Lloyd's List

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Leading maritime commerce since 1734

Heavier taxes on shipping linked to avoiding Grexit

Greek shipping supports remaining in the euro, but at an individual level owners' tolerance may be tested

HITTING the shipping industry for more tax revenues is part of Greece's €13bn ($14.5bn) package of austerity proposals that the country hopes will form the basis of a last-ditch agreement with creditors, paving the way for a new bailout and thereby avoiding a Grexit, *writes Nigel Lowry*.

Increasing tonnage taxes and phasing out special tax arrangements for shipping popped up two weeks ago in the last proposals floated by the troika of creditors — the European Central Bank, the European Commission and the International Monetary Fund — before Greek prime minister Alexis Tsipras called a referendum on the measures.

An increased retirement age, higher value added tax for hotels and restaurants, an end to tax breaks for islands and more privatisation are also among the hefty financial measures contained in the plan, which was adopted by the cabinet and sent to the creditors and the Eurogroup late on Thursday night.

The package requires the support of Greek MPs on

Continued on page 2

Syriza MPs applaud Greek prime minister Alexis Tsipras in Athens. *© 2015 Thanassis Stavrakis/AP*

Greek shortsea owners hit by bank closure

But country's ferries are operating normally, says trade association

THE impact of Greece's fortnight-old bank shutdown has fallen disproportionately on smaller shipowners, according to industry sources, *writes Nigel Lowry*.

Meanwhile, the country's ferry system appears to be holding up, with no cancelled departures that can be blamed on the crisis.

A number of owners of smaller, Mediterranean-trading cargo vessels of various types, who tend to be more dependent on ship finance from Greek banks, are emerging as the worst hit.

"We are squeezed," said Charalampos Simantonis, chairman of the Hellenic Shortsea Shipowners' Association.

The problem arises when the ship mortgage loan has been obtained from a Greek bank and invariably charter hire is assigned to an account in the same bank.

All Greek banks have been closed since June 29 as liquidity dried up and they are unlikely to open again

Continued on page 2

Continued from page 1

Friday, eurozone finance ministers on Saturday, and then an emergency summit of EU leaders on Sunday, and even then may still need ratifying by several other national parliaments if Greece is to avert national bankruptcy and a messy exit from the euro.

Greece's powerful shipping sector has so far escaped the worst of the effects of the country's economic meltdown, since it is largely independent of Greek trade, although it has been battling the international shipping slump that has last for about the same period.

At the same time, it calculates there has already been more than an eight-fold increase in the government's tax revenues from shipping, deriving from extending tonnage taxes for the first time to non-Greek flag vessels managed from Greece, an agreement with shipowners to voluntarily triple tonnage tax payments for four years to 2017, as well as an emergency solidarity tax applying to all sectors.

Greeks claim that they now pay more in tonnage taxes than counterparts in other European countries, most of which have adopted their own system of tonnage taxes, which guarantee dues from shipping regardless of whether years are profitable or loss-making.

Although many privately now see an increase in taxation as inevitable if Greece is to stayz in the eurozone, both the Union of Greek Shipowners and the Hellenic Chamber of Shipping have publicly expressed support for the country to stay in the euro.

Shipowners have repeatedly called for stability as the main criterion for maintaining Greece as the base for the world's largest shipowning community, and have hinted that they are ready to contribute more to the national economy in its most perilous hour.

At the same time, though, each individual company — there are estimated to be about 700 separate shipowning businesses counted as Greek — will have its own limits to what it is prepared to withstand before opting to relocate to a more competitive environment.

Such has been the drawn-out nature of the Greek crisis that all already have a plan B, facilitated by the hugely mobile, globalised and dollarised nature of the industry.

All maintain bank accounts and some even alternative operational bases outside of the country.

Multiple sources indicate that there has been a sharp increase in the approaches made to the authorities in such locations as Cyprus, Dubai, London and elsewhere for details of the requirements to establish offices in those centres.

Critics of austerity measures and their effects on the Greek economy, which has contracted by one-quarter in the last five years, will be dismayed by the new plan to hit both shipping and tourism, the twin pillars of the economy.

If there is a trend for Greek shipowners to establish operations overseas, the near-200,000 jobs provided by the sector will likely diminish, adding to the country's grim 27% unemployment rate.

Similar concern centres on the plans affecting tourism, which include raising VAT for many of Greece's islands as well as hiking VAT from 13% to 23% for passenger fares on the country's ferry services.

until a political and financial agreement between Athens and its troika of creditors — the European Central Bank, the European Commission and the International Monetary Fund.

"This is mainly affecting the smaller owners, the shortsea operators," Mr Simantonis told Lloyd's List. He said that he was "pessimistic" that the banks would be able to reopen in the very near future.

Greek banks have also funded oceangoing vessels, but there is likely to be less dependency among owners with larger fleets that are more likely to be majority-financed by international banks.

A study by Petrofin Bank Research this year found that, at end-2014, the five remaining Greek banks had a share of under 17% of the total bank lending portfolio of $64.1bn on the Greek-owned fleet.

"For people with loans with Greek banks they are blocked right now. I don't know how this will be solved but I think there will be flexibility if this situation continues much longer," said one senior Greek shipping banker.

The banker was "pretty sure that some [owners] will do it the indirect way and get charter hire sent to a foreign bank even though they will be violating the loan agreement to do that".

Speaking to Lloyd's List on condition of anonymity, he also said that, if banks did not find a way to accommodate such cases, it was conceivable that ultimately they could face liability suits from client owners.

Simantonis: "Pessimistic" that the banks will be able to reopen in the very near future.

One further area of potential chaos stemming from the banks' closure could be in the case of a commitment to pay a newbuilding delivery instalment. However, such cases are likely to be few after a period of relatively low new lending by Greek banks.

Petrofin calculated that at the end of last year Greek banks had about $440m in undrawn commitments to owners and that total is already likely to have diminished.

Ferry services

Meanwhile, Greece's ferry services, on which travel and supplying for its myriad of islands depend, have managed to continue running despite the bank shutdown.

The ferry lines have been hit by a fall in the number of Greek travellers, who are now forced to preserve sparse cash reserves, as well as by some cancellations by foreign tourists.

However, Michalis Sakellis, president of the Association of Greek Passenger Shipping Companies, said: "It is not the very good season we were expecting. It is not even a good season.

"But it is still the summer period and the ships will sail. We are collecting cash from fares."

According to Mr Sakellis, there is no shortage of marine fuel supplies that will impinge on the summer season. "We have been assured that there is enough for three months," he said. "Of course we are worried about the winter if this situation goes on."

According to market sources, lines are applying different policies towards credit for freight traffic. Some operators were still offering credit to road hauliers in the past week, but it is understood this could change in the near future as ferry operators seek more cash.

One apparent windfall that has helped liquidity for a couple of the big companies is an increased traffic in migrants travelling from northern Aegean islands, where they have been landing in record numbers this year.

"Many of them, particularly from Syria, have been paying for fares, even cabins, in cash," said Mr Sakellis.

He estimated about 1,000 migrants a day have been travelling on board the ferries to Piraeus in recent days.

Asia-Europe rate recovery proves short-lived

Freight rates to north Europe and the Mediterranean from Asia fall by more than 20%

Freight rate weekly

THE trend of rising freight rates on the Asia-north Europe trade appears once again to be short-lived, with prices on the spot market dropping sharply during the course of last week, *writes Linton Nightingale*.

After the largely successful general rate increases implemented by carriers for the start of the month, helping freight rates jump approximately 60% in the space of a fortnight, the Shanghai Containerised Freight Index at the end of last week showed that on the major east-west route they had slipped some 20.5% to $699 per teu.

On the Asia-Mediterranean trade, which also saw rates rally in recent weeks, the SCFI showed a spot market price of $737 per teu, down 21.7% compared to the week before.

However, the latest drop in rates should not come as too much of a surprise, as history shows that it is now customary to expect rate erosion to some degree in the weeks following the success of GRIs.

For Asia-Europe carriers the question now will be whether the move to cut capacity and add additional port calls to their schedules adopted by a number of lines — including most notably the decision by the Ocean Three alliance and similarly the G6 to withdraw capacity on the route — that triggered the recent rate recovery, will be enough to ensure that rates don't fall even further.

If they do, then carriers could once again be forced to look at new ways to keep utilisation levels high and ensure that there isn't a repeat of the record lows seen in the spot market in June.

Transpacific hit

Elsewhere, the transpacific trades also took a hit last week on the SCFI.

For services to the US west coast from Asian ports freight rates fell 9.9%, or $141, to $1,280 per feu, and likewise to the US east coast by 4.7%, or $139, to $2,812 per feu.

Drewry's Hong-Los Angeles spot rate index in the meantime remained flat at $1,418 per feu, prompting the UK-based analyst to state how the full realisation of the GRI announced by the member lines of the Transpacific Stabilization Agreement was farfetched when you consider the number of new services that hit the water over the past few months.

While this could lead to further volatility on the transpacific trade in the coming months and doubts over the success of the next planned GRI for the start of August, Drewry said that the peak season surcharge effective on July 15 could provide some relief for carriers, helping rates to increase slightly in the short term.

With rates on all the major east-west trades sliding last week and across pretty much all trades in and out of Shanghai listed on the SCFI, it is of little surprise that its Comprehensive Index fell last week by 10.7% to 666.02 points.

CI launches shipper sentiment survey

2015 poll to assess views on new alliances, larger ship sizes and volatile freight rates

The Containerisation International Annual Shipper Survey 2015 is online at: http://bit.ly/1gslrXa

CONTAINERISATION International has launched the 2015 edition of its annual Shipper Sentiment Survey, in an effort to gauge the mood of the industry, *writes James Baker*.

Each year, Containerisation International conducts a poll of shippers and forwarders to find out what are the main issues of the moment, whether it is new alliances, larger ship sizes, volatile freight rates, sufficient choice or some other matter.

At a time of massive disruption and upheaval in the container shipping industry, the relationship between ocean carriers and their customers is invariably fraught.

Both sides seem to regard each other with deep suspicion.

The survey gives participants and readers an opportunity to discover and discuss the real issues behind the news stories.

It is an opportunity to deliver both bouquets and brickbats.

Please take a few minutes to complete the short questionnaire. The answers will help the CI team gain a better understanding of current industry dynamics.

We also urge you to use the comment box to tell us about any other concerns or topics that you would like us to raise in a wider forum.

The survey results will be published in the October issue of CI.

Capes poised for a busy week

With iron ore on the cheap and typhoons in the Pacific tightening supply, could an uptick be in the wings?

THE sky is falling! China's stock market slid dramatically last week, before an 11th hour save due to government intervention. The drama following the historic Greek vote reached a fever pitch, *writes David Sexton*.

And yet, capesizes rumbled on, much as they have in previous weeks — and even showed hints of a possible recovery.

Baltic Indices readings of late have been down, with the South America-China C3 route falling to $12.40 per tonne late during last week after reaching $13.20 on June 25, while the Western Australia-China C5 route was $5.40 last Thursday, but down from $5.80 on June 24.

Bolivar-Rotterdam, C7, was at $6.80 per tonne compared with $7.30 on June 24, while South Africa-China, C15, was around $8 per tonne, down from $9 on June 25.

Any prospect of economic misery in the world's second largest economy cannot be taken lightly, but from the perspective of those in capesize shipping, there are also reasons for cautious optimism.

Indeed, it was these positive factors that many brokers were keen to emphasise during conversations with Lloyd's List.

For starters, some brokers argued that the overall exposure of the Chinese economy to its troubled stockmarket was actually fairly limited – chances are there will still be people with money keen to buy minerals.

Then the cost of iron ore plunged, the Chinese benchmark price dropping 11% last Wednesday night, opening on Thursday at $44.10 per tonne — a 25% drop since the start of July (the price later picked up but was still less than $50 per tonne).

Not much good if you are a miner, but probably good if you are in shipping as it makes seaborne ore an attractive purchase.

An Australian broker said the lower iron ore prices were already having an impact, with producers "rushing to sell" before commodity prices fell even further or "before miners start going bust".

Meanwhile, typhoons in the Pacific appeared set to make an impact, with the giant tropical storms limiting vessel supply and boosting rates.

News reports suggested Typhoon Linfa was already makinjg itself felt in the southern Chinese province of Guangdong while the stronger Typhoon Chan-Hom was expected to strike Fujian or Zhejiang province, according to Xinhua news agency.

Hardly good news if you live in these areas, but certainly offering a silver lining to the grey clouds if one happens to own a capesize ship.

When married with strong volumes out of South America, South Africa and Australia, it was enough to have several brokers feeling unashamedly bullish looking to this week ahead.

"We've seen BHP Billiton has had to plug some gaps [on the C5] for dates before July 20," a Singapore broker said.

"So we've got rates around $5.50 or $5.60 and then we're looking at more likely $5.30 around July 21, 22 and 23."

The broker also noted that the slow end to June and start to July were due in part to historical trends, with better business typically occurring in August and September.

The Baltic Capesize Index sat at 1279 last Thursday, down from 1428 on June 24 — don't be surprised if that rises in days to come.

Suezmax values hit $60m

Rising values present intriguing opportunities for owners to make money on ship sales

FIVE-year-old suezmax values rose to $60m in July, up from $59m in June and $49m in July 2014, edging closer to the 10-year average of $64m, opening up opportunities for owners to make money on ship sales, *writes Hal Brown*.

Ten-year-old suezmaxes are also seeing values rise, and are now valued at $42m, up from $40m in June and $33.5m last July, according to Clarksons data.

The latest asset rises have come as vessel earning power on the freight market has soared.

Daily earnings for Black Sea suezmaxes averaged $20,766 in the first six months of 2014. The first six months of this year saw daily earnings for those Black Sea suezmaxes average $50,360, according to Friday's Baltic Exchange data.

The Baltic Exchange started reporting earnings for West Africa to Europe voyages last November; since then, earnings have averaged a cool $47,840 per day.

Continued on page 5

Continued from page 4

Overall suezmax earnings are currently averaging $48,862 per day, according to ICAP Shipping. Minimal fleet growth this year should help sustain these robust earnings and rises in vessel values.

Tanker Investments chief executive William Hung has said values have risen above the 10-year average in previous freight market booms.

He is looking at selling his 10 suezmaxes to make a profit.

Other big suezmax owners include Dynacom Tankers, Frontline, Nordic American Tankers, Euronav, Sovcomflot, Tsakos Group, Gener8 Maritime, Princimar and Stena Bulk.

Princimar has put 10 of its 12 suezmaxes up for sale, but a sale has not yet been concluded.

Meanwhile, a quieter chartering week in West Africa has kept the Worldscale spot rate for suezmaxes plying their trade out of the region relatively flat.

Likewise, a lull in European cargo flows and ample vessel availability has flattened out the Black Sea-Mediterranean Sea rate, while chartering has been more active in the Middle East due to cargoes for suezmaxes coming out of Basrah, Iraq.

One of these Basrah cargoes was fixed to Alma Maritime-owned, 2011-built, 158,574 dwt *Suez Vasilis*, which was chartered by Petroineos to haul 140,000 tonnes of Basrah crude to Europe.

Petroineos chartered the suezmax at a rate of W55, which means it is paying Alma Maritime around $5,000 per day for the voyage.

The vessel will load cargo in Basrah on July 31, Friday's fixture data showed.

South Korean shipbuilding unions step up the pressure

Unions for several mid-tier yards are urging greater government involvement in funding, while DSME workers strike in protest against a delayed payment of ordinary wages

DSME failed to pay Won20bn ($17.6m) in ordinary wages by July 7. *Keith Homan/Shutterstock.com*

LABOUR union action involving shipbuilders in South Korea intensified last week, with metal workers' unions at three mid-size shipyards urging the government to take measures to protect jobs at the ailing yards and a strike by some workers at Daewoo Shipbuilding & Marine Engineering after DSME delayed payment of previously agreed-upon ordinary wages, *writes Tom Leander* .

Labour unions of Sungdong Shipping and Marine Engineering, ShinaSB and STX Offshore and Shipbuilding released a list of "requirements" for Korea's government to support mid-tier shipyards.

The recommendations included easier access to financing. It has become common for shipyards to struggle in financing newbuildings, even after contracts have been signed, as some banks have refused to issue refund guarantees.

The unions asked for a special insurance fund to be created through government investment and the formation of a financing team based in Busan, the shipbuilding centre, at the government-led Busan International Finance Centre.

Mid-tier shipyards' struggles with financing have been particularly acute this year. Sungdong Shipbuilding, for example, suffered a shortage of operating funds from May, and was seeking $385m in funding from creditors. The Export-Import Bank of Korea, which owns a majority share in the struggling yard, agreed to this plan, but other creditors, including Woori Bank, which holds a 20% share, declined.

During the same month, 60 of Sungdong's suppliers approached Korea's Ministry of Trade, Industry and Energy on behalf of the shipbuilder to support the emergency funding.

In the case of DSME, workers last week were responding to the management's failure to honour a commitment made earlier this year to pay Won20bn ($17.6m) in ordinary wages by July 7. Each worker is owed about Won3m.

DSME asked to delay the payment because of cashflow problems, management said.

However, the unions charged that the management was delaying to gain influence during current ongoing wage negotiations.

Marina Hadjipateras looks after the public relations and human resources at Dorian LPG.

Alex Hadjipateras is executive vice-president of business development at Dorian LPG.

Peter Hadjipateras is an analyst in the business development division at Dorian LPG.

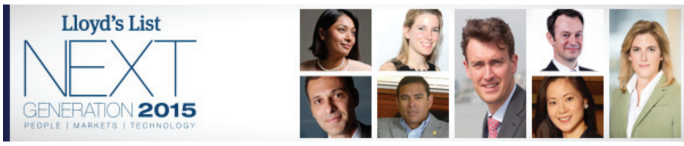
US — Hadjipateras family

Second generation making their mark at Dorian LPG

UNDER normal circumstances, Andy Murray's quarter-final match at Wimbledon would command all this reporter's attention, but Marina Hadjipateras is talking about Charlie and the Chocolate Factory.

Actually she's talking about Hyundai shipyard in South Korea, likening it to the Chocolate Factory, as Wimbledon plays on a giant screen in the background in the busy square outside Lloyd's List's office.

As part of her initiation into family-run Dorian LPG, Ms Hadjipateras, 32, was sent by her father, John, to live in South Korea to see the ships being built, and she regularly flies over there from her New York home to check progress on newbuildings or witness launching ceremonies.



Although the Hyundai yard reminds her of the Roald Dahl children's book, with its factory pipes and colour and bustle, she wouldn't mind visiting somewhere new for a ship launch.

"Perhaps we can get them built in Hawaii," she says with a wry smile.

New York-listed Dorian LPG came to prominence around two years ago, really taking off on the back of the shale boom in the US as by-product liquefied petroleum gas was produced in abundance, generating huge demand for very large gas carriers.

Having ordered seven eco-design VLGC newbuildings in 2013, Dorian then swiftly bought Scorpio's VLGC fleet, raised significant amounts of capital as investor interest rose, obtained a US listing, and now has a total fleet of around 22 VLGCs, including the newbuildings, making it one of the big players in the market.

John Hadjipateras is still very much the patriarch and makes the ultimate decisions, having started Dorian tanker company in 1973, but his offspring are coming up through the ranks in Dorian LPG.

Ms Hadjipateras looks after the public relations and human resources side of the business; brother Alex, 36, is executive vice-president of business development and younger brother Peter, 25, is an analyst in the business development division, but has worked on the ship since he was 16 and has only ever wanted to be in shipping.

All three attend board meetings and had to prove themselves by passing seamanship certificates, as well as living for a spell in Korea to be close to the vessels.

The inspiration for Ms Hadjipateras was her grandmother, who built the family business with her father and had a fierce business brain.

Ms Hadjipateras remembers the Bloomberg machine her grandmother would pore over in her bedroom, tracking maritime news and fluctuations in the market.

With environmental matters closest to her heart, there is much work to do, the flood of new regulations for shipping meaning that Ms Hadjipateras sees her future very much within the shipping industry.

"I get to do the fun stuff," she says, before heading off to visit Dorian's London office.

Germany — Alexander Oetker

Family name strongly associated with Hamburg Süd and containers, but Alexander Oetker is building his own empire

ALEXANDER Oetker has won much admiration from the older generation of German shipowners after starting AO Schiffahrt from scratch in 2003, while still in his twenties.

As you can probably guess from the name, Mr Oetker is a scion of the family that owns Oetker-Gruppe, a 19th-century provincial baking powder producer that eventually transformed into to a sizeable conglomerate.

The group is involved in everything from breweries and frozen pizza manufacture to extensive container and tramp shipping operations.

Shipping has been part of the mix for four generations, ever since Richard Kaselowsky, stepfather of Rudolf August Oetker, who was the grandson of the group founder, acquired shares in Hamburg Süd in the 1930s.

Alexander Oetker is said to have built up AO Schiffahrt without drawing on the resources of the Oetker group.

But Alexander's fans insist that AO is largely his own work. Henning Oldendorff, one of the world's biggest dry bulk owners, commented: "Alexander built up AO Schiffahrt essentially by himself, with some help from friends and family, but without drawing on the resources of the Oetker group.

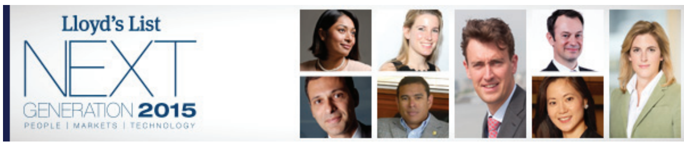
"He has a good feeling for timing his deals well, while maintaining a cautious investment strategy. We often compare notes about market opportunities, management questions and so on."

Alexander is described as a very modern entrepreneur who believes in partnerships and non-aggressive business dealings, and motivating his people by empowering them to take their own decisions.

His fleet of six modern vessels is still growing — the latest additions are the 61,300 dwt ecoship newbuildings *Ultra Daniela* and *Ultra Letizia*, named after his wife and his 10-year-old daughter respectively.

One has already been delivered ex-Imabari Shipyard and the other one is expected to arrive in November this year. Both have long-term time charter backing.

Mr Oetker is also a member of the supervisory board of Wilbur Ross' Navigator Holdings and he remains close to Oetker-Gruppe and its shipping entities, and has served on the board of Hutchison Port Holdings and shipbuilder Meyer Werft.



See Next Generation 2015 online at: http://www.lloydslist.com/ll/incoming/article462199.ece

The doctors' dilemma

Just as obesity has become almost endemic among people today, the shipping industry has inflicted corporate obesity on itself by failing to curb its constant desire for new ships

ARE you one of the "worried well", who I am told constitute a high proportion of the population in these turbulent times? Are you suffering from stress and sleeplessness, your mind filled with recurring images of all the horrors we read about in our newspapers, but about which we can do nothing? *writes Michael Grey*.

Maybe you need counselling. Perhaps you might benefit from a sea voyage. Or should you be prescribed a dose of Prozac?

The regular reports by our maritime family physicians Moore Stephens on the health of the shipping industry, as indicated by the confidence of its participants, are always revealing and eagerly anticipated throughout the sector. The latest, in which confidence was discovered to be at a seven-year low, has been closely scrutinised by all those looking to discover some reason for their corporate performance being so down in the dumps.

If people are feeling as ill as they were when the lights were going out in all those financial institutions, there clearly has not been much meaningful progress since then in the patients' health.

People, of course, always will feel worse when they don't know what is wrong with them, but the shipping industry has had years of expert and detailed diagnosis to identify its problems. In some respects shipping resembles the situation in public health, where obesity has become almost endemic and provides the route map for all sorts of other diseases which plague the grotesquely overweight.

In the case of the shipping

Continued on page 8

Continued from page 7

industry, its corporate obesity, technically termed "over-tonnage", is at the root of virtually everything else that is wrong with it. Just as with the case of the health of the general public, where fierce injunctions by medical practitioners, along with endless cookery programmes on television and a surfeit of dietary advice have failed to prevent the accretion of greed-fuelled blubber, there is the same sense of failure surrounding the maritime world.

"Shipowners are put on earth to own ships and you cannot curb their natural exuberance for ship ownership," said some well-informed seer (probably Dr Martin Stopford), when commenting on the phenomenon of industrial gluttony in an earlier surfeit of ships.

I don't know that this inevitability is entirely correct; it is a bit like saying because we all have digestive tracts we have to keep them functioning at maximum capacity every hour we are awake, lest we forget how to eat.

Of course maritime people are suffering from a confidence crisis. Having neglected the lessons of history, they have continued to build more and more ships, driven by the blandishments of available finance and shipyards desperate to sell them something. Now they have to try to make them earn their keep and they are understandably worried stiff.

But just as you don't actually need that second Maxi-Jumbo-Greedburger, with double portion of fries, nobody really needs more ships at present. Some sort of moratorium — think of it as an industry-sized gastric band — is surely indicated, along with a complete purge of the system (which suggests abstinence from ordering accompanied by greatly increased demolition).

Shipowners have built more and more ships, tempted by available finance and shipyards desperate to sell.

But there seems little appetite for fasting and not much indication that the message is being received. There are still orders being placed for enormous container ships, still speeches being made by industry leaders (as they take delivery of the latest monster) castigating their competitors for doing much the same thing.

Industrial-level indecisiveness

There is a sort of industrial-level indecisiveness about, as people scan the latest graphs showing Chinese industrial production, much as physicians scrutinise the patients' blood pressure and cholesterol for signs of positive movement. "Something will turn up" to increase tonne-miles and reactivate the trade arteries to accommodate the under-exercised fleets. Maybe we will all get well again, with the passage of time, if we just hunker down and wait.

And just as the clinically obese have changed from being authors of their own misfortune who jolly well deserve their sufferings, to become victims who now demand our sympathy, understanding and cash, so you will have noticed that those responsible for fleets of under-employed ships suggest that it is everyone's fault but their own.

"My investment in 10 20,000 teu containerships is a responsible use of financial resources, which is being prejudiced by the reckless over-ordering of others" sums up the rationale. Just as the fat point their pudgy fingers of blame at the "two for the price of one" offers at the supermarket, we have owners telling us that prices and credit are such that they cannot responsibly resist the bargains being waved under their noses.

Some callous and cynical person the other day was suggesting that we should not worry too much about the obese, as they will die earlier than the healthy and free the state from the burdens of looking after them. The analogy, I'm afraid, does not transfer across to the shipping industry, because if the reckless, rash, ignorant and imprudent go to the wall, their ships live on, long after their previous owners are, in financial terms, dead and buried.

None of which, of course is any comfort to those who, so lacking in confidence, pour out their problems to those excellent counsellors and physicians Drs Moore and Stephens. But all they can do is to repeat to their patients the facts of shipping life, which basically revolve around the virtue of abstinence as the only sure means of promoting value.

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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IN THE SUPREME COURT OF GIBRALTAR

Claim No. 2015 AJ No. 5

Admiralty Claim in rem against the Vessel known as M.V. "ASIAN PROSPERITY"

BETWEEN

Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale

Claimant

- and -

The Owners of the M.V. "ASIAN PROSPERITY"

Defendant

Notice is hereby given as follows:-

1. The vessel herein, namely "ASIAN PROSPERITY", has been sold by order of the 21st day of May 2015, of Mrs. Justice Prescott, Puisne Judge.
2. The gross proceeds of sale have been paid into Court.
3. The order of priority of the claims against the said proceeds will not be determined until after the expiration of the period of 60 days from today's date.
4. Any person with a claim against the ship, or the proceeds of sale thereof, on which he intends to proceed to judgment shall do so before the expiration of the period above described.

Dated the 10th day of July 2015.