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UASC open to possible Hamburg Süd tie-up with Ocean Three

Move is too early now but it would make sense in a couple of years, says Lars Christiansen

OCEAN Three partner United Arab Shipping Co says it is too early to contemplate Hamburg Süd joining the trio's alliance at the moment, but it would be willing to explore the option in the near future, *writes Linton Nightingale.*

UASC chief trade officer Lars Christiansen admitted Hamburg Süd is interested in expanding on the east-west trades, yet with the Ocean Three alliance of UASC, CMA CGM and China Shipping still finding its feet, it is "much too early in the process".

"We have a good agreement with them on the Asia-Europe and the South American trades that works well for both of us, but for us it's too early to discuss and would make sense in a couple of years from now," he said.

Mr Christiansen was speaking at the naming ceremony of the 18,800 teu *Barzan*, the first of six such vessels being rolled out by UASC for use on the Asia-Europe trade, at Hyundai Samho Heavy industries' Mokpo ship yard in South Korea.

Uffe Østergaard, UASC chief commercial officer and responsible for heading up the company's tie-up with Hamburg Süd in South America, added that the German carrier joining Ocean Three would certainly be the next logical step, given its current co-operation with the existing partners and how it could be nigh on impossible to link up with the respective G6 and 2M alliances.

However, he agreed UASC would be open to discussions, just not right now.

UASC says it already has a good agreement with Hamburg Süd on the Asia-Europe and South American trades.

Fledgling steps

Last month, Hamburg Süd's executive board chairman Ottmar Gast told Containerisation International it would be interested in joining the alliance if its fledgling steps into the east-west trades as part of its global agreement with UASC, announced shortly after Ocean Three came to light, prove successful.

If so, Mr Gast said the German carrier would seek to become a tonnage provider and contribute 18,000 teu ships on the Asia-Europe leg of the global partnership.

In addition to its partnership with UASC on the transpacific and Asia-Europe trades, Hamburg Süd also collaborates with Ocean Three partner CMA CGM on a number of other routes.

Its most significant tie-up with Ocean Three, however, was announced last week, after it was confirmed it is teaming up with the trio on a new service connecting China with the US east coast via the Panama Canal, only adding to speculation that the carrier is on the cusp of joining the coalition.

The agreement will see the four lines deploy an initial 10 ships with a capacity of 4,200 teu, with China Shipping contributing half, CMA CGM a further three, and UASC and Hamburg Süd one a piece.

Even so, Hamburg Süd was adamant last week that as yet, no formal discussions

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about the possibility of it joining Ocean Three had taken place.

Yet with two of the three Ocean Three partners admitting they would be open to a fourth member joining the party — CMA CGM group vice-chairman Rodolphe Saadé said in March the French carrier could accept more partners — it now seems it is a more of a case of when, rather than if, Hamburg Süd will join the party.

When asked whether we could see such a move sooner rather than later, UASC's Mr Østergaard said although it is extremely unlikely, "never say never", as in this industry, things can move very fast, as we have seen in the past.

Late reefer revival buoys Laskaridis

Demand from Chinese fishing fleet and shiprepair business helps push privately-held Lavinia to 'record results'

Lavinia was helped by record 2014 results from its shiprepair and conversion facilities at Astican in the Canary Islands.

RESURGENT reefer earnings helped Lavinia Group, the diversified empire of Greece's Laskaridis shipping family, to a record year in 2014, management of the group has confirmed to Lloyd's List, *writes Nigel Lowry.*

The group has been diversifying in recent years, with a move into the dry bulk trades among the major investments, partly as a reaction to the waning demand for breakbulk reefers.

The Laskaridis-owned reefer fleet has shrunk to 30 vessels, from 60 just a decade ago, although the group's Hamburg-based Alpha Reefer Transport pool consists of 42 reefers.

Its reduction in capacity reflected an overall trend in the reefer business that has seen cargoes gobbled up by containerisation.

"Our plans were to have dropped out of reeferships altogether by 2017," said Athanasios Laskaridis, chief executive of Lavinia and Laskaridis Shipping Co.

"But we ended up buying six ships in the past six months — old but worthy [vessels] still able to provide service."

Three of the recent secondhand purchases came from Belgium's Seatrade and three from London-based Star Reefers.

"It's still a business that is dying," said Mr Laskaridis. "But there has been a revival in the market since the end of 2013 that is very welcome for the few players left in the business. Many have sold out and abandoned the sector."

Containerships have increased their share of reefer cargoes from about 40% two decades ago to close to 80% and the trend is forecast to continue.

As a result of declining market share, there has been virtually no new breakbulk reefers ordered for many years and the existing fleet is about 25 years old on average.

With the dwindling fleet and increasing trade, there has been "a gradual build-up" in demand for reefers, according to Mr Laskaridis.

"I think we are close to all-time highs now in terms of rates, with a much smaller fleet in operation than 10 years ago," he said.

Some trades are difficult or impossible to containerise, among them the transport of fish cargoes loaded on to reefers on the high seas from the international fishing fleets, a business on which Lavinia has concentrated heavily since it established itself in 1977.

The group provides fishing fleets with integrated logistics services vital for their operational ability, including not only transhipping the cargo, but also supplying them with fuel and other supplies.

Growth has come mainly from a quadrupling of the Chinese-owned fishing fleet active worldwide.

Large volumes of cargo

Lavinia, which opened a small office in Shanghai 17 years ago, has found itself handling unexpectedly large volumes of cargo, despite having planned for a scaling back of operations.

"Twenty years ago, there were no Chinese vessels operating in the squid fishing grounds off Argentina and the Falklands," Mr Laskaridis said. "Today, there are more than 200."

A Chinese presence in the reefer trades is an even more recent phenomenon.

He estimates it will be "several years" before Chinese companies can cover their own reefer transport needs, given the boom in their fishing fleet.

Meanwhile, limited availability of breakbulk reefers, which has boosted rates, is fast emerging as a problem.

It is believed that just one conventional reefer is currently on order, for delivery in mid-2015, and will be the first new delivery in the sector for about four years.

Lavinia has plans in its drawer for a series of "simple fish carriers fitted with derricks" of an in-house design but has struggled to reduce the building cost to below \$22m-\$24m per ship.

"That is not a small amount for a ship for which you can't build a 15-year forward business plan," said Mr Laskaridis.

"As long as we can service our contracts of affreightment with our in-house fleet and

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chartering from the market, we are hesitating to push the button to order ships."

The group has become a substantial player in the dry bulk sector in the past few years, creating a fleet of 35 bulkers ranging from ultramaxes up to newcastlemaxes.

Of these, 21 are already in the water, while four newcastlemaxes, four kamsarmaxes and six ultramaxes are scheduled for delivery in 2015 and 2016.

The bulker business produced a small loss last year, said Mr Laskaridis.

But in addition to soaring earnings from its reefers and high seas fuel supply, Lavinia was also helped by record 2014 results from its shiprepair and conversion facilities, Astican in the Canary Islands and Astander in Spain.

The next few weeks will see a further major development for the group with the inauguration of a new $110m bulk terminal in the port of Montevideo, Uruguay.

Lavinia is investing through its 51% stake in Uruguayan ship agency and bunker supply business Christophersen Group, together with Brazilian private equity fund Patria and the Promon Group.

The modern facility is aimed at growth in the export of grain and wood cargoes in years to come and is said to be the only berth that can fully load panamaxes in the River Plate.

Secretary-general hopefuls expected to attend key IMO environment meeting

Outgoing IMO secretary-general Koji Sekimizu at the previous Marine Environment Protection Committee session. *IMO*

MEPC needs to work hard to resolve issues of ballast water, CO2 monitoring and global fuel availability study

ALL six candidates competing to become the next secretary-general of the International Maritime Organization are expected to be in London next week, *writes Craig Eason.*

With the IMO council election due to take place in late June, the six hopefuls are likely to curtail their global campaign trail briefly to attend next week's Marine Environment Protection Committee meeting, which starts on May 11.

They may also be stopping over in London three weeks later, when the other major IMO committee, the Maritime Safety Committee, meets.

This year's MEPC is likely to be as tough as recent meetings, where delegates have been finding it difficult to get through all the agenda items in good time.

There are between 15 and 20 papers remaining from last autumn's meeting that still need to be addressed, let alone about 160 that have been submitted to various bodies for this latest MEPC.

There are three main agenda topics of which shipowners and other industry watchers need to be aware.

Ballast water

Ongoing problems remain with the ballast water convention. It has left legislators in a Catch-22. The convention is known to be flawed and in need of amendment, but it cannot be amended because it is not in force. Member states, however, remain reluctant to ratify it and bring it into force because of the flaws.

There is hope that there can be an agreement at MEPC to work on amendments to the convention, and if an agreement is made, these amendments can be kept in abeyance until the convention is in force.

This may make it easier for other states to ratify the convention. Having already agreed the changes to the convention, it could also save a year of further debate.

The convention will come into force a year after at least 30 IMO member states, representing at least 35% of the global fleet, have ratified it into national legislation.

Currently 44 states have ratified it, but their total fleet represents only 32.86% of the global fleet, meaning the convention will come into force a year after it is ratified by one or more states representing 2.14% of the world feet.

Discussion at MEPC is likely to be heated about what to do with shipowners that have been early adopters of ballast water treatment systems that may subsequently be found not to be working as they should.

Clearly owners have installed equipment, often at high cost, in good faith. This is likely to be a tough subject on which to agree, but it will possibly be made easier if MEPC participants can agree on changes to the guidelines on how equipment should be tested for type approval.

All equipment needs a type approval certificate ahead of being installed. The problem has been around the current guidelines not being robust enough and leaving shipowners uncertain of the systems they have purchased.

The US has now developed its own type approval process, and while it is more robust and likely to ease owners' quality fears, it also poses another level of

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concern, with two sets of rules with which they need to comply.

CO_2

The big looming argument in the CO_2 debating room concerns the recent rubber-stamping by the European parliament of its own regional scheme to monitor, report and verify the CO_2 emissions of each and every ship over 5,000 gt sailing to and from a European port, along with data on energy efficiency and cargo.

The European proposal is relatively similar to the intentions of the IMO to create a data collection process to help understand the CO_2 emissions from global shipping.

The controversy remains on what data should be collected and by whom. There is also concern by some of the shipowner lobby groups about what data should be made publicly available, if any.

The IMO has also not agreed if its CO_2 data collection proposal should be voluntary or mandatory. Clearly if it is voluntary and some owners, or even states, opt not to join, then it will not give a clear picture of global CO_2 output from shipping.

Europe has said it will happily bring its MRV system into a global system if the IMO can develop a suitably robust proposal, but in the corridors of the UN agency, there is growing concern that this may be difficult.

MEPC participants remain unsure why European politicians and diplomats have pushed through their own system and thus created additional diplomatic pressure, if they remain serious about finding a global equivalent.

The global fuel availability study aims to determine if the refineries, bunker suppliers and ports can make and deliver enough low-sulphur fuel.

The information that will likely be included in the IMO data collection system will include bunker delivery notes and, where available, a vessel's energy efficiency design index. The more controversial data revolves around the ship's speed and the amount of cargo carried.

If all this data is collected and made available, it will make a transparent vessel ranking system. This is desired by some states, but certainly not by shipowners, who could lose out commercially.

The elephant in the room is then what is done with the CO_2 data collected by regulators. The inevitable use is for some additional measure to reduce shipping's CO_2 emissions further.

Global fuel availability study

There is hope that committee members can agree next week to launch the fuel availability study that needs to be completed by 2018.

Currently around the world, and outside emission control areas, vessels can use fuels with a sulphur content of up to 3.5%.

The limit drops to 0.5% in 2020, which means a significant change in fuel supply. The IMO has a caveat that an availability study will allow the 2020 deadline to be postponed to 2025 if needed.

Some of the shipowner groups represented at the IMO have been unhappy that the global fuel availability study has not been brought forward to give owners time to make commercial decisions based on the study's finding.

The study aims to determine if the refineries, bunker suppliers and ports can make and deliver enough relevant fuel for the global cap of 0.5% sulphur in fuel.

It is a huge undertaking. The study will need to determine the capacity projections for the oil refineries around the world and how much fuel with less than 0.5% sulphur can be produced for shipowners to use. Likewise, the study will need an understanding of shipping's fuel requirements.

It will need to know how much of the relevant products are likely to be produced, their qualities, including flashpoint, and whether they can be distributed sufficiently.

One of the factors unlikely to be included, however, is fuel price.

The study will have to account for the use of other fuels, such as natural gas and including the development of a range of products that are being called hybrid fuels, being something similar to fuel oils but with very low sulphur content.

Once this has been determined, the IMO has to make a decision as to whether it meets the expected demand from global shipping. If it decides not, the IMO could vote to delay the global implementation until 2025, in the hope that the refinery capacity will improve, or that more ships will be using other fuel sources.

There is a thought within the IMO that if the decision is made to stick with the 2020 deadline, it could encourage new emission control areas to be declared.

The recent announcements from Hong Kong and Shenzhen have highlighted political appetite for sulphur restrictions in ports. There have been discussions in the past over other areas in the Mediterranean, in Japan such as Tokyo Bay, in Australia, and even the Gulf of Mexico. No proposals have been put forward to the IMO, however.

The shipping industry already has the knowledge that in 2020 a European rule will come into force making it mandatory for vessels in European territorial waters to use fuels with a sulphur content of 0.5% or less, regardless of the decision of the IMO once this study has been completed.

Yangzijiang mulls Rongsheng investment

But the underlying assets will have to be 'clean' of debt first, says chairman Ren Yuanlin

SINGAPORE-listed Yangzijiang Shipbuilding is mulling a possible investment in China Huarong Energy, previously China Rongsheng Heavy Industry, *writes Cichen Shen*.

The privately-owned company was reviewing a proposal, made by a group of bank creditors, including Bank of China and China Development Bank, to buy a stake in the shipbuilding and offshore engineering assets that Huarong is selling, YZJ's executive chairman Ren Yuanlin said on Thursday, according to a Bloomberg report.

However, Mr Ren said the company was still assessing to ensure the underlying assets are "clean" of debt before investing. It would make the decision by June, he added.

Huarong president Chen Qiang told Lloyd's List he was unaware of the situation.

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Huarong, at one time the largest Chinese privately-owned shipyard, has heavy debts due to unfavourable market conditions and poor management. The Hong Kong-listed company has decided to pursue a future as an energy company and dispose of its loss-making shipbuilding business.

China-based YZJ, one of the most profitable Chinese shipyards, has long been touted as a potential suitor. But last month, Huarong announced it had signed a memorandum of understanding with a unnamed party — a company with A shares listed in Shanghai or Shenzhen — to explore the sale.

The MoU, which expires at the end of June, has fuelled speculation that China CSSC Holdings, the Shanghai-listed flagship unit of China State Shipbuilding Corp, will be the final buyer.

As of end-2014, Huarong's total liabilities stood at Yuan27.9bn, of which Yuan20.5bn was in borrowings.

In comparison, cash and equivalents amounted to Yuan7.1bn at year-end, compared with Yuan14.2bn a year ago.

Euronav tankers unaffected by Yemen conflict so far

Country that sits on key shipping trades sees fighting grow worse

THE conflict in Yemen, a country positioned on key shipping routes in the Middle East, is not yet affecting the shipping activity of the world's largest publicly-listed crude tanker company Euronav, *writes Hal Brown*.

"We are not seeing disruptions to our routes by Yemen," said Euronav's chief executive Paddy Rodgers. His comments come as fighting in Yemen appears to be intensifying.

Three Saudi troops and dozens of rebels were killed as Saudi forces repelled a major attack from inside Yemen, the BBC reported late last week.

A Saudi-led coalition has conducted air strikes against rebels since late March in support of Yemen's exiled president.

Shipping industry commentators have said an escalation of the conflict could potentially lead to a closure of the Strait of Bab el-Mandep, a key shipping route.

In such a scenario, Middle Eastern very large crude carriers bound for Europe would be forced to sail around the Cape of Good Hope at the southern tip of Africa.

This would take longer, perhaps encouraging greater suezmax shipments to Europe from West Africa and the Black Sea.

Euronav's crude tankers may be unaffected thus far, but a shipping sector that has been affected is liquefied natural gas shipping. LNG carriers have been diverted away from Yemen's LNG plant, which closed two weeks ago amid security fears.

Fighting in Yemen, which sits on key shipping routes in the Middle East, appears to be intensifying. *© 2015 Hani Mohammed/AP*

Return of Iran

In other geopolitical issues, Euronav does not believe Iran's return to the global oil market will have an immediate impact on the tanker industry.

It will take time for the sanctions against Iran to unwind, so Iran's oil and vessels will only gradually return to the market.

It would be hard to upset the current bull market for tankers anyway, according to tanker experts.

Three robust factors are underpinning the tanker market: very limited fleet growth, increased demand for cheaper oil, and greater tonne-miles.

"The tanker cycle is evolving," said Mr Rodgers.

More tankersnews online

MISC reports 3% drop in net profits

Petroleum and LNG shipping show solid performance, but smaller operating fleet in chemical tankers weighs on results

http://www.lloydslist.com/ll/sector/tankers/article460929.ece

There is almost a shortage of suezmaxes

As long as demand for ships outweighs supply of ships, this market will stay rewarding for owners

SUEZMAX supply and demand is looking healthy, keeping the flame burning under a hot market for shipowners, *writes Hal Brown*.

Concordia Maritime, which owns one suezmax and has another two chartered-in under a 50/50 joint venture, has put some interesting figures on the supply and demand balance for these 1m barrel tankers. Demand for suezmaxes should rise by 3.5% this year, which includes both volumes and distances.

The supply of suezmaxes, though, should only rise by less than 1% this year.

Thus, there is "almost a shortage" of suezmaxes, enabling freight rates to stay firm, said Concordia's chief executive Kim Ullman this week.

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Demand should outweigh supply in 2016 and 2017 as well.

In 2016, he forecasts demand for suezmaxes rising by 3.5% and supply rising by about 3%, and for 2017, the forecast is the same at the moment. "We see very good hopes for the suezmax market in general," he said.

Hopefully, there won't be too many new vessels built in the coming years to upset those figures.

DHT Holdings offered words of encouragement on that front this week.

The co-chief executives Svein Moxnes Harfjeld and Trygve Munthe said quality shipyards in the Far East seem to be experiencing significant demand from other shipping sectors, particularly on the container side.

As a result, there is likely to be less yard space to build new crude tankers such as suezmaxes.

Euronav, which owns 22 suezmaxes and charters-in one, revealed its suezmax first-quarter earnings this week, showing how their earning power has strengthened.

Average spot earnings for its suezmaxes were $41,944 per day, up from $26,800 per day last year. Average time charter earnings for its suezmaxes were $41,593 per day, up from $27,350 per day last year.

"Demand for crude is real and growing," said Euronav chief executive Paddy Rodgers.

Today's average suezmax earnings of $37,283 per day on the Baltic Exchange suggest this is the case.

Exmar sees small LPG carriers struggle as large ones perform

Scrapping excess tonnage is the answer to improve freight market for smaller LPG carriers

EXMAR, the Belgian gas shipowner, reported a net result of $9.4m in the first quarter, down from $14.2m in last year's first quarter, its smaller pressurised gas carriers contributing slightly less earnings, *writes Hal Brown*.

Highlighting this, its 3,500 cu m pressurised liquefied petroleum gas carriers made average earnings of $5,734 per day in the quarter, down from $7,978 per day last year.

Earnings for the larger LPG carriers were up, though: $49,928 per day for its very large gas carriers, compared with $25,941 per day last year; and $27,339 per day for its midsize LPG carriers, compared with $25,948 per day last year.

Exmar said VLGC vessel utilisation remained generally very high during the first quarter.

Steady Indian LPG imports facing port congestion — as well as additional volumes out of the US Gulf, through a new LPG export terminal — supported VLGC employment.

Limited vessel availability west of the Suez Canal required vessels to ballast

Exmar said for the midsize segment, good conditions were mainly driven by longhaul LPG requirements out of the US Gulf.

from the east via the Cape of Good Hope, which further tightened the market, said Exmar.

Market sentiment for the second quarter remains strong, it said.

For the midsize segment, good conditions were mainly driven by longhaul LPG requirements out of the US Gulf, together with substantial LPG volumes being traded regionally throughout northwest Europe.

However, the picture is less rosy for the smaller pressurised LPG carriers.

The market east of the Suez Canal is struggling with a lack of employment prospects, said Exmar.

West of the Suez Canal has seen activity improving, but freight levels remain "on the weak side".

The company said increased scrapping is expected to benefit this segment and some encouragement can therefore be taken from four 3,000 cu m-5,000 cu m vessels already having been demolished during the first quarter.

Concern over smaller LPG carriers was echoed by Stealthgas chief executive Harry Vafias in early April. He predicted freight markets for small LPG carriers will stay weak this year, due to oversupply and demand worries, which will force owners to scrap more old tonnage amid tightening regulations.

He forecast that the monthly rate for 3,500 cu m pressurised vessels will fall to $175,000 in the second quarter from the end-March level of $182,500 and the fourth-quarter 2014 average of $198,269.

According to StealthGas, around 25% of the global fleet of 1,000 cu m-13,000 cu m LPG carriers are more than 25 years old, while 13% are aged between 21 and 25 years.

As for Exmar's liquefied natural gas carriers, it said all its LNG vessels fully contributed during the first quarter under their respective time charters.

It also said it is currently completing the construction of floating liquefaction and storage unit Caribbean FLNG.

Offshore division

In offshore, Exmar said the results of its offshore division have been negatively impacted by the significant slowdown of activities at Exmar Offshore in Houston, as a consequence of "aggressive steps taken by exploration and production companies to reduce cost due to falling oil prices".

Things are not expected to improve much for the offshore vessel industry any time soon.

"The future for the offshore sector remains uncertain," warned Wikborg Rein lawyers Finn Bjørnstad and Clare Calnan in a recent report.

"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.

Asia-north Europe carriers fail with latest price push

New all-time lows on Asia-north Europe trade, but Asia-Mediterranean carriers achieve partial success with May GRIs

BOX carriers operating on the Asia-north Europe trade failed yet again in their attempts to increase freight rates last week, as their latest round of general rate increases fell flat once more, *writes Linton Nightingale.*

Having failed with similar attempts in both March and April, it was not a case of third time lucky, as rates continued to decline — albeit marginally this week — by $6, or 1.7%, to $343 per teu, according to the latest Shanghai Containerised Freight Index.

Meanwhile, Drewry's Shanghai-to-Rotterdam rate assessment of the World Container Index slipped for a 13th consecutive week to a benchmark reading of $708 per feu, $16 down on last week.

Following yet another week of all-time lows on both indexes for the Asia-north Europe trade, the question now is when will rates improve?

According to Lars Christiansen, chief trade officer of UASC, which recommended GRIs for its customers of $1,300 per teu on May 1, the next price push is not expected until mid-May.

However, if the Dubai-based carrier is to announce its next round of GRIs effective in a fortnight's time, this would suggest inconsistencies in the market once more, given the fact that NYK Line proposed a GRI of $990 per teu earlier this week for June 1.

With a spate of GRIs expected in the coming week as carriers look to follow NYK's lead, it will be interesting to see whether there is more regularity this time round; otherwise we could find ourselves back at square one.

On the Asia-Mediterranean trade, meanwhile, carriers did manage to achieve some success with their May GRIs, as freight rates climbed to $684 on the latest SCFI, up $208 or 43.7%, over last week's spot market price.

Freight Investor Services broker Richard Ward said the deviation in rates across the European trade lanes highlights the differences in supply and demand between the two.

"This contrary development in rates highlights the difficulties carriers face in trying to prevent further rate erosion, particularly on the north Europe trade," he said.

The US trades

This tale of two trades was repeated on the US trades this week, where freight rates on the Asia-US east coast remained flat at $3,605 per feu, up 1.1% or $39, yet climbed significantly on routes from Asia to US west coast destinations to $1,783 per feu, representing a rise of 11.7%, or $187, over last week.

Mr Ward said what is also of note is how Alphaliner stated earlier this week that the US east coast is likely to come under further pressure with the introduction of six new strings, increasing capacity on the route by 24% compared to March levels.

"Alphaliner is expecting capacity to increase to around 125,000 teu per week from June, well above the expected weekly demand of 100,000 teu-110,000 teu per week," he said.

"As a result, further rate declines can be expected in the weeks and months to come."

There was, though, much better news on the Asia-South America (Santos) trade, where last week freight rates fell to their lowest ever level at $409 per teu.

However, carriers managed to push up rates by an impressive 144% to $996 per teu, representing its highest price since mid-January.

This week's SCFI Comprehensive Index, made up of a weighted average of all-in spot rates from 15 trade lanes from Shanghai, was up 58.56 points, or 8.3%, to 761.02 points.

MICHAEL GREY VIEWPOINT

Divided we stand

The realities of what Brandt warned us of so graphically in 1980 are now driving desperate people into taking risks on the Mediterranean

IT WAS the Brandt Report, back in 1980, which introduced us to the "North-South divide" and the growing inequality between those of us in the wealthy, industrialised world and those whose lot was a good deal less rosy, *writes Michael Grey.*

It was a piece of work that captured the public imagination, arguably in a far more striking fashion than the subsequent bleating of environmentalists warning us about the earth warming, cooling, changing or suffocating under a blanket of CO2.

The Brandt Report was seen to be a matter of considerable public concern; goodness, I remember going to a well-attended public meeting in a church hall in West London and, for a while, it really did occupy the headlines, despite the Cold War and the various "oil shocks" then reverberating around the world.

Put together by a committee of very experienced political operators, rather than academics or scientists, its messages were

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stark, suggesting that while the world was perfectly capable of supporting its population and demographic change, the division of spoils needed to be rather more evenly distributed.

But it was not leftist propaganda about soaking the rich; rather it encouraged industrial development in the disadvantaged countries, spreading opportunities and access for their goods and services in a way that would require something of a change in our attitudes to world trade.

It also carried in its pages something of a threat — or perhaps it was more of a warning — to the effect that if the "North" failed to address what the authors were pointing out in considerable detail, the deprived millions of the "South" were unlikely to stay immured in their poverty, but would turn up on our collective doorsteps.

It was a pretty stark message, but somehow, in the subsequent exciting events that saw the collapse of communism and the more strident tones of environmentalism, the rise of China and India, and the end of apartheid in South Africa, the Brandt Report was forgotten.

If the truth be known, we probably just learned to live with the realities of North-South inequality, just as we had learned to sleep at night during the Cold War. In comfortable Europe, we were probably more impressed with the need to maintain the Common Agricultural Policy than opening the doors to imports from the Third World. Concern only goes so far...

As the sheer horror of the migrant deaths in the Mediterranean rumbles across our pages, we perhaps ought to remind ourselves of the "push" factors that are driving desperate people into taking such risks. Today, 35 years after we were given this warning by serious and concerned people, few, if any of the concerns they identified in the developing world have been addressed.

It is going to need more than sticking plaster to damp down the waves of asylum seekers and refugees. ***© 2015 Alessandro Di Meo/ANSA via AP***

It might be argued that those issuing these warnings were political figures who were fading from public view, and ignored by their successors.

You might suggest that post-colonial guilt prevented a more robust approach to the corrupt, cruel and ineffective regimes that have continued so signally to fail their populations in so much of sub-Saharan Africa and elsewhere.

It might have been that we became introverted and obsessed with our own domestic problems, the aid budget merely becoming a vehicle to salve national consciences.

Now, of course, we are considering the realities of what Brandt warned us of so graphically and all we can think about is sticking plaster, from wild schemes to go after the people smugglers, to more naval patrols to take some of the weight from the Italians and Maltese and the merchant seafarers doing the heavy lifting and currently seeing sights for which they never went to sea.

Why would you not want to reach Europe, when you consider the Middle East and North Africa in turmoil, wars and terrorism piled on top of all the economic inequalities?

When push came to shove for Europeans facing bad economic times, or escaping the evils of the old Soviet empire, we could always take a £10 voyage to a better life in Australia or join the previous waves of folk who had settled North America.

It is the same "push" and the same "pull" factors, but just with different, but no less-deserving, people. We had letters from our relatives who had made these voyages before to tell us about the better life that was available on the other side of the sea.

Today, all the potential migrants have to do is to look at a television to ascertain what it is they are missing.

It is going to need more than sticking plaster to damp down the waves of asylum seekers and refugees, even if we can temporarily reduce the numbers of corpses in the Mediterranean.

It will require long-term economic solutions, the involvement of the whole world through the United Nations, to address the combined horrors caused by failed states, wars, terrorism and state-sponsored corruption.

It might also be worth dusting off Willy Brandt's old treatise to see what might be resurrected in more urgent times.

rjmgrey@dircon.co.uk

Lloyd's List

Editor Richard Meade *+44 (0)20 7017 4636*

Deputy Editor Craig Eason *+46 858 766 232*

Digital Content Manager Helen Kelly *+44 (0)20 7017 4651*

Digital Publishing Manager Nicola Good *+44 (0)20 7017 4840*

Editor-in-Chief, Containers Janet Porter *+44 (0)20 7017 4617*

Finance Editor David Osler *+44 (0)20 7017 4628*

Senior Markets Reporter Hal Brown *+44 (0)20 3377 3956*

Editor-in-Chief, Asia Tom Leander *+852 3757 9701*

Senior Reporter, Asia Max Tingyao Lin *+852 3757 9706*

Asia Reporter Cichen Shen

Markets Reporter, Dry Bulk David Sexton

Markets Reporter, Containers Linton Nightingale *+44 (0)20 7551 9964*

Correspondents
Australia Jim Wilson *+61 403 455 371*
jim.wilson@informa.com.au

Greece Nigel Lowry *+30 210 621 2340*
lowry@otenet.gr

Sweden/Baltic Craig Eason *+46 858 766 232*
craig.eason@informa.com

Shipping Movements *+44 (0)20 7017 5280*

Casualties *+44 (0)20 7017 5205*

Subscriptions *+44 (0)20 3377 3792*

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Editoral and commercial inquiries
Lloyd's List, Christchurch Court, 10-15 Newgate Street, London EC1A 7AZ
Tel: +44 (0)20 7017 5000

Fax: +44 (0)20 7017 4782
Email: editorial@lloydslist.com
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THE HIGH COURT
2015 NO. 100 COS
IN THE MATTER OF GLENDA INTERNATIONAL SHIPPING LIMITED AND IN THE MATTER OF THE COMPANIES ACTS 1963 TO 2013 AND IN THE MATTER OF A PROPOSED REDUCTION OF CAPITAL PURSUANT TO SECTION 72 OF THE COMPANIES ACT 1963

NOTICE is hereby given that a copy of the order of the High Court of Ireland dated 13 April 2015, and made pursuant to section 74 of the Companies Act 1963, confirming the cancellation and extinguishment of the amount of US$146,270,626 standing to the credit of the share premium account of Glenda International Shipping Limited (the "**Company**"), such that the reserves arising as a result of the said cancellation be treated as profits available for distribution as defined by section 45 of the Companies (Amendment) Act 1983, was delivered to and registered with the Registrar of Companies on 22 April 2015, together with a copy of the minute approved by the aforesaid order of the High Court of Ireland, pursuant to section 75 of the said Act.

Dated: 28 April 2015

Signed: MATHESON
Solicitors for the Company
70 Sir John Rogerson's Quay
Dublin 2
Ireland

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