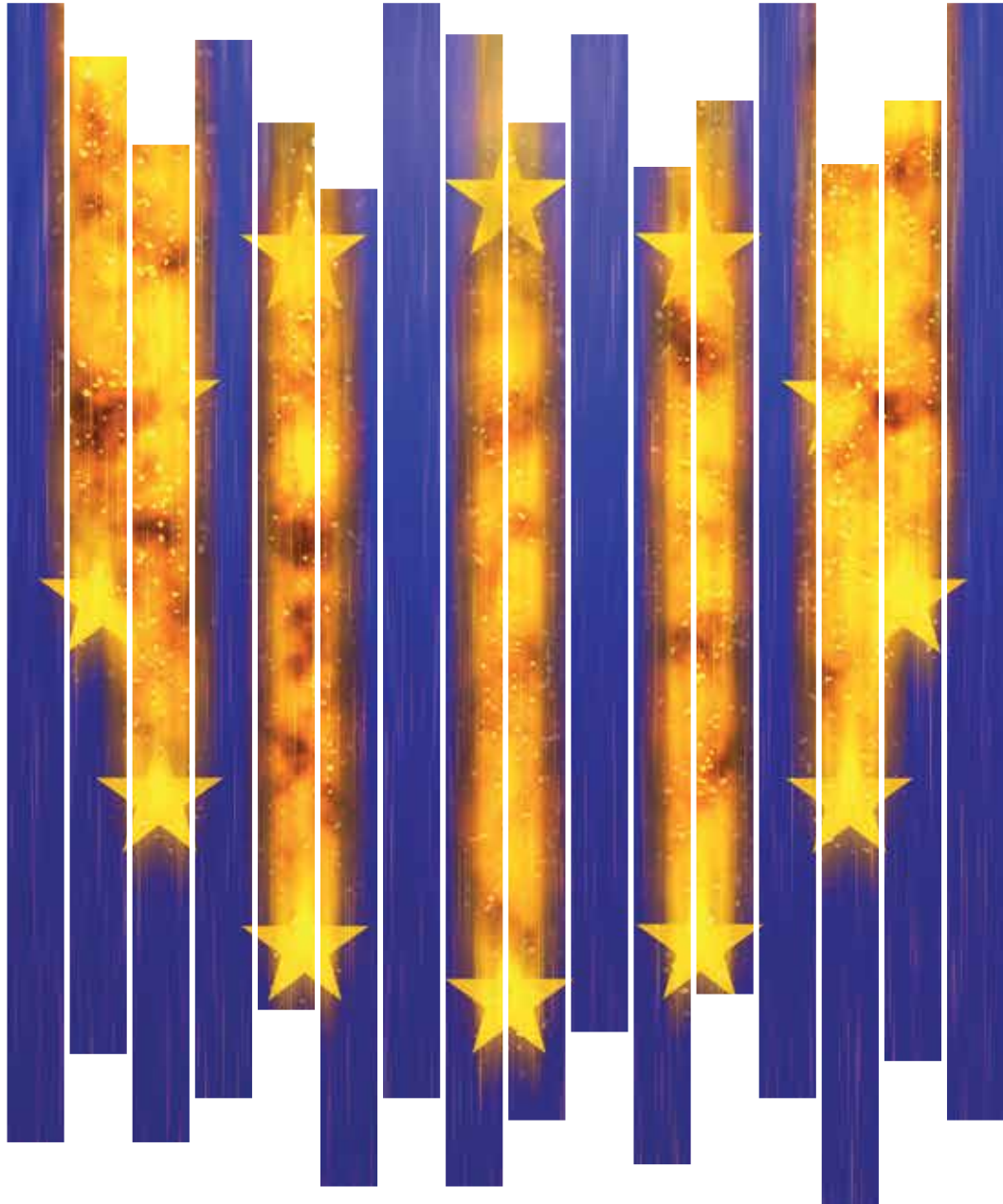


SEACURUS BULLETIN

MONTHLY EDITION - DECEMBER 2016 | ISSUE 66



POST-BREXIT OPPORTUNITIES

SHORE EMPLOYEES IN CRISIS | UN ON SHIPPING | STICK OR TWIST ON SECURITY



Inside this issue we see a snapshot of the shipping industry. We hear the calls of the UK Chamber of Shipping for a post-BREXIT Britain. We take another look at piracy and also hear news that shore based maritime professionals are sweating on their jobs.



In this issue..

- 01 **UNITED NATIONS ON SHIPPING:**
UNCTAD has released its latest report into global shipping, a key indicator of where the industry finds itself.
- 02 **POST-BREXIT OPPORTUNITIES:**
The UK Chamber of Shipping has published a "Blueprint for Growth" outlining the policies we need after exit from the EU.
- 03 **STICK OR TWIST ON SECURITY:**
Some tough questions are being asked of world navies. Do they stick or twist when it comes to the Indian Ocean theatre?
- 04 **SHORE EMPLOYEES IN CRISIS:**
The first casualties of a downturn in the shipping market are usually seafarers. But workers ashore are feeling uneasy too.
- 05 **MONTHLY NEWS ROUND-UP :**
We look at the news stories which have caught our eye over the past month.

Seacurus Bulletin is published monthly by Seacurus Ltd
- providers of MLC crew insurance solutions

www.seacurus.com
E: enquiries@seacurus.com
T: +44 191 4690859
F: +44 191 4067577

Registered Office: Suite 3, Level 3,
Baltic Place West, Baltic Place,
South Shore Road, Gateshead,
NE8 3BA, UK

Seacurus Ltd
Registered in England No. 5201529
Authorised and regulated by the Financial Conduct Authority
A Barbican Group company

Welcome

> As the holiday season beckons, all may be calm and bright round mother and child, and the holy infant may be tender and mild, but shipping is once again going through something of a turbulent time.

However, it seems things could be about to change – though no-one can yet be wholly sure whether for the better or worse. As United States' President Elect Donald Trump continues to shape his new administration, it seems shipping could be set for a shake-up, and when the US butterfly flaps its wings, the wind can be felt globally.

It appears that the new US administration will at least understand the maritime world – there are key posts for shipping's most significant investor Wilbur Ross. The 78-year old has been the kingpin of private equity's march into shipping over the past five years. As the next US "commerce secretary", he could be set to usher in some very interesting times indeed.

Even in these earliest of early days, the Trump effect has already been felt in the markets, as shipping stocks have seen big jumps, particularly small dry bulk shippers. Both bulls and bears have dipped their toes into the sector and despite portents which suggest upcoming protectionist measures could diminish global trade, the stocks have been flying.

Over in Asia, there has also been a mood of cautious optimism. At the recent "Dry Bulk Business Breakfast" - which doesn't sound overly appetising, there was a sense that now is the time to invest before a new upward cycle really gains traction.

For those that have access to cash and can withstand another tough 12 months, the expert panellists felt the market might finally pick up in 2018. So it is a time of consolidation, but better times could just be around the corner.

BIMCO too has been looking at what it sees as a "road to recovery" for the dry bulk shipping industry. The trade associations sees that cutting capacity is the key, and they have stated that scrapping ships while resisting the urge to build new ones is the key.

To this positive backdrop there are some concerns too for the year ahead. Vessel operating costs are expected to rise in 2017, according to the latest survey by international accountant and shipping consultant Moore Stephens.

Repairs and maintenance and spares are the cost categories which are likely to increase most significantly in each of the two years. The survey suggests vessel operating costs are expected to rise by 2.5 percent in the year ahead.

Inside this issue we see a snapshot of the shipping industry the United

Nations Conference on Trade and Development (UNCTAD) releases a raft key data. We also hear the calls of the UK Chamber of Shipping for a post-BREXIT Britain. We take another look at piracy as NATO departs the Indian Ocean for the Mediterranean, and also hear news that shore based maritime professionals are sweating on their jobs.

So as 2016 comes to a close, there are challenges for the shipping industry ahead. We look forward to continuing to working with you in the year to come – but want to take the opportunity to thank you for support in the year gone, and we hope you have a very merry Christmas...and here's to a prosperous New Year. <

All the best

Capt. Thomas Brown
Managing Director



UNITED NATIONS ON SHIPPING

The United Nations Conference on Trade and Development (UNCTAD) has released its latest report into global shipping. The report is a key indicator of where the industry finds itself, and it makes for worrying, yet fascinating reading.

THE UN VIEW

UNCTAD is the principal organ of the United Nations General Assembly dealing with trade, investment, and development issues. The organisation's goals are to: "maximize the trade, investment and development opportunities of developing countries and assist them in their efforts to integrate into the world economy on an equitable basis."

The primary objective of UNCTAD is to formulate policies relating to all aspects of development including trade, aid, transport, finance and technology, and as part of this remit it produces the UNCTAD Review of Maritime Transport (RMT).

The RMT is an annual publication that has been published since 1968 and provides an analysis of structural and cyclical changes. This latest issue, covers data and events from January 2015 until June 2016.

It features key statistical information on issues such as freight rates, ports, surface transport and logistics services, as well as trends in ship ownership, port/flag State control, fleet age, tonnage supply and productivity. In short it is a state of the maritime "nation" address, with insight looking ahead too.

SLOWING OF DEMAND

Reassuringly, this latest takes the view that the long-term growth prospects for seaborne trade and maritime businesses are positive. There are ample opportunities for developing countries to generate income and employment and help promote foreign trade.

However, there are some caveats to the positivity. Not least the fact that supply of vessels is out pacing growth in trade. First the good news, in 2015 it was estimated that world seaborne trade volumes surpassed a landmark figure.

For the first time in the records of UNCTAD trade surpassed 10 billion tons.

This was based on the fact that shipments expanded by 2.1 per cent. Which is at least a positive figure. However, the pace of expansion is notably slower than the historical average. The tanker trade segment recorded its best performance since 2008, while growth in the dry cargo sector, including bulk commodities and containerized trade in commodities, fell short of expectations.

While a slowdown in China is bad news for shipping, other countries have the potential to drive further growth. South-South trade is gaining momentum, and planned initiatives such as the One Belt, One Road Initiative and the Partnership for Quality Infrastructure, as well as the expanded Panama Canal and Suez Canal, all have the potential to affect seaborne trade, reshape world shipping networks and generate business opportunities. In parallel, trends such as the fourth industrial revolution, big data and electronic commerce are unfolding, and entail both challenges and opportunities for countries and maritime transport.

STEADYING OF SUPPLY

The fact that trade is experiencing slower than usual growth means there is a focus on the size of the global fleet servicing that demand. According to the report, the world fleet grew by 3.5 per cent in the 12 months to 1 January 2016 (in terms of dead-weight tons (dwt)).

While this is the lowest growth rate since 2003, it is still higher than the 2.1 per cent growth in demand. So there is yet again this continued situation of global overcapacity. Which has to be a concern.

Different countries participate in different sectors of the shipping business, seizing opportunities to generate income and employment. As at January 2016, the top

five ship owning economies (in terms of dwt) were Greece, Japan, China, Germany and Singapore, while the top five economies by flag of registration were Panama, Liberia, the Marshall Islands, Hong Kong (China) and Singapore.

The largest shipbuilding countries are China, Japan and the Republic of Korea, accounting for 91.4 per cent of gross tonnage constructed in 2015. Most demolitions take place in Asia; four countries - Bangladesh, India, Pakistan and China - accounted for 95 per cent of ship scrapping gross tonnage in 2015. The largest suppliers of seafarers are China, Indonesia and the Philippines.

FREIGHT RATES

In 2015, most shipping segments, except for tankers, suffered historic low levels of freight rates and weak earnings, triggered by weak demand and oversupply of new tonnage.

The tanker market remained strong, mainly because of the continuing and exceptional fall in oil prices. In the container segment, freight rates declined steadily, reaching record low prices as the market continued to struggle with weakening demand and the presence of ever-larger container vessels that had entered the market throughout the year.

In an effort to deal with low freight rate levels and reduce losses, carriers continued to consider measures to improve efficiency and optimize operations, as in previous years. Key measures included cascading, idling, slow steaming, and wider consolidation and integration, as well as the restructuring of new alliances.

The cold hard facts remain, while the number of ships exceed the demand for them, then everyone is left struggling. With trade slowing, and with an outlook of some uncertainty with the likes of a new President in the USA and a very unclear future for the European Union, then the business of shipping is in for some potentially rough seas ahead.

EFFECT ON PORTS

The overall port industry, including the container sector, experienced significant declines in growth, with growth rates for the largest ports only just remaining positive, which mirrors the state of play across the board.

The 20 leading ports by volume experienced an 85 per cent decline in growth, from 6.3 per cent in 2014 to 0.9 per cent in 2015. This is a figure which is likely to strike fear into the hearts of most port operators. Given the long tail from investment to earning, it seems that ports which have recently invested heavily will be having some sleepless nights hoping for a turnaround and pick-up in trade.

Of the seven largest ports to have recorded declines in throughput, Singapore was the only one not located in China. Nonetheless, with 14 of the top 20 ports located in China, some ports posted impressive growth, and one (Suzhou) even grew by double digits.

The top 20 container ports, which usually account for about half of the world's container port throughput and provide a straightforward overview of the industry in any year, showed a 95 per cent decline in growth, from 5.6 per cent in 2014 to 0.5 per cent in 2015.

RULES EVOLVING

During the past year, important developments included the adoption of the 2030 Agenda for Sustainable Development in September 2015 and the Paris Agreement under the United Nations Framework Convention on Climate Change in December 2015.

Their implementation, along with that of the Addis Ababa Action Agenda, adopted in July 2015, which provides a global framework for financing development post-2015, is expected to bring increased opportunities for developing countries. Though, there is some degree of uncertainty, as the report covers the industry pre-BREXIT and Trump.

Among regulatory initiatives, it is worth noting the entry into force on 1 July 2016 of the International Convention for the Safety of Life at Sea amendments related to the mandatory verification of the gross mass of containers, which will contribute to improving the stability and safety of ships and avoiding maritime accidents.

At the International Maritime Organization, discussions continued on the reduction of greenhouse gas emissions from international shipping and on technical cooperation and transfer of technology particularly to developing countries. Continued enhancements were made to regulatory measures in the field of maritime and supply chain security and their implementation.

Areas of progress included the implementation of authorised economic operator programmes and an increasing number of bilateral mutual recognition agreements that will, in due course, form the basis for the recognition of authorized economic operators at a multilateral level.

You can access the full report here:

[http://unctad.org/en/
PublicationsLibrary/rmt2016
en.pdf](http://unctad.org/en/PublicationsLibrary/rmt2016_en.pdf)

A WORLD OF POST-BREXIT OPPORTUNITIES

Shipowner's body the UK Chamber of Shipping has published a 30-page "Blueprint for Growth" outlining the policies it would like the British Government to adopt as it negotiates the country's exit from the EU.

GLOBAL FOCUS

The main tenets of the UK Chamber document follow closely a position paper issued by Maritime UK – the unified "one voice" body for British shipping. Maritime UK summarised its "key priorities" as being for government to: ensure an attractive business environment, adopt a global approach to global issues, and back British industry.

"In light of the decision to leave the EU, the UK must now, more than ever, capitalise on our global reputation as a world class maritime nation, embrace trade opportunities and deliver prosperity across the country," urged Maritime UK chairman David Dingle. Dingle pointed out that the maritime industry supports over 500,000 jobs nationwide and contributes £22.2bn to UK GDP.

"Ensuring a good deal with the EU is vital, but it is not the only thing that matters," added UK Chamber of Shipping CEO Guy Platten. "We need an ambitious programme of reform to prepare ourselves both for the challenges and opportunities that are on the horizon."

Leaving the European Union (EU) will not change many of the UK's greatest strengths – its time zone, common law, English language and geographical position. Nor will it change the fact that the UK, as a cultural hub with excellent public infrastructure, is a place where people from around the world want to live and develop their talents.

CHALLENGES AND CONCERNS

It has been stressed that despite the strengths remaining there are concerns and challenges too. The nature of the UK's trading relationships, the regulatory environment that manages them, and the reputation of the UK as an outward-looking, global nation could change.

So the essential priorities remain to protect and grow UK trade and shipping. According to the Chamber, this means preserving the benefits and ease of existing UK-EU trade, which allows the free flow of exports and imports.

It has been seen as imperative that Britain's representatives treat the maintenance of unimpeded trade through UK ferry ports as non-negotiable. This is a red line issue as far as the Chamber is concerned.

Given the growth in port traffic on routes from Ireland, the freedom of movement is vital. The flow of trade with as few encumbrances as possible is a key issue and which will set the tone for so much of the BREXIT negotiations.

TRADING RELATIONSHIPS

The Chamber feels that a key focus has to be moves to facilitate the growth of UK trade with the wider world and to position UK shipping as the "prime carrier of international trade in new global markets".

Global trade is the driver of shipping growth and UK shipping must be positioned to take advantage of new and emerging market opportunities in the future, and to retain its existing market share in Europe.

The UK Chamber had called for a new commission to develop trade deals, so welcomes the creation of the Department for International Trade with this express purpose.

New free trade agreements (FTAs) should include access to 'maritime services'. It seems obvious and clear that shipping has to be seen and heard in the debate, and there should be no ignoring the vital role in a UK shorn of some of the trading certainties which came with EU membership.

WORKER MOVEMENT

Access to the best international maritime talent is another major issue. The Chamber seeks the creation of a simple and straightforward visa regime that enables UK shipping companies to compete in world markets.

All shipping companies, in the UK and overseas, rely on people with seafaring experience for technical and managerial roles ashore. So, too, do many businesses in the wider maritime sector; indeed, the skill and expertise of such personnel is a key point of competitive advantage.

For the UK to remain to a global maritime centre, in which shipping companies and other businesses can prosper and grow, and which attracts inward investment from overseas shipping firms, it needs to introduce a visa regime comparable with those in competitor jurisdictions.

The message is that the new regime needs to facilitate, rather than obstruct, the transfer of skilled personnel around global shipping companies' offices, and it needs to help UK-based companies to source personnel on the basis of expertise and talent, rather than their nationality.

URGENT REFORMS

There are some urgent reforms needed for the UK to compete globally, according to the Chamber. Uppermost in these is the need to transform the UK Ship Register and ensure that it is fit for purpose.

According to the report, the Register needs to provide a high-quality, prompt and responsive service to its shipowners and has to be able to attract tonnage to the UK flag.

These calls seem a veiled reference to the fact that perhaps the UK Register is failing – and so there would appear to be a need for an overhaul even if the vote had been to remain in the EU.

A shipping nation, such as the UK paints itself, really should have a shipping registry which echoes that standing. So failings and suggestions of a less than high-quality service are particularly concerning.

CADETS AND TRAINING

The Chamber is calling for an increase the number of cadets to at least 1,200 per year by 2020 and reduce the cost of cadet training through the SMarT Plus strategy. The supply of future talent is vitally important, and more people are needed within the system.

There are calls too, to provide funding to the dedicated maritime education and training institutions to update their premises, infrastructure and facilities to match the highest standards of provision throughout the UK, and to employ dedicated staff with relevant seafarer expertise and certification.

Such investments and improvements also need to be mirrored in the seafarer written and oral examination system and certification process. This needs to be shaped into an effective, efficient and cost-effective service that meets industry and seafarer needs.

More people, better facilities and a vastly improved and modernised system of examination and certification will hopefully be a massive boost to the whole industry, and will ensure that British shipping is in a position to not just survive, but thrive.

PURSUIT OF OPPORTUNITIES

The biggest single message to emerge from the report is the fact that there are opportunities for UK shipping outside the European Union, but that the industry needs to be in a position to take advantage of them.

This is seen as a chance to shape positive change. To invest and renew the infrastructure and to find new efficient ways of delivering – be that in training or management.

There is also a chance to identify and remove outdated and burdensome regulation. The Chamber refers to a new 'red tape challenge', delivering a regulatory environment for shipping that is driven globally and free from gold plating.

The EU has a long track record of gold plating IMO regulations when it believes they do not go far enough, which can place European shipping at a competitive disadvantage to the rest of the world. So being free of these EU burdens can position the UK well, but only if the industry is supported and can respond.

The full report can be accessed online:
<https://www.ukchamberofshipping.com/blueprint-growth/>

STICK OR TWIST ON SECURITY

The seeming successes against Somali pirates have meant some tough questions for the navies of the world. Do they stick or twist when it comes to the Indian Ocean theatre? The answers are seemingly mixed.

TIME OF REFLECTION

Despite fears Somali pirates could be setting to sea once more after the attack last month on the chemical tanker "CPO Korea" off Somalia. There has been much debate around the continued presence of naval assets in the Indian Ocean.

The United Nations (UN) recently revisited its discussions on piracy, and the Security Council renewed its authorisation for international naval forces to join in fighting piracy off the coast of Somalia.

They stated the problem remained, "a matter of grave concern", and unanimously adopted resolution 2316 (2016) and renewed the call for co-operation in deploying naval assets, logistical support, and by capturing boats, arms and related equipment used in piracy and armed robbery in the area.

For other organisations the decision to deploy to problem areas elsewhere was perhaps more compelling, and despite the UN view there has not been universal agreement on staying in the Somali theatre.

NATO SAYS NO

Despite the UN view, NATO has taken the decision to end its Indian Ocean counter-piracy mission after a sharp fall in attacks. The alliance is reportedly shifting resources elsewhere.

As such all NATO ships and patrol aircraft have now left the area off the Horn of Africa, where they patrolled since 2009. This comes as its operations are broadened in the Mediterranean to help the European Union stop criminals trafficking refugees from North Africa.

Counter to this, the European Union's naval mission has announced it will keep patrolling for pirates off the coast of Somalia for another two years, to guard against any resurgence of attacks.

The number of raids and kidnappings has fallen, but the EU said it would extend the EUNAVFOR "Operation Atalanta" until the end of 2018. Though, Danish warships and patrols have been withdrawn.

PIRATES TO MIGRANTS

NATO does not have an infinite capacity, and so with challenges to be faced elsewhere it has been clear for a while that something would perhaps have to give. So the move away from the Somali problem is no surprise.

The alliance has been coming under increasing pressure of late – and this is seemingly part of a response to potential criticism. President elect Trump has ramped up the rhetoric on the costs of maintaining NATO – and so there is a need to react to other sensitive issues and areas.

The new focus for NATO is now in the Mediterranean Sea, and a new standing maritime security operation named "Operation Sea Guardian" is in place. This includes three NATO ships and two submarines. The group started to conduct the first patrols in the central Mediterranean last month.

According to NATO, Operation Sea Guardian has three core missions: maritime situational awareness, counter-terrorism and capacity building. Additional tasks could be added if decided by the Allies, including upholding freedom of navigation, conducting interdiction tasks, countering proliferation of weapons of mass destruction and protection of critical infrastructure.

UNCERTAIN TIMES

The past month has once again seen a flurry of attacks and incidents. While the attack off Somalia of the chemical tanker "CPO Korea" has not seemingly immediately seen a return of Somali pirates, there are clear concerns that they could return.

Elsewhere, a Japanese-owned bulk carrier was attacked in the Sulu Sea off the Philippines. The vessel was able to thwart the attack, but it marked the latest incident in an area where the Islamist militant group Abu Sayyaf has been kidnapping crews for ransom.

According to an incident report from the ReCAAP Information Sharing Centre, the Japanese bulk carrier "Kumiai Shagang" was "attacked by pirates or militants" on November 20th in Sulu Sea, North of Tawi-Tawi Island in the Philippines. "The bulk carrier thwarted the attack by engaging in anti-pirate manoeuvres, the vessel continued the voyage from Port Hedland, Australia to Qingdao, China," the ReCAAP report said.

The attack prompted ReCAAP to warn shipowners to be very careful when transiting in between Sabah and the southern Philippines. With eight cases of piracy reported this year, including most recently one on a Korean heavylift ship, ReCAAP said it is concerned about the situation in the region and it has advised slow moving ships with low freeboard to reroute away from the area, if possible. Masters and crew are strongly urged to exercise extra vigilance.

TERROR TACTICS

While piracy continues, the issue of maritime security has also had to reassess the likelihood of a terror attack on shipping. There has been evidence that terrorists could be plotting another "Limburg"/"USS Cole" style hit using explosives.

The attack in late October on a Teekay gas tanker was committed by a group who were also carrying a "substantial amount of explosives". According to a range of maritime security experts, it may have been an attempted suicide attack.

There are concerns that the new details about the attack will heighten concerns for shipping in the narrow Bab al-Mandab waterway at the entrance to the Red Sea, a major choke point in the world oil trade. Teekay said its LNG tanker "Galicia Spirit" had "experienced a suspected piracy attack" but are now conducting an investigation, amid fears of the implications of suicide bombers hitting a gas carrier.



SHORE EMPLOYEES IN CRISIS

The first casualties of a downturn in the shipping market are usually seafarers. Now however, it seems those who work ashore are feeling uneasy about what the future holds for them.

FEAR OF LOSS

Results from the 8th Maritime Employee Survey were released last month, and reveal that shore-based employees in the shipping industry are more concerned with their job security than ever before.

According to the research by maritime jobs specialist Halcyon Recruitment and online training provider Coracle, 63% of participants were concerned about their jobs and that more expected to change jobs in the next 12 months than ever before.

Responses were drawn from all the key maritime centres and included respondents representing all the major trades working in both commercial and operational roles, and the results were based on nearly 3,000 responses.

Commenting on the results, Halcyon Recruitment Chief Executive Officer, Heidi Heseltine, said: "The results this year are unlikely to surprise most, as shipping markets have been, and continue to be, depressed. Save for some short-term improvements, there is no evidence to suggest any notable change on the horizon in the next 12 months. With a severe lack of promotion and advancement opportunities, morale is low and one of the leading reasons for dissatisfaction among employees in their current role."

KEY CONCLUSIONS

Other key conclusions from the report include:

- **37%** of respondents are considering a job change within the next year,
- A further **25%** are considering a move within two years;
- **38%** of respondents have received a salary increase and 49% have received a bonus in the last 12 months (both significantly down from 2015);
- **69%** of respondents are happy with the bonus they received this year, which has increased from 63% in 2015;
- Those working in the technical/health and safety markets are faring best with **53%** receiving a salary increase and **60%** a bonus.
- The tanker segment is one of the more positive markets with **56%** receiving a bonus and **42%** a pay increase;



BREXIT AND JOBS

With the UK Chamber of shipping stressing the need to ensure that any BREXIT deal encompasses positives for jobs, the Halcyon survey also looked specifically at the potential impact of the UK leaving the European Union.

According to their results, they stated, "With the impact of Brexit still remaining to be seen our participants found that no positives could arise from Brexit. The results revealed that respondents perceive the biggest negative as being the impact of business tariffs on trade between the UK and EU, followed by the potential of employers relocating their business."

As with so much of the current climate it seems that there is a large degree of uncertainty, and certainly a lack of clarity. Dependent on the final deals with regards to visa issues and movement of people, then it could be that companies do seek to leave the UK.

Full details of the report can be found at:
<http://www.halcyonrecruitment.com/news/article.aspx?ArticleID=64>

WAGES AT SEA

While professionals ashore may be feeling uncertain, there are also issues reported out at sea. A survey of seafarers "happiness" recently found that wages levels appear to be frozen, and the fear of non-payment is the real concern.

Seafarers reported not having received a pay increase for as many as seven years. Others stated that it was extremely difficult to negotiate any rise in pay. Despite repeated and vociferous efforts, a number of seafarers stated that it was next to impossible to get owners, operators and managers to raise salaries – with uncertainty in the markets voiced as the reason that wages are stagnating.

With seafarers worried about pay level and even getting paid at all, and with shore based professionals feeling anxious, it seems there are some issues bubbling away, and the feeling is rather concerning.

Such issues were the topic of much debate at the recent Crew Connect conference held in Manila. Amongst many such calls, InterManager urged the maritime industry not to neglect its duty in ensuring a sustainable future and with an increased requirement for "skilled and competent seafarers", the need to keep people happy seems self-evident.

TACKLING ISSUES

Other key industry issues to emerge recently were the need to get into the hard to fix areas of shipping – to make sure that fatigue at sea is finally tackled, and that the issues of the effect on performance and ultimately safety are understood.

Captain Kuba Szymanski, InterManager's secretary general, recently chaired a panel on the findings of "Project MARTHA"; a fatigue study which is working to put together a Fatigue Risk Management System (FRMS) and to provide fatigue awareness training, fatigue prediction models, fatigue reporting systems and advise on corrective actions to take to minimise/eradicate fatigue incidents.

According to the findings of the project thus far. It appears that ship's Masters suffer from fatigue and stress more than their crew. They also found that fatigue can result in long term physical and mental health issues.

Another key finding was that motivation decreases over the length of the voyage. Alas the longer people spend at sea the harder it is to maintain performance levels – this is something that will translate directly to safety, so has a major impact on the industry.

MORE THAN TIRED

While Project MARTHA has focused on the fact that Masters are even more stressed and fatigued than their crews, it seems the bad news doesn't stop there. There are growing legal issues for Captains to deal with too. The threat of going to jail while doing a job, remain a major pressure for masters of merchant ships - and the situation is getting worse.

"Masters Under Attack – Authority and Responsibility in an Age of Instant Access" was the topic discussed by an expert panel at the Cadwallader Debate, organised by the London Shipping Law Centre (LSLC). There were no quick answers, and it seems clear that the role of Master is even more complicated than ever before.

Today there is a rising tide of legislation, responsibility and accountability. Each needing to be managed and carefully handled. The issue of pollution was a key part of the debate – especially with the prevalence of whistle blowing in the USA. According to lawyers, the rise of modern technology onboard, means that, "every crew member becomes an agent for the U.S. Government," given the considerable incentive offered to whistle blowers.

The poor old Master, bedevilled it seems on all sides. The rules and new legislation bring ever greater demands onto the Captain's shoulders, then there is the age old need to actually navigate safely which is it all goes wrong comes with an increased risk of incarceration. Tough times indeed.



MONTHLY NEWS ROUND-UP

WE LOOK AT THE NEWS STORIES WHICH HAVE CAUGHT OUR EYE OVER THE PAST MONTH.

Magic Pipe Huge Fine:

Princess Cruise Lines will pay a US\$40m penalty after pleading guilty to seven federal charges in an illegal ocean pollution case that involved one ship's use of a so-called magic pipe to divert oily waste into the waters. Miami US attorney Wifredo Ferrer told a news conference the penalty was the largest ever of its kind. A plea agreement filed in federal court also requires Carnival, the UK and US-listed parent company of the Princess line, to submit 78 cruise ships across its eight brands to a five-year environmental compliance programme overseen by a judge. The illegal practices came to light when an engineer found the "magic pipe".

<https://goo.gl/GTIFtz>

Hamburg Sud Purchase:

Maersk Line is to acquire German rival container shipping line Hamburg Süd and expects to finalize the transaction by end 2017, parent A.P. Moller-Maersk has confirmed. Maersk said the acquisition is subject to final agreement and regulatory approvals, and will have no impact on Maersk's outlook for 2016. A.P. Moller-Maersk said it expects to communicate further details following approval of the purchase agreement which is expected early in Q2 of 2017.

<https://goo.gl/NwRnq9>

Zim in the Red:

Israel's shipping company ZIM Integrated Shipping Services posted a net loss of USD 37.6 million in the third quarter of 2016, compared to a profit of USD 11.1 million seen in the same period last year, due to the continued deterioration in the container shipping market. ZIM's gross profit for the quarter amounted to USD 13.7 million, against USD 32 million recorded in the three-month period of 2015. The average revenue per TEU went down 20.8 percent in the third quarter of 2016, decreasing to about USD 887 from USD 1,120 in the same period of 2015.

<https://goo.gl/8IXVDW>

Driving Ballast Savings:

Ship owners are seeking cost effective solutions for ballast water management as the IMO convention nears entry into force. On a recent visit to Vancouver, three owners reported progress on bringing down the cost of compliance. Containership owner and manager Seaspan Corporation has been operating ballast water management systems under joint industry projects with system manufacturers for the past five years, helping suppliers to develop their units, CEO Peter Curtis told The Motorship. The company currently operates such 'beta-type' retrofitted units on four vessels.

<https://goo.gl/o0lk97>

Maersk Losses Logged:

Maersk Line reported a third quarter (Q3) 2016 result that is USD 380 million lower than Q3 2015. The overriding reason for the loss is decline in freight rates compared to Q3 2015. Revenue in Q3 was USD 5,359 million, which is 11% lower than Q3 2015 (USD 6,018 million), the company said in its press release. Volumes were 11% higher as Maersk Line was able to win market share. Amongst others due to increased volumes following, Hanjin's court receivership filing, increasing customer focus on financially solid carriers and increased volumes on back haul services.

<https://goo.gl/kahqsG>

Google and Ship Propulsion:

After the Google Car comes the Google Ship with news the internet giant has patented a new form of ship propulsion. The kite-based propulsion system is being developed by Makani, a company Google acquired three years ago, and the airborne wind turbine could ultimately be used to move data centres. The patent is specifically for an "airborne rigid kite with on-board power plant for ship propulsion". Makani Power stated that the "energy kite" has the potential to generate 50% more energy while eliminating 90% of the materials used and for half the cost.

<https://goo.gl/gzzRic>

Coral Reef Crushed:

Officials in the Cayman Islands are trying to determine exactly how much damage was caused to a coral reef after the grounding of the containership MV Saga near George Town. The Ministry of Environment says it is aware of the incident and is in the preliminary stages of its investigation into the grounding and survey of the reef. The 3,800 dwt "MV Saga" ran aground early Friday morning as it was leaving port. The vessel was pulled free by a tugboat and taken back to port, but not before the ship's hull reportedly crushed a significant area of the coral reef.

<https://goo.gl/FPC942>

Shipping is Officially Beautiful:

A map showing the activity of shipping vessels won first place in the Interactive category at the Information is Beautiful Awards this year. The website, shipmap.org, plots thousands of ships on their journey through canals, major rivers and the high seas: activity often well out of sight for the general public.

<https://goo.gl/1OxGUS>

IMOs Maritime Safety Committee 97:

Delegates have been welcomed to the ninety-seventh session of the Maritime Safety Committee. For 2017, IMO will be focussing on the linkage between ships, ports and people. While the future for the IMO is to see a more cohesive and connected scheme of global ocean governance. There is also concern about security once more - with attacks on warships and the m.v. Galicia Spirit in the Bab Al Mandab, they are looking at cyber threats, floating armouries as well as receiving updates on piracy and armed robbery against ships, and unsafe mixed migration by sea.

<https://goo.gl/TbJkcu>

US Navy Data Hacked:

Personal data belonging to 134,386 current and former sailors in the U.S. Navy has been compromised, the Navy has reported. It wasn't immediately clear when the hack took place, but the Navy is pointing the finger at a compromised laptop belonging to a contractor as the source of the data breach. In a statement, the Navy said it was notified by Hewlett Packard Enterprise Services that a laptop belonging to one of its employees was compromised. That employee, the Navy said, was working in support of a Navy contract.

<https://goo.gl/XzgGid>

Training Makes a Difference:

Training acts not only as a career enhancer, but also plays an essential role in the modernisation of the shipping industry as a whole, said Esben Poulsen, Chairman of the International Chamber of Shipping (ICS) today, as he delivered the keynote speech at this year's Crew Connect Global Conference in Manila. He stressed, "The future sustainability of the industry requires an evolutionary response to the training and retention of seafarers". "We need to do more than simply respond to changing needs, we must learn to anticipate them and thereby control the development of the industry."

<https://goo.gl/RCvCjc>

Lack of Maintenance Fears:

BraemarSA has warned that a lack of maintenance has led to a significant increase in engine room fires according to its latest Asia Market Briefing. Analysing the trends report, its author, Graeme Temple, Far East Regional Director at BraemarSA, said: "Engine room fires remain all too common a problem, and during the summer we saw a dramatic increase. Since attending these casualties we found that typically these fires are being caused by volatile vapours impinging on hot surfaces from technical failures that are down to a lack of maintenance and basic routine visual inspection."

<https://goo.gl/uXr7a0>

Human Rights Reporting:

The "eyewitness" to Atrocities app has won the Geneva Centre for Security Policy Prize for Innovation in Global Security. The app makes it possible for people who witness crimes and human rights abuse at sea, or anywhere, to capture evidence. Developed by the International Bar Association, the app, through its unique capabilities, enables Android smartphones and tablets to be used to document crimes - such as murder, armed robbery, human trafficking, piracy and drug smuggling - in a way that is admissible as evidence in a court of law.

<https://goo.gl/2lpNDR>

Enclosed Space Concerns:

The UK P&I Club, has been commenting on seafarers not correctly implementing enclosed space entry permits. "Amendments to the SOLAS convention on enclosed space entry came into force on 1 July 2016, requiring all ships to carry portable atmosphere testing equipment on board. "Under the new regulation the atmosphere testing equipment on board must be able to measure the concentration of oxygen, flammable gas/vapours, hydrogen sulphide and carbon monoxide as a minimum before a crew member enters an enclosed space."

<https://goo.gl/NTTCHg>

Ship Slashes Internet Cable:

A ship has managed to accidentally cut internet cables connecting Jersey to the UK late last month. This drastically slowed internet speeds on the island. A ship's anchor dragging along the seabed on Monday night has severed the three cables used by network company JT to connect the Channel island to the English mainland, JT said on its website. As a result, it is now reliant on one cable to France - which is slowing connections. Repair efforts are now underway on the fibre-optic cables, and may take a "week or so." The BBC is reporting that the ship responsible has not been discovered, and the insurance implications.

<https://goo.gl/hOVHb>

SEACURUS BULLETIN

WWW.SEACURUS.COM

The Seacurus Bulletin is published monthly by Seacurus Ltd
- providers of MLC crew insurance solutions
