02 Aug 2017 | **News** | Europe | Germany | Commerzbank

Shipping 'four times riskier than real estate', Commerzbank admits

by David Osler

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Lender expecting $200m-plus hit on industry loans

Commerzbank is disposing of shipping loans in a drive to withdraw from the industry altogether.

Source: Julia Schwager/Commerzbank

SHIPPING is over four times riskier for Commerzbank than commercial real estate, the next-scariest sector, and far ahead of any other area to which Germany's number two bank has exposure.

The figures are contained in the lender's interim report, which also shows that Commerzbank dumped €900m (about $1.1bn) of shipping loans in the first half of this year, as part of its long-term master plan to withdraw from the industry altogether.

Further disposals on more or less the same scale are on the cards before the end of the year, it also hinted.

Commerzbank to exit ship financing

By Patrick Hagen

UPDATED: Second largest German lender changes mind on shipping

Read the full article here

Commerzbank today unveiled net losses of €637m in the second quarter, a drastic deterioration on the €215m net profit in the corresponding period last year.

Group loan loss provisions hit €362m, with shipping singled out for special mention in requiring provisions of as much €211m.

Commerzbank was for many years the second-largest ship finance player, but five years ago took the decision to wind down its $26bn portfolio to zero. The book has now been shaved to under €4bn.

Exposure at default for shipping is estimated at €2bn, with an expected loss of €206m, leading to a risk density of 839 basis points, or 8.3%. That compares to a relatively healthy 197 bp for commercial real estate.

Everything else – from public finance in third slot at 55 bp, small and medium enterprises at 22 bp and equities and commodities at just 10 bp – looks safe as houses by comparison.

The bank's default portfolio grew by €200m between the end of last year and June 30, even though exposure to ship finance in the performing portfolio fell by €1.1bn on December 30, 2016, in line with strategy.

The Commerzbank portfolio largely comprises containerships (€1.4bn), tankers (€800m) and bulkers (€900m), with an unspecified further amount dedicated to various other segments.

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Visa U-Turn a boost to UK training academies

by Helen Kelly

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Home Office changes to Tier 4 immigration rules could help woo back international students

Bazley: Visa changes could mean 50 more cadets from 2018

CHANGES to UK Tier 4 immigration rules could mean a boost in international students completing cadet training courses.

The change in legislation permits overseas seafarers following Maritime and Coastguard Agency approved cadetship programmes to study in the UK on the nationally recognised three-year programme in order to obtain a UK OOW Certificate of Competency.

"Following the revision to government policy, in response to industry petitioning, Warsash Maritime Academy is now in discussion with a number of overseas shipping companies who see the benefits of training their sea-going personnel through the UK cadetship programme," Warsash Maritime Academy operations manager John Bazley told Lloyd's List.

UK maritime training investment yields almost 380% GDP return**By Anastassios Adamopoulos**Government urged to spend more amid rising tuition costs and trainee losses Read the full article here

It is expected that these initiatives will increase international student recruitment to cadetship programmes by up to 50 cadets a year at the academy, in deck and engineering disciplines, from January 2018, he said.
The 2015 amendments to the UK immigration regulations, brought in to curb alleged student visa fraud, previously restricted visas to two years. At the time, Warsash had warned the government that UK marine training institutes were unable to offer maritime cadetships to non-European Union overseas students.
In 2016 Warsash was forced to send home a group of Bruneians and Nigerians because the immigration office would not grant a three-year visa for courses that involve foundation degrees or higher national diplomas.
The Home Office confirmed that it had amended the Tier 4 immigration rules in April. Notification of those changes was received by Warsash Academy, and other UK Maritime trade bodies at the time.

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Second-quarter liner reliability improves but still lags 2016 levels

Performance of top-18 carriers improved 2.3 percentage points to 74.6%, quarter on quarter, but was down 10.4 percentage points, year on year

Wan Hai was the most reliable carrier in the second quarter of the year

Lines saw a marked improvement in schedule reliability during the second quarter of 2017, according to SeaIntel Maritime Analysis, although the performance of the world's top carriers remained significantly lower than during the same period last year.

The consultancy said the performance of the top-18 global carriers in the second quarter improved 2.3 percentage points to 74.6% from the 72.3% achieved in Q1 2017. In year-on-year terms, however, the score was down 10.4 percentage points from the 85.0% 'on-time' recorded in the second quarter of 2016, potentially providing support for the complaints by shippers that industry consolidation may be improving liner profits but is not benefitting customers in terms of service quality.

The SeaIntel analysis, however, did not mention the start of the new alliance schedules on 1 April, a transition that brought considerable disruption to container shipping in the last two quarters.

But the analysis did indicate that in the second quarter, 15 of the top-18 carriers saw a quarter-on-quarter improvement in their reliability scores, with only PIL, Yang Ming, and Hamburg Süd seeing their scores drop. Wan Hai was the most reliable top-18 carrier with a schedule reliability score of 79.7%; Hamburg Süd was second, scoring 78.6%, followed by MSC and Evergreen with 77.4% and 77.0%, respectively.

“The biggest year-on-year decreases in schedule reliability were recorded by PIL, MOL, and Yang Ming, with drops of 13.8, 13.6, and 12.2 percentage points respectively,” said SeaIntel, which based its findings on 38,995 distinct vessels arrivals.

In Asia-USWC schedule reliability improved significantly by 17.7 percentage points quarter-on-quarter, reaching 76.5% in the April through June period this year, but declined 7.1 percentage points compared to the 83.6% as seen in Q2 2016.

“Niche carriers Matson and Westwood Shipping, and Evergreen were the top performing carriers in 2017-Q2 with reliability scores of 100%, 87.9% and 84.2% respectively,” said SeaIntel.

“In Asia-USEC, on-time performance increased from 57.3% in Q1 2017 to 72.4% in Q2 2017, deteriorating significantly by 11.4 percentage points on a year-on-year level. In the trade lane, Maersk Line, MSC, and Hamburg Sud were the most reliable carriers, reaching 85.6%, 85.6% and 81%, respectively in Q2 2017.”

On-time performance in the Asia-North Europe trades reversed its downwards trajectory and improved 11.4 percentage points, quarter-on-quarter, to 75.1%, yet was still 6.8 percentage points below the level of last year. “The most reliable carriers were Evergreen, COSCO, and MSC reaching 82.2%, 82.2%, and 78.8% respectively,” said the analyst.

In Q2 2017, schedule reliability in Asia-Mediterranean increased to 72.1%, which corresponds to a quarter-on-quarter improvement of 11.6 percentage points, but a significant decline of 13.9 percentage points year-on-year. ZIM, ANL, and COSCO were the most reliable carriers, with reliability scores of 84%, 78.8% and 76%, respectively.

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Water channel cleared after vessel collision on Yangtze River

by Cichen Shen

Ships destined for the port of Taicang are still subject to restrictions

The key feeder port of Taicang: Vessels bound for the port and its anchorage still face restrictions on entry.

LOCAL maritime safety authorities have unblocked the water channel in the Yangtze River off Taicang city, where two ships collided on Monday evening, leaving one containership capsized and two seafarers missing.

Sailing restrictions on the affected water channel were lifted to all vessels, including hazardous chemical carriers, starting from 1000 hrs local time on Wednesday, Taicang Maritime Safety Administration said in a notice.

However, vessels bound for Taicang — a key feeder port around 60 km northwest of Shanghai — and its anchorage still face restrictions on entry.

The announcement comes after the collision between *New Sailing 2*, a 9,303 dwt general cargo carrier, and *Chong Lun J3010*, a 4,301 dwt feeder boxship, at 2230 hrs on July 31.

Chong Lun J3010, carrying 270 teu of containers from Chongqing to Shanghai, capsized with all 15 of its seafarers falling into the sea. Thirteen were rescued but two are still missing.

New Sailing 2, hauling 1,000 tonnes of wood from Japan to Taicang, sustained minor damage on the bow and called at the destination port safely.

No pollution was found in the accident area, and the cause of the collision was still being investigated, said TMSA.

Maritime safety authorities later blocked the affected waters due to salvage operations.

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Lloyd Fonds signs former Commerzbank shipping star

by David Osler

Klaus Pinter gets new role at Hamburg KG house

Klaus Pinter will have responsibility for all asset areas, focusing on shipping and real estate, and sales.

HIGH-profile former Commerzbank warehousing specialist Klaus Pinter has joined the board of Hamburg KG house Lloyd Fonds, while Torsten Teichert has been confirmed as chairman, with both contracts running until June 2019.

Mr Pinter was a key player in the first stage of Commerzbank's drive to wind down its shipping book, after the bank — once the world's second-largest lender to the industry — took the shock decision to quit ship finance altogether.

In 2013, he was appointed chief executive of Hanseatic Ship Asset Management, Commerzbank's internal warehousing platform, tasked with taking over defaulting vessels and trading them until such time as they could be profitably sold.

HSAM was sold to a joint venture between US private equity outfit Kohlberg Kravis Roberts and Christoph Toepfer interests in 2015, the same year Mr Pinter left Commerzbank. He is known to have acted as an agent for Lloyd Fonds since June 2016.

In his new role, Mr Pinter will have responsibility for all asset areas, focusing on shipping and real estate, and sales.

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01 Aug 2017 | **News** | Asia Pacific | Singapore | Bunkers

SSA's Poulsson rouses cross-industry effort over low sulphur fuel

by Abdul Hadhi

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Industry group pushes forward with BWMC exemption proposal for Singapore, Malaysia and Indonesia

Poulsson: The SSA is taking a page from the Baltic states in seeking BWMC exemption.

SINGAPORE Shipping Association president Esben Poulsson has called for a co-ordinated effort by the international maritime sector to address key concerns over availability of fuels and equipment, as well as pricing.

"We have made our concerns known, as have other associations. We are but one voice, and an issue of this magnitude requires a cross-industry effort, which is why we are also in close contact with the International Chamber of Shipping on this issue," he said.

The industry veteran — who is also chairman of Singapore-based commercial management and shipowning entity Enesel, and wears another hat as ICS chairman — noted that the "oil industry has always made clear: if the demand is there, so the supply will be there".

"And as the world's biggest bunkering port, I have no doubt we (Singapore) will be ready," he added.

The city launched the Maritime Singapore Green Initiative last year. This encourages Singapore-flagged ships to reduce carbon and sulphur emissions; ocean-going ships calling at the port to use approved abatement technology, or clean fuel or liquefied natural gas; supports infrastructural development for cleaner fuels; and provides co-funding of consultancy services for alternative fuel options.

Concerns, however, remain on the larger, global scale.

Low-sulphur pinch points

From 2020, all ocean-going ships will have to use fuel oil with a sulphur content of no more than 0.5%, which is down sharply from the current 3.5%. A limit of 0.1% is already in place in emission control areas around northern Europe, North America and parts of the Caribbean. Hong Kong, Shanghai and Shenzhen have restricted sulphur emissions to 0.5% for vessels at berth.

Due to the massive scale and global nature of the switch, oil refiners are likely to be hard-pressed to supply enough 0.5% sulphur fuel specifically produced for ships to satisfy demand in all regions — at least initially.

A recent survey by consulting firm KBC found that only 15% of the world's fuel oil refineries had a strategy in place to meet the sulphur cap. If the industry moves towards distillates because low-sulphur fuel oil is insufficient as expected, the International Bunkering Industry Association estimates additional distillate demand of 210m tonnes per year.

The fuel is likely to be available at hub ports, where many of the world's largest ships ply, but for vessels that call at distant ports away from major trade lanes, this could be a concern.

Uncertainty over pricing added another dimension, Mr Poulsson said. Initially the price of low sulphur fuel is expected to be higher due to the major investment required to produce it.

With the industry facing pricier fuel, Mr Poulsson ran through alternatives to meet the sulphur cap, which again comes with tough decisions.

He said that for owners with a fleet of 20 ships, at $5m per ship, installing scrubbers or exhaust gas cleaning systems was a major investment.

Despite some success in the cruise industry, only a few hundred ships are using the technology, with industry estimates suggesting around 460 ships fitted with scrubbers so far.

Some fleet operators do not believe scrubbers to be the answer because of the sludgy run of they produce, which needs to be disposed of.

While the price of installation may decline if the use of scrubbers does take off from 2020, it may be offset by the lack of available dry dock facilities to undertake the work. Yet another unknown is how widely available 3.5% sulphur fuel will be after the sulphur cap comes into effect.

The KBC survey also found that part of refiners' relatively slow progress in producing low sulphur fuels was down to uncertainty over the extent to which scrubbers would be installed.

Another option is liquefied natural gas, which produces less in the way of carbon emissions, in addition to being sulphur-free.

According to International Maritime Organization estimates, around 250 ships are being fitted with dual-fuel systems.

Wärtsilä expects around 1,000-2,000 vessels to be LNG dual-fuelled by 2020, but believes very few of these will be cargo ships.

Estimates vary over the fitting of LNG systems, but at the lower end of close to $10m per ship, the cost of retrofitting existing vessels could be costly.

This partly explains why the number of LNG-fuelled ships remains low. According to Poten & Partners estimates, there are just 112 LNG-fuelled ships currently, which is around 0.1% of the total world fleet. Another 87 are on order, equating to around 2% of the current orderbook as of the second quarter of 2017.

Another issue is that while emissions of nitrogen oxide and carbon dioxide are lower with LNG use, emissions of

carbon monoxide and total hydrocarbons are actually higher, and around 85% of such hydrocarbons were methane.
Methane has a global warming potential 84 times higher than carbon dioxide over a 20-year period.
But the so-called 'green alternative' is pushing some ports to prepare.
A Singapore-led effort to develop a network of LNG bunker-ready ports across east-west and transpacific trade has grown to 11 ports, and includes Yokohama, Ulsan, Ningbo, Rotterdam, Norway, Antwerp, Zeebrugge, Marseille, Vancouver and Jacksonville.
But while more ports are establishing LNG bunkering facilities, several areas worldwide still lack the infrastructure, and that has to be addressed by 2020 if its use is to become widespread.
The SSA also aims to form a marine fuels committee to prepare the city-state's bunkering sector for the 0.5% global sulphur cap and the use of LNG as a marine fuel. The city state is implementing an LNG bunkering pilot programme, which includes a S$12m ($9m) co-funding programme, waiving of port dues for five years and an additional concession of 10%.
LNG-fuelled harbour craft built under the Maritime and Port Authority of Singapore's co-funding programme are to be delivered in mid-2018, with the aim of providing a ship-to-ship supply model as early as 2020.
Yet another concern for the global sulphur cap is overall compliance, according to Mr Poulsson.
Enforcement could be a concern as "states control the water", he said, adding that implementation, especially ensuring uniform compliance in trades away from the major shipping lanes, could be complicated — more so if low sulphur fuels are in short supply and expensive.

Singapore takes a page from the Baltic on BWMC exemption

Another major issue facing the maritime sector is compliance with the Ballast Water Management Convention, which requires ships to be fitted with treatment systems to reduce the transfer of harmful aquatic organisms in ships' ballast water.
Originally due to come into effect in September this year, the industry got a reprieve with a two-year extension for some existing vessels, which makes the lobbying for an exemption somewhat less urgent, but no less important.
Retrofitting is expected to cost $1m-$5m per vessel, and the costly outlay for a ballast water treatment will add to shipping costs and could be a factor in restricting trade by limiting the number of ships available. Installation could also be time-consuming, requiring the ship to be docked for a number of days.
Mindful of both the costs as well as potential impact on trade in an emerging economic region such as Southeast Asia, the SSA — led by Mr Poulsson — is working with some neighbouring countries to seek exemption from BWMC, and efforts are ongoing.
The SSA is taking a lead from the Baltic states, Mr Poulsson said. The Danish Maritime Authority has lobbied for BWMC exemption for voyages, such as ferry crossings in some bodies of water where it is environmentally sound to replace ballast water without cleaning it, according to the so-called Same Risk Area concept.
This concept makes it possible for the authorities from different countries to grant exemptions from the use of ballast water management systems in limited sea areas if investigations and analyses can confirm that there is no risk of spreading invasive species.
An optimistic Mr Poulsson does not see any conflict between the broader global push for BWMC implementation and SSA's push for regional exemption.
Explaining the rationale, Mr Poulsson said that for the water around the countries involved — Singapore, Malaysia and Indonesia — "the ecology is the same".
SSA executive director Michael Phoon said that initiative was to have the three littoral states agree to exemptions for ships sailing exclusively within the waters of the Straits of Malacca and the Straits of Singapore, deemed Same Risk Areas.
Marine flora and fauna studies led by local universities and research laboratories have been submitted by Malaysia and Singapore.
"Now, it is up to the three littoral states to review the process and see how best to offer a balance of pragmatic agreement that balances both commercial and environment needs," Mr Phoon said.

A strong impetus comes from economics. Mr Poulsson noted the "considerable" amount of inter-Asia trade and added that it had increased over the years.

Trade in Asean totalled $543bn in 2015. Singapore's trade within the Asean region amounted to $182bn that year while Malaysia's trade was $109bn and Indonesia's was $143bn. Apart from the three countries, the other Asean members are Brunei, Cambodia, Laos, Myanmar, the Philippines, Thailand and Vietnam.

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02 Aug 2017 | **News** | Europe | Norway | Teekay firms

Teekay Shuttle Tankers bond issue raises $250m

by Anastassios Adamopoulos

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Teekay Offshore to repurchase $90m bonds from subsidiary

Teekay Shuttle Tankers' new bond has a 7.125% coupon and matures in August 2022.

NEW Teekay Offshore Partners subsidiary Teekay Shuttle Tankers has raised $250m from issuing a new five-year bond in the Norwegian bond market, as part of the company's change in ownership.

The newly-issued bond comes with a 7.125% coupon and matures in August 2022. It comes days after Toronto-based Brookfield Business Partners bought a majority stake in Teekay Offshore, catapulting the company's market capitalisation above $1bn and shaking up its structure.

Teekay Shuttle Tankers is a master limited partnership that was set up as part of the Brookfield deal. It owns its parent company's shuttle tanker fleet, which stands at 33 vessels, including three chartered-in vessels and three newbuilding orders.

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The new company's formation comes with a number of financial covenants, such as the shuttle tanker fleet being refinanced with a new $600m five-year debt facility.

As previously announced, the sale of the $250m bond means that Teekay Offshore will buy back NKr199m ($25.2m) of bonds maturing in November 2018 at 101% par value and NKr512m of bonds maturing in December 2018 at 101% par value. Once the money from the new bond comes in, Teekay Offshore will redeem all outstanding payments of the two older bonds at the premium rate at that time.

As part of Brookfield's majority stake acquisition, Brookfield agreed to invest $610m and to take on a $200m loan from Teekay to Teekay Offshore at discount to par. The company said it would be investing $750m on the whole deal.

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Yangzijiang offloads non core units for $14m

by Wei Zhe Tan

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Move to help the group focus on its key shipbuilding business

Disposals will not substantially impact group's earnings and net tangible assets for the current fiscal year

SINGAPORE-listed Yangzijiang Shipbuilding (Holdings) has continued with its strategy to dispose of non-core assets by selling a ship demolition unit as well as a vessel component unit for a total of Yuan94.5m ($14m).

The first transaction was carried out by the group's indirect subsidiary Jiangsu New Yangzi Shipbuilding which sold its 50% stake in a holding company Huayuan to a third party for Yuan93.5m

Huayuan has a paid up capital of Yuan300m and owns Jinjiang City Dunfeng Ship Dismantle Co which is in the business of vessel demolitions.

The deal took into account a valuation report issued by independent valuer Wuxi Youxin Assets Appraisal which pegged the net assets of Huayuan at Yuan187.0m as of May 23 this year.

In the second transaction, the group's subsidiary Jiangsu Zhongzhou Marine Equipment offloaded its entire 100% stake in Zhongzhou Vessel to group executive chairman Ren Yuanlin for Yuan1m.

Zhongzhou Vessel has a paid up capital of Yuan1m and provides services in building large vessel components. The unit was valued at Yuan1m.

"The above disposals will not have any significant impact on the earnings per share and net tangible assets per share of the YZJ's Group for the current financial year ending December 31, 2017," the group said in a statement.

The group is one of the relatively more successful privately-owned shipyards in China having weathered the prolonged industry slump through cost optimisation measures and seeking out more newbuilding orders.

In September 2016, the group's subsidiary disposed of its 20% stake in Jiangsu Hailan Marine Systems Technology, which deals with integrated marine electrical systems, for a consideration of Yuan29.5m.

In the second quarter of this year, the group secured six newbuilding orders worth $133m comprising three 1,800 teu newbuilding containerships, and three 82,000 dwt dry bulk vessels scheduled for delivery over 2018-2020.

In April this year, Mr Ren told Lloyd's List that the company was expecting better price offers from dry bulk owners amid higher freight rates and secondhand vessel values.

The same month also saw the largest non-state owned shipbuilder secure 13 newbuilding contracts worth a total of $318m in the first quarter of the year.

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STX France fate hangs in the balance

by Wei Zhe Tan

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In the interim period France will continue to view Fincantieri as the preferred operator for STX France

Bruno Le Maire, left, and Pier Carlo Padoan in Rome yesterday, to discuss a way for the deal to move forward.

Source: © 2017 Gregorio Borgia/AP

FRENCH and Italian officials are aiming to come up with a viable and mutually agreeable solution to the ownership of STX France by September 27.

France's newly appointed economy and finance minister Bruno Le Maire met his Italian counterpart Pier Carlo Padoan and Italy's minister for economic development Carlo Calenda on Tuesday, to discuss a way for the deal that Italian cruiseship builder Fincantieri inked with the previous French administration to move forward.

France's new president Emmanuel Macron and Mr Le Maire scrapped the previous agreement for Fincantieri to reportedly own a 48% stake, with privately owned Italian financial institution Fondazione CRTrieste having a 7% shareholding and French defence company DCNS a 12% stake.

The new administration chose to temporarily nationalise STX France as it sought to negotiate the increase of its 33% stake to 50% to protect national interests as well as to secure French jobs, a move which did not sit well with the Italian authorities.

"The Italian government deeply regrets this decision," the two sides said in a joint statement.

"However, the French and the Italian governments express their intent to overcome their differences on the balance in STX's capital structure."

To make its proposal more palatable to the other side, the French authorities have offered to include naval vessel contracts in the collaboration between both nations.

Both sides said in a joint statement that they intended to develop a more efficient and competitive European shipbuilding sector through a close partnership between nations in both the commercial and military markets.

"Bringing together the strengths of Fincantieri, STX France and the Naval Group would create a global European leader aiming at being the world's largest exporter in civil and military markets, with a significant activity in systems and services."

The French authorities agreed that in the time leading up to the next bilateral meeting, they would not offer STX France's ownership to any other party and would maintain Fincantieri as the preferred buyer and operator.

"The stake of Fincantieri in STX France shall be defined in line with its leading industrial role," said the statement.

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- Fincantieri inks initial pact with French authorities for STX France
- French authorities approve STX France sale to Fincantieri

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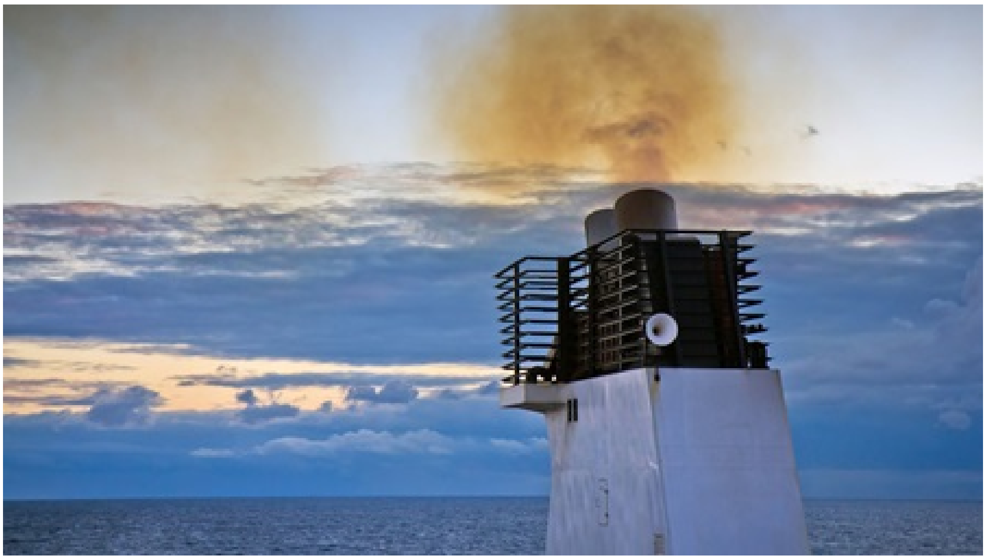
Scope 3 emissions benchmarking is changing sustainability in shipping

by Richard Clayton

RightShip's rating system has won recognition in the industry. Now what is emerging is that the most sustainable companies are also generally the safest and most productive



Greenhouse gas emissions benchmarking is no longer a side issue, with charterers factoring energy efficiency into their decisions.

Source: Alex Marakhovets/Shutterstock.com

THE journey to sustainable shipping has had many false starts. However, one initiative that has achieved recognition among both evangelists and sceptics alike is a simplified greenhouse gas emissions rating system developed by RightShip.

The company was formed in 2001 to improve dry bulk safety and quality standards, and draw on the ship vetting expertise of mining giants BHP Billiton and Rio Tinto, which were later joined by Cargill. These companies are major vessel charterers that needed to manage their own marine risk. For over 15 years, RightShip's focus on helping to avoid preventable safety incidents has grown to incorporate the reduction of carbon dioxide emissions by the world shipping fleet.

The basis for RightShip's emissions work was the Energy Efficiency Design Index. However, as strategic manager Wayne Blumenthal explained to Lloyd's List, "there are currently about 5,000 ships regulated by EEDI and about 70,000 existing ships not covered by the regulation. By 2020, just 15% of the fleet will be subject to EEDI."

RightShip's response was to develop a calculation based on the EEDI, which they called the Existing Vessel Design Index, a methodology reviewed by DNV GL. This enables emissions to be rated according to a grading system called the GHG Rating, which grades vessels from A to G, where A represents the most efficient vessels. Two-thirds of vessels fall into the C, D, and E ratings; very few vessels attained A rating and, thankfully, very few a G rating. The EVDI source data can be verified by owners/managers, and testament to its popular acceptance the GHG Rating now has verified for more than 10,000 ships.

GHG benchmarking is no longer a side issue. Mr Blumenthal claims 52 charterers now factor energy efficiency into their decisions, involving 2.4bn tonnes of cargo, 31,500 vessel movements, 24 shipowners and managers, four financial institutions, and three terminals. Among the users are blue chips such as Cargill, Rio Tinto, Unipec, Noble Chartering, ABN Amro and BHP Billiton.

Historically, companies have monitored just direct and indirect emissions from owned and controlled sources, which are

classed as Scope 1 and Scope 2 emissions respectively in the Greenhouse Gas Protocol corporate standard.
The next step — which utilises RightShip's GHG Rating — is to measure and monitor Scope 3 emissions, indirect emissions that occur in the value chain of the reporting company, both upstream and downstream. These can be classified as emissions from sources not directly controlled by the company, but related to its activity — such as shipping, business travel, and commuting. This corporate value chain standard helps to identify GHG reduction opportunities, track performance, and engage suppliers at a corporate, rather than at a product level.

Benchmark against other shippers

Abdes Karimi, head of Ocean Freight Operations at BHP, with a strong focus on sustainability in the freight industry, told Lloyd's List the company chartered 1,500 ships a year and had a mission to reduce its carbon footprint while running the safest fleet. "Until 2016, our Scope 3 emissions were estimated; we said that's no longer good enough," he said. "We need to understand our emissions, and benchmark against other shippers so we can control our emissions."
Mr Karimi confirmed BHP would not be chartering any F- or G-rated vessels from 2017.
"Shipowners are well aware of what we are doing: it's a partnership," he added. "We look at this from the ecosystem perspective [in that] our sustainability profile looks at safety, human rights, and environmental." What is emerging is that the most sustainable companies are also generally the safest; further, these companies are also the most productive. However, Mr Karimi is not in favour of ports offering incentives to ships that have lower emissions.
Karen Durand, corporate sustainability manager at Incitec Pivot, the Australian industrial chemicals company, agrees that sustainable ships are generally the most economic to operate. "Incitec didn't use any method to estimate emissions from shipping before. We do a lot of industrial dry bulk chemicals shipping, and we know some ships are not very efficient. We focused on economy as soon as [the rating system] was made available. In most circumstances economy of operations and environmental sustainability go together."
The company charters about 200 bulk carriers a year, plus some container capacity. Because there are fewer ships on the Australian coast, "we take the best ship available at the time. No F-rated ships have been used so far this year."
Ms Durand explained that the push for greater sustainability was not because Incitec's customers demand it. "Some contracts ask us to fill in eco-availability issues, although when we tender for mining business we receive requests for sustainability action."
It was harder for Incitec Pivot to reduce its emissions on the industrial chemicals side of the business, she added, so the push was to cut its Scope 3 emissions in other ways. "With RightShip, we cannot presently quantify the amount of greenhouse gas we have avoided, but we hope to be able to soon." Energy efficiency is a huge political issue in Australia, as the nation drives towards renewable sources.
Mr Blumenthal believes RightShip's GHG emissions rating system is experiencing an increasing uptake in shipping partly because it is so easy to interpret, and partly because there is a genuine desire among shipowners, managers, charterers, shippers, and shipping service providers to become more sustainable. It's a form of self-regulation that has not always been welcomed by a stressed industry.

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GLOBAL TENDER

NOTICE INVITING TENDER FOR TIME CHARTERING OF TWO SELF-TRIMMING SUPRAMAX GEARED BULK CARRIERS OF ABOUT 50000 TO 65000 DWT.

Sealed tenders are invited from the owners / disponent owners of Indian /Foreign flag vessels or through their authorized brokers for Spot/long term time chartering of two Self-trimming Supramax Geared Bulk carriers for coastal transportation of thermal coal, on account of TANGEDCO as per the details furnished below:

(A) TENDER NO.H/OP/SPXX/116/004/17-18 (3 months + 3 months chop +/- 10 d ch)

Lay days - 16.08.2017 to 31.08.2017 - one or more vessels

Last date for issue of Tender book	-		11.08.2017 upto 12:00 hours
Tender box to be closed at	-	on	11.08.2017 at 15:00 hours
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Lay days - 16.08.2017 to 31.08.2017 - one or more vessels

Last date for issue of Tender book	-		11.08.2017 upto 12:00 hours
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(B) TENDER NO.H/OP/SPXX/116/004/17-18 (3 months + 3 months chop +/- 10 d ch)

Lay days - 01.09.2017 to 15.09.2017 - one or more vessels

Last date for issue of Tender book	-		28.08.2017 upto 12:00 hours
Tender box to be closed at	-	on	28.08.2017 at 15:00 hours
Tender box to be opened at	-	on	28.08.2017 at 15:30 hours

AND/OR

TENDER NO.H/OP/LTXX/116/004/17-18 (9 months + 3 months chop +/- 1M ch)

Lay days - 01.09.2017 to 15.09.2017 - one or more vessels

Last date for issue of Tender book	-		28.08.2017 upto 12:00 hours
Tender box to be closed at	-	on	28.08.2017 at 15:00 hours
Tender box to be opened at	-	on	28.08.2017 at 16:00 hours

EMD	-	Rs.10 Lakhs - For Indian flag vessels
	-	USD 17,000 - For Foreign flag vessels
Cost of tender document	-	Rs. 5,000/- each (Indian Flag)
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