First strike

Marielena Procopiou is striking out on her own, with a new shipowning venture that has just bought its first vessel.

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Last word

Ardmore founder Anthony Gurnee eyes a return to academia while preparing to hand over his 'baby' and step back.

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TradeWinds
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Ofer orders new breed of ethane carriers

Eastern Pacific Shipping is poised to ink the first newbuilding contracts for a new vessel type — the ultra-large ethane carrier.

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Photo: Eastern Pacific Shipping

HIT-AND-RUN MYSTERY

Saga of shadowy VLCC that tried to do a runner after a collision reveals red flags and rogue traders.

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Photo: TradeWinds Events

FROM BANKER TO OSG CHIEF

Sam Norton looks back on his eight-year mission to secure OSG's future and reveals the secrets of Sammy Ofer's success.

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Hapag-Lloyd vies for space in box crush

GERMAN LINER GIANT JOINS BIG NAMES LOOKING TO BOOK CONTAINER SHIP NEWBUILDINGS, WITH AN ENQUIRY FOR UP TO 30 VESSELS THAT COULD BE WORTH $5.4BN.

PAGE 3

CMB.Tech inks 20 tankers against ExxonMobil charters

Haul of stainless steel vessels lined up at Chinese yard against employment with energy major

Irene Ang and **Lucy Hine**
Singapore and London

Saverys family-controlled CMB.Tech is poised to ink newbuilding contracts for 20 stainless steel tankers worth more than $500m.

With the order, CMB.Tech's small tanker fleet will be tripled to 30 vessels.

Shipbuilding sources said CMB.Tech interests will sign up for 10 tankers of 5,300 dwt and 10 of 15,000 dwt at China's Nantong Xiangyu Shipbuilding & Offshore Engineering.

CMB.Tech is said to be paying close to $40m each for the 15,000-dwt tankers and at least $15m per ship for the smaller newbuildings.

The sources said the vessels will be contracted against charter deals with ExxonMobil. The rate and duration of the charters have yet to emerge.

"These [newbuildings] are conventional marine-fuelled but ammonia-ready," said one source.

One tanker source said ExxonMobil would trade the smaller chemical tankers between the UK and the ARA — Amsterdam, Rotterdam, Antwerp — region.

The order is understood to have been penned by the shipyard and its associate company before the cut-off date for the International Association of Classification Societies' unified requirements on cyber-security rules.

Newbuildings contracted after 1 July would be pegged with higher newbuilding prices to be cyber-compliant.

ALEXANDER SAVERYS: The chief executive of CMB.Tech at TradeWinds Shipowners Forum during Posidonia Photo: TradeWinds Events

Sources said Nantong Xiangyu would novate the contracts to CMB.Tech once "details for the ships are finalised".

Industry sources said ExxonMobil first emerged with a tender for the stainless steel tankers last year. It initially engaged in shipyard talks before moving on to speak with shipowners.

CMB.Tech declined to comment when contacted by TradeWinds. ExxonMobil has not yet replied to a request for confirmation and further details.

CMB.Tech's specialist small tanker arm Bochem lists a fleet of 10.

The fleet comprises four existing 25,000-dwt stainless steel chemical tankers, a quartet of on-order vessels and two under-construction product carriers chartered out to Stolt-Nielsen.

The four existing 25,000-dwt stainless steel chemical tanker newbuildings are under construction at China Merchants Jinling Shipyard in Yangzhou (CMJL Yangzhou), the former AVIC Dingheng Shipbuilding. The 17,000-dwt product carriers are being built at CMJL in Nanjing.

Asia Pacific strikes for chemical tanker quartet

ASIA PACIFIC SHIPPING: The Vietnamese owner along with Guangzhou Shipyard International representatives for a June order, inked during Posidonia 2024 Photo: Guangzhou Shipyard International

Irene Ang

Vietnamese shipowner Asia Pacific Shipping has contracted two Chinese shipyards to build stainless steel chemical tanker newbuildings worth about $200m.

Industry sources said the Hanoi-based company penned two 25,900-dwt chemical tankers each at Wuhu Shipbuilding and Wuchang Shipbuilding Industry.

It is said to be paying close to $50m per ship.

The newbuildings will meet the International Maritime Organization's Tier III NO_X standards and the Energy Efficiency Design Index Phase 3 specifications.

Sources said these fuel-efficient tankers will be designed by Shanghai Odely Marine Engineering and have a service speed of 14 knots.

Wuhu and Wuchang are scheduled to deliver the vessels in 2027.

Officials at Asia Pacific were not available for comment.

The Wuhu and Wuchang orders are the fourth and fifth deals for Asia Pacific this year.

Early in July, it ordered two conventionally fuelled but LNG/methanol-ready MR tanker newbuildings at South Korea's K Shipbuilding for over $53m per ship.

The Chinhae-based shipyard is scheduled to deliver one vessel in 2026 and one in 2027.

Asia Pacific also has two 50,000-dwt product carriers booked at China State Shipbuilding Corp-controlled Guangzhou Shipyard International.

The company inked the contract at Posidonia.

Asia Pacific is believed to be paying an eye-watering price of $66.5m each for the MR tankers as the ships will run on methanol or conventional marine fuel.

Early this year, Asia Pacific was said to have penned three LR2 tankers at Dalian Shipbuilding Industry Co for delivery in 2027.

But in May, the shipping company sold two of the 115,000-dwt product tankers for $105.3m to CSSC (Hong Kong) Shipping in a sale-and-leaseback deal.

It is taking the duo on 10-year bareboat charters for $128.7m.

Asia Pacific, backed by shipowner Nguyen Quynh Anh, was founded in 2021.

The company's website shows it controls a diverse fleet of 20 vessels of which 18 are owned. The fleet comprises chemical tankers, gas carriers, bulkers and general cargo vessels.

But Clarksons' Shipping Intelligence Network lists Asia Pacific with a fleet of 26 ships that include a VLCC, the 300,000-dwt Symphony (ex-Nave Spherical, built 2009), and a post-panamax bulker, the 105,000-dwt Fiona (ex-FPMC B 102, built 2011).

VesselsValue shows Asia Pacific acquired the Chinese-built VLCC from Navios Maritime Partners in January for $53.9m and STX Dalian-built Fiona in February for $16.5m.

Eastern Pacific orders world's first ultra-large ethane carriers

New breed of large vessel set to emerge as long-haul trades from US to Asia ramp-up

Lucy Hine and **Irene Ang**
London and Singapore

Eastern Pacific Shipping has placed the first order for a new type of vessel — the ultra large ethane carrier (ULEC) — as it sights an initial fleet of up to eight ships.

It comes with the Idan Ofer-controlled shipowner set to secure charter contracts from China's Satellite Chemical for the groundbreaking vessels.

The new ships will offer 50% more capacity than the world's biggest very large ethane carrier.

Industry sources told TradeWinds that Eastern Pacific has inked contracts for six 150,000-cbm ULECs at Jiangnan Shipyard in China against charters with Satellite, previously named Zhejiang Satellite Petroleum Co.

In addition, they said Ofer's rapidly growing shipping company is in close discussions for two similar-size ULEC newbuildings with HD Hyundai Heavy Industries in South Korea for Satellite business.

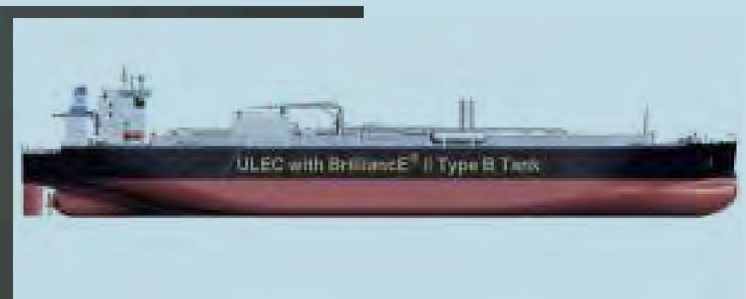
The Jiangnan ULECs are said to be costing about $200m each and the HHI ships will cost slightly more.

The Chinese-built ethane dual-fuel ULECs will be kitted out with type-B cargo tanks capable of carrying ethane, ethylene and LPG.

Eastern Pacific is looking to take delivery of the eight ULECs in 2027. Details of the charters on the ships have yet to emerge.

The shipowner, which brokers say has moved quickly to scoop up business for new ship types, is understood to have been in a race for the pioneering ULECs alongside one of the biggest VLEC owners, Pacific Gas, and Sinogas Maritime.

SATELLITE DEAL: Eastern Pacific Shipping, led by Idan Ofer, is set to charter the new vessels to China's Satellite Chemical Photo: Eastern Pacific Shipping



GAS GIANT: A new supersize ethane carrier is set to emerge in 2027 Photo: Jiangnan Shipyard

Singapore-based Eastern Pacific declined to comment on market talk relating to the orders. Satellite did not respond to TradeWinds' questions.

Satellite has worked with Eastern Pacific previously on ethane, with Ofer's company building six VLECs for the Shenzhen Stock Exchange-listed company.

An initial four VLECs were ordered at Samsung Heavy Industries in 2020 with two more contracted at HHI a year later.

The Chinese ethane buyer is expanding its capacity and is said to be moving on to this larger size of ethane carrier to transport the volumes it has already secured from the US.

Satellite has two ethane crackers in operation, one under construction and is planning for a fourth one, all in the same area.

These crackers will be in full operation by 2027.

Global demand and capacity for ethane as a petrochemical feedstock to produce ethylene for plastics production has been growing and with it the demand for larger vessels to take advantage of economies of scale.

The ULEC represents a new breed of ethane carrier.

Work started on ULECs in 2019 with design work underway between yards and cargo tank designers and has been ongoing.

In the past few days, classification society American Bureau of Shipping awarded approval in principle to a ULEC design from Jiangnan Shipyard which would use an insulation system designed by the yard and three type B cargo tanks.

To date, the largest vessels to be deployed have been VLECs which top out at just shy of the 100,000-cbm capacity mark.

Satellite shipped its first ethane cargo to China in 2020 to commission its cracker at Lianyungang in Jiangsu province.

The cargo was brought in on the 37,300-cbm Navigator Nova (built 2017), which was loaded at the Marcus Hook terminal on the US east coast. Satellite later deployed six VLECs of 98,000 cbm, which were built by Malaysia's MISC and chartered back to the company for 15 years.

Eight more VLECs joined Satellite's fleet in 2022.

Four of these 98,000-cbm vessels were built by Eastern Pacific for a total price of $441m with Satellite chartering two more VLECs from China's Tianjin Southwest Shipping Co and Eastern Pacific added the final pair.

Hapag-Lloyd seeks up to 30 LNG-fuelled boxships

Lucy Hine and **Irene Ang**

German liner owner and operator Hapag-Lloyd has joined the crush of owners at shipyards looking to book space for container ship newbuildings, with a large enquiry for up to 30 vessels, which could be worth an estimated $5.4bn.

Brokers said the company is seeking 10 vessels of between 15,000 teu and 16,000 teu and 10 of between 8,000 teu and 9,000 teu.

They said the company is also asking for options for five additional ships on each size range with the newbuilding enquiry being handled by one of the largest shipbrokers.

But the company is also said to be tapping yards for quotes on six firm ships, with four optional vessels in both sizes.

Hapag-Lloyd is said to have specified LNG dual-fuel propulsion systems for its vessels. One shipyard source said the company is also asking for offers on methanol dual-fuel alternatives.

Those following the business suggested that this might be a benchmarking exercise.

To date, Hapag-Lloyd has been a strong advocate for LNG as a fuel and has only explored methanol for retrofitting five 2014-built boxships in a $120m project with tonnage provider Seaspan Corp.

Newbuilding brokers price the larger LNG dual-fuel boxships at over $220m apiece.

They pointed to French rival container ship owner CMA CGM, which concluded a raft of nine 15,500-teu newbuildings to be built at HD Hyundai Heavy Industries and Hyundai Samho Heavy Industries priced at $220m each. The ships are due for delivery in 2027 and 2028.

Newbuilding prices for the 8,000-teu to 9,000-teu ships are said to be around the $140m range, depending on specifications and propulsion options.

TradeWinds asked Hapag-Lloyd for confirmation and comment on the new business.

A spokesman said the company does not comment on market speculation.

He added: "We have not taken any decision about additional newbuilds. However, we are talking to shipyards as part of our day-to-day business and are constantly evaluating opportunities to modernise our fleet."

Container ship owners are flocking to shipyards in a fresh wave of enquiries.

But berth space is tight and prices are high.

Shipbroker Clarksons details that more than 140 container ship newbuildings have been ordered in the first seven months of 2024, with prices on vessels in the sector up by around 28% since the start of this year.

The orderbook for the sector now stands at about 18% of the existing fleet, with just over 700 ships under construction across all sizes.

Bahri breaks tradition for VLCCs

Irene Ang

Saudi Arabian tanker giant Bahri is reportedly in "advanced" talks for its first series of Chinese-built VLCC newbuildings.

Shipbuilding sources say the Saudi Arabian tanker giant is looking to order four 307,000-dwt crude carriers from Dalian Shipbuilding Industry Co.

Discussions were described as "at an advanced stage", with some sources claiming a letter of intent had been signed.

If the deal is firmed up, it would mark the company's first newbuilding contract in China and a break with tradition.

Bahri, one of the world's largest VLCC owners, has a fleet of 39 VLCCs, all built by South Korea's leading shipyards: Hyundai Heavy Industries, Samsung Heavy Industries and the then Daewoo Shipbuilding & Marine Engineering, now Hanwha Ocean.

The rest of its fleet of 100 ships, which includes bulkers and multipurpose vessels, were also built in Japan or South Korea.

Officials at Dalian were unavailable for comment, while Bahri has yet to respond to a request from TradeWinds for confirmation and comment.

The price of the fresh deal has yet to emerge, but Dalian is said to have offered Bahri 2026 and 2027 delivery slots.

Greek owner Pantheon Tankers reportedly paid about $120m per ship when it ordered two VLCCs in May.

Shipbuilding observers believe Bahri will likely pay more as newbuilding prices have steadily increased due to strong demand and berth shortages.

News of Bahri's VLCC plans has been circulating in the shipbuilding market for some time.

In June, the shipowner was reported to be backing compatriot shipbuilding newcomer International Maritime Industries, whose stakeholders include oil giant Saudi Aramco, Bahri and HHI.

Bahri holds 20% and is said to have agreed to build about 20 VLCCs at the yard.

In May, Bahri was reported to have bought four modern secondhand VLCCs from SM Korea Line — the 300,800-dwt sister ships SM White Whale 1 and SM White Whale 2, and the 299,700-dwt SM Venus 1 (all built 2019) and SM Venus 2 (built 2020).

The company was said to be paying an average of about $116m each for the scrubber-fitted quartet.

AHMED ALI ALSUBAEY: Bahri CEO Photo: Bahri

Seatankers ups VLCC order for 'multi-year recovery'

Fredriksen-owned company exercises options on two vessels at DSIC

Irene Ang
Singapore

John Fredriksen's Seatankers Management is said to have extended a VLCC newbuilding series at Dalian Shipbuilding Industry Co (DSIC) with the addition of two extra vessels.

Shipbuilding sources said the large crude carriers were options the Norwegian shipowner held at the yard.

Exercising them brings Seatankers' tally of 307,000-dwt vessels on order at DSIC to eight.

The Cyprus-based shipping company is said to be paying about $120m each for the scrubber-fitted ships.

Shipbuilding sources said Seatankers ordered the vessels some time ago but the deal was not reported.

Clarksons' Shipping Intelligence Network shows Seatankers is scheduled to take delivery of the newbuildings in the second half of 2026 and the first quarter of 2028.

DSIC will construct three newbuildings while its subsidiary, CSSC Tianjin Shipbuilding, will build five.

The ships will meet IMO NO_x-Tier III regulations and Energy Efficiency Design Index Phase 3 requirements.

Billionaire Fredriksen, who turned 80 two months ago, believes 2024 "could be the start of a multi-year recovery cycle in tankers".

His optimistic view is based on a historically low tanker orderbook and the fact that the world still needs oil.

According to SIN, the VLCC newbuilding orderbook stands at 65, or about 7% of the existing fleet.

Of the 65 newbuildings, 47 were inked this year. Shipping companies that have ordered the ship type include Dynacom Tankers, Ray Car Carriers, DHT Holdings, Magni Partners, Mercuria, Assyad Shipping and Capital Maritime & Trading.

In May, Seatankers splashed out about $274m ordering a series of newcastlemax newbuildings. The deal is believed to be the company's first order for large bulkers since 2018.

It has contracted Qingdao Yangfan Shipbuilding, also known as Qingdao Shipyard, to build four 210,000-dwt newbuildings for delivery in 2027 and 2028.

Like the VLCCs, the company has also opted for conventional marine fuel for the newcastlemaxes.

SIN shows Qingdao Shipyard is also building four kamsarmax bulkers for Seatankers. Fredriksen ordered the quartet last year.

The SDARI-designed conventional marine fuel 82,000-dwt bulkers were reported to cost about $33m apiece and are scheduled to roll out of the dry dock between 2025 and 2026.

OPTIMISTIC: John Fredriksen has added to his private shipping fleet Photo: Gabriel Aas Skålevik/DN

Trafigura tie-up books bunker tankers

Matt Coyne

Bunkering joint venture TFG Marine — backed by John Fredriksen and Trafigura — is teaming up with a Singapore fuelling giant on bunker tanker newbuildings.

TFG announced a deal with Consort Bunkers on Monday to build and charter out four 6,500-dwt methanol carriage-ready vessels.

The first of the ships will be ready later this year. They will be built at China Merchants Jinling Shipyard.

"This agreement is part of TFG Marine's ongoing efforts to renew our fleet with modern, mass flow meter-equipped bunker barges that are ready to carry the low-carbon fuels that will help shipping decarbonise," TFG global head of bunkering Kenneth Dam said.

"We see a multi-fuel future for our industry, with methanol, biofuels, ammonia and more all having a role to play alongside traditional marine fuels in meeting the goals of the Paris Agreement."

From delivery, the vessels will be able to supply any of TFG's current fuelling options, including high-sulphur fuel oil, very low-sulphur fuel oil, marine gasoil and biofuels up to B100 plus any grade of liquid methanol down the line.

"With the Maritime & Port Authority of Singapore set to introduce a methanol bunkering licensing framework in the near future, we are supporting TFG Marine's goal to take a leading role in providing low-carbon fuels to international shipping companies in this global bunkering hub," Consort general manager SK Yeo said.

TFG was started in 2020 in a three-way joint venture between Trafigura and Fredriksen's ship-owning outfits Frontline and Golden Ocean.

It operates out of 35 hubs globally.

The newbuilding quartet follows on TFG's deal with Fratelli Cosulich Group in January, which saw the Italian owner build an 8,000-dwt vessel backed by a charter to the joint venture.

TFG followed that deal up with the acquisition of Spanish bunker supplier Vilma Oil.

Then, Dam said the acquisition allowed TFG to expand into the western Mediterranean Sea, accomplishing a long-held ambition.

FAMILY BUSINESSES: Marielena Procopiou (centre) with sisters Ioanna (left) and Marina Photo: Dynacom

Procopiou daughter starts fresh shipowning venture

Akrotiri Tankers is the latest shipping company controlled by the Greek family

Harry Papachristou
Athens

A new tanker venture set up in Athens by members of the Procopiou family has sealed its first acquisition, buying an LR1 from Danish giant Hafnia.

The 76,600-dwt Hafnia Thames (built 2008) has emerged in the fleet of Akrotiri Tankers under its new name, Bam Bam.

Akrotiri applied for registration with authorities in late June and obtained it in July, according to Greek shipping ministry documents.

TradeWinds is told that the firm is run by Marielena Procopiou — one of the four daughters of Greek shipping magnate George Procopiou — and her husband, Konstantinos Lampsias.

LinkedIn shows Konstantinos Charitonidis, a former manager at the tanker and bunkers operations desk of Greek peer TMS Tankers, as Akrotiri's operations manager.

It is nothing unusual for individual members of the Procopiou family to set up their own ventures parallel to their main family businesses, Dynacom Tankers Management and Sea Traders, where they each hold equal stakes.

Marielena's sister, Ioanna Procopio, and her husband, John Kairis, formed another separate shipping venture in 2010 called Prominence Maritime.

Akrotiri is not Marielena's first shipping venture.

According to her LinkedIn page, she has also founded Delos Navigation, a bulker management entity that registered with Greek authorities in 2021.

VesselsValue lists the Chinese-built Hafnia Thames sold by Hafnia in May at an undisclosed price.

It was the second-oldest LR1 in the Hafnia fleet and one of the six oldest vessels in its entire owned fleet of more than 100 tankers.

LR1 EXPANSION

Akrotiri's decision to swoop on an LR1 is in line with moves by other Greek companies to expand in the sector this year.

In June, Piraeus-based Spring Marine emerged as the buyer of the 74,000-dwt TTC Shakti (renamed Pop, built 2008) — another Chinese-built LR1 that was reported sold in mid-April by United Arab Emirates-based Transworld Group for between $27m and $28.5m.

As for Hafnia, the sale of the Hafnia Thames is the latest in a long string of divestments in its fleet renewal plans.

As TradeWinds reported, Hafnia sold five LR1s in 2023 alone, all built in 2007 and 2008.

One of them emerged with Cyprus' Pelagic Partners and four with Paragon Mobility — a Singapore-registered firm linked to UAE-based trader Quantum Global.

In 2022, Hafnia sold three MR tankers to Turkey's Beks Ship Management and three to Greek companies Sea Hawk Maritime and Velos Tankers.

Hafnia's shake-out of older tonnage appears to be continuing: this month several brokers in the US, the UK and Greece reported on the sale of the 50,300-dwt Hafnia Pegasus (built 2010) to undisclosed buyers for about $28.5m.

Angelicoussis son linked to capesize buy

Holly Birkett

China's Herun Group has sold a capesize to Alpha Bulkers of Greece for almost as much as it paid to order the vessel 11 years ago.

The Chinese multi-sector group paid $54m in 2013 when it ordered the 181,100-dwt Herun Global (built 2016) at Shanghai Waigaoqiao Shipbuilding in China as part of a four-vessel capesize order.

Market sources told TradeWinds it has been sold for $49.5m to Alpha Bulkers, which is controlled by Anna Angelicoussis and is led by her son, Frangiskos Kanellakis.

The bulker has an eco-electronic engine and is fitted with a ballast water treatment system. It is scheduled to be dry-docked for its bottom survey in December.

LONG WAIT

VesselsValue estimates its current market value at $48.73m, while Maritime Strategies International puts it at between $45.8m and $53.1m.

If confirmed, this will be Alpha Bulkers' first capesize buy since April 2022, when it bought an ex-GoodBulk vessel.

Last year, the Athens-headquartered shipowner made its entry into the ultramax market, ordering a pair of vessels in China. It also bought a supramax in the secondhand market.

Alpha Bulkers' owned fleet currently comprises 20 capesizes and newcastlemaxes, 13 panamaxes and kamsarmaxes and a supramax.

Herun Group, which is headquartered in Zhoushan, has a diverse array of activities, including real-estate development services, energy transport, shipbuilding, grain processing, logistics and industrial investments.

Second 'shadow' LNG carrier braves Red Sea

Lucy Hine

A second LNG carrier, with links to an unknown Dubai-based company, has moved through the Red Sea and Suez Canal, while almost all vessels in this sector avoid the area amid Houthi attacks in the region.

On Monday, Kpler data showed the 138,000-cbm Everest Energy (ex-Metagas Everett, built 2003) moving northbound in ballast towards the entrance to the Suez Canal.

The ship becomes only the second LNG carrier to transit the entire length of the Red Sea and move into the canal since the passage of the 137,200-cbm steam turbine Asya Energy (built 2002) in June.

Both ships are being linked to Russian trading, as the country looks to build up alternative tonnage following Western sanctions imposed on some of Russian LNG exporter Novatek's upcoming Arctic LNG 2 project, and some specialised vessels are being built to serve it.

All LNG carriers have been avoiding the Red Sea and Suez Canal since mid-January when attacks against merchant vessels by Yemen's Houthi militia ramped up in response to the Israeli-Gaza conflict.

The steam turbine LNG carriers Everest Energy and Asya Energy show striking similarities, as they were bought by unknown Dubai-based Nur Global Shipping in the past few months for what brokers have described as strong prices.

The two ships were also reflagged to Palau shortly after they were purchased and appeared to have waited off Oman before making their Red Sea voyages.

TradeWinds reported that the Everest Energy, then BW Everett, was bought from BW LNG by Taiwanese shipowner Eddie Steamship in May 2023.

Clarksons' Shipping Intelligence Network details that the 22-year-old LNG carrier was sold for $46m.

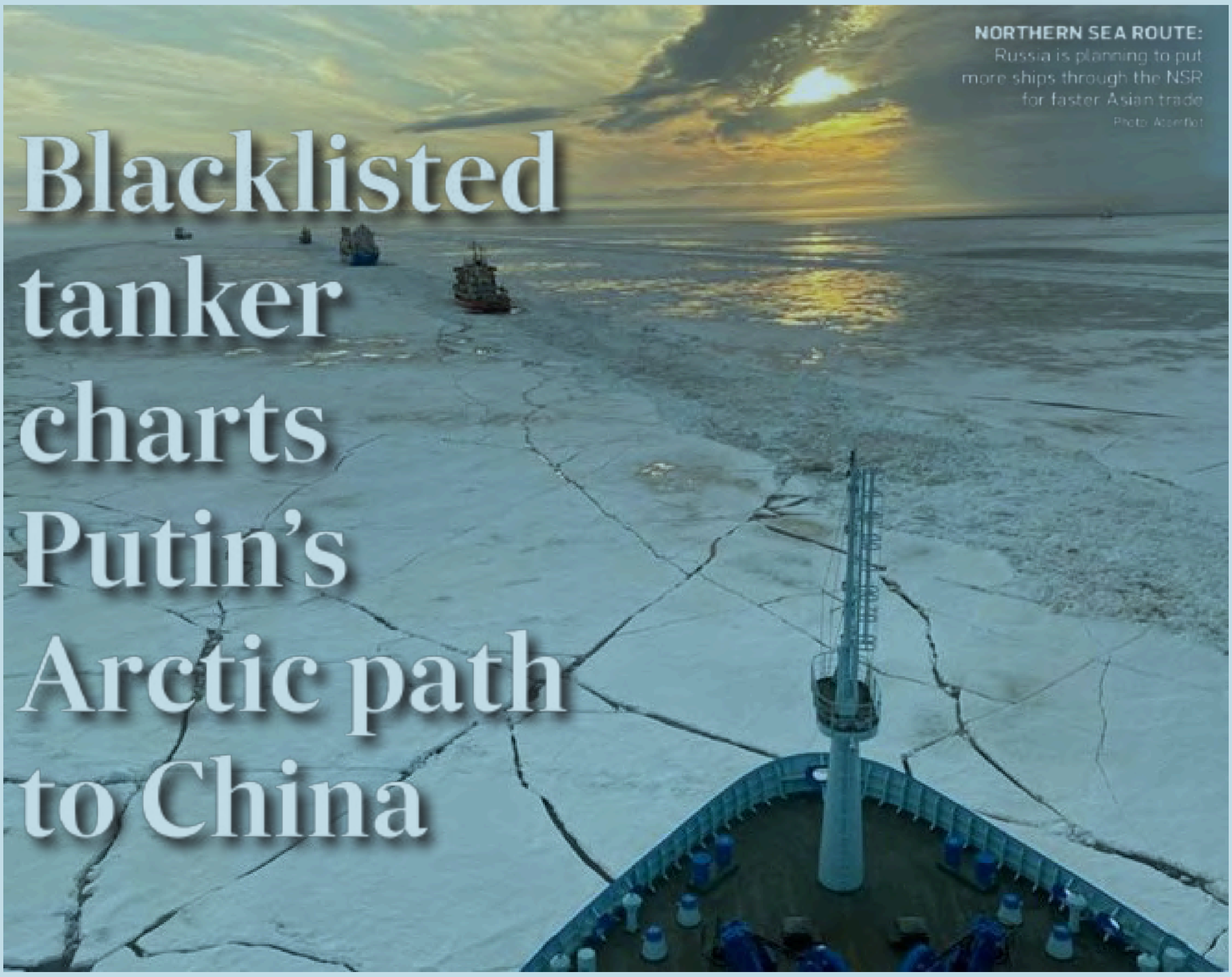
In the Equasis database, the ship's owner is listed as Lathyrus Shipping of Liberia with Nur Global as its manager.

SIN records the DNV-classed vessel as under the control of Nur Global.

Data tracking has shown the Asya Energy waiting off Gibraltar since transiting Suez, but it has headed directly north in the past few days.

There is speculation that the ship is headed towards Russia where another Nur Global-controlled LNG carrier, the 138,000-cbm Pioneer (ex-Pioneer Spirit, built 2005), has been holding just outside ice limits for the ship.

The Pioneer was sold to Nur Global on behalf of Zara Shipholding in April by Chinese trader Jovo Group.



Blacklisted tanker charts Putin's Arctic path to China

NORTHERN SEA ROUTE: Russia is planning to put more ships through the NSR for faster Asian trade
Photo: Aceffot

Voyage with Urals cargo to Zhoushan is the first made by tanker since it was targeted by US regulators

Paul Peachey
London

An oil tanker sanctioned by the US appears to be headed to China via the Northern Sea Route in a sign of how Russia's growing fleet of blacklisted vessels could be put to use.

The 118,000-dwt Viktor Bakaev (built 2013) was steaming off the northern coast of Norway on Monday, signalling its destination as the eastern Chinese port of Zhoushan, according to Kpler ship and cargo tracking data.

The Viktor Bakaev is the first of the 40 tankers sanctioned by the US to load Russian Urals crude and transport it to China via the Arctic shipping corridor that the Kremlin views as a strategic priority.

It follows the first tankers that have taken the NSR this year and are due to arrive there in August. The appeal of the route has been boosted by Houthi attacks in the Red Sea that have disrupted global tanker shipping.

The NSR cuts voyage times to China, one of its two biggest customers along with India, following sanctions imposed by the European Union over the invasion of Ukraine.

It has become more navigable with global warming as sea ice has retreated but remains a difficult and risky option.

Russian LNG producer Novatek sent its first Arc7 LNG carriers eastbound through the NSR to Asia in June, opening the summer sailing season for ships.

MSC Group has said it will not consider using the NSR to link Europe and Asia because of the risk to the Arctic environment.

Most of the 40 vessels have struggled to return to normal trade since the US first started targeting individual vessels in October last year over oil price cap breaches.

The power of the dollar in shipping markets has forced Russia to rename, reflag and reinsure vessels to try to avoid the impact of sanctions.

The Viktor Bakaev was the fourth US-sanctioned ship to load a cargo of about 730,000 barrels of Urals crude from the Baltic Sea port of Primorsk, according to a report by Bloomberg. It is to arrive there on 19 August, according to AIS signalling.

The voyage to Zhoushan is the first with a cargo since being hit with US sanctions in December, according to data.

The apparent effectiveness of the US tactic has seen the UK and EU follow suit, with 63 tankers now targeted by the three regimes.

TradeWinds reported on Friday last week that the 146,400-dwt Fighter Two (built 2006) loaded 972,000 barrels of crude from the Caspian Pipeline Consortium Terminal near Novorossiysk in the Black Sea within a week of being hit by UK sanctions.

It was signalling for Port Said but was reported as stopped on Monday in the Black Sea as it approached Turkey's Bosphorus

UK-banned ship shrugs off sanctions

KEIR STARMER: The Fighter Two was among the first sanctions announced by the new UK prime minister
Photo: James Glossop

Paul Peachey

A tanker blacklisted by the UK over Russia-related oil trading has loaded a crude cargo within a week of being hit by sanctions, according to ship tracking databases.

The 146,400-dwt Fighter Two (built 2006) loaded 972,000 barrels of oil on Wednesday, the first time a tanker sanctioned by the UK has taken on a cargo, according to Kpler ship and cargo data.

The Cook Islands-flagged Fighter Two was designated on 18 July in the second wave of individual tanker designations announced by Britain.

The first wave targeted four ships on 13 June. Three of them have sat for weeks outside the Russian Baltic port of Ust-Luga without loading.

The Fighter Two, with a single-ship owner and managed by Dubai-based Almuhit Alhadi Marine Services, loaded the barrels from the Caspian Pipeline Consortium Terminal near Novorossiysk in the Black Sea, where crude is received via pipeline from oilfields in Kazakhstan, according to Kpler.

The vessel had previously been managed by Radiating World Shipping Services, another Dubai-based ship manager that was designated by the UK in December for its alleged involvement in the Russian oil trade.

The UK has sanctioned 15 tankers since 13 June after a change in the law this year.

It had previously targeted ship managers, including Radiating World. However, that proved largely ineffective: the vessels moved to new companies and continued Russian operations.

The Fighter Two moved to Almuhit before Radiating World was blacklisted, according to ownership database Equasis.

The latest measures targeting individual tankers block a sanctioned ship from entering a UK port, as well as barring British citizens or companies from transactions linked to the vessel.

It in effect bars the ship from the UK insurance and financial markets.

Fleeing VLCC's records reveal red flags and rogue traders

TradeWinds follows a paper trail to a likely brass-plate company in an office block in Singapore

Jonathan Boonzaier
Singapore

The West Connect Building in an industrial district of Singapore houses a new player in the saga surrounding the alleged dark fleet VLCC that tried to do a runner after colliding with a Hafnia product tanker off Malaysia on 19 July.

In a move that has all the optics of an attempt to distance Shanghai Prosperity Ship Management from the 300,000-dwt crude tanker Ceres I (built 2001), Blueshark Shipping, a previously unheard of Singapore-registered ship manager, is purported to have been its manager at the time of the collision.

S&P Global's International Ships Register — the maritime database regarded as the gold standard of ship registers and whose data is accepted by courts worldwide — listed the Ceres I at the time of its collision as being under the commercial and technical management of Shanghai Prosperity.

Other databases indicated the same.

Last week, however, after Malaysian authorities intercepted the VLCC fleeing the scene of its collision with the 74,200-dwt product tanker Hafnia Nile (built 2017), S&P Global retroactively updated the ship's listing to show Blueshark as its manager.

S&P Global confirmed it had updated the Ceres I's listing on 24 July, based on information it received confirming Blueshark's role that dates back to at least last September.

Data from the Accounting and Corporate Regulatory Authority of Singapore (ACRA) obtained by TradeWinds shows that Blueshark was incorporated as a business in January 2021. Its sole shareholder is Liu Yudong, a Chinese national based in the Chinese city of Dalian.

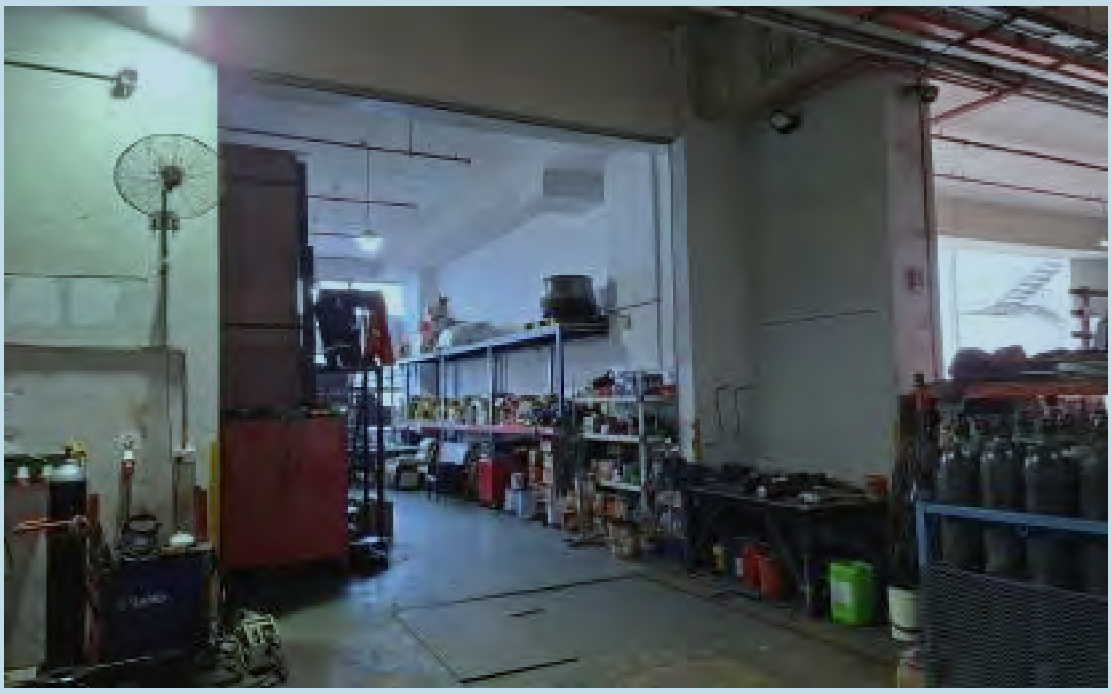
Acting on behalf of the company in Singapore as director and secretary is Xu Ruduo, another Chinese national who holds permanent residency in the city-state.

The Ceres I is the first and only ship under Blueshark management, according to S&P Global data.

Unit #04-35 in the West Connect Building, Blueshark's address on record, is also the registered address of two other ship managers, according to ACRA records.

Both have managed vessels alleged to have dark fleet ties.

NEW DETAILS EMERGE: Behind the shiny facade (above), this industrial workshop (below) in Singapore is the registered office of Blueshark Shipping, a ship manager that has supposedly managed since September 2023 the VLCC that collided with a Hafnia product tanker Photos: Jonathan Boonzaier



Moonlight Shipping was incorporated in May 2020 and its sole shareholder is Wang Xiaoping, a Chinese national with an address in Dalian.

Moonlight managed the 306,000-dwt crude carrier Freya (built 2000) until its role in the sanctioned Iranian crude trade was exposed after Indonesian authorities detained it on charges of engaging in an illegal oil transfer off Kalimantan province. The other tanker involved was National Iranian Tanker Co's 317,400-dwt Horse (built 2008).

The Freya, upon release, moved on to new managers as the renamed Ishtar.

The two other tankers under Moonlight's control subsequently moved on to new managers. One of these, the 106,000-dwt Themis, is managed by Shanghai Prosperity.

Moonlight is still listed by ACRA as an active company despite not having had any ships under its management since February 2023.

A third company with the same address as Blueshark is Sealion Ship Management, whose sole shareholder is Yu Lei, another Chinese national with an address in Dalian.

Sealion is the manager on record for the Panamanian-flagged, 105,000-dwt tanker Skadi (built 2001).

This ship, owned by Marshall Islands-registered Skadi Ltd since June 2020, has steered clear of accusations of transporting sanctioned Iranian crude oil, but data provider Kpler claims it has been involved in ship-to-ship transshipments of Russian crude oil.

Connecting these ship managers sharing Unit #04-35 in the West Connect Building is Xu Ruduo, who acts as director and secretary of all three.

Xu, who appears to have no online presence, could not be reached for comment on his role at the companies.

In all likelihood, his involvement extends only as far as putting his signature on their incorporation documents, something ACRA data indicates he has done for 2,719 mostly brass-plate companies spread across multiple business sectors.

He is currently a director of no fewer than 1,834 companies.

Unable to reach Blueshark by phone, TradeWinds paid a visit to its office in the West Connect Building.

Behind the building's office block-style glass facade lies a decidedly industrial facility of drive-up units housing small factories, workshops, storage facilities and marine supply companies.

Unit #04-35, the address of Blueshark, Moonlight and Sealion, turned out to be a workshop for a company that repairs marine equipment.

There was no evidence that three ship managers were operating out of the workshop and employees laughed at any suggestion that they were.

This was the same scenario as in 2019, when TradeWinds tried to track down Shanghai Prosperity and several other ship managers who popped up in and around Shanghai to take over the fleet of Kunlun Shipping.

Kunlun was a Chinese company that rapidly amassed a sizeable fleet of crude tankers before being sanctioned by the US Treasury Department for transporting Iranian crude oil.

Shanghai Prosperity's office space on record was found to belong to a youthful group of online resellers of cameras and mobile phones.

Kunlun was widely reported to be the buyer of the Ceres I when it was sold by Sinokor as the Pacific Glory in early 2019.

But after the shipowner had been sanctioned several months later, the ship moved across to single-ship special purpose vehicle Ceres Shipping and was placed under Shanghai Prosperity management.

Tanker and ship management sources in Singapore believe that companies such as Shanghai Prosperity, Blueshark, Moonlight and Sealion exist only on paper, with the ships supposedly under their control being managed out of Dalian.

A paper trail providing a clearer picture of how the Ceres I has been operated and managed over the past five years is most likely to be found on board the ship itself.

This probably explains why it tried to sneak out of Malaysian territorial waters so abruptly after its collision with the Hafnia Nile.

Wist returns to his roots at Telenor

Matt Coyne

After nearly four years, Wallenius Wilhelmsen chief financial officer Torbjorn Wist is returning to his roots.

The world's largest car carrier operator said on Wednesday that Wist was leaving to become executive vice president and group chief financial officer at the Telenor Group, where he spent more than a decade before joining the shipping industry.

He will remain at the post "no later than 31 January 2025", the company said.

"I will always value the experience and skills I have gained alongside my colleagues in Wallenius Wilhelmsen. I am very grateful for my years in the company, and proud of our collective achievements in delivering on the strategy and shaping the future," Wist said in a statement.

"Now the time has come to pursue a new and exciting opportunity in Telenor Group."

Wist joined the company in his current role in October 2020 before being promoted to interim chief executive in March 2021 following the departure of Craig Jasienski.

He would remain there for 15 months until current chief executive Lasse Kristoffersen was hired away from Klaveness Combination Carriers.

"I want to thank Torbjorn for his contribution to the development of the company over the last years," Kristoffersen said.

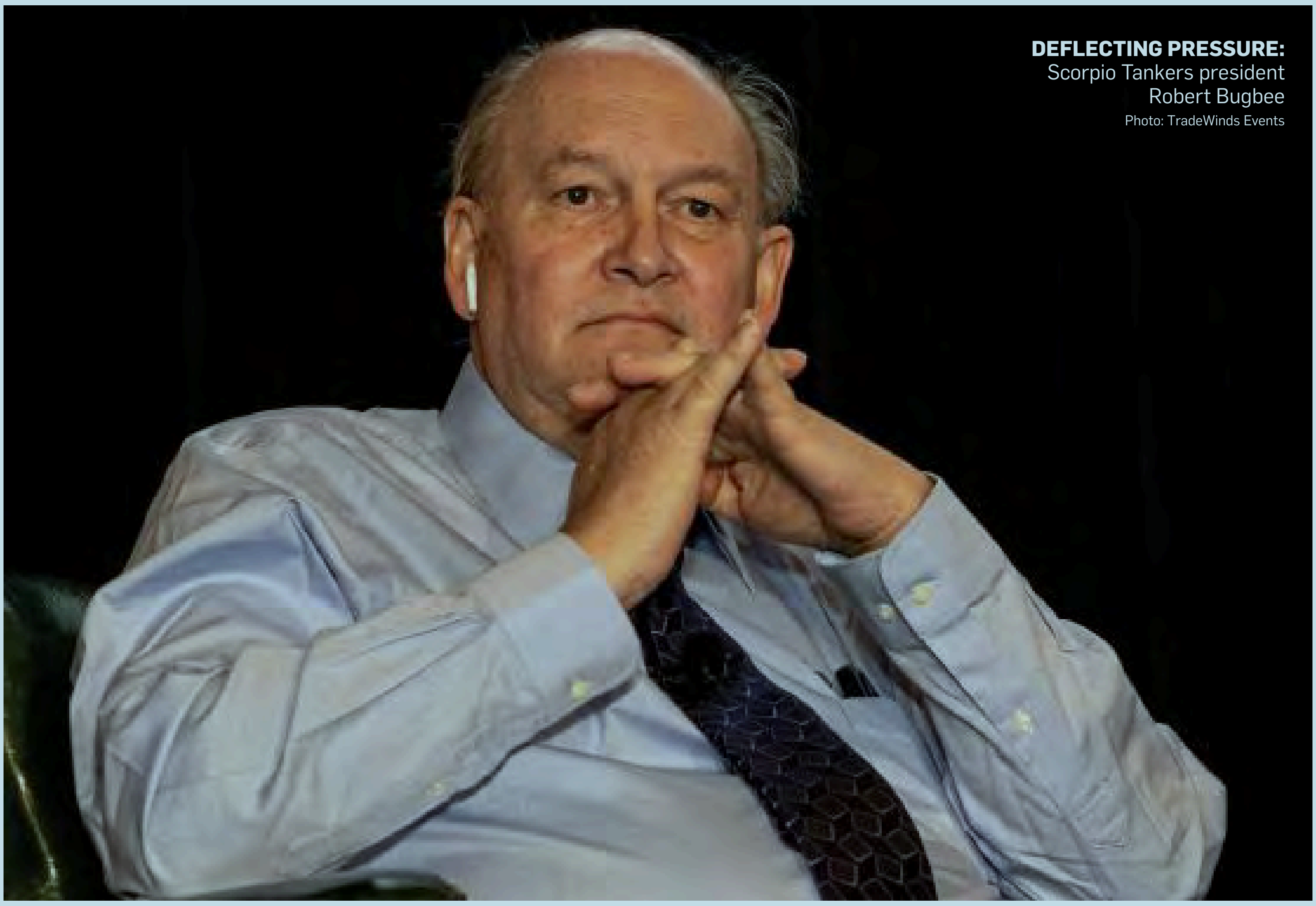
"He has played a key role both as CFO and acting CEO and contributed to the very strong financial and strategic position of Wallenius Wilhelmsen today.

"I want to thank him for a good and close collaboration during my two years as CEO and wish him all the best in Telenor."

Before Wallenius Wilhelmsen, Wist served as finance chief at Scandinavian Airlines Systems.

Prior to that, he had several treasury and mergers-and-acquisitions roles over 13 years at Telenor.

'EXCITING OPPORTUNITY': Torbjorn Wist Photo: SAS



DEFLECTING PRESSURE: Scorpio Tankers president Robert Bugbee Photo: TradeWinds Events

Scorpio has never had 'a springboard this high'

Cash keeps flowing for tanker owner led by the irrepressible Bugbee

Joe Brady
Stamford

The analysts almost had him. Irrepressible Scorpio Tankers president Robert Bugbee found himself mouthing the word "weaker" in reference to current spot rates in the product tanker market before he stopped in his tracks.

"You guys have even got me using the word 'weaker'," he said to a pack of researchers taking part in the quarterly earnings call on Tuesday.

"It's hard to describe this market as 'weak'. It's very strong."

Bugbee was getting pressed because the bookings Scorpio revealed for the third quarter to date — $44,000 per day for LR2s, $34,000 per day for MRs and $25,000 per day for handymaxes — came in between 8% and 17% lower than in the second quarter.

So the management team for the 106-tanker behemoth was left to point out that lower doesn't mean low, and weaker doesn't mean weak.

The blended average of $36,000 per day for the full fleet compares with $26,000 per day at this time last year. It is also a long way north of Scorpio's new and improved daily operating break-even of $12,500 per day.

"Your actual headline rate is $10,000 above last year," Bugbee said. "It's not relevant to us how it compares to June. It's relevant to its own season. And the operating costs are $8,000 to $9,000 lower.

"So you've got a strong differential from last year in cash flow and the actual market. We've never had a springboard that was this high."

The shipowner also reminded that the third quarter is usually the weakest in the product market, which tends to heat up as temperatures cool in the fourth quarter.

"We expect seasonality to return in our favour," Scorpio head of corporate development James Doyle said.

NO REAL PROBLEMS

It was the type of back-and-forth on an earnings call that happens when there are no real problems evident.

And that was the case again after Scorpio beat Wall Street earnings estimates, pumped up its stock buyback programme to $400m, and sliced net debt below $700m from $1.4bn a year ago.

Still, at least one equity analyst had expected more out of the current quarter and moved to adjust his numbers. Jefferies' Omar Nokta reduced his third-quarter earnings expectations to $2.64 per share from $3.09, saying he had expected LR2s to return more than $50,000 per day.

Analyst Frode Morkedal of Clarksons Securities wondered whether an increasing number of crude carriers "cleaning up" to carry products might be keeping a lid on LR2s.

"It's probably enough to explain why LR2s are at $40,000 and not $60,000," Morkedal said on the call.

Bugbee answered: "We're really happy with our $40,000 per day. We hope the VLCC market gets stronger sometime."

Scorpio shares traded up 4% to $77.46 in morning activity on the New York Stock Exchange.

IMS makes big profit on product tanker

Harry Papachristou

The last time IMS wanted to get rid of a vintage MR2 tanker was two-and-half years ago and the Greek company controlled by Marios Gialozoglou saw no better way to do it than to sell the ship for scrap.

It was 27 February 2022, five days after the Ukraine war broke out, when IMS sold the 47,500-dwt Star (built 2002) for scrap in Bangladesh at $678 per ldt or $6.5m in total.

Fast-forward 30 months and the soaring product tanker market has allowed it to sell a similar vessel for further trading at an astounding profit margin.

According to market sources, the company obtained $14.5m last week for the 42,700-dwt Sugar (built 2002) — a vessel it had bought in May 2022 for just $6m, close to its demolition value.

The ship had been trading with Italy's Montanari Navigazione at the time under the name Vale di Navarra.

The Sugar's new owners have not been disclosed, but some brokers believe they represent Nigerian interests. IMS will deliver the vessel somewhere in the Mediterranean.

Such asset play opportunities are hard to resist, even for companies like IMS that have been far more active in buying ships over the past three years than selling them.

As TradeWinds has already reported, IMS has been a serial buyer of tonnage, concluding 18 tanker acquisitions since mid-2022.

All these transactions were in line with Gialozoglou's long-term bet that shifting geopolitics will allow mid-aged to older tankers to trade profitably for years.

Most of the vessels that IMS has bought on the secondhand market since mid-2022 are product carriers.

Safe Bulkers shoots down 'expensive' cape deals, citing costs

New-York listed company has stuck to buying large ships in the secondhand market

Eric Priante Martin
Miami

Safe Bulkers has only placed orders for kamsarmax bulkers in recent years, so might it be time to book a capesize newbuilding?

No chance.

Chief executive Polys Hajioannou said that ordering a capesize is "out of the question" for the New York-listed shipowner that had once professed a preference for newbuildings but has only bought larger vessels off the secondhand market.

And president Loukas Barmparis said that right now, the Cypriot-Greek company will avoid buying capesizes in the sale-and-purchase market as well.

The executives were responding to questioning from Jefferies analyst Omar Nokta, who pointed out that the company's orderbook of eight bulkers are all kamsarmaxes — midsize vessels.

"The prices are really out of the question at the moment. They are hovering over $75m in Japan," Hajioannou said of the capesizes.

"And as long as interest rates remain at current levels, we cannot proceed with such investments."

Safe Bulkers owns a fleet of 46 vessels, most of which are classic panamaxes or larger kamsarmaxes.

Its eight capesizes are all locked into period charters.

Hajioannou said maybe interest rates will ease a year from now, and it might pursue fleet renewal at another date.

Clarksons' July estimate of $76.5m for a capesize newbuilding of 175,000 dwt to 180,000 dwt is the highest level since 2009.

But values are elevated for secondhand vessels as well. Clarksons estimates that a five-year-old capesize's price tag of $64m in July is the highest since late 2008, around the time of the financial collapse.

Safe Bulkers executives made it clear that the pricing does not work out for capesize acquisitions of any kind.

"They are too expensive," Barmparis said. "You need $50m to buy an eight-year-old capesize from a good yard. So for us, it's not a good investment at this point."

He said Safe Bulkers has expanded its capesize fleet substantially in the past two years.

"So this shows a proactive movement from our side to invest in the capesize market before the prices reached these very high levels," he said.

POLYS HAJIOANNOU: The Safe Bulkers CEO says capesize newbuildings are 'really out of the question at the moment' Photo: TradeWinds Events

Hayfin Capital springs management buyout

Ian Lewis

Leading maritime investment firm Hayfin Capital Management has gained financial backing to complete a management buyout.

Hayfin, whose maritime department is led by Andreas Povlsen, remains one of the more active alternative investment managers in the maritime space, with about $4bn of capital investments, including $500m committed to its Maritime Yield strategy.

Managers of the UK-based alternative asset platform have teamed up with private investment firm Arctos Partners to buy out the majority stake held by institutional investor British Columbia Investment Management Corp (BCI).

Arctos is underwriting 100% of the funding and the Hayfin team will become the majority owners of the common equity.

BCI, which acquired a majority stake in the firm in January 2017, will remain a strategic limited partner in certain Hayfin funds.

The move marks a new stage for Hayfin, which has grown rapidly since its foundation in 2009.

"This is an exciting new chapter that will support Hayfin's ongoing growth while preserving our core identity and operational autonomy," Tim Flynn, co-founder and chief executive at Hayfin, said.

Pay boost for Singapore oil spill victims

Paul Peachey

A claims office has been opened to compensate victims of Singapore's worst oil spill in more than a decade, following a collision involving a bunker tanker.

The 29,900-gt Dutch-flagged dredger Vox Maxima (built 2009) struck the 8,700-dwt bunker tanker Marine Honour (built 2007) at Pasir Panjang terminal on 14 June, causing marine fuel to spill into port waters.

The International Oil Pollution Compensation Funds and the Marine Honour's insurer said on Tuesday that they were opening the office in Singapore as claims were likely to exceed the shipowner's liability for the spill.

Straits Bunkering, the owner of the Marine Honour, is liable for the spill as the source of the oil, even if it was not at fault. The collision followed a sudden loss of engine and steering control on the Vox Maxima, operated by Van Oord Ship Management of the Netherlands.

Popular beaches on the resort island of Sentosa were fouled with fuel oil in the days after the spill from the Singapore-flagged bunker tanker. Other beaches and a coastal nature reserve were also affected.

Straits Bunkering has taken legal steps to limit its liability, and the costs of the spill are likely to top that amount, IOPC Funds said on Tuesday in a joint statement with British Marine, the insurer of the Marine Honour.

GLOBAL REACH

British Marine is part of the QBE Insurance Group, a multinational insurer based in 27 countries.

Compensation will be available for fishing and tourism businesses affected by the spill, those involved in clearing up the oil and others affected by property and environmental damage.

They can include individuals, companies and governments. The international body funds compensation payouts with dues collected from oil-importing industries in member states.

There is a three-year limit on submitting claims. IOPC Funds has set up a dedicated web page to handle claims.

"Clean-up and response operations following the Marine Honour incident are ongoing," it said.

"Given the latest information collated, claims relating to this incident are likely to exceed the limit of liability of the insurer."

Singapore is one of the 121 member states eligible for compensation from the funds.

MARITIME DEALS IN 2013: (From left) Former French president Francois Hollande, former Mozambique president Armando Guebuza and the late Iskandar Safa at a ceremony in Cherbourg, France, marking the launch of maritime projects Photo: Scanpix

Corruption case reveals $2bn Mozambique 'hustle'

African nation largely victorious case against Privinvest and its late owner

Paul Peachey
London

Mozambique has emerged victorious in a $2bn corruption case after a huge fundraising project for a series of maritime projects was plagued by kickbacks and secret deals.

A judge in London found that Middle East shipbuilder Privinvest paid bribes to Mozambique officials and bankers to secure favourable terms to develop the country's tuna fishing industry, a shipyard and a coastal defence system in 2013 and 2014.

But the investment failed, and Mozambique took legal action in the UK over the missing millions as it faced exposure to a $2bn liability.

Mozambique had sued Credit Suisse, which arranged most of the loans but settled with the bank on the eve of the three-month trial, leaving Privinvest and its founder, Iskandar Safa, as the main defendants.

"The trial revealed this to be a case of Mozambique as a developing nation being exploited by highly developed institutions and corporations that should know better," said Judge Robin Knowles in his judgment.

"Mozambique was hustled to buy what it couldn't use properly and didn't need and wasn't prepared for."

He said that Frenchman Safa, who died after the trial, had a reputation for corrupt practices, including offering and receiving bribes and kickbacks.

He ruled that Mozambique was entitled to more than $825m from Safa and the Privinvest group and also to be compensated for the $1.5bn it has to pay to bondholders, the judge said.

Privinvest criticised the ruling in a statement cited by Bloomberg. The newswire reported Privinvest would appeal to a higher court.

Privinvest had accused Mozambique officials of corruption, including President Filipe Nyusi, who was given immunity owing to his position as head of state.

Privinvest claims that it provided valuable goods and services but these were squandered by the government, which sabotaged the project for internal political reasons.

The company said it was "unfair and unjustified" that it should have to bear the burden of the damages.

"Privinvest trusts that more senior courts will correct what Privinvest perceives as a trial having taken place in circumstances that the Republic failed so completely to fulfil its own obligations and ignored orders of the court," it said in a statement cited by Bloomberg.

The judge also criticised the African government and said he found no senior officials prepared to stand up for Mozambique.

The legal battle in London is just the latest in a long saga that has seen three Credit Suisse bankers plead guilty in the US to offences including wire fraud and money laundering.

In 2021, Credit Suisse agreed to pay about $475m to authorities in the US and UK for defrauding investors over the deal.

Bulker breaks into four off South Africa

Craig Eason

A bulk carrier abandoned after it grounded off the coast of South Africa amid severe weather has broken up, authorities said.

The 13,800-dwt Ultra Galaxy (built 2008) has broken into four parts following a renewed bout of bad weather.

The South African Maritime Safety Authority said the vessel had been battered by huge swell waves of up to eight metres every 15 seconds that first saw the accommodation block sheer off before further cracks appeared in the hull.

Salvors had earlier managed to get on board the vessel and remove several lube oil drums and about eight tonnes of fuel from its bunker tanks.

THE ULTRA GALAXY: The wreck off South Africa has broken into four pieces, pummelled by a new storm front Photo: SAMSA

Attempts to contain the oil spill are difficult due to the bad weather, which is expected to continue into Monday, with the massive swell subsiding by Wednesday.

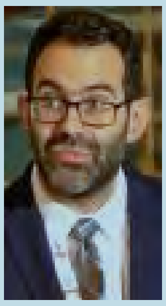
The authorities say an oil spill contingency plan has been initiated, with personnel and volunteers being drafted in to assist with clean-up.

The Ultra Galaxy was en route from Spain to Dar es Salaam in Tanzania when it developed a list off the west coast of South Africa during heavy weather on 8 July. This led to the crew abandoning the ship.

Authorities suggested the vessel's cargo of ammonium nitrate fertiliser may have begun to liquefy, causing the list.

The seas off South Africa have been hit with severe weather in recent weeks. Container traffic, which is largely being rerouted around the Cape of Good Hope to avoid the Red Sea and the risk of Houthi attacks, has been particularly affected.

{ COMMENT }



Eric Priante Martin

Hit-and-run tanker highlights nightmares of the shadow realm

The threat of an oil spill from a shadow fleet VLCC should keep shipping up at night

I have a somewhat clear memory of the last time a very large tanker suffered a major oil spill.

More than 16 years ago, I was a new reporter at TradeWinds, which tasked me with roving the Connecticut Maritime Association's annual conference with a cameraman collecting dozens of interviews.

We met up with Bob Bishop, then chief executive of V.Ships Shipmanagement, who was palpably concerned for his company's crew members as he described in detail the moment when a crane barge slammed into the 270,000-dwt Hebei Spirit (built 1993) a few months earlier.

The incident touched off the worst oil spill in South Korea's history.

As a shipping novice, I had never considered the immense inertia of a VLCC loaded with hundreds of thousands of tonnes of crude oil until I watched footage of the 2007 incident.

The crew's sense of powerlessness as they realise a collision is inevitable is palpable. It's a slow-moving nightmare.

Thankfully, major oil spills are now a considerable rarity.

However, the collision between the 300,000-dwt Ceres I (built 2001) and a Hafnia product carrier is a stark reminder of a significant concern in the shipping industry — the large "shadow fleet" of tankers operating outside the mainstream safety regime poses a serious risk of a major oil spill.

TradeWinds journalists have reported that the VLCC suffered a fire after colliding with the 74,200-dwt Hafnia Nile (built 2017) at the mouth of the Singapore Strait — a major shipping artery.

The Ceres I is a "dark" tanker if ever there was one.

THE CERES I: A Malaysian Maritime Enforcement Agency photo shows the fire-damaged VLCC after it collided with a Hafnia product tanker
Photo: MMEA

GOING DARK

After the collision, its AIS transponders stopped broadcasting a location and two tugs towed it away, although Malaysian authorities later seized the ship and its tug escorts.

The Ceres I is registered in Sao Tome & Principe, a shipping flag that is so off the radar that its vessels have not had enough inspections for the world's two main port-state control organisations to make a call as to whether they belong on their blacklists.

The ship's current classification society is not listed in the Equasis database after it departed the Korean Register in 2020. Shipping databases list its insurance as "unknown".

Equasis and major PSC databases have no record of any inspection of the ship since 2019.

When my colleague Jonathan Boonzaier showed up at the official address of Ceres I manager Blueshark Shipping, a previously unheard of Singapore-registered company, he found what looked like an office building. But it was really an industrial facility housing factories behind that facade. There was no apparent ship management activity to be seen.

But if you look up Blueshark on the Equasis database managed by the French transport ministry, it does not yet appear as a manager. TradeWinds also reported that S&P Global's shipping database was updated to show Blueshark's role only after the collision, and it still takes a few days before S&P data is reflected on Equasis.

Simply put, virtually every safety-related piece of information on the Ceres I is a red flag.

It comes at a time that by some measures, shipping has never been safer.

Earlier this year, insurance giant Allianz estimated that shipping losses have declined by 70% in the last decade.

This is an incredible accomplishment, one driven by improvements in national and international safety regimes — including ever-improving approaches by ship managers, classification societies, charterers and insurers that formed a complex web that had left fewer and fewer cracks for substandard ships to pass through unnoticed.

But what has happened since Russia invaded Ukraine more than two years ago has ripped a chasm in that system.

Geopolitics have divided shipping in two — with high rates creating demand signals to ships to exit the mainstream safety regime and enter an alternative realm where some companies willing to work in sanctioned trades could get away with operating older vessels under flags, classification and insurance that may have lower standards.

A vessel operating outside the realm of mainstream shipping — never calling, for example, in a country where it may face sanctions — may also have fewer touchpoints with PSC inspectors, classification surveyors and charterers' vetters inclined to hold them to a higher standard.

While an oil sheen was spotted following the incident, the world appears to have averted a major spill.

But the risk should keep shipping up at night. ■

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NYK offers 16-year-old steam turbine-driven carrier for sale

Steamer sell-off action hots up with new Dubai-based entities offering premium prices

Lucy Hine
London

Japanese shipowner NYK is offering a middle-aged steam turbine-driven LNG carrier for sale in a market where several older ships are on the sales block.

Brokers said the 149,700-cbm Grace Cosmos (built 2008) is open for offers.

The South Korean-built, membrane-type vessel is listed as having passed its last special survey in March 2023.

The LNG carrier, shown as deployed by Japanese utility Kyushu Electric, is being offered for delivery at the end of this year or early in 2025 on a charter-free basis.

Bids on the ship are due on 5 August.

Brokers valued the vessel at between $50m and $60m.

But they said some ships of similar size and vintage have netted premium prices on this after being sold to new Middle East-based entities.

It has emerged that Tsakos Energy Navigation achieved $79.8m on its 149,700-cbm LNG steamship Neo Energy (built 2007). The vessel, which has since been renamed New Energy, is now listed under the control of Dubai-based Nur Global Shipping.

NYK: The 149,700-cbm steam turbine LNG carrier Grace Cosmos (built 2008) is being marketed for sale Photo: Piet Sinke/Maasmond Maritime

The Grace Cosmos is one of three LNG carrier newbuildings ordered on a charter-free basis when the Japanese owner and its key competitors were experimenting with playing the shorter-term and spot charter market.

NYK contracted a trio of ships — the Grace Acacia, Grace Barleria (both built 2007) and Grace Cosmos — which were managed under NYK's UK-based subsidiary, formerly known as NYK Energy Transport (Atlantic).

The vessel is one of the larger, more modern LNG steamships. Brokers have said there is increased interest from second-hand buyers for vessels offering larger capacities of 150,000 cbm and above, especially for conversion projects.

But the ship is still likely to compare as inefficient and small against its more modern cousins.

Clarksons' Shipping Intelligence Network gives the vessel an operational estimated Carbon Intensity Indicator rating of E for the past three years, including 2024 to date, compared with a sector average rating of C for 2023.

In 2016, NYK put the sister ship Grace Acacia up for sale when the vessel was just 10 years old and had been redelivered by its French charterer. But the vessel remained unsold the following year and today all three LNG carriers appear to remain with NYK.

NYK has been particularly active in contracting LNG carrier newbuildings, plunging in vessels for its own account — presumably with an eye on upcoming charter business — and in big-picture tenders like those run by QatarEnergy.

Company officials have spoken about NYK ramping up its LNG carrier fleet to 120 vessels by 2027.

The Grace Cosmos joins a raft of steam turbine LNG carriers that are being tested in the sales market as shipowners move to renew their fleets.

Earlier in July, Middle Eastern shipowner Adnoc Logistics & Services offered for sale its Moss-type, 137,500-cbm LNG carrier Ghasha (built 1995).

It said the company is open to trading or demolition offers on the Japanese-built vessel, which ranks among the first generation of older and smaller LNG steamships.

In June, shipbroker Fearnleys highlighted anticipated "numerous redeliveries" of vessels to independent owners towards the end of this year and into 2025. This primarily involves older steam turbine LNG tonnage seeking new charter coverage. The broker suggested that some of these vessels might be laid up or scrapped.

Just two LNG carriers have been sent for demolition so far this year. The Indonesian-controlled 19,474-cbm steam turbine-driven Surya Aki (built 1996) was sold to cash buyers for $655 per ldt on an "as is" basis in Batam, Indonesia.

SK Shipping sold its 127,125-cbm, Moss-type steam turbine-driven YK Sovereign (built 1994) for scrap. The vessel was later resold by its cash buyers and is due to arrive in Alang on 1 August.

European watchdog probes Cyprus' delayed FSRU

Lucy Hine

Cyprus' much-delayed €542m ($587m) floating storage and regasification unit-based import terminal project is to be investigated by the European Public Prosecutor's Office (EPPO) as the FSRU for the development languishes in China.

The independent office of the European Union, which investigates and prosecutes crimes against the financial interests of the EU, said it had opened an investigation into the Vasilikos terminal project on suspicion of "procurement fraud, misappropriation of EU funds and corruption".

Around €101m of EU funds from its Connecting Europe Facility programme went to the project.

The EU has also supplied €230m in loans.

The EPPO said construction of the terminal should have been concluded in December 2019 but has not yet been completed.

"The investigation was initiated following the publication on 19 January 2024 of a report by the Audit Office of the Republic of Cyprus, regarding possible violations during the procurement procedure and the subsequent execution of the public contract for the LNG project," the body said.

"The European Court of Auditors and the European Climate, Infrastructure and Environment Executive Agency (CINEA) also sent reports to the EPPO."

It said that after reviewing this information it is opening an inquiry to look into the contracts awarded by the public authorities.

The lengthy delays to Cyprus' import project have become a matter for national debate.

In July, it emerged that the Chinese-led consortium building the terminal, China Petroleum Pipeline Engineering Co, comprising Metron Energy Applications, Hudong-Zhonghua Shipbuilding Group and Wilhelmsen Ship Management, had walked off the job.

The consortium claimed it had not received payments on time and blamed the developer's lack of experience.

Local paper The Cyprus Mail reported that on Saturday Cyprus' energy ministry said it had received a letter from the European Commission demanding it repay almost €68.6m, which had been paid by the EC to Cyprus' Natural Gas Infrastructure Co as part of the €101m in funding.

Hudong-Zhonghua has completed the LNG carrier-to-FSRU conversion job for the Cyprus terminal.

The FSRU's manager, CNPC CPP, said in a social media post one year ago that the vessel had completed its sea trials.

Tracking data appears to show that the FSRU remains near the Chinese yard.

Cyprus' Natural Gas Infrastructure Co, which is 70% controlled by the nation's Natural Gas Public Co and 30% by the Electricity Authority of Cyprus, was to own the FSRU, jetty and shoreside infrastructure for the project.

Enlink Trading of Dubai is currently listed as the FSRU's owner on the Equasis database.


THE PONA: The container ship has been taken for a 'remarkable' three-and-a-half years, according to broking sources Photo: Mike Cullom/MarineTraffic

Chinese newcomer grows into transpacific services

Hede Shipping builds up service after being named 'controlled carrier'

Ian Lewis
London

Newcomer Hede (Hongkong) International Shipping continues to expand its deepsea container shipping fleet with a benchmark charter for its transpacific service.

The 2,741-teu Pona (built 2007) has been taken for a "remarkable" period of three-and-a-half years, say several broking sources.

That is thought to be the longest charter for this type of vessel this year.

It will be deployed for trading between Asia and the west coast of the US, where the Chinese operator has been present for less than a year.

The Pona has been fixed at a rate of $28,000 per day for between 42 and 45 months, say brokers.

It is the second vessel taken from German owner F Laeisz in the past few months.

In May, Hede took the 2,600-teu Pontresina (built 2008) on charter for two years.

Hede has been building up a fleet of container ships to operate a liner service to the US.

The 3,426-teu Nordia (built 2010) was taken for the first sailing on a new service from Shanghai to Los Angeles in March.

The vessel is owned by Germany's Danz & Tietjens, which bought it from Bridgefort Maritime in May, according to VesselsValue.

Hede has also chartered two newbuildings, the 2,782-teu Adonis and 1,800-teu Androklis (both built 2024), from the fleet of Greece's Capital Ship Management.

Those vessels are deemed small for the transpacific service, although the charter market for larger vessels presents few options.

Other operators have opted to pay a premium for shorter charters.

AP Moller-Maersk has fixed the 2,800-teu Irenes Rythm (built 2007) for trading in the Persian Gulf at a rate of around $30,000 per day for just under one year.

US WATCHDOG ON GUARD

Hede, which is the shipping division of the Tangshan Port Industrial Group, began offering a service to the US in late 2023.

Previously, its operations had been limited to the intra-Asia trades.

The company launched a new service from Shanghai to Los Angeles in March.

A month earlier, the company was designated a "controlled carrier" by the Federal Maritime Commission.

Controlled carriers are ocean common carriers operating in the US-foreign trades that are, or whose operating assets are, directly or indirectly owned or controlled by a foreign government.

They are subject to enhanced regulatory oversight by the US regulator.

Hede is listed as a controlled carrier in the same space as Cosco Shipping Lines and Orient Overseas Container Line.

Chinese car carrier Anji Shipping and South Korea's HMM were also listed as controlled carriers in July.

Yang Ming taps academia for chairman


FENG-MING TSAI: Will assume the role with immediate effect
Photo: Xinde Marine

Irene Ang

Taiwan's Yang Ming Marine Transport has a new chairman.

Professor Feng-Ming Tsai will take up the role at the liner giant with immediate effect, replacing former Citi economist and ex-deputy minister of the National Development Council Cheng-Mount Cheng.

The former politician took the helm of Yang Ming in 2020 when shipping veteran Bronson Hsieh retired at the age of 69.

Yang Ming did not disclose why Cheng has stepped down but said Tsai has received approval from board members to assume the position based on his extensive academic background and contributions to the maritime transport industry.

Tsai, 48, is reportedly the youngest person to hold a chairmanship in Yang Ming's history.

He was previously an independent director in audit, compensation and risk management committees at Yang Ming. His tenure was originally scheduled from May this year to May 2027, but he resigned from the position two weeks ago, citing personal reasons.

Tsai holds a PhD in transport from the New Jersey Institute of Technology, was an assistant professor in the department of logistics management at the National Kaohsiung University of Science and Technology, and a professor in ocean tourism management and in the department of shipping and transport management at National Taiwan Ocean University (NTOU).

Tsai has served as the director of the internationalised information and planning division in NTOU's Office of International Affairs and has been chairman of the department of shipping and transport management at NTOU since 2022.

He was Taiwan's representative of the APEC Maritime Experts Group, has carried out research in transport management, logistics management and intelligent transport systems and has made significant contributions to maritime education in Taiwan.

Messina buy underpins bold ambitions

Ian Lewis

Italy's Ignazio Messina has taken charge of another boxship designed to cater to its ambitions to grow in the container trades out of India and the Middle East.

The Genoa-based operator took delivery of the 6,336-teu Jolly Bianco (built 2006) on Tuesday in Singapore.

The former Buxwave is the second of two container ships that are the largest in Messina's fleet.

The company plans to reposition its latest acquisition in the Mediterranean so that it can be deployed on the trade to the Red Sea, Arabian Gulf, India and Pakistan to help it satisfy "growing transport demand aimed at supporting exports to the Italian market", Messina said in a note.

A sister ship, the 6,336-teu Jolly Verde (former MSC Carouge, built 2007), was delivered to Messina in May.

Both vessels were originally reported sold earlier this year to MSC Mediterranean Shipping Company, which owns 49% of Messina.

The vessels were previously owned by German financier Gebab and managed by NSB Group.

The third vessel in the series, the 6,336-teu MSC Lausanne VI (built 2005), was purchased by MSC and has been deployed on the Asia to West Africa service.

All three ships were widened in 2015 to increase their capacity from 4,870 teu.

Their value has shot up from $23m in February to around $38m today, according to VesselsValue.

TRANSFORMATION

Messina has been transforming from a conro operator to an owner and operator of container vessels, buying seven boxships from German owners in the past 18 months, including the 4,600-teu Jolly Oro (built 2009) and Jolly Argento, 4,398-teu Jolly Clivia and 4,380-teu Jolly Giada and Jolly Rosa (all built 2010).

Messina's push into containers began two years ago after the sale of eight large conros.

It teamed up with Italian liner operator Tarros in June to launch a new service between Italy and North Africa, on which Messina will take slots.


THE JOLLY BIANCO: Ignazio Messina took delivery in Singapore Photo: Ignazio Messina

Costamare cashes in on strong market

Harry Papachristou

Costamare, a US-listed owner and operator of about 160 bulkers and boxships, posted a solid set of quarterly earnings on the back of the Red Sea upheaval.

Net income at the Greek company rose at an annual pace of 53% in the second quarter to $102.9m.

This is the third consecutive quarter in which the reading exceeded the $100m mark.

Taking account of one-offs and other items, adjusted net income available to common shareholders rose by one-third to $91.4m.

Much of that profit growth was due to rising revenue, boosted by upheaval in the Red Sea.

Gregory Zikos, chief financial officer of Costamare, said continued vessel diversions around Africa and an early peak season, with higher than expected cargo demand, resulted in charter rates remaining on an upward trajectory against a backdrop of short supply of prompt tonnage.

Konstantinos Konstantakopoulos-led Costamare took advantage of these conditions to charter on a forward basis seven of its 68 container ships for between two and three years.

"The new charter agreements are expected to generate incremental contracted revenues of above $220m," Zikos said. The Greek executive told analysts in a conference call later on Wednesday that the vessels were chartered at "very healthy rates" in the "mid-$30,000" per day.

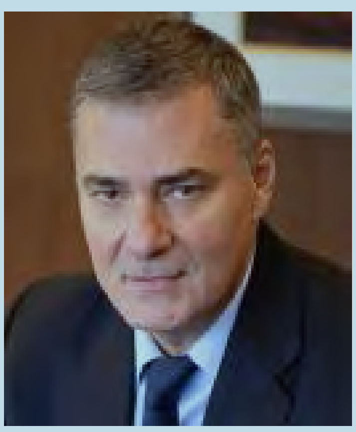
In a sign of how high demand is even for older ships, Zikos unveiled in the call that one of the seven vessels was 24 years old.

The company also reiterated its long-term commitment to the bulker sector, in which it owns and operates more than 90 vessels.

As part of a policy to shake out some of the older and smaller vessels it owns, the company confirmed an agreement to sell the 58,000-dwt Oracle (built 2009) to undisclosed buyers.

Costamare said it expected to book about $4m in net sale proceeds after debt prepayment from the deal. Brokers reported in early July that the ship was sold for $12.5m to Vietnamese interests.

Costamare has sold 14 such bulkers since early 2023 for total proceeds of about $160m, according to estimates by TradeWinds.



COSTAMARE: Chairman and CEO Konstantinos Konstantakopoulos Photo: Costamare

COULD THIS BE THE ONE? Norbulk Shipping's 63,500-dwt Swansea (built 2015) fits Castor's vague description Photo: Max Wei/MarineTraffic

Castor moves for ultramax in return to dry bulk arena

Petros Panagiotidis' firm expands again after selling a dozen bulkers

Harry Papachristou
Athens

Castor Maritime has broken a two-year buying drought with a purchase to take it into the ultramax market.

The bulker cost $25.5m and was built in 2015, according to a press release posted on the US-listed shipowner's website.

"We are excited to announce Castor's entry into the ultramax segment," chief executive Petros Panagiotidis said.

The company did not reveal any other details about its acquisition other than to say it was bought from an unaffiliated third party.

One ship matching Castor's rather vague description, and that brokers reported as sold to undisclosed buyers, is Norbulk Shipping's 63,500-dwt Swansea (built 2015).

The purchase will bring Castor's fleet to 11 vessels — three kamsarmaxes, five panamaxes, its new ultramax, as well as a pair of container ships.

Panagiotidis is a busy player in the secondhand market.

Under his leadership, Castor spent about $400m between July 2019 and December 2021 to build, almost from scratch, a fleet of 29 bulkers and tankers.

In November 2022, it expanded into container ships, buying a feeder pair from the private side of the Panagiotidis family. By that time, however, Castor was shrinking again, as it began cashing in on the appreciation of its existing fleet.

In late 2022, it spun off its eight tankers into US-listed affiliate Toro Corp.

Between May 2022 and April 2024, it raised nearly $180m from the sale of 12 bulkers to third parties or private family company Pavimar.

Castor's latest sale was in May, as TradeWinds reported, with Turkey's Cunda Shipping emerging as buyer of the 75,200-dwt Magic Vela (renamed Atlantic Star, built 2011).

The company's acquisition on Thursday last week, however, suggests it is back in expansion mode.

"We remain committed to our growth trajectory by seeking further opportunities in the shipping space, including opportunities to modernise our fleet," Panagiotidis said.

In another high-profile move in July, his family listed a third company in the US — Icon Energy, which has a single panamax bulker, the 77,300-dwt Alfa (built 2006).

Icon Energy trades under the ICON ticker on the Nasdaq Capital Market in New York.

Icon is led by Ismini Panagiotidi, whose surname is sometimes spelt Panagiotidis and Panayotides, as CEO and chairwoman.

Taiwan Navigation sells 12-year-old ship

Jonathan Boonzaier

Taiwan Navigation is said to have sold a 12-year-old ultramax bulker to undisclosed interests.

The Shin Kasado Dock-built 61,500-dwt Tai Shine (built 2012) was sold for $21.8m, brokers reported last week.

It is the second bulker the Taipei-based shipowner has sold this year as part of its ongoing fleet renewal process.

In June, it sold the Oshima-built, 55,400-dwt Tai Hunter (built 2007) to Amoysailing of China for $14.6m.

Taiwan Navigation has yet to notify the Taipei bourse of the Tai Shine deal, and as a listed company, it cannot comment on reported deals.

THE TAI SHINE: Taiwan Navigation's 2012-built ultramax bulk carrier has reportedly been sold to undisclosed interests Photo: Taiwan Navigation

However, sources familiar with Taiwan Navigation say the vessels were sold ahead of newbuildings being delivered from Japan.

VesselsValue data shows that Oshima Shipbuilding will deliver to the company three bulk carriers — two panamaxes and an ultramax — before the end of this year.

Namura Shipbuilding is building a further two 40,000-dwt bulkers that will be delivered to Taiwan Navigation in 2026.

The shipowner has a strong preference for Japanese-built ships.

Having sold the last of its bulk carriers built at Taiwanese shipbuilder CSBC in 2023, its current fleet comprises 20 ultramaxes, panamaxes and post-panamaxes.

Taiwan Navigation also owns a 9,300-gt ropax that operates a domestic service to outlying Taiwanese islands. That ferry was also built in Japan, delivered by Naikai Zosen in 2023.

Pan Ocean linked to acquisition of modern newcastlemax


BULKING UP: Pan Ocean president and chief executive Ahn Joong Ho Photo: Pan Ocean

Just like its South Korean peer HMM, Ahn Joong Ho-led company is thirsty for modern bulker tonnage

Harry Papachristou
Athens

Pan Ocean has bought a large, secondhand bulker as it continues expanding its footprint in the dry cargo market, where it has already been chartering dozens of vessels.

The major South Korean shipowner has acquired the 207,000-dwt Fomento Two (built 2017) — a modern, scrubber-fitted newcastlemax — in a deal worth $60m, according to several brokers.

The buy comes after Tradewinds reported how the company chartered 45 bulkers during the first quarter alone, in expectation of improving dry bulk markets and limited tonnage supply.

Pan Ocean and the ship's purported seller, Indian mining company Fomento Resources, did not respond to a request for comment.

However, the deal bears resemblance to another confirmed transaction for a Fomento sister ship earlier this year.

The 206,800-dwt Fomento One (built 2016) is trading as the Akadimos with its new owner, Evangelos Marinakis, who bought it for about $55m.

The sale price for both the Fomento One and the Fomento Two is said to include consideration for the remainder of ongoing charters with German shipping giant Oldendorff Carriers, pegged at 130% of the relevant Baltic index and expiring in the third quarter of 2025.

Goa-based Fomento describes itself on its website as "an alliance of companies in the mineral resource industry" dating back to 1957.

The company is headed by its managing director, Ambar Timblo, and its activities span exploration, excavation and mineral processing, pit-to-ship logistics operations, as well as international and domestic sales.

The company's motives for selling the two newcastlemaxes are not clear. One likely explanation is their high valuation.

Fomento's combined sale proceeds of $115m are not too far below the $138m that the Indian company is believed to have spent in 2014 to order the pair at DH Shipbuilding.

If Fomento has decided to divest its entire fleet, it would have another sister ship pair to offer: the 209,900-dwt Fomento Three (built 2018) and 210,000-dwt Fomento Four (built 2019).

Both vessels are also on time charters to Oldendorff and were ordered by Fomento at Japan Marine United.

Pan Ocean's thirst for bulker tonnage invites parallels with HMM, another major South Korean owner with whom Pan Ocean was set to merge earlier this year.

However, a $4.8bn deal to bring the two companies together under the wings of the Harim Group, Pan Ocean's controlling shareholder failed. Stand-alone HMM has bought up to eight bulkers on the secondhand market since, as part of grand expansion plans in the dry cargo business.

This is not the first time this year Pan Ocean has been reported acquiring newcastlemaxes.

In late March, brokers identified the company as the buyer of a trio allegedly sold by Sinokor Merchant Marine: the 209,200-dwt Atlantic Lion, Atlantic Dragon and Atlantic Tiger (all built 2020) for $213m in total.

No such deal took place, however, as Pan Ocean denied this information and the three ships are still listed with Sinokor to this day.

The company, which is led by chief executive Ahn Joong Ho, snapped up other modern bulkers instead. Fukujin Kisen's 62,600-dwt World Crest (built 2020), has recently joined Pan Ocean as the Pan Sapphire.

The South Korean company has also emerged as the buyer of the 40,500-dwt Yasa Violet (renamed Pan Ruby, built 2024) — a newbuilding that Turkey's Yasa Shipping flipped for a profit at $34m, right after taking delivery of the ship from Jiangmen Nanyang Ship Engineering in China.

Pan Ocean is making space for these modern ships by shedding some smaller and older tonnage.

Clients of little-known Greek company Roxette Maritime have emerged as new owners of two bulkers sold by Pan Ocean in the first quarter of the year for about $14m in total: the 33,300-dwt Pan Kristine (renamed Explor, built 2011) and the 56,900-dwt Pan Pride (renamed Pride, built 2011).

Cape rates hit a four-month low as fixing slows

Holly Birkett

Capesize spot rates have faced a month-long rout as July comes to an end, sinking to their lowest in four months.

Baltic Exchange assessments of average capesize rates have fallen by 33% since the month began, on the back of low cargo volumes relative to lengthening tonnage lists.

The weighted average of spot rates across five key capesize routes fell by a further $265 on Monday to $21,411 per day.

The basket assessment has fallen more or less steadily since the beginning of July, sliding from $32,248 per day on 2 July, which was a near four-month high.

Spot rates fell on individual benchmark routes by a few hundred dollars or so on Monday.

Rates for the iron ore voyage from Western Australia to China stayed static at $9.52 per tonne.

Last week, the month-long rout gathered pace as average capesize spot rates fell by 7%.

"The Atlantic saw significant fixing activity, particularly from South Brazil to China, but an oversupply of tonnage in ballast and weakening demand led to a softening trend," the Baltic Exchange said in its weekly market report last week.

"There were some signs of potential improvement in the North Atlantic, with new cargoes being noted, but the overall sentiment remained bearish."

Enquiries saw a slight uptick in the Pacific at the end of the week, despite disruptions from Typhoon Gaemi, according to brokers' reports.

Volumes from Australia have been low, but major mining firms are back in the market looking for loading dates during the first half of August. Operators have also been active in the market.

Average earnings for coal voyages between Bolivar in Colombia to Rotterdam, Netherlands, were 29% lower on Friday last week than they were a week earlier, according to estimates by Clarksons Research.

Clarksons estimated average earnings on the route at $17,652 per day on 26 July, on a time-charter basis.

Clarksons' assessments of average vessel earnings for Brazilian iron ore and Guinean bauxite bound for China were both 10% lower on that day than the previous week.

Things are looking slightly better in the Pacific.

Average earnings for vessels carrying Australian coal from Hay Point to Qingdao were 8% lower on 26 July than a week previously, and 5% lower for China-bound iron ore from Dampier, according to Clarksons' estimates.

d'Amico cancels Marinakis purchase

Gary Dixon

Italy's d'Amico International Shipping (DIS) has torn up a ship sale agreed in April after Greek owner Evangelos Marinakis failed to hand over the vessel in time.

The Milan-listed company said it cancelled a memorandum of agreement originally signed on 9 April for the 50,000-dwt MR tanker Amfitrion (built 2017), acquired from the tycoon's Capital Maritime & Trading.

This was because of the "sellers' failure to comply with the latest possible delivery date of the vessel", DIS added.

TradeWinds understands the ship was delayed by seven days on its current voyage, due to its current charterer.

Chief executive Carlos Balestra di Mottola said he regretted announcing the move, made following the company's contractual rights.

"We have already requested the full reimbursement of the 10% deposit, which is currently held in an escrow account," he added.

"At the same time, we will continue to actively monitor the market for new promising opportunities, which we are confident will emerge in the future," the CEO said.

The sale was set to be a lucrative one for Marinakis. The Greek company had agreed to offload the vessel at a considerably higher price than it paid to order it 10 years ago.

The price reported in April by TradeWinds was $43.5m. The MR2 has been trading with Capital since its delivery.

TradeWinds reported in December 2013 that Marinakis paid about $35m to book the vessel amid a string of MR sister ship orders at Samsung Heavy Industries' Ningbo yard.

VesselsValue estimated the tanker was worth $38m back in April.

The purchase premium made sense, with tanker buyers at the time resigning themselves to pay higher prices amid a lack of suitable acquisition targets in the market.

The Amfitrion was to become the first third-party ship bought by DIS after a string of attractively priced purchase options exercised for vessels it was already operating.

Then-CEO Paolo d'Amico said the vessel aligned perfectly with the company's long-term strategy of owning and operating a fleet comprised of young and efficient product tankers.

CARLOS BALESTRA DI MOTTOLA: Said he regretted announcing the move Photo: DIS

Thenamaris cashes in two eldest aframaxes for $60m

Pair emerge with little-known entities in Seychelles and United Arab Emirates

Harry Papachristou
Athens

Thenamaris has quietly sold its two oldest ships to rid its fleet of any vessels beyond the age of 20 years.

The two separate deals, which were Thenamaris' first tanker sales in 2024, boosted the company's coffers by more than $60m.

It has sold the 105,300-dwt Isabella (built 2004), which was with Thenamaris since its delivery from HD Hyundai Samho.

Nikolas Martinos-led Thenamaris has also cashed in the 115,600-dwt Seaqueen (built 2004), which the company spent $74.6m to acquire from Italy's Finaval in December 2007.

As with so many other older tankers sold since the Ukraine war broke out in February 2022, the new owners and managers of the two ships are little-known entities registered recently in Asian jurisdictions.

According to vessel trackers, both ships have been trading under their new owners between ports in Russia, the United Arab Emirates and the Indian subcontinent.

The Isabella has traded since April as Lebre under the management of one-ship, Seychelles-based company My Fallen and the technical management of Azerbaijan-based Marine Guardian Shipmanagement.

According to VesselsValue, the Isabella changed hands in early February, when the online data platform estimated it was worth around $30.5m.

The Seaqueen was likely sold in May when it was worth about $36m.

The Samsung-built ship emerged in July as the Victory, under the management of Liberia-based one-ship company Victory Global Navigation SA and the technical management of United Arab Emirates-based Al Sayad Ship Services LLC.

Al Sayad has another four tankers in its fleet, which it started assembling in June 2023.

One of them is the 103,100-dwt aframax Lion Marine (ex-Minerva Helen, built 2004), which Greece's Minerva Marine reportedly sold in April to Chinese buyers for $30.35m.

Al Sayad is also listed with a pair of MRs, which used to belong to Athens-based Flynn Ventures.

The new technical manager of the Isabella, Marine Guardian, is tied to another former Greek aframax.

The Azeri company has been listed since April with the 105,400-dwt Thorin (built 2007) — a vessel that was trading as the Izumo Princess with Tsakos Energy Navigation until the US-listed company sold the ship in April to undisclosed buyers.

Thenamaris and TEN have sold 32 tankers between them on the secondhand market since early 2022, in deals worth about $1.1bn.

NIKOLAS MARTINOS: CEO of Thenamaris Photo: Thenamaris Ship Management

The liquidity from these sales helped the two companies invest in wide-ranging newbuilding programmes.

Thenamaris, a company with 46 tankers on the water, has inked 10 orders for LR2s and MR2s since 2022 in deals worth about $610m in China and South Korea.

TEN's newbuilding outlay has been even bigger, with 16 tankers ordered since 2021 in deals worth more than $1.2bn.

Top Ships secures $100m Gunvor coup

Gary Dixon

Evangelos Pistiolis-backed Top Ships has secured long-term employment for two of its product tankers at what it called "very strong rates".

The New York-listed shipowner said that the 50,000-dwt vessels Eco Yosemite Park and Eco Joshua Park (both built 2020) have entered into seven-year agreements with their current charterer, extending their contracts at higher rates than before.

Brokers list Swiss trader Gunvor as the charterer, having signed five-year terms on delivery.

The commodities giant is listed as holding a 50% stake in the Top Ships' subsidiaries that own the tankers.

RATE INCREASE

The modern, fuel-efficient eco ships will earn $19,500 per day from 1 August, an increase of 12% from the current daily hire rate, Top Ships added.

There are also charterers' options for another two years on top of that.

The Greek owner said the deals are worth about $100m combined for the firm periods.

Shipbroker BRS quoted five-year eco MR charters as stable at $22,500 per day last week.

Alibra Shipping assesses deals at $24,500 per day and likely to rise.

Spot earnings assessed by Clarksons Securities stand at $34,000, down 9.5% in mid-July.

Top Ships controls eight crude and product tankers.

The company also said last week that it is spending $20m to acquire a mega-yacht from the stable of chief executive and major shareholder Pistiolis.

The 47-metre Para Bellum was built last year at Sanlorenzo Yachts in Italy and has a capacity for 12 guests and a crew of 10.

The mega-yacht is expected to be employed on short-term charters and managed by the company's existing fleet manager, Central Mare Inc, another affiliate of Pistiolis.

GTT sees need for 100 more LNG ships for new projects

Cargo tank designer sees momentum in fleet renewals and LNG fuel choices

NEW CEO: GTT's Jean-Baptiste Choimet Photo: Lucy Hine

Lucy Hine
London

Around 100 LNG carriers are required to serve the new liquefaction projects already greenlighted and under construction, according to membrane-type cargo tank designer GTT.

In a second-quarter results briefing, new chief executive Jean-Baptiste Choimet showed the company's estimates that nearly 175m tonnes of new liquefaction projects are moving ahead requiring some 285 LNG carriers.

Choimet, speaking at a virtual presentation due to the Paris Olympics lockdowns, said that of these, some 185 had already been secured, leaving up to 100 to be ordered.

He said that, on top of this, LNG fleet replacement is also picking up and is expected to accelerate by the end of the decade, with over 300 LNG carriers turning 20 years old or more in the next 10 years, and 200 of them topping 25 years.

The chief said replacement demand will be driven by the need for more efficient vessels and increasingly stringent regulations, but he said yard capacity will be a critical factor.

Choimet reiterated GTT estimates that, in the period to 2033, there will be requirements for more than 450 LNG carriers, between 25 and 40 very large ethane carriers, up to 10 floating storage and regasification units and a similar number of floating LNG production units, along with 25 to 30 tanks for onshore and gravity-based structures.

The new CEO said GTT's financial performance in the first half of 2024 has been "very strong".

GTT reported a huge 65.8% jump in first-half revenues, up at €294.8m ($319.4m) from €177.8m in the same six months of 2023.

This was driven by newbuildings, a high number of vessels under construction and the company's other businesses.

First half of 2024 net income rose almost 103% to €170.3m from €84m in the same period a year ago.

In the January to end June period of 2024, the company received orders for tank designs of 58 units in total — an "all-time high" — comprising 52 LNG carriers, four VLECs, one FSRU and one FLNG unit.

As of the end of June 2024, GTT boasted 342 units on its orderbook.

Chief financial officer Thierry Hochoa detailed that this is worth over €2bn in secured revenues, with an "exceptional year" to come in 2025, expecting €692m in revenue for the core business alone.

Choimet said it gives GTT visibility to 2028 and beyond, with some LNG carrier deliveries stretching into 2031.

Revenue from GTT's electroyser construction division, Elogen, and its GTT Services arm also rose by 178% and 47%, respectively.

GTT did not receive any orders for tank designs of LNG-fuelled vessels during the first half of 2024, although revenues from this business were up nearly 50% due to the backlog of 56 orders secured in 2021 and 2022.

Choimet said the company anticipates activity to pick up, with LNG at the forefront of discussions for container ship newbuildings. "It is now evident that bio-methanol will not be available in large quantities."

He was upfront that GTT is facing competition from Chinese yards offering type-B tank solutions.

But Choimet said GTT's tank technology is superior in that it can offer better boil-off rate performance, is a lighter solution and less steel intensive, with lower CO_2 emissions, and comes with GTT support throughout the lifetime of the ship.

Choimet is bullish on the future demand for LNG.

He highlighted the final investment decisions taken on LNG projects — Canada's Cedar LNG and Ruwais LNG in Abu Dhabi — in the first half of this year, which together will add 13m tonnes per annum of LNG to global supply.

Choimet said the main drivers behind LNG and vessel demand are coal-to-gas switching, shifts from pipeline gas to LNG and fleet renewal, with LNG demand forecast to grow at between 4.7% and 5.4% by 2030.

He said there is an anticipated supply gap to LNG demand, which is expected to extend to between 140 mtpa and 200 mtpa by 2040.

"This significant shortfall underscores the long-term potential and necessity for continued investment in the LNG sector."

'Buoyant' newbuild demand lifts class society

Gary Dixon

Bureau Veritas has increased its earnings from shipping as new orders roll in.

The classification society's chief executive, Hinda Gharbi, said it had been drawing on a healthy and growing sales pipeline, high customer demand for "new economy services" and strong underlying market growth.

Bureau Veritas Marine & Offshore was boosted in particular from sustained trends in decarbonisation and the energy transition, BV added.

The operation's revenue in the first six months was up at €251.3m ($273m) from €228.6m in the previous half-year.

Adjusted operating profit rose to €61.6m, against €56.5m the year before.

The division was among the strongest performing in the group, with organic growth of 14.7%.

There was a "strong double-digit" increase in new construction work in a "buoyant" shipbuilding market, BV said.

New orders accelerated, despite some capacity constraints at shipyards, the company added.

BV secured 7.4m gt of new ships by the end of June 2024, bringing the orderbook to 26 gt, up 27.5% compared to 20.4m gt a year ago.

This was driven by LNG-fuelled ships and specialised vessels.

HINDA GHARBI: CEO of Bureau Veritas Photo: Bureau Veritas

Double-digit growth was also seen in core in-service activity, with retrofitting and upgrading work rising to meet environmental regulations.

As of 30 June, the classed fleet had reached 11,894 ships, up 2.7% year on year and representing 151.7m gt.

"The division continues to benefit from multi-year growth momentum as the maritime industry decarbonises, renews its fleet and becomes more energy efficient," the group added.

BV's overall revenue of €3bn was up 4%.

Group net profit was €234.m, up from €232.5m in 2023.

BV pointed to the "ongoing execution" of its new strategy to deliver a "step change" in growth and performance.

The acquisitive group has completed four takeovers of smaller companies so far this year, adding €41m of revenue in cyber security and consumer products services technology.

BV is also talked of as a potential consolidator in the maritime class sector.

Gharbi added that the company is "actively managing our portfolio through an accelerated M&A programme".

"In addition, we have completed our €200m share buyback programme announced in March 2024," the CEO said.

For the full year, BV is predicting high single-digit organic revenue growth, revised up from mid-to-high single-digit previously.

Maersk stands by firing after striking US whistleblower deal

US Coast Guard official says crew can contact agency over safety concerns before reporting to employers

Eric Priante Martin
Miami

SEEMA NANDA: Labor department solicitor says the government will enforce whistleblowers' rights
Photo: Bloomberg

AP Moller-Maersk has agreed to settle a case with the US government, after challenging an investigation into a subsidiary's firing of a purported whistleblower, but is standing by its decision to axe the seafarer.

The Department of Labor said that Maersk Line Ltd, the subsidiary known also as MLL, which controls the company's US-flagged fleet, would change its safety reporting policies as part of the agreement.

The company will also compensate a seafarer who alleged he was fired after reporting safety concerns to the US Coast Guard without informing his employer first.

As TradeWinds has reported, the seafarer worked on the 4,154-teu container ship Safmarine Mafadi (built 2007) and reported faulty lifeboat release gear, leaks that caused cargo hold flooding and corroded equipment.

After the settlement, Labor Department solicitor Seema Nanda said the government would enforce whistleblowers' rights under US law.

"No employer may violate whistleblower regulations or create policies that require employees to notify their employer before they report concerns to federal regulatory agencies," she said.

"This seaman showed the kind of bravery for which mariners have long been known by raising concerns that, left unchecked, could have endangered everyone aboard the Safmarine Mafadi."

Maersk also settled with the seafarer, who was not named, and agreed to pay compensation.

In a statement to TradeWinds, Maersk said MLL admitted no wrongdoing or liability in the settlement agreements over government allegations that it violated the Seaman's Protection Act. "MLL terminated this mariner for multiple reasons, including violation of its reporting policy, which required mariners to make initial and timely reports of unsafe or hazardous conditions on the vessel to the company for immediate attention," the Danish container shipping giant said.

"MLL stands by its decision to terminate the mariner, whose union took the termination to arbitration before a neutral third party. The arbitrator's decision found that the mariner's allegations to the Coast Guard were unsubstantiated, and were 'neither reasonable nor in good faith'."

The company said arbitrators concluded that the seafarer was motivated not by safety but wanted to thwart the ship's captain and disciplinary action.

The Coast Guard report investigating the claims found no evidence that the vessel and crew were not taking appropriate actions to address safety concerns.

The Labor Department said that MLL agreed to remove the requirement that seafarers contact the company before reporting to the Coast Guard; to refrain from retaliating against seafarers; and to inform them about the Seaman's Protection Act.

Coast Guard rear admiral Wayne Arguin, assistant commandant for prevention policy, said the Maersk case was an important affirmation that mariners could contact the agency about safety concerns.

"Safety requires a team approach," he said. "The size, complexity and importance of the marine transportation system demand that everyone work together to prevent casualties and minimise supply chain disruptions."

Douglas Parker, the assistant labour secretary for occupational safety & health, described the settlement as a victory for mariners on US-flagged ships.

MLL, based in Norfolk, Virginia, is the largest operator of commercial US-flagged ships, with 700 American seafarers on its payroll.

"MLL will continue to cooperate with the US government's efforts to ensure its US flag fleet remains the safest in the world while providing our mariners with our full trust and support, particularly where our mariners are targeted with unsubstantiated or uncorroborated allegations," the company said.

"MLL is proud of its safety culture and its highest priority remains the safety and security of our mariners and shoreside colleagues."

Maritime court backs Mexico in $96m dredger spat

Paul Peachey

An international court has refused to block Mexico from trying to collect a $96m tax and customs penalty from Belgian group Jan De Nul in a nine-month dispute over a seized dredger.

Luxembourg went to the International Tribunal for the Law of the Sea (ITLOS) to secure a series of undertakings following the "exorbitant" fine imposed after the 8,015-gt dredger Zheng He (built 2010) called into the Mexican port of Tampico.

The dredger with 36 crew on board had requested to dock in Tampico for three to four weeks to await instructions, crew changes and new provisions, according to a ruling.

But trade officials seized the Luxembourg-flagged vessel on 1 November last year on the grounds that it should be treated as an "import" and contravened customs laws, Luxembourg said in its submissions.

The Zheng He, a cutter suction dredger, is owned by European Dredging Co, a Luxembourg subsidiary of shipowner Jan De Nul, which was handed the fine.

Lawyers for Luxembourg, which brought the case, told the court that it was seeking a ruling that Mexico would not be able to seize any other ships from the Jan De Nul Group over the dispute. It sought other undertakings, including assurances over crew changes and ownership of the vessel.

But the panel of judges rejected the bid by Luxembourg by 22 votes to one because there was no "imminent risk" of "irreparable prejudice" to the shipowner while the legal dispute in Mexico played out.

Luxembourg claims tax and customs demands had already been declared null and void by the Mexican courts.

But the Mexican government, which opposed Luxembourg's move, said that the case was still being considered by a higher court.

ITLOS is an independent body established by the United Nations Convention on the Law of the Sea to rule on disputes between the 169 states that have signed up.

Its decisions are final and binding, but the tribunal has no enforcement powers. It has previously awarded compensation and reinforced the right of vessels to operate at sea without interference from foreign governments.

In 2019, it backed Panama in the case of the arrest and detention of a bunker tanker by the Italian state 21 years earlier and awarded $285,000 compensation plus interest.

The Marshall Islands has brought a claim to the court against Equatorial Guinea over the alleged illegal detention of Ray Car Carriers' 299,995-dwt VLCC Heroic Idun (built 2020) on suspicion of attempted oil theft and filing false piracy reports.

Its 26-strong crew was held for almost nine months in Equatorial Guinea and Nigeria before a plea deal allowed their return home.

Charges against the crew were dropped in return for the ship accepting a single criminal charge, an apology and a multimillion-dollar financial settlement.

Do scrubbers infringe on human rights?

Craig Eason

Shipping's use of exhaust gas scrubbers to cut emissions could be banned for breaching human rights legislation if green lobby groups get their way.

Led by Friends of the Earth International, the lobby argues that the discharge of toxins into the air and sea may contravene the rights of coastal communities.

The groups that inform the International Maritime Organization have had a long-running battle with the industry over scrubbers, which they believe should not be considered equivalent to using less polluting low-sulphur fuel.

They claim that scrubbers do not remove particulate matter and often push the collected emissions into the sea as toxic wash water.

The proposal to consider human rights in the debate will go before the IMO at September's Marine Environment Protection Committee meeting.

Announcing the move, the groups quoted Marcos Orellana, the United Nations special rapporteur, on the implications for human rights and the environment.

Orellana visited the IMO last year on a fact-finding mission and submitted a lengthy report on the link between shipping and human rights.

The green lobby has noted that ports and countries are increasingly banning scrubbers and it would like to see this rolled out internationally.

The International Council for Clean Transportation lists 45 countries that have implemented restrictions on scrubbers.

The legal challenge proposed by the green groups to curb their use has been questioned by the Clean Shipping Alliance (CSA), which says it represents commercial ship operators and cruise companies that have invested in or supported the use of scrubber technologies.

"We have some questions about the legal analysis, but also see errors in the technical statements regarding particulates, CO_2 and nitrates, and will be commenting further," the CSA wrote in an email to TradeWinds.

Banning the use of scrubbers across the global fleet may be difficult.

Data from DNV's Alternative Fuels Insight platform suggests the number of vessels with exhaust gas cleaning systems installed will rise to about 5,330 by the end of 2024.

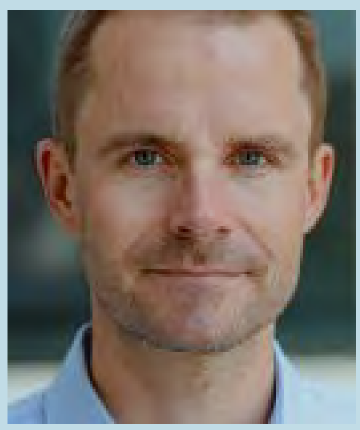
Scrubbers are after-combustion technologies fitted on ships to remove sulphur oxide emissions from exhaust plumes.

They have become popular as an alternative way to comply with IMO and European Union sulphur fuel limits.

Start-ups unite to develop next-gen tech for maritime

Flagship Founders-Studio 30 50 merger comes as AI and increased connectivity offers new shipping opportunities

Craig Eason
Stockholm



JOINING FORCES: Shanker Pillai (above), director of Studio 30 50, will join the Flagship Founders management team and lead the company together with Fabian Feldhaus (left) and Malte Cherdron
Photos: Studio 30 50 and Flagship Founder

Two leading maritime start-up developers, Berlin-based Flagship Founders and Singapore-based Studio 30 50, are set to merge under the Flagship Founders brand.

The combination comes as the industry faces the impact of artificial intelligence and satellite connectivity, according to Flagship Founders managing director Fabian Feldhaus.

Flagship Founders is backed by German shipowners F Laeisz, Auerbach Schiffhart and Philipp Ahrenkiel.

It has developed a stable of digital start-ups including Sealenic, Arinto, Kaiko Systems, Tilla Technologies, and zero44.

Studio 30 50 was launched last year through investment from Danish shipowner Hafnia, with DNV, IMC Ventures, Microsoft and Wilhelmsen listed as collaborators.

It lists Orbital WAVE, ESG-NRG, Nautisense and Ataris as alumni.

While both describe themselves as venture studios, bringing in early-stage start-up founders to build their ideas before market exposure, they have taken two different approaches.

Studio 30 50 director Shanker Pillai described his studio's approach as that of a sprint, where selected founders join a growth programme and quickly develop their ideas.

"Instead of searching for founders with a specific problem-founder fit, we seek talented and adaptable founders who can either present a specific idea or approach the programme with an open mind, ready to learn and solve new problems," he told TradeWinds.

"Our founder sprints often have a wide range of talents in any batch, such as people who have sailed for 20 years or CTOs who have built multiple tech companies."

Flagship Founders' approach has been more focused on individual founders and digital ideas, said co-founder Feldhaus.

"We identify problems in the industry, generate ideas around them and validate them," he told TradeWinds. "Then, with ambitious co-founders, we start these companies ourselves."

Feldhaus said the merger of the two venture studios was not due to a lack of founders and ideas for digital solutions in the maritime sector.

"Digitalisation has been a topic for 10 years and we are still at the beginning of the journey," he explained. "And when you think of all the new satellites, thanks to people like Elon Musk, and artificial intelligence, these technologies will enable new solutions, and big corporates will not drive them in a way that a young and agile start-up can do."

He conceded that some digital solution arenas are beginning to get overcrowded, such as vessel performance solutions, but sees start-ups being accepted as a key part of the shipping industry, with companies more willing to work with them.

"Four or five years ago, there was the idea that it was something new, something of an outlier. Now start-ups have their place. Perhaps we should think of them as digital service providers."

Feldhaus said the new business has not finalised the methodology for working with start-ups, but it may be a combination of the approach used by the two former outfits ahead of the merger, or something new.

Under the new business arrangement, Pillai will join the Flagship Founders management team with Feldhaus and Malte Cherdron.

While the two businesses will merge under the Flagship Founders brand, Studio 30 50 will continue to offer consultancy services under its own name to larger corporates looking to build up in-house innovation, said Pillai.

Collaboration to drive Optima offering

Gary Dixon

Greek shipbroker Optima Shipping Services has formed a strategic partnership with Norwegian software company Metizoft to beef up its eco-consulting services.

The partnership project was led by Optima chief executive Dimitrios Koukas, Optima head of market analysis and decarbonisation strategies Angelica Kemene and Metizoft sales director Orestis Nikolopoulos.

Metizoft provides environmental, social and governance management, lifecycle assessment, inventory of hazardous material and chemical solutions for shipping.

Optima said: "This collaboration will significantly enhance our ESG consulting services, enabling us to provide even more comprehensive and innovative solutions to our clients.

"Metizoft's expertise in sustainability and circular economy solutions aligns perfectly with our commitment to a greener and more sustainable future in the maritime sector."

The Athens shop wants to help clients navigate the complexities of ESG regulations and best practices.

"We are committed to working together to create a more sustainable future for the maritime industry," it said.

In April, Norwegian shipbuilder and recycler Green Yard signed up with Metzisoft for ESG services.

Metizoft, set up in 2006 by Gry Cecilie Sydhagen, is headquartered in Fosnavag, Norway, with offices in Singapore, Shanghai, Hong Kong and India.

Optima specialises in sale and purchase, newbuildings and vessel recycling work.

It also has offices in Dubai, Istanbul, Singapore and Shanghai.

Ex-Eagle heads land new roles after Star buyout

Accounting and finance leads worked under ex-finance chief Costa Tsoutsoplides, who may make his own move shortly

Joe Brady
Stamford

Two key figures in the financial affairs of the former Eagle Bulk Shipping recently started new jobs after being scheduled for redundancy in the takeover by Greece's Star Bulk Carriers.

TradeWinds has confirmed that Elie Cohen — Eagle's head of accounting — and Evan Guynn — head of financial planning and analysis — have been snapped up by other industry players.

Both men reported to Eagle chief financial officer Costa Tsoutsoplides, who has stayed on with Star in an interim position as a senior adviser until the end of September.

But as financial functions are increasingly consolidated into Star's offices in Athens, Tsoutsoplides is also expected to move on to another position within shipping. He has been investigating opportunities in the US and Greece, sources said.

Cohen, who also had roles as controller and treasurer at Eagle, has emerged in the controller's post at New York City-based McAllister Towing & Transportation.

He will work there under chief financial officer Alan Ginsberg, who is also a former Eagle executive. Ginsberg was Eagle's chief financial officer from 2005 to 2012 under an earlier administration led by CEO Sophocles Zoullas.

Guynn has started work at Stamford, Connecticut-based gas power Dorian LPG, where he will work in a capacity similar to his Eagle role under chief financial officer Ted Young.

Both men were casualties of Star's $836m, all-stock deal for Eagle, which closed in April. One of the prime areas for consolidation synergies between the two companies is in finance, as Star already has a sophisticated operation in place through its Athens headquarters.

COSTA TSOUTSOPLIDES: Has stayed on with Star Bulk in an interim position as a senior adviser until the end of September Photo: Contributed

However, the two men were able to move immediately from interim status at Eagle to their new posts, suggesting their appeal to fellow shipping companies.

Cuts by Star of ex-Eagle staffers have not been limited to the financial sphere. In June, the Greek company let go about 10% of the former Eagle staff, including Singapore-based technical director Claus Jensen.

Tsoutsoplides, meanwhile, has been shuttling back and forth between Stamford and Athens, assisting in the integration of Eagle's operations into the Star framework.

Former chief executive Gary Vogel left Eagle at the closing of the merger, accepting a large severance package. He is expected to return to the sector after enjoying some downtime with his family.

So is Tsoutsoplides, who is thought likely to emerge in a similar capacity with a shipowner in the coming weeks.

Eagle Bulk's takeover by Star Bulk created a juggernaut owner and operator of 170 bulkers on the water or under construction — almost all fitted with scrubbers.

Star Bulk shares were trading just under $23 on Monday on New York's Nasdaq, giving it a market capitalisation slightly above $2.6bn.

Diana forges $167m refinancing deal

Eric Priante Martin

Diana Shipping has reached a $167m loan deal with Nordea Bank that will allow it to pay down previous borrowings backed by nearly one-third of its vessels.

The New York-listed bulker owner said the new six-year, secured loan is backed by 10 of its ships and leaves two previously financed vessels unencumbered.

"This strategic financial move underscores the company's commitment to optimising its capital structure and enhancing operational flexibility," Diana said.

It did not disclose the interest rate details of the new debt.

The Semiramis Paliou-led outfit immediately drew down the full amount of the loan, which matures in July 2030.

SEMIRAMIS PALIOU: Chief executive of Diana Shipping Photo: Helle Moos/Global Maritime Forum

The cash was used to pay off two other loans from Helsinki-headquartered Nordea that had been secured by a dozen vessels.

A $149m loan was due to mature in October 2017, while an $18m loan was due in June 2028.

The move comes roughly a month after Diana, which owns 38 vessels, made another refinancing move by placing $150m worth of unsecured bonds, which were priced at a coupon rate of 8.75% and due in July 2029.

Proceeds from the sale of the debt securities, listed on the Oslo Stock Exchange, were used mostly to refinance $125m in unsecured bonds that were due in 2026.

Diana reported in its last quarterly report that it had just over $628m in long-term debt, net of deferred financing costs.

It reported having $161m in cash and equivalents, out of $1.16bn in total assets.

Australia sees rare shipping IPO

Dale Wainwright

Offshore support vessel owner and operator Bhagwan Marine has completed a rare shipping IPO in Australia.

It raised AUD 80m ($52.3m) from the sale of 126.9m shares at AUD 0.63 each, according to a regulatory filing.

Bhagwan said the proceeds will allow it to strengthen its balance sheet and pursue a "range of compelling growth opportunities".

The company was founded in 2000 by the Kannikoski family in Geraldton, Western Australia, with a single vessel. Today, it has 100 vessels.

Euroz Hartleys was the sole lead manager and underwriter for the offer. KPMG acted as the investigating accountant, Azure Capital was corporate adviser and Clayton Utz was legal adviser.

Chief executive Loui Kannikoski described the IPO as "another exciting milestone in the company's history".

Chairman Anthony Wooles said: "Bhagwan is now entering an exciting new growth phase with the emergence of the oil and gas decommissioning sector, and the future development of the offshore wind energy sector.

"I am excited about the opportunities and potential for the company to expand into new industry segments."

The company was awarded the contract last year by Chevron to remove nine offshore platforms from its Thevenard Island project, 22 km off the coast of Western Australia's Pilbara region.

Headquartered in Perth, Bhagwan has facilities in the key locations of Dampier, Brisbane, Darwin and Melbourne, as well as other satellite offices around Australia.

"These strategically located operating facilities are in close proximity to a number of large ports and major projects, including proposed offshore wind areas," the company said.

Bhagwan's IPO comes days after Australia-listed rival MMA Offshore was taken private in an AUD 1.1bn takeover deal by private equity-backed Cyan Renewables.

BHAGWAN FOUNDERS: Loui and Kerren Kannikoski ring the bell as the company's shares begin trading on the ASX Photo: Bhagwan Marine

From Chinese scholar to industry leader, Norton marks new milestone with Saltchuk takeover

Sam Norton's career path provided life lessons in risk and now the leader of OSG is in a new phase under private ownership

Eric Priante Martin
Miami

When Sam Norton took the helm of Overseas Shipholding Group in 2012, the company had exited bankruptcy and spun off the international-flagged tanker fleet that represented most of its business.

As the OSG chief executive recalled in an interview, chairman Doug Wheat had asked him to set up a management team, "figure out what to do" with what was now a pure-play US-flagged tanker company and position the New York-listed shipowner to be sold.

Delivering a sale ultimately took eight years, a time that saw the company ride a rollercoaster that included punishing Jones Act markets during the Covid-19 pandemic followed by a boom that took OSG shares to record heights.

The 10 July takeover by Saltchuk Resources marks a key milestone in a career that has seen Norton play the roles of banker, Ofer family lieutenant, container shipping entrepreneur and now the leader of OSG in a new phase under private ownership.

It was a path with significant challenges, including shutting down shipowner SeaChange Maritime amid tough boxship markets that would not see a boom until it was too late.

"Each transition pushed me ... to understand risk in different ways and to be able to tolerate risk in different ways than I would have ever thought conceivable looking backwards," he told TradeWinds.

CHINESE-LANGUAGE STUDIES

Norton took a circuitous path to shipping that began when he was a student of Chinese language and literature at New Hampshire's Dartmouth College in the late 1970s.

In a bid to take his language skills to a new level, he participated in an immersive language programme in Taiwan, undeterred after the US State Department pulled its funding when President Jimmy Carter recognised Beijing, rather than Taipei, as the government of China — a move that sent the island into a recession.

After graduating from Dartmouth, Norton decided to go to Taiwan to work while continuing to study the language. While there, he joined the First National Bank of Boston whose general manager in the country was also the only other American working in the branch.

Starting as a freelancer and earning what he described as beer money, Norton was tasked with helping correct the English-language memos and proposals of Chinese-speaking employees.

"I quickly figured out this was an inefficient way to do things because the Chinese guys and women were spending hours to write something that was OK, but it needed a lot of work," he told TradeWinds over breakfast at a cafe near his Miami home.

"I said, 'There's a better way to do this'."

Norton asked bank staffers to tell him what they wanted to say in Chinese, and he translated it into English, which became an opportunity for him to learn the language of business and receive an education in banking.

Appreciating the results of his work, the bank employees began taking Norton on calls to factories that were borrowing from the bank.

His boss began offering to pay Norton to buy books, another opportunity to continue his self-education in banking.

HONG KONG BANKER

Eventually, the bank — then one of the biggest in the US — sent him to Boston for its loan officer training programme, followed by a job offer in Hong Kong.

"Then I became a real employee of the bank with a title," Norton said.

But just as he started in 1984, UK prime minister Margaret Thatcher agreed to hand the island territory back to China, sending the economy into recession and First National's loans into trouble territory.

Norton's first job in banking quickly became an expertise in distressed loans, or workouts.

"I was working with textile companies and real estate companies and various that couldn't pay their loans, and trying to figure out how to restructure," Norton recalled.

"There's no equivalent of Chapter 11 in Hong Kong, so it was either liquidate or figure out a way to string them along and gain leverage."

> They decided not to [jump ship] because of Sam's leadership and would have followed Sam to the ends of the earth, I have a feeling
> — chairman Doug Wheat

A year later, it was the shipping companies that were in financial trouble. The industry descended into a global crisis that compounded when an international currency agreement, known as the Plaza Accord, doubled the value of the Japanese yen versus the dollar practically overnight.

Many shipping industry loans, particularly in Asia, were priced in yen at the time.

"And then liabilities doubled overnight, and virtually all the equity of all the shipping companies in Asia disappeared," Norton said. "And so it became a huge workout situation.

"My boss came and said, 'Forget about the textile companies. You're going to be working on shipping companies'."

As a leading member of the First National workout team, he spent that time sitting on creditor committees for companies that were restructuring, liquidating vessels and arresting ships.

During this period, Norton became acquainted with Idan Ofer, the son of shipping billionaire Sammy Ofer, who was then based in Hong Kong and hunting opportunities amid the financial distress.

"We were kind of swimming in the same pool at the time," Norton said of the Ofer scion.

"He was trying to work with the banks to take over the management of ships that banks had foreclosed on."

OFER GROUP LIEUTENANT

Norton said he and Idan became friends, and the banker was invited to join the Ofer group.

He began with Tanker Pacific Management — today known as Eastern Pacific Management and controlled by Idan — in 1989.

That same year the Tiananmen Square massacre sent shockwaves through the Hong Kong shipping community, and, in 1990, Sammy Ofer moved the headquarters of his empire to Singapore, beginning Norton's 24-year stint in the country.

For the banker turned shipping executive, the group was what he described as an "amazing" education.

He cited the Ofer family's emphasis on understanding every element of the shipping business and on the notion that "very little value is derived, other than through luck, in trying to predict the market" and what the future may hold.

"The most successful shipowners and ship operators understand that [shipping] is a commodity and that the low-cost provider is going to succeed over time because if your cost structure is $1 less than your competitor, that's $1 in free capital that you've generated in competition with your competitor," Norton said.

In practice, what the Ofer philosophy means is to be hands-on as a manager and understand how everything works on a ship, the executive explained.

"You need to do that so you can understand where the money goes and how to control it, so you can keep your cost down," he said.

Among the highlights of Norton's tenure at the Sammy Ofer Group was his leading role

SAMUEL NORTON: President and CEO of Overseas Shipholding Group
Photo: TradeWinds Events

LONDON: Israeli shipping billionaire Sammy Ofer (left) celebrates with wife Aviva and son Idan (right) in September 2009 Photo: Julian Bray

YARIV ZGHOUL: Co-founded SeaChange Maritime with Sam Norton Photo: Yariv Zghoul/LinkedIn

2016: After coming out of bankruptcy in 2016, OSG divided into two companies. Lois Zabrocky became chief executive of spin-off International Seaways Photo: TradeWinds Events

MARK TABBUTT: Chairman of Saltchuk Resources
Photo: Saltchuk Resources

in moving the company, which was then focused on tankers and bulkers, into the container ship space.

In 1995, Idan recruited young shipbroker Jacob Tolstrup Moller, who had worked at Barry Rogliano Salles, and then asked Norton to oversee the new boxship division.

They began buying up 1,500-teu to 2,000-teu vessels, which were large, at the time, before container shipping activities were moved to London near the end of the decade.

Idan and brother Eyal Ofer, who divided the family empire after their father died in 2011, are both major owners of container ships.

Norton also led the group's entry into another sector — floating production, storage and offloading units — with the founding of Tanker Pacific Offshore Terminals, which later became Omni Offshore Terminals.

In 2004, Norton decided it was time to move back to the US, relocating in 2004 to Miami, where he continues to live, dividing his time between Tampa, the Florida city where OSG is headquartered.

After amicably parting ways with the Ofer group in 2005, Norton teamed up with a Miami-based former co-worker, Yariv Zghoul, with a plan to launch a container ship-owning business focusing on chartering ships to line operators in regional trades.

CONTAINER SHIPPING

After raising cash to start SeaChange Maritime, they seemed to have had good timing, making most of their purchases after the 2008 financial crash.

"We were following the playbook of buying ships when they're cheap. Eventually, the market turns around and the market comes back, and if you can keep your costs down, that's how you make money," he said.

"The problem was the container market collapsed and then never came back."

After a decade of tough markets and a charter dispute with the US Navy's Military Sealift Command left it with a heavy debt burden, SeaChange Maritime began winding down its operations in 2015 and 2016, although Norton said the company did ultimately win $7m in its court fight with the government.

The SeaChange Maritime experience represented a key moment in the evolution of Norton's growing appreciation for risk tolerance.

"SeaChange was pretty much the pinnacle of that, because there will be weeks where we didn't know how we were going to make payroll, frankly, and I learned to just accept that," he said.

"I didn't freak out. Stress didn't kill me. I just figured we'll just work, and if we solve the problem, that'll be good, and if we don't, well, you know, we'll figure out something else."

That is because anyone who claims to know what will happen in the next six months is a liar. Events can change markets overnight, he said.

It was a lesson that would be key to his next major challenge.

After Wheat tapped Norton to lead OSG in 2016, where he had served on the board since 2014, the tanker owner faced oversupplied Jones Act tanker and articulated tug-barge markets — not exactly the time to lock in the sale that was hoped for.

But things looked better in 2019, and OSG tapped Goldman Sachs to attempt a deal, approaching private equity firms.

Norton said that New York alternative investment firm Stonepeak made an offer, but OSG's board of directors felt the New York company's bid undervalued the tanker owner.

Then markets again got in the way of finding a buyer, as the Covid-19 pandemic clobbered the domestic tanker markets that would not take their significant upward turn until Russia invaded Ukraine two years later.

Norton attributes OSG's ability to survive to having the conviction to change plans quickly and be decisive.

CROSSING THE DESERT

"The analogy that I gave to people was that we have a bottle of water and a desert that we have to cross. We don't know how long that desert is, so we have to marshal our water to get us to the other side," he said.

"And that means we have to save as much cash as we can. That's the only strategy that can get us to the other side."

The company made tough calls, like laying up seven vessels, which some thought was a radical strategy. During the trough, Saltchuk offered to buy OSG for $3 per share in 2021 but pulled it back. (The Seattle maritime conglomerate would ultimately pay almost three times that price.)

Wheat, who remained OSG's chairman until the Saltchuk deal closed, said many at the company could have jumped ship in such tough times.

"They decided not to [jump ship] because of Sam's leadership and would have followed Sam to the ends of the earth, I have a feeling," he told TradeWinds.

"That's what usually makes somebody a very good CEO and leader: how much people respect him."

TW CAREER HIGHLIGHTS

1981: Chinese language and literature degree from Dartmouth University
1984-1988: Lead role in the Asian distressed assets group of the First National Bank of Boston
1989-2005: A senior executive officer at the Sammy Ofer Group's Tanker Pacific Management
2006-2016: Co-founder and chief executive of SeaChange Maritime, a container ship owner
2014-2016: Non-executive director at OSG
2016: Senior vice president at OSG, where he was president and chief executive of the US-flagged business until the company was divided
2016-present: Chief executive of OSG

UN-aligned Swedish university seeks budding 'bridge builders'

MAXIMO Q MEJIA: President of World Maritime University in Malmo, Sweden
Photo: Jonas Walsgård

President of IMO-founded World Maritime University calls for unified voice on sustainability and safety in global maritime education

Jonas Walsgård
Malmo

World Maritime University believes education is the key to championing the common standards that bind the diverse maritime industry.

"Standards and conventions don't operate by themselves. People have to implement them," Maximo Q Mejia, president of the WMU, said in an interview with TradeWinds.

The university was founded in Malmo, Sweden, in 1983 by the International Maritime Organization. It offers postgraduate programmes in maritime and ocean-related studies to develop industry capacity in line with the United Nations Sustainable Development Goals.

Mejia, who is a graduate of the university, joined the university faculty in 1998 and became president in 2023.

He said that, while the implementation of regulations in maritime had improved, there was still much to be done.

"The implementation of standards is more consistent today. But it is far from where we need to be. There is a lot of work to be done. We have moved in the right direction in support of our mother organisation [the] IMO."

However, economic, environmental and technological issues increase the demand for maritime professionals, especially in developing countries.

"The maritime industry continues to expand with trade. Especially now, when there is a major thrust within decarbonisation and digitalisation. There is even more need now.

"Technology is moving faster than regulation. To implement and apply new technology efficiently requires continued capacity development."

Mejia also sees a need for more practical maritime expertise in developed countries.

"There are challenges facing the developed world. Fewer and fewer people go to sea. The base for this expertise is people with seafaring experience.

"We need this bridge between these different worlds. So that we all speak the same language of safety, security and environmental protection and sustainability.

DIMINISHING EXPERTISE

"In the developed world, where you find the ownership of shipping, there is a diminishing base of practical technical expertise in seafaring.

"There is, therefore, a need to bridge this gap. We would like to see more involvement in our programmes from a broader range of developed states, both within maritime administration and the industry. It goes back to this idea of a common language to facilitate global implementation of standards."

The maritime sector must raise public awareness about the shipping industry to increase recruitment, according to Mejia.

"We are an invisible industry. The average person doesn't realise that almost everything is transported by sea. We must work harder to make the maritime industry more visible in the minds of young people.

"The maritime industry isn't only about going to sea. It is a lot about technology, environment and sustainability."

WMU has about 130 master's students in Malmo, 80 students across two campuses in China, about 40 PhD students, and about 90 distance-learning students each year.

The school aims to increase the number of students if funding permits. Most students are funded by fellowship donors.

More can also be done to attract more women to the industry, Mejia said.

"Company policies, shipboard facilities and attitudes and culture must be designed so women feel welcome in seafaring careers. There is still a lot that could be done in that regard."

KEY MARITIME CHALLENGE

One of the most pressing issues in the maritime space is decarbonisation.

The IMO calls for international shipping to reach net-zero greenhouse gas emissions by 2050.

"It has to be a global effort. Everybody must work with it. It is very central to the work we do. We try to promote a uniform view that this is important for everyone."

In the past five years, the university has introduced an additional focus on oceans.

The WMU-Sasakawa Global Ocean Institute was inaugurated in 2018.

The institute does research and offers training, with a particular focus on the implementation of Sustainable Development Goal 14, which addresses life below water, one of the 17 UN Sustainable Development Goals established in 2015.

"It is all about access to resources. Small island states and the least developed countries need more support."

"Sustainability, safety and efficiency are not isolated in one region. Everything is global."

> It [reaching net-zero greenhouse gas emissions by 2050] is very central to the work we do. We try to promote a uniform view that this is important for everyone — Maximo Q Mejia

‘Change in narrative’ as EU shifts focus to green competitiveness

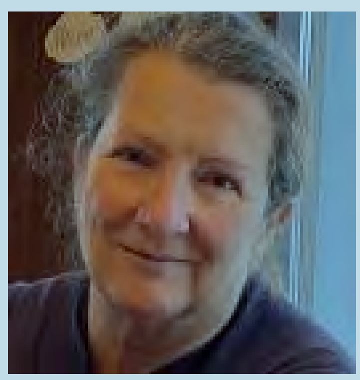
Washington’s green fuel investment serves as a wake-up call for Brussels

Eric Priante Martin
Miami

POLITICAL CHALLENGES: US President Joe Biden and Congress overcame significant divisions to pass the Inflation Reduction Act in 2022, focusing heavily on green energy investments despite concerns over its impact on inflation. Biden is pictured with Ursula von der Leyen during the G7 summit in Italy in June
Photo: Bloomberg

ANAIS RIOS: Shipping policy officer at Seas at Risk
Photo: Seas at Risk

SOTIRIS RAPTIS: Secretary general of the European Community Shipowners’ Associations
Photo: ECSA



SIAN PRIOR: Interim shipping director at Seas at Risk
Photo: Seas at Risk

When European Commission president Ursula von der Leyen stood before European Union lawmakers and successfully made the case for a second term, she struck a different tone on the Green Deal, her signature climate initiative that included regulations on shipping.

Some described her new language as watering down the Green Deal in a way that caves to the demands of industry and agriculture.

But, for others, it represented a shift from the language of regulation to the language of investment in the green fuels and technologies that will make the EU’s climate targets possible.

Sotiris Raptis, secretary general of the European Community Shipowners’ Associations (ECSA), told TradeWinds he has seen the shift take place over the last year.

“We have seen a big change in the narrative of the policymakers in Brussels,” he said. “Not only in Brussels. The European government, the Commission in Brussels, the politicians, the members of the European Parliament — they’re all getting more aware of the fact that we need to become, as Europeans, more competitive.”

Von der Leyen’s re-election came after elections that saw a change in the political make-up of the European Parliament, including greater representation by far-right parties that were sceptical of the Green Deal.

The initiative has introduced prominent regulations for shipping, including the incorporation of the sector into the Emissions Trading System and the enactment of FuelEU Maritime, which establishes carbon-intensity limits on the energy consumed by vessels.

“I want to be clear. We will stay the course on our growth strategy and the goals that were set for 2030 and 2050,” she said of the climate efforts in her address to the European Parliament.

“Our focus will now be on implementation and investment to make it happen on the ground. And this is why I will put forward a new clean industrial deal in the first 100 days of the next mandate.”

That clean industrial deal will aim to channel investment in infrastructure and industry to help create markets for cleantech, she said.

Raptis said that focusing on investment and competitiveness will help achieve the EU’s targets.

“The EU has adopted probably the most ambitious climate package internationally,” he said. “We know now where we need to get: zero or net zero by 2050, with the first target down by at least 55% by 2030, but at the same time, we need to stay competitive.”

Raptis said the wake-up call for Brussels came from developments in the US.

Overcoming deep divisions in Washington, the US Congress and President Joe Biden managed to pass the Inflation Reduction Act in 2022.

Despite its name — since increasing government spending is usually not seen as the way to reduce inflation — the law was loaded with investment in green energy.

The 2021 Bipartisan Infrastructure Law also allocated substantial funding for similar projects.

“As Europeans, we saw that the US administration has been supporting the uptake of cleantech and technology that can support the energy transition,” Raptis said.

“On the other hand, we’ve got the ambitious targets, but the concern here is that we’re losing out in competition against the US and against China.”

Since that wake-up call, the EU has implemented measures such as the Net Zero Industry Act to support key technologies.

So Raptis sees von der Leyen’s recent re-election speech — which repeatedly emphasised the term “investment” — as indicative of the evolving narrative.

The ECSA secretary general, whose organisation is made up of shipowners groups throughout Europe, said it is a shift in the right direction for Brussels.

“It’s pragmatic. It’s realistic. It doesn’t undermine the climate targets,” he said.

“In fact, this new approach is here to implement the climate targets and support the competitiveness of the industry — and also to … make the continent more secure.”

Looking forward, Raptis said he wants Brussels to be more realistic when it comes to the implementation of the emissions trading regime and FuelEU Maritime.

Among positive signs that officials are moving in that direction, he pointed to von der Leyen’s pledge to cut red tape and excessive reporting requirements.

As the regulations on shipping need to be extended beyond 2030, to move further towards the goal of net zero by 2050, he said von der Leyen has indicated a differentiated approach to various industries.

Brussels is aiming for 90% emissions cuts by 2040 across the EU economy, and Raptis said EU officials have signalled an openness to aligning with steps taken by the International Maritime Organization, which is discussing policy mechanisms after setting new decarbonisation targets a year ago.

The IMO’s targets envision 70% to 80% cuts by 2040.

“The [European] Commission took into consideration the IMO target for shipping of up to 80%, and that was a clear signal of trust and support for the IMO process,” Raptis said.

In von der Leyen’s next five-year term, he is expecting alignment of EU targets with the IMO.

“We will also push the commission to consider and align as much as possible the current regulations in place with what the IMO will come up with, we hope, quite soon in the next year,” he said.

While some environmental groups have bemoaned what they called watering down of the Green Deal, Seas at Risk interim shipping director Sian Prior said that it is still early days.

The good news is that the Green Deal is still on.

“Clearly, there’s been a move, a shift in terms of the politics, and that I think will have implications for the future, for climate [and] for industry generally, including shipping,” she said.

“From a positive perspective, at least from our perspective, the Green Deal is still alive and intact.”

Prior, who is also lead adviser at Clean Arctic Alliance, said the Green Deal also needs to recognise the role of the industry going forward and not leave some sectors behind.

“We’ve got to find ways forward that work for everybody — that gets that balance right — but we’ve got to decarbonise,” she said.

For Seas at Risk shipping policy officer Anais Rios, that also means seeing the role that industry can play in driving decarbonisation with technologies like wind propulsion.

“We’re talking about really high-tech things that can bring, it wouldn’t be crazy to say, 20% to 40% of propulsion for a vessel,” she said.

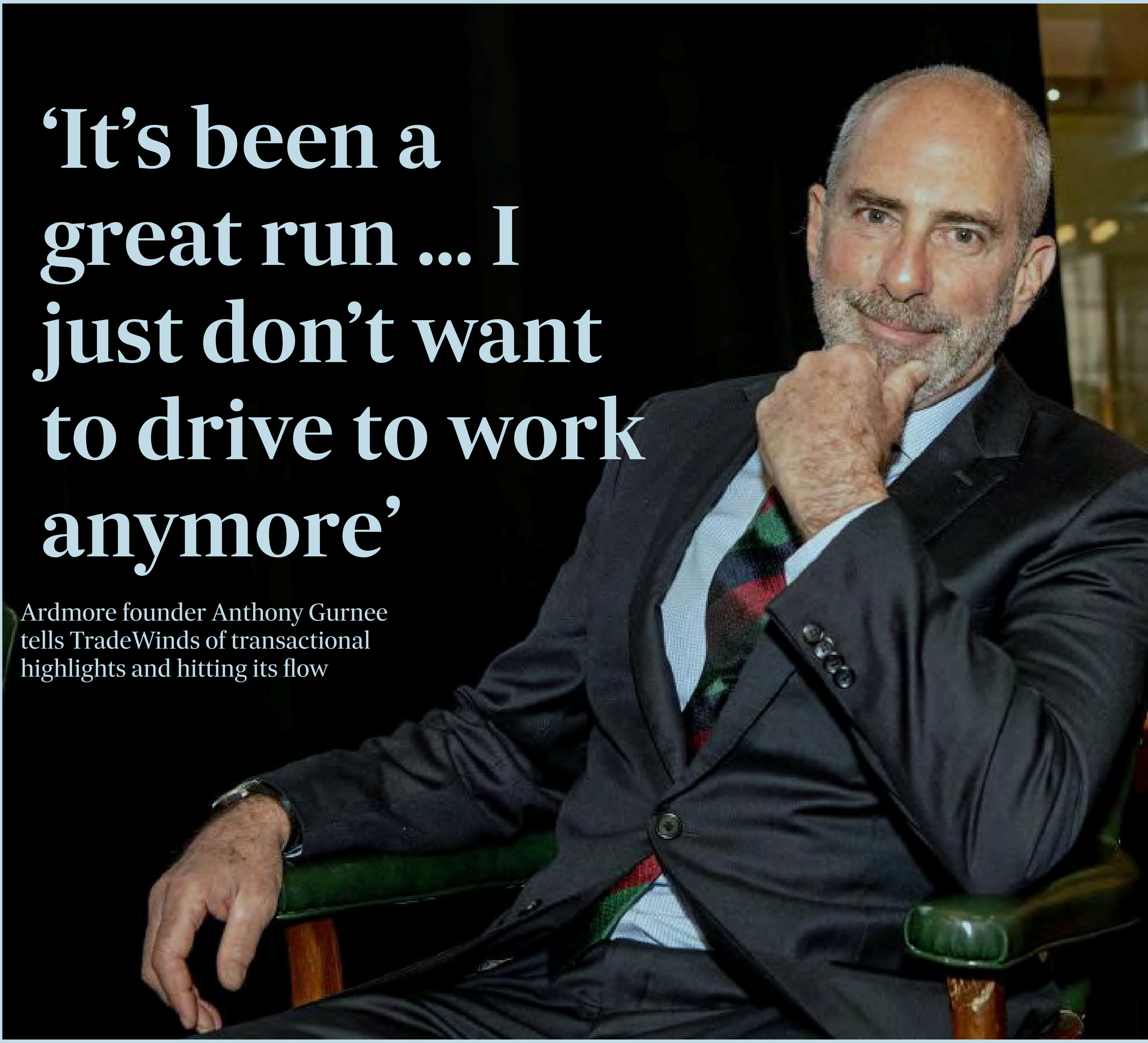
“And this is massive. This helps also in decarbonising the industry itself and reducing the cost of or the impact of having to switch to new fuels.”

Prior said that Seas at Risk, an organisation focused on ocean sustainability and shipping decarbonisation, is pleased that the EU is still committed to decarbonisation.

The regulations that the EU has already put in place now need to be implemented, she said, and Brussels needs to remain a leader as the IMO discusses its next steps on tackling the industry’s greenhouse gas emissions.

But the fact that the European Commission is still committed to the Green Deal does not mean there is nothing to worry about.

“The commitment to maintain the climate targets and the commitment to still have a Green Deal gives us hope that there won’t be sliding back, but it’s something that we’ll need to watch, and we’ll be watching closely, she said.



'It's been a great run ... I just don't want to drive to work anymore'

Ardmore founder Anthony Gurnee tells TradeWinds of transactional highlights and hitting its flow

Gary Dixon
London

Sometimes you just know when the time is right for change.

That moment has been approaching for outgoing Ardmore Shipping chief executive and founder Anthony Gurnee for some time.

Speaking to TradeWinds in the company's boardroom by the river in Cork, Ireland, the 64-year-old had tongue slightly in cheek when he said: "I've been thinking about how to explain this and it's really, I just don't want to drive into work any more, and I want to do a few other things.

"I always wanted to plan to retire at around 65 and so it's kind of always been in the works," the CEO added.

Gurnee has been clocking up an hour's commute each way for a decade but will hand over the tanker company's reins in September to chief commercial official Gernot Ruppelt.

"We started formally planning for that here at Ardmore about five years ago," Gurnee said.

"So it's been a good process, I've been really pleased with the fact that we've just had to be able to bring talent up and obviously there are layers below that you think can come up as well," he added.

And the outgoing boss even questioned the very notion of retirement, calling it an "outdated concept".

"I don't think anybody really retires anymore," he told TradeWinds.

But Gurnee admitted: "It is hard. This has been my baby and I'm so proud of it.

"I really don't feel that I've been all that instrumental. It's just been great having a chance to hire people, see them develop, give them a nudge here and there, and then do some transactions. But it's been a great experience," the American executive explained.

"It's fun to think back to each phase we've been through and there really are phases. It's been quite a journey and I think the market never plays out the way anybody expects it will," Gurnee said.

"We've had things like pandemics and different wars along the way, eurozone crises, oil price spikes and collapses. So it's certainly been exciting," he added.

He sees the company's highlights as falling into two categories: transactions and performance.

"Some are transactions we've been able to get done and our approach has always been to be really patient, and then, when the right thing comes along, it just moves on really fast," Gurnee said.

One highlight was buying six MR tankers from John Fredriksen's Frontline in 2016.

The $172.5m transaction was supported by a $64m equity issue at a time when many experts believed the capital markets were closed to shipping.

"We had to raise equity and debt all at the same time — got it done, start and finish, in 10 days. So that was exciting," the CEO told TradeWinds.

"That was our third bite at that point and I finally just had this framework in my head as to what we were prepared to pay, and then the broker called back and said, 'Okay', so that was it," he explained.

In terms of performance, it was all about the team, Gurnee explained: "We really hit our stride on the performance. That's really satisfying because it's not just the numbers, it's just watching everybody click. You watch the organisation get into what's called a flow state where it's like a really winning sports team."

But what does the future hold for a shipping lifer of 40 years?

"A bit of unfinished business going back to academia," the CEO told TradeWinds.

"I was a history major way back, love history, but also the writing and research of history. And so I'm going to go back to the department of history at Trinity [in Dublin] and then see what I want to do," he explained.

His family is happy in Ireland, with two grown-up kids now making their own way in the world.

"It's a great place to live. And these guys are just starting out," he said.

The history course will be a one-year programme.

"And then after that, we'll see if I want to continue with some other doctoral research or come back into the business world," Gurnee said.

Directorships could also be on the cards.

"I've had a lot of different roles in the industry and I generally enjoy helping people and helping in situations, and that can be out-

> The whole academic thing could be a flop and I quit school in three months and go sailing
> — Anthony Gurnee

ANTHONY GURNEE: Retiring as CEO of Ardmore Shipping
Photo: TradeWinds Events

ESTEEM: Anthony Gurnee (left) tells TradeWinds that Ardmore admires how Torm, led by CEO Jacob Meldgaard (right), does things
Photo: Wilson Santinelli/Global Maritime Forum

FRESH PERSPECTIVE: Ardmore chief commercial officer Gernot Ruppelt (left) and president and chief financial officer Bart Kelleher
Photo: Ardmore

side of shipping as well. It could be a bit of non-profit work," he added.

The Ardmore founder told TradeWinds: "When you confront something like this, you need to start thinking about it and the truth is that everybody's got their own set of interests and needs.

"The whole academic thing could be a flop and I quit school in three months and go sailing," he joked. "I was an intel analyst and I've been a financial analyst and I love analytical work and that's really what academia is, trying to figure things out, answer questions."

Gurnee explained that if he had been asked at the company's inception in 2010 how Ardmore would look or even if it would still be around in 2024, he would have said he had no idea.

"But looking back, I think this was always in our DNA and it was always going to turn into what it turned into in some form," the boss told TradeWinds.

The last two years have been kind to a product tanker market that has endured many lean stretches.

The Ukraine war and Red Sea disruption have been key drivers, of course.

Gurnee said: "Timing is always something you've got to live on, although we've had a good run the last couple of years. I'm not proud of the reasons, but very, very proud of the fact that in all those tough years, we preserved the upside."

Asked how Ardmore survived when other companies were forced to sell ships, he said: "I think you have to plan well ahead in cash and performance. It's always been about performance and progress.

"But as a company that doesn't have any kind of parent company sponsorship, you have no choice but to perform. And that's a great motivator and it energises people," Gurnee explained.

"And I think that in reality, that's what most of the business world is like. I think shipping can be a bit unusual," the CEO added.

As he leaves shipping, Gurnee picks out Danish rival Torm as an operation he admires.

He described the product tanker specialist as a "very worthy company to compare ourselves to".

"They've been around a lot longer, more than a hundred years, bigger fleet at this point, but I think we look at each other very carefully, and we admire how they do things," the boss told TradeWinds. "Just the way they operate in the market, the way they trade ships, that type of thing is interesting."

Another company that looms large in his backstory is the Teekay group.

Gurnee was finance chief at the time Teekay Shipping tried to get an IPO off the ground in the 1990s.

"The first one we did at Teekay was a failure, and I've learned more from that than any other deal," Gurnee explained.

"In fact, there's a TradeWinds article, it's been a great motivator for me. It's a picture of the New York Stock Exchange, and the photographer just put his thumb down," he said.

"A big thing is you have setbacks and failures; it's really about what to learn from it, and how to bounce back," Gurnee continued.

"So we actually got the deal done a year later, rebranded the company, consolidated everything, came up with a whole new approach to value and it was a huge success," the boss added.

When it came time to set up Ardmore, Gurnee teamed up with Greenbriar Equity Group boss Regg Jones, formerly of Goldman Sachs, whom he had worked with on the Teekay IPO.

"So we had a long-standing friendship, professional relationship and, when we saw the window open, we just went back for it. And so we got that done in six months, which was great," the CEO said.

Asked about advice for shipping companies going for an IPO now, the boss referred to a quote from a Vietnamese general who said something like, "You should never commit your forces until you're certain of victory, and then go all in.

"So don't try something unless the window's really open, because once capital, once investors feel like they have you on the run, you're dead. So you need strong momentum going in the whole roadshow pricing process," Gurnee said.

His experience from shipowning, ship financing and the US Navy will not immediately be lost to Ardmore's new regime.

Gurnee will be sticking around "for as long as they want me. I'm happy to advise".

Referring to Ruppelt and new president Bart Kelleher, he said: "I'm just really excited about the process that we ran with the selection.

"I'm sure they're going to bring a fresh perspective and really figure out the next level for Ardmore," the boss said.

"I enjoy change. The odd thing is that I've now been doing this for 14 years. That is far and away the longest I've been in anything. It's been a great run," Gurnee concluded.

»» Continued on next page

'IF YOU'RE NOT HAVING FUN IN SHIPPING, YOU'RE DOING IT WRONG'

Ardmore Shipping founder and chief executive Anthony Gurnee has enjoyed many different roles in his maritime career and has been guided by one simple rule.

"If you're not having fun and having an adventure in shipping, then you're not doing it right," the tanker boss told TradeWinds as he prepares to retire in September.

American Gurnee established Ardmore in Cork, Ireland, in 2010, but he had previous links to the Emerald Isle.

"When I was 15 or 16, I went to boarding school here," the CEO said. "It was miserable. I mean, we were underfed. There was no hot water. It was a Quaker school, but they still managed to whack us around a bit in Waterford."

But the august institution did have what Gurnee called an "amazing" career library.

"It was about two feet wide, with a bunch of brochures and stuff. And there was one on the shelf from BP Tankers. And you could join as a cadet, and they would train you for three months, and then if you came in first in the class, you got a sextant," he explained. "And then you were third mate on BP Tankers."

So he went home and told his father: "'This is it', because I always wanted to do something with ships. And he said, 'Well if you want to go to sea, you want to join the navy. And if you join the navy, you want to join our navy'."

He applied to the US Naval Academy, and was "quite surprised" to get in, he said.

"It was like winning the sweepstake. You know, protein, hot water," Gurnee joked. "They could yell at you, but they wouldn't hit you, all these good things. It was more than anyone could ever ask for in 1979.

"I've always been interested in ships, it's just in the blood," the Ardmore supremo said.

The new role eventually saw the young recruit on a frigate based in the Far East for three years, before a switch to naval intelligence, which he found fascinating.

"I did that for a couple of years. And very randomly, I was assigned in Washington to the only part of the navy that studies the shipping industry. And for the first few weeks, I was dismayed because I wanted to chase Russia, and things like that," Gurnee told TradeWinds.

"And then I became just absolutely fascinated by the industry. So that's really where it all started. This was in the mid-1980s," he said.

"The Iran-Iraq war was going on, so we were very focused on analysing ship attacks in the Persian Gulf, seaborne terrorist-related activity, and illegal arms shipments," the CEO recalled.

"And we even caught our own government shipping arms. And the White House told us not to track those ships. Can you imagine that?" he added.

Gurnee eventually went ashore and attended Columbia to do an MBA in finance, all with the "very clear intention of going into shipping".

> At one point, [Torben Karlshoej] called up, and he asked me if I'd like a real job. And I said I'm listening
> — Anthony Gurnee

"And I interviewed with everybody out there, and ended up going to Citibank," he said.

There was also later a stint at Nedship Bank.

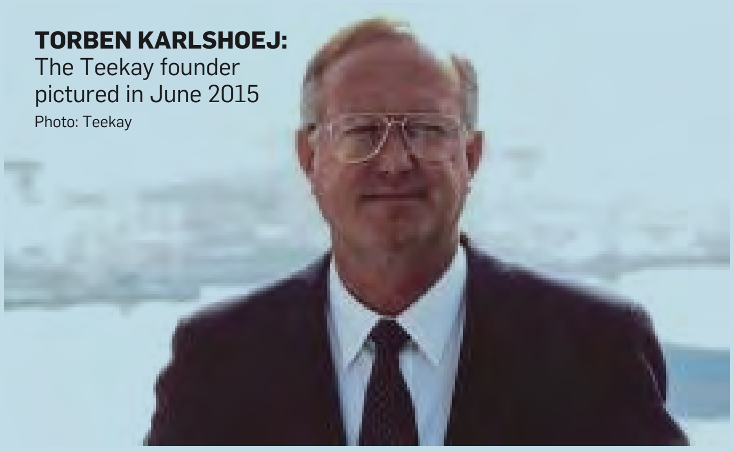
Even so, Gurnee said he is "a very reluctant financial person".

However, at Citi, one of his favourite clients was Torben Karlshoej, the owner of Teekay.

"At one point, he called up, and he asked me if I'd like a real job. And I said I'm listening," Gurnee told TradeWinds. "So we moved out to Vancouver to join Teekay finance just before the market collapsed in 1992. And that was one of those very intense learning experiences."

The CEO describes Karlshoej as "a big risk taker".

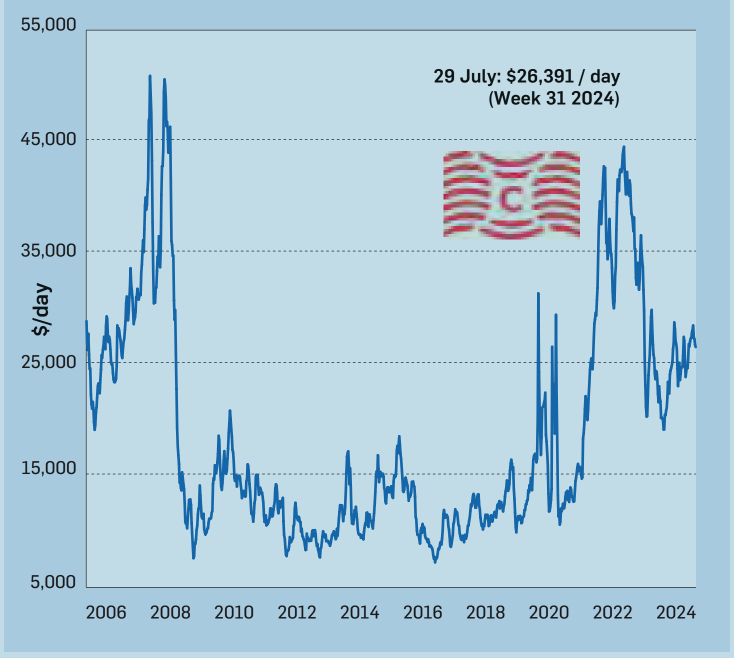
"I think Torben was always very private. He was a classic entrepreneur," he said. "Great guy. Learned a lot."



TORBEN KARLSHOEJ: The Teekay founder pictured in June 2015
Photo: Teekay

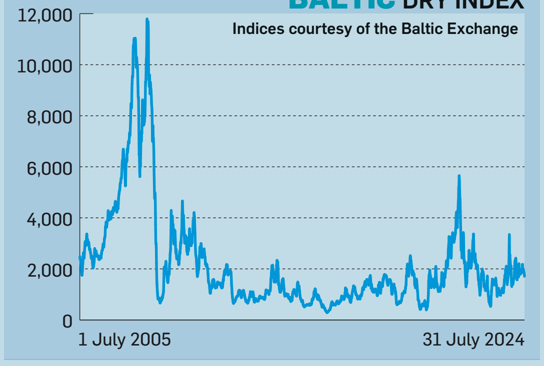
ANTHONY GURNEE: The Ardmore founder looks back at a long and varied career
Photo: TradeWinds Events

CLARKSEA INDEX



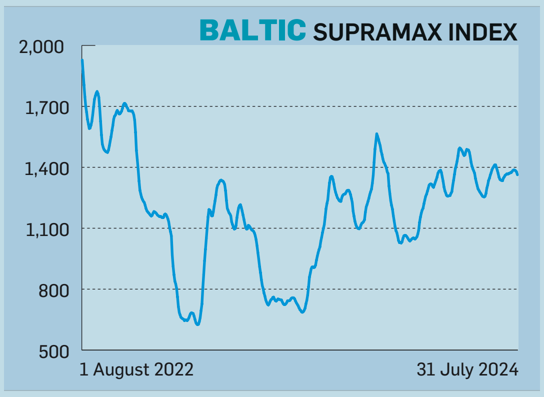
NOTE: The ClarkSea index is a weekly weighted average index of earnings for the main vessel types where the weighting is based on the number of vessels in each fleet sector. The index has been calculated on the basis of an expanded selection of vessel earnings from the start of 2013 onwards. **Source:** Clarksons Research

BALTIC DRY INDEX

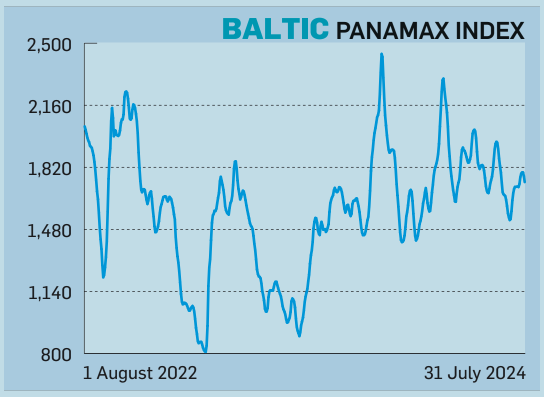


BALTIC CAPESIZE INDEX

BALTIC SUPRAMAX INDEX



BALTIC PANAMAX INDEX



ALIBRA Shipping Limited

Updated Wednesday: **31 July 2024**

DRY BULK TIME CHARTER ESTIMATES ($/PDPR)

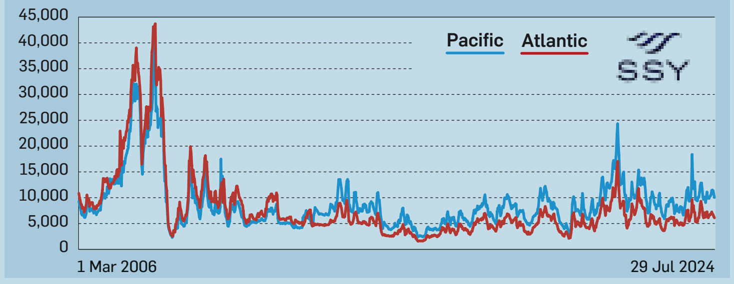
Please contact us for rates/charts on scrubbers & eco tonnage

PERIOD	4/6 MOS		1 YR		2 YR	
SIZE	ATL	PAC	ATL	PAC	ATL	PAC
HANDY (38K DWT)	▬ 13,500	▬ 15,500	▬ 13,000	▬ 15,000	▲ 12,000	▬ 14,000
SMAX/ULTRA	▼ 17,000	▬ 17,500	▼ 16,850	▬ 16,500	▼ 16,000	▬ 16,000
PNMX/KMAX	▬ 21,000	▬ 15,750	▬ 16,000	▬ 15,850	▼ 15,850	▬ 15,500
CAPESIZE	▼ 25,000	▬ 25,000	▼ 23,000	▼ 23,000	▬ 24,000	▬ 24,000

Markers only indicate the movement compared to the past week hence not necessarily the market trends
* Call for an in-depth update www.alibrashipping.com

SSY CAPESIZE INDEX

www.ssyglobal.com



FIS FUTURE CONTRACTS (FFA & COMMODITIES SWAPS) 31 July

	Spot	Jul 24	Sep 24	Cal 25
Capesize 5TC	19,712	25,600	23,175	21,500
Panamax 5TC	15,649	15,136	16,536	14,886
Supramax 10TC	14,997	15,000	15,150	13,300
Handysize 7TC	13,708	13,500	13,975	12,400
Iron Ore Futures 62 %	100.95	105.94	102.80	99.15

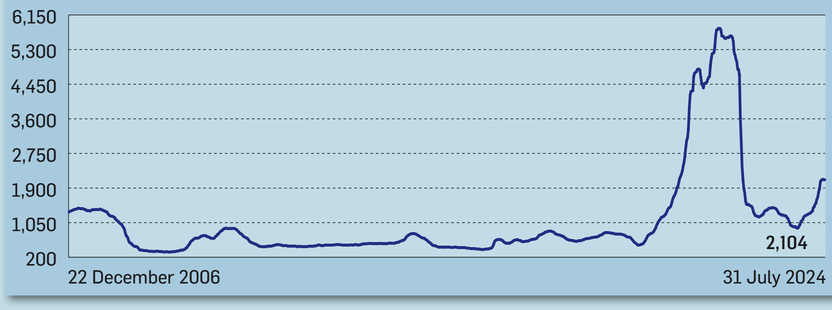
BUNKER PRICES

GLANDER INTERNATIONAL BUNKERING Est. 1961

Updated Wednesday: **Not updates this week**

Port	VLSFO	LSMGO	HSFO	Port	VLSFO	LSMGO	HSFO
Antwerp	563	715	490	New York	649	820	550
Busan	631	758	557	Panama Canal	605	840	485
Durban	640	1035	—	Rio de Janeiro	649	820	550
Fujairah	618	830	505	Rotterdam	563	715	490
Gibraltar	605	780	540	Shanghai	623	780	538
Houston	626	796	520	Singapore	614	738	520
Los Angeles	657	855	529	Skaw	605	815	580

HOWE ROBINSON CONTAINER INDEX



COMMODITIES

WTI FUTURES

Units:	USD/bbl.
Price this week:	77.69
Price last week:	77.82
% change:	-0.17 %

BRENT FUTURES

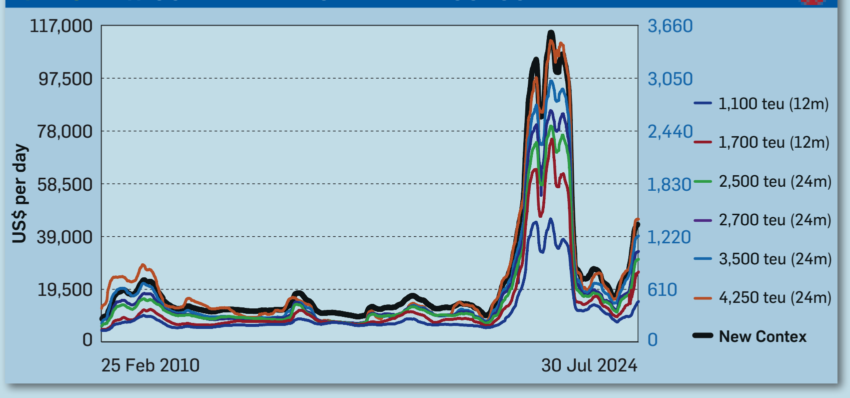
Units:	USD/bbl.
Price this week:	80.74
Price last week:	81.93
% change:	-1.45 %

WHEAT FUTURES

Units:	USD/bu
Price this week:	529.25
Price last week:	551.50
% change:	-4.03 %

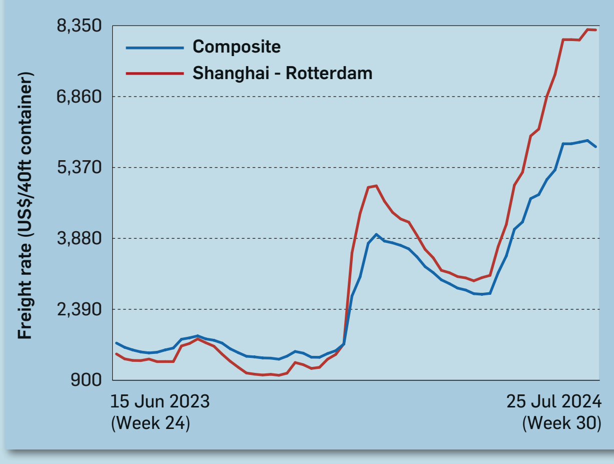
Source: Bloomberg (7pm CET Wednesday)

VHBS NEW CONTEX TIME CHARTER ASSESSMENT INDEX



NOTE: The New ConTex is a company-independent index of time-charter rates for containerships. It is based on assessments of the current day charter rates of six selected containership types, which are representative of their size categories: Type 1,100 teu and Type 1,700 teu with a charter period of one year, and the Types 2,500 teu, 2,700 teu, 3,500 teu and 4,250 teu all with a charter period of two years. **Source:** The Hamburg and Bremen Shipbrokers' Association (www.vhbs.de)

WORLD CONTAINER INDEX ASSESSED BY DREWRY



SIGNAL CO2 EMISSIONS DATA (contact us for an in-depth update)

Wednesday 31 July

Dry Bulk

Vessel Class (# vsls)	CO2 normalized [grams / (dwt*nm)] 2022	2023	2024 Y-t-D		2024 Jun	2024 Jul	Total CO2 emissions (mln tons) 2022	2023	2024 Y-t-D	2024 Est.
VLOCs (263)	1.25	1.24	1.24	▼	1.23	1.22	7.58	7.55	4.39	7.63
Capesize (1653)	2.18	2.11	2.11	▲	2.10	2.08	39.68	41.14	24.89	43.26
Panamax (3383)	3.56	3.45	3.39	▼	3.38	3.33	51.48	52.35	31.24	54.30
Supramax (3606)	5.05	4.79	4.70	▼	4.69	4.63	49.87	51.09	29.38	51.07
Handy (4025)	7.37	7.15	7.08	▼	7.04	6.87	45.13	45.35	25.63	44.55
Total (12930)	3.54	3.42	3.36	▼	3.37	3.33	193.7	197.5	115.5	200.8

SIGNAL

Signal Ocean Data provides a year-to-date update of total CO2 shipping emissions in tons and normalised CO2 emissions per ton-miles to evaluate the carbon intensity of CO2 emissions for tankers and dry vessels, split by vessel size, in comparison with the last two years.

Tankers

Vessel Class	CO2 normalized [grams / (dwt*nm)] 2022	2023	2024 Y-t-D		2024 Jun	2024 Jul	Total CO2 emissions (mln tons) 2022	2023	2024 Y-t-D	2024 Est.
VLCC (907)	2.17	2.17	2.14	▼	2.11	2.06	35.83	39.46	22.21	38.60
Suezmax (674)	3.24	3.23	3.19	▼	3.14	3.09	18.03	19.24	10.78	18.74
Aframax (1176)	4.14	4.03	3.98	▼	3.96	3.90	26.02	27.86	15.81	27.48
Panamax (452)	5.11	5.08	5.10	▲	5.10	3.90	7.95	7.95	4.43	7.70
MR (2799)	7.10	7.03	6.92	▼	6.89	4.93	42.35	43.30	24.97	43.40
Total (6008)	3.63	3.55	3.53	▼	3.51	3.47	130.2	137.8	78.2	135.9

ALIBRA Shipping Limited

Updated Wednesday:
31 July 2024

*3 & 5 yrs inc. scrubbers & eco tonnage

TANKER TIME CHARTER ESTIMATE ($/PDPR)

SIZE	1 YR	2 YR	*3 YR	*5 YR
HANDY	▬ 28,850	▬ 26,000	▬ 24,000	▬ 22,000
MR IMO3	▬ 30,000	▬ 27,000	▬ 29,000	▬ 24,500
LR1	▼ 38,500	▬ 32,500	▬ 33,000	▬ 31,000
LR2	▼ 47,500	▬ 42,500	▬ 44,500	▬ 38,500
AFRA (115K dwt)	▼ 47,500	▬ 42,500	▬ 43,500	▬ 37,500
SUEZ	▼ 44,000	▬ 42,500	▬ 45,500	▬ 42,500
VLCC	▬ 46,000	▬ 45,000	▬ 54,500	▬ 50,000

Markers only indicate the movement compared to the past week hence not necessarily the market trends
* Call for an in-depth update www.alibrashipping.com

HOWE ROBINSON PARTNERS 31 July

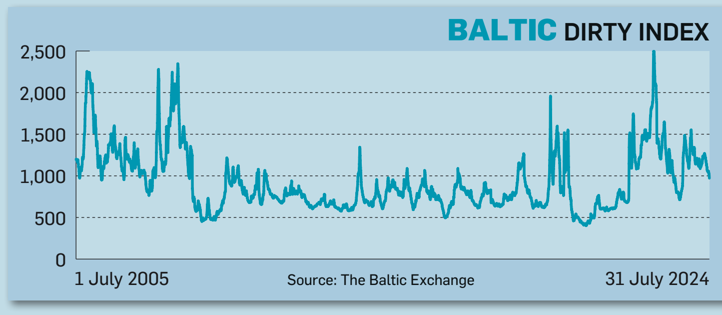
CRUDE TANKER SPOT EARNINGS

	Cargo	WS or $LS		TCE ECO	TCE Non-ECO	YTD Average ECO	YTD Average Non-ECO
VLCC Routes							
TD3_C - Ras Tanura/Ningbo	270kt	47.50	▼	$25,539	$19,696	$42,652	$36,632
TD15 - West Africa/Ningbo	260kt	52.50	▼	$32,121	$26,395	$45,461	$39,557
TD22 - Galveston/Ningbo	270kt	$7.1m	▼	$33,686	$28,197	$45,897	$40,037
Galveston/Rotterdam	270kt	$2.9m	▼	$31,273	$25,351	$53,653	$47,263
Suezmax Routes							
TD6 - Novorossiyk/Augusta	135kt	97.50	▲	$34,804	$31,181	$51,145	$47,006
TD20 - Bonny Offshore/Rotterdam	130kt	87.50	▼	$30,637	$28,054	$44,225	$41,504
Basrah/Lavera - Round Voyage	130kt	57.50	▼	$4,955	$2,690	$12,600	$10,176
USG/UKC	145kt	70.00	▼	$22,964	$20,200	$38,166	$35,161
USG/Singapore	130kt	$4.9m	▲	$27,550	$25,432	$34,225	$32,043
Guyana/UKC	130kt	85.00	▼	$28,700	$25,829	$38,750	$35,643
Aframax Routes							
TD8 - HoundPoint/Wilhelmshaven	80kt	120.00	▲	$29,436	$19,483	$54,689	$43,467
TD9 - Mina Al Ahmadi/Singapore	80kt	171.00	▼	$39,448	$35,096	$45,792	$40,835
TD14 - Covenas/Corpus Christi	70kt	129.00	▼	$25,517	$19,445	$51,478	$44,418
TD17 - Seria/Brisbane	80kt	144.00	▼	$34,255	$29,884	$39,779	$34,765
TD19 - Ceyhan/Lavera	80kt	145.00	▲	$40,582	$34,469	$54,538	$47,137
TD25 - Houston/Rotterdam	70kt	135.00	▼	$28,243	$23,873	$48,320	$43,013

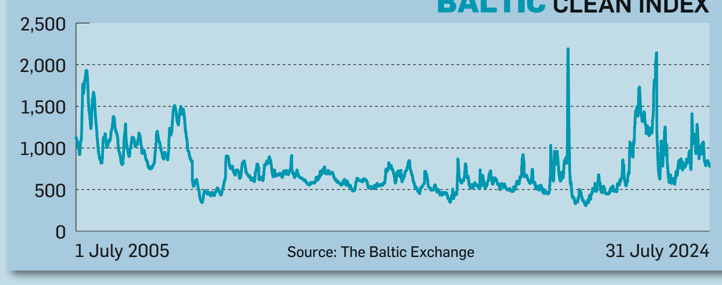
Source: Howe Robinson Partners, latest data from Wednesday's Tanker Market Report

SeasureShipping DEMOLITION PRICE INDEX (BEST PRICE TANKER/BULKER) 31 JULY

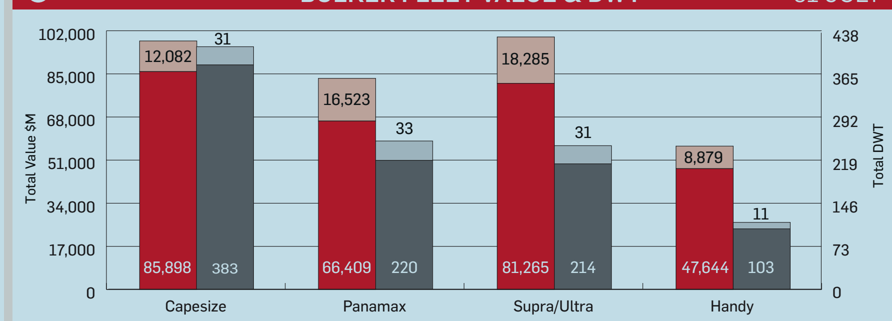
BALTIC DIRTY INDEX



BALTIC CLEAN INDEX



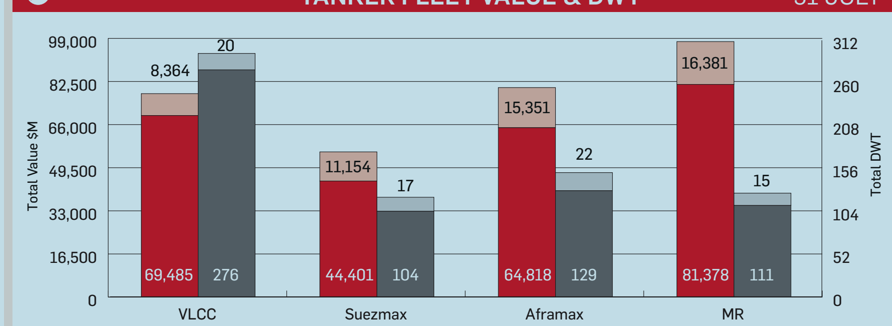
VesselsValue BULKER FLEET VALUE & DWT 31 JULY



Live Value
On Order Value
Live DWT
On Order DWT

Note on chart: Total value for each ship type represented in USD Millions, including live and on order vessels, correct as of the immediate Wednesday before publication date. Size of fleet measured in DWT Millions. VesselsValue also values Post-Panamax, Handymax and Small Bulkers.

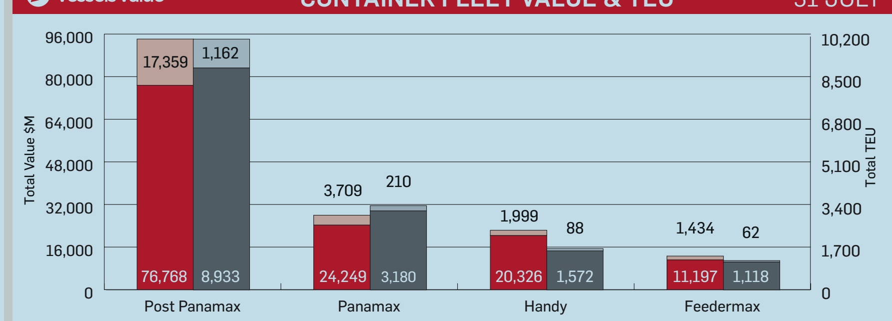
VesselsValue TANKER FLEET VALUE & DWT 31 JULY



Live Value
On Order Value
Live DWT
On Order DWT

Note on chart: Size of fleet measured in DWT Millions. VesselsValue also values Post Panamax Crude, Panamax Crude, Handy and Small Tankers.

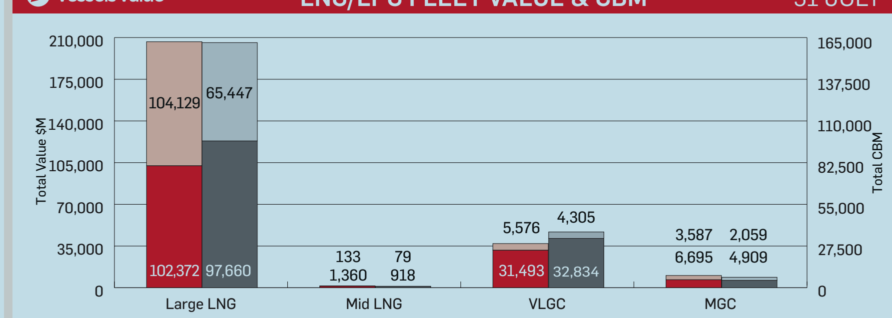
VesselsValue CONTAINER FLEET VALUE & TEU 31 JULY



Live Value
On Order Value
Live DWT
On Order DWT

Note on chart: Size of fleet measured in TEU Thousands. VesselsValue also values ULCVs, New Panamax, Sub Panamax and Handy Containers.

VesselsValue LNG/LPG FLEET VALUE & CBM 31 JULY



Live Value
On Order Value
Live DWT
On Order DWT

Note on chart: Size of fleet measured in CBM Thousands. VesselsValue also values RLNG, Small Scale LNG, VLEC, MGC, LEG, SP FR LPG and Fully Pressurised LPG vessels.

VesselsValue

TANKER ▲

Wed 31 July
589.61 1.59 0.27 %

1 year Max: 589.61 Min: 484.57

BULKER ▼

Wed 31 July
350.62 -0.03 -0.01 %

1 year Max: 350.83 Min: 285.30

CONTAINER ▲

Wed 31 July
11,086.35 109.28 1.00 %

1 year Max: 11,086.35 Min: 7,479.21

LARGE LPG ▼

Wed 31 July
1,036.62 -3.95 -0.38 %

1 year Max: 1,124.48 Min: 904.71

Note on VV indices: These are synoptic indicators of vessel values designed to give a general picture of the state of the sale-and-purchase market rather than specific information about any one vessel or vessel type. They are measured in US dollars per unit of cargo-carrying capacity (dwt, teu etc.) Many indices, both in shipping and elsewhere, are simply set to an arbitrary value (usually 100 or 1,000) on a particular date. All subsequent values are relative to the value on this date, which means that they reflect only market movements and not the absolute values of the underlying assets they represent. We believe it is more meaningful to offer indices denominated in economic units reflective of the intrinsic value of cargo-carrying capacity.

FEARNLEYS MIDWEEK REPORT

31 July 2024

TANKERS

VLCC: Last week we wrote about the upswing in the market, green shoots and Worldscale numbers with 40% increases. This week however, it is quite the opposite. We are back in the WS 40's for MEG/East and it highlights that even the best laid plans of owners can be thwarted or rewarded purely by the timing of their vessels open dates. Still, we are in the heart of the Northern hemisphere summer and the TCE's still look a lot better than summers past. TD3 sits mid WS 40's with downward pressure from the Oil Co. relets and a building tonnage list. The Atlantic has taken a back seat this week and tonnage has built accordingly which is dissuading ballasters for now. West Africa/East sits low WS 50's to test and USG/Ningbo you'll likely get change from USD 7.3m. Tin hats to remain on for now.

Suezmax: Listening to market chatter, one would be forgiven for thinking that Suezmax's, and in particular, the Atlantic Suezmax market, is on its knees. It's not. The comparative year on year August fixing window base is extremely healthy and will provide a huge springboard for owners once Summer comes to a close and we start staring down Q4. Evidently, there have been corrections, with a Ghana/UKCM trading WS 82.5, but if you'd guaranteed an owner these summer rates in February, the majority would have probably taken that number. Nonetheless, there might be a few more points to come off that rate, but that's the summer market for you. In the East, it's more of the dreary same I'm afraid. The MEG market has become even more opaque which has curiously helped owners. Whilst charterers have tended/preferred to work off market, they have inadvertently been keeping rates in an elevated state. Had they looked at the list in recent months, one can conclude that an open market quote would have delivered cheaper freight.

Aframax: The North continues to be quiet on the forefront and with bits happening under the radar. Demand is expectedly weak exhibiting the traits of a traditional summer market with relets being on hold for internal cargoes and owners looking for the best options available to them. Even with the USG softening, ballasting out is still a safe option for some of the players in position. In the context of a summer market the Mediterranean has seen some increased activity this week. Owners have been content fixing last done numbers, but with tonnage being worked through they might feel empowered moving forward if opportunities in the second decade keep coming. Suezmax are soft in West Africa and USG so maybe some potential to interject with a few vessels open in the region.

Rates	This week	Last week	Low 2024	High 2024
Spot (WS) D: (USD per ton)				
MEG/West (280,000)	32.5	37.5	32.5	45.0
MEG/Japan (280,000)	47.5	59.0	45.5	81.0
MEG/Singapore (280,000)	48.5	60.0	45.5	82.0
WAF/FEAST (260,000)	52.5	58.0	51.5	80.0
WAF/USAC (130,000)	82.5	97.5	82.5	145.0
Sidi Kerir/W Med (135,000)	90.0	102.5	90.0	140.0
N. Arf/Euromed (80,000)	135.0	130.0	100.0	255.0
UK/Cont (80,000)	120.0	120.0	120.0	185.0
Caribs/USG (70,000)	170.0	210.0	130.0	290.0
1 year T/C (USD per day / theoretical)				
VLCC (modern)	38,500	38,500	38,000	39,000
Suezmax (modern)	41,000	41,000	41,000	44,000
Aframax (modern)	43,500	42,500	39,000	43,500

BULK CARRIERS

Capesize: On the West Australia front, the week started off quiet but picked up gradually as we approached mid-week with enquiries from some miners and operators for primarily mid to late August dates. Volumes out of East Australia also picked up throughout the week for mid August to September dates. On C3 ex Brazil to China, we see enquiries heavily weighted on second half of August and some seeking for early September dates. On West Africa, we see some interest for second half August and first half of September dates. Far East spot tonnage is abundant while ballasting tonnage weighs heavily on second half of August dates with very limited ballasters able to meet first half of August dates. On C5, we see fixtures concluding at low-mid USD 9 pmt levels. On C3, offers are generally in the sub USD 24 pmt to low-mid USD 25 pmt levels and bids are generally at sub USD 24 pmt levels for second half of August dates.

Panamax: This week in the Panamax market saw rates decline further in both basins, with the Atlantic experiencing a notable lack of activity, especially due to an underwhelming South America market affecting both Atlantic and East positions. In the North Atlantic, limited mineral voyage business and cheaper rates contributed to negative sentiment, though there was a positive outlook regarding the volume of grain from NCSA and USG, expected to stabilize levels for the week. Asia showed slightly better activity, but rates continued to fall, with some owners discounting shorter runs to minimize exposure to low rates. Both basins exhibited a cautious approach with mixed views on market value, and the summer season adding to the uncertainty.

Supramax: This week, the Supramax and Handysize markets experienced subdued activity across all regions. In the Atlantic basin, the Supramax market remained lacklustre with minimal fresh inquiries, particularly in the US Gulf where rates faced negative pressure. The South Atlantic also saw reduced interest and weakening rates with a few fixtures reported close to last done levels. Similarly, the Handysize segment reported limited action, though there were indications of slight resistance from owners in the Continent. The Asian markets for both vessel sizes experienced a decline due to a lack of fresh inquiries, with both owners and charters adopting a 'wait and see' approach. The Indian Ocean saw a bit more activity for Supramax sizes with sulphur shipments driving the market, but it has not significantly impacted the overall market sentiment.

Rates	This week	Last week	Low 2024	High 2024
Capesize (USD per day / USD per ton)				
TCE Cont/Far East (180,000 dwt)	38,125	38,125	38,125	38,125
Australia /China	9.34	9.37	7.80	12.95
Pacific RV	16,464	16,464	16,464	16,464
Panamax (USD per day / USD per ton)				
Transatlantic (RV)	15,215	15,815	10,300	19,510
TCE Cont/Far East	27,747	27,723	21,900	31,123
TCE Far East/Cont	6,143	6,196	4,915	8,738
TCE Far East RV	13,596	13,606	6,285	19,016
Supramax (USD per day)				
Atlantic RV	16,223	16,807	11,341	22,782
Pacific RV	13,238	13,513	5,069	15,444
TCT Cont/Far East	20,688	21,063	9,958	27,579
1 year T/C (USD per day)				
Capesize (180,000 dwt)	22,700	24,200	18,370	28,880
Panamax (75,000 dwt)	16,700	17,000	12,200	18,500
Supramax (58,000 dwt)	16,000	16,000	12,750	16,500

GAS (USD per ton)

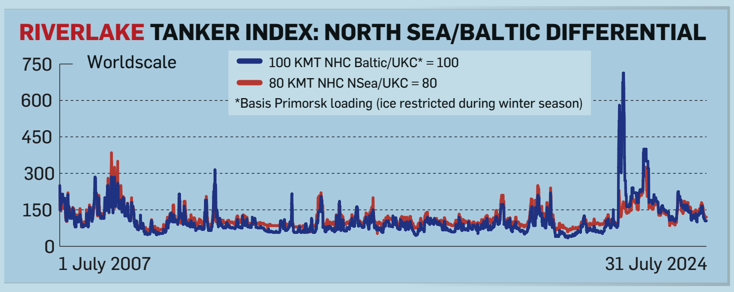
LPG/FOB prices

Chartering: EAST: With just one confirmed fixture in the East so far this week shipping length is continuing to build up. Although spot volumes seem to be at average levels so far this month in the East, the fixing window is creeping closer as a symptom of the current bearish market sentiment. Most of the East candidate vessels could alternatively seek employment in the West, but currently that could look like a way of postponing the problem rather than solving it. Owners are now also more inclined to do shorter voyages hoping that the market will bounce back eventually. WEST: Activity in the Western region has picked up and so far this week we have seen a handful of vessels put on subs in the West with last done in the low 90s H/C and around 50 H/F. With current sub deals we count a total of 21 spot fixtures out of the USG/USEC. As of now, there are 9 vessels left for August ex USG, with over half of them being prompt open. The remaining vessels are available from August 18-19 onwards, which is where we find the current fixing window.

	Propane	Butane
FOB North Sea/ANSI	543.5	493.5
Saudi Arabia/CP	580.0	565.0
MTBelvieu (US Gulf)	387.0	343.0
Sonatrach: Bethioua	550.0	500.0

Rates (USD per month)	This week	Last week	Low 2024	High 2024
VLGC / 84,000 cbm/FR	850,000	900,000	500,000	3,800,000
LGC / 60,000 cbm/FR	800,000	900,000	800,000	2,000,000
MGC / 38,000 cbm/FR	950,000	950,000	950,000	1,600,000
HDY SR / 20-22,000 cbm	915,000	915,000	915,000	930,000
HDY ETH / 17-22,000 cbm	1,245,000	1,245,000	1,245,000	1,250,000
ETH / 8-12,000 cbm	630,000	630,000	570,000	670,000
SR / 6,500 cbm	470,000	470,000	470,000	500,000
COASTER Asia	280,000	280,000	280,000	280,000
COASTER Europe	420,000	400,000	330,000	425,000

RIVERLAKE TANKER INDEX: NORTH SEA/BALTIC DIFFERENTIAL



GOLDEN DESTINY S&P MARKET TRENDS (ending week 30/24)

Average Number of Weekly Reported Transactions per month

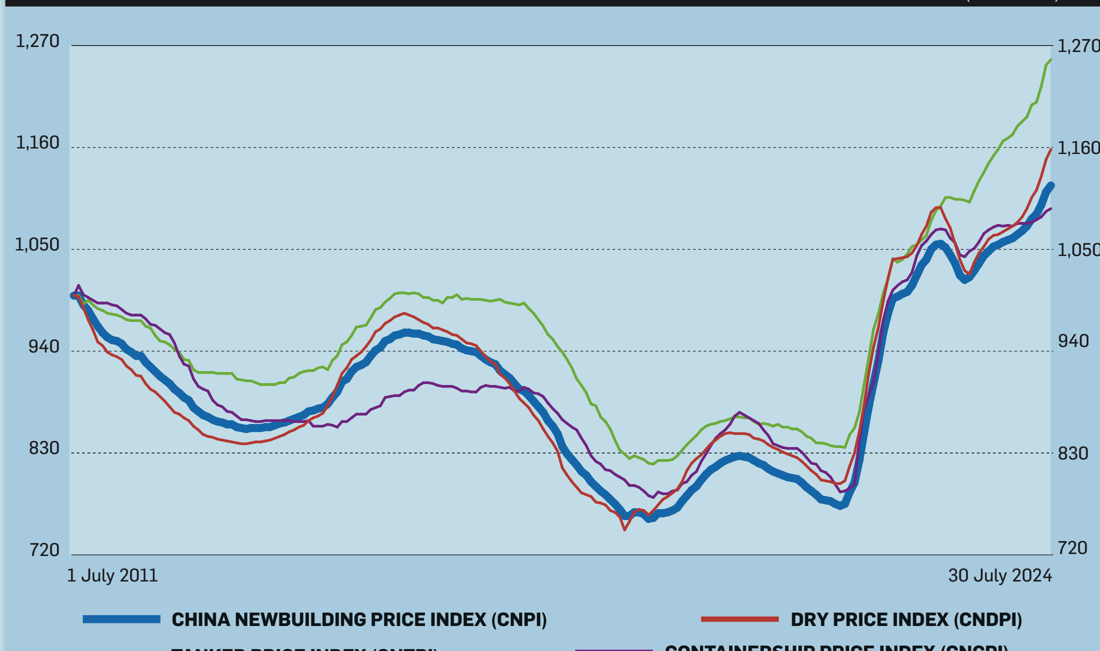
	Jul-24	Jun-24	May-24
Secondhand	29	29	27
Newbuilding	49	40	36
Demolition	4	6	8

Average Number of Weekly Reported Transactions per year

	2024	2023	2022	% year on year
Secondhand	31	33	35	-6 %
Newbuilding	39	24	24	63 %
Demolition	6	5	3	20 %

CHINA NEWBUILDING PRICE INDEX

SOURCE: UNITED SHIPPING CONSULTANT (SHANGHAI) LTD



The price indices are based on a 1,000 point starting value in July 2011 and are calculated every month with price data from a panel of Chinese and foreign shipbrokers, covering mainstream vessel types ordered to "forward looking" ship designs. Updated monthly. For details see http://www.cnpi.org.cn/english/index.asp

TradeWinds
In their own WORDS
2 August 2024

"The maritime industry isn't only about going to sea. It is about technology, the environment and sustainability."

MAXIMO Q MEJIA / PRESIDENT, WORLD MARITIME UNIVERSITY

"No employer may violate whistleblower regulations or require employees to notify their employer before they report concerns."

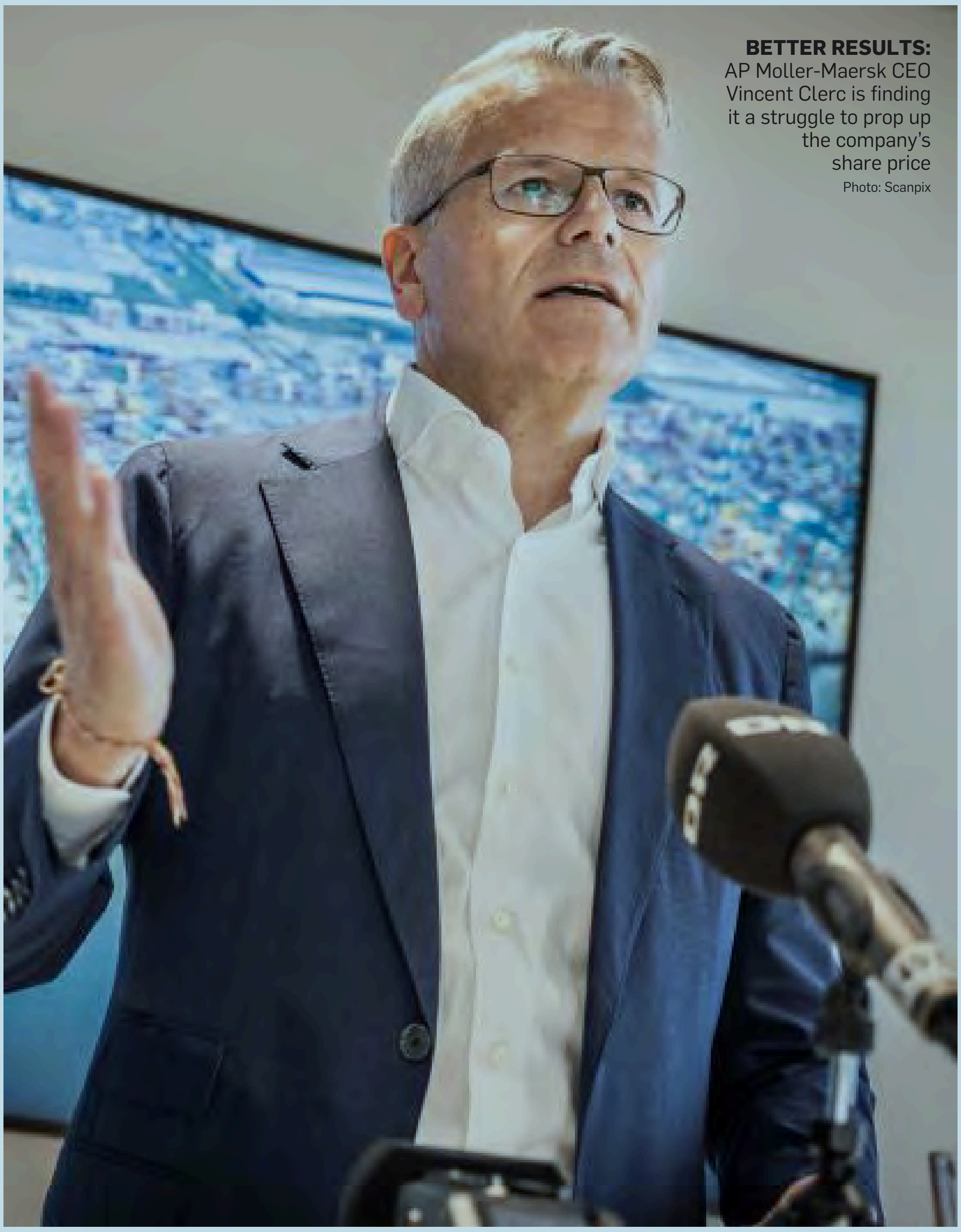
SEEMA NANDA / SOLICITOR, US LABOR DEPARTMENT

TW Market Analysis

Boxship shares plummet due to fears freight rates have peaked

Investors offload stocks in liner companies as earnings outlook upgraded

Ian Lewis
London



BETTER RESULTS: AP Moller-Maersk CEO Vincent Clerc is finding it a struggle to prop up the company's share price
Photo: Scanpix

Container shipping stocks have plummeted amid fears the market has peaked.

While liner companies are set to post strong financial results, helped by Red Sea diversions, peak season rates have disappointed this summer.

AP Moller-Maersk's market capitalisation has dropped to $23bn from $27bn last month, according to CompaniesMarketCap.

That puts it near, or even below, levels before the Houthi attacks on shipping began at the end of last year, and a far cry from its market peak of $67.6bn on 15 January 2022.

Hapag-Lloyd stock has also fallen back.

The German carrier's market capitalisation slumped to $28.5bn from $34bn on 8 June.

Again, that is a long way from the peak of over $60bn in April 2023 and $80bn in May 2022.

Ironically, it is Israeli carrier Zim that continues to benefit from the impact of the Houthi attacks.

Zim's market capitalisation dropped more than 20% to just over $2bn from $2.6bn at the beginning of the month. Yet that is still more than double the value of $1.16bn it sank to in mid-December.

Drewry Maritime Financial Research analysts Ankush Kathuria, Santosh Gupta and Aditi Niranjan said that forward-looking equities markets anticipate the near peaking of freight rates, which has prompted profit booking in container shipping equities.

The Drewry Container Equity Index is down 13.8% in the month to 25 July.

That is despite major listed carriers such as Maersk, Hapag-Lloyd and Zim guiding better results this year on the back of surging freight rates.

PERFORMANCE BOOST

Maersk now expects an Ebit of $1bn to $3bn for 2024, compared with a loss or breakeven figure projected previously.

Hapag-Lloyd now predicts an Ebit of $1.3bn to $2.4bn, having earlier projected a figure in the breakeven to $1.1bn range.

However, container equities are still in positive territory for the year.

Capitalisation in the sector rose by more than one-third in the second quarter when spot rates soared, Drewry analysts note.

That means the sector is up nearly 5% in the year to date, according to Drewry's market capitalisation data for 13 listed liner operators.

The analyst attributes the slide in capitalisation in the past month to reports of Hamas accepting the United Nations' ceasefire resolution.

A potential ceasefire could lead to an earlier reopening of the Suez Canal and erode the presently elevated freight rates, Drewry says.

While events in the Middle East remain uncertain, liner companies in Asia look set to continue to report improved second-quarter financials.

Evergreen, Yang Ming Marine Transport and Wan Hai also marked strong growth in their second-quarter topline numbers with rises of in excess of 50% year on year as spot rates strengthened, Drewry notes.

Wan Hai's capitalisation has fallen to just over $6.2bn this week — yet it is well above the value of $4.5bn when the Houthis began military action at the end of last year.

Orient Overseas Container Line also reported a 13.4% year-on-year hike in average freight rates to $1,205 per teu in the second quarter, feeding into a 14.4% increase in overall revenue to $2.3bn.

PEAK PREDICTIONS

The danger sensed by investors is over what will happen with freight rates in the third quarter.

Evidence that rates may have peaked is gathering with the World Container Index last week ending a continuous run of freight rate increases. The WCI was down 2% to $5,806 per 40-foot equivalent unit (feu), its first fall since early May.

Similarly, the Freightos Baltic Index dipped to fall below $5,000 per feu on 29 July for the first time in a month, following falls in rates on trades out of Asia.

That could impact the market capitalisation of other companies in Drewry's weighted index which also includes HMM, Regional Container Lines, Cosco Shipping, SITC International, Matson and Samudera Shipping Line.

ROLF HABBEN JANSEN: Hapag-Lloyd chief executive
Photo: Thies Raetzke/Hapag Lloyd