t control other factors such as national economic developments, local population and levels of demand.‖

Sultan Ahmed Bin Sulayem, DP World‘s chief executive, recently said: ‖Africa‘s trade potential is enormous, evident in the 400% increase in trade between Africa and the rest of the world in the last two decades. Infrastructure development is more important than ever to maintain and increase this growth momentum.‖
Public-private partnerships (PPP) are the route to progress in Africa, he said – they are an effective model to fund projects, especially those on infrastructure, "while robust government policy and transparency are essential to its success”.

In all of the countries where DP World has operations in Africa, it has partnered with local governments. Among them is Maputo in Mozambique, which is an example of the power of partnerships, he said. -It’s well located to drive growth and a gateway to southern Africa's vast economic hinterland. It has had a significant impact on the economy, employing 2,000 people directly and 10,000 indirectly, while port volumes have grown 286% since 2003."

The Mozambique port plays a major role in linking regional production, mining and commercial hubs to the markets of South East Asia, says DP World. It is almost entirely focused on origin and destination throughput and is the main shipping terminal for landlocked regions such as Gauteng Province, Swaziland, Botswana, Zimbabwe and Malawi.

Across the region

As well as Maputo, DP World's East Africa operations are at the Port of Berbera in Somaliland after the Djiboutian government terminated its operating concession for the Doraleh Container Terminal last week.

DP World's newest investment in the East Africa region is in Somaliland; it officially started operating at the Port of Berbera, in a 30-year concession, last year. In November 2017 it signed an agreement with the government to develop a greenfield economic free zone to tie in with the development of Port of Berbera. The ambition is "to attract investment, encourage trade, create new jobs and position Berbera as a gateway port for the region".

The first phase will focus on 4 square kilometres of land out of 12.2 square kilometres that is earmarked for the project.

"Future phases will be detailed in a concept plan together with the projected capital investment required from DP World for its development. Each phase of the free zone will start once the previous phase has achieved 85% occupancy. It will target a wide range of businesses including warehousing, logistics, traders, manufacturers and other related businesses."

Present and future

DP World says its operations at the Port of Berbera have seen substantial gains in recent months. In September 2017, the port recorded the highest container volumes in its history with a 40% increase compared with September 2016.

Meanwhile, the operator has begun implementing the Berbera master plan, which includes an additional 400-metre container terminal. It has also invested in a range of new equipment, including two reachstackers, ten internal transfer vehicles and five forklifts. The first cranes are scheduled to arrive next year.

"The Port of Berbera opens a new point of access to the Red Sea and will complement our existing port at Djibouti and serve Ethiopia, the region's largest economy," says the spokesman at DP World. "Total investment of up to $442m will be phased over time, dependent on port volumes, and will create a regional trading hub along with the scope for a free zone."
The first phase of Berbera port will include a 400 metre quay and 250,000 square metre yard extension, gantry cranes and reachstackers to handle containers, taking capacity from the current 150,000 teu to 450,000 teu. Construction is due to start this year, and is expected to be complete in 2020.

Additionally, early in 2016, DP World was awarded a 25-year concession to develop and operate a new logistics centre in Kigali, Rwanda. This is a greenfield project, and the first phase will be built on 90,000 square metres with a 12,000 square metre container yard and 19,600 square metre warehousing facility. Development of the first phase is under way and further development will be phased in line with demand growth.

Estimated annual capacity at the Kigali centre is 50,000 teu, and 640,000 tonnes of warehousing space.

Kenya developments

In Kenya, the Port of Mombasa’s second container terminal is up and running, and the building of the first three berths at Lamu port is under way.

Regional ports expert David Mackay, director of Varuna Consulting, says: “This year Mombasa is putting a great deal of focus and funds into upgrading its IT systems. With the second container terminal growing and import volumes expected to grow by over 10% this year, there is an urgent need to upgrade its key IT port management systems. The port is planning a significant upgrade of all of its software, for 21st century port operations.”

Phase two of the second container terminal in due to start in March, to deliver another 450,000 teu of capacity by 2021; the port is also implementing a green policy/environmental management system, and a port productivity improvement programme focusing on labour and equipment.

Also impacting on Mombasa, this year British oil explorer Tullow has started setting up equipment in the Turkana oilfields to separate crude oil from impurities, with exports due to start this year. The temporary facility will be in use for two years, and during this period road trucks will transport 2,000 barrels of oil a day to Mombasa port. Once its Turkana-Lamu pipeline is built, Tullow will set up a permanent central processing facility that will process up to 80,000 barrels daily for exports.

Lamu Port itself is planned eventually to have 23 berths with a depth of 17.5 to 18 metres. “So far about 50% of the construction of the first three berths is complete; negotiations are under way with a consortium to manage the port once they became operational and the port opens,” says Mr Mackay.

A number of major developments are moving ahead, tied in with Lamu. These include the building of inter-regional highways from Lamu to Isiolo and Juba (South Sudan), Isiolo to Addis Ababa, and Lamu to Garsen; crude oil and product pipelines; an international airport at Isiolo; and inter-regional standard gauge rail links Lamu-Isiolo, Isiolo-Juba, Isiolo-Addis and Nairobi-Isiolo.

Meanwhile, Kenya Ports Authority’s plans to expand the small harbour of Shimoni into a significant hub are moving ahead. Shimoni was originally a fisheries jetty – with a wide, sheltered deep channel, it is earmarked for expansion as a major port in the next two years, and seen as ideal for handling rising coastal trade volumes with destinations such as Pemba Island and Zanzibar.

Grindrod invests
Durban-based Grindrod International has operations in Mozambique as well as South Africa and Namibia. In 2016, Grindrod acquired the dry port in Nacala, Mozambique; in partnership with Terminals de Norte, it provides a container storage facility for the Port of Nacala.

An important part of this was having a base to develop cross-docking and a freight packing station for Syrah’s Balama Graphite Project, part of a logistics contract awarded to Grindrod.

The development includes building a 10,000 square metre warehouse and a 30,000 square metre container yard. Construction is well under way and expected to be complete in May, says a spokeswoman for the company.

**Rail connections still in infancy**

The new SGR railway system from Mombasa to Nairobi, built at a huge cost of $4bn, has been operational since the middle of 2017 – but while passenger services are running smoothly, freight services have been more problematic.

–“The challenge they are facing is to achieve the right freight level to successfully compete against trucking operations as well as achieving efficient offtake in Nairobi for final delivery to receivers there and to wider areas including Kisumu," says Varuna Consulting's David Mackay.

The Mombasa-Nairobi stretch was phase one; the second phase links to a planned dry port at Naivasha, northeast of Nairobi, with subsequent SGR phases continuing to Kisumu and Malaba.

The new SGR project, funded with a 90% loan from Exim Bank of China, will require 25,000 people to build the railway; the project is promised to create another 40,000 jobs in the supply of materials and services, and 6,000 new jobs in the service and leisure industry.

–“The key benefits of SGR include reducing congestion at Mombasa, reducing the cost of transportation in the region, adding 1.5% to Kenya’s GDP growth, reducing wear and tear on highways, speeding up industrialisation and protecting the environment, reducing carbon emissions," says Mr Mackay.

The present delivery time by road to Nairobi averages ten days. By SGR, the expected delivery time is four days. –“Implementation of trade facilitation and customs clearance improvement measures should result in an estimated cargo dwell time of 3.5 days, down from the current 6.5 days." However, there has been opposition to SGR, including from those who protest that port services will be moved from Mombasa to Naivasha. Also, the project involves "eyewatering loan repayments over 20 years", says Mr Mackay.

As of February, new freight rates were being offered of $250 per teu, Mombasa/Nairobi. However, freight services are still struggling to attract high volumes and there are challenges with congestion at ICD Nairobi and with point to point delivery.

–“SGR now needs to target approximately 35/40% of all inbound volumes to make the new project financially viable," concluded Mr Mackay.

**Tanzania urges faster pick ups**
Hutchison Ports’ Tanzania International Container Terminal Services (TICTS) handed more than 500,000 teu in one year for the first time in 2017. Total throughput at the Dar es Salaam terminal was 501,690 teu, an increase of 4.5% on 2016. The growth was due to a 35% rise of transit cargo over the previous year, says a spokesman.

However, the year was not without its difficulties. Space limitations within the port, combined with relatively slow pick-up of containers, was a challenge, says the spokesman. –Unless they are cleared, containers cannot be transferred outside of the port for storage. To address this issue, TICTS is working with the government to identify new sites to store containers that are awaiting clearance.

At the start of this year, TICTS appealed to its customers to "expedite clearance of their cargo just after discharge in order that the terminal can be more efficient to handle increasing cargo".

As Tanzania’s main gateway port, Dar es Salaam handles around 90% of the country’s international cargo. It is also the gateway to the landlock countries of Zambia, the Democratic Republic of Congo, Malawi, Rwanda, Burundi and Uganda. –Several of the world’s largest shipping lines call at the terminal; TICTS serves as a key node for East Africa's trade with the world,‖ he says.

An ongoing project is the Dar es Salaam Maritime Gateway Project. Funded by the World Bank, this will include infrastructure upgrades to enable the port to handle post-panamax-plus vessels. The contract for the first phase was signed in mid 2017; the first phase of construction will take 36 months and cost $148m. Work will include dredging, expansion of berths 1-7, and the construction of specialised ro-ro and container facilities.

TICTS has recently set up a regional office in Rwanda to step up its marketing in the landlocked countries it serves. This has resulted in a larger market share in some countries in the region, says the company.

[Port Strategy]

Port development Mozambique: Maputo investment pays off

05/03/2018
By Felicity Landon

There was quite an accolade for Maputo Port Development Company (MPDC) at the opening of the International Fair of Mozambique last year. MPDC received an award for being the country's biggest investor in infrastructure during 2012-2016.

The past few years have seen a transformation of the port, based on a masterplan envisaging $2bn of investment – $800m of which has already been invested.

As well as two major channel deepening projects, in 2011 and 2016, the port has seen the construction of an intermodal container depot terminal, the expansion of four terminals (car, ferry, coal terminal and container terminals), the construction of new warehouses and refurbishment of old ones, berth upgrades, and new road and rail accesses.

MPDC, a partnership between the Mozambican Ports and Railway Company and a consortium of Grindrod, DP World and Mozambique Gestores, has stated its ambition to be handling 30m tonnes by the end of its concession period in 2033.

The completion of the most recent dredge, officially marked at the start of 2017, deepened the access channel from 11 to 14.4 metres, enabling the port to receive capesize vessels. –Until very recently, these
same ships had to make double stops – one in our port and another in another port in the region or even be diverted to neighbouring ports,‖ says Osório Lucas, MPDC’s chief executive, at the ceremony to mark the completion of the work.

This project, he said, would transform Maputo _not into an alternative port but into a port of choice_.

**Volume growth**

Total cargo volumes through Maputo increased by 22% in 2017, to 18.2m tonnes, compared with 14.9m tonnes in 2016. The deeper access channel was the major factor in this growth. As Mr Lucas points out, the port received 955 vessel calls in 2016 and 896 in 2017 – which means 59 less ships but an additional 3.3m tonnes of cargo.

Jan de Nul Dredging Middle East finished the dredging three months before the deadline, removing about 14.5m cubic metres of sediment and rock in a project that cost a total $84.1m.

Following this, Maputo moved into bunkering services for all vessels, moored or at anchorage. Fuels and lubricants are being provided in an agreement between MPDC and Petromoc Bunkering.

The dredging also sparked other investments, including at the Matola Coal Terminal (TCM), an open storage dry bulk terminal handling coal and magnetite, where an existing berth pocket has been dredged to 15.4 metres to accommodate fully laden panamax vessels, and a new fender support structure and fender system has extended the quay by 8.5 metres.

Also in 2017, the DP World Maputo Container Terminal began expansion work to increase capacity from 150,000 to 250,000 teu. This work included the expansion of two rail sidings. A second phase of expansion, dependent on market demand, will increase capacity to 450,000 teu.

Maputo is also gearing up to receive even deeper draft vessels, with the reworking of berths 6, 7, 8 and 9 - a total 1,058 meters of quay - due to begin in the second quarter this year. This represents the last major works package outlined in the port’s master plan. The work will provide berths with depth alongside of up to 15 metres and also improve occupation rate through the creation of a bigger and deeper mooring area.

**Connectivity**

Rail freight volumes have grown in recent years, the result of a joint strategy between the port and the CFM, and this growth continued in 2017. This was particularly the case with chrome ore and ferro-chrome, which are major cargoes at the port. The volume of these materials carried by rail almost doubled from 411,000 tonnes in 2016 to nearly 1m tonnes in 2017.

However, as road continues to dominate, the port has stated its commitment to improve efficiency and promote a better balance between rail and road freight. -We believe that the various initiatives undertaken in 2017 will have a direct impact on the growth of rail volumes this year,‖ said Mr Lucas.

Meanwhile, the skyline has changed dramatically for the port, with the construction of the 3-kilometre Maputo-Catembe Bridge. The longest suspension bridge in Africa, it links the capital with the Catembe district and will cut journey times by eliminating the need to drive around the bay or use some of the ageing ferry services. It is expected to create significant employment and growth and boost international trade.

The bridge has been built 60 metres above Maputo Bay to ensure that ships can pass underneath to and from the port. Significant new road infrastructure linked to the project will provide new links north-south and east-west in the country and create a connection with Swaziland and South Africa.

[Port Strategy]
05/03/2018

In Spain’s ports, the wait goes on. The Spanish Government is yet to unveil the detailed regulations that are intended to reflect the terms negotiated between port employers and dockworkers regarding the reform of Spain’s port labour arrangements, necessary to comply with EU legislation intended to make Europe's ports more competitive.

The absence of this detail is posing difficulties in closing a new National Framework Agreement, which was formulated taking account of the reform initiative and negotiated in the early part of 2017 between employers and unions. Some informed observers suggest that this delay may at least in part be attributed to the reality that the final terms negotiated weigh heavily in favour of the unions and that the Spanish Government is having difficulty reconciling what was agreed with complying with the spirit of the relevant EU legislation.

The following are some of the key challenges that the new regulations must address:

• Port Employment Centres (CPE) - These are the entities which are intended to replace the stowage societies which, traditionally, port employers have been compelled to source labour from in a restricted fashion. The new CPEs are in effect a vehicle designed to facilitate the transition from the stowage societies to a more open, competitive and unrestricted means of sourcing port labour. The new regulations have to define what a CPE is, its scope and to clarify if other temporary employment agencies can operate under a different name.

• Retirement Aid - This is a subject close to the heart of the unions. Key issues here are the scope of the aid offered for early worker retirement/rerenchment, its beneficiaries, the amount, application procedure and the precise date when the regulation comes into effect.

• Subrogation – continuity of employment - This is clearly an area of challenge for Government. The unions’ desire to keep 100% of existing port personnel in service, but the Government has already stated that this issue cannot be approved by law and has instead pointed to the individual Collective Bargaining Arrangements (CBAs) in ports as a means of achieving continuity of employment. Unions do not view this are entirely satisfactory and hence there is a keenness to see if the regulations put in place go further than the CBA route.

• Flexibility and Efficiency - How will the Government frame regulations covering the measures agreed in the employer-union mediation that cover promoting port efficiency and flexibility of operations as well as salary reductions? Will they deliver on flexibility and efficiency goals, both key points for employers?

There are other, equally important issues that are just as thorny to tackle; the challenge for Government is quite formidable.

The reform process has reached a decisive stage. On the one hand, the delay in delivering the regulations is impeding the roll out of the reform process and on the other there are significant questions hanging over whether the regulations can reconcile meeting the spirit of the EU legislation when accommodating the agreements flowing out of the mediation, and whether, overall, the new regulations will ultimately deliver meaningful reform.

[Port Strategy]
It’s reassuring that even in the ports world, the best things can come in smaller parcels. Drewry’s new global container port connectivity index has thrown up some unexpected stars – and pushed some giants further down the list than they might ever have expected.

Drewry launched its bespoke index in order to rank and monitor how well connected the world’s container ports are, and it will be updating the data every quarter in order to track the ups and downs across the sector.

No surprises that the world's largest port, Shanghai, also takes top spot in the index with a score of 100, based on 168 mainline services per week and six trade routes served – the maximum, based on Drewry’s breakdown of world regions. Ningbo is second, Singapore third, Busan fourth. Nine of the top ten ports are in Asia, with Rotterdam coming in at tenth place.

But reading down, the list gets more interesting. Savannah tops the list for North America, with 55 mainline services per week serving the maximum six trade routes, giving it a connectivity index score of 32.7. The east coast US port has a global ranking of 13 – ahead of New York, which is at number 17, with 45 services a week and a connectivity score of 26.8.

Looking at North America as a region, the top four slots are all taken by East Coast ports; the largest port in the region, Los Angeles, only makes it to sixth, and the second largest, Long Beach, is in twelfth place. That reflects the fact that these largest ports are more focused on Asia. Oakland is also ahead of LA/LB, taking fifth place on the North America list.

Another surprise hit is Valencia, which emerged as the most connected port in the West Med region, ahead of both Algeciras and Barcelona, with 43 services a week serving six trade routes giving it a connectivity score of 25.6.

**Comparative data**

“We did this analysis because we could see it would be an interesting comparison – we didn’t know what the results would yield,” says Neil Davidson, Drewry’s senior analyst, ports & terminals.

“You naturally assume that the biggest ports are the best connected – but our methodology showed that you didn’t have to be the biggest port to be the most well connected. And from the shipper point of view, connectivity is better than size. You want to use a port not only for frequency of services but also for the widest possible range of places, and that is where Savannah has scored, with direct connections to all the six world regions.”

Only two other ports on the US east coast were found to have similar connections but they didn’t have as many services per week, he explains. “How can that be, given that New York is so much bigger?” The
answer is that you might be a smaller port, but having services twice a week with smaller ships rather than once a week with bigger ships is a big factor. From a shipper perspective, frequency and range of services is the most attractive thing.

Savannah, of course, is delighted. Ed McCarthy, chief operating officer at Georgia Ports Authority, says: ~To be the most connected port in North America is truly an honour and it has taken decades of preparation to get to where we are today.

Savannah embarked on a clear strategy more than 20 years ago which has effectively transformed it from an export-dominated port to one that has a good balance of import and export.

~The port authority saw a lot of land within five miles of the port and we started to reach out to the carriers and the market. We started to help our export market – instead of bringing empties in to load, we started bringing in imports, so that the same containers could be loaded for export. And in this past year, we went from export to import dominated.

**Making the most of assets**

Savannah’s volumes out are mainly raw materials, including clay, forest products and poultry. Bringing the containers in with imports and turning them around fast is good news for the carriers, which get more use out of their equipment, points out Mr McCarthy.

What is the secret to Savannah’s success? ~Absolutely it is finding out what the cargo owners desire and making sure that we maintain our image of doing business.

The availability of land close to the port has been a major factor. ~We are connected to the major highways and have 55 square feet of warehousing in adjacent counties within 20 minutes’ drive of the port. We also have two on-dock railyards, so offer the benefit of rail services directly into the port.

None of this is to suggest that Savannah is not seeing larger vessels. Two years ago, it was mostly handling 6,000-8,000 teu ships, he says. Now, 60% of vessels calling are 10,000 teu or larger, and the port is handling vessels of over 13,000 teu. Savannah gained from the alliance reshuffles last year and has gained at least one more service since then.

~As for success, it is really all about when that vessel gets to the dock, we are able to put six or seven cranes on the large vessels and do 5,000-6,000 moves on and off in a 30-hour period.

Swift rail and road links are also vital, he points out. ~That is really connectivity for the end shipper, who is not looking for large or small vessels – we get no particular feedback on that. It really comes down to last-mile connectivity. If we can deliver on that, each and every day, that is where we gain the confidence of shippers and we are rewarded with more business.

**Removing limitations**

For New York, the raising of the Bayonne Bridge and the deepening of the main access channel to 50 ft, both completed last year, removed a significant limitation on ship size accessing the port. New York is now regularly handling ships of over 14,000 teu, and simulations have shown that it can handle container vessels
of up to 18,000 teu. This also has implications for other US East Coast ports, points out Edward Kelly, executive director of the Maritime Association of New York/New Jersey.

―Any successful East Coast service requires a call at New York, because of the volume of business. You have to do New York, and then it is a question of where else you go in terms of a mid-Atlantic and a south Atlantic port. These larger vessels were almost completely halted from working on the East Coast, until the Port of New York was able to handle them.‖

Any resultant reshuffle could lead to changes in the Drewry index, of course. Mr Kelly also emphasises the importance of landside connectivity. As well as terminal operators deepening berths and upgrading cranes during 2017, New York saw the development of the new intermodal rail service and expanded on-dock rail capacity, improvements to on-terminal roads, and the updating and digitalisation of terminal gates to speed the flow of trucks.

Apart from Bayonne, three other major bridges were upgraded or rebuilt in the port area and millions of square feet of new warehousing and distribution centre capacity were added.

―If you are not connected, you can’t move,‖ says Mr Kelly. ―Severe congestion can make a port too expensive and causes a public outcry from domestic truck drivers and private drivers. It becomes a matter of high expense and increased road pollution. The port handles a large volume of business going into the hinterland. A good volume of this will move by rail and never go on the local roads, and that is important.‖

[Port Strategy]
Nigerian oil minister, and a series of middlemen and advisers. The companies themselves are also corporate defendants.

Milan prosecutors allege that $520 million of the $1.1 billion paid into an escrow account was converted into cash and distributed as bribes, while several hundred million more went to a former oil minister. Since the indictments were filed, Milan prosecutors also have opened a separate investigation into allegations that Eni legal representatives tried to throw investigators off of the Nigeria case. Authorities searched the legal representatives' offices in early February.

Both Anglo-Dutch Shell and Eni, which is 30-percent owned by the Italian state, have denied wrongdoing and expressed confidence that the trial would exonerate both the companies and individuals. Both companies are also under investigation in the case in the Netherlands and face charges in Nigeria.

The Italian charges followed similar indictments last year in Nigeria that target a Shell subsidiary, not the parent company. In Nigeria, prosecutors allege bribes of more than $800 million were made to government officials and a businessman for the block's license and that the Nigerian government only got $210 million from the deal.

[Associated Press]

Oil & gas shipping: US seaborne exports of oil products at an all-time high

05/03/2018
Following a seasonal surge in December 2017, the US seaborne export of oil products (materials derived from crude oil) reached the highest annual level ever, in terms of volume and tonne miles demand. An increase in volume, combined with a marginal increase in the average sailing distance, caused the total annual tonne miles demand to surpass the previous high set in 2013.

BIMCO's Chief Shipping Analyst Peter Sand comments: "The development in US seaborne exports of oil products during the last 10 years have been highly beneficial for the oil product tanker shipping industry, as a larger share of the total US oil products is transported via the sea. Since 2010 the volumes have tripled and now amounts to 10% of the world seaborne oil product trade."

Peter Sand adds: "The recent development in exported oil products from the US provides the oil product tanker shipping industry with steady growth in volumes and yet again growth in tonne miles demand. Overall, we see oil product tankers operating in an improving market in 2018, with better market fundamentals for both demand and supply. Still, the oil product tanker sector may only break-even in 2018, if demand growth is low throughout the year."
Both average sailing distance and volumes increased in 2017

Volumes of US seaborne exports of oil products has increased by 9% in 2017 compared to 2016. This amounts to an additional export of 10.8 million tonnes - equivalent to 80 million barrels. The average seaborne exports of US oil products in 2017 was 2.7 million barrels per day, compared to 2.5 million barrels per day in 2016.

The volume of seaborne exports of US oil products has increased every year since 2007 except for 2016, which was marginally down from the previous year.

BIMCO’s Chief Shipping Analyst comments: –By exporting more to countries with closer geographical proximity, the additional exports of oil products do not benefit the tanker shipping industry as much as the increase in US exports of crude oil does. For the US seaborne exports of crude oil the average sailing distance grew by 65% and the volumes grew 151% for the first 10 months of 2017 compared to same period in 2016.

The US seaborne exports of oil products saw an annual decrease in tonne mile demand for 2014, 2015 and 2016, as the average sailing distance decreased more than the volumes increased. However, for 2017, the tonne mile demand is up 9% compared to 2016, as both volumes and average sailing distances are increasing.

15 of the top 20 importers are from the Americas
With 15 out of the top 20 importers based in the Americas, 76% of all oil products exported via the sea are bound for destinations on the American continent, which is underlined by the short average sailing distance of 3,270 nautical miles.

![Top 20 US seaborne oil product export destinations in 2017](image)

Mexico’s share of the imports benefits the oil product tanker shipping industry to a limited degree. Mexico imports 23% of all US seaborne exports of oil products, however it only generates 5.7% of the total tonne miles.

Singapore, the top 20 importer with the furthest sailing distance from US ports exporting oil products, generates 15.8% of the total tonne miles, despite only importing 4.7% of all US seaborne exports of oil products.

**The Gulf Coast exports 80% of all seaborne oil products**

Houston-based ports are responsible for 27% of all exports of US seaborne oil products. The Houston ports have averaged around 27% for the previous three years. Ports in New Orleans are exporting the second highest volumes with 12% of all seaborne oil product exports. Corpus Christi ports have emerged as the third biggest oil product exporting ports with 10% of all US seaborne oil products being exported from there. In 2014, the Corpus Christi ports were the fifth biggest oil product exporting ports in the US.

Ports based in Texas and Louisiana on the US Gulf Coast, are responsible for 80% of all seaborne oil products exported in 2017. This level’s remained close to the average in 2016 and 2015, where the level was 79% for both years.

[BIMCO]
05/03/2018
By John Bensalhia
The containerised bulk handling (CBH) method of storing and loading bulk cargo has been given a fresh lease of life with more ports today embracing the system.

CBH allows operators access to a complete handling package, virtually reducing the risk of contamination of or pollution from the cargo. Containerised bulk products can be transferred from inland depots or farms directly to the port with loading completed with the aid of a rotating spreader, which loads the contents of the container directly into the ship's hold.

This is by no means a brand new innovation: as Garry Pinder, managing director of Intermodal Solutions Group – Pit To Ship Solutions, explains 'tipplers' have been around for over 30 years and Thyssenkrupp built the first ones in South Africa more than 30 years ago.

But while tipplers have been in existence for more than 30 years, recently, they have given ports a considerable boost in fast, efficient container loading. Modern tipplers have been in service for over seven years now and have been working in ports at locations such as Australia, Chile, Cuba, Mexico, Peru, Argentina (for grain) and South Africa to name a few, says Mr Pinder.

One innovation has seen lids designed to be opened inside the ships’ hold, providing a dust free solution when a misting system is used.
Slow spread

While, the CBH method of bulk handling has recently seen a renaissance, there has been relatively slow take in European ports. Discussing modern containerised bulk handling, Joel Shirriff, vice president and global practice lead, Terminals and Transportation, Ausenco, points out that some ports are wary of trying out a new approach.

On the Ausenco website, Mr Shirriff wrote: "In my experience, I have found that some clients' apprehension to 'trying something new' is a result of focusing solely on the new equipment and an uncertainty in how to implement this concept for their application. When presented with the bigger picture – the development of an integrated logistics solution that is optimised for geography, existing infrastructure, and specific commodity – they are more open to this approach."

Rīgas universālais terminals, for example, has found this method to be a hugely successful one for handling wood pellets on large dry bulk ships.

Atis Šulte, RUT trade and business development director, says that the main benefit of introducing this system is that of significant optimisation of terminal expenses and increase in performance. "Now, we can perform dry bulk handling operations involving a significantly smaller number of machinery and human resources. Savings on resources amount to almost 50%."

"By introducing containerised cargo handling, we have become more competitive and can better adjust to customer requirements," he continues. "Following the general tendency in cargo carriage, dry bulk ships handled at our terminal are becoming even larger. By means of the new technology, we are able to ensure fast and effective loading of large ships. By applying the new technology, we are able to load dry bulk and containers at the same pier, using one portal-frame lift. It allows us to quickly organise our work in the terminal and quickly handle any type of ship."

South Africa options

Transnet Port Terminals' decision to introduce the CBH system using the RAM Revolver has also paid dividends at South Africa's Port Elizabeth Container Terminal, which was the first of its kind in the country to use ship-to-shore cranes with RAM Revolver spreaders to load bulk ore carrying vessels.

The electro-hydraulically operated RAM Revolvers can also be used for handling of materials on mobile harbour and bridge cranes, as well as reachstackers. The RAM Revolvers promise safe, efficient and environmentally-friendly bulk handling via a lid lifting mechanism that removes the lid of a container. The container is then rotated, tipping the commodity into the ship's hold in one single, constant operation.

A report on the progress at Port Elizabeth Container Terminal found that there was an average increase in export volume by 22.5% year-on-year, with the introduction of this technology allowing customers to export over 2.5m tons of manganese ore between 2013 and 2017.

Positive feedback was also noted for capacity demand, higher loading rates, improved turnaround time and reduced vessel stay time at the port. Following on from the encouraging results, two more RAM Revolvers have since been acquired for the port to complement the terminal with three fully operational adjacent cranes.
Time and space

Mr Pinder explains that a key benefit of CBH is that it can save considerable time and space. The benefits for using the system is that it's up and running in six months instead of the usual five years for conventional conveyor belt system.

» No storage sheds are needed as the containers are used as the sheds. The minerals can be sampled at the mine site and blocked stacked at the port and using a simple algorithm, the ship can be blended to suit the customers needs. Furthermore, the sealed containers ensure that there are no issues when it comes to theft or risks to the environment. »There is no theft of the product nor environmental problems on the way to the port or at the port as the containers are sealed and the lids only come off inside the ships hold using the ISG patented lid lifter.”

The Port of Riga also comments on the environmental benefits: »Containerised dry bulk handling is also an environmentally-friendly technology. Cargo is practically poured into the holds, rather than above them, which reduces the amount of dust that ends up in the air. Likewise, spread of dust and cargo losses are reduced by handling a great amount of cargo within one lifting time.

Last year, both the environmental factors and safe transportation were among the benefits afforded by the new RAM tipping containers and equipment at Hutchison Ports TIMSA (Manzanillo's International Terminal). A total of Pesos50m were invested, with an initial run of 140 specially designed containers for bulk mineral operation. During an initial operation in April 2017 at Impala Terminals México, 7,200 tons of copper extract was moved to the Federal Hunter vessel.

The environmentally-friendly technology - including an attachment that allows for a 360° rotation of the container - avoided the risk of pollution from storage to port is avoided and eliminated dust emissions.

Mr Pinder says that the future is bright for the system as more and more governments focus on the environment. »The days of stacking minerals on the quay side or dusty conveyor belt systems are going, so ports and miners need to seek new ideas. This system is cheaper and environmentally friendly.” And as the system operates comfortably in container ports, all ports need to purchase is the tippler to turn their facility into a CBH hub.

Mitigating the over spill

With airtight lids, containerised Bulk Handling systems can eliminate the problem of cargo loss, a key attraction of such a system. Potential spillage is a notable worry for ports handling bulk cargoes, especially in the cases of valuable cargo, such as copper, which can sell for around and in excess of $3,000 per ton.

Copper producing company CODELCO has taken this on board during its transfer of copper concentrate from the mine to bulk port, Puerto Angamos in Mejillones, Chile. By using a totally-sealed, zero-material loss system, and eschewing the traditional methods of bulk export of copper concentrate (such as trucking, warehousing and ship loading conveyor systems), the risk of material loss has been considerably lessened as the copper is completely enclosed during its journey from mine to ship.

By sealing the copper concentrate in a lockable lidded box, the only time the lid is removed is by the lid lifter on the revolving spreader before rotation at the bottom of the ship's hatch. Once tipping commences, the hatch is sealed with a hatch-based dust suppression system that can catch any rising dust.
The blockchain pipe dream

05/03/2018
By Nouriel Roubini and Preston Byrne

Even after a sharp correction earlier this year, the price of Bitcoin and other cryptocurrencies has remained unsustainably high, and techno-libertarians have continued to insist that blockchain technologies will revolutionize the way business is done. In fact, blockchain might just be the most over-hyped technology of all time.

Predictions that Bitcoin and other cryptocurrencies will fail typically elicit a broader defense of the underlying blockchain technology. Yes, the argument goes, over half of all initial coin offerings to date have already failed, and most of the 1,500-plus cryptocurrencies also will fail, but blockchain will nonetheless revolutionize finance and human interactions generally.

In reality, blockchain is one of the most overhyped technologies ever. For starters, blockchains are less efficient than existing databases. When someone says they are running something on a blockchain, what they usually mean is that they are running one instance of a software application that is replicated across many other devices.

The required storage space and computational power is substantially greater, and the latency higher, than in the case of a centralized application. Blockchains that incorporate proof-of-stake or zero-knowledge technologies require that all transactions be verified cryptographically, which slows them down. Blockchains that use proof-of-work, as many popular cryptocurrencies do, raise yet another problem: they require a huge amount of raw energy to secure them. This explains why Bitcoin—mining operations in Iceland are on track to consume more energy this year than all Icelandic households combined.

Blockchains can make sense in cases where the speed/verifiability tradeoff is actually worth it, but this is rarely how the technology is marketed. Blockchain investment propositions routinely make wild promises to overthrow entire industries, such as cloud computing, without acknowledging the technology’s obvious limitations.

Consider the many schemes that rest on the claim that blockchains are a distributed, universal world computer. That claim assumes that banks, which already use efficient systems to process millions of transactions per day, have reason to migrate to a markedly slower and less efficient single cryptocurrency. This contradicts everything we know about the financial industry’s use of software. Financial institutions, particularly those engaged in algorithmic trading, need fast and efficient transaction processing. For their purposes, a single globally distributed blockchain such as Ethereum would never be useful.

Another false assumption is that blockchain represents something akin to a new universal protocol, like TCP-IP or HTML were for the Internet. Such claims imply that this or that blockchain will serve as the basis for most of the world’s transactions and communications in the future. Again, this makes little sense when one considers how blockchains actually work. For one thing, blockchains themselves rely on protocols like TCP-IP, so it isn’t clear how they would ever serve as a replacement.
Furthermore, unlike base-level protocols, blockchains are -stateful, meaning they store every valid communication that has ever been sent to them. As a result, well-designed blockchains need to consider the limitations of their users' hardware and guard against spamming. This explains why Bitcoin Core, the Bitcoin software client, processes only 5-7 transactions per second, compared to Visa, which reliably processes 25,000 transactions per second.¹

Just as we cannot record all of the world's transactions in a single centralized database, nor shall we do so in a single distributed database. Indeed, the problem of -blockchain scaling is still more or less unsolved and is likely to remain so for a long time.

Although we can be fairly sure that blockchain will not unseat TCP-IP, a particular blockchain component – such as Tezos or Ethereum's smart-contract languages – could eventually set a standard for specific applications, just as Enterprise Linux and Windows did for PC operating systems. But betting on a particular -coin, as many investors currently are, is not the same thing as betting on adoption of a larger -protocol. Given what we know about how open-source software is used, there is little reason to think that the value to enterprises of specific blockchain applications will capitalize directly into only one or a few coins.

A third false claim concerns the -trustless utopia that blockchain will supposedly create by eliminating the need for financial or other reliable intermediaries. This is absurd for a simple reason: every financial contract in existence today can either be modified or deliberately breached by the participating parties. Automating away these possibilities with rigid -trustless terms is commercially non-viable, not least because it would require all financial agreements to be cash collateralized at 100%, which is insane from a cost-of-capital perspective.

Moreover, it turns out that many likely appropriate applications of blockchain in finance – such as in securitization or supply-chain monitoring – will require intermediaries after all, because there will inevitably be circumstances where unforeseen contingencies arise, demanding the exercise of discretion. The most important thing blockchain will do in such a situation is ensure that all parties to a transaction are in agreement with one another about its status and their obligations.

It is high time to end the hype. Bitcoin is a slow, energy-inefficient dinosaur that will never be able to process transactions as quickly or inexpensively as an Excel spreadsheet. Ethereum's plans for an insecure proof-of-stake authentication system will render it vulnerable to manipulation by influential insiders. And Ripple's technology for cross-border interbank financial transfers will soon be left in the dust by SWIFT, a non-blockchain consortium that all of the world's major financial institutions already use. Similarly, centralized e-payment systems with almost no transaction costs – Faster Payments, AliPay, WeChat Pay, Venmo, Paypal, Square – are already being used by billions of people around the world.

Today's -coin mania is not unlike the railway mania at the dawn of the industrial revolution in the mid-nineteenth century. On its own, blockchain is hardly revolutionary. In conjunction with the secure, remote automation of financial and machine processes, however, it can have potentially far-reaching implications.

Ultimately, blockchain's uses will be limited to specific, well-defined, and complex applications that require transparency and tamper-resistance more than they require speed – for example, communication with self-driving cars or drones. As for most of the coins, they are little different from railway stocks in the 1840s, which went bust when that bubble – like most bubbles – burst.
Kuehne + Nagel has launched an ocean freight performance visibility platform, Sea Explorer, that aims to help shippers make procurement decisions on issues other than price.

It described Sea Explorer as the first digital platform of comprehensive sea freight service offerings, offering digitally enabled insights into the largest seafreight service network, based on reliability, sustainability and transit time.

It said Sea Explorer offered its customers an easy gateway to the company’s comprehensive overview of direct global seafreight services, giving access to more than 3,000 vessels and more than 750 direct weekly services within Kuehne + Nagel’s Blue Anchor Line non-vessel owning common carrier (NVOCC) network.

It claimed Sea Explorer’s unique offering was based on the company’s high level of integration and partnership with all major carriers. The platform is an extension of Kuehne + Nagel’s quote, book and track capabilities and is based on business intelligence derived from different operational data; algorithms built from robust industry expertise are paired with big data and predictive analytics provided by Kuehne + Nagel’s data company LogIndex.

Within Sea Explorer, services are ranked by smart indicators, based on big data technology, including a dynamic reliability indicator (DRI), emission score, nominal carrying capacity insights and realistic transit times for every service, the company said.

Today, about 75% of the vessels arrive on time, and volatile reliability in lead times is one of the biggest challenges customers face in managing their inventory levels adequately. Through Sea Explorer customers now have the possibility to access comparative insights on service specific elements.

K+N confirmed to Lloyd’s Loading List that this capability permitted the comparison of performances among the various container line service loops operating on different origin-destination pairings.

Comparison is not among carriers but among services loops, as multiple carriers or alliances operate usually a service loop – hence it is important to score how the service or the specific port pair performs comparatively, a spokesman said.

Otto Schacht, K+N’s director for Seafreight, commented: High levels of data transparency are of utmost importance in logistics. Through Sea Explorer our customers will be able to access the world largest portfolio of seafreight service offerings.

Thus they can base their respective decisions not just on transit times parameters, but also on sophisticated comparative data such as service reliability and emission rating. We strive to provide the
maximum visibility, flexibility and information to our customers throughout the world. Sea Explorer is another important step in our digitalisation approach.\[1\]

K+N described Sea Explorer as an agile project, with further enhancements to come based on close collaboration with customers.\[1\]

[\textit{Lloyd's Loading List}]

---

**Container shipping: Growing digitisation of booking will 'move the industry forward'**

05/03/2018
By Alexander Whiteman and Alex Lennane
It may have taken some time to get started, but the sea freight business is increasingly digitising its booking systems.

Hapag-Lloyd today announced its customers could gain automatic access to all its rates via rate management platform CargoSphere. The news follows last week’s announcement by electronic transaction platform Inttra that it had expanded its carrier network to more than 60 with the addition of four shipping lines.

The CargoSphere platform offers digital infrastructure to establish an automated data transfer of contract and public tariff rates between a carrier, CargoSphere and the carrier customers. Digital contract management significantly increases accuracy and reduces processing times from several days to just a few hours, according to CargoSphere.

–Eliminating the email distribution of spreadsheets and PDFs is an exciting moment for Hapag-Lloyd,\[1\] said Henning Schleyerbach, senior director sales & service processes.

CargoSphere managing director Neil Barni added: –It is fast, fully automated and ready to transform the inefficiencies that impede ocean carriers. By accelerating the conversion of ocean freight rates to a fully standardised digital environment, we are bringing to market a genuine and meaningful innovation that will move the industry forward.\[1\]

Meanwhile, Antillean Marine, Evergreen, Namsung and Unifeeder all joined Inttra’s network, which recorded 12% growth in container loads over the last 12 months.

Chief executive of Inttra, Joh Fay, said the company processed some 45m container orders on its platform in 2017. He added: –Our network growth, both in transaction volume and in participants, means we are no longer approaching the digital tipping point; the digital tipping point has arrived.\[1\]

Among its customers, Inttra boasts the 10 largest container carriers, including Maersk, MSC, CMA CGM, Hapag-Lloyd and Cosco, providing access to some 200 countries. Company president Inna Kuznetsova told The Loadstar: –Our network covers more than 90% of all global container trade capacity and accepts container booking from over 30,000 shipping companies across more than 200 countries.

–The shippers booking on Inttra today vary in size from all top 20 freight forwarders to very small customers shipping several hundred containers a year.\[1\]
Ms Kuznetsova said with “digitalisation passing the tipping point” she saw strength in the physical network of shipping partnerships being digitised and added that the company would continue to upgrade its platform with the introduction of further cloud-based solutions including enhancements to its C-Fast system, launched in December.

—C-Fast is a container forecasting and allocation optimisation solution that helps freight forwarders and NVOCCs manage their carrier volume commitments,‖ she said. “In 2017 we acquired Avantida, offering solutions for repositioning and better container utilisation, and expanded business successfully to more European countries. And of course, we continue to explore new technologies such as AI and blockchain through a variety of pilots and proofs of concept and will announce them in due course.”

[The Loadstar]

**Venice ‘rescued’ by gargantuan sea gates**

05/03/2018
A Croatian shipyard this week completed the last of 63 gargantuan steel gates that will protect the sinking city of Venice from rising sea levels, helping to secure its future.

Brodosplit’s gates being floated to their destination. Source: Brodosplit
Aerial view of Venice lagoon’s Malamocco inlet, one of three 81 Port & Shipping News 10/18 (05 – 11 Mar 2018) Uwe Breitling - Port, Transport & Training Consultant uwe.breitling@gmail.com
Work on the epic €5.3bn -Mose- flood prevention project began in 2003. Once the final gate is delivered and fitted into its concrete foundations on the bed of Venice’s lagoon, its three inlets – the Lido, Malamocco and Chioggia – will all have moveable barriers to isolate the ancient trading city from the alta acqua spring tides of the Adriatic. Each of the inlets can be closed or opened separately, allowing authorities to respond flexibly to the conditions.

Fabricated in the Brodosplit shipyard in the city of Split, the steel gates are each up to 5m thick, 30m long and 20m high, and they weigh 300 tonnes. They were transported by barge across the Adriatic from Split and towed into position by tug. The gates are hollow, and the system works by filling them with air to raise them or water to lower them. When they descend, they are protected by rubber fenders. They have a design life of 100 years.

Mose is short for modulo sperimentale elettromeccanico, or experimental electromechanical module. Brodosplit won the €70m contract in a global tender, competing with numerous shipbuilders and steel structure manufacturers.

Source: Brodosplit

This week it celebrated crossing the contract finish line, saying: –Brodosplit will remain permanently listed on the list of companies participating in one of the largest construction projects in Italy’s history and contributing to the rescue of Venice from the major problems caused by the tide.1

[Global Construction Review]
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 (FMIAMSP)**
- 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 and IRMII, 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.
### Fellow (FIAMSP)

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. Peter Harold Tedder</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>M. Robinson Mark</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>M. Jasim Aqeel</td>
<td>Iraq</td>
</tr>
</tbody>
</table>

### Full Member (FMIAMSP)

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. SANDHU KULDIP</td>
<td>India</td>
</tr>
<tr>
<td>M. Rune Bertil</td>
<td>Spain</td>
</tr>
<tr>
<td>M. Ephraim Kevin</td>
<td>Bahrain</td>
</tr>
</tbody>
</table>

### Affiliate (AFFIAMSP)

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. Kirton Christopher</td>
<td>Singapore</td>
</tr>
<tr>
<td>M. Hubert Louis-philippe</td>
<td>France</td>
</tr>
<tr>
<td>Mrs. HELENA ISABEL CAMPOS LANÇA PALMA</td>
<td>Portugal</td>
</tr>
</tbody>
</table>
## UPCOMING EVENTS SUMMARY

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
<th>Date</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td><strong>Wellness at Sea 2018 Conference (NI members click on 'login here' below for 10% discount)</strong></td>
<td>16</td>
<td>Montreal - venue TBC</td>
</tr>
<tr>
<td>March</td>
<td><strong>APM – ASIA PACIFIC MARITIME 2018</strong></td>
<td>16</td>
<td>Marina Bay Sands, Singapore</td>
</tr>
<tr>
<td>April</td>
<td><strong>Arctic Shipping Forum 2018 - Helsinki (NI members login below to receive 20% discount)</strong></td>
<td>20</td>
<td>Helsinki Congress Paasitorni, Paasivuorenkatu 5 A, 00530 Helsinki, Finland</td>
</tr>
<tr>
<td>April</td>
<td><strong>London Branch Conference - The future of maritime professionals</strong></td>
<td>20</td>
<td>Novotel, Victoria Street BS1 6HY BRISTOL UK</td>
</tr>
<tr>
<td>April</td>
<td><strong>Singapore Maritime Week 2018</strong></td>
<td>21</td>
<td>Singapore</td>
</tr>
<tr>
<td>April</td>
<td><strong>Singapore Maritime Week 2018</strong></td>
<td>27</td>
<td>Singapore</td>
</tr>
<tr>
<td>February</td>
<td><strong>12th Arctic Shipping Summit – Montreal</strong></td>
<td>21</td>
<td>Montreal - venue TBC</td>
</tr>
</tbody>
</table>