Southampton SOLENT University

Global Maritime Weekly Digest

Publishing Director: Dr 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

(1) New report about the UK's global maritime professional services
(2) UK maritime education services, as discussed in new report
(3) Short-sea shipping in the European Union
(4) Factors affecting future LNG usage as ships' fuel
(5) Shipbuilders benefit from many orders for new tankers
(6) Upheavals in the container shipping sector
(7) Recent developments in UK ports
(8) ITF announces Maritime Labour Convention 2006 study

Editorial comments

- New research about the **UK's global maritime professional services,** including maritime education, was published last week by the City of London Corporation, authored by consultants PwC (item 1)
- This report confirms that **maritime education** in the UK is becoming an increasingly important activity, with a very strong brand, attracting a very high proportion of foreign students for business and technical courses (item 2). However, a number of current and future challenges are highlighted.
- The global **shipbuilding industry** (mainly concentrated in just three countries - China, South Korea and Japan) is struggling to fill orderbooks, but tanker orders have been a bright spot (item 5).
- Interest in **LNG (liquefied natural gas) as ships' fuel** has receded in the new era of much lower oil prices. But the environmental advantages of this relatively clean fuel are widely acknowledged (item 4), and so it is still seen to have significant long-term potential within global shipping operations.
- Weak markets have renewed a focus on **consolidation among shipowners** as a means of combating poor financial returns. This pattern is especially evident in the container shipping sector (item 6), where container service operators are combining in an attempt to rationalise and strengthen their positions.

Richard Scott MA MCIT FICS

Editor

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(1) City of London Corporation, 22 April 2016

The UK's Global Maritime Professional Services: Contribution and Trends

22 April 2016

Research Report

This research report looks at the contribution and trends of the UK's maritime professional services sector and provides a wealth of new data and insights drawn from survey responses and interviews with maritime industry specialists.

This sector includes areas such as marine insurance, law, finance and shipbroking, which play a vital role in facilitating the functioning of the global maritime industry.

The report, commissioned by the City of London Corporation and produced by PricewaterhouseCoopers LLP (PwC), finds that this sector has an important role both domestically and internationally. Domestically, the sector contributes approximately £4.4 billion to the UK economy annually and directly employs over 10,000 people. Globally, the UK remains the undisputed leader in maritime professional services such as marine insurance, maritime law, education and shipbroking. Despite the shift of physical shipping activity towards Asia, the UK's continuing strength reflects the depth and breadth of expertise in maritime professional services and education.

"Maritime London is delighted to be associated with this report that has been commissioned by the City of London. Again, it demonstrates the impact of maritime services to the UK's economy and to the City. We would like to thank the many companies that have contributed data to enable the authors to produce such an informed report. This long awaited report now provides us with evidence in support of our promotional efforts clearly demonstrating the importance of our maritime services. This report states where we are today and gives some pointers for the future. Our job now is to support the growth of the UK's maritime services and ensure they have an increasing share of global business."
Doug Barrow, Chief Executive, Maritime London

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(2) Note for SOLENT GMWD by ***Richard Scott***, GMWD editor

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New report published last week by the City of London Corporation

The UK's Global Maritime Professional Services:

Contribution and Trends

http://www.cityoflondon.gov.uk/business/economic-research-and-information/research-publications/Pages/the-uk%E2%80%99s-global-maritime-professional-services.aspx

http://www.cityoflondon.gov.uk/business/economic-research-and-information/research-publications/Documents/Research%202016/the-uk's-global-maritime-professional-services.pdf

At the end of last week the City of London Corporation published a research report, authored by consultants PwC, about maritime professional services in the UK. Among organisations acknowledged as participating and assisting are several universities, including Southampton (Solent).

The elements of the UK maritime services sector included in the report, described as maritime business services, are accounting, consulting, education, finance, insurance, law and shipbroking. But there are some notable exclusions including ship management, marine classification, technical consulting and crewing, so the report provides an incomplete picture of maritime service activities.

This brief note does not attempt to outline or summarise the main findings of the CLC report, which looks at the importance of, and value to the UK economy of the maritime business services sector as a whole (as defined). The focus of this note is on the part discussing maritime education services.

Pages 38-41 discuss education. The report states that "over the last 3 years maritime education revenue in the UK has been growing as a result of increasing prices for university and cadetship programmes". It also notes that UK maritime education is primarily based outside London, unlike the other maritime business service activities.

As well as price increases for maritime education, the report emphasises an increase in student numbers. The number of students studying 'business-related courses' is estimated by the authors to have increased by 12% per annum over the past 3 years (growing to an estimated 2,500 students in 2014).

Moreover, the **strength of the UK brand within maritime education** globally is also noted. An analysis of student composition by nationality revealed that around 60% and 75% of the student body for technical and business courses respectively are international students. Those percentages compare with about 20% on average among all courses at UK universities.

While highlighting the strength of the UK in maritime education, the report warns that the UK faces some challenges. One barrier is the cost of the programmes, especially for foreign students. The second is visa restrictions. Increasing competition from other maritime education hubs, especially in Asian countries, is another aspect to which the report draws attention.

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(3) Hellenic Shipping News, 22 April 2016/ European Community Shipowners' Associations

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Member States are called upon to create a Short Sea Shipping friendly framework

European shipowners hope that the momentum created by the Dutch Presidency's High Level Event on Short Sea Shipping held in Amsterdam last February will result in maritime directors putting Short Sea Shipping on the top priority list when they meet today in Brussels.

"At the Dutch Presidency event, all participants strongly agreed on the need and urgency to finally remove all barriers. The lack of a single market, cumbersome administrative procedures, market access restrictions for service providers in ports and other barriers makes short sea shipping less competitive and also less attractive than other transport modes", commented ECSA Secretary General Patrick Verhoeven.

"This is regrettable given that short sea shipping has the potential to respond in a safe, sustainable, efficient and cost-effective manner to expected growth in transport demand", he added.
EU shipping policy has so far not delivered on its promise to create a single market for shipping. Short sea shipping remains disadvantaged compared to other transport modes. In many cases, goods transported by short sea shipping between two EU seaports lose Union status as soon as they leave port. This entails a heavy administrative burden, involving several authorities and intermediate parties. Procedures and requirements are not only complex but also repetitive, resulting in productivity losses and unnecessary workload and stress for ship crews.

"We call upon all legislators to have a "short sea reflex", said Patrick Verhoeven. "We see too often legislation that has, unintended, negative consequences for short sea shipping. Unfortunately there is again such an example. This time we fear the risk of competition between transport modes and even modal backshift following the International Maritime Organisation's SOLAS rules on weighing of containers. While these new IMO rules as such are very much applauded by shipowners, we are concerned about the impact it has on short sea LO-LO shipping", he continued.

Containers which are loaded onto a vessel are required to comply with all new procedures, whereas those placed on a truck to be driven on board a vessel or take a landside connection do not. Therefore the cost of moving a container via a LO-LO (lift-on/lift-off) vessel may increase and lead-time may become longer. This could drive users to opt for an alternative solution.

"We would certainly want this distortion to be solved as soon as possible as from a safety perspective we see no reason for this different treatment within the short sea segment and we are convinced that nobody intended to create a modal backshift with these rules", Patrick Verhoeven concluded.
ECSA recently published a brochure that presents the short sea shipping sector and its main characteristics advocating the launch of a "Short Sea 2.0" policy that will unleash the full potential of short sea shipping. It can be consulted here.

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(4) Hellenic Shipping News, 22 April 2016/ American Bureau of Shipping

Three Infrastructure Trends Shaping the Future of LNG

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As early adopters of LNG as a fuel in North America seek to optimize costs and reinforce their positions as environmental stewards, recent economic fluctuations and infrastructure trends are shaping the expansion of this emerging market. Read how three recent infrastructure trends will impact the ongoing development of LNG projects and influence future adoption rates.

3 LNG Infrastructure Trends

1. LNG Bunkering Projects Proceed Despite Economic Slowdown

Despite the recent economic downturn, early adopters have proceeded with LNG bunkering project commitments. While declining oil prices may have reduced LNG's economic advantage over traditional fuel, LNG remains an attractive marine fuel option. Early adopters benefit from the ability to meet heightened emission standards in Emission Control Areas (ECAs) without paying a premium for traditionally more expensive fuels such as low-sulfur marine gas oil (MGO) or marine diesel oil (MDO). Operators continue to engage our expertise for risk assessment and hazard analyses related to LNG bunkering, including proving the feasibility and increasing the safety of simultaneous operations (SIMOPs)—a crucial aspect of the economic viability of LNG as a marine fuel. We anticipate that the industry is not far from witnessing its first SIMOPs trials.

Looking Ahead at Future Infrastructure Projects
While existing LNG bunkering project commitments are moving ahead, we may witness a decrease in new short sea and ocean-based transport projects if the downturn persists. The impetus to invest in LNG infrastructure appears to be less urgent while oil prices remain low. While still attractive in the long-term, companies may defer capital investments in new LNG ship builds or retrofits until traditional fuel becomes less appealing economically.

2. Inland Fueling Infrastructure Expands

A new infrastructure project along the Ohio River aims to provide LNG from the Marcellus Shale as a fuel source for river traffic. This marks the first inland maritime fueling project in the United States. Waterway suitability assessments are an essential element of these projects. ABS Group has conducted these assessments for rivers in areas including Louisiana, Oregon and Maine to meet the growing demand for LNG as fuel for ships.

Among key factors driving adoption is the need to reduce sulfur emissions to comply with ECA regulations. The use of LNG on vessels reduces emissions on busy waterways like the Ohio River.

Impact on North American Inland LNG Markets
As we see increased adoption of LNG in one sector, such as river ship fuel, it opens opportunities for other inland markets such as heavy truck fleets or locomotives. As the marine sector works through implementation challenges, LNG as a fuel source becomes increasingly viable for other applications. Along with the successful adoption in any one market, we can expect to see further interest generated across a variety of markets.

3. FSRU Technology Accelerates Emergence of New Markets

Analysts predict that over the next 15 years, 60% of global LNG demand will come from recent and emerging LNG markets. With less capital and time required for investment, FRSUs are helping to drive the emergence of these new geographic markets.

Until recently, "more than one-third of global gas reserves [were] stranded by their location or field size without commercially viable access to world markets," explained Tor-Ivar Guttulsrod, Director of

FLNG at ABS, the parent organization of ABS Group, in an Offshore Magazine article. Now, operators in emerging markets can take advantage of the quicker project timelines, smaller facility footprints and reduced overall cost associated with FSRU and FLNG technology compared to land-based terminals.

Ongoing Development of New Markets
ABS Group sees growing demand for offshore terminal and FSRU development in areas considered recent and emerging LNG markets, including Latin America and Southeast Asia. The flexible, cost effective nature of FSRUs provides for continued expansion of LNG despite the industry's current economic downturn.

We are actively working with operators to deliver hazard identification studies and risk assessments to support the expansion of LNG in emerging markets. Several of these projects represent significant global milestones, such as the proposed Gas Sayago LNG Terminal in Montevideo, Uruguay, which will be the largest FSRU in operation once delivered.

Long-term View
Even with the continued low oil prices, LNG still holds an edge over other fuel options due to its sulfur-free content that complies with recently strengthened ECA standards. While low-sulfur content oil has recently become less expensive due to lower oil prices, LNG remains attractive as a long-term option. As such, we expect to see continued investment in LNG projects and infrastructure by committed early adopters of this alternative fuel and a temporary pause in new projects from possible entrants until active CAPEX spending has been restored.

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(5) Clarkson Research, 22 April 2016

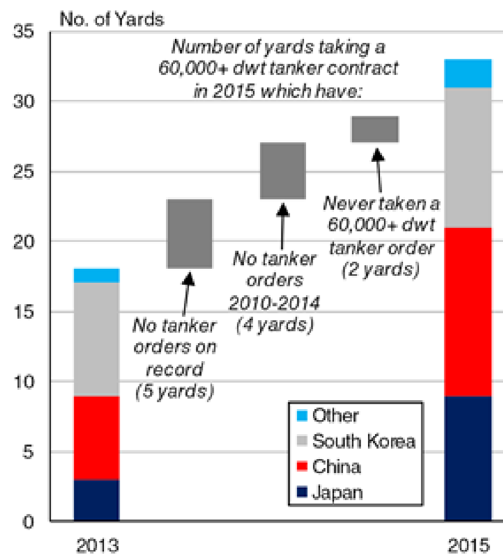
Tanker Orders And The Flexibility Factor

As the downturn in the number of new vessel orders last year took hold, shipyards' flexibility to switch sectors to take orders became a key factor in their ability to face up to an extremely challenging period. Tanker newbuild orders provided one source of business amongst the gloom, so how able did yards prove in demonstrating their adaptability to take advantage of this demand?

Tankers On The Table

Graph of the Month

Tankers: Yards Stretching To Get Back In The Game



The two bars on the graph show the number of yards, by builder country, which took orders for tankers of 60,000 dwt and above in 2013 and 2015. The segments in between represent yards which took a 60,000+ dwt tanker order in 2015 having never previously taken any on record, or in the preceding five years.

Source : Clarksons Research

The tanker sector was one of the few bright spots for shipbuilding in 2015, with the volume of new tonnage ordered reaching its highest level since 2008. A total of 456 tankers of a combined 49.5m dwt were contracted globally, an increase of 72% year-on-year. This was in stark contrast to the majority of other markets in which newbuilding interest in 2015 was muted. As a result, many yards struggling to secure new contracts, particularly for bulkers, diversified into the tanker sector.

While Korean yards took the largest share (46%) of tanker orders in 2015 in dwt terms, many shipbuilders in Japan and China which had not recently taken tanker contracts were particularly active in entering or returning to the sector. Looking at vessels of 60,000 dwt and above, 33 shipyards took an order in 2015, the highest total since 2006.

New, Flexible Friends

This compares to the 18 yards which took a 60,000+ dwt tanker order in 2013, when 528 tankers of 37.6m dwt were contracted. Of those ‘extra’ yards that didn’t take any 60,000+ dwt tanker contracts in 2013, but did secure contracts in 2015, 5 had never previously taken a tanker order on record. A further 4 yards had not taken any tanker orders in the period 2010-14. The majority of these 9 shipyards were primarily bulkcarrier builders which diversified into the sector in 2015 as their normal source of new contracts dried up. As well as these ‘new’ players, there were also 2 yards which had taken tanker orders previously, but only for vessels under 60,000 dwt. Upsizing was a clear short-term trend in tanker ordering in 2015, with the average size of new orders reaching c.108,500 dwt compared to c.77,200 dwt in 2014, and some yards were able to win contracts for bigger vessels for the first time.

Changes In China, And Japan

The number of Japanese yards taking a tanker contract (60,000+ dwt) tripled between 2013 and 2015, with 9 yards taking a total of 47 orders last year. Meanwhile in China, 12 yards took orders last year for 81 tankers of 60,000+ dwt, up from 6 yards in 2013. The majority of the ‘extra’ builders across both countries were previously focused on the bulkcarrier sector, diversifying into tanker construction in order to secure new work. Outside of the major Asian builder countries, Spanish yard Navantia Ferrol

notably signed contracts for 4 Suezmaxes, the first 60,000+ dwt tankers reported ordered at a Western European yard since 1998.

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(6) Lloyd's List, 21 April 2016

Container shipping's clear-out

· By Janet Porter

After a tumultuous week for ocean carriers, could weaker lines finally decide enough is enough and quit the liner trades?

POOR financial results and the prospect of worse to come this year have certainly focused the minds of the top container lines.

Over the past decade, they have talked endlessly about the need for more consolidation, with too many small players still trying to make their way in this highly fragmented and cut-throat business.

Yet nothing much happened after Maersk Line bought P&O Nedlloyd in 2005, and Hapag-Lloyd acquired CP Ships.

Admittedly, there was some relatively small-scale rationalisation, with Hapag-Lloyd merging with the container arm of CSAV in late-2014 and compatriot Hamburg Sud taking over another Chilean line, CCNI.

CMA CGM also bought the German shortsea operator OPDR. But these deals were never going to make a really big difference.

Instead, it looked as if consolidation was going to be achieved through alliances, with 16 of the leading global carriers forming huge vessel-sharing agreements of a size not seen before.

Two smaller consortia, the Grand and New World alliances, joined up to form the G6, consisting of Hapag-Lloyd and five Asia lines.

Maersk, Mediterranean Shipping Co and CMA CGM attempted to establish the P3 Network, only to be thwarted by the Chinese authorities that would not give permission.

So the top two formed the 2M alliance, leaving CMA CGM to team up with China Shipping and UASC in Ocean Three.

Evergreen eventually dropped its opposition to alliances and joined the CKYHE group, along with Cosco, K Line, Yang Ming and Hanjin Shipping.

What appeared to be blocking full-scale consolidation were the vested interests of many of the lines' shareholders — in other words, government entities.

But to the surprise of many, Singapore's sovereign fund Temasek decided to put Neptune Orient Lines up for sale. Both CMA CGM and Maersk submitted bids, but it was the French line's offer that was accepted. The takeover should be completed in a few months, pending antitrust approvals.

That was bound to cause some upheaval, given the fact that NOL's liner arm, APL, was a member of the G6 alliance.

However, in this scenario of many moving parts, Beijing also decided it made no sense to have two global lines in an environment when cost cutting was so imperative. So Cosco and China Shipping have merged, adding to the uncertainty because of their container divisions' memberships of two competing alliances.

Yet that was nothing compared with the shake-up unveiled earlier this week, when CMA CGM announced it was forming the Ocean Alliance along with Cosco and the incorporated China Shipping, plus G6 member OOCL and CKYHE participant Evergreen.

And, just as the industry was absorbing that news, so came the even bigger surprise that Hapag-Lloyd was in talks with UASC, which could see the Dubai-based line becoming a shareholder in the German carrier.

An added twist to the tale is that UASC has a global co-operative agreement with Hamburg Süd, which is keen to expand in the east-west trades and had been eyeing Ocean Three membership.

And, of course, Hapag-Lloyd and Hamburg Süd have had merger talks on a couple of occasions, which eventually came to nothing.

Those involved in what could be the biggest upheaval the container shipping industry has ever seen in such a short space of time are anxious to avoid too much disruption, and the full impact of all these changes is unlikely to be felt until next year.

That is when the Ocean Alliance expects to start up, and when APL will be quitting the G6 alliance to join its new parent company.

This now looks all about scale, with the Ocean Alliance bringing together four partners that all have 18,000 teu-class ships in service or in the pipeline.

Hapag-Lloyd, which has been mulling orders for ultra large containerships for some time, will now gain access to these through UASC, which already has some in service. Whether the G6 will become G4 or team up with the remaining members of the CKYHE alliance remains to be seen.

But there is still another unknown: the future of the two South Korean lines, which are in deep financial trouble. Will they merge or withdraw from container shipping

And in these extraordinary times, could there be one more breakthrough: a decision by the three big Japanese shipping groups to combine their container shipping activities?

That really would be a stunning development, but one that many think makes perfect sense — at least from an outsider's point of view.

And, let's face it, these are extraordinary times for the container shipping industry as it marks its 60th anniversary.

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(7) Hellenic Shipping News, 15 April 2016/ Port Strategy

Independent and proud

Southampton SOLENT University

UK ports should trumpet their often-overlooked achievements. Felicity Landon reports
Number two in the European Union for cargo volumes; 500m tonnes of cargo per year; more than 120 commercially active ports; £7.7bn gross value added contribution to the economy … sometimes we forget the sheer scale of the UK ports industry, David Whitehead, director of the British Ports Association, told those attending the recent annual meeting of Great Yarmouth Port Authority.
He joined the industry in 1990, soon after the abolition of UK's National Dock Labour Scheme and a "significant and substantial process of deregulation". Next came the privatisation phase. "And now we are going through the consolidation and diversification phase," he said.

"The ports sector is a vital part of the UK economy and a substantial industry in its own right," he said: "The unique characteristic of the UK ports sector within the EU is that it receives no systematic state aid. It is there to look after itself, with no featherbedding whatsoever. And the government is very much a believer in a policy of light-touch regulation for the ports industry."

Following his presentation was Graeme Charnock, chief financial officer of Peel Ports – which took many by surprise when it added Great Yarmouth to its portfolio in December. From a geographical point of view, Great Yarmouth covers an area where Peel Ports previously had no presence, he said. It also fits into the wide diversity of cargoes handled at Peel's Mersey, Clydeport, Dublin and Medway port operations.

Great Yarmouth is the main port serving the southern part of the UK's North Sea oil & gas industry. Mr Charnock said: "We all know where oil & gas is at the moment, in a difficult place, but this is balanced out by offshore wind, which is a good and positive story, and by the opportunities in decommissioning." He ruled out any return to the container handling ideas originally tied to Great Yarmouth's outer harbour development: "I don't see containers coming into Great Yarmouth. The market has moved on, the ships are getting bigger and bigger, and you need the road and rail connections. I see containers being concentrated in four ports: Felixstowe, London Gateway, Southampton and Liverpool."

Leap of faith

Peel is investing £300m in its new deepwater Liverpool2 container terminal; the first quay cranes are being commissioned and the facility is to open 'progressively' through 2016.
Starting construction four years ago was a 'bit of a leap of faith into the dark', said Mr Charnock: "But we are prepared to invest where we see the opportunity. Getting a shipping company to commit to using a port is almost impossible, so this is being built without any commitment [from a shipping line]. However, we are not building it on the basis that we don't think people are going to come. A lot of market research has been done."

In the southeast, Felixstowe, operated by Hutchison Ports UK, remains the UK's largest container port by far and one of the largest in Europe, handling more than 4m teu. Last year, Felixstowe handled a record-breaking 910,000 teu by rail; the port handles 62 trains in and out per day at its three rail terminals. Rail volumes account for around 27% of the port's total UK domestic throughput, rising to 50% of traffic to the North and West Midlands.

During 2015, Felixstowe's Berth 9 extension was opened in November, and the port also invested £4m in a major refurbishment of its examination facilities and new offices for Port Health staff. HPUK also continues to move ahead with the development of its own logistics park inside the port's boundaries.
There was keen interest in November 2015 when DP World became the sole owner of its Southampton operations, previously jointly owned with ABP. This was followed by a new structure for its UK business, with Chris Lewis taking over at the beginning of April as DP World's managing director for the UK, responsible for both Southampton Container Terminal and London Gateway.

"I am looking forward to this new challenge and believe this is probably the best job in the UK's ports industry," he tells Port Strategy. "Both ports have great strengths individually but the combined

offering of two deepsea ports, capable of handling the largest ships in the world, is a unique proposition to the shipping lines and their customers in the UK."

Land acquisition
At Southampton, DP World has acquired a further 12 acres of land next to its newest deepwater berth, SCT 5, which will come on stream in August. "This will help us to further increase shipside productivity on ULCS vessels by increasing yard efficiency," says Mr Lewis.

At London Gateway, Berth 3 will open later this year, providing 400 metres of new deepwater capacity. Four new quay cranes are on order, together with 14 hybrid shuttle carriers. Ten modules are under construction for Berth 3, for 20 new automated stacking cranes.

"Southampton has earned the reputation of delivering the highest levels of customer service in the UK, both in terms of shipside and landside productivity, and is well located geographically for minimal vessel deviation with excellent inland links for both road and rail into the Midlands and north of the UK," says Mr Lewis. "London Gateway, the UK's newest deepwater container port, is ideally located to support the UK's largest consumer market in and around London, again with excellent road and rail links to the Midlands and the rest of the UK. It is also unique that when fully built, it will have Europe's largest logistic park on the same site, fully integrated with the port."

With both Southampton and London Gateway now 100% owned by DP World, the two ports will work closely together, he said, "to ensure we meet the needs of our customers and deliver high service levels by sharing best practices and innovation between the two ports with support from the DP World group".

The Port of Tilbury may have seen some container volumes shift to London Gateway but such is the diversity of this Forth Ports-owned facility that investment has continued across a number of sectors. In February, plans were announced for a dramatic expansion following acquisition of the former Tilbury Power Station site next door. The 152-acre site equates to a 25% expansion of the port and also includes a deepwater jetty and potential for other berthing. Tilbury has also submitted plans for a 2.2m sq ft sorting and fulfillment centre to be built on its London Distribution Park, and announced a multimillion pound investment in expanding its grain terminal.

NORTHERN GLORY FOR UK PORTS
With initiatives such as the 'Northern Powerhouse', all the glamour seems to be going up north in the UK, the BPA's David Whitehead recently suggested, adding that the East needs to "shout louder for investment".

Peel Ports is very happy for Liverpool2 to have been 'plagiarised' as part of the Northern Powerhouse, said Graeme Charnock. And they are not the only ones.

The UK government's proposals to boost economic growth in the north of England have also been taken up by HumberPort, the umbrella group which brings together the leading decision-makers in the ports, shipping and logistics sector in this region. The group says the Humber is perfectly placed to be the gateway to the new Northern Powerhouse.

The UK's largest port by total volume, Grimsby & Immingham, forms part of Associated British Ports' Humber Ports operation, along with Hull and Goole. Immingham handles the coal required for generating one-third of the UK's energy requirements, while also handling the crude oil refined to supply 30% of the UK's fuel. Widening out to include non-ABP facilities too, port operations on the Humber handled 86m tonnes of cargo in 2014.

At Teesport, meanwhile, PD Ports recently expanded its commercial team to support ‘continued business growth’. More than £80m has been invested in the port in the past five years; in February, PD Ports completed phase two of a quay reconstruction project which has provided 550 metres of deepwater quay to support growth in containers and bulk handling.
Further north, the Port of Tyne has invested more than £100m in its infrastructure in the past ten years, in new berths, deeper water, more cranes and new warehousing and IT. This year a £25m extension and refurbishment of Riverside Quay will be completed, providing an additional 125 metres of berthing, enabling the port to handle four large cargo ships simultaneously.

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(8) Hellenic Shipping News, 26 April 2016/ International Transport Workers Federation

ITF announces MLC implementation and enforcement study

The ITF (International Transport Workers Federation) has commissioned an in depth study into the implementation and enforcement of the ILO Maritime Labour Convention 2006 (MLC), which came into force in August 2013. The study will be carried out by Seafarers’ Rights International (SRI).
The ITF was a major mover in the development of the MLC, which sets out comprehensive and enforceable minimum standards for seafarers’ working and living conditions, and which has been described as ‘the most ambitious convention ever, covering the modern realities of working conditions on board a 21st century ship’*. The MLC is the ‘fourth pillar’ in the maritime regulatory regime, along with Solas, Marpol and the STCW conventions.

ITF seafarers’ section chair Dave Heindel explained: “Although the ITF is delighted that the convention is now in force, there is a clear need for a critical evaluation of its implementation and enforcement. Both port state control and ITF inspectors have reported numerous breaches of the MLC. That’s why we’ve decided to commission SRI to do a thorough study to assess its effectiveness, and identify any areas where it may need strengthening. That study is likely to take around two years to complete.”

He continued: “The MLC is a fine, pioneering achievement of which all of those who supported it can be proud. But there is no room for complacency. We’ve said all along that its enforcement and effectiveness must be monitored and checked. We’re glad to be supporting that aim.”
The ICS (International Chamber of Shipping) and the ITF had discussed a joint project, but it was decided that the ITF would commission the study.

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