Lloyd's List

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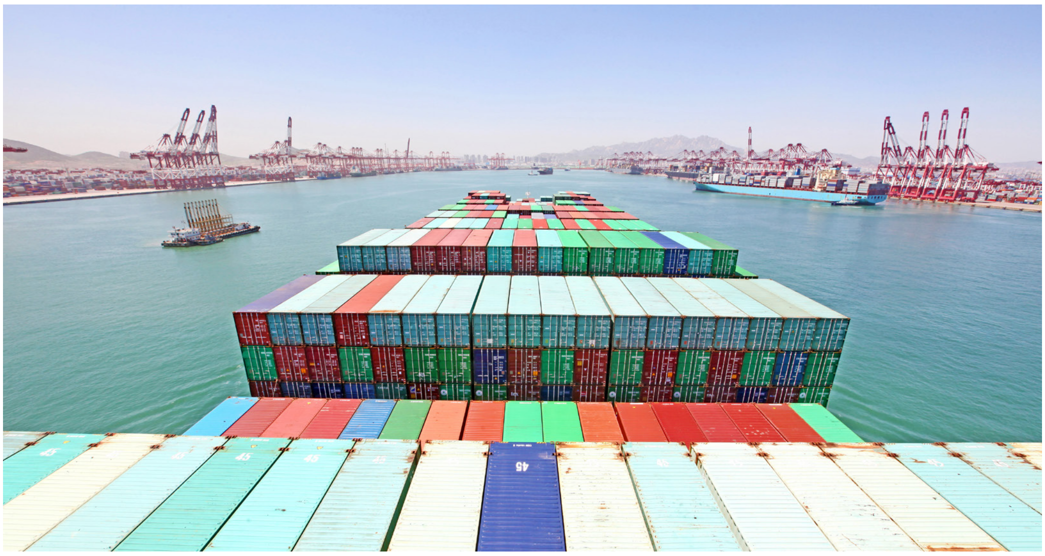
Seaspan rejects ship-widening as panamax prospects improve

Gerry Wang says owner will only order 20,000 teu vessels on back of charter deal of at least 15 years



Seaspan is currently the world's largest charter owner according to Clarksons. *tcly/Shutterstock.com*

CONTAINERSHIP owner Seaspan has decided against expanding the capacity of the panamax vessels in its fleet to a more popular size, and instead hopes to sell them eventually if secondhand values rise to an attractive level, *writes Janet Porter*.

In the meantime, the company will continue trading them, and expects to obtain good rates for the 11 ships of between 4,250 teu and 4,600 teu whose existing charters expire this year. Another nine 4,250 teu vessels in its fleet will have to be re-chartered in 2016.

Speaking shortly after Seaspan had released its first-quarter results, chief executive Gerry Wang said the company had conducted a feasibility study on widening the panamaxes, but decided against the idea.

Last week, German shipmanagement company NSB revealed that it had completed the widening of *MSC Geneva* in a pioneering project that increases capacity from 4,860 teu to 6,300 teu by adding three additional rows of containers. Two more ships of similar size are also due to be widened at China's HRDD shipyard which thinks there are many more candidates among the panamax fleet built after 2005.

Seaspan, now the world's largest charter owner according to Clarksons, has decided to keep its panamax ships as they are, however.

"They are a flexible design and also the current charter rates are very nice," Mr Wang said during a conference call.

Having plummeted to less than $8,000 a day last year, 12-month timecharter rates are now nearly double that, with brokers reporting an increase in fixture activity.

Zim, NYK and CMA CGM have all paid in excess of $15,000 a day for 5,000 teu panamaxes over the past few weeks. Demand for these ships had slumped because of their inefficient design, with a narrow beam that required ballast water which in turn added to fuel consumption.

Mr Wang said the increase in charter rates and ship values for panamaxes reflected several factors, including US west coast port congestion, which gave a boost to demand for ships that could transit the Panama Canal to reach the US east coast from Asia.

Lower fuel prices and new markets opening up in the intra-Asia, South Africa and Asia-Australasia trades was also contributing to the charter rate recovery, he said.

On the supply side, the lack of newbuilding activity for the past eight years has also helped to reduce the tonnage surplus.

Mr Wang said Seaspan was "very open-minded" about the future of its panamax ships.

"We do not have to sell them" he said.

On the other hand, if secondhand prices rise, the Seaspan would look for buyers over the next six to 18 months, and use the money to invest in more newbuildings.

Latest figures from Clarksons' Container Intelligence Monthly show that a 10-year-old 4,500 teu vessel is worth around $15.5m, compared with the 2013 average of $12m.

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The revised value of the widened *MSC Geneva* is put at $28.3m, according to Vesselsvalue.com which reckons the vessel was worth $18.3m prior to the widening work.

The increase matches the $10m cost of the refit.

Mr Wang also reiterated his view that Seaspan would not order 20,000 teu-class ships unless it could negotiate a long-term charter commitment from a carrier of at least 15 years, or even longer.

That reflects the fact that such large ships lack the flexibility of smaller tonnage and are only really suitable for the Asia-Europe route.

Mr Wang said Seaspan was "waiting patiently" for the right project to come along.

Danaos eyes further boxship opportunities
But Greece-based owner plays down asset-play deals due to shipbuilding capacity overhang
www.lloydslist.com/containers

UASC joins big ship league

World's largest LNG-ready boxship launched in Mokpo, South Korea

UNITED Arab Shipping Co yesterday named the largest and newest member of its burgeoning box fleet, the 18,800 teu *Barzan*, at Hyundai Samho Heavy industries' Mokpo ship yard in South Korea, *writes Linton Nightingale*.

The Dubai-based box line becomes the latest elite carrier to boast vessels at or above 18,000 teu in capacity, following in the footsteps of container shipping giants such as Maersk, Mediterranean Shipping Co and its Ocean Three partners CMA CGM and China Shipping.

The DNV GL-classed *Barzan* represents the first of six UASC ships of this class to be deployed as part of the Ocean Three's service offering on the Asia-Europe trade on order with the South Korean shipbuilder.

Barzan: The world's largest LNG-ready ultra large container vessel and the most energy-efficient ship of its size to date.

On top of the six 18,800 teu vessels, Hyundai Samho has also been assigned with the construction of a further 11 ships of 15,000 teu, the first of which was delivered towards the end of 2014.

All 17 vessels have been designed with the ability to switch fuel to LNG if that becomes commercially feasible. That makes *Barzan* officially the world's largest LNG-ready ultra large container vessel. It is also the most energy-efficient ship of its size to date.

According to UASC, preliminary calculations indicate an Energy Efficiency Design Index value that is nearly 50% below the International Maritime Organization's proposed limit for 2025, while its carbon dioxide output per teu is more than 60% less than some 13,500 teu vessels delivered only three years ago.

If UASC decides to make use of its dual-fuel capabilities and switch to LNG, then the ship's EEDI value will improve even further. UASC stated last year that it would look to make this transition on all of its LNG-ready ships by 2019-2021.

However, UASC president and chief executive Jorn Hinge said that with the price of bunker fuel falling dramatically over the past 12 months, the financial incentives associated with such a move have all but disappeared, and it is now less clear of exactly when this transition will be made.

UASC said that all 17 LNG–ready vessels are scheduled for delivery by 2016.

Upon delivery, UASC will become the world's 11th-largest container shipping line.

Jan-Olaf Probst, DNV GL's global ship type director, said that right now the move to LNG does not make sense, especially considering that fitting an LNG tank would remove up to 350 teu of slot space.

However, providing environmentally-friendly transport solutions and recognising environmental initiatives around the globe will not be a choice for much longer, as they are now, but "a necessity for both our organisation and our customers".

DHT's six new VLCCs poised to boost earnings 'tremendously' in hot market

Tanker owner plans to increase time charter coverage gradually

DHT Holdings' six new very large crude carriers being delivered to the company over the next 18 months are expected to generate earnings of $3.7m each for the company every quarter, the new vessels reaping the rewards of a dynamic tanker market, the company's two chief executives said yesterday, *writes Hal Brown*.

The first of those newbuildings will be delivered in about six months, and all six will "contribute tremendously" to earnings and dividend capacity, said the co-chief executives Svein Moxnes Harfjeld and Trygve Munthe on a conference call.

Earnings of $3.7m each are assuming a daily rate of $50,000 per day — an entirely feasible level in today's hot VLCC market.

The six newbuilding VLCCs set to join the company's other 14 over the next 18 months are *DHT Jaguar*, *DHT Leopard*, *DHT Lion*, *DHT Panther*, *DHT Puma* and *DHT Tiger*.

The fuel efficiency gains offered by those six newbuildings means US-listed DHT would like to run the vessels themselves for the time being rather than charter them out long-term to another party.

"We want to keep them to ourselves and enjoy the efficiency gains," said the CEOs.

Each of DHT Holdings' six new VLCCs, which are being delivered over the next 18 months, are expected to generate earnings of $3.7m.

Bucking trend

The second quarter is holding up well so far in terms of earning power for VLCCs, bucking the trend of the typically slower second quarter as refineries turnaround.

The company has already fixed 54% of its spot VLCCs in the second quarter at $52,200 per day.

The balance of the quarter looks "rather good" said the chief executives, reflecting the dynamics shaping the market.

Stronger demand for oil, and longer sailing distances, combined with very limited fleet growth, is keeping the flame burning under the VLCC market.

However, there is still a need for "good analysis and judgement" in the market, hence the requirement to have some vessels on spot and some on time charters, they said.

The company currently has its total crude fleet split 50-50 between spot and time charters, and envisages more time charter coverage gradually materialising as the tanker market continues to recover.

The idea is to increase the dividend paid out to shareholders too.

Optimising assets

It's a strategy that is seeing the company moving out of its aggressive growth phase, into the recovery phase, then optimising the assets they have by earning money, and finally providing returns to shareholders.

"That's what we have every intention of continuing to do," said the chief executives.

Adding to the fleet with more vessels is not currently on the horizon because the growth and investment phase has been dealt with.

Instead, the company might sell its older tankers if the current robust market environment continues. VLCCs and suezmaxes will remain the company's primary focus.

Since spearheading the company in 2010, the two CEOs have always had the intention of turning DHT into a shipowning and operating company with a blend of spot and time charters.

The years immediately following 2010 were tough for most tanker companies as rates stayed low, but as volatility emerged in around 2013, the signs were that a tentative recovery was beginning.

Now, in 2015, there is a real sense that recovery is taking hold.

The first quarter has been good for tankers, the second quarter looks to be almost as good, it's probably too early to tell what the third quarter is going to do, but the fourth quarter is typically a bonanza for tankers as importers demand more crude ahead of the winter months.

"2015 is going to be a strong year in our space," said the DHT bosses.

DHT's spot VLCCs rake in $60,300 per day in first quarter
Shipping revenues quadruple for the New York-listed crude tanker owner as the bull market shows no signs of letting up
www.lloydslist.com/tankers

Is $60,000 per day the new normal for VLCCs?

Even older very large crude carriers are securing impressive charter rates as market takes on new shape

AS DHT Holdings prepared to divulge its secrets on yesterday afternoon's conference call, the company's 1999-built *DHT Phoenix* rose from the embers of a 16-year career to secure a spot charter at impressive rates, *writes Hal Brown*.

The very large crude carrier, determined to be part of the bull market that benefits vessels old and new, will haul 270,000 tonnes of Middle Eastern crude to Asia at a Worldscale rate of W60.

That rate works out at a cool $60,000 per day for DHT Holdings — nice work for a VLCC that would under normal circumstances be thinking about its metaphorical pipe and slippers.

But these aren't normal circumstances.

At least, they are not normal when compared with what we became accustomed to in the years 2009-2012.

Today's bull market for owners follows those dark days when they were even struggling to cover their operating expenses.

Perhaps, though, those difficult days were seen as abnormal, a lurch into the abyss from the boom years witnessed in the aftermath of China's rapacious hunger for commodities in the mid-2000s.

Shipping's cycles, its mini-cycles, even its so-called super-cycles — however you look at it, the revolutions make it hard to pinpoint what exactly is normal.

For DHT and other owners, if today's market becomes the norm for the next couple of years, then tankers and most tanker companies are in for what can only be described as a golden period.

At least, higher revenues should go some way to making up for those years of bumping unceremoniously along the bottom of a dire market.

As *DHT Phoenix* prepares to load its Middle Eastern cargo on May 11, other VLCCs are gearing themselves up for similar bounties, going against the grain of what is normally a slow second quarter due to refinery turnarounds.

But refineries have been reaping the rewards of better margins on cheaper crude, so in all likelihood they will want to press their advantage at all times.

It stirs up demand for tankers.

Yesterday's rise in earnings of around $2,400 on the Baltic Exchange for spot VLCCs was caused by a rush of fixings, brokers saying six VLCCs were removed from the list of available vessels in the Middle East Gulf.

West African and South American markets are active, and the only worry now is if charterers start to hold back cargoes in the face of rising rates.

The situation is not just benefiting older ships on the spot market such as *DHT Phoenix*.

Vessel values appear to be rising. In recent days, the 2000-built Olympic Hawk was sold to Asian buyers for $34.5m, a price that is 11% above the sale price of the 2000-built GC Haikou in February.

Despite all these positives, however, the vigorous crude tanker market is not fully reflected in the share prices of tanker companies.

Climbing share prices are perhaps the next chapter in this tanker story.

More tankers online

Strong VLCC earnings boost CMES first-quarter profits
But gains of China Merchants Group unit partially eroded by losses in dry bulk sector
www.lloydslist.com/tankers

Logistics industry set for shake-up

Consolidation on cards as XPO Logistics buys majority stake in rival Norbert Dentressangle

CONNECTICUT-based XPO Logistics has entered into a definitive agreement to buy a majority stake in rival Norbert Dentressangle and to launch a tender offer for the outstanding shares in the French logistics major, *writes James Baker*.

The market value of the transaction for Norbert Dentressangle shareholders is €2.2bn ($2.4bn), based on 9.9m outstanding shares. The total transaction value is approximately €3.2bn, including €1.1bn of net debt.

The board of directors of XPO and the supervisory board of Norbert Dentressangle have unanimously approved the transaction.

The deal will see XPO Logistics acquire the 67% stake held in the company by Norbert Dentressangle and his family for €217.50 per share. An additional €1.80 dividend per share is to be paid prior to the deal closing.

The price represents an aggregate consideration of 9.1 times 2015 earnings before interest, taxes, depreciation and amortisation of €357m, according to a statement from the companies. The per-share cash price represents a premium of approximately 34 percent compared to the closing price of Norbert Dentressangle ordinary shares on April 27.

Headquartered in Lyon, Norbert Dentressangle has 662 locations and approximately 42,350 employees, and serves a customer base that includes some of the world's largest companies.

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XPO said Norbert Dentressangle's transportation and logistics services complement its own offerings in contract logistics, freight brokerage and global forwarding.

The transaction is subject to antitrust clearances in the US and Germany. Following clearance, XPO will launch an all-cash simplified tender offer to acquire the remaining outstanding shares of Norbert Dentressangle. Shareholders of Norbert Dentressangle will receive €217.50 of cash for each ordinary share of Norbert Dentressangle, assuming the offer is launched after the payment of the dividend.

If the tender results in XPO holding more than 95% of Norbert Dentressangle's ordinary shares and voting rights, XPO intends to squeeze out minority shareholders and delist the shares.

Morgan Stanley has provided a financing commitment for the deal up to $2.6bn, which will support the more than $1bn XPO has in cash and an undrawn $415m revolving credit facility.

XPO said it would not reduce the number of full-time employees in France for a period of at least 18 months from closing the deal. It intends to maintain the European headquarters of Norbert Dentressangle in Lyon.

CMA CGM enters Indian logistics market

Meanwhile, CMA CGM has made its first foray into the Indian logistics market by acquiring a stake in LCL Logistix through its CMA CGM LOG subsidiary.

Mumbai-based LCL Logistix has a presence in East Africa, Asia, the US and Canada.

While CMA CGM did not say how large a stake it was taking in the company, the investment is unlikely to be large by the French line's standards. LCL Logistix's revenues were only $120m in 2014.

CMA CGM LOG is the group's freight forwarding and logistics subsidiary and was established in 2001 to support the line's intermodal services in 32 countries. Today's announcement will expand its service offerings and geographical range, particularly in emerging markets.

XPO Logistics is to acquire the 67% stake held in the company by Norbert Dentressangle and his family.

"By taking this stake, CMA CGM LOG improves its logistics offer and has LCL Logistix benefit from its international network," said CMA CGM vice president Mathieu Friedberg. "This year will see CMA CGM LOG's development accelerate thanks to the new synergies generated by this investment."

In a message setting out group's plans for the year in January, CMA CGM vice-chairman Rodolphe Saadé said logistics would play an increasing role in the group's service offer.

"We intend to augment the diversity of our services to customers," Mr Saadé. "It is to this end that we shall continue to develop the business of our subsidiary CMA CGM LOG, which is complementary to our broad maritime offer, by developing our added value in logistics in order to offer comprehensive solutions in as many countries as possible."

The move follows NOL's move in February to sell APL Logistics to Japan's Kintetsu World Express for $1.2bn.

Bourbon forced to make adjustments in face of tough offshore challenges

Platform supply vessel specialist implements action plan to ride out challenging market

BOURBON, the French owner of one the world's largest fleets of platform supply vessels, said yesterday it is managing to stay resilient in the face of lower oil prices and is taking action to ride out the storm, *writes Hal Brown*.

The owner, which provides vessels for the offshore oil and gas industry, has had to make adjustments as it rides out the challenging offshore market.

"Following the quick and sharp drop in oil prices in late 2014, the low Brent price environment continued during the first quarter 2015 and market conditions remained difficult, while Bourbon's resiliency factors aided its performance," said chief executive Christian Lefèvre.

He said Bourbon has responded to both the customers' requirements for lowering their operation costs, and to the impact of reduced utilisation rates on Bourbon's operating costs.

General agreements have been made with key customers, namely lower daily rates with better contract coverage and access to market, he said.

"This action plan provides Bourbon with higher visibility on its fleet utilisation and allows proper planning of stacking/unstacking of vessels in the different regions where it operates, when needed," he said.

"Proper and temporary stacking of vessels considerably reduces cash operating costs, which in turn reduces the impact of lower activity," he pointed out.

The chief executive added that the resilience of the company's first quarter adjusted revenues reflects the continued demand for Bourbon's modern efficient vessels.

"While the current oil price environment continues to impact the activity of oil and gas companies' capital spending plans, Bourbon is also continuing to focus on its own cost reductions efforts and vessel efficiency to deliver the best service possible to its clients," he added.

Bourbon operates a fleet of more than 500 vessels. Its adjusted revenues in the first quarter were €383.6m ($422m), an increase of 15.2% year on year.

The fall in the oil price over the last year, together with continuing cuts in the exploration and production budgets of the oil majors and national oil companies, has

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had — and will continue to have — a significant impact on current and future offshore construction projects, said law firm Wikborg Rein in a report on Monday.

"The future for the offshore sector remains uncertain," warned the report's authors Finn Bjørnstad and Clare Calnan.

"Given that the demand for oil is likely to remain strong, many expect the investment appetite of the oil majors and the national oil companies to return… But it is unclear when that will happen and what should be done in the meantime," they added.

At a recent event attended by Lloyd's List, banks said they were nervous about lending to the offshore vessel sector.

Bourbon operates a fleet of more than 500 vessels. Its first-quarter adjusted revenues were €383.6m ($422m), up 15.2% on year.

Writedowns bring Scorpio Bulkers first-quarter loss to $53.1m

Analyst says that proceeds from recent sales suggest that the company has ridden out danger of covenant breaches

SCORPIO Bulkers reported a net loss of $52.1m in the first quarter of 2015, compared with a $10.7m loss in the same quarter of 2014, as the recession in the dry bulk market continued to take its toll on the ambitious New York-listed operator, *writes Tom Leander*.

Some $31.7m of the loss was due to a writedown of vessels "held for sale", referring to expected losses on recent asset sales. Scorpio also wrote down $3.1m associated with financing costs for the held-for-sale ships.

Minus these extraordinary items, Scorpio Bulkers' adjusted net loss was $16.8m for the quarter.

Vessel revenue more than doubled to $12.3m in the first quarter compared to the year before, due to a

Scorpio Bulkers currently has contracts for 63 dry bulk newbuildings under contract in Asian yards. *Volodymyr Kyrylyuk/ Shutterstock.com*

greater number of bulkers now operating in the new company's operating fleet.

Vessel operating cost also grew to $16m, versus $6.7m in the previous-year period. Scorpio Bulkers now has one capesize, three kamsarmax and four ultramax bulkers operating in its owned fleet, as well as 13 chartered-in bulkers, including post-panamax, kamsarmax, panamax and supramax ships, and one handymax.

For the first quarter, the time charter average for Scorpio's capesizes totalled $12,676 per day. Scorpio had no operating capes in the first quarter of 2014.

Rates for the kamsarmax vessels averaged $6,252 per day, an improvement on the $5,469 garnered in the previous-year quarter. Ultramax rates, however, collapsed year on year by about half to $6,855 per day.

Scorpio Bulkers currently has contracts for 63 dry bulk newbuildings under contract in Asian yards, comprising 28

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ultramax, 21 kamsarmax and 14 capesize newbuildings.

Since the latter half of 2014, it has sold a total of 17 newbuilding contracts.

The most recent sale was on Tuesday, the same day as the earnings report release, with the confirmation of a sales of a capesize vessel to Greece-based Diana Shipping for $43m.

Earlier in April, Scorpio Bulkers confirmed the sale of seven newbuildings for a total of $290m. The money is being used to shore up the company's balance sheet, with the expectation that low rates will continue in the dry bulk market this year.

"If values have bottomed out and the 17 vessels are sold at announced prices, we expect the company to be in compliance with minimum value, cash and net worth covenants," wrote RS Platou analyst Frode Morkedal in a note.

Scorpio Bulkers currently has total gross debt of $1.3bn. In Mr Morkedal's reckoning, if current market values are indeed the bottom of the ship-price trough, the current asset value of Scorpio Bulkers' fleet would be about $1.8bn.

Assuming loan-to-value covenants of 0.7-0.75 and minimum cash requirements of about $54m, the company's position is currently above the breach borderline.

Maersk investigating cargo claim allegation as crew of seized Maersk Tigris reported safe

Danish company unable verify whether containership detention related to commercial dispute, as Iran claims

MAERSK Line is still trying to find out why one of it chartered ships was detained by the Iranian authorities on Tuesday amid allegations of an unresolved cargo claim.

The crew of the *Maersk Tigris* is reported to be safe following the seizure of the 5,470-teu, 2014-built boxship by Iran.

In a statement on Wednesday afternoon, Maersk said it had been able to confirm the reason behind the Iranian authorities' seizure, in international waters, of *Maersk Tigris*.

"We have been in contact with the Iranian authorities – the Ports & Maritime Organization. They informed us that the seizure of *Maersk Tigris* is related to an allegedly unresolved cargo claim. We have however not received any written notification or similar pertaining to the claim or the seizure of the vessel," the line said.

"We are therefore not able to confirm whether or not this is the actual reason behind the seizure. We will continue our efforts to obtain more information."

Costamare and York Capital hold talks on extending term for buying boxships

Greece-based owner posts sharp increase in first-quarter profit

There is a "positive momentum" in the containership charter market, according to Costamare.
ptnphoto/Shutterstock.com

GREECE-based Costamare Inc and York Capital Management, the US-based hedge fund, are discussing an extension of their pact for co-investing in containerships, *writes Nigel Lowry*.

The indication of interest in potentially prolonging the time allotted to the duo's box ship buying programme came as Costamare confirmed the latest co-investment by the two partners and unveiled increased revenues and profits for the first quarter.

The New York-listed owner said that it had ordered one further 11,000 teu container vessel at Hanjin Heavy Philippines, bringing to five the sisterships of this size it has contracted with the yard.

The latest addition is scheduled for delivery in December 2016.

Costamare will have a 49% interest in the vessel, the largest stake it can opt for under the agreement with York.

Since the inception of the joint venture in 2013, it has done deals worth $1.1bn, said Costamare's chief financial officer, Gregory Zikos.

"All investments have been performing well and we are currently in discussions with our partner regarding the extension of the investment period," he said.

The original agreement stipulated an investment period of two years which is set to expire on May 28.

For the first quarter of 2015, Costamare posted adjusted earnings per share of $0.38, beating the consensus of analysts' estimates by about $0.06 per share.

Voyage revenues increased by 5.2% to $120.9 compared with the first quarter last year, largely due to three newbuilding deliveries and

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three secondhand acquisitions in the prior nine months.

Net income increased by about 33% to $26.3m, from $19.8m in the first quarter of 2014.

In recent weeks the company has extended the charters on several of its smaller container ships for periods of several months.

Currently none of its 59 vessels in the water are laid up.

There is a “positive momentum” in the containership charter market, said Mr Zikos.

“Charter rates have been rising, the number of idle fleet is below 2% and activity remains high,” he said.

Costamare vessels coming out of charter this year “provide an upside based on today’s market conditions,” said Mr Zikos.

More containers online

Boxship safety forum seeks to build critical mass
CSSF members now represent 5.5m teu of capacity, or a quarter of the world’s tonnage
www.lloydslist.com/containers

Anchored boxships falls to zero outside LA/Long Beach
Southern Californian ports clearing cargo backlog but labour issues not settled yet
www.lloydslist.com/containers

China Shipping Development net profits up 27%

Recycling drive and government handouts boost Chinese state carrier’s bottom line

China Shipping Development recorded net profits of Yuan65.9m ($10.6m) in the first quarter, versus the year-earlier Yuan51.9m

CHINA Shipping Development, the tanker and bulk unit of state giant China Shipping Group, reported that its net profits increased by more than one-fourth year on year during the first quarter, on fleet renewal efforts and government subsidies, *writes Max Tingyao Lin*.

The Shanghai- and Hong Kong-listed company recorded net profits of Yuan65.9m ($10.6m) in the three months, up 27% from the year-ago level of Yuan51.9m, according to its quarterly report.

CSD has embarked on heavy scrapping efforts since last year, in attempts to get rid of old tonnage and take advantage of Beijing’s subsidy scheme.

The company has been relatively conservative in placing newbuilding orders compared to other Chinese state carriers, though, with an orderbook size of six tankers and seven bulkers.

With a smaller, more efficient fleet, total revenues fell 8.5% on year to Yuan2.9bn in January-March, but overall expenses showed a steeper fall of 11% to Yuan2.8bn.

Operating profits in the three months amounted to Yuan93.8m, up from the year-ago level of Yuan67.8m.

During the same period, non-operating income rose 94.4% to Yuan36.4m due to increased government subsidies from recycling.

Non-operating expenses fell to Yuan1.9m from the year-ago level of Yuan13.7m, mainly due to lower pension and redundancy payments.

Those gains were in part eroded by income tax payments, which jumped more than six-fold on year to Yuan49.7m.

Total shipments reached 44.4m tonnes in January-March, down 7.5% year on year, while average freight rates were lower across most sectors.

More results online

Shanghai International Port (Group) reports $240m profit in first quarter
Beefy financial condition allows company to pursue future expansion
www.lloydslist.com/ports-and-logistics

GSI posts 17% decline in core earnings in first quarter
Counting one-off items such as government subsidies, GSI’s profits grew 27%
www.lloydslist.com/finance

CSICL sees continued fall in net profit
But flagship unit of Chinese state shipbuilding giant receives support from Beijing’s naval orders
www.lloydslist.com/ship-operations

Sainty Marine posts $290m losses for 2014
China whitelisted shipbuilder is mired in debt settlement amid a dismal market
www.lloydslist.com/ship-operations

Sewol master gets stiffer sentence

Appeals court eases jail terms for 14 other crew members

A SOUTH Korean appeals court sentenced *Sewol* master Lee Joon-seok to life in prison for murder, strengthening the penalty for his early conviction of gross negligence with 36 years in jail, *writes Tom Leander*.

The new sentence was largely symbolic, as the 70-year-old master was likely to spend the rest of his life in jail anyway. It comes in response of protests by relatives of the more than 300 people – mostly high school students – that perished as the ro-ro ferry sank on April 16, 2014. They were furious that the captain had not been convicted of murder.

The appeals court also gave lighter sentences to 14 crew members, reducing their terms in jail from five to 30 years by handing new sentences of 18 months to 12 years in prison.

The appeals court judge added a harsh rebuke of the master during the sentencing, saying that his negligence had caused irreparable suffering to the parents of the 250 high students that went down in the *Sewol*.

A South Korean appeals court has handed *Sewol* master Lee Joon-seok a life sentence for murder. *© 2015 Ahn Young-joon/AP*

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SECTION 56 PLANNING ACT 2008

THE YORK POTASH HARBOUR FACILTIES ORDER 201X

REGULATION 9 INFRASTRUCTURE PLANNING (APPLICATIONS: PRESCRIBED FORMS AND PROCEDURE) REGULATIONS 2009

NOTICE OF ACCEPTANCE OF AN APPLICATION FOR A DEVELOPMENT CONSENT ORDER ("DCO") BY THE PLANNING INSPECTORATE

APPLICATION REFERENCE NUMBER TR030002

Notice is hereby given that the above referenced application for a DCO (the "Application"), under section 37 of the Planning Act 2008, by York Potash Limited of 3rd Floor, Greener House, 66-68 Haymarket, London, SW1Y 4RF (the "Applicant"), has been submitted to and accepted by the Planning Inspectorate on behalf of the Secretary of State. The reference number applied to the Application is TR030002.

The proposed development is the construction and operation of Harbour facilities at Bran Sands, Teesside for the export of polyhalite bulk fertilizer which will be linked by conveyor to a materials handling facility located within the Wilton International complex.

The development will, amongst other things, involve the construction and operation of:

- The construction and operation of a quay structure on the River Tees at Bran Sands to facilitate the mooring of vessels in the estuary directly adjacent to an on-shore harbour facility and allow ship loader access;
- Dredging of the approach channel and berth pocket;
- The construction of ship loaders on the quay to load the mineral product onto ships for onward transmission;
- The erection of surge bins for the ship loading flow management of the polyhalite;
- A conveyor system to transport the polyhalite, connecting the harbour with the Materials Handling Facility within the Wilton International Complex; and
- Ancillary Infrastructure.

The proposed development is "EIA development" for the purposes of the Infrastructure Planning (Environmental Impact Assessment) Regulations 2009 which is development requiring that an Environmental Impact Assessment be carried out. The Application is therefore accompanied by an Environmental Statement.

A copy of the application form and its accompanying documents, plans and maps may be inspected free of charge at the following locations and during the hours set out below.

- Redcar and Cleveland Borough Council offices, Kirkleatham Street, Redcar, TS10 1RT Monday to Friday between 09:00 – 17:00;
- York Potash Limited, 7 – 10 Manor Court, Manor Garth, Scarborough, YO11 3TU Monday to Friday between 09:00 – 17:00;
- Redcar Library, Kirkleatham St, Redcar, Cleveland TS10 1RT Mondays to Wednesdays and Fridays 09:00 to 18:00, Thursdays 09:00 to 17:00 and Saturdays 09:30 to 12:30; and
- Tuned In, Majuba Road, Redcar, TS10 5BJ Mondays to Fridays 08:30 to 20:00, Saturdays 08:30 to 18:00 and Sundays 08:30 to 16:00.

The documents relating to the Application will be on display at the above locations from 30 April 2015. They will be available for inspection until 8 June 2015. Copies of the plans, maps and documents can be provided in paper copy form at a cost of £1,000 or on DVD free of charge upon request by email to yorkpotash@nlpplanning.com or by post at York Potash Consultation Team, Nathaniel Litchfield & Partners, 14 Regent's Wharf, All Saints Street, London N1 9RL. Further details in relation to the project and the documents can be found on the Applicant's website www.yorkpotash.co.uk.

Representations on the Application should be made direct to the Planning Inspectorate. A representation giving notice of any interest in or objection to the Application must be made on an "Application to Register as an Interested Party (Relevant Representation) form" which can be completed online on the Planning Inspectorate website at http://infrastructure.planningportal.gov.uk/projects/north-east/york-potash-harbour-facilities-order/?ipcsection=overview or obtained from the Planning Inspectorate by telephoning 0303 444 5000.

Forms must be completed online or sent to The Planning Inspectorate, Major Applications and Plans, Temple Quay House, Bristol, BS1 6PN. The Planning Inspectorate project reference must be quoted in any correspondence; the reference number is TR030002. Any representation must be received by the Planning Inspectorate no later than 8 June 2015. Please note all representations will be made public.

POOMPUHAR SHIPPING CORPORATION LIMITED

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NOTICE INVITING GLOBAL TENDER FOR VI SPECIAL SURVEY/ DRYDOCKING REPAIR FOR OUR VESSEL M.V. TAMIL ANNA.

Tender No:H/TE/TADD/896/15-16

Sealed tenders are invited from technically competent ship repair yards in connection with VI Special Survey / dry docking & repairs of our ship M.V Tamil Anna between August 2015 & October 2015 at the shipyard within or outside India.

Last date for receipt of tenders	: 1500 hours on 29.05.2015
Tender opening time	: 1530 Hrs on 29.05.2015
Cost of tender document	: Rs.10,000/- or USD 170/-
EMD	: Rs.7,50,000/- or USD 12,750/-

Tenders are invited from reputed dock yard / shipyard having experience in dry docking and major repairs for similar capacity vessels. Related tender documents may be obtained at our office between 1100 hours and 1700 hours IST from 30.04.2015 to 28.05.2015 or the same may be downloaded from our wesite **www.tamilship.com** at free of cost.

For more details visit our website **www.tamilship.com**

DIPR/2133/TENDER/2015 **OFFICER ON SPECIAL DUTY (TECHNICAL)**