



SHIPPINGNetwork

The official magazine of the Institute of Chartered Shipbrokers

Promoting professionalism in the shipping industry worldwide

Issue 55 December 2018

A picture of serenity

Maintaining calm when the pressure is on

*Launch of a Maritime Art
competition – see page 22*

Statistical anomalies | Preparing for black swans | Containerisation reaches maturity | Plastic not-so-fantastic



Written by professionals for professionals

Shipping has become more complex to the extent that the name shipbroker, which at one time was thought to apply only to those engaged in chartering dry cargo tramp ships, now embraces separate disciplines in tanker chartering, ship management, sale and purchase, port agency and liner trades.

As an independent international professional membership organisation, the Institute of Chartered Shipbrokers strives to promote a world class program of education and training to ensure that all its members are knowledgeable about their business. As a result, the Institute produces and publishes a comprehensive series of books on shipping business.

The Institute's sixteen books are unique in that they have been written by professionals for professionals in the shipping industry. They now undergo a regular review where they are peer reviewed, revised and updated by professionals in their particular discipline and peer reviewed again, so that an accurate revision can be achieved.

The books themselves will continue to be part of the TutorShip course, but our goal is to make them more widely available to the general shipping industry, which has long requested our books as general reference titles.

Members are entitled to a 50% discount on all of the Institute's publications.

To place an order, please complete a book order form and return it to us.
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**Members receive
a 50% discount
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**INSTITUTE OF
CHARTERED
SHIPBROKERS**

Determination, dedication and drive

Dr Parakrama Dissanayake expresses his pride at the success of this year's students



Dr Parakrama
Dissanayake

I completed my term as president of the Institute in October and was delighted to be able to attend the annual meeting and host the annual prize giving ceremony held at Trinity House in London that same month.

The annual prize giving ceremony is a wonderful occasion to celebrate the success achieved by the students through commitment, dedication and sheer hard work. I took great pleasure in addressing the prize winners, their families and friends and members of the Institute attending, acknowledging that it is not an easy journey to focus on studies and participate in lectures alongside busy work schedules. Their commitment is a reflection of their character and their desire to embrace change. We should show our gratitude towards their families, friends and employers for being behind them and providing the much needed inspiration. Moreover, we should be thankful for the support the Institute receives from its prize donors. Their commitment and encouragement towards the students is magnificent.

The training and knowledge that our students have gained through the Institute along with greater determination and commitment will take them to superior heights in the shipping industry. We look forward to them becoming Chartered Shipbrokers – the ultimate seal of a great profession. Also, in joining the Institute, they are entering a prestigious international network.

“You are here because you have received the highest mark worldwide in your qualification and subject. That takes hard work and a determination to succeed. You are all inspirational individuals.”
– UK Maritime Minister Nusrat Ghani

At the ceremony, I reminded the prize winners that receiving awards is a moment that they should be immensely proud of and I encouraged them to engage and enhance their interaction among industry professionals, to grow their knowledge and create industry awareness.

Joining me to congratulate the students at the event was the UK's Maritime Minister Nusrat Ghani. Mrs Ghani added her words of commendation to mine, saying: “You are here because you have received the highest mark worldwide in your qualification and subject. That takes hard work and a determination to succeed. You are all inspirational individuals.”

I was delighted to hear her praise for the international reach of the Institute and global coverage of the prize winners. “You



The prizegiving ceremony

work in a truly global industry, doing business every day with people from across the world and the international connections you forge through your careers will benefit the world as well as your employers,” she said. “For the maritime industry plays a crucial role in building global relationships by enabling trade between countries. That empowers nations to lift themselves out of poverty, provides job opportunities and strengthens political and economic ties.”

The Maritime Minister also complimented the Institute on opening up professional qualifications in shipping to all, no matter what their background. In conclusion, she addressed the prize winners directly, saying: “I hope that each and every one of you are all equally proud of your achievements. I look forward to seeing you become the next generation of maritime leaders.”

As well as acknowledging the support of families, friends and employers of students, I also want to highlight the very important work of the very special group of people who assist and support our 5,000 students across the globe each year. This is the army of examiners, assessors and tutors who devote their time to maintaining the educational foundation of this Institute.

As the ceremony drew to a close, I was honoured to pay tribute to one of the Institute's longest standing educationalists who passed away this year. Ted Renshaw's enthusiasm and professionalism inspired generations of Institute tutors, and in turn has helped thousands of students achieve their qualifications. Ted was an excellent mentor, and his professionalism remains a guiding star for us to continue to navigate by. He was also a past President of The Bristol Steamship Owners Association, who commissioned a decanter of Bristol Blue Glass, to present to those tutors and examiners who embody the spirit and ethos of Ted's unstinting enthusiasm and positivity. The inaugural recipient was John Watt – tutor and examiner, and hero to Port Agency and Port and Terminal Management students across the world.

Congratulations on all of your accomplishments. [SN](#)
Dr Parakrama Dissanayake, FICS, immediate past president of the Institute



Keeping a calm head

THOSE involved in the business of moving goods around the world have been nursing a near-permanent headache over the last few years. Battling protectionism, geopolitical turmoil, and catch-all uncertainty about what is just around the corner, it has become impossible to make medium, let alone long, term business decisions.

This issue of *Shipping Network* is designed to be a strong dose of paracetamol to treat those ails. Under the 'Keep calm' theme we have looked at the positives that are easy to overlook with everything else swirling around the sector.

For example, while it is often tagged as disruptive, technology has the power to be much more and does not need to be a negative evolution of the industry. In another feature we

look at the great plastic waste issue that has made headlines around the world. The problem is grotesque in its scale, but solutions are out there and there's more that shipping can do to combat plastic waste in our seas.

Meanwhile, while you can't foresee Black Swan events – which by their very nature are unexpected – you can be prepared for change and exceptions.

So, before you get dragged down by the maelstrom of negativity, bring to mind the motivational slogan of the British government in preparation for World War II: Keep calm and carry on... shipping. [SN](#)

Carly Fields, FICS

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'Port side vessels and cranes'
Courtesy of Claire MacLellan



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Statistically speaking, the numbers don't always add up

In a post-truth era, how do shipping's statistics, data, and news stand up? [Felicity Landon](#)



Felicity Landon

In 1954, Darrell Huff wrote a book entitled *How to Lie with Statistics*. Half a century later, in this post-truth world, is there anything – or anyone – that can be trusted in terms of data, statistics and information?

Unfortunately, says philosopher and author Anthony (A.C.) Grayling, the old adage that there are 'lies, damned lies and statistics' holds a great deal of truth. And that's a real issue as shipping companies become ever more data-driven, seeking to refine their operations and supercharge their results through a 'scientific' approach based on that data.



Topic: Data



Key words: statistics; interpretation; accuracy

Background info: Fake news and numbers coupled with a loss of analytical minds add up to a tranche of unreliable information

Which statistics can be relied upon? Which have been manipulated, or simply made up and retweeted to the point that they become accepted 'fact'?

"This is part of a very much wider problem about who to trust and what facts to trust and how do we make sense of it all – especially given that people with expertise are dressing things up to give the best possible spin, and some people are prepared to lie outright," says Professor Grayling.

In the case of statistics, even those who have expertise – and they are very few, he says – can be 'bamboozled' by how statistics are presented and how to contextualise them.

"Very few people know how to interpret statistics and even those who have acquired some knowledge really need to work out what the samples were, what the parameters were for the chosen sample and what kind of framework was used."

VALUING INDEPENDENCE

Prof Grayling would like to see an independent, authoritative national body staffed by highly specialised people who could evaluate any claim and analyse whether it really does stand up to scrutiny. Whether the laws covering fraud and deception are strong enough to deal with the flood of information, including half-information and deliberately misleading information, would be another matter.

More immediately, he says, all have to take responsibility. "Since we all know we are in this situation, we each have to try to brush up on our understanding of statistics and facts in general, be prepared to dig into things, and be careful of what we believe. We really need to sharpen up."

He refers to Daniel Kahneman's *Thinking, Fast and Slow*,



Professor Anthony Grayling says even statistical experts can be bamboozled by presentation

which investigated how people receive information. "The majority of people take at face value the first thing they hear. They are the fast thinkers – too hasty. The slow thinkers take time and ask can this really be right? But there are very few of them."

Campaigners, advertisers, spin doctors and others know they can say something misleading now and withdraw it later. "The first will be heard by many, but only a very few will hear the withdrawal. It happened in the (Brexit) referendum; certain camps or political parties putting out outrageous claims which were reported, and then taking them back. By that time, the damage was done.

"In the long run, shipping companies could save a great deal of money if they have the right kind of experts to do the right kind of evaluation and engagement – i.e. employ people who are good at really digging into the statistics and facts."

OTHER APPROACHES

Hong Kong University of Science & Technology professor of economics Carsten Holz has pointed out that in an authoritarian system, there is an incentive for statistics officials to publish data that will please the government; however, economic policy based on unreliable data can only be deficient and thus leads to outcomes that will not please that government.

Haven't statistics and data always been 'open to interpretation', in that they can be presented and dressed up

Stolt advocates determining a consensus

Like many others, Stolt Tankers is becoming much more data-driven, using key performance indicators to measure performance and make more informed decisions, says Thomas Johnsrud, Stolt Tankers senior project manager, planning and projects.

How does Stolt decide which external information can be trusted? Certainly, the number of reports available from third party brokers, consultancy firms and others can be overwhelming, says Mr Johnsrud.

"With freight rate information, we tend to put up charts and graphs of reported freight rates by various brokers out there, so that we can determine a consensus – for example, for 5,000 tonnes from Houston to Rotterdam. If we only looked at one source, perhaps we would not be too accurate. But if we look at several, we have a good feel for the market."

It's important to validate information received, he says, and in a sector dominated by contract of affreightments and which does not broadcast rates, inside knowledge is key. "Some parts of a report may refer to Stolt. The accuracy (or not) of that information gives us some comfort or lack of comfort on how good the data is going to be on anything else in that report."

"Some sources you start to have a greater comfort level with than others, based on their historical accuracy and their predictions – and we also do our own modelling."

Stolt is employing more people with business analytics skills, who can help to digest data, he adds. "This analytical capability, coupled with industry knowledge gained from longstanding experience in the chemical tanker market and our many seasoned employees, helps us get the most out of data."

Credit: Ianaré Sevi



The tanker company advises validating all data

Even 15 years ago, shipping companies were relying on fewer information sources, says Paolo Enoizi, managing director of Stolt Tankers – "and you were able to discriminate between them".

Some generic industry reports can be interesting as guidance and more detailed analysis can help with benchmarking, he says, but he has strong views on the increasing level of 'sponsored' content in many publications. "If you see an article which is sponsored content, you can't even call the magazine and say it's a bunch of lies," he says.

He recalls reading an article which made some apparently very 'factual' claims – Stolt followed it up by contacting the company the writer was referring to. "We checked; the company involved said it wasn't true. So in effect we did our own journalism job, as a defensive move so that we knew the facts. This was a clear example of where there is a lot of misinformation in many areas." **SN**

"People with expertise are dressing things up to give the best possible spin, and some people are prepared to lie outright,"
A.C. Grayling

in different ways to give a specific spin? And hasn't it always been the case that gathering of data/stats, sampling, and so on, can be less than reliable?

"Yes and yes – but these are two different things," says Prof Holz. "One is about data collection on agreed-upon and well-defined variables. The other is about presentation of the data. Regarding presentation of the data, 'interpretation' is the act of the analyst, not the data provider."

And we should stick to statistics that are compiled systematically over a longer period of time – these need to be coherent over time.

What, in general terms, would he trust? Prof Holz says: "In terms of variables, data that is collected by the reporting units for their own use (for example, sales revenues) are likely more reliable than derived data (for example, value-added, a variable that is not part of an enterprise's accounting system but involves the manipulation of numerous accounts of an enterprise), unless an enterprise has specific incentives to misreport. (Profit is a highly incentive-biased value.) The number of containers moved through a port is likely a more reliable number than the value moved through a port." **SN**



Carsten Holz points out that derived data is less reliable than collected data

Debunking black swan mysteries

Mark Williams explains how shipping can be better prepared for 'unpredictable' events



Mark
Williams

Nicholas Nassim Taleb's 2007 book *The Black Swan* introduced many of us to the notion of an unpredictable event that can have seismic consequences for individuals, nations or markets. The concept goes back to ancient times, black swans being a common metaphor for rare events in Ancient Rome.

The nature of unpredictability depends on one's perspective and on the available contextual information. What might be an unpredictable event for one observer may not be for another. For instance, a turkey may be surprised by Thanksgiving but the butcher is not. The tragedy for the turkey is that the bird doesn't even know that it doesn't know about Thanksgiving, so it cannot do anything about its predicament.



Topic: Outlook



Key words: information; planning; preparedness

Background info: Shipping companies have tools at their disposal to better react to unpredictable incidents

A lack of information, or the wrong information, can create black swans. In the build-up to the US invasion of Iraq in 2003, most citizens in the West didn't know that Iraq had no weapons of mass destruction, but they didn't know that they didn't know that, having memorably been told the opposite in Colin Powell's address to the UN Security Council in November 2002. The consequences still play out in the Middle East and globally today.

Faced with incomplete information in an unpredictable world, the best we can do as individuals, organisations and nations is to build resilience, that quality described by sports coaches as 'bounce-backability'. Our best tool for building up resilience to unpredictable events is therefore information, either quantitative data or qualitative knowledge.

FOLLOWING POLITICS

What sort of information can we use in shipping to build resilience? One sort would be an understanding of previous unpredicted events and how the industry coped with those. The most common variety of black swan shipping industry has encountered has tended to be geopolitical. The freight markets don't account for politics directly, but they do react to political change like all markets do. The consequences can be highly beneficial or disadvantageous, or indeed both.

At the end of 2001, China was admitted to the World Trade Organisation, the international club that sets the rules of trade between countries. Very few of us realised the forthcoming extent of China's urbanisation process, with 400 million individuals, a third



The term 'Black Swan' is used to denote an unpredictable event that can have seismic consequences

of China's population, migrating to cities. The demand for raw materials and energy to build those cities created boom conditions for shipping and made dozens of ship owners millionaires many times over.

What was more predictable was that the newly minted shipping magnates would speculatively build even more ships in anticipation of further rapid demand growth from China and other emerging markets. This could even have been seen as a rational decision by individual ship owners, though the emergent industry-wide decision to expand bulk carrier, tanker and container ship fleets rapidly became a form of mass delusion.

These great new fleets delivered just in time for the global financial crisis. Demand for ships collapsed and took several years to recover. Indeed, container ship demand growth has never since recovered the levels it enjoyed in the decade to 2008, and freight rates reflect this, averaging just over half in the ten years since 2008 what they did in the ten years previously.

WINNERS AS WELL AS LOSERS

Black swans aren't always bad news for shipping. The LNG shipping industry has greatly benefited from changes to US environmental policy. Back in the early 2000s, it was thought that the US was going to have to import increasing quantities of natural gas to meet energy demand. Energy companies found it very difficult to get environmental permits to build gas import terminals on the US coastline. Some observers blamed local opponents – NIMBYs (Not In My Back Yard) for this situation. In fact, opponents were merely taking advantage of government policy which could be described

as BANANAs (Build Absolutely Nothing Anywhere Near Anyone).

Then in the mid-2000s, shale oil and gas production in the US expanded massively. Natural gas prices collapsed as the US built up a huge surplus in gas inventories and new supply. The obvious solution to the surplus was to export it in order to support domestic prices. That made it economic to build export terminals, some of which were constructed on the site of on-hold import terminals. By 2015, 35 new LNG export terminals had been proposed in the US, with 22 approved by environmental regulators. The US is now primed to become a leading exporter of natural gas, unless Trump administration trade tariffs make the gas too expensive for overseas buyers.

The main geopolitical concern as 2018 turns into 2019 is the demise of the global trading system and its replacement by more bilateral and club deals. A parallel challenge to the global trading system is the combination of rising wages in Asia and rising automation in manufacturing. These undermine export competitiveness and encourage re-onshoring, shortening global supply chains. The clearest threat is to international container shipping demand, while rising trade tariffs may disrupt or reorganise trade routes for dry and wet bulk trades. If the 20 years to 2016 were characterised by globalisation, the coming decades may be characterised by deglobalisation.

TRADE DEAL OVERHAUL

Politically, re-onshoring and protectionism have been maxims of populists and nationalists, personified by US President Donald Trump. But the US is not alone in trying to renegotiate the kind of trade deals that have been of such benefit to shipping. Nor are Americans alone in being suspicious of the benefits of globalisation. According to an OECD study from 2017, 40% of OECD citizens consider globalisation as a threat rather than an opportunity, while only 26% think of it as an opportunity not a threat. In China and India, the OECD says, 60% and 52% of citizens believe that globalisation represents an opportunity.

Nominally communist China now promotes itself as the guardian of free trade contrary to nominally capitalist America which wants to undermine free trade. It's remarkably effective propaganda. As things stand, China is currently incapable of forcing globalisation onto the world. But it is not averse to changing the rules to suit itself and causing its trade partners to adapt. In November 2017, the Chinese government imposed regulations on steel production to reduce pollution in and around Beijing. At the same time, domestic iron ore production was reduced and iron ore imports became more focused on higher Fe content ore. Miners with access to higher quality product benefited while those with lower quality ores suffered. The overall trend of iron ore imports to China has increased slightly, but with selected beneficiaries. While a rising freight market for capesizes has made 2018 one of the best years of the decade so far for ship owners, the market remains

vulnerable to further amendments to Chinese industrial and environmental policies.

END OF A CYCLE?

The unpredictably wide scale of the global financial crisis and decade long years of austerity may now be coming to an end as the US economy leads global growth rates. If the economic and shipping cycles are on an upturn, then dry cargo freight markets are leading the way with container shipping and tankers lagging behind. The main reason for this is to do with the unplanned nature of shipping supply. The secret to resilience in the event that the global economy does not grow as expected lies as usual in the supply side response to demand. Too often in the past, short term improvements in freight markets have led to long term investment decisions, making downturns in the freight market deeper and longer than they could have been.

In 2007, buoyed by several profitable years and conscious of the looming 2010 phase out of single hulled tankers, oil tanker owners ordered over 700 new oil tankers from the shipyards of Asia, many at historically high prices. Most of these ships delivered in the midst of the global financial crisis. Tanker orders plummeted. When oil prices fell and oil demand increased in 2014, ship supply tightened and freight markets recovered. Another newbuilding splurge followed, with one VLCC delivering every week in 2017 and 2018. The result: tanker owners making operating losses again.

So, while we can't predict black swans for shipping in 2019, we can identify our weaknesses, learn to adapt, plan our investments in tonnage with a longer-term outlook, and become more resilient. Of course, if Planet X appears or virulent disease wipes us all out, then all bets are off. Barring such extreme events, we can only remember that to fail to plan is to plan for failure. **SN** Mark Williams is managing director at consultant and data science specialist Shipping Strategy, www.shippingstrategy.com.



Credit: Cheniere Energy

After construction of 20+ LNG export terminals, the US is now primed to become a leading exporter of natural gas

Container lines power through headwinds

Felicity Landon asks where next for box trades after a flurry of consolidation and alliance re-shuffles



Felicity Landon

Is this the time for optimism? The United Nations Conference on Trade and Development (UNCTAD), in its recently published Review of Maritime Transport 2018, pronounced that “seaborne trade expanded by a healthy 4% in 2017, the fastest growth in five years”, and projected an average annual growth rate in total volumes of 3.8% up to 2023.

Supply-demand improvements, namely in the container and dry bulk shipping segments, are expected to continue and freight rates may benefit accordingly, says the report. I am, of course,

Topic: Liner shipping

I Key words: supply-demand; mergers; outlook

Background info: Container ship operators are working hard to overturn years of downturn, with some success

picking out and summarising some headline findings. But before we get carried away, the report comes with plenty of warnings, too – the supply-side capacity management and deployment remain key, it says, warning that “overly optimistic carriers competing for market share may order excessive new capacity”, and there is plenty of room for uncertainty.

“On the demand side, the uncertainty arising from wide-ranging geopolitical, economic and trade policy risks, as well as some structural shifts, have a negative impact on maritime trade,” says the report. “Of immediate concern are inward-looking policies and rising protectionist sentiment that could undermine global economic growth, restrict trade flows and shift their patterns.”

Digitalisation, e-commerce, and the implementation of the Belt and Road Initiative also have major implications for shipping, it says.

“Overall, we are painting a positive picture,” says Jan Hoffmann, chief of the trade logistics branch at UNCTAD’s technology and logistics division. “Demand finally grew faster than supply. Profitability has come back to most shipping lines and the forecast is for seaborne trade to grow. So that is all relatively rosy. But this is still threatened by protectionism and trade wars.”

THE ‘BIG THREE’

Since the demise of Hanjin the market has, of course, seen a significant level of consolidation in the container shipping sector, through mergers, acquisitions and the formation of the ‘big three’ alliances. According to UNCTAD’s statistics, in January 2018 the top 15 container lines accounted for just over 70% of all container ship capacity. Six months later, the top ten controlled almost 70%, reflecting the completed operational integration of the latest mergers.



Since the demise of Hanjin there has been a significant level of consolidation in the container shipping sector

Simon Heaney, senior manager, container research at Drewry, says: “The last deepsea carrier to go was Hanjin. There have been no shockwaves since then but obviously a lot of reaction.”

As to the likelihood of ‘another Hanjin’, he says: “I don’t think the lines have completely eradicated the risk. If you look at their balance sheets, they are still carrying around a lot of debts. I think they have certainly tried to bring that to more manageable levels since 2016.”

“There were many more lines at risk, particularly during the global crash – some pretty major shipping lines were very, very close to going under. But they managed to stem their losses, and Hanjin acted as a wake-up call for a number of them. They realised it isn’t impossible and they need to focus on costs and secure profitable trades wherever possible. Their capacity management has got better and their pricing discipline has improved, although you still get an element of predatory pricing in the market.”

Part of that focus on costs has been the formation of the alliances, and lines are also less spend-happy in terms of newbuildings, he says. “I wouldn’t say the industry has recovered but they have made ground, and the M&As we have seen were probably the most obvious reaction.”

Carriers can’t do anything about demand, he emphasises, and it doesn’t matter what you do with alliances – you still have the same amount of ships that need to be deployed. “What alliances do is give carriers the opportunity to minimise capital expenditure. By pooling resources, they don’t have to have so many ships to still call at the same broad range of ports.”

ALLIANCE DOWNSIDES

There are disadvantages, however. Mr Heaney says that the more companies that are involved in an alliance, the more this could lengthen any decision-making process on where to call or whether to suspend a particular call or service.

Jan Hoffmann says that alliances have delivered better operational efficiency, and this can be measured. "A 10% better capacity utilisation of ships has been reported through alliances. Meaning, in a nutshell, that it makes overcapacity even worse – so you need fewer ships. That would mean the benefit is still with the shippers, because they can continue to put downward pressure on freight rates."

In a recent policy brief, UNCTAD says there is potential for more consolidation, "which raises the question as to the implications for market concentration levels, and whether the industry is becoming an oligopoly on certain routes".

Container lines that are not members of alliances will find it increasingly difficult to compete, says UNCTAD; some argue that they will be forced to join alliances with one of the major strategic players, while others say that some independent container lines will continue to operate in niche markets. However, "evidence suggests that smaller container lines operating in niche markets are already losing ground to mega alliances".

Shippers, meanwhile, want to spread their risk but this is difficult, given that the major east-west trades are 'pretty much locked down by the three alliances', says Simon Heaney.

"Ports are scrambling around to win calls. And for shippers, just because they have booked with carrier A, it doesn't mean they will have their container on carrier A's ship, because it could be on carrier B's ship. Some shippers do know about the alliances and lines in detail – and the interest in carriers' financial health peaks when something like Hanjin happens."

BANKRUPTCIES UNLIKELY

Overall, says Mr Heaney, the risk of another bankruptcy among the major container lines remains pretty low, despite the financial worries they have had. "That's partly because a lot of have government backing to one degree or another. It's a bit like banks – they are almost too big to fail. So there is a safety blanket that a lot of these shipping lines have. No matter how bad their P&L looks, and despite the metrics stating they might be close to bankruptcy, they are probably not."

Lessons have been learned, he says, and that has been illustrated as bunker prices have skyrocketed this year.

"Shipping lines are making a concerted effort to claw back more of those fuel costs. A lot of big shippers that do high volume will negotiate contracts that are quite sweet – they want to be subject to no fuel pricing so that they are not affected by price rises. Shipping lines are trying to change that and claw back the costs and that is something of a mindset change. They realise that if you go too long with losses, eventually there is a price to pay."



"Shipping lines are making a concerted effort to claw back more of those fuel costs,"
Simon Heaney, Drewry

Fuel is not about to get cheaper. Shipping lines are preparing for the costs of the IMO's 0.5% sulphur cap, coming into effect in 2020. On the plus side, if there is one, that might help reduce capacity.

"For the past year, we have seen virtually zero scrapping because of unexpected high demand, particularly in ports where you need the old panamax ships," says Mr Heaney. "Everyone thought these would no longer be in service – but the trades in which they can operate have been quite buoyant and this has given them a new lease of life."

"However, once we get to 2020, there is obviously likely to be a very big premium in terms of switching to low-sulphur fuel, and probably they won't be viable any more. If those ships are scrapped, it could change the whole supply/demand balance and the market might be a bit stronger."

"There is so much uncertainty. I still believe the market is due a recovery and profits probably are going to start improving, but it will be at a low, incremental pace." **SN**



Spiralling fuel costs have cost lines dearly

Plastic catastrophe in our oceans

Carly Fields reports on an initiative to clean up a Pacific garbage patch three times the size of France



Carly Fields

It's hard to avoid the widescale public backlash on the use of plastic, single-use or otherwise. Known as "the Attenborough effect" in the UK – after naturalist Sir David Attenborough brought the scale of the plastic disaster to the public's attention in his *Blue Planet II* series – plastic in any form is now regarded with disdain.

This affects shipping for one very important reason: the dumping ground for all the waste plastic is the oceans that each and every one of us relies on for our careers and our cargoes.



Topic: Waste



Key words: Pacific, clean-up, support

Background info: A project to clean up the Pacific Ocean needs support from all walks of the shipping industry

There are five offshore plastic accumulation zones in the planet's oceans, but by far the largest is the Great Pacific Garbage Patch (GPGP). Located halfway between Hawaii and California, the mass of waste spans an area calculated to be about three times the size of France, approximately 617,763 square miles. Analysis suggests that it contains some 1.8 trillion pieces of plastic weighing nearly 90,000 tons. The scale is shocking, and that's just one of five plastic garbage zones in our oceans. But there is one body leading the charge to clean up our collective mess.

The Ocean Cleanup is a non-profit organisation which has developed advanced technologies to rid the world's oceans of plastic. Dutch inventor Boyan Slat founded the organisation when he was 18 in his hometown of Delft, the Netherlands, in 2013. Now, The Ocean Cleanup boasts a team of more than 80 engineers, researchers, scientists and computational modelers working daily to clear the world's oceans of plastic.

After years of conducting reconnaissance expeditions, scale model tests and the deployment of prototypes in the North Sea, the assembly of the first full-scale clean-up system was deployed in the Great Pacific Garbage Patch in October. It is expected that the first shipment of debris collected by the system will be returned to land for recycling before the end of the year. *Shipping Network* spoke with the organisation to find out more about the scale of the problem and what the shipping industry can do to help clean up our oceans.

'TRAGEDY OF THE COMMONS'

A spokesperson referred to the ocean's plastic problem as a "perfect example of the tragedy of the commons". Since the piles are mostly located outside of national and coastal territories, no single party can be held responsible for causing or clearing away the plastic pollution that ends up there. Therefore, responsibility has fallen



to intergovernmental bodies or independent private initiatives to tackle the problem.

The Ocean Cleanup has already cemented good relationships with the Dutch and US governments, entering into an agreement with the Netherlands in June on the deployment of its clean-up systems on the high seas. The agreement deals with safety of navigation, protection of the marine environment, and the rights of other users of the high seas with respect to the clean-up systems. "Furthermore, the Dutch government provided funding for our first North Sea prototype in 2016, and helped us out with a test location in the North Sea," says the spokesperson.

BIMCO also supports the cause and acts as an ambassador for the project with its more than 2,000 members in over 120 countries. The Ocean Cleanup is also working closely with the US Coast Guard, who is in charge of the charting of the North Pacific and will inform local shipping traffic by means of regular notices to mariners about the presence of the clean-up system.

But there is always room for more supporters. Ship operators that plan voyages through a gyre – a large system of circulating ocean currents where the rubbish accumulates – can download The Ocean Cleanup's Visual Survey app to conduct visual surveys during the voyage. The app is available through Google Play and App Store. Also, now that the first clean-up system is in situ there will need to be monitoring of the system and all potential sea life around it for an extended period of time. Any operators of available research vessels are encouraged to contact The Ocean Cleanup to offer any availability.

MAERSK'S COMMITMENT

Maersk Supply Service is one shipping company that has already committed its support to the clean-up. It provided marine support to The Ocean Cleanup to install its first clean-up system in the North Pacific. The first offshore cleaning system was deployed on October 19 by the *Maersk Launcher* in the Great Pacific Garbage Patch, located 1,200 nautical miles off the coast of San Francisco. *Maersk*

Protecting shipping and the clean-up system

Despite the size of the Great Pacific Garbage Patch, vessels crossing through it are rare – on average there are less than five within its boundaries at any given time. This, combined with the relatively small size of the clean-up systems, mean that the chances of a vessel interacting with a system are minor. But however small, the risk of a ship running into the clean-up system remains so The Ocean Cleanup has opted for advanced safety measures and is continuously monitoring the health and whereabouts of its systems through on-board cameras and GPS trackers.

“We will be able to identify if the system drifts too close to the outer edges of the patch (where vessel traffic density can be higher), allowing us to manually correct the system’s trajectory by towing it back to the centre of the patch,” says a spokesperson. There are also five ways for vessels to spot the clean-up systems in the area: navigational warnings every five days; AIS transmission every three minutes; radar reflector; lights from lanterns; and visuals of systems. [SN](#) Learn more about The Ocean Cleanup technology here: <https://youtu.be/OIEAeNdTFHU>.

“Since the piles are mostly located outside of national and coastal territories, no single party can be held responsible for causing or clearing away the plastic pollution that ends up there”

Launcher is on charter to DeepGreen, who released it so that Maersk Supply Service could perform the operation for The Ocean Cleanup. The charter cost of providing the installation vessel for deployment of the first clean-up system is being shared between AP Moller-Maersk and DeepGreen. Maersk is also providing the containers that will be used for the return to land of the collected plastic.

The Ocean Cleanup also has an initiative to ‘Fund your own clean-up system’ where it welcomes corporate shipping companies to sponsor their own clean-up system in the future, collecting plastic themselves. “By sponsoring a system, you help speed up the full-scale clean-up,” says the spokesperson. The sponsor’s logo will be placed on the floater and the company can track its own system through its course in the gyre with The Ocean Cleanup’s app.

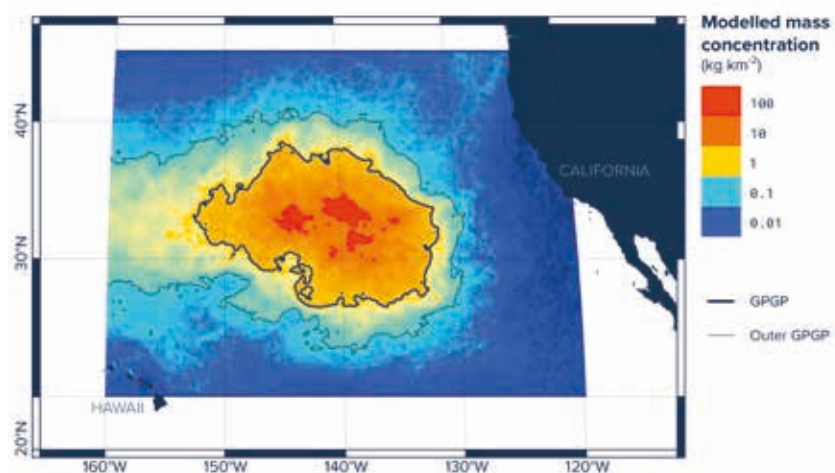
And other forms of support are welcome: “Besides monetary support, relevant knowledge and skills may be a very welcome addition to The Ocean Cleanup,” adds the spokesperson. “Our work requires not only scientific and technical expertise, but also assistance with legal, commercial and policy matters. Furthermore, you can help by sharing our story. Although the awareness for plastic pollution is growing rapidly, there are still many who are not aware.” Follow The Ocean Cleanup on Twitter, Instagram, LinkedIn, YouTube or Facebook for updates on its progress and share its content to spread the word. The spokesperson acknowledges that the project would never have been possible in the first place “without the internet, and the power of the crowd”.

For The Ocean Cleanup team, years of hard work, engineering trials and fund-raising have come to a head with the start-up of its System 001 in the Great Pacific Garbage Patch. Within five days of its deployment, Mr Slat tweeted that the first plastic had been captured and made some early notes: “It will still take a few weeks before real conclusions can be drawn, but some early observations: very small pieces seem to get caught too; no interactions with marine life observed; plastic occasionally leaves system again. Now analysing behaviour data to understand why.”

It has been a long journey to reach this stage and there is still some way to go before the seas are clean of

debris and better ways are found to dispose of the glut of plastic in the world, but without organisations such as The Ocean Cleanup we’d still be talking about the problem and not actually doing anything to address it. [SN](#)

To find out more and to offer support for the project go to <https://www.theoceancleanup.com/>.



The scale of the Great Pacific Garbage Patch in relation to the North American West Coast, shown on the right of the image

How digital bills are transforming trade

Electronic bills of lading are improving efficiency throughout the supply chain, explains [Simon Streat](#)



Simon
Streat

Right across the world, a digital revolution is making international trade safer, smarter and faster by digitising time-consuming paper-based manual processes.

Ports and customs authorities, banks and major corporates are all fast improving their efficiency by digitising workflows.

From Rotterdam to San Diego, port authorities are preparing to deploy superfast 5G wireless connectivity to leverage sensor and drone technology, big data analytics

obviating any requirement for a letter of indemnity as a result of the greater confidence of all parties involved.

eBILLS BENEFITS

These two companies have seen the value of integrating eB/Ls into their offering because eB/Ls substantially reduce the opportunities for fraud and the requirement for letters of indemnity, largely eliminating the all-too-familiar document-related delays to the unloading of cargoes once they have arrived at their destination.

The eB/L replicates the functions of a traditional paper bill of lading without any of its disadvantages. Firstly, it is a receipt from the carrier for the goods it describes. Secondly, it is evidence of the contract for carriage, bearing all the necessary details, while its third function is as a document of title, entitling the rightful holder to claim delivery of the goods.

Like its paper equivalent, the eB/L contains the specific data such as a description of the cargo, the ports of loading and discharge, the date of shipment and so forth, along with the terms and conditions of carriage.

The huge difference is that it is transferred between parties at the click of a mouse, using a digital platform employing encryption and which is fully backed with the rigour of English common law.

While the eB/L can be used to fulfil letters of credit and documentary collections, the in-built security means only the holder can use the eB/L for such a purpose. Most importantly the holder is the only party permitted to demand delivery of the cargo from the carrier.

REDUCING FRAUD

Reliance on paper bills of lading is one of the main avenues for fraud, given the relative ease with which these documents can be forged. For shipping lines, releasing the cargo into the wrong hands is a major potential risk, with severe financial consequences once the mistake is revealed.

An Australian court case last year concerning the export of sheepskins to China illustrated the point. In this case, a freight forwarder found itself accused of deceptive conduct over serving house bills that looked the same as the original negotiable bills.

As the carrier had also issued negotiable bills for the same shipment, two sets of documents of title were in play. When the shipper defaulted on a loan obtained on the basis of the house bills, the finance company could not take possession of the cargo as it already had been released using the original bills.

The potential for fraud with paper documents is well established. In 2015 the marine indemnity insurance provider

Topic: Digitalisation

1

Key words: electronic; trade; processing

Background info: There's no longer a valid excuse for using outdated and inefficient paper bills of lading

and cloud-based applications. Hong Kong and Shanghai are already committed to moving into totally digital operations, while Rotterdam, is integrating real-time data about weather, tides and berthing operations.

At the same time, the competitive pressures on everyone in global trade are mounting. Shipping lines are having to keep pace as major corporates expect to use digital interfaces in any transaction and to enjoy real-time visibility of all their shipments.

While they adapt to these challenges, shipping lines continue to face the problems of fraud and delays with paper documents. We have reached a tipping point where shipping lines need to tackle these pressures by introducing business-wide programmes of digitisation.

One area where there are potential gains in efficiency and fraud reduction is through the introduction of an electronic version of the bill of lading (eB/L).

The gains have become compelling for the world's largest container shipping lines, such as Evergreen and Wan Hai who have taken the lead in eB/L adoption. Evergreen has integrated eB/L technology into its ShipmentLink customer portal, making life much simpler and more efficient for customers, especially on shorter routes. The paperless environment allows reviews and alterations to be undertaken online and avoids the delays associated with traditional documents, meaning that goods can be released, and banks can release payment to shippers far more quickly.

Wan Hai, meanwhile, has executed its first eB/L on behalf of a Singapore-based subsidiary of a global chemicals and fibres producer, reducing the time to complete the transaction (a shipment from Taiwan to China) from days to hours, while

ITIC issued a warning to shipping intermediaries to check bills of lading and associated documentation after a Belgian shipping agent released six containers of castor oil valued at \$270,000 against a fraudulent bill of lading.

Carriers, of course, can cover themselves against such liabilities by obtaining letters of indemnity, but the process is time consuming, with documents exchanged physically by courier.

When we consider that a vast number of bills of lading may be required on a single vessel, and that each document may be amended during the course of the voyage, it is hardly surprising that opportunities for fraud arise. This is a real problem on shorter routes, where the vessel often arrives before the paper bill of lading and then has to sit in port until the finalised document is received, potentially incurring demurrage and detention penalties.

FASTER PROCESSING

For shipping lines, eB/Ls eliminate most of these headaches. The speed of execution across a cloud-based digital platform accelerates the time it takes to establish title and release goods in full confidence that they are with the legitimate consignee. It is also far more secure than paper, since each document enjoys protection from a digital signature and encryption.

eB/L solutions require all parties to subscribe to a legally binding framework and eliminate tampering or forgery through a comprehensive, automated audit trail. Only the current holder can amend the document and every change is logged. In the most advanced solutions the holder is the only party entitled to instruct the carrier and permitted to demand delivery of the cargo.

The ease of amending an eB/L bears no comparison with the drawn-out manual processes whenever a paper document has to be altered. For shipping lines, the end result is that waiting for the final eB/L once the vessel has reached its destination is largely eliminated.

“eB/Ls substantially reduce the opportunities for fraud and the requirement for letters of indemnity, largely eliminating the all-too-familiar document-related delays to the unloading of cargoes once they have arrived at their destination”

Cargoes are offloaded far more quickly, and ships can be redeployed without delay.

The benefits of switching to eB/Ls are almost immediate and can be obtained without major IT upheaval. Automation reduces overheads and man-hours and the use of the internet eliminates the delays as paper documents are couriered around the globe. eB/Ls are also far more effective in achieving compliance with the continually evolving rules and requirements that shipping liners face with regard to labelling and manifest reporting.

eB/Ls have been recognised by BIMCO, the well-respected carrier association and the P&I clubs in the International Group. The latter provides protection and indemnity coverage for carriers using eB/Ls on the same basis as paper bills. They have been adopted as far afield as South America, India and Asia, with organisations as prominent as BHP and Reliance Industries using electronic document presentation technology to transform efficiency.

With so many proven advantages and increasing adoption by major corporates and trade organisations, it is time for shipping lines to adopt eBLs and integrate them into their digitisation strategies. This is one of the fastest and most obvious routes to greater efficiency and profitability. **SN**

Simon Streat is vice president of product strategy at Bolero International.



The benefits of switching to eB/Ls can be almost immediate

Lehman Brothers: catalyst for change

Ten years after the global economic meltdown, [Shelly Lin](#) asks what the shipping industry has learnt

September 15, 2008 was a very dark day. Lehman Brothers declared bankruptcy, and the world stock market dropped like a rock.

The following February the United Nations Conference on Trade and Development released its Review of Maritime Transport analysing the state of the world shipping industry. The report showed 2008 as a turning point for global shipping, with the

Topic : Investment

Key words: crisis; loans; recovery

Background info: The ship finance market has changed almost beyond recognition since the economic crash of 2008

financial crisis causing an abrupt slowdown in world trade, after five years of rampant growth.

In the tanker market, values peaked in the first half of 2008, but then dropped in October. The asset value of five- and 10 year-old tankers dropped by 47% to 60% in 12 months. The very large crude carrier sector saw the most significant fall. In the dry bulk market, ship values reached a high point in July and August 2008, but dropped immediately after and headed downwards at a fast pace. The values of five- to 20-year-old bulkers dropped by 62% to 86%.

“According to the Greek central bank, ‘non-performing exposures’ – a euphemism for dud loans – accounted for a staggering 43% of its total loan book by the end of 2017”

The container market suffered as well: container lines have suffered a combined loss of about \$20bn in 2009 alone and the traditional German shipping company Hapag-Lloyd lost more than \$300m in the first quarter of 2009 and needed close to \$2.5bn to stay afloat.

REACTION BY BANKS

Since then, banks have tended to take a relatively less open attitude towards financing in the shipping industry. Banks prefer now to maintain existing relationships with large companies that have good reputations and financial reports, as well as with public companies that promise transparency and easier access to the capital market, as compared with privately held companies. Ship

assets with a younger age profile and low gearing ratios are also favoured. Diversification away from the traditional financing portfolio, banks have extended their portfolios to offer other services to lower the risks and impacts of capital centralisation.

The 2008 Shipping Portfolio League Table from Marine Money International showed that 10 out of 27 banks were no longer active in ship finance services, with two of them being absorbed by other banks. Despite these losses, new entrants – particularly from private equity – started to fill gaps in the market.

Another graph from Marine Money International regarding sources of capital for ship assets reveals that in 2009, after the financial crisis, total capital from sources fell from over \$120bn to less than \$60bn. In 2010, after the credit crisis had bottomed out, lending services still remained subdued with banks continuing to pull out of shipping and more ‘club’ deals taking place.

Then, from the second half of 2011 many traditional European shipping financing banks started to tighten up their ship financing services. According to a research report from Petrofin, this trend saw a sustained spike in 2012.

Over the same period, banks in Asia-Pacific began to take an increasing proportion of the global ship finance market. By 2012, the total shipping financing from Far East and Australia had increased from \$66.4bn in 2010 to \$93bn, a more than 40% increase within two years.

DIVERSIFIED SOURCES

The source of capital has also become much more diversified. Bonds began to take up an increasing proportion of sources of capital from 2009 and had even reached a similar percent to bank loans by the first three quarters of 2012. Another source, private equity, was lured to shipping from 2012 and fast became one of the most important sources of funding as banks, especially European ones, turned away from shipping. Banks were up against the pressures of meeting the minimum capital requirements of Basel III standards to protect against debt crisis further, the prospects of writing down their book values because of shrinking ship asset values; and the need to deal with existing non-performing loans for assets. According to the Greek central bank, “non-performing exposures” – a euphemism for dud loans – accounted for a staggering 43% of its total loan book by the end of 2017.

Turning back to the rise of the Asian banks in shipping finance, this trend is partially connected China’s emergence as a ship investor and builder globally. Among the 27 largest financing players, eight are Chinese shipping finance players and three of top 12 are export credit agencies or banks. They are relatively new entrants to shipping. According to statistics from China Banking Regulatory Commission, by the end of March 2017, 23 out of the 60 existing Chinese financial leasing companies had carried out

vessel leasing operations, with a total 989 vessels and \$17.97bn of assets. Major players like CLC, ICBC leasing, and Bank of Communications Financial Leasing have all played an active role in investing in new ships. For example, at the end of last year, BOC Financial Leasing placed an order of four Kamsarmaxes adding to the earlier two ordered in the first half of the same year. Conversely, European banks continue to dump exposed ship loans due to rapid shrinking asset values.

FINANCE STILL AVAILABLE

Under these circumstances, some small companies might find it challenging to source debt finance. However, if long term charters are available, banks will potentially consider financing these assets. Also, certain banks are targeting particular markets and offer a solution for niche operations. Some regional banks have emerged to handle local owners with strong balance sheets with stable ship finance breaks, such as Hiroshima Bank in Imabari, Japan. Joint venture partners can also be an option, such as CLS, a new joint venture of K Line, NYK, Chubu Electric

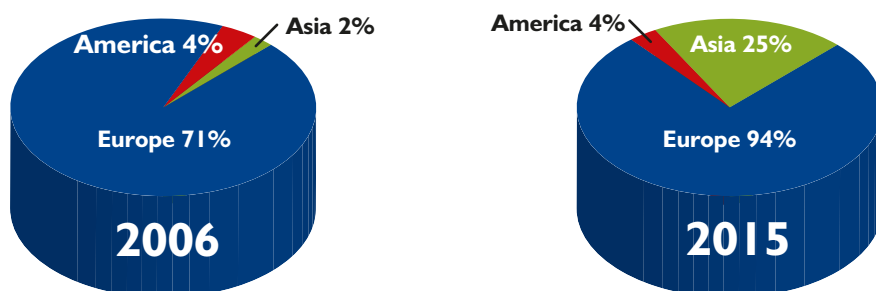
Power Co and Toyota Tsusho Corp, for a liquefied natural gas newbuilding. Lastly, there are some other possible solutions in seeking assistance from shipyard leasing companies and export credit agencies.

As Basel IV moves forward, US sanctions are re-imposed, International Financial Reporting Standards become applicable and low sulphur limits come into force, more capital will be needed to cover the cost of compliance. At the same time, customers of shipping companies will be considering the impact of environmental restrictions in relation to cost and asset price.

Considering all this, more funding will undoubtedly be needed, as will improved efficiency and more digitalised relationships to try and meet the financing demands on the horizon. [SN](#)

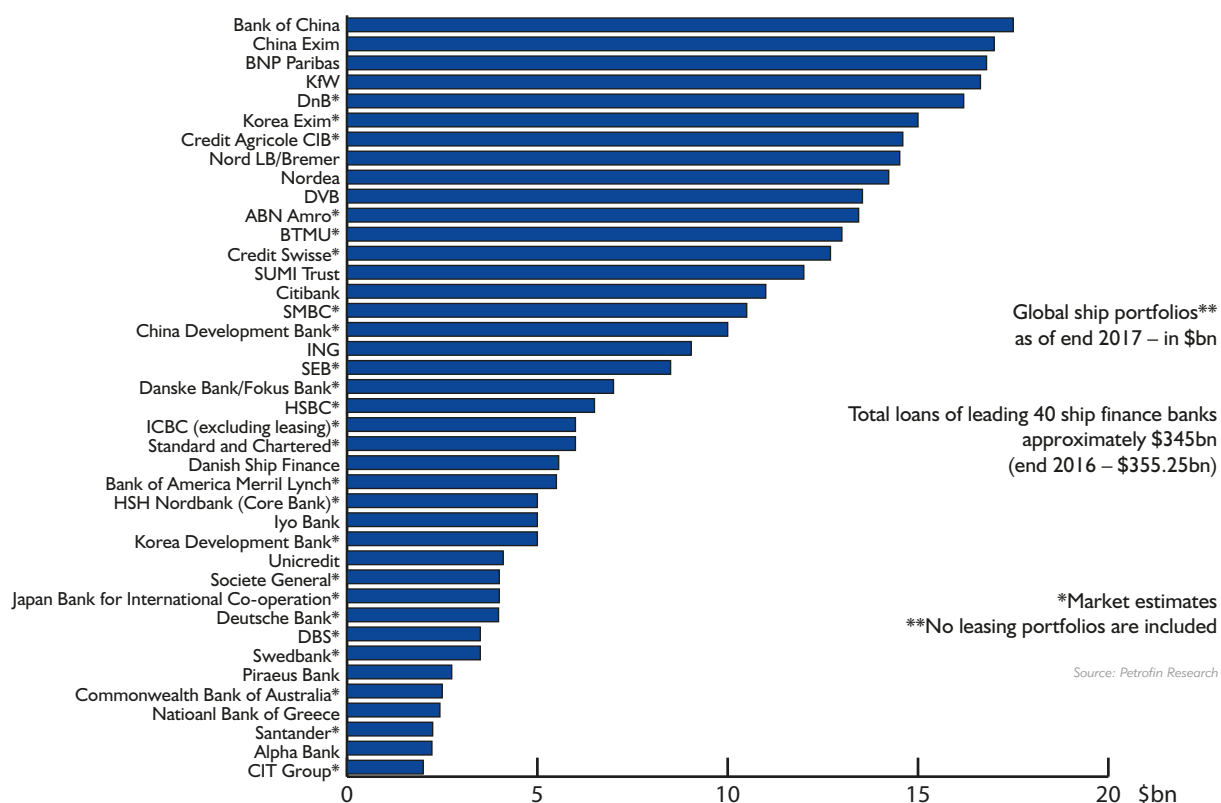
Shelly Lin is a student of the Department of Logistics and Maritime Studies at The Hong Kong Polytechnic University. This article is based on ICS and Standard Chartered Seminar on 'An up-date on the current ship finance market' presented by Nils Kristian Kovdal, executive director of shipping finance and regional head of Greater China and North Asia at Standard Chartered Bank (Hong Kong).

How the share of top 20 maritime portfolios have changed



Source: Marine Money International

Bank lending to shipping as of end 2017



Scaling capabilities in maritime robotics

Robotics will create opportunities for the sector, according to the Maritime Robotics Laboratory



**Dr NC
Townsend**

The oceans are vast: they cover 71% of the Earth's surface and play a key role in regulating our climate. They form 99% of the Earth's liveable space, are home to 244,000 confirmed species, with scientists predicting that there are likely more than 2 million species in the oceans. The oceans hold significant resources of oil, gas and minerals, absorb 25% of atmospheric CO₂ and with 50% of the global population living in coastal regions, fish supplying 16% of global protein intake and 90% of world trade handled by sea, the oceans and ocean processes influence all of us.



Dr J Downes

Topic: Technology

Key words: machines; data; analysis

Background info: Robots will not take over the maritime world anytime soon, but they do offer great potential in improving understanding of our oceans



**Dr B
Thornton**

Even though our very existence is coupled with the oceans and their functions, we have seen a 30% increase in ocean acidity since the industrial revolution, and increasing concerns of overfishing and stock depletion for the 3.5 billion people that depend on the ocean as their primary source of food. Yet despite the potential resources – and need for better understanding – less than 5% of the ocean floor has been explored. This is because the physics and chemistry of the ocean limits the reach of our sensors and the range and endurance of our platforms, making it one of the most challenging and unforgiving environments on our planet. When subject to such limitations, the only way to scale our capabilities is through the increased number, and autonomy of the platforms and sensors we put out to sea. Here, Maritime Robotic Systems provide unrivalled opportunities to explore and work in the oceans, improving both safety and reducing costs. They can act as our eyes and ears in places that are too dangerous or remote for humans to go, and can automate repetitive, or 'boring' tasks.

The Maritime Robotics Laboratory (MRL) at the University of Southampton UK, is developing new technology and approaches to scale capabilities in marine robotics, by orders of magnitude. Our priority is to identify and remove the bottlenecks in the technology, enabling systems that can 1) go longer, 2) are smarter and 3) work together.

GOING LONGER

Going longer and overcoming the powering constraints allows marine robots to stay out at sea for longer and do more. Currently, most maritime robotic systems depend on batteries for energy. However, batteries are limited – you can only get

so much energy in a robot before you run out of space! Plus, they require periodical recharging (and redeployment) from an expensive support vessel and take up a significant proportion of the total vehicle mass which could be used for sensors. This means endurance (for most maritime robots) is typically measured in hours or days (not years and not yet providing a persistence presence).

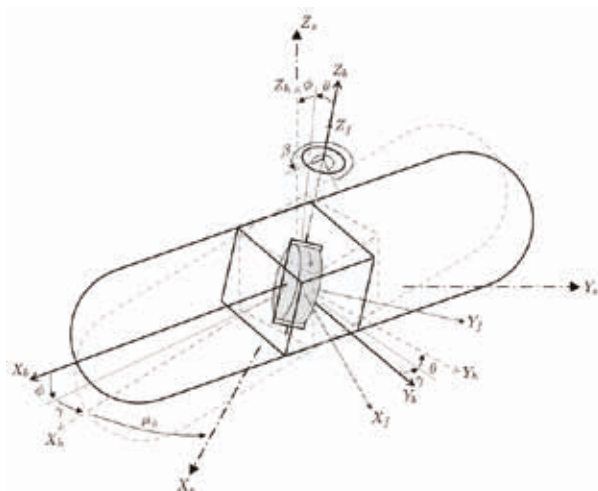
At the MRL we are looking into using renewable energy to sustain these vehicles remotely and indefinitely. Compared with the power demands (hundreds of watts to a few kilowatts) and typical dimensions (2-7 metres) of maritime robots, renewable resources are significant. While solar is an obvious choice – being well developed, the energy density is low and only available during 'daytime' – once the sun goes down you have very little power. As a result, at the MRL we are considering other resources including wave energy, which is a greater energy density resource and usually available 24/7.

Two interesting systems that we are developing are ASV FLEUR and AUV Willie. ASV FLEUR, is a flapping foil-based mechanism that converts ocean wave energy directly into propulsion (saving power) or directly into electricity (by the relative motion between the hull and foil motion driving a generator). It works like a whale tail and in fact the phenomena (rather gruesomely) lead to the historical whaling industry practice of removing the flukes on whale carcasses to stop the bodies propelling themselves off in waves before they were collected. The other system, AUV Willie, is a gyroscopic based energy recovery system (which exploits the wave induced motions and response of gyroscope to drive a generator). An interesting side effect of harvesting the vessel motions is that you can also stabilise the vessel which may make taking measurements easier.

BEING SMARTER

Being smarter and improving perception allows robots to operate in more complex environments and deliver information that is better aligned with user needs. The MRL has expertise in seafloor imaging and its application to deep-sea exploration, focusing on developing sensors for better ocean perception and algorithms to efficiently interpret the large volumes of data they collect.

In OCEANIDS BioCam (NE/P020887/1), our group leads the development of next generation of seafloor imaging technology that is capable of mapping vast, multi-hectare regions of the seafloor at millimetre order resolution. The concept in BioCam is to allow high-resolution seafloor colour imagery to be taken from high altitudes of close to 10 metres (as opposed to traditional systems that need to be within a couple of metres of the seafloor) to achieve approximately 50 times

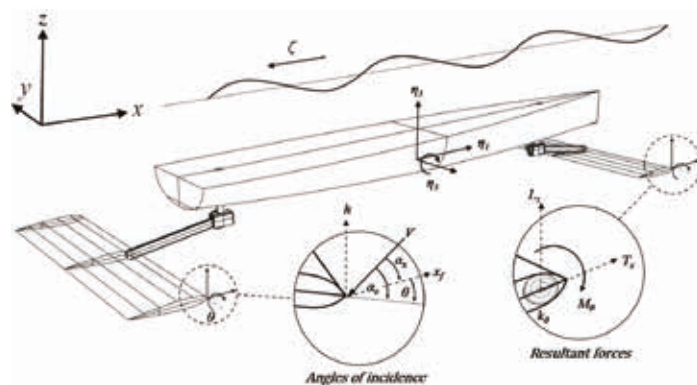


the area coverage rate using fast moving autonomous underwater vehicles (AUVs).

By developing methods for simultaneous localisation and mapping (SLAM) and photogrammetric 3D reconstruction, our group is capable of packaging the imagery into large 3D mosaics that can be viewed and seamlessly explored within hours of the data being collected. We recently led the #AdaptiveRobotics expedition on board the Schmidt Ocean Institute's RV Falkor, where we demonstrated this capability, using large maps generated at sea between the cycle of AUV deployments, to plan the subsequent missions of more detailed mapping AUV systems and remotely-operated underwater vehicles equipped with seafloor chemical sensors. Our current focus lies in developing algorithms to characterise the dimensional and colour uncertainty within the maps we generate, and extract numbers and information summaries from imagery in a scalable way using computer vision and machine learning techniques. We are also developing a small fleet of low-cost DriftCams (EP/S001182/1) capable of imaging long transects of the seafloor for periods of weeks by passively drifting along on near-bottom currents, allowing high-resolution seafloor imagery to be obtained at a small fraction of its cost today.

WORKING TOGETHER

A growing number of autonomous underwater platforms have been developed by industrial, defence, and scientific organisations but these platforms remain specialist, expensive to purchase and operate, and consequently, are limited in number. An alternative approach to a limited number of large expensive platforms is to utilise less capable but lower cost, user-friendly, autonomous sensing platforms that can be easily (for example, man, automobile, or small boat portable) and rapidly deployed (for example from aircraft or drones) in larger numbers (from 10s to 100s). These vehicles could then provide highly distributed sensing networks to measure natural or industrial environmental properties, provide rapid survey capability, or to locate man-made objects. Provided the observational data can be returned to the analyst, the low cost of these platforms could reduce



Schematics of the ASV FLEUR (left) and AUV Willie (right)

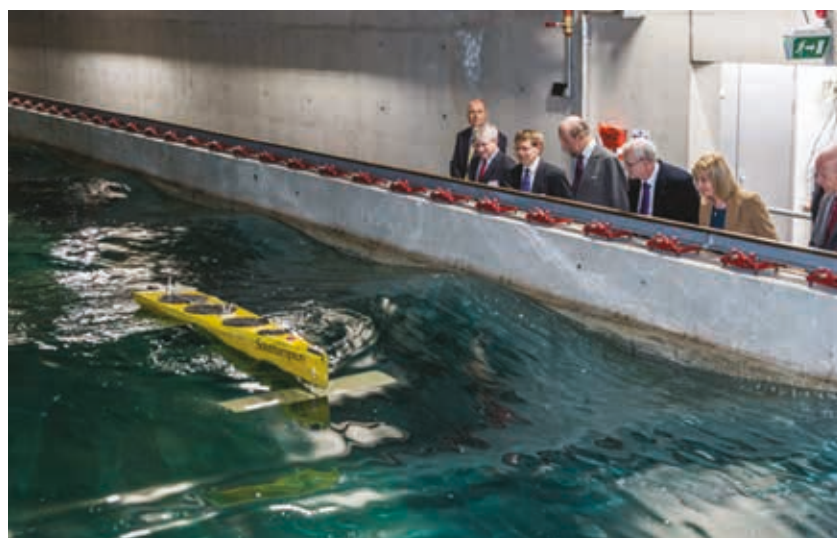
the requirement for the recovery that is essential for expensive and highly specialised platforms. The MRL is looking at how the differing vehicle types, capabilities and endurance of multiple platforms can be integrated together in a collaborative manner to achieve the required mission objectives. This is encompassing detailed control analysis, high level mission control and planning, communications, and security of systems. [SN](#)

By Dr NC Townsend, Dr J Downes, Dr B Thornton, Prof S Turnock are part of the University of Southampton team working on its Maritime Robotic Laboratory (MRL). If you are interested in learning more about the MRL at Southampton please look out for its new website www.soton.ac.uk/mrl which will be available to view in the near future. For the University of Southampton's work in ocean perception please visit www.ocean.soton.ac.uk/. For more about the maritime engineering at the University of Southampton please visit <https://www.southampton.ac.uk/engineering/research/groups/fsi.page> for more details about our research group.

Additional links:

<https://youtu.be/C-3ZZiw8fd4>

<https://schmidtocan.org/cruise/adaptive-robotics-at-barkley-canyon-and-hydrate-ridge>



The Duke of Kent watches a demonstration of FLEUR's capabilities

Peering into the container crystal ball

Kate Jones foresees the future of the global container transport sector



Kate Jones

For some, the phrase “Brave new world” will call to mind the 1932 novel of the same name by Aldous Huxley – a dystopian read depicting a future society where individuality fails to exist and society is stratified. However, for those in container transport at the moment, the saying might mean something entirely different. *Brave new world? Container transport in 2043* is the title of an 80-page study – published by TT Club and McKinsey – that takes a look at the future of the container sector.

Launched to mark insurance and risk management organisation TT Club’s 50th anniversary, the research saw over 30 container sector leaders and experts interviewed from a broad cross section of the field, with the report summarising leaders’ views on what’s in store for the industry over the next 25 years. Interviewees were drawn from TT Club board directors, senior sector leaders and others, according to TT Club Risk Management director, Peregrine Storrs-Fox, also a report author.

“The aspiration was ... to create a big-picture vision of potential futures and raise the eyes of the industry to the horizon”

“The aspiration was, through the insights from these discussions and relevant research, to create a big-picture vision of potential futures and raise the eyes of the industry to the horizon,” he explains. “In essence, the report is intended as a contribution to the industry to catalyse thinking on how best to create value for customers and shareholders in a world where there are few certainties.”

The report’s container transport industry refers to container shipping (container lines), container terminals and freight forwarding. Four main chapters are contained in the document: “Where we have been”, “Where we are going”, “Four visions of the future” and “Conclusion: Preparing for the next 25 years”. The first chapter outlines container transport’s history, rewinding within the section back to 1968 – the year TT Club was created and the container “was taking hold of global trade”.

“The last 50 years have been nothing short of remarkable for the container transport industry, which has grown at breakneck speed,” the chapter notes, adding that the sector has struggled to return its cost of capital in the past twenty years. “This has been fuelled by the expansion of global trade and by the growing share of container transport. Global trade has exploded from 22% of global GDP to 59% in 2015 – at a time when real global GDP has burgeoned from \$17tr to \$77tr.”

OUTLOOK IDEAS

Chapter 2 looks at “the points of fundamental agreement and disagreement about the outlook for the container transport industry”. According to the report, from the industry leader insights, five future trends saw “a general, though not absolute, consensus” emerge. The first concerns the idea that the sector’s physical aspects (containers, terminals and ships) are unlikely to change. The second trend is that trade flows will become more balanced between and across regions, while the third is that automation will be broadly adopted. The fourth idea is that digital, data and analytics will fundamentally shift value creation’s sources. The final trend is that the industry-leading players of 2043 might look very different from today’s leading firms.

“All five trends feel very reasonable and plausible, but of course one could imagine alternative outcomes,” says report author Matt Stone, associate partner at management consulting company McKinsey. “For example, we talk about how the physical characteristics of the industry won’t change, but drone and hyperloop technology may disrupt that view. Similarly, perhaps trade flows won’t be more balanced across trade lanes.”

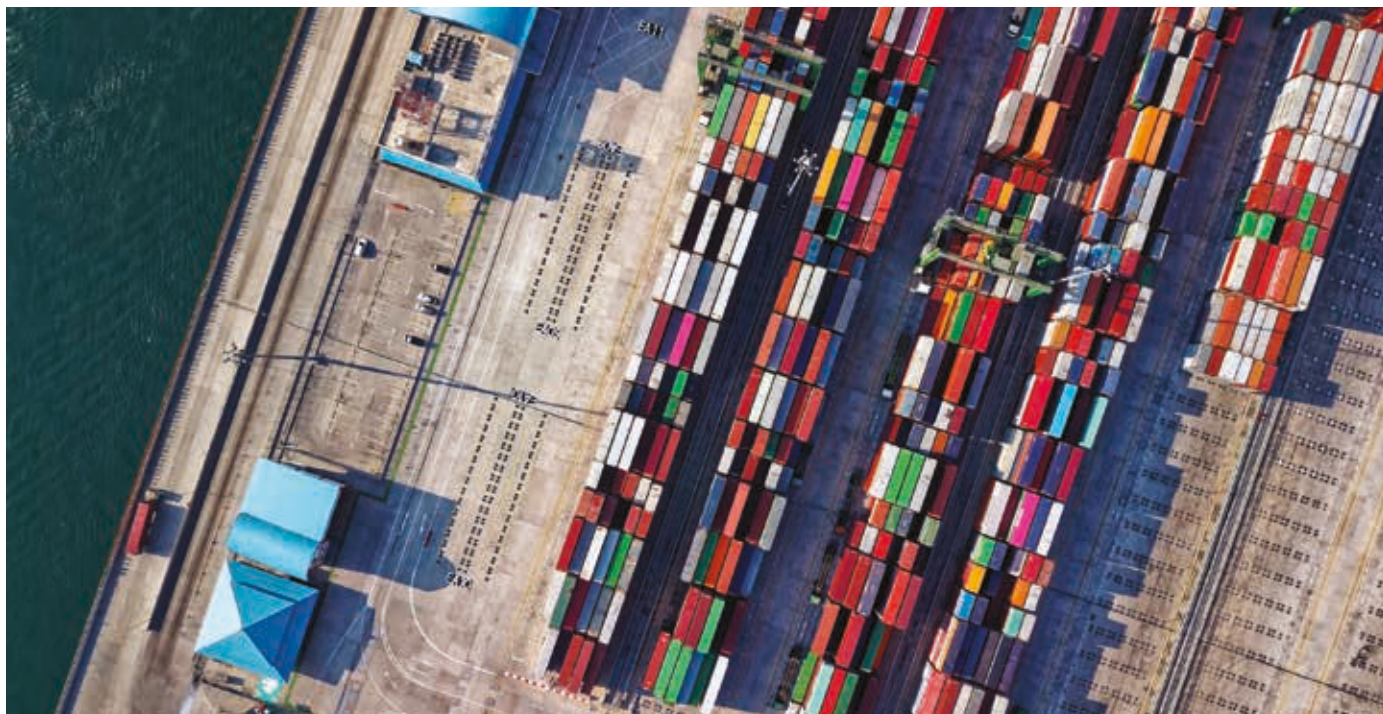
Mr Stone feels that the greatest impact will come from digital, data and analytics.

“The inefficiencies in the industry are legion, and much activity is manual and paper-based,” he explains. “The thoughtful application of digital technologies and insightful analytics holds the potential to unlock an enormous amount of value for industry players, shippers and consumers.”

According to the report, “meaningful questions” were also brought up about trade growth’s future, what the real sources of value creation might be going forward and who “wins”. The answers to these questions, the study said, will set off different potential futures and decide the container transport sector’s “shape and health” in the decades approaching. Within the report’s response to the third question, examples were given of “digital natives” who could reshape the sector: Amazon, Clearmetal, Flexport, NxtPort, NYSHEX, Spire and Xeneta.

CONTAINER IMPROVEMENTS

For the second question, the report identified six ways value could be improved in container transport over the next two and a half decades: flexibility, supply chain reliability and predictability, consolidation and integration, greater economies of scale, automation and productivity and environmental performance. According to Steve Saxon, report author and McKinsey partner, all methods are realistic, but tension exists between them. For example, more consolidation might help stabilise the supply-demand issues causing volatile rates,



potentially giving carriers the stability to spend on automation and new propulsion systems, but alternatively, it might weaken the imperative to invest at all.

"You can also think about which of the six are in the ascendant versus the others," he notes. "Economies of scale and consolidation and integration have had their place in the sun for a number of years now, but customers are disappointed in reduced services and poor reliability, while society and policymakers want the industry to be less polluting. So from that perspective, you would expect the other four [of the six methods] ... to become more important over time."

Chapter 3 turns to crystal ball gazing, offering four futures for the container field which, according to the report, illustrate the broad range of outcomes that could occur within container transport. These are digital reinvention, digital disruption, the third wave of globalisation and, finally, "peak container" and consolidation. However, Mr Stone believes that politics and policy might be the third dimension to determine the sector's future.

"Much of the consensus since 1945 about the fundamental wealth-enhancing nature of trade has evaporated," he says. "Countries have entered a period of geostrategic competition unlike anything we've seen for 30 years. The difference between now and the Cold War is that the primary competitors already trade a great deal with each other and much of that may unwind, whereas trade with the Soviet Union was never more than an afterthought. This, of course, underpins different scenarios for trade growth, but it will also have implications for investment in port infrastructure, the financial resilience of nationally-strategic carriers, how data can be used and so on."

FACING UNCERTAIN FUTURES

In the final, concluding chapter, TT Club offers views on what container transport operators should do to "anticipate a range of uncertain futures". When TT Club's directors were asked to vote, in late 2017, on the four future visions the report puts forward, all respondents felt the most probable was either digital disruption or digital reinvention, with a modest majority opting for the latter. As to what container transport figures can do now to get ready for "an uncertain future", the report offers four pieces of advice: focus on the consumer, monitor the trigger points, automate and innovate and digitise radically.

"It starts with a realistic examination of how customer needs are changing over the next 25 years," says Mr Saxon, commenting on how the sector can prepare for the next quarter of a century ahead. "The demand for speed, reliability and responsiveness seen today in last-mile logistics and urban transport, due to the rise of e-commerce and ride-sharing platforms, will eventually profoundly affect the container transport industry. Container transport players will need to invest in the systems, digital solutions and analytical capabilities to embed deeply into their customers' supply chains."

Mr Storrs-Fox adds that there exists a growing sector recognition of the importance of getting out ahead of environmental issues.

"Climate and environmental policies are clearly moving in one primary direction, but ... consumers and society are increasingly demanding greener supply chains, which will have ramifications for asset owners' investment plans," he says. "Doing nothing and hoping the issue goes away is no longer an option." **SN**

The full report can be found at <https://www.ttclub.com/news-events/brave-new-world/>.

Putting mental health into perspective

Both shore- and sea-based employees need support, says The Revd Canon [Andrew Wright](#)



Andrew Wright

I write this on the early train to London for the start of another working week. I will be back in the office after eight days of a particularly intensive and demanding conference and what felt like a very short weekend. This was compounded by the need to intervene over that weekend in a difficult and probably intractable problem on the far side of the world. The week ahead seems to contain a mountain of workload. I can already feel that slight sense of stress. I may well be shouting “calm down, calm down” at myself by the end of the week. I will do my very best to avoid anyone else noticing!

Yet my irrelevant and tiny Monday morning angst is nothing compared with the place in which so many find themselves. At least I have had something of a weekend break. I have family, friends and support structures around me. I have a good employer, guaranteed regular holidays, easy access to opportunities for leisure, sport and good medical care – and a sense of some control over my own life and destiny. Of course, even for so many in the best of circumstances, stresses and fragilities can easily derail lives. Even prominent members of our UK royal family have recently been open and honest about their own mental health problems, encouraging others to tell their stories and open the door on their own long hidden issues.

EAT, DRINK AND BE MERRY?

I have recently been reminded of the philosophy of the famous ancient Greek Epicurus. His belief system is often characterised as “eat, drink and be merry for tomorrow we die”. This is a false summary. Yes, he did indeed promote the search for “pleasure” but his definition was “the absence of pain in the body and of trouble in the soul”. In his life he sought in those things that “calmness” for which we all often long. The search for calm is as old as humanity and it has fuelled many religious and philosophical movements, mainstream and bizarre. Epicurus was not alone.

Religion and philosophy aside, there is so much advice around to help our need for calm. Much of it is very good. Take long, deep breaths. Create a mental picture of a relaxed place where you would like to be. Listen to music. Get some fresh air. Mindfulness, meditation techniques and prayer are all being used widely and offer significant support in de-stressing and rebalancing our lives. It is right that some of these are encouraged and made available – perhaps even in the workplace.

The shipping industry is not immune from all the pressures that can create personal and professional stress. We operate in a competitive environment and an uncertain and often fragile economy. The last years have been difficult for shipping. Time is always of the essence and stands whispering (or shouting) at our shoulders. Individuals and companies need to be aware

of this as they look at ways of protecting and promoting a healthy workforce. It is something we are acutely aware of in my own organisation, both in terms of our staff at International Headquarters but equally in terms of our scattered and often very remote teams. One key aim of our “regionalisation” process has been to ensure better support locally – but it is a work in progress and we have more to do and to learn.

PRESSURES AT SEA

Then there are the seafarers themselves, working long contracts and extended hours in circumstances that can be challenging. The swiftness of turnaround times, reduction in crew sizes and the potential impact of working as part of a multi-national crew can all add to the possibility of isolation. That sense of powerlessness when you hear of family problems far away can be deeply frustrating – and being away from the normal support structures provided by family and friends is a real issue. While access to medical care is properly enshrined in law for seafarers, consistent access to necessary services is not always easy – and seafarers themselves are often slow to seek it, often for very understandable reasons.

It is no surprise that wellness and mental health have come to the very top of the maritime welfare agenda. A range of new projects are emerging in support. At The Mission to Seafarers we place great importance on ensuring that front-line staff are professionally trained to recognise stress and mental health problems – and to be in a position to provide first response and signposting. Next year we will begin rolling out the next stage of our training in this area – specifically focused on suicide prevention.

The focus of efforts to address issues and promote calm tends to be a reactive rather than a proactive one, although there are some worthy exceptions. In this column I have often paid tribute to progress made by the industry in the welfare and care of seafarers. The Maritime and Labour Convention has been a major stepping stone on that long road, enshrining standards in relation to key welfare issues. It has been a proactive ingredient in making progress possible. However, no one would pretend that it should represent the last word. In the promotion of a proper calm we need to provide the very best of working and living environments for seafarers – and not just rely on interventions when things have gone wrong.

CONTRACT LENGTH CONCERNS

I, for one, would like to encourage continued discussion around several areas. One of these would be permissible contract length, together with accompanying holiday issues. Many contracts, while legal, remain very long. Seafarers themselves would generally be very cautious about any changes in this area.



“It is no surprise that wellness and mental health have come to the very top of the maritime welfare agenda”

They rightly worry about the potential for reduction in opportunity for work and in earning. Such discussion would have to be undertaken with great sensitivity. Nevertheless, undoubtedly the length of contract can contribute to stress levels in the unusual environment of a ship without the balance of a normal family/leisure life, especially perhaps where reduced crew numbers combine with the shift pattern to reduce human contact and the opportunity for friendship.

I also know from conversations with many seafarers that even when the contract is over, pressure is on to prepare for a return to sea. This can include the need to be absent once again from home to undertake training courses. Continued welfare progress must surely include deliberation around these areas, among others, without inappropriate penalisation of seafarers and their families.

I have a final story. I was recently told of one very successful and highly regarded professional working in a city in the UK. Tragically he had a son who died in an accident. He and his wife were both naturally devastated. With the support of one another they were, however, able to cope. Just as they were beginning to recover his wife also died unexpectedly from a sudden illness. The stress levels became such that he broke down. He began drinking heavily and not going to work. Eventually he lost his job and his home and ended up living in the local homeless shelter. Thankfully this story had a happy ending. He met a

new partner and was able to start putting his life back together. It is a sobering thing to remember that all our lives are fragile and the margins between success and disaster are often very thin indeed. Maintaining a proper “calm” in our lives is essential and supporting the “calm” of those over whose lives we have any influence is a responsibility of great magnitude. It is one which must be shouldered. [SN](#)

The Revd Canon Andrew Wright is the secretary general for the Mission to Seafarers, www.missiontoseafarers.org.

Long shifts at sea can affect mental well-being





Maritime art competition – call for entries

The image on the cover of this edition of *Shipping Network* is by Scottish artist Claire MacLellan who studied at the Glasgow School of Art and works from a studio on the shores of Loch Lomond.

The painting in mixed media is one of a series Claire was inspired to create after receiving photographs from her son Harvey, a former Institute intern, during his trip to Rotterdam port organised by the High-Tide Foundation, a charitable organisation working with young people on Teeside UK.

The sea, coast, and ships have been a subject for artists for centuries – from the depiction of 11th century Norman ships within the Bayeux Tapestry, through 15th and 16th century naval battles celebrated by Dutch masters, the grand scenes of working canals and waterways by Canaletto, through to J M W Turner's lifelong obsession with the sea during the 19th century, and the mid-century work of a group of artists inspired by the coast working in Cornwall, UK, to name but a few.

Marine art continues to be a popular market with several artist societies. For those of us who are regular visitors to maritime museums or occasional meetings in illustrious boardrooms of shipping companies and maritime trade bodies, we may be used to seeing a certain type of oil painting. At head office we were struck by the refreshingly contemporary feel of Claire's work and it prompted an idea to launch a contemporary international shipping art competition, building on the success of our recent photography competitions.

The competition is open to all members and registered students of the Institute.

All submissions must be original works and copyright free on any maritime subject.

By submitting an entry you give your express permission for the Institute to publish your work and your name.

Deadline for entries is March 1, 2019.

Winners will be published in the June 2019 *Shipping Network*.

The idea of this competition is to highlight and encourage creative works by our members and registered students. We hope this competition will lead to an art exhibition in conjunction with the Institute Annual Prize Giving ceremony.

Please email a photo of your entry to: membership@ics.org.uk

Please include your name and membership or student registration number.

Cover Artist: Claire MacLellan

I am a contemporary Scottish Artist based beside Loch Lomond. I work with a variety of oil, pastel and acrylic exploring many subjects using all sizes of board and canvas.

For all enquiries please contact me on the following:

Email: Claire.maclellan@icloud.com

Telephone: +44 (0) 7753204750

Right to prompt payment of commission

Delaying tactics from owners do not hold up in a court of law, advises [Andrew Jamieson](#)



**Andrew
Jamieson**

ITIC has recently dealt with a number of instances where Far Eastern owners have refused to pay commission until they receive a signed charter party. But there is no legal justification for this stance.

The brokers were only asking for commission on freight or hire that owners had already received. The owners did not regard the lack of a signed charter party as a reason for them not to perform. There is no legal requirement for a charter party to be signed for it to be valid. The owners' stance puts brokers in an impossible position. They are not in a position to force charterers to sign the charter party or to give the brokers authority to do so on their behalf.

The owners' position is also contrary to market practice. The Baltic Exchange's Code (2014 edition) provides: "7. Withholding payment of undisputed sums, including commission to brokers, on any earnings received is unacceptable."

The Baltic Code is not a legal statute and only binds members of the Exchange. It is however frequently accepted by English courts and arbitrators as evidence of market practice – whether or not the brokers are members of the Baltic Exchange.

If owners need a signed charter party for local revenue or other purposes, then this should be clearly stated at the outset and appropriate arrangements put in place.

Another, perhaps more common, reason owners give for withholding commission is that it is their policy not to pay until all claims under the charter party are settled and the file is closed. Owners sometimes explain their position by saying that the brokers wouldn't diligently assist with demurrage and other claims if they had received their commission.

CASE IN POINT

This was the issue in a recent matter. The shipbrokers in question arranged a voyage charter between Rotterdam and the Far East. The charter party was subject to English law, based on the Asbatankvoy form, and provided that the brokers would receive 1.25% commission. The ship completed discharge and freight was paid to owners in full. The brokers accordingly invoiced for their commission on the freight, which amounted to \$28,750. The owners also claimed demurrage from the charterers, which was disputed.

The brokers' invoice remained unpaid and after three months they chased for payment. Owners responded as follows: "All commission on freight, demurrage, etc. are paid to brokers globally upon settlement of the outstanding claims under subject voyage/charter party."

The brokers decided that they were not prepared to wait indefinitely and sought ITIC's assistance. ITIC advised that this was a classic tactic used by owners seeking to delay or avoid paying commission. ITIC contacted the owners, who claimed that their position was market practice.



The brokers were only asking for commission on the freight that had actually been paid

The argument that the owners were following market practice did not have any merit. There was a clear term in the charter party. The fixture had been made on the Asbatankvoy form, Part 11 of which provides that commission is payable by owners "on the actual amount freight, when and as freight is paid".

The brokers' claim clearly fell within the terms of that commission clause. They were only asking for commission on the amount of freight that had actually been paid to owners. They were not asking for commission on the unpaid demurrage.

The clause also expressly sets out when that commission is to be paid. English law will apply what has been agreed in the contract. It will not override it on the basis of an alleged market practice.

In any event, the owners' attempt to withhold the commission pending resolution of the demurrage claim was not 'market practice' as claimed, but was actually against market ethics. In this respect, ITIC highlighted the section of the Baltic Exchange Code quoted above.

ITIC pointed out to the owners that the facts in this case were simple – the freight had been paid and the commission was payable on it. English law would permit the brokers to bring proceedings against the owners to enforce the commission clause. The threat of legal action was sufficient and ultimately the owners paid the commission.

There may be commercial reasons why brokers do not feel able to enforce their right to prompt payment of commission. If they do wish to take action, however, they do not have to wait until all issues under the charter party are settled before commission on freight is paid. [SN](#)

Andrew Jamieson is claims director at the International Transport Intermediaries Club, www.itic-insure.com.



Dry bulk owners catch a break

Louisa Lyall explains how slower fleet growth has finally paid off

Firm dry bulk freight markets are raising eyebrows in the broader commodity sector with spot rates climbing, albeit with volatility, through most of 2018 to date and the Baltic Dry Index (BDI) nearing the 1,800-mark in July and August.

In early Q4, the BDI nudged 1,600 and freight rates proved comparable to levels last seen in mid-2013. This has left charterers having to pay almost double what they did just two years ago, but the trend is welcome news to owners and provides some reward for their perseverance.

Freight rates are not surging across the board, however, with capesizes leading the strength and more modest buoyancy in the panamax and handysize sectors. Time charter estimates were also relatively firm at the start of Q4, with one-year time charter rates for capesizes at around \$21,000/day, panamaxes at around \$13,500/day (with a large Atlantic premium) and supramaxes at \$13,250/day by mid-October. This compares with a low of \$17,000/day for capesizes, \$11,250/day for panamaxes and \$10,000/day for supramaxes seen at the start of this year.



There is talk of 'peak steel' in China

"Freight rates are not surging across the board, however, with capesizes leading the strength and more modest buoyancy in the panamax and handysize sectors"

Some of the rise is due to firmer bunker prices for the spot market but there is also relatively firm trade volume demand and support for tonne-miles from coal trades in particular. This has spurred a rise in global coal prices to near six-year highs. According to a recent Clarksons analysis, China's coal imports have, "expanded firmly" so far this year. For the first eight months of 2018, China's total coal imports – the vast majority of which are seaborne – rose by 14% to 203m tonnes, partly due to some weakness in domestic production.

Reports of more unusual longer-haul fixtures have also been apparent – such as Colombia to China – adding further support to the market due to the longer tonne-mile. "Patience (is) finally paying off for owners of the big ships," said Fearnleys in an October weekly report. "Coal demand appears healthy."

CHINA'S INFLUENCE

Contrary to what we have seen in recent years, Chinese imports of iron ore, the stalwart of the capesize market, are actually showing lower year-on-year volumes to-date amid a fairly stable iron ore price environment. According to an

end-Q318 BIMCO report, total imported iron ore volumes were down by 0.8% in the first seven months of 2018 compared with last year. This is partly a result of unchanged output from Chinese steel mills, says BIMCO.

In addition, Chinese steel mills are proving more efficient and industry is raising production from Electric Arc Furnaces (EAF) which uses scrap iron input and means less growth or even a reduction in iron ore and coking coal demand. There is also talk of China seeing a maximum level of steel it consumes and exports. "Peak steel in China is drawing nearer," said analyst Wood MacKenzie in an October commodity report, "and seaborne trade (growth) in iron ore is approaching stagnation."

However, a report from Maersk Brokers noted the potential for a pick-up in China-bound iron ore cargoes and support for rates towards the end of the year due to a more, "lenient approach to emission control", compared with 2017.

Last year, the mandatory production restrictions on most of the country's steel mills led to a scale down in production. "If production is able to continue with limited restriction, this will further support China's demand for iron ore and likely increase China's export of steel, as domestic demand remains relatively weak during the winter period," the report read.

SOFT GROWTH PATTERN

On the supply side, a softer pattern in the growth of the dry bulk fleet for 2018 is proving of fundamental support to the market. Compared with the last four years, deliveries so far

Boxed up



Despite difficult market conditions faced by the container sector over recent years consolidation activity appears to have tightened the market slightly.

In January 2018, 15 container lines controlled 70% of the market; this share is now controlled by just the top ten.

By early Q4, Drewry's World Container Index (a composite of box freight rates on eight major routes) was at \$1,600/feu compared with \$1,150/feu at the start of the year and \$1,250/feu a year ago. Similarly, the Shanghai Containerized Freight Index (SCFI) recorded levels of \$833/teu in mid-October, after a peak of \$860/teu mid-way through this year, which compares with \$815/teu at the start of this year. In October 2017 the index was at just \$750/teu.

In an October 2018 UNCTAD report, the UN trade organisation noted that three global liner shipping alliances now collectively account for 93% of deployed capacity. While costs have been reduced and efficiencies gained in the process of the mergers and acquisitions, profit margins for the operators and owners remain extremely tight and there could be more alliances to come. "In an oversupplied market, consolidation is expected to continue," said UNCTAD. "Two thirds of the container ship orderbook capacity is accounted for by ships of over 14,000 teu and only large carriers and alliances are in a position to fill these mega ships."

With fewer, but larger companies operating the larger trades in the market, the next phase of development for the container trades could be for the ports themselves to integrate, either horizontally or vertically with liner companies themselves. UNCTAD, expecting the lines to have more leverage when it comes to negotiating rates and conditions for port calls and terminal operations, noted, "by joining forces and forming alliances, carriers have strengthened their bargaining power vis-à-vis seaports". **SN**

this year are far lower and estimated to remain so for the rest of 2018. The trend is in stark contrast to the early part of this decade when newbuilding deliveries surged into the market following heavy ordering at the peak of 2008.

Affinity Shipbrokers puts this year's dry bulk carrier growth (of over 10,000 dwt) at about 3%, a comparable figure to 2017, a year when the volume of deliveries was higher but also when demolition was stronger. More recently, demolition levels have waned as rates have strengthened.

Looking ahead, Affinity shipbrokers describes the dry bulk orderbook ahead as, "still significant" and above what was seen this year and observed in 2017. The broker notes that after reaching a 13-year low in 2017, the dry bulk orderbook has been growing ever since and notes the particular interest in the kamsarmax and ultramax vessels. It forecasts cumulative dry bulk fleet growth at about 2.5% next year, bouncing back to 3% by 2020.

Similarly, shipbroker Allied said in early October that the newbuilding market had started to build "positive momentum" with a flow of deals coming to light. Allied estimated that the dry bulk orderbook stands at about 6% of the current trading fleet and notes that the equivalent ratio in 2017 was just over 5% and in 2016 it was 5.6%. With these orders only set to hit the water in the 2020s and with more than 800 ships in the dry bulk fleet over 20 years old, the supply side of the equation will remain on the tighter side through the end of this decade. **SN**

Tanker talk



Sanctions on Iranian oil could hit tankers

Freight rates in the tanker sector have failed to keep any sort of parity with the dry bulk market and remain subdued overall, although a small uptick in mid-October added a spot of buoyancy to what has otherwise been a restrained market this year.

According to Fearnleys, at the start of Q4 one-year time charter rates for very large crude carriers were at around \$25,000/day, aframax at \$15,000/day and MR IMO3 vessels at about \$13,000/day with the respective lows of 2018 recorded at \$21,000/day, \$13,500/day and \$13,000/day.

While tanker freight rates languish, oil prices have been a firm feature of the market this year with Brent crude spiking at \$86/bbl at the start of Q4. Prices remain sensitive to the upside as the geopolitical climate continues to dominate, including the recent widespread political fall-out with Saudi Arabia, the unrelenting Venezuelan situation and more recently the US pledge to reimpose sanctions on Iran.

Iranian sanctions will likely affect the whole of the country's economy when fully implemented later this year due to the use of US dollar currency controls. But it is the energy sector that is the main focus of the restrictive measures. Iran's oil exports are already feeling the pressure with the National Iranian Oil Company (NIOC) stating that outflows are showing a decline. Many buyers of Iranian crude, meanwhile, are reportedly reducing their purchases ahead of the sanctions' deadline. In September of this year, Iran's crude production fell to 3.5 million barrels/day from 3.6m b/d in August and exports dropped to 1.7m b/d from 1.9m b/d respectively.

In terms of shipments, India is a key buyer of Iranian oil and the country has reportedly been stocking up on the crude ahead of the sanctions, importing in the region of 10m b/d in October. Similarly, VLCCs are reported to be filling storage tanks further east with Dalian taking 2 m barrels of crude as bonded storage with more on the way. China has said it will ignore US sanctions and continue to purchase Iranian oil, while India and Turkey have indicated similar sentiments. At the start of Q4, the US Secretary of State has said Washington would consider request for 'sanctions relief' for a handful of countries.

Even so, there will be a fall in Iranian crude on the markets. Looking for alternative barrels, the International Energy Agency (IEA) suggests that Brazil was supposed to be, "one of the big production success stories of 2018" – but this hasn't materialised. Instead, the US production continues to outperform forecasts with growth of 1.7m b/d this year and another 1.2m b/d is now projected for 2019. **SN**

Timberrrr!

Weird and wonderful facts about one of the shipping industry's staple commodities. This month we take a closer look at timber.

Trees can live for thousands of years. The oldest known living tree is an unnamed Great Basin bristlecone pine in the White Mountains of California. **Over 5,000 years old**, it was around when the ancient Greek city of Troy was founded and when the first stones were laid at Stonehenge.



Counting the annual rings of a tree stump is an easy way of working out how old a felled tree was, but **how do you calculate the age of a living tree?** The best way to do it is to measure the girth (circumference) of the tree at shoulder height, and then divide that number by its growth rate – different species grow at different rates, so you'll need to look up the growth rate of the tree that you're measuring. There are lots of online tools that will help you with this.

83.9m high

The biggest living organism in the world is a tree – the mighty General Sherman, a giant sequoia located in the Giant Forest of Sequoia National Park in California. Measuring a whopping **83.9m high**, it's about **three times larger than a blue whale**.

60,000 species

There are over 60,000 different species of trees across the world (and nearly 9,000 in Brazil alone).



Sources: www.alsfordtimber.com, Bradshaw Foundation, Monumental Trees, BBC News

Trees can communicate with each other.

When willows, poplars and sugar maples are under attack from insects, they emit a chemical warning to nearby trees which begin pumping out more tannin to ward off the invaders.



Most of the furniture we use in our home and businesses have at least some wood in them – for example IKEA alone uses **1% of the total world wood production every year!**



Trees mean rain. Every day, just one acre of maple trees emits as much as **20,000 gallons** of water into the air.

90%
10%

Trees get 90% of their nutrition from the atmosphere and only 10% from soil.

\$2.1 billion

In the USA, the shade and wind-proofing that trees deliver reduce annual heating and cooling costs by \$2.1 billion



The most expensive wood in the world comes from one of the rarest trees – the African Blackwood. The wood is used primarily to make woodwind instruments like clarinets and oboes and its value is around **\$25,000** per cubic metre.



Using timber in construction can actually remove carbon from the atmosphere. Trees absorb carbon very rapidly while they are growing and absorb less as they age. So, when trees are harvested for construction from sustainably managed forests, their carbon is stored in the timber, and they are replaced by new young trees which absorb carbon more quickly. This means that a sustainably managed forest can be an even more effective carbon store than an undisturbed one.

Legal Eagles...

Do you have a burning legal question for the HFW Shipping Network team? Email legaleagles@ics.org.uk for them to answer your question in the next issue of the *Shipping Network*. Questions should be of a general nature and not specific to a particular live issue.

HFW's crack team of specialist shipping lawyers answer your legal questions



Guy Main



Is there more than one Ballast Water Management Convention?



Ross Millar



The International Maritime Organisation (IMO) has mapped out a path for new and existing ships under the International Convention for the Control and Management of Ships' Ballast Water and Sediment (BWM Convention). The US, however, has not ratified the BWM Convention. Instead, they have implemented their own ballast water standards: the USCG Ballast Water Management regulations (BWM Regulations). As a result, owners can face difficult decisions when it comes to implementing the standards necessary for their vessels.



Kirsten Wright

The BWM Convention entered force on September 8, 2017. The aim of the BWM Convention is to address the issue of harmful aquatic species spreading throughout the world in ships' ballast water. Shipping is a global business, and an unintended consequence of this is that the industry has become a major transport network for moving potentially harmful organisms from one part of the globe to another. One such example was the transportation, through ballast water, of Chinese Mitten Crab, from Northern Asia to Western Europe. The invasion of this foreign species caused the devastation of indigenous species and interference with numerous coastal environments. This invasion also resulted in severe economic disruption for local fisheries.

Currently there are two standards for vessels under BWM Convention. D-1 is in respect of ballast water exchange standards. D-1 will be phased out in the next few years and replaced with the D-2 standards. D-2 covers standards for ballast water purity and requires (among other things) the provision of more complex ballast water management systems. New ships constructed after September 8, 2017 are required to comply with D-2 standards on delivery. The implementation schedule for existing vessels coincides with the vessel's International Oil Pollution Prevention Certificate renewal survey. The latest date for compliance is September 8, 2024.

The BWM Convention requires vessels to be issued with an International Ballast Water Management Certificate, Ballast Water Record book and a ship specific Ballast Water Management Plan.

REGULATION REQUIREMENTS

The US has developed its own standards and implementation dates for ballast water management. There is some commonality with the BWM Convention D-2 standards. However, the latest



Different ballast regimes are causing confusion

compliance date for vessels operating in the US is the first scheduled dry-docking after January 1, 2016, compared with the BWM Convention implementation date of September 8, 2024. This disconnect has caused obvious confusion throughout the industry. In the US the number of Port State Control deficiencies relating to ballast water management have increased by some 99% over the past year.

Owners have a number of options when choosing a ballast water treatment system. Those available include mechanical, physical, chemical or electrochemical systems. When choosing an appropriate system, owners should consider the intended trading pattern for the vessel, as well as the requirements of the BWM Convention, BWM Regulations and its Flag State. There are fewer systems carrying US Coast Guard approval than IMO approved systems. Owners may face complications when trying to integrate the new treatment systems with aging tonnage.

Owners should ensure that their crews understand the importance of correct procedures and accurate record keeping in relation to ballast control. The consequences for non-compliance can, depending on the coastal state and nature of the offence, vary from warnings to severe penalties. Recently, the owner of a vessel operating in US waters received a penalty because of a non-compliant ballast discharge operation. Such an offence may involve a fine, and also delays and disruption to daily operations, as well as damage to an owner's reputation.

Owners should be clear on the relevant rules and exercise caution when managing ballast water. **SN**

While every care has been taken to ensure the accuracy of this information at the time of publication, the information is intended as guidance only. It should not be considered as legal advice.



A charterer has brought a claim for counter security against an owner in respect of security that the charterer provided to the cargo interests for cargo damage.

The fixture was for a time charter on the NYPE 1946 form incorporating the ICA (as amended 2011). Is the owner obliged to provide such security?



The Inter-Club New York Produce Exchange Agreement (ICA), if incorporated properly into a charterparty, provides a relatively simple “knock-for-knock” based mechanism for dealing with cargo liabilities under the New York Produce Exchange (NYPE) or Asbatime form charterparties between owners and charterers.

Clause 27 of the NYPE form 1993 expressly provides that “cargo claims” between an owner and charterer are to be settled in accordance with the 1970 ICA, as amended in 1984 “or any subsequent modification or replacement thereof”. No such provision is contained in the NYPE 1946 and Asbatime charterparty forms, and so the ICA must be expressly incorporated to apply.

An important addition was made to the ICA (as amended 2011) as compared with previous versions. Clause 9 of the ICA (as amended 2011) (the Security Provisions) provides that one of the parties to a charterparty (“A”) may seek security (upon demand) from its charterparty counterpart (“B”) once A has itself provided corresponding security to the underlying cargo claimant (provided the time limits set out in clause 6 of the agreement have been complied with).

A recent case demonstrated the importance of choosing words carefully when incorporating the Security Provisions into a charterparty.

In London Arbitration 18/18 (2018), the subject vessel was chartered by the claimant disponent owners to the respondent charterers on an amended NYPE form with additional clauses. The receivers and cargo insurers made a claim against the head owners for damage to cargo. The charterparty between the disponent owners and charterers included the following wording relating to the ICA (as amended 2011): “Liability for cargo claims, as between Charterers and Owners, shall be apportioned/settled as specified by the Interclub New York Produce Exchange Agreement effective from 1996 and its subsequent amendments.”

To avoid arrest, the head owners’ Club provided security by way of a Letter of Undertaking and requested that the disponent owners provide the same amount of security. The disponent owners argued that the head owners were entitled to counter security from the charterers under the Security Provisions. The Tribunal, however, decided that the charterparty wording only applied to “apportionment and settlement” of cargo claims, and not to security. The wording did not incorporate the entire text of the ICA (as amended 2011) and did not provide any basis

for applying the Security Provisions. In order for the full terms of the ICA (as amended 2011), including the Security Provisions, to be incorporated into a charterparty, there had to be an express provision stating that it was incorporated. No security was therefore due from charterers.

CLEAR WORDING

The wording which was intended to incorporate the Security Provisions into the charterparty in this arbitration was more specific than the wording found in, for example, clause 27 of the NYPE 1993 form. The Clause 27 (1993) wording, or a similarly worded clause referring generally to “cargo claims” and “settlement” as opposed to “liability for cargo claims” and “apportionment” may still provide a basis for applying the Security Provisions; however, post London Arbitration 18/18, this should not be assumed.

On the basis of the information provided, it is at least arguable that owners may be able to take advantage of the decision in London Arbitration 18/18 to challenge charterers’ entitlement to security under the Security Provisions. This will be heavily dependent on the precise terms used to incorporate the ICA (as amended 2011) into a charterparty.

In future, owners should take care to protect themselves if they wish to invoke the Security Provisions and possibly seek security from charterers. Following the decision in London Arbitration 18/18, member Clubs of the International Group have amended the recommended Charterparty clause wording which incorporates the ICA (as amended 2011) to: “Cargo claims as between Owners and the Charterers shall be governed by, secured, apportioned and settled fully in accordance with the provisions of the Inter-Club New York Produce Exchange Agreement 1996 (as amended 2011), or any subsequent modification or replacement thereof. This clause shall take precedence over any other clause or clauses in this charterparty purporting to incorporate any other version of the Inter-Club New York Produce Exchange Agreement into this charterparty”.

Owners should ensure that the ICA (as amended 2011) is clearly incorporated in its entirety when entering into future charterparties on the NYPE or Asbatime form. **SN**

While every care has been taken to ensure the accuracy of this information at the time of publication, the information is intended as guidance only. It should not be considered as legal advice.

The articles were written by Ross Millar, Kirsten Wright and Guy Main. Ross is a master mariner, Kirsten is an associate, and Guy a senior manager (partner equivalent) at HFW, a sector focused law firm specialising in shipping, aviation, commodities, construction, energy and insurance. All are in the shipping department in HFW’s London office. Guy is also a Fellow of the Institute and, before joining HFW, he spent 18 years as a shipbroker. Research was carried out by Paul Miller.



Institute a "great force for good"

Carly Fields reports on the achievements of the Institute's prize winners



Carly Fields

The UK's parliamentary under secretary of state at its Department of Transport gave warm and welcome recognition of the Institute's work at this year's annual prizegiving ceremony in London.

Speaking to award winners, families and friends, Institute Members and Fellows and distinguished guests, Nusrat Ghani said she has become "increasingly aware" of the Institute's "incredible value both to the UK and the global maritime industry". From working with Maritime UK on its Women in Maritime taskforce to developing maritime-themed lessons for schools and much in-between, she said that the Institute's achievements meant it is a "great force for good within the maritime industry".

Ms Ghani attended the event to congratulate this year's prize-winning cohort of students at a prestigious ceremony at Trinity House in London. She described those prize winners as "all inspirational", adding that it takes hard work and determination to succeed.

She also added that building relationships is imperative for world trade and that those present were "truly global ambassadors."

Dr Parakrama Dissanayake FICS, president of the Institute, was equally as effusive about the achievements of those present at the ceremony. "As award winners you will be strengthening a dynamic, exciting and evolving industry where what is relevant today may not be relevant tomorrow."

He acknowledged the difficulties that students face juggling a focus on studies and participation in lectures alongside busy work schedules, especially in this "era of challenges".

Dr Dissanayake continued: "Graduating today and receiving awards is a moment that you should be immensely proud of. The training and knowledge you have gained through the Institute along with greater determination and commitment will take you to superior heights in the industry."

The Lord Mountevans, incoming president of the Institute, joined Dr Dissanayake in congratulating students at the ceremony, and broadened that recognition out to all students undertaking studies for future Institute exams around the world, as well as to the



Institute president Dr Parakrama Dissanayake welcomes incoming president The Lord Mountevans

sponsors of the awards that have "inspired them and the cohorts that follow them".

INSPIRED WINNERS

Anjalika Perera, winner of the TutorShip Pieter van Gelder Award, appreciated that recognition at the ceremony. She was encouraged by a colleague, Richard Rodrigo, at her employer GAC Sri Lanka to study for the Institute's exams. Richard, manager, commercial for GAC Marine, was also a prizewinner back in 2013, receiving the Armac Award.

Speaking to *Shipping Network*, Anjalika said that it has been an amazing journey and that she's grateful for the support from her company.

Starting her career as a management trainee at GAC Sri Lanka, Anjalika is now senior executive of operations, handling business development and vessel agency operations.

Another prize winner, Oleg Parashchenko, also expressed gratitude for his company's support; he is the financial officer at Odessa-based SC Innovative Ukraine. Having already completed his own exams, his managing director recommended that Oleg start his studies to gain experience and knowledge. "You learn lots when you are studying, and you get knowledge in all areas. You become a great professional," Oleg said, adding that he did not expect his journey to end at Trinity House with a prize: "This is like a movie for me!"

Oleg received the Mediterranean Shipping Co Award at the London ceremony. Having now finished his professional exams, he has now been welcomed as a Member of the Institute.

There were other notable presentations made at the event in October. Tutor and examiner John Watt was awarded the inaugural Ted Renshaw Commemorative Bristol Blue vase, while the prestigious Sworn Shipbrokers' Medal was presented to Dennis Ray, Natalia Margioli and John Grange for their continued outstanding contributions to the Institute. **SN**



MP Nusrat Ghani praised the Institute

The Prizewinners

AFRIMARI AWARD

To the candidate gaining the highest mark in Shipping Business sitting in an African examination centre

Diana Businge

ARMAC AWARD

To the candidate with the highest marks in the Foundation Diploma in Port Agency

Mohamed Nabeel Ameer Hamza

BALTIC EXCHANGE AWARD

To candidate gaining the highest marks in the following subject in the Qualifying Examinations: Shipping Law –

Foteini Konstantinou

Foteini's home town is Lamia, a small town near Athens. She is 30 years old and working as a Greek lawyer. Foteini worked in Lamia after her graduation from Aristotle University of Thessaloniki, Faculty of Law. Two years ago, she decided to move to Athens in order to specialise in other fields of law. In the last year of her Master's in Business Law and Administration in Athens, Foteini studied the Institute courses at the Hellenic Management Centre. She admits to a long fascination with shipping and knew that she wanted to try to pursue a career in shipping as a lawyer; indeed, she admits to it being her dream job. To increase her qualifications further, Foteini is planning to start a Law Master's in Shipping Law at Queen Mary in Piraeus.



BALTIC EXCHANGE AWARD

To the candidate gaining the highest marks in the following subject in the Qualifying Examinations: Shipping Business –

Dionysios Diamantopoulos

Dionysios is 29 years old and was raised in Crete, Greece. As an islander from a young age he had close connections to the sea. He studied Environmental Engineering and holds a Master's in Project Management. Currently, he is a PhD candidate in the Maritime Studies Department of the University Of Piraeus and has completed his thesis for his Master's in Shipping Business, for which he received a scholarship, from the University Of Plymouth.

He decided to study for the Institute exams because he believes that opportunities in the academic environment in Greece are limited and he wanted to pursue a career in the corporate maritime industry. Excellence and knowledge are driving factors for Dionysios as he wants to be able to attain both professional and personal success. In five years' time Dionysios sees himself working for a respectable company in ship sale and purchase, or chartering.

BALTIC EXCHANGE AWARD

To the candidate gaining the highest marks in the following subject in the Qualifying Examinations: Dry Cargo Chartering –

Stella Terezaki

BRAEMAR ACM SHIPBROKING AWARD

To the candidate gaining the highest marks in Tanker Chartering in the Qualifying Examinations

Afzal Machingal

CLARKSON AWARD

To the candidate gaining the highest marks in the Foundation Diploma in Dry Cargo Chartering

Thomais Dova

CORY BROTHERS AWARD

To the candidate gaining the highest marks in Port Agency in the Qualifying Examinations and sitting in a UK centre

Normunds Strods



Normunds is 45 years old and married with four children. He studied for his exams using TutorShip distant learning with Bob Jones as his tutor and tells *Shipping Network* that he found the process very helpful compared with his previous self-study experience when he studied for his Master's.

Having been in the shipping industry for 25 years, Normunds now manages a terminal in Riga, and has co-owned his own company since 2000 dealing with ships' agency and chartering. He comes from a seafaring background having completed his ship's navigation officer qualifications with the Latvian Maritime Academy in 1997, which he followed up with a Transport Economy Master's degree from Riga Technical University, awarded in 2002.

DENHOLM WILHELMSSEN AWARD

To the candidate gaining the highest marks in the Foundation Diploma in Ship Operations & Management

Alexander Przyjemski



Alex is 26 years old and studied Geography at the University of Leicester from 2010 to 2013. His employer, Borchard Lines, has supported him throughout his studies for which he is very thankful. Alex is currently working in trade management with Borchard, and came to the Institute to study on the back of recommendations from colleagues. He describes the Institute as "the best of the best" and plans to continue his study to expand his shipping knowledge.

When asked where he sees himself in five years' time, Alex replied that he will definitely still be in the shipping sector, supporting his interest in commercial trade, and that he hopes to still be in liner shipping.



**Clockwise from top: Guests celebrated the students' successes;
MP Nusrat Ghani addresses the attendees;
Dennis Ray accepts his Sworn Shipbrokers' Medal;
Dr Parakrama Dissanayake congratulates students**

EA GIBSON SHIPBROKERS AWARD

To the candidate gaining the highest marks in Introduction to Shipping in either Foundation Diploma or the Qualifying Examinations

Mohamed Nabeel Ameer Hamza

Nabeel started his carrier in a multinational manufacturing and trading company where he played a leading role in accounting and finance. He is an associate member of the UK's Chartered Institute of Management Accountants and a Lean Six Sigma Black Belt.

Having identified logistics as an integral part of trade, he started his carrier in logistics in 2008 and now serves as the senior general manager for a leading logistics group in Sri Lanka. He selected The Institute as his preferred body for a qualification in logistics after advice he received from the industry contacts.

Nabeel is 33 years old and now counts over thirteen years of exposure to the industry with expertise ranging from business development, risk management, financial management, human capital management and information management.

IHS-MARKIT AWARD

To the candidate gaining the highest marks in Ship Operations & Management in the Qualifying Examinations

Irosh Perera

JOHN O'KEEFFE AWARD

To the candidate gaining the highest marks in the Foundation or Advanced Diploma in Ship Sale and Purchase

Mohammed S Eranthodika

KENNEDY MARR AWARD

To the candidate gaining the highest marks in Offshore Support Industry in the overall Examinations

Vinod Thayil

LLOYD'S LIST AWARD

To the candidate gaining the highest marks overall in completing the Qualifying Examinations

Diana Businge

MATTHEW GOOD MEMORIAL AWARD

To the candidate gaining the highest marks in the Foundation Diploma in Liner Trades

Nicholas Mwangi

MEDITERRANEAN SHIPPING CO (UK) AWARD

To the candidate gaining the highest marks in Logistics and Multi-modal Transport in the Qualifying Examinations

Oleg Parashchenko

MOORE STEPHENS AWARD

To the candidate gaining the highest marks in Shipping Finance Examinations

Louis-Pierre Trottier

PETER TALBOT WILLCOX MEMORIAL AWARD

To the candidate with the highest marks in Ship Sale and Purchase in the Qualifying Examinations

Paraskevas Kousounadis

PORT OF LONDON AUTHORITY AWARD

To the most successful candidate studying the Professional Qualifying Examinations sitting in London

Harmanpiar Gill

PORT STRATEGY AWARD

To the candidate gaining the highest marks in Port & Terminal Management in the Qualifying Examinations

Pim Steenhuis

REED SMITH LLP AWARD

To the candidate gaining the highest marks in Legal Principles in Shipping Business in the Qualifying Examinations

Virasp Vazifdar

SHELL INTERNATIONAL TRADING & SHIPPING AWARD

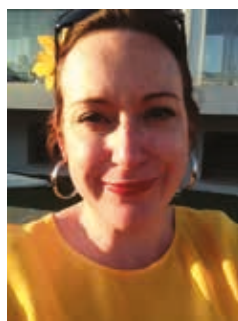
To the candidate gaining the highest marks in the Foundation Diploma in Tanker Chartering

Ethan Cheng Hong Lim

SHIPBROKERS' REGISTER AWARD

To the candidate gaining the highest marks in Port Agency in the Qualifying Examinations

Sara Jones



Sara was attracted to shipping not only by the vital and incredibly varied sector but also by the vibrancy and closeness of the community which, while ever-evolving, holds its history close. In her job, she deals with third party liabilities – which she describes as the “weird, wacky and wonderful world of P&I – and no two days are the same. Her cases range from the most basic marine claims to

complicated casualties not to mention unusual and surreal issues that need original approaches to resolve.

Before she started studying for the Institute's exams, Sara was learning ‘on the job’. She found that she needed to develop her understanding of the basics and background of shipping to do her job more effectively.

The Institute was attractive to her as it was designed and delivered by practitioners; it could be arranged around her work commitments; and she could easily make connections between her work and what she was learning. “My company is my own, so I stand and fall on what I deliver,” Sara says. “The better I can be at my job, the better I can teach my employees and in turn the better we can positively contribute to our industry.”

SHIPPING PROFESSIONAL NETWORK IN LONDON AWARD

To the most successful first year candidate sitting examinations in London

Sarah Mokhtari

TUTORSHIP PIETER VAN GELDER AWARD

To the candidate gaining the highest marks in Liner Trades in the Qualifying Examinations

Anjalika Perera

VAUGHAN-JAMES EUROPEAN AWARD

To the top candidate from France, Spain or Portugal and whose mother tongue is not English

Pablo Sanabria



Pablo's began working in Schandy, a family-owned group of companies related to the maritime business, in his home country of Uruguay 10 years ago – at the same time as he was completing his degree.

He learnt much from the great professionals there about the main areas of the company and acquired traditional and good values from

them, which he strongly believes are essential to develop a career and to conduct business in the shipping industry.

Pablo's main interest today is dry cargo chartering and he is currently working in COORDINADORA, a Spanish heavy-lift and project freight forwarder. Here, he is in daily contact with shipowners – mainly with coasters, multipurpose and heavy lift tonnage – using the knowledge he has gained from his Institute qualifying exams, which he feels add important value to his work.

WILLIAM PACKARD MEMORIAL AWARD

To the candidate gaining the highest marks in Advanced Diploma overall

Captain Kulbhushan Jamwal

"The better I can be at my job, the better I can teach my employees and in turn the better we can positively contribute to our industry."

– Sara Jones, winner of the Shipbrokers' Register Award



From top: A proud moment for prizewinners; three Sworn Shipbrokers' Medals were presented on the night; Natalia Margioli accepts her medal



From top: John Watt is presented with his Commemorative Ted Renshaw Bristol Blue vase; The Lord Mountevans presents John Grange with his Sworn Shipbrokers' Medal; prizewinners and Award sponsors



Joining the hallowed Institute halls

Shipping Network presents the latest Honorary Fellows

Tan Beng Tee, the Maritime and Port Authority of Singapore's (MPA) assistant chief executive of development, has been given membership of the Institute by the body's Executive Council.

Ms Tan was awarded Honorary Fellowship. Honorary Fellowship may be awarded to members of the international maritime community who have made an exceptional contribution to shipping business.

In her role at the MPA, Ms Tan oversees promotion and developmental matters pertaining to Singapore's growth as an International Maritime Centre (IMC), international and port policies, and organisation-wide plans.

Prior to this, she was the group director (IMC) at MPA, having also held the role of director (corporate group) in the then International Enterprise Singapore, now known as Enterprise Singapore, the government agency that champions enterprise development.

In April 2018, Ms Tan was awarded the Seatrade Lifetime Achievement Award for her contribution to developing and promoting Singapore as an IMC. Ms Tan also received the Lifetime Achievement Award from the Lloyd's List Asia Awards in 2008. In 2012, Ms Tan received the Public Service Silver (Bar) from the Singapore Government.



Tan Beng Tee

"Ms Tan is a well-respected member of the maritime community and has played a key role in developing and promoting Singapore as an International Maritime Centre."

Ms Tan has a Business Administration degree from the National University of Singapore and a Diploma in Shipping from the Norad Fellowship Programme in Oslo in Norway.

In July 2018, she was nominated for membership consideration by the Institute's Singapore Branch.

In support of the nomination, Institute Fellows wrote: "She is a well-respected member of the maritime community and has played a key role in developing and promoting Singapore as an International Maritime Centre."

HUMBER NOMINATION

Meanwhile, the Institute has awarded Honorary Fellowship to J.R. Rix & Sons chairman Tim Rix under Bye-Law 8.

Mr Rix, who was nominated for the accolade by Humber Branch chairman and Institute Controlling Council member Danny Carmichael, started his career in the business working

within the firm's shipping department, initially as a ship's engineer, learning the essential knowledge of how ships work at sea and in port.

As his career progressed, he expanded his knowledge to include operational management of the family fleet of general cargo ships and tankers, leading into chartering, ship sale and purchase, insurance and bunker trading.

He was also instrumental in establishing a liner trade service between the UK and the Baltic Sea, setting up a stevedoring, agency and terminal operation that continues to this day.

Additionally, Mr Rix is a key member of the business community, holding central positions with both private and public groups and using them to champion the maritime community and the benefits it brings to the local and wider areas.

According to Mr Carmichael in a letter nominating Mr Rix, the J.R. Rix & Sons figure's Institute support has always been forthcoming, with many company members being encouraged to undertake study to obtain membership.

"Mr Rix would be an asset to the ranks of the Institute," he said in the letter.

Bye-Law 8 allows Honorary Fellowship of the Institute to be given to international maritime community members who have made an exceptional contribution to shipping. **SN**

NEWLY ELECTED MEMBERS

Australia	Giuseppe Zarcone
Australia	Alexander Krasovsky
Azerbaijan	Dmytro Furda
Belgium	Kostiantyn Shevelov
Belgium	Sophia Sali
Brazil	Victor Bondar
Canada	Anshul Yadav
China	Durai Dhanasekhar
Cyprus	Rafiuddeen Sharfudeen
Cyprus	Tanuj Balani
Cyprus	Virasp Vazifdar
Cyprus	Adam Murphy
Denmark	Akash Pise
Ghana	Alexandros Papanagiotou
Ghana	Anamaria Buzoeanu
Ghana	Carmen Khouri
Greece	Christos Karapanos
Greece	Constantinos Chaelis
Greece	Daniel Howland
Greece	Dian Nikolov
Greece	Dimitrios Skepetaris
Greece	Eleftheria (Ellie) Stampoulidou
Greece	Hongbeom Park
Greece	Humphrey Hodgson
Greece	Lauren Caldwell
Greece	Matthew Wright
Greece	Paul Olvhoj
Greece	Penelope Lykiardopulo
Greece	Victoria Parkin
Greece	Vladislava Todorova
Greece	Munyaradzi Hove
Greece	Stuart Timashe Kakuruwo
Greece	PROMOTED TO FELLOW
Greece	Adam Kuner
Greece	Valentina Banusheva
Greece	Capt Shujun Chen
Greece	Sergey Dobrinov
Greece	Bernard Bitar
Hong Kong	George Gourdomichalis
India	George Daskalakis
India	Stamatios Papagiannopoulos
India	Toula Hatjioannou
India	Munish Khatri
India	Mohammad Tarique Khan
India	Joanne Kelleher
India	Peter Molloy
India	Rear Admiral Asif Hameed Siddiqui
India	Mikhail Ralenko
India	Daniel Ngubane
India	Harsha De Silva
India	Sahan Jayasinghe
India	Sarukasan Arunajothi
India	Capt Sudhir Kunnath
India	Rahul Bendre
India	Rajashekhara R.K.
India	Anna Virgara
Ireland	Kristina Chapple
Latvia	Tobi Menzies
Latvia	RE-ELECTED TO MEMBERSHIP
Moldova	Panayiotis Mitroutis
Netherlands	Dennis Ogodor
Netherlands	Jan Kuehnbaum
Netherlands	Manish Ojha
Netherlands	RE-ELECTED TO FELLOW
Netherlands	Bill Chalmers
Nigeria	ELECTED TO MEMBERSHIP
Norway	Ioannis Floutakos*
Norway	Capt. Michael A. N. Meade*
Pakistan	ELECTED TO LIFE MEMBER
in Federation	Malcom Coomer
Singapore	Ronald Wilson
Singapore	ELECTED TO HONORARY
Singapore	Tan Beng Tee
Singapore	Tim Rix
South Africa	*Ioannis Floutakos and Capt. Michael A. N. Meade will be introduced in the March 2019 AGM
Sri Lanka	
Sri Lanka	
Sri Lanka	
Sri Lanka	

PROMOTED TO FELLOWSHIP

Adam Kuner
Valentina Banusheva
Capt Shujun Chen
Sergey Dobrinov
Bernard Bitar
George Gourdomichalis
George Daskalakis
Stamatios Papagiannopoulos
Toula Hatjioannou
Munish Khatri
Mohammad Tarique Khan
Joanne Kelleher
Peter Molloy
Rear Admiral Asif Hameed Siddiqui
Mikhail Ralenko
Daniel Ngubane
Harsha De Silva
Sahan Jayasinghe
Sarukasan Arunajothi
Capt Sudhir Kunnath
Rahul Bendre
Rajashekhara R.K.
Anna Virgara
Kristina Chapple
Tobi Menzies

Australia
Bulgaria
China
Cyprus
Greece
Greece
Greece
Greece
Hong Kong
India
Netherlands
Netherlands
Pakistan
Russian Federation
South Africa
Sri Lanka
Sri Lanka
Sri Lanka
United Arab Emirates
United Arab Emirates
United Arab Emirates
United Kingdom
United Kingdom
United Kingdom

RE-ELECTED TO MEMBERSHIP

Panayiotis Mitrou
Dennis Ogodor
Jan Kuehnbaum
Manish Ojha

Greece
Sierra Leone
Singapore
United Arab Emirates

RE-ELECTED TO FELLOWSHIP

Bill Chalmers

United Arab Emirates

ELECTED TO MEMBERSHIP VIA BYE LAW 50

Ioannis Floutakos*
Capt. Michael A. N. Meade*

Greece
Singapore

ELECTED TO LIFE MEMBERSHIP

Malcom Coomer
Ronald Wilson

United Kingdom
United States of America

ELECTED TO HONORARY FELLOWSHIP

Tan Beng Tee
Tim Rix

Singapore
United Kingdom

*Ioannis Floutakos and Capt. Michael A. N. Meade, Bye Law 50 Members, will be introduced in the March 2019 issue of *Shipping Network*.

Encouraging future shipping professionals

The Institute played host to prospective students at branches around the world



**Eleonora
Modde**

Earlier this year, the Institute threw open its doors at branches across the continents to give potential new members the opportunity to find out more about the professional body and the benefits of membership. Its Singapore Branch kicked off proceedings with a well-attended event.

Those present on the day were introduced to the subjects and study methods available at the Branch, with participants learning about the benefits of becoming a Member of the Institute. A lively discussion took place, with many of the guests – 10 potential students in total – displaying interest in registering for the November examinations at the end of the open day.



Kate Jones

At the Hong Kong Branch open day, which took place at Hong Kong Polytechnic University, guests had the chance to learn about the impact of tariffs on shipping, and were also given an overview of the available Institute qualifications, as well as being shown course books and Institute videos.

Independent shipping expert and maritime arbitrator Jagmeet Makkar gave a presentation on the effect of the levies on the shipping market at the event, which welcomed over 20 visitors. KK Li, the most senior member of the Branch's executive committee, and Branch chairman Joseph Chau gave a speech concerning career paths, while Branch vice chairman Manson Cheung and

honourable secretary Rakesh Sethi talked potential students through the Institute's mission, as well as informing them about upcoming seminars and events. Branch T-shirts and caps were also given out to all visitors free of charge.

"Visitors enjoyed the constructive advice and guidance about preparing for the Institute's examinations," a Branch spokesperson said.

AROUND THE WORLD

In London, the annual open day was hosted by the Institute's London & South East Branch and the Institute's head office. According to a Branch spokesperson, the event, held at The Baltic Exchange, was a great chance for Members, students and prospective students to come together and spend time discussing Institute qualifications, as well as serving as the perfect opportunity to officially launch the London School of Shipping, which has been offering evening classes in the UK capital since September.

"We were delighted to receive so much interest from the major broking houses in London, and we hope to see a lot of the guests soon on our courses," the spokesperson commented on the open day.

Meanwhile, potential North East of England Branch students attending the open day there came from differing backgrounds and had varied reasons for an interest in the Institute.

"Some were looking into shipping to turn around their career and get specialised in offshore, others [were] just starting out and some [were] returning to the industry and committed to finish off remaining qualifying examinations," a spokesperson explained.

A similar variety of attendees could be found at the Pakistan Branch's open event, which welcomed maritime professionals as well as new graduates. Branch committee members delivered a detailed presentation, with guests able to ask questions and receive information on how to register for Institute examinations and how to achieve qualification and membership of the organisation.

"The Open Day gave our Branch a great opportunity to introduce the Branch members to potential students," a spokesperson commented. "During the event, attendants freely discussed their study preferences in connection with their academic and professional qualifications and future goals."

WEST TO EAST

Institute open days were also hosted by the Germany and East India Branches. The Germany Branch open day took place in the foyer of Handelsschule Berliner Tor, and attracted around 20 potential students. The event was described as "quite interesting and lively". East India Branch vice chairman Ravee Titte was pleased with his Branch's open day, which received a good amount of potential students, "eager to know more about the options to get recognised shipping qualifications with the Institute".

Canada



Middle East



A spokesperson for the Institute's Australia/New Zealand Branch said that it had received many enquires in the run-up to its open event, while the South Africa Branch's Open Day was also popular, with all available chairs filled at the event. Branch chairman Eddie Nielson gave a well-received presentation, which was followed by an open session where guests could ask questions and find out more about the Institute. For some current students also in attendance, the Open Day also served as an opportunity to discuss matters of importance to them, a Branch spokesperson commented.

"Follow-ups with interested prospective students are now taking place and hopefully will result in enrolments," they noted.

In Bulgaria, an event in the port city of Varna took place at the Nikola Vaptsarov Naval Academy. Prospective students came along to ask questions about the Institute, with Bulgaria Branch chairman Rosen Kosturkov welcoming them and talking them through the opportunities on offer. In Turkey, the Open Day in Istanbul was "very effective and active", with academics, non-governmental organisations, business people and leading ship-owning companies attending. The Institute's Turkey Development Branch remarked that leading shipowners and managers are vital to promoting the importance of the Institute in Turkey. Regarding the event in Valletta in Malta, a spokesperson said that considering the size of the island, partners from the Malta Maritime Forum in Valletta "did very well" to create some local interest, receiving a few queries regarding Institute qualifications. Those who approached the partners included Focal Maritime Services, Medsea Shipping, Sullivan Shipping and CLdN Malta, and Maltese colleagues have already confirmed their participation in the next Open Day at the end of January next year.

MULTIPLE EVENTS

At some branches, prospective Members had the benefit of more than one open event. There were three hosted by the Institute's Middle East Branch in Dubai in the UAE: an event at the Branch itself, an event at the office of Aurora Tankers and an event at Aster Marine Cargo. Visitors came from Solar Trading and Emirates Global Aluminium, among other companies. On the other side of the world, the Canada Branch put on Open Days in





Hong Kong

Turkey



East India



West Africa



Pakistan

West Africa



Montréal at the offices of two major ship operators, Rio Tinto Marine and Fednav International. Presentations were given on the Institute's background and activities, as well as the various qualifications and study methods on offer and details like cost and duration. Eight staff members from each company attended, with a Branch spokesperson saying that everyone seemed to appreciate having the presentations delivered at their offices.

The Branch also hosted an Open Day in Vancouver in the boardroom of the British Columbia Conservation Officer Service. Attendees came from a local grain-trading house, looking to expand their shipping knowledge base. They stayed for nearly two hours, chatting and asking questions on the benefits of the Institute and the relevance of the examinations to their career goals. They were very interested in enrolling as students, and left the Open Day stating that they will take the Institute's Foundation Diploma in the May 2019 examination session.

Back in Europe, the Cyprus Branch organised its Open Day Event at the Hellenic Bank's venue in Limassol. The event was open to all young professionals, students and interested persons, with the Branch also inviting representatives from various academic institutes and organisations. Over 50 people turned up, on a work day, with this, according to a Branch spokesperson, constituting "a fantastic opportunity for future students to meet Branch members and tutors". Branch representatives talked about the benefits of being part of the Institute and answered academic enquiries. Additionally, interested parties were able to find out more about the upcoming, updated Understanding Shipping course.

"For another year, we were more than delighted to receive so much interest from the younger generation," the spokesperson commented.

HEADING SOUTH

In the Southern hemisphere, the West Africa Branch's open day took place at the Regional Maritime University in Ghana, with the enquiries desk staying open for queries until around an hour after the close of the programme for the day. The target group for the event this year was the university's cohort of new students. An auditorium was filled to capacity, with around 150 students – prospective and current – present at the open day. Frank Tony Eshun, area commercial manager for West Africa at Damco, was guest speaker, talking about career development in shipping and logistics. A comprehensive presentation on Institute courses, fees and student enrolment was delivered by Gertrude Adwoa Ohene-Asienim, Branch chair; Nathaniel Kojo Nti, Branch general secretary; and Richmond Nfodwo, Branch student co-ordinator. Students were encouraged to start studying for Institute qualifications while still in school, and students from the Ports and Shipping, Logistics Management, Marine Engineering and Nautical Science departments displayed great interest in building their professional qualifications through the Institute. **SN**

New season for Baltic lectures kicks-off

A SECOND series of Institute lectures organised in partnership with The Baltic Exchange kicked off at the end of September.

Lecture 1 of the programme, which focused on the International Maritime Organisation's (IMO) global 0.5% fuel sulphur content cap regulation (enforceable from 2020), took place in Singapore on September 25 and in China, Greece and the UK on September 26.

The speakers at each location were Aron Frank Sorensen, Wei Zhuang, Dr John Kokarakis and Guy Platten respectively.

Exploring the result of the IMO's summer discussions and industry reaction to the 2020 cap, speakers offered attendees a look at the figures surrounding the incoming changes, as well as the impact thus far.

In Greece, nearly 30 members attended the event, with the lecture given by Dr Kokarakis described as "outstanding".

In the UK, over 70 people attended, and the event was described as "the perfect forum to assess the change required [and] industry progress and explore the possible impacts on the shipping markets".

Around 35 shipping practitioners were present at the lecture in China, during which Mr Wei offered "expert insight", according to a spokesperson.

Finally, the Singapore event saw attendance from more than 120 members of the Institute, The Baltic Exchange and BIMCO.



Wei Zhuang presents in Shanghai

The lecture programme is intended to support and develop those working in chartering and operations and will look at topical issues that those in these roles face – offering advice on best practice in critical scenarios and insight into the changing patterns impacting shipping industries.

The talks, which take place near the end of every other month and include lunch in some locations, are free to attend for members of the Institute and for those who work for The Baltic Exchange member firms. [SN](#)

Australia and New Zealand Branch plays host

THE Institute of Chartered Shipbrokers Australia/New Zealand Branch held its Annual Cocktail Party in Melbourne at the end of August.

Around 65 people from the local shipping industry attended the event, which took place at The Boatbuilders Yard bar and café in Melbourne and was sponsored by Monson Agencies Australia, CSL Australia and Braemar ACM Shipbroking.

Prizes were awarded at the event to students by education officer Norman Lopez with the Branch's award for the highest aggregate exam marks in 2017-2018 being presented to Nicholas Brewer. [SN](#)



Around 65 people attended the event

Sri Lanka victorious in cricket contest



Branch team captain Kalinga Seneviratne receives the championship trophy from OPA president Lalith Wijetunga

THE Institute of Chartered Shipbrokers Sri Lanka Branch won an interorganisational six-a-side soft ball cricket tournament held by the Organisation of Professional Associations of Sri Lanka (OPA).

The tournament, which took place in August, saw the Branch beat the Institute of Supply and Materials Management (ISMM) by registering a seven-run victory at the Thurstan College Cricket Grounds in the Sri Lankan capital Colombo.

A Branch spokesperson said that the team did well to contain the formidable batting line of ISMM, who batted second. The Branch's middle order batsman performed well, helping to gain a challenging position.

The OPA, of which the Branch is a member, organises the tournament annually to create awareness and bonding among those in its member associations. [SN](#)

Shanghai home to shipping course

THE Institute's China International Teaching Centre (ITC) held the 2018 Institute Classical Shipping Development Program in the Chinese city of Shanghai on August 25-27.

Fifteen candidates from nine companies, which included China COSCO Shipping and Evergreen Marine, took part in the educational initiative, with all participants completing the course and receiving a certificate jointly issued by the Institute and the Chinese Ministry of Transport's professional qualification authority.

At the session, held at the InterContinental Shanghai Pudong hotel, Susan Oatway, vice chairman of the Institute, covered shipping business and dry cargo chartering, while Dr Fan Wei, Skuld vice president, underwriting and marketing, talked about charterparties and damages, insurance, law and unsafe ports.

Additionally, Michael Sun, Altaships founder and managing director, and Rita Lou, Skuld Hong Kong Freight, Demurrage and Defence head, shared their experience with attendees.

The networking drinks reception event saw Wang Hai

named best candidate for the 2017 training programme and awarded a scholarship jointly established by the Institute and the professional qualification authority at the Chinese Ministry of Transport. [SN](#)



Students proudly display their certificates

Middle East session begins with workshops

THE Institute's Middle East Branch kicked off its new academic session with a series of workshops held from September to November.

According to a Branch spokesperson, speaking before the end of the programme, the sessions were primarily intended to support Institute students, but industry practitioners from shipping, logistics, trading, shipbroking and other business segments had also attended.

"Institute academic events are very popular in the Dubai shipping circles and this year is no different," the spokesperson said.

In mid-October, the Branch's monthly networking session

featured a talk by Ince & Co Partner Dr David Galea, which looked at whether it is "back to square one" with sanctions on Iran.

Dr Galea highlighted the various aspects of sanctions on the country imposed by the US and EU in his presentation at the event, which was attended by more than 100 participants.

"The impact of the changing geopolitical landscape and its implications on trade and shipping was evident by the concern shown by the participants," a spokesperson said.

Dinner was sponsored by Peter Machado Marketing Management and Allied Shipping. [SN](#)



Attendees at Dr Galea's talk

Institute Member's new venture

INSTITUTE Member Durand Naidoo has celebrated the launch of Linsen Nambi Bunker Services – South Africa's first fully-black shipowning business.

Parent firm Linsen Nambi – which Mr Naidoo founded with childhood friend Thuso Mhlambi in 2012 – purchased a bunker services company from Grindrod with Women in Oil and Energy South Africa.

An early October launch event for Linsen Nambi Bunker Services, which kicked-off South Africa's annual October Transport Month, saw the country's acting deputy director general for maritime in the Department of Transport Dumisani Ntuli cut the ribbon on Linsen Nambi's vessel Fumana.

Linsen Nambi said the launch "marks yet another Comprehensive Maritime Transport Policy-inspired (CMTP) event that seeks to take forth the transformation agenda by 'transforming and inclusively-growing maritime transport economy that leverages South Africa's competitive advantage supported by the people and innovative infrastructure and service excellence'".



Credit: Linsen Nambi

Mr Ntuli cuts the ribbon at the entrance to the Linsen Nambi offices



Durand Naidoo (L) pictured in 2008, when he won two Institute awards

The CMTP is designed to facilitate growth and development of South Africa's maritime transport system.

Linsen Nambi Bunker Services is a vessel owner and operator that provides bunker fuel delivery services, and its vision is "to become the preferred provider of delivery services of marine fuels". It has over 100 members of staff and owns and operates three vessels – two in the Port of Durban and one in Cape Town.

Two of the ships were constructed in 2008, while the other was built in 2010.

Each vessel, able to carry about 4,500 tonnes of product separately segregated, comes with double hulls, redundant propulsion systems, closed loading and radar cargo measurement.

Commenting on Linsen Nambi Bunker Services' launch, Mr Mhlambi said: "We are delighted to have launched our company in October Transport Month. It seems fitting since our vision is in keeping with that of both government and the maritime industry." **SN**

Second annual dinner for East Africa Branch

THE Institute's East Africa branch held its 2nd Annual Stakeholders Dinner at Mombasa Sports Club in Kenya in September.

Attended by professionals working in the banking and insurance industries as well as higher education institutions, the Branch event showcased a number of speakers, including Branch chairman Robert Watene who briefed those attending on the Institute's educational offer and branch events scheduled.

Branch Membership and Ethics Committee member Mansoor Mohamed also addressed guests, taking them through Institute membership, its benefits and the procedure to obtain it.

The event also saw the first donation of books through the Book Drive initiative organised by Institute Fellow Simon Ward.

Books were presented to Mr Watene by a number of

individuals at the event, including Fellow Katy Aldrick, who handed over books donated by the Institute's Greece Branch on behalf of Mr Ward. **SN**



Branch members enjoyed the event

LM Institute pairing boosting Mauritian economy

THE collaborative partnership between the Institute and the Latiff Mohamudally Institute of Management (LM Institute) is contributing towards the growth of the maritime economy of Mauritius through education and training.

That's according to LM Institute's Sajid Ali Mohamudally and Meenaksi Bhirugnath-Bhookhun, who say that a growing demand exists for ancillary shipping services within the country as well as a calling for the creation of high-value jobs and significant investment in education and training for both ship and shore-based staff.

The requirement for structured capability-building is a must within this pathway of promoting smart, sustainable and inclusive growth, plus unprecedented employment opportunities, in Mauritius' maritime sector in the short and medium-term, they note.

"In adding its share of sustenance to the realisation of ... Vision 2030, the role of LM Institute in dispensing [the Institute's] qualifications becomes highly relevant," said Mr Mohamudally and Ms Bhirugnath-Bhookhun.

According to the authors, most of the Mauritian maritime industry's employees have on-the-job training and knowledge, with there currently being no professional requirements.

These employees see no need for a formal education and qualifications due to those employing them not demanding these attributes — and increasingly, higher and professional qualifications mean costs in education, training and professional development for employees and higher wages for the employers to pay.

The pair added that Mauritius' population is unaware of the opportunities within the maritime sector and that LM Institute holds the role of altering the traditional career aspirations that people have for their children.

It aims to change this by creating awareness of maritime and its career opportunities through career guidance for students at education fairs, with another strategy being to enhance its visibility as a respected International Teaching



LM Institute is educating Mauritius' maritime workforce

Centre (ITC) offering the Institute's qualifications for a global maritime sector career.

According to the pair, LM Institute has boldly embarked on the re-education of maritime's workforce despite the odds.

Many people wishing to join the industry are contacting the educational provider, and students on Institute courses there have secured jobs relevant to their chosen qualifications in reputed shipping and freight forwarding companies, offering positive marketing to the public and unqualified employees.

"This also obviously demonstrates the value that the Institute qualifications hold for the maritime industry," the writers note.

They argued that although both Mauritius, in its endeavour to establish an identity of an ocean state economy, and the positioning of LM Institute as a reputable ITC that trains professionals to serve the maritime sector are still in their initial growth stages, "the seeds have been sown and the fruits are hopefully soon to be harvested". **SN**

Popular bespoke ANZ Branch course returns

THE Institute of Chartered Shipbrokers Australia/New Zealand Branch held its sixth bespoke Commercial Shipping Practice course in the Australian city of Melbourne in October.

There were 13 participants at the event, which took place on October 9 and 10 at the Centre for Adult Education in the city's central business district.

Attendees were from companies involved in oil trading, mining, steel production, fertiliser supply and ship agency, with seven from the dry cargo field and six from the tanker field.

"The course director Nigel D'Souza's performance was a tour de force, and the applause at the end appropriate acknowledgement of the knowledge he conveyed about commercial shipping," said a spokesperson for the Branch.

"Our Branch chairman, Nick Vann, assisted, adding anecdotes from his tanker-broking career.

"Adam Kuner, a Branch committee member and manager of Odfjell Australia, gave a short talk on the impact of the 2020

International Maritime Organization fuel sulphur regulations from an owner's perspective."

The Branch said it hopes to run the course again in 2019 – probably in the first half of the year. **SN**



Participants learn from Branch experts

Former SW&W chair passes away

Institute mourns the death of Fellow Eirion Lloyd Treharne

INSTITUTE Fellow Eirion "Eric" Lloyd Treharne has died at the age of 89. Mr Treharne, who passed away peacefully at his home in Pembrokeshire in the UK's South West Wales on July 13, was during his life Branch chairman of both the Institute's South Wales & West Branch and the Institute's Newport section.

Born in Carmarthenshire in 1929, Mr Treharne grew up in the county and served in the UK's Royal Air Force (RAF) from the age of 18 to the age of 21.

Upon leaving the RAF, he initially worked for Monsanto Chemicals before joining Bethell, Gwyn & Co. in South West Wales' Newport, then part of the P&O group of companies, which at that time were liner agents engaged in liner trades to Australia and New Zealand.



Eric was proud of his Institute qualification

He stayed with the company for 39 years, culminating in his appointment as the manager of its Newport and Cardiff offices in the mid-1980s.

According to Alan Morris, Mr Treharne was always very proud of his qualification and his Fellowship of the Institute.

He additionally served on a number of his Institute Branches' outside committees, including the South East Wales Pilotage Committee.

Upon retirement, Mr Treharne moved to Canada to be near family, and he and his wife became Canadian citizens in 1995. In 2010, the couple moved back to the UK to live in Pembrokeshire.

Mr Treharne is survived by his wife, two children, four grandchildren and a great-grandchild. [SN](#)

NOTICE OF SPECIAL GENERAL MEETING

Notice is hereby given that a SPECIAL GENERAL MEETING of members of the Institute of Chartered Shipbrokers will be held via videoconference:

Tuesday 22 January 2019 at 10.00 GMT

For the following business:

1. Appointment of new auditors

For details of joining the videoconference and to confirm your attendance at the SGM please email membership@ics.org.uk or phone +44 (0)207 357 9722.

Members in London can join the videoconference at the Institute head office (30 Park Street, London SE1 9EQ, UK) if they wish.

OFFICERS

President: The Lord Mountevans FICS (Hons)
 Immediate Past President: Dr Parakrama Dissanayake FICS
 Chairman: Theo Coliandris FICS
 Vice Chairman: Susan Oatway FICS

All Members and Fellows of the Institute are encouraged to attend the SGM.



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For more information, contact:

Tara Fox, Head of Corporate Partnerships

t: 020 7246 2980

e: Tara.Fox@missiontoseafarers.org

Calendar

Liverpool

JANUARY EVENTS

20 January

Middle East Branch
Expert talk and
networking event

22 January

Institute Special General
Meeting
Via videoconference

29 January

Global Open Day
Worldwide

FEBRUARY EVENTS

17 February

Middle East Branch
Expert talk and
networking event

21 February

November exam results
published

MARCH EVENTS

17 March

Middle East Branch
Expert talk and
networking event

28 March

Deadline for UK Spring
Prep enrolment

APRIL EVENTS

2 April

Final deadline for
registration for the May
2019 exams

4 April

Germany Branch
AGM and Annual Dinner
Germany

11 April

Liverpool Branch
Annual Dinner
Liverpool

11-14 April

UK Spring Prep
Warwick

28 April

Middle East Branch
Expert talk and
networking event



the stern

IT'S OFFICIAL: SHIPPING'S BETTER THAN BEING A ROYAL

Those in the industry can surely attest to the allure of the sea, but what about the allure of shipping's employees? Japan's former Princess Ayako was caught off-guard by the latter when she found her true love in the form of an NYK employee.

Trouble is, Ms Moriya – as she is now known – had to relinquish her royal status to marry Kei Moriya.

The 28-year-old tied the knot with Kei Moriya, 32, in a traditional Shinto ceremony at a shrine in Tokyo on October 29.

Before marriage, Ms Moriya was a member of the Imperial House of Japan, having been born Princess Ayako of Takamado, the youngest child of Norihito, Prince Takamado and Hisako, Princess Takamado.

Under Japan's succession laws, female members of the Imperial Family must renounce their royal status if they marry commoners.

Mr Moriya is a graduate of Tokyo's prestigious Keio University and went to a kindergarten and schools in France, the UK and Switzerland.

He was described as "hard-working" by the Evening Standard newspaper, while The Japan Times newspaper said that he enjoys marathons and triathlons and is a board member of the non-profit Kokkyo Naki Kodomotachi (Children Without Borders).

Mrs Moriya graduated from Japan's Josai International University, earning a master's degree in 2016, and now works as a research fellow at the university's Faculty of Social Work Studies.

The Mainichi Shimbun newspaper said that her hobbies include watching sports, travelling, reading and skiing and that she is honorary patron of the Canada-Japan Society.

She may not be a princess any longer, but given her husband's role, perhaps she could be "Princess of the Waves" instead. **SN**

MARITIME CHIPPING

Could chip fat help clean up shipping? That's a question that the BBC asked when reporting that a small container ship had been supplied with cooking oil that had been transformed into diesel.

Biofuels program GoodShipping announced in September that it had supplied the vessel with 22,000 litres of Hydrotreated Vegetable Oil, which generates much less carbon dioxide, sulphur dioxide and particulates when burned.



The company said that it anticipated more – and bigger – firms would be joining its client list very soon. Though vessels have been powered with biofuel before, the challenge is getting the industry to move to cleaner alternatives in a large way, the BBC said. **SN**

CRAZY RICH CARGO

It's the highest-grossing romantic comedy in a decade and it has made history as the first major Hollywood studio film since 1993 to feature a majority Asian-American cast in a modern setting.

And shipping also gets a nice piece of the action in *Crazy Rich Asians*, with the bachelor party for the wedding in the film taking place on a cargo ship.

The movie follows New Yorker Rachel Chu as she goes to Singapore with her boyfriend to meet his family.

According to production notes for the film, production designer Nelson Coates expanded the yacht bachelor party from the novel the film is based on "for a more immediate sense of scale", a decision with gained the "heartly approval" of the book's writer, Kevin Kwan.

Mr Coates assembled the vessel set to accommodate features including "gambling tables, an arcade, a basketball court and climbing wall, a massive swordfish buffet, a DJ booth fashioned from the front of a Rolls Royce, a helipad and simulated Ducati races through a virtual Singapore".

Perhaps this might give shipowners some novel ideas for the mess room? **SN**



SHIPPING SPEAK

“Our co-operation is essential to reduce the environmental footprint of maritime transport”
The EU's transport Twitter account, @Transport_EU, recognises World Maritime Day on September 27 during the International Maritime Organization's 70th anniversary year

“[Modern day slavery] is very much alive and kicking in the maritime industry and wider supply chain”
Mark Dickinson, Nautilus general secretary, speaks as the UK Government begins a campaign to tackle modern slavery in Britain's waterways and wider supply chain



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<https://jobs.spinnaker-global.com/go/HQ00012391>

Dry Cargo Broker, Delhi

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Dry Broker, London

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