Lloyd's List

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Economou buys DryShip tankers as Tankships IPO is shelved

Greek owner will pay up to $536m for suezmax quartet and optional six aframaxes

SHIPOWNER George Economou, chief executive of Nasdaq-listed DryShips, has agreed to purchase the public company's four suezmax tankers and potentially its six aframaxes as plans for a separate public spin-off of the tanker fleet have been shelved, *writes Nigel Lowry*.

Lloyd's List understands that the envisaged initial public offering to spin off Tankships with an initial fleet of the 10 DryShips tankers was projected to take too steep a discount, leaving a rival's buyout by the company's founder looking to be the most attractive option to monetise the tankers, which have become a key asset as the crude tanker market has soared.

Under the deal, announced on Monday afternoon after New York closing, Mr Economou will pay $245m en bloc for the four suezmaxes *Vilamoura*, *Lipari*, *Petalidi* and *Bordeira*, all built by Samsung Heavy Industries between 2011 and 2013.

On top of the firm sale pact for the suezmaxes, DryShips has agreed an option for the entrepreneur ito acquire its six aframaxes, also modern units built at Samsung, for an en bloc price of $291m. The aframax deal will not become effective until the purchaser confirms unconditional acceptance, at the latest by June 30 this year.

The deal was negotiated and approved by the audit committee of independent directors and was based on ship valuations from independent brokers, the company said.

Going forward, DryShips needs cash and the company said the proceeds from the sales will go to prepay an amount of its bridge loan from ABN Amro, which currently has a balance of $185m.

Although the loan does not mature until the end of 2015, it carries a sliding interest rate that will increase to 8.75% by the later part of the year, making earlier pay-off desirable.

DryShips estimated the sale of the suezmaxes would generate about $125m in free cash.

If the aframaxes are also sold, this would add a further $150m of free cash, potentially adding plenty to the balance sheet even after the bridge loan's prepayment.

A source close to the Tankships Holding IPO plan said bankers had estimated the IPO could not take place at present without a discount of "at least 20%, if not more" to net asset value.

"Ultimately, we believe the sale of the tankers, as opposed to an IPO of our tanker fleet, is the best way to immediately realise maximum value," said DryShips' chief financial officer Ziad Nakhleh.

Not only would the sales boost cash liquidity but they "should release the selling pressure" on shares of both DryShips and its separately listed offshore drilling fleet subsidiary, Ocean Rig.

Some market sources say both stocks have suffered from a belief in some market quarters that DryShips would not be able to float the tanker fleet and would have to sell off Ocean Rig shares cheaply as an alternative.

Economou: deal shows the company has other ways to solve its problems and also underlines the founder's commitment to DryShips.

The deal with Mr Economou shows the company has other ways to solve its problems and also underlines the founder's commitment to DryShips.

"Mr Economou has once again demonstrated his willingness to go the extra mile to support the best interests of DryShips," said Mr Nakhleh.

At the end of last year, the

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entrepreneur stepped up to the plate by ploughing $80m in personal cash into the company and crucially gave his personal guarantee for the ABN Amro bridge loan.

There were other benefits in the deal, though. As part of the deal, Mr Economou will make a 20% advance payment for the suezmaxes, rather than a more normal deposit of half that in a joint account.

DryShips will also be able to enjoy some of the advantages of the strong tanker market, with delivery dates for the suezmaxes of between July 1 and end-October at the company's option, and later deliveries, too, for the aframaxes.

If all the tankers go, DryShips will be left with a fleet of 39 bulkers, as well as its majority stake in Ocean Rig.

China Cosco plans to order 11 19,000 teu boxships

Company makes inquiries at several major Chinese shipyards to build the vessels

CHINA Cosco Holding, the flagship unit of China Ocean Shipping, has confirmed it is planning an 11-vessel mega boxship order, according to a source close to Cosco and familiar with the business, who said the ships will have a capacity of 19,000 teu, *writes Cichen Shen*.

The source told Lloyd's List the company has been undertaking research on the feasibility of the ultra large container carriers for some time, and has recently hammered out a preliminary scheme for newbuildings.

"Mega ship is the trend and Cosco must follow."

Cosco has not decided when to place the order, but it has recently made inquires at several major Chinese shipyards, including Hudong Zhonghua Shipyard, Shanghai Waigaoqiao Shipbuilding, Dalian Shipbuilding Industry and Nantong Cosco KHI Ship Engineering, according the source.

The information came following a speech by Wang Haimin, deputy general manager of China Cosco, last Friday.

During a press conference, Mr Wang said the company was actively considering building large boxships exceeding 18,000 teu, yet some concerns had stopped them from making a final call.

The first issue is whether the company is capable enough

Cosco has been undertaking research on the feasibility of the ultra large container carriers for some time, a source said.

to fully load the big vessels so they can considerably help to reduce the cost per teu.

"On the other hand, we are also evaluating the ability of ports to receive such type of vessels," said Mr Wang.

However, it appears the state shipping giant only has a limited time to mull over the deals.

"Having the mega ships doesn't mean Cosco can catch up with foreign rivals like Maersk right away," the source said. "But without those vessels, it will be eliminated from the competition."

Cosco would be the second member of the CKYHE Alliance to gain control of ultra large tonnage, after Evergreen finalised a deal for an 11-strong series of boxships of that size in January.

The 22 ships would allow the alliance to operate two strings of ultra large vessels on the trade lane.

This compares with the four services of ultra large tonnage that the 2M alliance of Maersk Line and Mediterranean Shipping Co will be able to provide, following on from MSC's confirmation that it has 20 ships of that size on order.

Maersk Line is expected to place further orders for ultra large tonnage this year.

The Ocean Three alliance of CMA CGM, United Arab Shipping Co and China Shipping will have 23 ships of more than 16,000 teu following the French carrier's announcement today, which equates to two ultra large strings, with a couple of ships to spare.

Lagging behind is the G6 Alliance, which has just six ships of that size, enough for half of an Asia-Europe string, on order following MOL's deal for 20,150 teu capacity vessels.

Speaking last Friday, Hapag-Lloyd chief executive Rolf Habben Jansen said the alliance was currently discussing its five-year plan and a decision on ultra large orders would be made before the end of the year.

The G6's OOCL is also rumoured to be readying an order for ships of that size.

Additional reporting: Damian Brett

CMA CGM profits up 43% as order for 20,600 teu trio finalised

French line considers M&A and IPO after posting net profit of $584m, up 43%, and return on invested capital of 9.9%

Rodolphe Saadé: CMA CGM's performance in 2014 was extremely robust.

CMA CGM reported net profit growth of 43% for 2014 and record cargo volumes as it confirmed plans to order three 20,600 teu carriers for delivery in 2017, *writes Janet Porter*.

The newbuildings will be built by Hanjin Heavy Industries, with the contract to be signed this week, group vice-chairman Rodolphe Saadé told Lloyd's List.

Unlike the ultra large containerships on order for Ocean Three partner United Arab Shipping Co, the vessels will not be LNG-ready.

The French line, one of the last to report its 2014 earnings, achieved some of the best set of results in the industry and predicted that 2015 should be another good year.

Global container trades are forecast to expand by around 5% in 2015 and 2016, but Mr Saadé said CMA CGM was expected to grow faster than that.

"CMA CGM's performance in 2014 was extremely robust. By combining operational excellence, disciplined financial management and innovation, we have delivered strong growth in results, with one of the industry's highest margins and an even healthier balance sheet," said Mr Saadé.

Consolidation

During a conference call, Mr Saadé also said CMA CGM was "open" to more merger and acquisition opportunities, even including another global player if the right opportunity arose. "The industry is still struggling and only a few carriers are making profits like CMA CGM," Mr Saadé acknowledged. "Will there be consolidation? I believe yes, but for the time being the process is still very slow. One would have expected more consolidation."

Although CMA CGM has concentrated on buying regional lines such as Germany's OPDR, which is in the process of being acquired, Mr Saadé would not rule out a larger-scale transaction.

"We are obvously open to that — the financial results of CMA CGM are good, so we are definitely open to growing our business and if this includes M&A, why not?"

An initial public offering is also possibility for the family-owned business.

"We are looking at various options but we are open to all," Mr Saadé said.

He also acknowledged that the Ocean Three alliance of CMA CGM, UASC and China Shipping, which started a few weeks ago, could accept more partners.

"We are open, if we wish, to add more players to Ocean Three," Mr Saadé disclosed.

Both CMA CGM and UASC have signed separate co-operation agreements with Hamburg Süd and "time would tell" whether the German line eventually became a fourth member of the alliance.

Commenting on group strategy, Mr Saadé said:"We have entered 2015 with a fresh commitment to growth and are going to drive faster momentum by continuing to demonstrate our agility, with the launch of the Ocean Three strategic alliance, new solutions and new ports of call, and the strengthening of our positions in shipping-related businesses, such as logistical services, inland transport and port terminals."

Volumes

The world's third-largest container line saw volumes increase 8.1% to 12.2m teu. Revenue grew 6.3% to $16.7bn, while core earnings before interest and tax were almost 29% higher at $973m.

That was despite a 2.6% drop in average freight rates over the year, which were down to $1,358 per teu in the fourth quarter.

Consolidated net profit rose 43.2% to $584m, compared with $408m in 2013, which included a gain of $200m from the sale of a 49% stake in Terminal Link.

There was also a reduction in net finance costs to $222m from $445m, helped by a positive impact of $70m from the euro-dollar exchange rate. Return on invested capital was down slightly, at 9.9% from 10.3% previously. Debt was cut by 21% over the year to $2.9bn.

Looking ahead, CMA CGM said the recent decline in bunker prices "may have a positive impact on operating results" this year, depending on what happens in the months ahead.

CMA CGM said volume growth was led by the Asia-north Europe and Asia-North Africa trades, which enjoyed sustained growth; the reorganisation of CMA CGM and Delmas' Africa lines, combined with the opening of new inland corridors and dry ports; a stronger US economy; and the expansion of its ANL Asia-Pacific trades specialist, which increased volumes carried on existing lines and opened new shipping services.

The Marseilles-headquartered carrier said its fleet would be strengthened this year by the delivery of six new 18,000 teu vessels, of which three are owned, a dozen 9,400 teu-class vessels under long-term charter, and three group-owned 2,100-teu GuyanaMax vessels.

The price being paid for the three 20,600 teu vessels has not been disclosed. They will be delivered from the third quarter 2017. The ships will have larger dimensions than CMA CGM's Jules Verne-class 16,000 teu vessels, which are 396 m long and 53.6 m wide.

CMA CGM also has six 17,500 teu vessels on order that were originally specified at 16,000 teu and then upgraded during the construction phase.

The group said it expects to benefit from the deployment of its Ocean Three strategic alliance with China Shipping and United Arab Shipping Co, as well as from its agreements with Hamburg Süd in South and North America and the consolidation of Germany's OPDR, subject to regulatory approval.

It is also investing in more port operations, both through the Terminal Link joint venture with China Merchants and on its own. It will sign a 30-year concession to develop a transhipment hub in Kingston, Jamaica, next week.

MSC takes delivery of second 19,224 teu boxship

The 19,224 teu *MSC Oliver* was inaugurated at a ceremony at Daewoo Shipbuilding and Marine Engineering in South Korea.

MSC Oliver to enter Albatross service later this week alongside MSC Oscar

MEDITERRANEAN Shipping Co has taken delivery of the second in a series of 20 ultra large containerships that are currently the biggest on the high seas, *writes Janet Porter.*

The 19,224 teu *MSC Oliver* was formally inaugurated at a ceremony at Daewoo Shipbuilding and Marine Engineering's yard in South Korea yesterday and will join MSC's Albatross service later this week, alongside *MSC Oscar*, which entered service a few weeks ago.

All 20 are due to be delivered this year. They will be operated within the 2M alliance with Maersk Line. Both ships have been named after the grandsons of MSC group chairman Gianluigi Aponte.

Oscar is the son of MSC president and chief executive Diego Aponte. Oliver is the son of Mr Aponte Sr's daughter Alexa and her husband Pierfrancesco Vago, executive chairman of MSC Cruises, who represented the Aponte family and MSC group at the naming.

"As these are the next generation of MSC containerships it is fitting that they be named after the grandchildren of MSC founder, Gianluigi Aponte," said Mr Vago.

"Our children carry the promise of this family's future and these ships, the promise of MSC's destiny."

Diego Aponte said in a recent interview with CNN that the ships were costing $170m each.

"We are working in a very competitive environment and the only way to counter the erosion of freight rates... is to build larger and more efficient vessels... the efficiency gains are huge," he said in the same interview.

MSC Oscar was handed over on the same day that CMA CGM confirmed it was about to place an order for three 20,600 teu ships, while MOL was the first to officially break the 20,000 teu barrier by ordering vessels of 20,150 teu nominal capacity.

Also yesterday, China Cosco Holding, the flagship unit of China Ocean Shipping, confirmed it was planning an 11-vessel order, according to a source close to Cosco and familiar with the business, who said the ships will have a capacity of 19,000 teu.

Maersk is finalising orders for more Triple-E class ships that are likely to have a capacity of around 20,000 teu.

Star Bulk sees gradual recovery in dry bulk markets

Industry-wide efforts to curb oversupply and bottoming commodities prices means the worst might be over soon, says president Hamish Norton

STAR Bulk Carriers, the largest listed bulker owner in the US, has foreseen gradual recovery in dry bulk markets due to industry efforts in fighting overcapacity and bottoming commodities prices, *writes Max Tingyao Lin.*

In an interview with Lloyd's List, Star Bulk president Hamish Norton suggested the worst for dry bulk shipping might be over, after the Baltic Dry Index dipped to a 30-year low earlier this year.

"There is no doubt 2015 will be a very challenging year... But our view is 2016 is going to be a little bit better than 2015, and 2017 might actually be a quite good year," Mr Norton said.

The major reasons behind the forecast recovery are owners pushing back newbuilding deliveries, scrapping old tonnage, cancelling orders and being restrained in building new ships, according to Star Bulk officials.

"We are certainly seeing a lot of scrapping this year. Already, 10m dwt of dry bulk capacity has been sold for scrap," Mr Norton said.

"The total capacity of dry bulk ships ordered so far in 2015 is 600,000 dwt, which is lowest in recent memory. That, we believe, is a very good sign for the future."

Moreover, Mr Norton pointed out that the reduction in chartering demand seen from late last year to this quarter, which resulted from falling commodities prices, is unlikely to be repeated in the year ahead.

"A lot of decreases of commodities demand came about because commodities prices were falling," Mr Norton said. "Buyers — especially traders — did not want to take a long position.

"As commodities prices find a bottom, traders will be more inclined to take positions and rebuild stocks."

Positive feedback on Capesize Chartering

For Star Bulk itself, the Greece-based, Nasdaq-listed company is also seeing a positive impact from joining Capesize Chartering.

Launched by Bocimar, CTM, Golden Ocean, Golden Union Shipping and Star Bulk, the spot chartering platform began operation in early March, with 70-80 vessels initially.

When the members take delivery of all newbuildings, Capesize Chartering is set to control around 120 ships, including 35 from Star Bulk.

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"It has been very helpful. It has been a good source of info about the capsize market and it allows us to charter our ships more effectively," Mr Norton said.

When asked how much the entity would help enhance Star Bulk's profitability this year, he replied: "I don't think it will be very significant. But it will be helpful."

Without revenue sharing and joint management, Capesize Chartering does not function like a conventional pool but acts to facilitate information sharing among members. "This is mainly to improve efficiency [of chartering process] and minimise ballast tonnage," Mr Norton said. "This is a very simple arrangement, and pools are very difficult."

Star Bulk does not have any immediate plans to make Capesize Chartering a formal pool, according to Mr Norton, who also played down earlier comments that similar arrangements could be created in other dry bulk segments. "Let's see how it works" before making further moves, he said.

Including 32 newbuilding vessels, Star Bulk's fleet comprises 98 bulkers totalling 11.5m dwt. The company recently pushed back some newbuilding deliveries for 2015 to the second and third quarters of 2016.

Hellenic Carriers sells oldest bulker for $3.8m
AIM-listed owner will book $3.9m loss on deal that is part of fleet renewal
http://www.lloydslist.com/ll/sector/dry-cargo/article459445.ece

Black Sea bounty as China favours Ukraine for grain

Smaller vessel operators may switch their focus as China shuns US supplies

A CHINESE move towards importing more grain from Ukraine rather than the US may lead to a change in tactics for smaller vessel operators, *writes David Sexton*.

A loan-for-grains deal between their respective governments has seen China become an important importer of Ukrainian grain, especially corn, displacing some trade from the US.

Analyst Konstantinos Papazoglou from Banchero Costa said US Department of Agriculture figures showed a clear difference in export trends between this year and last.

According to the USDA, during January and February 2014, the US exported 848,000 tonnes to China and Ukraine 193,000 tonnes.

However, during the first two months of 2015, the US exported 340,000 tonnes to China and Ukraine 1.04m tonnes, with these figures including corn as a grain.

"China, the world's second-largest corn consumer, has booked over 600,000 tonnes of corn from Ukraine this year and more deals are expected as Beijing's stockpiling dries up supplies and boosts domestic prices," Banchero Costa reported.

"China's move to import Black Sea shipments under a loan-for-grain deal is seen as a blow to US corn exporters, who are struggling to sell the country's record crop."

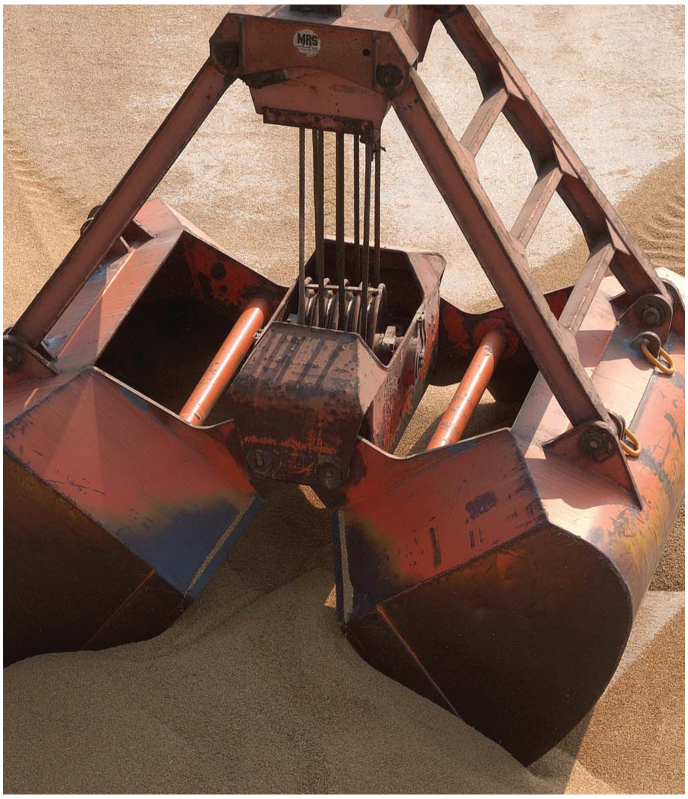
Mr Papazoglou said any tonne-mile difference between Ukraine and the US was small but there was still potential to affect shipping trends.

Ballasting

"There should be more vessels ballasting towards the Black Sea. That could create an issue as the ballast towards the Black Sea is much shorter than ballasting towards the US Gulf, unmasking more vessel supply," he said.

"Vessels ballasting to the Black Sea would be coming from Europe or the Mediterranean, [while] on the other hand vessels ballasting to the US Gulf would need to ballast from further away, for example Europe."

But brokers who spoke to Lloyd's List indicated that such a trend could boost freight rates from the Black Sea region.



A loan-for-grains deal has seen China become an important importer of Ukrainian grain, especially corn.

"It depends upon volumes, of course, but it does have that potential," an Australian broker said.

A China-based broker agreed. "It's early days, but it these figures are correct, then it's an interesting development for the handy and supramax sector," he said.

Mr Papazoglou noted the volumes involved were still relatively small, limiting any impact.

Ukraine's Ministry of Agrarian Policy has reported exporting almost 27m tonnes of grains to all destinations since the start of 2014-2015.

This included 9.7m tonnes of wheat, 4.1m tonnes of barley, 12.7m tonnes of corn and 278,000 tonnes of other grains.

Ukraine's export increase comes as Russian exports dip.

Russian grain production is expected to decline to 100m tonnes during 2015, with President Vladimir Putin having last year decided to halt grain exports as a means of reducing inflation.

This was widely predicted to boost wheat sales from not only Ukraine but also the European Union.

The 2001-built *Stena Germanica* sails between Gothenburg and Kiel, Germany, so is exclusively in an emission control area.

Stena unveils converted methanol-powered ro-pax

Lloyd's Register and Wärtsilä join in work on world's first methanol-powered vessel

SWEDEN'S Stena Line has unveiled the world's first methanol-fuelled ferry, Stena Germanica, *writes Craig Eason*.

The Gothenburg-based company, part of the family-owned Stena Group, opted to try out methanol as a fuel to meet strict emission regulations, rather than liquefied natural gas or distillate fuels, believing it will be more economic for the company in the long run.

Half of the €22m ($28m) project cost has been funded by the European Commission as it meets the criteria for Brussels' plans to green the region's transport chain.

The 2001-built *Stena Germanica* sails on a route between Gothenburg and Kiel, Germany, so is exclusively in an emission control area where the sulphur in a ships' fuel must be below 0.1%, or where the emissions must be of an equivalent level if a ship is using abatement technology and a fuel with higher sulphur content.

LNG and methanol both have negligible sulphur content and are generally said to be more competitively priced than the low-sulphur distillate fuels to which many owners have been forced to switch. However, there are uncertainties over long-term pricing that are thought to be the cause for much of the hesitancy in switching to these alternative fuels.

The conversion of *Stena Germanica* took place at the Remontowa Shipyard, in Gdansk, Poland. Remontowa has been busy lately with a number of ferry conversions, notably installation of sulphur scrubbers on board vessels owned by Finnlines, Scandlines and DFDS.

Special pipeworks

The Stena conversion saw one of *Stena Germanica*'s four Wärtsilä four-stroke engines being modified by the enginemaker to run off methanol. The preparatory work, which includes special pipeworks, has been done in such a way that if initial tests go well, the other engines will be converted during the year while the vessel is in service.

The work has been overseen by UK classification society Lloyd's Register, both in terms of plan approvals and classification, but also advising on the development of the project.

LR has developed its own provisional rules for methanol-fuelled ships, based on those that have been agreed internationally for LNG as a marine fuel.

LR is also involved in another project, called Methaship, being paid for by the German government. Along with the shipbuilders Meyerwerft and Flensburger, and enginemakers MAN and Caterpiller, the project is looking at methanol-powered cruise and ro-pax newbuildings.

A German chemical company, Helm AG, is part of the study, looking at methanol supply chain issues.

Stena has secured an exclusive methanol supply, made easier as *Stena Germanica* trades on a set service and fuel can be made available at one of the two ports where it regularly docks. The fuel will be supplied by Canada's Methanex Corp.

Methanol, like LNG, is a product of natural gas, and is an alcohol like ethanol. Both can also be produced from natural sources and are said to be more sustainable, which is seen by some as one of the key future targets of marine fuels.

While LNG requires storage tanks that keep it pressurised and at a temperature of below minus 160 degrees centigrade, methanol can be stored in standard fuel tanks, with special coatings, as it is a liquid at ambient temperature.

Considerations have to be made for its other properties, including toxicity, corrosiveness and solvency.

Containerships returns for two more LNG-powered ships
Move brings total number of gas-powered vessels that shortsea operator has on order to six
http://www.lloydslist.com/ll/sector/containers/article459467.ece

CSAV returns to the black following Hapag-Lloyd deal

Chilean shipping line records profits of $389m in 2014

CHILEAN box line Compañía Sud Americana de Vapores' profits soared to $389m in 2014 as it booked a fourth-quarter gain of $619m thanks to its merger with German shipping line Hapag-Lloyd, *writes Damian Brett*.

CSAV said the result only included its activities up until the end of November because the closing of the Hapag-Lloyd deal, which saw the Chilean line transfer its container shipping activities to the German line in exchange for a 30% share in the merged entity, took place

Hasbún: "This positive result is the outcome of [our] consistent strategy."

in December. From that time, the results from the equity investment made by CSAV are included in the Hapag-Lloyd figures. CSAV has since upped its stake to 34%.

In 2013, CSAV recorded a loss of $169m, although that was an improvement on its 2012 performance.

CSAV chief executive Oscar Hasbún said: "This positive result is the outcome of the consistent strategy we have followed and informed to the market from the beginning.

"Today we are the largest shareholder of the fourth-largest container shipping company in the world. We think Hapag-Lloyd possesses all the conditions to face the challenges ahead."

Last week, Hapag-Lloyd posted a net loss of €603.7m ($654m) for 2014 as one-off costs, including CSAV integration expenses, hit the bottom line.

It was also announced that Peter Ganz will step down from his position as the company's chief financial officer at the beginning of April, to be replaced by Chilean national Nicolas Burr.

The appointment of a new CFO follows an agreement stipulating that CSAV, as the new largest shareholder in Hapag-Lloyd, has the right to nominate an individual of its choice to assume that position.

More results online
HHLA full-year revenues up 5.4%
http://www.lloydslist.com/ll/sector/containers/article459463.ece

Carriers and not lower BAFs to blame for fall in Asia-Europe rates

Drewry attributes latest rate slump to shipping lines' failure to cope with lower utilisation levels

LOWER bunker surcharges are not the primary reason for falling freight rates on the Asia-north Europe trade, but more carriers' inability to"'stop the rot" when utilisation levels slip below 90%, according to Drewry, *writes Linton Nightingale*.

In a new study, the London-based shipping consultants said while some of the top line rate decrease can be attributed to fuel costs, the influence of bunker adjustment factors on price volatility is fading.

Following a relatively strong start to the year, box prices on the Asia-north Europe routes have declined alarmingly post-Chinese New Year, with carriers' attempts

The influence of bunker adjustment factors on price volatility is fading, according to Drewry.

to implement rate increases falling by the wayside.

The latest Shanghai Containerised Freight Index shows that freight rates on the trade are now below $600 per teu for the first time since mid-2013 to $583 per teu, while Drewry's Shanghai-to-Rotterdam rate assessment in the World Container Index, after eight consecutive weeks of declines, stood at $1,180 per feu, having halved since the start of 2015.

Pre-crash, the average monthly Asia-Europe rates of Drewry's Shanghai-Rotterdam benchmark between

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November 2014 and February 2015 remained within the $2,500-$2,700 per feu price range.

However, what did change during this time was the BAF ratio, which fell from 47% in November to 27% by February.

Drewry said this meant while lower BAFs were applying downward pressure on the overall rate, other factors such as general rate increases and strengthening load factors were cancelling it out, and by enough to actually force a gentle all-in rise.

Furthermore, the shrinking BAF element is also evidence that carriers are passing on the benefit of lower fuel costs to shippers. Yet while this may have been acceptable when freight rates were on the rise, carriers might not feel quite as generous as before, given the current state of the market, added Drewry.

Savings passed on to shippers over the coming weeks, meanwhile, will hinge largely on the success of the latest round of GRIs planned for next week.

With GRIs ranging from $850 to $1,000 per teu, Drewry believes a quantum leap will probably be a step too far, although it does think it will help revive rates to a minimum of $1,000 per teu.

Aronnax: Is big data, good data?

Shipowners are right to be wary of letting all and sundry get hold of key information

DURING this year's CMA conference in the US, my colleague Max Tingyao Lin spoke to ClassNK about its plans to harness the power of data.

The Japanese class society wants to get shipowners to voluntarily submit their vessel performance data automatically to allow the class, which in this case will now be acting as a consultancy, to advise on maintenance and other operational improvements.

Owners already do this with other companies. Wärtsilä has been offering something similar for its products, so does Rolls-Royce, MAN Diesel, ABB to a point and, of course, the other class societies. After-sales service is as lucrative for the engineering firms as the sale.

There's little incentive for them to share the data, and shipowners may not like it if they do. So there is the probability that any so-called big data is likely to develop in small silos.

And herein lies the problem. All these companies seem quite adamant that the shipowner owns the data. But if so, how can it really create a benefit to the industry?

There is benefit in remote monitoring, but this is not big data; this is remote monitoring of individual units to maintain best performance.

The work that Lloyd's Register is doing may be closer to big data in the way that one looks at masses of data to see trends, but its work with the Alan Turing Institute will not have an instant impact on shipping; this is more long term. However, it still seems to want to use the phrase big data in a slightly nebulous way.

The worry that shipowners will have is that regulators may see this data access trend and suggest they get the data too.

In some ways, they already do get regular data if they want it by way of vessel-tracking regulations.

Secondly there are the moves, such as the European Union's plans to permanently check ships' annual CO_2 emissions in the near future, to get more data. Shipowners are quite sensitive to voluntarily letting regulators getting their hands on too much data, especially when they do not trust how it will be eventually used, possibly against them.

There will be rights issues to be resolved here. Does the shipowner, shipmanager or charterer own the data? Who has responsibility for security?

I like the fact that there are a lot more monitoring tools being made available for shipowners to improve operational performance. But one user's idea of big data is not the same as another user's, and real-time performance is not big data.

The true value of big data for a ship operator, whose main concern is getting cargo from one place to another, needs to be assessed.

In an industry where a damaged asset can be catastrophic, improving performance is welcome. But there needs to be a lot of work to ensure this data development remains robust and in the best interest of those with the risks, namely the shipowner.

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NATIONAL AND INTERNATIONAL CALL FOR TENDER

N° 04/HYPROC S.C/PMD/15

SALE OF ONE LNG VESSEL

HYPROC SHIPPING COMPANY SPA, located at ZHUN/USTO, Rond point cité Djamel, BP 7200 Es Seddikia 31025 Oran, Algeria, is seeking through this national and international call for tender, purchasers for is briefly described herebelow :

Designation	**VESSEL CHARACTERISTICS**
Name of the vessel	Motefa Ben Boulaid
Type	LNG Carrier
IMO N°	7359955
Construction date	1976
Shipyard	Chantier Naval de la Ciotat France
Gross Tonnage (tx)	82243
Net Tonnage (tx)	47682
Capacite (m3)	125 317
Deadweight (tons)	67170
PROPULSION	Turbine à Vapeur de 32 000 CV
L x B x T (M)	278,82 x 41,03 x 12,18
Speed (kn)	16
Vessel Classification Society	BV
Class Notation	BV I 3/3 Aut – IMS (SS) ERS - S

Interested Bidders are invited to get a copy of the tender documents from the following address :

HYPROC SHIPPING COMPANY
Cellule de Passation des Marchés de l'Entreprise CPME
ZHUN/USTO, Rond point cité Djamel, BP 7200 Es Seddikia 31025 Oran, Algeria
TEL : 213 41 42 62 62/ 63 63
FAX : 213 41 42 32 75
E-mail : hyproc@hyproc.com

Tender documents can either be handed out or mailed to interested bidders after the payment by check or bank transfer of the following amount, free of Bank charges : 200 Euro for foreign bidders or 20 000 DA for national bidders to :

HYPROC SHIPPING COMPANY's
Bank account Number (RIB): N° 002 00081 2200036 49.
Banque Extérieure d'Algérie (BEA), Agence EL DJAMEL, Oran

Vessel was operating in the wordlwide waters. Vessel will be on Sale in accordance with the following condition: « **AS IS, WHERE IS** ».

Delivery of the vessel will take place at the mooring pier, at Arzew Port, in Algeria.

The tender process will consist of two steps: Interested bidder (s) will be required to submit ,firstly , a technical proposal and if compliant to the requirements of the general terms and conditions of the tendering procedure, bidder (s) will be invited to submit a price proposal as second step.

Step I: Technical proposal

At this stage the proposal should include all the documents required in the tendering procedure, but no reference whatsoever to price; otherwise the bidder's proposal will be rejected.

Proposals have to be in a double sealed envelope. In addition to the above mentioned address, the external envelope would have to be anonymous and contain only the following indications:

NATIONAL AND INTERNATIONAL CALL FOR TENDER
N°04/HYPROC S.C/PMD/15
TECHNICAL PROPOSAL
DO NOT OPEN

The tender closing date for the first step of the call will be on May 11th, 2015 at 9:30 AM, any proposals received after this date and time will be rejected . Bidder's proposals submission date will be considered according to the stamped date by Hyproc's "B.O.G. (Bureau d'Ordre Général)", located at Hyproc's Head office.

Bidders whose technical proposals are fully compliant to the tendering procedure will be invited to submit a price proposal for the second step.

Step 2: Price proposal

This step will be dedicated to the receipt of the price proposals, their evaluation, the selection and the award of the sale contract to the Bidder with the highest offered price.

Bidders will be invited to attend the bids opening ceremony, whereby the Bidder to whom the MEMORANDUM OF AGREEMENT (Sale Contract) will be awarded, will be publicly announced.

NATIONAL AND INTERNATIONAL CALL FOR TENDER

N°03/ HYPROC S.C/PMD/15

SALE OF ONE LPG VESSEL

HYPROC SHIPPING COMPANY SPA, located at ZHUN/USTO, Rond point cité Djamel, BP 7200 Es Seddikia 31025 Oran, Algeria, is seeking through this national and international call for tender, purchasers for is briefly described herebelow :

Designation	**VESSEL CHARACTERISTICS**
Name od the vessel	Brides
TYPE	Gplier / Chimiquier
IMO N°	8406767
Construction date	1986
Shipyard	Chantier du nord et de la Mediterranee de France
Gross Tonnage (TX)	6841
Net Tonnage (TX)	2052
Capacite (M3)	7100
Deadweight (tons)	6082
Propulsion	Sulzer 7 RTA 38 5300 HP, 178 RPM
L x B x T (M)	105,35 x 18,34 x 8,38
Speed (Knt)	13
Classification Society	BV
Class Notation	I 3/3 E LGC ; Deep Sea Aut MG, Ice II, ERS-S

Interested Bidders are invited to get a copy of the tender documents from the following address :

HYPROC SHIPPING COMPANY
Cellule de Passation des Marchés de l'Entreprise CPME
ZHUN/USTO, Rond point cité Djamel, BP 7200 Es Seddikia 31025 Oran, Algeria
TEL : 213 41 42 62 62/ 63 63
FAX : 213 41 42 32 75
E-mail : hyproc@hyproc.com

Tender documents can either be handed out or mailed to interested bidders after the payment by check or bank transfer of the following amount, free of Bank charges : 200 Euro for foreign bidders or 20 000 DA for national bidders to :

HYPROC SHIPPING COMPANY's
Bank account Number (RIB): N° 002 00081 2200036 49.
Banque Extérieure d'Algérie (BEA), Agence EL DJAMEL, Oran

Vessel was operating in the wordlwide waters. Vessel will be on Sale in accordance with the following condition: **« AS IS, WHERE IS ».**

Delivery of the vessel will take place at the mooring pier, at **Arzew Port**, in Algeria.

The tender process will consist of two steps: Interested bidder (s) will be required to submit ,firstly , a technical proposal and if compliant to the requirements of the general terms and conditions of the tendering procedure, bidder (s) will be invited to submit a price proposal as second step.

Step I: Technical proposal

At this stage the proposal should include all the documents required in the tendering procedure, but no reference whatsoever to price; otherwise the bidder's proposal will be rejected.

Proposals have to be in a double sealed envelope. In addition to the above mentioned address, the external envelope would have to be anonymous and contain only the following indications:

NATIONAL AND INTERNATIONAL CALL FOR TENDER
N°03/HYPROC S.C/PMD/15
TECHNICAL PROPOSAL
DO NOT OPEN

The tender closing date for the first step of the call will be on May 4th, 2015 at 9:30 AM, any proposals received after this date and time will be rejected . Bidder's proposals submission date will be considered according to the stamped date by Hyproc's "B.O.G. (Bureau d'Ordre Général)", located at Hyproc's Head office.

Bidders whose technical proposals are fully compliant to the tendering procedure will be invited to submit a price proposal for the second step.

Step 2: Price proposal

This step will be dedicated to the receipt of the price proposals, their evaluation, the selection and the award of the sale contract to the Bidder with the highest offered price.

Bidders will be invited to attend the bids opening ceremony, whereby the Bidder to whom the MEMORANDUM OF AGREEMENT (Sale Contract) will be awarded, will be publicly announced.