Lloyd's List

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EXCLUSIVE INTERVIEW: KIM ULLMAN

Tanker consolidation: Crude could learn from products

Latest crude tanker consolidation steps are a sound move, says tanker boss

CONSOLIDATION in the crude tanker industry is a positive step forward and industry players could learn from the way the product tanker business has made moves to consolidate, according to tanker owner Concordia Maritime, *writes Hal Brown.*

"Product tanker owners have been doing it for some time and will continue to do it," Concordia Maritime chief executive Kim Ullman told Lloyd's List in an exclusive interview.

Concordia Maritime is part of Sweden's Stena Group.

Mr Ullman said the recent consolidation witnessed in crude tankers was a "sound move".

Last week saw some momentous moves in that direction.

General Maritime Corp and Navig8 Crude Tankers reached an agreement that will create a new tanker giant with a fleet of 46 crude carriers, including 28 very large crude carriers, one of the largest such fleets in the world.

Shortly after, John Fredriksen's Frontline 2012 announced it was distributing all its shares in Avance Gas and dry bulk company Knightsbridge Shipping. Many are speculating this will lead to a sole focus on tankers with a view to merging with Frontline later this year to create the world's leading tanker company.

Last year, Frontline created VLCC chartering, a joint venture with Tankers International that controls around 10% of the global VLCC fleet and as such was a major consolidation move in VLCCs.

Experts say consolidation helps limit competition among owners.

This potentially reduces large falls in tanker freight rates that can happen in a fragmented global tanker market as myriad owners compete intensely among themselves for cargoes.

Fragmented ownership can make the market "look all over the place", said Mr Ullman.

Ullman: Recent consolidation witnessed in crude tankers a 'sound move'

Suezmax plays

Concordia Maritime has feet in both crude and products, but is largely focused on products.

Its fleet comprises 10 product tankers, a suezmax crude tanker and it recently expanded in the suezmax segment by chartering 50% of a suezmax crude tanker for one year. It chartered a suezmax crude tanker in a similar deal at the end of last year.

Mr Ullman calls these deals "suezmax plays". He does not, however, rule out purchasing secondhand suezmaxes to take advantage of opportunities offered by the promising crude tanker segment.

"Quite possibly in the future," he says, referring to potential suezmax fleet expansion through secondhand purchases.

Secondhand purchases are preferable to "continually adding to the newbuilding orderbook", he says.

As for examples of product tanker consolidation, which could inspire crude tankers, in May 2014 BW Group formed a joint venture with PAG, an Asia-focused investment fund manager, to buy 10 modern medium range product takers from Singapore's Elandra Tankers.

The joint venture is called BW Pacific, the aim being to eventually have a total fleet of 37 MR and long range one product tankers that will be managed by the BW Group, to consolidate a portion of the product tanker industry.

In February last year, BW Group was involved in another deal, buying out Heidmar's stake in the Womar group of tanker pools.

Moreover, rumours have

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circulated for years that Maersk Tankers and Torm might merge their product tankers.

Consolidation for crude tankers makes sense now, as larger entities holding bigger market shares are seen as more attractive to investors buoyed by the improved earning power of crude tankers.

Limited global fleet growth and a glut of crude in the market have helped restore the balance between crude tankers and cargoes.

As a result, crude tankers are commanding higher earnings, spurring this atmosphere of mergers and consolidation required to sustain the improvements and the progress being made.

"It's a very good crude market for 2015 and 2016," says Mr Ullman. "Owners are finally making very good returns."

Beyond 2016, however, the picture is more uncertain due to new ships joining the global fleet, he adds. Which makes crude tanker consolidation this year all the more necessary.

Product tanker market has good prospects but is fragile

New cargoes coming into the market from the Middle East but global fleet growth is worrying

THE product tanker market has good prospects but is fragile, the boss of tanker company Concordia Maritime told Lloyd's List on Friday, *writes Hal Brown*.

Positives are being driven by new Middle Eastern refinery capacity starting to export cargoes, chief executive Kim Ullman said in an exclusive interview.

The product tanker market needs those extra cargoes, he said, speaking to Lloyd's List on a stopover in London in between flights. "The crude tanker market is very stable, while the product tanker market has good prospects but is fragile," he said.

Concordia Maritime, part of Sweden's Stena Group, has a fleet of 10 product tankers, alongside a suezmax crude tanker operating in the Stena Sonangol suezmax pool.

The fragility for product tankers is based on global fleet growth. A large orderbook and deliveries of new ships onto the water has delayed the expected product tanker recovery.

The product tanker market has been expected to "really take off for quite some time", but the influx of tonnage has "dampened" it somewhat, pushing real recovery slightly further out into the future, said Mr Ullman.

Concordia Maritime, part of Stena Group, has a fleet of 10 product tankers and a suezmax crude tanker in the Stena Sonangol pool.

More tankers results online

GasLog posts $9.9m profit and remains focused on fleet expansion

BW LPG sees profit rise on enlarged fleet

Aurora LPG shines as its VLGCs average $98,000 per day

Flex LNG retains lofty ambition despite loss

http://www.lloydslist.com/tankers

The new cargoes coming into the market are needed to account for all the extra ships appearing, he said.

Fleet oversupply remains an issue, although the last few years thankfully saw much fewer deliveries, said Banchero Costa analysts in a recently-published report on product tankers. In 2014 the global fleet expanded by 3%, slightly more than the 2% in both 2013 and 2012, said Banchero's analysts. However, in 2015 Banchero is expecting around 12.9m dwt of deliveries, leading to a 7% growth in the global fleet, it said.

In 2014, 125 units were delivered which is 21.4% more than the 103 units delivered in 2013, according to Banchero.

Demolition activity remained strong, with 45 vessels reported scrapped, similar to the 49 vessels scrapped in 2013.

The newbuilding orderbook as a proportion of the total product tanker fleet is now 16.3%. Medium range product tankers and long range two product tankers have slightly higher orderbook to fleet ratios of 18.8% and 16.4% respectively.

Most of the orders last year were placed in the first few months and ordering activity slowed down later in the year, the brokerage pointed out.

The fundamentals on the demand side remain good as the low oil price and the increasing refining capacity in the Middle East have encouraged trade, it added, echoing Mr Ullman's comments on the positive aspects of the industry.

A report released last week by DVB Bank was in agreement.

It said product tanker market fundamentals are expected to gradually improve, with the upcoming refinery capacity from the Middle East likely to be the main push for the product tanker market, and this will also have a positive impact on tonne-mile demand for product tankers, especially on the longhaul trades.

However, DVB also highlighted the problem of global fleet growth.

"Fleet oversupply within the sector is expected to maintain pressure on utilisation rates despite the consistent increase in demand," said the analysts at DVB Bank.

US west coast ports face challenge to win back market share

Cargo backlog will take months, not weeks, to clear, warn analysts and shipping lines

Boxships continue to queue outside the Los Angeles and Long Beach port complex. © *2015 Nick Ut/AP*

THE US west coast port negotiations may have come to a conclusion but attention has now turned to whether the protracted negotiations have caused long-term damage to the reputation of Pacific terminals, *writes Damian Brett.*

Figures from Container Trades Statistics for 2014 have already highlighted the impact caused by the negotiations, which lasted more than nine months, and the agreement still awaits ratification.

The CTS figures show that container volumes heading to the US east and Gulf coast increased 26% last year to 6.1m teu. To the US west coast, container volumes slipped 11.3% to 7.2m teu.

As a result, the east coast and Gulf coast now represent 46% of the total box volumes from Asia to the US. In 2013, this figure stood at just 37%.

The trend has continued this year, with Los Angeles last Thursday announcing a 22.7% year-on-year fall in box volumes to 529,427 teu in January, while Long Beach recorded an 18.8% year-on-year decline for the month to 429,490 teu.

Boxships also continue to queue outside the Los Angeles and Long Beach port complex. On Thursday morning, 27 container vessels were waiting at the ports, which is two more than the day before.

Hapag-Lloyd has issued a customer circular, warning that it may take some months for the industry to clear the backlog of vessels in anchorage as well as cargo in the terminals.

In response, the port public relations campaign to convince shippers that all is well on the west coast is already under way.

Earlier this week, the mayors of both Los Angeles and Long Beach held a press conference thanking the unions and port employers for "heeding their call to resolve the labour dispute" and to tell the world that the west coast is already on the road to recovery.

"Now that our ports are moving again we plan to redouble our efforts to invest in port infrastructure, increase trade and ensure that we remain the best place to do business on the west coast," said Long Beach mayor Robert Garcia.

On Thursday, the two ports announced that the US Federal Maritime Commission had given them permission to discuss and agree on projects and programmes that address congestion issues, transportation infrastructure needs and reduce pollution caused by port-related activities.

Confidence will return

Drewry senior analyst ports and terminals Neil Davidson believes it would take months, not weeks, to clear the backlog. Whether shippers switch back to the west coast could well come down to cost, he said.

"A lot of shippers have switched to the Asia-US east coast route via Suez, despite it being around twice the price for them in terms of freight rates," Mr Davidson said.

"Once the dust has settled on the US west coast and things have returned to normal, whatever that normal is going forwards, many shippers will most likely return to this route. Confidence will return given that a five-year deal appears to have been agreed."

But he said that east coast rates could drop because these routes can still absorb additional capacity. In turn, this may lower prices and entice shippers to continue using the east coast.

"If this happens, though, and freight rates on the Asia-US east coast drop, it reduces the differential vis a vis the Asia-US west coast route and will make it harder for them to win back lost volume," Mr Davidson said.

Spot freight rates to the US east coast are about $5,000 per feu while to the west coast the cost is just over $2,000 per feu.

He also pointed out that the west coast ports were facing difficulties, with chassis provision, truck driver shortages, intermodal capacity and peak volumes caused by larger ships, even before the dispute between the International Longshore and Warehouse Union and Pacific Maritime Association began.

Earlier this week, shipowner Seaspan chief executive Gerry Wang also raised the question of whether the protracted negotiations had caused long-term damage to the reputation of west coast ports. "The liner majors will look at the east coast as much as possible in their future plans because they just cannot depend on the west coast — the model has broken to some extent," he said.

About half the container cargo moving through Los Angeles and Long Beach is discretionary, destined for the US heartlands and therefore able to be shipped through either coast.

Mr Wang said the trend towards more discretionary cargo shifting to US Gulf and Atlantic ports was "unstoppable".

The e expanded Panama Canal is due to open in the first half of next year and this could increase the competitiveness of east coast ports by allowing vessels of up to 14,000 teu vessels to transit the canal, compared with the current limit of about 5,000 teu.

But there would always be a certain amount of cargo that would need to go through Californian ports, meaning ships would need to continue calling there and the option for discretionary cargo to be offloaded there will remain.

"The US west coast ports will face real challenges going forwards, both in terms of regaining confidence, and in terms of the relative price competitiveness of alternative routes," Mr Davidson said.

"The saving grace for the Californian ports in particular, though, is the huge local demand generated by the population and economic activity. This will always pull in shipping services serving local cargo needs, and longer distance intermodal traffic can be handled on the same vessel calls."

More US ports news online

Los Angeles and Long Beach given permission to work together on congestion

ICTSI hits out at the ILWU again for Portland woes

http://www.lloydslist.com/containers

Hajioannou calls for cancellations and scrapping to relieve dry bulk pressure

Safe Bulkers urges market to follow its lead after Greek owner delays six newbuilds

Hajioannou: "People should use their relations with yards to cancel if possible."

LEADING shipowner Polys Hajioannou has called on fellow dry bulk carrier owners to show discipline to bring the supply side of the industry under control or risk protracted misery in the market, *writes Nigel Lowry*.

The Safe Bulkers chief executive urged the sector to take a leaf out of the book of tanker owners, who are only just emerging from their own recession.

"Tankers are getting better because there were no orders for several years," he said.

But the industry should go beyond a simple moratorium on fresh ordering and proactively tackle the existing order book and surplus tonnage already in the market.

Owners who had new bulkers on order should cancel or delay deliveries as much as possible.

"People should use their relations with yards to cancel if possible," Mr Hajioannou told Lloyd's List as Safe Bulkers unveiled its results for the fourth quarter and full year 2014.

Thereafter, it would also help ease the current imbalance to negotiate with builders to push back delivery dates as well.

The Greece-based, New York Stock Exchange-listed owner has traditionally favoured newbuildings and has always maintained one of the most modern fleets in the industry.

It used the results announcement to reveal that it has managed to reschedule six out of its current orderbook of 11 new bulkers.

Delivery pushed back

As a result it is now scheduled to take three new vessels this year instead of five and four in 2016 instead of five.

Instead of taking the last of the vessels in 2017, three newbuildings will now come that year while one delivery has been pushed as far back as 2018.

Safe Bulkers did not quantify any penalties incurred as part of the rescheduling deals but mentioned "minor" adjustments to existing capital expenditure stemming from shipyards' costs related to delivery delays.

The 11 newbuildings comprise four panamaxes, three post-panamaxes and two kamsarmaxes — all on order in Japan — and two further kamsarmaxes on order in China.

The company's current fleet stands at 33 units, following delivery last month of Kypros Bravery, a 78,000 dwt eco-design panamax that has gone onto the spot charter market.

Safe Bulkers has been among the last bulker owners to tip into the red in the face of one of the worst markets for decades.

The company recorded a marginal $100,000 net loss for the last quarter of 2014 after revenues crashed by 34%.

But it still posted a $14.6m net profit for the full year, albeit a far cry from the $83.3m in net income reported the previous year.

Mr Hajioannou said that it made little sense for owners to cling to older tonnage.

A combination of poor medium-term market prospects and the high cost of a fourth special survey should lead to 18- and 19-year-old bulkers being sent for scrap.

"It's highly likely that the ship will be losing money for much of the time between now and the next survey, and those vessels really should be scrapped now," he said.

Failure to axe some of the capacity flooding the market would lead to "disaster" up ahead for the bulker sector.

Lower time charter earnings hit Safe Bulkers full-year results
Despite an expanded fleet, Safe Bulkers was unable to replicate the results of 2013
http://www.lloydslist.com/ll/sector/dry-cargo/article457858.ece

Knightsbridge back in black in 2014

John Fredriksen bulker vehicle heads into expected merger closure with Golden Ocean with charter arrangement for 15 capesizes

KNIGHTSBRIDGE, the John Fredriksen controlled dry bulk owner bound for a merger with Golden Ocean later this year, reported net income of $5.2m for the fourth quarter of 2014, compared with a net loss of $6.4m the previous year, *writes Tom Leander*

The company earned $16m net income for the year, compared with a $3.9m loss the year before.

The fourth quarter figure was boosted by a final settlement of $6.4m for a claim for damages over an unpaid charter hire.

Knightsbridge's substantial capesize fleet saw a rise in average daily time charter rates in fourth quarter to $13,200, compared with $10,200 in the prior quarter ending in September.

The company looks ahead to the merger – expected to be approved by shareholders of both companies on March 26 – with two positive developments.

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Golden Ocean sails into the red for 2014
John Fredriksen dry bulk vehicle looks forward to consolidation opportunities post the merger with Knightsbridge
http://www.lloydslist.com/ll/sector/dry-cargo/article457879.ece

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In January this year, Knightsbridge entered into an index-linked, long-term time charter contract for chartering out a total of 15 capesizes. In February, Knightsbridge entered into a $425m secured term loan facility to part finance 14 newbuilding vessels.

As a result of the expected merger, the combined company would become one of the world's leading dry bulk companies with a modern fleet of 72 vessels, of which 34 are newbuildings under construction as of December 31, 2014.

Coming to terms with a tough market

Despite some talk of improvement, brokers were unimpressed by the chances of recovery

CONTRASTING views of the market were last week expressed by two prominent figures in the dry bulk sector, *writes David Sexton.*

One came from George Economou, the charismatic Greece-based head of DryShips.

The other came from Jan Kastrup-Nielsen, president and chief executive of Danish company J. Lauritzen, a business that currently has 64 handies and 11 supramaxes, excluding vessels still on order.

Both are companies with substantial interests in the smaller vessel classes.

Mr Economou said: "The dry bulk market remains challenging, but we feel that we are getting closer to the bottom with each passing day as the increased scrapping activity of older vessels this year indicates."

Perhaps in keeping with the Copenhagen weather, Mr Kastrup-Nielsen was somewhat cooler, saying: "We have little doubt that we are facing a 2015 where it is difficult to find any creditable reasons for our markets to improve considerably."

Not much sunshine in that assessment.

Granted, DryShips is probably focused on slightly larger ship classes than Lauritzen, but we'd argue the comparison still is of interest.

These comments came as Pacific Basin, the Hong Kong handysize specialist, reported a $285m annual loss, noting a tough dry bulk market.

This result compared with a $1.5m gain in 2013.

It seems the gloomier views of Mr Kastrup-Nielsen are closer to those of shipbrokers.

With Chinese New Year celebrations done and dusted, Lloyd's List asked a few brokers about the market going forward.

"We are not seeing anything special at the moment and expect that to be the same for most of the year. Unfortunately, the supply is just overwhelming," a Singapore broker said.

"I don't know if people [businesses] are going to go under but I wouldn't be surprised," another broker commented, somewhat sourly.

He noted the odd bright spot, such as steel exports from China, but this was pretty small.

Others noted some "push factors" (market drivers) with owners anchoring until they got rates they were really happy with.

Braemar's Weekly Scope noted positive sentiment was "yet to filter through to the handysize sector".

The Allied Weekly Market Report noted some fresh activity in the US Gulf, albeit fairly superficial deriving from higher rates on some of the ice routes.

"Here too, however, it was the quieter Pacific basin that was letting the market down keeping owners' ideas under check and holding average rates close to the levels we were seeing one week prior," Allied Weekly stated.

Not a lot of "positivity" there for sure.

The Baltic Dry Index has turned upwards ever-so-slightly during the past two weeks. It was at 533 points on Thursday compared with 509 on February 18, though that is hardly enough to prompt talk of recovery.

Similar stories were noted on the Baltic Handysize (300 points on Thursday after being 260 points on February 16) and Baltic Supramax (506 points after being 478 10 days ago) Indices.

P&I general increases: don't ask, don't get

Some clubs have secured premium hikes, if not as high as headline figures announced

DON'T ask, don't get may be a truism, but is certainly seems applicable to this year's P&I renewal round, *writes David Osler.*

Of the many marine insurance sector figures Lloyd's List spoke to in the run-up to February 20, most were dismissive of the idea that the clubs that announced general increases last year could make them stick.

Most strident in this view was Douglas Jacobsohn, outgoing chief executive of Skuld, who expressed the opinion that the mere act of seeking a general increase was an admission of "game over". But he wasn't alone in the view, with the consensus seemingly being that whatever headline figure a club ostensibly sought, market conditions would mean that it would have to give most of it back in the negotiation process.

Evidence suggests that those clubs that were bold enough to push for increases did rake in more premiums as a result.

The evidence suggests that those who were bold enough to push for increases did rake in more premiums as a result, albeit little more than

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half of what they told the world they wanted.

There are lessons for both sides here. Clubs shouldn't necessarily fight shy of unveiling a general increase, but owners and their brokers shouldn't back away from attempting to negotiate them down, either.

Pressures of competition

Let's look what happened at the UK Club, which announced a general increase of 6.5% last year, the highest in the International Group, and came out of the renewal season with an achieved increase of 3.5%.

It even made a net gain in tonnage, including a large part of the Ocean Tankers fleet.

The chief executive of a rival International Group club, who asked not to be named and sounded just a little envious, admitted: "People believed what they asked for was what a lot of clubs should have been asking for but didn't, because of the pressures of competition and understanding that owners are all having a difficult time. They went for it and they got it.

"Overall to achieve 3.5% is not bad. A lot of clubs would have been quite envious to achieve that in what is a very difficult market place. Well done them.

"If they hadn't been asking for 6.5%, what would they have achieved?

"Perhaps those clubs that didn't ask for a general increase, is that tantamount to saying they have seen their premium decline overall?

"Can we assume that some clubs have seen their premiums reduce?"

All of these seem fair questions.

Starting point

Another club that pushed for an increase on P&I — but not for its other products — was Gard, which called a general increase of 2.5%.

"We applied it as a starting point for negotiations. It's not like we applied that to everyone, but it's a reference as to where we would like to be," said Bjornar Andresen, chief underwriting officer.

"We take the record into account, whether it goes up or goes down, and how the profile is scoring. What we ended up with is about 1.5% increase on the price level on the portfolio, which was where we expected to be

Interestingly, despite getting more expensive, Gard claimed its biggest increase in tonnage since 2007, before the onset of the shipping crisis.

Like all IG clubs, UK and Gard are mutual, and therefore out to give shipowners the best possible deal. But at the same time, they cannot afford to be foolhardy and need to make sure they stay in business and are in the position to pay out when needed.

"I feel we have had a balanced outcome, we haven't pushed too far and we haven't been soft, but we have tried to apply what's correct," said Mr Andresen.

Spanish unions to suspend action during port labour reform talks

Spain's ports and terminals will welcome the news but concerns remain that discussions could go badly and still end in industrial action

SPANISH ports' concerns about a protracted dispute between unions and the government look to have been allayed as promises have been made that no industrial action will take place while discussions over port labour reforms continue, *writes Damian Brett*.

Last Thursday, meetings took place between the National Association of Stevedoring Companies and Consignees of Ships and the Spanish minister of infrastructure Ana Pastor and separately between the minister and unions to discuss proposed changes to the country's port labour regime, which was found unlawful by the European Court of Justice in December.

Prior to the meetings the union Coordinadora had organised a go-slow at Spanish ports and there were concerns this could mark the start of a prolonged period of industrial action as the reforms were discussed.

However, unions promised that there will be no strikes while negotiations are ongoing.

Regime unlawful

The government, Anesco and unions also agreed to hold weekly meetings to discuss the reforms to the labour regime. Unions expect it will take around two months for the various parties to come to a conclusion.

The European Court of Justice declared the current regime unlawful after concluding that the Spanish regulation requiring dockworkers to join a local labour pool and banning employers from recruiting anyone from outside this closed shop was in breach of European Union law.

Spain's marine terminal operators are supportive of reforms to the labour regime as they hope they will make Spanish ports more competitive.

While the apparent amicable nature of the discussions will be tentatively welcomed by Spanish ports and terminal operators keen to avoid industrial action, concerns remain that talks may turn sour and could in the end result in strike action.

Separately, unions also agreed not to carry out any industrial action at the port of Valencia while the national talks continued.

Union members working at the port of Valencia held a two-day go-slow as negotiations over changes to a collective bargaining agreement covering the port took place.

As some of the issues covered in the Valencia collective bargaining agreement could be affected by the European Court of Justice ruling, the unions in Valencia have agreed to halt industrial action while reform discussions take place at a national level.

More containers news online

Asia-north Europe carriers look for mid-March price push

Diana Containerships returns to the black in 2015

http://www.lloydslist.com/containers

Yangzijiang posts $560m profit

Challenging market hits shipbuilding segment but its investment sector shows stronger performance

YANGZIJIANG Shipbuilding recorded a Yuan3.5bn ($560m) net profit for 2014, a 13% increase compared with the year before, according to its unaudited annual report, *writes Cichen Shen.*

Net income for the fourth quarter slid by 14% year on year to Yuan630m.

The Singapore-listed, China-based company attributed the annual improvement mainly to a one-off tax credit of Yuan349m received by its wholly-owned subsidiary Jiangsu New Yangzi Shipbuilding for its "High/New Technology Enterprise" status granted by the local government.

However, the shipbuilder was not immune to the challenging market conditions as the profit of its core business fell considerably to Yuan2.6bn last year, down from Yuan3.5bn in 2013,

"Compared to the construction and delivery of the higher margin shipbuilding contracts secured prior to financial crisis in [full year] 2013, vessels delivered in FY2014 had relatively lower contract price and resulted in lower margin," the report said.

The decline was smoothed by a stronger performance of its investment segment including the Held-to- Maturity Investment and Micro Finance Business, whose total gross profit rose by 26% to Yuan1.6bn.

The margin of HTM was Yuan1.4bn in 2014 against Yuan1.2bn a year ago, a result of the company's high yield investment entered at end of year 2013, while the margin of MFB nearly doubled to Yuan176m.

Nevertheless, the strategy of a strengthened investment sector was only "interim and opportunistic", said Yangzijiang executive chairman Ren Yuanlin.

HTM assets were reduced to Yuan10.8bn, from Yuan14.1bn at its peak a year earlier.

"We have reduced the size of HTM assets as planned, and we will continue to do soon a gradual basis," he said.
Revenue in 2014 was up by 7% on year to Yuan15.4bn, thanks to the delivery of higher value 10,000 teu containerships.

Shipbuilding remained the dominant driver, contributing 89% of the total revenue. Yangzijiang delivered 33 vessels last year versus 34 vessels in 2013.

Ren: Liquefied gas carriers will stimulate Yangzijiang's future growth.

Meanwhile, it received 41 effective shipbuilding contracts in 2014 with a value of $1.8bn, with its total orderbook standing at 118 vessels, or $4.75bn up to this Friday — including two 27,500 cu m liquefied natural gas carriers it won in February.

"While our containerships and bulk carriers are gaining sustained demand from repeat customers, liquefied gas carriers will stimulate our future growth," Mr Ren said.

Favourable position

Mr Ren believes that the competitive yards in China will grow stronger given an uncertain world market and Beijing's efforts to weed out uncompetitive domestic players. He expects his company will be among the winners.

"With the white list of qualified shipyards that the Chinese government rolled out in September 2014 and several other policies designed to promote the industry upgrading and consolidation, Yangzijiang will be in a favourable position as a distinct leader and outperformer," he added.

"Our overall capacity and reputation have drawn increasing inquires and intention from major global shipowners to foster closer business relationships with us, and we will select the orders that fit our margin requirement and fit our strategy to build larger, fuel-efficient vessels."

More news from Asia

China's Sainty Marine slides into the red

More than 10 missing after migrant boat capsizes off Macau

http://www.lloydslist.com/ll/sector/ship-operations

MICHAEL GREY VIEWPOINT

Charity at home

British seafarers' welfare organisations have united to launch the Maritime Charities Group, a focus for sharing information and spreading best practice

SOMETHING which never ceases to amaze me is the extraordinary number of maritime charities which remain in operation in the UK, *writes Michael Grey.*

We all know of the "global brands" like the Mission to Seafarers, Apostleship of the Sea and Seafarers' Society, but there are legions of others, mostly established in Victorian times during a period of quite amazing public philanthropy, which somehow have contrived to live on into the 21 century.

You would be right to conclude that this charitable interest in seafarers of all kinds is a legacy of the years when the world's biggest fleets of warships, merchant ships and fishing vessels in deep sea and coastal trades flew the white and red ensigns.

It is a permanent source of wonderment to foreign visitors to Greenwich who admire the famous Painted Hall that these beautiful buildings were first commissioned as a hospital for derelict seamen, who during their working lives had been treated pretty abominably!

In 1850 there were some 240,000 men working on board British merchant ships, while huge numbers lived a precarious existence in the fishing fleets. The reality of shipwreck, the number of orphans and other dependents were all recognised by a general public which tended to give generously to these obviously deserving causes.

War and its aftermath have left its casualties of all kinds and have also perpetuated the need for these charities, long after the emergence of the welfare state.
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So it was an almost full house the other day at an event in Trinity House to mark the launch of the Maritime Charities Group, the members of which are Seafarers UK, Trinity House, the Royal Navy and Royal Marines Charity, the Merchant Navy Welfare Board, Nautilus International (as the UK affiliate of the ITF) and the Seamen's Hospital Society. These, it will be observed, are grant-making organisations and might be considered to represent an ordered and efficient approach to the welfare of seafarers and their families.

The MCG itself, successor to the Maritime Charities Funding Group, is "a focal point for the sharing of information and data relevant to the UK maritime charity sector" and it will take an active role in the support and dissemination of best practice in areas such as grant making and evaluation, service development and standards within the sector. Hopefully it will prevent a lot of needless duplication and make the resources go further.

The reality of shipwreck and its human costs were recognised by the British public.
Jim Champion/ Wikimedia Commons

Valuable indicator

The MCG has also produced an up to date demographic profile of UK seafarers, which is a valuable indicator of the demand upon welfare services in the future. Undertaken by the Institute of Public Care at Oxford Brookes University, the research reveals that while "the number of former UK seafarers continues to decline, their need for welfare services is likely to rise due to increasing longevity and other factors".

The current UK seafaring population (Royal Navy, merchant navy and fishing fleet) may be only 75,000, but the number of former seafarers totals 633,000, of which 358,000 are over 65.

Moreover, while the number of former RN sailors is expected to decline steadily over the coming years as the generation from the Second World War and National Service eras pass away, the research indicates that while there will be a decline in total numbers of former merchant navy seafarers and fishermen, there will be a rise in those over the age of 65, and significantly, those over 85 years of age, many of whom will require care and support services.

It also notes that the dependants of these former seafarers number some 687,000.

Many, particularly those who were fishermen and some merchant navy personnel, will have limited or no occupational pension provision. How the various needs of all these people are dealt with will be a continuous challenge to the welfare providers.

While the MCG research focuses on UK seafarers, we should not forget the global outreach of the three Christian maritime charities which maintain so many hugely appreciated welfare facilities for contemporary seafarers of all nationalities, all around the world. Their need for funds remains considerable.

The demographic research looks forward to 2050, but notes that even at this distance, there will remain a range of needs for help and support and the demand for services will continue. There may well be new client groups, such as those who have sailed in superyachts or in the offshore sector. There may be continued increases in longevity, changes in medical treatment and social care.

Whatever happens, the needs are not going to go away.

One might also consider, perhaps less publicly, that the future, like the past, may well be affected by "events". It could be that the slow, apparently remorseless decline of seafaring in this country may have to be reversed, should something happen to require an increase in the numbers of seafarers, and the expansion of the military to counter various threats that nobody likes to think about.

Maybe we are indeed fortunate that we still have a maritime charitable sector that is so active, even if the average man or woman in the street scarcely realises that there are still British seafarers working, who will like everyone else, become old and frail.

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JUDICIAL SALE

high speed ferry HSS DISCOVERY

On Thursday April 9th, 2015 at 15:00 hours the seagoing high speed ferry **HSS DISCOVERY,** without registration, will be auctioned before the Court in First Instance in Curacao, at Wilhelminaplein No. 4, Willemstad, Curacao at the request of: **GLOBAL MARINE BUSINESS SOLUTIONS INC.**, incorporated and with its office in Tortola, British Virgin Islands, having chosen domicile in Willemstad, Curacao at Julianaplein 16 at the offices of Pais Advocaten of whom Mrs. F. Pais-Fruchter acts as attorney.

The judicial sale takes place against and for the account of **ALBAMAR C.A.**, incorporated and with its office in Porlamar, Bolivarian Republic of Venezuela.

The general particulars of the vessel are: high speed ferry built as 'STENA DISCOVERY' in 1997 at Finnyard OY Rauma in Finland, IMO number 9107590, length 126.6 meters, breadth 40 meters, draught 4.6 meters , 19638 gross register tons , 5891 nett register tons,deadweight max: 1500 tons, built in aluminum, main propulsion: 2 GE/Kvaerner - gas turbines LM2500, 24.310 kW each, and 2 GE/Kvaerner gas turbines LM1600, 14.915 kW each, 2 Maag twin input /twin output reduction gears 2H PG 185/C, 4 KaMeWa jets, vessel is berthed in the Caracasbaai in Curacao.

The judicial sale is pursuant to the irrevocable judgment dated 5 December 2014 rendered by the Court in First Instance in Curacao in the case of Global Marine Business Solutions Inc. against Albamar C.A. with case number KG 70877/2014 pursuant to which Albamar C.A. is ordered to pay to Global Marine Business Solutions Inc. the amount of USD 863.640,- increased by 15% collection fees, increased by USD 600.000,- for services performed and payment made to third parties by Global Marine Business Solutions Inc. for Albamar C.A.

The vessel will be sold "as is where is" on the basis of the Conditions of Sale by Pubic Auction which will be deposited with the Court in First Instance in Curacao.

Further information and a copy of the Conditions of Sale by Pubic Auction can be obtained from Mrs. F. Pais-Fruchter of Pais Advocaten, telephone 00599-9- 4622221, fax 00599-9-4652221 or e-mail friedapais@gmail.com