

# SEACURUS BULLETIN

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## SHIPPING SAFETY IS RELATIVE

SEAFARER HEALTH FOCUS | LOOKING OUT FOR TROUBLE | CLEANING UP OUR ACT



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Inside this issue we look at a new report focused on shipping safety trends and explore seafarer health problems. We identify the latest maritime security hotspots and look at what can be done by the industry on the matter of pollution and emissions.

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## Welcome

> Welcome once more to the latest issue of our Seacurus Monthly Bulletin – where we take a more in-depth look at some of the issues which have caught our eye in the past month.

With the great and good of shipping gathering for European Shipping Week (ESW) it has been a time of focus on the future, and of course with seismic geo-political events still reverberating, shipping has been seeking to find its own happy place.

A group of 10 international shipping associations attending ESW pulled together to issue a joint industry statement calling for work to begin on drawing up a new EU Maritime Transport Strategy to replace the current one which expires in 2018.

In the wake of Brexit and with the Trump effect being felt, they want to find more certainty in a World which is seeing a global rise of protectionism, and they are encouraging the EU's role as "the World's champion of free and fair trade".

They also called for the IMO to work harder to ensure that shipping meets its international sustainability goals. The strategy should include "a fundamental overhaul of the EU Reporting Formalities' Directive," they urge. Inside this issue we look at the matter of pollution and emissions, as the search for answers and protections for shipping are sought.

It is impossible to ignore the Brexit effect as the repercussions begin to be felt across the UK and into Europe too. It seems that while the runners and riders are all girding themselves for the race, it is still far from clear who the winners will be.

In the last month it has been reported that, "U.K. regulated ship insurers are preparing plans to open new outposts in European Union jurisdictions such as Luxembourg and Cyprus". According to the news, the companies fearing that Brexit will hinder access to the EU's financial market, they are being compelled to manage that risk.

Waving goodbye to Protection and Indemnity (P&I) clubs could hit the industry, and the sectors which serve them hard. Quite whether these are genuine shifts abroad, or whether they are part of some wider game of brinksmanship remains to be seen. Though there have been definite moves already, indeed several Greek shipowners have already moved operations out of Britain anticipating changes that could remove their favourable "non-domicile" tax status. With Article 50 set to be triggered this month, we may begin to see the lay of the land for future negotiations.

It has been a month of upheaval in the insurance industry, and perhaps one might be forgiven for reaching for a sherry to give a little succour. Well not if you are in Lloyd's you

can't. Workers at the Lime Street site have been hit with a ban on drinking alcohol during the day. According to reports, the introduction of a 9am-to-5pm booze ban could see employees sacked for gross misconduct if caught breaking the new rule.

An internal memo to employees, leaked to the media, revealed the ban was introduced after analysis of grievance and disciplinary cases found "roughly half" were related to alcohol misuse. Back to the coffee house it is then....

We hope you enjoy this latest issue and please do contact us if you have any comments of anything you would like to share. <

All the best  
Capt. Thomas Brown  
Managing Director



# SHIPPING SAFETY IS RELATIVE

You might not think it from looking at the Seacurus Daily News Bulletin, but it seems safety at sea has improved significantly in the past twenty years, with losses of large merchant vessels becoming a relatively rare event. So what is the state of play?

## DOWNWARD TREND

A new report from Clarksons Research shows that while casualties appear to be more common among older and smaller vessels, total losses seem to be on a downward trajectory.

Even as the world fleet reached its greatest ever size, last year marked the fewest number of vessel losses on record. In 2016, reported losses reached a historically low level of 54 vessels and 0.2m GT, equivalent to just 0.02% of the start year fleet in GT terms.

Although major accidents will always hit the headlines, total losses have been on a downward trend over the long-term despite the growing fleet. This long-term trend of declining vessel losses appears to have continued over the last few years. However, there is still a significant degree of variation between sectors, with older and smaller vessels also much more likely to become casualties.

It seems the improvements have come about through better ship design, an increasing number of port State control inspections and a decline in the proportion of vessels above 25 years old.

## DIFFERENT STROKES

There is a massive difference across different types of vessel – and of course, when some kinds of vessels are lost, then the effect can be far greater than others. The costs, in both human and financial terms, of losing a cruise ship or ferry can skew the data in a big way. Larger vessels such as the “Costa Concordia” and “Sewol”, have hit the figures hard.

Looking at the statistics across the major vessel types, losses have typically been greatest in the bulkcarrier sector. From 1996 to 2016 a total of 160 bulkers of 3.7m GT were reported as casualties, accounting for 36% of the total in tonnage terms. On average, bulker losses each

year were equivalent to 0.09% of start year bulkcarrier tonnage.

In comparison, the total volume of tanker and containership tonnage reported as losses in the same period represented 9% and 5% respectively of total losses (totalling 143 tankers and 49 boxships). Meanwhile, 184 vessels were recorded as losses in the same period in the passenger and ro-ro sectors.

Sectors with a large number of smaller units represent the majority of losses in numerical terms. In general, smaller ships account for a larger proportion of casualties, with the average size of losses peaking at around 7,600 GT in 2000.

## LEARNING LESSONS

To hear reports of improvements are heartening – but we should never let complacency creep in. The sad fact is that for all the progress, the safer designs, the port State control effect, etc – there are accidents happening and we need to learn from them.

Perhaps one that has led to the most hand-wringing has been the loss of the “El Faro”, which was lost in 2015 during a hurricane. The U.S. investigation into the sinking recently entered its final hearing, and much emerged during the evidence.

Of all the evidence that was heard, there were two main themes which were perhaps most troubling. One related to allegations of complacency, and the other a seemingly problem with training, and a lack of lashing supervision or practice.

According to the testimonies heard, the emergency was apparently “downplayed” by the company ashore. As the officers aboard the vessel fought the storm, they tried in vain to get in contact with the Designated Person Ashore (DPA). Only for the messages to go to voicemail. Which adds a sense of even greater sadness to the tragedy.



## TECHNOLOGICAL ISSUES

All too often, it is technology which causes new problems for shipping. Just as has happened before, new equipment can sometimes introduce a whole new set of accidents. RADAR and VHF “assisted collisions” have both been new kinds of problems, which critics can sometimes blame on the kit, but which of course is down to the improper use of it.

Last month a new one was born...the “iPad collision”. The UK Marine Accident Investigation Branch (MAIB) has issued its report into last year’s collision between a historic motor launch and a DFDS roll-on/roll-off ferry on the Humber River, identifying a number of safety issues including the launch skippers’ reliance on an iPad app for navigation.

The Danish registered ro-ro freight ferry “Petunia Seaways” and the wooden motor launch “Peggotty” collided on the River Humber while in dense fog. The Peggotty’s skipper, an off-duty ship pilot had relied primarily on a wifi-connected electronic navigation application on an iPad as his primary means of navigation.

“The apparent functionality of the iPad navigation app gave both men false confidence in their ability to navigate safely in the dense fog,” the MAIB report said. It seems that when the iPad lost a reliable Wi-Fi signal and the app stopped working, then suddenly things got very real indeed. The motor launch was severely damaged in the collision, causing the vessel to take on water and sink. No injuries or significant pollution were reported.

## BAD DECISIONS

Using an iPad to navigate seems like a pretty poor decision. However, it also raises an interesting issue about “blame culture”. This is something which was supposedly to be removed from shipping, and there was to be no unfair finger pointing – just healthy objective assessments.

That is not always the way it works of course. A couple of accidents of late have very clearly shown that a blame culture is very much alive and well. In fact as various stakeholders seemingly wrestle with the fallout of accidents, it can be very convenient to switch the focus onto others.

This was evident last month when a “senior port official” in India pointed the finger of blame clearly on the “BW Maple”, after the VLGC collided with a local product tanker, “Dawn Kanchipuram”, hitting its tanks and leading to tons of fuel leaking.

Local authorities have been heavily criticised for their poor response to the accident. So it seems a scapegoat was needed and quick. There is a natural tendency to find a convenient point of blame and to lash out. However, ultimately it leads to people hiding their mistakes and it becomes impossible to make improvements.

***Safety is a collective responsibility, so perhaps many people need to shoulder the blame occasionally?***



# SEAFARER HEALTH FOCUS

**An oft forgotten aspect of shipping safety and performance is the way in which seafarers feel as they go about their business. Ill health, poor diet and things like nagging toothache make for bad decisions, and increased claims.**

## HEALTHY BODY AND MIND

The issue of seafarer health and wellbeing has been in the spotlight recently. Whether it is fighting fatigue, tackling poor diets and a lack of exercise, or even dental care. There are many aspects of life at sea that actually have a big impact on the wider maritime world.

It may well be that a butterfly flapping its wings can cause a hurricane elsewhere. In shipping, the same chaos theory exists. Small changes in the initial conditions lead to drastic changes in the results.

While the matter of seafarer health may seem relatively unimportant or distant, the resultant actions and responses can lead to accidents, pollution, collisions and loss. The butterfly effect from bad decisions on the wheelhouse or engine control room can have devastating effects.

A range of new industry studies have focused on these issues – and they show that seafarers are battling on many fronts. Which means there are problems brewing, and action is needed to head the problems off.

## EAT AND DRINK

Seafarers are constantly fighting the effects of fatigue. It may not be possible to grab more sleep, or to remove stress – so that makes it ever more important to take on the right fuel to help fight fatigue. So what are the good and bad foods and drinks?

When trying to fight fatigue it is important that cooks try to focus on incorporating heart-healthy foods like fish, lean meats and lots of fresh fruits and veggies into your meals. Drinking lots of water is important too.

So, obvious as it may seem, crew members must be provided with nutritionally-balanced meals to help in the battle against high levels of fatigue. According to catering training provider Marine Catering Training Consultancy (MCTC) good eating habits are crucial.

Another issue, is that of energy drinks and even too much coffee. There has not yet been a study into the effects of too much caffeine at sea. Surely though it must be having an effect. The seafarer who pops ProPlus, or who downs Red Bull and Monster, is surely likely to react differently? When we think of poor decision making, maybe it is time to think about the stimuli which prompts it?

## FIGHTING FATIGUE

The issue of fatigue just will not go away. Indeed, if anything it seems to be getting worse. Thankfully the industry is getting better at researching the problem – now it just needs to find some answers too.

That could soon happen, as the IMO is set to revise its seafarer fatigue guidance as a result of the three-year InterManager and Warsash Maritime Academy study into the long-term effects of tiredness on crew.

The Martha project found seafarers suffer from increasing levels of fatigue and stress, which results in long-term physical and mental health issues. The project has highlighted growing levels of fatigue, particularly among Masters and Watch Keepers, and noted that motivation was a major factor in fatigue experienced by seafarers.

Without addressing the issue, there will be accidents, losses and even deaths. In the longer term it will also have a terrible effect on the recruitment of aspiring seafarers, and retention of those we already have.

## MASTERS' MINDS

The report has highlighted a number of key areas of concern, and perhaps the most concerning is the effect of fatigue on Masters. It was found that Masters have more weekly work hours, and that this spikes at sea rather than port. They also found that Masters are extremely fatigued by the end of a contract – and that this includes mental rather than physical exhaustion.

So unsurprisingly, the fatigue issues for Masters are based on the mental rather than manual. Indeed Masters were also found to be more overweight than other ranks. Captains are working hard, they are thinking hard, and they are not really finding time to exercise and manage their health. These are all very worrying indeed.

To have the leader of the vessel suffering does not make comfortable reading. Fatigue has a massive effect on performance, and there are serious implications across the whole ship – and even for issues such as cargo care and safety in ports.

The study also found that it was the cumulative effect of stress, lack of sleep, poor diet and mental hardwork which was taking its toll. It also stressed that when crew begin to succumb to fatigue, there is little scope to claw it back. Over the course of a contract there is a fatigue snowball effect. Too little time to recover means that many seafarers are fatigued by the time they head for home.

## MEDICAL RESPONSE

The fact that there are long-term implications on health has long been suspected. However, there are also concerns that medical emergencies are not being dealt with properly at sea.

A company which specialises in medical support for ships is urging improvements to facilities available at sea which protect and safeguard seafarers' health. The call for increased safety comes after new research showing that almost 125,000 seafarers, around 7% of the total, are evacuated while at sea each year due to ill health.

Additionally, around one in every five ships is forced to divert due to a medical emergency according to the

International Maritime Health Association – something which can have a big commercial impact.

While the Maritime Labour Convention (MLC) has brought many positives, there are concerns that the convention may have taken its eye off the ball when it comes to medical support onboard. Indeed the issue is compounded by the rules, as ships with less than 100 crew members do not require an on board doctor, often forcing drastic action.

## DENTAL HEALTH

While we are on the subject of health, it would be wrong to ignore concerns about dental health, especially when they come from UK P&I Club. It may seem a minor issue, but actually it is a serious problem. Especially as seafarers often, sadly it seems, neglect their teeth.

According to Sophia Bullard, Crew Health Programme Director at UK P&I Club, "Dental problems can be a major cause for concern amongst seafarers. We often see claims arising from dental problems that require urgent medical treatment and even repatriation of crew. On an individual basis these claims may not appear in the higher claim cost bracket, however, they often result in repatriation of crew, which has a further impact on the safe manning of the ship and other delays to ship operation.

It is of course not easy to maintain a relationship with dentists. Seafarers are frequently at sea for long periods and are therefore unable to attend regular dental check-ups ashore. Indeed, even when they come home, it is unlikely that a visit to the dentist is high on the list of priorities, and so this can lead to dental problems developing unchecked.

Dental problems can have a detrimental effect on the seafarers' performance, concentration and wellbeing, not to mention a significant impact on sleep, eating and other daily activities.

Good dental hygiene is extremely important, and so encouraging and reminding seafarers to take the correct steps to avoid dental problems will not only ensure their own wellbeing, but will also reduce costs for ship-owners, and will improve the safety of the ship by helping to maintain a full complement of crew.

# LOOKING OUT FOR TROUBLE

**Maritime security has also been back in the spotlight recently. With a spate of kidnappings, and terror attacks, it is squarely back on the shipping industry agenda.**

**What is happening where?**

## CRUDE CONCERNS

When it comes to maritime security, for the Nigerian Government there is only one thing worse than piracy – and that is the theft of crude oil. Things have become so bad lately, the government has commissioned a dedicated new project to check crude oil theft and its sibling security problem, the illegal transfer of oil at sea.

The National Security Adviser, commissioning the project called “Nigerian Security Element Project 2” (NICEP) said the Government is determined to stop illegalities on the nations’ waterways. They have also introduced technology to help them – with the “Falcon Eye” system reportedly giving a detailed picture of Nigeria’s maritime domain.

Falcon Eye is an Israeli-designed mass surveillance system which will monitor the country’s territorial waters and track movements within the broader Gulf of Guinea maritime zone. It is a mass surveillance system which uses a number of electro-optic systems and cameras operated from a command centre to detect and pinpoint traffic movements. Only time will tell if it works.

There is mounting pressure on the Nigerians, not least because of the stark assessment at a high level meeting organised by the Africa Center for Strategic Studies in Abidjan, in which it was confirmed the Gulf of Guinea is set to once more become the world’s most piracy-affected area. This may even have prompted a recent visit by the US Coastguard to the country, to assess ISPS Code provisions.

## DATA CAPTURE

The warning that trouble is flaring once more in the Gulf of Guinea was a key observation made by American and African experts at Abidjan meeting. This pronouncement and other similar findings depicted a rather disheartening picture of maritime security in Africa.

The figures are stark though – and the Gulf saw a significant rise in violence at sea in 2016. So there can be no hiding from the fact that there is trouble in the creeks and off the coast of Nigeria.

That was not the only place which has been in the news of late. The waters around the Philippines are still proving hugely troublesome. Just last month pirates attacked a vessel near Tawi-Tawi in the Sulu Archipelago. They killed one seafarer and kidnapped seven. The group responsible were also in the news for beheading a German yachtsman they had been holding hostage. These are very worrying times.

On a slightly less serious, but still concerning note, Bangladesh was once more singled out by the International Maritime Bureau (IMB). The IMB recently warned of the risk of robberies in Chittagong waters. Their Maritime Security Hotline, has stated robbers are targeting ships at anchor or preparing to anchor at Chittagong port.

## TERROR ATTACKS

There has been much in the news of late surrounding the violence and attacks off the coast of the Yemen. What has perhaps been even more concerning is the indication of how sophisticated these attacks are.

The U.S. Navy has determined that the bomb boat which struck the Saudi frigate “Al-Madinah” in January was a remotely controlled device and not a suicide attack craft. So it seems that terror groups are ramping up their capabilities, and now may have access to drone technology.

The technological sophistication of the unmanned vessel raises questions about its source, and the Navy suspects that Iran was involved.

Vice Adm. Kevin Donegan, commander of the Fifth Fleet and head of U.S. Naval Forces Central Command said the attack on the Al-Madinah is the first confirmed use of a remote-controlled attack boat by an insurgent force like Yemen’s Houthi rebels.

This is an extremely troubling development. Much has been made over the years about the expense and difficulty for terror groups to develop a maritime capability. It seems that with access to the right equipment, then such attacks could become a lot easier – and perhaps more commonplace.

## CRUISE ATTACK SHAME

Away from remote attacks and pirates, there is a tendency to think of maritime security as a somewhat distant problem. Certainly one that doesn’t impact of people enjoying a sunshine break on an exotic cruise.

Sadly the truth appears to be somewhat different. The International Cruise Victims Association (ICV) has released a new set of figures for attacks and crimes onboard cruise ships, and the data is extremely concerning.

In 2016 new cruise ship crime reporting requirements took effect, and according to ICV this has changed the landscape of recording and analysing the scale of crime and associated problems on cruise ships. According to the group, the new Cruise Line Incident Reports show that sexual assaults increased 485% over previous public reports and total reported alleged crimes increased 339%.

These are numbers that seem to beggar belief – but they indicate that there are massive problems to be countered. The idea of bringing together thousands of people and mixing with alcohol and “good times” seems a recipe as much for crime as for fun. A seemingly sad indictment of the world we live in – there is trouble around so many corners, and cruise ships are far from immune.

## WHITE COLLAR CRIME

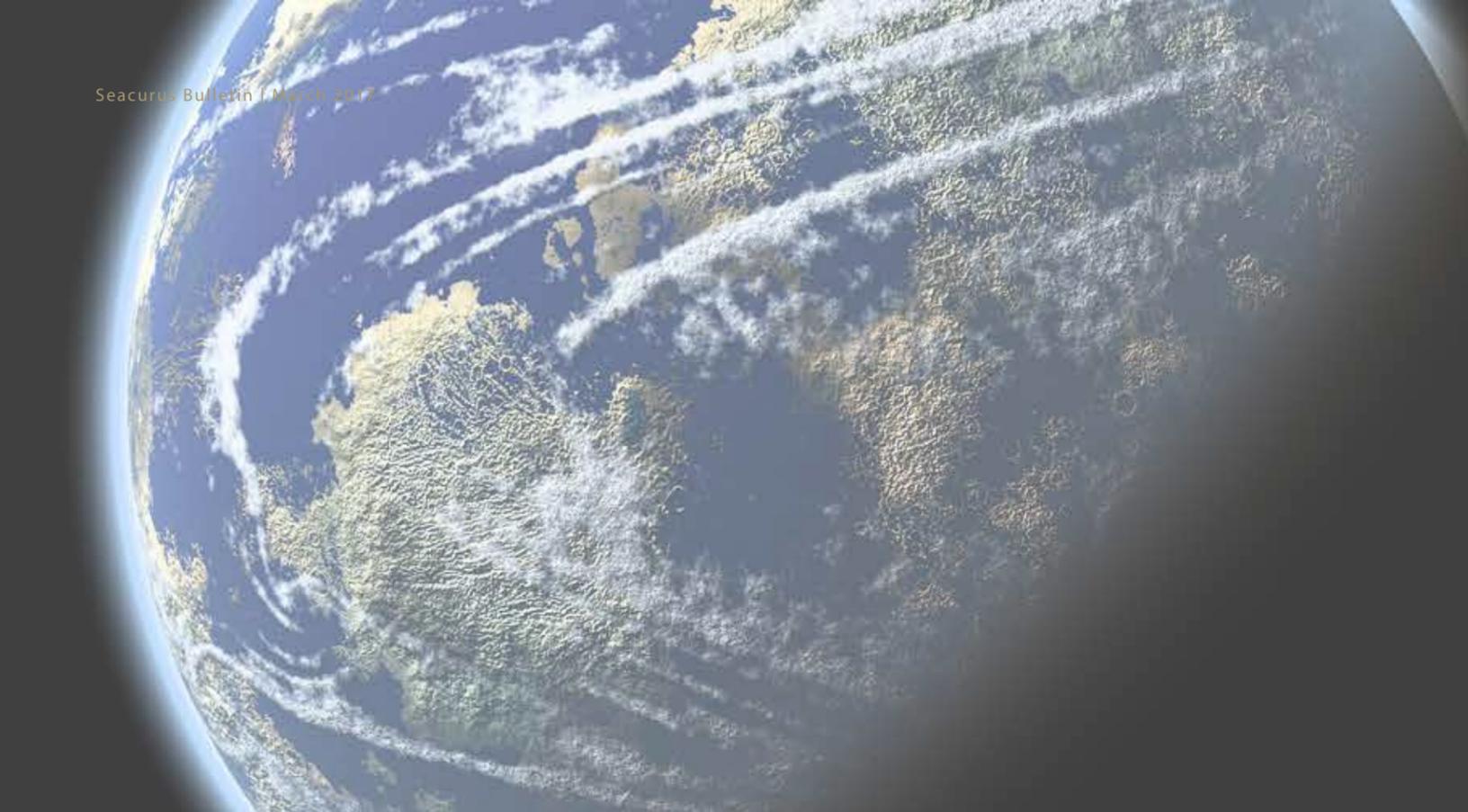
Crimes come in all shapes and sizes – and whether they involve pirates, cruise passengers, or shipping company executives, the impact and the ultimate punishments can be severe.

There has been much talk of corporate crime lately, and across many countries there have been shipping executives caught in all kinds of scams. In Vietnam it seems that such crimes are taken extremely seriously.

It was reported last month that two former executives accused of embezzling around \$11.5m from state-owned Vinashinlines have been handed death sentences by a court in Hanoi. Four men went on trial last week in Hanoi, including the former general director of the firm, its former chief accountant and the ex-head of sales.

The three were joined in the dock by the father of the ex-sales head. All four were found guilty of pocketing cash from nine ship charter deals and when buying three ships for the line between 2006 and 2008. Vinashinlines applied for court protection in 2014 – much of its fleet has since been sold.





# CLEANING UP OUR ACT

**Shipping has done much to clean up its act in recent years. Is this enough? Or has the legacy of what has gone before simply become too engrained – whether on our planet or in people’s psyches?**

## DIRTY LEGACY

It seems the one thing about pollution of the seas is that the dirt really sticks around. So despite all the environmental focus, it will take decades to really clean the oceans and to save the seas for future generations.

The revelation of just how lasting pollution is came last month as researchers found that crustaceans from the deepest ocean trenches have been found to contain ten times more industrial pollution than the average earthworm.

A study, led by U.K. Newcastle University’s Dr Alan Jamieson has uncovered the first evidence that man-made pollutants have now reached the deepest parts of the ocean. Extremely high levels of persistent organic pollutants were found in the organism’s fatty tissue.

It may not seem that important, if some Marianas Trench dwellers are dirty – but it all adds fuel to the fire in the debate against shipping, and of the ways in which industries have been polluting the oceans for too long. So the time for a clean-up is here, but even that may not be enough.

## SEA AND AIR

It is not just the seas which are being polluted, there is the politically charged issue of air pollution of CO2 emissions to consider. This is a debate which is rolling on and on, and there is not even agreement on how the fight against emissions should be lead and a multilateral approach found.

This is about setting the standards and generally providing the leader ship to united shipping without destroying the viability of businesses and trade. Last month the Chairman of the International Chamber

of Shipping, Esben Poulsen, laid out what the industry would like to see from the IMO to achieve as part of its CO2 reduction strategy.

Speaking at The Economist magazine’s World Ocean Summit in Indonesia, Poulsen expressed fears that unless IMO makes significant progress the industry could be vulnerable to regional action. Moreover, this action would not only be from the EU, which is considering incorporating shipping into the EU Emissions Trading System, but also from Canada or California, which have already introduced carbon pricing.

It is a very difficult and complex issue, one that is set to vex owners even more if there is no clear approach and solution. Already the European Parliament has lost patience with what has been termed “shipping industry inaction” over climate change.

## PILLAR TO POST

The European Parliament as a result of its frustrations has outlined plans to include vessels in its Emissions Trading System (ETS). Ship owners are furious, claiming it is wrong that they will effectively be charged for carbon pollution in Europe Union waters ahead of any wider international arrangement.

So the lack of a credible solution now means that owners are pushed onto the back foot as the pressure ramps up on them, and they are pulled into schemes which bring more problems than answers for the industry. Ships are being pulled from pillar to post on pollution.

All this comes at a time that the new 0.5% fuel sulphur content cap regulation by the IMO is less than three years away. The enforcement date of 1 January 2020, leaves the refining and shipping industries caught in a catch-22 situation.

The problem with the 0.5% sulphur cap regulation is indeed a real conundrum for refiners (the fuel suppliers), and shipowners (the fuel buyers), caught in a quandary whereby suppliers are unable to commit on how much to produce as buyers do not know how much is needed, vice versa.

## TIME FOR INVESTMENT

Without guidance, a clear road map and a route forward shipping is going to find impossible to comply and trade will be hampered. Not only that, but it will be increasingly hard to get the investment needed for the industry.

The issue of financial risk is a real problem, and one that is being exacerbated by the ongoing

uncertainties and the lack of coherent plans on emissions. The Carbon War Room (CWR) and UMAS last month released research that suggests climate “transition pathways” pose risks to the banks that hold \$400bn of global shipping debt.

“With the onset of climate policies as soon as 2023, there will be a need for significant capital investment to keep vessels competitive,” the two bodies noted in a release. The pair urged enhanced due-diligence to be undertaken by financiers, shipowners, and shareholders in order to deliver long-term value and avoid losses by the mid-2020s.

Putting that into context, it seems simple – investors and banks will begin to see shipping as less of an opportunity and more of a problem. Which in turn will hit the ability to build new ships, or to improve older ones. So currently there is a situation in which both the environment and the industry could suffer. A real double whammy.

## NEW IDEAS

With three months to go until Nor-Shipping has unveiled a competition to find new sustainable solutions for the maritime industry. The organisers of the Oslo event are looking for ideas that can help, and answers to make shipping cleaner and more efficient.

Entrants are asked to share a short video with the organisers to be in with a chance to win NOK100,000 (\$11,944) at the show which kicks off on May 30. Birgit Liodden, the director of Nor-Shipping, commented while launching the competition over the weekend: “Let’s turn today’s problems into the profit opportunities of tomorrow!” It may sound like a gimmick, but with so few answers and ideas, perhaps there is a need to kick start the industry’s thinking on the matter.

Thinking which needs to be based on data – and of course “big data” has been one of the watchwords of shipping. However, that may not be as easy as it seems. Just last month a survey identified a severe skills shortage is preventing the industry from effectively harnessing Big Data and ultimately negating performance and cost-saving potential. 63% of the leaders believe the lack of access to Big Data is holding back their ability to utilise it.

So we have a lack of leadership, a lack of skills to understand what is going on and the industry seemingly at loggerheads with legislators, investors and with little sign of improvement. It seems if anyone can find the holy grail of sustainable shipping they should get more than a few thousand dollars.

# MONTHLY NEWS ROUND-UP

*Some of the other stories which have caught our eye in the headlines last month. Just ask if you would like any colleagues or contacts adding to our distribution list. With hundreds of the world's key marine insurance and shipping stakeholders already signed up, don't miss out on your daily dose of news.*

*Email [sjones@seacurus.com](mailto:sjones@seacurus.com) for details*

**Engineers Found Guilty** - Two engineers were found guilty in a federal court on charges of falsifying records to hide improper bilge waste disposal from a chemical tanker. The jury in Charleston, South Carolina, convicted Herbert Julian of violating the Act to Prevent Pollution from Ships (APPS) and of obstructing justice. And it found Panagiotis Koutoukakis guilty of a felony relating to APPS and of falsifying records. The men, successive chief engineers on the 2014-built and ironically named "Green Sky", are alleged to have regularly ordered the illegal pumping of oily wastes into the sea, using a so-called "magic pipe" to bypass the oil water separator.

<https://goo.gl/DawQy4>

**Book to the Future** - Lars Jensen from SeaIntelligence Consulting, has published a new book – "Liner Shipping 2025 – How to survive and thrive" – will be essential reading for top brass at most box shipping firms around the world. "Global liner shipping is undergoing the largest transformation since the invention of the container itself. The core business models and business cultures which made the shipping lines successful are now failing. Shipping lines are facing a critical few years in which to begin their transformation, otherwise they will likely not be part of the landscape in 2025," Jensen noted in a release promoting the book.

<https://goo.gl/znvfc>

**Zim Finalises Restructure:** - Israeli carrier ZIM has unveiled the final phase of its restructured network. Commencing in April, the ZIM MED PACIFIC (ZMP) will serve both the Asia-PNW trade and the Asia – East-Med/Black Sea trades. The service will deploy fifteen 4,500 teu vessels. Additionally, ZIM is launching a new India – East-Med/Black Sea string, India Med Express (IMX). The carrier has also signed a deal with a subsidiary of Allcargo Logistics Limited, to provide logistics services in India to its customers ZIM had earlier tried to hawk off all of its global services to focus on Mediterranean trades but found no satisfactory bids.

<https://goo.gl/IFse7b>

**Frontline's New Red Line** - John Fredriksen's Frontline has revealed via its latest quarterly results that the tanker firm has picked up two VLCC resales for what it claims are "historically low prices". Frontline did not reveal who they bought the pair of Daewoo Shipbuilding & Marine Engineering tankers from, but did state they are costing \$77.5m each and will deliver in the third quarter of this year. Robert Hvide Macleod, ceo of Frontline Management, commented in the quarterly results: "We remain of the opinion that 2017 will see pressure on freight rates as further newbuildings are delivered."

<https://goo.gl/jub620>

**Rogue Union Slammed** - The International Transport Workers' Federation (ITF) has condemned an offer by a coalition of Ukrainian trade unions to cut minimum wages for the country's seafarers. The Ukrainian National Platform of Maritime Trade Unions is publicly offering shipowners the chance to evade the agreed ITF monthly minimum wage for ABs of \$1,806, cutting it by \$801. ITF seafarers' section chair David Heindel explained: "There is no indication that any shipowner has fallen for this offer yet. They will be aware that a union proposing to reduce negotiated conditions for seafarers is unacceptable and will not be tolerated by the ITF."

<https://goo.gl/9MJypF>

**More Sign Up to Alibaba** - Two container shipping lines, France's CMA CGM and Israel's Zim, have signed up with Alibaba to allow customers to book space on their vessels through the Chinese e-commerce giant, in a bid to boost sales as the sector battles a severe downturn. Container lines, facing their worst ever downturn due to a glut of ships and weaker demand, are pursuing several measures such as vessel-sharing arrangements or mergers and acquisitions to ride out the current slump. A growing number of logistics firms are going online to buoy their business. In December, Maersk started offering online booking services to Chinese shippers on Alibaba's OneTouch.

<https://goo.gl/3Qte64>

**Canal Transits Scraping Along** - One in 50 of the transits through the expanded Panama Canal between June and January have resulted in damage to either ships or the waterway, according to an investigation by the Associated Press. A journalist for the newswire recently took a voyage along the canal and described multiple places where the black rubber cushion defences were visibly worn down, hanging into the water or missing entirely.

<https://goo.gl/AQ6134>

**Rickmers on the Ropes** - Struggling Rickmers Maritime Trust (RMT) posted a full year loss of \$180m, red ink spiralling 39% more than in 2015 and has once again voiced concerns that the boxship leasor might struggle to survive unless creditors accept its restructuring plan. The CEO of the endangered firm admitted in a release that fixing his ships had become difficult given all the bad press surrounding the company, which suspended trading on the Singapore Exchange last year. "Our efforts to secure customers for the vessels in the spot market have been hampered by the public attention on the need for the trust's debts to be restructured," Soeren Andersen said.

<https://goo.gl/usTNOG>

**Top Panamax Bulker Routes** - Due to the tendency of trade routes to change pushing demand somewhere else, VesselsValue has put together a report showing the current state of affairs at the top 5 Panamax Bulker trade routes based on the total ton miles moved. Dominated by the grains trade, especially soybeans, the volatile Panamax bulker trade has been dominated by vessels moving cargos from Brazil to China. However, this route has been on a downtrend from 2015, according to VesselsValue.

<https://goo.gl/KdAxPp>

**Shivering Seafarers Going Unpaid** - Seafarers onboard a ship held at Fawley Port in the south of the UK were found to be without warm clothing for days and their wages unpaid for three months. The chemical tanker, "Sea Emperor", was detained by the Maritime and Coastguard Agency on January 28, after it was found to have various equipment deficiencies. There was also a lack of cleaning products onboard. Sea Emperor is managed by Greek firm, Perosea Shipping.

<https://goo.gl/sC5GxC>

**Charities Are Migrant Taxi** - NGOs which rescue people in the sea off Libya are working ineffectively with security agencies and encouraging traffickers. That's the opinion of the head of the EU border agency Frontex. The comments have sparked a bitter row with charities who say the alternative is to rescue operations is to leave people to their deaths. Frontex chief Fabrice Leggeri has called for such operations to be re-evaluated in an interview with the conservative daily German newspaper Die Welt. Leggeri was quoted saying under maritime law everyone at sea had a duty to rescue vessels, "But we must avoid supporting criminal networks."

<https://goo.gl/BdqWxE>

**CMA CGM Takes Aim** - CMA CGM's new CEO has vowed to be the top container carrier on all US trades. Rodolphe Saadé, son of the founder of the French line, took the reins as CEO last month. Yesterday in his first major speech since taking on the role, he spoke at TPM, the annual liner event organised by the Journal of Commerce in Long Beach, California. "We want to be number one in the US on all trades, not only transpacific," Saadé said. Combined with new acquisition APL, CMA CGM commands a market leading 14% of the transpacific, but the CEO was adamant that other tradelanes could be targeted for leadership too.

<https://goo.gl/cB4rpV>

**Seafarers Warned on STIs** - Sexually transmitted infections (STIs) are extremely common – it is estimated that up to 75% of sexually active people will contract an STI of some kind in their life time. For seafarers, the likelihood of contracting an STI is further increased, due to their unsettled lifestyles and a lack of access to necessary precautions. The ITF recently carried out an extensive survey and found a distinct gap in knowledge with regards to safe sex and the transmission of STIs.

<https://goo.gl/UlgkYk>

**IUMI Fears Ro-Ro Fires** - The International Union of Marine Insurance (IUMI) has voiced concern over fires on ro-ro passenger vehicles and issued recommendations ahead of an IMO review. Marine underwriters have witnessed an increase in the frequency of fires in the car/ro-ro passenger vessel segment and say it is currently twice that of most other vessel types. More than one percent of vessels in the car/ro-ro passenger vessel segment experience a fire every year.

<https://goo.gl/PaVH7z>

**Maersk Vows CO2 Cut** - Danish shipping giant and Maersk Line and producer of petrochemicals EQUATE Petrochemical Company have signed a partnership agreement to decrease CO2 emissions in ocean transportation. The agreement, which is the first of its kind in Kuwait, is based on the parties' sustainability priorities that include the shared vision to "reduce EQUATE's CO2 emissions per container transported with Maersk Line by 15% from 2017 to 2020," Maersk Line said.

<https://goo.gl/kNiyHt>

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