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Three vessels involved in collision at Brazilian port

30 Nov 2020 Nidaa Bakhsh

A VERY large ore carrier belonging to Japan's NS United Kaiun Kaisha was in collision with two other bulkers.

The incident happened on November 28 at the Ponta da Madeira ore terminal in Brazil as the 2019-built, 400,000 dwt *Nsu Carajas* was preparing to berth.

Nsu Carajas was "turning sideways to approach the pier, but lost control" and was dragged by the tide, resulting in the collision with *Star Janni* and *Korona D*, which were already berthed on piers III North and South and loading their cargoes of iron ore, according to Lloyd's List Intelligence.

Star Bulk Carriers' 2010-built, 178,987 dwt capsized *Star Janni* was reported to be "seriously damaged", Lloyd's List Intelligence's casualty notice said.

The 2011-built, 179,362 dwt capsized *Korona D* is owned by Diamantis Diamantides and family, with commercial operations managed by Marmaras Navigation Ltd.

All three vessels, which are flagged with Liberia, have been moved to outer anchorage for inspections and temporary repairs.

A Star Bulk official said the company had not yet assessed the extent of the damage and an investigation was being carried out to determine that.

Only a very small amount of iron ore had been loaded before the accident and loading had now stopped, said the official, who added that there was no pollution and no persons injured.

Four crew taken from Marinakis tanker off Togo

30 Nov 2020 Declan Bush

FOUR crew have been kidnapped from a medium range chemical and oil tanker off Togo.

The 2006-built, Marshall Islands-flagged, 37,662 dwt *Agisilaos* (IMO: 9315745) was travelling from Pointe Noire, Congo to Lome, Togo when six armed attackers boarded the ship about 75 nautical miles south of Lome, on Sunday evening.

Security consultancy Dryad Global said the crew of 23 included Russians, Romanians and Filipinos. It is owned by the Greek Marinakis Group and operated by Capital Ship Management.

The boarders also took electronic equipment and \$16,000 in cash.

UK security firm Ambrey said the ship had carried out an evasive manoeuvre before the boarding, including increasing its speed out of a starboard turn. She slowed from 12.7 knots to 3.7 knots and had resumed her course by 2130 hrs.

The ship has since been reported safe and called at Lome.

Dryad said the incident was the 24th kidnapping in the Gulf of Guinea this year with 122 crew taken. It said pirates were attacking ships further out to sea, perhaps out of desperation after a string of failed attacks.

It took place in Ghanaian waters, five nautical miles west of the Gulf of Guinea high-risk area.

“While the design of this vessel does not signal any overarching vulnerabilities, this incident highlights the desperation of perpetrators in the region,” Dryad said. “Counter-piracy operations and logistical strains mean larger vessels may be targeted should attacks targeting smaller vessels with vulnerable characteristics be unsuccessful.”

It said further attacks in the region were highly likely and vessels should exercise caution.

Agisilaos was attacked about 22 nm north-east from the site of another recent attack, where three crew were kidnapped from the bunkering tanker *Stelios K* two weeks ago.

Maersk and CMA CGM push EU for free emission allowances

30 Nov 2020 Anastassios Adamopoulos

MAERSK and CMA CGM have called on the European Commission to give shipping companies free emissions allowances when the sector comes under the bloc’s carbon market.

Their appeals come as the commission prepares for an impact assessment ahead of its plans to propose a revision of the Emissions Trading System, the European Union’s cap and trade emissions regime scheduled for mid-2021.

The commission has said it intends to include the maritime sector in the revised Emissions Trading System and the move is supported by the European Parliament, which has already tabled its own legislative proposal on the subject as part of a wider revision in the EU’s data collection system, the Monitoring, Reporting and Verification system.

Maersk and CMA CGM are looking to secure concessions that would make the ETS rules for shipping less stringent than European lawmakers and environmental groups want them to be, but which would still be more than what many in the industry want, which is for the EU not to impose any emission regulations on shipping at all.

Japan and South Korea have urged the commission to reverse course and ditch its plan and the International Maritime Organization has also warned against the move.

Maersk and CMA CGM, which have pledged net zero emissions from their operations by 2050, called on the commission to allocate free emissions allowances to shipping companies bound to the ETS based on some kind of benchmarking criteria that would reward more efficient fleets.

The commission has said that its impact assessment will consider “carbon leakage provisions, such as free allocation rules and updating emission benchmarks, coherence with a potential carbon border adjustment mechanism, and indirect cost compensation”.

Most of aviation's EU emission allowances are currently allocated to companies without cost, but the commission will be reducing the share of free allowances for the industry over the coming years.

Maersk insisted that free allowances should not be given based on historical performance and argued that they should be allocated to operators based on the performance of their entire fleet rather than on an individual ship basis.

"This would enable fleet optimisation, which allows shipowners to prioritise the most cost-effective emissions reduction investments and incentivize the largest extent of green investments," Maersk said.

The European Parliament's ETS proposal does not support any free allowances for shipping.

CMA CGM warned full auctioning of allowances would raise costs for the industry.

"Should the European Commission decide to aim for this target, it should consider a phase-in period over which full responsibility would be gradually introduced. Companies could initially only surrender allowances for a portion of their emissions which could gradually rise to 100%," CMA CGM said.

CMA CGM and Maersk also told the commission the ETS should only cover voyages within the EU and the European Economic Area, citing familiar concerns around the negative impact on trade and potential unilateral responses from other regions if international voyages are covered as well.

The European Commission has said that it will consider "including at least intra-EU emissions of the maritime sector" into the ETS.

CMA CGM was emphatical, saying it "should be clearly limited to intra EU CO2 emissions" while Maersk left some room for amendments in the future with its stance.

"AP Moller-Maersk strongly urges the European Commission to consider this fact and initially not consider any measure going beyond intra-EEA scope," the company said in its submission.

The EU's data collection regulation, the MRV, covers international voyages to and from the EU. The European Parliament wants both domestic and international voyages to be included in the ETS.

Both Maersk and CMA CGM also believe shipping companies should be able to buy emissions allowances from other sectors while other sectors should not be able to buy from shipping.

"Considering that shipping is a hard-abate sector, where very few low-carbon options are available today a semi-open system would be the most appropriate, where shipping could purchase allowances from other industries (excepting aviation)," Maersk said.

Both companies also argued that the revenues from the ETS should be diverted to maritime decarbonisation research and development activities.

CMA CGM in particular also opposed the extension of the ETS to non-CO2 greenhouse gas pollutants.

“An extension to cover all GHG emissions would alter only marginally the total emissions’ volumes but would result in administrative burden, increased and disproportionate costs and less efficiency,” the company said.

Sustainability prospects

CMA CGM is a vocal supporter of and investor in liquefied natural gas as a shipping fuel, which generates lower CO₂ emissions higher methane emissions, a problem that has aroused suspicion on the fuel’s sustainability prospects.

A crucial question for the EU measures on shipping will be who will be paying for them.

The EU MRV currently defines the responsible company “as the shipowner or any other organisation or person, such as the manager or the bareboat charterer, which has assumed the responsibility for the operation of the ship from the shipowner”.

The European Parliament's MRV amendment proposal effectively puts the onus of reporting emissions on charterers and operators rather than shipowners, as it claims the responsible entity should be the one handling commercial operations and paying for the fuels.

For major carriers with heavy dependence on chartered-in ships, the European Parliament’s proposal and its application in the ETS could prove costly. The World Shipping Council, the biggest container line shipping lobby, has rejected the parliament’s proposal. It would hinder owners’ incentives to have efficient ships, the WSC warns, and put an administrative burden on the several companies that could charter a single ship within a year.

Maersk owns 307 boxships and charters in another 391, while CMA CGM owns 117 and charters in 436, according to the latest Alphaliner data. Likewise, Mediterranean Shipping Company, the world’s second-largest carrier, owns 139 ships and charters in another 441.

CMA CGM claimed in its submission that shipowners have direct control over the technical factors that determine emissions and are better positioned to make substantial improvements to the ship’s energy efficiency, such as vessel design and retrofitting.

“Charterers, on the other hand, have a limited number of options (operational measures, fuel consumption) to reduce GHG emissions. Consequently, in order to reduce uncertainty, the European Commission should clearly define each entity’s obligations under the EU ETS,” the company said.

Maersk agreed that a clear definition of the responsible entity will be crucial for the enforcement of the ETS.

“EU action in the field should be aligned with the current definition of responsible entity in the MRV-regulation,” Maersk said in its submission.

Maritime Markets Outlook: The best of times, the worst of times

30 Nov 2020

CHINA’s dominance in container trades, alongside container lines’ prudent capacity management and low bunker prices propelled this shipping sector to recover swiftly from the pandemic, according to Lloyd’s List Intelligence consulting head Christopher Palsson.

Container handling in ports exceeded 800m teu in 2019, and in February monthly volumes dipped by half in Asia as the onset of the pandemic deepened the normal lull seen from Chinese New Year holidays.

Some 32% of global containers handled are from Chinese ports, so the country's rapid economic rebound from the pandemic, alongside a \$400 per tonne drop in the cost of bunker fuel, helped return container lines to profit. Prudent capacity management via blank sailings and cost-cutting also played a role.

"Business is back and this is very positive for the world's wellbeing," Mr Palsson said, citing headlines showing that lines were expected to collectively report \$14bn in profits over the third quarter.

Restocking in North America has further underscored the recovery, as container freight rates hit records this month on key eastbound routes.

But there has been a rapid reversal in fortunes for the global tanker sector, where earnings are in "cash burn mode" and do not cover operating expenses, let alone breakeven rates for many owners.

The surplus of tonnage that's dragged earnings lower has been attributed to the sharp drop in crude exports from the Middle East Gulf, according to Lloyd's List markets editor Michelle Wiese Bockmann. Preliminary November figures from Lloyd's List Intelligence show that 100 fewer tankers loaded cargoes compared to the year-ago period, as the Organisation of the Petroleum Exporting Countries and its allies maintain oil production curbs.

Tonne-mile demand, which measures volumes carried by distance travelled and is a proxy for tanker demand, also confirms the impact that Opec cuts are having on tanker employment.

Despite China importing record monthly volumes of crude, and refinery throughput there also at fresh highs, this has not been enough to lead a global tanker recovery, unlike in the container sector.

China imports about 20% of global seaborne crude trade, and isn't a significant exporter of refined products like the US and Europe.

There, unprofitable refinery margins from a resurgence of coronavirus in key gasoline consuming regions is reducing refined product exports, while buyers also drawn down inventories

The end result are two stark and divergent realities for shipping as we head into 2021. Tankers are tied to the outlook for oil demand, which is not expected to improve until a vaccine is deployed, probably in late 2021.

But in the container sector, China's rapid recovery alongside restocking in North America after Asia volumes were cut in February, March and April, has dealt a vastly different hand for boxships.

Earnings for one sector are largely unprofitable, while another is making billions on a faster-than-anticipated recovery. The two key shipping markets are unusually out of step as a result.

Shippers and forwarders demand change to failing ocean freight market

30 Nov 2020 Will Waters

CONTAINER lines are being urged to review their current operational and business practices and return to “respecting schedule reliability and service quality” in accordance with their contractual terms with customers, as ocean freight customers struggle to maintain supply chains in the current environment.

The European Shippers Council and the European Association for Forwarding, Transport, Logistics and Customs Services (Clecat) said current conditions in the ocean freight market were slowing economic recovery of European businesses. They called on all parties “to work together to ensure that the maritime supply chain becomes more reliable, predictable, and resilient”.

The associations said that since the outbreak of the global pandemic, the container imbalance and the reduction of capacity in liner shipping “has seriously impacted on the shippers and freight forwarders who have been seeking to ensure the fluidity of their global supply chains, which remains crucial during the ongoing crisis.”

Since these problems have continued, ESC and Clecat now “urge carriers to review their operational and business practices to ensure a regular flow of cargo and containers, whilst respecting schedule reliability and service quality in accordance with contractual terms”.

“The lack of vessel capacity and container shortages, partly caused by hundreds of thousands of containers stranded in US logistics chains, cannot alone explain the liners’ shortcomings,” said ESC president Denis Choumert. “Customers are irked that liners have been taking advantage of the capacity crunch to increase revenues much beyond their costs.”

Ongoing service unreliability, coupled with the record profits of shipping companies at times of crisis, depicted “a seriously disrupted market” and demonstrated that carriers had been passing tremendous hikes on spot rates and imposing heavy surcharges above the fixed-term contractual rates.

Clecat president Willem van der Schalk said further frustration came from the fact that forwarders were obliged to work under a responsive emergency planning mode to adapt to the very short carrier notices of equipment and slot availability, multiple container roll-overs and numerous additional surcharges.

“The costs for the freight forwarding industry are huge: they range from the re-booking of shipments to sometimes even losing customers, because there is simply no service made available by carriers,” he said.

The associations highlighted that liner shipping companies benefited from special legal privileges through the Consortia Block Exemption Regulation, which was renewed in April this year, “to the dissatisfaction of the customers of liner services”.

They noted that the European Commission has granted and extended this exemption from normal competition rules several times, “as it believes that customers benefit from efficiency gains, achieved through co-ordinated capacity management by the members of consortia”.

“However, this is not the case today. Such privileges are now excessive as they allow carriers to use tools to manipulate the market.

“Whereas the US Federal Maritime Commission stepped up its scrutiny of liner activity this week, European industry is perplexed that the European Commission has not responded in any way to the current crisis.

“ESC and Clecat are convinced that the ‘new normal’ will need a better monitoring of the liner shipping activities and a new EU policy framework, which would benefit Europe’s economy and its citizens.”

GRANDE EUROPA (Italy)

Reportedly NUC, experienced fire in engine room in position 50 52 54N, 001 07 36.0E, 5.5 NM from Dungeness Point, 29 Nov 2020. Fire put out. *Multratug 29* has begun towing the vessel & its destination is Southampton.

29 NOV 2020 London, Nov 29 -- Following received from Dover Coastguard, timed 1544, UTC: Roll on roll off with container capacity *Grande Europa* : Tug *Multratug 29* has begun towing the vessel, and its destination is Southampton. Due to disabled winch, the anchor was cut and marked with two large blue plastic drums. Dover and Solent coastguard will monitor the vessel into Southampton, United Kingdom.

29 NOV 2020 London, Nov 29 -- Following received from Dover Coastguard, timed 0526, UTC: The fire onboard roll on roll off with container capacity *Grande Europa* in the engine room has been extinguished and the vessel has dropped its starboard anchor. Two shackles are in the water. The vessel has one ECDIS, one GPS, and one radar working. The damage is still being assessed. There is still smoke on the vessel. The vessel's DPA is organising a tug to attend.

29 NOV 2020 London, Nov 29 -- Following received from Dover Coastguard, timed 0351, UTC: Roll on roll off with container capacity *Grande Europa* (51714 gt, built 1998), en route from Antwerp to Southampton, United Kingdom, with 27 people on board, experienced a fire in the engine room in position lat 50 52 54.0N, long 001 07 36.0E, 5.5 nautical miles from Dungeness Point at 0212 hrs, UTC, today. The vessel is reportedly not under command and without power and has no ECDIS and GPS. The vessel has radar and is assessing if its anchor can be dropped. The vessel is in the southwest bound lane in the Dover TSS near the CS3 buoy. No pollution or injuries have been reported. The vessel has 2153 units of vehicles and 1624.7 metric tons of VLSFO, 472 metric tons of MGO, and 62970 litres of Lube.

GOLDEN RAY (Marshall Islands)

30 NOV 2020 London, Nov 30 -- A press report, dated Nov 29, states: Responders finished cutting and lifting Section One the bow of the wreck of vehicle carrier *Golden Ray* in the morning of Nov 28. Preparations for the section to exit the Environmental Protection Barrier (EPB) on the barge *Julie B* were ongoing. It was the first major milestone in the removal operation. Responders on the shore and on the water have vigilantly kept watch for and responded to any environmental impacts. Preparations for the second cut have begun. The wreck will be removed in a total of eight sections.

29 NOV 2020 London, Nov 29 -- A press report, dated Nov 28, states: Crew members finished cutting the first of seven sections of vehicle carrier *Golden Ray* on Saturday. Twenty-two days after the cutting began, crews lifted the first section into the air and onto a barge. Reportedly, 7400 new cars that were in the vessel were destroyed. Officials with Altamaha

Riverkeeper said some of the sections of the ship will be brought to Louisiana. There is no word on when cut number two will start.

28 NOV 2020 London, Nov 28 -- A press report, dated today, states: Vehicle carrier *Golden Ray* : Crew members have almost done cutting first of seven sections of the vessel. The vessel overturned last year in September. Cutting operations began on Nov 6, 2019. The next step will be to lift the section onto a barge which will later be recycled, in Louisiana. There have been several delays in cutting operations from Tropical Storm “Eta” and the cutting chain broke. Responders have recovered small pieces of debris and light oil sheening also seen. Responders said sound monitoring equipment at St. Simons Pier and Jekyll Island Pier has not registered for excessive noise levels. Responders have reported sightings of drones and small aircraft over the wreck site along with recreational vessels in or near the safety zone.

26 NOV 2020 London, Nov 26 -- A press report, dated Nov 25, states: Nearly three weeks after the cutting began on the wreck of vehicle carrier *Golden Ray* , the St. Simons incident response team reports that they are making progress although it has taken far longer than anticipated. At this point, the cutting has progressed through the keel, where they encountered as expected thick, dense structural steel. After gathering data and modifying operations, the engineers expect cutting to progress more quickly through the remainder of the section. The lift equipment remains on-site prepared to undertake the next step in the operation once the cut is completed. In the meantime, the team has also been responding to small environmental issues during the cutting process. A light oil sheen was observed on the water and a small amount of oil was recovered. Also, responders continued to recover small pieces of debris, some oiled, within the proximity of the wreck and at the shoreline. The team has not provided an updated timeline or a target for when they expect the first cut might be completed.

NSU CARAJAS (Liberia) / STAR JANNI (Liberia) / KORONA D. (Liberia)

Vessel came in contact with bulk carrier *Star Janni* & bulk carrier *Korona D.* during berthing maneuver as it was dragged by tide, at Ponta Da Madeira Terminal, Sao Luis, Brazil on 28 Nov 2020. Three vessels berthed. Investigation On.

30 NOV 2020 London, Nov 30 -- Bulk ore carrier *Nsu Carajas* / Bulk carrier *Star Janni* / Bulk carrier *Korona D.* : According to reports, the incident occurred between 1540 hrs and 1630 hrs, UTC, Nov 28. Bulk carrier *Star Janni* was seriously damaged. All three vessels were brought to an external anchorage and anchored for inspection and for temporary repairs.

28 NOV 2020 Sao Luiz, Nov 28 -- Bulk ore carrier *Nsu Carajas* (200,000 gt, built 2019) came in contact with bulk carrier *Star Janni* (93,186 gt, built 2010) and bulk carrier *Korona D.* (93,216 gt, built 2011) during berthing maneuver, at Ponta Da Madeira Terminal, Sao Luis, Brazil, at 1230 hrs, local time, today. According to reports, *Nsu Carajas* was turning sideways to approach the pier but lost control of the movement and was being dragged by the tide, resulting in the collision with *Star Janni* and *Korona D.*, which were already berthed on Piers III North and South of Ponta da Madeira Terminal, loading their cargo of iron ore. All three vessels are currently berthed at the Terminal and are being checked. – Lloyd’s Agents (GMS Brazil).

TINA I (Cyprus)

Ran aground in position 01 11 12N 103 52 49E, near Batu island in Batam, Indonesia, 22 Nov 2020. Cause unknown. Developed port list, 25 Nov. Contacted stern of vessel *Shahraz*. Both vessels lay sidebyside.

30 NOV 2020 Kiel, Nov 30 -- Fully cellular containership *Tina I* which had allided with the grounded, fully cellular containership *Shahraz* in position lat 01 11 12N, long 103 52 49E, in the Strait of Singapore on Nov 22 has been salvaged. Anchor handling tug/supply *Pacific Wranger* connected up to stern of the grounded ship at Batu Berhanti off Batam and successfully pulled it on Nov 29. *Tina I* was moored on the Batu Ampar Anchorage in position lat 01 11 41.0N, long 103 57 46.0E, at 0900 hrs, today. -- Correspondent.

26 NOV 2020 Manila, Nov 26 -- According to reports, initial inspection showed that the grounded fully cellular containership *Tina I* hit a reef, which caused it to run aground. The Harbour master's Office and Port Authority in Karimun stated that they will soon begin interviewing the captain and crew of the vessel as part of their investigation to determine the cause of the incident. -- Correspondent.

26 NOV 2020 London, Nov 26 -- A press report, dated today, states: Fully cellular containership *Tina I* : According to reports, the vessel was almost fully loaded with 4,096 TEUs weighing 57,164 tons. On Nov 25, a fuel leak was discovered on the stricken vessel. The starboard side of the vessel crashed into the stern of the fully cellular containership *Shahraz* on the port side. Currently, both vessels lay side-by-side off Samba Island.

25 NOV 2020 London, Nov 25 -- A press report, dated Nov 24, states: Fully cellular containership *Tina I* : According to reports, the vessel has developed a list towards the port side. The stricken vessel is carrying approximately 4000 TEUs on board. Also, for reasons unknown, the vessel came within extremely close to grounded wreck of fully cellular containership *Shahraz* , which ran aground in May. Both vessels are now aground adjacent to each other in Indonesian waters near the Batu Berhanti light buoy.

25 NOV 2020 London, Nov 25 -- A press report, dated Nov 24, states: Fully cellular containership *Tina I* had sailed from Pasir Panjang terminal in Singapore, heading to Jakarta, Indonesia and then towards the eastbound lane of the Traffic Separation Scheme in the Singapore Strait. According to reports, it is being speculated that the Master could have become disorientated at night in the busy shipping lane, which could have caused the incident.