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Global Maritime Weekly Digest

Publishing Director: Prof Minghua Zhao **Editor: Richard Scott**

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*The **Global Maritime Weekly Digest**, based at **Southampton SOLENT University**, provides a regular flow of maritime news and analysis, of significance in a global context.*
Topics covered include shipping fleets and management, seaborne trade, ports, shipbuilding, ship recycling, maritime policy and regulations, and seafarers' labour.

Contents

Editorial comments

- An uptick in the quarterly survey of **shipping confidence** published by consultants Moore Stephens provides a welcome, albeit small, further improvement from the record low level reached earlier this year (item 1).
- Among worries preoccupying respondents to the survey **overcapacity** in many parts of the global shipping scene was at the forefront. Too much tonnage supply and not enough recycling was emphasised. Reflecting this aspect, confidence in the shipowners segment was down.
- The focus of the International Maritime Organization's World Maritime Day deliberations last week was the **indispensability of shipping** (item 2). But while this essential contribution to the world economy was acknowledged, there was much discussion about numerous problems.
- One specialised sector growing rapidly is the global fleet of **gas carriers** carrying liquefied natural gas (LNG) and liquefied petroleum gas (LPG), as outlined in item 3. By next year this fleet of expensive ships may have doubled in capacity over a decade, amid increasing trade volumes.
- Another specialised activity, **cruise shipping**, also featuring very expensive ships, has seen the global fleet (measured by berth capacity) averaging over four percent annual growth in the past ten years, and possibly accelerating in the next few years. Although 'mega-size' cruise ships remain dominant, smaller ships for remote holiday locations are becoming more visible (item 6).

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(1) Hellenic Shipping News, 27 September 2016/ Moore Stephens

Second successive quarterly rise in shipping confidence

Shipping confidence, notably on the part of charterers and managers, improved for the second successive quarter in the three months to end-August 2016.

In August 2016, the average confidence level expressed by respondents was 5.4 on a scale of 1 (low) to 10 (high). This is an improvement on the 5.1 recorded in May 2016, and the highest rating for the past nine months of the survey, which was launched in May 2008 with a confidence rating of 6.8.

Although confidence on the part of owners was down this time from 5.7 to 5.3, charterers (up from 4.0 to 4.8), managers (up from 5.1 to 6.0) and brokers (up from 4.3 to 4.5) were all more optimistic than in May 2016. Geographically, confidence was up in Asia, from 5.2 to 5.5, and in North America from 5.0 to 5.8, with sentiment in Europe unchanged at 5.2.

Overcapacity was the dominant theme of comments from respondents to the survey. “Scrapping is still not sufficient to cope with newbuilding deliveries and the general supply-side overhang. Every new order will prolong the crisis,” said one, while another noted, “If we all stay away from ordering relatively cheap tonnage today, supply and demand will soon recover.”

Conditions in the dry bulk market also occupied the thoughts of large numbers of respondents. “Implementation of the Ballast Water Management Convention will most likely solve overcapacity,” said one, “but it will also cause a bloodbath among owners.” Another remarked, “Growth is non-existent, so there is no hope there,” while another still simply said, “We have lost confidence in the dry bulk market.” Other respondents were slightly more optimistic, with one noting, “We expect the dry bulk markets to improve significantly during the course of 2017.”

Concerns about the global economy were uppermost in the minds of a number of respondents, one of whom neatly encapsulated a number of the main issues currently impacting the shipping industry by noting, “Brexit, Trump, supply overhang, consolidation, demolition, bankruptcies, and the low risk appetite of banks for shipping and shipping stocks seem to be the main topics to follow for the next 12 months or so. We would be pleasantly surprised if this were to change.”

The likelihood of respondents making a major investment or significant development over the next 12 months was unchanged on the previous survey, with a rating of 4.9 on a scale of 1 to 10. The confidence of charterers in this respect was up significantly, from 4.1 to 5.0, while brokers also recorded a small increase, from 3.5 to 4.1. Owners and managers, however, were less confident in this regard than they were three months ago, dropping from 5.7 to 4.8 and from 5.4 to 5.3 respectively. One respondent said, “Massive investment, mainly from inexperienced funds and private entrepreneurs, has resulted in an oversupply of funding in some trades.”

The number of respondents who expected finance costs to increase over the next 12 months was down by six percentage points, to 35%. There was a noticeable fall in the numbers of owners (down by six percentage points to 31%), managers (down by 19 percentage points to 30%) and charterers (down by two percentage points to 27%) anticipating higher finance costs. One respondent said, “Shipping banks need to be more realistic about pricing if they want to sell debt as a means of reducing their exposure to the sector.”

Demand trends, competition and tonnage supply featured again as the top three factors cited by respondents as those likely to influence performance most significantly over the coming 12. Demand trends, which were up by two percentage points to 26%, remained in first place, with competition (down by three percentage points to 20%) in second. Tonnage supply, unchanged at 16%, occupied joint-third spot with finance costs, which were up by one percentage point. Operating costs, up by one percentage point to 10%, featured in fifth place, ahead of fuel costs (5%) and regulation (4%). One respondent said, “We have read many, many times that we have reached the bottom of the cycle, only for a lower offer to appear in the market a few hours later.”

The number of respondents expecting higher charter rates in the tanker market over the next 12 months was unchanged at 23%, while the numbers anticipating lower tanker rates rose by three percentage points to 37%. Meanwhile, there was a five percentage-point drop, from 43% down to 38% in the

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numbers of like mind in the dry bulk trades, and a one percentage point increase, to 12%, in the numbers anticipating lower dry bulk rates. In the container ship sector, the number of respondents expecting higher rates was up by one percentage point to 22%, while there was a fall, from 20% to 16%, in the numbers anticipating lower rates.

The net sentiment in the tanker markets was -14, as opposed to +26 in the dry bulk markets and +6 in the container ship trades.

One respondent said, “Too many dry cargo ships have been built, and we are not confident that the freight market will improve sufficiently to justify investment, especially from people who have no previous experience of shipping.” Another remarked, ““A whole class of container ships is essentially obsolete following the opening of the widened Panama Canal.”

Respondents were asked a stand-alone question about the perceived barriers to women playing a greater role in the shipping industry. Overall, 31% of respondents placed ‘workplace attitude or corporate culture’ in the top five factors in this regard. ‘Travel implications in day-to-day roles’, meanwhile, was a top five factor for 21% of respondents, while ‘lack of career progression’ was placed third, at 19%. One respondent said, “There are no barriers. It is up to the individual to pursue her career with determination and strength of character.” Another, however, complained that, “The culture in the industry is male chauvinist.”

Richard Greiner, Partner, Shipping & Transport, says, “Given the challenges currently facing the industry, the continuing uncertainty surrounding the worldwide economy, and the ongoing level of global geopolitical instability, it is encouraging to see an increase in shipping confidence for the second successive quarter. Confidence is now at its highest level for nine months, which says much for the resilience of the shipping industry.

“Concern persists about too much tonnage and not enough recycling. Restoring the correct balance to tonnage supply and demand is a long-term undertaking, the complexities and diverse nature of which are arguably well captured by the respondent who noted, ‘We have divided interests. For our customers, we hope that nobody orders any vessels for the next 12 months. For us, we hope that people do, because we need newbuildings’.”

“Given the pace of technological development, the continuing imperative to improve the industry’s environmental footprint, and the exigencies of escalating regulation, the industry will always need newbuildings. The trick is to make sure that there is room – and work – for them in a market which encourages responsible competition and allows a sensible margin for profit. That requires, among other things, an increase in ship demolition levels which, given the recent decline in dry bulk recycling and the perceived impossibility of recycling enough container ships, seems unlikely.

“The maintenance of sensible levels of competition is also a prerequisite for a healthy and profitable shipping industry. Since the survey was launched in 2008, respondents have consistently identified competition as one of the main factors likely to influence their performance most significantly. All trade sectors thrive on responsible competition, which works as an incentive to progress and profitability. But irresponsible competition can have the opposite effect, witness the respondent who referred to ‘those who focus on how to trick, treat and corrupt under the broad term ‘competition’.”

“Perversely, the collapse of Hanjin Shipping Co., which occurred after our survey was concluded, may have a positive effect on overtonnaging, although nobody would have been looking for such an extreme solution. Hanjin’s collapse has sent shockwaves through the industry which will continue to reverberate for many months to come. It may also give pause for thought to those who see the future of container shipping as ever bigger and more diverse alliances.

“Equally perverse is the very real possibility that final ratification of the Ballast Water Management Convention may have a positive effect on overcapacity. It might not be correct to say that this development has sent shockwaves through the shipping sector, because the industry has known for some time that it has been coming, and has been pondering how best to meet its requirements and how to fund the considerable cost of so doing. It matters not whether it was the ratification by Finland which finished the uncertainty about implementation, or whether it was Panama’s huge fleet which activated the green light. A shock is no less shocking for being expected, and the fact is that the convention will enter into force in September 2017. It will be instructive to see how shipping deals with the issue, and from what level of preparedness, the extent of which will become clearer over the coming months.

“A stand-alone question in our survey asked respondents to name the biggest barriers to women playing a greater role in today’s shipping industry. More than 65% identified ‘workplace or corporate culture’ as the number one barrier. James Brown famously sang, ‘This is a Man’s World’, although not everybody

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remembers that the self-styled Godfather of Soul went on to say, “but it wouldn’t be nothing without a woman or a girl’. It is beyond any reasonable measure of doubt that shipping will need the efforts of every man and woman working within the industry today to tackle both current challenges and those which lie in wait.”
Source: Moore Stephens
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(2) IMO, 28 September 2016

World Maritime Day 2016 – Shipping: indispensable to the world

Shipping is indispensable to the world. That is the message being shared around the world today (29 September), as IMO and the global maritime community celebrates the annual World Maritime Day.
World Maritime Day is an official United Nations day. Every year, it provides an opportunity to focus attention on the importance of shipping and other maritime activities and to emphasize a particular aspect of IMO’s work.
Each World Maritime Day has its own theme. For 2016, the theme is “Shipping: indispensable to the world” – chosen to focus on the critical link between shipping and the everyday lives of people all over the planet, and to raise awareness of the role of IMO as the global regulatory body for international shipping. The importance of shipping in supporting and sustaining today’s global society gives IMO’s work a significance that reaches far beyond the industry itself.
According to the United Nations Conference on Trade and Development (UNCTAD), around 80% of global trade by volume and over 70% of global trade by value are carried by sea and are handled by ports worldwide. These shares are even higher in the case of most developing countries.
A single ship can carry enough grain to feed nearly four million people for a month; another, enough oil to heat an entire city for a year, and others can carry the same amount of finished goods as nearly 20,000 heavy trucks on the road. Ships are among the engineering wonders of the modern world.
Shipping is the only truly cost-effective and sustainable delivery mechanism for international trade and the global economy. People all over the world rely on ships to transport the commodities, fuel, foodstuffs, goods and products that are so vital in their everyday lives.
“As the World Maritime Day theme for 2016 so rightly acknowledges, shipping is indispensable to the world – and is set to remain central to world economic growth as we make the inevitable transition towards an era of clean and sustainable development,” said IMO Secretary-General Kitack Lim in his annual World Maritime Day Message.
“This is a message that needs, and deserves, a wider audience. Almost everyone in the world today relies on shipping to some extent – but very few are aware of it,” Mr. Lim said, urging all all those involved in shipping to take the opportunity to highlight this vital industry, on which so many depend.
United Nations Secretary-General Ban Ki-moon also issued a message for World Maritime Day,
“The importance of shipping in supporting and sustaining today’s global society makes it indispensable to the world, and to meeting the challenge of the 2030 Agenda for Sustainable Development,” Mr. Ban said.
Individual governments are encouraged to mark the World Maritime Day, on a date of their choosing but usually in the last week of September.
World Maritime Day Forum 2016
IMO is hosting a debate on global shipping’s future challenge, at IMO Headquarters on 29 September. The event will be livestreamed from 3:15 p.m. local time.
Online participants are encouraged to take part via Twitter using the following handle and hashtag: @IMOHQ #WorldMaritimeDay
Social Media
Governments, organizations, companies and training institutes, as well as individuals, are encouraged to let IMO know how World Maritime Day is being celebrated, using the hashtag #WorldMaritimeDay @IMOHQ
Downloads
A full package of resources is available from the IMO website.

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World Maritime Day Parallel Event
The World Maritime Day Parallel Event will be held in Turkey in November 2016.
Source: IMO
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(3) Clarksons Research, 30 September 2016

Gas Sector's Sights On The 100 Million Mark…

Back in the past the gas shipping sectors may have been considered relatively niche within the world of global shipping. However, in the last two decades they have been amongst the faster growing parts of the industry. This week's Analysis takes a look at how shipping's 'coolest' sector has grown in prominence to become part of the mainstream, and some of the ups and downs along the way.

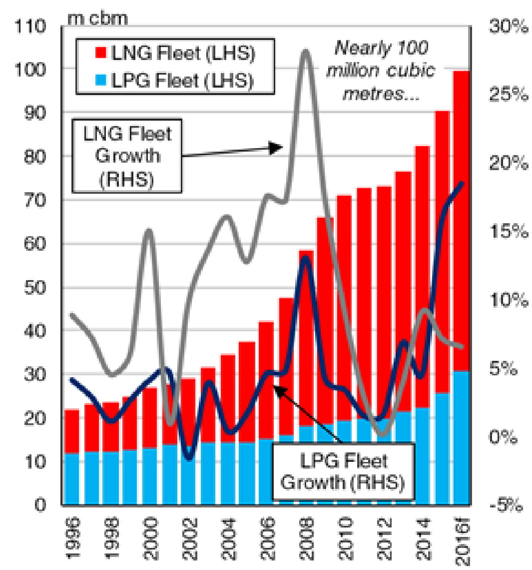
Keeping Cool

Gas (LNG and LPG) shipping may once have been considered by some as a relatively niche part of global shipping, with the fleet and trade volumes dwarfed by other sectors. Even today, LNG and LPG carriers account for just 5% of total world fleet GT, and LNG and LPG trade accounted for just 3% of global seaborne volumes in 2015. However, following phases of rapid fleet growth, the combined gas carrier fleet now stands poised to top 100 million cbm of gas carrying capacity next year, more than double the size of the fleet at the end of 2007.

Graph of the Week

The Gas Carrier Fleet: Nearing A New Milestone

The red bars represent the capacity of the LNG carrier fleet in million cbm at the end of each year, whilst the blue bars indicate LPG carrier fleet capacity (million cbm) at the end of each year. The grey line indicates the growth rate each year of total LNG carrier fleet capacity and the blue line indicates the growth in LPG carrier fleet capacity.



Source : Clarksons Research

Gas Expands

Following expansion in LNG trade in the late 1990s, in the mid-2000s a glut of new export terminal sanctioning led to a surge in LNG carrier contracting, peaking at 10.9m cbm in 2004. This supported average fleet growth of 15% p.a. in the period 2000-08, to 40.3m cbm at the end of 2008. In comparison the LPG carrier fleet grew more steadily, though trade growth was supported by increased export volumes from the Middle East and Europe. Between 2000 and 2008, LPG carrier capacity increased from 13m cbm to 18m cbm, at an average rate of growth of 4% p.a. Across this period combined gas carrier capacity grew by an average of 10% p.a. to total 58.2m cbm by the end of 2008. However, after the economic downturn, sanctioning of liquefaction projects slowed, which limited LNG fleet growth, and growth in the LPG sector slowed too. Between 2008 and 2014, combined gas carrier fleet capacity grew

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by a much less rapid 6% p.a. on average, with even slower growth in 2011-12.

Powering On

Nevertheless, since the start of 2015 it has been full steam ahead for the gas carrier fleet. With LNG carrier ordering backed by the return to liquefaction terminal sanctioning in the 2010s and the vision of a cleaner energy future, and LPG carrier demand supported by the advent of fracking in the US and refinery capacity expansion elsewhere, 26.1m cbm of combined gas carrier capacity was ordered in 2013-15. This has supported rapid fleet growth in recent years and since the end of 2014, LPG carrier fleet capacity has grown by 32% and LNG carrier fleet capacity by 12%.

Mainstream Profile

So, the gas sector's profile is fully in the mainstream today, and despite it's relatively limited share of the world's tonnage and global seaborne trade, in other ways it accounts for rather more weight. Gas carriers are complex, high value units; they account for 15% of the shipyard orderbook in CGT (shipyard work) terms today, and for an estimated value of $78bn, 9% of the world fleet total. And with a 20-year compound annual growth rate of 8% in combined capacity, and the 100 million cbm mark just around the corner, surely that's one of modern shipping's success stories? Have a nice day.

Source: Clarksons

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(4) Hellenic Shipping News, 30 September 2016/ Oceans Beyond Piracy

Oceans Beyond Piracy discusses Piracy Conditions Worldwide

In the run-up to the upcoming African Union Maritime Summit in Lomé, Togo, the Oceans Beyond Piracy project convened a meeting of 35 maritime experts to discuss the current state of maritime piracy off the east and west coasts of Africa. The meeting included representatives from the maritime nations, the shipping industry, international organizations, and civil society groups. The frank discussions focused on the coordination of international support to regional nations in four key areas to deter piracy: (1) Operational Response, (2) Rule of Law, (3) Vessel Self Defense and (4) International Support.

Gulf of Guinea:

The upturn in kidnapping for ransom incidents observed in the last quarter of 2015 and the first quarter of 2016 appears to have been reduced through a combination of increased patrols by the Nigerian Navy, increased use of contracted security and a refocus of attacks away from piracy at sea and more towards inland infrastructure.

Operational Response:

While the waters in the Gulf of Guinea remain dangerous, regional nations are increasingly able to respond to piracy attacks through operational coordination across the zones developed through the Yaoundé process. Recent examples of these successes include the Nigerian Navy's armed response to pirate attacks on the MT Maximus in February and the Vectus Osprey in August of this year. International actors are supporting the regional states by coordinating Maritime Situational Awareness for merchant vessels through the Maritime Domain Awareness for Trade – Gulf of Guinea (MDAT-GoG) framework.

Rule of Law:

There is considerable frustration that regional justice systems are still not able or willing to hold pirates accountable. As evidenced off the Horn of Africa, the commitment to arrest, prosecute and incarcerate pirates was essential in building trust between the shipping industry and regional states as well as sending a signal of regional resolve to address the issue based on the rule of law.

Vessel Self Protection:

Concern was raised by the group over the number and variety of armed protection teams and schemes that are offered by coastal states to protect vessels calling at ports in the Gulf of Guinea. Participants suggested that states would reap more sustainable economic benefits by focusing more on establishing a safe environment for maritime commerce.

International Support:

The group noted that the G7++ coordination group could be an ideal mechanism to build trust between the international community and regional states by encouraging frank discussions that address

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differences and identify common goals. The group also noted that it was important to engage additional nations and non-traditional actors to ensure universal support for achieving practical outcomes.

Horn of Africa:

While OBP has recorded a decline in international counter-piracy spending from $7 Billion in 2010 down to $1.3 Billion in 2015, an effective deterrence has been maintained due to more cost-effective counter-piracy measures and the overall decline in pirate activity. However, participants www.oceansbeyondpiracy.org agreed that piracy gangs are still organized and retain the capability and intent to attack international shipping. These criminal networks are currently focused on other criminal activity, but are watching to see if conditions at sea become favorable again for piracy attacks.

Operational Response:

In spite of emerging maritime crises elsewhere, international forces remain committed to support countries in the Horn of Africa/Western Indian Ocean region to deal with piracy. It is hoped that support for operational issues can be increasingly provided by regional partners and so-called “independent deployers.” It was also stressed that capacity building plans for regional forces are still many years from effectively suppressing piracy on their own.

Rule of Law:

Gains made in establishing a regional prosecution model for piracy based on the rule of law were achieved remarkably quickly and enabled the apprehension, prosecution, conviction and incarceration of more than 1,000 pirates. The success was based on a focused international effort, but concerns were raised that the first convicted pirates were now completing sentences and efforts should be put towards reintegration. To sustain deterrence, the international community needs to maintain support for all links in the chain in order to provide a credible guarantee that rule of law institutions can carry out full sentences and that there are sufficient vessels to detain and arrest future suspects.

Vessel Self Protection:

As commercial shipping patterns return to pre-crisis norms, there is concern that a growing number of vulnerable vessels are not following recommended procedures such as transiting through the Internationally Recognized Transit Corridor in the Gulf of Aden. There are also clear indications that the use of armed guards is decreasing in all areas of the High Risk Area (HRA). These developments may risk creating opportunities for pirates to reassert piracy business models. Shipping organizations still implore their members to remain vigilant and follow BMP4 recommendations while the HRA remains in effect.

International Support:

The Contact Group on Piracy off the Coast of Somalia, along with other institutions, such as the IMO and the UN, made significant progress in coordinating international support to suppress piracy at its height. These international mechanisms now need to carefully monitor threat levels to ensure that; (1) core functions of counter-piracy coordination remain at adequate levels to ensure deterrence, (2) counter-measures remain cost-effective and sustainable, and (3) the Contact Group remains ready to quickly re-engage the International Community if the piracy threat returns.

The Lomé Summit: The discussion of the upcoming Summit focused on the desire for the proposed Charter to produce concrete and practical steps that would make African waters safer for seafarers and better able to support the economic goals of African states related to
the Blue Economy. There was also hope that the Summit would encourage a spirit of inclusion and cooperation across all maritime stakeholders.

Source: Oceans Beyond Piracy

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(5) Eurostat (European Commission), 28 September 2016

Half of EU trade in goods is carried by sea

http://ec.europa.eu/eurostat/documents/2995521/7667714/6-28092016-AP-EN.pdf/f9834e75-8979-4454-9d04-a32f0757926a

Maritime transport plays an essential role in the international trade in goods of the European Union (EU). In 2015, the value of EU trade in goods with third countries (non-EU countries) carried by sea was

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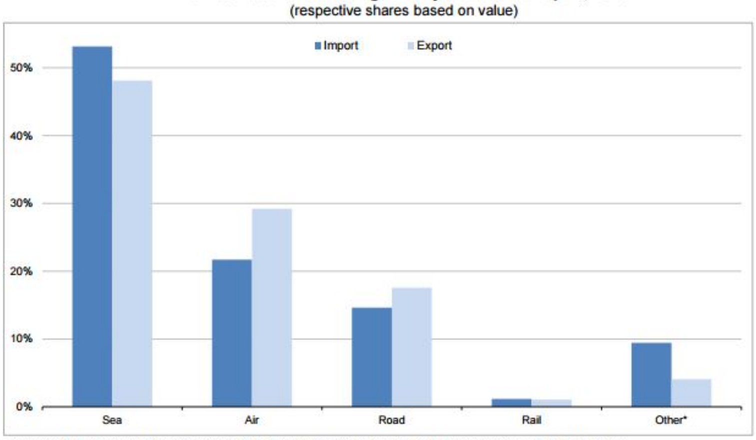
estimated at close to €1,777 bn, accounting for about 51% of EU trade in goods. In detail, 53% of EU imports entered the EU by sea, while shipping represented 48% of EU exports to third countries.
The use of maritime transport for EU trade in goods has slightly increased over the last ten years: in 2006, less than half (47%) of the EU trade in goods with third countries was conducted by sea.
Rotterdam, Antwerp and Hamburg, all located on the North Sea coast, were the top 3 EU cargo ports in 2014, accounting together for almost a fifth (19.2%) of the gross weight of goods handled in EU ports.
On the occasion of World Maritime Day, celebrated on 29 September under the theme “Shipping: indispensable to the world”, Eurostat, the statistical office of the European Union, is publishing a selection of data on international trade in goods by sea as well as on maritime freight transport. More information on those topics is available in the Eurostat database.

EU international trade in goods by mode of transport, 2015
(respective shares based on value)



* category 'Other' covers: Fixed Mechanism (including pipelines), Self propulsion, Inland waterways, Post and Unknown.

Portugal, Cyprus and Greece on top for international trade in goods by sea
Shipping was the main mode of transport in a majority of Member States in 2015. The highest shares of trade in goods with non-EU countries carried by sea were recorded in Portugal (81% of trade value), Cyprus (80%), Greece (77%), Spain (74%), Malta (67%), Italy (61%) and Finland (60%). Shares of over 50% were also reported by the Netherlands, Romania, Bulgaria, Denmark and Germany.
At the opposite end of the scale, maritime transport was less significant in the extra-EU trade in goods of the Czech Republic (12%) and Luxembourg (19%), followed by Ireland and Latvia (both 27%), Austria (31%) and Croatia (35%).

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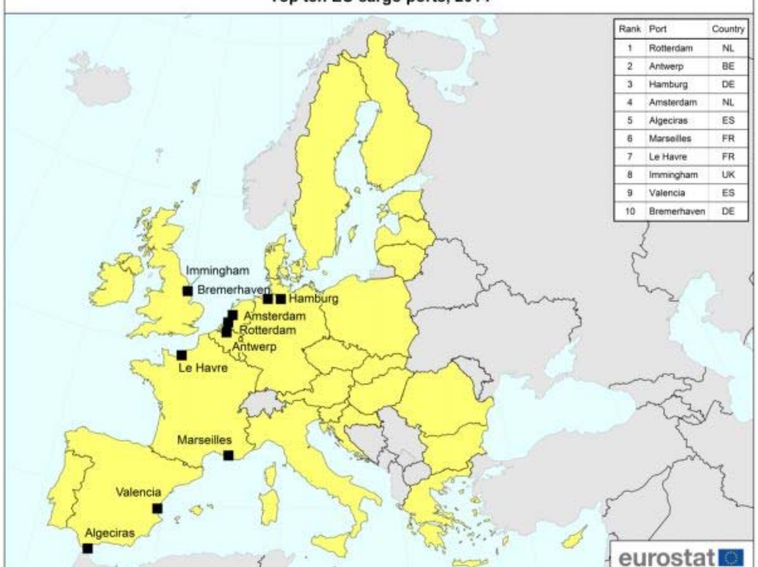
EU Member States trade in goods with non-EU countries carried by sea, 2015
(% of trade based on value)

	Imports	Exports	Total trade
EU*	**53.0**	**48.1**	**50.5**
Belgium	49.4	44.7	47.3
Bulgaria	51.1	50.9	51.0
Czech Republic	0.4	27.0	12.4
Denmark	56.5	46.4	50.6
Germany	46.2	53.3	50.5
Estonia	39.8	44.2	42.2
Ireland	34.6	23.9	27.2
Greece	77.9	75.8	77.1
Spain	74.9	72.8	74.0
France	52.3	41.6	46.6
Croatia	45.0	24.7	35.0
Italy	66.6	55.9	60.7
Cyprus	87.0	68.8	80.1
Latvia	25.1	29.1	27.3
Lithuania	58.3	27.7	42.4
Luxembourg	9.9	38.9	18.6
Hungary	:	:	:
Malta	78.0	52.0	67.3
Netherlands	62.7	49.0	58.1
Austria	23.0	37.0	30.8
Poland	51.9	37.6	45.9
Portugal	83.0	79.0	81.0
Romania	54.3	59.4	56.9
Slovenia	64.5	26.4	46.9
Slovakia	38.0	44.9	40.8
Finland	65.1	56.9	60.2
Sweden	56.0	42.8	48.3
United Kingdom	49.4	41.1	45.5

* Calculated without data for Hungary.
: Data not available

Top ten EU cargo ports, 2014



Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: 09/2016

Rotterdam busiest port for handling goods

The total gross weight of goods handled in EU ports was estimated at close to 4 billion tonnes in 2014. The ten largest EU cargo ports accounted for nearly one-third of the total tonnage of goods handled in EU ports. With nearly 422 million tonnes of goods handled, or 11% of the EU total, Rotterdam in the Netherlands was the busiest cargo port in 2014, followed by Antwerp in Belgium (180 mn tonnes, 5%),

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Hamburg in Germany (126 mn tonnes, 3%), Amsterdam in the Netherlands (97 mn tonnes, 3%), Algeciras in Spain (76 mn tonnes, 2%) and Marseilles in France (74 mn tonnes, 2%).

Top ten EU cargo ports, 2014

Rank	Cargo ports		Weight of goods handled in maritime ports	
			Millions of tonnes	Share in total gross weight of goods handled
1	Netherlands	**Rotterdam**	421.6	11.1%
2	Belgium	**Antwerp**	180.4	4.8%
3	Germany	**Hamburg**	126.0	3.3%
4	Netherlands	**Amsterdam**	97.1	2.6%
5	Spain	**Algeciras**	75.7	2.0%
6	France	**Marseilles**	74.4	2.0%
7	France	**Le Havre**	61.4	1.6%
8	United Kingdom	**Immingham**	59.4	1.6%
9	Spain	**Valencia**	55.0	1.5%
10	Germany	**Bremerhaven**	53.6	1.4%

Geographical information
The European Union (EU) includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.
Methods and definitions
International trade in goods statistics presented in this News Release are provisional figures based on information provided by Member States. They are subject to frequent revision for up to two years after the year in question. Furthermore, national concepts may differ from the harmonised methodology used by Eurostat, leading to differences between figures in this release and those published nationally.
The modes of transport considered in the methodology for the statistics on the trading of goods are the following: Air, Fixed installation (including pipelines), Inland waterways, Post, Rail, Road, Sea, Self propulsion, Unknown.
It should be noted that this analysis refers only to extra-EU trade, meaning trade of goods with non-EU countries.
For extra-EU trade, the mode of transport corresponds to the active means of transport by which, on export, the goods are presumed to have left the statistical territory of the European Union and, on import, the goods are presumed to have entered the statistical territory of the European Union.
For maritime ports freight statistics, data are presented at the level of “statistical ports”. A statistical port consists of one or more ports, normally controlled by a single port authority, able to record ship and cargo movements.
The gross weight of each consignment is the weight of the actual goods together with the immediate packaging in which they are being transported from origin to destination, but excluding the tare weight of containers or Ro-Ro units (e.g. containers, swap bodies and pallets containing goods as well as road goods vehicles, wagons or barges carried on the vessel).
Source: Eurostat
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(6) Clarksons Research, 25 September 2016

Cruising To New Horizons: Days In the Sun, And The Snow!

During the summer, the cruise ship fleet surged past half a million berths of total capacity. The cruise industry is continuing to expand its horizons, and has seen strong newbuilding investment this year. Whilst many of the new ‘mega-ships’ will likely be heading to sunny climes, there have been developments at the small end of the sector too, for ships venturing forth to remote and often chilly destinations.

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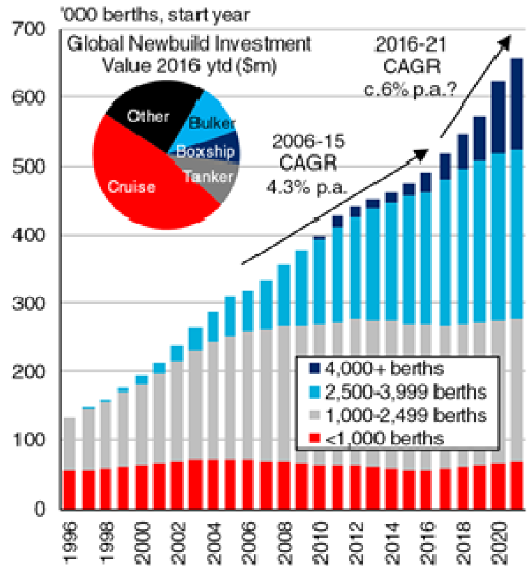
Graph of the Week

Cruise Capacity: Half Way There To Its First Million

The graph shows cruise ship fleet development over the past two decades in terms of lower berth capacity, split by berth capacity range, and from start 2017 onwards the potential size of the fleet after adding on the volume of capacity currently scheduled for delivery in each year (not taking into account removal or 'non-delivery' trends). The pie chart shows the estimated contract value of global newbuilding investment in the first eight months of 2016 by vessel type.



Source : Clarksons Research

Look North…

Arctic navigation was once the preserve of intrepid explorers. In 1848, British explorer Sir John Franklin set out on an ultimately doomed attempt to navigate the Northwest Passage. His abandoned ship, HMS Terror, was finally discovered this month in near-pristine condition in 80 feet of water off Canada's King William Island. Today, Arctic navigation is potentially less hazardous, and while many modern cruise passengers are not always seen as the most adventurous of folk, rising demand for 'expedition' ships has been an interesting feature of cruise ship ordering this year. Nine such orders have been placed in 2016 to date, including some for voyages to the Poles, with other contracts for small vessels catering for the high-end, luxury market. Overall, vessels with less than 1,000 berths have accounted for half of the 26 cruise ship orders placed so far this year.

Look Big…

However, it has been the rapid expansion in the 'mega-ship' sizes that has recently pushed the cruise fleet over its new milestone, and underpinned the expansion in the cruise ship orderbook to a record 60 units of 142,922 berths at the start of September. Around 70% of berth capacity ordered this year has been accounted for by ships of 4,000 berths and above, with many of the major brands confirming contracts. Having expanded robustly by a CAGR of 4.3% p.a. in 2006-15, growth in the cruise fleet is now likely to accelerate in the next few years, as more 'mega-ships' are delivered. Cruise operators retain a positive market outlook, with increased passenger volumes in Asia expected to be a key driver of global cruise passenger growth. Some experts expect Chinese cruise passenger numbers to reach 3-4 million by 2020.

Look Helpful…

Overall, 2016 is a record year for investment in the cruise ship sector, with estimated investment in the year to date at $8.9 billion, already up nearly 50% on the previous high reached last year. A large number of orders are also in the pipeline and are likely to be confirmed in the coming years, which could add at least another 65,000 berths to the orderbook (nearly half of the current size of the orderbook). Given the extremely subdued level of ordering in other vessel sectors, the cruise sector has accounted for almost 50% of the total estimated value of newbuilding investment in the year to date, and provided support to the European yards who dominate in this sector.

So, despite weak conditions prevailing in many of the major volume markets, at least the sun is still shining on one part of the shipping industry. Whether you're looking for a trip to some warmer latitudes or a voyage to a more bracing environment, the next phase for the cruise sector might not be plain sailing

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but it should be an adventure.
Source: Clarksons
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(7) Hellenic Shipping News, 21 September 2016/ Bloomberg

Age-old Arctic shipping vision still just a dream

For centuries, a harsh climate and ice-choked seas dashed the dreams of sailors attempting to cross the Canadian Northwest Passage between Asia and Europe. Now, thanks to climate change and reduced ice cover, the trip isn't nearly so daunting. Last month the Crystal Serenity, a luxury cruise ship, carried a record thousand-plus passengers and crew through the passage. Next year, it'll do the same.

Does this mean that the age-old vision of a time-saving, money-making Arctic passage for the world's shippers is finally coming true? Don't bet on it.

In theory, it's a terrific idea. Traveling from Shanghai to Rotterdam via the Northwest Passage is about 3,540 km shorter than going through the Panama Canal. In 2013, the Nordic Orion became the first bulk cargo carrier to traverse the passage. Bound for Finland from Vancouver, it shaved more than 1,600 km — and $200,000 — off a more typical route. Not long after, officials at China's Polar Research Institute predicted that 5 percent to 15 percent of China's international trade would use the Northeast Passage, which skirts the Russian Arctic, by 2020.

And yet only 13 ships went through the Northwest Passage in 2015, and 18 through the Northeast Passage. By contrast, 13,874 ships went through the Panama Canal and 17,834 went through the Suez. That's because traversing the Arctic, even as the climate warms, still makes very little sense for shipping companies.

The first problem is a familiar one: ice. The Arctic is warming, but it remains ice-covered most of the year. A route that can't be accessed for months at a time isn't attractive to large-scale shippers dependent on timing and reliability. Things don't get much easier in the summer, either: Although the ice is receding, there's considerable variability in where and how it does so, rendering polar passages difficult and dangerous, no matter what the season. Worse, parts of the passage are unusually shallow, and thus can only accommodate lighter cargoes.

Ice and shallow waters are more than just navigation hazards. They're also insurance risks that can take a big bite out of the potential cost savings of an Arctic voyage. The short history of shipping in the region makes risk assessment difficult, while fear of being associated with a high-profile accident makes insurers skittish. As a result, according to one study, shippers could expect to pay an Arctic insurance premium of 50 percent to 100 percent, in addition to their standard policies. That path-breaking Nordic Orion voyage was almost scuttled by a lack of coverage.

Perhaps the biggest problem is that the business case for Arctic shipping is weak. Major international shippers create routes with lots of intermediate stops, so a container vessel traveling from Los Angeles to Hong Kong might visit 10 ports along the way, picking up and dropping off cargo throughout Asia. Needless to say, the Arctic isn't bustling with the markets and ports needed to sustain this kind of business.

As sea ice recedes further in the years ahead, the Arctic may well become more commercially significant. It contains major oil and mineral deposits, and if extraction started in earnest, Arctic shipping would become an important factor in conveying raw material around the world. That might not be for a while, though: Over the past two years, companies relinquished billions of dollars in drilling rights in the U.S. Arctic as oil prices fell. Barring a new commodities boom, it'll be many years before drilling under the icy seas makes sense again.

For now, at least, the Northwest Passage remains frozen to everyone but the tourists.
Source: Bloomberg
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