$900m pledge

US climate envoy Sue Biniaz joined leading shipping players in welcoming green funding commitments in Athens.
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Bold box ambition

Hapag-Lloyd's Rolf Habben Jansen has M&A and orders in sight in new-look strategy at liner giant.
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TradeWinds

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Modern VLCCs in play

Photo: Marine Money

George Procopiou swoops on two big tankers in his first resale buy in almost a decade as Korea Line Corp and Hanwha Ocean bring sales candidates to market.
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FBI PROBES BRIDGE TRAGEDY

Agents focus on power failure as they launch criminal investigation into the Baltimore container ship crash. **Page 6**

Photo: Irene Ang

SU REVEALS LPG PLAN

Erasmus Shipinvest's John Su tells of extending his success in bulkers to gas ships during his visit to Singapore Maritime Week. **Page 5**

Ciner extends huge bulker order drive

VASILEIOS PAPAKALODOUKAS-MANAGED CINER SHIPPING MOVES FOR UP TO SIX NEWBUILDINGS AS IT TARGETS FURTHER VESSELS BACKED BY CHINESE FINANCE. **PAGE 5**

Varouxakis breaks into tanker newbuildings

Irene Ang and **Harry Papachristou**

Prodigy Inc — a company linked to Greek shipowner Ion Varouxakis — has made its MR tanker newbuilding debut.

The Athens-based company has contracted Chinese state-owned Chengxi Shipyard to build two 50,000-dwt product carriers to be delivered in 2026.

Shipbuilding sources said Prodigy inked the contract early this year but the deal went unreported.

Officials at Chengxi declined to comment, citing contract confidentiality.

The price of Prodigy's MR newbuildings has not emerged but shipbuilding brokers believe the company will likely pay around $45m apiece.

Shipping sources said Prodigy is a newcomer to the tanker business.

Prodigy, a company registered in 2017 in Athens, was known as a provider of financial services to FreeSeas, a company delisted from US markets several years prior, under the leadership of Varouxakis, its chief executive.

According to past filings to the US Securities and Exchange Commission by FreeSeas, Varouxakis was a Prodigy shareholder.

Clarksons' Shipping Intelligence Network lists Prodigy with a modern fleet of kamsarmax bulk carriers.

It has a fleet of seven 2023-built vessels — four built by Chengxi and three by Cosco Heavy Industry Yangzhou.

S&P Global lists five of those vessels as owned by China Huarong Financial or CCB Financial Leasing Co. All of them are commercially managed by a Marshall Islands-based entity called Karteria Shipping & Trading.

FreeSeas was trading on the Nasdaq between December 2005 and 15 July 2016. However, the stock exchange delisted the company because its shares were consistently trading below the minimum bid price of $1.

In 2019, a London judge found Varouxakis to be personally liable for at least $800,000 in damages in a dispute with Griffin Underwriting.

The insurer was suing the FreeSeas CEO over unaccounted-for general average payments arising from a bulker hijacking by pirates in 2012.

Chengxi is one of the shipyards under the control of China State Shipbuilding Corp. The Jiangsu-based shipyard specialises in constructing midsize vessels.

The shipbuilder has an orderbook of close to 80 newbuildings, of which half are kamsarmax bulk carriers.

The yard is building MR tankers for Schoeller Holdings, AN Tankers, Seacon Shipping and Singfar International.

THE SM VENUS 2: The VLCC is the youngest of the four tankers being sold by Korea Line Photo: V Tonic/MarineTraffic

Bahri in pole position for modern VLCC quartet

Brokers say state owner has submitted most competitive en-bloc offer for ships built in 2019 and 2020

Gary Dixon, **Andy Pierce** and **Lucy Hine**
London

Saudi Arabian state shipping giant Bahri is believed to be at the front of the queue for four modern VLCCs put up for sale by Korea Line Corp.

Expressions of interest and price ideas were invited by 10 April for three tankers built in South Korea in 2019 and one in 2020.

Sources told TradeWinds that between seven and 10 buyers are in the race.

Korea Line said in its tender that an en-bloc sale is preferred.

The best offer is said to have been received from Bahri at $430m, which would undercut the valuations of around $478m quoted by VesselsValue.

The broker handling the business in the South Korean office of a London broking group has remained tight-lipped.

TradeWinds is told the top few potential buyers could be invited to inspect the tankers in May. Another source said inspections could take place from Sunday.

One broker described the sale-and-purchase market as "nuts currently, given that everyone has money to burn".

Other names mentioned in connection with the business include Angelicoussis Group's Maran Tankers, Evangelos Marinakis' Capital Ship Management and the John Fredriksen group.

Bahri, which has 38 VLCCs, has been contacted for comment.

The vessels seem likely to establish a new secondhand price benchmark in what is still a very firm S&P environment for younger ships.

Tender documents seen by TradeWinds showed that the tankers are the 300,800-dwt sister ships SM White Whale 1 and SM White Whale 2, and the 299,700-dwt SM Venus 1 (all built 2019) and SM Venus 2 (built 2020). All are scrubber-fitted.

WINDFALL PROFIT

Korea Line, owned by SM Group, could achieve a bumper payday, as it has owned the vessels since delivery.

The SM Venus duo cost only $85m each to order and the other two just $88m.

The quartet has gained nearly $120m in value over the past two years.

These are the South Korean owner's only VLCCs, although the fleet does number 39 other vessels, including bulkers, a handysize tanker, LNG ships and car carriers.

The tankers will be the first VLCCs of this vintage to be sold since December, when a number of ships changed hands for $114m and $116m.

In December, Bahri bought four VLCCs built in 2019, two each from VS Tankers and Thenamaris, with the price given as $114m apiece.

Unidentified Middle Eastern interests were then said to have snapped up the 300,000-dwt Delos (built 2019) for $116m from the fleet of Embiricos family-controlled Aeolos Shipmanagement.

Pool giant tips newbuild bets to pay off

Paul Peachey

The resurgence of VLCC ordering is unlikely to knock the sector's gradual recovery off track, with an ageing fleet set to outweigh new deliveries, says Tankers International.

The orderbook for the largest crude carriers has doubled in the first three months of this year but that comes after a long sparse period for newbuildings, the pool operator added.

"Historically an expansion of this scale would pose a huge disruption to the freight market outlook," it said. "However, the orderbook-to-fleet ratio remains historically low even with the addition to the orderbook."

More than 50 VLCCs are due to be delivered over the next five years, but that compares with more than 200 that will reach the age of 20 years or more over the same period, Tankers International said in a new market outlook.

CHARLIE GREY: CEO at Tankers International Photo: Tankers International

"This means the potential for fleet exits by far exceeds additions," the sector specialist said.

The Charlie Grey-led London operation said the market is set to build on a "solid foundation" this year with the upheaval of trade routes benefiting the market.

Amid signs of the bottoming out of VLCC rates, the sector has benefited from geopolitical turmoil and broader structural changes in the market.

Demand for crude oil this year will be driven largely by Asian nations, while growth in supply will come from non-Opec producers the US, Guyana and Canada, according to the International Energy Agency.

That will mean longer voyages, with Opec nations maintaining production cuts to bolster oil prices, which topped $90 per barrel for Brent crude on Tuesday.

"The VLCC freight market looks set to continue to build on the solid foundation of cargo volumes that has persisted from last year and into this year," said Tankers International, which has a pool of 37 VLCCs.

"The geographical mismatch between where oil demand is growing and where new supply will arise will continue to add to the tonne-mile equation and to the demand for VLCC tonnage."

Clarksons reported last week that tanker markets could continue strengthening this year and next, bolstered by low fleet growth. It said the barrels shipped from the Atlantic support "a thriving tanker market".

Procopiou's Dynacom goes for first VLCC resales since 2015

Greek shipowner takes over pair of VLCC newbuildings in China

Irene Ang
Singapore

George Procopiou's Dynacom Tankers has tapped the resale newbuilding market for the first time in almost a decade.

The Greek company, which has contracted about 40 tankers in the past two years, is said to have added two VLCC resales to its massive orderbook.

Shipbuilding players said it has acquired two 306,000-dwt crude carriers booked at China's Hengli Heavy Industry (Hengli HI).

They were ordered by Chinese private petrochemical company Hengli Group — the group company of Hengli HI — in September 2023.

The duo were to help to diversify the shipyard's product portfolio, as most large shipbuilding companies in China aim to build high-value-added, high-cost vessels.

Brokers following the Chinese shipbuilding market said Dynacom has paid about $122m each for the scrubber-fitted ships, which will be powered by conventional fuel.

S&P Global's maritime portal shows Hengli HI's orderbook has only two VLCCs, Hull Nos T300k-1 and T300k-2, for delivery in March and December 2025.

The acquisition of the two VLCCs is believed to be Dynacom's first purchase of resale newbuildings in nine years.

According to VesselsValue, Dynacom's last deal in the resale market was in 2015, when it bought a suezmax from CarVal Investors for $59m.

Built by New Times Shipbuilding, the 157,400-dwt tanker trades as Antigua 1 (built 2016).

With the purchase of Hengli's crude carriers, Dynacom would have eight VLCC newbuildings on its orderbook.

IMPORTANT CLIENT

New Times Shipbuilding is building four LNG-ready 320,000-dwt vessels, while CSSC Tianjin Shipbuilding — a subsidiary of state-owned Dalian Shipbuilding Industry Co — will construct two.

Dynacom ordered these six VLCCs, which will all be fitted with scrubbers, last year at a reported cost of around $115m each.

New Times is scheduled to deliver the first vessel in late 2026 and the three others in 2027. CSSC Tianjin is set to deliver one VLCC at the end of 2026 and one in the first quarter of 2027.

Procopiou is an important client for the reborn Hengli HI.

GOING FOR GROWTH: George Procopiou's Dynacom Tankers has contracted about 40 tankers in the past two years
Photo: Capital Link

His dry bulk company Sea Traders has 14 wide-beam 82,000-dwt bulk carriers on order there. Ten were ordered last year and the company added four in February.

Hengli HI is scheduled to deliver them between June 2025 and the end of 2026.

Hengli HI is the former STX Dalian Shipbuilding, established by South Korea's STX Group.

It exited shipbuilding in 2013 with the collapse of the market. Hengli acquired STX Dalian in 2022 for CNY 1.73bn ($240m) to turn it into an offshore manufacturing base and shipbuilding yard.

Muted response to rare Hanwha berths tender

Lucy Hine

Hanwha Ocean has had a limited response to its unusual move to open a tender process for two VLCC newbuilding slots with 2026 delivery dates.

One newbuilding broker described the market reaction as "underwhelming".

The South Korean shipbuilder, which has previously not commented on the business when asked by TradeWinds, is said to have been disappointed by the response.

Those ought to have been attractive berths, the broker said, musing as to whether the tender process had put off some bidders.

Another spoke about a single offer in the region of $126m —

'UNDERWHELMING': Hanwha Ocean is disappointed at reaction to its tender
Photo: Advantage Tankers

which is significantly below the $130m-plus asking price specified by the shipyard.

Offers were due in by 10 April after Hanwha Ocean took the highly unusual step of offering its berths out by tender.

The slots are understood to be those vacated by Greece's Evalend Shipping.

Newbuilding players said one of the issues for the shipbuilder is its limited palette, which is focused on container ships, LNG carriers, very large ammonia carriers and VLCCs.

They said there is no real demand for large boxships at present and the equipment lead time for the gas and LNG carriers rules them out for such early handovers. Hanwha Ocean is also said to be sitting on three open LNG berths for 2027 delivery dates.

But some newbuilding and secondhand market players feel buyers are stepping back a little since the more active start at the beginning of this year, particularly in such a high-priced environment.

One broker described the current environment for VLCC newbuildings as "very rarefied", even though the sector offers one of the most compelling reasons for contracting, given its historically low orderbook.

"There is no feeding frenzy," he said. "People are being very measured."

The strong pricing demanded by Hanwha Ocean on its berths and the apparent lack of possibility for buyers to negotiate downwards "doesn't smack of good value", a tanker expert said, noting that VLCCs are earning $50,000 per day, not $150,000 per day.

"You could — if you got that one right [won it] — look like a right idiot," he added.

Franbo books first bulk carriers in China

Irene Ang

Taiwan's Franbo Lines has broken with its tradition of ordering newbuildings at Japanese shipyards.

The bulker company has gone to China for the first time to order four ultramaxes at Jiangsu Haitong Offshore Engineering Equipment.

A company official confirmed the order, saying the 63,500-dwt ships will run on conventional fuel and be built to the International Maritime Organization's Tier III NO_x standards.

Franbo Lines said it did not order the new ships in Japan this time, as yards there could not deliver the newbuildings until 2027 or 2028.

"There are several reasons that we have ordered the newbuildings in Jiangsu Haitong," the official said.

"The newbuilding price is competitive, and these are eco-fuel bulkers.

"We have checked on ships built by Jiangsu Haitong and find them to be of good quality. The bulk carrier newbuildings will also be fitted with Japanese-made equipment."

Franbo Lines said Jiangsu Haitong is scheduled to deliver the first bulker in May 2025 and the remaining three vessels in July, August and November 2025.

Shipbuilding brokers said the early delivery dates for the quartet reflect that Franbo Lines had begun newbuildings discussions with the yard some time ago.

The Taiwanese owner said the order was part of its fleet upgrade and expansion programme.

It will be fixing out the new ultramaxes to charterers from Singapore and Hong Kong.

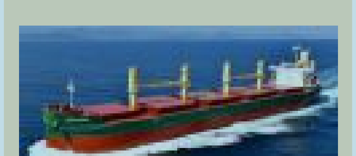
"We are close to concluding charter contracts for these four newbuildings," the company said.

Franbo Lines has nine bulkers on the water.

It is scheduled to take delivery of two 40,000-dwt newbuildings from Hakodate Shipyard in June and September this year.

Franbo Lines said the handysize pair — part of a six-ship order that it signed in 2021 — has been fixed out to reputable Japanese and Canadian companies for five years.

The official said the company will continue to build its fleet through newbuildings. It has a target to order 20 vessels over the next five years.



BREAKING TRADITION: Franbo's ships, such as the 40,000-dwt Merganser (built 2023), are usually constructed in Japan Photo: Franbo Lines

Fredriksen ends order hiatus with large bulker newbuilds

Newcastlemax deal is Seatankers first large bulk carrier order in more than half a decade

Irene Ang
Singapore

JOHN FREDRIKSEN: His Seatankers Management now has kamsarmax and newcastlemax newbuildings on order at Qingdao Yangfan Shipbuilding Photo: Gabriel Aas Skalevik/DN

John Fredriksen's private Seatankers Management has returned to Qingdao Yangfan Shipbuilding for a series of bulker newbuildings.

The order follows an active start to the year for Fredriksen's main private shipowning vehicle, with major tanker orders and asset plays in the offshore space.

It is also the company's first large bulk carrier newbuilding contract for six years.

Cyprus-based Seatankers is said to have commissioned the Chinese yard, also known as Qingdao Shipyard, to build four scrubber-fitted newcastlemaxes.

It is said to be paying between $68m and $68.5m each.

Shipbuilding brokers said the 210,000-dwt bulkers are conventionally fuelled vessels slated to be delivered in 2027 and 2028.

The fuel choice continues the trend for Seatankers to stick to conventional marine fuel with its investments in new tonnage.

Clarksons' Shipping Intelligence Network shows Seatankers has 13 other newbuildings under construction at Chinese shipyards: six VLCCs, three LR2 tankers and four 82,000-dwt kamsarmax bulkers. They will all run on conventional fuel.

The order at Qingdao Yangfan is believed to be Seatankers' first large bulker deal since 2018 — when it ordered six newbuildings with New Times Shipbuilding and four ships with Bohai Shipbuilding Heavy Industry.

The 10 vessels were reported to cost about $45m each. The low price was due to a slowdown in the shipbuilding market in 2018.

The ships were delivered in 2019 and 2020. VesselsValue shows they are currently under the control of Oslo-listed Golden Ocean Group, in which Fredriksen is the major shareholder.

CONTINUED PATRONAGE

Fredriksen is a repeat customer for the yard, where he has four kamsarmaxes under construction.

Seatankers ordered the quartet last May for a reported price of around $33m apiece for delivery next year and in 2026.

Qingdao Yangfan was established in 2008 by Beijing-based industrials company Jianlong Group and state-owned Qingdao Huatong Group, but it stopped building vessels in 2016 after cash flow problems.

In 2018, the shipyard was bailed out by minority shareholder Qingdao Huatong Group when major shareholder Jianlong Group quit the yard.

After the bailout, Qingdao Yangfan completed two half-built newcastlemax bulkers that Trafigura originally ordered.

It officially returned to shipbuilding in late 2020, when Compagnie Maritime Belge ordered 5,900-teu newbuildings.

Atlantska Plovidba adds third ultramax

Gary Dixon

Croatia's Atlantska Plovidba is continuing with its fleet renewal following its takeover by Tankerska Plovidba.

The company said in a filing to the Zagreb Stock Exchange that it had decided to declare an option for a third ultramax bulker newbuilding at Jiangsu Hantong Ship Heavy Industry in China.

The 63,500-dwt ship will cost $32.5m, the same as the first two bulkers in the series ordered in February.

The latest vessel will be delivered in 2027, following the others in 2026.

The shipowner said the aim is to modernise the fleet.

Dubrovnik-based Atlantska controls 13 kamsarmax, supramax and handysize bulkers, but this is its debut in the ultramax class.

Two ships are owned, while eight are leased and chartered back, with a further three kamsarmaxes ordered at Jiangsu New Hantong, the first of which has been delivered.

The company sold a fourth ship in the series for €35m ($37.2m) last year.

Atlantska reduced its net loss in the fourth quarter to €12.7m, down from €22.4m the year before.

The company is now controlled by Tankerska Plovidba, which amassed a 64.11% stake through a takeover offer this month.

The new owner said it would prioritise reinvesting earnings and exploring potential acquisitions within the core dry cargo business.

A combination of the two Zagreb-listed Croatian companies creates a unified fleet of 33 tankers, bulkers and ferries.

Tankerska launched the $75m offer in January at €53.60 per share for the 60.9% interest it did not already own.

Atlantska managers had backed the deal, saying they agreed with Tankerska's strategic plans.

MARKO DOMIJAN: Atlantska Plovidba chief executive Photo: Atlantska Plovidba

Ciner fleet passes $1.6bn mark with bulk carrier newbuildings

Expansion efforts boost Vasileios Papakalodoukas-managed firm to become Turkey's top bulker owner

Harry Papachristou
Athens

RISING UP THE RANKS: Ciner Shipping chief executive Vasileios Papakalodoukas (front row, crouching) with the crew of the company's recently delivered 40,500-dwt Eastbourne (built 2024) Photo: Ciner

Turkish bulker giant Ciner Shipping has extended an expansion drive with the addition of further newbuildings and more deals likely to be signed shortly.

The investments, backed by financing worth more than $1bn from Chinese institutions, have pushed the size of Ciner's bulker fleet to 50 ships and its value past the $1.6bn mark.

This makes Ciner the largest owner of dry cargo vessels in its homeland, alongside Yasa Shipping.

However, Ciner's fleet is expanding faster than that of its rivals. The company is known to have amassed 22 newbuilding orders — ranging from handysizes, to ultramaxes and post-panamaxes — since September 2021 at three different Chinese yards.

Information has now emerged that Ciner chief executive Vasileios Papakalodoukas has signed contracts at China's Hengli Heavy Industry (Hengli HI) for four further firm kamsarmaxes.

The scrubber-fitted quartet is due for delivery between the end of March and the end of September 2027.

The deal means Hengli HI has become the fourth Chinese shipyard at which Ciner currently has vessels under construction.

New Dayang is building seven ultramaxes for the Turkish company — and the tally may even rise to nine in the coming days, TradeWinds is told.

Chengxi Shipyard is due to deliver a trio of 88,800-dwt post-panamaxes within the third quarter of this year.

As for Jiangmen Nanyang Engineering, it has already delivered to Ciner two in a series of 11 open-hatch 40,500-dwt bulkers.

Much of Ciner's finance for these deals comes from inside China.

Its latest newbuildings at New Dayang are backed by China Merchants Commerce Financial Leasing (CMCFL) — a unit of the China Merchants Group.

This comes on top of more than $1bn worth of Chinese leasing transactions for secondhand ships and newbuildings that Ciner has concluded since 2019.

Its partners on such deals have included AVIC International Leasing, CMCFL, China Merchants Bank Leasing, China Construction Bank, SPDB Financial Leasing, Jiangsu Financial Leasing, CSSC Leasing and China Huarong Financial Leasing.

CHARTERER BACKING

Ciner is not on a speculative expansion spree.

The company is expected to employ most of its open-hatch handysize newbuildings in its own group's soda ash trading operations.

Ciner has also secured index-linked, long-term employment with Cargill for a number of its ultramaxes.

Its kamsarmaxes at Chengxi are to be employed by Swiss-Marine, Singapore's PCL (Shipping) and Javelin Commodities — a low-profile trader founded in 2015 led by former Goldman Sachs senior trader Peter Bradley.

Ciner is also scouring the secondhand market for opportunities. However, it may also shed some of its oldest vessels as the newbuildings are delivered.

The company currently has 24 bulkers on the water, from handysizes to capesizes.

The Ciner fleet also includes four container ships each with a capacity of 9,000 teu.

The company used to be active in tankers as well, but it got out of that sector two years ago with a $222.5m en-bloc sale of four suezmaxes to John Fredriksen's SFL Corp.

According to sources following the company, Ciner has focused its expansion on bulkers since, given that it considers prices for such ships to be at less giddy levels than those of tankers and even more so of gas carriers.

Ciner's ascension is remarkable considering that it only started business in 2011, when it took delivery of its first newbuilding.

It had been established just two years before, right after the 2008 global financial crisis, with backing from the Ciner family which has interests in mining, media and textiles.

Apart from putting it on top of the Turkish bulker league tables, Ciner's newbuilding splurge also turned it into a force to be reckoned with on an international scale.

According to VesselsValue data, Ciner's currently expanded dry bulk orderbook is the 12th biggest in the world, in terms of tonnage.

Su eyes 20-vessel LPG fleet to replicate bulk success

JOHN SU: Erasmus Shipinvest Group Photo: Irene Ang

Irene Ang

Athens-based bulker company Erasmus Shipinvest has quietly diversified its fleet with gas carriers and small container vessels.

Listed by Clarksons' Shipping Intelligence Network as having only two LPG carriers on the water and two newbuildings underway, chairman and CEO John Su revealed the company has grown a much larger gas carrier fleet.

He said Erasmus now has eight vessels under its control.

"We also have some [LPG carrier] newbuildings in Japan," Su said.

He did not specify the number of LPG ships on order but said it is more than the two 7,500-cbm vessels slated to be delivered next year from Kyokuyo Shipyard.

Su said the eight gas carriers under Erasmus' control are chartered out under periods of three years plus or five years plus.

"We are using the same strategy being deployed for our bulk carrier business," Su said.

Erasmus is focusing on the small, coastal pressurised ships of between 5,000 cbm and 11,000 cbm.

Su said his company's LPG fleet will grow further to be a "scalable player" in the sector.

"Hopefully we can have 20 vessels," he said.

Besides seeking growth in the gas tanker market, Erasmus is also looking to expand its presence in the feeder container ship segment and is looking to acquire modern tonnage.

The company made its debut in the boxship segment in 2022 when it took delivery of the 1,096-teu ANL Tasman Trader (built 2022) from Kyokuyo.

Today, Erasmus also owns the 1,096-teu CMA CGM Blossom (built 2023). In addition, it has two newbuildings on order but the delivery date and shipyard have not been disclosed.

On its core bulker fleet, Erasmus has sold two "relatively old" vessels — the 77,100-dwt Glory Amsterdam (built 2006) and the 77,684-dwt Glory Trader (built 2004).

Su did not disclose the buyers or price. But S&P Global Market shows the Oshima-built Glory Amsterdam fetched $11.5m and the buyer as Orient Forward Shipping.

The 18-year-old bulker has been renamed the Board Forward.

As for the CSBC-built Glory Trader, the buyer and the sales price have yet to emerge.

Su said the sale was part of Erasmus' fleet upgrading programme.

"But today's dry bulker asset value is on the high side when we are talking about newbuildings and modern vessels," he said.

Insurer says claims can be handled

Paul Peachey

Insurer Britannia P&I says it is robust enough to cope with the multibillion-dollar claims after a container ship struck and brought down a large section of a bridge in Baltimore.

Britannia, which provided protection and indemnity cover for the Maersk-chartered 9,962-teu Dali (built 2015), said it contacted regulators and ratings agency S&P in the aftermath of the accident on 26 March and none of them raised any concerns.

The company said it would take months and potentially years before there is a final conclusion to claims, which the head of Lloyd's of London said is likely to be one of the largest marine losses in history.

Barclays analysts estimated that insurers face claims of as much as $3bn.

The ship suffered a reported loss of power and propulsion in the minutes before it struck the Francis Scott Key Bridge, leaving six people dead.

Investigators said the main focus of their inquiries is looking at electrical systems on the Dali.

"While we do not usually comment publicly on specific cases, we write this circular to address a number of questions members may have arising out of the above incident," Britannia said.

"All members will appreciate that it would be inappropriate for us to comment further on the incident, including on causation."

But the club added that it could comment on its financial strength and cited reinsurance arrangements in place for the club as one of the 12 members of the International Group of P&I Clubs.

P&I clubs, not-for-profit organisations owned by shipowners, are liable for claims including for deaths, collision damage, wreck removal and economic losses.

The biggest claims are underpinned by the collective purchasing of reinsurance coverage of up to $3.1bn by the 12 clubs that make up the International Group.

Britannia had the fourth-largest market share of the P&I clubs by owned tonnage in 2023, according to insurance brokerage Gallagher Specialty.

The International Group of P&I Clubs covers more than 90% of oceangoing tonnage.

Britannia's latest figures showed it dealt with claims of $169.4m in the year to February 2023. Four larger claims were dealt with by the wider pool of $74.6m.

Repair costs for the Dali alone are estimated to be at least $28m, with salvage costs likely to top $19.5m, according to court papers filed by the owners and operators on 1 April.

PATAPSCO RIVER: The container ship Dali is stuck under part of the Francis Scott Key Bridge in Baltimore after the collision Photo: Bloomberg

FBI investigators focus on Baltimore power failure

Agents launch a criminal probe into the Dali container ship tragedy

Paul Peachey
London

The FBI has opened a criminal investigation that will try to establish if the container ship Dali left port with systems problems before hitting a bridge in Baltimore, according to US press reports.

The Washington Post first reported the investigation, citing two unidentified officials, and said that agents appeared to have boarded the 9,962-teu Dali (built 2015) early on Monday.

The US attorney for Maryland, Erek Barron, declined to confirm an investigation had started.

The container ship lost power on 26 March and struck a support pylon of the Francis Scott Key Bridge, bringing down a span. Six construction workers died in the accident.

The cause of the incident is under investigation while work continues to remove bridge debris from the bow of the ship. Salvors are trying to remove broken containers that will free the ship and allow the main shipping channel to be reopened.

"The FBI is present aboard the cargo ship Dali conducting court-authorised law enforcement activity," the agency said in a statement cited by the Post on Monday.

A spokesman for Dali owner Grace Ocean and manager Synergy Marine said they extended their sympathies to all those affected by the incident.

Dali owner Grace Ocean and manager Synergy Marine said that commenting during the ongoing investigation would be inappropriate, respecting the investigations and potential future legal proceedings.

Grace Ocean declared general average last Friday, which means that cargo and vessel interests share in the cost of a casualty.

The Dali, chartered by AP Moller-Maersk, was on a service that the Danish company operated with MSC Mediterranean Shipping Company as part of its 2M partnership.

MSC confirmed the general average declaration, and said that it indicates that the owners "expect the salvage operations to result in high extraordinary costs" and are seeking contributions.

Repair costs for the ship are estimated to be at least $28m, with salvage costs likely to top $19.5m, according to court papers filed by the owners and operators on 1 April.

Grace Ocean and Synergy Marine, both based in Singapore, lodged a petition in a federal court in Baltimore to cap legal exposure at nearly $43.7m.

Baltimore mayor targets 'wrongdoers'

Eric Priante Martin

Baltimore's mayor has threatened legal action against a wide variety of interests connected with the container ship that slammed into a bridge in the city, collapsing the span, killing six construction workers, clogging traffic and shutting a port.

Mayor Brandon Scott said the city has hired two law firms to pursue legal action against "wrongdoers" responsible for the casualty involving the 9,962-teu Dali (built 2015), and city solicitor Ebony Thompson said it is time to hold the owner, manager, charterer, manufacturer and others accountable.

Although officials mentioned none of the companies by name, the Dali is owned by Singapore's Grace Ocean, managed by the same country's Synergy Marine and on charter to Danish shipping giant AP Moller-Maersk.

BRANDON SCOTT: Baltimore mayor Photo: Scanpix

It was constructed by Hyundai Heavy Industries in South Korea, and a federal official has said the National Transportation Safety Board is working with that company after electrical systems in the container ship's engine rooms became the focus of the accident investigation.

Scott said the collapse of the Francis Scott Key Bridge has had a catastrophic impact on the city and its residents, including families of victims, business owners and dockworkers.

"We are continuing to do everything in our power to support everyone impacted here and will continue to recognise the human impact this event has had," the mayor said.

"Part of that work needs to be seeking recourse from those who may potentially be responsible, and with the ship's owner filing a petition to limit its liability mere days after the incident, we need to act equally as quickly to protect the city's interests."

A spokesman for the owner and operator said they extended their sympathies to all those affected by the incident.

Hyundai Heavy Industries' press department could not be immediately reached for this story.

Civil action is likely to take place in the federal court in Baltimore, where Grace Ocean and Synergy have filed a limitation of liability proceeding.

Iran stashes seized ship with ‘hijacked’ tankers

TankerTrackers says MSC-chartered boxship expected to be held for ‘long period’

Gary Dixon
London

Satellite imagery has located the seized MSC Mediterranean Shipping Company-chartered container ship MSC Aries off Iran with three other hijacked overseas vessels.

And TankerTrackers, which worked on the image with Planet Labs, warned that the Iranian government could hold the Zodiac Maritime-affiliated vessel for a long period.

TankerTrackers said it was able to locate the 15,000-teu MSC Aries (built 2020), which is also operated and managed by MSC, in the Hormozgan archipelago, between the islands of Qeshm and Hormuz.

The vessel was the latest to be caught up in a series of tit-for-tat seizures linked either to US actions over Iranian oil or the wider Middle East tensions centred on the Gaza war.

“The vessel is being held not too far away from the three tankers, which Iran also hijacked last year,” TankerTrackers said.

These are Advantage Tankers’ 158,500-dwt suezmax Advantage Sweet (built 2012), the Altomare-owned 309,000-dwt VLCC Niovi (built 2005) and Empire Navigation’s 159,000-dwt suezmax St Nikolas (built 2011).

“All three are being held in the Khuran Straits, and Iran has already seized the Kuwaiti oil on board the Advantage Sweet a few days ago with the help of their VLCC super-tanker Navarz,” the company added.

“Iran chose to do this as compensation for sanctions,” TankerTrackers said.

The Niovi was in ballast and the St Nikolas was still laden with 1m barrels of Iraqi oil.

“Iran is in this for the long haul,” Samir Madani, co-founder of TankerTrackers, told CNBC.

IRANIAN HOLD: Soldiers take part in an annual military drill in Iran, where satellite imagery shows the Dali off its coast
Photo: Scanpix

Madani said: “They will hold the MSC Aries for a long period. Iran has been holding some tankers for about a year, if not longer now,” he said.

Iran does, however, tend to release seafarers from these vessels.

Markets are continuing to assess the effects of any further escalation of military action involving Iran and Israel.

Any Iranian blockade of the Strait of Hormuz would send oil prices spiralling upwards, but the risk is low as the strait has never been closed before despite Iranian threats, JP Morgan said.

“They can’t close the Strait of Hormuz, but they can do significant damage to energy infrastructure, to vessels in the region,” RBC’s head of global commodity strategy and Middle East and North Africa research, Helima Croft, told CNBC.

“While I can’t imagine Iran would want to fill up their anchorage with vessels, they want to keep the waters in a constant state of chaos,” Madani said.

A closure, however, would “shoot themselves in the foot since their biggest client is China”, he added.

Focus turns to release of MSC Aries crew

Harry Papachristou

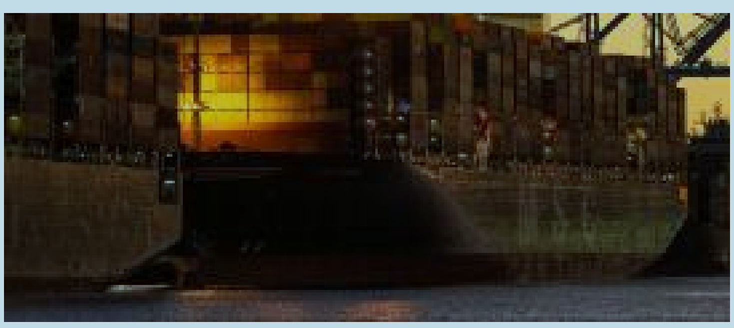
Diplomatic efforts are underway to secure the release of crew members on board a container vessel seized by Iranian forces.

The Portuguese flag state of the 15,000-teu MSC Aries (built 2020) is leading attempts to free the 25 seafarers.

“Portugal is trying everything to help the crew on board MSC Aries, the ship’s owner, manager and operator,” the vessel’s flag administration manager, Euromar, said.

“The Portuguese government is in contact with the Iranian authorities, having requested clarifications and information about the seamen and the vessel.”

The home countries of the seafarers trapped on board the detained vessels are also working overtime to secure their release.



THE MSC ARIES: The boxship was seized by Iranian forces this weekend.
Photo: Scanpix

The information is in line with that provided by other sources following the case closely.

Past experience with tankers seized by Iran suggests that crews are typically exchanged several weeks or months following a seizure, as owners and managers dispatch replacement crews to the area.

The nationality of the seafarers held on the ship near Bandar Abbas has not been officially released yet.

According to maritime sources speaking to TradeWinds on condition of anonymity, 18 of the 25 seafarers of the MSC Aries are Indian nationals. This means that the government in Delhi is expected to play a key role in talks with Tehran going forward.

Four seafarers on the MSC Aries are from the Philippines. That country’s Department of Foreign Affairs in Manila has already said that if it establishes that any of its citizens are on board, it will spare no efforts to have them released and returned home as soon as possible.

Russia, which has closed ranks with Iran in the wake of the Ukraine war, also has one seafarer on board, with the remaining two coming from Estonia and Pakistan.

All eyes turn to Hormuz chokepoint

Matt Coyne

The closure of the Strait of Hormuz would have grave consequences for the crude tanker market.

After Israel bombed part of the Iranian consulate in Damascus this month, Islamic Revolutionary Guard Corps officials warned that Tehran could close the strait — a key chokepoint for oil trading.

Veteran ABG Sundal Collier analyst Petter Haugen said any move to close the strait could take up to 35% of global crude volumes out of the market.

“There are no alternative sea routes out of Hormuz to the global market except for Saudi’s 5m barrel per day East-West crude oil pipeline that can take oil from [the Middle East Gulf] to the Red Sea and the 1.5m bpd pipeline which links onshore oil fields in the United Arab Emirates to the Fujairah export terminal on the Gulf of Oman,” he said.

“Hence, a closure of Hormuz will likely have a much more significant impact on the oil market than the ‘closure’ of the Red Sea, as the alternatives to get oil to the global market are much more limited than ‘just going around the Cape’, and the volumes in question are also substantially larger.”

The threat to close the waterway was issued by Revolutionary Guards commander Alireza Tangsiri last week, ahead of Saturday’s seizure of the 15,000-teu container ship MSC Aries (built 2020) by Iranian forces, followed by a missile and drone attack on Israel.

The ship was boarded in the strait and later spotted by TankerTrackers near islands off Hormozgan province.

In his note, Haugen drew a distinction between Red Sea diversions and a potential closure of the Strait of Hormuz.

Diverting ships away from the Red Sea and Suez Canal and around the Cape of Good Hope boosted transportation demand as ships were travelling longer distances.

In the short term, a closure of the Strait of Hormuz could be beneficial, he said, as the US would probably release barrels from its inventory alongside a reshuffling of oil trade routes.

But it would ultimately mean between 10m bpd and 15m bpd would be taken out of the market, a phenomenon sufficient to create an oversupply of ships.

It was a sentiment shared by Fearnley Securities, which said a short-term jump in rates and oil prices would be followed by declines.

“Even if the situation calms from here, rates in the tanker space tend to see increased risk premiums, which positively impacts freight rates,” analyst Oystein Vaagen said.

Beks tackles UK blacklisting

Two-thirds of tanker fleet under new flags as operator continues hauling Russian oil

Paul Peachey
London

Sanctioned Turkish operator Beks Ship Management has continued hauling Russian oil with two-thirds of its tanker fleet under a new flag after the UK targeted the company with sanctions, shipping and registration data shows.

Seventeen former Beks-operated tankers have shifted from the Marshall Islands to the Guinea-Bissau, Panama and Barbados registries since Britain targeted one of the company's units on 22 February, marking the second anniversary of the invasion of Ukraine.

The change of registries is just one part of a corporate overhaul since it was hit by UK sanctions for allegedly "obtaining a benefit from or supporting the Government of Russia" through its activities.

The sanctions notice named bulker arm, Beks Ship Management & Trading (Beks Gemi Isletmeciligi ve Ticaret), which only had four tankers among the 20 ships under management at the time, according to ownership database Equasis.

Former principal Ali Bekmezci sold his stake in January to managers unconnected to the business, officials said. He retains ownership interests in the vessels.

The tanker arm, Beks Tanker Management, with more than 20 vessels on its books, was not specifically identified by the UK.

But the company's 44-strong managed fleet of tankers and bulkers have now all shifted to two new management companies.

The majority of its ships have also been renamed to remove the overt association with Beks.

They include the 50,548-dwt product tanker Beks T Rex (built 2006), which has been renamed Jazz and is under the commercial management of new operating company Modern Ship Management, according to Equasis.

An email seen by TradeWinds also suggests that buyers are being sought for some managed vessels, including two product tankers, the 46,211-dwt Beks Fire (built 2003) and 72,664-dwt Beks Ocean (built 2004).

The owners of the two tankers terminated their management agreements with Beks as a result of the UK sanctions, according to a Beks spokesman.

"Despite this, the market perception and the negativities experienced due to this connection [have] forced the shipowners to downsize their fleet," he said.

> These [management, naming and flagging] changes have been necessary
> — Beks company official

"Unfortunately, the shipowners and vessels have, through no fault of their own, been unfairly caught up in the UK sanctions on Beks Gemi."

The blacklisting and management changes have not stopped the vessels from continuing to lift oil predominantly from Russian ports since 22 February, according to Kpler ship and cargo tracking data.

Its ships have delivered Russian cargoes to ports in China, India and Turkey — the biggest customers for Moscow's oil since European countries banned imports after December 2022.

The case of Beks Ship Management and other companies sanctioned by the UK highlighted differences in sanctions enforcement with the US — and an apparent flaw in the British regime.

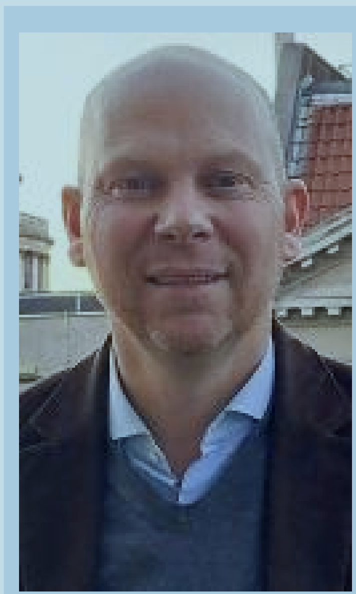
The UK has targeted management companies, including Sovcomflot Dubai-based subsidiary Oil Tankers (SCF) Management, Radiating World Shipping Services and Fractal Marine DMCC.

Some of the companies have responded by ending links to the ships under management. Radiating World, which at one point in 2023 had 17 ships, now has only one under management, while Fractal has none, according to Equasis.

But ships formerly linked to the companies continued to haul Russian oil under new management.

The Istanbul-based company

FRACTAL FLEET FRACTURES AS FIVE NEW MANAGERS



FRACTAL CEO: Mathieu Philippe Photo: Paul Peachey

The Dubai-based unit of Russian oil specialist Fractal Shipping has no more tankers under its management after being hit with UK sanctions nearly two months ago, ownership databases show.

The bulk of the ship manager's fleet — which peaked at 30 vessels in 2023 — has been shifted to three new management companies in Dubai and Turkey, a process that began when Fractal was blacklisted by the UK in February, according to Equasis.

Two other vessels formerly on its books have changed name and were re-registered to new operators after the Geneva-based outfit lost an initial court appeal against the British government decision last month.

The government targeted the company on 22 February in measures announced to coincide with the second anniversary of the invasion of Ukraine.

It claimed that the company was "obtaining a benefit from or supporting" the Russian government but gave no further information about the alleged breach of sanctions rules.

Although Fractal had shipped Russian oil following the invasion of Ukraine, chief executive Mathieu Philippe denied breaching sanctions regulations, including the oil price cap, a mechanism aimed at limiting Moscow's revenues.

He told TradeWinds in January that he had visited Washington DC to speak to US government officials to ensure he was on the right side of sanctions rules.

He also said he had secured attestation documents that showed the oils were sold below the price caps.

The company hired one of the UK's top sanctions lawyers to challenge the UK government's listing because of the devastating impact on the company.

The company called the listing "entirely baseless" and claimed that a US official had expressed surprise at the British move.

The company's barrister, Maya Lester, told a London court last month that the Dubai unit, Fractal Marine DMCC, was "unable to operate, unable to pay its staff" and vessel owners had no choice but to replace Fractal Marine with a competitor, according to a report by Bloomberg.

The owners of the vessels have not been disclosed. The company was initially set up with Qatari backers but they withdrew after the start of the war and its backers were from Dubai, Philippe told TradeWinds.

The company had warned that it

with fresh flags

OIL AND PRODUCTS: Steam rises out of chimneys and smokestacks of an oil refinery in Russia
Photo: Bloomberg

ALI BEKMEZCI: The former principal sold his shares in Beks Ship Management before the listing. He retains ownership interests in the vessels
Photo: Supplied

said it was appealing to the British Foreign Office to revoke the listing, saying it had always complied with UK sanctions rules.

It said it had gathered attestation forms showing it was hauling Russian oil below the price caps.

"Only the company named Beks Gemi has been sanctioned," said the Beks company official. "These [management, naming and flagging] changes have been necessary given that the vessels were unfairly caught up in the designation causing significant harm, including in relation to other investments containing the name Beks.

"The ships owned by European and other country companies load on the same day and from the same ports.

"We, like them, conduct these voyages after the checks of our dedicated English sanctions lawyers (as has been the case for some years now) before fixing all these voyages.

"We do not do any business that is absolutely not in accordance with the law and that Europeans do not do."

US SHIFTS STRATEGY

The US changed its tactics in October to go after individual vessels rather than the operators and has since blacklisted 41 tankers that it claims have been linked to price cap evasion.

The scheme started in December 2022 and is designed to cut oil revenues to Russia while keeping its exports flowing.

Western shipping, insurance and financial interests can only be involved in Russian oil cargoes if they are sold below the price of $60 a barrel for crude and $100 and $45 for oil products.

Urals, the main export grade, is currently trading around $84 per barrel, according to New York-based Trading Economics.

US sanctions enforcers said they would continue to sanction individual tankers over alleged price cap breaches.

"You should expect the continued steady drumbeat of US and coalition enforcement actions," Geoffrey Pyatt, assistant secretary of state for energy, was quoted as saying last week by S&P Global.

"Our objective in that second market is to raise the costs to the Kremlin as high as possible in order to drive down the revenues that Russia enjoys."

The squeeze put on Russia means that the shadow fleet hauling Russian oil remains well below what is needed, said Craig Kennedy, a Russia energy and finance expert and associate at Harvard University's Davis Center.

Further sanctions against individual tankers could "significantly reduce fleet size with little risk to shipping and energy markets", he said in a new paper.

"Significantly downsizing the shadow fleet would shift more export barrels back to the price-cap constrained mainstream fleet," he added.

TAKE OVER 26 VESSELS

would be forced into liquidation if it could not reverse the British decision and had been forced to close down its accounts. But the judge said the company could not challenge the government's decision at that stage.

Fractal has said it would continue to challenge the blacklisting. It announced on 11 March, before the court decision, that it was starting the process of liquidating its Dubai unit.

TradeWinds reported in March that the management changes had seen six tankers shift to Turkey's Westanker Denizcilik, a firm set up in February, according to a database of new businesses run by the Istanbul Chamber of Commerce.

Six others have gone to United Arab Emirates-based BPT Shipping. Eleven more have moved to Dubai's Laguna Shipping & Trading. They are the only vessels on the companies' books.

The 11 that went to Laguna included the 150,000-dwt Charvi (built 2006), which loaded cargo from Russia's Sheskharis Black Sea terminal less than two weeks after the blacklisting, according to Kpler ship tracking data.

It was due to discharge its cargo at the Indian port of Kochi last week, the data suggests.

Fractal has been approached for comment.

SOVCOMFLOT BOSS ADDRESSES SANCTIONS AMID RISING ATTENTION ON THE SHADOW FLEET

Gary Dixon

Sovcomflot chief executive Igor Tonkovidov has said 8% of the tanker fleet now carrying Russian oil falls under Western sanctions.

In rare public comments, the boss of the Russian state-owned shipowner admitted the measures have hit the company's operations, "limiting our geography and commercial prospects", according to Reuters.

Tonkovidov told reporters that because sanctions are a relatively new thing for shipping markets, the full effect has yet to be seen.

Hundreds of largely older vessels are carrying sanctioned Russian oil and also crude exports cleared under the G7 price cap of $60 per barrel.

About 20% to 25% of Russian oil is carried by tankers controlled by Russian companies, Tonkovidov said.

The rest is transported by the shadow fleet, he added on the sidelines of the National Oil and Gas Forum in Moscow.

"The neutral [shadow] fleet serves the lion's share of [Russian] oil exports. These are not bright horses, but old ships. This is a challenge for insurance companies," Tonkovidov explained.

"Eight per cent of the fleet involved in the transportation of Russian oil has fallen under blocking sanctions," he said.

The US has sanctioned 14 tankers in the Sovcomflot fleet.

Reuters reported that the owner transported 75m tonnes of oil in 2023, mainly to China, India and the Mediterranean.

Indian refiners have now refused to accept Russian oil carried on the company's vessels due to Western sanctions.

In March, Sovcomflot reportedly accepted that US-led sanctions were causing "operational difficulties".

The company had previously said it was unfairly targeted and would appeal against the listings, but the US Treasury has continued to ratchet up the pressure against the company.

Western regulators have also imposed financial restrictions on the SCF Group and its subsidiaries, including Dubai-based Sun Ship Management and Oil Tankers SCF Mgmt FZCO, which have forced the company to seek alternative flagging and insurance services.

"New sanctions are creating additional operational difficulties for doing business," Sovcomflot said in a comment to investors cited by Bloomberg.

"The company is working to overcome current challenges and continues to operate the fleet as usual," it added.

Sovcomflot had 125 vessels including 102 tankers and 12 gas carriers, according to its last quarterly results published in September 2021. Clarksons currently lists the fleet comprising 114 vessels.

> Eight per cent of the fleet involved in the transportation of Russian oil has fallen under blocking sanctions
> — Igor Tonkovidov

IGOR TONKOVIDOV: CEO of Sovcomflot
Photo: Sovcomflot

ATHENS: Greek shipping minister Christos Stylianides speaking at the Our Ocean conference
Photo: Julian Bray

Greece outlines $900m plus for green shipping initiatives

Shipping minister commits to drive green fuel uptake globally and clean up domestic ferries with commitments at Our Ocean meeting

Julian Bray
Athens

Greece has reinforced its commitment to green shipping by announcing a series of initiatives to clean up its domestic ferries and accelerate decarbonisation of its global fleet.

Christos Stylianides, Greek minister of shipping, unveiled three new policies at the opening session of the Our Ocean conference in Athens on Tuesday that would be backed by up to €860m ($914m) of public money.

Greece will invest up to €500m in installing electrical hook-ups for ships in 12 ports on the mainland and the islands by 2030.

It will also implement a study of the renewal of the 200-strong Greek passenger ferry fleet and invest an initial €80m, which could rise to €360m, in lowering emissions for public ferry services over the next three to four years.

“Our oceans are essential in combatting climate change and the climate crisis in generating income and jobs,” Stylianides told the conference, which drew more than 1,000 delegates from around the world.

Greece is hosting the ninth Our Ocean conference, an annual event set up in 2014 by the US when John Kerry was secretary of state.

It is designed as a venue for governments and companies to make pledges to improve the marine environment, from shipping and fisheries to green tourism and plastics pollution.

Stylianides also committed Greece to joining the clean energy marine hubs initiative, which is part of the inter-governmental Clean Energy Ministerial project to drive solutions to the climate crisis.

Guy Platten, secretary general of the International Chamber of Shipping, speaking on the same panel, congratulated Greece for coming on board the clean energy marine hubs initiative to play its part as a shipping leader.

Platten seized the moment to speak out against the targeting of seafarers, as seen last weekend with the crew of a container ship captured by Iranian authorities.

“It is unacceptable and a breach of international law,” he said. “We call on all governments to denounce such action.”

The minister said Greece was committed to playing its part in the production, transport and use of low-carbon fuels at scale. He said he saw this as “a collective priority” in “a radical but most importantly in a realistic way”.

SUE BINIAZ: Principal deputy special envoy for climate in the US State Department Photo: Scanpix

“Today is the day for action, not tomorrow. We have to act,” he said.

Kerry told delegates in Athens: “There could literally be no more appropriate place to focus on the existential threat to our oceans and their inexorable link to the climate crisis.”

Kerry was until recently the US presidential envoy for climate, until he stepped down from that role to focus on backing Joe Biden’s bid for election as US president.

“We’re here at the ninth Our Ocean conference to preserve and protect a world covering more than 70% of the earth. A world where we all share citizenship and where our collective action is needed to sustain the ocean’s waters, which are the source of life on the planet.”

Shipping is making progress on decarbonisation measures, observed Sue Biniaz, principal deputy special envoy for climate in the US State Department, which continues to convene the Our Ocean events.

She recalled that “there were very few adherents” at the United Nations’ COP26 climate conference in Glasgow for shipping to align with the Paris Agreement 1.5C target and the Clydebank declaration setting up so-called “green corridors” for shipping.

The adoption last summer of the revised International Maritime Organization strategy aligned with the Paris Agreement now “proves there is a lot of positive momentum”.

The questions are now how to “operationalise that strategy” with the debate over the technical fuel standard and economic measures.

The green shipping challenge launched by the US under Kerry’s initiative and Norway had driven about $3bn worth of investment by companies and governments, Biniaz added.

And the green shipping corridor initiation project set up last year would be granted another $1m to add more developing nations to the three first movers — Panama, Fiji and Libya.

Harald Fotland, president of the Norwegian Shipowners’ Association, reaffirmed its pledge to publish annually the emissions data it now gathers on the Norwegian fleet.

In 2023, it generated 24m tonnes CO_2 equivalent, representing about 3% of global shipping emissions but 50% of domestic Norwegian emissions.

Since 2008, the Norwegian fleet has cut its carbon intensity by 25%. “We are on the right track,” said Fotland, who is CEO of chemical tanker owner Odfjell.

COMMENT

Iran vs Israel conflict propels uncertainty to the next level

Paul Peachey

Geopolitical strife, sanctions and the energy transition create a multi-pronged test for the industry

CAUTIOUS OUTLOOK: French economist Pierre-Olivier Gourinchas of the IMF at this week's world economic outlook news conference in Washington DC, US
Photo: Bloomberg

During Britain's fractious fight over Brexit, the business world had one overriding desire: End the uncertainty.

The long campaign, the known and unknown impacts of Britain's departure from the European Union and the knife-edge polls before the 2016 vote all created what economists described as a state of low-grade persistent uncertainty.

That uncertainty hits investment. More than two-thirds of business leaders in Ireland alone said the issue affected their strategic planning.

Now, eight years on from the Brexit vote, the permanent state of uncertainty for shipping has gone global thanks to Russia, its opponents, the Israeli war with Hamas and all the cascading impacts that flow from it. And then add to the pot, China's uncertain economic recovery and the energy transition.

The impact on the industry is likely to be how it has always been — with big winners, big losers and sometimes both in the same week.

Uncertainty has its own measure. The International Monetary Fund calculates its own "World Uncertainty Index" by counting the use of the word in country reports by the Economist Intelligence Unit.

There were peaks in 2016 after the election of Donald Trump and Brexit, in 2020 after the declaration of the global pandemic and two years later after Russia invaded Ukraine.

"The shocks that have shaken the global economy in recent years have introduced a new normal for turbulence, driven in some cases by political fragmentation between countries," it said in a blog last year.

"These episodes have also lifted uncertainty to exceptionally high levels, which in turn hurts economic growth."

The index in the first quarter of 2024 has fallen from the highs of last year, but the latest developments suggest an oversized impact on the maritime sector. And not all uncertainties are equal.

At the forefront of shipping minds is the geographical fragmentation identified by the IMF. The obvious impacts of the Houthi attacks in the Red Sea are increased costs from security, war risks and the devastating human and financial impact of a successful strike.

On the flip side, there is increased tonne-mileage with a majority of vessels rerouting via the Cape of Good Hope.

Some are affected more than others. Houthis have made clear that their targets in the southern Red Sea are linked to the US, UK and Israel's allies — though errors have been made with Chinese and Russia-linked shipping also targeted.

Iran's weekend attacks on Israel add a new layer to the dispute. That the majority of missiles were shot down and Iran signalled beforehand that its response would be minimal, reduced tensions, reflected in the oil price that moved little on the first day of trading after the attacks.

But researcher Elisabeth Braw has argued that the tensions come amid a backdrop of increased state-backed attacks on shipping, increasingly perceived as the soft underbelly of national interests.

That was underscored by TradeWinds on Wednesday publishing a satellite image of four vessels held off the coast of Iran that have been seized by Iranian forces, the latest the MSC Mediterranean Shipping Company-chartered container ship MSC Aries this month.

For now, the next steps of Israel — and Iran — are being keenly watched for their broader impacts. Analysts suggested that some operators will add the Strait of Hormuz to the Red Sea on their list of areas to avoid after the seizure of the 15,000-teu MSC Aries (built 2020) and Iran's hint that it could further disrupt shipping in the strategically vital area.

Israel's allies have urged caution. UK foreign secretary David Cameron — no stranger to uncertainty after calling the Brexit poll and then resigning as prime minister on losing — said this week that the "smart and tough" choice for Israel would be to focus on Gaza and recovering its hostages. He warned of the "danger of miscalculation" with unforeseen impacts of any retaliation.

But it is the Western response to these crises — in large part through sanctions — that has provided some of the biggest uncertainties and costs.

In addition to forcing companies to bolster their compliance departments, the tactic of "maximum opacity" within those financial regimes leaves those still connected to trades second-guessing enforcement action.

Industry players that dived in early to post-invasion Russian oil trades made fortunes.

Some that have now been snared by sanctions rulings are counting the cost. They include those targeted by Cameron's foreign ministry who say they have followed all the rules on securing documentation and price caps and are furious at the damage they cause.

And then we toss in the added long-term uncertainty of the energy transition. Uncertainty over the choice of new fuels has made owners wary of investing in newbuildings. That has contributed to a tonnage crunch in sectors such as tankers that have helped to boost rates for owners.

Welcome to the "new normal" era of turbulence and uncertainty. ■

TradeWinds

Independent shipping news since 1990

EDITORIAL OFFICES

Email	letters@tradewindsnews.com
Athens	(+30) 210 7299268
London	(+44) 207 645 2300
Oslo	(+47) 2200 1200
Singapore	(+65) 3165 0961
Shanghai	(+86) 21 6329 6381
Stamford, CT	(+1) 203 324 2994

Julian Bray Editor-in-Chief
Eric Priante Martin US Bureau Chief
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Monica Alcalde Production Editor
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SUBSCRIPTION & ADVERTISING

Email	sales@tradewindsnews.com
Oslo	(+47) 2200 1200
London	(+44) 207 645 2300
Athens	(+30) 210 7299269
Singapore	(+65) 3165 0940
Shanghai	(+86) 21 6329 6381
Stamford, CT	(+1) 203 324 2994

EMAIL any of our editors and reporters by using "firstname.lastname@tradewindsnews.com"
London: holly.birkett, julian.bray, adam.corbett, gary.dixon, yannick.guerry, lucy.hine, ian.lewis, paul.peachey, andy.pierce, steve.sampson (Content editors: monica.alcalde, andrew.hollis, julian.stuart)
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QUICK FLIP: The 154,472-cbm LNG Alliance (built 2007), previously named Gaselys, is up for sale
Photo: Bloomberg

Sinokor puts carrier up for sale less than a year after buying it

South Korean shipowner set to flip LNG Alliance as it takes delivery of its first LNG newbuilding

Lucy Hine
London

Shipowner Sinokor Merchant Marine has put a 17-year-old LNG carrier up for sale which it bought less than one year ago.

Brokers are circulating the 154,472-cbm LNG Alliance (ex-Gaselys, built 2007) on the market.

Sinokor finalised the vessel purchase in June 2023 after some protracted negotiations with seller French energy major TotalEnergies and its vessel partner Japan's NYK.

At the time Sinokor was reported to have paid a strong price of $68m on the membrane-type, French-built LNG carrier. But the deal included a charter back to TotalEnergies for about 15 months.

TotalEnergies was looking to offload the ship as its last owned legacy LNG carrier that it acquired with other assets in 2018.

But the vessel also had a complex history of repairs.

It was one of three ships built with French LNG cargo containment designer GTT's CS1 system, which has since been discontinued.

The trio of vessels suffered debonding issues resulting in long-running legal action and repairs to their cargo tanks. A sister ship to the LNG Alliance is now owned by Turkey's Karpowership but only operates on three of its four cargo tanks. The Medmax-sized vessel of the trio is controlled by Chinese trader Jovo Energy.

In November, Sinokor was seen trying to sell its 138,000-cbm LNG carrier Singapore Energy (ex-British Innovator, built 2003) and was reported to be asking for offers above $35m on the steam turbine vessel.

TradeWinds has asked Sinokor for comment.

Brokers said this month, that LNG sale-and-purchase action appears to be picking up with several vessels under discussion and project players eyeing tonnage as conversion candidates for floating storage or regasification units.

One commented that with the Carbon Intensity Indicator ratings for vessels being formally issued from the beginning of this month, LNG steam turbine ships — many of which are being redelivered from long-term business — would rank as increasingly inefficient compared with modern LNG tonnage.

Sinokor's decision to offload the LNG Alliance comes just after the owner took delivery of its first LNG carrier newbuilding.

Brokers said the 174,000-cbm Pacific Success (built 2024) has been handed over by Samsung Heavy Industries.

They said the vessel appears uncommitted for charter business in what has proved an exceptionally quiet market, characterised by weak rates and enquiry, but at a traditionally low point in the year for LNG shipping demand.

The newbuilding delivery has been some time in the making for Sinokor.

After one or more false starts on LNG newbuildings, the enigmatic owner — which traditionally does not comment on its business — contracted four vessels at SHI in February 2019 priced at about $193m each.

The shipowner initially paid the deposit on the first vessel, but it was unclear if the next three would be firmed up and the delivery of the initial ship shifted back from its original handover date in 2021.

In 2023, it emerged that Sinokor had firmed up the remaining three LNG newbuildings at SHI but was considering selling its first vessel. However, the shipowner appeared to be seeking offers at a strong price of about $270m when newbuildings were being contracted close to the $250m mark.

The remaining three LNG newbuildings are currently scheduled for handovers in 2026 and 2027.

Shortlisted pair in talks on Singapore FSRU job

Lucy Hine

Singapore LNG is in final discussions with two shortlisted shipowners that are bidding to provide the state-controlled terminal operator with a floating storage and regasification unit.

Those following the project name the final pair emerging from the tender for the business as Norway's Hoegh LNG and Japanese shipowner Mitsui OSK Lines.

They said a decision on a preferred party for the work is expected by the end of April.

A spokesman for Singapore LNG said: "The process is still ongoing. We will look into providing an update at a later, opportune time."

MOL and Hoegh LNG declined to comment.

Hoegh LNG has declared itself sold out on existing FSRUs, having supplied a raft of tonnage for Germany after Russia's invasion of Ukraine in 2022. But it has acquired an existing LNG carrier as a potential conversion candidate.

In February, MOL won the job of providing an FSRU newbuilding for Polish energy company Gaz-System, snatching the business from rival bidder BW LNG.

MOL has contracted a newbuilding at HD Hyundai Heavy Industries at a top-dollar price of $363m — up from the last done FSRU newbuilding contracted in October 2022 at $337m.

DIFFERENT DESIGNS

Singapore LNG floated its eagerly awaited full tender late last year, inviting parties interested in building an FSRU after running an earlier pre-qualification process.

Selected bidders were then invited to offer in on what TradeWinds understands to be two different design concepts.

Sources said the first of these is a seagoing vessel and the second a self-propelled barge-based unit.

Last year, Singapore deputy prime minister and finance minister Lawrence Wong referenced a regas unit with a capacity of up to 5m tonnes per annum that would serve as Singapore's second import facility alongside its existing land-based terminal.

Singapore LNG said the regas unit would be connected to the grid via an onshore pipeline and be in service by the end of this decade.

Singapore LNG has been given the role of overseeing the job of acquiring and later operating the FSRU.

The company operates the onshore terminal on Jurong Island, which was put into operation in 2013. This has a peak sendout of about 11 mtpa and a dedicated jetty for small vessels.

Singapore has been mooting the idea of installing a floating regas unit for several years, to meet growing energy needs and enhance security.

Hapag-Lloyd unveils 'most ambitious strategy to date'

German container giant reveals plan aimed at retaining status among world's big five players

ROLF HABBEN JANSEN: CEO of Hapag-Lloyd
Photo: Joerg Mueller

Ian Lewis
London

Germany's Hapag-Lloyd needs to grow faster than the market to cement its position among the world's top five container shipping carriers, according to chief executive Rolf Habben Jansen.

That will require a "pure-play plus" strategy of investing to strengthen its core liner business, while expanding its terminal portfolio and growing its inland transport sector.

"That also means that we need to slightly outgrow the market, as we see that others that are close to us intend to grow a fair bit," Habben Jansen said on Tuesday at the company's Capital Markets Day presentation.

Strategy 2030, a road map for the company over the next six years, could see Hapag-Lloyd invest in newbuildings for dual-fuel propulsion, he said.

The company will also likely be sounding out the market for mergers and acquisitions possibilities and would expand through the charters market until the future of various propulsion systems became clearer, the CEO noted.

Such a strategy also requires the carrier to reinforce its presence in key markets, including Africa, India, South East Asia and the Pacific.

While other liner operators are growing their fleets faster than Hapag-Lloyd, the German carrier did not intend to go on a huge buying spree to massively grow its fleet of newbuildings, he said.

"We believe that it is possible to grow above market on a global basis by making sure that we are serving new growth markets, while we on the other hand try to protect our position in well-established markets," Habben Jansen said.

The company would "over proportionally" grow the amount of business coming from beneficial cargo owners by providing a better quality service and on-time delivery. Additional container shipping capacity would be needed because ships would most likely have to sail slower during the energy transition, he said.

"Growth will need to be backed up by a higher standing capacity than we have today to ensure that we retain a competitive position, even if we have to sail in many cases a bit slower," he said.

FAST-GROWING MARKETS

In terms of the carrier's commercial strategy, that meant a focus on fast-growing markets, as well as niche areas such as reefer trade or transport of dangerous goods.

"In our Strategy 2023 we focused a lot on India and Africa, as growth markets they will definitely remain on our target also in the next five to seven years," Habben Jansen said.

"But in addition to that, we may look also at a couple of other markets like South East Asia and intra-Europe where we are definitely somewhat underrepresented."

The carrier plans to win additional market share by providing an on-time delivery rate of more than 80%.

He noted that the Gemini Cooperation with AP Moller-Maersk set to take effect next year is seen as an important step towards this goal.

Other goals include reducing absolute greenhouse gas emissions by around one-third by 2030 and achieving net-zero fleet operations by 2045.

That target will be achieved through fleet modernisation, new propulsion technologies and the use of alternative fuels.

Hapag-Lloyd will also seek to deploy IT solutions to increase productivity and cost optimisation.

Strategy 2030 — which follows on from the previous five-year Strategy 2023 — is necessary because the container shipping market has changed, he said.

MPC Container sells sub-panamax pair

Ian Lewis

MSC Mediterranean Shipping Company has swooped on a pair of German-owned sub-panamax boxships from Oslo-listed MPC Container Ships.

The world's largest liner company has picked up the 3,586-teu AS Nadia (built 2007) and 1,496-teu AS Ragna (built 2009).

The vessels are together estimated to be worth more than $29m.

Hamburg-managed tonnage provider MPC Container is selling the older ships as it renews and modernises its fleet with newbuildings and younger secondhand vessels.

Earlier this year, the company sold the 2,800-teu AS Clarita (built 2006) to MSC for about $10.3m.

The German owner appears to have made a profit on the two latest vessels, which it acquired ahead of the pandemic-inspired market boom.

The conventionally powered AS Nadia was purchased from Reederei Nord in late 2020 for just $10m, and today has an estimated market value of $17.6m, according to VesselsValue.

The vessel was one of several ships where MPC Container renegotiated early delivery last year, together with cash compensation, from US operator Pasha Hawaii.

Today, the AS Nadia operates for MSC in its New Capricorn service from South East Asia to Australia and New Zealand.

DOUBLE SALE

MPC Container has also sold the smaller AS Ragna to the liner giant, a vessel estimated to be worth about $11.5m.

The ship was also acquired for about $9.1m in 2018 and currently operates for Israeli liner operator Zim in its inter-Mediterranean service.

The sales reflect continued interest from Geneva-headquartered MSC after months during which container ship charter rates have risen and remain strong.

The ConTex, a measure of boxship charter rates for vessels up to 6,500 teu, closed at 771 points last week.

That is 5.7% higher over the week and is massively up from 514 at the start of the year.

Similarly, shipbroker Clarksons' overall Containership Timecharter Rate Index stands at 101 points, the highest level since July 2023 and 50% higher than in early December.

HMM eyes fleet rise to 240 vessels

Irene Ang

HMM is pushing for a big fleet expansion by 2030 after a sale of the company fell flat.

The South Korean liner company disclosed on Monday that under its medium to long-term strategy, it plans to increase its container ship and bulker fleet extensively to strengthen its global competitiveness, national media reported.

HMM unveiled a target to increase its container shipping capacity from the current 84 vessels of 920,000 teu to 130 ships of 1.5m teu.

The growth in the boxship fleet will enable it to expand its global service network and shipping routes.

On its bulk shipping business, which includes dry cargo, tankers, car carriers and heavylift vessels, the company is looking to swell the number of ships from 36 totalling 6.3m dwt to 110 totalling 12.28m dwt.

HMM did not disclose how it is going to increase its fleet in the current high asset value market and amid a global shortage of shipbuilding berths.

Some shipping players think its fleet growth will come via takeovers and newbuilding orders.

Domestic companies such as Polaris Shipping, which has more than 30 large ore carriers, and Hyundai LNG Shipping, which has 14 LNG carriers and four VLGCs, are up for sale.

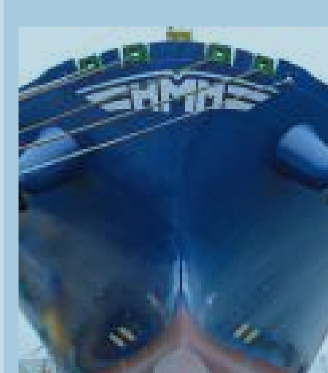
HMM's own $5bn sale fell apart earlier this year.

HMM is considered a state-owned company as its major shareholders are Korea Development Bank and Korea Ocean Business Corp.

KDB and KOBC, which control 57.9% of HMM, want to privatise the company.

They were planning to sell their stakes to a consortium of Harim Group — the country's largest poultry processor — and JKL Partners for $4.8bn in February but the sale failed due to "differences over certain issues".

HMM is also accelerating its zero-carbon emissions goal. It is bringing forward its carbon neutrality programme by five years to 2045.



GREEN GOAL: HMM is targeting carbon neutrality by 2045 Photo: HMM

Navitas swoops for identical pair of bulkers

Harry Papachristou

Navitas Compania Maritima, a low-profile Greek bulker specialist linked to the Manessis family that doubled the size of its fleet in the past decade, has developed an appetite for Chinese-built post-panamaxes.

The company has emerged as the buyer of two identical 93,300-dwt sister ships built at Yangfan Group's Zhoushan yard in 2010 and sold in two separate deals.

TradeWinds reported in January about Germany's Oldendorff Carriers divesting the Charlotte Oldendorff to unidentified Greek interests for $15.45m.

The ship has emerged in the Navitas fleet under its new name, Mountain Lion.

A second post-panamax to have joined the Navitas fleet is the Heide.

The ship used to trade as Anastasia in the fleet of Stamatis Molaris' Empire Bulkers. In 2020, however, it changed its name to Heide under unclear management.

TRANSACTION DETAILS

VesselsValue suggests it was Empire Bulkers that sold the vessel to Navitas in October 2023 at an undisclosed price, with delivery in January 2024, when its name changed to Mastro Michael.

Navitas does not have a website or an official fleet list that would confirm its two latest additions.

Managers at the Athens-based shipowner did not respond to a request for comment on the two moves and their overall strategy.

Navitas was established in Panama in 1979. Two data banks show Miltiadis Lapardas as company president.

Market sources, however, are linking the firm to the Manessis family, the owners of Greek steelmaker Halyvourgia Ellados. The headquarters of both Navitas and Halyvourgia Ellados are listed under the same address in the Athens suburb of Kifisia.

Day-to-day management seems to be in the hands of Fotis Papafloratos, who has been with the firm since 1999 as chartering manager and managing director.

The additions of the Heide and Charlotte Oldendorff are the latest moves in a long-term expansion drive in which the company more than doubled its fleet over the past eight years.

In June 2016, Navitas was listed with five bulkers — two post-panamaxes, a kamsarmax and two supramaxes.

Today, its fleet has grown to 12 vessels: two capesizes, five post-panamaxes, one kamsarmax, two supramaxes and two handysizes.

CHANGING HANDS: Nissen Kaiun's 82,200-dwt Sammy (built 2012)

Diamantidis dives deeper into dry with kamsarmax

Greek shipowner pays below market levels to acquire his fourth bulk carrier

Harry Papachristou
Athens

An Athens-based tanker company that started building a bulker footprint more than a year ago has now notched up a fresh acquisition in the sector.

Broking and market sources in Athens have tied Paschalis Diamantidis' bulker arm Velos Dry to Nissen Kaiun's 82,200-dwt Sammy (built 2012).

Managers at the Greek firm do not publicly discuss their commercial transactions.

If confirmed, it would be the fourth bulk carrier bought by the company since November 2022, with three of the acquisitions taking place since September 2023.

Throughout its buying campaign, Velos Dry has been focusing on panamaxes, kamsarmaxes and post-panamaxes built at Japanese-controlled shipyards, preferably with scrubbers.

Three of its four vessels have been equipped with such a device.

In the case of the Sammy, its scrubber and Japanese pedigree as an Oshima Shipbuilding vessel do not seem to have driven up its value.

The price of about $24m is markedly below the $24.9m and $26.6m that VesselsValue and Signal Ocean estimate it is worth.

The price looks especially advantageous when compared with another deal for a comparable though somewhat younger kamsarmax.

According to several broker reports, unidentified Greek buyers spent $29m on the 81,800-dwt Scarlet Island (built 2014) — owned by Japan's Shikisima Kisen and built at Tsuneishi Heavy Industries Cebu in the Philippines.

Both the Scarlet Island and the Sammy are Tess82 IV-design vessels. The Scarlet Island, however, is not equipped with a scrubber and has a special survey due in May.

The $29m at which the Scarlet Island reportedly changed hands is in line with market trends.

According to Clarksons, this is the current average price for a 10-year-old kamsarmax — the highest level for that type of ship in 13 years.

According to VesselsValue, the Scarlet Island is on a three-year time charter with China's Comerge Shipping that expires in August.

Velos Tankers, the company Diamantidis originally went independently into business in 2019, specialises in product tankers of which it has eight units in its fleet — five MRs and three LRs.

On its website, Velos says it targets "balanced long-term growth through an expanding diversified fleet of product and chemical tankers and dry bulk carriers".

Dellaportas' DryDel enters ice-class space

Harry Papachristou

Greek bulker specialist DryDel Shipping has emerged as the buyer in a rare secondhand deal for an ice-class kamsarmax that took place five months ago.

The 81,800-dwt Nord Beluga (renamed Beluga, built 2015), which changed hands for $28m in November, has just joined DryDel's fleet in Singapore, according to a statement posted by the company on LinkedIn.

The ship's previous owner was Danish firm Norden, which had been trading the Nord Beluga since taking delivery of it as a newbuilding from Oshima Shipbuilding in Japan.

TradeWinds understands that it was the ship's top-quality Japanese pedigree and its installed scrubber rather than its ice-class 1C capacity that made it an attractive acquisition target.

PRIOR TRANSACTIONS

This was not the first sale-and-purchase transaction between the two companies. In August 2023, Norden sold an even younger bulk carrier to DryDel — the 64,500-dwt ultramax Nord Amazon (renamed Utopia, built 2020).

The addition of the Nord Beluga marks a "significant milestone" for DryDel's expanding fleet, said the Athens-based company formerly known as Meadway Shipping & Trading.

Principal Costas Dellaportas rebranded it as DryDel two months ago, to avoid confusion with the similarly named Meadway Bulkers run by his brother George.

Both companies have widened their footprint since the two siblings amicably split their interests in 2021.

The Beluga's addition brings DryDel's fleet to 11 bulkers on the water and 10 under construction. This excludes a further 18 bulkers that the company charters in on long-term periods.

A predilection for Japanese-built vessels is a constant in its business model.

Almost all the bulkers the company owns, orders or charters in come from yards in Japan or are controlled by Japanese shipbuilders.

DryDel's owned fleet on the water has an average age of about seven years.

W Marine buys ultramax as it enters fresh arena

Rolling fleet renewal strategy takes Greek owner Yiannis Sarantitis into new market territory

Harry Papachristou
Athens

Greek bulker specialist W Marine is acquiring its first ultramax after parting with its two oldest panamaxes.

TradeWinds reported in February on Chinese buyers committing $12.9m to acquire the company's 76,600-dwt W-Galaxy (built 2006).

According to market sources, W Marine is now divesting its next-oldest ship as well, the 76,500-dwt W-Raptor (built 2007), to Far Eastern buyers for about $12.8m.

Both deals have proved profitable for the Athens-based company, owned by Yiannis Sarantitis and led by Nikos Triantafyllakis, who initially purchased the vessels at much lower prices more than four years ago.

TradeWinds reported in 2019 how W Marine teamed up with Nees, Risan & Partners to buy the W-Raptor from US-listed Genco for about $10.2m.

The W-Galaxy was acquired in the same year from Japanese owners for about $10.6m.

The sale of the two ageing panamaxes leaves W Marine with no vessels built before 2010.

It is using the proceeds from these divestments to move into a new arena.

TradeWinds reported in January that Sarantitis was ordering his first newbuildings since 2007 — two 82,000-dwt kamsarmaxes at Chengxi Shipyard due for delivery in 2026.

Now W Marine has struck in the secondhand market to acquire its first ultramax.

Market sources identify the company as the buyer of the 63,300-dwt Eaubonne (built 2014) — a geared ship that several brokers reported as sold in early March to undisclosed Greek buyers for between $22.8m and $23m, with delivery scheduled later this year.

FLEET MODERNISATION: W Marine's 76,600-dwt W-Galaxy (built 2006), pictured above, and its 76,500-dwt W-Raptor (built 2007)
Photos: W Marine

The Eaubonne will allow W Marine to diversify its offering to clients around the Indian Ocean.

It is betting on economic growth in that region to fuel the earnings of its vessels, as a result of demographic growth and the shift of Chinese manufacturing to South Asia and South East Asia.

The company took delivery last month of its youngest vessel on the water, the 81,100-dwt Presinge Trader (renamed W-Luna, built 2016). TradeWinds reported its acquisition in January.

W Marine's latest moves in the secondhand and newbuilding markets bring its fleet to 16 active ships and two newbuildings.

Its active fleet on the water consists of seven post-panamaxes, seven kamsarmaxes, one panamax and one ultramax built between 2010 and 2016.

Radziwill takes control of ship-less GoodBulk

Gary Dixon

GoodBulk president John Michael Radziwill has taken majority control of the former bulker owner after the exit of US-owned CarVal Investors.

The company said in a filing to the Oslo over-the-counter exchange that CarVal-managed funds had offloaded their entire 54.1% of 14.65m shares to Radziwill's Bretta Navigation Corp.

The boss now has a 56% stake in GoodBulk, the public arm of the C Transport Maritime (CTM) group.

This holding is worth NOK 11m ($1m), based on a share price of NOK 0.73.

"We are happy to have purchased their shares as it allows [us] to streamline and have a more balanced external shareholding," Radziwill told TradeWinds.

"At Goodbulk we are exploring our options and opportunities via CTM to find the right investment at the right time," he added.

"Currently CTM is augmenting its capacities through new technologies to better advise their clients on making the most well-founded decisions."

As a result of the sale, CarVal principal Gregory Belonogoff has resigned from his position as a director.

Belonogoff leads CarVal's London office and its transport investments.

In 2019, CarVal was reported to have sold two handysize bulk carriers, sealing its exit from direct shipowning.

Brokers said the 37,300-dwt handysizes Alpine and Summit (both built 2015) went to White Lake Shipping for $14.65m each.

Like many other private equity funds, CarVal made its entry into shipowning in 2013 with a flurry of vessel acquisitions.

But unlike many others, CarVal stayed involved with shipping.

The firm had focused mainly on investing in other shipping companies in more recent times, however.

EXITED SHIPOWNING

In 2019, CarVal held a 6.5% stake in Diamond S Shipping and 0.5% of John Fredriksen's Golden Ocean Group.

CarVal acquired its GoodBulk investment after selling 13 capesizes to the Monaco-based operation in 2017.

GoodBulk divested its last 11 capesizes in 2023, returning all the proceeds to shareholders.

Radziwill has told TradeWinds there will be a GoodBulk comeback in the future and it could well make its way to public markets.

A listing could happen in New York, Oslo, Singapore or even London, he said.

GoodBulk has sold 23 vessels since the start of 2022.

Radziwill has been contacted for comment.

Brave Maritime banks handysize profit

Gary Dixon

Harry Vafias' C3is has added to its fleet again by snapping up a bulker from the chairman's private fleet.

The Nasdaq-listed company said the 33,700-dwt handysize Eco Spitfire (built 2012) is costing $16.19m from Greek affiliate Brave Maritime.

VesselsValue assesses the ship as worth $16.04m.

The Eco Spitfire, acquired from Japan's Kurushima Senpaku for $10.5m in February 2021, marked a profitable investment for the private company.

C3is will pay 10% of the price tag in April, with the rest due by 10 April 2025.

The vessel is currently trading under a time charter, scheduled to expire at the beginning of May this year.

The transaction with Brave was approved by the company's audit committee, made up of independent directors.

C3is now has three handysizes and an aframax tanker.

The company was spun off from Vafias' Imperial Petroleum and began trading in June 2023.

Earlier this year, the shipowner said it was raising $7m in an equity offering aimed at financing future vessel purchases.

UPSIZED DEAL

The deal involved shares and warrants and was upsized from $6m initially.

Cash was also intended for capital expenditures, including payment towards the $38.7m remaining purchase price for the aframax.

"We plan to expand our fleet by investing in high-quality, Japanese or Korean-built dry bulk carriers, which may include vessels in class sizes ranging from handysize class vessels of 28,000 to 40,000 dwt to capesize class vessels of 100,000-plus dwt, and tankers of potentially all sizes," the company said.

Brave will be left with 18 bulkers ranging from handysizes to capesizes following the sale.

Seacon flips product carrier to Union Maritime

Gary Dixon

China's Seacon Shipping has bolstered its bank balance by declaring a purchase option on an MR tanker and quickly selling it on.

Brokers reported the Hong Kong-listed shipowner buying the 34,800-dwt Golden Lavender (built 2022) out of a lease held by AVIC International Leasing in China for an undisclosed amount.

A day later, the company is said to have flipped the vessel to Laurent Cadji-led Union Maritime in the UK for $36m.

The vessel, constructed at Fujian Mawei Shipbuilding, is valued at $32.85m by VesselsValue.

Seacon confirmed Union Maritime was the buyer of the vessel at $36m in a stock exchange release.

The tanker was bought by Seacon from the fleet of liquidated Xihe Holdings of Singapore as a resale in December 2021, when it was called the Ocean Lax.

It was sold to AVIC Leasing in February 2022, with a charter back to Seacon.

A sister vessel, the 34,800-dwt Dictador (built 2019), was sold to Union Maritime for about $29m to $30m in October 2023.

The tanker, now the Watson, was acquired from Pioneer Tankers of Singapore, after having also been purchased from Xihe.

Both Union Maritime and Seacon have been contacted for comment.

EXPANDING ORDERBOOKS

Union Maritime is reported to have added two other second-hand tankers this year, a small handysize and an MR1, while continuing to add to its product tanker newbuilding orderbook.

Earlier this year, Seacon said in a filing that it is spending $30.1m on a new 18,500-dwt product oil/chemical carrier at Wuhu Shipyard for delivery before the end of 2025.

The deal meant the owner spent $339m on nine tanker newbuildings in a month.

The company said it received a quote from another shipyard at a lower price but for delivery in 2026.

Seacon has four MR2s and six smaller clean tankers on order in total.

The group owns 51 ships, including bulkers, container ships and eight tankers up to suezmax size.

In addition, Seacon is awaiting delivery of the 17,100-dwt tanker Golden Orchid (built 2009), acquired from Zhejiang Zheyin Financial Leasing.

Euronav sells Greek ship manager to Anglo-Eastern

Hong Kong outfit will assume responsibility for fleet overseen by Euronav Ship Management Hellas

Gary Dixon
London

ALEXANDER SAVERYS: Chief executive of Compagnie Maritime Belge and Euronav Photo: Eric Priante Martin

Belgian tanker owner Euronav has sold its Greece-based ship management arm to Anglo-Eastern as the two sides "join forces".

The Brussels and New York-listed company said a heads of agreement has been signed for Euronav Ship Management Hellas (ESMH).

No financial details were revealed, but Euronav said the Hong Kong group will assume ship management responsibilities for the vessels currently overseen by ESMH on an "as is" basis.

"This transaction will provide Anglo-Eastern with a strong local presence in the Greek market while also greatly enhancing its footprint in large crude oil tankers," a statement read.

Post-integration, ESMH will become part of Anglo-Eastern's "vast" global network, offering the combined entity a wide range of growth opportunities in different regions and ship types, the partners added.

Bjorn Hojgaard, chief executive of Anglo-Eastern, emphasised the mutually beneficial nature of the deal.

Both companies will be able to "focus on what they do best", he said.

The agreement "reflects Euronav's utmost confidence in Anglo-Eastern's ability to deliver as a ship manager and wider initiatives related to safety, quality, digitalisation, crew training and decarbonisation," he added.

Euronav CEO Alexander Saverys said his company already has a strong collaboration with Anglo-Eastern.

"This combination will further enhance our business relations, offering plenty of new opportunities for our company and our people," he added.

SET UP IN ATHENS

ESMH, established in Athens in 2005, handles the trading of oceangoing tankers for Euronav and oversees newbuilding construction.

Ship management includes crewing, technical, procurement, accounting, safety and quality assurance.

Euronav and the Saverys' clean shipping company CMB.Tech together own around 150 vessels, including newbuildings.

The fleet also includes bulkers, container ships, chemical tankers and offshore wind vessels.

The group's name will change to CMB.Tech after a shareholder vote.

Anglo-Eastern has more than 650 ships under full technical management, about 500 vessels under crew management and almost 1,000 newbuildings and conversions under supervision.

The workforce consists of more than 37,000 seafarers and 2,100 shore employees.

A pattern is emerging in which the Saverys family is divesting non-shipowning segments of the Euronav group.

In January, Danish optimisation service ZeroNorth bought Euronav's Fleet Automatic Statistics & Tracking (FAST) platform.

As part of the deal, the Saverys family-controlled tanker owner also became a customer of ZeroNorth's full platform offering.

FAST gathers real-time, advanced high-frequency data from sensors deployed across Euronav's fleet of VLCCs and suezmaxes.

The platform then uses this information to boost voyage and ship optimisation, improving collaboration between vessels and all shore departments.

The service has reduced fuel consumption and lowered operating expenses, Euronav said.

Fisher lifts earnings as Phillips 66 renews

Gary Dixon

London-listed tanker owner James Fisher improved its shipping earnings as it expanded its fleet.

The maritime transport division was focused on profitability, with underlying operating earnings up 23% to £23.3m ($29m) in 2023, the company said.

This was despite revenue declining by 6% to £157.2m.

The maritime division includes 21 clean tankers up to MR1 size, as well as natural gas ship-to-ship (STS) transfer operations.

The company has now taken delivery of two new 6,100-dwt dual-fuel tankers from China. Four more are on order for delivery in 2026.

Fisher also said it had secured its largest-ever tanker charter renewal deal from Phillips 66 in the UK.

But it did not provide further details.

The group reported strong LNG STS transfer demand globally, as well as good demand for oil STS transfers in Brazil.

"The division continues to play a key role in the critical supply of energy and petrochemicals, alongside alternative fuels, including LNG," the owner said.

"This resulted in a strong performance during the year, with high utilisation levels across tankships, alongside a key contract extension with a major UK customer," the company added.

NET PROFIT DOWN

Overall net profit for the marine services group was £2.3m, against £11.5m in 2022.

Revenue climbed to £496.2m from £478.1m year on year.

"We will ensure continuity of critical supply through coastal shipping both in the UK and in new geographical markets, and explore adjacent markets relevant to our capabilities," Fisher said.

The company is also aiming to explore new business in the Caribbean.

Fisher has been streamlining its operations by selling non-core units.

Chief executive Jean Vernet said: "We are now one year into our transformation programme to build a stronger, more cohesive company."

"Despite a number of challenges early in the year, we have made good initial progress in building our leadership team, implementing our new operating model and deploying our focus and simplification agenda," he added.

THE CARIA KA: The 37,300-dwt MR1 (built 2006) is among the six tankers bought by Trans KA since late 2021 Photo: Trans KA Tankers

Italian owner cashes in as Akbasoglu seizes growth

Low-profile Istanbul player clocks up sixth product tanker purchase in two years

Harry Papachristou
Athens

Trans KA Tankers has extended efforts to establish a sizeable MR1 product tanker fleet with its sixth purchase in two years.

Until 2021, the shipping arm of Turkey's Akbasoglu Holdings was predominantly managing small chemical tankers, several of which it had ordered to its own account.

This changed in November of that year when the Akbasoglu family embarked on a campaign to acquire MR tankers in the secondhand market.

Trans KA has quietly assembled a fleet of six such vessels since, spending an estimated $75m in the process.

According to shipping databases, the latest acquisition has now joined the fleet — the 37,300-dwt San Carlos (renamed Lydia KA, built 2007).

It seems to have been a sale-and-purchase deal with prompt delivery. Brokers had reported the San Carlos as sold just a few days earlier by Italy's Gestioni Armatoriali for $20.5m.

Managers at Trans KA did not respond to a request for comment on the specific deal and their overall strategy.

Judging by their market moves, however, there is a clear pattern in their activities.

Five of the six MR1s acquired by Trans KA over the past two years were built at Hyundai Mipo Dockyard in 2006 and 2007.

The sixth ship, the 37,100-dwt Uluc KA (ex-Baltic Sky I, built 2001), was built at HMD as well but is an outlier in the sense that it is a little older.

Akbasoglu Holdings bought its first three MR tankers between November 2021 and April 2022, before the Ukraine war started sending secondhand prices for such vessels through the roof.

The Turkish company continued buying ships at a slower pace as prices climbed.

Despite its expansion into MRs, Trans KA maintains a presence in the smaller tanker segment.

A fleet list on its website features eight such managed vessels with capacities between 600 dwt and 25,800 dwt.

Trans KA was established in 1972 by Ali Kemal Akbasoglu, who handed over the company in 1986 to sons Emin and Metin.

The two siblings grew the firm and expanded it into chemical and product tankers by investing in 11 newbuildings constructed in their home country at the beginning of this century.

Akbasoglu's decision earlier this month to expand with the purchase of the San Carlos provided a handsome asset play opportunity for the ship's previous owner, Gestioni Armatoriali.

The Italian company acquired the vessel in 2018 for just $11m, nearly half the price at which it has now flipped it to Trans KA.

The ship's sale leaves Naples and Ravenna-based Gestioni Armatoriali with two identical tankers in its fleet, the 37,300-dwt sister ships San Felix and San Sebastian (both built 2007).

Harren linked to sales as it shrinks fleet

Harry Papachristou

Germany's Harren Tankers is being linked to sales that would shrink its fleet to two vessels.

Following six divestments since April last year that filled its coffers with about $85m in proceeds, it is said to be selling two ships for $11.3m each.

Managers at the Bremen-based owner did not respond to a request for comment on the reported sale of the 16,800-dwt Patagonia and 16,700-dwt Paterna (both built 2006).

The ice-class 1A ships are being picked up by Turkish interests, Greek brokers reported last week.

Both ships have been trading with Harren since their respective deliveries from China's Qiuxin and Jiangnan Shanghai Changxing shipyards.

Their sale would not be a surprise, given how eagerly Harren has jumped on the opportunity offered by soaring tanker values to offload its ageing fleet.

TradeWinds reported in January about the company selling its only LR1, the 73,700-dwt Pataris (built 2009), to commodity giant Trafigura, emerging in its managed fleet a month later under its new name, Voula.

At about the same time, Harren reportedly sold the 17,000-dwt Patara (built 2007) to undisclosed buyers.

Harren also divested the 16,800-dwt Patricia (renamed Rubikon 78, built 2005) earlier this year, to Serbia's Rubikon Shipping.

DIVESTMENTS: The Paterna is reported to be one of the latest vessels sold Photo: Harren Tankers

The Blystad Group also bought Harren ships last year, picking up the 16,700-dwt Patea (renamed Songa Aurora, built 2008) and sister ship Patani (renamed Songa Taurus, built 2009). A third sister ship, the 16,700-dwt Patnos (built 2006), has emerged as the High Standard in the fleet of Indonesia's Global Maritim Industri.

If Harren's latest two sales are confirmed, it would leave the company with two chemical/product tankers on the water: the 16,700-dwt Patrona I (built 2004) and Patalya (built 2005).

However, Harren has said it does not plan to leave the tanker business.

In a comment two months ago after the sale of its sole LR1 tanker, a manager told TradeWinds that Harren would "remain active" and it was in the process of acquiring "further third-party tonnage".

TEN extends renewal drive with aframax

Harry Papachristou

Tsakos Energy Navigation is pushing ahead on fleet renewal, with the US-listed company reportedly selling its 10th ageing tanker since early last year.

According to US brokers, TEN obtained $37.2m to offload the 105,400-dwt Izumo Princess (built 2007) in a deal with undisclosed buyers.

The Sumitomo Shipbuilding-built vessel is one of the two oldest units in TEN's fleet of 27 crude aframaxes and is not equipped with a scrubber.

However, the Izumo Princess passed its special survey about two years ago.

TEN does not discuss its commercial activities outside public statements but is known to be an active seller of ageing ships.

Over the past 15 months, the Greek company has confirmed divesting nine vessels with an average age of nearly 19 years.

Based on broker reports, TradeWinds estimates that these sales generated about $200m in proceeds for the company.

TEN has more than made up for that outgoing tonnage over the same period, by adding 16 vessels with an average age of just 1.2 years — ordering and taking delivery of newbuildings, as well as acquiring modern tankers on the secondhand market.

The company's overall tanker fleet consists of 71 tankers of all types on the water or under construction.

TEN also owns three LNG carriers.

Most of the vessels that TEN sold are trading with Middle Eastern owners.

Players in that region, however, are occasionally selling vessels as well.

Another old aframax reported sold this week, the 115,400-dwt Monvos (built 2004), has fetched $28.5m, US brokers say.

The ship, built at Samsung Heavy Industries, is listed with the United Arab Emirates-based Milavous Group and managed by Morrissey Shipping.

It is not equipped with a ballast water treatment system but has reportedly one on order.

Managers at Milavous did not immediately respond to a request for comment.

The Dubai-based company describes itself on its website as a player active in commodity trading, shipping and other investments.

Milavous said in March 2023 that it bought two ships, without identifying them. According to the S&P Global Market database, one of these ships was the Monvos, previously trading as Pintus.

The second, still listed with the company's fleet, is the 298,500-dwt Hansika (built 2006), a VLCC previously trading as Syfnos with Embiricos company Aeolos Management.

New Global Ship CEO navigates challenges from cash-rich lines

Chief executive explains role of boxship tonnage providers in era when industry giants buy their own ships

Ian Lewis
London

COLLABORATION: Thomas Lister, who was GSL's chief commercial officer, will continue to work closely with executive chairman George Youroukos (inset), founder of technical manager Technomar Shipping

Photos: Global Ship Lease and Technomar

Taking the reins of Global Ship Lease during a container shipping mini-rally is a mixed blessing for new chief executive Thomas Lister.

The New York-listed tonnage provider has been reaping the benefits of an unexpected rise in charter rates and asset values this year.

But that has fuelled competition in the secondhand markets from cash-rich liner giants.

Companies such as MSC Mediterranean Shipping Company and CMA CGM are snapping up secondhand vessels that might once have been bought by traditional charter market owners.

The giants' enormous financial firepower has sidelined some tonnage providers.

And that is presenting Lister with a different set of problems from those faced by his predecessor, Ian Webber, who retired on 1 April after nearly 17 years in the job.

"For an owner to compete on spot, charter-free deals with liner companies is challenging," he told TradeWinds.

"The economics are very different for them than to us. They're calculating on a very different basis."

'THERE ARE OPPORTUNITIES'

That is one reason GSL focuses on midlife container ships with charters attached.

Such was the case with its last acquisition in May 2023, involving four 8,500-teu vessels aged 20 years and over that were bought and chartered back to AP Moller-Maersk.

"There are opportunities," said Lister.

"And you've got to choose very carefully the space within which you compete, which is explaining why we move selectively but not necessarily frequently on acquisition opportunities.

"The fact that we haven't been out buying ships at a frenetic rate I think is reflective of our discipline.

"We will only do deals when the numbers work, when the risk and return metrics work.

"And while we're looking at prospective acquisitions all of the time, we will only move when it makes sense."

Prior to the Maersk deals, GSL had not been active in the sale-and-purchase market for three years.

It had a busy 2021, acquiring four traditional panamax boxships from Peter Dohle Schiffahrts, a fleet of 12 ships from Borealis Maritime and six older 6,000-teu ships that were also bought and chartered back to Maersk.

NOT SELLERS

In contrast, GSL sold only one vessel last year, the 1,118-teu GSL Amstel (built 2008).

"We're not sellers," said Lister. The feeder ship was sold only because it was not core to GSL's fleet of 68 vessels ranging from 2,000 teu to 11,000 teu, which is "where we see the best economics and the best sort of mix of risk and reward".

GSL does not deem it necessary to sell even when asset values are rising.

"When you see charter-free asset values firming, you see charter rates firming even faster," he said.

"So, if a liner company is buying a ship, it's generally because they believe it's cheaper for them to buy the ship rather than to charter in that ship from owners.

"The flip side of that coin is that if you're an owner and you don't have to sell — and we don't have to sell — it makes economic sense to hold on to the asset and continue to charter it."

GSL has some ships coming open later this year. These will benefit from an environment in which charter rates have been lifted because of the disruption in the Red Sea.

INTELLIGENT FOLLOWERS

However, the company is not looking at ordering newbuildings, mainly due to uncertainty over future fuel choices.

"So we think ... this is going to be a situation where it's really the liner companies [that are] taking the lead on what the real fuels of the future will be," Lister said.

"We prefer to focus upon existing ships at the moment, midlife ships rather than newbuilds.

"Because the moment you focus on a newbuild, you've got to take a 30-year view on the propulsion technology and the fuel, and we're just not in a position as tonnage providers to do that yet."

Lister, who was formerly GSL's chief commercial officer, will continue to work closely with executive chairman George Youroukos, founder of technical manager Technomar Shipping.

"This is a business model that has worked for us through thick and thin," Lister said.

"And when the opportunity arises to buy ships, we do exactly that, but, you know, we're not impatient to do so."

MARTIN MOLSAETER: Portfolio manager at First Fondene
Photo: First Fondene

Fund manager tips upturn for 'stable' shipping stocks

Martin Molsaeter bets on VLCCs and large bulkers

Jonas Walsgård
Oslo

A Norwegian equity fund manager sees shipping stocks gaining popularity in the coming years.

Martin Molsaeter, portfolio manager and partner at First Fondene in Oslo, thinks many funds will invest more in shipping companies as the current upturn will last longer than earlier ones.

Historically, shipping stocks have been very volatile with high ups and downs.

"Now it is very good profitability but tanker and bulker companies don't invest much. That is unique," Molsaeter said in an interview at his office near Aker Brygge.

Molsaeter manages close to NOK 2bn ($180m) in two funds, one Norwegian called First Generator and one global one, First Global Focus.

"Every time they have made a lot of money they have ordered too many ships and increased debt too much. Especially within dry bulk and VLCCs, it would have historically led to a big wave of newbuilding activity. But now they haven't done it," he said.

> Funds will have more shipping in their portfolios in a few years — Molsaeter

Going forward, shipping stocks will swing less because companies have not booked too many newbuildings and increased debt, according to Molsaeter.

Lower leverage means lower volatility for investors.

"Therefore, we see that many funds are underinvested in shipping — because they think it will swing as before. But it will not be as volatile as in the past," he said.

In both funds, which only hold 16 to 20 stocks, shipping stocks are among the biggest holdings.

"I see that many funds will increase the weight in shipping stocks in the coming years when they realise that they do not swing as much as before," he added.

In the Norwegian fund, he holds Frontline and Golden Ocean as big companies and liquid stocks.

Recently, he sold off 2020 Bulkers after it had "risen too much".

In the global fund, Molsaeter has invested in DHT Holdings, Genco Shipping & Trading and Star Bulk Carriers.

"DHT Holdings is good at buying and selling vessels and pays stable dividends," Molsaeter said.

He thinks the investor community will start seeing it as a dividend case and then the stock will be repriced.

In Genco, he sees potential for increased value in the company's older vessels as secondhand prices have not increased that much.

Molsaeter hopes there will be an increase in orders as it pushes up newbuilding prices and will also support the value of current fleets.

"It is good when they start to order new ships but not too much. There can be many newbuildings before it affects the stocks negatively. It will be positive because it will push up secondhand prices," he said.

Within dry bulk, he thinks the supply is more important than the demand.

"If the supply growth is low you should buy dry bulk stocks. The demand is always uncertain," he said.

Molsaeter has been an asset at First Fondene since 2010. Earlier, he ran a hedge fund for Oystein Stray Spetalen's Ferncliff TIH AS.

He has also worked as an equity research analyst at First Securities, DNB Markets, ABG Sundal & Collier, Morgan Stanley and SEB.

Some bulker companies have a big discount to net asset value, according to Molsaeter.

He sees secondhand prices rising and that the discount could narrow a lot.

First Generator was up 4.4% through March, while First Global Focus had increased 10%.

According to Molsaeter, this upturn is different, with fewer newbuildings, busy shipyards and an ageing fleet, especially within tankers.

"People look at history, so it will take some years before the change of the perception of shipping stocks will be reflected in the market. Funds will have more shipping in their portfolios in a few years," he concluded.

Carnival refinancing targets $4.1bn

Jonas Walsgård

Carnival Corp is planning to refinance up to $4.1bn of bonds and loans to reduce interest rate expenses.

The New York-listed cruise line said it has started offering a new €500m ($532m) bond.

It is a private offer of new senior unsecured notes expected to mature in 2030.

That issue will refinance its €500m, 7.625% senior unsecured notes due in 2026.

The company has issued a conditional notice of redemption for the entire outstanding principal amount of the 2026 bond to be redeemed on or about 26 April.

The redemption price will be equal to 101.906% of the principal, plus accrued and unpaid interest.

Carnival is continuing its debt and interest expense reduction and capital structure simplification.

In addition to the new bond issue, it expects to begin marketing a repricing transaction for its $2.3bn first-priority senior secured term loan facility maturing in 2028 and its $1.3bn senior secured term loan facility maturing in 2027.

As part of the repricing transaction, the company expects to make partial prepayments of outstanding amounts under the 2028 facility and the 2027 facility of up to $800m.

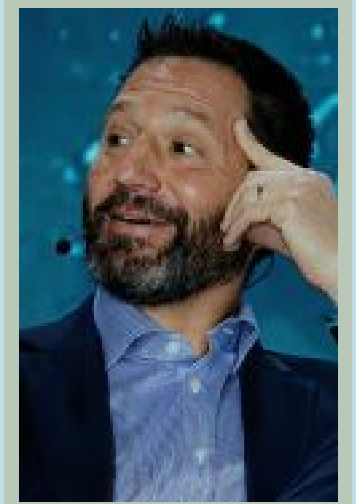
PJT Partners is serving as an independent financial adviser.

Carnival reported its best-ever first-quarter revenue of $5.41bn in March, as booking volumes soared to an all-time high.

It raised its net yield guidance for the full year of 2024 by more than a point to about 9.5%.

In December, credit rating agency S&P Global Ratings upgraded Carnival two notches to BB-.

Last year, the line ordered its first newbuildings in five years after recovering from the pandemic crisis.



JOSH WEINSTEIN: Carnival Corp chief executive
Photo: Len Kaufman

Funding fuels Britain's maritin

Government funding and a history of wind turbines and sailing have given Britain an edge in maritime wind propulsion

Craig Eason
Stockholm

The River Clyde was famous in the 19th and 20th centuries, synonymous with British shipbuilding, the rule of Britannia and the rise of the steamship, but that industry was swept into decline with the rise of faster, cheaper industries in the Far East about 50 years ago.

Now rising close to its banks, is a new sign of the times and fresh investment in British maritime technology.

A 20-metre bright blue and green wing structure sticks vertically into the Scottish air — symbolising Britain's push into maritime cleantech. This is the test rig of a wind propulsion system installed by cleantech start-up Smart Green Shipping in Dumfries, Scotland.

Meanwhile further south, close to Merseyside, a proud maritime cluster, a second system will rise this year, from another windtech start-up, GT Green Shipping.

Both companies are part of something of a great British wind revolution, focusing on the advancement of systems designed for installation onto ships to decrease fuel costs and, for vessels using oil and natural gas-based fuels, to mitigate greenhouse gas emissions.

Spurred by the acceptance and growth of wind turbines, both onshore and offshore, Britain seems to be ready to adopt new technology for the shipping industry, and the government has perhaps realised the country could easily benefit from this, said Di Gilpin, who is founder and chief executive of Smart Green Shipping and also sits on the UK Department for Transport's Clean Maritime Council.

Since 2021, the British government has been running a Clean Maritime Demonstration Competition, which has so far awarded four rounds of funding for technology projects.

Funds have been distributed across the span of maritime decarbonisation solutions, including port infrastructure, new fuels, electrification and wind. While the competition is technology agnostic, Gilpin thinks the benefits of wind propulsion are obvious.

"The UK, both industry and academia, is very good at innovation, sailing, maritime, aerodynamics, materials science, renewables technologies and commercial services to the industry," she said.

"The UK has been proud of its climate leadership and the science shows that wind technologies give us the opportunity to decarbonise the fleet in line with short-term 2030 [International Maritime Organization] ambitions.

"When compared to the huge infrastructure costs for alternative fuels, wind represents really good value for money. So, I think this is all about the UK playing to its strengths."

Gilpin's Smart Green Shipping system, part of the Winds of Change project, is one of the largest to be funded.

The project includes the University of Southampton, Houlder, Humphries Yacht Design, Caley Ocean Systems and other businesses including ship manager Nuclear Transport Solutions.

The project will see a wingsail design and related measurement software of Smart Green Shipping temporarily installed on a UK-flagged nuclear waste carrier, the 4,902-dwt Pacific Grebe (built 2010), this summer for sea trials. (For full disclosure, TradeWinds' Craig Eason is producing a short podcast series for the Winds of Change project.)

GT Green Technologies has been awarded funding under two rounds, first for feasibility studies and then for the construction and verification of a wing system.

It will install its test system on a Carisbrooke Shipping vessel in the summer. Carisbrooke has invested in GT Green Technologies, as has venture capital firm OnePlanetCapital, while GT Green secures $1.5m in seeding funding aimed at bolstering its research and development efforts.

BAR TECHNOLOGIES: Although it did not secure funding from Britain, it received $1.5m from the European Horizon programme to install a rigid wing system on the Cargill-chartered 81,000-dwt bulker Pyxis Ocean (built 2017) Photo: Cargill

These two companies are not the only ones to have been awarded funding to test out shipboard wind propulsion systems.

There are at least nine UK-based businesses, start-ups or entrepreneurs with wind solution ideas that have been awarded funding from the UK government's Clean Maritime Demonstration Competition.

Another grant winner is WingTek, based in Bristol. It is looking to prove its sail design based on the Walker Wingsail, a system trialled four decades ago. Its funding is for a pair of test rigs to be put through their paces.

There is also Anemoi Technologies, a company that has had systems on board a Greek bulker for a few years and has been awarded funding to adapt its system to a new size.

Oceanic Wingsails, one of the round four award winners, is just kicking off its project. Founder Charles Magnan told TradeWinds his project will be developing a reefable rigid sail design, with initial trials being made on specially developed yachts he is developing, but with an eye to taking the designs into commercial shipping.

UK PLAYS CATCH-UP, QUICKLY

One of the first wind concepts to be funded by the UK research grants was Artec Vida, which won some funding to assess the feasibility of a lateen sail system for a small container ship. TradeWinds has not been able to reach the project owners to determine how the project went.

Similarly, another project, Skytug, obtained funding at the same time for its feasibility study on integrating a wind propulsion system into a tugboat for shiptowing purposes. These initial, round one winners, won much less backing than the later project winners.

Another long-running project, believed to have secured funding through the Clean Maritime Demonstration Competition, but possibly faced challenges in securing additional backing, is Windship Technologies.

Gavin Allwright, secretary general of the International Windship Association, applauded the UK government for its investment in cleantech, especially in wind-assist projects.

And while he noted that there has been funding outside the four competition funding rounds, he believes the UK is coming late but quickly to the realisation it

ne wind revolution

SCOTLAND: Smart Green Shipping has set up a test rig at a former wind turbine testing site in Hunterston as a precursor to its installation on a UK-flagged nuclear waste carrier later this year, the Pacific Grebe
Photo: Smart Green Shipping

DIANE GILPIN: Smart Green Shipping chief executive Photo: Nor-Shipping

ANEMOI TECHNOLOGIES: The company, with existing systems on the Greek 64,000-dwt bulker Afros (built 2018) for several years, has received funding to modify its technology for a different scale
Photo: Anemoi

> When compared to the huge infrastructure costs for alternative fuels, wind represents really good value for money. So, I think this is all about the UK playing to its strengths
> — Di Gilpin

should be supporting maritime tech developments.

"One problem has been the political churn in the UK," Allwright said. "It detached policy and strategy from what was being delivered."

He pointed to the government's attempt to rebuild shipbuilding in the country, which he said was never going to work commercially in a global market.

"The UK has world-leading technology innovation, and this is where the focus should be," he said.

However, while the country has been supporting its homegrown wind propulsion start-ups, it has competition from other regions as commercial installations of wind systems have been ramping up.

Globally, there are systems installed on about 40 ships, but of these, only four are linked to UK-based companies.

Two vessels are equipped with Anemoi rotor sails, while the other two feature systems from BAR Technologies. BAR Technologies, despite not securing UK funding, received $1.5m in backing from the European Horizon programme. This funding was allocated for the installation of a rigid wing system on the Cargill-chartered 81,000-dwt bulker Pyxis Ocean (built 2017).

Both BAR and Anemoi have reached the commercialisation stage of their systems and are now working closely with shipyards, recognising the benefits of inclusion on shipyards' approved supplier lists. Both companies have secured construction contracts in China.

CONVINCING SHIPOWNERS

Shipping companies and investors are looking closely at wind.

Regulations in the maritime industry have made wind propulsion systems attractive as they help shipowners meet greenhouse emissions targets on existing vessels. Most wind assist solutions are designed to be retrofitted, as well as being installed on newbuildings.

But owners still need reassurance, said Gilpin.

In the past couple of weeks, Smart Green Shipping has begun testing its FastRig in Hunterston off the Clyde, and tests there will be ongoing until August when it will be dismantled and taken to Barrow for installation on the UK-flagged Pacific Grebe, one of three specialist vessels in the Pacific Nuclear Transport Ltd fleet.

"It is important to do the land tests, to ensure the systems are working as predicted and as safe as they are designed to be," said Gilpin, noting the safety requirements that need to be met before installing a system on a nuclear waste carrier are some of the highest you can expect in the industry.

And the land and sea trials are important to reassure the industry, she continued. Assuming the trials are a success, Smart Green Shipping has potential clients lined up to install systems in 2025 and they need the assurances that their investments will give them peace of mind.

OLDENDORFF, NYK AND CANADIAN MINER TECK TO TACKLE DRY BULK SUPPLY CHAINS

Holly Birkett
London

Teck Resources, one of Canada's biggest mining companies, plus big-name bulker operators and ports have come together to reduce carbon emissions in dry cargo supply chains between North America and Asia.

The partners will work together to develop a decarbonised corridor for the transport of commodities, including agricultural products, metal concentrates and steelmaking coal.

Members of the North Pacific Green Corridor Consortium (NPGCC) include bulker operators Oldendorff Carriers and NYK Bulk & Projects Carriers, plus Mitsubishi Canada and shipyard Mitsubishi Heavy Industries.

The other founding members are the Canadian National Railway, Canada's Prince Rupert Port Authority, Trigon Pacific Terminals, which operates terminals at the port, and Vancouver Fraser Port Authority.

Together, the nine founding members represent around 25% of the more than 100m tonnes of bulk commodities shipped through the ports of Vancouver and Prince Rupert in Canada each year.

The alliance will explore new markets for low-carbon fuels in North America and Asia, which it said could potentially include the production, storage and bunkering of these fuels and propulsion options for use by NPGCC members and others.

The group said it will also look at how carbon reduction initiatives can strengthen commercial partnerships and plans to share knowledge and research among its members.

The announcement of the membership and their joint ambitions is the first milestone in the NPGCC since it was initiated in June last year, when senior representatives of Teck joined Canada's minister of transport at the G7 Transport Ministers' Summit in Japan.

Ian Anderson, Teck's senior vice president and chief commercial officer, called the launch of the consortium "a major step forward in achieving a sustainable and decarbonised future for the critical minerals value chain".

"The NPGCC aligns with the Government of Canada's Green Shipping Corridors Framework by fostering international collaboration and setting ambitious milestones to create a net-zero future from producer to shipper to customer," said Anderson, who sits on the NPGCC's board with representatives from each of the other member companies.

Teck aims to achieve net-zero Scope 3 emissions by 2050 and last year partnered with Norden to decarbonise its coal supply chain and with Oldendorff to fit rotor sails on a bulk carrier.

Linda Kongerslev, Oldendorff's director of global engagement and sustainability, said: "We are continuously looking for ways to reduce the environmental footprint of our shipping services, and the establishment of the North Pacific Green Corridor Consortium is an exciting milestone on this path."

JOINING FORCES: The North Pacific Green Corridor Consortium (NPGCC) aims to decarbonise dry cargo supply chains between North America and Asia. Representatives from its nine founding members are (pictured, from left): Tatsuhiko Asami of NYK Bulk & Projects Carriers; Linda Kongerslev of Oldendorff Carriers; Ken Veldman of Prince Rupert Port Authority; Ian Anderson of Teck Resources; Michael Lagowski of Mitsubishi Canada; Robert Booker of Trigon Pacific Terminals; Duncan Wilson of Vancouver Fraser Port Authority; Mayu Toyobe of Mitsubishi Heavy Industries; and Francois Belanger of Canadian National Railway Co
Photo: North Pacific Green Corridor Consortium

LION CITY LINE-UP: Group picture time for these former students of Chinese maritime universities who are now living and working in Singapore

Photos: Irene Ang

Chinese shipping alumni turn out in force for Singapore gala

Close-knit industry community gathers for inaugural formal dinner

Irene Ang
Singapore

Singapore's Chinese shipping community is close-knit, and one of the main bonding influences is the comprehensive alumni network.

Some 200 Chinese shipping executives gathered at The Westin on Sunday evening for an eight-course dinner organised by the Dalian Maritime University Alumni Association Singapore.

This was the first formal gala dinner that the 12-year-old association has held, as past events were more casual.

Dalian Maritime University alumni president David Zheng, who runs Sea Star Shipping Group, said the association has more than 700 members who were students at four maritime schools — DMU, Shanghai Maritime University, Jimei Maritime University and Nanyang Technological University's Maritime Academy.

Some have settled in Singapore to become citizens.

"I hope the members can use the alumni network to support one another and make progress together," said Zheng.

The gathering attracted overseas guests such as John Su of Erasmus ShipInvest Group, who flew into Singapore for a Capital Link event — one of the many conferences during Singapore Maritime Week.

The Chinese shipping industry has become a major player. Bruno Bai of Ifchor Galbraiths said Chinese shipping companies have been extremely active in the sale-and-purchase market over the past few years. He estimated 180 tankers had been bought by Chinese outfits.

JOHN SU: Erasmus ShipInvest Group

KATIE MEN: Iseaco Investment

ALL SMILES: Around 200 former students from Chinese maritime universities attended the event

DAVID ZHENG: The Dalian Maritime University alumni president runs Sea Star Shipping

BRUNO BAI: Ifchor Galbraiths

ZHANG LANSHUI: DaSin Holdings

YANG LEI: Sumec Ocean Transportation

Kunzer claims Lila Global priced out of S&P frenzy

Chief executive says secondhand prices for mid-age ships are just too high to bring value

Jonathan Boonzaier
Singapore

'VALUE INVESTOR': Lila Global CEO Steve Kunzer at the Capital Link Singapore Forum Photo: Jonathan Boonzaier

Lila Global has called a temporary halt to its ambitious plan to expand its fleet to 70 ships.

Steve Kunzer, chief executive of the Dubai-based shipowning affiliate of cash buyer GMS, told TradeWinds on Tuesday that the company is taking a breather due to high vessel values in the strong bulker and tanker markets.

"Pricing has been such that it's not been the right time to buy. Sometimes the hardest thing to do in shipping is to not buy and just to sit in your money and wait for price to come down," Kunzer said, speaking to TradeWinds on the sidelines of the Capital Link Singapore Forum, which was held during the Asian city-state's annual Singapore Maritime Week.

"No one has ever made money in shipping by buying expensive ships. You've got to buy at the right price at the right point of cycle," he added.

The Lila Global fleet consists of 36 bulkers covering the size spectrums, three stainless steel chemical tankers and two feedermax container ships.

The company prefers mid-age vessels — its fleet has an average age of 16 years according to VesselsValue data — and it invests heavily in upgrading them in terms of energy-efficient technologies.

Lila Global began as a small sideline business of GMS. However, within two years it grew into a large, diversified shipping company under the leadership of GMS founder Anil Sharma and other GMS executives.

Kunzer was recruited to lead the company in January last year. He was tasked with professionalising it and repositioning it as a standalone entity with its own executive management team.

Although Lila Global has held off buying tonnage since it acquired several capesize bulkers towards the end of last year, Kunzer said it has shifted its focus on further improving its vessels and growing the management team. "We've got a new chief financial officer, a new legal head, a new head of human resources and we have a new head of tanker chartering starting next month. In short, we now have the right people in place to take the business forward," he said.

Lila Global's bulkers are deployed on spot and period charters. Kunzer said current fixtures are heavily skewed toward spot as the company takes advantage of the strong market.

Its chemical tankers trade in the GSB J19 pool.

Kunzer does not rule out buying more tonnage if good opportunities arise.

"We're a value investor. We buy when we see value. We are primed and ready to go if we see something at the right price," he said.

Singapore prepares for new-fuels training

Craig Eason

Singapore has brought together more than 20 organisations and companies to address the need for workforce competency in new fuels.

The Maritime & Port Authority of Singapore (MPA) and 22 partners signed a letter of intent, coinciding with the launch of Singapore Maritime Week, to develop a maritime energy training facility (METF).

Transport minister Chee Hong Tat told the Singapore Maritime Week audience that Singapore believes shipping's energy transition cannot happen without the maritime workforce.

"METF will work closely with industry and our unions to develop training curricula and infrastructure that will be useful both to workers and companies," he said.

"It will comprise a network of training facilities, such as the Singapore Maritime Academy's integrated engine room and bridge simulator, and a new dual-fuel marine engine simulator.

"We expect around 10,000 seafarers and other maritime personnel to be trained at METF from now to the 2030s, as we progressively develop the training facilities."

The partners include engine makers, class societies, international industry associations and unions, as well as local institutions such as the Singapore Shipping Association and Singapore Polytechnic.

Rather than being one training establishment, the MPA said the METF would be set up as a decentralised network of training facilities in Singapore.

This will include a dual-fuel simulator for crew training on the safe handling of new fuels such as ammonia and methanol and the management of incidents.

The MPA also said it would use the facility as part of its support of the Maritime Just Transition Task Force and work at the International Maritime Organization, which has begun a review of STCW, the convention on training, certification and watchkeeping for seafarers. Singapore is chairing the STCW review group.

The development of the METF is helping Singapore fulfil one of its three goals, Tat said.

He described Singapore as being a hub for talent development, a hub for innovation and a hub for resilient maritime operations, notably cyber security.

The country has the goal of launching 150 maritime start-ups and has launched 110 so far.

Tat also highlighted what he called regulatory sandboxes, where the authorities work with industry to allow flexibility in the development of solutions, and here he pointed to the drive to develop drones and wing-in-ground craft.

Offshore revival draws fresh capital

Dale Wainwright

The offshore support vessel market is unlikely to see a return to significant newbuilding activity anytime soon despite improving market conditions, industry players said.

Renewed momentum in the offshore market has increased utilisation rates of OSVs and anchor-handling tug supply units.

However, there have been no new vessels joining the fleet in recent years and it appears there is little appetite for newbuildings, delegates heard at the Marine Money Offshore Energy Finance Forum in Singapore on Tuesday.

This is despite the price difference between newbuildings and resales closing on single-digit figures, according to a presentation by Ashwin Choolun, business development manager, Middle East and Asia Pacific for Veson Nautical.

For a large platform supply vessel, the difference is down to just 20% for a unit built in Norway and just 13% for a similar vessel built at a shipyard in China, the Boston-based company said.

However, delegates also heard that there is likely to be some speculative newbuilding orders, but insufficient to "move the needle" one executive told TradeWinds on the sidelines of the conference.

These are likely to be either new market participants, such as Greek shipowners, or private equity companies looking at asset play.

Late last year, TradeWinds reported that Evangelos Marinakis had set up a new company to capitalise on the hot OSV sector following acquisitions worth \$106m.

Conference attendees also heard that some of the large fleet deals completed last year have already reaped significant profits for the early movers.

Britoil Offshore Services' purchase of a fleet of AHTS and PSV vessels from Dutch player Vroon in September 2023 has already seen the value of the acquisitions increase by an average of 40%.

The Singapore-based company bought 16 AHTS vessels for \$69.9m and 13 PSVs for \$167.15m which are now said to be worth \$112.76m and \$218.57m, respectively.

Meanwhile, US player Hornbeck's acquisition of 10 Edison Choust PSVs between February and August 2023 for \$160m are now said to be worth \$222.4m, an increase of nearly 40%.

RISING VALUES: An offshore support vessel Photo: Bob63 in Shutterstock

Singapore shines a light on shipping's industry leaders

Asian city-state's annual Maritime Week puts maritime in the spotlight

Jonathan Boonzaier
Singapore

The annual Singapore Maritime Week has become a must-attend calendar event for shipping executives, drawing them to the city-state to discuss industry concerns with their peers.

The week began on a high note when it was revealed that Singapore had once again retained its position as the leading maritime city in the world, according to DNV and Menon's Leading Maritime Cities report.

Singapore has punched well above its weight in driving the decarbonising of shipping and the development of new maritime technologies that will allow the industry to do so.

Technology and decarbonisation dominated topics at the numerous conferences, workshops and seminars covering technology, finance, insurance, manpower and talent, environment, regulatory cooperation and law.

Yet, a prevalent sentiment emerging from conference panels, like those at Xinde Marine Forum and Capital Link, suggests a substantial gap remains between the capabilities of cash-rich industry giants and those of small and medium shipowners, who operate with considerably fewer resources.

Strong calls are also being made for a standardised, global regulatory framework to allow for a more level playing field for all industry stakeholders.

While conferences, dinners and cocktail parties are the public face of Singapore Maritime Week, the real action often happens behind the scenes with closed-door discussions between government officials, trade delegations and private business.

'FIRST LADY OF SHIPPING': Singapore's Tan Beng Tee receives the Capital Link Shipping Leadership award from Pacific Carriers CEO Hor Weng Yu (left) and Capital Link president Nicolas Bornozis

Photos: Jonathan Boonzaier

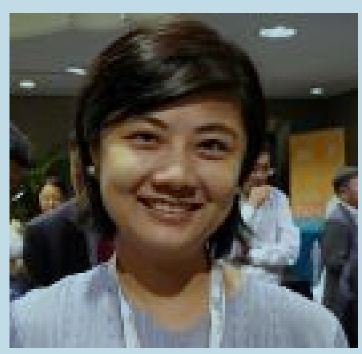
BUREAU VERITAS: Vice president David Barrow (left) and corporate affairs director Nicholas Brown at Xinde Marine Forum

XINDE MARINE FORUM: Michael Jorgensen (left), head of dry bulk at Torvald Klaveness, with Shengming Zhang of Gibson

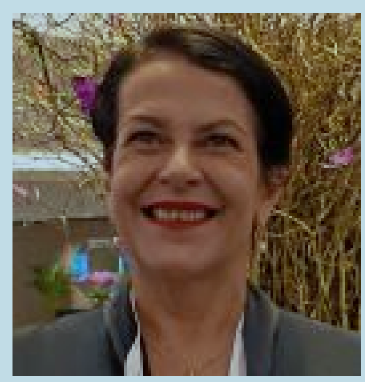
JAMES MARSHALL: CEO and founder of Berge Bulk at Capital Link

XINDE MARINE FORUM: Caroline Yang (left), CEO of Hong Lam Marine and president of the Singapore Shipping Association, with Simon Bennett, deputy secretary general of the International Chamber of Shipping

ROB AARVOLD: Commercial director of Swire Bulk at the Xinde Marine Forum



ELAINE YU: Senior freight charterer at mining company South32 and chair of the Institute of Chartered Shipbrokers' Singapore branch at the Xinde Marine Forum



SUSANA GERMINO: Chief sustainability and energy transition officer at Swire Shipping/Swire Bulk at the Xinde Marine Forum

CAPITAL LINK: Andrew Hoare (left), head of Fortescue Marine Systems, and Steve Kunzer, CEO of Lila Global

CRISTINA SAENZ DE SANTA MARIA: DNV's regional manager for South East Asia, Pacific and India at Capital Link

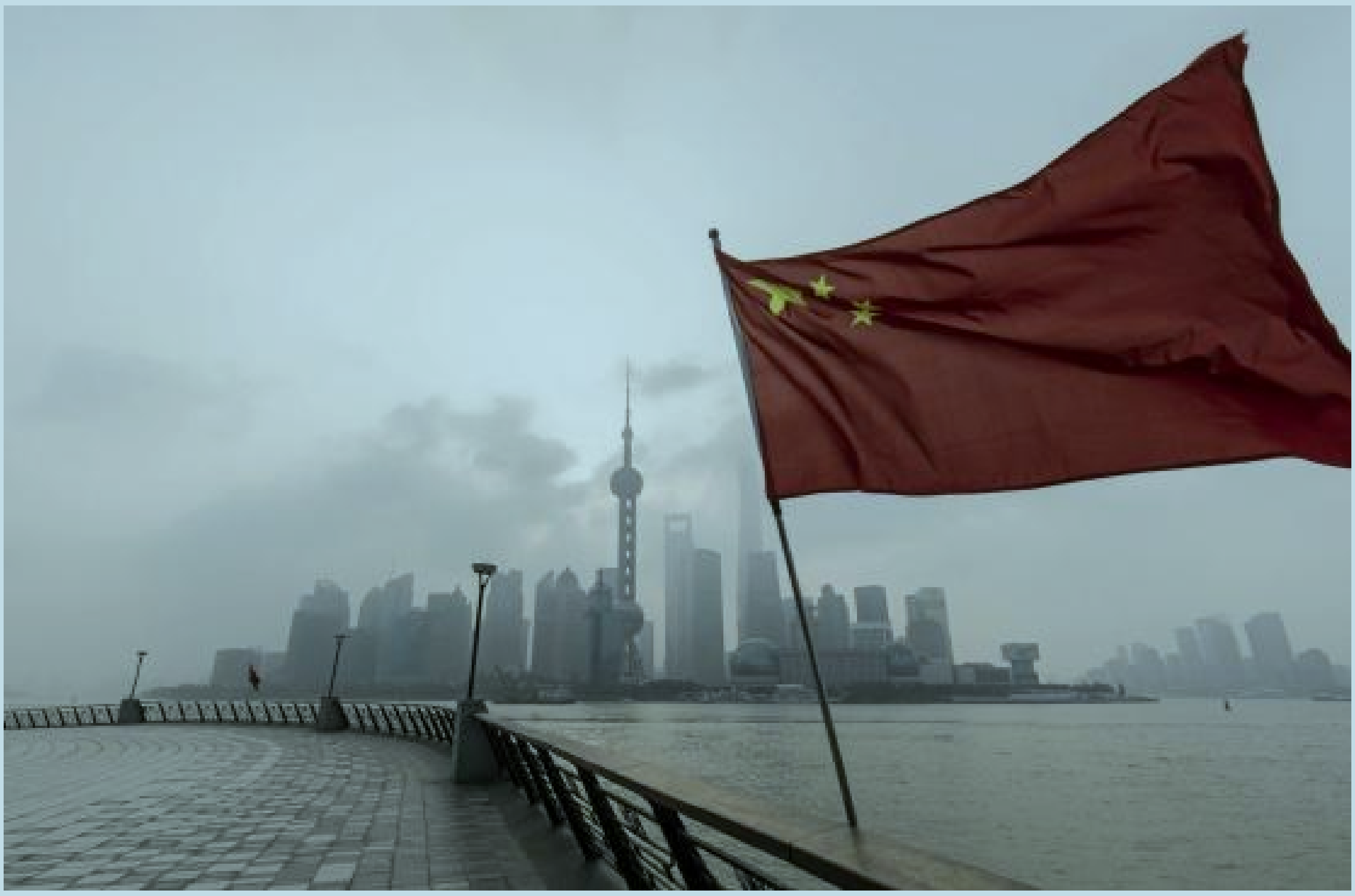
CAPTAIN RAJALINGAM SUBRAMANIAM: MISC president and group chief executive at Capital Link

CAPITAL LINK: Stamatis Tsantanis (left), chairman and CEO of Seanergy Maritime, and Alexander Slee, deputy CEO of Taylor Maritime Investments

Chinese shipowners dominate Asian secondhand dealmaking

Over 300 vessels worth almost $8bn changed hands in the first quarter

Dale Wainwright
Singapore



SPENDING POWER: During the first quarter of 2024, Chinese shipowners invested over $2.3bn in purchasing 74 secondhand vessels, nearly tripling the expenditure of the second-largest spenders Photo: Bloomberg

Chinese shipowners dominated sale-and-purchase activity among Asian shipowners during the first three months of 2024, according to figures compiled by Veson Nautical.

They spent over $2.3bn on a total of 74 vessels — nearly three times the amount spent by the second-largest spenders, South Koreans.

Seoul-based owners spent a total of $844m on just 16 ships between January and March this year. Singapore owners were in third place, paying $396m on a total of 15 secondhand vessels.

Indonesian shipowners bought 14 vessels during the quarter for a total of $231.8m, with Vietnam rounding out the top five with nine ship purchases worth a total of $121.4m.

South Korea's Sinokor was the largest individual spender by value, splashing out a total of $445m during the quarter on eight vessels.

All eight ships were VLCCs acquired from either John Fredriksen's Frontline or Euronav, including the latter's 308,000-dwt Nectar and Noble (both built 2008) and Newton (built 2009), according to Veson data.

Fellow South Korean owner Pan Ocean spent $261.5m on four vessels to make it the second-biggest spender.

ICBC Financial Leasing bought just one ship during the quarter — a 24,000-teu container ship newbuilding — but at a value of $232.6m it was enough to make it the third-biggest spender in Asia.

Singapore-based Winning Shipping spent just over $206m on six vessels to make it into the top four.

Asian shipowners spent a total of $4.3bn on secondhand vessels in the first quarter of 2024, the second-highest quarterly amount in the past five years with only more spent in the first quarter of 2022.

However, it was the lowest number of ships bought in one quarter for the past five years, with only 145 vessels changing hands, according to Veson data.

Seventy-three of the ships were bulkers, while 47 were tankers. The rest were either container ships or LNG and LPG carriers.

Japanese shipowners were the biggest sellers during the first quarter, offloading 41 vessels for a total of $863.1m. They were closely followed by Chinese owners who sold 40 ships worth $825m during the same period.

South Korean shipowners were in third place with 21 vessels sold worth $726.6m, while Singaporean owners sold a total of 21 ships worth just under $550m. Hong Kong shipowners rounded out the top five with sales of 18 vessels valued at $458m.

Polaris Shipping of South Korea raised the most money from ship sales in Asia in the first quarter, selling four vessels for a total of $262m. Sinokor was the second-largest seller of ships by value during the same period, disposing of a trio of vessels for $213m.

Hong Kong-based Fortune Oil sold two VLGCs — the 84,000-cbm Chinagas Legend and Chinagas Glory (both built 2020) — for $90m each to China's Jovo Energy, making it the third-largest seller of ships in Asia by value.

Asian owners raised a total of $3.6bn from vessel sales during the quarter, the second-highest quarterly sales total in the past five years, second only to the $4.2bn raised from sales in the first quarter of 2022.

But as with ship purchases, vessel sales were the lowest quarterly amount in the past five years, with just 162 ships sold.

More than 100 of the vessels sold by Asian owners in the first quarter of 2024 were bulkers, followed by 28 tankers and eight container ships or LPG carriers.

Singapore's Tuas mega-port to be test bed for AI

Craig Eason

Singapore's automated container Tuas Port will become a full-scale test bed for artificial intelligence, even if the use case needs to be clearer.

The port, located to the west of the city-state, is targeted to have a handling capacity of 65m teu. It was officially opened in September 2022 and is fully automated and digital.

Dr Su Yi, from the Institute of High Performance Computing, part of Singapore's Agency for Science Technology and Research, believes digitalisation is needed to be able to achieve safety and decarbonisation goals with such high cargo volumes and ship movement.

However, he warned of challenges to the use case for AI models. Data silos still need to be dealt with, he said, as does data quality and quantity.

In the last year, the number of AI-related start-ups and services has exploded. Microsoft's chief technology operator for the public sector, Greg Wilson, believes that all digital tools will soon have some element of AI in them.

Talking to an audience at Singapore Maritime Week, he said the number of users of AI large language models like Chat GPT had rocketed to 100m in a matter of months while it took 16 years for mobile networks to achieve the same.

Wilson said the business case for AI is growing quickly.

"The discussion has gone from why should I do this to how do I do this," he said, adding that ports and other public sector users of AI are asking now for proof of value rather than proof of concept.

DR SU YI: Executive director at the Institute of High Performance Computing Photo: IHPC

Wilson calls AI development a socio-technical process, particularly in ports, where users may be from different countries and speak different languages but can still use port services through their AI language models.

Singapore's Maritime & Port Authority has been working with Microsoft and has also signed a memorandum of understanding with Amazon Web Services as it increases its digitalisation efforts.

USE CASE AND VALUE OF AI

Dr Yi said the shipping industry's continued use of siloed data has yet to be addressed, and that while he and others have suggested during Singapore Maritime Week that digitalisation was inevitable, he said there has still to be the explainability and trust around AI as well as the questions about data quality.

"It is not just size, it is quality. Big data can give big problems, huge data can give huge problems," he said, pointing to the need to have clean data and data excellence.

Dr Yi highlighted how AI could be used around port approaches by vessel tracking services. Singapore and its fairways and the strait are some of the busiest shipping waters in the world.

He pointed to the ability of AI to offer better situation awareness using vessel arrival and departure reporting, and vessel tracking data that can be fed into an operator's system to determine earlier any potential hot spots where vessels could have a risk of coming too close to each other.

Why US-flagged shipping isn't ready for war

For some experts, the shortage of American mariners is more concerning than the lack of vessels

Eric Priante Martin
Miami

The war in Ukraine is in its third year, another conflict in Gaza is at its six-month mark, and a military build-up continues in Asia amid rising tensions.

In such a fraught geopolitical moment, a long-standing question over the depleted US-flagged shipping sector is being asked more loudly: Does America have the shipping capacity to rise to the call if the country's military is ever drawn into a conflict that requires its merchant marine in significant numbers?

Retired US Navy rear admiral Mark "Buz" Buzby, who served as federal maritime administrator until the closing days of the Trump administration in 2021, said the country's merchant marine is probably at one of the lowest points in history.

As he discussed US-flagged shipping's role in previous military conflicts, he pointed to the build-up of the fleet in the 1930s as American officials saw clouds on the horizon, which would eventually become World War II.

"Even then, it was a close call. Today, I'm afraid if that were to happen … we couldn't build our way out of it. We don't have the time or the capacity to do it anymore," he said.

"So we find ourselves in a precarious position and hope that allies and allied shipping might be available to us."

And Buzby, who commanded the navy's Military Sealift Command before his time leading the Maritime Administration (MARAD), said he sees smoke on the horizon in today's geopolitical environment.

"It really worries me, and it's not just the steel-hull ships. It's the American mariners available to crew," he said. "That's the real problem."

Buzby said that while a ship can be built in a few years, it takes a decade to develop a senior officer, but he said American mariners are not staying in the industry long enough.

That is because there are not enough seagoing billets, as jobs on a ship are known, to make the industry attractive, he said.

In a four-year strategic plan for MARAD, maritime administrator Ann Phillips detailed the same two shortfalls: ships and crew.

"Our nation's maritime industry continues to face significant challenges, including a marginally sized internationally trading commercial fleet, and an ageing Ready Reserve Force that MARAD maintains for national defence and humanitarian needs," she wrote in the March document.

"We also have a mariner shortage to adequately crew these ships during a full-scale national emergency."

In another agency strategic plan focused on workforce readiness, she pointed to 2017 data that showed there was a shortage of 1,800 mariners in the US-flagged fleet.

The document, also published in March, does not provide an estimate for the current shortfall, but Phillips left little doubt that it has only become bigger since that estimate.

"In the years since that study's release, the US merchant marine has — like all industries — been profoundly affected by the Covid-19 pandemic and continuing changes in technology and credentialing standards," she said.

Among MARAD's efforts to tackle the challenges facing the US merchant marine, Phillips pointed to growing the number of US-flagged ships supported by the federal government through the Cable Security Program and Tanker Security Program.

She also highlighted infrastructure investment at the US Merchant Marine Academy and the construction of five training vessels for the remaining maritime universities.

The latest data from MARAD shows that as of January there were 185 US-flagged commercial ships above 1,000 gt, a figure that factors in both vessels that operate in international markets and domestic trades protected by the Jones Act.

The figure represents an increase compared with the same time last year, as ships entered the new Tanker Security Program.

CHARLIE PAPAVIZAS: A partner at law firm Winston & Strawn Photo: Marine Money

The title of a new book, *Zero Point Four*, by six members of policy group Maritime Accelerator for Resilience, is a reference to how small that fleet is on the world scale — 0.4% of global shipping.

Carleen Lyden Walker, one of the authors and chief executive of the accelerator, said there are "enormous vulnerabilities" that the US faces because of this tiny fleet.

"The United States suffers from sea blindness. And the public and many in Congress don't understand the relationship and dependence on maritime transportation for 90% of our goods and energy," she told TradeWinds.

Co-author James Watson, a retired rear admiral in the US Coast Guard, said the country's dependence on maritime trade means that those vulnerabilities are not just a national security issue but also an economic security problem.

Walker said the group estimates that the US needs about 1,120 ships to achieve that security, which would require 70,000 mariners. There are about 11,000 US seafarers, she said.

That fleet size is not unheard of.

"When I started my career in the Coast Guard, there were 1,120 US-flag ships sailing," Watson said.

US maritime history is replete with examples of the dangers of inadequate shipping capacity under the country's flag.

Charlie Papavizas, a maritime lawyer at Washington firm Winston & Strawn, wrote the recently published book *Journey to the Jones Act*, whichtraces the history of US maritime policy up to the point of the 1920 shipping law.

He pointed to three moments that demonstrated that the country was both commercially and militarily vulnerable without a US-flagged fleet trading in international waters.

The 1898 Spanish-American War, he wrote, highlighted the danger of relying on foreign tonnage because the US had to pay a high price to acquire a fleet of ships to support operations in the Caribbean and Asia.

The Boer War in southern Africa from 1899 to 1902, by contrast, showed the commercial risks of inadequate US-flagged shipping capacity. The conflict exacerbated this vulnerability by draining shipping resources from the market precisely when America heavily relied on British shipping.

Then when US president Theodore Roosevelt sent the Great White Fleet of naval ships around the world from 1907 to 1909, the US needed to charter in foreign tonnage to supply them, again showing the vulnerabilities of a small contingent of merchant vessels flying the Stars and Stripes.

"In those three situations, essentially we were lucky, and that's what's disconcerting," he told TradeWinds.

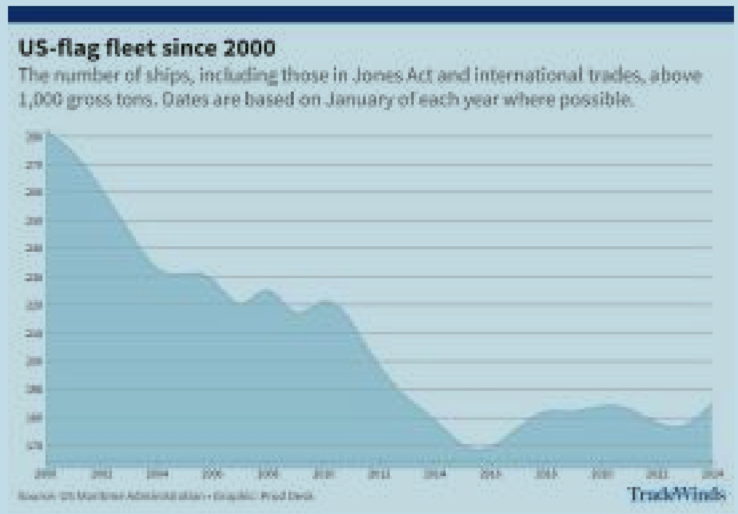
It was only during World War I that the US got the message, building a large government-owned fleet of ships, many of which were delivered too late or were commercially useless, including vessels made of wood and concrete.

Asked about the geopolitical situation facing Washington today, Papavizas said it is heart-

> Studies are being undertaken, congressional efforts have been made and it takes a lot to build a consensus to do something fundamentally different than we've done in the past, but the consensus is building in my opinion, and that's a good thing
> — Charlie Papavizas

UNDERSTANDING THE SHORTFALL: Paratroopers, part of the US Army's 82nd Combat Aviation Brigade, load helicopters on a US-flagged ship in Kuwait

Photo: Erik Soares/US Army



ANN PHILLIPS: US maritime administrator

Photo: US Naval War College

ening that there is more focus on the lack of US-flagged ships than in recent years.

"Studies are being undertaken, congressional efforts have been made and it takes a lot to build a consensus to do something fundamentally different than we've done in the past, but the consensus is building in my opinion, and that's a good thing," Papavizas said.

But what needs to be done?

MARAD's strategy includes increasing the number of US-flagged vessels in international service through its three stipend programmes, which provide subsidies for ships to register in the country.

The agency also wants to find ways to recapitalise the Ready Reserve Force, a fleet of government-owned, civilian-crewed vessels that can be called up to carry out a military sealift.

The administration also issued a 36-point strategy to address the mariner shortage, which includes efforts to strengthen workforce development programmes, support education and training institutions, and improve diversity and inclusion.

Buzby said the US must build the national will to recognise the vital role of the maritime sector in physical and economic security.

"We just have a bad habit of forgetting that every several decades, and then it costs us dearly to try and build our way out of it," he said.

And he said the US government lacks an overarching national maritime strategy.

Buzby, an appointee of the Republican Donald Trump, said it was difficult when he was maritime administrator to secure inter-

MARK BUZBY: Former US maritime administrator and retired US Navy rear admiral

Photo: Jacksonville Port Authority

agency consensus to develop such a plan, describing similar roadblocks faced by predecessor Paul "Chip" Jaenichen, an appointee of Democrat Barack Obama.

Buzby said the directive to develop such a strategy has to come from the White House or the National Security Council.

In times when the merchant marine played a more central role in Washington, such as during World War II, the maritime administrator had more authority.

"And over the years, it's been incrementally diminished, such that the maritime administrator now is really toothless," he said.

CARLEEN LYDEN WALKER: Chief executive of Maritime Accelerator for Resilience

Photo: Carleen Lyden Walker

Buzby said that the US has to create enough jobs for mariners to want to maintain their credentials and stay in the industry.

He also suggested creating a merchant marine reserve programme, which could make it easier for mariners to return to shipboard work for short periods when the demand arises.

He also pointed to a proposal that he admitted was "a little bit of heresy" — allowing mariners who are not American citizens to work on US-flagged ships and making it possible for them to achieve citizenship through service in the merchant marine.

> The United States suffers from sea blindness. And the public and many in Congress don't understand the relationship and dependence on maritime transportation
> — Carleen Lyden Walker

That already works in the US military.

"In the Navy, we brought in non-citizens for years, Filipinos and others, who were given an avenue through their service, to achieve citizenship over time, by serving in non-critical roles," he said.

Others in the US-flagged sector have privately expressed support for a pathway to citizenship for non-US mariners, though they worry about the backlash that followed Overseas Shipholding Group Sam Norton's December interview with TradeWinds discussing a similar proposal. ("We are deeply insulted," one union leader said.)

The *Zero Point Four* authors have put forward more than 50 recommendations to bolster the US-flagged fleet.

Watson noted the many ships owned by US companies, financed by American banks and covered by US insurers calling at the country's ports under foreign flags.

"They're moving critical cargo in and out of our country for the American public, but they're not crewed by US citizens, and there's not much control that we have nationally over that fleet," he said.

"We think there could be a programme that would incentivise reflagging."

And he said young people will not be interested in joining the merchant marine in the face of a dwindling US-flagged fleet. That would change if they saw a national policy to grow the fleet.

Zero Point Four co-author Walker said fleet growth could be incentivised by giving shippers a tax benefit for moving their cargoes on US-flagged ships, to compensate for the higher cost of American registration and crewing.

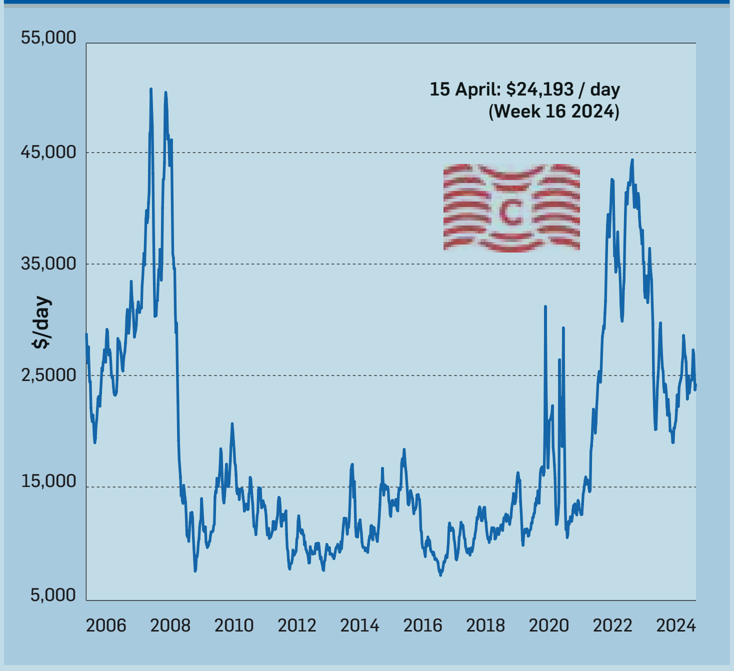
And she noted there is growing support in Congress for bolstering the US-flagged fleet, pointing to a January letter to the White House by 19 representatives and senators calling for efforts to counterbalance China's huge government-controlled shipping fleet.

Papavizas, the maritime lawyer, said there is a growing consensus in Washington that something significant needs to be done.

"This is a resource problem. We have to spend a significant amount of money to change the dynamic. Whether that means expanding existing programmes, developing new programmes [or] providing tax incentives, whatever it is, it's an expenditure of resources," he said.

"With an expenditure of resources, we, the United States, can produce greater and very effective capability ... Of course, our country doesn't always spend the resources until it's an emergency."

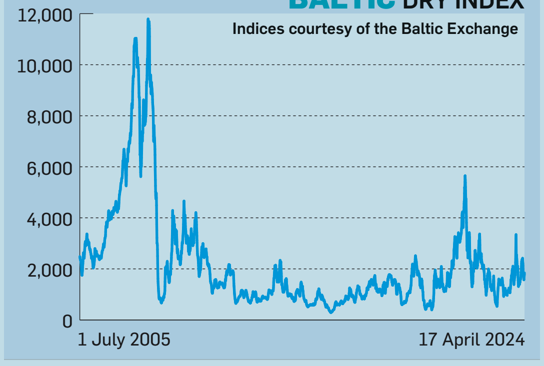
CLARKSEA INDEX



NOTE: The ClarkSea index is a weekly weighted average index of earnings for the main vessel types where the weighting is based on the number of vessels in each fleet sector. The index has been calculated on the basis of an expanded selection of vessel earnings from the start of 2013 onwards. **Source:** Clarksons Research

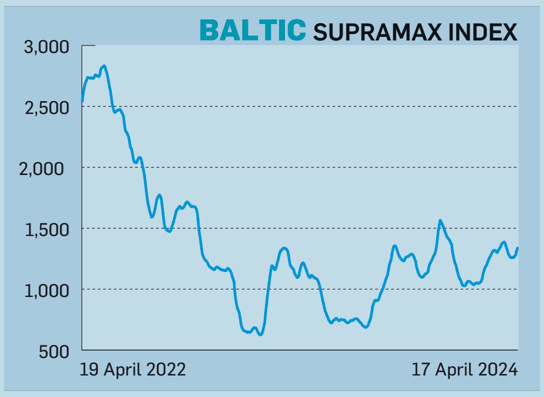
BALTIC DRY INDEX

Indices courtesy of the Baltic Exchange

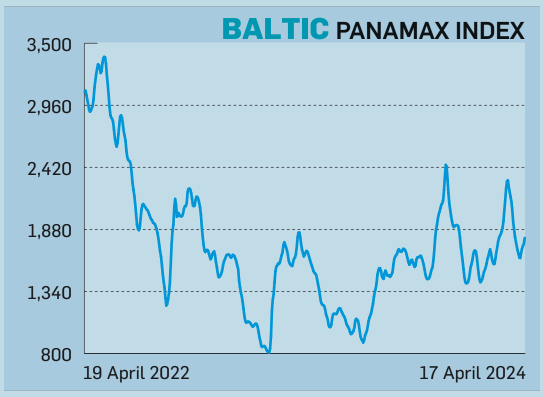


BALTIC CAPESIZE INDEX

BALTIC SUPRAMAX INDEX



BALTIC PANAMAX INDEX



ALIBRA Shipping Limited

Updated Wednesday: **17 April 2024**

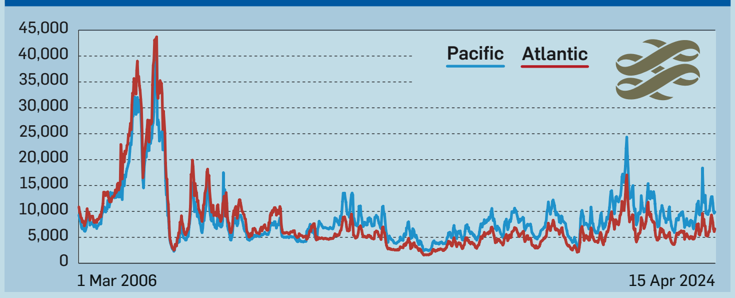
DRY BULK TIME CHARTER ESTIMATES ($/PDPR)

Please contact us for rates/charts on scrubbers & eco tonnage

PERIOD	4/6 MOS		1 YR		2 YR	
SIZE	ATL	PAC	ATL	PAC	ATL	PAC
HANDY (38K DWT)	▲ 14,000	▬ 14,000	▲ 14,350	▬ 14,000	▲ 12,650	▬ 12,500
SMAX/ULTRA	▼ 14,750	▬ 16,250	▼ 15,500	▬ 15,250	▬ 15,000	▬ 14,250
PNMX/KMAX	▲ 21,000	▬ 17,250	▬ 19,000	▬ 17,850	▬ 16,650	▬ 16,000
CAPESIZE	▲ 25,000	▲ 25,000	▲ 26,000	▲ 26,000	▲ 24,000	▲ 24,000

Markers only indicate the movement compared to the past week hence not necessarily the market trends
* Call for an in-depth update www.alibrashipping.com

SSY CAPESIZE INDEX SIMPSON | SPENCE | YOUNG



FIS FUTURE CONTRACTS (FFA & COMMODITIES SWAPS) 17 April

	Spot	Apr 24	Jun 24	Cal 25
Capesize 5TC	22,893	22,500	29,250	21,250
Panamax 5TC	16,244	16,211	17,986	14,761
Supramax 10TC	14,702	14,700	15,525	13,100
Handysize 7TC	13,121	13,475	13,975	12,225
Iron Ore Futures 62 %	116.60	111.05	115.70	105.45

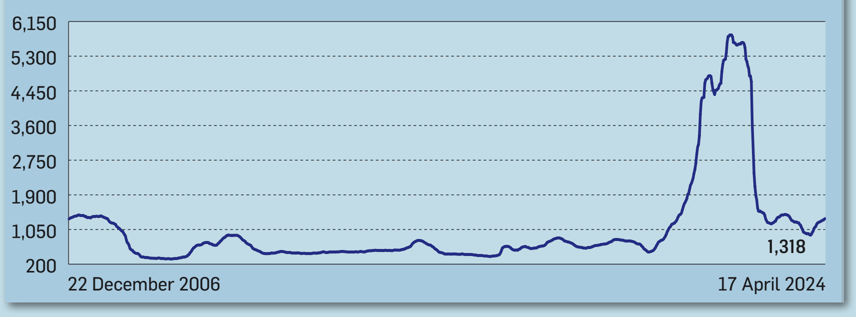
BUNKER PRICES

Updated Wednesday: **17 April**

GLANDER INTERNATIONAL BUNKERING Est. 1961

Port	VLSFO	LSMGO	HSFO	Port	VLSFO	LSMGO	HSFO
Antwerp	621	784	493	New York	693	881	557
Busan	665	808	530	Panama Canal	685	890	620
Durban	760	1165	—	Rio de Janeiro	715	1257	525
Fujairah	657	905	520	Rotterdam	621	784	493
Gibraltar	645	865	570	Shanghai	670	850	540
Houston	659	846	513	Singapore	660	780	522
Los Angeles	722	916	530	Skaw	645	860	560

HOWE ROBINSON CONTAINER INDEX



COMMODITIES

WTI FUTURES

Units:	USD/bbl.
Price this week:	82.73
Price last week:	85.28
% change:	-2.95 %

BRENT FUTURES

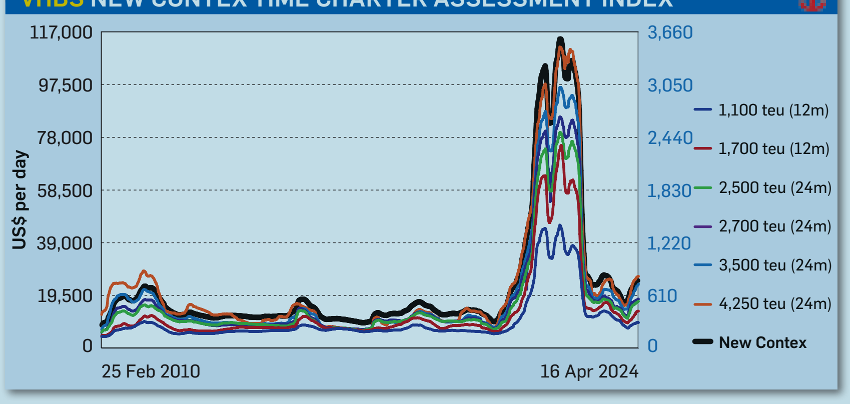
Units:	USD/bbl.
Price this week:	87.26
Price last week:	89.44
% change:	-2.44 %

WHEAT FUTURES

Units:	USD/bu
Price this week:	556.00
Price last week:	558.50
% change:	-0.45 %

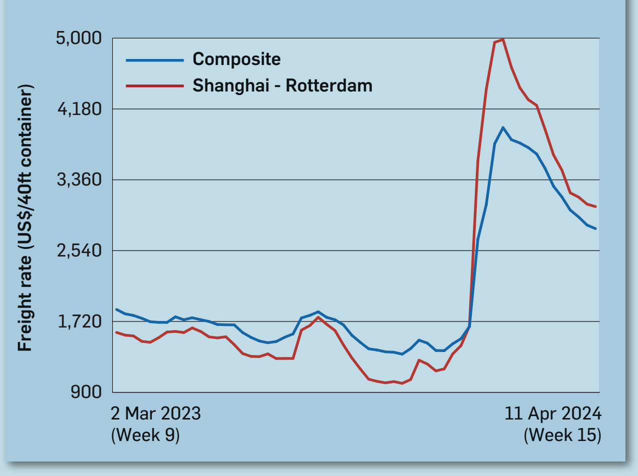
Source: Bloomberg (6.45pm CET Wednesday)

VHBS NEW CONTEX TIME CHARTER ASSESSMENT INDEX



NOTE: The New ConTex is a company-independent index of time-charter rates for containerships. It is based on assessments of the current day charter rates of six selected containership types, which are representative of their size categories: Type 1,100 teu and Type 1,700 teu with a charter period of one year, and the Types 2,500 teu, 2,700 teu, 3,500 teu and 4,250 teu all with a charter period of two years. **Source:** The Hamburg and Bremen Shipbrokers' Association (www.vhbs.de)

WORLD CONTAINER INDEX ASSESSED BY DREWRY



SIGNAL CO2 EMISSIONS DATA (contact us for an in-depth update)

Wednesday 17 April

Dry Bulk

Vessel Class (# vsls)	CO2 normalized [grams / (dwt*nm)] 2022	2023	2024 Y-t-D		2024 Mar	2024 Apr	Total CO2 emissions (mln tons) 2022	2023	2024 Y-t-D	2024 Est.
VLOCs (263)	1.25	1.25	1.23	▼	1.22	1.22	7.58	7.55	2.22	7.64
Capesize (1639)	2.18	2.11	2.11	▼	2.12	2.12	39.69	40.79	9.09	31.30
Panamax (3338)	3.56	3.45	3.40	▼	3.40	3.42	51.40	51.50	9.65	33.23
Supramax (3502)	5.05	4.78	4.69	▼	4.71	4.73	49.56	49.90	9.37	32.26
Handy (3937)	7.37	7.13	7.04	▲	7.01	6.98	44.76	44.11	7.99	27.51
Total (12679)	3.53	3.40	3.17	▼	3.12	2.92	193.0	193.8	38.3	131.9

SIGNAL

Signal Ocean Data provides a year-to-date update of total CO2 shipping emissions in tons and normalised CO2 emissions per ton-miles to evaluate the carbon intensity of CO2 emissions for tankers and dry vessels, split by vessel size, in comparison with the last two years.

Tankers

Vessel Class	CO2 normalized [grams / (dwt*nm)] 2022	2023	2024 Y-t-D		2024 Mar	2024 Apr	Total CO2 emissions (mln tons) 2022	2023	2024 Y-t-D	2024 Est.
VLCC (903)	2.17	2.16	2.12	▼	2.11	2.06	35.77	39.32	10.96	37.74
Suezmax (672)	3.24	3.23	3.18	▼	3.16	3.09	18.01	19.22	5.26	18.11
Aframax (1171)	4.14	4.02	3.96	▼	3.93	3.90	26.01	27.80	7.64	26.31
Panamax (451)	5.11	5.07	5.03	▼	5.06	3.90	7.95	7.93	2.18	7.51
MR (2783)	7.10	7.02	6.85	▼	6.78	4.92	42.32	43.24	12.17	41.91
Total (5980)	3.63	3.55	3.48	▼	3.49	3.45	130.1	137.5	38.2	131.6

ALIBRA Shipping Limited

Updated Wednesday: 17 April 2024

*3 & 5 yrs inc. scrubbers & eco tonnage

TANKER TIME CHARTER ESTIMATE ($/PDPR)

SIZE	1 YR	2 YR	*3 YR	*5 YR
HANDY	▬ 28,500	▬ 25,500	▬ 24,000	▬ 21,000
MR IMO3	▬ 31,000	▬ 27,000	▬ 28,500	▬ 24,000
LR1	▼ 38,500	▼ 31,500	▼ 33,500	▬ 30,500
LR2	▬ 50,000	▬ 42,500	▬ 44,000	▬ 38,500
AFRA (115K dwt)	▬ 48,500	▬ 40,500	▬ 42,500	▬ 37,500
SUEZ	▬ 43,500	▬ 39,500	▬ 43,500	▬ 38,500
VLCC	▬ 47,500	▬ 45,000	▬ 52,500	▼ 47,500

Markers only indicate the movement compared to the past week hence not necessarily the market trends
* Call for an in-depth update www.alibrashipping.com

HOWE ROBINSON PARTNERS

16 April

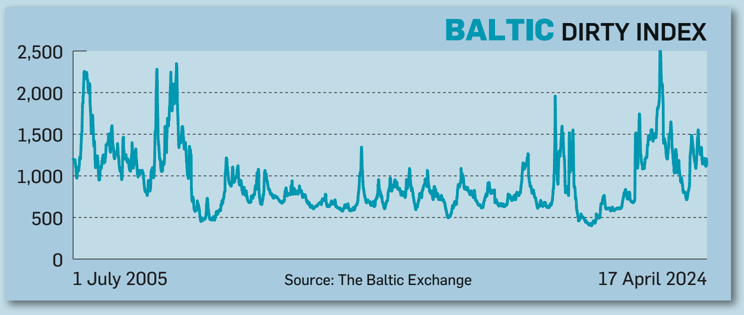
CRUDE TANKER SPOT EARNINGS

	Cargo	WS or $LS		TCE ECO	TCE Non-ECO	YTD Average ECO	YTD Average Non-ECO
VLCC Routes							
TD3_C - Ras Tanura/Ningbo	270kt	63.00	▼	$41,614	$35,136	$48,535	$42,461
TD15 - West Africa/Ningbo	260kt	66.00	▼	$46,199	$40,046	$49,805	$43,832
TD22 - Galveston/Ningbo	270kt	$8.7m	▲	$43,685	$37,381	$48,621	$42,696
Galveston/Rotterdam	270kt	$3.8m	▲	$49,749	$42,950	$57,642	$51,113
Suezmax Routes							
TD6 - Novorossiysk/Augusta	135kt	117.50	▼	$48,211	$43,698	$53,270	$48,820
TD20 - Bonny Offshore/Rotterdam	130kt	115.00	▼	$45,023	$42,152	$46,788	$44,013
Basrah/Lavera - Round Voyage	130kt	67.50	▼	$6,039	$3,515	$17,927	$15,409
USG/UKC	145kt	105.00	▲	$45,191	$42,018	$42,199	$39,106
USG/Singapore	130kt	$5.6m	▼	$33,321	$31,048	$36,151	$33,944
Guyana/UKC	130kt	107.50	▲	$39,405	$36,109	$41,602	$38,419
Aframax Routes							
TD8 - HoundPoint/Wilhelmshaven	80kt	150.00	▲	$52,797	$40,976	$59,142	$47,320
TD9 - Mina Al Ahmadi/Singapore	80kt	171.00	▼	$36,975	$31,231	$47,182	$41,828
TD14 - Covenas/Corpus Christi	70kt	213.00	▼	$56,865	$49,061	$57,546	$49,972
TD17 - Seria/Brisbane	80kt	151.00	▼	$35,746	$30,155	$39,458	$34,031
TD19 - Ceyhan/Lavera	80kt	190.00	▼	$62,414	$54,043	$54,708	$46,494
TD25 - Houston/Rotterdam	70kt	220.00	▲	$56,089	$50,048	$52,383	$46,549

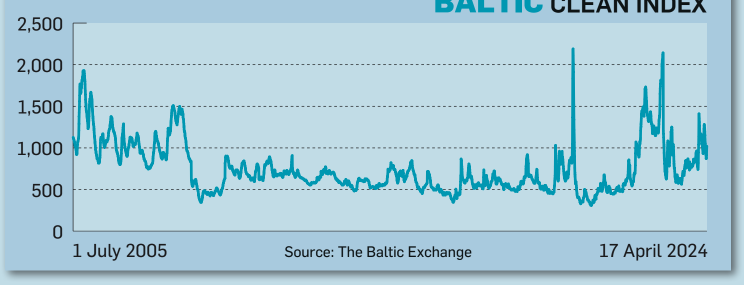
Source: Howe Robinson Partners, latest data from Tuesday's Tanker Market Report

SeasureShipping DEMOLITION PRICE INDEX (BEST PRICE TANKER/BULKER) 17 APRIL

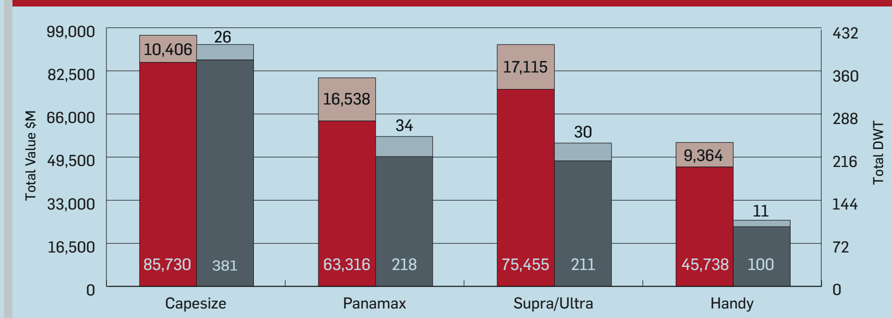
BALTIC DIRTY INDEX



BALTIC CLEAN INDEX



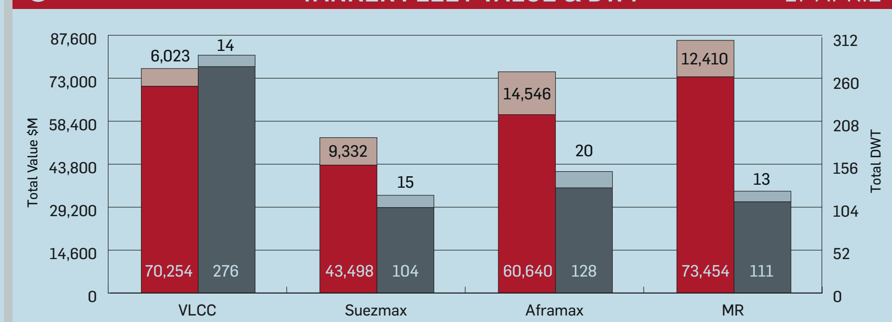
VesselsValue BULKER FLEET VALUE & DWT 17 APRIL



Live Value
On Order Value
Live DWT
On Order DWT

Note on chart: Total value for each ship type represented in USD Millions, including live and on order vessels, correct as of the immediate Wednesday before publication date. Size of fleet measured in DWT Millions. VesselsValue also values Post-Panamax, Handymax and Small Bulkers.

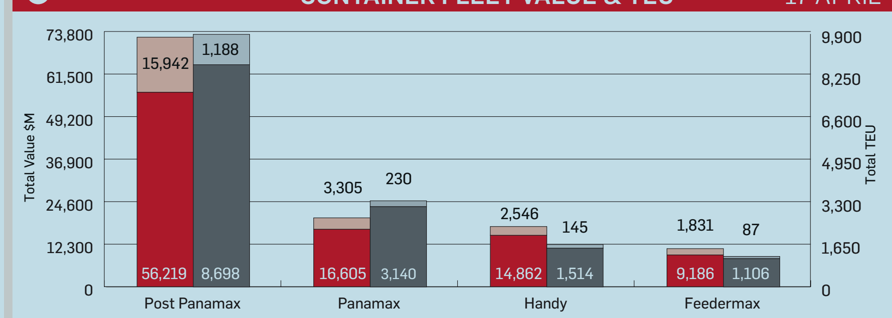
VesselsValue TANKER FLEET VALUE & DWT 17 APRIL



Live Value
On Order Value
Live DWT
On Order DWT

Note on chart: Size of fleet measured in DWT Millions. VesselsValue also values Post Panamax Crude, Panamax Crude, Handy and Small Tankers.

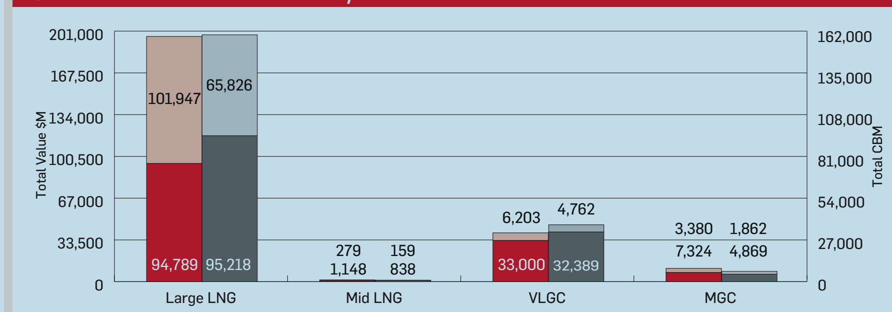
VesselsValue CONTAINER FLEET VALUE & TEU 17 APRIL



Live Value
On Order Value
Live DWT
On Order DWT

Note on chart: Size of fleet measured in TEU Thousands. VesselsValue also values ULCVs, New Panamax, Sub Panamax and Handy Containers.

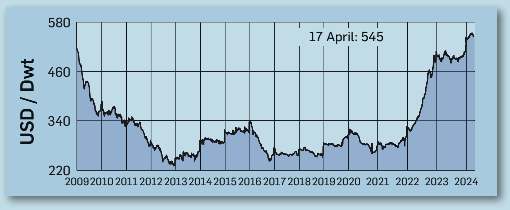
VesselsValue LNG/LPG FLEET VALUE & CBM 17 APRIL



Live Value
On Order Value
Live DWT
On Order DWT

Note on chart: Size of fleet measured in CBM Thousands. VesselsValue also values RLNG, Small Scale LNG, VLEC, MGC, LEG, SP FR LPG and Fully Pressurised LPG vessels.

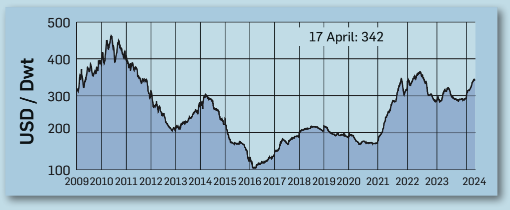
VesselsValue



TANKER ▼

Wed 17 April
544.59 -0.44 -0.08 %

1 year Max: 553.43 Min: 481.92



BULKER ▼

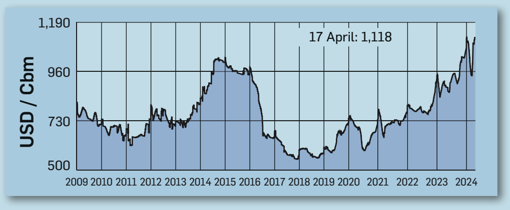
Wed 17 April
342.14 -0.69 -0.20 %

1 year Max: 344.64 Min: 285.30

CONTAINER ▲

Wed 17 April
9,115.28 115.58 1.57 %

1 year Max: 9,381.81 Min: 7,479.21



LARGE LPG ▲

Wed 17 April
1,118.10 8.76 0.79 %

1 year Max: 1,120.14 Min: 863.05

Note on VV indices: These are synoptic indicators of vessel values designed to give a general picture of the state of the sale-and-purchase market rather than specific information about any one vessel or vessel type. They are measured in US dollars per unit of cargo-carrying capacity (dwt, teu etc.) Many indices, both in shipping and elsewhere, are simply set to an arbitrary value (usually 100 or 1,000) on a particular date. All subsequent values are relative to the value on this date, which means that they reflect only market movements and not the absolute values of the underlying assets they represent. We believe it is more meaningful to offer indices denominated in economic units reflective of the intrinsic value of cargo-carrying capacity.

FEARNLEYS MIDWEEK REPORT

17 April 2024

TANKERS

VLCC: A lackluster week in the MEG, as the week straddled the April and May cargo dates. As we awaited stem confirmations, the market has remained in the low WS 60's. Present levels seem to be a happy medium. However, at the time of writing, charterers active/live in the market are moving slowly, countering up the WS 50's in an effort to drag rates down. A brave game, certainly if there is any early May rush to come. As for the Atlantic, we see very few Eastern ballasters at present, and the list can be described as 'a little tight'. USG/East activity picked up approx USD 250k over the week but has since quietened. USG/Ningbo rates at the USD 8.65m level, done a couple of times, with a few cargoes still working/reported. Shell has been active from Brazil, reportedly taking 4 ships for first half May, but being "old news" not having an effect. It is likely busier than it seems on the surface, with 4-5 ships rptd on subs, no details.

Suezmax: After last week's spike in the Atlantic, enquiry, rates have cooled off with rates likely to be tested down. In West Africa, there were circa 21mb penciled in to lift for the first decade of May, of which we believe 16mb has gone on VLCCs and 2mb further cargoes have been lifted on Suezmax, leaving max' 3 stems to lift in that window. The USG appears a little more insulated against drastic softening for prompt laycans, but as May dates come into view, the list won't become as troublesome for charterers. The East has been in slow mode for over a month now and despite the list not being the longest (comparatively speaking) there is a softer feel as we hit midweek.

Aframax: This week we have seen activity covering a lot of the 3rd decade dates which pushed rates up to WS 150 levels. Firmer market due to vessels continuing to leave the area and a lack of natural North Sea tonnage able to give options charterers require. With that being said, this morning a fixture was reported well-below last done levels which will affect sentiment somewhat. Tonnage list is still tight-ish but with dates moving forward and more vessels coming back in position a test might be needed for the first decade of May. The USG and Mediterranean markets look a little softer but still attractive to ballast from North Sea giving higher returns. Activity in the Mediterranean has been more measured this week with some initial slower inquiry and then some action, as the final North Africa opportunities worked toward a close.

Rates	This week	Last week	Low 2024	High 2024
Spot (WS) D: (USD per ton)				
MEG/West (280,000)	40.0	40.0	35.0	42.5
MEG/Japan (280,000)	63.0	63.0	55.0	81.0
MEG/Singapore (280,000)	64.0	64.0	56.0	82.0
WAF/FEAST (260,000)	66.0	65.0	57.0	80.0
WAF/USAC (130,000)	112.5	117.5	97.5	145.0
Sidi Kerir/W Med (135,000)	117.5	120.0	102.5	140.0
N. Arf/Euromed (80,000)	182.5	205.0	100.0	215.0
UK/Cont (80,000)	145.0	135.0	125.0	185.0
Caribs/USG (70,000)	180.0	225.0	130.0	290.0
1 year T/C (USD per day / theoretical)				
VLCC (modern)	39,000	39,000	38,000	39,000
Suezmax (modern)	42,000	42,000	42,000	44,000
Aframax (modern)	42,500	42,500	39,000	42,500

BULK CARRIERS

Capesize: On the C5 front, we see enquires from miners, operators, and some tenders for late April to early May dates. Volumes out of East Australia and other Pacific businesses have seen improvement from the previous week with most enquiries ranging from early to mid-May dates. Volumes out of South Africa are a tick high but remain flat overall. On C3 ex Brazil to China and West Africa, volume of enquiries maintained from last week with majority for second half of May dates with some forward buying for June. Far East tonnage is moderately abundant. Ballasting tonnage weighs heavily on May with several drifters able to make late April dates. On C5, we see an upward trend through the week with fixtures concluding at mid USD 11 pmt levels by mid-week. On C3, we see the same trend with fixtures concluding at high USD 26 pmt levels onwards for mid-May dates. One known fixture of a 179k dwt, 2013-built, non-scrubbered for 16 to 18 months at USD 27,000 levels per day.

Panamax: The Panamax market is showing signs of a rebound, driven by an increase in ECSA grain shipments and a relative rise in the Panamax 82 index compared to the Supramax 63 index. Market sentiment remains positive despite mixed views and varying activities in different regions. In Asia, the market continues its upward trajectory with strong rates, while in the Atlantic, tonnage and cargo volumes are balanced, keeping rates stable. The ECSA market displays a dual pricing structure with spot tonnage at a discount versus premium May liftings. Overall, the Panamax market outlook is optimistic, with expectations of further rate improvements.

Supramax: Positive sentiment across the Supramax sector with firmer numbers on the spot trading and period. South Atlantic and USG pushing indexes in green territories, bringing both TA and FH trips to better levels. The 10TC average closed today at USD 14,702. Ultramax MV Al Wathba (63,555 dwt, built 2019) opened Veracruz on 24 April and heard about subs for USG/Japan with wood pellets at USD 26,000 pd. ECSA fixing healthy levels MV Valiant Sapphire (63,646 dwt, built 2023) fixed for TCT via Brazil at USD 17,775 + USD 775,000 GBB for Asia discharge. Transatlantic is now trading at around USD 15,000 pd. Pacific market looks healthy with lots of fresh inequity appearing on the spot – prompt dates. Pacific China round trips fixing sub USD 15,000 pd.

Rates	This week	Last week	Low 2024	High 2024
Capesize (USD per day / USD per ton)				
TCE Cont/Far East (180,000 dwt)	38,125	38,125	38,125	38,125
Australia /China	11.66	8.99	7.8	12.95
Pacific RV	16,464	16,464	16,464	16,464
Panamax (USD per day / USD per ton)				
Transatlantic (RV)	13,970	12,290	11,503	19,510
TCE Cont/Far East	26,164	24,123	21,900	31,123
TCE Far East/Cont	7,178	6,805	4,915	8,738
TCE Far East RV	14,996	13,691	6,285	19,016
Supramax (USD per day)				
Atlantic RV	13,465	12,456	12,261	22,782
Pacific RV	13,788	13,263	5,069	14,081
TCT Cont/Far East	26,250	26,492	9,958	27,579
1 year T/C (USD per day)				
Capesize (180,000 dwt)	24,250	23,460	18,370	28,880
Panamax (75,000 dwt)	16,500	15,000	12,200	18,500
Supramax (58,000 dwt)	15,000	14,000	12,750	16,000

GAS (USD per ton)

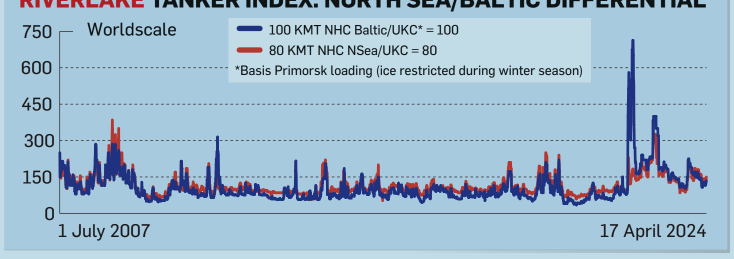
LPG/FOB prices

Chartering: EAST: Saudi Aramco released their acceptances for next month last night and we expect to see more first half May cargoes from the Middle East hitting the market soon. Including a deal on subs against a tender we are currently at 6 fixtures in May. Considering we already have passed the midpoint of April we should see at least a small handful of quotes coming from charterers in the East during this week and if several players choose to quote relatively "early" and at the same time, we could again get some momentum. However, at the time of writing the availability is plentiful and have so far done little to rush charterers into the market. WEST: There has been a relatively muted start to the week after a rush of West fixtures end of last week. With only one spot fixture registered this week we count 19 deals in total out of the USG for May dates. The position list looks more or less balanced for what's left in the month of May as we find last done concluded at low 120s H/C.

	Propane	Butane
FOB North Sea/ANSI	507.0	499.0
Saudi Arabia/CP	615.0	620.0
MTBelvieu (US Gulf)	415.0	431.0
Sonatrach: Bethioua	535.0	570.0

Rates (USD per month)	This week	Last week	Low 2024	High 2024
VLGC / 84,000 cbm/FR	1,350,000	1,350,000	500,000	3,800,000
LGC / 60,000 cbm/FR	1,100,000	1,100,000	1,100,000	2,000,000
MGC / 38,000 cbm/FR	1,000,000	1,000,000	950,000	1,600,000
HDY SR / 20-22,000 cbm	930,000	930,000	950,000	930,000
HDY ETH / 17-22,000 cbm	1,250,000	1,250,000	1,250,000	1,250,000
ETH / 8-12,000 cbm	670,000	670,000	570,000	670,000
SR / 6,500 cbm	480,000	480,000	470,000	480,000
COASTER Asia	280,000	280,000	280,000	280,000
COASTER Europe	400,000	400,000	330,000	400,000

RIVERLAKE TANKER INDEX: NORTH SEA/BALTIC DIFFERENTIAL



GOLDEN DESTINY S&P MARKET TRENDS (ending week 15/24)

Average Number of Weekly Reported Transactions per month

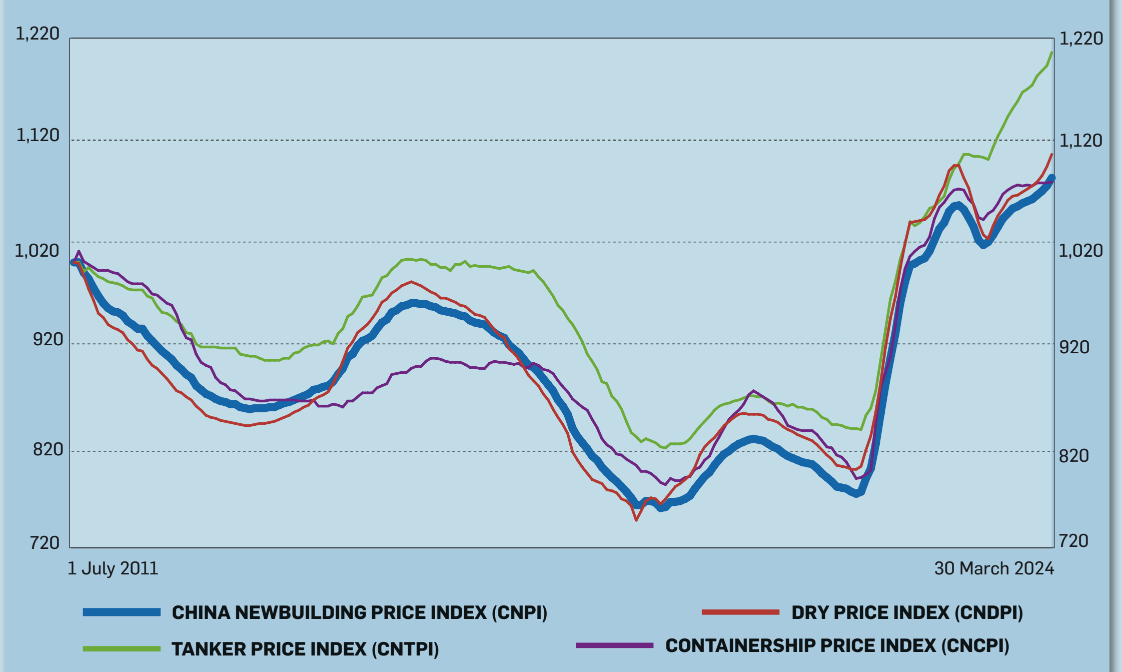
	Apr-24	Mar-24	Feb-24
Secondhand	33	39	32
Newbuilding	49	39	35
Demolition	4	8	7

Average Number of Weekly Reported Transactions per year

	2024	2023	2022	% year on year
Secondhand	33	35	38	-6 %
Newbuilding	36	19	24	89 %
Demolition	6	6	4	0 %

CHINA NEWBUILDING PRICE INDEX

SOURCE: UNITED SHIPPING CONSULTANT (SHANGHAI) LTD



The price indices are based on a 1,000 point starting value in July 2011 and are calculated every month with price data from a panel of Chinese and foreign shipbrokers, covering mainstream vessel types ordered to "forward looking" ship designs. Updated monthly. For details see http://www.cnpi.org.cn/english/index.asp

TradeWinds

19 April 2024

In their own WORDS

"For an owner to compete on spot, charter-free deals with liner companies is challenging. The economics are very different."

THOMAS LISTER / CHIEF COMMERCIAL OFFICER, GSLP27

"The US suffers sea blindness. The public and many in Congress don't understand the dependence on maritime."

CARLEEN LYDEN WALKER / CHIEF EXECUTIVE, MARITIME ACCELERATOR FOR RESILIENCE

Market Analysis

TW

Europe's straight-to-market trend redraws grain trades

Smaller producers are sidestepping the big commodity traders

Holly Birkett
London

European grain trades are becoming more fragmented by the rise of small-time shippers, which are sidestepping large commodity trading houses and buying freight directly, according to one grain house.

Talk of "disintermediation" — the circumvention of intermediaries such as commodity traders as goods make their way from farmer to end user — has been circulating in grain markets for more than a decade.

But now the effects of that megatrend are being borne out in shipping demand and trading patterns in Europe for grains making their way to the rest of the world, according to Mads Frank Markussen, business analyst at Navi Merchants, the bulker arm of Copenhagen Merchants Group.

"A lot of sellers of physical commodities want to try selling CFR [cargo on cost and freight terms] themselves. They don't want to work for traders," Markussen told TradeWinds.

"And traders, because of new requirements for CSR [corporate social responsibility] and sustainability and value-add risk, they need to be more streamlined in what they do and are becoming more and more value-chain companies.

CHANGES SPURRED BY WAR

"So a lot of smaller companies who maybe have a relatively modest amount of commodities, they find themselves either voluntarily — because the prices taken and offered by the traders are not as great as they hoped for — or not becoming freight buyers and going into the market."

Copenhagen Merchants is seeing this trend right across its rail, grain storage, trading and bulker operations. It is also an opportunity for the group to help these smaller shippers make sense of the market and to sell and ship their grain without the help of large trading houses.

The war in Ukraine has been the biggest accelerant in this trend in Europe, he said.

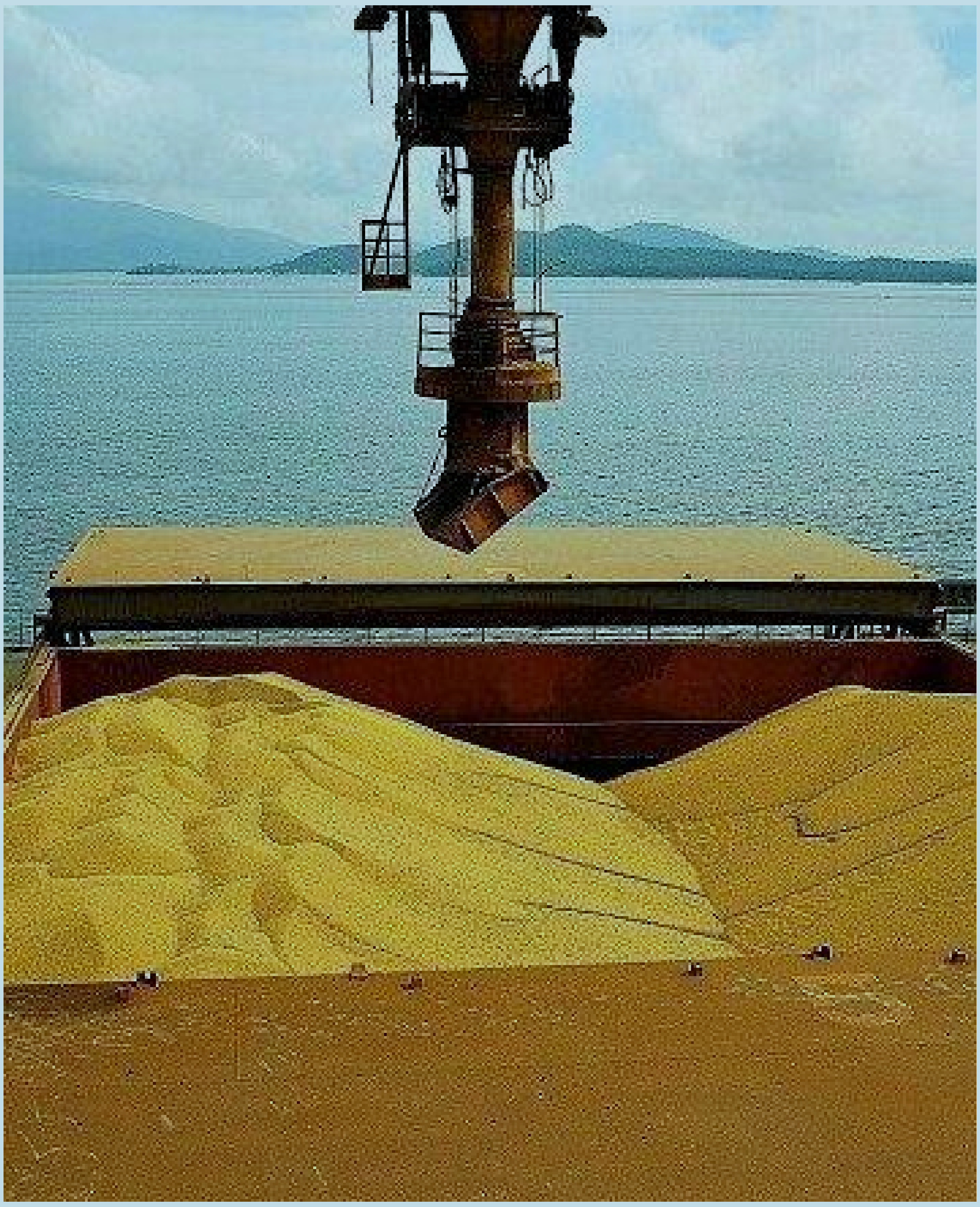
Sellers such as farmer cooperatives in Poland and Lithuania are sidestepping the so-called ABCD trading houses — Archer-Daniels-Midland, Bunge, Cargill and Louis-Dreyfus — to which they would otherwise have sold grain on a free-on-board basis at their own ports.

"Because the world is changing, the war in Ukraine is leading a lot of grain volume through Poland, the ABCD companies are doing things differently — banks are also putting a lot of regulation on these guys," Markussen explained.

"Now suddenly [grain producers] have to go to the international markets and become a seller to customers elsewhere outside in the world, instead of just selling it FOB at your own port.

"This is a problem you need to solve and you need to solve it ASAP, because otherwise you leave a lot of money on the table. And it's not just Lithuania — it's also Poland, Estonia, Finland and Sweden."

Markussen said this means it is likely that more new grain sellers will enter the freight market in Europe, which would result in a more fragmented environment.



GOING WITH THE GRAIN: Many small producers are bypassing the large traders, becoming freight buyers and going into the market
Photo: Langlois Enterprises

Grain trade from South Africa and the US is still dominated by the ABCD grain houses, particularly ADM and Cargill, which are mainstays of the American heartland.

While European Union imports of grain from Russia have largely died out since war broke out in Ukraine in 2022, Russian wheat is competing aggressively with EU volumes.

EU wheat shipments to the Middle East from July last year up to the end of January fell by more than 60% year on year. Exports to North Africa were down 25%, according to the US Department of Agriculture's World Markets & Trade report for April.

Leading markets including Algeria and Saudi Arabia have been importing more wheat from Russia, the report said.

"From a purely tonne-mile perspective, it could be argued simple substitutions from the EU to Russia have limited impact in themselves — but the effect on vessel profile has been conspicuous," Braemar Shipbroking said on Tuesday in a research report that analysed the figures.

Last year, there were "massive gains" in geared bulker employment on Russian grain trades. The growth was particularly strong for handysize bulkers, which were the biggest carriers of grain in 2023, as well as supramaxes and ultramaxes.

"Annual gains of at least 1m tonnes carried on geared ships were recorded by AXS into countries as diverse as Algeria, Bangladesh, Pakistan and Turkey, so generating additional load opportunities for geared bulkers in the Black Sea," Braemar said.

That said, the broker noted that projected 2024 volumes could be hit by dry weather in major growing areas earlier this year.

The Russian agriculture regulator has threatened to cut export quotas if quality standards continue to be breached.