Lloyd's List

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Svitzer and Crowley merge salvage operations

Svitzer Salvage and Titan Salvage form joint venture Ardent

SVITZER and Crowley Maritime have agreed to merge their two salvage operations to create a new joint venture, to be called Ardent, *writes Craig Eason*.

The merger will be complete by May 1.

Netherlands-based Svitzer Salvage is part of the Svitzer Group, a company owned by Denmark's AP Moller-Maersk. It operates mostly in the emergency response market.

While the Svitzer Group has been working to strengthen its position in the harbour tug and services market in recent months, Svitzer Group chief executive Robert Uggla said in an interview with Lloyd's List that the salvage market was ripe for consolidation.

Crowley Maritime's salvage division, Titan Salvage, is mostly involved in wreck removal and is widely recognised as the company responsible for the lifting of the *Costa Concordia* wreck.

The new business, Ardent, will be owned equally by Svitzer Group and Crowley Maritime Corp.

Svitzer Salvage chief executive Peter Pietka will be the chief executive of Ardent.

In a press statement, he said the new venture would be part of a wider ecosystem of services. "We have come together to build a more modern and effective offering for the maritime sector."

Ardent will be based in Houston, Texas, and have operational offices in the Netherlands, the UK and Singapore. There will be supporting offices around the world, including Australia, Brazil, South Korea, Greece and South Africa.

Crowley Maritime's salvage division, Titan Salvage, is widely recognised as being responsible for lifting *Costa Concordia*.

Lloyd Fonds seeking to buy German managing owners for equity

KG house talking to well-known names in sector, says Torsten Teichert

Teichert: "All of the companies we are talking to, you will have heard of."

LISTED KG house Lloyd Fonds has put out feelers for a new plan to buy ships from other well-known German KG managing owners — and possibly even the same companies in their entirety — in exchange for equity rather than cash, *writes David Osler*.

Chief executive Torsten Teichert said the Hamburg-based outfit is already in discussions with several noteworthy domestic players on this score, with developments expected soon.

While declining to name names, he commented: "All of the companies we are talking to, you will have heard of."

The idea has emerged after Lloyd Fonds recently suffered a significant knockback, with retail investors in 10 of the 11 troubled single-ship KG entities put to the vote failing to deliver the requisite 75% majorities for an equity buyout that Mr Teichert had placed on the table.

Mr Teichert believes the rejection stems from the unproven nature of the model, and that sceptical limited partner retail investors can be won over if the scheme is seen to work with whole other companies.

There is an underlying similarity, in that both variations are aimed at transforming an old-school KG issuer into a more conventional shipowning concern with a stock exchange quote.

If the rejigged version of the scheme comes off, it could offer a means to speed up the consolidation of the fragmented German shipping scene, which many commentators believe is necessary in the wake of the well-publicised collapse of the KG system.

Lloyd Fonds was one of the many KG-driven concerns to over-extend itself during the shipping boom, and came close to collapse before being rescued by its banks in 2010. The following year, US investor AMA Capital Partners took a 49.9% stake for around $17m.

Since then, Mr Teichert has come up with a number of innovative proposals aimed at seeing Lloyd Fonds recover its stride, including on one occasion restructuring six individual KG entities into a 'super KG'.

But the downturn has continued to dog the Hamburg shipping scene and it is fair comment to suggest that neither Lloyd Fonds nor its peer have regained the momentum they possessed a decade ago.

Now there are tentative signs that things are looking up for the city state, with some pick-up in charter rates for feeder and panamax boxships.

Meanwhile, both Rickmers and Claus-Peter Offen interests are eyeing potential US listings, and container giant Hapag-Lloyd is likely to be floated in Germany in the near future. Other German owners have almost certainly drawn the conclusion that listing is the way forward.

Speaking in an exclusive interview with Lloyd's List in his Hamburg office, Mr Teichert suggested the KG system had basically created "fake owners" under the designation of owner-managers, and that the strategic choice facing companies such as his own is to become either one or the other.

Managers are likely to find the going tough, as it requires the management fees from three or four vessels to make as much money as from a KG ship, and certainly US private equity will not pay generously for management services.

Lloyd Fonds — which enjoys the first-mover advantage of already having a listing — has opted for the pure owner route, and is seeking to get others on board.

"I want to be a shipowner, period. I'll start by making an offer to former KG companies, but the first part of the sentence remains the same," said Mr Teichert.

But the rider is that these offers will come in the form of equity, as Mr Teichert disarmingly admits he doesn't have the cash.

He also candidly stresses that failure this time is very much an option, and there are no guarantees that other KG owners will sign up, not least because egos are involved and because substantial dilution will result.

Yet even a second failure would not necessarily prove fatal for Lloyd Fonds, although obviously it does not have forever to come up with a way of strengthening its position.

"I'm saving my own ass," Mr Teichert quipped. "I was never out to save the KG system. But if we don't succeed, somebody else will."

Hapag-Lloyd calls for alliances to look inland

With industry consolidation making slow progress, the Hamburg shipping line says alliances are the best alternative

Habben Jansen: would like to see further industry consolidation to help combat industry volatility.

HAPAG-Lloyd is expecting alliance partnerships to expand inland as carriers seek an alternative to industry consolidation, *writes Damian Brett*.

Speaking at a packed Containerisation International's Global Liner Shipping conference in Hamburg, Hapag-Lloyd chief executive Rolf Habben Jansen said he would like to see further industry consolidation to help combat industry volatility.

But because of the ownership structure of many shipping lines, where nine of the top 20 lines have a family interest and seven have governmental interest, which place a high interest on maintaining control, he said it is unlikely that mergers and takeovers will play a role in consolidation in the short term.

Therefore, Mr Habben Jansen said he saw alliances as "the only realistic alternative".

He said traditional alliances concentrated on sharing capacity and co-ordinating their shipping networks.

But he would like to see the alliance structure expanded further to include inland solutions.

"We believe that consolidation will continue but also that it will move slowly. So we need to look at other ways to become more competitive and more cost-efficient and that is where alliances are useful.

"Most traditional alliances have focused on the ocean leg. But if you look ahead four or five years, I would dare to say that all of the four big alliances that are currently out there will have fairly comparable slot costs.

"That means you have to look into other areas because there is more that can be done. We certainly believe that co-ordinating better on the land side is an area we should look at because if you start looking beyond the ocean, there are things that can be done to optimise how we go about terminals, inland and trucking."

Mr Habben Jansen said the G6 Alliance was already actively exploring these areas, as it would allow them to expand their service and also take out costs.

"Looking at the size of the trades and the ships today, we have to co-operate because no-one can fill the capacity that is on the water.

"But we also have to take the consequence and explore every possible way to work together beyond the port," he said.

One thing holding back the expansion of alliances is regulatory restrictions, said Mr Habben Jansen. But he added Hapag-Lloyd's initial assessment suggested there was more that could be done by alliances than is being done today.

"We welcome that discussion with the authorities to jointly explore what is possible and what is not, but in the end offer a better service to the customer and better choices between various parties," he said.

Mr Habben Jansen was later questioned on whether he felt the expansion of alliances would further reduce the differences between the services on offer by various shipping lines.

In response, he said carriers would be able to differentiate through systems, productivity and customer service.

Mr Habben Jansen also later revealed that the number of ultra large vessels that have recently been ordered compared with demand expectations was one of the reasons it was hesitant to order ships of that size.

Shippers' calls for faster Asia-Europe services fall on deaf ears

Top lines say there is no economic case for abandoning slow steaming

TOP container lines say they have no plans to speed up ships in the hard-pressed Asia-Europe trades, despite shippers' calls for some faster services and cheaper oil prices, *writes Janet Porter*.

Robert Gora, Siemens global category management logistics vice-president, told an industry conference that he would welcome a greater choice of services, with the option for a quicker alternative to, say, the current 40 days it takes to deliver cargo by sea from Shanghai to Germany.

"There is a market for this," he told Containerisation International's Global Liner Shipping conference in Hamburg.

Now, the only other way is to use far more expensive airfreight that takes about 10 days door to door, or rail that is between 20 and 25 days.

Shippers such as Siemens insist they would be prepared to pay more for shorter sea voyages between Asia and Europe.

Conference chairman Jesper Kjaedegaard pointed out that US carrier Matson has proved there is a market for premium services, having continued to sail at higher speeds and having been able to charge something like $200 per container more on its Asia-US services for the quicker turnaround times.

But such a niche offering is of no apparent interest to the global heavyweights in the Asia-Europe trades, with both Maersk Line and Hapag-Lloyd having dismissed any intention of dropping slow steaming for some services.

Maersk Line north Europe region chief executive Karsten Kildahl said the carrier had not noticed enough demand from shippers willing to pay sufficiently high rates that would make such a product commercially viable.

Speeding up would require new berthing windows and feeder contracts — a process that is more complicated than in the past, now that virtually every carrier, including Maersk, is a member of an alliance.

Kjaedegaard: US carrier Matson has proved there is a market for premium services on its Asia-US routes.

Speeding up would also be tantamount to a bet on future oil prices, he pointed out.

"You would have to be a very brave operator to abandon slow steaming at this point in time," said Mr Kildahl.

Hapag-Lloyd chief executive Rolf Habben Jansen said punctuality was much more of an issue for the G6 alliance than faster services.

"It has taken us quite a time to get the alliance up and running, and for us right now we need to get schedule reliability up to where it belongs... and we do do not intend to speed up anything," he told delegates.

Eastbound Asia-Europe trade to face capacity shortages over coming weeks
Capacity withdrawals on the trade will impact eastbound shippers, according to Maersk Line
www.lloydslist.com/containers

Grey box concept still not popular with shipping lines

The growth of alliances has failed to change shipping lines' opinions on mass equipment-sharing arrangements

THE idea of grey boxes reared its head at the Global Liner Shipping conference as delegates discussed the expansion of alliances beyond ocean network planning.

During a question and answer session, one delegate asked if shipping lines would reconsider the idea of having a pool of containers that they share — an idea that has been discussed since the 1980s but has yet to gain traction — as they continue to look for ways to reduce costs through their alliance partnerships.

However, the idea was met with a negative response from both Hapag-Lloyd and Maersk Line.

Maersk Line north Europe region chief executive Karsten Kildahl said equipment availability was one way that carriers were able to differentiate themselves from their alliance partners.

"Even when you have alliances, you will not have the same arrival punctuality for the carriers on board that ship because we all have different allocations on board that ship, so one container may be rolled while the other isn't rolled," he said.

"Furthermore, I would argue that the equipment pool is a differentiator between shipping lines in an alliance.

"And frankly, if one of our competitors is short of equipment in a certain place, rather than me giving them a Maersk Line box to use, I would rather have the customer call me and place the booking with me directly.

"So I, for one, simply don't understand the logic behind the grey box. It seems illogical to me."

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Mr Kildahl's view was echoed by Hapag-Lloyd chief executive Rolf Habben Jansen, who added that the benefits of the grey box concept were limited.

"In the end, equipment is important and at the end, it is about more than just a box, because there is also quality and availability to take into account," he said.

"I also think we have a bit of tendency to overestimate how much money we could save or how much efficiency could be enhanced.

"Sometimes it's worthwhile looking at, and we have talked about it, but in general we do not see it as such a big lever as some people have suggested."

Panalpina global head of ocean freight Frank Hercksen said it used a primary carrier and secondary carrier in every alliance, and equipment availability was one of the key criteria when reaching an agreement with those carriers.

Rather than giving a Maersk Line box to use, Kildahl would prefer the customer to place the booking with him directly.

Big ship cargoes demand rethink of carrier networks, says UK port operator

Peel Ports director calls for more even spread of cargo volumes to alleviate pressure on larger ports

IF the world's major ports are to cope with the heightened peaks of cargo that come hand in hand with ultra large container vessels, then there needs to be a radical shift in the routes currently being deployed by carriers, according to a director of UK port operator Peel Ports, *writes Linton Nightingale*.

Speaking at Containerisation International's Global Liner Conference 2015 in Hamburg, Germany, Patrick Walters, group commercial director of Peel Ports, which operates the Port of Liverpool and the Manchester Ship Canal, said container lines have moved from deploying 8,000 teu vessels to 20,000 teu vessels in just a couple of decades, yet are still using the same small number of ports that have been unable to keep pace with their relentless vessel upsizing.

Mr Walters stressed that to cope with these increased volumes, traffic should be more evenly spread to alleviate some pressure from those ports still dominating the service networks on major routes.

"Where in the past, terminal operators have been used to planning for seasonal peaks throughout the year, we are now seeing the emergence of weekly peaking and the concept of heightened peaking when ships will turn up to a terminal and possibly discharge 4,000 containers all at one time," he said.

Mr Walters pointed out how this has led to increased congestion and capacity issues for both rail and road infrastructure and the limited ability of inland transport loads to realise economies of scale.

"This means that loading or discharging cargo at ports that are remote to the initial origin or ultimate destination of cargoes becomes costly, inefficient, risky and environmentally damaging," he said.

"We have a situation where the model of mega gateways serving an extensive and remote hinterland is being questioned, and we need a radical rethink of networks and their designs, and the routes that we deploy to get our goods to market."

Therefore, Mr Walters said, shippers and cargo interests need a wider choice of direct ports, and preferably ones that are closer to their cargo.

He added: "We should all wish for our ocean freight to move efficiently and sustainably and a cost-efficient and direct route to market is something that is worth asking for, but taking advantage of these opportunities means making a shift in today's supply chains and services."

Walters: We need a radical rethink of networks and their designs, and the routes that we deploy to get our goods to market.

More online

Maersk Line maps way to halt spread of commoditisation in box trades
Steps can be taken to differentiate products, says Karsten Kildahl as he reveals that Maersk plans to launch case management tool
www.lloydslist.com/containers

Forwarders hope to grab ocean market share
Panalpina claims that larger shippers are increasingly turning to forwarders due to concerns about volatility and commoditisation
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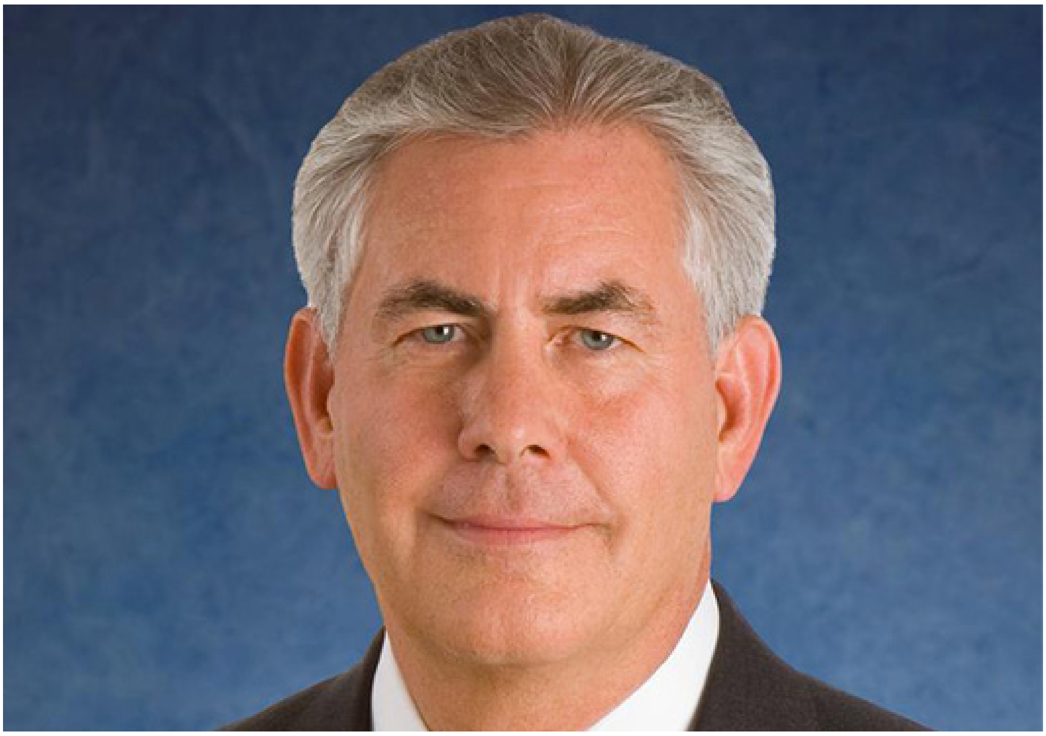
Hurry up and approve US LNG exports, urges ExxonMobil



Franklin: "LNG exports can provide the spur to further increase America's natural gas production."

Energy supermajor vents frustration over Washington's slow approval process, warning that the US risks missing out on a global gas revolution

THE US is at risk of losing economic ground and its global leadership in energy production unless Washington approves liquefied natural gas exports, energy supermajor ExxonMobil has warned, *writes Hal Brown*.

"If policymakers don't revisit and redress some significant legal and regulatory problems... then the US could be left behind during one of the great, historic developments in global energy and trade," said Rob Franklin, president of ExxonMobil Gas & Power Marketing, in a speech in Washington.

A number of approvals are required before a US LNG export project gets the green light, frustrating many people trying to get cargoes out on vessels to international markets.

Mr Franklin said the export of LNG should be treated no differently from other exports such as agricultural goods, automobiles and computer products.

"LNG exports can provide the spur to further increase America's natural gas production, providing all the attendant benefits that would generate," he said.

ExxonMobil is currently working on a $10bn project to convert the LNG regasification terminal at Golden Pass, Texas, into an LNG export terminal.

As part of this, an application to export to non-Free Trade Agreement countries — such as the world's biggest importer, Japan — was submitted to federal officials more than two years ago, but no decision has been made, complained ExxonMobil.

Permit applications for some two dozen other projects are also in the same state of "bureaucratic limbo", says the energy company.

"If we are serious abo
ut having a US LNG industry and capturing the tremendous opportunities in front of us, then we need to ensure that the case of LNG exports does not become just another casualty of bureaucracy," Mr Franklin said.

Double the size

Global LNG demand is expected to triple between 2010 and 2040, ExxonMobil forecasts.

Therefore, the amount of incremental gas needed to meet global demand by 2025 will be almost double the size of the entire US gas market today.

Most of the new demand for LNG will come from existing and emerging markets in the Asia Pacific, as well as the Middle East.

In support of his argument, Mr Franklin noted that the February report by the President's Council of Economic Advisors concluded that LNG exports would increase US GDP, create jobs, promote cleaner energy worldwide, while maintaining the competitive cost advantage for US manufacturers.

Mr Franklin also cited other studies, which have largely reached the same conclusion that allowing LNG exports would benefit the American economy — and the greater the level of exports, the greater the benefit.

Moreover, use of gas, which is the cleanest burning fossil fuel, has helped return emissions levels in the US to where they were in the 1990s, despite the fact that the US economy is six times larger now than it was then.

The export of LNG will help manage emissions and the risk of global climate change, ExxonMobil believes.

However, groups such as America's Energy Advantage will continue to fight against exports, on the grounds that cheap gas needs to be kept in the country as a feedstock for the domestic petrochemical industry, according to energy experts.

Dow Chemical is one of the heavy-hitters behind America's Energy Advantage.

Progress

Nevertheless, there is some progress on US LNG export terminals, despite the opposition and delays.

Cheniere Energy's Corpus Christi liquefaction export facility in Texas, approved by the Federal Energy Regulatory Commission last December, is moving towards construction with an anticipated start date during the second quarter of 2015, said the US government's energy information administration in a report in the past few days.

If things go as planned, there will be five LNG export facilities in varying stages of construction in the lower 48 states this year, the EIA said.

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Four of these LNG terminals are brownfield projects being developed on existing regasification sites already in operation, which allows them to share functions with existing LNG import facilities to save construction and operating expenses.

Cheniere's Corpus Christi facility, being developed on Cheniere's La Quinta Channel property — previously approved for a regasification facility, but not constructed — is the first greenfield project approved by the FERC. These east coast and US Gulf coast facilities are expected to begin operations in late 2015. All of them are scheduled to be in service by 2018.

As of April 1, the FERC, which is responsible for authorising the siting and construction of LNG import and export facilities and associated pipelines, had received plans for 15 proposed LNG export terminals for approval, with more LNG facilities in the early planning stages.

The EIA said it is unclear how many additional natural gas liquefaction facilities will move into the construction phase, or when that might happen, particularly as questions have been raised about how recent low oil prices could affect LNG markets.

Experts told Lloyd's List this year that the lower oil price could scupper many of these US projects at the very early stages of development.

The first US LNG export facility to file for FERC approval, and begin construction, was Sabine Pass in Louisiana. This four-train facility is scheduled to enter service by late 2015, with full capacity projected to be online in 2016, the EIA expects.

Cameron LNG in Louisiana is slated to be a three-train LNG export terminal, and construction on this project began in October 2014, with commercial operation expected to begin in 2018.

The Cove Point facility in Maryland began LNG import operations nearly 40 years ago, but the marine terminal has been mothballed for much of the time since then. However, the cryogenic tanks have been used for storage. The export project, which will add a single train, is targeted to begin operations in late 2017. Construction of the off-site facilities supporting this project began in late October 2014.

Freeport LNG in Texas began construction of its three-train facility in November 2014, while construction of the Corpus Christi three-train LNG export terminal, which will include construction and operation of a 23-mile long, 48-inch diameter, bi-directional pipeline, is expected to start soon. Both facilities are scheduled for commercial service in 2018.

Even before operations begin, expansions are planned for Sabine Pass and Cameron. Both asked the FERC for two additional liquefaction trains. The Sabine Pass expansion was approved by the FERC on April 6, and will add additional capacity, while the Cameron LNG expansion will also add capacity, if approved.

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ExxonMobil is working on a $10bn project to convert the LNG regasification terminal at Golden Pass, Texas, into an LNG export terminal.

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So, although there are hold-ups and frustrations, there is some movement on the US LNG export plan.

Anticipation

The LNG shipping industry is waiting with bated breath for the impact of US exports.

US cargoes are the future for the LNG shipping industry, and will change the face of the industry, according to gas shipping experts.

Exports from the US will require more than 150 vessels if cargoes are hauled to Asian customers, according to Fearnleys LNG director Per Fett.

Some 1m tonnes of US LNG is enough cargo for two and half ships bound for Asia, Mr Fett told a London conference in February.

Given that 67m tonnes of LNG per year is likely to eventually be produced from US projects, more than 150 ships will be required to carry these volumes, he forecast.

An additional 70m tonnes per year of US volumes is possible, requiring even more ships, he said.

The likelihood is that around 100m tonnes per year of LNG will come out of the US Gulf by 2025, he predicted.

Asian customers of US cargoes will include India, South Korea, and Japan.

However, alongside approval delays, there are other hurdles to overcome.

A lot depends on tolls charged by the Panama Canal Authority when LNG ships transit for the first time after the expanded canal opens in 2016.

The toll level currently proposed is reasonable, but this could rise in the future to pay for the expansion's large cost overruns, said gas shipping experts.

The next few years will be intriguing for all those involved as the US LNG export story plays out in front of our eyes.

An artist's impression of Cheniere's Corpus Christi facility, the first greenfield project approved by the FERC.

BG agrees deal to charter up to nine new LNG carriers from GasLog

Move comes in wake of Shell-BG merger pact

LIQUEFIED natural gas carrier owner GasLog has clinched a giant chartering deal with BG Group that may involve up to nine newly-built vessels, *writes Nigel Lowry*.

BG subsidiary Methane Services has agreed to charter three of its previously unfixed 174,000 cu m vessels already on order, adding about $845m in fixed revenues to the Monaco-based company's backlog.

Along with the firm three vessels, the charterer also has been granted an option to elect to take an additional six newbuildings, provided that the commitment is made within 2015.

The six option vessels would add another $1.8bn to GasLog's forward revenue.

Prior to the latest contracts, BG had already chartered four of GasLog's remaining nine newbuildings on order.

All three firm ships are scheduled for delivery in 2017, two from Hyundai Heavy Industries and one from Samsung Heavy Industries.

The deal means that only two of GasLog's current firm newbuildings remain uncovered — one ship due to be

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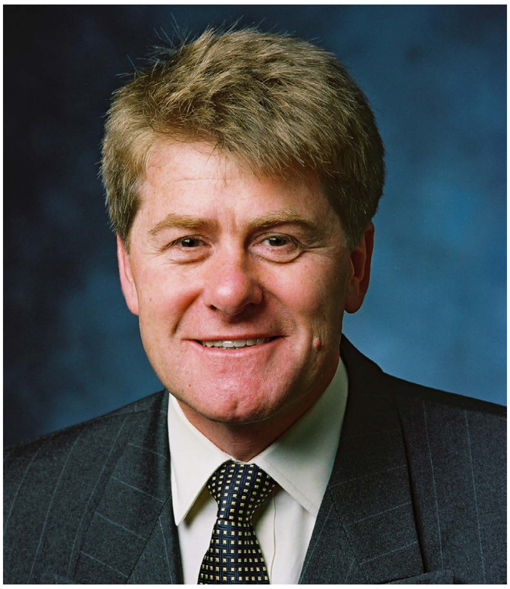

Wogan: This is another transformational transaction for GasLog.

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completed shortly and another unit in 2017 — and therefore if BG declares its option for six further vessels, this would trigger fresh orders.

GasLog has previously stated that it holds options with Samsung for six more LNG carriers.

The three firm charters are for staggered periods with an average duration of 9.5 years.

In combination with the new charters, the BG charters on three existing vessels owned by affiliate GasLog Partners will be adjusted — with two charters being lengthened and one shortened.

GasLog has agreed to compensate the partnership if the net result is any shortening of existing charters that would affect GasLog Partners' revenue stream.

Methane Services' option for chartering the additional six newbuildings is for average initial terms of 10 years at rates that GasLog said would be "consistent with the three firm charters".

The parties were "discussing a possible extension of such option beyond the end of 2015", said GasLog.

"This is another transformational transaction for GasLog, potentially adding nine long-term charters to our fleet," said company chief executive Paul Wogan.

The deal also extended the pipeline of long-term chartered vessels available for drop down to GasLog Partners to 15.

"We believe [it] enhances our sum-of-the-parts valuation," said Mr Wogan.

The potentially massive chartering pact follows hard on the heels of the announcement of Shell's intended $70bn takeover of BG.

Aframax crude tankers: the case for investment

These 600,000-barrel tankers show notable promise despite being this week's least-impressive crude tanker performers

AFRAMAX crude tankers are currently the least-impressive performers in the big-size crude tanker space, but not by a large margin, with average earnings of around $39,000 per day still offering owners a decent day's employment, *writes Hal Brown*.

The past week has given rise to some notable dynamics, tanker brokers observing that rates jumped in the North Sea and Baltic Sea markets due to delays, particularly at Rotterdam, and rising inquiry.

Aframax loading schedules have also been disrupted by traders attempting to load up very large crude carriers with cargoes, said brokers.

Uncertain aframax itineraries resulted in charterers willing to pay a premium for those vessels with more certainty, and some prompt replacement cargoes towards the end of the week gave further support to the aframax market.

Aframax rates in the Caribbean dropped lower than expected and levels have remained volatile, according to shipbrokers.

The Asian aframax markets have been less than impressive, with cargo volumes lower, causing a build-up in tonnage in the Indo-Singapore region and creating a steady decline in rates, market watchers observed.

Meanwhile, brokers have reported a busy week in southern Europe, resulting in the rate on the Black Sea-Mediterranean Sea route rising respectably.

Looking at the longer-term picture, aframaxes show notable potential as a good investment.

Since 2010, dirty spot fixture activity on the main Atlantic aframax routes has been fairly stable, according to Poten & Partners.

North Sea aframax activity remains solid at around 800 reported spot fixtures per year, the US broker and consultancy said in a recent study on dirty aframaxes.

It said spot fixture activity in the Caribbean also continues at healthy levels — around 450-500 fixtures per year.

In addition, a small but promising aframax trade that has developed in recent years is the transport of Eagle Ford shale oil to the east coast of Canada.

"While this trade was virtually non-existent a few years ago, it now provides for three to four fixtures per month," Poten analysts pointed out.

Mediterranean trades in recent years have been disrupted due to the Arab Spring — since 2010/2011, spot fixtures from Egypt have reportedly fallen by a hefty 50%, and Libyan volumes have fluctuated, while Syria has been completely out of action due to sanctions.

However, although instability will probably continue in the short term in this region, future prospects for the Mediterranean aframax market are promising, with significant long-term growth potential for exports out of Libya and the Black Sea and Turkey/Ceyhan, Poten forecasted.

In Asia, the main driver for dirty aframax employment has traditionally been Indonesia, and its exports are generally doing well, despite the odd blip.

"The other growth area in the Far East has been the east Siberian port of Kozmino," noted Poten. "Crude oil exports started in 2009 and have seen a steady increase over the years and aframax fixtures currently average about 20 per month."

All in all, aframaxes are not to be left out of the booming crude market, despite performing slightly less well at the moment than their bigger cousins, VLCCS and suezmaxes.

"Combining the positive employment outlook above with a shrinking fleet, a modest orderbook and the potential that a significant portion of the modern coated vessels in the aframax fleet will be employed in the growing clean petroleum trades, makes us conclude that aframax crude tankers have a bright future," said Poten.

Just as foreseen by George Economou, who last week ordered newbuilding aframaxes in South Korea, as reported by Lloyd's List.

China gives go-ahead to DP World's 2.2m teu boxship berths in Qingdao

Transport Ministry grants approval to Dubai-based giant's $670m project

CHINA'S transport ministry has granted approval to DP World's draft proposal to build four containership berths with a total annual handling capacity of 2.2m teu in the Qianwan area of Qingdao, where the Dubai-based port giant operates a joint venture with other players, *writes Max Tingyao Lin*.

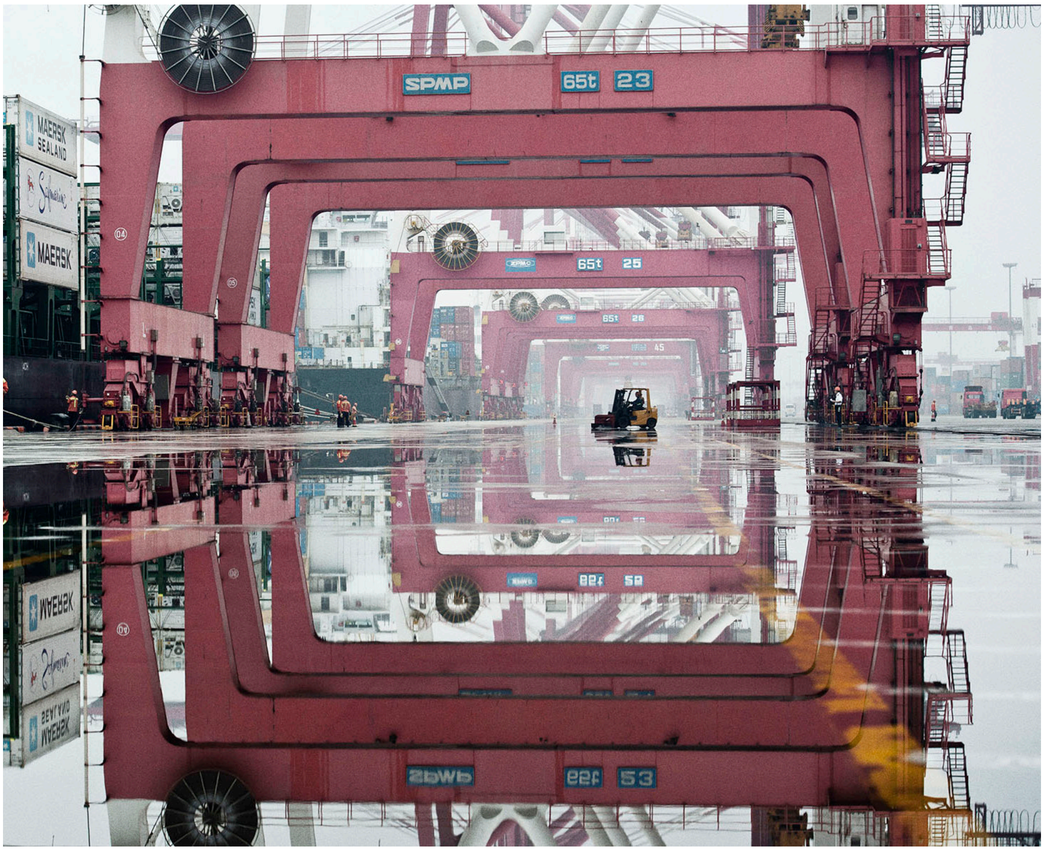
With an estimated budget of Yuan4.2bn ($670.1m), DP World proposes to build two 100,000 dwt berths — which can receive post-panamax vessels — and two 30,000 dwt berths, with a length totalling 1,320m, according to the MoT website.

The project, if carried out, will further boost the capacity of the world's eighth-busiest container port, while overcapacity remains a concern amid economic slowdowns in China.

Currently, Qingdao Qianwan Container Terminal, a joint venture in which DP World has a stake, is operating11 berths in the area, with a total handling capacity of 6.5m teu per annum.

The entity is 31% owned by QPI, 29% by DP World, 20% by APM Terminals and 20% by Cosco Pacific.

Total box throughput of Qingdao amounted to 16.6m teu in 2014, up 6.8% on year, according to Shanghai International Shipping Institute.



Total box throughput of Qingdao amounted to 16.6m teu in 2014, up 6.8% on year. *Maersk*

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