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.
Maritime safety: Oil tanker on fire and leaking off China coast

07/01/2018
By Ben Bland

Rescue workers are trying to locate 32 missing sailors and prevent a big oil spill after an Iranian-managed oil tanker collided with a Chinese bulk carrier off the coast of China on Saturday night, leaving the tanker ablaze.

The Sanchi tanker, which was carrying crude oil from Iran to South Korea, collided with the CF Crystal about 160 nautical miles east of the mouth of the Yangtze river, according to China’s ministry of transport.

Chinese rescue ships on the scene reported that the tanker was still floating and on fire on Sunday, with oil leaking into the sea, the ministry said. It added that China’s maritime search and rescue centre was co-ordinating the response and that South Korean authorities had also dispatched a ship and an aircraft to assist with the incident.

All 32 sailors on board the Sanchi, 30 of them Iranian and two from Bangladesh, are missing. A photograph released by the Shanghai Maritime Safety Administration on its official account on Weibo, a Chinese social media platform, showed flames and thick black smoke emanating from the length of the Sanchi.
A South Korean coast guard official said the tanker was still on fire at 1pm on Sunday, according to Reuters.

Cyrus Kianersi, managing director of the National Iranian Tanker Company, said that the reason behind the incident and the losses incurred were under investigation. Mr Kianersi told local media that the National Iranian Tanker Company had dispatched two of the tankers under its management in the region to join the search and rescue teams.

The 274-metre long ship departed from Assaluyeh, a big Iranian port that serves South Pars, the world’s largest gasfield, last month. It was en route to the South Korean port of Daesan.

The 21 crew on board the CF Crystal, all Chinese nationals, are safe. The Chinese ship was damaged but “without jeopardising the safety of the vessel”, the Chinese government said.

The Panama-flagged Sanchi was carrying 136,000 tonnes of condensate, which is equivalent to around 1m barrels of oil, and is managed by the National Iranian Tanker Company, according to Bloomberg.

The Hong Kong-flagged CF Crystal, which is operated by Wenlin Changfeng Shipping, a Chinese company, was carrying 64,000 tonnes of food from the US to the province of Guangdong, in southern China, according to the Chinese transport ministry.

China has been trying to tighten its environmental controls and improve its response mechanisms following several high-profile spills in the past few years. In 2015, China National Petroleum Corp agreed a $32m environmental settlement for victims, after China’s worst crude oil spill fouled the coast near the northeastern port of Dalian in 2010.

ConocoPhillips and its local partner CNOOC were fined and required to pay compensation because of a leak from an offshore oil well in Bohai Bay, near Dalian, in 2011.

[Financial Times]
Intermodal transport Nigeria: President inaugurates new dry port in Kaduna

05/01/2018
On Thursday, the Nigerian President Muhammadu Buhari inaugurated the Inland Dry Port in Kaduna.

Arctic study uncovers how melting ice is changing ocean’s ecosystem

05/01/2018
By Jennifer Johnson
Scientists have discovered that levels of the naturally-occurring isotope radium-228 have almost doubled in the middle of the Arctic Ocean in the last 10 years. The study illustrates once more that a warming climate is having a far-reaching effect on Arctic ecosystems.

The findings — published this week in the journal Science Advances in the article Increased fluxes of shelf-derived materials to the central Arctic Ocean — show that significant changes are occurring along the region’s coastlines, because the source of the radium is the land and continental shelves around the ocean.

The research team, led by Woods Hole Oceanographic Institution, thinks that the Arctic’s rapidly melting sea ice has resulted in more open water near the coasts, thereby allowing winds to create waves. These waves then churn up sediments on the shallow shelves, releasing radium that is carried to the water’s surface and into the open ocean. This process is also likely to deliver additional nutrients, carbon, and chemicals into the Arctic Ocean — fuelling the growth of plankton and impacting fish and marine mammals higher up the food chain.

Researchers measured radium at 69 locations from the western edge of the Arctic Ocean to the North Pole on a two-month excursion on the icebreaker Healy in summer 2015. They found that radium-228 concentrations in the area had skyrocketed since measurements were last taken eight years prior.

Upon investigation, they discovered that ice and water were flowing northward from the northern coast of Russia toward the middle of the Arctic Ocean, where radium levels had increased. They concluded that the radium had originated in sediments from the East Siberian Arctic Shelf, which is shallow, but extends 930 miles offshore and is known to contain large concentrations of radium and other chemical compounds.

However, the researchers believe there could be other factors behind the increased radium levels. Greater wave action can lead to coastline erosion, which adds terrestrial sediment into the ocean. Warmer temperatures can melt permafrost, leading to river and groundwater runoff that also carries material into the Arctic Ocean.

“Continued monitoring of shelf inputs to Arctic surface waters is therefore vital to understand how the changing climate will affect the chemistry, biology, and economic resources of the Arctic Ocean,” wrote the authors of the study.

[The Marine Professional]
Speaking at the inauguration of the dry port, Buhari warned the Nigerian customs service and Port officials against frustrating business activities at Inland dry ports in the country. He said customs and port officials must make the facilities work and not to frustrate business, commercial and industrial enterprises with unnecessary bureaucracy and delays, thereby defeating the objective of the whole exercise as it was in the past.

He said apart from the Kaduna Inland Dry Port, six other dry ports located in Ibadan, Aba, Kano, Jos, Funtua and Maiduguri were at various stages of completion. Buhari said his administration was committed to linking all major commercial and production centres as well as state capitals with railway system to bring about rapid socio-economic development.

[allAfrica]
2017 was year of change in shipping – caution required in 2018

04/01/2018
By Peter Sand

2017 was a year of change. Much of it for the better, but a cautious approach is still needed for 2018 to maintain the progress already achieved.

Economic growth has accelerated in Europe, Asia and the Americas since mid-2016, and the IMF now expects the global GDP growth rate to raise slightly in 2018 to reach 3.7%, up from 3.6% in 2017.

In 2018, the dry bulk sector is likely to improve the fundamental market balance further, if operational speeds do not increase. For the container shipping sector, the improvement in 2017 will carry on into 2018, where fleet growth rate seems to match demand growth, and as a result no big freight rate changes are expected to lift earnings. For oil tankers, there is a potential upside in low fleet growth for both crude oil and oil product tankers. The growth in demand - coming from increased oil consumption and a return of more price arbitrage-driven trading activity - depends on a better-balanced oil market. BIMCO expects that the world’s oil demand will only marginally outstrip the world’s oil supply, and this will be a negative factor for the oil tanker market.

China is at the centre of shipping activity. Being the one driver of dry bulk shipping demand growth, China has also taken a giant leap in hiking crude oil import levels during 2017. By introducing robotics into its enormous manufacturing sector, China aims to remain the world’s top exporter of containerised goods too. There is a lot of competition in that field, and maritime supply chains will change a lot over the coming years.
The Global economy: getting closer to its full potential

Increasing slightly on gains made in 2017 – global GDP growth rates are forecast to stay around 2018 levels, all the way into 2022 (source: IMF). Nevertheless, the world trade volume growth rate (goods and services) is expected to drop from 4.2% in 2017 to 4.0% in 2018.

The shipping industry has adapted quite well to a lower level of demand growth over the past couple of years. The next challenge is to understand that this is as good as it gets, and to avoid wishful thinking that demand levels will increase significantly – as that will not happen. The biggest risks to the forecast remain on the downside, meaning that fleet could grow too much or demand too little.

Dry bulk: keep slow steaming around to safeguard recovery

We did expect markets to improve in 2017, but the extent of it was a positive surprise. We didn’t expect that 2017 would see a demand growth rate of 5%, nor a fleet growth 3.2%. A much weaker growth rate was forecasted for both. However, Chinese demand has exceeded expectations on the upside and as that happened, fleet growth exceeded expectations on the downside, denting some of the upside potential.

As the rest of the world either imports a steady amount of dry bulk commodities or slows down its imports – China’s importance to the market becomes even more evident. Once again it was the steel industry dominating the development. Iron ore imports were up by 7% on 2016, as steel production grew by 6.3% (2017-9M).

At the end of 2017, BIMCO continued its “Road to Recovery” market analysis, with the third update outlining the projected path towards a profitable industry. It highlighted that 2018 could become the first year since 2011, with the industry returning a profit, but we shouldn’t be too hasty. It is mostly in the hands of the shipowners, as fleet growth may increase as little as 1% if handled with care. As BIMCO’s expectations for demand growth in 2018 is slightly higher than that, fundamental improvements will follow if slow steaming is kept up.

For 2018, the challenge is for owners and operators to maintain slow steaming. BIMCO expects the supply-side to grow by around 1% in 2018 (3.2% in 2017E)

Tanker: Product tankers may breakeven in 2018

The prolonged draw down of global crude oil and oil product stocks proved to be a drag on tanker demand throughout 2017. While this came as no surprise, many PR departments from oil producers were busy telling us that the oil market fundamentals would balance “any day now”.

In Q4, the oil producers gave in, playing the blame-game for a while before extending the OPEC supply deal into 2018. However, believing in the return of stronger tanker demand sooner rather than later, may have prompted tanker owners to postpone demolition.

Not until we see global oil stocks at a much lower level, can we expect a renewed interest in seaborne oil trading activities that will lift oil tanker demand from its current subdued level. However, the first half of 2018 may pass by before that happens.

The rise of United States (US) crude oil exports to long-haul destinations was markedly the positive story in 2017. That development increased tanker demand on top of the expected increase of oil imports into India.
Oceans suffocating as huge dead zones quadruple since 1950, scientists warn

Chinese imports of crude oil also went beyond expectations, increasing tonne mile demand by as much as 13% in the first nine months of 2017. Such a high growth rate is not expected for 2018.

As forecast, increased demolition activity amongst crude oil tankers and oil product tankers wasn’t enough to prevent freight rates from falling; still reaching a four-year high, but falling slightly short of BIMCO’s scrapping forecast. Shipowners postponed the lion’s share of demolition until the second half of the year, never really biting the bullet to reduce fleet growth significantly.

Tanker demand growth in 2018 is expected to prolong the trend seen in 2017; growing imports in the Far East and growing exports from the US. This is set to benefit VLCC and to some extent suetzmax. The fate of aframax is closely linked to regional Asian and European demand where the growth rate is expected to be lower.

BIMCO expects the crude oil tanker segment to see a net fleet growth of around 2% in 2018 (5.1% in 2017E). We estimate that the supply side growth rate of the oil product tanker fleet to be around 1.8% (4.2% in 2017E). We expect demolition of oil tanker capacity to be on a par with 2017. Overall, we see oil product tankers operating in an improved market, whereas crude oil tankers will continue to struggle.

**Container: industry needs to hold on to profitability**

BIMCO expected 2017 to be a better year for container shipping compared to 2016. We got just that: freight rates went up and their volatility reduced. Demolitions went down, and the idle fleet was generally reactivated.

The 2017 demand growth rate is heading for +5%, which is the highest in six years. After a terrible 2015, port throughput has gone up and up, growing as much as 7.7% (quarter-on-quarter) in Q3-2017 (source: Alphaliner). As demand rebounded, combined with a multi-year low fleet growth rate in 2016, the fundamental market balance improved. In 2017 we have not seen such an improvement. The fundamental balance seems almost unchanged, as reactivation of idled ships lifted actual fleet growth beyond the nominal TEU growth rate of 3.3%.

In September, the ordering drought came to an end. Twenty new orders for 22,000 TEU ships broke a 21-month lull in newbuild activity. They will be delivered in 2019-2020.

This means that the nominal fleet growth level for the container shipping industry over the next few years is set for around 4%, which leaves little room for fundamental market balance improvements. As a result, increased earnings must come from: continued cost-cutting exercises and permanent slow-steaming to keep fuel costs on a tight leash. On top of that: operational efficiency gains and positive demand growth gain more boxes on the individual ships. The latter means harvesting some of the economies of scale the industry relies heavily upon – with the large volumes coming from front-haul trades.

Profitability is up for grabs across the container shipping industry, if demand growth remains in the region of 4-5% and actual fleet growth is handled with care. BIMCO expects the container shipping segment to see a net fleet growth of around 4.1% in 2018 (3.3% in 2017E) [BIMCO]
Areas starved of oxygen in open ocean and by coasts have soared in recent decades, risking dire consequences for marine life and humanity.

Ocean dead zones with zero oxygen have quadrupled in size since 1950, scientists have warned, while the number of very low oxygen sites near coasts have multiplied tenfold. Most sea creatures cannot survive in these zones and current trends would lead to mass extinction in the long run, risking dire consequences for the hundreds of millions of people who depend on the sea.

A fisherman on a beach in Temuco, Chile that is blanketed with dead sardines, a result of algal blooms that suck oxygen out of the water. Photograph: Felix Marquez/AP

Climate change caused by fossil fuel burning is the cause of the large-scale deoxygenation, as warmer waters hold less oxygen. The coastal dead zones result from fertiliser and sewage running off the land and into the seas.

This sobering view of the "suffocating" ocean was described in a new study, published in the journal Science. The study Declining oxygen in the global ocean and coastal waters is the first to present such a comprehensive evaluation of ocean oxygen depletion and its causes. And less oxygen in the ocean doesn't just spell trouble for marine plants and animals — it could carry serious repercussions for life on land as well, the researchers cautioned.

The analysis states: “Major extinction events in Earth’s history have been associated with warm climates and oxygen-deficient oceans.” Denise Breitburg, at the Smithsonian Environmental Research Center in the US and who led the analysis, said: “Under the current trajectory that is where we would be headed. But the consequences to humans of staying on that trajectory are so dire that it is hard to imagine we would go quite that far down that path.”

“This is a problem we can solve,” Breitburg said. “Halting climate change requires a global effort, but even local actions can help with nutrient-driven oxygen decline.” She pointed to recoveries in Chesapeake Bay in the US and the Thames river in the UK, where better farm and sewage practices led to dead zones disappearing.

However, Prof Robert Diaz at the Virginia Institute of Marine Science, who reviewed the new study, said: “Right now, the increasing expansion of coastal dead zones and decline in open ocean oxygen are not priority problems for governments around the world. Unfortunately, it will take severe and persistent mortality of fisheries for the seriousness of low oxygen to be realised.”
The oceans feed more than 500 million people, especially in poorer nations, and provide jobs for 350 million people. But at least 500 dead zones have now been reported near coasts, up from fewer than 50 in 1950. Lack of monitoring in many regions means the true number may be much higher.

The open ocean has natural low oxygen areas, usually off the west coast of continents due to the way the rotation of the Earth affects ocean currents. But these dead zones have expanded dramatically, increasing by millions of square kilometres since 1950, roughly equivalent to the area of the European Union.

**Waters where oxygen is lower than 2 milligrams per litre**

![Map showing low-oxygen zones](https://example.com/map.png)

Low-oxygen zones are spreading around the globe. Red dots mark coastal locations where oxygen has plummeted to 2 milligrams per liter or less, and blue areas mark zones with the same low-oxygen levels in the open ocean. Source: Global Ocean Oxygen Network / Live Science

Furthermore, the level of oxygen in all ocean waters is falling, with 2% – 77bn tonnes – being lost since 1950. This can reduce growth, impair reproduction and increase disease, the scientists warn. One irony is that warmer waters not only hold less oxygen but also mean marine organisms have to breathe faster, using up oxygen more quickly.

There are also dangerous feedback mechanisms. Microbes that proliferate at very low oxygen levels produce lots of nitrous oxide, a greenhouse gas that is 300 times more potent than carbon dioxide.

In coastal regions, fertiliser, manure and sewage pollution cause algal blooms and when the algae decompose oxygen is sucked out of the water. However, in some places, the algae can lead to more food for fish and increase catches around the dead zones. This may not be sustainable though, said Breitburg: “There is a lot of concern that we are really changing the way these systems function and that the overall resilience of these systems may be reduced.”

The new analysis was produced by an international working group created in 2016 by Unesco’s Intergovernmental Oceanographic Commission. The commission’s Kirsten Isensee said: “Ocean deoxygenation is taking place all over the world as a result of the human footprint, therefore we also need to address it globally.”

Lucia von Reusner, campaign director of the campaign group, Mighty Earth, which recently exposed a link between the dead zone in the Gulf of Mexico and large scale meat production, said: “These dead zones will continue to expand unless the major meat companies that dominate our global agricultural system start cleaning up their supply chains to keep pollution out of our waters.”
Diaz said the speed of ocean suffocation already seen was breathtaking: “No other variable of such ecological importance to coastal ecosystems has changed so drastically in such a short period of time from human activities as dissolved oxygen.”

He said the need for urgent action is best summarised by the motto of the American Lung Association: “If you can’t breathe, nothing else matters.”

[The Guardian]

LNG as a marine fuel: Tipping points, step changes, blizzards, and snowballs

04/01/2018
By Stephen Cadden, COO, and Steve Esau, General Manager of SEALNG

As we begin a new year, this feels like a natural point for reflection on the year that’s passed, as well as some projections for the 12 months ahead. One theme that pervaded every month of 2017 for the marine industry was 2020 – the 0.5% global sulphur cap looms large and has been the source of much debate and conjecture.

Although it could be argued that there remain more unanswered questions than definite answers, the momentum behind LNG as a viable, sustainable marine fuel is undeniable.

Orders

Despite an uncertain jigsaw when it comes to the future fuel matrix, prices, and availability, ship owners are continuing to bet on LNG’s potential by ordering LNG-fuelled vessels. A survey conducted by German trade fair organiser, Hamburg Messe and Congress revealed that 44% of respondents cited LNG as their first choice when contemplating newbuild orders. And evidence shows that this is being acted upon.

Today there are 119 LNG-powered vessels in operation with a further 125 on order. The passenger and cruise segment can be commended for leading the charge and stimulating the demand for LNG bunkers. A headline from Interferry 2017 – “From Ferry-tale to Reality” – captures this sentiment well! This trend continues with Carnival's seven newbuilds on order, plus newbuildings planned by Royal Caribbean and P&O Cruises, to give just a few examples.

But importantly, this confidence in the future of LNG as a marine fuel is now permeating other segments of the industry too, to cite a few examples; Teekay Offshore Partners has options for two Suezmax-sized, DP2 shuttle tankers, Van der Kamp has a dredger on order, and the OOS Zelandia – the world’s largest semi-submersible crane vessel – will also be LNG-fuelled. In the US, TOTE Maritime (TOTE), Matson, and Pasha Hawaii, have all announced LNG-fuelled newbuilds. And TOTE announced its partnership with MAN Diesel & Turbo for its retrofit of Alaska trade vessels.

However, what really marks a step change in the evolution of LNG as a marine fuel is that we are now seeing orders for deep sea shipping extending beyond ECAs, for example Sovcomflot has ordered six Aframax tankers, Siem has two transatlantic car carriers on order for charter to Volkswagen, Polaris Shipping confirmed orders for ten, LNG-ready very large ore carriers (VLOCs). Notably, 2017 culminated in a major announcement from CMA CGM, stating that it will power its nine ultralarge container ship newbuilds – due to be delivered from 2020 – with LNG delivered by Total. “LNG is the fuel of the future for shipping,” Rodolphe Saade, chairman and chief executive of CMA CGM was quoted as saying.

Like a game of chess, this decision by CMA CGM is so significant as it tips the balance for so many that may have – until now – been contemplating their next move, waiting to see how the largest industry actors will influence 2020 game
plans. Other container lines are now likely to follow suit, as volume brings investment, which expands infrastructure and stimulates supply chains. The snowball effect is inevitable.

**Infrastructure**

The lack of infrastructure is always top of the list for those citing the largest hurdles to uptake of LNG as a marine fuel. However, this argument is being steadily eroded and it's fair to say that 2017 represents a tipping point for LNG infrastructure. Indeed, one respected industry publication recently reported "a blizzard of LNG bunkering developments in 2017." And it certainly seems that way – of the world's top oil-bunkering ports, nine of the top ten (the exception being Long Beach) offer LNG bunkering or will do so by 2020.

LNG is now readily available in bulk at approximately 150 locations worldwide, and there is a huge bulk LNG infrastructure of regasification terminals and liquefaction plants globally. Of significance, this infrastructure is already well aligned with many deep-sea trade routes. It is the movement of LNG from bulk facilities to the ships, more commonly known as the 'last mile', where efforts are being concentrated to enable easy access to LNG as a marine fuel.

Ship-to-ship (STS) transfers are a much quicker and more efficient operation than jetty-side truck-to-ship (TTS) bunkerings, and by 2018 there will be six LNG bunker vessels in service globally, with four more projects confirmed. Gas4Sea has the Engie Zeebrugge, its Zeebrugge-based 5,000 m³ LNG bunker vessel that was delivered in April 2017 and the first LNG bunker vessel to enter into operation. In August 2017, Shell took delivery of the 6,500 m³ Cardissa, an LNG bunker tanker that is being operated from Rotterdam. Shell has also announced a cooperation with Anthony Veder on the conversion of the Dutch shipowner's 7,500 m³ coastal LNG carrier Coral Methane into a bunker vessel, with plans for long-term charters of bunker barges serving the Amsterdam, Rotterdam, and Antwerp (ARA) region in North West Europe and the southeast coast of the US.

Skangas took delivery of a purpose-built LNG bunker vessel this summer – the 5,800 m³ Coralius. The Clean Jacksonville is North America's first ocean-going LNG bunker barge, with a 2,200 m³ fuel capacity. And Titan LNG will introduce its first LNG bunker vessel, the FlexFueler1 pontoon, in mid-2018 to enable the delivery of LNG fuel to vessels throughout the ARA region.

With the majority of LNG bunkering stations currently located in Europe, the region currently dominates the LNG bunkering market with a share of 85%. But with high marine trade and home to Singapore, the world's largest bunkering location; Asia-Pacific is expected to catch up quickly. Ports play a crucial role in facilitating this uptick in confidence, not only in relation to infrastructure, but also through incentives. This year, for example, the Maritime and Port Authority of Singapore (MPA) commenced its LNG bunkering pilot project, which provides various companies grants of up to S$2 million per LNG-powered vessel constructed; and in Japan, the Yokohama-Kawasaki International Port has initiated an ambitious LNG bunkering programme.

**Future-gazing**

Looking ahead, the supply side is gearing up significantly and we are seeing announcements for investments in the next tier of bunker vessels, focused on NW Europe, the US East Coast, China, and Korea. ENN Group, for example, has announced plans to develop an LNG bunkering hub at Zhoushan, near Shanghai, which includes plans for an 8,000m³ LNG bunker-supply ship. The Wärtsilä built Tornio Manga LNG terminal project in Northern Finland also has plans to provide bunkering for LNG fuelled ships visiting the northern Baltic Sea waters. And with increasing bulk LNG supply capacity from Qatar, the US, Australia, and Russia, new entrants and pressure from existing buyers for more flexible, shorter-term contracts are likely to stimulate the emergence of a more liquid LNG market.
On the regulatory side, we are seeing a push to develop uniform bunkering standards, informed by the work our partner association, the Society for Gas as a Marine Fuel (SGMF), is doing. Striving for harmonisation of regulations on a global level is critical to the long-term success of LNG. Ports, for example, are learning from early adopters, such as the Ports of Rotterdam and Jacksonville, and sharing knowledge and best practice to create uniform local regulation.

The global 0.5% Sulphur cap provides immediate impetus for the development of LNG as a marine fuel, but as new Emission Control Areas (ECAs), with far tighter local emissions limits, emerge, this stimulus will increase further. ECAs are being considered in areas including the Mediterranean, the Strait of Malacca, Central America, Japan, and Australia. And China is taking a phased approach to the introduction of full ECAs by regulating the Sulphur content of fuels at four locations around their major ports. The introduction of new ECAs supports local and regional uptake of LNG as a marine fuel, and longer term, bunkering infrastructure established in the ECAs is likely to emerge as key hubs for the deep-sea shipping space.

We know that ship owners are looking for certainty on LNG supply and infrastructure, and those developing the infrastructure are looking for people to order LNG-fuelled ships. With so many examples of tipping points and step changes for LNG in terms of both newbuilding orders and infrastructure developments throughout 2017, it seems that the blizzard of change will continue through 2018, with a snowball effect that's gathering momentum apace towards 2020 and beyond.

As an organisation, SEA\LNG has grown from 13 founding members to more than 30, representing the entire marine LNG value chain, uniting key players including shipping companies, classification societies, ports, major LNG suppliers, downstream companies, infrastructure providers, shipyards, and OEMs. We are proud that our members have been at the forefront of developments during 2017, which will no doubt continue through 2018 and the years ahead.

[SEA\LNG / Ship & Bunker]
**Nuevo estándar**

El representante de la firma china CREC, Yang Jinjun, destacó que la compañía “cuenta con una vasta experiencia en el desarrollo de grandes proyectos ferroviarios y nos enorgullece poder aportar al desarrollo del área de infraestructura del transporte público en Chile, país que tiene un enorme potencial en este ámbito”.

El gerente general de TVS, Álvaro González, destacó que el tren “instalará un nuevo estándar de tecnología ferroviaria en el país”, una alternativa que "reduciría significativamente la congestión y la contaminación y que nos traería de vuelta al modo ferroviario nuevamente como protagonista de la movilidad en Chile.”

El tren con capacidad para 890 pasajeros recorrería ambas ciudades en menos de 45 minutos, a una velocidad promedio de 200 kms/h. El recorrido contaría con cuatro estaciones, ubicadas en Valparaíso, Viña del Mar, Casablanca y Santiago. Además, el tren también funcionaría como transporte de carga, constituyendo una alternativa para las crecientes necesidades de los puertos.

**No es nuevo**

Con todo, hay que recordar que la idea de conectar Santiago con la V Región a través de un tren rápido no es para nada nueva. En la última década han salido a la luz pública varios proyectos de este tipo sin nada muy concreto.

En mayo de 2016, se informó sobre un estudio de prefactibilidad que encargó la propia Empresa de Ferrocarriles del Estado, el cual contemplaba tres hipotéticos trazados. Aunque esos tres escenarios posibles tenían costos diferentes, la obra se estimaba en torno a los US$ 3.000 millones con una expectativa de materialización para 2032.

Pero el estudio concluyó que a corto plazo no convendría concretar la construcción de un tren de estas características, pese a que desde el punto de vista técnico podría estar listo en 2026, según informó Emol en mayo de 2016.
"El Ministerio de Desarrollo Social exige que una inversión pública alcance una rentabilidad social del 6% como mínimo. Si el tren se inaugura antes del año 2032, la tasa de retorno sería inferior. Sólo a partir de entonces comenzaría a tener retornos aceptables", dijo en esa oportunidad el economista de transportes Ian Thomson, tras leer el informe.

**No es prioridad**

La construcción del tren Santiago-Valparaíso no está dentro de las prioridades de la Empresa de Ferrocarriles del Estado (EFE), pero sí el que va a Melipilla. Aunque disminuyó su rentabilidad social luego que el cálculo de costos se elevara desde US$ 1.100 millones a US$ 1.500 millones, el proyecto está en etapa de ingeniería de detalle y consulta ciudadana.

En conversación con Diario Financiero, Germán Correa dijo en junio pasado que el objetivo de la estatal es viabilizar este trayecto empalmándolo con el corredor ferroviario portuario que espera unir Santiago con San Antonio y Valparaíso, lo que subvencionaría el servicio de pasajeros.

La inversión conjunta, que será concesionada, podría oscilar entre US$ 3.200 millones y US$ 3.600 millones. "Lo que viabiliza un transporte de pasajeros hacia Melipilla y eventualmente hacia Valparaíso es que esté en un mismo proyecto con transporte de carga y eso es lo que estamos desarrollando", aseguró Correa en esa oportunidad. [Diario Financiero]

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**Terminal operators Malaysia: Westports throughput decreases 1 million TEU in 2017**

04/01/2017
Westports Holdings, a port operator located in Port Klang along the Straits of Malacca, has recorded a fall of almost 1 million TEU in annual container throughput after reaching nine million TEUs for 2017.

The fall for the 12-month period ended Dec 31, 2017 is largely due to changes in the carrier alliances that took hold in April, which have knocked the container volumes down from an all-time high of 9.95 million TEU in 2016.

In its last financial results announcement in November, Ruben Emir Gnanalingam, the Chief Executive Officer of Westports stated: “The container shipping industry has just gone through an unprecedented recalibration and realignment processes which affected almost all major liners.”

“The industry’s recent mergers and acquisitions have affected our container volume handled, especially of transshipment boxes, and Westports have now transitioned successfully towards serving new services under Ocean Alliance and THE Alliance.”

[Port Technology International]

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**Container shipping: World Container Index - 04 Jan 2018**

04/01/2018
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 up by 16.4% to $1410/40ft container.

Two-year spot freight rate trend for the World Container Index:
The composite index is up by 16.4% this week and down 22.5% from the same period of 2017.

The average composite index of the WCI, assessed by Drewry for year-to-date, is US $1,410/40ft container, which is $177 lower than the five-year average of $1,587/40ft container.

Freight rates on Shanghai-Los Angeles have boosted by $305 this week to reach $1,471, and rates on Shanghai-New York surged by $502, to reach $2,453 for a 40ft box. Spot rates on this trade are expected to remain stable until the Chinese New Year holidays. The World Container Index (WCI), assessed by Drewry on the Shanghai-Genoa route, gained $216 from last week, to reach $1,406 for a 40ft box. Similarly, rates on Shanghai-Rotterdam increased to $1,685 from $1,502 for a 40ft box.

Our latest freight rate assessments on eight major East-West trades:
Indonesia should relax restrictions on cabotage if it wants to recapture direct calls by shipping lines on major trade lanes, according to the Paris-based OECD.

The study The Impact of Mega-Ships: The Case of Jakarta, prepared by the OECD’s International Transport Forum (ITF), says restrictive cabotage laws undermine the attractiveness of Indonesian ports as direct ports of call for shipping lines.

Jakarta's Port of Tanjung Priok used to be a direct port of call on Asia-Europe services and an important transhipment hub. But the port's draft restriction of 14 meters (46 feet) during a period of increasing vessel sizes meant that by 2015 it lost all of its direct calls on major trade lanes.

**Number of liner services calling in the port of Tanjung Priok**

<table>
<thead>
<tr>
<th>Route</th>
<th>21-Dec-17</th>
<th>28-Dec-17</th>
<th>04-Jan-18</th>
<th>Weekly change (%)</th>
<th>Annual change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite Index</td>
<td>$1,195</td>
<td>$1,211</td>
<td>$1,410</td>
<td>16% ▲</td>
<td>-23% ▼</td>
</tr>
<tr>
<td>Shanghai - Rotterdam</td>
<td>$1,494</td>
<td>$1,502</td>
<td>$1,685</td>
<td>12% ▲</td>
<td>-24% ▼</td>
</tr>
<tr>
<td>Rotterdam - Shanghai</td>
<td>$857</td>
<td>$857</td>
<td>$867</td>
<td>1% ▲</td>
<td>42% ▲</td>
</tr>
<tr>
<td>Shanghai - Genoa</td>
<td>$1,081</td>
<td>$1,190</td>
<td>$1,406</td>
<td>18% ▲</td>
<td>-34% ▼</td>
</tr>
<tr>
<td>Shanghai - Los Angeles</td>
<td>$1,154</td>
<td>$1,166</td>
<td>$1,471</td>
<td>26% ▲</td>
<td>-30% ▼</td>
</tr>
<tr>
<td>Los Angeles - Shanghai</td>
<td>$533</td>
<td>$481</td>
<td>$482</td>
<td>0%</td>
<td>-4% ▼</td>
</tr>
<tr>
<td>Shanghai - New York</td>
<td>$1,954</td>
<td>$1,951</td>
<td>$2,453</td>
<td>26% ▲</td>
<td>-22% ▼</td>
</tr>
<tr>
<td>New York - Rotterdam</td>
<td>$506</td>
<td>$508</td>
<td>$505</td>
<td>-1% ▼</td>
<td>11% ▲</td>
</tr>
<tr>
<td>Rotterdam - New York</td>
<td>$1,748</td>
<td>$1,824</td>
<td>$1,989</td>
<td>9% ▲</td>
<td>11% ▲</td>
</tr>
</tbody>
</table>
With its huge population and strategic location at the heart of the Association of Southeast Asian Nations (ASEAN), Indonesia has high growth potential but achieving this potential is hamstrung by its underdeveloped ports and shipping sector.

Attracting calls by larger vessels, which the administration in Jakarta believes will result in the reintroduction of direct calls on major trade lanes, is an important part of current policy and work to develop the sector. France’s CMA-CGM reintroduced a direct call on its Asia-Europe service when the alliance networks were reset in April of 2017.

“Considering the desire to attract direct calls from large container ships to Jakarta – and other Indonesian ports – it would be advisable to formulate an exemption from cabotage laws for [large container ships],” the ITF study notes.

Tanjung Priok is in the middle of a major two-phase redevelopment that includes widening and deepening the access channel and creating new berths with a draft of 16 meters. A consortium comprising Japan’s Mitsui Corporation and NYK Line and Singapore’s PSA International was granted the concession to operate the first terminal at the New Priok Port development.

The ITF study notes that the new infrastructure makes the port more attractive for large intercontinental container services but also that the resumption of such services will ultimately depend on the decisions of the alliances and ocean carrier companies.

“The economic viability of routes including Indonesian ports could depend on the possibility to deliver domestic cargo between ports in Indonesia. [Shipping lines] would probably like to include several ports in Indonesia in their routes, for instance those linking Chinese Taipei and Australia.”

Reducing port congestion and cargo dwell time at ports across the country is also noted as an important part of the effort to secure direct calls.
Tanjung Priok has had significant problems with congestion in the past. Cargo dwell times are longer than at most other major ports in Southeast Asia and can be up to twice as long as some, such as Port Klang in Malaysia and Thailand’s Port of Laem Chabang.

**Container dwell times in yard at the Jakarta International Container Terminal, [2014 – 2015]**

![Graph showing container dwell times in yard at the Jakarta International Container Terminal (2014-2015)](source: ITF: The Impact of Mega-Ships: The Case of Jakarta [09 Dec 2017])

A 2017 study by the Japan International Cooperation Agency (JICA) found serious shortcomings with existing operations at Tanjung Priok and concluded that chronic traffic congestion around the port was adding significant costs to the supply chains of beneficial cargo owners (BCOs).

BCOs in the Jakarta area were forced to hold excessive inventories to safeguard against disruption to supply chains, it said, and logistics companies often needed to operate at night when port access roads are less clogged, adding costs to supply chains.

The New Priok Port is expected to have some positive impact on congestion levels and dwell times but additional measures, such as new dry ports and better-linking roads in the Jakarta hinterland, are also recommended by the ITF.

Jakarta sees successful development of the ports and shipping sector as key to reducing logistics costs as a percentage of GDP and therefore critical to the economic future of the country. Plans include the development of a high-capacity, low-unit-cost shipping network, linking the east and west sides of the archipelago, centered on the development of five hub ports supported by 19 feeder ports. A specific aim is to win back Indonesia-origin transhipment business — a sizeable portion of which is currently consolidated in Singapore.

However, progress has been slow in getting projects under way. Although the potential of Indonesia peaks a lot of interest among foreign investors, they routinely complain that the regulatory environment and other conditions are not yet in place to support required investment in projects.

The government is seeking roughly $7 billion from private sources to realize its plans.
Global port and free zone developer/operator DP World recently signaled its desire to invest in the country. DP World currently has just one Indonesia terminal in its global network, PT Terminal Petikemas Surabaya, located on the northern shore of eastern Java along the edge of Madura Strait, a facility in which it has a minority stake. At the end of 2017, the Dubai-based company signed a technical assistance contract with Jakarta to provide advice on the development of the Kuala Tanjung Greenfield port and logistics zone and Belawan port in North Sumatra. It said it wanted to pursue more projects and bring its expertise to support the government’s ambitions for the commercial maritime sector.

Favorable demographics, a highly strategic location, and underdeveloped port infrastructure means Indonesia is also a key destination for investments under China’s Belt and Road program. The Hong Kong-based port arm of Chinese-state entity China Merchants Group is developing a new container terminal at the Port of Batam that could provide an alternative to Singapore for transhipment operations on the Strait of Malacca.

Japan, too, is an active investor in Indonesia’s ports sector and recently signed a $1.04 billion loan agreement with Jakarta for the development of a new port at Patimban in West Java, about 140 kilometers (87 miles) to the east of capital.

The new port will primarily serve users east of Jakarta and in the province of West Java where there is a high concentration of automotive manufacturing and trading companies. Honda, General Motors, Hyundai, Isuzu, Suzuki, Nissan, Daihatsu, Toyota, Mitsubishi, and Proton all have operations within the catchment area of the new port, and vehicle-related cargo is expected to comprise over 60 percent of shipments.

The demand forecast carried out as part of the study for the funding indicates Patimban could eventually handle a 36 percent share of total Jakarta hinterland containerized cargo volumes and a 68 percent share of the region’s automobile-related shipment, with the balance handled by Tanjung Priok.

[Journal of Commerce]

Dry bulk shipping: Between 400 and 500 bulk carriers stuck at Asian coal ports

04/01/2017

Between 400 and 500 large dry bulk carriers are waiting to unload coal in Chinese waters as congestion at Asian coal ports builds up, according to the data from Thomson Reuters Erikson.

The ships are said to be idling outside Shanghai, Ningbo and in the Gulf of Zhili, serving the ports of Tianjin, Coafeidian, Qinhuangdao and Bayuquan. The figure has jumped sharply from over 100 loaded ships that were reported to be stationary off the southern and eastern coasts of China as at October 31, as informed by Platts back in November 2017.

Delays have also been reported at ports in Indonesia’s Kalimantan island as a result of huge rainfall. Specifically, around 100 bulkers, predominantly located at Samarinda and Taboneo, are pending loading of their cargo, Reuters reported, with some of them waiting for over two months.

The bottlenecks were reported first at the beginning of 2017 and are spilling over into the new year. The delays and congestion have seen coal prices shoot up supported by the insatiable appetite for the commodity from China and India.

The surge in idle vessel numbers comes on the back of the introduction of restrictions on coal imports at a number of China’s major ports, including Guangzhou, Xiamen and Zhoushan, in late August. Tough market conditions are likely to persist until the Chinese New Year in February.

[World Maritime News]
A recent public speaking trip through Asia discussing the ongoing developments within the China Belt Road Initiative (BRI) exposed a number of interesting themes, one of which is the increasing influence Myanmar is having on the BRI.

Most discussion within the maritime, oil and gas and rail sectors focused on the growing improvements in rail infrastructure and the potential that this will be a significant disruptor to trade, logistics and supply chain within the region.

Taking a look at the overall changes that potentially impact on those countries and ports that have built strength around maritime expertise, it is plausible to argue that they would need to start planning for a different future. Besides the cyclical shipping downturn affecting the likes of Singapore and Hong Kong, the BRI program points to a return to a new and changed normal business in the next couple of years. The new order is structurally changing the nature of the business, and a number of these are underpinned by the BRI that will have consequences, intended or otherwise. Whilst most focus is on five major initiatives under the banner of the BRI, little attention has been paid to two programs that have been under the radar so to speak.

The most spoken about projects are:
- Railway to London
- Gwadar Port in Pakistan
- Railway super hub in Iran
- Asia gas pipeline
- Khorgos Gateway in Kazakhstan

Whilst these projects will influence the nature and introduce a new multimodal mix for logistics and transport in the trade between China and the west, they are often analysed from the point of view of why the BRI will not work. For example, the objective by China to gain clear access to the Indian Ocean was encapsulated by the Gwadar Port / Pakistan – China economic corridor. Geopolitical issues involving Kashmir and India pointed to this corridor being disrupted and an example of why China has been overly ambitious. Furthermore, India’s freedom corridor with Japan is seen as a direct challenge to the Bangladesh, China, India, Myanmar corridor (BCIM).

What is clear is that the current set up has essentially created two markets, namely Europe trade through Poland and Eastern Europe. Logistics providers are already claiming significant changes in trade between China and Russia through Khorgos and other infrastructure, such that they have now introduced a number of offerings to clients, these include Truck and Truck, Truck and Rail, Rail and Air. The modelling optimises cargo in terms of weight, dimensions, etc. For example FOB shipping by sea freight of project cargo to sites in Russia is 40-45 days as compared to new door-to-door delivery via Khorgos of 30 days. This is something that they would never have considered possible two years ago.

However when considering one of the strategic objectives driving the BRI is China’s energy security, often translated into bypassing the Malacca Straits by having convenient access to the Indian Ocean, India’s resistance to two important BRI corridors has opened opportunities for Myanmar. Myanmar is increasingly playing an important role, particularly through Rakhine’s Kyauk Phyu port / ocean access. This opportunity has come about by China’s ability to engage effectively with the Myanmar government and military. Using the principles within the BRI ‘people to people’ soft skills program, China has succeeded in progressing a peace settlement within Rakhine where the West had failed. The approach driven by constructive engagement as opposed to the talk of sanctions by the West has seen significant agreements around the Rakhine civil conflict such that China can now start talking openly about two initiatives, hitherto regarded as taboo.

This piece will not deal with the Trans-Asian Railway in much detail, other than to say it connects China with Vietnam, Cambodia, Laos, Thailand, Malaysia and Singapore. This establishes Chongqing as a major logistics transhipment /
connector hub, further relegating Singapore’s hub to Asia status and claims. The transhipment hubs receive block trains and then splits cargo to carry on secondary lines. The ambition is to get train freight times from the current 15 days from China to London, to six days within the next two years. This raises important questions for shipowners and managers that have seen volumes and value decline in recent years.

However, there has been an increase in diplomatic activity between China and Myanmar, culminating in a number of a strategic announcements over the last week, specifically the announcement of the China-Myanmar trade corridor. Some observers see this as a withdrawal from the original BRI BCIM corridor due to tensions between India and China. The corridor links the deepwater port of Kyauk Phyu with the CNPC refinery at Anning in China’s Yunnan Province. More importantly it reduces China’s energy security risks whilst at the same time gaining access to the Indian Ocean and bypassing the Malacca Straits.

Underpinning the importance of Myanmar to the success of this corridor is the $4.27bn refinery facility at Anning that can handle 13m tonnes of crude oil that is already connected via a pipeline that can deliver 22m metric tonnes of oil, along with the parallel gas pipeline that can deliver 13.5bn cubic feet of natural gas per year. Myanmar receives royalties of $14mn per annum, plus 2m tonnes of crude and 2.4bn cubes of natural gas. Furthermore, the facility is designed around receiving suezmax sized vessels, reducing the need for larger vessels and larger ports making it easier for more regular shipments out of the Middle East and East Africa.

Besides the already mentioned bypassing of the Malacca Straits, there is also a reduced journey distance of 1,200 nautical mile, reducing vessel steam time by about four days. With new rail and road running adjacent to the pipeline also opens the opportunities for product tankers to stop at Kyauk Phyu rather than sailing through the Malacca Straits.

China’s soft power initiatives in Myanmar and the Rakhine State seems to be delivering benefits, in contrast with the West’s approach that surrenders influence in a region holding strategic importance. It now seems inevitable that Myanmar will grant the deepwater port and SEZ development to China, despite community concerns that may be held. Once this happens, China will have secured its west coast, divided the US’s military capability in Asia and achieved a significant milestone in rebuilding the Chinese Dream.

[Splash 24/7]
India has made a step forward in enticing more investors to support the development of its port sector by simplifying its regulatory framework.

Namely, the Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved amendments to the Model Concession Agreement (MCA) which aim to make port projects more investor-friendly and make investment climate in the sector more attractive.

The amended agreement is intended to resolve pending problems in Public Private Participation (PPP) projects in the sector that accumulated over the past 20 years due to certain provisions in the existing MCA. The amendments have been finalized after extensive consultation with the stakeholders, the government said.

The revisions include providing an exit route to developers by way of divesting their equity up to 100 percent after completion of 2 years from the commercial operation date. Under the provision of additional land to the concessionaire, land rent has been reduced from 200 pct to 120 pct of the applicable scale of rates for the proposed additional land.

In addition, the concessionaire would pay a royalty on "per MT of cargo/TEU handled" basis which would be indexed to the variations in the WPI annually. This will replace the present royalty charging scheme which is equal to the percentage of gross revenue, quoted during bidding, and calculated on the basis of upfront normative tariff ceiling prescribed by Tariff Authority for Major Ports (TAMP).

“This will help to resolve the long pending grievances of Public Private Participation (PPP) operators that revenue share is payable on ceiling tariff and price discounts are ignored. The problems associated with fixing storage charges by TAMP and collection of revenue share on storage charges which has plagued many projects will also get eliminated,” the government said in a release.

Provisions aimed at improving the financial viability of the projects by facilitating the availability of low-cost long-term funds, redressal of disputes and introduction of a complaint portal have also been incorporated. A monitoring arrangement has been introduced as well for keeping a periodical status report of the projects.

Major ports in India recorded a year-over-year growth of 3.46 pct from April to November 2017, Indian Ministry of Shipping said. Ports handled 439.66 million tons of cargo during the period, compared to 424.96 million tons recorded during the corresponding period a year earlier.

Nine ports including Kolkata, Paradip, Visakhapatnam, Chennai, Cochin, New Mangalore, Mumbai, Jawaharlal Nehru Port Trust (JNPT) and Kandla registered positive growth. The highest growth was registered by Cochin Port (17.93 pct), followed by Paradip (13.13 pct), Kolkata – including Haldia – (12.64 pct), New Mangalore (7.07 pct) and JNPT (5.69 pct).

[World Maritime News]
Morocco’s ports agency (ANP) announced that it has earmarked 6 billion dirhams (about $650 million) over the 2018-2022 period, including 2.7 billion dirhams to be invested in 2018 in projects covering ports development and extension.

The agency’s board of directors said that the investments will focus on the extension of the ports of Casablanca and Agadir. These development projects will go hand in hand with the already launched upgrading of Casablanca’s fishing port and the extension of the ports of Essaouira as well as the works to achieve a multi-purpose port in Agadir.

The ANP expects a 6.7% improvement in the volume of ports crossing with a capacity to handle 87.7 million tons. The ANP ascribes the increase to a rise in phosphates derivatives along with the surge of coal and the prospects of a meager crop year and the ensuing rise of wheat imports. The agency also expects the turnover for 2018 to reach around 1.8 billion dirhams, that is an increase of 6.7% compared to 2017.

[North Africa Post]

**Port development Oman: Saudi Arabia to provide $210 million grant for upgrading Duqm**

04/01/2018

Oman has accepted a $210 million grant from Saudi Arabia to fund two projects at its flagship Arabian Sea port of Duqm, a rare agreement between two countries that often differ on some of the Middle East’s biggest disputes.

The funding, to be provided by the Saudi Development Fund, will finance a 61-million-rial ($158 million) fishing facility and a road costing 20 million rials, state-run Oman News Agency reported Thursday. Oman wants to develop Duqm into a major hub, and is building a 230,000 barrel per day oil refinery there with Kuwait.

Muscat rarely takes handouts. The Gulf Cooperation Council offered it a $10 billion aid package following protests in 2011, but it’s not known how much, if anything, was disbursed. Following reports of a 1-billion-dirham grant by the United Arab Emirates in 2014, Oman’s foreign minister said his country had “never asked for it.”

“This grant comes within the framework of developing economic cooperation between the two countries” and programs to develop the GCC, Omani Finance Minister Darwish Al Balushi said. The Saudi fund also set aside $150 million to finance Omani small- and medium-sized enterprises.

Muscat hosted secret negotiations that led to the 2015 nuclear agreement between world powers and Saudi Arabia’s arch-nemesis Iran. It has also refused to take sides in Riyadh’s war in Yemen and boycott of Qatar.

[Bloomberg]

**Oil & gas exploration Norway: Lawsuit seeking to curb Arctic oil drilling failed**

04/01/2018

By Mikael Holter, Bloomberg

Norway beat back an unprecedented lawsuit by environmental groups that sought to curb oil drilling in the country’s Arctic waters.
The government acted lawfully in awarding exploration licenses in the Arctic Barents Sea to companies such as Statoil ASA and Chevron Corp. in 2016, Oslo District Court said in a ruling on Thursday. The risk of environmental damage from the government’s decision is “limited and remedial measures are sufficient,” the court said, also ordering the environmental groups to pay 580,000 kroner ($72,000) in court costs.

The result “was as expected, in the sense that our view has been that there have been good processes with regards to the 23rd licensing round, in line with the legislation,” Norwegian Oil and Energy Minister Terje Soviknes said in an interview Thursday.

Greenpeace and Nature and Youth, a Norwegian environmental group, had sued the government, claiming it breached the constitution and acted contrary to the Nordic country’s commitment to fight climate change under the Paris Agreement. The group will decide later whether to appeal, Truls Gulowsen, head of Greenpeace in Norway, said in a message.

“Some issues that the environmental organizations have raised fall outside what was tried by the court,” according to the ruling. “Whether Norway is doing enough for the environment and climate, and if it was sensible to open fields so far north and east” are questions “better assessed through political processes,” the court said.

The lawsuit was the first of its kind in Norway and is part of a growing global trend of legal challenges against governments and companies for falling short on tackling climate change. Analysts said the suit was a long-shot, but that it could be a stepping stone to further legal challenges, which Greenpeace cited as one objective.

The courtroom battle unfolded against a backdrop of growing skepticism toward the oil industry and, especially, its Arctic exploration. The industry’s future took center stage in the campaign for Norway’s parliamentary election last year, as voters increasingly question whether it makes moral or even financial sense to keep exploring for more fossil fuels.
The country’s $1 trillion wealth fund, built from its offshore riches, last year proposed dumping oil and gas stocks to limit risks. Yet at the same time, Norway has pushed for more exploration in the Barents Sea, which is thought to hold half of the country’s undiscovered resources. The region is seen as key to limit a new drop in oil production in the middle of the next decade after it already fell by half since a 2000 peak.

[Bloomberg]

### Oil & gas exploration Brazil: State-run Petrobras to pay $2.95 billion settlement over U.S. corruption lawsuit

04/01/2018

On Wednesday, Brazil’s state-run oil major Petroleo Brasileiro SA (Petrobras) agreed to pay USD 2.95 billion, as a settlement to a US class action corruption lawsuit, according to Reuters.

The so-called “Car Wash” corruption involved state-run companies, as well as politicians, and concerned executives allegedly receiving bribes in return for awarding contracts to construction firms at inflated prices since 2014.

The payout is said to be the biggest of its kind in the US by a foreign entity. Although the settlement was reportedly smaller than predicted, it was an important milestone for the company in its effort to emerge from the scandal that led to accusations of two former presidents and dozens Brazilian corporate executives.

According to Reuters, this settlement will make Petrobras pay out more than six times what it has received under a Brazilian probe into bribery schemes that involved company executives and government officials. However, the company did not admit liability and said that it has only recovered USD 455.77 million for itself from the Car Wash investigation.

[GREEN4SEA]

[Bloomberg]

### Oil & gas exploration U.S.: Trump aims to open nearly all offshore waters to drilling

04/01/2018

By Valerie Volcovici

The Trump administration today proposed opening nearly all U.S. offshore waters to oil and gas drilling, a move aimed at boosting domestic energy production that sparked protests from coastal states, environmentalists and the tourism industry.

The effort to open previously off-limits acreage in the Atlantic, Arctic and Pacific oceans comes less than eight years after BP Plc’s Deepwater Horizon oil spill in the Gulf of Mexico - the largest in American history. The disaster caused billions of dollars in economic damage and led former President Barack Obama’s to increase regulation of the industry.

Interior Secretary Ryan Zinke said on Thursday the department’s draft National Outer Continental Shelf Oil and Gas Leasing Program for 2019 to 2024 would make over 90 percent of the outer continental shelf’s total acreage available for leasing to drillers, a national record.

That would reverse the Obama administration order placing 94 percent of the Outer Continental Shelf off limits to
"We want to grow our nation's offshore energy industry, instead of slowly surrendering it to foreign shores," Zinke said in prepared remarks. He said 25 of 26 planning areas on the Outer Continental Shelf will be considered for leasing, covering all U.S. coastlines. Proposed sales include 19 off the coast of Alaska, seven in the Pacific, 12 in the Gulf of Mexico and nine in the Atlantic Region. The last offshore lease sales for the East and West coasts were in the 1980s.

Alaska's North Aleutian Basin/Bristol Bay will be exempted after drilling was barred there by a previous executive order. Zinke said the proposal was just the start of a dialogue with local stakeholders and the plan was not final. The draft will be subject to a 60-day comment period.

The proposal marks a huge shift from previous policy. Weeks before leaving office, Obama banned new oil and gas drilling in federal waters in the Atlantic and Arctic oceans, protecting 115 million acres (46.5 million hectares) of waters off Alaska and 3.8 million acres (1.5 million hectares) in the Atlantic from New England to the Chesapeake Bay.

Trump in April ordered the Interior Department to overhaul the leasing schedule to promote increased drilling. At the time, low oil prices and soaring onshore production were curtailing demand for offshore leases, raising questions about the benefits of the move. Oil prices have since risen to around three-year highs.

Industry groups welcomed Thursday's announcement. "Expanding access to additional offshore reserves allows the United States to better understand where production potential exists and where capital should be invested," said Independent Petroleum Association of America senior vice president Dan Naatz.

**Oceans to oil fields**

But lawmakers from both parties, environmental groups, governors and local business leaders said they were opposed to any effort to open coastlines to drilling rigs, citing environmental risks and threats to lucrative tourism industries.

Florida Republican Governor Rick Scott said he is aggressively fighting to plan. "I have already asked to immediately meet with Secretary Zinke to discuss the concerns I have with this plan and the crucial need to remove Florida from consideration," he said.

Environmental groups described the plan as dangerous. “Trump's trying to turn our oceans into oilfields. His reckless plan would expose more wildlife and coastal communities to devastating oil spills," said Kristen Monsell, ocean program legal director at the Center for Biological Diversity.

Coastal tourism business groups were girding for a long fight against the proposal, which comes as the Gulf Coast recovers from the Deepwater spill. The plan would open the California coast where drilling opposition has been fierce since a major oil spill in the 1960s soiled popular beaches.

Frank Knapp, founder of the South Carolina Small Business Chamber of Commerce, accused the federal agency of favoring the oil and gas sector over the tourism sector. "What part of the business sector are they listening to? It’s certainly not small or coastal businesses," Knapp said.

The Defense Department has also raised concerns about opening drilling that had been banned off the eastern Gulf of Mexico, where military exercises are held.
Egypt's Suez Canal revenues rose to $5.3 bln in 2017 from $5 bln in 2016, a statement by the Canal authority said on Thursday.

The canal is the fastest shipping route between Europe and Asia and one of the Egyptian government's main sources of foreign currency. Its revenues were at $462.7 million in Nov. 2017.

Intermodal transport: Sea-rail steaming ahead of demand?

04/01/2018

By Vincent Wee

The value proposition of sea-rail intermodal connected ports in most major markets has thus far predominantly been based on faster transit times and a reduction in overall cost, especially holding and inventory cost, for shippers as a result of that.

But changing trade patterns, greater environmental concerns and the e-commerce phenomenon could change that dynamic significantly.

For example, Contship's La Spezia Container Terminal (LSCT) has crafted a niche position for itself to serve the landlocked Swiss market and boosted volumes on its flagship LSCT to Basel route from almost nothing in 2013 to an expected full-year number of almost 12,000 teu this year and increased the number of block trains from just one a week to three this year and five trains weekly from next year.

LSCT has boosted its volumes through this strategy and earlier this year passed the 1m teu mark for the first time. Its sights are set squarely on Asian volumes, especially time-sensitive, high value cargoes. Contship Italia marketing and corporate communications director Daniele Testi told Seatrade Maritime News that with an average five-day saving in transit times from Asia to Basel, high season and high value products are a good combination for LSCT.

Sharing statistics as at May 1, Testi said over 42% of LSCT’s total volumes are from the Far East and Southeast Asia. In terms of imports 74% of volumes come from Asia and about 30% of total import volumes go on to Contship's intermodal network.

Testi saw good prospects ahead, pointing to the expansion of the Suez Canal and the new Gotthard Base Tunnel linking southern and northern Europe as catalysts for increased intermodal volumes.

While there is potential to push the envelope on established rail logistics networks in Europe, the dynamic in Asia is very different. Major port operating groups such as PSA International see the medium’s potential and have recently tied up intermodal rail transport deals in India and China.

Recently, its Bharat Mumbai Container Terminals (BMCT) and Container Corporation of India (Concor) sealed a deal to launch dedicated shuttle trains running between BMCT and Concor's Rail Transhipment Hubs (RTH) at Kathuwasa and Jakhwada to consolidate rail-borne containers between BMCT and North and West India which will better utilize the rail network while offering better service to the lines.

PSA International last year also took steps to get into the China intermodal market, taking a 15% stake in China United International Rail Containers (CUIRC), the only global terminal operator with a shareholding in the company which has been mandated to develop and operate 18 railway container terminals in China.
The investment in CUIRC, which currently has 10 terminals in operation, is PSA’s first foray into the China container rail sector and complements and extends its network beyond its 11 coastal container terminals in Dalian, Fuzhou, Guangzhou, Tianjin, Dongguan, Lianyungang and Guangxi Beibuwan (Qinzhou).

“The CUIRC project is a game changer for PSA and fits into our overall strategy for China. With our current presence in major China gateway ports, PSA is well-positioned to develop synergies with CUIRC to grow integrated sea-rail intermodal operations across the world’s second largest economy,” Said PSA International group ceo Tan Chong Meng.

The potential however is currently overshadowed by the fact that the railway container sector in these two Asian giants is relatively undeveloped. Just 12% of JNP’s volumes go on to rail trains and China is even more undeveloped, with rail currently only carrying about 2% to 3% of the country’s seaport container volumes.

This compares unfavourably with other markets such as Europe and the US where the rail sector takes up 15% to 40% of container volumes.

The challenges vary between the different markets. Multiple competing options in Europe must be balanced against price and speed set amidst the backdrop of a wider Trans-European transportation policy.

Meanwhile China’s railway container sector potential has remained just that, despite the promise of ongoing initiatives such as the Belt and Road Initiative and Western Region Development Programme and progressive railway reforms.

[Seatrade Maritime News]

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**Intermodal transport Vietnam: Investment of US$881 million planned to develop inland container depots**

04/01/2018

Vietnam plans to invest VND20 trillion (US$881 million) to develop inland container depots close to railway networks and inland waterways by 2030. The government's plan calls for investment from the private sector.

The depots will be built in Hanoi-Lao Cai and Hanoi-Lang Son economic corridors, the economic zone in the southeast of Hanoi, the northeast of Ho Chi Minh city or in the Mekong Delta, reported VietnamNet Bridge.

The depots will have the capacity to handle four to 6.8 million TEU per year by 2020. It is expected that their capacity will be raised to 12-17.6 million TEU by 2030. Nineteen depots are likely to be completed by 2020, covering 580 to 755 hectares and up to 1,295 hectares in 2030.

The Ministry of Transport has been asked to work with local authorities and related agencies to make detailed plans, issue directives and manage the project. The government will prioritise depots at locations that connect with rail or inland waterways to develop multi-modal transport systems.

[Hong Kong Shipping Gazette]

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**Container shipping: Boxship orders increased 140% in 2017**

04/01/2018

By Linton Nightingale
A host of carriers returned to the yards in 2017 as the orderbook surged 139.5% year on year, new data shows.

Following a slowdown in newbuilding orders in 2016 in response to industry overcapacity, last year container shipping lines ordered 671,641 teu, after order cancellation adjustments, compared with 280,480 teu in the prior 12-month period, according to figures from Alphaliner. Of the 109 units ordered last year, as many as 83 vessels fell in the 3,000 teu and below size bracket.

Yet most striking was the 20 ships ordered in the 18,000 teu and above size range compared with none in 2016, as carriers, including MSC and CMA CGM agreeing contracts for 22,000 teu units, went big in the newbuilding stakes.

However, Alphaliner noted how orders in 2017 were still sparse in comparison to newbuildings contracted to the yards in 2015, when capacity representing more than 2.2m teu was ordered. This total included as many as 56 ships at or above 18,000 teu. “That year, many shipowners had rushed to place orders before the International Maritime Organization NOx Tier III requirements — which make ships notably more expensive to build — came into effect for vessels with a keel laying date after December 31, 2015,” said Alphaliner.

Even with the influx of orders last year, the orderbook-to-fleet ratio fell from its end year value in 2016 of 15.7% to its current level of 12.6%. The ratio fell on the back of nearly 1.2m teu of extra capacity leaving the ramp last year, which “clearly exceeded the aforementioned vessel ordering activity”, Alphaliner said.

Newbuilding deliveries in 2017 also represented a 26.6% jump on the previous year, when approximately 944,000 teu hit the water. Total deletions from the world container fleet reached 421,562 teu in 2017, down 35.8% compared with 2016’s record of 664,717 teu, according to Alphaliner.

The forecast for 2018 is for more of the same, with only a marginal increase in orders expected. “In 2018, orders are expected to increase marginally compared to last year’s total,” said Alphaliner. “A number of carriers, including HMM and Yang Ming, will likely place orders, while several non-operating owners remain keen to take on newbuilding projects at the current attractive price level.”

Meanwhile, deliveries are expected to rise to nearly 1.5m teu, while scrapping will pay a large part in about 350,000 teu of capacity being removed from the global fleet. “This would push container fleet growth to 5.6% in 2018, compared with a 3.7% growth recorded in 2017,” added Alphaliner.

[Lloyd's Loading List]

Container shipping: Hyundai Merchant Marine plans to double capacity by 2022

03/01/2018

By Elizabeth Landrum

Hyundai Merchant Marine (HMM) CEO Yoo Chang-Keun told his employees in a New Year statement that he plans to double the carrier’s vessel capacity by launching mega containerships by 2022.

Chang-Keun said HMM “achieved the 4 million-TEU milestone in annual lifting in 2017 from 3 million TEUs in 2016,” partially through acquiring operational rights of several terminals at key hub connecting East and West.

“I am convinced that these achievements have laid a solid foundation for our long-term plan where we continue to consider ways of doubling our vessel capacity by 2022 including the launching of mega containerships as we deem the environmental regulations in 2020 as a golden opportunity for our resurgence,” said Chang-Keun.

Industry experts have predicted protectionism and instability, said Chang-Keun, and in order to meet capacity goals, he issued several directives, including the launch of competitive products in the east-west trade lanes with expanded
coverage in Asia via the K2 cooperation; optimized vessel and terminal utilization; cost reduction in capacity handling; and IT advances fuel consumption and in the building of mega containerships.

The K2 consortium was formed earlier in 2017 with two smaller South Korean carriers - Heung-A Shipping and Sinokor Merchant Marine - for moving cargo within Asia. Also in 2017, HMM ordered two 11,000-TEU vessels and announced plans to issue rights to raise $620 million in October to add ships to its fleet and buy stakes in shipping terminals in North America and elsewhere.

HMM is the latest of several carriers to announce plans for increased capacity and mega containerships. Maersk Line, CMA CGM, MSC and MOL have already put vessels of 22,000+ TEUs into service, as other carriers scramble to keep up.

[American Shipper]

Port development China: Commerce minister backs plan for free-trade ports to further economy's opening-up

03/01/2018

By Daniel Ren

Shanghai is expected to be the first to gain approval for a free-trade port.

With China’s commerce minister Zhong Shan offering verbal support to building the country’s free-trade ports this week, Beijing’s renewed efforts to pick up the free-trade mantle could contain some substance this time.

To accelerate the opening-up of the Chinese economy, Zhong said greater freedom should be given to the local governments in running the free-trade zones, which would eventually be developed into free-trade ports. Zhong is the latest senior government official to throw his weight behind the ambitious plan to turn some of the mainland’s developed cities into Hong Kong-like international metropolises, following Vice-Premier Wang Yang’s calls to build the mainland’s own free-trade ports in November.

There will be some policy breakthroughs in this round of efforts to build free marketplaces on par with Hong Kong and Singapore, according to Chen Bo, a professor at Huazhong University of Science and Technology and an adviser to local governments including Shanghai on policymaking. “For Shanghai, it definitely aims at the highest international standards in developing a free-trade port,” said Chen.

Relaxed visa rules to facilitate foreign businesspeople’s stay in the mainland, lower taxes for businesses in line with international practices, expanded geographical size and freer cross-border capital flows were among the factors in the plan, the professor added.

Shanghai has spearheaded the move among its provincial-level counterparts to submit its plan to turn the existing free-trade zone (FTZ) into a free-trade port. Several local officials said a detailed action plan was likely be approved by the central government soon.

Shanghai unveiled its ambition to build its free-trade port early last year, after four years of running the city’s 120 sq km FTZ with little success. The limited geographical size of the FTZ and the snail pace in financial deregulation dented foreign companies’ interest in doing business and making investment in the once much-hyped zone.

A typical free-trade port allows goods and capital to flow in and out unhindered, without import duties being charged. Except for businesses listed on a “negative list”, all foreign investments can be made in the zone without going through the standard government approval procedures.

“The commerce minister’s statement is at least a positive message to businesses around the world that China wants to
Flags of convenience: 10 crewmembers missing after Sierra Leone-flagged freighter sunk after collision near Shanghai

03/01/2018

Late on Tuesday night, the 1,500 dwt freighter Chang Ping collided with the bulker Xinwang 138 at an anchorage near Shanghai's Wusong passenger terminal. The Xinwang suffered relatively minor damage, but the Chang Ping went down shortly after the accident.

A rescue boat arrived on scene within minutes of the collision and three of the Chang Ping's 13 crewmembers were rescued, but 10 more remain missing. A helicopter and 13 surface craft are involved in an ongoing search, and divers hope to search the wreck's hull if conditions allow. As of January 3, river currents were too strong to allow a dive team to enter the vessel.

"The freezing weather is threatening those stranded in the water. We will be speeding up during the first 72 golden hours," an official told Global Times.

SAR divers found a forty-square-foot hole in the vessel's hull, and authorities told Xinhua that with such a large penetration she would have gone down quickly. Unconfirmed reports from Chinese media indicate that the Chang Ping was preparing to get under way with a load of 5,000 tonnes of steel; if correct, this cargo would have exceeded her deadweight capacity. An investigation into the circumstances of the casualty continues.

Since 2106 the 1994-built Chang Ping was flagged under the flag of convenience of Sierra Leone and owned by SEA JOY SHIPPING LTD, Hong Kong. According to Equasis - the data base aimed at reducing substandard shipping - between 2009 and 2016 she was flagged under the flag of convenience of Cambodia.

CHANG PING - IMO n° 9109172

| Flag | (Sierra leone) |
| Call Sign | 9LU2536 |
| MMSI | 667001733 |
| Gross tonnage | 1464 |
| DWT | 1578 |
| Type of ship | General Cargo Ship |
| Year of build | 1994 |
| Status | In Service/Commission |

attract and retain them," said Frank Feng, the chief executive of a visa service firm. "Businesspeople are highly expecting some substantial liberalisations."

The mainland has 11 FTZs across the nation, including those in the more prosperous Guangdong, Zhejiang and Fujian provinces. Shanghai, which established the country's first FTZ in late 2013, is expected to be the first region to receive a nod from the central leadership to build a free-trade port. China also needs to take measures to offset the impact from US President Donald Trump's tax cut plan that aims to retain and attract foreign investment on the latter's home turf.

[South China Morning Post]
The Chang Ping is on the Black List of the Tokyo MOU and the Paris MOU. Between 2013 and 2016 she was detained four times in different ports of Japan and China for inspection deficiencies, including problems with the water/weather tightness of her deck covers. Her most recent inspection was on 30 Oct in Osaka, where Port State Control officials found issues with her watertight covers and main propulsion, among other issues. A previous inspection in July found problems with load lines, structural conditions, bulkhead corrosion and water/weather tightness of ventilation systems.

### Chang Ping deficiencies on 30 Oct 2017 in Osaka

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Source: Equasis

[Maritime Executive / Equasis]

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**Centroamérica: La región busca la mejor ruta logística**

03/01/2018

Por Pablo Balcáceres

Si alguna coincidencia existe en los países de Centroamérica es su ubicación envidiable como punto de conexión en el continente americano. Aunque hay otra coincidencia menos alentadora: el istmo no le está sacando todo el jugo a esa
condición ventajosa.

El despliegue de las fuerzas logísticas centroamericanas (por tierra, mar y aire) se ha visto limitado por un lento proceso de integración regional, aunque las condiciones para crear un sector robusto persisten, según los expertos.

En el triángulo norte de la región, las expectativas son grandes, ya que se está por concretar los primeros pasos de una Unión Aduanera entre Guatemala, Honduras y El Salvador.

Honduras está volcado en la ampliación de Puerto Cortés, en el Atlántico, en el que está invirtiendo $145 millones entre 2017 y 2018; por su lado, El Salvador busca una nueva fórmula para activar el puerto de La Unión, en el golfo de Fonseca, y prosigue la remodelación del aeropuerto internacional.

Más al sur, en Costa Rica la holandesa APM Terminals construye la terminal marítima de contenedores Moin, en Limón; y se discute la edificación del Aeropuerto Internacional Metropolitano en la municipalidad de Orotina, a unos 58 kilómetros de la capital San José.

Panamá es, por mucho, la nación con mayor músculo logístico de la región. Tras invertir más de $5,400 millones en ampliar la vía interoceánica alzó el vuelo la construcción de la terminal 2 del Aeropuerto Internacional de Tocumen, que costaría $800 millones y estaría operativa en 2018.

Pero a pesar de las ampliaciones e inversiones en nuevos proyectos los esfuerzos en la región son insuficientes. Los altos costos logísticos pueden representar hasta un 30 % del precio final de las mercancías, dice Lidia Fromm Cea, directora ejecutiva del Proyecto Mesoamérica, un organismo que reúne a los países de Centroamérica, México, Colombia, República Dominicana y Belice. Aunque la parte ejecutora recae en los gobiernos de estos países.

Entre los proyectos que la región ya emprende destacan el Corredor Mesoamericano de la Integración, que son dos carreteras que recorren desde el sur de México hasta Panamá. El corredor Pacífico, que tiene un largo de 3,244 kilómetros, y un avance del 66.7 %; y el Atlántico, 2,906 kilómetros, que lleva un 24 %.

“La visión debe ser integral y exige trabajo conjunto de varios ministerios e instancias en los países pues aunque construyamos un Corredor Mesoamericano de la Integración con cuatro carriles que permita agilizar el transporte de personas y mercancías, si las aduanas no son eficientes o si la carga demora 12 horas para descarga en el puerto, no será posible consolidar una logística eficiente”, observa.

Las fronteras más que un paso se han convertido en un obstáculo desde el punto de vista logístico, lamenta por su lado Fernando Romero, abogado y consultor de Praxis, en El Salvador.

Por vía terrestre se transa el 90 % de las mercancías en Centroamérica. Sin embargo, resulta desalentador que mover una tonelada por kilómetro vale un promedio de $0.17 en Centroamérica, más caro que los $0.13 de África y muy por encima de los $0.10 o menos que cuesta en las naciones más desarrolladas.

Una de las estrategias para mejorar el transporte terrestre sería tener claras las rutas. Centroamérica necesita centros de distribución con capacidad para atender 50 o 60 camiones de manera simultánea, equipados con tecnología de punta, propone Fromm Cea. Romero, de Praxis, añade que se necesita balancear mejor la facilitación comercial y el control en las aduanas de la región.

Al menos en materia logística también ha faltado más agresividad al negociar acuerdos comerciales. Un ejemplo es el Tratado de Libre Comercio con México, que deja por fuera a los transportistas.

“Si tratamos una mercancía que venga desde México a Costa Rica por vía terrestre, o viceversa, el primer paso que va a tener que pasar esa mercancía es Ciudad Hidalgo, en México, donde tienen que sufrir un trasiego. El cambio de furgón es obligado porque en el acuerdo quedó establecido que los transportistas mexicanos no pueden entrar a territorio centroamericano y nosotros tampoco podemos ir a territorio mexicano”, relata Romero.
Esperanzas por la integración

El convenio de unión aduanera que han suscrito Honduras y Guatemala, y al cual anunciaron su adhesión El Salvador y Nicaragua, cambiaría el rostro logístico de la región.

"En la unión aduanera el concepto de exportaciones se sustituye por transferencia de bienes y el de importaciones se reemplaza por adquisiciones. En lugar de una póliza de importación y exportación se usará una factura comercial que amparará el movimiento, denominada Fyduca, que quiere decir Formulario y Documentación Única Centroamericana", explica Rigoberto Monge, coordinador general de la Organización de Apoyo al Sector Productivo (ODASP) en El Salvador.

Cuando entre totalmente en operación, los efectos de la integración sobre el transporte de mercancías serán sensibles en la región. "Logísticamente nos conviene porque reduciría ese plazo transfronterizo que se hace tan complejo. Las colas en las fronteras no necesariamente han disminuido", valora, por su lado, Romero.

"Hay empresas regionales que deben manejar un inventario en cada país y toda la infraestructura que le implica. Si puedo mover la carga de un país a otro sin pagar adicionalmente entonces me conviene tener un único inventario y eso permite racionalizar los costos de distribución y venta", vislumbra Geoff Holbik, CEO de Aimar Group, operador logístico con presencia en Centroamérica.

De hecho, Aimar Group ya abrió una ruta entre San Pedro Sula y Guatemala con miras al nuevo escenario de integración. "Estamos listos para la Unión Aduanera, ya hicimos ensayos con nuestros camiones para ver cómo funcionaba y sí funciona", explica Holbik. Aimar Group sobresale por su presencia a escala regional. Anualmente moviliza unos 6,000 contenedores de carga, una cantidad sustancialmente mayor que hace unos cuatro años, la cual era de unos 1,500 contenedores.

A escala marítima hay otro efecto potencial: los puertos del Caribe guatemalteco y hondureño verían incrementada su competencia, sobre todo Santo Tomás y Cortés, que se encuentran a 100 kilómetros de distancia.

"Santo Tomás y Cortés van a tener que aplicarse. Con una unión aduanera ya no es importante por dónde entra la carga y las navieras pueden reducir sus costos deteniéndose en un solo puerto para descargar la mercadería", considera Aimar. Cada vez que un barco atraca en un puerto le significa costos que van desde los $30,000 a los $50,000, estima Holbik. Reducirlo beneficiaría a los precios que pagan los comerciantes.

Los exportadores salvadoreños resultarían beneficiados si ocurre este escenario, ya que por la falta de acceso propio al Atlántico deben transportar sus productos de salida hacia los puertos de sus países vecinos.

Región marítima

Un informe de Naciones Unidas señala que el año pasado el mundo movilizó unas 10,300 millones de toneladas por vía marítima, un crecimiento del 2.6 % comparado a 2015.

A escala mundial existe una tendencia de consolidación de navieras, en aras de reducir sus costos. Para los puertos de contenedores aumenta la presión debido al progresivo aumento del tamaño de los buques, plantea el Informe sobre Transporte Marítimo de la Conferencia de las Naciones Unidas sobre Comercio y Desarrollo (UNCTAD).

En el istmo, el Canal de Panamá destaca por su valor estratégico, pues manejó casi 200 millones de toneladas largas durante el año fiscal 2017, según cifras de la Autoridad del Canal de Panamá. De este flujo, cerca de 4.1% fue carga centroamericana.

Unas 8.3 millones de toneladas largas centroamericanas transitan a través de la vía interoceánica, de las cuales el 82% va desde el Pacífico centroamericano al Atlántico y un 18% en dirección contraria. Desde los puertos del Pacífico centroamericano que atraviesan el canal panameño, casi un 34% va hacia la costa oeste estadounidense y 23.5%, a Europa.

Sin embargo, el tránsito hacia Europa hace escala en Kingston, Jamaica, a donde recalan los barcos con mayor
capacidad, describe Romero, de Praxxis.

Los puertos en el resto del istmo realizan inversiones para recibir barcos con más capacidades y no quedarse atrás. De momento, en Centroamérica solo Panamá posee un puerto apto para recibir a buques Post Panamax Plus, con capacidad de 14,000 TEU. El TEU es la medida de un contenedor de 20 pies.

En 2018 se espera que el costarricense Moín, en Limón, se sume al juego de los Post Panamax Plus. Para tal efecto, APM Terminals efectúa una inversión que asciende a unos $1,000 millones.

El próximo año también será clave para Puerto Cortés, en Honduras, pues la Operadora Portuaria Centroamericana (OPC) prevé inaugurar un muelle para atender a barcos Super Post Panamax, con capacidad de 9,000 TEU.

“También hay otras inversiones importantes en puertos de Guatemala tanto en Santo Tomás de Castilla como en Puerto Quetzal”, indica Romero.

El Salvador ha venido intentando fortalecer su presencia portuaria en el Pacífico. Nelson Vanegas, presidente de la Comisión Ejecutiva Portuaria Autónoma (CEPA), dice que esta institución que administra las terminales marítimas y aéreas salvadoreñas sometió a inicios de noviembre un nuevo proyecto de concesión del Puerto de La Unión Centroamericana, construido en 2008.

Uno de los cambios más relevantes pasa por eliminar la obligación de que se desarrolle un puerto exclusivamente de contenedores y ahora se volverá “multipropósito”.

“Queremos que el inversionista venga y haga su propio desarrollo del negocio: algunas modalidades son el sistema de servicios portuarios, estamos hablando de servicios a los contenedores, a los buques directamente, que no hay desde México hasta Panamá, como Aeroman nada más que a nivel portuario. Otra modalidad puede ser desarrollar el puerto para la industria pesquera”, ejemplifica Vanegas.

A esta apuesta se le acompañará con un marco legal para impulsar una área económica especial de la zona sur oriental, que facilite el establecimiento de las inversiones cercanas. De momento, el puerto de Acajutla, al suroeste del país, se mantiene como la terminal marítima más estratégica para CEPA, con un movimiento anual de unas 4.7 millones de toneladas (que fue lo que programaron para este año).

“Debemos incorporarnos como puerto de Acajutla como nodo de recepción y despacho para carga de Honduras y Guatemala rumbo a Asia, a la costa oeste de Estados Unidos y a Suramérica, también podemos ser una opción para atender el rebalse de puerto Quetzal, en la zona sur de Guatemala”, dice Vanegas.

En El Salvador el Aeropuerto Internacional Mons. Óscar Arnulfo Romero y Galdámez se prospecta como uno de los mejor posicionados para fortalecerse, dada su ubicación geográfica. En la actualidad CEPA ya entregó los trabajos de ampliación de cuatro salas de espera y prepara una nueva emisión en el mercado de valores antes que finalice el año para financiar cinco puentes de abordaje, en una primera fase, y posteriormente se añadirán seis más.

Para 2019 se espera que el aeropuerto salvadoreño tenga capacidad para atender a unas 3 millones de personas anualmente, justamente la cifra de pasajeros que ya transitan por dicha terminal aeroportuaria.

“También vamos a agregar tres posiciones de fuselaje ancho. Actualmente hay una, queremos abrir una nueva posición en la terminal actual y con la ampliación del aeropuerto vendría una más”, relata Vanegas.

Un estudio del Banco Interamericano de Desarrollo (BID) estima que los países centroamericanos necesitan invertir casi $3,000 millones para modernizar los aeropuertos en la región.

Tocumen necesita inversiones por unos $1,300 millones, mientras que la construcción de un nuevo aeropuerto metropolitano en la provincia de Alajuela, en Costa Rica, requeriría unos $1,000 millones más, según el BID.
Visión hacia el futuro

Los jugadores del sector logístico tienen claro que el comercio internacional es cambiante y hay que seguir el paso. Así le sucede a Panamá con sus vecinos más próximos de Suramérica, por ejemplo.

“En 17 o 18 años el mercado ha cambiado al ritmo que se mueve el mundo. Por ejemplo, ha bajado mucho el flujo que había desde Panamá hacia el Caribe, la Zona Libre de Colón siempre había sido el punto de concentración de carga hacia ese mercado, entonces Panamá ha tenido que cambiar el switch”, dice Dorita de Bolaños, directora comercial de AD Transport Solutions, una empresa de Grupo Corporación Domi.

Corporación Domi se dedica al sector de transporte y logística, por lo que su fuerte es la diversificación, además de la capacitación y consultoría. La compañía también utiliza las redes sociales para divulgar los itinerarios hacia Estados Unidos. Con esta información llega a los empresarios que consolidan carga o envían contenedores completos hacia ese mercado.

Si el transporte de mercancías en la región ya es complicado para las grandes empresas, para las pymes lo es aún más, debido a que no alcanzan las economías de escala.

La Promotora de Comercio Exterior de Costa Rica (PROCOMER) está dando un empujón logístico a sus pymes para exportar y subirse a la nueva ola de comercio electrónico mundial. La iniciativa incluye el proyecto de disponer de un centro de distribución en Miami para que las empresas costarricenses hagan sus envíos en el mercado estadounidense.

“Se comenzó a implementar el año pasado y más fuerte este año”, explica Erick Mora, analista económico de PROCOMER.

Por su lado, Holbik, de Aimar Group, expone que, para ser sostenible, cualquier proyecto de mejora logística como la unión aduanera no debe olvidarse de la población de las zonas fronterizas.

“Las fronteras viven del tránsito, hay personas que no tienen empleo y se crean el trabajo, hay un número de tramitadores relacionados que cambian el proceso cuando quieren. Se tienen que eliminar las fronteras, pero también se tienen que atender las fronteras desde el punto de vista social”, propone Holbik.

• 200 millones de contenedores movió el Canal de Panamá el año fiscal 2017.

• 90% de las mercancías en Centroamérica transita por vía terrestre.

• $3,000 millones de inversiones requieren los aeropuertos en el istmo.

Evaluaciones en marcha

• Lidia Fromm Cea, directora ejecutiva del Proyecto Mesoamérica, que comprende a los países de la región, México, Colombia, República Dominicana y Belice, señala que en la actualidad, la región trabaja en una Política Marco Regional de Movilidad y Logística Centroamericana. “En marzo de este año se giraron instrucciones para elaborar una a escala mesoamericana. Por otro lado, en los próximos meses será accesible el Sistema de Información Geográfica (SIG) de Mesoamérica, el cual arrojará información relevante sobre la infraestructura logística”, agregó.

• Asimismo, a través de varios estudios en los que colaboran han detectado que la región tiene un potencial de transporte marítimo de corta distancia, con una radiografía de 49 puertos en la región, 10 tramos factibles de recorrido ferroviario y un corredor turístico de 1,446 kilómetros, con ramales que suman 4,255 kilómetros.

• Los puertos de la región centroamericana ejecutan inversiones para recibir navíos de mayor tamaño.

[El Economista]
Oil & gas exploration Malaysia: PETRONAS forecasts up to 50 projects for 2018-2020

03/02/2018

The new year brought some good news for Malaysian oil and gas (O&G) companies with Petroliaam Nasional (PETRONAS) announcing about 50 projects between 2018 to 2020.

The national oil company said in its PETRONAS Activity Outlook 2018-2020 there would be about 20 greenfield and 30 brownfield projects, and out of this, all the greenfield projects will have completely new facilities developed while 10% of the brownfield projects may need new facilities. In terms of segment prospects, 30% of the new projects will be for oil while 75% of the brownfield projects have the potential to yield more oil.

With about 100 awarded contract areas operated by 26 petroleum arrangement contractors, led mainly by the national company's E&P arm PETRONAS Carigali, which operates 60% of total Malaysian assets, there would appear to be quite a lot of work to go around, especially for PETRONAS Carigali subcontractors.

There was however also a warning that closer cost control and austerity is here to stay. The report emphasized that PETRONAS will continue to promote and enhance transparency in the O&G industry to ensure players are equipped with more information that can assist them with better resources as well as budget planning. With an average production of 1.7m barrels a day forecasted over the next five years, Malaysia has a robust pipeline of potential projects focused on developing greenfield projects while maximising ultimate recovery of brownfield projects, he concluded.

[Seatrade Maritime News]

Chemical tankers: Crystal Nordic sold to Essberger Tankers

03/01/2018

Nordic Tankers and Embarcadero Maritime (a joint venture between Borealis Maritime and KKR) have signed and closed an agreement to sell the jointly held company Crystal Nordic to John T. Essberger in Hamburg, a leading owner and operator of chemical tankers in Europe.

Crystal Nordic was established following the combination of Nordic Tankers’ inter-European stainless steel chemical tanker business with Crystal Pool in 2015. The parties have agreed not to disclose any financial information.

Crystal Nordic is a Danish headquartered chemical tanker operator, owning 14 ships between 4,000 and 12,000 DWT, serving customers primarily in Northern Europe. Since inception in 2015, Crystal Nordic under the management of Managing Director Jan Eghøj has developed positively and grown its business portfolio significantly. The company is owned 50/50 by Nordic Tankers and Embarcadero Maritime. Nordic Tankers is a Triton Fund III Portfolio Company.

Essberger Tankers is a leading owner and operator of chemical tankers in Europe. The company's fleet consists of 23 vessels capable of carrying a wide range of different chemicals. With its long history, Essberger Tankers is a trusted name in its field of business.

[Nordic Tankers]

Terminal operators Greece: CMA CGM’s Terminal Link now has a stake in the Port of Thessaloniki
French container shipping line CMA CGM now has a stake in the Port of Thessaloniki following a successful bid by the German led consortium bid to acquire the 67% stake in the facility owned by the Greek liquidation agency, the Hellenic Republic Asset Development Fund (HRADF).

Bidding in April came from DP World and International Container Terminal Services Inc. (ICTSI), as well as the eventual winners, a cooperation between Deutsche Invest Equity Partners, Belterra Investments and CMA CGM's ports division, Terminal Link.

Those offers were refused but increased bids saw the consortium, now called South Europe Gateway Thessaloniki (SEGT), come out on top, costing the partners €232 million with a further €180 million in future investment to upgrade infrastructure by 2025. The overall cost of the deal is calculated to be around €1.08 billion after further investments and dividend payments of €170 million are taken into account in a concession agreement which stretches until 2051.

Thessaloniki is a strategic port situated on the inner part of the Bay of Thermaicos, on the northern section of the Eastern Mediterranean Sea, to the west of the centre of the city of Thessaloniki. It occupies a total space of 1.5 million square meters with installations including 6 piers on a 6200 metre-long quay and a depth of 12 metres, with storage areas spreading over 600,000 square meters, servicing all types of cargo as well as passenger traffic. The port also has installations suitable for liquid fuel storage and it is located in proximity to the international, natural-gas pipeline.

**Shipping emissions EU: From 1 January 2018 large ships must monitor and report CO2 emissions**

02/01/2017

As of 1 January 2018, subject to a few exclusions, ships over 5,000 gross tonnage (“Relevant Ships”) became subject to monitoring and reporting requirements on carbon dioxide emissions (CO2), fuel consumption and cargo carried within all ports under the jurisdiction of a Member State and for any voyages to or from a port under the jurisdiction of a EU Member State.

The new monitoring and reporting requirements for ships were established by the EU Regulation on monitoring, reporting and verification of carbon dioxide emissions from maritime transport (Regulation (EU) No. 757/2015 as amended) (the “EU Regulation”) which came into force in April 2015.

**Background**

It is estimated that Relevant Ships account for 55% of all ships calling into EU ports and 90% of related emissions. The monitoring and verification requirements are part of a staged process to understand GHG reduction potential prior to possible pricing of those emissions. There has been talk of including them within the EU ETS subject to any proposals for global agreements on the reduction of GHG from international shipping. The EU Regulation is therefore a key European measure designed to understand how to make shipping ‘greener’.

**The EU Regulation**

The EU Regulation establishes rules for monitoring, reporting and verifying CO2 emissions from Relevant Ships which make voyages that start or finish in an EU Member State port. The EU Regulation has been designed to be compatible with a global data collection system which is being developed by the IMO (effective from 2018). The duty holders directly affected are defined in the EU Regulation as “Companies” meaning “a shipowner or any other organisation or person, such as the manager or the bareboat charterer, which has assumed responsibility for the operation of the ship from the shipowner”. Importantly, ships are subject to the EU Regulation regardless of their flag. A limited number of
categories of ships are excluded, including warships, naval auxiliaries, fish-catching or fish-processing ships, ships not propelled by mechanical means, and government ships used for non-commercial purposes.

**Key compliance dates**

- **From 1 January 2018.** Companies are required to monitor emissions for each Relevant Ship on a per-voyage and aggregate on an annual basis by applying the appropriate method chosen in their monitoring plan. The monitoring plan indicating the method chosen to monitor and report emissions and energy efficiency related data for each Relevant Ship should have been submitted to independent verifiers by 31 August 2017.

- **From 2019, by 30 April of each year.** Companies will be required to submit to the Commission and to the authorities of the flag States concerned, an independently verified emissions report concerning the emissions and other relevant information (such as distance travelled, time of journey, type of fuel used and cargo carried) during the annual reporting period for each Relevant Ship under their responsibility.

- **From 2019, by 30 June of each year** all Relevant Ships having performed activities in the previous reporting period and visiting EU ports, must carry on board a valid Document of Compliance ("DoC") issued by an accredited EU Regulation shipping verifier (i.e. an independently accredited company appointed to assess the veracity of the emissions report). This might be subject to inspections by Member States’ authorities.

**Implementing regulations**

Importantly, on 4 November 2016 the European Commission published the following pieces of legislation which specify (a) how cargo is to be calculated for different categories of Relevant Ships; and (b) which templates are to be used for monitoring plans, emissions reports and DoCs. Further details are contained in the following:

- **Implementing Regulation (EU) 2016/1928** on determination of cargo carried for categories of ship others than passengers ro-ro and container ships pursuant to Regulation (EU) 2015/757

- **Implementing Regulation (EU) 2016/1927** setting templates for monitoring plans, emissions reports and DoCs pursuant to Regulation (EU) 2015/757

[CMS / Lexology]

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**Autonomous ships and automated ports**

02/01/2018

By Peter Buxbaum

Rolls-Royce and the European Space Agency have signed a future collaborative agreement to implement space-based support for autonomous and remote control maritime navigation to promote innovation in digital logistics.

According to Rolls-Royce, the collaboration will create a joint structure in the UK Ship Intelligence Division to develop and validate new communication solutions between ship and ground systems and ship communications. In this way it will be possible to realize maritime transport autonomously.

But the real news is remote control, innovative logistics solutions, and intelligent ports and ships of the future.
Managing earth assets from space: satellite technologies and software relate to Rolls-Royce's work to develop autonomous vessels.

The space industry has been managing assets remotely for decades. Satellite and computer technologies and software developed by the space industry “are entirely relevant to Rolls-Royce’s work in transforming remote and autonomous control vessels into reality,” the company emphasizes.

“Spatial technologies provide tangible benefits for Europe’s citizens and nations,” said Jan Wörner, General Manager at ESA. “Partnerships, like this with Rolls-Royce, underline the number one priority of the European Space Agency, taking solutions originally developed for the unique challenges of the space environment and bring them to Earth. Space 4.0 and ESA’s Satellite for the 5G Initiative make it possible and support development, validation and product and application testing in different areas of the maritime industry.”

“This partnership between the European Space Agency and Rolls-Royce will enable satellites to support ship intelligence, naval operations, navigation, logistics for cargo, maritime security, healthcare and communications for passengers and crews,” added ESA’s general manager.

Rolls-Royce and ESA intend to co-operate to exploit the power of big data: data analysis, machine learning and artificial intelligence can increase operational efficiency, reliability and security. Also sophisticated sensors will provide data for virtual reality and increased.

[Global Trade]

10 technologies to shake up maritime industry in 2018

02/01/2018

By Martyn Wingrove

Technologies that could shake the maritime industry can come from all angles. But the biggest hitters this year will be those that change the face of IT and digitalisation in the industry.

Shipowners will already be well aware of the changing face of ship emissions and smarter fleet management, but are they aware that developments in robotics, digital currencies and deep learning computers are also set to impact on their operations?

As in 2017, there will be advances in multiple computer-based technologies but there will be some curveballs that will change the nature of maritime operations and the business of shipping. Greater levels of automation and digitalisation
of processes will have an impact on daily operations. Here we consider the top 10 technologies that could, or should, bring positive influences and operational benefits to shipping.

**Deep learning**

Computers are getting smarter and IT giants, such as Amazon and Google, are using deeper levels of machine learning to understand their sectors better. These companies are becoming more interested in shipping and transferring their technologies to the sector.

Amazon is building graphical processing units using deep learning and Microsoft is using field programmable gate arrays. Google is developing neural networks and machine learning on tensor processing units, which are application-specific integrated circuits.

These technologies enable the corporations to learn more about their customers and develop advanced data centres. Maritime organisations could use these technologies in the new generation of operations hubs that are beginning to emerge, such as the one opened by Thome Group in Singapore near the end of 2017, and those being developed by classification societies and onboard system suppliers ABB, Wärtsilä and Rolls-Royce.

**Artificial intelligence**

Global IT technology is at a stage where computers and automation systems are becoming more intelligent. This takes machine learning into different directions and applications that will enable autonomous surface vessels to navigate without human interaction. Intelligence is required for vessel computers to understand the environment and maritime conditions they encounter.

Algorithms can provide onboard computers with methods of solving problems that are typically encountered and can be predicted. But what about those that cannot be forecast? For those, artificial intelligence will be required. There are other applications in maritime security as this intelligence can be used in image, video, and audio recognition.

**Industrial IoT**

Internet of things (IoT) is making inroads into shipping with liner operators particularly interested in using this technology for container tracking and reefer monitoring. Maersk Group is a leader in this, but others such as SM Line are catching up.

There are more varied applications of IoT. This technology is increasingly being used for monitoring onboard machinery for performance management and predictive maintenance purposes. Continued development of IoT technology using deep learning computers and high-volume data analytics on shore will deliver greater benefits for shipowners in 2018.

**Autonomous surface vessels**
2018 will be the year that autonomous surface vessels will be demonstrated and trialled. There were developments in 2017 in demonstrating remotely controlled vessels but this year, there will be vessels built for testing the boundaries of autonomous operations.

Larger autonomous vessels will be tested, illustrating how unmanned commercial craft could be developed. Construction on the world’s first autonomous commercial ship will begin and shipowners will be testing the market to identify which technology to adopt and where to consider building a future generation of unmanned ships.

However, conservative views will hold back investment and the major question of how unmanned vessels will cope with congested waters will remain unanswered. This is why a report* by the Institute of Electronics and Electrical Engineers highlighted assisted transportation as a more-realistic 2018 technology trend. It would use technology developed for autonomous vessels to provide greater assistance to onboard crew in their operations.

**Blockchain**

This process technology will revolutionise supply chain logistics and cargo trade over maritime routes. It is enabled by growth in digital currencies as methods of procuring products and trading cargo. This will develop from a fledgling industry process towards a mainstream method of transacting in maritime and global supply chains.

IT heavyweights are entering the market and consolidating their products, based around an expansion in the number of digital currencies in circulation. The main ones, known as Bitcoin and Ethereum, will be joined by newcomers Litecoin, Dash, and Ripple and will become commonly-traded currencies.

There will be growing recognition that blockchain processes can improve cyber security in maritime transactions, even with future developments in cloud computing and machine learning. Blockchain and digital currencies enable secure computer-to-computer transactions that may minimise the intervention of humans in these processes.

**Augmented reality**

AR is being developed for maritime applications and has been demonstrated on ship bridges and remote operating centres to deliver different levels of information to end-users. Rolls-Royce is using AR technology in its remote operating centre demonstrator in Copenhagen, Denmark. The first AR application on a commercial ship is likely to come in 2018.

**Virtual reality**
VR and gamification processes are creeping into training technology and shipping can expect the first commercial program to be available in 2018. VR and AR can also be used for ship design and engineering processes by evaluating ship interiors, piping requirements, electrical networks and personnel movements in emergencies. VR is likely to be introduced on cruise ships for passenger entertainment and for demonstrating what should happen in emergencies. It may also transfer to offshore vessels and commercial shipping for similar purposes.

**Drones**

Classification societies are developing methods of using flying autonomous craft, or drones, to assist surveyors on ships. Drone technology already exists and commercial units are ready for use, but they need to be hardened for maritime applications. Drones can provide information to surveyors from difficult-to-reach areas on ships and offshore structures. Commercial drone-based surveys will be adopted in 2018.

Another application for drones is testing ship emissions. There are commercial units available and being tested for these applications. Drones can also be used for delivering parcels to ships close to coastlines and navigating in ice conditions to provide more information to masters. In 2018 we can expect more development in each of these applications and ships being equipped with their own drones.

**Robotics**

Even though robotics research has been performed for many decades, robotics adoption has not flourished in maritime. However, with increasing interest in developing autonomous vessels, there will be greater need for robotics. Taking humans off ships not only leads to navigational issues, but also adds challenges to maintenance and other manual operations, such as line handling. Perhaps robots can be built to perform these operations with remote control assistance.

**Cyborg crew**

Developments in wearable technology has developed methods for people to monitor their own health and performance, such as heart rate, accumulated steps or sugar levels. This technology can be extended to provide this type of information to employers, something that shipmanagers should be interested in. Taking this technology a stage further could be the implantation of monitoring sensors to provide health and performance data in real-time.

These technologies will have major impacts on shipping in 2018 and will have prolonged ramifications for its future. Some are already well advanced, while others are still in early development. Almost all of these are already in use in other industries and just need a trigger for them to be adopted in maritime.

Information from the Institute of Electronics and Electrical Engineers’ Computer Society was used for this foresight. For more information use this link: [http://www.computer.org](http://www.computer.org)

[Marine Electronics & Communications]

**The Nicaragua canal project revisited**

02/01/2018

The construction of an interoceanic canal in Nicaragua is a longstanding controversy that goes back to the late 19th century when the US had plans to construct the canal but in the end decided to develop the Panama Canal instead.
the Nicaragua Canal have resurfaced in recent years. In September 2012, a newly formed private Chinese enterprise, the Hong Kong Nicaragua Canal Development Group (HKND), proposed a five-year construction plan at a cost of 50 billion U.S. dollars and signed a memorandum of understanding with the Nicaraguan government in which HKND committed to financing and building the project.

Since the canal was green-lighted by the Nicaraguan government, scientists and specialists have sharply criticized its potential to inflict lasting environmental and societal damage. The vocal doubts raised by many experts regarding the canal’s feasibility have resulted in several recent postponements of construction.

Studies of the project’s challenges and its potential impact on international shipping suggest that the canal will potentially have wide-ranging implications on vessel sizes, the global routing of maritime freight flows and port development along the Atlantic and Pacific coastlines. Many problems now hinder the project, from its economic and engineering viability to its environmental and safety hazards.

PortEconomics members Theo Notteboom, Jihong Chen, Xiang Liu, Hang Yu, Nikitas Nikitakos and Chen Yang analyze in their paper The Nicaragua Canal: potential impact on international shipping and its attendant challenges the potential impact of the Nicaragua Canal on international shipping, as well as the various challenges the project faces. The paper has been published in the journal Maritime Economics and Logistics.

The authors demonstrate that the canal project is rife with shipping service uncertainties and challenges, as well as high economic and environmental costs. Additionally, Nicaragua has no diplomatic relations with China, which is a potentially large risk to Chinese investors. At the same time, Panama has cut ties with Taiwan in June 2017 and is forging stronger relations with China. Panama’s policy reversal with respect to Taiwan may be linked to China’s investments in the area around the Panama Canal. The stronger economic and diplomatic exchanges between China and Panama potentially undermine the plans for the realization of the Nicaragua Canal.
The central concerns of mobilities research – exploring the broader context and human aspects of movement – are fundamental to an understanding of the maritime freight transport sector.

Challenges to the environment, attempts at more sustainable practices, changes in the geoeconomic system, political power, labour, economic development and governance issues are all among the topics covered in this book.

Edited by PortEconomics members Jason Monios and Gordon Wilsmeier, the aim of this volume is to address issues of maritime transport not only in the simple context of movement but within the mobilities paradigm. The goal is to examine negative system effects caused by blockages and inefficiencies, examine delays and wastage of resources, identify negative externalities, explore power relations and identify the winners and losers in the globalised trade system with a particular focus on the maritime network. Maritime Mobilities therefore aims to build a bridge between “traditional” maritime academic approaches and the mobilities paradigm.

Maritime Mobilities is important for the study of industrial economics, shipping industries and transport geography. Find more information on the book here.

A swarm of submarine drones will scour the depths for the plane.

On January 2nd, at 8pm local time, a strange vessel cast off and sailed out of the Port of Durban, in South Africa, heading east. Her hull was orange. Her superstructure bristled with antennae—some long and pointy, some sleek, white and domed. Her stern sported a crane and also a strange gantry, known to her crew as the “stinger”. Her bow looked so huge and ungainly as to be on the point of tipping her, nose first, into the depths. And below deck, invisible to those on shore, she carried eight autonomous submarines called HUGINs, each six metres long, weighing 1,800kg, and containing a titanium sphere to protect the sensitive electronics therein from the pressure of the ocean’s depths.

The strange ship’s name is Seabed Constructor. She is a Norwegian research vessel, built in 2014 and owned by Swire Seabed, a dredging and surveying firm in Bergen. At the moment, though, she is leased to Ocean Infinity, a company based in Houston, Texas. And the task Ocean Infinity has hired her for is a hard one: to find whatever is left of flight MH370, a Boeing 777-200ER that left Kuala Lumpur on March 8th 2014 with 239 people on board and vanished over the Indian Ocean.
The disappearance of MH370 is one of the great mysteries of modern civil aviation. The aircraft was bound for Beijing, but changed course suddenly over the South China Sea and broke off radio contact. It was last detected by radar near the northern tip of Sumatra, heading west-north-west into the open ocean. Subsequent transmissions to a communications satellite suggested that it crashed somewhere along an arc between 1,500km and 2,700km west of Australia.

The search that followed was the largest in aviation history. It was mounted by Fugro, a Dutch firm, and paid for by the Malaysian, Chinese and Australian governments. Over the course of three years Fugro managed to scan 120,000 square kilometres of seabed. But it found nothing. The plan is for Ocean Infinity’s search to be paid for, on a “no find, no fee” basis, by Malaysia alone. Contracts have yet to be signed, but Oliver Plunkett, Ocean Infinity’s boss, has decided to go ahead anyway, to take advantage of the window of good weather that opens in the southern Indian Ocean in January and February.

Ocean Infinity aims to cover the ground much faster than Fugro did. In prior cruises in the Atlantic, the firm has, according to Josh Broussard, its technical director, managed to scan 890 square kilometres a day using six autonomous submarines. With eight, Mr Broussard thinks that the new mission will be able to manage 1,200 a day—enough to have covered the original search area in just 100 days.

The new search area, 25,000 square kilometres of sea floor chosen by investigators from the Australian Transport Safety Bureau (ATSB), is just north of the old one (see map). Fugro could infer MH370’s crash site only from its final, rather shaky, satellite signals. Ocean Infinity’s effort has been guided as well by wreckage washed ashore on the coasts of Africa and several islands in the Indian Ocean—hence the more northerly starting point. Seabed Constructor will reach that starting-point, which is about 35°S, and 2,200km off the coast of Western Australia, on or about January 17th, her crew having conducted a few final tests and calibrations of the HUGIN system en route, using remote-controlled robots to place dummy debris on the sea floor in order to see if the subs can find it. If searching the patch of ocean designated by the ATSB reveals nothing, then the ship will head farther north, towards the 30th parallel, which some independent experts believe is a better bet.
An ocean of interest

Fugro’s search used but a single autonomous submarine, and this was unable to dive below 4,000 metres, meaning it was not always close to the seabed. The HUGINs carried by Seabed Constructor can, however, go as deep as 6,000 metres. That permits them to reach most of the sea floor comfortably. And the fact that there are eight of them means different areas can be searched in parallel, and that some submarines will always be at sea.

The HUGINs will be launched by the stinger, which extends out over the ship’s stern. Once underwater, the robot craft will communicate with the ship using an acoustic modem. The ship’s own modem, which will receive these signals, is fixed to the end of a long pole that extends down through her hull into the water.

Each HUGIN comes with a 300kg lithium-polymer battery pack, good for a tour of duty lasting up to 60 hours. A downward-pointing sonar will map the contours of the seabed beneath the craft, but most of the searching will be done by side-mounted sonars scanning the bed on either side of the craft. These send out pings and measure the intensity with which they are reflected. Sand reflects less sound than metal does, meaning metal objects such as aircraft debris are easy to distinguish. And if something apparently metallic is detected, its nature can be confirmed using an on-board magnetometer.

The HUGINs’ search patterns are set by people, but the craft will actually navigate with little reference to their mother ship. Every so often, the ship will send out a corrective ping to keep them on course. Mostly, however, they will employ dead reckoning, based on data from accelerometers, to steer themselves autonomously. They are also capable of picking their way without assistance over sheer underwater cliffs and mountains, and past crevices and gullies, using on-board cameras and machine-vision software.

After its tour of duty, a HUGIN will be lifted back on-board ship and the data it has collected (up to two terabytes, recorded on a waterproof hard drive) downloaded into the ship’s data centre and turned into human-readable maps, a process that takes six hours. The HUGIN’s battery will be replaced with a fully charged one, any necessary repairs made, and the craft then sent back out into the ocean.

A team of geologists and hydrographers will then pore over the maps, looking for signs of the missing plane. Surprisingly, for such a high-tech operation, this stage of the search will be entirely manual. Every block of sea floor that the HUGINs map will be examined by three sets of human eyes. Together, this survey team will come up with a list of possible targets, ranked from “E” to “A” (“nothing” to “that’s it”), to present to their bosses. If the data look good, a
HUGIN will be sent down for a second, closer look, cameras at the ready.

What happens next, if Ocean Infinity does locate what is left of the missing aircraft, is unclear. Friends and relatives of those aboard it will doubtless derive relief from knowing where the flight ended up. But merely finding the wreckage will not explain what happened on board the plane. That will require the discovery of the aircraft’s flight recorder.

That object is therefore Ocean Infinity’s ultimate target. If it is found on this mission, Mr Broussard says the firm plans to bring it to the surface and then deliver it for analysis to the Australian authorities, who have the technical competence to assess it. A follow-up trip to examine the wreckage, and even bring it to the surface, would require further authorisation from the Malaysian government.

Seabed Constructor is the most advanced civilian survey vessel on the planet today. If its array of technology cannot find MH370, then it is likely that nothing will, and that the mystery of MH370 will remain unsolved. Either way, though, the advance of technology may mean that it is the last such mystery. As the oceans are watched with ever closer scrutiny, from space and the depths, it is increasingly difficult for anything to get lost in the first place.

[The Economist]

International trade: China is boosting ties in Latin America

02/01/2018
By Carlos Torres and Randy Woods

China’s emergence as a global economic rival to the U.S. is perhaps most obvious in Latin America.

The U.S. in recent years has lost its status to China as the top trading partner in parts of Latin America, such as copper-rich Chile and agriculture and mining powerhouse Brazil. Now, all the uncertainty surrounding U.S. President Donald Trump’s plans – from building a southern border wall, to re-freezing Cuba relations and exiting the Paris climate change accord supported by Latin America – could give an opening for China to seize more ground in the region.
Meanwhile the Chinese government is ready to expand its dominance in a region already supplying it expanding economy with everything from farm goods to raw materials.

China in 2009 surpassed the U.S. as Brazil’s largest export market, as South America’s biggest economy stepped up shipments of everything from iron ore to soy beans. China a year later become Latin America’s leading trade partner, when you omit Mexico and take into account only the South American nations.

“China has successfully established a really remarkable economic presence in the region over a relatively short period of time,” according to Margaret Myers, director of the Inter-American Dialogue’s Latin America and the World Program.

Mexico is an exception that still looks to the U.S. for most of its commerce, thanks in some measure to the North American Free Trade Agreement’s zero-tariffs regime. The country’s exports to the U.S. totaled $303 billion in 2016 compared with just $5.4 billion to China.

But China’s encroachment in the region could accelerate if Trump makes good on threats to withdraw from Nafta, which would result in higher tariffs between Mexico and the U.S. Mexico already is making contingency plans to increase trade with non-U.S. nations in case the trade pact dissolves and the country's proximity to Latin America makes it a natural pivot point.

To be sure, that doesn’t mean that China would completely benefit from a souring of U.S.-Mexico relations. China largely seeks commodity imports from Latin America, whereas Mexico’s biggest exports to its northern neighbor are cars and car parts as well as electronics – items that China already produces in abundance.
But the dissolution of Nafta could create a vacuum in Mexico that China would try to at least partially fill.

“Certainly Mexico will be interested in collaborating more with China” -- as well as other countries -- if Nafta ends, according to R. Evan Ellis, a professor of Latin American studies at the U.S. Army War College. “Mexico’s partnership with the United States has really been a bulwark against the advances of China in the region."

[ Bloomberg ]

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Port development U.S.: Atlantic ports gear up for future growth amid strong demand

02/01/2018
By Hailey Desormeaux

Accelerating global trade growth translated into record import volumes for many major U.S. container ports in 2017, welcome news for ports in the U.S. Southeast, many of which are beginning or already in the midst of major expansion projects.

The U.S. port sector is booming. Steady economic growth and a strong dollar have translated to heightened consumer demand, with several major container ports setting new records for import volumes. Zooming in on U.S. South Atlantic ports, new expansion and dredging projects are being unveiled at a rapid pace as facilities look to keep up with the increased volumes and accommodate the larger containerships now calling there on a regular basis.

Along with the increase in cargo, ports along the South Atlantic coast have seen bigger boxships since the expanded Panama Canal opened in June 2016, allowing vessels of more than 14,000 TEUs to transit the waterway. The larger ships also mean the cargo is more highly concentrated, coming of just one ship when previously two smaller vessels
might have sailed in its place. South Atlantic ports can expect to be frequented by even more of these larger containerships, as vessels in the 14,000-TEU class are likely to continue to trickle down to the transpacific trade between Asia and North America from the Asia-North Europe lane, where carriers are deploying the newest, largest containerships. And with shipbuilding prices relatively low, carriers are continuing to order and introduce ultra-large containerships of over 20,000 TEUs on the Asia-North Europe trade despite worries from some within the industry that this will exacerbate existing overcapacity and dampen the recovery in freight rates seen throughout 2017.

The pressure on U.S. ports, which have lagged well behind their Asian and European counterparts in terms of infrastructure development, to be prepared to handle larger containerships is palpable, as ports must stay one step ahead of the competition in order to entice and retain business from a shrinking carrier pool. Consolidation among major carriers and alliances, as well as the increasing size of containerships, has resulted in a bit of a feast-or-famine market for ports, as there are fewer services but greater volumes to be captured.

Big containerships can pose big challenges for ports, however, requiring them to have deep enough channels and harbors, wide enough turning basins, enough large ship-to-shore cranes, efficient drayage and/or on-dock rail facilities, and plenty of storage yard capacity, since larger vessels mean more cargo unloaded at once.

The pressure is on U.S. ports stay one step ahead of the competition in order to entice and retain business from a shrinking carrier pool.

Sunshine State

Ahead of the Panama Canal expansion, PortMiami became the first southeastern port to declare itself “big ship” ready in September 2015. The South Florida seaport has a channel depth of 52 feet and 50 feet at the turning basin.

At Port Everglades, just 22 miles to the north, the Port Everglades Navigation Improvements Project received federal authorization in December 2016 for the U.S. Army Corps of Engineers to move forward with the deepening and widening of the port’s navigation channels as part of the Water Infrastructure Improvements for the Nation (WIIN) Act, signed into law on Dec. 16, 2016 by former President Barack Obama.

“The main features of the project are to deepen the main navigational channels from 42 feet to 48 feet (plus 1-foot required and another 1-foot allowable overdepth for a total of 50 feet), and to deepen and widen the entrance channel and parts of the intracoastal waterway so that cargo ships can pass safely by docked cruise ships,” Port Everglades has said.

That project, however, is still in the pre-construction engineering and design phase, a port spokesperson told American Shipper in November.

Back in May, Port Everglades, which noted how it was berth constrained, received unanimous approval from the Broward County Board of County Commissioners to begin a $437.5 million expansion project to add new berths for larger cargo ships and install crane rail infrastructure for new super post-Panamax cranes.

Dubbed the Southport Turning Notch Expansion (STNE) project, the expansion will lengthen the existing deepwater turnaround area for cargo ships from approximately 900 feet to 2,400 feet, which will allow for up to five new cargo berths. In addition, the existing gantry crane rails will be extended to the full length of the extended Turning Notch berth to use the existing cranes, the port said. A Port Everglades spokesperson in late November said there were no new updates on the STNE project and that it was also still in the pre-construction and design phase.
In the meantime, the port has plans to order three low-profile super post-Panamax container-handling gantry cranes before the end of 2017, the spokesperson said. The cranes will cost $13.8 million each and are being constructed by Chinese equipment manufacturer Shanghai Zhenhua Heavy Industries (ZPMC). The port has the option to buy three more cranes any time within five years of this first order.

The ZPMC cranes will be equipped to handle containers stacked eight units high and 22 across a ship’s deck, the port said. The port’s existing seven gantry cranes in the Southport area, where most of its containerized cargo handling takes place, are limited to containers stacked five units high and 16 across.

In Northeast Florida, the board of directors of the Jacksonville Port Authority (JaxPort) in June unanimously approved the start of the Jacksonville Harbor Deepening project, allocating the first phase of port funding to the U.S. Army Corps of Engineers for construction.

“Along with significant state funding already in place, the $484 million, 11-mile project recently received $21.5 million in federal funds, along with a new start designation, making it eligible for further federal dollars,” JaxPort said at the time. The federal project to deepen the Jacksonville shipping channel from 40 feet to 47 feet was initially set to begin by the end of 2017, a JaxPort spokesperson told American Shipper in November, adding that the entire project will take five to six years.

However, on Dec. 4, the St. Johns Riverkeeper filed a motion for preliminary injunction to postpone the first phase of the project. The nonprofit environmental advocacy group said that in 2013, the Army Corps authorized JaxPort’s plan to deepen the last 13 miles of the St. Johns River channel to 47 feet, but earlier this year, the port unveiled a new plan that involved dredging just 11 miles of the channel to cut costs.

“This new 11-mile plan simply does not exist, according to the Army Corps,” said Lisa Rinaman, the St. Johns Riverkeeper. “Federal law requires JaxPort’s new plan to be thoroughly studied and evaluated, including the recalculation of the benefit-cost ratio, yet nothing has been done by the Corps to fulfill this requirement.”

Commenting on the St. Johns Riverkeeper’s attempt to delay the first phase of the project, an Army Corps spokesperson told American Shipper on Dec. 6, “We continue to move forward with the Jacksonville Harbor Deepening project,” and that the Army Corps anticipates the project will start in “late January.”

The port has also been snagging new business in the automobile sector over the last few years, and now ranks as the second busiest auto-handling port in the country.

In response to higher demand for vehicle space, the port is constructing a new automobile processing terminal expected to be completed by late 2018. The terminal is the first phase of a multi-year project at the port that will boost its vehicle-handling capacity by 25 percent.

**Up the coast**

A little further north, in Savannah, Ga., the Georgia Ports Authority (GPA) has various notable projects in the works.

The Savannah Harbor Expansion Project (SHEP), which is currently underway, is deepening the outer harbor to 49 feet at low tide (56 feet at high tide) and the inner harbor to 47 feet (54 feet at high tide). The Army Corps is overseeing the project, which is scheduled for completion in late 2020, GPA said.
In addition, the Port of Savannah in November received four ship-to-shore cranes, which are tall enough to lift containers 152 feet above the dock. The booms reach out 192 feet from the dock face and the lift capacity for each crane is 72 tons. The cranes are 412 feet tall with the booms up. One of the cranes will go into service in February, followed by two in March and one in April. An additional six ship-to-shore cranes will arrive in 2020.

Once all of these cranes are commissioned, including the six to arrive in 2020, a total of 36 cranes on dock will then allow Savannah’s Garden City Terminal to move 1,300 containers per hour on and off vessels, according to GPA officials.

Also in November, GPA’s board approved rail and gate expansion projects that will boost capacity at the Garden City Terminal. The board approved expenditures of $42.27 million as part of GPA’s $128 million Mason Mega Rail Terminal.

When complete, the project will double the port’s on-dock rail lift capacity to 1 million containers per year.

So far, a total of $90.7 million has been allocated to the project, construction of which is slated for completion by the end of 2020.

In addition, the board approved a $13.2 million project to expand the existing Gate 8 at the Garden City Terminal. GPA said the addition will allow it to absorb future growth, and will offer a better link to the Jimmy Deloach Parkway, which provides a direct truck route to Interstate 95.

A GPA spokesperson told American Shipper in November the gate expansion project is expected to be completed in September 2018. Overall, the project will boost the terminal’s gate infrastructure by 12.5 percent for a total of 54 truck lanes, GPA said.

At the Port of Charleston in South Carolina, the Army Corps awarded the Great Lakes Dredge and Dock Company, LLC a $47 million contract in September and a $213 million contract in October for work in the Charleston Harbor Entrance Channel as part of the Charleston Harbor Post 45 Deepening Project.

Combined, these two contracts awarded to the Great Lakes Dredge and Dock Company “will achieve the newly authorized depth of 54 feet throughout the more than 20-mile long Charleston Harbor Entrance Channel,” the Army Corps said.

The second contract was the final contract required to complete the deepening of the entrance channel, and is part of the overall $529 million cost of the Charleston Harbor deepening project, which in addition to bringing the entrance channel to a depth of 54 feet, will also involve deepening the main channel in Charleston from 45 feet to 52 feet.

In October, SCPA’s board of directors also approved a $69.5 million order for six new ship-to-shore (STS) cranes from ZPMC.

“When the cranes arrive in late 2019, deepening of the Charleston Harbor to 52 feet will be nearly two-thirds complete, and construction of our new container terminal will also be nearly finished,” SCPA President and CEO Jim Newsome said.

Five of the cranes will provide a 169-foot lift height and will be delivered to the Hugh K. Leatherman, Sr. Terminal. The first phase of the terminal is scheduled to open in mid-2020 with an annual container handling capacity of 628,000 TEUs.
The sixth crane, which will stand at 155 feet, will be delivered to the Wando Welch Terminal. “The Wando Terminal received its first two cranes of this size in August 2016, and ZPMC is currently manufacturing two additional cranes for delivery in February 2018,” SCPA said. “By 2020, nine of the 13 STS cranes at the Wando Terminal will offer 155 feet of lift height to support SCPA’s efficient handling of two 14,000-TEU vessels simultaneously.”

**Stacking up**

In the mid-Atlantic region, the Port of Virginia, which offers 50-foot channels, inbound and outbound, is currently two years into a study to evaluate and assess the potential return on investment on a proposed target depth of 55 feet.

“Our goal is to have the study complete by mid-to-late 2018, which will give us the necessary information and data to begin discussing funding, develop a work agenda by early 2019 and begin work as soon as possible thereafter,” a Port of Virginia spokesperson told American Shipper in November.

The port is currently in the midst of a fully funded, three-year, $670 million expansion of its two primary container handling terminals—the Virginia International Gateway (VIG) and Norfolk International Terminals (NIT). Consequently, by 2020, the port will have expanded its annual overall throughput capacity by 40 percent, or 1 million containers.

In August 2017, the Port of Virginia signed a contract that authorized the purchase of four new ship-to-shore cranes, which are being built by ZPMC and set for delivery in April 2019. The Virginia Port Authority board of commissioners in its July 2017 meeting approved a spending package of $44.8 million, covering the cost of the cranes and associated parts, as well as their delivery and installation at VIG.

In November 2016, the port finalized a $217 million contract with Konecranes to build and deliver 86 rail-mounted gantry cranes (RMGs). A port spokesperson said the first group of RMGs is scheduled to arrive at VIG fully assembled in January 2018 and be operational by April 2018. From that point forward, the port will receive regular deliveries (about every six weeks) of the RMGs to VIG and then NIT through mid-2019.

Meanwhile, the Port of Baltimore’s Seagirt Marine Terminal already sports a 50-foot deep berth, allowing it to handle the larger containerships being deployed on the Asia-U.S. East Coast trade.

Looking at how these seven ports compare to one another in terms of fully cellular container services connecting them to regions outside of North America, the Port of Savannah is frequented by 33, followed by the Port of Norfolk with 29, Port Everglades with 27, the Port of Charleston with 25, Port Miami with 15, JaxPort with 11 and the Port of Baltimore with seven, according to ocean carrier schedule and capacity database BlueWater Reporting’s Port Dashboard tool.

The largest ships to call any of these seven ports are two 14,414-TEU ships—the CMA CGM John Adams and the CMA CGM Theodore Roosevelt, both of which are deployed on the OCEAN Alliance’s dedicated Asia-East Coast North America SAX/ECX1 service. The loop deploys 11 vessels averaging 13,386 TEUs and has a rotation of Hong Kong, Yantian, Ningbo, Shanghai, New York, Norfolk, Savannah, Charleston and Hong Kong.

Looking ahead, with all of the expansion projects in the works up and down the U.S. South Atlantic coast, it will be interesting to see what potential investments will be unveiled at these ports in 2018, along with how port and other landside infrastructure as a whole will hold up as carriers continue to deploy larger containerships across the world’s busiest global trade lanes.

[American Shipper]
South Korea plans to create 30 million square meters of seaport hinterland by 2030 to boost the country's industrial and logistics infrastructure.

According to the Ministry of Oceans and Fisheries, eight ports, which are capable of handling 10 million tons of cargo annually, will be developed. These ports are Busan, Incheon, Gwangyang, Pyeongtaek-Dangjin, Ulsan, Pohang, Mokpo and Masan.

The move is expected to generate 87,000 jobs.

In 2017, South Korea’s exports expanded to their highest level in at least six decades, boosted by shipments of semiconductors, machinery and petrochemicals, according to a statement from the trade ministry.

Throughput at the Port of Busan reached 20 million TEUs for the first time in December last year, making it the fifth-largest port in the world despite the loss of volume from Hanjin Shipping's bankruptcy. Busan is also the world’s second-busiest transshipment hub behind Singapore.

By Tanya Blake, Safety at Sea editor

In the early hours of 22 August 2016, ultra-large container vessel (ULCV) Vasco de Gama approached Port of Southampton. The 339 m long, 17,859 teu vessel was the largest UK-flagged ULCV at the time and had two of the port’s specialist container ship pilots on board.

The 17,859 teu ultra large container vessel Vasco de Gama ran aground as it approached Port of Southampton in the early hours of 22 August 2016. Credit: Maritime Photographic
Despite the expertise of the two pilots and the bridge team, the ship ran aground on the western side of the Thorn Channel as it approached the port. An investigation into the incident revealed issues with human error when operating such large vessels in restricted waterways, which exacerbated the dangers of working within “reduced margins of operational safety”.

Luckily the case of Vasco de Gama was not serious and a combination of tugs and the ship’s engines enabled it to be refloated soon after grounding. But it reveals that proper planning and monitoring during navigation of the passage are vital to avoid similar safety problems.

The Vasco de Gama incident has prompted a wider study by the UK’s Marine Accident Investigation Branch (MAIB) of the safety risks of the increasing size of vessels within restricted waterways. Its focus is human factors and use of modern electronic navigation aids.

Steve Clinch, chief inspector for the MAIB, told SAS that how crew and pilot interacted on the Vasco de Gama has raised some important issues around human factors that apply to all bridge teams and pilots operating vessels, but which become even more vital when dealing with the reduced safety margins while operating a ULCV. This included the lack of a detailed plan, leading to an absence of shared understanding of the pilot’s intentions when passing other vessels or making the critical turns during the passage, and that the standards of navigation, communication, and use of the electronic charting aids on board were not up to scratch.

A closer look at these kinds of risk is important, as we are going to see a rise in ULCV numbers in the coming years, and so greater traffic in restricted waterways. At present there are 372 ULCVs, with capacities of between 10,000 and 17,999 teu, making up 17% of the global fleet, according to IHS Markit data. However, this is set to rise, with 10 ULCVs constructed in 2017, 54 this year, and a further 20 to be built by 2020.

Don Cockerill, secretary-general at the UK Maritime Pilots Association, said that in the United Kingdom, as in most parts of the world, there was a “continual increase” in ULCVs coming into service. He told SAS the challenges pilots face is that the ports are not getting any bigger, apart from “perhaps a bit of dredging”, so it is akin to “squeezing a quart into a pint pot”.

He added that more special attention and preparations had been given to preparing ports for very large crude carriers (VLCCs) and “one wonders if there is less fuss because it is container ship rather than a VLCC”.

**Lessons from Vasco de Gama**

The grounding of Vasco de Gama revealed what Clinch said was a “perennial problem with the lack of integration of ships team and pilots when handling large ships”. He said this must improve as, with the squeezed margins of safety, planning is of utmost importance. “All ports plan. They do a lot of work beforehand to check a vessel can get into port but when the ships come into port that plan has to be put in place properly,” he said. “In the Vasco de Gama incident report we found a degree of complacency between pilots in extending that plan to the bridge team.”

Without discussion of the plan before they came into the port, there was no “shared mental model”, so when things went wrong, people likely felt less able to speak up to question the pilot’s decisions. There was a second pilot on board, common on larger vessels, but he did not step in either to challenge the first pilot.

The case highlights the importance of bridge teams first ensuring they are fully briefed as to the pilot’s plans, but also that they should speak up and use their own expertise if they can see an incident is likely to occur. Clinch suggested that, as larger ships are on predictable voyages and there is a lot of time to prepare, pilots send their plan to the vessel before it gets to port so the route can be set up on the electronic chart display and information system (ECDIS), “rather than just wing it on the day”.

Traffic management was raised as another issue that led to the grounding of Vasco de Gama, according to the MAIB report. Another vessel was allowed to transit the Thorne Channel while it was still travelling through, meaning Vasco de
Gama was pushed further north and did not have as much sea room to make a turn. Despite acknowledging this and stating to the master that they would go deeper, the pilot did not drop farther south.

However, Cockerill told SAS it was likely that human factors were not the only issues that led to the grounding. “The big difference now is that the magnitude of forces involved with big ships is such that if something goes awry in the design criteria of the propellers, or the size of the rudder or other equipment, the repercussions are huge.” He added that windage is “an obvious issue” on such large structures as ULCVs, particularly on the leeward side.

“There are also issues underwater, not just with depth, but when moving in a tideway or contending with river current the forces are phenomenal,” said Cockerill. “Moving at just a couple knots on a 250-m ship there are big forces, but up to 400 m the forces are absolutely huge.”

**Refresher training**

What Clinch and Cockerill agree on is that more frequent refresher training on bridge resource management is needed for pilots, just as crew are expected to refresh their safety training as outlined in the STCW Convention 2010.

Cockerill said that far too often pilots come across “less than satisfactory bridge teams, which can end up making pilots too insular and rely on their own skill set”. This lack of communication and management can lead to a pilot missing key safety issues and ignore a bridge team’s expertise. Clinch said that while pilots were all extremely well trained and go through intense training schemes, they are likely to go through bridge resource management training only once.

Cockerill agreed that while pilots received a great deal of initial training for ULCVs, particularly in simulators, continual training is a must. He used the aviation sector as an example, stating that once pilots are trained to fly an A380 they must still go through refresher courses, ensure they have not developed bad habits, and are taught new techniques that have evolved over time. The same should be true for pilots globally, Cockerill said, but this does not currently exist in UK pilotage. He stressed that bridge management training should mimic the Australian marine pilots who not only do regular refresher course but also enhance the level of training each time.

“The dynamics of big vessels are unlike anything we’ve seen before when it comes to manoeuvring,” Cockerill said.

What is clear is that as more ULCVs enter service, pilots and crew must ensure they are on top of their game in restricted waterways, with communication, planning, and training key to avoiding incidents.

**MAIB launches review into ECDIS**

The UK MAIB has seen a number of accidents involving ECDIS and found that it was a contributing factor in the grounding of Vasco de Gama.

The report said that neither the ship’s ECDIS nor the pilot’s portable pilot unit functionality was “fully utilised” and resulted in each system not providing adequate cross checks or alarms.

Clinch told SAS there was a concern that ECDIS was not being used in the way the manufacturers and regulations expected, despite crew being trained on the systems, as they are not intuitive to use. “The features to improve safety are buried under several layers and there are often a lot of alarms, which crew may switch off.”

In a two-year study, to be carried out in collaboration with the Danish maritime accident investigation branch, investigators will go on board 20 ships and watch “without judgement” to see how navigators use the equipment and ask why they are using it in that way. They will then analyse the results with academics specialising in the human element.

“Future design needs to be centred around humans rather than standards. An iPad is easy to use and intuitive. That is how electronic navigation aids should be,” said Clinch. He added that ECDIS design should go beyond the idea of a standard mode for ECDIS, where a default display could be brought up at the press of a button. He stressed this still would not solve the issue of vital safety features being accessible in an intuitive way.
The aim is to present a paper to the International Maritime Organization with recommendations to manufacturers on how to create human-centred ECDIS.

[Fairplay]

**FAL Convention updates target seafarers, stowaways and IT**

01/01/2018

Seafarers’ rights to shore leave have been strengthened through amendments which entered into force globally on January 1, 2018.

The amendment to the international standard on shore leave in the Convention on Facilitation of International Maritime Traffic (FAL Convention) adds a new provision, on top of the requirement to allow crew ashore while their ship is in port. The new provision says there should be no discrimination on grounds of nationality, race, color, sex, religion, political opinion or social origin. Shore leave should be granted irrespective of the flag State of the ship.

If any request is turned down, the relevant public authorities must provide an explanation to the crew member and the master, which the seafarer or master can request to be provided in writing.

**Security and stowaways**

The FAL Convention's section on preventing stowaways now recommends that national authorities apply operational procedures equivalent to those in the IMO International Ship and Port Facility Security (ISPS) Code, to prevent stowaways accessing a ship.

A new standard requires governments, where appropriate, to incorporate legal grounds to allow prosecution of stowaways, attempted stowaways and any individual or company aiding a stowaway with the intention to facilitate access to port areas, ships, cargo or freight containers into their national legislation.

**Electronic Information Exchange**

The amendments to the Convention also bring in a new requirement for national governments to introduce electronic information exchange, including electronic data interchange (EDI), to transmit information related to maritime transport. This should be in place by April 8, 2019, with provision for a transitional period of at least 12 months during which paper and electronic documents would be allowed.

Use of a “single window” for data is encouraged, to enable all the information required by public authorities in connection with the arrival, stay and departure of ships, people and cargo, to be submitted via a single portal, without duplication.

**New FAL Forms**

Updated FAL forms are in effect from January 1, 2018, covering IMO General Declaration; Cargo Declaration; Ship's Stores Declaration; Crew's Effects Declaration; Crew List; Passenger List and Dangerous Goods.

Three additional documents have been introduced for ships’ clearance that may be required by the shore authorities – security-related information required under SOLAS, advance electronic cargo information for customs risk assessment and advanced notification form for waste delivery to port reception facilities.

**FAL Convention**

The FAL Convention, first adopted in 1965, aims to harmonize procedures for ship's arrival, stay and departure from
The state-owned Chinese shipping giant, known as COSCO, became the 49 percent owner this past summer of a patch of frost-covered asphalt bisected by railway tracks and lined with warehouses in landlocked Kazakhstan. The barren wilderness close to the border with China stands near the Eurasian Pole of Inaccessibility, meaning that nowhere on the
landmass of Europe and Asia is more distant from the sea.

But it is here, where huge, Chinese-made cranes load containers onto trains instead of ships, that China and Kazakhstan are embracing what they see as the new frontier of global commerce.

The Khorgos Gateway, where China and Kazakhstan are building a rail hub and town in a Kazakh desert. Credit: Andrea Bruce for The New York Times

Forbidding as it is, the place is a central link in what President Xi Jinping of China trumpets as the “project of the century” — a $1 trillion infrastructure program known as “One Belt, One Road,” which aims to revive the ancient Silk Road and build up other trading routes between Asia and Europe to pump Chinese products to foreign markets.

The gamble is not only reshuffling global transport routes, but also shaking up Kazakh and global politics as China inserts itself deeper into a region that Russia considers squarely within its area of influence. Not least, it is testing the economic logic of China’s ability to carry out its grandest of ambitions.

Creating a transport hub — the Khorgos Gateway, a “dry port,” or terminal without water for handling cargo for trains rather than ships — in one of the world’s most remote places has involved an expensive exercise in social engineering.

A new town, called Nurkent, has been built from scratch — with apartment blocks, a school, kindergarten and shops to
Kazakhstan’s City of Khorgos, despite its high priority in China Belt and Road transport initiative is being ignored by thousands of traders who still prefer receiving goods through seaports hundreds of miles away, reported London's Financial Times on 20 Dec 2017. "I would rather my goods take 10 times as long to get to Khorgos but be sure they arrive on time," said Jia Xiubing, a trader who imports European snacks through the Chinese ports of Qingdao and Tianjin, 4,000 kilometres east by road or rail.

Traders said Khorgos’s showpiece free trade zone is blighted by chronic delays, high costs and import restrictions. With investments ranging from ports in Pakistan and Sri Lanka to high-speed railways in east Africa to gas pipelines in central Asia, China’s Belt and Road scheme is possibly the largest overseas investment drive ever launched by a single country. But the problems, along with the logistical difficulties of transporting goods through central Asia to Europe, illustrate the shaky ground beneath China’s ambitious plans to boost its global influence and bolster slowing economic growth at home, the FT said.
Because China exports so much more than it imports, trains that pass westward through Central Asia laden with Chinese goods have often had to return to China with little on board, a mismatch that makes it difficult to justify the route’s costs. To keep the trains running and encourage manufacturers to build factories in less developed areas, local governments in western China and elsewhere offer hefty subsidies that cut the cost of transporting a container by train through Central Asia by 30 to 40 percent.

Though monitored by sophisticated technology, the main activity carried out at Khorgos is very low-tech: laboriously moving containers that arrive on trains from China onto railway cars that run on the wider gauge tracks used by the Kazakh and Russian railway systems. The same operation happens in reverse for trains heading back the other way.

In 2017, Khorgos handled the equivalent of more than 100,000 standard containers full of goods, double what it handled last year. It aims to handle 500,000 containers by 2020, but even that target is only around 1 percent of the volume of goods that travel from Asia westward by sea.

So far, most of the Chinese-made products that pass through Khorgos are not destined for Europe but stay in Central Asia, moving on by train and truck to markets in Uzbekistan and nearby countries like Iran. But it is Europe’s far bigger markets that, in the long run, will generate the traffic needed to make Khorgos and a second, more antiquated Kazakh railway hub near the Chinese border at Dostyk more than just regional pivots.

[The New York Times / Hong Kong Shipping Gazette]

Oil & gas exploration Latin America: Deepwater activity improving

01/02/2018

By Jo Higgins, Graham Walker and Fawaz Marini (Petrologica)

Brazil, Guyana and Mexico look to boost foreign investment.

After several slow years for Latin America, a settled oil price has spurred many countries to try and entice operators to invest once again in their resources. Argentina, Brazil, Mexico, and Uruguay are set to open deepwater licensing rounds in 2018, with the Argentinean and Brazilian rounds backed by large-scale seismic surveys. Notably, Argentina’s round will mark the country’s entry into the ranks of Latin American deepwater countries.

The following details the deepwater prospects of three key nations: Brazil, Guyana, and Mexico. Brazil will be looking to fend off Mexico to retain its crown as the leading Latin American producer, while Guyana is steadily adding barrels around its prospective Liza oil project. Mexico has become a major competitor for investment after opening its waters to international operators in 2015, ending a long-term monopoly by the state-owned PEMEX, and by offering a more liberal regulatory environment than Brazil. However, PEMEX is still integrating international operators into its blocks, with minor delays to projects as they are re-evaluated by investors.
According to the US Geological Survey’s latest available estimates from 2013, Brazil has by far the largest potential of the three nations with 126.4 Bbbl of oil estimated to be undiscovered. Much of that potential is held in ultra-deepwater presalt formations. Mexico’s potential of 25.3 Bbbl rests on opening the Gulf of Mexico to further exploration. Guyana’s potential was estimated at 8.9 Bbbl in 2013, but recent discoveries in the Stabroek block would likely see that estimate revised were it undertaken today.

**Brazil**

Lack of investment in Brazil has caused a set-back in the country’s oil and gas industry over the last three years. The
new conservative Temer government is attempting to improve declining activity levels by implementing a long planned and wide-ranging program to modernize the country’s hydrocarbons industry. To boost foreign investment, the Brazilian government has ended Petrobras’ monopoly over the prolific presalt hydrocarbon resources and fully opened those reserves to IOCs. Some IOCs have already acquired stakes in both presalt and postsalt blocks and they have set their plans for exploration drilling soon.

To further lure investors, the Brazilian government has extended the contracts’ exploration period to seven years instead of six, it eased local content requirement for future projects, and it also reduced royalties for new frontiers. The country is aiming at 2 MMb/d of additional oil production capacity by 2027, mostly from deepwater areas. Therefore, ANP has set an ambitious plan with eight bidding rounds to be launched within the coming two years, in addition to the most recent and successful 14th bidding round in which 13 deepwater were awarded. Eight of those blocks, lying in the oil-rich presalt Campos basin, were awarded to ExxonMobil and Petrobras. ExxonMobil will operate two of them with 100% stakes, while the other six will be under a 50/50 joint venture between ExxonMobil and Petrobras with the latter as operator. ANP estimates potential in-place reserves in the Campos basin at 13 Bbbl. ExxonMobil has also been awarded 50% and operatorship of two blocks in the Sergipe-Alagoas basin. ANP estimates show 15 Bbbl in-place resources in the Sergipe-Alagoas basin. Murphy and Queiroz Galvão will partner with ExxonMobil in those blocks with 20% and 30%, respectively. CNOOC and Repsol were awarded one deepwater block each in the Espirito Santo basin, while the Australian company Karoon was awarded one deepwater block in the Santos basin.

The ANP has released details of the second and third presalt rounds due to take place on Oct. 27. The second presalt round will put four high potential unitizable areas on offer with 2.2 Bbbl of in-place resources. The companies qualified for this bid round are: Petrobras, ExxonMobil, Shell, Total, Chevron, Statoil, Repsol Sinopec, Galp Energia, Petronas, and the emerging local outfit OuroPreto.

On the same date a third bid round will be launched offering four presalt areas: Pau Brazil with estimated in-place reserves of 4.1 Bbbl, Peroba with 5.3 Bbbl in-place reserves, Alto de Cabo Frio Oeste, and Alto de Cabo Frio Central. The latter two areas are considered as high-risked, a recent analysis and interpretation of the multi-client 3D seismic data received from CGG showed significant potential resources in them. Companies qualified for the third bidding round are: Petrobras, ExxonMobil, BP, Shell, Total, Statoil, Qatar Petroleum, CNOOC, Repsol, Chevron, CNODC, Galp Energia, Ecopetrol, and Petronas.

Three more bidding rounds are scheduled for 2018: one for the equatorial margin, one for the Campos basin, and one for marginal mature fields. Multiple prospects will be released in another three bidding rounds scheduled for 2019. The country expects those nine bidding rounds to result in exploration and production projects pumping $80 billion of new investments into its economy plus $120 billion in tax revenues. ANP also expects those exploration activities to add 10 Bbbl of recoverable reserves and to use 20 rigs.
Guyana

Guyana needs no help in showcasing its potential following ExxonMobil’s two world-class finds in Liza and Payara, with an uptick in activity surrounding the Stabroek block since then. Guyana’s neighbor, Suriname, has also benefited from the discoveries as the geological plays extend across the border, making the country a potentially lucrative option. Guyana is trying to capitalize on this by holding only the second ‘open door licensing round’ in its history. The round will remain open for one year with operators allowed to submit proposals for any acreage they choose.

Located in the Stabroek block, the deepwater Liza field was discovered in May 2015. The 2.3-2.8 Bbbl discovery will be developed in phases by operator ExxonMobil. The Liza Phase 1 development includes a subsea production system and an FPSO vessel with the capacity to process up to 120,000 b/d of oil from four subsea drill centers consisting of 17 wells, including eight producers, six water injectors, and three gas injectors. The Noble Bob Douglas drillship has been contracted to complete the wells on a three-year drilling campaign due to start in April 2018.

Production is expected to begin by 2020 and develop about 450 MMbbl of oil. The fasttracked development plan was submitted in December 2016, and received regulatory approval from the government of Guyana in June 2017.

Phase 1 is expected to cost more than $4.4 billion, which includes a lease capitalization cost of about $1.2 billion for the FPSO facility and $3.2 billion for drilling and subsea infrastructure.

As part of ongoing exploration in the Stabroek block, the Payara-1 well was spud in January 2017 and completed as a discovery with an estimated 1.4 Bbbl of oil in place. The Payara-2 appraisal well was also completed in July 2017 as a discovery, adding an estimated 500 MMbbl to the Payara field and making it ExxonMobil’s second world-class discovery in Guyana.

Further wildcats are planned across the Stabroek block through the end of the year on the Turbot, Ranger, and a third currently undetermined prospect.

Mexico

Mexico launched a deepwater licensing round at the end of July, which will offer 30 license-style contracts in the Gulf of Mexico. The blocks on offer include nine in the prolific Perdido foldbelt, 10 in the Mexicana Ridges and Salinas basin areas, and one off the Yucatan platform. The Mexican government has an investment goal of $31.5 billion.

The Perdido and Salinas areas were featured in the previous bidding round in December 2016 and are largely covered by seismic data. The Mexicana Ridges area is making its debut in a public bidding round but as an exploration area for PEMEX, it has near complete seismic data. The 4,000-sq km (1,544-sq mi) block off the Yucatan platform is a frontier play with little data available. Operators had until Nov. 10 to submit their pre-qualification documents for the round with the qualified companies announced on Dec. 20. Local content requirements for the licenses will begin at 3% for the exploration phase and rise to 10% for any commercial developments.

Reports are that Eni is looking to invest. The company’s chief geologist, Luca Bertelli, recently suggested the company sees Mexico as “one of the last major opportunities” for deepwater. The company already operates the shallow-water Amoca project with an estimated 1.2 Bbbl of oil reserves, discovered in 2015.

Oil & gas shipping: COSCO signs crude oil transportation deal with PetroChina

01/01/2018

COSCO Shipping Energy Transportation signed a Memorandum of Understanding (MoU) with PetroChina, part of China National Petroleum Corporation (CNPC), for crude oil transportation and services.
Under the deal, which is part of the country’s “Belt and Road” initiative, COSCO Energy will deploy its crude tankers to transport crude oil for the China-Myanmar oil pipeline project. The port of Made Island in Myanmar will be the starting point for the project. It is a natural port that can dock 300,000-tonne and 150,000-ton tankers, the company said.

The crude pipeline to southwestern China through its neighbor Myanmar began operations in April 2017 after years of delays, allowing the world’s second-biggest oil user to receive supplies faster from the Middle East and Africa. The link, which allows China to import crude from the Middle East and Africa without having to ship through the Straits of Malacca and into the South China Sea, is part of President Xi Jinping’s Belt and Road infrastructure and trade development plan stretching across Asia to Africa and Europe.

Energy cooperation is an important part of the Belt and Road initiative. At present, 65 energy projects have been started along the line, of which 25 are oil and gas projects. This “provides a historic opportunity for China’s energy transport enterprises to follow the strategy of globalization,” said the shipping company.

Trial operations began in 2015 on the 771-kilometer (479-mile) pipeline, which is designed to carry 22 million tons of crude a year (about 442,000 barrels a day). Myanmar can take 2 million tons of crude annually from the line, Xinhua reported.

The pipeline ends in China’s Yunnan province, where PetroChina has built an oil refinery with the capacity to process 13 million tons a year (about 261,000 barrels a day) of crude. China’s biggest oil and gas company is in talks with Saudi Arabian Oil Co. about investing in the plant, which began operations in June last year.

China is also fed by a parallel natural gas pipeline that runs through Myanmar to Yunnan province, designed to carry 12 billion cubic meters annually. PetroChina’s parent company, China National Petroleum Corp., began to import gas from Myanmar in 2013, according to a statement on its website.

[GREEN4SEA / Bloomberg]
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.
LAST MEMBERSHIP

**Fellow (FIAMSP)**

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<tbody>
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<td>PALAURE SHAM JACOB</td>
<td>United Arab Emirates</td>
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<tr>
<td>M. NAYLOR RICHARD</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>M. VENUGOPALAN VINEET</td>
<td>United Arab Emirates</td>
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**Full Member (FMIAMSP)**

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<tr>
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<tr>
<td>Capt. NAGTEGAAL HENDRIK</td>
<td>Philippines</td>
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<tr>
<td>M. DESCHODT CHRISTOPHE</td>
<td>France</td>
</tr>
<tr>
<td>CAPT. BÖRJES RALF</td>
<td>United States</td>
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**Affiliate (AFFIAMSP)**

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<tr>
<td>M. SOUZA VIANA LORENZO</td>
<td>Brazil</td>
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<td>LIMONGELLI ALDO</td>
<td>Venezuela</td>
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<tr>
<td>M. TCHEQUENHA IZEQUIAS</td>
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