24 Aug 2017 | News | Asia Pacific | Japan | Containers

NYK aims to pilot robot boxship in 2019

by Wei Zhe Tan

@ShipShape2003 | WeiZhe.Tan@informa.com

Autonomous vessel to make a trip across the Pacific from Japan to North America

Containership will have a crew as a safety measure.

JAPAN'S NYK Line is looking to begin a pilot sailing of a remote-controlled boxship across the Pacific as it works toward fully autonomous vessels.

Hideyuki Ando, a senior general manager at the Monohakobi Technology Institute, said in an interview that the shipping line plans to maintain a crew on board as a safety contingency measure as the large containership sails from Japan to North America. The institute is a unit of Nippon Yusen and conducts research and development into safe vessel operation and energy saving.

The shipping line, which recently merged its boxship businesses with MOL and K Line, is joining the race to develop fully autonomous ships that can make crewless voyages, and so help the global shipping industry slash costs by $334bn. It also expects this technology will help increase safety by removing 'human error' from the equation which has contributed to many maritime casualties in the past.

In 2016 NYK signed partnerships with radar and communication equipment makers Furuno Electric, Japan Radio and Tokyo Keiko to explore collision avoidance technology in autonomous vessels.

In December last year, MOL established a Smart Shipping Office to offer more advanced vessel operation and ship management by combining its expertise with information communication technology.

The office will also work on the concept of "advanced support technologies for safer vessel operation" with the ultimate goal of autonomous sailing, MOL said, while K Line is also working on similar initiatives.

Despite its marine division''s losses widening in the first six months of 2017, engine maker Rolls-Royce is also ramping up its investments in research and development into autonomous vessels.

The company is among the most vocal advocates in the push for automation in the shipping industry.

It intensified these efforts during the first half of the year, moving towards the establishment of a land-based control centre in Finland by clinching external financing. It also set up a fleet management centre in Norway for remote optimisation of vessels and signed an agreement with Maersk-owned Svitzer to jointly test remote vessel manoeuvring.

Related Content

- Jeremy Nixon warns of risks to container shipping's fragile recovery
- NYK and K Line back in the black while MOL profits grow
- Jeremy Nixon picked as chief executive of new Japanese container line
- Japanese trio fail to establish liner shipping joint venture on July 1
- South Africa shoots down Japan's big box merger plan
- ONE set to become world's fifth-largest box carrier

24 Aug 2017 | **News** | Containers | Finance | Denmark

S&P mulls downgrade of AP Moller-Maersk credit ratings

by Inderpreet Walia

@w_inderpreet | Inderpreet.walia@informa.com

Ratings agency is looking for improved fundamentals to offset the loss of diversity after Maersk sold its oil divisions.

S&P will spend three months reviewing Maersk's creditworthiness.

STANDARD & Poor's global ratings agency has put the credit ratings of AP Moller-Maersk on watch for a potential downgrade after the sale of the group's oil and gas subsidiary to France-based Total for $7.45bn.

Earlier this week, Total agreed to buy Maersk Oil in a deal that would see the Maersk Group take 97.5m new shares from the French energy major, worth $4.95bn and equivalent to 3.75% of Total's enlarged share capital.

In addition, Total is assuming a short-term debt of $2.5bn from Maersk.

The agency said that it was placing the BBB rating on Maersk on CreditWatch negative and if it did not see sufficient deleveraging at Maersk, the rating would be lowered by one notch.

In a report, S&P said: "The CreditWatch reflects that we could lower the rating on Maersk if its credit metrics do not improve to levels that fully offset the loss of diversification."

Although the Danish shipping giant's disposal resulted in $2.8bn debt reduction and the receipt of $4.95bn of highly liquid shares which strengthen the credit metrics of Maersk, the disposal represents a reduction in Maersk's diversification, prompting a potential one-notch downgrade.

However, S&P said that Maersk's ability to maintain a BBB rating would depend upon the scale of the improvement in its credit metrics and management's commitment to use the proceeds from sale for debt repayment rather than

shareholder remuneration.
S&P added: "It is not clear at this stage whether potential deleveraging at Maersk could fully offset the loss of diversification benefits that we previously considered supportive of Maersk's creditworthiness."
The ratings agency plans to spend three months reviewing the creditworthiness of Maersk, and will seek clarity about how the company intends to spend the proceeds from the Maersk Oil sale.

Related Content

- **Maersk Tankers signs digital deal with CargoMetrics**
- **Maersk learns lessons from past sales of energy assets in down cycles**
- **Maersk sells oil division to Total for $7.45bn**
- **Maersk presses ahead with digitalisation plans after malware attack**

23 Aug 2017 | **News** | Europe | United Kingdom | Ports and Logis ...

Shipping bosses keep fingers crossed for UK PM meeting

by Janet Porter

@JanetPorter_LL | janet.porter@informa.com

Industry leaders confident Britain's shipping and maritime industries can thrive after Brexit

Downing Street: May be there? Maybe not.

Source: © 2017 Matt Dunham/AP

TOP shipowners and other maritime industry leaders are hoping to meet UK Prime Minister Theresa May during a visit to 10 Downing Street for a round-table discussion with government ministers at the start of London International Shipping Week.
Chairing the meeting will be UK Secretary of State for Transport Chris Grayling, but business chiefs hope the Prime Minister will also be there for some of the time to hear about the contribution of the country's maritime sector to the UK economy.
An update on the size of the entire industry, and the revenues it generates, will be published during LISW when the UK showcases its maritime services and expertise to the rest of the world.
But the delegation to 10 Downing Street is also expected to include shipowners from abroad who regard London as one of the world's leading maritime centres.

During the last LISW, in 2015, Mediterranean Shipping Co founder and chairman Gianluigi Aponte joined a top-level meeting with former prime minister David Cameron at a time when his cruise company was expanding in the UK and entering ships into the tonnage tax system.

Two years on the big story is Brexit, but Britain's maritime bosses say they are confident that the UK's plans to quit the European Union will not cause long-term harm to the sector.

The conversation during the meeting with Mr Grayling is likely to centre on the overall business environment and how to protect the country's very competitive and attractive business environment for shipping companies in order to ensure they remain based in the UK and continue to expand, according to LISW steering committee chairman and former Baltic Exchange chief executive Jeremy Penn.

Brexit will not be specifically on the agenda, said Mr Penn during a breakfast briefing ahead of LISW, which starts on September 11.

Nevertheless, Britain's shipping community will be pressing for a transition period of two or three years following Britain's formal departure from the EU, said UK Chamber of Shipping chief executive Guy Platten.

"If there is a hard border with customs checks at ports in the UK and on the Continent, that will lead to gridlock," he warned.

"It's really important that we have a transition deal leading towards longer-term customs arrangements."

However, both Mr Platten and Mr Penn said there had been no evidence that members of either the UK Chamber or the Baltic Exchange were leaving the UK because of the Brexit vote.

"The overall picture from the shipping industry perspective is its global strength," said Mr Penn. "The detail of EU membership is quite minor in terms of the UK's global position in shipping."

Related Content

- Post-Brexit Irish border must not shift to ports, UK Chamber warns
- Post-Brexit customs revolution must meet maritime needs or risk chaos, industry warns
- What makes a leading maritime city?

24 Aug 2017 | **Europe** | **London** | **United Kingdom**

London International Shipping Week will beat the rest, pledges Penn

by David Osler

@finance_LL | david.osler@informa.com

This year's event will be more focused on business, says former Baltic boss

Penn: LISW will be well ahead of anything that happens in other maritime weeks

LONDON International Shipping Week will be of a quality "well ahead of anything that happens in other maritime weeks", the former chief executive of the Baltic Exchange has promised.

Jeremy Penn was speaking at a briefing meeting ahead of LISW, which will take place in London from September 11-15.

The 2017 event is the third iteration of LISW, which was previously held in 2013 and 2015.

Mr Penn said that the experience of holding the past events had left the organisers very confident that this year will be a success.

There has been significant interest from the UK government, which is sending a number of ministers, and even cabinet-level politicians, to attend.

The most prominent confirmed political attendee so far is Liam Fox, the international trade secretary.

In addition, other governments are sending official delegations, who will be holding bilateral negotiations with the UK.

Important announcements are expected, said Mr Penn.

What differentiates LISW from gatherings such as Posidonia, Nor-Shipping and Singapore Maritime Week is that it will not be focused on exhibits or on socialising, but will instead concentrate on business.

It will not analyse the markets for the next six months or even two years, or the state of the orderbook or raw material supply. Instead, it will take a bigger picture approach, looking to the next three decades.

This London International Shipping Week, ***join Lloyd's List*** *and industry leaders, from fuel suppliers to financial institutions and legal practitioners, to discuss strategies needed to avoid risk pitfalls.*

Monday September 11, from 1400 hrs at 8 Northumberland Avenue.

Related Content

- British shipping sharply critical of EU

24 Aug 2017 | **News** | Europe | Norway | Tankers and Gas

Odfjell predicts challenging 2017 after second-quarter loss

by Max Tingyao Lin

@MaxL_lloydslist | tingyao.lin@informa.com

Chief executive Kristian Mørch sees challenging market conditions this year.

Mørch: We expect the second half of 2017 to be in line with the first half.

NORWEGIAN chemical tanker player Odfjell has forecast challenging market conditions for the rest of the year after sliding into a second-quarter loss.

The Oslo-listed company recorded a net loss of $5m on revenue of $238m in April-June, versus a net profit of $16m on revenue of $241m in the same period a year ago.

Chief executive Kristian Mørch said: “We are not satisfied reporting a net loss for the quarter.”

Weak chemical shipping markets have hit Odfjell’s bottom line, even as the company received $6m in cash in the second quarter for selling its 35% stake in the Exir Chemical Terminal in Iran.

In a quarterly report, the company said both chemical tanker and terminal markets would remain challenging this year, but it believed the current oversupply of tonnage in chemical tankers would be gradually absorbed by stronger tonne-mile demand.

“We expect the second half of 2017 to be in line with the first half,” Mr Mørch said.

As part of its strategy to divest from non-core terminals, Odfjell earlier announced it would seek potential buyers for its 50:50 joint venture with Oiltanking Singapore, with a total capacity of 377,000 cu m.

“We have received high interest from numerous potential buyers,” the quarterly report said, without elaborating.

The company has also continued its withdrawal from the liquefied petroleum gas shipping sector, with the final refund from cancellations of eight newbuilding tankers received in July.

Odfjell is the world’s fourth-largest chemical tanker owner, with a fleet of 10 vessels on order and 45 vessels on the water, according to Clarksons.

Related Content

- **Odfjell buys five vessels from Chemical Transportation Group**
- **Odfjell looks to tap markets to refinance bonds**
- **It was a very good price, Odfjell says of chemtanker purchase**

24 Aug 2017 | **News** | **Asia Pacific** | **Singapore** | **North America**

Tanker in collision with US warship starts discharge of fuel oil

by Max Tingyao Lin

@MaxL_lloydslist | tingyao.lin@informa.com

Owner Stealth Maritime says it will co-operate fully with all relevant authorities

Alnic MC has been cleared by the Singaporean authorities to discharge its cargo of 12,000 tonnes of fuel oil.

Source: Royal Malaysian Navy via AP

THE OIL tanker involved in a collision with a US warship earlier this week is discharging its cargo of 12,000 tonnes of fuel oil, having been cleared to do so by the Singaporean authorities, according to its owner Stealth Maritime.

Once the discharge is complete, the 2008-built, 50,695 dwt combined chemical and oil tanker *Alnic MC* will proceed to a Singaporean anchorage to undergo further assessment and repair, the Greek firm said in a statement. The crew will continue to operate and maintain the vessel during this process.

On Monday, the tanker was in a collision with the guided missile destroyer *USS John S McCain* at about 0630 hrs Japan Standard Time off Singapore, leaving 10 US sailors missing and five injured.

US Navy and Marines divers have recovered the remains of some of the 10 missing crew, according to an update from Pacific Fleet commander Admiral Scott Swift.

Search and rescue efforts are being led by Singapore, which is co-ordinating with the US, Indonesia, Malaysia and Australia, according to the Maritime & Port Authority of Singapore.

The US Navy's highest ranking officer has called for a fleet-wide safety review of training and seamanship in light of the collision, the second such incident over the past three months. In June, *USS Fitzgerald* collided with a boxship near Japan.

Stealth Maritime, owned by the Vafias family, said it would continue to co-operate fully with all of the relevant authorities in their investigations into the collision.

"We would like to express our deepest condolences to the families of the US Navy sailors who have been affected by this terrible tragedy," the statement said.

Related Content

- **Is the US Navy a hazard to Asian commercial shipping?**
- **US Navy orders fleet review after latest warship collision**
- **US warship collides with oil tanker near Singapore**

23 Aug 2017 | **News** | **Asia Pacific** | **Singapore** | **North America**

Keppel unit seals $400m deal to build LNG boxships for Pasha Hawaii

by Wei Zhe Tan

@ShipShape2003 | WeiZhe.Tan@informa.com

Dual-fueled LNG ships will be of the shipbuilder's proprietary design

Vessels will be built at Keppel AmFELS' yard in Texas

SINGAPORE-based Keppel Offshore & Marine has announced that a US subsidiary has finalised a deal to build two liquefied natural gas-powered boxships for Pasha Hawaii.

The contract, which is valued at more than $400m, was inked by Keppel AmFELS with the dual-fuelled LNG vessels to be built according to the shipbuilder's proprietary design at its shipyard in Brownsville, Texas.

Each vessel hull will be designed using computational fluid dynamics to be as streamlined as possible to save fuel and will operate fully on LNG upon entering service.

Pasha Group president and chief executive George W Pasha, IV, said: “This contract with Keppel allows Pasha Hawaii to continue to move forward in our commitment to providing the best resources possible for our customers and Hawaii’s shipping industry, while minimising our environmental footprint.

“We are proud supporters of the Jones Act and look forward to working with Keppel’s team of highly skilled shipbuilders.”

Keppel expects the first vessels to be delivered by the first quarter of 2020 and the second in the third quarter of that year.

Keppel previously stated that the agreement also provides an option for two further vessels of the same specifications.

Keppel AmFELS president Simon Lee, said: “We are pleased that Pasha has chosen us to build their first two LNG-fuelled containerships to our innovative design...Keppel AmFELS is ideally located and well-equipped to build a wide variety of vessels for the Jones Act market. We look forward to building these ships which will have a direct impact on American jobs at our shipyard and suppliers across the country.”

Amid the shipbuilding slump, Keppel O&M has been shifting its focus to more high-specification deals in the LNG space.

The group said it was looking to capitalise on increasing demand for LNG supply vessels to meet demand for small-scale LNG markets across Southeast Asia, the Caribbean and the Mediterranean, in regions not served by pipelines.

It is looking to play the role of co-owner and co-developer, and help to source funds to invest in floating infrastructure assets which can bring in long-term recurring income.

Last week, Golar LNG Partners said it had signed a deal with parent Golar LNG, units of Keppel Shipyard and global engineering, procurement, construction and consulting company Black and Veatch for a 50% combined stake in Golar Hilli, which owns floating gas liquefaction vessel Hilli Episeyo.

The purchase price is $658m, although after excluding net lease obligations of $468m-$480m under the vessel’s financing facility, it works out at a net purchase price of roughly $178m-$190m.

Hilli Episeyo is in the process of being converted by Keppel Shipyard Singapore from a Moss-type LNG carrier into an FLNG vessel via Black and Veatch’s liquefaction technology.

Related Content

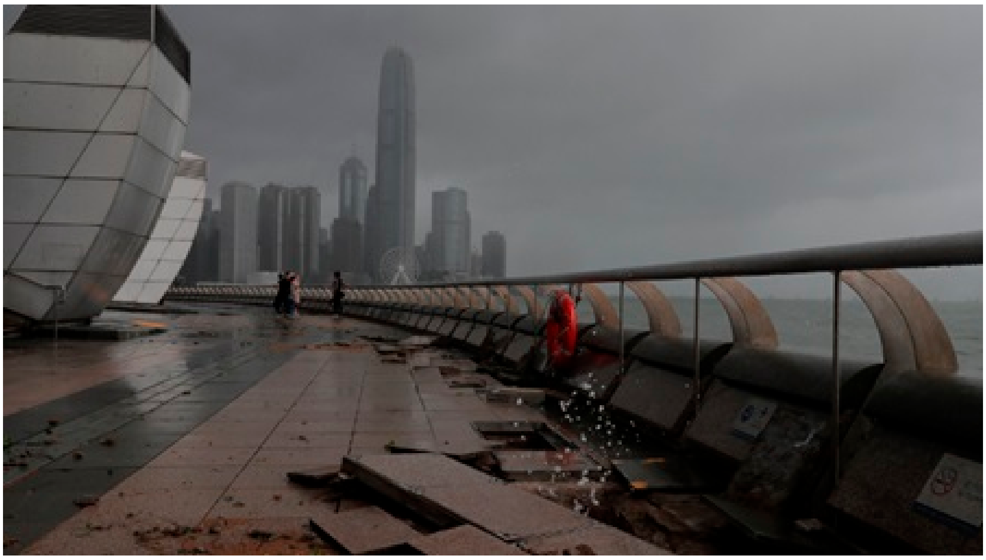
- Golar LNG Partners to buy FLNG stakes from parent, Keppel and Black and Veatch
- Keppel/Sembcorp merger would make them more competitive, DBS analysts say
- Keppel targets LNG sector
- Keppel sells Rotterdam shipyard to Damen for $26.8m
- Keppel secures $62m vessel conversion contracts
- Keppel to add $360m to orderbook this year, research house says

24 Aug 2017 | **News** | Asia Pacific | Casualty | Towage and Salvage

Typhoon Hato grounds six vessels near Hong Kong

by Cichen Shen

A total of 118 seafarers rescued



A tanker reportedly split in two after being hit by the typhoon.

Source: © 2017 Vincent Yu/AP

AT least six vessels were grounded in Hong Kong waters as Typhoon Hato battered the special administrative region of China, home to a major Asian port.

The ships comprised four tankers, one containership and one general cargo carrier, with a total of 118 seafarers on board, Nanhai Rescue Bureau of China's Ministry of Transport said in a statement.

The four tankers were:

• Taiwan flagged *Gem No.8*, a 3,382 dwt product/chemical tanker, built in 2007 and owned by CPC Corporation, Taiwan's state-owned petroleum, natural gas, and gasoline company, according to Lloyd's List Intelligence;

• Hong Kong-flagged *Rainbow Island 88*, a 19,822 dwt chemical and oil tanker, built in 2004 and owned by Patsloke Marine Private Ltd;

• China-flagged *Chang Hang Tan Suo*, a 45,709 dwt product tanker, built in 2006 and owned by CSC Nanjing Tanker;

• China-flagged *Kai Shun You 7*, a 4,405 dwt product tanker built in 2012.

The containership was the 1989-built, 736 teu *Hon Chun*, owned by Wan Hai Lines and Hong Kong-flagged. The remaining vessel was a China-flagged small general cargo carrier, *Xin Hua Tai*.

As of 1800 hrs local time on Wednesday, all 118 crew members on the affected vessels had been rescued, while

several other rescue operations were being undertaken, according to NRB.
Brokering sources said one tanker had reportedly split into two after being hit by the typhoon, but no further details were provided.
NRB did not respond to requests for comment.
The container port of Hong Kong, the world’s fifth-busiest, stopped receiving cargoes from 1500 hrs local time on Tuesday, as Hato approached, according to local freight forwarders.
Other disruptions included the stock market halting trade, business closures, flight cancellations and the suspension of public transport. The cost of the disruption is estimated by analysts at up to HK$8bn ($1bn).

Related Content

- **Four dead and 16 missing after bulker and support vessel collide**
- **Antwerp port authorities refloat grounded containership**
- **New Zealand court fines ship's master for breaching alcohol limit**
- **Who killed LOF?**
- **MayBulk affiliate refloats grounded vessel**

24 Aug 2017 | **News** |

Beijing's green policy dampens Tianjin port performance

by Cichen Shen

Ban on coal trucking takes the edge off gains from China's economic strength seen elsewhere

A BAN on trucking in coal at the port of Tianjin, as part of Beijing’s efforts to combat air pollution in Northern China, has taken a toll on this pivotal regional dry bulk harbour.
In a financial report published on Wednesday, main operator Tianjin Port Co said the company’s dry bulk throughput had declined and competitiveness waned, affected by government policies to improve the environment and a prohibition on hauling coal by diesel-fuelled trucks announced in April.

TPC did not reveal the proportion of its coal handling, but the volume accounted for more than 20% of the total throughput in Tianjin in 2016.
“In particular, the company’s move to switch the way of coal transport from trucking to railway has broken the

conventional way of operation and brought some negative impact on our bulk business," the Shanghai-listed company added.

For the first half of 2017, TPC has already seen its total cargo throughput down 8% to 170.8m tonnes, of which dry bulk handling dropped nearly 12% year on year to 134.7m tonnes.

Net profit fell 13.5% to Yuan561.9m ($84.4m), partly because of the decline in handling, said the company.

TPC did not reveal the proportion of its coal handling. But the volume accounted for more than 20% of the total throughput in Tianjin in 2016, while about half of the coal traffic at the port was transported by trucks, local media earlier reported.

TPC's revenue, however, rose 14.1% to Yuan6.8bn, thanks to the surge in sales from the company's trading business, including the sale of bunker and other vessel supplies, and a 2.1% increase in container handling to 3.6m teu.

By comparison, Rizhao Port Co, the main operator of another major dry bulk port in Eastern China, fared much better, on the back of an improved macro picture in the country as well as the rest of the world.

Between January and June, total throughput achieved by the company rose 9.3% year on year to 114m tonnes, of which 75.8% was dry bulk cargos.

The volume of metal ore rose 5.4% to almost 69.7m tonnes, while coal jumped 18.1% to 16.8m tonnes. The growth was mainly driven by ore imports and coal exports, which increased 9.8% and 28.4%, respectively.

Helped by the improved handling, net profit of the company stood at Yuan227.1m, up 41.6% from the year-ago period. Revenue climbed 8% to Yuan2.3bn.

Related Content

- Typhoon Hato grounds six vessels near Hong Kong
- Panamax index hits four-month high on grain demand
- Supramax earnings hit one-month high on healthy demand

24 Aug 2017 | **News** | Oldendorff | Dry Bulk | Casualty

Oldendorff bulker runs aground in Argentina

by Inderpreet Walia

@w_inderpreet | Inderpreet.walia@informa.com

The incident has partially obstructed navigation in the Parana River's main shipping channel

Johann Oldendorff did not sustain any damage as it had run aground on soft mud, according to LLI.

AN OLDENDORFF-owned supramax bulk carrier has run aground near the Parana River port of San Nicolas in Argentina according a shipping agency in Buenos Aires.

Johann Oldendorff ran aground on soft mud and therefore did not sustain any damage, according to Lloyd's List Intelligence.

The incident occurred at about 0240 hrs local time on Wednesday, during the Malta-flagged vessel's downriver voyage, en route to Bahia Blanca port, while drawing 10.48 m forward.

As a result of the incident, the vessel partially obstructed navigation in the Parana's main shipping channel, and navigation is also restricted in a secondary channel, the maritime agency said.

LLI's automatic identification system data shows the vessel is still aground, although no injuries or pollution have been reported.

Meanwhile, Oldendorff is reportedly arranging for tug assistance.

The 2014-built, 61,114 dwt *Johann Oldendorff* is classed by ClassNK and insured by the UK P&I Club.

Related Content

- **Four dead and 16 missing after bulker and support vessel collide**
- **Bulk carrier feels the heat in Gran Canaria**
- **Container chemical spill at Long Beach injures 12 dockworkers**
- **Collision on the Amazon leaves one dead**

***On the next pages*: Book your places at the Lloyd's List Business Briefing and our Global Awards gala night**

Lloyd's List

Business Briefing London

8 Northumberland Avenue
11 September 2017

Sponsored by
ExxonMobil

In association with
11-15 SEPTEMBER 2017
LONDON INTERNATIONAL SHIPPING WEEK

Have you registered?

Time is running out to secure your place at our invitation only Business Briefing 'Rising Risk & Receding Return – Protecting Profitability' followed by networking drinks reception.

REGISTER TODAY
info.lloydslist.com/LondonBB

Leading you through industry evolution

- We aim to prepare you with processes and skills to ensure robustness and preparedness.
- Join us to discuss instruments and strategies needed within today's businesses and organisations to avoid risk pitfalls.
- Get first hand knowledge of new technology, digitalisation and data growth which will give rise to ever more complex contracts and insurance requirements.
- Share discussion on what the industry can expect in the future and what instruments and strategies will be needed to remain on the front foot.

CONTACT US FOR MORE INFORMATION:

Nikki Handley
Nikki.Handley@informa.com
+44 (0) 20 7017 4751

Our panellists

Dr Johanna Hjalmarsson
Editor Informa's Shipping & Trade Law and i-law.com

Harry Theochari
Partner – Global Head of Transport, Norton Rose Fulbright

Joe Hughes
Chairman and CEO American Club

Iain White
Global Marketing Manager, ExxonMobil Marine Fuels and Lubricants

Henriette Brent-Petersen
Managing Director Global Head of Shipping Offshore Research DVB Bank

Dele Adewale
Senior Trade Services Officer Zenith Bank

Lloyd's List
Global Awards | 2017
Maritime intelligence | informa

BOOK YOUR TABLE

Will you be in the room when we announce the best of the Global Maritime industry?

Book your table now and join us on 27 September to celebrate the achievements made in the global maritime community over the last 12 months.

Be a part of the most prestigious maritime event in the UK calendar:

- Join in the conversation as we provide the most targeted networking opportunity in the shipping industry.
- Find out first hand who will be proclaimed the high flyers and rising stars of the maritime industry for 2017.
- Be front and centre in case your team are called up as a winner for our 2017 awards.

Visit our website to book your table:
lloydslistawards-global.com/book

CONTACT OUR TEAM

Raff Fernandes
Raffael.Fernandes@informa.com
+44 (0)20 337 73510

Sponsored by

The American Club · Bureau Veritas · ClassNK · CMPort 招商局港口 · DNV·GL · DP World · Hutchison Ports