

First Successful Attack in a year on Tanker – Pirates Seize Greek Oil Vessel

Somali pirates have hijacked a Greek-owned oil tanker carrying close to a million barrels of crude oil while in the Arabian Sea, the first successful attack on an oil tanker off the Horn of Africa in more than a year.



A pirate who identified himself as Ahmed told Reuters the MT Smyrni had been diverted towards Somalia's lawless coastline. The vessel's manager, Dynacom Tankers Management, said it had lost contact with the crew of the Suezmax-class tanker following the attack off Oman.

"It is now heading to one of our bases," Ahmed told Reuters by phone from a pirate lair in Hobyo. Based on the course and speed of the vessel's advance, the tanker will reach Hurdiyo in Somalia around midday on Saturday, an industry source said.

The Suezmax tanker loaded around one million barrels of crude in Turkey - worth close to \$115 million dollars at current prices - and was on its way to Indonesia.

Shipping records show the cargo aboard the Liberia-flagged vessel is owned by Azeri state oil firm Socar, although this could not be confirmed by the firm. Both Socar and the vessel's owner Dynacom declined to comment further on the details of the vessel's voyage.

London-based International Maritime Bureau said the attack involved 10 pirates in two skiffs armed with automatic weapons and that they managed to board

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Highlights

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the ship on a second attempt after their first attack was thwarted.

It added that the ship had 26 crew members, but could not confirm their nationalities. Earlier, a Kenya-based piracy expert said the crew numbered around 17 and the tanker was headed for the Somali coastline.

"We believe it will be heading towards Somalia currently, because that is where the pirates will take it and anchor it," Cyrus Mody, an IMB spokesperson, told Reuters.

IMB said a second tanker was attacked on Wednesday by pirates firing rocket propelled grenades but the assault was thwarted. The attack occurred about 565 km east of Socotra, an island lying between Yemen and Somalia's lawless coastline.

OceanUSlive.Org, a social networking site for the maritime industry, said there had been a spate of attacks in the Arabian Sea in the past few days after a lull in pirate activity.

The hijack success rate for Somali pirates has dropped sharply in recent months, due in part to more merchant ships turning to armed security guards, razor wire and water cannons to protect themselves.

In its statement, Dynacom did not say whether the Smyrni was carrying private security personnel. Seaborne gangs have raked in an estimated \$150 million in ransoms in what has become a highly organized, international criminal enterprise, security analysts say.

Somali pirates in December released an Italian-owned Aframax oil tanker, smaller than the Suezmax, after receiving an \$11.5 million payment. The Savina Caylyn was seized in February, 2011. Despite successful efforts to quell attacks in the Gulf of Aden, international navies have struggled to contain piracy in the Indian Ocean and Arabian Sea owing to the vast distances involved.

The EU's Misguided Move to Fight Pirates Onshore

When confronting the crisis of Somali piracy, the preferred strategy of the international community has been to deploy naval vessels to protect vulnerable ships and deter and disrupt pirate attacks. The refrain that 'the solution to piracy lies onshore' is oft-heard, but counter-piracy actors-including the US, the EU, and NATO-have been slow to deepen their engagement with regional authorities and hesitant to expand the military scope of their operations. A significant shift in strategy was thus seen on March 23, 2012, when the Council of the European Union agreed to extend the area of operations for the EU's counter-piracy mission, Operation Atalanta, to "include Somali coastal territory as well as its territorial and internal waters." While a more inland focused policy is a welcome development, the EU's proposed escalation of force risks increasing civilian casualties and local resentment and will have to contend with the unintended consequences of mission creep. This new strategy also comes at the expense of an alternative onshore policy: increased international support for maritime security capacity building programs in Somalia's pirate-prone areas and the wider region.

Europe's New Plan: Launched in December 2008, the EU's



Operation Atalanta, which consists of rotating naval vessels and reconnaissance aircrafts from participating states, was originally mandated under the UN Security Council to protect the shipping of the World Food Programme (WFP) and the African Union Mission on Somalia (AMISOM). The mission has also served to deter, prevent and repress acts of piracy off the Somali coast. The recent addition to Atalanta's mandate, which was also extended through to December 2014, calls for the targeting of pirate onshore infrastructure, including moored boats, fuel tanks, and communications equipment. While the UN Security Council had previously provided authorization for inland operations, this marks the first time that international naval forces have proposed a plan and policy for strikes against targets inside Somalia. NATO's Operation Ocean Shield, which operates independently from Atalanta, was also extended through 2014, but onshore operations were explicitly ruled out.

Military experts informing the EU's decision have argued that attacks should be launched by helicopter gunships in order to accurately hit targets while avoiding civilian casualties. While there was no official pronouncement, Germany's Der Spiegel reports that a strike limit of two kilometers inland was eventually reached after prolonged debate within the

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From the Editor's Desk



English: *It is the window to knowledge and the West...Without knowing English, our children will be good only to pull bullock-carts.* — Justice Markendeya Katju

There is no enemy outside of your soul. The real enemies live inside you and they are anger, pride, greed, attachment and hate. — Lord Mahaveera

COLLECTIVE CONSCIOUSNESS: *Meet together, speak together, let your minds be of one accord, as the gods of old, being of one mind, accepted their share of the sacrifice....Let your aims be common and your hearts of one accord, and all of you be of one mind, so you may live well together* — Rig Veda

The totality of beliefs and sentiments common to the average members of a society forms a determinate system with a life of its own. It can be termed the collective or creative consciousness. — Emile Durkheim.

Happy is the unity of the Sangha. Happy is the discipline of the united ones. — Dhammapada 194

There are several cases, where our Govt does not take any action even if the citizen's life is at risk or when facing injustice owing to unfair practices, which is despite relevant authorities informed of the same. Our Govt does not care to view citizen's welfare, herein said particularly of seafarers. All relevant Authorities of national governance need to be committed and responsible to the genuine needs of help to their national citizen. For e.g. in the Indian real estate sector. The rules are so free and loose that anyone can fool the public. People make money and get away, this has been brought to Govt notice now and then but they have done nothing about it, harming innocent people. Hence, is the Govt not indulging in criminal practice? After the Govt approves the projects and if the party does not comply with rules and guidelines, should the Govt not punish those who are not eligible to run such business but rather they sit negligent in spite of complaining. So, one wonders why at all they should exist? There are so many educated citizens who want to flee the country because of the casual attitude of the Govt. Government cannot just be run with money, but for good Policies and Practices, meeting to the times. hey need to adopt a uniform code of professional ethics. Though, one can hold the government- employees by online complaint to ministry of public grievance and redressal department Or visit to www.pgportal.com and register your complaint in 4000 words, in English. This is though the bound action to hold the government servant and punish by departmental enquiry. SAME ALSO DOESN'T WORK. In continuance, to my reference to the functioning of Public- libraries, in March 2012 Issue, not a single response from authorities concerned, but for neglecting the submission of valued suggestions in the common-interest of the readers. Readers, using the libraries are very much aware that a Public library is a library that is accessible by the general public, funded from public sources (such as tax money) and managed by civil-servants, trusted Bureaucrats, for commitment and responsibility towards public services administration, though they are directly governed by a Library- Committee, supposedly to serve the public's general-interest; hence expected to be fair and just, open to transparency more particularly after RTI 2005 Act. Public libraries exist in many countries across the world and are often considered 'an essential part of having an educated and literate population'. Public libraries are distinct from Research/School /College libraries, and other special libraries, which is to serve the general public's information needs (rather than the needs of a particular school, institution, or research population). Dis-interested staff who wanted to while-away the time, cannot make the services good to the public. Service-oriented personnel manned with good policies and procedures make "The Public-Library, an excellent model of the ruling government, at its best. Public libraries provide reference and research support help as well to the general public, at a reference desk. As online discussion and social networking allows remote access, reference is becoming available virtually through the use of the Internet and e-mail. Depending on the size of the library, optimal space utilisation and resources, there may be more than one desk; at some smaller libraries all transactions may occur at one desk, while large urban public libraries may employ subject-specialist librarians with the ability to staff multiple reference or information desks to answer queries about particular topics at any time during regular operating hours

As more commercial and governmental services are being provided online (e-commerce and e-government), public libraries increasingly need to provide Internet access for users, who otherwise would not be able to connect to these services. This role of libraries as part of "access to information"[6] and "equity of access "library profession's ethical commitment that "no one should be denied information because he or she cannot afford the cost of a book or periodical, have access to the internet or information in any of its various formats. Internationally, public libraries offer information and communication technology (ICT) services, giving "access to information and knowledge" the "highest priority." While different countries have their own requirements, general services offered include free connection to the Internet, training in using the Internet, and relevant content in appropriate languages. In addition to typical public library financing, non-governmental organizations (NGOs) and business fund services that assist public libraries in combating the digital divide.[10] An ever growing middle class, increased commercial activity, new radical ideas, massive population growth and higher literacy rates forged the public library into reforms that is expected today. Public libraries are common all over the world and not a new idea. The ill-conceived Directorate of Public Libraries, TN, can now self-assess themselves, as to where they stand in the library services, considering performance rating-efficiency, lacking basically an updated website with the requisite network of its infra-structure with contacts, or else it is high time, government services wherever feasible are outsourced, for increased performance efficiency. Service-oriented personnel, with a will to work, be retained in the government for necessary services and those name-sake for employment/statistical reasons be chucked-off, under 'no work no pay' principle.

THE International Maritime Organization's maritime safety committee is expected to meet for its long-awaited 90th session, which we hope will tackle two of the most hotly debated issues in shipping; private maritime security and passenger ship safety.

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Council. The use of both missile strikes and the deployment of ground troops were prohibited by the Council's decision. The Council's plan has not received unanimous support, with Germany's opposition parties offering the most vocal criticisms.

Charting the Wrong Course: Somalia's coastal communities have been largely supportive of both local and international efforts to curb piracy, but aggressive military action and the prospect of civilian casualties threatens to erode this good will and feed into the counter-narrative that pirates are 'coast guards' protecting Somali waters (and now shores) from illegal foreign fishing and waste dumping. Many EU members—such as Spain, Italy, and Greece—have been accused of these acts, but Atalanta's new mandate does nothing to address this grievance.

As the EU moves towards a more aggressive counter-piracy strategy it also runs the risk of sacrificing its previous commitments. Naval resources are costly and scarce, as Atalanta is already tasked with patrolling 2-million square nautical miles with between four and seven warships and two to three reconnaissance aircraft, depending on the season. While the operation's continuing mandate entails protecting and escorting WFP shipments to Somalia, it now appears to be stretched too thin to accomplish this. Chartered vessels delivering WFP aid have recently had to hire private security teams for protection, causing delays when the legality of the teams needs to be questioned at stops in ports such as Djibouti.

Blowback and Mission Creep: Though Spanish Foreign Minister Jose Manuel Garcia-Margallo assured skeptics that "much care" will be taken to avoid civilian casualties, history teaches that even the best intentioned interventions in Somalia tend to go awry. Pirate bases are not the sprawling "lair" that the media often paints them to be. In reality, they are temporary and mobile camps made up of little more than a few tents, vehicles, and moored boats. Heavy weapons, ladders and other boarding equipment are some of the only things differentiating fishermen from pirates, but these distinctions cannot always be identified through aerial surveillance. Given the visual similarity between the two groups, experts from Germany's foreign intelligence agency warned that the EU's new strategy runs the risk of misidentification and civilian deaths.

Coalition naval forces mistaking fishermen for pirates has already resulted in several deaths at sea. At least eight Somali fishermen are still missing from vessels that were allegedly attacked by foreign warships in mid February. Fishermen operating close to Mogadishu exclaimed that their "jobs are in jeopardy," telling Somalia Report that they fear attacks by coalition warships. On February 15, Italian marines protecting a cargo vessel shot dead two Indian fishermen they believed to be pirates off the coast of southern India, sparking a diplomatic incident between the two countries. On March 12, two Somali fishermen were killed after an unknown naval vessel (later reported to be a US Navy ship) opened fire on

their boat. While the EU's inland strategy has received a great deal of press coverage, this incident is yet to be picked up by the international media, nor has a statement been made by the US or any other naval coalition member.

Critics of the new mandate have warned that even with the most careful of targeting, Atalanta's planned onshore operations escalate the risk of EU forces stumbling into "a high intensity conflict" with armed gangs in Somalia. This threat is heightened by the fact that many pirate gangs have moved south and are now operating out of areas controlled by the Islamist militia al-Shabaab. Somalia's pirates have proved themselves very adaptive, and it is likely that they would move their bases further inland into civilian areas in order to complicate the EU's efforts to target them. Though ground troops have been excluded from Atalanta's expansion, soldiers may still need to go ashore in the event of a helicopter being shot down or malfunctioning. The results of the infamous 1993 "Black Hawk Down" incident should serve as a sobering reminder of the unintended consequences of mission creep.

Is There a Better Way? Members of the Council of the European Union are correct in recognizing that piracy at sea cannot be separated from its bases on land, but their approach to tackling this issue is misguided. As this author has previously argued, a lasting solution to the piracy problem requires the international community to begin shifting resources away from a military-centric strategy and towards a program for regional maritime security capacity building. In particular, the EU, NATO and other counter-piracy actors must deepen their engagement with, and support for, authorities in Somalia's pirate prone areas, primarily the autonomous states of Puntland and Galmudug.

With little international assistance, the newly created Puntland Maritime Police Force (PMPF) has cleared pirate gangs from their stronghold in Eyl and a number of other coastal towns. Local understanding and intelligence has reportedly endeared the PMPF, who also engage in fisheries protection and humanitarian assistance, to the communities in which they operate. While they have had their successes, the PMPF lacks the resources to confront the pirate gangs across the wide expanse of the region's coast. Puntland's annual state budget was a reported \$20-million in 2010, while the pirates took in an estimated \$160-million in ransoms.

A similar problem exists in neighbouring Galmudug, where authorities have expressed plans to launch operations in the pirate hub of Hobyo, but lament that "there are no international organizations sponsoring us."

There are numerous ways that the international community can support local counter-piracy initiatives. Coastal infrastructure such as roads, docks, and radar stations need to be developed, while maritime police forces require training, vessels, and (most importantly) paychecks. Investing in maritime security capacity building for Somalia's sub-state regions does not sound as sexy as 'bombarding pirate lairs,' but it remains the best way forward for a long-term strategy.

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Watchkeeper: The importance of mentoring:

The operation of ships, it is universally acknowledged, is an "experience-based" business, whether it is knowing how to handle a ship in heavy weather or what to do when some technical emergency arises. It is important to have the theoretical knowledge, to be properly taught in colleges and simulators, but there is nothing like actual experience to ensure that the proper reactions are ingrained. It is also essential that these best practices, from somebody who has had to handle a ship in heavy weather or coped with that technical emergency, are passed on to a new generation.

This was the basis of a talk by Captain Andre le Goubin last month in London at an event which celebrated the 40th anniversary of the Plymouth Nautical Degree Association, commemorating one of the very first courses which provided seafarers with academically recognised qualifications, other than their certificates of competency.

Captain le Goubin, who works for London Offshore Consultants and has become a specialist in dealing with salvage operations, spoke about the importance of mentoring, the process by which the knowledge and experience of one generation of professionals is passed on to the next. It is a serious matter, this cascading of knowledge, and one, which he believes is under threat because of the way in which manning of ships is presently organised. It is also an even more serious matter that the "unmentored" officers are, because of manpower shortages, being accelerated into more senior ranks without the benefit of the experience of their elders.

Barriers to adequate mentoring were arising as a function of modern manning practices, not least the demolition of the old company structures in which the "company way" was inculcated by seniors as they taught their cadets and apprentices who they knew would eventually become officers in the company.

It was also made difficult by the fact that senior officers were too busy and preoccupied with paperwork to be available to ensure that their juniors were being properly trained in best practice. Captain le Goubin is not the first senior officer to complain of the way in which paperwork was keeping the Master's nose in a computer in his office when he wanted to be around the ship and ensuring that his watchkeepers were doing their job to his satisfaction.

But, he said, one of the worst possible barriers to adequate mentoring was the problem of language on multinationally manned ships, where the Master found it a trial to provide essential orders that would be comprehended by his crew who might speak several different languages, let alone engage them in lengthy discourse about the best practices.

In his capacity as somebody called in after accidents to represent various interests, Captain le Goubin found plenty of evidence of the lack of experience that is becoming a serious problem. He instanced the case of a ship grounded when an inexperienced Master was trying to anchor it in strong winds and a tide from the opposite direction, an accident which would not have happened had this officer been properly mentored as he was working his way towards senior rank. The failure to "transfer knowledge", he suggests is a growing problem.

The good, the bad and the ugly: Wasting time and money on safety campaigns when every last cent has to be watched in one of the worst recessions in shipping might seem a perverse way of running a business. That, however, is what it seems some companies are doing, as their audience has already been convinced that the safety messages are simply empty rhetoric or "flummery", according to a new survey of attitudes to safety in shipping.

The audience, composed of staff at sea and ashore, take their cue not from the campaign's words but the regular, day-to-day decisions of the company that affect the health, safety and welfare of their ships and crews.

The fresh concern that has been raised about the impact of the recession on the safety of shipping is unlikely to be allayed by the survey's findings of the mismatch between the rhetoric and the reality that continues to exist in some companies.

In the report from Cardiff University's Seafarers International Research Centre (SIRC), in conjunction with Lloyd's Register Educational Trust, seafarers - from Ordinary Seamen to Masters - and shoreside managers express their views, backed by anecdotes, on how safety within their particular companies is handled.

The interviewees were drawn from five carefully chosen companies representing different types of trade, of varying sizes and corporate structures and covering both coastal and deep-sea operations. Two operate in the oil and oil products trades (one a coastal trade specialist), two primarily in container shipping and one in dry bulk (aggregates). Two are described as large companies, two as medium and one as small.

Some of the views and incidents portrayed will echo others' experiences and, while similar findings could be drawn from other industries, the unique nature of shipping - managing mobile assets and equally mobile personnel - in commercial and physical environments that are often hostile makes safety management a particularly difficult challenge.

The company that emerges with the most credit is small and family-owned and one whose crews say they are made to feel part of the family. Size is not, of course, the defining factor in safety as some of the largest shipping companies also have the best safety records. Smaller companies also face the problem of managing the increasing regulatory burden, although some, like the one represented in the report, seem to manage.

The large company operating in oil and oil products trades appeared to their sea-based personnel to put the interests of customers such as charterers first. "Large clients could exert considerable influence which translated into heavy pressure passed onto Captains - always by telephone - from shoreside staff," the SIRC researchers were told.

A different priority appears to have been at work of one of the companies in container shipping. Here some of its seafarers believed the emphasis was on meeting regulatory requirements and ensuring paperwork was in place "to protect the corporation in the event of any mishap".

Instances of "symbolically significant" penny-pinching are

quoted by seafarers as examples of what they perceived as the real attitude to both safety and their own welfare. A refusal to reimburse minor expenses incurred while travelling to join a ship rankles, a decision to reduce the number of engineers or to employ East Europeans with a poor command of English creates discontent and authorising an equipment test only after the Master had pointed out the possibly dire consequences of failing an inspection, including the incarceration of a superintendent, in the US fosters cynicism.

In the report* - the latest in a series examining how perceptions of risk can vary under the influence of a range of factors, from cultural background to type of ship involved - one of the litmus tests of the companies' attitudes to safety is the response to a request from a ship for an unscheduled stop to allow fatigued crew to rest.

The small, family-owned company typically agrees almost unquestioningly to such a request, according to the quoted testimony of one of its Masters. Another company is portrayed as less sympathetic to such requests, with the report citing an incident in which a Master who, having delayed pre-voyage bunkering for eight hours to allow the crew to rest, was never seen again after signing off at the next port. If there was a message, it was not lost on the others.

Similarly, another company's attitude to fatigue was perceived by its seagoing staff as delegating responsibility to the ship itself. While seeming to acknowledge the workload on shipboard personnel had increased in recent years - mainly through new regulatory paperwork - management ashore had failed to make extra staff available and believed "fatigue management", i.e. ensuring hours-of-work rules were not broken, was achievable by those on board. Again, the message in this case was that any delay to the ship should be avoidable.

How attitudes to safety are perceived can be determined more by such actions than the regular supply of safety advice in the form of standing orders, posters and videos, although these do not go wholly unappreciated. Similarly, the two-way communication advocated by some to enable seafarers to bring to management's attention their own safety concerns does not work, the report notes, when everything from the ship has to go via the Master.

In the report's conclusion the authors say companies can spend considerable time and money conveying their safety message but then undermine that effort by their daily actions. Seafarers may see a poster or watch a video on safety but the true message comes across clearer and louder through what their bosses actually do.

While no blinding insights or new ways of approaching a familiar subject are provided by the report, it does serve to remind everyone of a problem that refuses to go away. The question it ultimately raises is whether this latest portrait will make any difference and, if not, suggests the only response is reluctant acceptance that there will always be the good, the bad and the ugly.

BIMCO - ISO join forces to establish

PMSC standards: In a joint submission to the 90th session of IMO's Maritime Safety Committee, BIMCO and ISO explain that work is underway to establish an ISO standard for the accreditation and certification of PMSCs (private

maritime security companies) providing contracted armed security personnel (PCASP) on board ships. The new ISO standard will be available in 2012 as a Publicly Available Specification. Because the reputation and recognition of the organisations involved provide essential legitimacy, BIMCO firmly believes that this is the best and swiftest methodology to develop the process through which to audit with the necessary thoroughness. In IMO precedent has been set before with endorsement of ISO standards and it is hoped that IMO will also endorse this new ISO standard and thereby help speedily resolve this complex issue.

Government and NGO participation encouraged: Terms of reference and a draft framework for the work will be presented to an inaugural meeting in mid-2012 for expert comment and discussion. IMO Member States and observers are encouraged to participate in the process, and several IMO Member States and NGOs have already designated experts to do so.

Scope of the new ISO standard: Using the existing IMO PMSC guidance and BIMCO's GUARDCON as the point of departure, the ISO standard is expected to address a number of key issues e.g.

- How the PMSC identifies and justifies the exceptional circumstances in which PCASP may be used, and how it identifies and demonstrates compliance with relevant international law and applicable national requirements;
- Methods for rigorous accredited third party certification;
- Details of the necessary contractual obligations as to how the system works between the shipowner and the PMSC including the necessary involvement and interaction with the involved national States;
- Risk assessment methodology;
- Methodology to be followed to decide the size, composition and capability of the security team, including identification and demonstration of compliance with national requirements and strategy of all stakeholder States;
- Method to demonstrate the effectiveness and legality of planned activities on an overall and case-by-case basis;
- Methods to demonstrate the legal management of firearms including purchase, storage, export/import, qualification, training, experience, use, reporting and documentation;
- Methods for documenting and reporting all activities with a close focus on incident recording and reporting.

Potential ramifications of the new ISO Standard:

Compliance with the new ISO Standard will provide a number of advantages and assurances for Shipowners as well as PMSCs. Together with BIMCO's GUARDCON the Shipowner will have a solid foundation on which to base the choice of armed security providers. Furthermore, for the PMSC, compliance with the new ISO Standard together with the use of BIMCO GUARDCON will constitute a hallmark of professionalism. With the current state of affairs where the PMSC market is littered with "Mavericks" such a hallmark is just as much in demand by the high-end PMSCs and the shipowners as it is feared by the PMSCs in the lower end of the spectrum.

It is currently under consideration for the future that PMSCs that become compliant with the new ISO Standard and use BIMCO GUARDCON could become eligible for Associate Membership of BIMCO, something which is currently being requested by many PMSCs. Unfortunately, until there exists an acceptable process of accreditation to BIMCO, PMSCs cannot be allowed to become Associate Members.

Customs: EU and USA agree to mutual recognition of each other's trusted traders:

The European Commission has explained in a press release that EU and US certified trusted traders will enjoy lower costs, simplified procedures and greater predictability in their trans-Atlantic activities as a result of a mutual recognition decision signed 4 May 2012. The European Union and the United States of America formally agreed to recognise each other's safe traders, thereby allowing these companies to benefit from faster controls and reduced administration for customs clearance. Importantly, mutual recognition will also improve security on imports and exports, by enabling customs authorities to focus their attention on real risk areas.

There are currently some 5000 companies approved as Authorised Economic Operators (AEOs) in the EU - a number which is growing year by year. The EU and USA are strategic trade partners, with imports and exports accounting for almost •500 billion in 2011. Today's decision will further boost trade opportunities and contribute to the smooth flow of goods between both sides, without compromising the high security standards on either side of the Atlantic. The joint decision will start to be implemented from 1 July 2012.

Commissioner Šemeta said: "Today's agreement is a major step forward in the EU-US trade relationship. At a time when businesses need all the support they can get, this will make life easier and cheaper for many trans-Atlantic traders. It will also help to ensure that security checks on traded goods are more focussed and effective, further improving the protection that customs provides for each and every citizen."

Under this agreement the EU and the US will recognise each other's security certified operators. Authorised economic operators in the EU will receive benefits when exporting to the US market, and the EU will reciprocate for certified members of the US Customs-Trade Partnership against Terrorism (C-TPAT).T

Mutual recognition of trade partnership programs prevents the proliferation of incompatible standards, and promotes harmonisation of customs practices and procedures worldwide.

Background: Global trade has soared in the past decade, and the chain of transport and logistics system for the world's cargo is becoming increasingly complex. This has forced customs administrations to improve their tools for managing the international movement of goods to better respond to threats related to security, safety and fraud.

Since 2008, European companies can apply for an AEO status to have easier access to customs simplifications and to be in a more favourable position to comply with EU security requirements. The AEO status at EU level identifies safe and reliable businesses that are engaged in international trade. This means they deliver high standards of security and compliance, therefore making these companies highly trusted trade partners at customs checks. Fewer inspections on

goods are necessary, and formal customs procedures are quicker to fill in. This benefits the companies because the goods can move faster from one destination to another and help to lower transport costs. It also benefits EU customs administrations to concentrate their efforts on checking high risk transactions.

Mutual recognition of respective trade partnerships is a very important step towards improving the protection of citizens against terrorist attacks. At the same time, recognising each other as "reliable traders" will also lead to more effective container inspection and important cost saving for companies.

The EU wants its major trade partners across the globe to recognise the AEO status to facilitate and protect international trade even more in the future. Switzerland, Norway and Japan mutually recognise the EU's certification. A similar agreement is also being explored with China.

The Transatlantic Economic Council (TEC) has offered important political support to achieving EU-US mutual recognition. At its November 2011 meeting, a break-through was achieved when the Commission and US Department of Homeland Security announced the completion of preparatory work on Mutual Recognition. The TEC is the central political platform for EU-US co-operation on a wide range of high profile regulatory and strategic issues, with a view to furthering trade and investment and, ultimately, growth and jobs. *Source:* European Commission

Cargo Alert! Indonesia Bans Export of Nickle Ore and Unprocessed Ore Cargoes:

Correspondent for Indonesia, Spica Services, reports that the Ministry of Energy and Resources is imposing a ban on the export of certain unprocessed mining commodities including metal minerals such as nickel ore, iron ore and iron sand.

Regulation No. 7 of 2012 "Increase in Mineral's Added Value Through Mineral's Processing and Refined Activities" ("the Regulation") is to come into force as from 6 May 2012.

The purpose of the ban is to encourage the development of local processing plants, thereby ensuring that a greater proportion of the potential value of these commodities is retained locally.

Spica report that there is at present considerable uncertainty how the legislation will be implemented but it is thought that there will be an interim procedure whereby exporters that can prove to the satisfaction of the authorities that they are committed to developing the capacity to process their unrefined ores by 2014 will be granted temporary export permits. After this interim phase, the intention is that only the export of processed cargoes will be permitted.

While the extent to which the ban will be enforced remains to be seen, there is a concern that where an unrefined cargo that is not subject to a valid permit is loaded onboard, action may be taken by the authorities to detain the vessel. Whilst detention of a ship is not specifically provided for in the legislation, one local trade association has stated that "the POMALAA Regional Customs Office clearly states after May 6, ships entering Indonesian ports to load minerals, and in particular, nickel ore, will be detained", presumably when the necessary permit has not been obtained by the shipper.

Until the position becomes clearer, it is suggested that Members take care to satisfy themselves that the Shippers

are in possession of a valid permit to export the cargo in accordance with the new Regulation.

Debt Vows Still not Over for Drydock World in Dubai: Capt. Anshuman Singh of the firm of Fichte & Co in Dubai has sent in this update:-

Drydocks World, a shipbuilding and repair company that is part of the Dubai World conglomerate, in response to the 2009 Dubai economic crisis had proposed a restructuring plan to overcome its debt vows.

Drydock World with a debt of USD2.2 billion dollars went through a major management re-shuffle including the departure of the then chairman, Sultan bin Sulayem who oversaw the international expansion of Drydocks World during the boom time. The restructuring plans do not seem to have gone as planned and Drydock World has now filed a claim with a special Dubai tribunal for invoking " Decree No 57 " as insolvency protection.

Decree 57 is a law issued by Dubai's ruler in 2009 which created a special tribunal for Dubai World and its subsidiaries to deal with any litigation related to debt restructurings. The move to seek tribunal's help, the first by an indebted UAE company, is aimed at overcoming the opposition from a minority of lenders to its debt-restructuring plan that involves a five-year freeze on repayments.

The tribunal process, created under Decree 57 issued by Dubai's ruler, requires 100 percent consent from creditors for a plan to be adopted. But there is a cramdown option which can force dissenters to accept the plan once creditors holding 75 percent of the debt agree to it - a level Drydocks had apparently had reached before it began legal proceedings. As understood the said relief sought under 'Decree No 57' is applicable only to syndicated lenders. Drydocks World has significant financial resources to meet all of its liabilities and is far from being bankrupt.

The Drydocks move is the first real test of the tribunal which has so far only handled smaller claims but not faced a restructuring disagreement.

New York-based Monarch Alternative Capital LP, a company that invests mainly in distressed debt, won a \$45.5 million claim against Drydocks World in London's High Court of Justice on February 28 for defaulting on a loan is probably one of the parties walking out of any proposed restructuring plans. The shipbuilder, a unit of conglomerate Dubai World, was not included in the debt restructuring where Dubai World reached a deal with its core lenders to restructure majority of its debt.

EC Anti Trust Guidelines: The European Commission is seeking views on whether to abolish the antitrust guidelines specific to sea transport, when the text expires in September next year.

All your readers might be interested that the Commission will be accepting submissions on this until 27 July. Following an initial assessment, the commission's services consider the guidelines may be obsolete. These were put in place to help the industry transition from a sector-specific to the general antitrust exemption regime which is generally where the Commission is heading with all exemptions.

The full statement is: Brussels, 4 May 2012 - The European Commission is inviting stakeholders to submit their views on

the future of the guidelines on the application of the EU antitrust rules to maritime transport services. These guidelines will expire in September 2013. The Commission's competition department takes the preliminary view that specific antitrust guidelines in the maritime transport sector are no longer needed. Comments may be submitted until 27 July 2012.

The Commission's directorate general for competition has set out its preliminary assessment on the future of these guidelines in a staff working document. Their main purpose, which was to facilitate the transition from a specific to a general competition regime for maritime transport after the repeal of an exemption for liner conferences in 2006 (see IP/06/1249 and MEMO/06/344), has now been achieved, in line with the Commission's general policy of phasing out sector specific antitrust rules. Moreover, the guidelines now overlap with general antitrust guidelines, such as the guidelines on horizontal cooperation agreements (see IP/10/1702). The competition department therefore considers at this stage that specific antitrust guidelines in the maritime transport sector are no longer needed.

The Commission is seeking stakeholders' views and invites all interested parties to submit their comments on the staff working document by 27 July 2012.

Background: On 1 July 2008, the Commission adopted the Guidelines on the application of Article 81 of the EC Treaty (now Article 101 of the TFEU) to maritime transport services (see IP/08/1063). The Guidelines were published in the Official Journal on 26 September 2008 (OJ/C/2008/245) and provide that the Commission will apply them for a period of five years. These Guidelines will therefore expire in September 2013.

Tankship Seized by Pirates on W. Africa Coast Pillaged, Released: West African pirates off Lome, Togo, release tankship 'BW Rhine' after a week of pillaging oil product cargo.

Pirates have freed a gasoline tanker they hijacked, after stealing some of the cargo, the shipowner reports, in a fresh example of a growing trend in the region to hold vessels briefly to offload valuable oil products.

The fully-laden BW Maritime owned 75,687 dwt product tanker BW Rhine was forcibly removed from a safe anchorage position off Lome, Togo on 28, April 2012.

On 4, May, owners reported BW Rhine has been released off Nigeria by its captors. All 24 crew members were reported safe.

The Master of BW Rhine Captain Dheeraj Sharma confirmed that the vessel has been held under duress while the cargo was being stolen.

"We are all very relieved and our immediate priority is to ensure the wellbeing of our employees," says BW Maritime CEO Andreas Sohmen-Pao.

BW Rhine is presently en-route to a nearby port, where support services have been arranged for the crew upon arrival.

This is the first known hijack case of this nature in Lome, Togo. The attack took place at a patrolled anchorage with a large number of other vessels in the area. A thorough investigation of the incident will be undertaken in the coming

weeks and the company requests that respect is given to the privacy of the crew and their families after their ordeal.

What's good for ports not always good for carriers: The port of the future will need to take into account the capacity problems plaguing their customers.

Productivity will be the battleground for ports in the future, an executive from APM Terminals said in a presentation recently.

As the size of container ships increases, improving turnaround times will become crucial for vessels that cannot afford to spend days alongside.

It is something ports around the world have been wrestling with for some time. The size of ships has increased so rapidly that the port gantries and container-handling equipment always seems to be behind the curve.

Consider this: In 1980 the largest container vessel was 2,800 TEUs. By 2006, it had grown to 7,100 TEU and by next year Maersk's new EEE Class ships will be 18,000 TEUs.

But as the APM exec points out, the Maersk giants, even with 16 percent more capacity, are still the same length as other vessels currently in operation. That means there is no incentive for ports to increase the numbers of cranes per berth, or look to innovative new methods, and this could see productivity slow when the big boats come a'calling.

For ports, the benefits of higher productivity are wonderful. Get the number of moves consistently up around 40 per hour and a port will have better use of capacity, lower operating costs, and maybe even happy customers.

The benefits to container shipping lines, however, can be a double edged sword. Sure, they will be able to improve schedule reliability and count on a better service, but spending less time in port will mean that fewer vessels are required per string.

Any other time, this would be a positive. But now when an enormous amount of new tonnage is coming online and laying up tonnage is often the best use of the capacity, the last thing the carriers need is to cut down on the number of ships per string.

And don't forget slow steaming. The price of bunker fuel is never going to be cheap and the lines need to slow down ships on the major east-west trades. To maintain schedules, that means additional vessels have to be inserted into strings.

After losing US\$8 billion last year, shipping lines are intensely focused on profitability and will be in no mood for compromise. Improving productivity is a good thing, but the ports will need to balance this with what is good for their customers.

European discoverer of Australia and New Zealand: Abel Tasman (1603-1659) was a Dutch merchant and explorer. He is credited with the European discovery of Australia and New Zealand. He joined the Dutch United East India Company (Verenigde Oostindische Compagnie - VOC) in 1633 and was promptly dispatched to its Far Eastern headquarters in Batavia (now known as Jakarta, Indonesia). In 1639, he sailed as second in command on expedition to Taiwan and Japan. The VOC had established a fortified trading post on the western coast of Formosa

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(Taiwan) in 1624 called Fort Zeelandia, which served as the nexus for trading with China and Japan. In 1634, the VOC was allowed by the reclusive Japanese government to establish a small trading post on the artificial island of Dejima in Nagasaki Bay. The Dejima Dutch Trading Post remained in operation until 1853, when it was integrated into the



city of Nagasaki. For years, there had been conjecture about a great southern continent, Terra Australis or Beach, supposedly rich with gold. It was depicted on various maps as far southwest of Batavia, although no European had ever been there. In 1642, the VOC commissioned Tasman to obtain knowledge of these unknown provinces. Tasman sailed first to Mauritius. After topping off his supplies of food and water, he headed southeast. When the weather got too cold, he changed course to a more easterly direction. On November 24, 1642, he became the first European to reach what is now called Tasmania, which he named Van Diemen's Land, after the Governor-General of the Dutch East Indies. He sailed around the west, south, and east coasts of Tasmania (thereby missing Australia proper), charting as he went. Continuing east, he arrived at South Island, New Zealand on December 13, 1642. He named it Staten Landt and assumed that it was connected to South America. After an encounter with hostile Maori natives, he returned to Batavia via the Fiji Islands and New Guinea. Tasman's next voyage, in 1644, was more successful. After exploring the south coast of New Guinea from west to east, he turned south, landing on the north coast of Australia at what is now called the Cape York Peninsula. He sailed west along the entire north coast of Australia, thereby confirming that it constituted a major land mass, which he claimed for the Dutch Republic and called New Holland. The VOC could see little commercial value in the discovery and largely ignored it in favor of trade with Asia. When he died in Batavia in 1659, Abel Tasman was a wealthy and respected merchant, although his discoveries had been written off by the VOC as interesting but inconsequential.

Getting set for Salvaging & Wreck removal on Indian coast: The trend in salvaging and wreck removal as well as the problems the occupation is beleaguered with got highlighted in the first ever conference held last week.

World's leading salvagers had a field day in showcasing their prowess of their recovery and restoration capability at the last week's conference on 'Salvage and Wreck Removal in India' organized by HINODE (www.hespl.in). The first such event ever to be held on this topic brought into focus the opportunities that exists especially during the monsoons considering that the past few years had turned the Indian coasts into a gold mine for salvagers. As a result, in recent years most salvagers of international repute have been setting shop in India or begun operating under joint venture as the

number of ship accidents have begun to spiral.

Coming as a harbinger to the onset of the monsoon, the conference brought into focus India's perspective on salvaging and wreck removal. Setting the tone for the deliberations, Capt Sandeep Kalia, Executive Director of Great Offshore Salvage Services Ltd., stated that India was not a signatory to the Wreck Removal Convention adopted by the International Maritime Organization. Hence, there being over 450 abandoned ship wrecks lying on India's 7516 km coast it is easy for P & I Clubs to shirk responsibility.

"To prevent future damage and maintain the environment there is an immediate need for intervention by marine and salvage professionals," said Capt Kalia. "Professional salvagers should be granted immunity from legal and other challenges associated with marine salvage and wreck removal. Professional salvagers spend months in unknown and dangerous habitat away from home and should be given their due share of recognition and properly compensated for their endeavors."

Proposing the need to bring in legislation for responding to accidents and salvaging A. Kumar Dey, Deputy Inspector General of the Indian Coast Guard, averred that India witnessed 81 oil spills in 30 years. So far there being no proper system for response, the responsibility would eventually get shifted on to the coast guard to tackle such situations.

Setting the issues in right perspective Capt M. M. Saggi, Nautical Advisor to the Government of India pointed out that India had acceded to the Wreck Removal convention which is to come into force in about two to three years' time. He gave an account of the preventive measures taken by the Directorate General of Shipping including putting a ban on chartering of old vessels of more than 25 years during the monsoon season.

The Chairman of the Mumbai Port Trust, Rajeev Gupta who earlier had a long stint in the ministry of shipping, Government of India, pointed out that India was not ready for a major oil spill and cautioned that the "Maritime community is asleep". He recommended pre-emptive measures like early detection and the like which would serve as the first line of defense. He informed that plans were underway for installing virtual markers to strengthen the AIS system, conducting training for VTS operation, fitting light houses with AIS receivers, etc.

From the Salvagers' side Bas Wiebe, Regional Manager - Management of SVITZER Salvage Asia Pte Ltd, Singapore gave a detailed account of the "Role of the Salvage Company in Casualty Response". Salvaging is not a difficult task, it is the challenges that came in the way thus posing most of the problems, he contended. "You basically apply the physical rules in salvaging," he said. "But it is the pressures from authorities, commercial commitments and other requirements that posed problems. These included technical, diplomatic, legal, commercial and other challenges."

"Salvaging on a Larger scale : MSC Chitra - a case study", was another aspect of the salvaging that was presented by Reinder Th Peek, General Manager (Salvage) Asia, SMIT Singapore Pte Ltd. "Large scale salvaging operations have become more challenging," he said. "Though the work has not become difficult but the ships involved are larger, more advanced and there is a growing concern for protecting the environment." The only way to meet the challenges was to integrate quality and advanced technologies and be

innovative was his remedy. "We are here to limit damage to the environment and save tax payers' money because ships will continue to collide."

From Titan Maritime (SEA) Pte. Ltd. Singapore, Chandran Mathavan, General Manager (Asia) portrayed "The Challenges for Salvage Operations". He explained that unless one has lot of passion for this kind of operation he must keep out of this profession. Getting people especially young blood into the salvaging business was becoming difficult. There is need for people with various skills including diving, mountaineering, welding, cutting, etc.

Jim Elliot, Vice President (Salvage) T & T Bisso LLC presented the "Salvage Response under the USA System of Pre-contracted Services". He proclaimed that human life must be given the top priority during every response action. "The best response model ensured human health safety and protection of the environment," he stated. "U. S. recently implemented salvage and marine fire-fighting requirements, which spelt out a time frame for the response and focuses on response on reliability. It also defines salvage and marine fire-fighting requirements."

Other aspects of salvaging and wreck removal were also featured in the conference. One of this included "Recycling of Wrecks" wherein the concept of "Cash Buyer" was explained by Shashank Agrawal, Group Legal Adviser of Wirana Shipping Corp. He illustrated the benefits that Cash Buyers offered and the advantage to the ship owners and recyclers.

Alex Pinto, Director, India & Singapore, Richards Hogg Lindley, Singapore highlighted the various issues relating to "Salvage Claims". Hugh Brown, Partner of Holman Fenwick Willan LLP, detailed the "Current Legal issues arising from LOF 2011 / SCOPIC and WRECKHIRE 2010, and Thushara James the Associate Lawyer, Menon & Pai Advocates made several revelations about the legal processes and how the law was interpreted in her topic "Salvage and Wreck Removal - Legal and Evidentiary Concerns.

The coast may be clear at present. But once the monsoon comes with full force it is anyone's guess what problems and opportunities that will cover it.

LEGAL:

Brazilian Federal Court of Appeal rules on Spill by the Tanker Bahamas:

We are indebted to the newsletter of the Law Office Karl Kincaid in Rio de Janeiro for this case note:-

The vessel Bahamas was hired in 1998 to carry sulfuric acid to three companies established in the Brazilian state of Rio Grande do Sul. On August 30, when the discharge of the dangerous product had already started and after the discharge to the first recipient had been completed, it was noticed that the ship was no longer operational. Port authorities got aboard the vessel and found out there was a serious leak of acid to Patos Lagoon, where the terminal is located.

In relation to the suit for civil liability against the parties potentially responsible for the accident, the first instance federal court decided among other aspects that:

a) The company recipient of the first part of the cargo was

not deemed liable, due to the fact that the carriage contract had been successfully fulfilled and its cargo had been duly delivered, and therefore there was no chain of causation with the accident;

b) The shipowners were found liable, with the application of the theory of full risk, and the chain of causation between its activities and the damage occurred was also evidenced;

c) The second recipient of the cargo was equally found liable and the court understood that the full risk theory would apply to such company, and that there was a chain of causation between its business activity involving the product, as a production input, and the damages caused to the environment.

In the decision, the court ordered the companies to jointly pay immediately the sum of R\$ 20,000,000.00 (twenty million reais), for such amount would not harm or impair the activities of the liable companies, but it would be sufficient to prevent the occurrence of new damages.

One of the companies receiving the cargo, dissatisfied with the judgment against it, filed an interlocutory appeal at the 4th Region Federal Court (TRF4), requesting suspension of the judgment until the decision becomes final, alleging it had no financial capacity to shoulder the payment.? (Interlocutory Appeal No. 0001947-23.2012.404.0000/RS)

In his decision, the rapporteur appellate judge understood that the appellant company did not bring any element capable of proving the allegation of lack of financial capacity to pay the indemnity. He also pointed out that the company's financial results in 2009 were well above the amount of the award, reason why the appealed decision was maintained with the stipulation of immediate payment of the award, once the risk of irreparable damage for the company was absent.

Furthermore, it was pointed out that the companies were found jointly liable, so the payment of the award will have to be split among the three defendants.

Maritime Regulation: Anne Kappel has sent in this release on the latest views from the World Shipping Council, which are invariably sound:-

Washington, D.C. - USA - At the request of the House Subcommittee on Coast Guard and Maritime Transportation, on 26th April, 2012, Chris Koch, President and CEO of The World Shipping Council (WSC) testified regarding some current environmental and safety regulatory initiatives in which the industry is engaged and over which the Committee has oversight responsibility.

During his discussion of ballast water treatment regulations, Mr. Koch noted the constructive coordination between the U.S. Coast Guard and the Environmental Protection Agency in developing a uniform regulatory approach by the federal government, but expressed the industry's frustration in having to "deal with this issue through the illogical and incoherent legal regime that currently addresses this issue - namely, two different federal agencies operating under two different federal statutes, whose final conclusions, even if and when fully coordinated, can be second guessed by 50 States being given authority to add their own different standards to the federal Vessel General Permit (VGP) ... This remains at best, wholly illogical and, at worst, a recipe for unnecessary and unproductive conflict." He offered the industry's appreciation for the passage of H.R. 2838, which addresses

this problem and expressed the industry's hope that the Senate will support the Committee's efforts and approve Title VII of that bill this year.

Regarding vessel air emissions, Mr. Koch reviewed efforts to reduce NOx, SOx and particulate matter emissions from shipping through the North American Emission Control Area that will become effective on August 1st, and the International Maritime Organizations efforts to develop international measures that will reduce carbon emissions from ships. He went on to point out that the industry currently has a compelling incentive to reduce fuel consumption, and therefore carbon emissions, because "fuel is already by far the largest cost of liner operations." The World Shipping Council estimates that at current prices, the liner shipping industry alone is probably spending roughly \$50 billion a year on fuel for vessels serving the U.S. international trade.

Mr. Koch also discussed the issue of misdeclared container weights, which has been a safety concern of many maritime industry stakeholders for years, with shipping lines reporting that "in severe cases, the overweight or incorrectly declared weights reach 10% of the total cargo on board a vessel." He explained that the WSC and other industry organizations have recommended that the IMO amend the Safety of Life at Sea Convention (SOLAS) to establish a universal international regulatory requirement that all loaded export cargo containers be weighed before vessel loading, and that the actual container weights be made available to the vessel operator and used for vessel stowage planning. He said that the industry was "hopeful that [its] recommendation will be seriously considered at the IMO and that the U.S. Coast Guard will be a strong supporter of this initiative."

Shipping not Properly Prepared for Uncomfortable Bank Meetings: Chris Hewer writes:- International accountant and shipping adviser Moore Stephens has warned that some shipping companies are not adequately prepared to conduct successful negotiations with their banks which are likely to occur with increasing frequency.

Paul Edwards, a Moore Stephens corporate finance director, says, "Shipping is experiencing tough times. An increasing number of companies are unable to repay or, in some cases, even service their debts. That could mean an uncomfortable meeting with the bank. But too many companies are not properly prepared for such an encounter.

"Businesses must be able to produce properly documented and timely financial information for their stakeholders, which should include a view of the future. In good times, when charter rates exceeded operating expenses, little attention needed to be paid to future cash flows and debt service. But today, it is essential to be able to anticipate, to the extent that it is possible, future cash flows and pinch points.

"It is essential to provide banks with detailed information in the event that it becomes clear that a company may default on the terms of a loan. It is better still if this can be done before any covenants are breached or payments missed. In these difficult times, the key is for businesses to help banks to help them, by anticipating defaults or breaches and presenting a solution, rather than waiting for the default. This cannot be achieved without a proper financial model.

"Clearly, a model is not a panacea for difficult trading

conditions, but working with a bank to present its credit committee with a potential solution, rather than with a problem, is more likely to engender a positive attitude to any restructuring."

Financial modelling is a key component of any renegotiation of facilities. A viable model, typically including integrated balance sheet, profit and loss account and cash flow statement, can help to support a restructuring proposal, by demonstrating the impact of changes on future cash flow. Paul Edwards says, "Financial modelling doesn't change the economic fundamentals of a business. But it is a tool with which to identify ways to manage the impact of a volatile market. A good quality financial model is also an invaluable, ongoing management tool. It can be used to make longer-term strategic decisions and to determine the nature and structure of future investments and the potential returns on investment."

New report to analyse potential impact of IMO fuel emission regulations: Limits set out by the Marine Environment Protection Committee will reduce the maximum levels of sulphur in marine fuels to 0.1% and will come in to force in 2015.

This regulation is a positive step towards improving the environmental reputation of the maritime industry. However it also presents a significant challenge to the cruise industry, which has enjoyed an exceptional rate of growth in recent years.

The costs of low-sulphur fuels are set to rise and it remains to be seen what, if any, market-based mechanisms and incentives will be put into place to encourage emission reductions and soften the economic impact on operators. Cruise lines now have three years to come up with a technological solution to the dilemma of regulations which will be expensive to adhere to. Most major cruise lines already use fuel efficiency monitoring systems to maximise their fuel consumption, and unless a similar method of reducing and regulating the emission levels of high-sulphur bunker fuels is discovered cruise lines will be forced to purchase and use more lightweight fuels, causing prices to skyrocket and resulting in massively elevated expenditure.

Cruise lines will be left with little option if a technological miracle is not achieved and will be forced to significantly adjust their business models, perhaps even passing on this reduction in profits to the consumer.

It is of high importance to understand how the industry will respond to these new regulations. Tony Peisley, an expert cruise industry consultant, has produced a report at the centre of which is an evaluation of the impact of the new low-sulphur fuel requirements on the industry as well as projecting the industry's plans for the second half of this decade.

Cruising Through the Perfect Storm will be published on May 31st and will feature 300 pages of analysis, including 200 pages of industry statistics. As well as its focus on the impact of fuel regulations, chapters will include an evaluation of the financial performances of the major cruise companies; a survey of shipyard cruise ship orderbooks; detailed reviews of source markets; comparisons of economic impact studies for cruise industries and destinations; and an overview of global cruise infrastructure developments. Along with this are three new

chapters on: the potential of China; river cruising; and also the implications for the industry in light of the Costa Concordia tragedy.

Weekly piracy update: During the reporting period of 23-29 February 12 there have been three piracy related incidents: a dhow was hijacked (Alert 016/12), one merchant vessel was attacked (NSC 09/12), and one merchant vessel was approached by suspected pirates (NSC 08/12). As the monsoon period comes to an end and the sea state becomes more favourable for small boats, it is expected that Pirate Attack Group (PAG) activity will increase in the weather transition period.

EU Anti-piracy Mission EUNAVFOR Atalanta Extended To 2014: The European Foreign Affairs Council has agreed to extend the mandate of the EU naval operation to countering piracy European Naval Force Somalia - Operation ATALANTA (EU NAVFOR - ATALANTA) until December 2014. The current mandate expires in December this year. The Council which met at Brussels on Monday, commended the significant contribution of EUNAVFOR Atalanta to countering piracy.

India extends support to international efforts to tackle piracy in Gulf of Guinea: Expressing concern over the surge in piracy in the Gulf of Guinea near the western coast of Africa, India has extended support to international efforts to tackle the threat of armed robbery at sea. Participating in an UN Security Council debate on 'Piracy in the Gulf of Guinea' here, India's Permanent Representative Ambassador, Mr Hardeep Singh Puri, said piracy has become a major threat to maritime navigation, trade and economic activities in the Gulf of Guinea.

Denmark piracy raid off Somalia leaves two dead: The Danish Navy has said two hostages have been killed as a Danish warship confronted a pirate vessel off the coast of Somalia. The Absalon was patrolling the Gulf of Aden under Nato command, reports say. The Danish ship fired at the pirate ship to force it to stop, the Danish navy said on its website. There were 17 pirates and 18 hostages on board the pirate ship, said its statement. Two hostages were found wounded and "could not be saved".

The need for armed guards proves governments have failed to tackle piracy. The increased success of armed guards reflects poorly on the international governments which should be protecting shipping off the coast of Somalia, Justin Stares writes. Rather than protecting international trade, European governments have simply outsourced security to the private sector. How can we explain the sharp drop in pirate hijackings off the coast of Somalia?

Indian Navy succeeds in pushing back pirates: The Indian Navy's action against the Somali pirates off the Gulf of Aden has resulted in the seas on the Indian side being declared a safe area for merchant ships. "Many ships have been taking the route off the Indian coast after the Indian Navy's strong action against the Somali pirates," said Captain Pottengal Mukundan, Director, International Maritime Bureau Piracy Reporting Centre (PRC).

Shipping industry has mixed reaction towards outcome of UK Somalia

Conference: The International Chamber of Shipping (ICS) - the principal international trade association for shipowners representing all sectors and trades and over 80% of the world merchant fleet - has responded to the outcome of the intergovernmental conference on Somalia hosted by the United Kingdom on 23 February.

Somali pirates hijack two UAE-based vessels: Somali pirates have intensified their attack, hijacking two UAE-based vessels during the last week. A total of about 24 crew from both vessels are currently being held hostage by the pirates. The first vessel the Panama Flagged MV Leila, owned and operated by the Dubai based New Port Cargo & Shipping. A total of 24 crew men were said to be onboard the vessel when it was captured around 50 nautical miles south-southwest off Ras Al Madrakah, Oman.

UAE Intelligence Pursuing Pirate Bosses: International efforts to unravel the recent hijacking of a cargo ship bound for the Somaliland port of Berbera are underway. The cargo laden ship was hijacked last week in the Gulf of Aden enroute to Berbera from Oman its current believed to be either enroute to or in the notorious pirate town of Hooby.

SaveOurSeafarers welcomes piracy conclusions of Somalia: SaveOurSeafarers welcomes the London Conference on Somalia which was attended by 55 delegations from Somalia and the international community, and willingly supports its focus on unifying the international community in its coordinated support to Somalia, in the hope that a new era of Somali politics, supported by the international community, will bring peace to Somalia.

The European Commission organised an event concerning piracy and armed robbery. These acts are a serious threat not only to the lives of seafarers but to maritime transport as a whole. It is essential that all those concerned continue to act decisively and that the necessary measures are implemented systematically to prevent seamen from falling victim to such attacks and to protect the economy of the marine transport sector.

Would Be Pirates Captured By European Naval Forces: EU Counter Piracy Naval Forces (EUNAVFOR) have tracked down and stopped a group of suspected pirates who were believed to have tried to attack a Hong-Kong flagged tanker approximately 400 nautical miles off the coast of Somalia.

Progress in Fight Against Somali Pirates: Piracy along the coast of Somalia threatens one of the fundamental foundations of an interconnected global economic system: freedom of navigation on the high seas, Assistant Secretary of State Andrew Shapiro says. "In a globalized world, the impact of piracy in one area of the world can cause a ripple effect greater in magnitude than ever before," Shapiro said March 27 in remarks at the Washington-based Center for American Progress, a public policy research center.

Pirates agree to free Malaysian ship for nearly \$3M: A Pakistani negotiator for a Malaysian-owned ship held by Somali pirates says he has reached

agreement to free the crew in exchange for a ransom of almost \$3 million. The pirates have been holding MV Albedo for more than a year.

NATO Weekly Piracy Update: During the reporting period of 22-28 March 12 there was one merchant vessel (MV), and one dhow hijacked (Alert 027/12, NSC 014/12), and three attacks against MVs (Alerts 024/12, 025/12, 026/12), as well as two areas of suspicious activity reported in the HRA (NSC 013/12, NSC 014/12)

NATO and IMB Increase Cooperation to Counter Piracy: Captain Pottengal Mukundan, Director of the International Maritime Bureau (IMB) was invited to MC Northwood to meet with the staff of the NATO Shipping Center to maintain and strengthen the dialogue between the two organizations which work to provide the maritime community with the best information products possible to avoid piracy.

Somalian Piracy: the price of a life: The news of the release of Judith Tebbutt has brought the subject of the payment of ransoms back to the front pages of British newspapers. None would begrudge Judith Tebbutt or her family the joy and relief of her release. And yet one sees again that payment of ransom is, in some cases, heavily criticised. Many subscribe it seems to Kipling's adage: that if once you pay Danegeld, you never get rid of the Dane (or in this case pirate). The poem makes a good read to Victorian eyes, but it is (fatally) flawed.

Shipping divided over new EU rules to fight piracy: While some industry players have praised the European Union decision to allow EU Navfor to fight piracy on Somali soil as a "step in the right direction", others say they need to see more detail before they can support the move. The EU confirmed today that it had extended the area of operations to include Somali coastal land and internal waters. At the same time, it said that Operation Atalanta would continue off the Somali coast until December 2014.

SOS Welcomes Robust EU Action on Somali Coast: The SOS SaveOurSeafarers campaign welcomes the extension of the EU counter-piracy operation until end 2014, and the EU decision to broaden the scope of its naval operation in the Gulf of Aden and Indian Ocean by extending the naval forces' area of operations to include Somali coastal territory which allows it to take more robust action on the Somali coast.

Europeans OK Attacks on Somali Pirate Bases: Although the Somali pirates have to work harder and harder to steal a ransom-worthy ship these days, they are still bringing in over \$12 million in ransom for the 2-3 ships they get paid to release each month. As the anti-piracy patrol and ship operators have become more efficient at dealing with pirates, it's become harder for pirates to even get into position to make an attack, and even then, fewer than 20 percent of the attacks succeed.

Piracy threatens EA sea transport: Piracy in the Indian Ocean is now considered the biggest threat to marine transportation in the East African sea routes, according to regional military officials, who warned that the problem has been reported to spread southwards. To underline the

seriousness of the problem, the heads and representatives of navy units from 89 countries gathered in Cape Town, South Africa, last week to discuss options to eliminate the scourge of piracy. South Africa's Defence minister Lindiwe Sisulu said the number of people taken hostage for ransom by pirates in the area increased from 186 in 2006 to 1,016 in 2010, a situation that is grave.

The fact that piracy activities seem to be targeting trade routes in Eastern and Southern Africa was, in fact, one of the biggest concerns of the Indian Ocean Naval Symposium. "Tanzania has reported 57 attacks by pirates in its territorial waters between February 2011 and February 2012. This points to the relocation of piracy to the Southern African Development Community oceans," Ms Sisulu said.

Approximately 90 per cent of trade destined for Africa is transported by sea. This percentage is higher within intra-African trade. It is within this context that one will understand how tangible the area's vulnerability is. The Seychelles, whose economy is derived almost entirely from the maritime domain, is one of the few Indian Ocean countries to try and quantify the impact of piracy on its economy.

"The Seychelles believes that piracy cut their GDP [gross domestic product] by 8 per cent, at the height of the problem," Captain Philip Holihead, the International Maritime Organisation's Djibouti Code of Conduct Implementation Unit head, said.

The cost of piracy has been estimated at between \$7 billion and \$12 billion, globally, according to Holihead.

Experts say piracy does not only affect the flow of trade. In Tanzania fishing in the deep sea has been affected by piracy. According to Livestock Development and Fisheries deputy minister Benedict ole Nangoro about 150 fishing vessels could be registered and issued with fishing licences if there was no piracy.

"In the financial year 2010/2011 the government obtained revenue amounting to \$2 million (Sh3.2 billion). But this amount could have doubled had there been no piracy," Mr ole Nangoro said. Hence the revenue could be twice as much of that obtained last financial year 2010/2011.

Mr ole Nangoro clarified that a foreign vessel engaged in seine net fishing was charged \$12,000 in licence fees for three months and a registration fee of \$2,000 per year, while local vessels were charged \$4,500 for three months and a registration fee of \$300. Piracy also threatens onshore oil and gas exploration activities in Tanzania and in other East African countries. Recently the Tanzania People's Defence Forces (TPDF) navy captured a suspected Somali pirate after a gun battle near Mtwara port, oil and gas firm Ophir Energy has an exploration vessel.

Tourism, the second biggest earner of foreign currency has also been affected. TPDF's Navy Commander, Major General Said Shaaban Omar, said recently that the arrival of luxury cruise liners to Tanzania has decreased tremendously from 20 in 2006 to two in 2010. "Last year, no single liner docked on any of our ports. The situation is serious enough," Omar said.

Combating the threat Some of the ways to fend off threats from pirates are for nations in Africa to rapidly grow their naval capabilities, and enhance cooperation in security issues, participants said.

"No one is in this fight alone and no one nation has the means to go it alone," said Rear Admiral Robert Higgs, chief of staff of the SA Navy. The South African Navy, which is the only navy with the means to do deep water patrolling in the region, already, has a vessel patrolling the waters from South Africa to Tanzania.

The navy recently signed a trilateral agreement with Mozambique and Tanzania on further cooperation. But delegates warned that while cooperation is critical, nations must retain sovereignty over their coastal waters. Efforts must be made to also focus on addressing piracy but also its root causes, such as ongoing instability and poverty in nations pirates originate from, Ms Sisulu said.

To help fight piracy, three sub regional information sharing centres (ISCs) were created, in Sana'a, Yemen, Mombasa and Dar es Salaam. The Sana'a ISC covers Egypt, Jordan, Sudan, Saudi Arabia, Yemen, Oman, the United Arab Emirates, Ethiopia and the de facto States of Somaliland and Puntland. The Mombasa ISC covers Kenya, south and central Somalia, the Seychelles, the Maldives and Mauritius. The Dar es Salaam ISC covers Tanzania, Mozambique, Madagascar, the Comoros, Reunion and South Africa.

Global and China Shipbuilding Industry

Report, 2010-2011: In 2010, the new orders obtained by China shipbuilding industry valued USD36.3 billion, accounting for 38% of the global market and surpassing the 37% taken by South Korea. From January to September 2011, the new orders won by South Korean shipyards valued USD43.6 billion, while the new orders obtained by China shipbuilding industry dropped to USD13.5 billion, less than 40% of that in the same period of 2010. South Korea regained its first place in the world. In Q3 2011, 6 of the top 10 Chinese shipyards had no orders.

What has dragged Chinese shipbuilding enterprises into the predicament is the sharp decline of the global shipping industry. The Baltic Dry Index was only at 1534 points on average in Q3, down 35% year on year, close to the lowest level in the financial crisis in 2009. In the traditional dry bulk cargo and container shipping markets, the transport capacity far outweighs the demand. In this case, few shipping corporations place new orders. However, most of Chinese shipbuilding enterprises focus on dry bulk carriers and container vessels, only a few large corporations have the orders for tankers.

Japanese and South Korean companies focus on high value-added ships, especially seismic vessel, drillship, FPSO and LNG Carrier. These vessels target the oil and gas industry; due to the long-term instability in the Middle East and the increasing scarcity of oil resources in shallow water, the demand for these vessel types is very strong.

A seismic survey vessel is usually priced at more than USD600 million, while a 30,000-dwt bulk carrier is only priced at USD23 million. 90% of the orders for seismic vessels are obtained by South Korean companies, the rest are taken by Japanese companies. A drillship is also priced at several hundred million USD and the drillship market has long been dominated by South Korean companies.

Samsung Heavy Industries established Estaleiro Atlantico Sul (EAS) with local construction giants Queiroz Galvao and Camargo Correa. Petrobras placed an order for seven drillships with EAS in February 2011, with a contract value of

approximately USD4.63 billion, the largest drillship project so far. South Korean companies monopolize drillship orders, of which Samsung Heavy Industries has more than 60%.

LNG ships are invented by Japanese companies. Japan's Ishikawajima-Harima (IHI) is the originator of LNG ships. Samsung Heavy Industries and Hyundai Heavy Industries can manufacture LNG ships only after they obtain IHI's patents.

APM Terminals Announces Innovative, more Sustainable Terminal Design:

APM Terminals is building a new container terminal at Maasvlakte II in the Port of Rotterdam opening in November 2014 that promises to set the pace for new terminal design and customer satisfaction levels. Executives announced today the selection of container handling equipment for horizontal transport of containers that offers higher productivity levels and is the safest and most advanced equipment of its kind in the world.

"Our terminal design engineers worked with customers and studied ports worldwide and identified the area for quantum leap improvement is clearly how to better optimize container yard operations. Too often, quayside crane productivity is hampered by container yard activities not keeping pace.

Managing thousands of containers that are discharged or loaded while a vessel is at the quay is an area we are targeting for higher productivity results for our customers. We have designed the terminal to serve the largest containerships in the world with higher productivity and service level consistency

day-in, day-out while operating in a safe, environmentally-friendly way. Our estimates show we can deliver 25-50% productivity improvement results for our customers vs



conventional terminal designs", stated Frank Tazelaar, Managing Director for APM Terminals Maasvlakte II.

Innovative equipment: The terminal design concept is based on using ship-to-shore (STS) cranes that unload containers from the vessel and place them directly onto a fleet of Lift Automated Guided Vehicles (Lift AGVs). The Lift AGVs can carry two containers at a time and shuttle them at a speed of 22 kilometers per hour from the quay to the container yard using an onboard navigation system that follows a transponder grid. Once the Lift AGV arrives at its programmed destination it lifts the containers into a series of storage racks. Next, an Automated Rail-Mounted Gantry (ARMG) crane arrives to take the container from the rack

to its next designated location which could be to the rail terminal, a trucker or stacking it somewhere else in the container yard.

For the first phase of the Maasvlakte II terminal, the fleet will consist of 36 Lift AGVs in combination with 128 storage racks. This ability to lift the container off the vehicle and place it into a storage rack system is the first of its kind in the world. In the past, AGVs could not perform this action. The Lift AGV consists of two lift platforms, which are able to load and unload containers independently of each other. APM Terminals Maasvlakte II is the first terminal in the world to be equipped with Lift AGVs. It is this simple transaction where productivity benefits will be gained. In short, a new process has been formed for managing container flows by having automated equipment transport - lift - and stack - containers.

After an extensive evaluation process, APM Terminals Maasvlakte II chose the Lift AGV based on the high levels of productivity and safety, while maintaining low costs of ownership. They are built in Germany by Gottwald Port Technology, a subsidiary of Demag Cranes who have a proven track record in the development of automated container handling equipment. The vendor selection of Automated Rail Mounted Gantry cranes and ship-to-shore cranes for Maasvlakte II is currently ongoing.

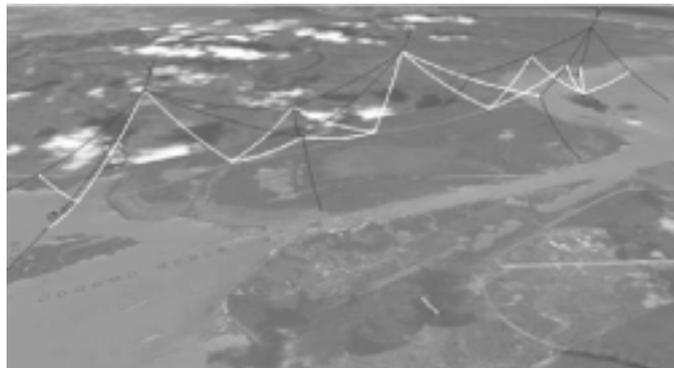
Green technology: The vehicles, measuring 15 metres long and 3 metres wide, are powered by dieselelectric motors. These fuel-efficient and low-noise diesel engines meet the latest and strictest European exhaust gas standards. Design engineers are also studying the feasibility of making the Lift AGVs 100% electrical-powered, which will enable further reduction in emissions and noise levels.

Fleet management system: The equipment order also comprises the delivery of a dedicated fleet management system for Lift AGV's. "The software optimizes the deployment of the fleet and the travel distance of the individual vehicles. The system will be seamlessly integrated with our equipment control and other operating systems, so that we can better manage our container yard for our customers", added Tazelaar.

Safety benefits: Container yards are historically a high traffic area that pose the highest risk for serious accidents and injuries due to the interaction of people with heavy machinery. The use of the fully automated Lift AGVs makes the container yard a safer place. The automated area is fenced off to protect dockworkers and truckers from entering. Additional safety systems ensure that the system is stopped when people enter the automated area.

Further development: Civil construction activities are planned to start in June 2012 at APM Terminals Maasvlakte II. The arrival of the first set of Lift AGV vehicles is planned for Q1 2013 after which thorough testing and integration with other container handling equipment will start.

Simplifying Port Operation through Automated Balloon Cranes: Necessity is the mother of invention. A former marine Jeremy Wiley has laid an extra layer of emphasis on this phrase by coming up with the concept of the 'Automated Crane Balloons.' If this proposed concept takes off then it will revolutionise the way maritime cargo shipment operations are carried out between ports and vessels.



Jeremy Wiley first hit upon this idea when he was deployed as a marine in Kuwait just before the start of the First World War. Looking at the problems faced by marines while trying to load and unload the immense bulk of cargo from the vessel to the port, he figured that there could be a way to simplify these important processes. The result: the first modules of the automated balloon-cum-crane came to be evolved.

Automated Crane Specifications and Details

The automated crane is aimed at economising the cost of operations especially in areas which are perpetually constricted due to an increased number of operations. Best example in this context - the Panama Canal, which is one of the busiest marine channels in the world. Along with this, the crane is also aimed to convert all available land area into ports so that the transition time required to unload the cargo is reduced.

The operations of the crane, meanwhile, can be explained and elaborated as under:

- There will be a balloon hanging over an intended area
- Hanging from the balloon will be four cable wires, which will in-turn be attached to four more cable lines
- The first four cable lines are referred to as the anchoring lines which will hold the second set of cable lines known as the freight cable lines
- The freight cable lines will be attached to the actual cargo and their length can be adjusted appropriately
- The aspect of automation comes into the picture when the length of the cable lines have to be aligned with the cargo required to be transferred

Apart from maritime operations, the extent and scope of the utility of the automated crane can be used in any emergency situations even in non-marine sectors. This adds to the overall viability and feasibility of the automated crane making it a very potent invention.

South China terminals face capacity overhang as demand falters:

The Factory of the World is on a go slow, and the thick cluster of container terminals in South China are nervously contemplating a steady fall in traffic.

South China's annual throughput was close to 60 million TEUs last year. There is no cluster of ports in the world that can boast that kind of volume, which enabled the province of Guangdong to claim a third of China exports.

The rise of manufacturing has made the province one of the wealthiest in China. Guangdong's per capita GDP was

US\$7,819 last year, according to the provincial statistics bureau, and news released yesterday announced that per capita GDP will more than double to \$16,887 by 2020.

In a province currently populated by 90 million people, that is a lot of spending power. It is also great news for the South China container terminal business.

So why the long faces? In a word: Capacity. Too much of it. With demand for China's exports slowing, and sluggish trade affecting Asia cargo flows in general, the terminal operators in the Pearl River Delta are standing on the wrong side of the supply-demand curve. Where once annual container throughput was well into double figures, low single digit growth has replaced the headline numbers.

South China is a crowded place when it comes to container ports. Within a small radius are the terminals of Hong Kong, the Shenzhen ports of Yantian, Chiwan and Shekou, Dachan Bay, Nansha and Guangzhou. All compete for China's exports, but the factory of the world is struggling against falling orders and rapidly rising costs, chief among them labour and raw materials.

The slowdown is having a far-reaching impact on PRD manufacturers. As Li & Fung exec Tommy Lui said in Hong Kong this week, 25 percent of factories are moving out, 25 percent are moving inland and 50 percent are staying put.

Hong Kong's key rival is Shenzhen, despite the common shareholding structure among terminal operators on both sides of the fence. Shenzhen posted marginal growth in 2011 of 0.3 percent. Hong Kong, which depends on South China factories for 60 percent of its container traffic, managed to show a modest 6.1 percent rise in throughput.

If the terminals can grow container throughput by even five percent this year, they will be happy, but the growth in terminal capacity will be anything but modest. In the South China port cluster, there will be 48 new berths online by 2030, a 56 percent increase, according to consultants GHK. From 85 in 2010 there will be 133 berths in 18 years.

Will all that capacity be needed by 2030? Who knows. But terminal operators are a canny bunch, and inclined to keep capacity tight rather than use the carrier approach of "build as much as you can as fast as possible, and then build even more because that's what Maersk is doing".

The terminal operating companies know that even if the manufacturers all move inland, the containers will have to find their way back to the coast for export. Much of the manufacturing is relocating to cities along the Yangtze River, such as Chongqing. The easiest way to export containers from there is to send them down the river and out via Shanghai or Ningbo.

To counter this, the South China terminal operators are working on extending their reach into the mainland, improving road corridors and pushing for dedicated rail connections between Chongqing and Shenzhen. The migration of manufacturing is gradual for now, but by 2030, the terminals are confident the road-rail flow of boxes between the two cities will be a torrent.

For the meantime, the question being asked is whether rising imports will offset falling export volumes. The answer to that lies partly in the hands of the 90 million Guangdongers. Or rather, in the hip pocket of their designer jeans.

Commercial shipping: Every day a ship has to go off hire causes a substantial loss of money. In order to provide the customer with the fastest possible response, flexibility is essential throughout any repair or maintenance operation. It is often necessary for solutions to difficult problems to be worked out in a short time period, sometimes even after an operation has already started. This can only be done successfully by people who have familiarity with such challenges and the relevant know-how to resolve all of the technical difficulties. This is why all Hydrex staff members around the world undergo stringent training, after which they are able to perform a wide range of operations. They can carry out both simple and complex jobs even in the harshest of circumstances and achieve the same high quality without unnecessary loss of time.

To be able to provide a large part of this training in-house and to offer the fastest possible service to customers, Hydrex offices have fast response centers where an extensive range of state-of-the-art logistics, tools and diving support equipment is available at all times for the Hydrex underwater teams. These fast response centers enable Hydrex to mobilize diver/technician teams immediately to all kinds of operations and perform underwater repair and maintenance work in a very tight timeframe. Hulls The protective Ecospeed coating keeps the ship's performance stable and protects the owner's investment. A fixed distance/fuel ratio can be determined in advance and penalties are therefore avoided.

Underwater stern tube seal replacement in Kusadasi and Istanbul (Turkey) and Piraeus (Greece):

When a 204-meter cruise vessel suffered an oil leak in its stern tube seal assembly, Hydrex was asked to carry out a permanent seal replacement. The repair was carried out with the Hydrex flexible mobdock technique and performed in stages to allow the ship to keep the tight schedule of the cruise it was on.

A small Hydrex diver/technician team met up with the ship in Kusadasi, Turkey and removed the starboard side rope guard. This was done to shorten the time required for the actual replacement of the stern tube seals. It was essential in fitting the operation within the short stop the vessel made



in the next harbour on its trip. The team was then completed with additional diver/technicians and sailed to Greece on board the cruise ship. As soon as the vessel arrived in Piraeus, the Hydrex diver/technicians set up a monitoring station next to the ship and made all necessary preparations for the main part of the operation. The team then installed the Hydrex flexible mobdock around the stern tube seal

assembly. This created a dry working environment underwater in which to carry out the repair in the drydock like conditions, necessary when replacing seals. After the diver/technicians had opened up the assembly they removed the damaged stern tube seals one by one and replaced them with new ones. A subsequent leakage test showed that the repair was successful. The team then closed the stern tube seal assembly again and removed the flexible mobdock. This ended the second part of the operation well in time for the cruise ship to sail to its next stop with its passengers. In Istanbul, Turkey, the team met up with the vessel again and refitted the rope guard onto the stern tube seal assembly, concluding the operation. The ship could continue its journey free of oil leaks without going to drydock and without any changes to its schedule.

Underwater propeller blade cropping in Rio De Janeiro, Brazil:

At the end of 2011 Hydrex mobilized a diver/technician team to Rio De Janeiro to carry out a detailed inspection and necessary repair to the damaged



port-side propeller blades of a 73-meter supply vessel. A wooden beam had fouled the propeller and had damaged three of the four blades. The affected areas of the blades therefore needed to be cropped to restore the propeller's balance. One blade had been damaged in two different areas, so four pieces needed to be cropped in total.

To make a full assessment of the damage, the team first performed an underwater inspection. They then used the acquired information to calculate and determine the correct measurements needed to modify the trailing edges of the propeller blades. The diver/technicians then cropped the three blades after which they ground and polished all edges of the cropped areas. This kind of repair is carried out to achieve the greatest possible efficiency for the vessel. By taking advantage of Hydrex's in-house developed cold straightening technique, propeller blades that are bent can often be straightened underwater, allowing the ship to return to commercial operations without the need to drydock. In this way optimum efficiency of the propellers can be restored by bringing the blades back close to their original form while the vessel remains afloat.

On-site bow thruster removal and reinstallation in Rotterdam, Le Havre and Piraeus:

When the bow thruster unit of a 348-meter container vessel needed to be overhauled, Hydrex sent a diver/technician team to the ship to remove the unit on-site and reinstall it again two months later after it had been

overhauled. The operation was performed in stages at several locations to allow the vessel to keep to its sailing schedule. Together with all the necessary equipment, the team first travelled to Rotterdam where the operation started with a thorough inspection of the bow thruster unit. The team then detached the bow thruster blades one by one. In the meantime they made initial preparations in the bow thruster engine room for the removal of the unit, so that there would be no ingress of water once the unit had been taken out. All equipment was then loaded on a Hydrex truck and transported to the vessel's next stop while the diver/technician team stayed on board the vessel during her voyage from Rotterdam to Le Havre.

Soon after the vessel arrived in Le Havre, the team continued getting the engine room ready. Next the support brackets connecting the gearbox to the thruster tunnel were cut and the unit was secured with chains. It could then be fully disconnected from the thruster room and was carefully lowered, extracted from the tunnel and brought to the surface. The second part of the operation ended with the installation of a blind flange to seal off the thruster tunnel from the engine room to prevent any water ingress during the overhaul period. Two months later a Hydrex diver/technician team reinstalled the overhauled bow thruster gearbox during the ship's stop in Valetta, Malta. After the team set up a monitoring station next to the ship, the bow thruster unit was put on a cradle that is designed especially for bow thruster operations and prevents the unit from tipping. As it can be adjusted to the size of the thruster, it allows the Hydrex divers to bring a bow thruster unit back into a thruster tunnel in one take. The diver/technicians then sealed off the thruster tunnel with the Hydrex flexible mobdocks and emptied all water from it. This created a dry working environment for them in which they could complete the reinstallation of the bow thruster unit in drydock-like conditions. Next they repositioned the gearbox using chain blocks and secured it with bolts. The thruster propeller blades were then reinstalled one by one. The team completed the operation by reconnecting the thruster unit to the engine room. After a successful leakage test was carried out, the team removed the flexible mobdocks and flooded the thruster tunnel again. Finally the diver/technicians assisted the vessel's crew to find the correct pitch for the newly installed bow thruster unit. By performing both the removal and reinstallation of the bow thruster unit underwater the vessel did not have to go into drydock, saving the owner valuable time and money.

Hulls. Fuel savings alone worth the investment Most ships sail with a chartering contract that includes a penalty clause if fixed distance/fuel consumption ratios are not met. However, the distance/fuel ratio is unpredictable with regular paint systems and will also worsen over the years. This is due to wear-down, uneven build-up of paint layers, corrosion and other damage, along with marine fouling, which reduces the vessel's performance and increases fuel consumption. In this way the ship becomes more expensive to run and profits are reduced, in addition to losing its value due to an impaired hull. The protective Ecospeed coating keeps the ship's performance stable and protects the owner's investment. A fixed distance/fuel ratio can be determined in advance and penalties are therefore avoided. Underwater hull cleaning improves ship hull performance One of the many unique factors is that with repeated underwater hull cleaning, the coating's surface aspect does not degrade but gradually improves. It is carried out with specially designed underwater hull cleaning

tools simultaneously cleaning as well as optimizing the smoothness of the paint surface. Regular underwater cleaning removing any marine fouling at a very early stage will maintain and improve the ideal surface characteristics benefiting the hydrodynamics of the vessel and this throughout the service life of the vessel. This procedure is made easy by the coating's technical properties. It can be carried out whenever needed, at any point in its lifespan, without causing damage. Regular underwater cleaning of the coating results in improved hull smoothness each and every time the hull is cleaned. The coating will maintain its integrity all throughout its service life. Tests have shown that a very large number (+500) of repeated underwater hull cleanings improves its surface texture without any adverse effects. This will prevent any increase in fuel consumption over the years as would happen with traditional, active antifouling paints. The ship hull can be kept close to its most optimum hydrodynamic condition thereby producing major fuel savings.

Rudders: A great deal of effort goes into the design and manufacture of rudders because they are such an important part of a vessel. If a rudder is not given the proper protection against cavitation and the resulting erosion and corrosion damage, the financial consequences can be substantial for the owner. Since Ecospeed became available in 2003 as a lasting solution against cavitation and corrosion damage, more than 100 rudders have been coated. None of them have had to be repainted with Ecospeed. Prevention of damage can start in the newbuild phase. In itself cavitation, if it is monitored correctly and kept under control, presents no serious danger. But in the long term, cavitation erosion appears. The effect is comparable to a steel tipped hammer that is repeatedly hit against a steel surface at exactly the same location; after a while damage will occur. If the surface of a rudder has been damaged by cavitation, the protective coating will have worn away, leaving bare steel. Large eroded areas can thus appear. Besides the mechanical damage caused directly by the cavitation process, it also opens the door for corrosion damage. The cavities created will then grow deeper and deeper and in the end can eat right through the rudder. Ships losing large pieces steel or even entire rudders are unfortunately not uncommon. Instead of the damaged rudders being repaired, they are often replaced every year or two. This recurring cost is unnecessary and can easily be avoided by choosing a coating that can offer permanent protection for rudders. What needs to be done is either prevent the cavitation or make sure that it has no damaging effect. Ecospeed has been designed to give a very thorough and lasting defense against cavitation and corrosion for a vessel's entire service life. The coating provides the rudder with an impenetrable protective layer while its flexibility enables absorption of the forces that are produced by cavitation, thereby preventing the damage normally caused by this phenomenon. If the cavitation cannot pierce the coating then no erosion or corrosion can occur.

Tests conducted in a flow channel have confirmed that Ecospeed performs extremely well under severe cavitation. These tests were divided into six stages during which the coating was exposed to an increasing pressure drop, creating

a growing cavitation force. Even after the last stage no erosion was present on the test patch coated with Ecospeed. These tests were organized by the French Ministry of Defense and were carried out in Grenoble. If a vessel with a damaged rudder comes into drydock, maintenance of the vessel's stern area, especially cavitation damage repair, can be very time consuming. Because of the close proximity of the rudder, the propeller and the stern area, along with the strict procedures concerning blasting, painting, welding and propeller and stern tube seal work, most of the repairs that need to be done in these areas cannot be performed concurrently. Painting is then usually assigned to the end of the schedule and as a consequence may be brushed off or not get done at all or else prolongs the stay in drydock. Taking into account the tight drydock schedule of most vessels this is often problematic. With an Ecospeed application one can avoid these problems from day one because no full repaint will be needed during drydocking. Ecospeed will remain intact for the lifetime of the vessel and is guaranteed for ten years. At the most, touch-ups amounting to less than 1% of the surface area will be required. Planning the maintenance of the vessel's stern area therefore becomes much easier.

Ecospeed also the best solution for an existing vessel: The newbuild phase is the perfect time to apply Ecospeed, but the coating can also be used to protect vessels that are already facing cavitation and corrosion damage. After the required welding repairs are performed and surface treatment has been carried out, the cavitation pitting that is present on the rudders can be filled to regain a smooth surface. Once this is done the required two layers of Ecospeed can easily be applied, effectively providing the rudders with an impenetrable protective layer. Ecospeed's flexibility makes it easy to adapt the application schedule to the shipyard or drydock instead of the other way round. The minimum overcoating time is three hours, which means that for smaller surfaces such as rudders, propellers or bow thrusters the two coats required can usually be applied in one single day. By removing the existing paint layers and applying Ecospeed on the rudder we can break the never ending cycle of painting, suffering damage, having to perform extensive repairs or full replacement in drydock followed by a full repainting, again and again. Thruster tunnels. Ecospeed is ideally suited for thruster tunnel protection. The coating is both flexible and tough. It provides an impenetrable protective layer while its flexibility permits the absorption of the cavitation forces caused by the thruster's propeller blades. This was confirmed during tests conducted in a flow channel. These tests were divided into six stages during which the coating was exposed to an increasing pressure drop, creating a growing cavitation force. Even after the last stage no erosion was present on the test patch coated with Ecospeed. These tests were organized by the French Ministry of Defense and carried out in Grenoble. Because of this resistance, Ecospeed prevents the damage that is normally caused by cavitation, ensuring lasting protection. If the cavitation cannot pierce the coating then no erosion or corrosion can occur.

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Statistics of pirated and released vessels and crews 2010 - 2012:

Filed in Table only ocean-going merchant marine vessels, with unique IMO number, with more or less transparent history and known owners and operators, with known number and nationalities of crews.

No local vessels included, almost all of them, with regards to Somali piracy region, are so-called "dhow". They are engaged in regional trade, goods may be anything from charcoal to illegal migrants. They don't have IMO number, they aren't listed in international reference books, they aren't insured with international insurers, their owner may be any



petty company or person along the coastlines of India, Pakistan, Persian Gulf, Oman or Red Sea. For world shipping, these vessels, their owners, their masters and their crews, are simply non-existent. Their costs may be thousands of USD, even maybe tens of thousands, but not anywhere close to the costs of international freighters. Their goods may cost thousands or tens of thousands USD, but not anywhere close to costs of cargoes carried by international freighters. To include in statistics local vessels means to mess all up - even those who're trying to monitor hijacked local vessels can't tell exact details of vessels and crews (including number of crews and nationalities), and hijack circumstances, whether vessel was really hijacked or it was prearranged, and vessel stays with pirates on some agreement.

List of merchant vessels presently held by Somali pirates (February 2012)

Ro-ro Iceberg I, UAE Ro-ro Iceberg I pirated on March 29 10 nm off Aden, crew 24: nationalities 9 Yemen, 6 India, 4 Ghana, 2 Sudan, 2 Pakistan, 1 Philippines. Iceberg I IMO 7429102, dwt 3960, built 1976, flag Panama, owner Azal Shipping & Cargo Dubai.

Boxship Albedo, Malaysia Boxship Albedo highjacked on Nov 26 2010 in Indian ocean, vessel was enroute from Jebel Ali UAE to Mombasa Kenya, loaded with containers. Crew 23, nationalities Pakistan, Bangladesh, Shri Lanka, Iran. Albedo IMO 9041162, dwt 15562, built 1993, flag Malaysia, owner Majestic Enrich Shipping Sendirian Berhad.

Bulk carrier Orna, UAE Bulk carrier Orna highjacked at midday Dec 20 2010 in Indian ocean in pos in 01 46S 060 32E, some 400 nm NE off Seyshelles. The attack was launched from 2 attack skiffs, with pirates firing small arms and rocket propelled grenades at the merchant vessel. The vessel was

stopped and boarded by at least 4 pirates. Vessel was enroute Durban South Africa - Zhangzhou China carrying 26,500 tonnes of coal. Crew 19: 1 Shri Lanka and 18 Syria. Orna IMO 8312162, dwt 27915, built 1984, flag Panama. Registered owner Sirago Shipmanagement Co., operator Swedish Management, Dubai United Arab Emirates.

Product tanker Liquid Velvet, Greece Product tanker Liquid Velvet was hijacked by Somali pirates at 1152 UTC Oct 31 in position 1200N 04533E, while transiting the Internationally Recommended Transit Corridor (IRTC) from Suez to Mormugao, Goa, India. Vessel was fully complying with BMP4, after pirates boarded tanker crew, including 1 unarmed security personnel, hid in citadel, but pirates broke in and hijack tanker. Crew is 22: 21 Filipino and 1 Greek (security). Product tanker Liquid Velvet (Liquid Challenge till 01.10.2009) IMO 9083940, dwt 11559, built 1994, flag Marshall Islands, owner Minimal Enterprises Co., manager Elmira Tankers Management SA, both Greece.

Chem tanker Enrico Levoli, Italy On Dec 27 2011 pirates hijacked chemical tanker Enrico Levoli in position 18.18N - 57.36E, some 30 nm off Oman coast. Vessel loaded with 15750 tons of caustic soda was en route from Fujairah UAE to Yumurtal?k, Adana Province, Turkey. Crew 18: 6 Italian, 5 Ukranian and 7 Indian. Judging from news and owner's press-release, there were no armed guards on board. Chemical tanker Enrico Levoli IMO 9188415, dwt 16630, built 2000, flag Italy, owner Marnavi SPA, Napoli.

Ro-ro Leila, UAE Ro-ro Leila hijacked by Somali pirates Feb 17, in area between 16-00N 062-26E and 18 10 N 057 21 E. Ro-ro Leila IMO 7302794, GRT 2292, built 1973, flag Panama, manager AL HUFOOF CLEARING FORWARDING, UAE. Crew 15, nationalities India, Pakistan, Somali.

Bulk carrier Free Goddess, Greece Feb 08 2012 Somali pirates hijack bulk carrier Free Goddess at 1438UTC in position 13 32 N 058 36 E, 250 nm ENE of eastern tip of Socotra island, Arabian sea. Apparently vessel didn't have armed guards on board. NATO reported probable hijack on Feb 9. Vessel was en route from Adabiya Egypt to Ko Si Chang Thailand with presumably, cargo of steel. Somalia Report says crew is 21, all Filipino. Bulk carrier Free Goddess IMO 9107045, dwt 22051, built 1995, flag Liberia, manager Free Bulkers S.A., Greece.

17 seamen: 6 crew (2 Danish, 4 Phillipinese) from MV Leopard; 7 Indian crew from released tanker Asphalt Venture; 4 South Korean crew from released tanker Gemini. 30 fishermen: 4 fishermen from Thai f/v Prantalay 12; 26 fishermen (13 Chinese, 12 Vietnamese and 1 Taiwanese) from f/v Shih Fu No 1. 2 yachtsmen from the yacht Choizil (SAR).

Total 191 (142+49) seamen, fishermen and yachtsmen.

Crews by nationality: Ghana: 4(Iceberg I)

Greece: 1 (Liquid Velvet)

India: 6(Iceberg I) + 7(Asphalt Venture - vessel released, but 7 still hold by pirates) + 7 (Enrico Levoli) = 20

Italy 6 (Enrico Levoli)

Yemen: 9(Iceberg I)

Pakistan: 2(Iceberg I)

Philippines: 1(Iceberg I) + 21(Liquid Velvet) + 21(Free Goddess) = 43

South Korea: 4 (Gemini - kept on land after tanker release)
Syria: 18 (Orna)
Sri Lanka 1(Orna)
Sudan: 2(Iceberg I)
Ukraine 6 (Enrico Levoli)
Boxship Albedo crew 23: Sri Lanka, Bangladesh, Iran, Pakistan.
Ro-ro Leila crew 15: India, Pakistan Somali.

Vessels' nationality: Greece 2; Italy 1; Malaysia 1; UAE 3

Type of vessels: Tankers - 2; Boxships - 1; Ro-ro - 2; Bulk carriers - 2

Assessment in Maritime Job Training and Familiarization:

Introduction: This is the first in a series of articles discussing current and best-practice assessment methods in maritime job training and familiarization. Specifically, I am speaking about the testing vessel operators administer to officers and crew to determine whether they are sufficiently prepared to perform their duties on their assigned vessels safely and efficiently. In planning this series of articles, I have reminded myself how much there is to say about assessment. It is a complex and rich topic and I expect to generate a number of articles on the subject. It is my hope that these articles will provide a basic understanding of assessment principles - an understanding that everyone involved in maritime training should have. This short introductory article discusses the limits and purpose of assessment, creating a foundation for subsequent articles on assessment. Subsequent articles will look at assessment reliability and validity, professional judgement, the goals and topics of assessments, and the merits of specific assessment practices in the maritime industry. Please click "follow this blog" to receive notification of those upcoming articles.

Assessment is Primary: It is often the case that we give a great deal more thought to training than we do to assessment. This is unfortunate because training cannot be successful (or at the very least cannot be shown to be successful) without an objective and comprehensive assessment process. Your training may be excellent at this moment, but without quality assessments you have no way of knowing this for sure, and you won't have the tools necessary to keep it on track and continuously improve it. We need to realize that assessment is a critical and necessary part of training, not just something we do at the end in order to apply a credential. It is a primary safety and operations tool to: Determine whether a candidate is fit for duty

Determine what gaps in knowledge and skills exist for a candidate

Provide key performance indicators for your organization to be used as a basis for analysis and continuous improvement.

Does Anyone Really Understand Assessment? Assessment is an activity that very few organizations do well, and fewer still understand well.

Assessment is Hard: There is good reason for that. It is not a cut and dried science. Assessment is often based on intuition rather than concrete fact. Assessment tries to peer into the future of an individual and answer the question "does

he or she have the knowledge necessary to perform when called upon"? "Can he or she perform this skill"?

But how can we truthfully say? After all, so much of what we would like to assess is hidden from view inside the head of the candidate. And while the candidate may be able to demonstrate a skill under one set of conditions, what if those conditions change?

Actually, Assessment is Even Harder: But as hard as it is to assess someone's skills and knowledge, true assessment in the maritime industry needs to do more than that. It needs to assess their cognitive abilities as well. Can the candidate assimilate disparate information and synthesize it into a plan of action when presented with unexpected events? There is simply no way to know for sure. As such, it is something that the academic community has been wrestling with for ages, and many consider it to be as much art as it is science.

Having said this, there is still much we can do to improve the validity and reliability of the assessments we administer on board. A little bit of knowledge and planning can go a long way.

The Purpose of Assessment: One of the first things we must realize when designing an assessment program is that, as I alluded to in the paragraphs above, full assessment is an impossibility. You cannot devise an assessment program which will completely assess a candidate's knowledge or abilities. Instead, at best, assessment is a statistical process - much like an audit, that samples bits of knowledge here, or components of an ability there, and assigns a score which is an extrapolation of the sample taken. If the sample size is very small or the assessment techniques are flawed (or both, as is sometimes the case), then the margin of error is going to be very large rendering the assessment inaccurate much of the time. But even with a reasonable "sample size" and sound techniques, assessments can never be treated as absolute indicators. Some candidates will assess well and perform poorly, while others will assess poorly and perform well. This begs the question "If assessment is flawed, then why do we assess"?

Having been a university faculty member for 10 years (and one who really dislikes grading exams) I have often asked myself that question. But it turns out there are very good answers. I will list two of them.

Assessment Provide Data to Inform Decisions: First is the obvious answer. In the absence of any other indicators about a candidate, an imperfect assessment is usually better than no assessment at all. Some form of assessment is required to obtain an estimate of gaps in knowledge and abilities as well as the prospects for future performance. Because any one assessment is imperfect, we should not treat its results as an absolute indicator of knowledge or competence. Having said that, even an imperfect assessment provides data that, when combined with professional judgement, can be used to make decisions.

Assessment is Incentive to Learn: The second answer is, to me, the most important. If nothing else, assessment is incentive to learn. Every candidate knows that successful assessment performance is their key to employment. They are also keenly aware that not everything they need to know or do will be tested. But in the absence of knowing specifically what will be tested, they are faced with having to learn as

much as they possibly can about all testable knowledge and skills. There is no greater incentive to deep and broad learning. This is an important fact to keep in mind because anything you do to purposely or inadvertently "teach to the test" or make candidates aware of specifically what their assessment will consist of or cover, takes away their incentive to learn as much as they can. The implications of this statement for assessment techniques will be discussed further in subsequent articles on the subject.

Conclusion: We need to always keep in mind that assessment is a largely imperfect exercise. Knowing this should cause us to place assessment results in perspective, to ensure our assessment techniques create an incentive to learn, and to take a keen interest in other indicators of our mariners' abilities. Most importantly, we should treat assessment as a tool which informs conclusions, not a conclusion in itself.

The Saipem 7000: One of the Biggest Cranes in the World. Submitted by KaranC on February 15, 2012 - 8:01 pm. Equipped with two cranes, each with a load lifting capacitance of 7,000 tonnes each, the Saipem 7000 is regarded to be the second biggest crane vessel in the world. Put into operation in the year 1988 the vessel has for nearly a quarter of a century, provided excellence par services to its owners - the Saipem conglomerate.

The semi-submersible crane vessel was built during an era when the crane ships used to be relatively smaller and had relatively low load hoisting capacity. Saipem 7000 was constructed with the primary purpose to ensure that the offshore constructional activities were completed faster and with better efficiency. Largest Crane Vessel Fact-sheet. The vessel was originally named as Micoperi 7000 as it was then under the ownership of Micoperi Between SSCV Thailf - the biggest floating crane presently being operated - and Saipem, there is just a hoisting capacity difference of 200 tonnes.

The vessel was built by the Italian shipbuilders Fincantieri in their shipbuilding yard located in the province of Monfalcone. Saipem was constructed wholly at a single time but as two separate parts which were later assembled to form one ship in its entirety. The vessel was built at a cost of about US\$ 400 million. According to the vessel's owners, the utility of the vessel would far exceed its construction costs making it a very profitable investment.

Saipem 7000 Specifications:

- The floating crane measures almost 200 metres lengthwise with a breadth of 87 metres
- The depth of the vessel is 45 metres while it offers a draft of 10.5 metres
- It provides accommodation facilities for a crew of about 700 persons and functions at a speed of 9.5 knots. Is equipped with state-of-the-art thrusting systems to enable better efficiency in installation processes State-of-the-art ballasting technology for better operational ease
- A Grade III dynamic positioning system as per the Det Norske Veritas (DNV) stipulations

The largest crane vessel is powered by eight engines powered by diesel, each offering a power supply of about



8,400 horsepower. A helipad to dock two Chinook copters - BV 234 LR Class

A crane ship completely unlike any, the Saipem 7000 is truly a master-class to wonder at. Coupled with its efficiency, the vessel becomes a marine engineering worth admiring.



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