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Box-carrying bulker returns to port after stow collapse

07 Sep 2021 David Osler

A BULK carrier pressed into carrying containers was forced to return to a port in China after suffering a collapse of stow under deck, the International Union of Marine Insurers conference has been told.

Neither the ship nor the port involved was named during the presentation.

But speaker Michael Hird, director of marine claims consultancy WK Webster, subsequently confirmed that he was referring to an incident involving *Great Beauty* (IMO: 9792876) in late July.

The 38,645 dwt unit is said to have experienced a shift of containers stowed in holds 1 to 4 during high winds and waves arising as a result of Typhoon In-Fa while en route from Taicang, China to Savannah, US.

The vessel returned to Taicang anchorage for inspection and remedial works. Containers stowed in hold were reportedly heavily affected, while the shift in the other holds was less serious. Containers stowed on deck were unaffected.

According to the WK Webster website, the firm has received instructions from unnamed cargo insurers.

Mr Hird said that he was reticent to go into further details in what for Webster is a live case.

“It’s only raised an alarm bell for us in that we’re aware of the pressures to get containers moving from the Far East to the US and the limited vessel capacity there is to fulfil that. In this case, something went wrong but we don’t know what that is yet. This case is still under investigation.

However, the incident is likely to reignite the controversy over the carriage of containers on bulk carriers, which have been deemed safe in principle by specialists, albeit with some reservations.

It emerged in recent weeks that the current surge in demand for container slots had seen a handful of bulkers deployed as makeshift containerships, carrying containers not just on deck but in their holds.

Small and medium size brackets up to panamaxs were deployed in the first instance, and there have been subsequent reports of capesizes used for such purposes.

This is certainly permissible, although there may be obstacles to clear with flag, class and P&I club.

But safety experts point out that bulk carriers are just not designed to haul boxes. Potential drawbacks include lack of securing mechanisms, crews without appropriate training, and increased risk of weather damage to deck loads.

Mr Hird’s comments were made as part of a wider presentation on the spate of container overboard losses seen in the Pacific in the last northern hemisphere winter.

Between November 2020 and February 2021, six large containerships lost more than 3,000 containers.

One Apus (IMO: 9806079) lost 1,800, *Maersk Essen* (IMO: 9456783) 750 and *Maersk Eindhoven* (IMO: 9456771) 260, with three lesser incidents in addition.

That compares to 1,382 boxes lost annually on average in the previous 12 years, with even that total distorted by the one-off *MOL Comfort* casualty in 2013, with the loss of 4,300 containers.

“While there was a precedent for container losses of this magnitude, to have this many vessels suffer a similar fate on the same voyage seems a little unusual,” Mr Hird pointed out.

Now that we are approaching the next northern hemisphere winter, the obvious question is whether there will be a repetition of the casualties.

Far East-US box rates remain high and ship capacity is still limited, with port operations hit by the pandemic, trade imbalances resulting in widespread mispositioning.

Mr Hird described that situation as “not the greatest,” adding that in recent weeks there has been “examples of bulk carriers being used as containerships on exactly the same route”.

“At least one of these ships has already suffered a collapse of stow under deck, forcing it to return to China,” he said.

The cause of last winter’s losses are still being examined, but factors likely to include bad weather, deficient seafaring skills and navigational decisions, ship to shore communication failings, lashing and securing, stowage and voyage planning, and even ship design issues.

“We may also need to consider a non-typical cause for these events, that being the pressures exerted on this particular shipping route, ultimately caused by the Covid pandemic that triggered the trade imbalance,” said Mr Hirst.

However, some of the ships are known to have been heavily loaded, with stack heights up to 10 or 11, and few if any empties in top tiers. That could have increased risks in winter weather.

Around 10% to 15% of cargo on a boxship is typically uninsured, which may amount to 2,000-3,000 boxes on a single ship for the largest vessels.

However, most of the losses will have been covered by cargo underwriters, depending on which Institute Clauses applied to any given voyage.

Crews need more awareness on how to fight battery fires

07 Sep 2021 Declan Bush

CREWS need more training in how to fight battery fires on ships, according to a consultant.

Increasingly powerful batteries are used in auxiliary power systems, while electric cars present a fire risk when carried as cargo on ro-ro ships.

Stream Marine Training director of marine and technical business Tony In’t Hout said relatively few electric cars were carried on ships, but their share was growing.

He said electrical faults could cause chemicals in the battery to ignite. Once started, fires were hard to extinguish.

The energy capacity of electric car batteries was increasing.

“If you get an incident, you’ve got a hell of a lot of energy available to that fire,” Mr In’t Hout said.

Battery fires need different safety systems to those that handle conventional fires, and crews must be aware of the risks and trained in how to deal with them, he said.

In August, carmaker General Motors expanded the recall of its Chevrolet Bolt electric car because of concerns over battery fires, at a reported cost of nearly \$2bn.

Hyundai has recalled about 90,000 of its Kona EV models, also because of manufacturing defects that increase the risk of short circuit, NBC News reported.

A 2019 study by class society DNV and the maritime authorities of Norway, Denmark, and the US found ventilation alone was not enough to prevent an explosion if many battery modules failed in the same compartment at once.

It found different suppression methods had their pros and cons, but there was no ‘silver bullet’ solution.

DNV said battery fires seemed to be less likely than conventional fires, but DNV was not able to compare the severity and further data was needed.

It started another project in November 2020 to find ways to test battery health based on real-time sensor measurements.

Siem Car Carriers said it has strengthened the car decks on two new ro-ros, since electric cars tend to be heavier than normal cars. It said the growth in electric vehicle cargoes could have implications for ro-ro ships’ deck strength, stability and deadweight capacity.

Wärtsilä this week said it had developed a battery container system to allow inland vessels to operate with zero emissions.

It said the containers had an energy capacity equivalent to about 36 electric passenger cars, and could be exchanged and recharged onshore.

Safety regulations not suited to large boxship fires

07 Sep 2021 James Baker

REGULATIONS covering safety and training have failed to keep up with the ever-expanding size of containerships, particularly in the area of fire prevention.

“It is becoming increasingly clear to me that the maritime standards ... have not changed with the exponential growth in containership capacity witnessed in the past 20 years,” said Nick Haslam, a partner at maritime consultancy Brookes Bell.

He cited the International Convention on the Safety of Life at Sea, known as Solas, and the Standards of Training, Certification, and Watchkeeping.

Speaking at an event hosted by the Honourable Company of Master Mariners, Capt Haslam said that rules affecting firefighting had not significantly changed since the 1970s and did not accommodate the larger scale of modern tonnage.

“Despite the numerous amendments to Solas, it may be questionable whether the standards have kept pace with growth,” he said. “There is little to differentiate Solas requirements for a 10,000 dwt ship and a ultra-large container vessel.”

This was despite the fact that large boxships often carried significant quantities of highly volatile cargo. Moreover, crew required no specialist training to deal with this cargo.

“The largest ultra-large containerships can carry 20,000 tonnes of mixed chemical cargo but the seafarers on board are only required to undertake basic firefighting training,” he said. “This is in comparison with a 20,000 dwt chemical carrier, where the standard of training differs considerably.”

Fires on board containerships were often significant in nature.

“These are not happening in one or two accessible containers. The largest of the container vessels today have 11 levels below deck and up to 11 above deck. These are gigantic vessels and 23 containers across is a vast ship.”

Trying to get anywhere near one of the containers on fire was often impossible, and there was also the risk of catastrophic explosions from hazardous cargoes.

“Significant incidents fall well outside the limits of firefighting training by the majority of seafarers,” he said, adding standard firefighting measures involved the application of CO₂ as a suppressant, but this was often ineffective in boxships.

“The chemical decomposition of certain cargoes creates heat, but a resulting fire comes later in the chain of reactions. Fire detection on board containerships is largely based on the detection of smoke, and not by monitoring temperature.”

But this was often not as quick as it should be to warn of fire.

The system itself is not as quick as it should be, he added.

“When a fire is detected, it is often too late and it is too dangerous for the crew to enter the cargo hold. The remaining option is to release the limited amount of CO₂ on board.”

This often proves to be insufficient to extinguish fires in containers.

“The system does work but where it becomes ineffective is in the delay in detection,” he said. When it is deployed, CO₂ often moves via convection rather than falling to the bottom of a hold, and while it can fill the space between containers, is unable to enter the container itself.

“In a worst-case scenario, CO₂ is not even going to make it to the bottom of a hold where a container is on fire to extinguish the fire.”

This often meant that the fire was not extinguished fully until tugs could douse it with large volumes of water, but this leads to other risks.

Not only was there a risk of instability from large amounts of water flowing into the hold, but that water mixed with dangerous goods and the by-products of combustion created a “toxic sludge” that could emit toxic gasses dangerous to seafarers.

But the scale and devastation of large containership fires meant there were few other options.

“The STCW idea that someone would be standing there with a hydrant and a fire hose leaves a lot to be desired,” said Capt Haslam. “Given that history has shown us what can happen on containerships when they are subjected to a large fire, is it not time for the construction of

these vessels and the training of their crew to be revised to reflect the devastating nature of these fires?”

CMA CGM extends Le Havre suspension

07 Sep 2021 James Baker

CONGESTION at Le Havre has forced CMA CGM to extend its suspension of calls by one of its services to France’s largest container port until the end of the year.

In June, the carrier announced the suspension of the Le Havre call on its Eurosal service connecting northern Europe with the west coast of South America and the Caribbean.

The “situation has not improved with heavy congestion and lack of productivity,” CMA CGM said. “To maintain the quality of service in this difficult environment, the Eurosal service will extend the suspension of Le Havre until the end of 2021.”

Imports and exports to and from Le Havre will still be offered, but only by transshipment via Antwerp.

Congestion has disrupted container line schedules, and many are now resorting to skipping the worst hit ports and terminals in an effort to improve efficiency and reliability.



CMA CGM WILL NOW SKIP LE HAVRE (PICTURED) UNTIL THE END OF THE YEAR.

SFL Corp buys suezmax trio in ‘counter-cyclical’ move

07 Sep 2021 Michelle Weise Bockmann

SFL Corp has made what its chief executive says is a counter-cyclical investment in tanker tonnage, buying three, modern suezmax vessels which will be deployed on five-year charters at rates of about \$25,600 daily.

The New York-listed company has not disclosed details of price, nor seller — said to be a “big trading company” — or the charterer, described also a “world-leading commodity trading and logistics company,” Ole B Hjertaker told Lloyd’s List.

The charters add about \$140m in fixed-rate revenues, the company said in a statement.

That benchmarks the average time charter rate fixed by SFL Corp to be a little lower than shipbroker Braemar ACM’s assessment of a five-year charter for suezmax tonnage.

The shipbroker’s most recent weekly report valued a five-year time charter at \$27,500 per day for a modern, efficient suezmax tonnage with a scrubber installed, and \$26,500 for modern tankers without sulphur abatement technology.

The ships are all built in 2019, with scrubbers fitted, with this segment and age bracket targeted because of future supply dynamics, and the current low orderbook-to-fleet ratio, Mr Hjertaker said.

“Older tankers are going to have to be phased out once they’re past 20 years as they’re more difficult to trade, unlike the containership sector where you can run ships longer,” he said.

Dire market conditions see suezmax spot rates for modern, scrubber-fitted tankers average \$5,400 per day, according to Braemar ACM, which is below operating costs.

Tanker earnings are the lowest in two decades as oil inventory drawdowns, production supply cuts and slowing oil demand growth imperil the long-anticipated vaccine-led rates recovery that was expected to boost seaborne crude exports by the year’s end.

Mr Hjertake said the charters were with a “strong counterparty” in a weak market that would soon strengthen, particularly as demand indicators such as increased airline traffic provided positive signs of a return to normal. This supported such a countercyclical investment, he said.

Oil trader Trafigura is a possible seller of the tonnage.

The company’s Trafigura Maritime Logistics sold 10 suezmax tankers to another John Fredriksen-linked company Frontline in 2019 in a sale and leaseback deal with options for another four. Options for these four were not taken up.

SFL Corp’s 74-ship fleet of tankers, car carriers, dry bulkers and boxships and offshore vessels includes only three very large crude carriers, two suezmax, two product tankers and two chemical tankers.

Containerships comprise the majority of the fleet, with all of these fixed at longer-term charters that expire between the second quarter of 2022, and fourth quarter of 2033.

While most of the containerships in the SFL Corp fleet have not been able to take advantage of the booming charter market this year — rates have quadrupled in six months for some types — Mr Hjertaker said 10 of the 22 bulk carriers were making the most of the buoyant spot market.

The remainder were on time charters.

China faces potential bauxite crunch from Guinea coup

07 Sep 2021 Inderpreet Walia

BAUXITE shipments from Guinea are at risk from the political upheaval in the country after the military seized power, shut down the borders and imposed a nationwide curfew.

The West African country is a major producer of bauxite, accounting for more than half of China's imports of the commodity.

At least 44.7m tonnes of bauxite have been shipped out of the country in the first six months of the year, Arrow data shows, accounting for 99.5% of the total seaborne exports.

But the country's mineral wealth also includes iron ore and alumina, shipments of which totalled around 200,000 tonnes in January-June.

More than 70% of Guinean bauxite was shipped to China, while Europe constitutes another major destination, followed by the United Arab Emirates and India, which receives about 10% of the nation's seaborne exports, Arrow data reveals.

In the short term, even if more disruptions arise in the coming days, they should be short-lived and their impact could be lessened by the ongoing rainy season, Arrow research said.

However, the military coup has left China facing a bit of a double whammy in terms of problematic supplier nations as Guinea has rapidly become the largest supplier at a time when the Chinese demand for imported bauxite has increased significantly, Ocean Analytics founder Ulf Bergman said.

Guinea only started to supply any significant quantities to China in 2016, but has since dethroned Australia from the top spot.

While China has a respectable domestic production at around 70m tonnes, Mr Bergman estimates that the demand for imported bauxite has more than doubled in the past five years.

According to data from Oceanbolt, so far this year 68% of 2020's record seaborne imports of 115m tonnes has been matched, which could put the record shipments in jeopardy.

However, the new situation in Guinea has the potential of derailing such a development, he agrees.

"Any new leadership is likely to recognise the importance of exports to the country's economy, but a power vacuum and closed borders are likely to lead to considerable disruption," Mr Bergman said.

Meanwhile, a new government may also complicate Beijing's long-term plans to source much of its iron ore from the country and reduce the dependence on Australian imports.

"It is probably hard to overstate the current importance of Guinean bauxite to China, especially as the ongoing diplomatic tensions between China and Australia show no signs of entering a thaw," he said.

Earlier in the year, Guinea was also looking at phasing in an additional 24m tonnes of annual export capacity contributing to further erosion of Australian market share.

Australia remains the world's largest producer of the commodity, with an annual output of approximately 105m tonnes, which is projected to grow by around 20% in the coming years.

A move to increase imports of Australian bauxite may be unpopular with the Chinese leadership, but this could prove to be unavoidable if any disruption in Guinea turns out to be material and lengthy, said Mr Bergman.

Although Indonesian exports have recovered in recent years, following the law in 2014 that banned much of the exports. Yet, total export volumes are well below what would be required to replace any meaningful part of the Chinese imports from Guinea.

"Guinea was always known to have significant resources of bauxite, but was deemed less competitive than Indonesia or Australia due to distance from the main importers (China), and the logistical issues there like railways to bring the bauxite to ports and draft at ports," said Banchemo Costa head of research Ralph Leszczynski.

"Political risk was always a consideration, and we are seeing this now."

At the same time as the importance of West African bauxite has grown for the Chinese importers, the nature of the trade has also changed.

From being virtually the exclusive domain of the panamaxs in the middle of the past decade, Mr Bergman said that the increasing importance of the supplies from Guinea has shifted much of the trade flow to the capesizes, which now account for more than half of the shipped volumes.

"If China is forced to scour the globe for substitutes to the West African bauxite, it is likely that the trend towards increasing importance for the larger tonnage could reverse."

Prolonged disruption to the export of bauxite from Guinea is likely to be bad news for freight rates, especially in the largest segment.

"If Chinese buyers are successful in sourcing replacement volumes elsewhere, such as Indonesia and Australia, some of the tonnage demand could shift to the panamax segment."

Further, Drewry's dry bulk lead analyst Rahul Sharan fears that the coup could hamper iron ore projects as well.

"Many iron ore projects are in completion stage, and the unrest could affect such projects," he said, adding that any impact, either on bauxite shipping or iron ore projects might, however, not remain for long.

"Most of these projects are directly or indirectly being controlled by China, which might put its weight behind regulating the mining and shipping works."

He believes that both activities are very important for Guinea's economy and any political group will dissuade itself against disrupting ore supply chain.