



Rough seas may be ahead for shipping IPOs

- Two bulk shipping companies will be competing for investors' attention next week when they are expected to go public, but analysts are questioning their ability to nab much cash.

The first company, Baltic Trading Ltd., was formed by drybulk shipper Genco Shipping & Trading Ltd., based in New York. The second, Crude Carriers Corp., of Greece, is managed by Capital Maritime & Trading Corp. Crude Carriers plans to buy and operate a fleet of oil tankers, while Baltic Trading will ship dry goods.



It may not be the best time for a shipping company to ask investors to take the plunge. The industry has been hurt by sluggish global demand for commodities like oil, cement and iron ore and coal. Making matters worse, the IPO market has been difficult all year as concerns about the pace of the global economic recovery has dulled investors' taste for new companies.

Both companies plan to direct their fleets to the spot market, meaning they won't focus on getting into long-term shipping contracts. Crude Carriers said it will keep its options open for long-term charters, but will try to keep those contracts flexible, so it can jump on opportunities when they become available.

Francis Gaskins, president of IPOdesktop, said potential investors should be concerned about the companies' focus on the spot market, which can vary greatly depending on global demand.

"People are thinking that the economy will show a little bit of growth, but that doesn't give them a whole lot of security to base their business on," he said. "The winds can swing against them right away."

(contd. on page 2)

Highlights

	Page
Rough seas may be ahead for shipping IPOs	1
Baltic and International Maritime Council reviews the current World Shipping Situation	2
Editorial	3
Singapore raises security in terror scare aftermath	4
Shipowners risk fines, imprisonment	5
Asian Shipowners' Forum Interim meeting in Tokyo	6
Terror attack feared in Malacca Straits	7
Trends in global shipbuilding	8
Passenger ferries freed from Baltic Sea ice	10
Nigeria: Nimasa Sets to Transform Dock Labour	11
New navigation system set to boost trade	12
Govt to encourage pvt investments in shipping	13
Brutal shipping metaphors	14
E.E. Mitropoulos, Secretary-General, IMO speaks	15
Right time to invest in tonnage	16
Pirate attacks raise risks for Oil Tankers	17
When is a Guilty Ship not "Guilty" for the Purposes of an Associated Ship Arrest?	18
IUMI pessimistic on recovery	19
Govt advised to establish Maritime Training Board	20
ITF as clear and present danger to global shipping	22
What is Green Ship?	23

OUR LEGAL ADVISORS

Surana & Surana — International Attorneys



Head Office: International Law Centre, 61/63, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004, India.
Tel : 91-44-28120000, 28120002, 28120003
Fax: 91-44-28120001, E-mail: intellect@lawindia.com

(contd. from page 1)

Baltic Trading plans to sell 16.3 million shares for \$14 to \$16 and raise \$244.5 million. Crude Carriers hopes to raise \$270 million by selling 13.5 million shares at \$19 to \$21. Both companies plan to use the proceeds to purchase vessels.

Crude Carriers has entered into a deal to buy three vessels, one that it plans to take delivery of when the initial public offering is complete. Another is expected to be delivered this month and the last is scheduled for delivery in June. The shippers are entering the market at a tumultuous time - as the market is just starting to recover from record low demand during the recession. And things aren't getting better fast.

Jefferies & Co. analyst Douglas Mavrincac believes that the outlook for crude oil tankers will remain challenging in the near future, because there are still too many ships on the market and business is still weak. Longer term, he thinks oil shipping will pick up as demand for crude returns.

The drybulk industry should pick up sooner as industrial activity improves around the globe, he predicts. For now, though, shipping companies' stocks are still floating at record lows.

The Baltic Dry Index, which measures shipping activity across global trade routes, hit a bottom below 1,000 in late 2008, after reaching highs above 11,000 the year before. The index has recovered slightly since, but some analysts have said the increase is due more to a higher number of ships on the seas rather than an industry recovery.

"I question the wisdom in planning to have these two deals in the same week," said Scott Sweet, who analyzes IPOs for IPOBoutique.com. "You don't see that in the best of times, and right now the entire bulk shipping sector has been hammered and is already on sale at bargain basement prices."

Market instability has pressured IPOs lately. Investors have steered away from IPOs with shaky financials. Many companies have settled for lower proceeds, postponed their offerings or canceled them altogether.

"It's hard to find growth opportunities when the global economy has flatlined," Gaskins said. "It's hard to get excited when nothing's happening."

Baltic Trading is expected to begin trading Wednesday on the New York Stock Exchange under the symbol "BALT." Crude Carriers is expected to start trading Friday under the symbol "CRU," also on the New York Stock Exchange.

Baltic Trading's offering is managed by Morgan Stanley and Dahlman Rose. Crude Carriers' offering is managed by UBS, Bank of America Merrill Lynch, Wells Fargo Securities and six co-managers.

Both companies were incorporated in the Marshall Islands in October.

Baltic and International Maritime Council reviews the current World Shipping Situation

The Baltic and International Maritime Council (BIMCO), an NGO which represents and focuses the opinions of ship owners, agents, charter companies and other industry professionals, has issued "Reflections 2010", a long hard look at the current state of the shipping industry and expresses its opinions on the best way to resolve the problems facing freight and logistics companies world wide.

The report centres on what the organisation considers the four most important areas which the global shipping community need to focus on. It points out that these key areas present compelling problems which need rapid solutions regardless of, as they put it, "today's challenging commercial pressures."

The four areas the BIMCO document concentrates on are "The compelling need to prevent shipping regulation becoming fragmented, the importance of recognising IMO as the agency to govern shipping's response to greenhouse gas emissions, the contribution of the human component and the need for positive action on piracy" according to the organisations President, Robert Lorenz-Meyer.

BIMCO, in common with many shipping interests, believe it is essential for the International Maritime Organisation (IMO), along with other bodies, to take the lead role in organising and regulating the trade worldwide to avoid a patchwork of local interest regulations. The IMO should also shoulder responsibility for committing ship owners to cutting greenhouse gases by introducing binding policies and forcing compliance.

This year has been deemed "Year of the Seafarer" and BIMCO wish to promote the cause of the ordinary crewman with better conditions and enhanced safety procedures and has vowed to support the International Labour Organisation's Maritime Labour Convention. To counter the threat of piracy BIMCO have initiated their Automated Voyage Risk Assessment Service to help owners gauge all security risks in Somalia and elsewhere.

Filipino Seafarers to undergo Anti-piracy Training

The Philippines has ordered its seafarers, comprising about a third of the world's commercial sailors, to go through anti-piracy training before they will be allowed to board ships, the labor secretary said Monday.

The training, which lasts about eight hours, will be mandatory from Jan. 15. The measure is a response to a wave of ship hijackings, which remain a serious problem a year after an international naval armada began operating off Somalia to protect shipping lanes.

Labor Secretary Marianito Roque said sailors will be taught how to use fire hoses and maneuver their vessels to prevent pirates from scaling them. They will also learn how to manage hostage crises if they are taken captive.

"Everyone who will be deployed on board a ship will go through the training," Roque told The Associated Press.

(contd. on page 4)

From the Editor's Desk



"The willingness to accept responsibility for one's own life, is the source from which self-respect springs." It is firmly believed that it is important to keep one abreast of the happenings, lest we take refuge in our ignorance. I would ask myself, as to how can one be at peace when so much was going wrong? So much of what we see is poorly checked for facts with no rigorous analysis. There do seem to be ideas worth pursuing. Serious journalism is under threat in our country because of over-commercialization.

Calls for, attitudinal changes of Mariners in the Mercantile Marine department (MMD) or release them on VRS, inducting competent personnel's who can sincerely work for the seafarers and the nation, in a fair-manner to boost Indian image.

*Dr.Chandran Peechulli, "Marine Waves" * Its high time, they advice the eligible candidates who are repeatedly failed in exams., with a solution, as to what and where they lack, for failing in the examinations after their several attempts, losing foremost the valuable "TIME", running into many years(3+) and months together, which is most precious to their respective life-span. Such of those failed candidates had successfully passed-out initially from DG Shipping approved Maritime Instn./Colleges, from those faculty-members, nevertheless qualified C.O.C. than that of MMD Examiners, added to more rich sea-experience and subjective knowledge than them, doing administrative desk jobs. Hence suspect foul-play in the system. *A comprehensive outlook lacks for implementing fairness in the system, which the Ministry of Shipping should seriously note (citizen's woe).*

Being a social activist and a responsible citizen of India, viewing seafarers welfare, it is my endeavor to make a wider coverage with the deepest analysis and the sharpest insights of areas, where the seafarers are made to suffer, by exposing the loopholes and concealed facts, viewing and producing solutions, for timely corrective actions, which is my priority since the seafarers live with risks and sacrifices, on ocean-going vessels doing hazardous jobs out on the deep seas additionally with the scare of pirates, within their inner conscience, during these modern times. Employers, of the relevant shipping companies and their national maritime administration's prime concern, are to view their welfare, humanistically. No control exercised as yet for such human souls venturing out to sea of which how many returns. INDoS introduced several years back is not fool-proof. Being in the world shipping trade, they earn substantial foreign-exchange to their country of origin, for which "What does the country give back to them (seafarers)", unlike the shore staff, in welfare or in compensation of return? Government should ensure that at least a good service from the Mercantile Marine Departments, when seafarers are supposed to transact during their precious hard-earned leave ashore but for harassment and humiliation, which is not expected in a sovereign democratic republic country, that of ours. This poor quality of administration and neglect to seafarer's needs are owing to corruption within, creating unwanted self-importance by deliberate delay, tempting the seafarers to grease the palms of the concerned, which is needless to say." "Corrupted people have a good network of being united" A good citizen cannot be a silent spectator to the wrong happenings nor a messenger without verifying the facts. Proper acknowledgement is not given for the important documents that are submitted since the authorities concerned do not want to be committed to take responsibility, as simple as that if goes lost, which is at the cost of the seafarers submitting the documents. Secularism alone is nothing while compromising with the quality of administration.

Let's Think of what a precious privilege, to be a human-being and to breathe healthily alive with fresh thoughts and the sparkling resultant of good bright ideas, be turned into productive action, which is more important than ideas left unexposed and undone. Please come up with your valued suggestions, which are open to all citizens for viable implementation, contributing towards our national development. Adhere to live and to let live, to love and think to enjoy doing good things in continuance with a good moral character for the generations of the future to follow. Always remember that gains achieved without pain, generally by the opportunistic, crooked, and lazy and the lethargic, through short-cuts are short-lived. Build-in the national-spirit; consider the solidarity of Indian citizens, as unity is strength. The political issues of splits into bits and pieces are not encouraging, appears certain bad internal elements backed by external forces are at work, forgetting unity is strength. It's not whether we have migrants in our place. All of us have them in our states, districts, others in their countries. The issue is that when we have so many of them and they start to get the cream, take over the business, the fruits, and treat the residents like a part of "locals", by design or default, start to take away their jobs, opportunities and then start colluding with the biggies and hobnobbing with the state and authorities, of things in their personal favour, then it hurts and it can hurt bad and big. One could tolerate this, until a certain level but not beyond a point. Naturally it starts feeling unfair and not right. Come together with an amicable solution. This is and was, what it was not meant to be or supposed to be! To recall your memory, British came here as migrants, as people who were searching jobs and business, we welcomed them initially but look back what happened in the long run. We had to fight them tooth and nail and sacrifice millions of lives in the process and throw them out! Let's have the identity as Indian and view our fellow-men alike.

So, all the talk and history of the freedom struggle, is a waste and useless. We could have lived under them and progressed, instead of fighting among ourselves. (Some still believe that would have been a good idea!). Sure go ahead, we anyway are under cultural imperialism when we have sold our souls and minds and thoughts to the other world and cherish the thoughts of being like them one day! The best would be to find ourselves together, sorting out differences and not allowing differences to grow. Only then could we say that we are heading for peacefulness, happiness and prosperity.

Migrations are natural, even desirable in some parts as good but let us not overdo it and throw the baby with the bathwater. Let us not "miss the point" make either rather naive comparisons or politically correct one, just for the sake of it. I have no political color or shade when I say this, but I can understand the pain, the feeling of the local and regional. We do so much speak so much for the vanishing tiger or the polar bear or the riddled turtle, I hope the days are not far, for seafarers to get their genuine voice heard and redressed. We shall also know as to what the mariners, who opted for shore service, feel about the guilt, which earlier envied them?

Dr. Chandran Peechulli, Ph.D; MBA; D.Sc; FIE(India), PgDIMS(UK), PgTED; FIPE; MSEI; MSNAME(USA),

Ex.Chief Engineer(Marine), G.M.(Tech) Crossworld Shipping, Managing Editor & Publisher – "MARINE WAVES" International Maritime Newsletter. www.themarinewaves.com * view highlights and back issues of editorial contents, to convince you all about what "Marine Waves" does to the society's well-being, as a member of the Humanist Party of India.

(contd. from page 2)

Recruiting agencies will conduct the training and issue a certificate required by the government prior to a seafarer's departure, Roque said.

The program is based on one used by the International Association of Independent Tanker Owners, which operates about 80 percent of the world's tankers.

Sailors will not be armed and training classes will not include the handling of firearms, said Capt. Rex Recomite, a manager at the Norwegian Training Center in the Philippine capital, Manila.

The course will teach sailors how to detect approaching pirates and who to communicate with in case of an attack, he said. The guidelines include telling sailors to go full speed ahead in case the crew detects small vessels nearby, and to avoid sailing near coastlines, Recomite said.

The Philippines supplies about a third of the 1.5 million commercial seafarers worldwide. Somali pirates have kidnapped 470 Filipinos since 2006, and are still holding at least 74 aboard six ships, said Foreign Affairs Undersecretary Esteban Conejos.

Pirates operating off the coast of Somalia and the Gulf of Aden, one of the world's busiest sea lanes, have hijacked more than 80 ships in the past two years, with many of the seizures earning them multimillion-dollar ransoms. Attackers now hold 14 vessels and close to 300 crew members. Four vessels were seized last week.

Singapore raises security in terror scare aftermath: Singapore is raising its security alerts after reports emerged that terror groups linked to Al-Qaeda affiliate, Jemaah Islamiyah, were planning to attack oil tankers in the strategically-vital Malacca Straits waterway.

"Basically, all alert levels have been raised not just for ships but also for the security measures that we have undertaken for Singapore," the nation's Home Affairs Minister Wong Kan Seng said in parliament defending the steps as a counterpoise to the terror scare.

The nation's Channel News Asia news agency quoted Isa Munir as saying that Malaysia had deployed eleven patrol ships to secure the waterway and that the country was working with its neighbours.

The Malacca Straits is a vital gateway for exports from Europe and America bound for Asia and north Asia. Some 50,000 vessels use the waterway annually, including bulk carriers and tankers laden with iron ore and crude oil for China and Japan.

Malaysian Transport Minister blames scandal on leadership woes: Malaysia's Transport Minister, Ong Tee Keat, blamed the Port Klang Free Zone (PKFZ) crisis on the on-going leadership tussle in the Malaysian Chinese Party (MCA). The MCA is a component party in Barisan Nasional, the nation's ruling party.

"I am willing to bear the consequences of the investigation on this crisis. But, if the impact is on the party, I apologise because this is unpredictable," he said in a speech during a meeting.

According to the Bernama News Agency, the latest mention by Mr Ong was his third linking the PKFZ scandal with the leadership crisis.

Large scale resignations jolted the party out of its quiescence and though Mr Ong himself was unable to establish any clear links between the resignations and the crisis, he left the issue open saying: "I do not know if this is a co-incidence or otherwise". The PKFZ scandal had been dogging Malaysia over the last years, after revelations came to light that massive cost over runs and maladministration had caused a squandering of public funds coupled with the desultory way its warehouses were built in Pulau Indah.

India, Pakistan, Bangladesh unite against IMO ship recycling convention:

Various ship breaking communities from India, Pakistan and Bangladesh recently held an internal meeting on the sidelines of a ship recycling conference in Dubai. The group has decided to form a common front to oppose the new IMO mandated ship recycling convention which the three countries are planning to ratify, reported the Economic Times.

"We are planning to make one body of the three countries to work against the new stipulation," the publication quoted Pravis Nagarsheth, President of the Iron Steel Scrap & Shipbrokers



Association as saying. "India should not ratify the IMO Convention on ship recycling as it is against the interests of the country. The convention is totally one-sided without any obligation to the ship owner or ship builder."

He said that the convention has disregarded the Indian point of view and that by ratifying it, India would only achieve "international interference".

"Whatever regulations that are needed for environmentally sound and labour safe ship recycling in the country can be implemented through national regulations such as the Amendment to Gujarat Maritime Board regulations 2003 and the Comprehensive Code on Ship Recycling being finalised by the steel ministry under the directions of the Supreme Court of India," he continued.

Mr Nagarsheth said that he expected associations in Gujarat to join the group.

Shipowners risk fines, imprisonment:

Horsholm, Denmark: Shipowners may run into both heavy fines and imprisonment as a consequence of lacking international rules for organic load in sewage plants. Many sewage plants may simply be too small. The issue will be a hot topic at the upcoming Royal Institution of Naval Architects (RINA) conference in London from March 10 to 11.

As of January 1, much stricter guidelines on treatment of black water have placed equally stricter demands on shipowners. The guidelines, outlined in the MARPOL 73/78 rules under the IMO MECP 159(55) Resolution, restrict treated sewage contents of BOD5, TSS, COD, thermo-tolerant coliform bacteria and chlorine.

At first sight, the stricter guidelines should not pose a problem to shipowners with a sewage plant approved by a major classification society such as DNV or Bureau Veritas.

At second sight, however, the new guidelines pose a significant threat as even shipowners with newly approved sewage plants run the risk of both fines and imprisonment. The reason is that there is a significant risk that the sewage plant is too small.

A quote for a sewage treatment plant is normally requested by specifying the number of persons onboard. However, a sewage plant is not approved based on the number of persons, but rather on hydraulic load (litres per day) and organic load (kilograms of BOD5 per day).

"The problem arises as there are no rules governing the conversion of these loads into number of persons, and that some manufacturers exploit this regulatory void to target low prices rather than low effluents," said Jakob le Fevre, Product Director at Gertsen & Olufsen in Denmark.

"The resulting sewage plant may have been cheap but is very likely not efficient enough and thus leaves the shipowner little leeway when the inspection comes."

Size and the severity of consequences depend on the waters: imprisonment under Danish law can be up to two years, and in Canadian waters, under the Canada Shipping Act, the penalty for violation is a fine of up to US\$1 million, imprisonment for up to three years, or both.

Mr Le Fevre will be speaking on the subject at the upcoming Ship Design and Operation for Ship Environmental Sustainability Conference at RINA in London from March 10 to 11.

Gertsen & Olufsen is the developer and supplier of the G&O Bioreactor, a fully biological sewage treatment plant for offshore and ship use.

Mr Le Fevre explained, that a sewage plant, despite its official approval, may be grossly undersized due to a liberal attitude when converting the organic load and BOD5 into the specified number of persons.

"With shore-based sewage treatment plants, the minimum amount of BOD5 to use in calculations is 600mg per litre of black water. The organic load of the inlet for marine applications, however, is not mentioned in any rules or by any authorities," Mr Le Fevre said.

The German sewage treatment plant testing facility, Prüfinstitut für Abwassertechnik, PIA, in Aachen, has suggested using

750mg of BOD5/litre of black water as a minimum when putting together a sewage plant designated for marine use.

"If you combine PIA's organic load minimum with the values for hydraulic load, the result is a minimum of 75 grams of BOD5 per person per day for grey and black water and 53 grams when treating black water alone. Some manufacturers, however, specify organic loads as low as 13.5 grams of BOD5 per person per day," Mr Le Fevre said.

The ensuing calculation says it all, explained Mr Le Fevre: a sewage plant to treat black water from 25 persons based on the low figure will have a capacity of $25 \times 13.5 = 337.5$ grams of BOD5, whereas an equally requested plant based on the PIA minimum will be able to handle $25 \times 53 = 1,325$ grams of BOD5 on a daily basis, almost four times as much.

"The first plant will simply not be able to live up to the demands. In my opinion, the reason that some manufacturers use the low conversion factor for organic load is clear enough: they can come across as very cost effective compared to suppliers with plants based on more realistic figures," Mr Le Fevre said.

Historically, onboard sewage treatment has not been at the centre of attention for shipowners. This may have to do with the fact that there has been no control.

"This has changed, though, after January 1. The regulations in MEPC 159(55) explicitly state that the authorities must insure that the sewage plants continue to function properly after installation.

"In practical measures, this means that samples are to be handed over during port state control and that the shipowner is responsible if effluents are above the limits."

He and Gertsen & Olufsen have raised the issue with the Danish Maritime Authority and it has been decided to seek the case taken on as a "New Agenda Item" at MEPC 61 in order to agree on joint minimum effluent values.

Until then the only thing shipowners and designers can do to ensure that their sewage plant is in order, is to specify organic and hydraulic loads.

Terror attack feared in Malacca Straits:

A terror alert on the attack of oil tankers passing the Malacca Straits has sent the local shipping community in Singapore abuzz, Baird Maritime has learned.

Sources close to the Singapore Shipping Association (SSA) said that credible indicators have emerged of planned attacks on merchant ships prone to using the world's busiest waterway.

The account incidentally was also verified by a Reuters news story that was carried by Singapore's Channel News Asia. In the Channel News Asia story SSA revealed that it received an advisory from the Singapore Navy Information Fusion Centre about an indication that a terrorist group is planning attacks on oil tankers in the Malacca Strait.

The SSA's advisory elaborated of the possibility of "not [precluding] possible attacks on other large vessels with dangerous cargo".

More than 60,000 vessels pass the straits annually. An attack or a coordinated series of attacks could potentially cause a

closure of the straits and cripple crude oil and iron ore imports to Japan, China and much of north Asia.

Asian Shipowners' Forum Interim meeting in Tokyo: The 22nd Interim Meeting of the Asian Shipowners' Forum (ASF) Shipping Economics Review Committee (SERC) was held in Tokyo on March 2.

The meeting was attended by 19 representatives from the ASF member associations of ASEAN, China, Chinese Taipei, Hong Kong, India, Japan and Korea.

The ASF SERC is a forum for senior executives of Asian shipping lines to review macroeconomic trade information and developments, as they relate to shipping and trade.

The objective of the SERC is to improve the quality of executive decision-making by the review of available macroeconomic data and the sharing of perspectives on major trade and shipping policy issues.

The ASF SERC has released the following notes of the meeting.

1. World economy: The SERC delegates shared the common view that the major developing economies, including China and India, have retained their strong economic growth, in contrast to the slow recovery from recession in developed countries, and will continue to be the main focus for the revival of the global economy.

The delegates agreed that it was important for carriers to develop an accurate perception of the overall trade situation through better access to reliable trade information and understanding of macroeconomic trends in order to improve decision making and avoid misjudgements.

Bearing this in mind, the meeting reaffirmed the importance for CEOs of Asian shipping companies to calmly consider the facts regarding the impact of the current global recession and lessons learned from this time as they review their business operations.

2. Dry bulk and tanker shipping: 1) It was recognised that the dry bulk market had made a remarkable recovery, following on from the historical low record of the Baltic Dry Index in December 2008, and currently remains firm, despite turbulent swings, mainly due to the constantly growing volumes of imports of iron ore and coal by China and India.

The delegates noted that Chinese demand would drive the 2010 global seaborne trade in iron ore past one billion tonnes for the first time, and consequently the concern over the possible huge number of new buildings being delivered in 2010 could be mitigated.

2) As for the tanker sector, the market remained sluggish, regardless of vessel types and trades in 2009, partly due to the low demand for crude oil and petroleum products in developed countries and the slow retirement of single-hull tankers. It was recognised by some delegates that the market in 2010 would likely remain on a softening trend for the time being, in light of the high supply of new buildings.

3. Liner shipping: 1) All the delegates recognised that the entire container shipping industry remained in unprecedented difficulties and seemed to face a deficit of approximately US\$20 billion in 2009.

Under the current circumstances, the meeting recognised that it was critical for shipping companies to facilitate a constructive

relationship with shippers to obtain their correct understanding on the severity of the current crisis and subsequent impacts.

2) In connection with the Intra-Asia trade, it was reported that the container cargo movement has maintained a year-on-year increase since September 2009, thanks to the upward trend of the Asian economy since the second quarter of 2009, although the total volume in 2009 appeared to slightly trail 2008.

Taking into account the expected further increase of cargo movement by the launch of the free trade agreement between China and ASEAN on January 1, the delegates shared the view that demand in the Intra-Asia trade as a whole would likely maintain a positive trend, but noted that the market was still fragile and could face volatility due to increased market entrants as a result of current low charter rates.

3) As for the US/Far East trade, the delegates noted that the supply and demand balance and general space utilisation were at a more favourable level since the end of 2009, as a result of the scale reduction of ship operations made in response to the sluggish US economy.

Concern was also expressed that there still remained a huge capacity laid up globally at around ten percent of the total container fleet, which could easily affect the brittle supply and demand balance in the trade, depending on the extent of any reintroduction of capacity.

4. Antitrust immunity: With regard to the anti-trust immunity system for ocean carrier agreements, reports were made on the recent developments in countries and regions such as US, EU, India and China.

Recognising the ASF's long-standing stance that carrier agreements contribute to an improvement of service quality/efficiency and that anti-trust immunity system is absolutely indispensable for healthy development of the shipping industry as well as the whole trading industry, the delegates agreed to make continued efforts to seek the understanding of concerned parties such as governments and shippers for the necessity of the immunity system and important role of carrier's agreements.

5. Environmental issue: The meeting noted the latest developments on environment issues discussed at the IMO, which will have huge impacts on the operations of shipping companies. The members unanimously recognised that it was essential for the shipping industry, as part of its corporate social responsibility, to work together to address the reduction of gas emissions from ships.

Anticipating that fuel oil prices will continue to increase, due not only to normal market forces, but also expected fuel-levies such as a low-sulphur surcharge, the delegates shared the common understanding of the need for developing new technologies for the improvement of fuel-efficiency.

The members also took note that slow steaming was one effective mean to reduce emission and save fuel consumption. In reference to any implementation of slow steaming, shipping companies were encouraged to consult with shippers and make their utmost efforts to obtain shippers' understanding.

6. Future role of SERC: The Chairman proposed to review the future role of SERC from various standpoints and the delegates agreed to exchange their views in the next SERC meeting at the 19th ASF to be held in Hong Kong on May 25.

7. Other issues: 1) With regard to Panama Canal tolls, the

delegates express their grave concern over the increasingly high tolls. The meeting agreed to make a submission in the name of the ASF to the Panama Canal Authority seeking a more meaningful reduction of a longer duration in light of the protracted economic crisis faced by the world shipping industry.

2) The delegates also exchanged their views on recent topics surrounding the shipping industry, such as US and Asian regulatory developments, transportation security issues, and the WTO negotiations on maritime transport services.

Terror attack feared in Malacca Straits: A terror alert on the attack of oil tankers passing the Malacca Straits has sent the local shipping community in Singapore abuzz, Baird Maritime has learned.

Sources close to the Singapore Shipping Association (SSA) said that credible indicators have emerged of planned attacks on merchant ships prone to using the world's busiest waterway.

The account incidentally was also verified by a Reuters news story that was carried by Singapore's Channel News Asia. In the Channel News Asia story SSA revealed that it received an advisory from the Singapore Navy Information Fusion Centre about an indication that a terrorist group is planning attacks on oil tankers in the Malacca Strait.

The SSA's advisory elaborated of the possibility of "not [precluding] possible attacks on other large vessels with dangerous cargo".

More than 60,000 vessels pass the straits annually. An attack or a coordinated series of attacks could potentially cause a closure of the straits and cripple crude oil and iron ore imports to Japan, China and much of north Asia.

Singapore: Hijacked vessels released: Over the weekend, Singapore has received the vessels it had lost to pirates, news reports and the Regional Cooperation Agreement for Combating Piracy (ReCAAP) have said.

Chemical tanker 'Pramoni' and its 17 Indonesian crew were released after ransom payments were made. Also recovered was the tugboat 'Asta', which has been missing since February 5.

According to ReCAAP, 'Asta' had been renamed 'Roxy-1' but still retained the same IMO number. The vessel was recovered in Dinagat Island, Surigao City Philippines. The chief engineer was initially reported missing was arrested along with seven pirates, the report added.

The 'Pramoni' was released after its unnamed ship owners dropped off an undisclosed sum of ransom, bundled together in a waterproof container attached to a parachute. It was then pushed out the back of a small plane, the usual way of delivering ransoms, the Jakarta Globe said.

The paper, in quoting Graeme Gibbon Brooks, Managing Director of Dryad Maritime Intelligence Service, said that pirate attacks are slated to increase sharply in March, April and May as balmy weather patterns begin to settle in the region around the Gulf of Aden.

Bangladesh bans toxic ships: Brussels: Non-governmental organisations (NGO) are applauding Bangladesh for implementing the High Court Order banning toxic ships from entering the country's maritime territory.

At present, all ships destined for breaking in Bangladesh must

For booking of Advertisements, to this monthly newsletter, communicate to: Associate Editor and Administrative Manager:

Shri R Venkatakrisnan, M.Com; MCA; MBA.,
"Marine Waves" International Maritime Newsletter, M107-5, Prefab
Apts., 29th Cross Street, Besant Nagar, Chennai-600090. India.

Phone 98400-84216 / 044-42018982.

pkc484@yahoo.com rvkm41@hotmail.com and/or
seafarersman@indiatimes.com

Black & White, Multi-Colour respectively.

Full Page	25 x 18 cms. - 450 sq.cms.	Rs.6300	Rs.8000
Half Page	12.5 x 18 cms. - 225 sq.cms	Rs.3150	Rs.4000
Quarter Page	6.25 x 18 cms. - 112.5 sq.cms	Rs.1575	Rs.2000

Advertisement materials accepted in Art Works, Positives, CD's, Zip, Floppy. We can as well design for you, at nominal cost.

Who pays for MARINE WAVES international maritime newsletter?

We hope, readers can understand that the MARINE WAVES Newsletter that you are reading, costs money to produce, publish, post and circulate. MARINE WAVES is kept viable by partnership between you and us. Support us at one of the following levels:

ONLINE READERSHIP : Read the complete "Marine Waves" monthly international maritime newsletter, on a computer, anywhere, just as it appears in print "FREE".

Keep yourself abreast and enrich yourself with the time to time maritime affairs, by regularly browsing www.themarinewaves.com

NEWS PRINT READERSHIP : Posted to your office/ residence doorsteps, by a nominal payment of an annual subscription of Rs. 250/-.

FOR ADVERTISEMENTS: to reach far and wide in INDIA and overseas. Contact: 9840084216 or

E-mail: pkc484@yahoo.com OR Contact:

Mr. Venkatakrisnan, MCom., MCA, MBA
Administration Manager

E-mail: rvkm41@hotmail.com

"MARINE WAVES"(International Maritime Newsletter)

HEAD OFFICE: P.O. Box No. 5006, Besant Nagar P.O.,
CHENNAI - 600 090, INDIA. Ph: **+91-44-42018982**

REGISTERED OFFICE

Edited and Published at M107/5, Kalakshetra Colony,
29th Cross Street, Besant Nagar, Chennai - 600 090, INDIA.
Ph : +91-44-42018982

OVERSEAS ASSOCIATE - E.U. COUNTRIES

Dr. Swarna Prasad, M.Sc., PhD.,
No. 3, Bullar Street, Southampton, England, UK

E-mail: seafarersman@indiatimes.com
seafarersman@hotmail.com

Website: www.themarinewaves.com

REPRESENTATIVE - SOUTHERN INDIA

Er M.R. SUDHAHAR, Chief Engineer & Consultant,
Door No. 21-3B/12, Pasuvanathanai Road,
East 3rd Street, Kovilpatti - 628501, Tamilnadu

have a certificate from the exporting country proving that they are toxic-free. This measure aims at improving the current disastrous environmental and safety standards of the shipbreaking yards in Chittagong and is the result of a long legal battle fought by BELA, a member organisation of the NGO Platform on Shipbreaking in Bangladesh. The NGOs are now calling on the European Union to take effective steps to stop the export of European toxic ships to developing countries.

Ship recycling yard in Chittagong: On January 26, the Ministry of Commerce ordered the Bangladeshi Customs to stop the import of any obsolete vessel that has not been pre-cleaned of toxic materials such as asbestos, heavy metals and PCBs.



By putting this new measure into effect, the Bangladeshi government is finally being compliant with international law and its own national regulations on waste imports. Ten ships have been barred from entering since the policy has come into effect.

"Pre-cleaning is one of the solutions to stop toxic ships from being dumped in poor countries like Bangladesh and in ensuring the protection of our coastal environment from the pollution generated by shipbreaking," explained Muhammed Ali, the local coordinator of the NGO Platform on Shipbreaking.

He added that this measure would ensure the safety of the workers that, until now, have cleaned the pollutants with their bare hands.

The shipbreaking industry in south Asia is the most toxic and dangerous in the world. Currently over 80 percent of the global fleet of end-of-life ships are run ashore and broken by hand on the beaches of Bangladesh, India and Pakistan, where labour is cheap and pollution laws weak, lacking or not enforced.

In Bangladesh, 26 workers were reported to have died on the job in explosions or by being crushed by metal plates in 2009.

Local NGOs estimate the number to be much higher though since there are still no official records kept; many also die inhaling toxic fumes or of cancers due to asbestos exposure.

Trends in global shipbuilding: Shipbuilding : An important economic activity: The global shipbuilding industry was estimated to value an astounding US\$100 billion, according to a Bloombergreport dated December 2006.

This should not come as a surprise considering that an estimated 80 percent of the world's trade (by volume) is carried in whole or in part by seaborne transport (UNCTAD, 2009).

In addition, vessels of all kinds ply the world's waterways to undertake and facilitate a stunning array of activities. These include the transportation of cargos, dredging, search and rescue, environmental clean-up, oil and gas exploration and production, cable and pipe-laying, scientific research, fisheries, project construction, tourism, naval warfare and patrols, among many others.

Shipbuilding is a crucial activity that provides equilibrium between the demand and supply in the merchant shipping sector. When demand for a particular type of cargo is high, the demand for the ship carrying that cargo will rise in correspondence. Owners and operators of vessels in that trade will place orders at shipyards specialising in building that type of ship, and shipyards will crank up production to build those ships.

Given the demand-derived nature of shipping, it can be said that it presents a fair representation of the state of health of the global economy and trade.



STX Europe yard in St Nazaire, France

On the same account, the shipbuilding industry also provides a similarly reliable testimony to the global economic and trade performance. There is indeed a strong and direct correlation between the performance of shipbuilding and the global economy and trade. Shipbuilding activities rise when global trade and economy grow. Likewise, shipbuilding will be among the first activities to suffer when trade slumps and the economy stutters. This puts shipbuilding at the forefront of one of the world's key and most important economic activities, and a reliable barometer of economic performance.

READERS' KIND ATTENTION

Back issues of "MARINE WAVES" from 2005 to 2008 in 2 volumes are available for sale until stocks last. Please rush your bookings to avoid disappointment. **E-mail : seafarersman@indiatimes.com
seafarersman@hotmail.com**

The shift to the east: Prior to the emergence of Korean and Japanese shipyards after World War II, European yards dominated the world shipbuilding industry. Post-war, the world's biggest ships were built in yards in Newcastle (England) and on the Clyde (Scotland).



While shipbuilding still exists in Europe, yards there are focusing more on the so-called Lexus-class vessels such as chemical tankers, offshore support vessels (OSVs), seismic vessels and warships and cruise ships.

For example, BAE in England specialises in building naval ships, while Aker Yards (now STX Europe) in Norway focuses on building cruise and ice-class ships plus a variety of OSVs.

During the height of the newbuilding frenzy prior to the current global economic downturn, there was an upsurge in demand for berths in European yards which had previously lost out to Asian yards.

This was a result of the spillover from Asian yards which could not cope with tremendous global demand for new tonnage. European yards have conceded that they could not compete with the low labour and land costs and economies of scale that yards in Asia enjoy, but the former still commands a reasonable percentage of the world orderbook of more technically sophisticated vessels.

A noticeable trend in global shipbuilding in the last two decades or so is the emergence of yards in developing nations.

China has emerged as a serious player in certain sectors such as in bulk, gas and container. The emergence of yards in India, Vietnam and Malaysia focusing on small and medium-sized vessels and even catering for the export markets has also been noticeable. They enjoy healthy orderbooks and even produce for export markets.

Some have even benefited from alliances with more established international shipbuilders who offer better technologies and processes that have helped improved the former's productivity, efficiency and product/service offerings.

As a result of the shipbuilding boom in developing countries, investments from established foreign yards have poured in. For example, STX has invested significantly in its yards in Malaysia, the Philippines, Indonesia and Vietnam.

This provides testimony to the growing attraction of the shipbuilding sector in developing nations which enjoy low cost of production, growing demand for shipping services and economies of scale.

More shipping companies are buying into shipyards to control their supply chain better and to create synergy. One such example is MISC's purchase of MMHE, Malaysia's biggest yard, to align the energy carrier's business with the yards' capacity in building offshore structures and vessels to serve the offshore oil and gas industry.

The big gets bigger: Another unmistakable trend is the increased order for bigger and more sophisticated vessels. The pursuit of economies of scale has driven owners to order bigger ships to capitalise on booming global seaborne trade.

Bigger volume of cargos transported leads to lower cost per unit to transport them, leading to a virtuous cycle all around for the various parties along the maritime supply chain.

In the container sector, ships with larger capacity are continuously being built. Several 11,000 plus TEU vessels are already in operation, while orders have been placed for 14,000TEU vessels. A 16,000TEU behemoth is already on the design board at Samsung, one of Korea's and the world's top yards.

Shipping analysts have even visualised the construction of an ultra large container vessel with an astounding capacity of 22,000TEU as technically possible.



In the tanker trade, the biggest ULCC is a whopping 550,000DWT behemoth. Amazingly, vessels of this capacity require only a small number of crew to man. A typical gas tanker in the Aframax class (oil tanker smaller than 120,000DWT and with a breadth above 32.3 metres) merely requires a crew of 15 to sail, thanks to its advanced ship features and sophisticated onboard electronics and equipment.

In the passenger ship category, the construction of giant cruise ships that can carry passengers has been planned.

Royal Caribbean International has ordered from STX Europe, a passenger ship that can accommodate 6,400 passengers, the largest in the world to date. If that is not impressive enough, another giant cruise ship, 'Princess Kaguya' that can carry 8,400 passengers has been conceptualised by Japan Contents Network.

Green and clean

New generation of OSVs powered by gas and equipped with Dynamic Positioning capabilities and tremendous bollard pull have been built to be deployed at harsh deepwater sites. ROVs with state of the art technologies have also been built to assist in offshore oil and gas exploration and production. Then there are also FSO, FPSO and FLNG that incorporate ingenious design and impressive features that can fit onto limited space on board. In addition to vessels, yards are also building all types of offshore structures including rigs, platforms, topsides, jackets and drills to be deployed in offshore sites.

There is also a growing trend to build eco-friendly ships in line with rising awareness to reduce green house gas emissions from vessels. Shipyards are also giving greater focus on "green logistics" to reduce wastage and pollution along their supply chain. With the growing emphasis on green shipping, shipyards are expected to step to the plate and work closely with shipowners and equipment manufacturers to come up with energy-efficient ships.

Shipbuilding makes the world go round

Trends in shipbuilding reflect the production, consumption and transportation patterns of the cargos that ships carry, and the dynamics of the activities and markets they serve.

Observing these trends provide a fascinating glimpse into the dynamics of trade, economies, industries, technologies, financing and many other aspects of life.

As an economic activity, shipbuilding has a far reaching impact on shipping, trade and the economy.

The number and size of ships built at shipyards dictate the supply of tonnage for a particular type of shipping trade, hence influence freight and charter rates of those ships. This eventually becomes a determining factor in the prices of those cargos and of other goods and services whose production depends on those cargo s.

This underscores the immense importance of shipbuilding and its pivotal role in facilitating trade and economic activities. Shipbuilding is truly a bellwether activity that provides rich indicators of various trends of a world in flux.

Singapore junior minister pledges commitment to maritime industry:

THE Singapore government is committed to supporting the maritime sector by pressing ahead with the Pasir Panjang Terminals extension and measures to retain maritime business, said Lim Hwee Hua, second minister for finance and transport. Speaking to the Singapore Organisation of Seaman (SOS)/Seacare Hong Bao, Mrs Lim said the Maritime Port Authority is also working with universities, polytechnics and the industry to develop Singapore's maritime education, training and research capabilities. "These are all part of our long-term efforts to expand our maritime sector to ensure that there are good jobs for Singaporeans," she said.

"The maritime community has always been closely-knit. Over the years, you have provided a vital service to our maritime community. The efforts of SOS and Seacare to support and care for seafarers are indeed commendable and are one of the best examples of how the union can work closely with management to care for your workers, especially during an economic recession," said Mrs Lim. "In a downturn, some companies try to cut benefits to keep costs low. SOS is an important voice to ensure that the welfare of our seafarers is looked after," she said. "Even though 2009 was a challenging year for the whole maritime industry, we still managed a decent performance. Singapore remains the world's busiest container port and top bunkering port. This is in no small part due to our important tri-partite arrangement of which SOS remains a valuable partner," said Mrs Lim.

Passenger ferries freed from Baltic Sea ice: STOCKHOLM, March 5 (Xinhua) -- The Swedish Maritime Administration said on Friday that all large passenger ferries



Damage is seen to the Amorella ferry, a passenger ferry with 753 passengers and 190 crew members, as it returns to port in Stockholm, Friday March 5, 2010, after colliding with another ferry whilst stuck in the ice in the Baltic Sea.

were freed from the thick ice in the Baltic sea off Sweden's east coast.

The large passenger ferry Amorella from Finland was released from the ice at the edge of an archipelago north of Stockholm and arrived at the Stockholm harbour early morning of Friday, said Johny Lindvall of the Administration's shipping unit.

The ferry with 753 passengers and 190 crew on board was stuck in the ice on the way from Finland to Sweden Thursday night. The Swedish Maritime Administration sent three ice breakers to help it be released from the thick ice.

The Administration said that all vessels including passenger



A handout photo released by the Swedish Coast Guard shows a large cargo ship stuck in the ice in the Baltic Sea.

ferries have been freed from the ice outside of Stockholm up to the morning of Friday. The vessels were stuck just outside the Stockholm archipelago Thursday

Another large passenger ferry Isabella, carrying 1,322 passenger and crew, was freed from the ice earlier on Thursday. It was also stuck in the sea north of Stockholm on the way to Finland.

But in the northern parts of the Baltic Sea off Sweden's east coast about 27 ships are awaiting help from ice breakers, according to the Administration.

The recent extreme cold and hard northerly winds have meant that ice is being forced in towards the Swedish Baltic Sea coast

and about 50 vessels were stuck in the ice since Wednesday evening.

50 ships stuck in Baltic thick ice: The Swedish Maritime Administration said on Thursday that about 50 vessels are stuck in the thick ice in the Baltic sea off Sweden's east coast.

Among the vessels, there are six large passenger ferries which are in total carrying more than 2,000 passengers, the administration said in a statement.

Nigeria: Nimasa Sets to Transform Dock Labour: Lagos - In a bid to change the attitude towards the docklabour as an unskilled work and a profession for the dregs of the society, a job for people with only brawn no brain, the Nigeria Maritime Administration and Safety Agency (NIMASA), recently sponsored a training programme for dockworkers in the country.

Executive Director of NIMASA in-charge of Maritime Labour and Cabotage Services, Hon. Zailani Ibrahim who represented the Director General of the Agency, Mr Temisan Omatseye at an event to mark the commencement of the training programme, he appreciated the Agency's social partners, the Terminal Operators and the Maritime Workers Union of Nigeria (MWUN) for their unflinching support in making the programme a reality.

He promised that the programme would be continuous, as the Agency hopes to train all the dockworkers in its register. "I therefore challenge all the participating dockworkers to optimise the benefit of this training programme so as to develop the relevant skills and capabilities required to make you competitive in the industry," he said.

Also speaking on the programme, tagged; Training Programme on Modern Cargo Handling Techniques, in Lagos recently, the Director International Maritime School (IMS), and Dr. O.C Nathaniel praised Mr.Omatseye for appreciating the fact that Dockworkers deserved to be trained. "Consequently, this training on Modern Cargo Handling Techniques is the very first training to be attended by Dockworkers under the sponsorship of NIMASA. There is no gainsaying the fact that the present NIMASA administration has made indelible history in this regard, and I am therefore seizing this opportunity to invite the terminal operators stevedoring companies, shipping companies, and other service providers engaging the services of dockworkers to join NIMASA in sending their dock workers to IMS for specialized training and re-training," he said.

The international Maritime School (IMS) established by stakeholders in the Nigerian Maritime Labour Industry, is an institution that has been licensed by international Labour Organisation (ILO), to carry out training on port workers developments.

Nathaniel disclosed that the School is also accredited by NIMASA "to provide specialized training for all occupational categories of dock labour, i.e. general labour, directly involved in the loading and unloading of cargo, Tally clerks, onboard ganway security operators, winch men, crane operators, forklift drivers, signaler and riggers."

He said the institution have programmes that appropriate ILO code of practice on safety and health in dock work, and other course synopsis developed by IMS technical researchers on dock labour training needs, saying that the course on modern cargo handling techniques has been designed to equip participants with such technical tools that would enable them perform their duties with dexterity and utmost effectiveness.

CHINA:

China starts parliament session amid concerns over economic recovery: China's top legislature has begun its annual session in Beijing.

In his work report to the National People's Congress, Premier Wen Jiabao warned the nation still faces "a very complex situation" after it went through "the most difficult year" in 2009 for the country's economic development.

The premier set this year's economic growth target at 8 percent.

"This is a crucial year for continuing to deal with the global financial crisis, maintaining steady and rapid economic development, and accelerating the transformation of the pattern of economic development."

He pledged to create 9 million new jobs, and keep the rise in consumer prices at about 3 percent.

The Chinese premier also promised to resolutely reverse a widening income gap by reforming the income distribution system.

"We will not only make the pie of social wealth bigger by developing the economy, but also distribute it well on the basis of a rational income distribution system."

The Premier said the government is aiming to gradually increase the proportion of primary income distribution that goes to wages and salaries.

The NPC session gathers up to 3000 delegates from across the country and will last till March 15.

China says six-party talks likely to be resumed in first half of 2010: China's special representative for Korean Peninsula affairs Wu Dawei says the stalled six-party denuclearization talks would be likely resumed in the first half of this year.

Speaking on the sidelines of the nation's legislative session, Wu Dawei said the deadlock lies in the lack of trust between related parties.

It's the first occasion on which China openly talked about its time frame to thaw the Six-Party Talks that have been frozen since April last year.

No information about Kim Jong II's visit, Chinese FM: China's Foreign Ministry says it has received no information that North Korea's leader Kim Jong II intends to visit China.

Views and opinions expressed by various writers on individual capacity or of institution and organisations are not of "Marine Waves". Every care is taken to publish the references to notifications & circulars of government / classification societies etc. Hence Marine Waves Management will not be responsible for any error in the publication.

"No responsibility will be borne for undelivered issue, owing to circumstances beyond the control of the Publisher. Subscriber may however notify, to enable us to send substitute copy."

Readers are recommended to make appropriate enquiries before entering into dealings with advertisers in this publication. The Editor and Publisher does not vouch any claims made by advertisers and hence shall not be held liable for any adverse consequences. - Editor: "Marine Waves".

Spokesman Qin Gang made the remarks in response to media reports in Japan and South Korea saying Kim would visit China in late March.

Chile announces national mourning period for quake victims:

The Chilean government has announced that a three-day national mourning period will start Sunday for victims killed in last week's massive earthquake.

According to a law signed by President Michelle Bachelet, Chileans are asked to demonstrate national flags in front of their homes during the period.

The Interior Department said among 802 bodies that have been recovered, 279 have been identified so far.

Pentagon shooting suspect in custody, second person suspected:

In the United States, the suspect in the Pentagon shooting has died from his wounds.

The suspect, an American, opened fire on two police officers at the subway entrance to the Defense Department. He was critically wounded by the officers.

Law enforcement officials say there's no immediate sign of terrorism, and they are investigating a second man who may have accompanied the suspect.

Senior Taliban Commander Arrested in Pakistan:

Pakistani intelligence officials say they have arrested another senior Afghan Taliban commander Agha Jan Mohtasim who was the Taliban's Finance Minister before the US-led invasion in 2001.

He was detained in the port city of Karachi.

Security raised in Strait of Malacca after Terrorist Threat:

Security has been raised in the Strait of Malacca, one of the world's busiest shipping lanes, after the Singapore Navy received warnings of possible attacks on oil tankers.

The Singapore Shipping Association said 'The terrorists' intent is probably to achieve widespread publicity and to demonstrate that it remains a viable group.'

Malaysia's coast guard says it is increasing security, while Indonesia says it is also stepping up patrols.

Groves Celebrates Success, Returns Home:

Eager Sailors aboard USS Stephen W. Groves (FFG 29) celebrated their long-awaited homecoming after completing a highly successful Standing NATO Maritime Group One (SNMG-1) deployment Dec. 27.

USS Stephen W. Groves, along with Portuguese frigate Alvares Cabral (F331) and German auxiliary ship Rhoen (A1443), visited Lisbon, Portugal in July for the formation of Standing NATO Maritime Group One (SNMG-1). Reforming after the summer dispersal of the NATO group, the three ships used this opportunity to plan for the upcoming Mediterranean surge deployment and to enjoy the first of many exciting port visits.

In August, Stephen W. Groves and her sister ships enjoyed a brief port visit in Cadiz, Spain and then conducted a wide variety of information operations, maritime security spotchecks, and maritime surveillance operations in the Western Mediterranean Sea in support of NATO Operation Active Endeavor. Each of

these missions focused on developing a cooperative relationship with the Mediterranean maritime community and protecting freedom of navigation within the NATO area of operations. The group communicated with hundreds of merchant vessels and promoted the policies of the NATO Shipping Center. One tactical watchstander noted, "These commercial ships seem very interested in the information we have to offer about maintaining a safe maritime environment. They express their gratitude for our presence here and offer a lot of insight into what they're seeing in the Med on a day-to-day basis." The ship's Visit, Board, Search, and Salvage (VBSS) team also conducted five compliant spotcheck boardings, which aimed to verify cargo manifests, personnel documentation, and sanitation conditions.

Following Active Endeavor, SNMG-1 visited the French ports of Marseille and Toulon. The crew of Stephen W. Groves hosted a force reception in Marseille, which was well-attended by the NATO group, local dignitaries, and members of the Navy League chapter. In Toulon, the Navy League arranged several remarkable cultural opportunities for the crew, including winery visits and regional tours.

Exercise Loyal Midas came next for SNMG-1. This multi-national training operation included more than 20 NATO surface combatants, submarines, and air units. Throughout the exercise, Stephen W. Groves conducted undersea warfare exercises, maritime interdiction operations, gunnery exercises, and refueling-at-sea evolutions. Each of these events was designed to test the ship's proficiency and improve the integrated performance of the NATO Reaction Force. The scenario intensified over a two week period, requiring the NATO force to continually respond to changing geopolitical and humanitarian factors. This dynamic context provided an excellent training opportunity by forcing the ships to maintain a balance between heightened operational readiness and a stable, de-escalatory peacekeeping posture.

Stephen W. Groves and her sister ships continued to build upon their strong cohesion while supporting a second Active Endeavor surge in the Eastern Mediterranean Sea. The crew enjoyed port visits to Augusta Bay, Sicily and Souda Bay, Crete, which included a highly successful beach cleanup community relations project.

In early November, Stephen W. Groves transited south through the Suez Canal and Red Sea and arrived on station in the Gulf of Aden to support the final operation of her NATO deployment. The SNMG-1 staff relieved Standing NATO Maritime Group Two (SNMG-2) as Commander Task Force 508 (CTF 508) and assumed responsibility for NATO's counter-piracy efforts. In support of Operation Ocean Shield, Stephen W. Groves and her sister ships conducted a wide variety of information operations, counter-piracy patrols, and maritime surveillance operations along the Internationally Recommended Transit Corridor (IRTC) in the Gulf of Aden. Each of these missions focuses on deterring piracy, developing cooperative relationships with other international maritime forces, and protecting commercial shipping and ensuring freedom of navigation within one of the world's most heavily traveled straits.

One of the most unique and promising facets of Operation Ocean Shield was the chance to work with non-NATO maritime partners in the counter-piracy initiative. Naval surface and air assets from around the world patrolled the IRTC and nearby Somali Basin, often coordinating with NATO and sharing information about high interest shipping traffic and suspected piratical activity.

Throughout the deployment, Stephen W. Groves Sailors sought to meet new challenges and increase mission readiness. Their contributions were vital to the NATO group's operational success.

After an exciting five-month SNMG-1 deployment, the sailors of Stephen W. Groves remember recent success, celebrate a well-deserved homecoming, and look forward to future opportunities for excellence. Operations Officer Lt. Arlen Rose concludes, "Groves came here to support and serve the NATO missions, and I believe we have accomplished our goals in all facets."

Govt to encourage pvt investments in shipping: The Shipping Minister said today that the ministry is taking all possible measures to encourage private sector investment in the shipping sector as major ports alone require over Rs 36,000 crore private investment by March 2012. "Our ports could handle an estimated one billion tonne traffic by 2011-12...Rs 36,868 crore private investment is required for the major ports' capacity addition and the government has introduced greater transparency in bidding system," Shipping Minister GK Vasan said here today, while releasing 'India Maritime Report, Global Crisis-India Opportunity', by a private maritime research and consultancy firm i-Maritime here today.

The ports capacity including at the 12 state-owned major ports and over 200 minor ports could be over a billion tonne by the end of the 11th Plan, he said, adding the last fiscal saw the domestic ports handling about 733 million tonnes cargo out of which 530 million tonnes were handled by the 12-major ports. Talking to the press later, he said the government is yet to take a view on shipping subsidy provided to shipbuilders and discussions are on.

Somali pirates free hijacked Pakistani 'mother ship': A Pakistani fishing vessel used by Somali pirates to hijack a UK-owned car-transporting ship has been freed in the Indian Ocean.

The Shahbaig - also known as the Shazaib - was used as a "mother ship" from which smaller boats were launched to capture the UK-owned Asian Glory.

It was abandoned 1,000 miles (1,600kms) north of the Seychelles and then boarded by the EU's naval force.

The Asian Glory is still being held along with at least 11 other ships.

The EU Navfor protection force said in a statement: "The Shahbaig was boarded by crew from FS Surcouf and found all crew members to be in good health except for one member whose leg was broken."

Upsurge in piracy

Pirates had seized the Shahbaig and its 29-strong crew in early December, 370 miles (595kms) east of Socotra, an island off the Horn of Africa.

Observers say so-called "mother ships", or larger vessels, are often used by the pirates to tow and launch their smaller speedboats, and to resupply them.

But this is one of the first known instances of one vessel being hijacked and then used to hijack another.

The Asian Glory was the more valuable ship, carrying 2,300 vehicles.

It was en route from Singapore to Saudi Arabia with a crew of 25 - 10 Ukrainians, eight Bulgarians, five Indians and two Romanians.

It was seized 620 miles (1,000km) off Somalia's coast. The waters around Somalia are among the most dangerous in the world.

Correspondents say the upsurge in piracy in the region is a consequence of the failure to find a solution to Somalia's continuing political disarray.

It has not had a functioning national government for almost 20 years.

Piracy funds property boom: THE thorny question of where the ransom payments made to Somali pirates actually end up appears to have been answered. They are investing in property.

House prices in Nairobi are soaring, and Somali pirates are getting the blame.

The rise in real estate prices in the Kenyan capital has prompted a public outcry and a government investigation into property owned by foreigners.

The inquiry follows allegations that millions of dollars in ransom money paid to Somali pirates are being invested in Kenya, Somalia's southern neighbour and East Africa's largest economy.

Statement about ownership and other particulars about newspaper

FORM IV (See Rule 8)

1	Place of Publication	:	CHENNAI, TAMIL NADU
2	Periodicity of its Publication	:	MONTHLY
3	Printer's Name	:	SUNITHA PRINTERS
	Nationality	:	INDIAN
	Address	:	193, Peters Road Chennai - 600 014
4	Publisher's Name	:	Dr. P.K. CHANDRAN
	Nationality	:	INDIAN
	Address	:	H109/8, Mahatma Gandhi Rd. 7th Avenue, Besant Nagar Chennai - 600 090
5	Editor's Name	:	Dr. P.K. CHANDRAN
	Nationality	:	INDIAN
	Address	:	M107/5&22, 29th Cross Street Besant Nagar Chennai - 600 090
6	Names and address and Individuals who own the News papers and partners or shareholders holding more than one per cent of the total capital	:	FULLY OWNED BY PUBLISHER Dr. P.K. CHANDRAN

I, **Dr. P.K. CHANDRAN**, hereby declare that the particulars given above are true to the best of my knowledge and belief.

(Sd/-)
Dr. P.K. CHANDRAN
Signature of Publisher

Chennai
Dated: 01-03-2010

Even as house prices have dropped sharply in the US, prices in Nairobi have seen two and threefold increases in the last half decade. "There is suspicion that some of the money that is being collected in piracy is being laundered by the purchase of property in several countries, [Kenya] being one of them," said government spokesman Alfred Mutua.

"Especially at this time when we are facing global challenges of security such as terrorism and others, it is very important for us to know who is where and who owns what."

Brutal shipping metaphors: PD JAMES, the 89-year-old grande dame of British crime fiction, is not a name often associated with the shipping industry, but her appearance on the BBC's flagship radio news and current affairs programme Today over the festive period revealed her to be a remarkably well-informed fan of the maritime metaphor.

Appearing as a guest editor of the show, she began her interview with director-general of the BBC Mark Thompson by telling him of the affection she had for the majestic ship he steers.

But it was not long before she moved in on the vessel with what some scurrilous hacks later described as the ruthlessness of a submarine captain, deploying a brutal and protracted maritime metaphor and questioning both the BBC's "extraordinarily large salaries" and the quality of some of its programming.

"I think [the BBC] has changed," said Baroness James, who was one of its governors between 1988 and 1993.

"And sometimes it seems like a very large and unwieldy ship that has been floating there since 1920 taking on more and more cargo, building more decks to accommodate it, recruiting more officers - all very comfortably cabined, usually at salaries far greater than their predecessors enjoyed - and with a crew somewhat discontented and some a little mutinous, the ship rather sinking close to the Plimsoll line and the customers feeling they paid too much for the journey and not quite sure where they are going, or indeed, who is the captain."

After conceding that although her view was perhaps "a little unfair", she said it was how many people saw the BBC, and she then slammed a couple more torpedoes into the tubes as she raised the subject of corporation remuneration.

Maritime enthusiast: A MARITIME enthusiast has turned his garden shed into Britain's smallest museum.

Dedicated Robert Carter, 65, from Plymouth has transformed his garden shed into a wonderland of maritime history. The museum, which measures 12 ft by 6 ft, features hundreds of historical pieces on display, perfectly curated to give a stunning effect, according to one report.

Carter told journalists: "My ambition would be to get a decommissioned light ship put in the garden so I could turn it into a full-sized museum".

Given the state of the market he may be getting a few phone calls from shipowners looking to lay-up in his back yard.

Anti-piracy training for seafarers starts: Starting this month, all the estimated 260,000 Filipino seafarers will start to undergo anti-piracy training to prepare and help them survive in case they are abducted by pirates in the high seas.

Labor and Employment Secretary Marianito Roque said the mandatory training will be provided for free by all manning agencies, who earlier agreed with the Department of Labor and Employment (DoLE) to pattern the module with that of the International Association of Independent Tanker Owners.

"Regardless if they are old or new sailors, they have to participate in the training starting Jan. 15. The goal is to prevent, avoid, escape and survive piracy," said Roque.

"They could not be deployed overseas unless they take the module and receive a certification from the Philippine Overseas Employment Administration (POEA)," he added.

Roque said the move to step up efforts to protect Filipino seafarers was due to the alarming increase in hijacking incidents in Somali waters and the Gulf of Aden in 2009.

Data from the International Maritime Bureau showed that incidents of attacks between January and September 2009 increased to 306, surpassing the 293 incidents recorded throughout 2008.

Currently, 68 Filipinos are still locked up in six vessels that are being held hostage by the Somali pirates, the DoLE reported.

In an earlier tripartite meeting, Roque said he told the Maritime industry to change their route as the problem in the Gulf is expected to reach unreasonable proportions.

He also disclosed DoLE's plans to give psycho-social counseling, emergency financial assistance and other support services to families of abducted seafarers.

Roque said the Philippine government will see to it that all manning agencies and shipping owners comply with the rules set in the POEA Governing Board Resolution No. 5 s. 2009 to ensure the safety of seafarers on board shipping vessels.

Moreover, Roque said the Philippines will be the first country to implement the module although it has been introduced in some countries years back.

The International Maritime Employers Committee (IMEC) based in London has recommended that countries all over the world replicate the training as a requirement for deployment of all seafarers.

The training will also serve as a preliminary to a bigger conference for all manning agencies on April 8 this year.

The DoLE chief reiterated that the cost of the training could not be passed on to the sailors, adding the department will sanction agencies that violate the agreement.

Filipino mariners comprise a third of the world's shipping manpower requirement or an estimated 350, 000 seafarers. They remitted a record \$2.5 billion for the first nine months of 2009 despite the threat of kidnappings.

Pirates Seize British Cargo Ship Off Somali Coast: Pirates have seized a British-flagged cargo ship off the coast of Somalia, making it the fourth vessel to be hijacked by pirates off the Somali coast in a week's time, said officials on Saturday.

The UK-flagged Asian Glory was taken 620 miles off the Somali coast on Friday, when it was on its way to Jeddah in Saudi Arabia from Singapore with a cargo of cars on board. It is understood that none of the 25-member crew on board the hijacked vessel are UK nationals.

World Maritime Day 2010: Year of the Seafarer

A message from E.E. Mitropoulos, Secretary-General, IMO:

The International Maritime Organization has decided to dedicate next year to you by choosing, as the theme for World Maritime Day, "2010: Year of the Seafarer". Our intention is to pay tribute to you, the world's 1.5 million seafarers - men and women from all over the globe - for the unique, and all too often over-looked, contribution you make to the wellbeing of all of us.

We will do so with deep appreciation, in recognition of the extraordinary service you render every day of your professional life, frequently under dangerous circumstances, in delivering, to the more than 6.5 billion people of the world, the wheat that makes our daily bread, the gas and oil that warms our homes or moves our vehicles and the gifts we will share and enjoy with our families and friends over this Festive Season.

At IMO, we are ever-conscious of the important role you play in helping us achieve safe, secure and efficient shipping on clean oceans - the goals that we, as the United Nations specialized agency charged with the regulation of international shipping and as a member of the global maritime community, have set ourselves.

And so, we will celebrate next year's World Maritime Day theme with much pride in your contribution to our objectives, to the facilitation of more than 90% of the world's trade, and to sustainable human development.

In so doing, we also seek to reassure you, at the "sharp end" of the industry, that we, who are responsible for the international regulatory regime and who serve shipping from ashore, do understand the extreme pressures that you face and that, as a result, we approach our own tasks with a genuine sympathy for the work that you carry out.

At the same time, we will seek to add impetus to the "Go to Sea!" campaign, which we launched in November 2008 to attract new entrants to the shipping industry and, in particular, to encourage young people to follow in your footsteps by becoming the seafarers of tomorrow. We launched that campaign in association with the International Labour Organization, the "Round Table" of shipping industry organizations (International Chamber of Shipping, International Shipping Federation, BIMCO, International Association of Independent Tanker Owners and International Association of Dry Cargo Shipowners) and the International Transport Workers' Federation, all of whom will be joining us in celebrating the Year of the Seafarer.

Last, but mostly importantly, we want to convey to you a clear message that the entire shipping community understands and cares for you - as shown by the efforts we make to ensure that you are fairly treated when ships on which you serve become involved in accidents; are looked after when you are abandoned in ports; are not refused shore leave for security purposes; are protected when your work takes you into piracy-infested areas; and are not left unaided when you are in distress at sea.

1.5 million seafarers serving the daily needs of more than 6.5 billion citizens of the world! It is a fact that goes unnoticed or is taken for granted by most, but one that should be trumpeted loud and clear. For seafarers the world over deserve our respect, recognition and gratitude and, during 2010, we at IMO are resolved to ensure that the world does take notice of your exceptional role and contribution and of the special debt that all of us owe to you. We thank you for that!

With best wishes for the Festive Season and the Year of the Seafarer - and a safe return home!

E.E. Mitropoulos
Secretary-General

The hijacked vessel's owners, London-based Zodiac Maritime Agencies, said Saturday that the ship's crew consisted of Ukrainians, Romanians and Indians, as well as eight Bulgarians. Asian Glory became the second ship owned by Zodiac Maritime Agencies to be seized by Somali pirates in the week.

Also on Friday, Somali pirates seized Singaporean-flagged chemical tanker M/V Pramoni in the Gulf of Aden. The 20,000-ton tanker has a crew of 24 on board, and is owned by Singapore-based GBLT Ship Management company. It was seized while heading to Kandla, India.

Earlier in the week, pirates had seized chemical tanker St. James Park, another vessel owned by Zodiac Maritime Agencies, in the Gulf of Aden on Monday. That ship has a 26-member crew of different nationalities, and is currently anchored off the Somali coast, where negotiations for its release are expected to begin shortly.

Further, pirates also hijacked Panamanian-flagged Greek-owned carrier Navios Apollon off the southern coast of Somalia on Monday. It has a 19-member crew, and was hijacked while carrying fertilizer from the U.S. to India.

Somalia has been without a functioning government since the fall of dictator Mohamed Siad Barre's government in 1991. Currently, a weak UN-backed interim government under President Sheikh Sharif Sheikh Ahmed is trying to enforce its authority in the country, most of which is controlled by various Islamist insurgent groups.

The Somali coast, particularly the Gulf of Aden, has been affected by piracy in the recent years. More than 160 pirate attacks have been reported in the waters off Somalia from January to September this year. The Somali pirates have managed to hijack at least 34 vessels, and are currently holding some 10 ships and 200 hostages. Generally, the crew and the vessels are returned unharmed on receiving the demanded ransom.

The pirate attacks off the Somali coast have continued despite the presence of several warships, deployed by navies of the NATO, the European Union, Russia, China, South Korea and India, in the region to protect cargo and cruise ships against piracy in the region. The UN Security Council has approved four resolutions since June to promote international efforts in fighting the escalating piracy problem off the coast of Somalia, and has authorized countries engaged in anti-piracy operations off the Somali coast to conduct land and air attacks on Somali pirates after obtaining prior permission from the Somali government.

'Right time to invest in tonnage': Nearly 40 per cent of the Indian fleet needs to be replaced - at an estimated investment of over Rs 15,000 crore. Another Rs 20,000 crore is required to meet the tonnage target. So, shipping companies have to look for innovative ways to raise resources.

The Director-General of Shipping, Ms Lakshmi Venkatachalam, wants the Indian shipping industry to explore ways to widen its investor base. This, she thinks, is critical to meet its huge capital requirements in the coming years. Ms Venkatachalam, the second woman to head India's maritime administration, has completed a year and a month in office. She understands the industry's problems and shares shipowners' concerns on raising large resources required to replace their old tonnage and acquire fresh capacity. "Traditional sources of financing alone cannot meet the huge capital requirement Access to finance



LAKSHMI VENKATACHALAM, Director-General, Shipping

at affordable terms is crucial for the industry now," she says.

Resource raising: Nearly 40 per cent of Indian shipping fleet is over 20 years old and needs to be replaced. Even on a conservative estimate, at the current market price, this needs an investment of over Rs 15,000 crore. In addition to this, another Rs 20,000 crore is required to meet the tonnage target. So, shipping companies have to look for innovative ways to raise resources, she states. One of the ways is to expand the industry's invest base. Ms Venkatachalam wants the industry to explore the possibility of creating a German KG model financing for shipping in India. Under this model, high net worth individuals - particularly professionals such as doctors, lawyers, and engineers - invest in a special fund for buying ships. The contributions to the fund get tax exemption.

The fund buys ships and charters them out to experienced ship operators. The model works like a mutual fund but, instead of investing in equities, the fund directly buys physical assets. The investors will benefit both from the tax exemption and from the earnings. Ms Venkatachalam thinks this is the right time to invest in additional tonnage as asset values are down in the international market. She expects demand for shipping to grow as India depends on imported raw material for its energy requirements. The country imports 68 per cent of its oil requirements and 10 per cent of coal needs. Imports of both these commodities are expected to grow.

According to industry experts the model worked well in Europe. But in India it will work only if investment in shipping is made attractive. As of now, shipping is not a favourite sector for investors in India.

Shipping stocks are not among the blue-chips. Shipping is an international business and its earnings are highly cyclical, says an analyst. So the first thing needed is to make Indian shipping attractive to investors. In the current scenario, government support is crucial for the industry, says Mr S. Rangneker, CEO, Indian National Shipowners Association, the apex body of Indian ship-owners.

INSA has asked for the creation of a shipping modernisation fund by the Government, on the lines of the Technology

Upgradation Fund for the textile industry. Under this scheme, textile companies get an interest subsidy of 5 per cent on investments made on modernisation of mills.

Tonnage target: The shipping industry pays around Rs 1,000 crore tax annually. If half this amount is given back for acquisition of ships, it will lead to Rs 20,000 crore direct investments in the sector, besides the spill-over effect in allied sectors, says Mr Ranganekar. Of the Indian fleet of 9.4 million grt, around 4 million grt are due for replacement.

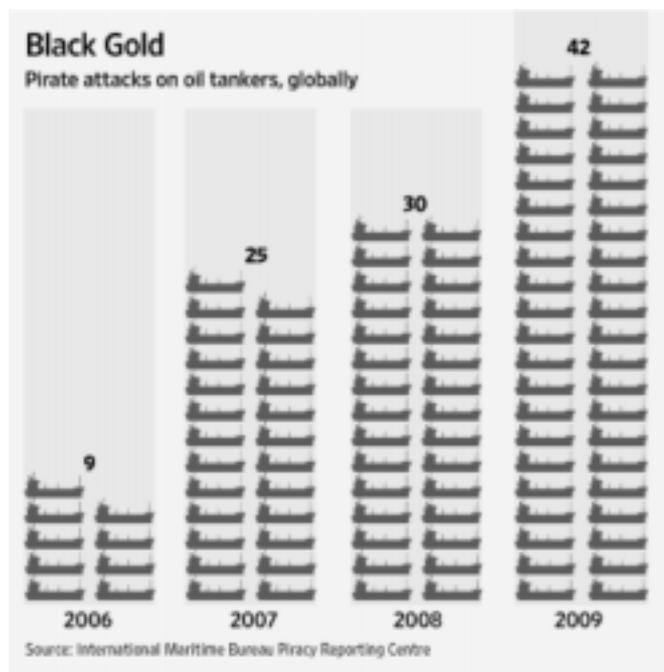
The industry has to acquire another 6-7 million grt to meet the Eleventh Plan tonnage target. A large part of global shipping fleet enjoys tax relief in countries where they are registered. In India too, tonnage tax is only around two per cent. But shipping companies are subject to other taxes, making their tax burden much higher than their competitors.

Though the industry's demands are legitimate, particularly in the context of the global environment and the protective policies of other maritime countries, given the country's huge fiscal deficit and the place shipping occupies in the government's priority list, industry players have to be realistic in their expectations.

Indian industry needs to gear up to meet the challenges. India is a growing economy. The number of millionaires in the country is rising every year. Why not woo them, and bring them to the exciting world of shipping? They will, no doubt, have the support of DG Shipping.

Pirate attacks raise risks for Oil Tankers:

The number of pirate attacks and attempted hijackings of oil tankers hit a high in 2009, an industry group reported, highlighting a geopolitical risk in the global oil market that could increase this year and push crude prices higher.



The International Maritime Bureau's Piracy Reporting Centre in Malaysia said pirates last year attacked 42 oil-laden tankers around the world, a 40% rise from 2008.

Most of the attacks occurred many miles off the coast of Somalia and the Arabian Peninsula, in big bodies of water that oil tankers often pass through in order to access the Suez Canal

and shorten shipping distances to European and U.S. markets."We haven't seen this level of attacks on oil tankers since our record-keeping started in 1992," said Cyrus Mody, a London-based manager at the International Maritime Bureau. Most of 2009's hijacking attempts -- by young, gun-toting men bent on trying to hustle ship owners into making ransom payments -- failed. Only two tankers and their crews were hijacked, according to the center. Pirates continue to hold those two tankers -- one a Greek-owned vessel carrying more than \$100 million of crude from Saudi Arabia, the world's biggest oil exporter -- for ransom off the Somali coast. Oil prices rose about 80% during 2009, mainly because of expectations of an economic rebound and production cuts by the Organization of Petroleum Exporting.

LEGAL :

Latest Proposed US Iranian Sanction Legislation: What Does It Really Mean?

Proposed legislation is currently pending in Congress which, if signed into law, will amend and expand the Iran Sanctions Act of 1996, and impose sanctions on domestic and foreign individuals and companies aiding Iran in developing petroleum resources and products. The Comprehensive Iran Sanctions, Accountability and Divestment Act (S.2799) was passed by the Senate on January 28, 2010 and will now be referred to a committee in the House of Representatives before the full House will vote on the Bill. The Iran Refined Petroleum Sanctions Act (H.R. 2194), a companion bill that was passed in the House of Representatives in December 2009, has now been referred to the Senate Committee on Banking, Housing and Urban Affairs. The House and the Senate must now vote on the proposed bills previously passed in the other chamber of the U.S. Congress. Thereafter, the similar (but not identical) bills must be reconciled and passed by both in identical form before the uniform bill is presented to President Obama to be signed into law. Similar bills, which were introduced in previous sessions of Congress, have never made it beyond the committee stage.

The Iran Sanctions Act (originally the "Iran and Libya Sanctions Act of 1996") was first passed by Congress in 1996, and provided for the imposition of financial sanctions on persons who, with actual knowledge, made an investment of \$40,000,000 or more that "directly and significantly contributed to the enhancement of Iran's ability to develop petroleum resources of Iran." That Act provided for such sanctions to include prohibitions on export-important bank assistance for exports to any sanctioned person; prohibitions on obtaining licensing or authority to export goods or technology by any sanctioned person; and prohibitions on obtaining loans totaling more than \$10,000,000 from United States financial institutions. The Act set forth additional prohibitions to be imposed against a sanctioned financial institution.

The two (2) pending versions of the latest proposed legislation, although not identical, each provide for similar amendments to be made to the Iran Sanctions Act. Each bill sanctions individuals or companies that have knowingly made investments of only \$20,000,000 or more that "directly and significantly contributes" to the enhancement of Iran's ability to develop petroleum resources. While the Senate bill requires "actual knowledge" of the sanctionable conduct, the House Bill defines "knowingly" more broadly to include both actual knowledge and "constructive knowledge deemed to be possessed by a

reasonable individual who acts under similar circumstances."

In addition, each of the proposed bills provide for financial sanctions against individuals who "knowingly" sell, lease or provide to Iran any goods, services, technology, information or support worth USD 200,000 or more which would allow Iran to maintain/expand its domestic production of refined petroleum products. The Senate bill also targets goods/services/information having an aggregate fair market value of \$1,000,000 or more during a 12-month period, while the House Bill seeks to sanction activities exceeding \$500,000 in any 12-month period. The proposed bills would also apply to any individual or company underwriting or otherwise providing insurance or reinsurance for such goods, services, etc.; who finances or brokers the sale, lease or provision of such goods or services; provides ships or shipping services to deliver refined petroleum products to Iran. The House bill specifically expands the definition of "person" to include any "financial institution, insurer underwriter, guarantor, any other business organization, including any foreign subsidiary, parent or affiliate of such a business organization." The definitions of petroleum products and resources are also expanded by the bills to include petroleum, refined petroleum products, oil or liquefied natural gas, natural gas resources, oil or liquefied natural gas tankers, and products used to construct or maintain pipelines used to transport oil or compressed or liquefied natural gas. Finally, the Senate Bill prohibits the importing of any article of Iranian origin into the United States, as well as the export of any article of U.S. origin directly or indirectly to Iran.

Although many in the shipping and marine insurance industry have expressed concern over the potential effects of the proposed U.S. legislation, there is a good deal of fear revolving around potential criminal penalties for those who run afoul of the legislation. Such fears appear to be unsupported, as neither version of the proposed legislation provides for any criminal penalties. Rather, the sanctions that could be imposed include prohibition of any transactions in foreign exchange by the sanctioned person; prohibition of any banking transactions involving any interest of the sanctioned person; and prohibition of any person from entering into any transactions with respect to any property in which the sanctioned person has an interest. Both versions of the proposed legislation allow the President to waive the imposition of sanctions if exercising such waiver authority is "vital" or "necessary" to the national interest of the United States upon consideration of the significance of the person's conduct in contributing to Iran's ability to, inter alia, develop its petroleum resources, produce refined petroleum products, import refined petroleum products and/or to acquire or develop weapons of mass destruction.

If ultimately signed into law, the House bill provides for the sanctions to apply retroactively to any person engaged in the prohibited activity on or after October 28, 2009. The Senate bill would apply prospectively only. The legislation will remain in effect through 2016.

1 Million Euro fines for Matterhorn Shipmaster: A Russian captain of the Liberian-flagged Matterhorn ship prosecuted for deliberate pollution of the waters, was sentenced this week to a 1-million Euro fine by the correctional court of Brest. The sentence is consistent with the prosecution Bertrand Leclerc, the prosecutor said at the hearing on 7 January, calling it "a voluntary pollution, not a failure or an accidental release", while the captain's lawyer insisted on the "negligence and carelessness", which resulted

in a leak of petroleum products. The court stated that 90% of the fine to be paid by Eastwind Transport, the Greek shipowner. The captain and the owner must also pay a total of 28.600 Euros to seven organizations that had represented the civil parties, L'Express reports.

In May 2009 the 115-m-length reefer ship left the Port of Kaliningrad heading for the Canary Islands. When the ship was passing along the France coastline, the local authorities found a large oil patch they alleged left by the ship. On May 26 the shipmaster was forced to be docked at the port of Brest. At the time of detention the reefer crew consisted of 15 members - 13 citizens of Russia and the two Ukrainians. Prosecutors of Brest set a 300.000-Euro bail to make the ship could leave port, but the company owner has declared itself bankrupt, and the bail was not paid. The Matterhorn is not the first foreign ship to have been convicted of similar offenses by a French court, L'Express said. On 1 July 2009, the Brest court had sentenced shipmasters a Liberian cargo ship and an Egyptian cargo ship with record fines of \$1 million and 2 million Euros accordingly.

When is a Guilty Ship not "Guilty" for the Purposes of an Associated Ship Arrest?

A news release from the firm of Bowman Gifillan, Craig Cunningham, Graham Charnock and colleagues report how in the "Bavarian Trader", the applicant asked the court in South Africa to interpret the ambit of the associated arrest provisions contained in the Admiralty Jurisdiction Regulation Act ("the Act") to allow the ship in respect of which a maritime claim arises (the so-called "guilty ship") to be regarded as a ship associated with itself.

The unusual factual matrix in this matter had resulted in a situation where the deemed "guilty ship", the "Bavarian Trader", could not be arrested by way of a straight forward arrest in rem, because the respondents, who were prima facie liable in personam to the applicant, were in fact not the direct registered owners of the "Bavarian Trader". Notwithstanding this, any other ship owned or controlled by the respondents would in terms of the Act be regarded as an associated ship of the "Bavarian Trader" and, so it was argued, this should extend to and include the "Bavarian Trader", being the deemed guilty ship. It was further contended that to permit the arrest of the other vessels owned or controlled by the Respondents, but to exclude the "Bavarian Trader" from susceptibility to arrest, would give rise to an absurdity.

The court found for the respondents (represented by Bowman Gifillan Inc) who had countered the applicant's argument by pointing to the clear and unambiguous wording of the Act. In terms of section 3(6) of the Act an arrest in rem can be brought by the arrest of "an associated ship instead of the ship in respect of which the maritime claim arose". Furthermore, section 3(7)(a) defines an associated ship as a ship "other than the ship" in respect of which the claim arose.

Although in certain circumstances this might give rise to anomalies, the Court held that the legislation does not give rise to an absurdity. The fact that anomalies may arise in certain circumstances does not mean that the actual language used by the legislature can be disregarded, particularly because in the present circumstances doing so would arrive at an interpretation with a much wider effect than provided for by an interpretation of the plain meaning of the words of the Act.

The court found that, when seen in the light of the overall context, the considerations highlighted by the applicant did not

justify a departure from the statutory requirement that the associated ship must be a ship other than the ship concerned.

P&I Renewals: After all the excitement of recent years, the P&I market has to some extent returned to the niche where it takes a great deal of time for nothing much to happen. The ships of the Islamic Republic of Iran, forced out of the North of England, Steam Ship Mutual and the South of England no less by government sanctions are we understand from normally reliable sources in insurance limbo.

In a low key year where only an incremental increase was under the discussion, the total increase garnered in, according to Aon is about a 4.54 per cent average amounting to an extra USD159 million. In previous years the aftermath of the renewal came in the form of leaks from the normally tight lipped Clubs. Some years verged on the farcical when every Club seemed to do terribly well and everybody claimed to be up on the year. The well-connected Jim Mulrenan of Tradewinds acts by general acclaim as the lightning rod to the leakers and usually has by far the best round up of the gains and losses of what is traditionally one of the least volatile areas of marine insurance with many loyal members.

This year the North of England, Skuld and Standard Clubs appear to have done the best and the UK, West and London Clubs have drifted downwards a little. The Gard and Britannia Clubs, unusually seem to have lost ships but the Gard says it is ahead on tonnage on the year. Life at the top of the IG Clubs is not as settled as it once was. The market leadership moved from the UK to the Gard in recent times and to the naked eye there are some Clubs in London especially which seem to be treading water, in want of fire in bellies, uncertain of what the future holds, competent at what they do but bearing the unmistakable signs of long term entropy. When director tonnage like Golden Union leaves its traditional home Club (the London) for a new berth at the North of England, the old order creaketh.

First CCS Conference: The conference organiser has sent in word of a forthcoming event:-

We have a really interesting conference coming up in May which may interest your many readers as it is potentially a huge new area of shipping business which needs debate.

Below is some explanatory text from Mike Corkhill, Editor of LNG World Shipping and LPG World Shipping, who is also chairing the event:-

Carbon capture and storage (CCS) has been hitting the headlines in recent months, as governments and industry struggle to find viable solutions to the climate change challenge. The European Union, for example, has announced substantial funding for CCS pilot projects at power plants and has selected DNV to help minimise the time between policymaking and the implementation of full-scale CCS projects. The aim is to establish the commercial application of viable CCS on a global basis within the next 10 years. If this goal is to be achieved, the necessary technical, legal, financial and regulatory structures will have to be finalised without delay.

The transportation of CO2 captured at power plants and other large fossil fuel-burning industrial facilities to underground storage locations is a crucial element of CCS. The transportation can be undertaken by either gas carrier or by pipeline. CO2 shipping offers a cost-efficient and flexible alternative for projects where volumes are not large enough to justify a

pipeline and for locations where conditions do not permit pipeline construction. There is also the possibility of utilising gas carriers to collect CO2 from a number of plants for transport to a central staging post from where delivery by pipeline to the final sequestration location can be carried out.

There are currently four purpose-built CO2 carriers in operation but they are small vessels engaged in the carriage of limited volumes in North West Europe, primarily for the food and beverage industry. As the battle to control climate change takes shape, the carriage of the CO2 yield from CCS projects is opening up a large new potential market for gas carrier operators. Semi-pressurised/fully refrigerated (semi-ref) gas carriers would be required, probably of approximately 20,000m3 in size. Such semi-ref gas carriers would be about 10 times the size of the four existing CO2 carriers. A number of the world's leading operators of semi-ref gas carriers are studying the possibility of constructing the dedicated CO2 carrier fleets that the anticipated CCS schemes would require.

At the same time, every party considering involvement in CO2 shipping acknowledges the major challenges which lie ahead. Commercial viability will be determined by the CCS goals set by governments and the price apportioned to a tonne of CO2. The technological viability of CO2 shipping will be determined by the ability of power plants to capture the CO2 stream and liquefy and store it on site as well as the ability of ships to transfer their cargoes at offshore locations and pump it deep beneath the seabed.

IUMI pessimistic on recovery: If a general recovery does materialise this year, it will be slow and painful, according to marine insurers meeting in London last week. International Union of Marine Insurance (IUMI) president Deirdre Littlefield told journalists that underwriters were braced to tackle new problems which were emerging as a result of the ongoing slump. Ms Littlefield was speaking after IUMI's annual winter meeting at Lloyd's.

She said: "Newbuild cancellations and deferments are increasing, but a huge amount of tonnage still is due to be delivered this year and next. Regrettably, we have not seen a significant leap in the scrapping rate of old ships, which is almost beyond belief in the present crisis. She continued: "Understandably, owners and charterers are doing all they can to reduce costs. If this means skimmed maintenance and deferred repairs, however, it's bad news for insurers who cover hull, cargo and liability risks. The situation is compounded by the emergence of new problems. These are mainly technical but could lead to big headaches for underwriters."

Normally IUMI uses its London meeting to announce the latest loss statistics and explain what the insurers think lies behind them. This year, however, the figures were not ready. This is not, it appears, because IUMI has been slow in gathering information, but this year there is more uncertainty than normal. The current economic conditions are behind this. The big uncertainty is how many ships that have become casualties will end up being declared constructive total losses (CTLs) and be judged not worth repairing.

Every year it takes some time for such cases to be sorted out, but this year the picture is further complicated by both the fall in ship values and the problems with estimating a value at all in the current depressed market. The insurers were, though, prepared to say very tentatively that the claims situation appeared to look better than the previous year, except in the offshore industry.

Lloyd's "covers 50%" of super cruise ship newbuilds: Around half of the risks of the latest very large cruise ships are being covered by Lloyd's of London

In a Lloyd's website article Richard Close-Smith, executive director, Willis Marine, says:

"Lloyd's plays a very prominent leading role in cruise ship insurance and we estimate that as much as 50% of both the shipbuilding risk, and thereafter the hull and machinery insurance of the newest breed of super ships, is placed in Lloyd's."

"For war and piracy risks the Lloyd's market is even more important as, when it comes to underwriting net lines without reinsurance protection, most roads tend to lead to Lloyd's."

Lloyd's notes that cruise ships have been in the news a lot recently, but sometimes for the wrong reasons such as when passengers have been stricken with norovirus, or stranded in the Antarctic ice.

However, "such incidents are in the tiny minority, and for most people, a cruise is the holiday of a lifetime".

The article coincided with the entry into service of the 225,282 gross tonnage Oasis of the Seas at three times the size of the QE2, and carrying up to 6,292 passengers plus a crew of up to 2,291.

One of the main insurable risks for cruise ship owners and operators is the loss or damage to the vessel, notably fire and engine damage, Mr Close-Smith is quoted as saying. "Slightly more surprising are the grounding claims which may be partly a result of the continuing appetite for new and yet more adventurous itineraries. Piracy is potentially a huge theoretical concern but in practice less so, as cruise ships tend to be few and far between in the Gulf of Aden and Nigeria. It would also require a larger and more organised pirate attack to maintain control of a cruise ship versus a cargo ship."

Another important insurable risk for owners is loss of earnings or business interruption. The challenge for brokers, according to Mr Close-Smith, is to include perils beyond conventional physical loss or damage such as infectious diseases, blocked ports and the inability of passengers to reach the vessel through say airport closure or even cancellations arising from a terrorist attack.

Out-of-date charts cause accidents: Out-of-date onboard charts and other nautical publications help cause shipping accidents, the London P&I Club warns. In the latest issue of its StopLoss Bulletin, the club notes, "The International Convention for Safety of Life at Sea (SOLAS) requires that, 'All ships should carry adequate and up-to-date charts, sailing directions, lists of lights, notices to mariners, tide tables, and all other nautical publications necessary for the intended voyage'.

However, London Club says, from time to time, the club receives a report from a P&I ship inspector that the charts or other nautical publications on an entered ship are out of date. Two incidents reviewed recently by the club emphasise why compliance with the requirement is imperative. In the first case, a telecommunications company alleged that a submarine cable had been damaged by a ship's anchor.

The first assumption was that, if the anchor had contacted the cable, then it must have been because it was dragging and the ship had not been able to recover the anchor in due time. However, the club-appointed surveyor quickly established that

the ship had, in fact, anchored directly over the cable but that the bridge team had been completely unaware of the hazard beneath them.

The surveyor identified that the ship had used an old edition of the chart, which pre-dated the laying of the cable. Apparently, on preparing the passage plan, the second officer had not checked that he had the current edition of the chart. In the second case a ship suffered damage as it struck a hazardous wreck the chart had not been properly corrected even though a chart correction showing the wreck had been issued some three years previously."

Govt advised to establish Maritime Training Board: Federal Government has been advised

to create a Maritime Training Board to oversee manpower development in the maritime industry. A former Sole Administrator of Maritime Academy of Nigeria (MAN), Oron, Akwa Ibom State, Engineer Olu Akinsoji gave the advice in Lagos.

Akinsoji explained that such a board could be found in other nations that had developed in the shipping business.

He said that the board should be a composition of representatives of all operators in the maritime industry as well as the relevant government agencies.

Akinsoji, a former Government Inspector of Ships (GIS) suggested that the board should be initiated by the Nigerian Maritime Administration and Safety Agency (NIMASA) through the Federal Ministry of Transport.

He added that the ministry should seek an approval from the Federal Executive Council (FEC) to create the board.

Akinsoji, who was also Nigeria's former Alternate Permanent Representative at the International Maritime Organisation (IMO), stressed that the board should be an Inter-Ministerial Board, saying the National Planning Commission should have a representative on the board.

On seafaring, he said, "A nation whose economy depends substantially on maritime transportation like Nigeria but relegate the development of seafaring, exposes itself to economic exploitation by other nations."

He suggested that the necessary seafaring knowledge and skills should be extended to the youths to develop the maritime industry. Akinsoji also said the nation should set the administrative machinery in motion to ensure that it would be able to issue certificates for masters and ship engineers of ocean-going vessels.

He further said it might be necessary for the nation to have a training ship as well as an appropriate training structure.

Stakeholders condemn maritime security bill, canvass improved funding of NIMASA,

Navy: STAKEHOLDERS in the Nigerian maritime sector were unanimous in their condemnation of the Maritime Security Bill, which proposes to establish a Maritime Security Agency for the country.

The stakeholders, made up of major actors in the industry like the Ministry of Transport, Nigerian Navy, NIMASA, Nigerian Ports Authority, Women in Shipping (WISTA), Maritime Lawyers, former Directors-General of NIMASA, former Chief of General Staff, Admiral Mike Akhigbe, Maritime Workers Union of Nigeria and

many others, have never spoken in one voice like they did at the public hearing on Maritime Security Agency Bill held at the National Assembly recently.

The only group who spoke in favour of the bill which has passed through the second reading at the House of Representative were its proponent, the Office of the Attorney General of the Federation and the National Security Adviser.

This fact came to the fore, at the public hearing on the Bill organised by the House of Representatives Committee on Marine Transport headed by Mr. Ifeanyi Ugwuanyi in Abuja.

In its presentation, the Federal Ministry of Transport, submitted that by the provisions of Section 1 (4) of the Armed Forces Act Cap a20, LNF, 2004, the power to enforce maritime security is largely vested in the Nigerian Navy while the National Drug Law Enforcement Agency (NDLEA), Nigeria Immigration Service, Marine Division of the Police and the Nigeria Customs Service are also vested with similar powers. The Minister of Transport, Alhaji Ibrahim Isa Bio observed that some of the provisions of the Maritime Security Agency Bill as presently drafted were in conflict and a duplication of some existing responsibilities of the Nigerian Maritime Administration and Safety Agency, NIMASA

The minister, whose paper was presented by the Permanent Secretary, of the Ministry, Mr. Adeyemi Olayisade noted that the Ad-Hoc Presidential Committee on Maritime Security and Safety (PICCOMSS) set up in 2004 to respond to maritime security exigencies as at that time had not performed the function adequately adding that the International Maritime Organisation, (IMO) did not support a militarised outfit handling maritime security of any maritime nation.

The minister specifically listed conflicting sections of the Bill with the NIMASA Act to include section four, which was described as an adoption of section 22 of the NIMASA Act and section 21 of the Bill, which appears to be a replication of section 15 of the NIMASA Act amongst others.

Sections 2(i), 3(a-d), 4 and 5 of the Bill, were described by the Transport Ministry as simple duplication of the preventive, interdictive and detention functions and powers of the Nigerian Customs Service, Nigerian Navy, Nigerian Immigration Service, Marine Police and the Nigerian Drug Law Enforcement Agency, (NDLEA).

In his words," the Maritime Security Bill was not a product of conventional collaborative efforts of all relevant stakeholders. It is too general, contains ouster clauses, duplications and does not take other existing and relevant legislation into consideration."

While admitting that the maritime security situation in Nigeria required urgent attention, the Transport Ministry urged the lawmakers to review the NIMASA Act in order to empower the agency to effectively enforce maritime security.

On her part, the Nigerian Maritime Administration and Safety Agency, NIMASA aligned with the position of the Ministry of Transport, in faulting the Bill. The agency's Director General, Mr. Temisan Omatseye noted that NIMASA at the moment performed all the duties proposed for the agency in the Maritime Security Bill under the NIMASA Act 2007, Cabotage Act 2003 and the Merchant Shipping Act (MSA) 2007.

In its submission, the Nigerian Navy noted that passing the Maritime Security Bill would result in undue duplication of functions, wastage of scarce resources and would be inimical to the interest of national security.

The Chief of the Naval Staff, Rear Admiral Iko Ibrahim who personally led the naval team to the public hearing, noted that the Bill which proposes that the agency regulate all bodies engaged in the provision of Maritime Security in Nigerian territorial waters, seeks to usurp the function of the President and Commander-in-Chief, Ministers of Defense, Transport and Police Affairs.

Ibrahim maintained that the country had adequate legislation and agencies to attain optimum safety and security in the maritime sector, adding that they only required adequate funding to perform optimally.

In a presentation on behalf of the Nigeria Navy, Rear Admiral Umosen faulted the creation of a Maritime Security Agency (MSA) with the broad functions of promoting maritime security in Nigerian territorial waters. According to him, an analysis of the objectives, functions and operations of the proposed agency shows that it would take over most policing functions of the Nigerian Navy and create avoidable duplicity of effort in the maritime sector. Speaking further, he explained that it would hamper the development of the Nigeria Navy into a viable maritime force by competing for scarce resources from the Federal Government

In his words, "most of the roles and functions proposed for the MSA are the same roles assigned to the Nigerian Navy, NIMASA, Marine Police, Nigerian Ports Authority by the constitution, Nigerian Defense Policy and the Armed Forces Act Cap A20, Laws of the Federal Republic of Nigeria. Duplicating these functions will be wasteful, unnecessary and ill-advised"

On its part, the Indigenous Ship Owners Association of Nigeria, ISAN, also called on the Law makers to throw out the Bill on the grounds that it will only further hinder the growth of the sector.

According to Captain Labinjo, "if you want to create Maritime Security Agency for us in the maritime then, you may also consider creating the Land Security Agency, Rail Security Agency and the Aviation Security Agency. Honorable members, we say NO to this Maritime Security Bill."

A Senior Advocate of Nigeria, (SAN), Mr. Mike Igbokwe led the team of legal practitioners who also lent a voice to reasons why the Bill should not be passed, others are Chidi Ilogu and a former Director General of NIMASA Mrs. Mfon Usoro.

Usoro described the Bill as incompetent on the grounds that the Bill did not have provisions for consequential amendments Act, cost compendium, policy and technical grounds while Maritime Consultant, Mr. Chris Asoluka described the proposed agency as "one too many"

Mr. Ferdinand Agu, a former director-general of National Maritime Authority (NMA), now NIMASA, who aligned himself with the position of the Federal Ministry of Transport, in faulting the bill, noted that only the Justice Ministry knew about the Bill from the onset to the exclusion of all other stakeholders.

Former Chief of General Staff (CGS), Admiral Mike Akhigbe (rtd) also kicked against the Bill saying that the functions being canvassed for the proposed agency were traditional roles of the Navy all over the world.

Akhigbe, noted that the National Security Adviser (NSA) was only charged with the responsibility to advise the president on security matters, adding that keeping of security in the maritime industry was the responsibility of the military and not of the NSA.

Akhigbe, who once headed the Nigerian Navy, stressed that passage of the Bill would create more problems in the industry than solving them.

In his words: "There is no reason why the bill should surface here, it will only create more problems, the seeming gaps and perceived non-performance of existing maritime security agencies was largely due to poor funding. "

Other government agencies and stakeholders in the maritime industry who also presented position papers against the Maritime Security Bill include the Nigerian Ports Authority, NPA, Maritime Workers Union of Nigeria, MWUN, National Council For Managing Directors, Association of Master Mariners, and the Nigerian Chamber of Shipping amongst others.

In his opening remarks, the Speaker of the House of Representatives, Dimeji Bankole, represented by the Chief Whip, Mr. Emeka Ihedioha, commended the committee on Marine Transport for the public hearing and assured that the proper thing would be done.

The Chairman of the Committee, Mr. Ifeanyi Ugwuanyi assured Nigerians that the committee's actions as related to the Maritime Security Bill would be guided by the submissions at the public gearing.

Members of the committee who spoke at the hearing described the session as a demonstration of participatory democracy considering the fact that an executive Bill could be constructively criticized by government agencies.

ITF as clear and present danger to global shipping:

This year was pompously declared by IMO as a "Year of Seafarers" meaning the main care of world shipping leaders is the welfare of seamen. As a proof of this all-embracing care, we have Maritime Labour Convention, coming into force in two years, with implementation of this Convention seafarers will be as safe and secure as ever. Hardly so. Let's look at ITF activities and try to foresee very near future. As far as I can understand, the main prophets and watchdogs of this Convention are ITF and affiliated nation unions. I don't know about other countries, but in Russia in Far Eastern ports port control already has a regulation, authorising them to demand from shipowners contract with ITF. Russian Seamen's Union demands from Russian Government more, namely - prohibition of any foreign-flag recruiting for companies and seamen alike, if companies, either crewing or owners or managers, don't have agreement with union.

If one gathers all the news and information with regards to ITF activities and coming Convention, one has nothing else but wonder, what they are up to, ITF and affiliated unions. I published in my Maritime Bulletin materials on two cases involving wage delays, one connected with ITF, another one with Russian Seamen Union. In both cases some of the crew were manipulated by union activists to claim against shipowner. Both cases were just that - frame-ups. I know, that there are many more such cases, but nobody nowhere published any material, revealing some methods of ITF and nation unions, trying to analyze their activities, their methods, their morals and their aims. Ok then, if no one else, let me do some analyzing. We're up to, on the verge of, unbelievable situation, when global shipping will be laid at the mercy of unionists. Look where we're steering at full ahead - with implementation of MLC, portcontrols will be authorised, if not required to, check and demand union agreements. That in fact means, agreement with ITF. Membership in unions, affiliated with ITF, is already compulsory,

as anybody knows. Not many seafarers may afford themselves a luxury of rejecting membership, when working in a company which has an agreement with ITF. Thanks God, there are many companies still not covered by these agreements, but when MLC comes into force, looks like there won't be many such companies left. Now, what will we get? Shipping roughly is a ship and a crew. One of those two components will be under total control of one organization, International Transport Federation. Isn't it frightening? I think it is. But there's much more to that.

Let's look into bright coming future and try to figure out how it will work and to what results. For example, let's say in one country there are two regional, local shipping companies, both working under agreement with ITF. Port control won't let the ships of any company arrive and departure without such agreement. Let's assume those two companies are rivals. One will have close ties with local unionists, or just find an approach to become close. All that company has to do to remove competitor or at least to damage him, is to ask local union to cancel agreement with company in question on the pretext of violating either agreement, or seamen's rights, or both, just to make sure. And a company in question will have one hell of a problem. Who will tell me it's impossible and inconceivable? I tell you who - leaders of global shipping, starting from IMO. All those who's in shipping, not above, will agree, that the scheme is a very possible one.

But I think this is the least risk we may expect, there are much bigger threats. Let's look at a wage level. And let's look at countries, main sources of maritime labour force. I don't know for sure about India or Philippines, but if we're talking Russia, for many men from small towns or villages union's "a must" wage level is a bit short of a fortune, they can't even dream about such salaries back home. Point is, those deciding to go to sea, those for whom such wages are more than satisfactory, more often than not, are not and won't be good reliable seamen, at least many of them. And why should they bother with their seamanship qualities if what they get is more than enough? They don't have stimulus to grow up, to get better qualifications, master a good English and go in for higher wages and career in some first-class shipping companies, they're more than satisfied with what they have. Such equality will endanger maritime shipping, especially local one.

Another aspect is local small and middle sized shipping companies. There is no secret in a plain fact, that they can't afford wages required by ITF, simply can't. They make agreement with union and pay what they can, which is substantially less than required under agreement. Do you think union doesn't know that? Union knows, but it's ok with unionists as long as company pays her fee and seamen theirs. What is this, if not a profanity? And why nobody speaks about such practice, or writes, or at least mention? Whom do we fool, ourselves? Yes we do, and unions are more than happy with our idiocy, that suits them perfectly. If local owners, engaged in coastal shipping, would start paying required wages, many of them would bust, and that's a danger to coastal areas and population, take for example Russia, where the whole of Russian Far East depends solely on supplies delivered by sea.

Ok, one may say, but let's look at a bright side. At least seamen would be safe from such problems, as wage delays or abandonment. Hardly so. Let me again, give you some examples. Just to understand morals and methods of unionists. Last year there were some 100 Russian seamen in trouble, some abandoned in foreign ports by shipowners. Tens of thousands Russian citizen work at sea, in Merchant and Fishery fleets. They

bring to Russia hundreds of millions dollars each year. Still, Russia as a state didn't allocate funds to repatriate her own citizen from abroad, if they're left with no means to return home. Russian embassies can't even support seamen with food. Well, Russian Seamen's Union once again raised the question of state help, but then came up with proposal to prohibit seamen employment on board of foreign-flag vessels, if owners don't have agreement with Union, and seamen aren't members of union. You see, unionists simply used the situation to their own benefit. Russia is not among most poor countries of the world. But Russia can't find money to help several dozen hardworking seamen, whose only misfortune is a wrong citizenship. To demand something from Russia, from her premier-minister and the Co., is not an easy business, it's even risky. But Russian authorities were happy, when Union came up with proposal of new restrictions. Russia is a well-known country for her corruption, and one more prohibitive law is just what Russian bureaucracy needs, it was a Christmas present to them. Everybody, at least in Russia, understands, that seamen will be working on foreign-flag vessels anyway, they'll find ways, mostly illegal of course. Still, unionists will get what they're after - more power. Now, whose interests defend unionists, if judge from the above?

And I'm absolutely sure, that when ITF and affiliated unions will come to full control via implementation of MLC, situation for seamen will only worsen, because unionists will decide, in what case to help crew, in what no, what make public and what to bury in oblivion. One more interesting fact about Russian Seamen Union new law proposal - there is one point in this law, demanding not just contract with trade union, but only with trade union affiliated with ITF, because "shipowners may create fake unions to avoid responsibility".

There's another example, on which we may figure out what's waiting us in near future. Russian Seamen's Union has an example for all Russian shipowners, example of a good respinsible and in all ways perfect shipowner, biggest Russian shipping company Sovkomflot. State-owned and kind of notorious after acquisition of Novoship, her biggest rival. Acquisition was in no way market one, everything was decided in high places in Moscow. Now Sovkomflot is after another rival and competitor, the only one still alive, Primorsk Shipping Co. My old friend who works in Prisco, wrote me, that Prisco has to sell new aframax to Sovkomflot, crews offered to go with ships to new owner. But Sovkomflot pays substantially less than Prisco. And besides, my friend worked in Prisco all his life. So what do you think, is Union neutral in such kind of "competition", or will back the strongest?

EuroCommission fights with monopolism, everybody fights for a free and fair competition, and people's right to have a choice. Here we have total monopoly with absolutely no choice, either you're a member of Union, or you're out. It's especially outrageous considering principles of trade unions: as far as I remember, union membership is voluntary, at least such was the idea, or now it's different and seamen must be members of the union, and not any union, but one and only one? What's looming ahead, is violation of any antimonopoly law or principle plus violation of basic human right, right to have a choice. And it looks like nobody cares. No criticism, no analysis, no Round Tables and conferences - nothing. Monopoly is a thing, which may kill any industry, any human activity. Most important component of global shipping, people, will be totally monopolized, and I have no doubts, monopolized for worse, not for better. ITF will have almost unlimited power to rule

global shipping at their will. Well, I understand of course that there will be some limits, no one will let ITF seriously harm such sectors as shipment of crude, grain ore or container mainstreams, most victims of ITF will be small and middle sized local owners. But I have no doubt, ITF will be trying to get under control everything, till at last, shipping and states will lose patience and put ITF out. Before it happens, ITF will do a lot of harm, they already do, and the more we keep silence, the more harm we will get.

What Is Green Ship? What does the Green Ship term mean? In International shipping "Green Ship" is mainly associated with the Green Ship Award Program. There is also something that is called Green Ship Initiative established in North America and some others but that is a whole other subject that we might get into another time. So here in these articles we are going to concentrate on "Green Ship Award System".

In order for us to get an understanding of what it all means I think we should lay a bit of background. The ships that we are using on the seven oceans have always had a great attention to the safety. The ship owners were always greatly concerned with the safety of the vessel and the cargo that it transported. After all the aim was to make money as a transporter. Onboard the ship, crew was always concerned with the safety and the equipment needed in situations of emergency.

As ship types and technology has changed so has the quality of the ship. The navigational equipment used to navigate safely on the oceans and especially in areas of high traffic has seen a great improvement and made the logistic quality very high. Probably the greatest advancement we have made so far is the GPS and all the technology that became possible due to that technology. Our Ships, the way they are constructed and the way they operate, are safe. The crew onboard and the management office ashore are all part of making it safe. Today the big word in ship safety is prevention.

Just after the Second World War United Nations founded a body name IMCO overlooking the safety of maritime shipping. This body has since become IMO (International Maritime Organization). Imo have been laying the laws applying to shipping and has bodies in place to enforce those rules. These laws that IMO has set for shipping to follow are basic minimum requirements and to some they are not strict enough. Looking at the ships we could see a large spectrum of ship types and also quality. The age of the ship was also an issue. If we had a quality level of let's say 1-10, 1 being the top, the gap between 1 and 10 was simply too large. There had to be a second set of higher standards set in place and also incentives to owners for bringing the operation up to those higher standards.

This was the base for the governing body at the Port Of Rotterdam when they took the initiative in 1994 to establish these higher standards. It was all on a voluntary basis and became "Green Ship Award" standards. It was to be applicable to the whole shipping company both ashore and onboard the vessel. The first ships to get into this higher set of standards were tankers. Since then we have seen the bulkers come along also. Personally, I'm still waiting for the container ships to catch up.

I think that in this first article about the Green Ship Award we have opened up for some interesting subjects and discussions. Where are we heading from here?

The "MARINE WAVES" Registered with the Registrar of Newspapers for India under No. TNENG/2005/15243. Postal Registration No. TN/CC(S)Dn./71/08-10.

"MARINE WAVES" publication of international maritime newsletter, wishes Indian Seafarers to be an awakened and enlightened lot, assert citizen's basic rights. Our citizenship to the land of origin matters though we are seaman, belonging to the sea while at work. Seafarers can change "India" by just sparing their valued few moments and spending few rupees, to build a greater INDIA. HOW? Whenever you see corruption / cheating / harassment/injustice etc., send us a letter or a line in brief online to the Editor of Marine Waves and/or to the head of relevant department. If you wish not to disclose your identity, please write anonymously. We at "MARINE WAVES" will make the necessary investigative reporting and act, to be of service to you. Please do remember, that oral arguments directly with the concerned, may not work, owing to vested interests. WRITTEN COMPLAINTS work, or please do "inter-act, online".

This site is owned and operated by "MARINE WAVES" whose registered office is in M107-5, 29th Cross Street, Besant- Nagar, Chennai - 600 090, INDIA. 42018982. Managed by Shri R Venkatakrishnan, M.Com; MCA; MBA., Managing Trustee, for "Marine Waves Trust". Founded/ Authored by Dr. Chandran Peechulli, Ph.D; MBA; D.Sc; FIE(India), PgDIMS(UK), PGTED; FIPE; MSEI; MSNAME(USA), Ex.Chief Engineer(Marine), G.M.(Tech) Crossworld Shipping, Managing Editor & Publisher-"MARINE WAVES" International Maritime Newsletter. www.themarinewaves.com

Please do Subscribe to "MARINE WAVES" (International Maritime Newsletter) and also RENEW, YOUR SUBSCRIPTION WELL IN TIME. We hope, readers can well understand that the MARINE WAVES newsletter that you are reading, costs money to produce, publish, post and circulate "MARINE WAVES" and is kept viable by partnership between us. Hence support us with your active participation and fullest co-operation. Online viewing is FREE, just as it appears in print, hence avail browsing while in ports. Keep yourself abreast with the changing maritime scenario. Please spread the word and forward to "All Seafarers" new and old, more importantly to all those connected to sea.

Readers' valued feedback very important to us. Please be free to e-mail: seafarersman@indiatimes.com, seafarersman@hotmail.com You don't have to be a "Writer", all you need to be yourself and pour- out your thoughts on Seafarers and their life and work out at sea.

Service to active Seafarers out at Sea.

Do write to us of your unsolved problems/grievances, the matter will be taken up with the concerned Civil Authorities/Telephone, Electricity Board and other Government Agencies / Departments.

SUBSCRIBE TODAY FOR LESS THAN A RUPEE A DAY.

Get a copy of your favourite Maritime Newsletter which provides you updates to keep abreast with the time to time development activities updating your vision of the present Maritime scenario.

Annual Subscription — Rs. 250/-

For booking of Advertisements, to this monthly newsletter, communicate to Shri R Venkatakrishnan, M.Com; MCA; MBA.,

Associate Editor, Admin. Manager and Managing Trustee – Marine Waves Trust

"Marine Waves" International Maritime Newsletter,

M107-5, Prefab Apts., 29th Cross Street, Besant Nagar, Chennai-600090. India.

Phone 98400-84216 / 044-42018982.

pkc484@yahoo.com rvkm41@hotmail.com and/or seafarersman@indiatimes.com

Black & White, Multi-Colour respectively.

Full Page	25 x 18 cms. - 450 sq.cms.	Rs.6300	Rs.8000
Half Page	12.5 x 18 cms. - 225 sq.cms	Rs.3150	Rs.4000
Quarter Page	6.25 x 18 cms. - 112.5 sq.cms	Rs.1575	Rs.2000

Advertisement materials accepted in Art Works, Positives, CD's, Zip, Floppy. We can as well design for you, at nominal cost.

Attention Seafarers! TOLL FREE NUMBER



In case of Emergency seek Help, while in Indian waters / Indian EEZ, Contact: INDIAN COAST GUARD Dial City Code, followed by 1554.

For example from Chennai,
044-1554

TELEPHONE NUMBERS

PORTS ON THE EAST COAST OF INDIA, COAST GUARD REGIONAL HEAD QUARTERS (EAST) , (MRCC) Chennai, Tel: +91-44-2346 0405, Telefax: +91-44-2539 5018 Email: isareast@dataone.in, Inmarsat "C" (IOR) 44190 7510 Inmarsat "M" (IOR) 64190 1410

PORTS ON THE WEST COAST OF INDIA, COAST GUARD REGIONAL HEAD QUARTERS (WEST), (MRCC) Mumbai, Tel: +91-22-2438 8065, Telefax: +91-22-2431 6558

Email: indsar@vsnl.net,

Inmarsat "C" (IOR) 44190 7210

Inmarsat "M" (IOR) 76288 2349

ANDAMAN AND NICOBAR REGION, COAST GUARD REGIONAL HEAD QUARTERS (EAST), (MRCC) Port Blair, Tel: +91-3192-245530, Telefax: +91-3192 - 242948

Email: pblmrccpb@sancharnet incom_cs@dataone.in

Inmarsat mini "C" (IOR) 44190 8010 Inmarsat mini "M" (IOR) 76248 3765 Fax: 76248 3766

Owned & Published by Dr. P.K. Chandran, H109/8, Mahatma Gandhi Road, 7th Avenue, Besant Nagar, Chennai - 600 090, printed at Sunitha Printers, 193, Peters Road, Royapettah, Chennai - 14. Editor. Dr. P.K. Chandran, Ph.D., M.B.A., F.I.E. (I), PGDIMS (UK), M.S.N.A.M.E. (USA)