

NOL Deal Cements CMA CGM's World Status

French container shipping giant CMA CGM is to buy Singapore's Neptune Orient Lines for \$2.4 billion, making its biggest-ever acquisition to help it to ride out a severe market downturn.

The takeover, which the companies expect to proceed in mid-2016 following anti-trust approvals, would cement family-owned CMA CGM's spot as the world's third-largest container shipping line by handing it market leadership on busy trans-Pacific routes.



The acquisition of state-controlled Neptune crowns a recovery for CMA CGM and its founding Saade family, which suffered deep financial troubles in the 2009 shipping slump that led it to bring in minority investors from outside the group.

The shipping industry has been battered by overcapacity, slow economic growth and weak freight rates, prompting bigger firms to embark on vessel-sharing alliances and to look at buying out smaller companies.

NOL has struggled in the downturn, reporting four consecutive years of losses up to the year ended December 2014.

"We operate in a very fragmented world with many players and the industry as a whole suffers from volatile freight rates," CMA CGM Vice Chairman Rodolphe Saade said at a news conference with NOL in Singapore.

"We believe that scale is more critical than ever to ensure profitable growth."

Marseille-based CMA CGM offered S\$1.30 a share in cash, 6 percent above NOL's last closing stock price and valuing the deal at S\$3.4 billion (\$2.4 billion). NOL's majority owner, Singapore state investor Temasek, has agreed to tender all of its stake of nearly 67 percent.

(contd. on page 2)

OUR LEGAL ADVISORS

Surana & Surana — International Attorneys



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

Highlights

	Page
NOL Deal Cements CMA CGM's World Status	1
A large body of water off northeast Asia	2
From the Editor's Desk	3
Preparing for nuclear and radiological incidents	5
Standardizing Maritime Education Across Nationalities	6
Charges Dropped Against DSME Suffers Second Deadly Fire	8
U.N. Reauthorizes Anti-Piracy Operations	9
Two Killed, Four Hurt in Taiwanese Fishing Boat Fight	10
IMO joins 70th UN birthday celebrations	11
Islamic Republic of Iran prepares for London Protocol	12
Addressing the safety of ships on non-international voyages	13
Improving maritime situational awareness in Latin America	14
Maritime Training 5 Years From Now	15
Important Points For Logbook Keeping On Ships - Part 2	16
Main developments and trends regarding piracy off the coast of Somalia	18
Seamen's Unity Day Celebrated	19
Colombia Cuts Taxes to Entice Offshore Exploration	20
U.K. to Double Offshore Wind Capacity	20
Tanker Rates Stand Out In Down Market	21
Floating Armory Causes Political Turmoil	22
Low-Cost Concrete Wind Foundation Developed	23

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

Images / photos are used for representation purpose only.

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

- Editor: "Marine Waves"

Temasek had paid S\$2.80 a share in 2004 when it increased its stake in NOL to 68 percent from 29 percent.

CMA CGM will make a mandatory cash offer for the remaining shares from minority shareholders that include BlackRock.

"With few others having the resources or inclination, we suspect that this is not just the best offer for NOL stock but the only one," Credit Suisse analysts said in a note.

Saades at the Helm: CMA CGM said its biggest-ever acquisition would create a group with combined revenue of \$22 billion and 563 vessels.

The new entity's worldwide market share would reach 11.5 percent, putting CMA CGM closer to its larger rivals Maersk Line and MSC, and give it a lead over companies operating between Asian and North America, according to estimates from shipping consultancy Alphaliner.

Rodolphe Saade said he started talks with NOL a year ago, and his piloting of the deal underlines his growing stature in the group founded by his father Jacques in 1978 after he left his country of birth, Lebanon, due to the civil war.

CMA CGM has secured a \$1.65 billion loan from a pool of banks led by BNP Paribas, HSBC and JPMorgan, to help finance the deal. This will add to its existing debt of \$5 billion that will also be boosted by NOL's debt of \$2.9 billion.

The French group said its geographical fit with NOL would bring significant savings, which it declined to put a figure on. It also set a target of \$1 billion in divestments once it had reviewed assets at both companies, allowing it to bring its gearing ratio back below 0.8 after 18-24 months.

CMA CGM will eventually consider listing its shares, possibly in Singapore, Saade said. It has previously considered a listing as a possibility if second-largest shareholder, Turkish group Yildirim, decides to sell its convertible bonds.

Credit rating agency Standard & Poor's revised its outlook for CMA CGM to negative following the announcement of the deal but reiterated its 'B+' rating for the firm.

The NOL acquisition would be Singapore's biggest inbound deal since 2013, when companies linked to Thai tycoon Charoen Sirivadhanabhakdi took control of conglomerate Fraser and Neave for \$11 billion. (*\$1 = 1.4002 Singapore dollars*)

A large body of water off northeast Asia

The Sea of Okhotsk is the northwestern extension of the Pacific Ocean located between northeast Asia (Russia), the Kamchatka Peninsula, the Kuril Islands, and the Japanese island of Hokkaido. Its largest island is Sakhalin, located in the sea's southwest portion. The Kuril Islands are like a string of pearls running in an arc from the southern tip of the Kamchatka Peninsula to the eastern cape of Hokkaido. The sea is large (covering 611,000 square miles and with a mean depth of 3,000 feet) and constitutes one of the most productive marine ecosystems in the world. Its shores, particularly those of the islands, are home to numerous seabirds, including murrets, puffins, auklets, and Steller's sea eagle, the world's largest raptor. Marine mammals, including the Steller sea lion, the northern fur seal, porpoise, and a

variety of whales, are found in its waters. During the nineteenth century, the Sea of Okhotsk was frequented by hundreds of whaling vessels, particularly those from New England. Fish common to the Sea of Okhotsk include capelin, cod, flounder, herring, pollock, salmon, squid, shrimp, crayfish, mussels, crab, and sea urchin. Oil and gas discoveries, primarily in waters off Sakhalin Island, have led to construction of a number of offshore structures, with associated support vessels and facilities. Under the influence of Siberian and Arctic weather, the Sea of Okhotsk freezes over much of its surface for up to six months each winter and spring. The ice can be very thick, with ridges that are difficult to penetrate. Ice floes sometimes are found off Sakhalin in June. During the Cold War, the Sea of Okhotsk was the scene of several successful operations by US Navy submarines to tap Soviet undersea communications cables. In 1983, Korean Air flight 007 crashed into the Sea of Okhotsk after being struck by a Soviet air-to-air missile, killing all on board. The US Coast Guard cutter Munro (WHEC 724) was the only non-Soviet vessel allowed to take part in the search and recovery mission following that tragic incident.

A small benthic fish with a big head

Sculpin is a small benthic fish found in marine and fresh water in the northern hemisphere. It tolerates cold water (barely above freezing), making it common in the high north. Its usual habitat is intertidal and tidal areas, shallow reefs, estuaries, and kelp forests. Sculpin flesh is not favored in most human diets, so it is not targeted as a food fish, but is sought as a bait fish and for use in fish meal and fertilizer. Most sculpin are 4-5 inches in length, but some species may grow to three feet. Life expectancy is 3-7 years. Color is



variable - green, brown, reddish, with mottled stripes and bars. It has a relatively big and wide head, with bulging eyes. The fan-shaped pectoral fins are comparatively large. The lower surfaces of the pectoral fins have sharp rays, allowing the sculpin to grip the substrate and resist strong water currents. The bottom-dwelling fish spends much of its time on the seafloor and between rocks. It does not have scales, but is protected by small spines and prickles on its head, gill covers, and fins. It does not have a swim bladder. Many sculpin have fleshy tabs or flaps between the nostril openings or on the nostrils. The mouth is lined with numerous small teeth. The nocturnal animal feeds primarily on crabs, shrimp, worms, and smaller fish. In turn, it is consumed by larger fish. Sculpin tend to be territorial, except when spawning. Males tend to guard the fertilized eggs until they hatch. The dorsal, pelvic, and anal fins contain soft rays.

From the Editor's Desk



Inequality, unfair and corrupt practices in Public Services. Non concern, even after reporting to higher authorities but for further harassment and humiliation to the core. Even the senior citizen with multi-organ defects over ageing are not spared. What is preached is never followed. Hence, how do sincere, honest people work as Social and Rights Activist, but for Gandhian ideals of PEACE and NON VIOLENCE keep digesting " Not seen, Not heard and no say of the happenings ". With the result, high inequality in public services of citizen's interest, by ill-conceived local police.

One potent criticism of the Indian growth story is that it has not generated corresponding improvements in social indicators. The new global ranking of countries based on their human development index (HDI) was released by the United Nations Development Programme on Monday. India has moved up six notches from 2009 to 2014. The data also shows that most of the current Indian ranking can be explained by the level of average income. The difference between India's gross national per capita income rank and HDI rank is four. In other words, India is just four places below what its average income predicts. But then, Bangladesh has an HDI ranking five places above its income ranking. Sri Lanka's HDI ranking is 29 places above its income ranking. This means that economic growth is still the best bet for improving living conditions-but that is not the whole story. HDI, as it is defined today, involves three parameters that directly increase human capabilities-a long and healthy life, knowledge, and a decent standard of living. The new Human Development Report (HDR) explores in detail one fundamental factor which increases or decreases human capability-work.

Implicit work like the contributions of homemakers and volunteers add significantly to human development, whereas explicit work which is underpaid or bonded may have negative repercussions. The work of overseas workers and their remittances have brought about human development to both the source and destination countries. In 2014, with \$70 billion (4% of GDP) India topped the list of developing nations which received remittances from abroad. The report takes special care to differentiate work from jobs. While work is not necessarily always rewarded, a job is work done for a predetermined payment. It is the divergence between the monetary evaluation of work and job that essentially divides the world, widening inequality. Between 1990 and 2015, income poverty in developing country regions fell by more than two-thirds. But during the same period, income inequality increased by 11%. High inequality in all three dimensions has cut India's HDI score by an estimated 28.6%. According to the report, the two groups of labour whose potential is not fully utilized are the youth and women. HDI is lower for women than men in all regions. The world youth-to-adult unemployment ratio is at a historical peak. The report takes special care to differentiate work from jobs. While work is not necessarily always rewarded, a job is work done for a predetermined payment. It is the divergence between the monetary evaluation of work and job that essentially divides the world, widening inequality. Between 1990 and 2015, income poverty in developing country regions fell by more than two-thirds. But during the same period, income inequality increased by 11%. High inequality in all three dimensions has cut India's HDI score by an estimated 28.6%.

According to the report, the two groups of labour whose potential is not fully utilized are the youth and women. HDI is lower for women than men in all regions. The world youth-to-adult unemployment ratio is at a historical peak. India has a lot of work to do here. India needs to address the three parameters of human development separately-and simultaneously. First, it cannot possibly envisage a long and healthy life without addressing the issue of malnutrition which is plaguing it, in one section of the society. The recent improvements in nutrition have been noteworthy but not so enough. Why should this vary from one state to the other of one nation. Good things of one another are not adopted to bring about a standard benchmark of quality. Second, in terms of knowledge, India needs to ensure access and quality through effective implementation of schemes such as Digital India and Skill India. Third, for a higher standard of living, it should ensure that work is quantitatively and qualitatively enhanced in the country. The country's efforts in terms of employment guarantee schemes have been lauded for its role in reducing unemployment. But it is by no means a long-term remedy. India needs to reform its rigid labour market governed by obsolete laws, address problems of child labour and forced labour, juvenile crimes dealt unrealistically, unreasonably to meet the changing times leaving lots of loopholes AND in bringing about wage equality. HDR 2015 has an agenda for decent work that rests on four pillars: employment creation and enterprise development; standards and rights at work; social protection and governance; and social dialogue. The formula is simple enough. Making use of it will be less so. Man-made disasters are more than natural disasters, if to look at it realistically, lacking timely corrective measures to avoid re-occurrences. It is the straight-forward and law abiding citizens that suffer unworthily.

(contd. on page 4)

(contd. from page 3)

Behavioural Science: has become the usual term for psychological and economic research on human behaviour, often designed to explore people's biases and blunders. For that research, 2015 has been a banner year, with an unusually large number of important books. *Phishing for Phools*, by George Akerlof and Robert Shiller, is an instant classic. Akerlof and Shiller contend that free markets lead companies to "phish"-to exploit both the ignorance and the behavioural biases of "phools" (also known as human beings). One of their major contributions is to show that if we care about people's well-being, the invisible hand is often the problem, not the solution. That hand sometimes punishes companies that fail to take advantage of biases, such as the tendency to ignore fine print or to show unrealistic optimism. Akerlof and Shiller are well aware that the free market does a lot of good, but they demonstrate that it can reward businesses (such as mortgage providers, cigarette companies and sellers of high-calorie foods) when those companies really don't help their customers, but actually harm them.

Superforecasting, by Philip Tetlock and Dan Gardner, is the most important scientific study I have ever read on prediction. Tetlock's previous work revealed that with respect to politics, the economy and international affairs, many professional forecasters (including the experts you see on television) are essentially hopeless. Many of their predictions are no better than random guesses. But using a data set with tens of thousands of people, Tetlock and Gardner show that some identifiable people do demonstrate an ability to make accurate predictions. These superfore-casters tend to be knowledgeable and smart, but they are not just that. They also show a distinctive ability to break up problems into component parts. They don't believe in fate, they are comfortable with numbers and they understand the pitfalls of relying on their intuitions. One of the most constructive features of the book by Tetlock and Gardner is its demonstration that people can learn to make far better predictions than they now do.

Misbehaving: *The Making of Behavioral Economics*, by Richard Thaler, offers a bird's-eye view of the subject from the person most responsible for it. Full of hilarious anecdotes and descriptions of quirky personalities, Thaler's account also offers capsule summaries of the principal findings in behavioural economics, which typically resulted from studying human puzzles. Thaler shows that some of the best large-scale theories come from close observations of daily life. *The Witch of Lime Street*, by David Jaher, is a riveting account of one of the most dramatic contests in American history. In one corner: Mina Crandon, the most successful psychic of the 20th century, who was also beautiful and charming, and frequently featured on the front pages of leading newspapers. In the other: Harry Houdini, the greatest debunker of purported psychics, one of the most famous people in the world, and the man who could always find his way out of traps. Crandon managed to convince numerous sceptics-including prominent psychologists from Harvard and the Massachusetts Institute of Technology-that she was able to communicate with the dead. But she couldn't convince Houdini, to whom she also happened to be intensely attracted. (The feeling was mutual). Jaher's tale of the contest between Crandon and Houdini turns out to be a study of how beliefs get formed, how we see what we want to see and how people end up divided even when confronted with exactly the same evidence. If you are looking for a grandmaster of phishing, you would do well to start with Crandon-but Houdini was nobody's phool. Bloomberg. Cass R. Sunstein is a Bloomberg View columnist. These days, even a local police inspector (Mr. Riazuddin) abuses his little power in office, by fraudulently, illegally detaining overnight, senior-citizen, even though with multiorgan defects of ageing and dignified, qualified captains (master mariners), though alumni of reputed foreign universities and certified by U.K. Govt., by building up concocted stories to please some men, collecting huge some of money, as did in J6 Police Station of the Metropolitan City of Greater Chennai. Reporting to higher authorities do not work, but tries to hush up the matter, since corruption is rampant. "Speaks of the Law and Order and Coporate Social Responsibility" in the country. It is not out of place to mention here that many Master Mariners (Captains) are looted and killed in the region of ECR Road, Chennai, on account of cheap-rated Police Inspectors, who is bent upon amassing wealth, beyond known sources, this is an awakening to our vigilance and I.T. Officials, of our government. While these Mariner's welfare are neglected, by Government after 68 years of Indian Independence, despite their sacrificial life spending most of their sacrificial life-time out on the deep seas and oceans, a sacrificial life keeping the world trade active and while bringing foreign-exchange to their country of origin. They are hard-working, highly committed international professionals, who are little known by the local police, who exploit them. They work hard out on the deep seas and oceans and hence deserve the hard money they make. Merchant Navy forms the Second-Line of Defence to the nation they belong. Need for sensible up-gradation of policeman to higher grades as out of ignorance they cheat and treat them shabbily. The Police is to perform duty-consciously, for their real existence with discipline and honesty while serving in Home Department of our Government.

Dr. Chandran Peechulli, Ph.D., F.I.E., C.Eng., MBA, Pg.DLL.,LL.M., General Secretary, Chennai Society for Fast Justice, Regd. Consultant - Engineer and Law. Mg.Editor & Publisher "Marine Waves".

CMES Confirms Order for 10 VLCCs: The board members of China Merchants Energy Shipping (CMES) has approved of a plan to order an additional 10 eco-friendly VLCCs.

These vessels will be operated by CMES' Hong Kong-based subsidiary, China VLCC Company Limited, a tanker JV between CMES and Sinotrans & CSC Group. China VLCC was set up in early September, will be in charge



of vessel operation.

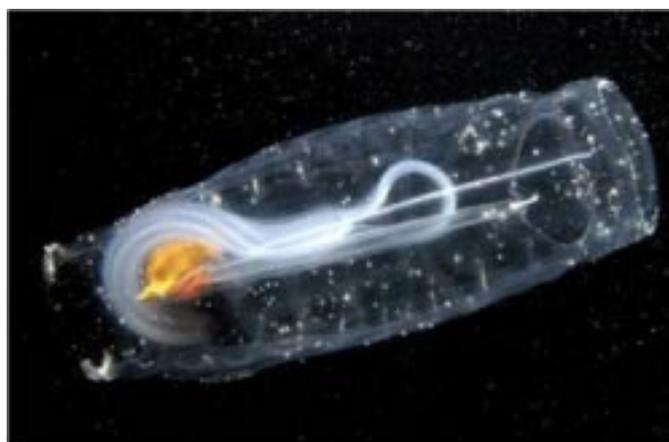
CMES added that it would disclose more details on the announcement once the contracts on construction of the energy saving tankers are signed. Potential value of the deal is expected to reach around USD 920 million.

China VLCC currently operates a fleet of 34 VLCCs, with an additional nine on order. In October, it sold VLCCs New Medal (297,600 dwt, built 2009) and New Founder (297,400 dwt, built 2008) to Greece's Navios for \$133m.

Affiliated to China Merchants Group, CMES was jointly established by Sinopec Group, Sinochem Group, COSCO Group and CNOOC Group on 31 Dec 2004 based on the integrated ocean shipping assets under China Merchants Group.

CMES operates and manages the earliest and most experienced oil tanker and bulk carrier fleet and is one of the largest energy transportation enterprises in China.

A small but important marine invertebrate: Salps are small (half-inch to four inches in length) planktonic marine invertebrate animals that are sometimes mistaken for jelly fish. Unlike jelly fish, though, they possess notochords (primitive spinal cords)



and a primitive nervous system. They are considered to be among the most primitive extant members of the Chordata phylum and are often used in scientific research. Salps pump water through their barrel-shaped gelatinous bodies, straining the passing water for phytoplankton. They are found in all marine waters worldwide, particularly in those near Antarctica. The lifecycle is complex. During the oozoid or solitary phase, the animal reproduces asexually, producing a chain of potentially hundreds of small individual. This chain or aggregate phase is comprised of individuals known as blastozoids. Each blastozoid reproduces sexually (the animal being hermaphroditic at this stage, alternating between female and male). The fertilized embryo grows into an oozoid and starts the process anew. This lifecycle allows for rapid population growth. Phytoplankton blooms often result in salp blooms. Sometimes these salp blooms occur near the coast and can end up in harbors and on beaches, creating a smelly mess. Because salp are present in large numbers and have a short lifespan, the carbon that they capture during life sinks to the ocean bottom, leading many scientists to conclude that the animal is quite beneficial to suppressing to some extent the increase in carbon dioxide levels in the atmosphere. Salps are also a primary or secondary food source for many other marine animals, residing near the bottom of the food chain.

Preparing for nuclear and radiological incidents: IMO is participating in the Global Emergency Preparedness and Response conference (19-23 October), joining a host of international organizations in an exchange of information on dealing with, and preparing for, nuclear and radiological incidents. Held in Vienna, Austria, and organized by the International Atomic Energy Agency (IAEA), the conference is covering topics such as protection strategies, training and communications. IMO publishing was also in attendance, promoting the publications of key IMO instruments, including the International Maritime Dangerous Goods (IMDG) Code, which deals with the transport of dangerous goods by sea, including the safe packaging and transport of radioactive material. IMO's Dandu Pughiuc, Marine Environment Division, addressed the conference. Mark Combe and Kushal Jaijee represented IMO publishing.

Govt recommends move to revenue-share model, freedom for the explorer to price and market oil and gas: New Delhi: India wants to follow the revenue-share model for all oil and gas blocks auctioned out for exploration.

In a draft paper put up for feedback, the petroleum ministry has recommended a shift to the revenue-share model, a uniform licensing model, and freedom to the



explorer to price and market oil and gas.

Issues related to cost recovery in a production-sharing contract have resulted in a long and protracted legal dispute between the government and Reliance Industries Ltd over the latter's KG-D6 block in the Krishna Godavari basin. The company, and its partners in the block, have also been lobbying the government to allow them to increase the price at which they sell gas.

The ministry's thinking was evident in its move in September to announce the auction of 69 oil and gas fields under the revenue-sharing model, touting it to be more transparent and market-oriented. It also allowed pricing and marketing freedom. It is now extending this to all future hydrocarbon blocks that will be put up for auction.

The deadline for comments on the draft paper, titled New Fiscal and Contractual Regime for Award of Hydrocarbon Acreages, is 30 November.

The existing exploration policy entails a production-sharing contract, which allows for cost recovery by exploration and production companies before they pay the government its share of revenue.

However, the Comptroller and Auditor General (CAG) had questioned this regime and argued that it "does not provide adequate incentives to private contractors to reduce capital expenditure".

"The (proposed) move is excellent in terms of moving forward in exploration and production. The biggest problem in the sector was that while petroleum prices were based on international prices, gas was dependent on domestic politics. So if gas will now also be based on international prices due to pricing and marketing freedom, then the gas fields which were earlier unviable will become viable," said Debasish Mishra, senior director at Deloitte, an audit and consulting firm.

"The government proposes to award future acreages under a new fiscal and contractual regime," the draft paper said while highlighting uniform licensing policy, open acreage licensing policy and revenue-sharing contract as the proposed changes.

The draft said that the uniform licence will enable the contractor to explore conventional and unconventional oil

and gas resources including coal bed methane, shale gas, tight gas, hydrates and any other resource to be identified within the definition of petroleum and natural gas.

Under the proposed revenue sharing model, "bidders will bid the percentage of revenue that they will share with the government against two revenue scenarios-when revenue is less than or equal to lower revenue point or when revenue is more than or equal to the higher revenue point".

The open acreage licensing policy will allow companies to submit bids for areas of their choice, which will be then validated by regulator with its own geological and geophysical data.

"It is important to evaluate if the revenue-sharing model will provide adequate confidence to oil explorers for deep water exploration. Deep water oil exploration involves significant capital and high risk projects, in a phase of uncertain energy prices. Absence of risk sharing by the state will adversely impact confidence of investors," said Gokul Chaudhri, leader, direct tax, at BMR and Associates Llp, a tax advisory firm.

Standardizing Maritime Education Across Nationalities: The goal of STCW has been to establish a common, international training standard for seafarers from various nations. What has been attained so far and what more needs to be done to accomplish the goals of STCW fully?

Shipping is perhaps the first truly globalized industry in the world. The existence of various international flags under which ships can be registered has allowed seafarers originating from various countries to sail on ships that are not necessarily owned by local companies. Recognizing the international nature of the business, IMO has striven hard since 1978 to pursue safety of life at sea by having an internationally agreed minimum standard for training of seafarers.

To keep abreast with the ever-evolving nature of the profession, these standards have been proactively evaluated and subsequently updated by revisions in 1995 and thereafter in 2010.

The process to strive for common standards was further enhanced by the White List process with IMO appointing competent persons to review the training standards in different countries.

Has the process been successful in ensuring common standards across the world?

It depends on who you ask.

Each country is free to make bilateral agreements to recognize the training standards in another country. The E.U. states have gotten together and the European Maritime Safety Agency (EMSA) performs its own inspections in 80 countries to ensure that seafarers operating in E.U. waters are appropriately educated and trained.



At the sharp end, each shipowner makes their own decision about which nationality of seafarers they wish to employ. Each company has its own perception about the competency and training standards of different nationalities.

While these generalized perceptions may be right or wrong, there is no doubt that the industry does have a view that the goals of STCW have not yet been fulfilled. There is widespread consensus that the training standards in different countries are not equal.

Many companies have moved away from these generalizations based on nationality and prefer to go deeper and focus on recruitment from the better colleges within each country.

Such companies also creatively deploy well-thought-out examination and interview techniques to find the right crew to man their ships.

It is important to recognize the difference between education and training and competency. Education and training can only ensure that the student has passed a knowledge- or skill-based examination. Competency is usually defined as the ability to do something successfully or efficiently. It is generally accepted that both knowledge and skill are required to be competent. In addition to having the required knowledge and skill, the individual also needs to have the right attitude towards the job.

The experiences on board a ship play a large part in shaping the competency of an individual, by way of on-the-job training and the safety culture of the ship and company. The effect of attitude on human performance is a separate subject. Training institutions do not have much control of it.

Hence, let us discuss only education and training.

What are the reasons for the varying standards of education and training in different countries? The reasons are complex. However, they are known to most people involved in the maritime recruitment and training industry.

They include a shortage of funds; lack of availability of first-class teachers due to the relatively lower wages offered (which have never been in sync with the rise in salaries out at sea); lack of financial support by industry or governments; lack of sufficient knowledge by the teachers; oversupply of colleges competing with each

other, and many other similar challenges.

These issues are discussed in seminars across the world. However, the solutions are rarely discussed entirely. Here are some of my personal opinions and suggestions:

1. Measurement

The ISM code, Element 6 and STCW Code Reg 1/14 clearly put the responsibility on the company for manning the ships with properly qualified crew. Irrespective of the nationality of the crew, regulators expect the same safety standards on board all ships.

The first step towards achieving a common safety standard would be to measure the knowledge of the crew (which is one the essential ingredients to being competent) against a common standard. While IMO may never be able to get various nations to agree on a common international examination, the industry already has such tools available and is utilizing them. Analyzing the results of such measurements in an unbiased way will lead to identifying gaps and subsequently discovering solutions towards improving the education and training in different countries.

2. Standardization of the Curriculum

The STCW code spells out the minimum standard of competencies for each rank in its tables. The IMO publishes model courses in an attempt to help implement the convention better and to achieve standardization of the content that is being taught across countries.

However, the IMO model courses have lately come under criticism. Certain advanced colleges and countries claim that the IMO model courses restrict innovation or have complaints about the content of the courses.

On the other hand, most crew supplying nations and emerging new colleges consider the IMO model courses as a big help and try to follow the contents diligently.

The training industry in advanced countries and in emerging countries needs to come together to collectively agree on the contents of these IMO model courses, as it is in the interest of the entire industry that there is standardization of the curriculum across all maritime countries.

GlobalMET, an association of over 100 establishments across 30 countries has a project to assist in this task.

3. Standardization of Assessment Techniques

Even with the same curriculum being taught, one would get very different outcomes if the assessment methodologies are different.

A lot of work is needed in defining appropriate methodologies for carrying out the assessment of students to ensure similar outcomes after teaching the same curriculum in different countries. This is an area that has not received sufficient attention in the STCW convention as yet. The training industry needs to take

the lead in developing these techniques. The assessment system should be robust and designed to measure the application of knowledge in real-life scenarios.

4. Standardizing the Qualification of the Assessors

As we delve deeper, it should be appreciated that standardizing the methodologies of assessment is critical to achieve the correct outcomes of education and training. Similarly, the qualification of assessors needs to be standardized. There should be efforts and programs for building up the required knowledge and skills of the assessors. There may be administration-approved courses (such as training for trainers and assessors) available, but these courses are of limited duration and may not ensure similar outcomes in different countries. The training industry needs to take the lead in this aspect as well.

5. Raising the Skill Levels of the Teachers

It is well-recognized in all industries that, at the end of the day, the quality of the teacher is more important than the gadgets or simulators or teaching aids available in a college.

The reasons for the differing levels of teachers in different countries are well-known. The various stakeholders in the industry, including shipowners, trade associations and government agencies, must recognize the need for skill-enhancement programs for teachers, especially in the colleges in the crew-supplying nations. Investment must be made in such programs. Knowledge transfer from the good colleges to the emerging colleges is urgently needed.

6. On-the-Job Training

An essential and critical part of the education and training of a seafarer is the training received as part of the mandatory sea time requirements for onboard training.

The industry has been reducing the onboard training requirements over the last three decades. This, combined with the faster turnaround of ships and reduced manning, has led to the situation that learning from mentors on board has gotten severely restricted. No amount of classroom and simulator-based training can be a substitute for what is learned on board. The shipboard-structured training program developed for granting remission of sea time is often not given the importance it deserves because the senior officers on board are themselves very busy with other shipboard work.

My personal opinion is that the sea time requirement should be increased as follows:

18 months as a cadet; 24 months sea time at operational level and another 30 months at management level (C/O, 2/E) before gaining command. A total of six years to be a Captain or Chief Engineer is not too long considering that the responsibilities of a Master and Chief Engineer are no less than that of a CEO of a company.

7. Quality Assurance

While STCW Regulation I/8 requires all countries to ensure that a quality assurance system is set up for maritime training institutes, the reality is that in some countries the process is very weak. In my opinion, an independent international organization should be entrusted to carry out the quality assurance audits of the training institutions.

8. Industry and Training Institutions Cooperation

Shipowners often complain that the crew is not trained well and is not fully competent despite having certificates. One of the reasons is the lack of interaction between training institutions and ship operators.

Teachers in general are people who like to learn continuously, but the industry does not give them opportunities to upgrade their skills. Teachers need to occasionally sail on ships to refresh their knowledge about the application of latest regulations and the latest equipment and machinery fitted on board. The teachers also need feedback on the accidents and near misses that are happening on board.

The industry associations need to work more closely together to achieve standardization in training.

9. Standardized Entry-Level Test

The school system in different countries differs substantially. This has an effect on how much can be achieved in the maritime college. Mathematics, physics and chemistry or even verbal and written skills that were not properly taught in the 12 years of school attendance cannot be taught in the maritime college. This is a very difficult issue to address on an international scale, but the industry has been working on it and some solutions are available in the market.

In conclusion, the industry stakeholders, especially the end-users, shipowners, managers and training institutions need to work more closely together. The industry trade associations need to support training wholeheartedly. Waiting for governments to take the initiative will not work in most countries.

— Captain Pradeep Chawla

He is Managing Director, QHSE & Training at Anglo-Eastern Ship Management.

Charges Dropped Against DSME Suffers Second Deadly Fire:

A fire broke out inside an LPG tanker being built at Daewoo Shipbuilding & Marine Engineering (DSME) in South Korea on Tuesday, killing one worker and injuring seven others.

The death, of the man in his 50s, was the result of inhalation of toxic fumes.

News agency Yonhap reports that officials suspect the fire was caused by a spark from a welder's torch inside one of the tanks on the 85,000-ton tanker.



Approximately 130 people were working inside the tanker when the fire broke out. The fire was extinguished about an hour after it started.

In August this year, two workers died and seven were injured in another fire at the yard. The fire reportedly started while the workers were welding inside a hull of an LPG carrier.

U.N. Reauthorizes Anti-Piracy Operations:

On November 10, the United Nations Security Council (UNSC) in New York reauthorized international naval action in fighting piracy off the coast of Somalia, stressing that "while the threat from Somali pirates has declined, it still remains a matter of grave concern."

The UNSC highlighted the important role played by ships from the European Union Naval Force (EUNAVFOR) and NATO's Operation Ocean Shield, but noted that the primary responsibility lies with Somalia, a country torn apart by 25 years of strife.

"While noting improvements in Somalia, [the Council] recognizes that piracy exacerbates instability in Somalia by introducing large amounts of illicit cash that fuels



additional crime and corruption," the resolution declared.

At its height, piracy off Somalia's coasts netted scores of vessels, from large container ships to small leisure yachts, resulting in hundreds of people being held hostage and millions of dollars being paid in ransom.

Since the UN first authorized international naval intervention in 2008, the rate of vessel seizures and kidnappings has gradually declined.

Today's resolution urged flag, port and coastal states to cooperate in prosecuting perpetrators, and proposed specialized anti-piracy courts in Somalia with international

participation. The statement also stressed that economic and social development are essential for the lasting eradication of piracy off Somalia.

Separately, a recent report by Colorado-based research organization Secure Fisheries found that renewed fishing by lightly regulated foreign vessels off the coast of Somalia could negatively affect the Somali fishery and its 10,000 fishermen. The recent improvements in security have permitted the return of fishing vessels from Iran, Yemen and other nations to Somalia's territorial seas.

Historically, the conflict between Somali and foreign fishing vessels - among many factors, including the involvement of criminal enterprises run by warlords - has been linked to piracy activity in the region.

The report echoes warnings in March from U.N. and Somali officials regarding the use of illegal fishing as a pretext for renewed piracy. Some Somali government sources and industry representatives have expressed frustration that the international naval forces tasked with stopping piracy have not detained illegal fishing vessels.

"If they have a mandate to protect the [shipping] lanes from the pirates, they have to protect the resources of these poor people against illegal fishing," said Abdiwahid Mohamed Hersi, chief executive of Global Sea Food International, a Somalia company.

Charges Dropped Against Deepwater Horizon Engineer:

The U.S. Department of Justice, in the U.S. District Court for the Eastern District of Louisiana, has dropped all obstruction of justice charges against former BP engineer Kurt Mix related to the BP Deepwater Horizon oil spill. Mix pleaded guilty to a single misdemeanor charge of deleting a single text message conversation with a close personal friend who was also a co-worker. The texts were almost entirely personal in nature and did not include anything important about the oil spill.

Joan McPhee of Ropes & Gray LLP, attorney for Mix, stated, "The resolution of this case is a vindication of Kurt Mix and an acknowledgment by the Department of Justice that Kurt never acted to obstruct justice. It is an affirmation of Kurt's innocence of the charges that the Department of Justice has been pursuing for over four years. This is a case that never should have been brought, against a man whose tireless efforts in the Deepwater Horizon spill should have been acknowledged and appreciated, not prosecuted."

Mix stated, "I'm thankful that the Department of Justice has finally acknowledged that I did not engage in any act to obstruct justice. My family and I have paid an enormous price as a result of the Justice Department's misguided prosecution. This is not a fight I ever wanted, but I was never going to give in to the false accusation that I obstructed justice."

Today's announcement was the culmination of a lengthy investigation and prosecution initiated by the Justice Department in the summer of 2011. The Department of Justice mounted a four-year prosecution against Mix, costing millions of taxpayer dollars. A jury in December 2013 cleared Mix of one obstruction of justice charge, and the Department of Justice dropped the second charge last Friday.

Mix had been tasked by BP to analyze the flow rate of oil gushing from its blown-out Macondo well. Prosecutors accused Mix of deleting hundreds of text and voice messages that may have proven BP lied about how much oil was leaking into the gulf in what became the worst offshore environmental disaster in U.S. history.

The Justice Department declined to comment, said spokesman Peter Carr. The sentence of six months of probation and 60 hours of community service was recommended by both the government and defense, he said.

The disaster in the Gulf of Mexico killed 11 workers and triggered an 87-day oil spill.

Two Killed, Four Hurt in Taiwanese Fishing Boat Fight: Two Filipinos have died and four other men have been injured after a brawl on a Taiwanese fishing vessel.



A report by Taiwan's Central News Agency said the fight broke out on board the 747-ton, deep-sea tuna vessel when it was 265 nautical miles from the Taiwanese east coast on October 28.

The two Filipinos died after being scalded with hot water and arsenic acid. Two other Filipinos and two Vietnamese crewmen were hospitalized.

The Taiwanese captain intervened to end the fight. The vessel was carrying 52 crewmen at the time.

The ship returned to the port on November 4, and coast guard officials are investigating the incident. They are particularly focusing on comment from the Indonesians on board, as they were not involved in the fight.

Second Fatality In A Month At Sabine Pass: Media reports indicate that a worker died at the new Sabine Pass LNG terminal in Texas on November 9.



The person was found unresponsive and was transported to a medical facility nearby. Local authorities confirmed the worker's death to media.

The person's identity and the cause of death were not immediately available to the public.

This is the second work-related fatality at Sabine Pass in a month. On October 17, Donald Jenkins of Beaumont, Texas died after falling from a scaffold at the plant.

The engineering and construction company Bechtel is currently finishing LNG exporter Cheniere's facility at the Sabine Pass terminal. The plant is expected to receive feed gas towards the end of this year, with the first cargo of LNG to go out early in 2016.

Separately, reports indicate that the first LNG vessel to call at Sabine Pass is under way in the Indian Ocean. The tanker Energy Atlantic will be the first of a series of test cargoes as production ramps up at the plant.

American LNG exports will face stiff global competition in a glutted market - especially with other new players entering, like Iran, which is targeting European sales by making major investments in LNG export.

Cheniere could find a market nearer to home with relatively high purchase prices in the Americas - as of October, higher even than those in Europe and Asia. The Federal Energy Regulatory Commission (FERC) reported October weekly average prices running above \$7.50 per MMBtu landed in Mexico, Brazil and Argentina, versus \$6.65 in Spain and \$7.10 in China.

In a report released November 10, consultants Wood Mackenzie forecast a major fall-off in LNG plant construction in an oversupplied market, predicting that building would peak in 2015 and decline sharply thereafter.

Veterans Day: Honoring The U.S. Merchant Marine: The U.S. Merchant Marine have a long and proud history serving U.S. interests abroad. So, on Veterans Day, November 11, The Maritime Executive Magazine would like to honor the men and women that have sailed and, in too many cases, have sacrificed all to keep the nation safe.

Since the end of the Second World War, merchant mariners have transported government cargoes and



supported combat forces in Korea, Vietnam, Bosnia, Iraq and beyond. Today, over 7,000 licensed U.S. mariners work on Military Sealift Command (MSC) Ready Reserve Force (RRF) ships, carrying out defense missions or maintaining readiness for the next activation. There are thousands more working in the maritime industry who are trained and ready to be called if they needed. "

Their contributions to the nation defense have been recognized throughout history by the nation's leaders. In 2014, the Congress officially recognized the Jones Act sector as well- saying that the value of the American "maritime industry [is] unquestioned as the Department of Defense depends on United States domestic trades' fleet . . . to carry military cargoes."

During the Vietnam War, U.S. mariners risked their lives to deliver the weapons and supplies needed by U.S. forces. Dozens paid the ultimate price in combat and at sea. They worked to transport refugees from North to South and to get cargoes up the 35 mile river transit to Saigon. They transported floating bridges and Coast Guard patrol boats across the Pacific. In 1966, U.S. merchant vessels carried out the longest-distance troop transport in American history, from Boston to Saigon, a distance of over 12,000 miles.

Nearly 80 RRF vessels - about three quarters of the reserve merchant fleet - were activated as part of Operation Desert Storm (the first Gulf War) in the early 1990s. During the buildup to the war, the thousands of U.S. mariners on U.S. ships accomplished one of the largest military sealifts in history, transporting four times the amount of materiel moved for the WWII Normandy invasion.

In addition, merchant mariners aboard MSC RRF ships were called up for relief deployments after Hurricane Mitch hit Central America in 1998, and for shipments in support of NATO actions in Bosnia in 1995 and 1996, for operations in Cuba and Haiti in 1994, and for missions in Somalia in 1992.

About 40 RRF vessels and countless merchant mariners have served with distinction in support of Operations Enduring Freedom (the war in Afghanistan) and Iraqi Freedom (the second Gulf War) in 2001-2010.

Merchant mariners serving in actions after 1946 have not had the benefit of veterans' status eligibility, and even

if killed in combat - as in Vietnam - these mariners do not qualify for veterans' benefits like military funerals, disability coverage, or survivors' benefits. However the government has established distinguished service medals for merchant service in specific conflicts or in smaller-scale operations.

Today, U.S. merchant mariners deploy for government and military missions worldwide, aboard the "white fleet" vessels of NOAA and the Office of Naval Research, Missile Defense Agency ships like the SIU-crewed Pacific Tracker, or one of the 120 vessels of the MSC RRF. Many more in commercial maritime occupations are ready to serve if called. Their selfless dedication has kept us safe. They are veterans of conflicts near and far, their work essential to the national defense and to national interests abroad. We thank them for their service and for their sacrifice.

IMO joins 70th UN birthday celebrations:

IMO has participated in celebrations marking the 70th anniversary of the United Nations. This includes sending the UN's digital ambassador Elyx, the cartoon character specially developed by renowned French artist Yak, to see IMO's headquarters and work in the field. Elyx's virtual journey around the world in 70 days shed light on the work of the UN, with UN agencies and other bodies



contributing to show Elyx interacting with different areas of their work, and sharing the results via social media. Additionally, around 200 iconic monuments, buildings, museums, bridges and other landmarks in nearly 60 countries around the world were lit up in UN blue.

History in the making: The role of maritime heritage in raising awareness of modern shipping has been a strong theme for IMO Secretary-General Koji Sekimizu in recent years. It was echoed at the annual meeting of the International Congress of Maritime Museums in Hong Kong today (5 November) in a presentation by IMO's Fred Kenney, which also touched on the complementary role modern shipping can play in lending a contemporary relevance to museum collections.

This year, IMO has collaborated with the National Maritime Museum in its host nation, the United Kingdom, by producing three films exploring current aspects of migration by sea, to give a modern perspective to an exhibit examining this phenomenon throughout the ages.

Maritime security training in Viet Nam: A national workshop on advanced port security drills and exercises is taking place in Hanoi, Viet Nam (3-6 November). Port security officials, managers and officials designated by the national authority to deal with security incidents are getting the opportunity to take part in simulated security exercises in order to test the skills and knowledge gained in theoretical lessons, discussions and



group work. The aim is to equip the participants for future planning, conduct and evaluation of security exercises, in order to improve the implementation of IMO maritime security measures such as SOLAS Chapter XI-2 and the International Ship and Port Facility Security Code. Tracy Peverett is representing IMO at the event, which has been organized by IMO in collaboration with the Asia Pacific Economic Community (APEC) Maritime Security Working Group and the Viet Nam Maritime Administration (VINAMARINE).

Islamic Republic of Iran prepares for London Protocol: A three-day national workshop on the London Protocol is concluding today (2-4 November) in Tehran, Islamic Republic of Iran. The workshop is focussing on raising awareness of the Protocol amongst relevant national agencies and organisations as well as setting out the key elements of implementing and enforcing the Protocol. The Islamic



Republic of Iran is finalising its process to accede to the London Protocol. Dr.Parvin Farshchi, Deputy of Marine Environment, emphasised the importance of the London Protocol to the Islamic Republic of Iran stating that its long coastlines need to be protected from the harmful impacts of land-based wastes dumped at sea. The training workshop was attended by more than 45 high-level officials from various government departments and academia and was facilitated by IMO's Edward Kleverlaan with assistance from a consultant provided by the UK government. The workshop has been jointly organized by IMO, the Department of Environment (DOE) and the Ports and Maritime Organization (PMO) of the Islamic Republic of Iran.

Ballast systems approval process in focus: IMO's Stefan Micallef has opened the International Forum on Ballast Water Management Technical Cooperation 2015, which is being held in Busan, Republic of Korea (3-4 November). The Forum is focusing on type approval of ballast water management systems and the ongoing revision of the Guidelines for approval of ballast water management systems (G8). The Forum is being hosted by the Ministry of Oceans and Fisheries, Republic of Korea.

Legislative run-down for Myanmar officials: Government officials from the Myanmar are attending a five-day workshop at IMO Headquarters (2-6 November). The 10 participants will gain insight into IMO treaties on liability and compensation and the benefits, rights and obligations of Parties to these conventions. A second component of the workshop will provide an opportunity for participants to discuss and provide feedback on the revised draft Myanmar Merchant Shipping Law and its subordinate legislation. IMO is assisting Myanmar to revise the national legislation vis-à-vis shipping needs and in relation to IMO Conventions. A third component of the workshop will cover fair treatment of seafarers. The workshop is being supported by IMO, ITF, Seafarer Rights International and the IOPC funds.

A degree of success for students: The prestigious annual graduation ceremony for students at the World Maritime University (WMU) took place on Sunday (1 November) in Malmö, Sweden, when WMU Chancellor and IMO Secretary-General Koji Sekimizu conferred postgraduate degrees on the class of 2015. In total, there are 202 graduates in the class of 2015, including the M.Sc programmes in Malmö, and Dalian and Shanghai, China, as well as the distance-learning Postgraduate Diploma graduates. Overall, the 2015 graduates represent over 40 countries. In his graduation message, Mr Sekimizu urged the students to continue to support the ideals and objectives of IMO. The Guest of Honour was Kitack Lim, IMO Secretary-General elect, who is an alumnus of WMU and will become the first Chancellor and first IMO Secretary-General to hold an M.Sc degree from the University.

Addressing the safety of ships on non-international voyages:

A two-day (27-29 October) regional seminar on the enhancement of safety of ships carrying passengers on non-international voyages concluded today in Penang, Malaysia. The seminar provided an update on the latest developments undertaken by IMO in addressing safety of passengers'



ships engaged in domestic services. The seminar also highlighted the need to develop a structured approach in the form of fact finding and scoping studies. In addition to the seminar, IMO held a one-day training course to teach participants how to conduct a Hazard identification (HAZID) exercise as well as learn more on the use of Formal Safety Assessment processes.

The seminar, organized within the framework of IMO's Integrated Technical Cooperation Programme (ITCP), was co-funded by the Governments of Malaysia and Norway and hosted by the Maritime Department, Ministry of Transport of Malaysia. Two IMO consultants, Interferry, IACS and the Worldwide Ferry Safety Association provided expertise to the seminar which was attended by Cambodia, India, Indonesia, Lao, Malaysia, Myanmar, Papua New Guinea, Philippines, Thailand, Timor-Leste and Viet Nam.

Training the auditors: The auditing of IMO Member States to assess how effectively they administer and implement key IMO instruments becomes mandatory on 1 January 2016. As part of the preparation for that process, the first training course for audit team leaders under the IMOMember State Audit Scheme is now being held at IMO Headquarters (26-30 October). The training has been designed to further develop specific skills in audit planning, audit team and auditee management, effective in-audit communication, audit reporting and assessment of a corrective action plan. Experienced auditors from 16 IMO Member States* are participating, along with five members of IMO's own Member State Audit and Implementation Support team. Up to 25 Member State audits per year are expected under the mandatory scheme.

*Antigua and Barbuda, Argentina, Australia, Brazil, Canada, China, India, Jamaica, Jordan, Morocco, Maldives, the Netherlands, the Republic of Korea, Singapore, Tunisia and the United Kingdom.

Information is power: With information and communication technology (ICT) playing such a vital role in the modern world, the United Nations system continually assesses how it uses ICT to best advantage in contributing to its own institutional efficiencies and helping to meet its external objectives. It does this through the ICT Network of its Chief Executives Board, which is meeting this week (21-23 October) at UNHQ in New York, followed immediately by the 96th session of the UN International Computing Centre's Management Committee. A focused discussion on the global digital agenda of the UN system and the ability to predict the effect of an action through so-called machine learning will be among the topics considered. IMO's Vincent Job is representing the Organization at both meetings.

Preparing for nuclear and radiological incidents:

IMO is participating in the Global Emergency Preparedness and Response conference (19-23 October), joining a host of international organizations in an exchange of information on dealing with, and preparing for, nuclear and radiological incidents. Held in Vienna, Austria, and organized by the International Atomic Energy Agency (IAEA), the conference is covering topics such as protection strategies, training and communications. IMO publishing was also in attendance, promoting the publications of key IMO instruments, including the International Maritime Dangerous Goods (IMDG) Code, which deals with the transport of dangerous goods by sea, including the safe packaging and transport of radioactive material. IMO's Dandu Pughiuc, Marine Environment Division, addressed the conference. Mark Combe and Kushal Jaijee represented IMO publishing.

Developing maritime transport policy in the Pacific:

A four-day workshop is being held in Suva, Fiji (20-23 October), aimed at boosting the knowledge and skills needed to develop, adopt, implement and update national maritime transport policies in relation to IMO instruments and with respect to shipping engaged in international trade. The workshop also aims to support wider regional and national maritime-related needs and objectives and show that these can be addressed while pursuing IMO-related goals. IMO pays special attention to the shipping needs of Small Island Developing States (SIDS) and the least developed countries, under its strategic plan. Of all the SIDS around the world, more than a third are located in the Pacific region and all but one are either IMO Members States or territories of IMO Member States. Some 26 participants from Pacific Island countries are attending the workshop, which is being delivered by World Maritime University (WМУ) Associate Professor and Associate Academic Dean

Patrick Donner, alongside IMO's Jonathan Pace and Nicolaos Charalambous. The workshop was jointly organized by IMO and the Secretariat of the Pacific Community (SPC).

IMO at ballast water management conference:

IMO's Ballast Water Management Convention is ready for implementation - that is the message delivered by IMO's Markus Helavuori at the 13th Ballast Water Management Summit in Rotterdam, the Netherlands (21 October). In a keynote speech



addressing shipowners, operators and other stakeholders, an update on the convention was provided, including the points that the main obstacles for ratification have been removed and that early entry into force would have several benefits for all stakeholders - minimizing the risk of invasions by alien species and providing a level playing field from a regulatory perspective.

The BWM Convention will enter into force 12 months after ratification by 30 States, representing 35% of world merchant shipping tonnage. To date, 44 States with an aggregate of 32.89% of the world's merchant fleet tonnage have ratified it.

National security training in Barbados:

A national workshop on 'International Ship and Port Facility Security (ISPS) Code Training for Port Facility Personnel with Designated Security Duties' is being conducted in Bridgetown Port, Barbados (19-22 October). The workshop will train such personnel to perform their duties



in accordance with relevant IMO maritime security measures, including chapter XI-2 of SOLAS, the ISPS code and the IMO/ILO code of practice on security in ports. Held at the request of the Ministry of International Business and Transport of Barbados, it will also equip participants to train others with similar responsibilities. IMO's Hélio Vicente and Henrik Madsen are facilitating the workshop with a team of consultants. Bridgetown is the major port of entry for the majority of materials and goods used in Barbados's manufacturing and retail sectors, and all visiting cruise vessels also berth there.

Capacity building in Somalia:

As part of IMO's maritime capacity building programme for Somalia, a high level meeting aimed at harmonizing IMO's work for Somalia with the work of other UN agencies working for and in Somalia, was held in Nairobi, Kenya (16 October),



hosted by the Kenya Maritime Authority. The meeting was briefed by the Honourable Nur Farah Hersi, Minister of Ports and Marine Transport of Somalia, representing the Federal Government of Somalia, and was also attended by representatives of the United Nations Assistance Mission in Somalia (UNSOM), the Food and Agriculture organization (FAO), the United Nations office on Drugs and Crime (UNODC), EU-CAP NESTOR and INTERPOL. IMO was represented at the meeting by Juvenal Shiundu, William Azuh, Kiruja Micheni and Purity Thirimu. IMO initiated a programme aimed at assisting Somalia establish a Maritime Administration in 2014, involving workshops, the review of the 1959 Somalia Maritime Code and the creation of a stakeholders' forum.

Improving maritime situational awareness in Latin America:

A regional seminar on maritime surveillance monitoring and communication systems has been held in Cartagena de Indias, Colombia (13-16 October). More than 70 participants from countries in the region attended the seminar and shared their experiences on maritime communications and ship tracking and monitoring systems for maritime security, safety of navigation, protection of the marine environment and search and rescue of persons in distress at sea. The event was organized by IMO in collaboration with the Colombian Maritime Authority (DIMAR). IMO's Tracy Peverett and Javier Yasniouski participated in the seminar.

Maritime Training 5 Years From Now

About The Author: **Murray Goldberg** is the founder and President of Marine Learning Systems (www.marinelms.com), the creator of MarineLMS - the learning management system designed specifically for maritime industry training. Murray began research in eLearning in 1995 as a faculty member of Computer Science at the University of British Columbia. He went on to create WebCT, the world's first commercially successful LMS for higher education; serving 14 million students in 80 countries. Murray has won over a dozen University, National and International awards for teaching excellence and his pioneering contributions to the field of educational technology. Now, in Marine Learning Systems, Murray is hoping to play a part in advancing the art and science of learning in the maritime industry.

For anyone involved in maritime training, now is an incredibly exciting time full of opportunity. More than ever before, there are advanced techniques and technologies available that can significantly improve training outcomes and access to training, while keeping costs under control. Properly deployed, these advances will improve safety - on that, the research is very clear. What changes will we see in maritime training over the next 5 years? There are many, but space is limited so we will focus on a few of the most notable.

Blended Learning

It is easy to argue that the biggest advance in training in the last 20 years has been blended learning. Blended learning means using more than one technique for training delivery. It is just beginning to take hold in the maritime industry and I suspect it will be the biggest story in maritime training over the next 5 years.

In practice, blended learning usually means combining on-line learning with face-to-face learning. There are many ways to "blend" the learning experience, but let's look at one model - that of using on-line self-study as a precursor to classroom or on-board training. This is an incredibly successful model that has been proven in thousands of studies to significantly improve training while at the same time being reasonably inexpensive and easy to implement.

It is easy to understand how it can be helpful. Imagine a vessel familiarization course which begins with some online self-study followed by on-board instructor-led training. The on-line study would likely focus on foundational knowledge about the vessel, equipment, layout, routines, and so on. The instructor-led on-board training would then continue the process by developing the hands-on experience and skills to complete the learning.

There are many advantages over conventional training. First, the initial portion, being online, is very "trainee centered", meaning candidates can proceed at their own pace and on their own terms - increasing the likelihood that they will learn the required knowledge successfully.

Second, the on-line portion is guaranteed to teach company-vetted best practices. Most other forms of training, whether they are classroom or (especially) job-shadowing, are subject to a wide degree of variation according to the personal experience, biases and abilities of the instructor. This lack of standardization can be dangerous in a safety-critical environment.

Third, when the candidates arrive on-board or in class for

their instructor-led training, all candidates now have a very uniform level of knowledge. This allows the instructor-led training to be much more efficient because the "knowledge" portion of the training has already been covered and there is less variability to accommodate in the trainees.

If the maritime industry follows the successful path of higher education and other industries (and I see no reason to believe it will not), then blended learning will be a huge story over the next 5 years.

Analytics

Another trend that is sure to impact maritime training is the availability and use of analytics in training. A favorite business mentor of mine once said "if you can't measure it, you can't manage it". Nowhere does this apply more than it does in training.

Simply said, analytics are just measurements of the health of the training we provide. Examples of analytics include measurements such as:

- average exam scores (determine how your trainees are doing overall),
- average exam scores segmented by competency (determine whether some competencies are not being learned),
- average time on learning materials or in classes compared to performance scores (determine the efficiency of your training),
- or even performance segmented by employee background (determine which kinds of backgrounds yield better performers).

The point of knowing this type of information is two-fold. First, it allows you to find hidden training problems before they become performance issues or, worse, an accident. And second, knowing these numbers allows you to apply changes to your training and then determine whether the change made a positive impact. This is the essence of continuous improvement. Without it, you are shooting in the dark.

In the past, these analytics have been very time consuming and expensive to calculate and maintain - so very few organizations (aside from the most safety conscious) took the time. Now, however, sophisticated on-line training tools called learning management systems (LMS for short) are ushering in a new era of analytics - and consequently a new era of insight and improvement in training.

Adaptive Learning

Every vessel is a world unto itself - with different equipment, different routines, different layouts, and even different corporate and flag-state regulations. So the training for personnel on any vessel - especially familiarization training, is by necessity unique to that vessel. Until recently, the only way to accomplish this efficiently is through job shadowing - a staple in the maritime industry.

Sadly, job shadowing is one of the worst forms of training. It is difficult to standardize, almost impossible to measure, and highly variable in its effectiveness. Fixing these issues requires the creation of company-vetted, best practice training resources and programs for every vessel in your fleet. That would be a very daunting and expensive process - both in terms of the initial creation and the maintenance.

Fortunately, a relatively new technique called "adaptive learning" can help to solve this problem. Adaptive learning is a feature of some learning management systems. In essence, adaptive learning tailors the training program to each individual trainee - automatically. An LMS which supports this feature asks the trainee what role and vessel they are training for, and then automatically creates a set of company-vetted learning materials from training materials in the database. Each trainee receives an online, custom "textbook" targeted to that trainee.

Given the huge variability present in maritime operational contexts, no other industry that I am aware of can make use of this feature as effectively as the maritime industry. Therefore, adaptive learning is an important innovation to watch over the next 5 years.

Conclusion

This is an incredibly exciting time in maritime education. Change is afoot - and there is a formidable arsenal of tools waiting to be deployed for the benefit of safety in our industry. As indicated in the introduction of this article, if you are involved in maritime training in any way, it is time to take a hard look at your training practices because there are advances available that can significantly improve training outcomes, performance and safety.

Italian marines case: Tribunal that will take final call constituted: There is fresh movement in the legal tussle between India and Italy over the case of two Italian marines accused of killing two Indian fishermen off the Kerala coast in February 2012, with a five-member Arbitral Tribunal being constituted for arbitration between the two countries.

The tribunal has been constituted under Annex VII of the United Nations Convention on the Law of the Sea (UNCLOS).

The Permanent Court of Arbitration at The Hague, Netherlands - which acts as Registry in the arbitration by agreement of both parties - announced on November 6

that the constitution of the tribunal, which will give a final ruling in the dispute, "has been completed".

While Italy appointed Professor Francesco Francioni on June 26 as one of the five arbitrators, India appointed Judge Patibandla Chandrasekhara Rao on July 24 as an arbitrator.

After consulting both sides during a meeting in Hamburg on September 30, 2015, the President of the International Tribunal for the Law of the Sea (ITLOS) appointed Judge Jin-Hyun Paik of Korea and Judge Patrick Robinson of Jamaica as arbitrators.

Judge Vladimir Golitsyn of Russia was also appointed as an arbitrator and President of the tribunal.

With its constitution being finalised, the tribunal will soon hold a first procedural meeting with the two parties to discuss the procedural framework, including the applicable rules of procedure, and the time-table for written and oral pleas.

On August 24, the ITLOS in Hamburg had announced "provisional measures" in the case, directing that both Italy and India "shall suspend all court proceedings" relating to the matter in the two countries.

It also directed that the two countries refrain from initiating new court proceedings "which might aggravate or extend the dispute submitted to the Annex VII arbitral tribunal or might jeopardise or prejudice the carrying out of any decision which the arbitral tribunal may render".

Important Points For Logbook Keeping On Ships - Part 2:

There are times when the paperwork seems endless and a condition of mental boredom and of being non-complacent props out of most of us. But the fact of the matter is that shipboard record keeping is here to stay. So in continuation to the previous list of logbooks that are required to be maintained legally and legibly onboard, let's take a look at a few more logs that require the ship officer's attention.

Medical log

This log goes unattended to at times. Non-complacency and avoidance are the two known major factors for the medical documentation not being up to date. It's well understood that the ship's officers are no more than passive first aid providers. This should be all the more a reason to understand medicine to an extent where proper aid could be given at the right time. This being obvious, the aid provided must be documented in the statutory log provided onboard. Being at sea makes the seafarers helpless. Hence it's imperative that, atleast, the medical paperwork is updated with accurate or best known details of the following.

1. Entries should mention under what circumstances the medical aid was provided. The nature of the injury or illness, their treatments and progress (if any) must be mentioned to the best knowledge.
2. Recording even a simple dosage of a pain killer or even an anti-inflammatory drug is vital.



3. The medical log may have an inventory list of the drugs onboard attached to it for easier reference.
4. Master or an Officer designated for upkeep of the medicines is the only personnel onboard to oversee medical related issues onboard. Entries should be made without delay with signatures, both of the patient and of the medical provider. Master to endorse the same.
5. Apart from this being a legal obligation, recording of injuries and illnesses aid the owners and the P & I Clubs for settlement of further claims. This in turn enables the Master to defend himself and his owners against later claims and allegations made by the then injured/sick seafarer.

GMDSS Radio Log

A Radio log with adherence to the SOLAS Ch V and Merchant Shipping regulations is required to be maintained onboard most merchant ships / vessels. It should be retained onboard on the navigating bridge well-situated near the radio equipment. Again, it is liable for compulsory examination during surveys.

The person designated for the radio record keeping, generally the senior navigating officer or radio officer (if onboard) is sole responsible for its upkeep. Like all official logs, this one too comes with a leaflet of instructions on how to enter the details, but personally, I have seen people making ambiguous entries for even simple operations such as testing the radio equipment for example. Anyway, let's try to clear the air for some:

- As most logs, the ship's particulars are entered as required. But one has to also update the details of the existing radio operators every time the officers change hands.
- A synopsis of all interactions/communications related to Distress, Urgency or Safety must be entered clearly along with the ship's position, date and times. All the follow-up communications, actions taken by the vessel, etc. must be recorded as evidence to the events that followed over radio. One must not forget recording the SSB / VHF radio frequencies over which the communications took place.
- Breakdown or malfunctioning of the radio equipment, breakdown of communications with coastal or land earth

stations must be logged down to ones best knowledge. This saves the day for any inquiries propping up on related issues.

- Where testing of the equipment is concerned, details must be provided to the 'T'. This means, even if the receiving stations could not respond or acknowledge back an entry should be made along with the frequencies over which the radio equipment was tested and if calling out a coast or a land earth station, details of such station to be recorded. If the testing is carried out on batteries only (which normally should be the case) then such details must be logged.
- Entries of the vessel arriving and departing port are also noted.
- It is required by the flag to log and attach hard copies of Distress, Urgency, Navtex, EGC, NBDP, DSC, etc. convenient to the entry made in the book.

Ship Security Log Book

Security of seafarers has been a hot topic lately. Considering all the security measures that are taken by the vessels as precautionary, record keeping has become all the more tedious. The ship security officer is the one responsible for the log books' care and upkeep. SOLAS Ch XI-2 provides with all the fundamental obligations the vessel needs to follow on shipboard security. However, let's take a quick look at the essentials of record keeping for security related matters onboard.

- Firstly one should ensure that an updated list of last 10 calls at port is attached with the log book.
- Other notable entries must include a record that the ship has a valid International Ship Security Certificate and its issuing authority. Having a record of the necessary documents handy enables a smooth inspection process if the vessel undergoes one.
- The current and past onboard 'Security levels' (read level nos. 1, 2 or 3 as per SOLAS/ISPS Code) must be recorded along with a brief statement recording the Security level change over position, whether while arriving or departing a port or at sea while transiting through waters infested with pirates that pose a security threat to the ship and her crew.
- All security measures including any additional especially the ship specific ones should be recorded considering that the ship and her crew are vulnerable to security breaches at any point while in port or at sea.
- Drills, trainings conducted must be logged with a separate sheet containing the names and signatures of the crew participating and the briefing / debriefing details.

The logs stated above are just a few important ones in a sea of log keeping procedures followed onboard. Over the years, ISM has paved the way for better documentation. This has in fact resulted in streamlining record keeping as most of us seafarers are also experienced and competent in following the ISM procedures. Overall, the idea is to not only 'full up' the log book, but to 'fill it up' with your best known abilities while not straying away from the facts.

Main developments and trends regarding piracy off the coast of Somalia: UN Security Council Report on the situation of piracy in the area:

According to UN Security Council report the main developments and trends regarding piracy off the coast of Somalia (period October 2014- October 2015) are as follows:

It has been more than two years since a large commercial vessel has been hijacked and held for ransom by Somali pirates. Following the trend in 2013, the total number



of incidents caused by pirates based in Somalia continued to fall, from 20 in 2013 to 12 during the reporting period, according to figures provided by the International Maritime Organization (IMO). This represents a significant decrease from the 78 reported in 2007, when Somalia-based piracy was prevalent, and the 237 ships targeted by Somali pirates in 2011. The total number of seafarers from large commercial vessels who are being held hostage by Somali pirates currently stands at 26, compared to 37 in October 2014.

The positive overall trend notwithstanding, credible reports suggest that commercial ships remain a target of Somali pirates. In most cases, ships were successful in preventing attacks through vigilance, situational awareness and an assertive response, in accordance with the Best Management Practices for Protection against Somalia-based Piracy. Combined threat assessments by the European Union Naval Force (EUNAVFOR), NATO and the Combined Maritime Forces with regard to the threat of piracy, in terms of capability, intent and opportunity, suggest that the continued suppression of piracy is reliant on the maintenance of collective response mechanisms by Member States, regional actors and the United Nations system. In addition, it is stressed in the assessments that root causes, such as a fragile economy, the lack of alternative livelihoods and weak governance structures, continue to require the attention of the Federal Government of Somalia, with support from the international community.

Smaller vessels remain vulnerable. Figures for 2014 from the United Nations Office on Drugs and Crime (UNODC) show that there were 18 pirate attacks on fishing vessels and two dhows were held. In addition, in early 2015, 37 Iranian fishermen aboard two fishing vessels, the Siraj and the Jaber, were seized by pirates after allegations of illegal fishing activities. The Jaber subsequently escaped with its crew; 19 hostages continue to be held, however.

There is evidence of a complex relationship between piracy and illegal, unreported and unregulated fishing. The Secure Fisheries programme, in its report of 16 September 2015, and the Food and Agriculture Organization of the United Nations (FAO) noted a marked increase in reports of such fishing by foreign vessels off the coast of Somalia, reflecting the perceived reduction in the threat of piracy in the area. Noting the upturn in attacks on fishing vessels close to the Somali coast since the beginning of 2015, it was noted by Secure Fisheries and FAO that local frustration with such activities may be contributing to a reappearance of coastal community support for piracy

It also remains clear that despite a marked reduction in the commission of piracy attacks, the criminal networks behind such acts have not been defeated. During the reporting period, crime trends indicated that the Indian Ocean was increasingly exploited by criminal organizations to engage in seaborne transnational criminal activities, including trafficking in persons and smuggling of migrants, drug trafficking, illegal fishing and wildlife and forestry crime. Such activities leverage the existing resources and expertise of criminal syndicates, including pirate and terrorist networks, and take advantage of normative vacuums in the regulation of international and territorial waters and maritime law-enforcement capacities to further illicit activities.

The Piracy High Risk area Off Somalia has been reduced – But don't relax your security measures:

As of October 2015, the High Risk Area (HRA) in East Africa has been reduced in size, with the Eastern limit shrinking from 078°E to 065°E. However, the old HRA zone is still a "voluntary reporting area" and vessels still need to proceed with caution.

The message from maritime security companies currently is: do not let your guard down if travelling in the famously dangerous waters off Somalia, because the risk of piracy hasn't been stamped out.

"Although the reduction of the HRA should be welcomed, it is important not to over emphasise the significance of this event," says Phil Cable, CEO of MAST, Maritime Asset Security and Training Ltd. "There is, of course, a clear link between these changes to the HRA and the reduction in threat in the Indian Ocean, but caution and a sense of perspective must be exercised before assuming that the area is free from risk."

According to MAST, the current catchphrase among military circles is that 'piracy is suppressed, not eradicated'. "Somali piracy remains a possibility in the Indian Ocean, Gulf of Aden and southern Red Sea, and the indications are that given the right opportunity, they will return to the kidnap and ransom business model that served them so well from 2008 to 2012," Cable says. "Fundamentally, as a yacht owner one should regard the high seas as an area where self-help and protection need to remain firmly in focus."

What this means in practical terms is that you are likely to see a reduction in any additional war risk premium on your yacht insurance. But it's important to note that insurance companies won't give yachts this "war" coverage, as it's known, unless a vessel has taken on security. We advise you speak to your insurance broker for specific advice on how this impacts your policy.

Seamen's Unity Day Celebrated: The Indian seafarers celebrate 6th November as the Seamen's Unity Day. The National Union of Seafarers of India (NUSI) commemorated the occasion as is done annually on the 6th of November, which is also a paid holiday for seafarers working on Indian and foreign flag ships.

The Seamen's Unity Day function, 2015 was attended by hundreds of seafarers, family members besides the representatives of shipping organizations. NUSI President, Capt. N. Hiranandani presided the function and informed the gathering about the ISWAN award that was bagged by NUSI. He also notified everybody about the Income tax relief which has benefitted the Indian seafarers.

The gathering also witnessed felicitation of Capt. Nalin Pandey, Managing Director of Pentagon Shipping Ltd. for being awarded the Link India U.K. Business Award in London for his services to the Indian and international maritime community. NUSI President, Capt. N. Hiranandani presented a memento and felicitated Capt. Nalin Pandey.

Capt. Nalin Pandey spoke about his work experiences and the various initiatives through the Pentagon Marine services for the benefit of seafarers for which he was



awarded. Capt. Pandey on being felicitated thanked NUSI and everyone present.

Shri Abdulgani Y. Serang, NUSI General Secretary and Vice Chair, ITF Asia Pacific Region, felicitated Capt. Vaibhav Dalvi, Director - Crewing Operations, V.Ships India Pvt. Ltd by presenting a memento for authoring the book "Samudrayan". The book "Samudrayan" printed in Marathi language is an inspiration not only for the seafarers but also to the young aspirants who aim to consider shipping as their profession. Capt. Vaibhav Dalvi, expressed his gratitude and said that it is a great honour to be felicitated by NUSI and seafarers. He further said that the book "Samudrayan" is a compilation of his experiences onboard. Capt. Dalvi concluded by giving a message to seafarers that "There is no substitute for hard work and there is no shortcut to success".

In his address Mr. Abdulgani Y. Serang stated that NUSI will support the initiative of translating the book "Samudrayan" from Marathi to English for wider coverage and outreach. Mr. Serang informed the seafarers about the various facilities being provided by the union for the benefit of seafarers and their family members. Mr. Serang also announced that based on the requests received from the seafarers, NUSI as a part of its welfare initiatives will provide the facility of Wi-fi at the premises of hostel and home. The jubilant seafarers cheered and applauded on hearing this announcement.

On the occasion of the Seamen's Unity Day a seaman loyalist of NUSI Bro. Suresh Solanki (Chaman), was honoured with a "Golden Member Card" for his longstanding strong support to the activities of NUSI. Beneficiaries of the various NUSI welfare initiatives, through the Trusts, like Financial Medical Assistance, Educational Scholarship Grant etc. also received financial assistance.

New Film Capacitors: The new LH3 series from Electric Concepts provides design engineers with DC link building blocks, to enhance performance of industrial inverters.

The company uses Lo-Henry™ coaxial manufacturing technology and mechanical design techniques to produce ultra-low ESL and ESR capacitors, which are designed to





produce exceptional power performance and robust construction.

The high-strength thermoplastic housing has mechanical mountings integrated into the base with compact terminal configuration allowing reduction of buss bar width.

ESL's below 10nH and ESR's typically in the micro-ohm range allow a wide operating bandwidth with elevated resonant frequency and exceptional power handling into the hundreds of amps RMS. Thermal coefficients of 1.6 - 2.2° C/watt dissipated, minimize internal heating, and extend the life and reliability of the capacitors in demanding applications. Capacitors range from 1600 µF at 500 Vdc to 30 µF at 2400 Vdc, with an operating temperature range to 105°C.

Colombia Cuts Taxes to Entice Offshore Exploration: Colombia will lower tax rates for oil companies drilling in some offshore blocks in the Caribbean, the Mines and Energy Minister said on Monday, in an effort to encourage exploration amid a global slump in the price of crude.

Contracts for various offshore blocks will get a 25 percent discount on income taxes and will be exempt from value-added tax (VAT) and customs charges, Mines Minister Tomas Gonzalez said in a statement.

"We have seen the potential of the Colombian Caribbean for the future of hydrocarbons," Gonzalez said. "That is why we are making investment in offshore more attractive, taking measures that will allow us to incentivize exploration and production."



The move will help keep output near one million barrels per day in the medium term, he added. In recent years, Colombia has increased its importance as an energy producer in the Western Hemisphere. Colombia is currently the third-largest oil producer in Latin America and is the seventh-largest crude exporter to the United States.

Colombia's public finances have been battered by the fall in prices for crude oil, its biggest export and source of foreign exchange.

State-run Ecopetrol produces more than half of Colombia's oil, while the Canada-based Pacific Exploration and Production Corporation is the biggest private player.

The government hopes to increase investment in the sector to some \$15 billion a year from current levels of between \$5 billion and \$7 billion.

According to the Oil and Gas Journal, Colombia had more than 2.4 billion barrels of proved crude oil reserves as of January 1, 2015. Although exploration continues and discoveries are announced, Colombian officials estimate that, at current reserve levels, the current oil reserves will last about seven years. Much of Colombia's crude oil production occurs in the Andes foothills and in the eastern Amazonian jungles.

In the May 2015 edition of the Short-Term Energy Outlook, the Energy Information Administration projected that Colombian oil production will remain steady over the next two years, averaging one million bbl/d in 2015 and 2016.

Maersk Line's Third Quarter Profit Dives: Maersk Line's third quarter 2015 profit was \$264 million, 61.4 percent lower than its third quarter 2014 result.

Throughout 2015, the average freight rate has declined due to weak demand, over-capacity and intense price competition, said the company in a statement. Maersk Line's average rate decreased by 19.2 percent compared to the third quarter of 2014 and 4.3 percent compared to the last quarter. In the Asia - Europe trade, rates reached an all-time low, and the trade has contracted with 6.5 percent year-to-date.

"Our third quarter result is clearly less than satisfactory," says Søren Skou, CEO of Maersk Line. "This result is driven by much weaker than expected demand and low rates. We will accelerate efforts to drive out cost and we will reduce capacity to increase network utilization."

Maersk Line expects the container shipping market to remain weak and not recover in 2015. We expect the rates to remain under pressure due to continued over-capacity, says Skou. Maersk Line expects global container demand in 2015 to grow by one to three percent against a previous expectation of two to four percent.

"We have a cost effective network and a strong competitive position. We are determined to keep it that



way. To stay competitive, we must continue optimizing our network and simplifying our organization. We have to continue to innovate and find new ways to increase our productivity and provide a better service at a lower cost," says Skou.

On November 4, Maersk Line announced that it will accelerate efforts to reduce operating cost and postpone investments in new capacity. This includes not exercising the options for six 19,630 TEU vessels and two 3,600 TEU feeders.

Maersk Line placed its third newbuilding order this year with the signing of a contract for nine 14,000 TEU vessels with a value of \$1.1 billion, and with the option of an additional eight vessels, to be delivered in 2017.

At the end of the third quarter, the Maersk Line fleet consisted of 282 owned vessels (1.8m TEU) and 322 chartered vessels (1.2m TEU) with a total capacity of 3.0m TEU. Maersk Line's nominal fleet capacity decreased by 1.7 percent and the average vessel size increased by 0.7 percent compared to the second quarter of 2015.

Compared to the third quarter of 2014 the nominal fleet capacity has increased by 6.7 percent. Idle capacity at the end of the third quarter of 2015 was 32,086 TEU (three vessels) versus 1,122 TEU (one vessel) at the end of the third quarter of 2014. Maersk Line's idle capacity corresponds to around four percent of total idle capacity in the market.

The global container fleet has grown by almost nine percent compared to the third quarter of 2014, and at the end of the third quarter of 2015 it stood at 19.7m TEU of which four percent were idle. Deliveries amounted to 501,000 TEU (64 vessels) and 28,000 TEU (23 vessels) were scrapped during the third quarter of 2015. During the same period 794,000 TEU (157 vessels) of new capacity were ordered, keeping the order book at around 21 percent of the fleet, according to Alphaliner data.

Tanker Rates Stand Out In Down Market:

The market for hedging oil tanker freight has revived sharply this year to a value of \$4.5 billion after years of torpor, with ship owners looking to profit from a freight rally and more energy companies scramble to cover risk, industry sources say.

Cheap oil bargain hunters after the price drop and refineries, which have been operating at unusually high levels to meet rising demand, have helped tanker markets experience their best earnings in years after a long period of losses.

Rates for crude supertankers have soared in recent weeks to over \$100,000 a day - their highest since 2008.

In tandem, tanker freight forward agreements (FFAs), which allow a buyer to take a position on where freight rates will stand at a point in the future, have seen a surge in activity.



"A lot of oil majors are under a lot of pressure," said Jay Lovell, chair of the FFA tanker brokers' association.

"They have to be seen hedging any kind of assets that they have ... that is why you are seeing a lot more driven volumes coming through from oil majors these days," said Lovell, head of tanker FFA trading with leading broker Braemar ACM.

In the year to date, the value of the FFA tanker market - which includes both crude and oil products segments - reached over \$4.5 billion, versus \$3.2 billion for 2014 and \$3.2 billion in 2013, according to market estimates.

Oil majors including BP, Phillips 66 and Statoil plus trade houses Glencore, Trafigura, Vitol and Gunvor are active in tanker FFAs.

Traded volumes for crude tanker FFAs have doubled to 106,660 lots in the year to date from 51,257 lots in 2014 and 35,990 lots in 2013. Products tanker FFAs reached 132,761 lots so far this year versus 129,899 last year and 143,094 lots in 2013, Baltic Exchange data showed. The Baltic acts as a benchmark for the FFA tanker market.

Lovell said in the past six months, 20 new participants had joined the FFA tanker market - some returning after being absent for years due to slower activity at that time.

Lower oil prices have meant marine bunker fuel costs, that make up a large part of a ship's expenses, have dropped. That helps bottom lines and also adds to more speculative activity, brokers said.

Glenn Huniche, FFA trader with Maersk Tankers and chair of the advisory FFA tanker users' group, said investments in shipping by private equity houses and hedge funds in

recent years were adding to the flows, while tanker owners were also taking more punts.

"That is something that is going to be game changing in the years to come," Huniche said, ahead of the annual FFA tanker forum in London this week.

"With the upturn, conventional (tanker) owners are coming back with money in their pockets - and that can be used in instruments like this."

Floating Armory Causes Political Turmoil:

Sri Lanka's law and order minister quit on Monday to avert a possible split in the ruling coalition government after he defended security firm Avant Garde Maritime Services (AGMS). His resignation comes as a result of a probe into corruption charges related to the firm's floating armoury vessels and weapons deals.



Minister Tilak Marapana, an ex-attorney general handpicked by Prime Minister Ranil Wickremesinghe, last week defended AGMS in parliament. A faction of Wickremesinghe's ruling United National Party along with some civil society groups had demanded Marapana's resignation after his speech.

"Some members of the government and public suspect that my position as the law and order minister could have an impact on the ongoing investigations conducted by the police. So I have decided to resign," Marapana told reporters.

Marapana represented AGMS before he was appointed minister in September.

The AGMS armory vessel Avant Garde was arrested in the port of Galle in October. Company officials say they received permission from the Ministry of Defence for the vessel to enter the port, but upon arrival, Sri Lankan Navy officials boarded the ship and placed it under government control. The company described the Navy's actions as a "downright betrayal."

Sri Lankan authorities found 816 T56 (an AK-47 variant) and 84 S type firearms on board the ship, along with about 200,000 rounds of ammunition. The vessel was allegedly licensed to carry no more than 100 arms. Additionally, reports indicate that at least 59 of the guns found had no legible serial numbers. According to

statements of crew aboard the Avant Garde, the weapons were intended for transfer to the private security firm Rakna Lanka Limited.

The arms transfer appears to confirm industry observers' concerns that arms stored aboard floating armories could be sold off under murky circumstances.

The Avant Garde is not the only AGMS vessel under investigation. The armory ship Mahanuwara was boarded by Sri Lankan police early in 2015; they found 3000 unregistered firearms aboard. A court ruling on October 22 paved the way for a full investigation of the Mahanuwara to begin.

Prior to arrival in Galle, the Avant Garde was stationed in the Red Sea. It is one of three armory vessels owned by AGMS.

Iran Plans Natural Gas Exports With First Working FLNG:

Crippling E.U. and U.S. export sanctions on Iran may be lifted next year in exchange for compliance with July's nuclear accord, and Iran is already making plans for exports of oil - and natural gas.

"A memorandum of understanding has been signed with a respectable German company which possesses the



technology to build LNG tankers. Preliminary accords have also reached with several South Korean and Chinese firms," said Esmail Sadeqi, an Iranian project manager, speaking to a media source.

Iran has existing shipyard facilities capable of handling large vessels, including two drydocks sized appropriately for VLCCs and VLLGs. Under the MOU, the technology transfer for sophisticated VLNG construction would come from foreign partner firms.

Separately, Iranian media reported November 9 that Minister of Petroleum Bijan Zangeneh is in discussions with Belgian Secretary of State for Foreign Trade Pieter De Crem regarding a partnership with Belgium's Exmar. Under the agreement, Exmar would supply Iran with what would be the world's first functioning Floating Liquefied Natural Gas (FLNG) barge.

"If the two sides show flexibility and technical and economic negotiations bear results, [the Belgian side] will bring FLNG facilities to the Kharg region in not a distant

time and Iran will begin producing LNG for the first time," he said.

Iranian oil output is already in the range of 2.8 million bpd, analysts say, with the possibility of more than a million more bpd by the end of 2016. Once the nation puts this output on the saturated global market, prices could fall still further below the current \$50 Brent crude range. And now it appears set to do the same in the well-supplied LNG market as well.

While rival gas exporter Qatar has already secured a lucrative market in Asia, Iran's LNG sales strategy is focused on Europe. The E.U. would benefit for both economic and strategic reasons; Europe gets the majority of its natural gas from Russia via pipeline, and Russia has been known to restrict supply as a way of exerting diplomatic pressure.

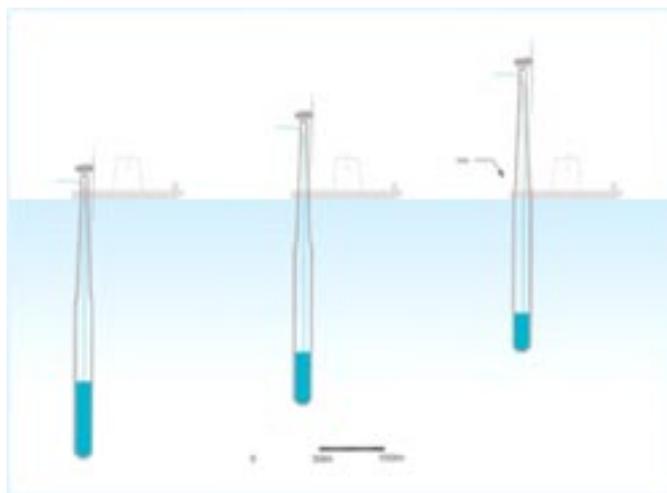
Media reports indicate that Iran has preliminary agreements with Spain as its primary gateway to the European market. The peninsula has the largest LNG receiving terminal capacity in Europe, and is planning an expansion of its pipeline connections to the E.U. gas grid.

Pipelines may eventually carry the gas further than just a quick hop across the Pyrenees. "Iran is considering several routes to deliver gas to Europe, possibly around five or six routes," Azizollah Ramezani, the head of the National Iranian Gas Company's liaison office told a media outlet.

Specifically, he suggested that Iran might consider the "Turkish Stream" pipeline - a proposed Russian-Turkish venture to transport gas across the Black Sea. But as of November 6, media reports indicated that construction on the project was not a Turkish government priority and would be discussed again in 2016. A VLNG fleet may be Iran's best export bet for the foreseeable future.

Low-Cost Concrete Wind Foundation Developed: Researchers from Spain's Universitat Politècnica de Catalunya (UPC) have designed and patented a floating platform for offshore wind turbines that they claim significantly reduces the cost of offshore installations.

Researchers Climent Molins and Alexis Campos, of UPC's



Department of Civil and Environmental Engineering, say the design can reduce energy costs to 12 euro cents per kilowatt hour (kWh) through a more efficient design and cheaper building materials.

The prototype, WindCrete, is a cylindrical structure with a large float and a ballast base that makes it self-stabilizing. According to the researchers, the main innovations of the model compared to similar ones on the market are the seamless, monolithic structure and the use of concrete for its construction.

By using concrete instead of the more expensive steel that has been used previously, the construction cost is reduced by 60 percent. In addition, concrete is more resistant in the marine environment, so the structure has fewer maintenance requirements and a life of about 50 years. The absence of joints in the platform increases its durability against the effects of wind and sea and avoids the damage that normally appears in transition areas.

The WindCrete includes a five megawatt (MW) wind turbine that can carry rotors of up to 15MW with a minimum increase in the cost, making it far more economical, claim the researchers. Given the long useful life of this prototype, the possibility of replacing the turbine with a more powerful and more profitable one has also been considered in the design.

WindCrete requires a minimum water depth of 90m. However, there is no technical maximum depth at which they can be installed. In the Gulf of Mexico, for example, there are oil platforms of this type anchored at depths of up to 2,300m.

In order to check the behavior of the platform and its anchoring system in an environment that simulates the sea, trials were also carried out in a wave flume using a WindCrete prototype with a scale of 1:100.

The prototype was developed within the framework of the European project Alternative floating offshore substructure for offshore wind farms (AFOSP).

“MARINE WAVES”

(International Maritime Newsletter)

CHENNAI – 600 090, INDIA.

Cell: +91-94449 83905 or +91-94451 57728

REGISTERED OFFICE

Edited and Published at

M107/5&12, Kalakshetra Colony, 29th Cross Street, Besant Nagar, Chennai - 600 090, INDIA.

Cell: +91-94449 83905 or +91-94451 57728

OVERSEAS ASSOCIATE – E.U. COUNTRIES

Dr. Swarna Prasad, M.Sc., PhD.,

14, Collins Close, Chandler's Ford, Eastleigh, SO53 4HS, Hampshire, England, U.K.

Phone(L/L). +44 2380 253367.

E-mail: seafarersman@indiatimes.com

seafarersman@hotmail.com

Website: www.themarinewaves.com

“Maritime Group” knows as to what we are, not forgetting that we are here to share our valued flow of thoughts, inter-changed with quality of expression exchanged, is to arrive at a QUALITY consensus, since “MARINE NEEDS A MULTI-DISCIPLINARY APPROACH - Do something instead of killing time or else, time will be killing you.”

For all practical purposes, my e-mail ID would be:- seafarersman@indiatimes.com, OR seafarersman@hotmail.com



Attention Seafarers! TOLL FREE NUMBER

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

For example from Chennai, 044-1554

TELEPHONE NUMBERS

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

PORTS ON THE WEST COAST OF INDIA, COAST GUARD REGIONAL HEAD QUARTERS (WEST), (MRCC) Mumbai,
Tel: +91-22-2438 8065, Telefax: +91-22-2431 6558
Email: indsar@vsnl.net Inmarsat “C” (IOR) 44190 7210 Inmarsat “M” (IOR) 76288 2349

**ANDAMAN AND NICOBAR SRR, COAST GUARD REGIONAL HEAD QUARTERS, ANDAMAN AND NICOBAR, MRCC
PORTBLAIR, Tel: +91-3192-245530, Telefax: +91-3192 - 242948**
Email: mrcc-ptb@indiancoastguard.nic.in | pbmrcc@sancharnet.in | Com_cs@dataone.in
Inmarsat mini ‘C’ (IOR) 583-441922666 /
583-441908010 Inmarsat Fleet-77: 00-870-600938555

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

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

Service to active Seafarers out at Sea on top priority.

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

K.M. SCHOOL OF MARITIME ENGINEERING (COCHIN UNIVERSITY OF SCIENCE AND TECHNOLOGY)

KOCHI – 682 022, KERALA, SOUTH INDIA

Contact : The Director, Dr. K.A. SIMON

The only and foremost Maritime Training Institute in India, directly being run by a government university.