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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.

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Editorial comments

- The latest quarterly ***shipping industry confidence survey*** compiled by a consultancy firm shows a significantly higher level of confidence than recorded three months earlier (item 1). Cautious optimism was expressed by a number of respondents, amid signs that fleet growth is being restrained.
- Yet not all views are positive. A ***profoundly downbeat view*** of global shipping prospects in the longer term is elaborated in a new analysis by a reputable research team (item 2), describing the general outlook as 'bleak'.
- Many of the ***potentially negative influences*** cited as evidence for a fundamentally bearish view of the outlook seem fairly convincing. But, as argued in a short critique prepared for the *GMWD*, this assessment is questionable. Whether such influences - and other factors not mentioned in the research report - will prove a reliable guide to the future is unclear, and perhaps unlikely.
- Attention is focused again on the ***role and contribution of the seafarer*** by the International Maritime Organisation's annual 'Day of the Seafarer' on 25 June (item 6). Working conditions for many are still below those, or more difficult than, normally found in comparable occupations.
- Recent reports have suggested that ***China's economy*** is performing solidly, with GDP growth estimates mostly being revised upwards (item 7), although underlying problems persist. This outcome is a crucial underpinning for many global maritime activities.

Richard Scott MA MCIT FICS
editor (email: bulkshipan@aol.com)
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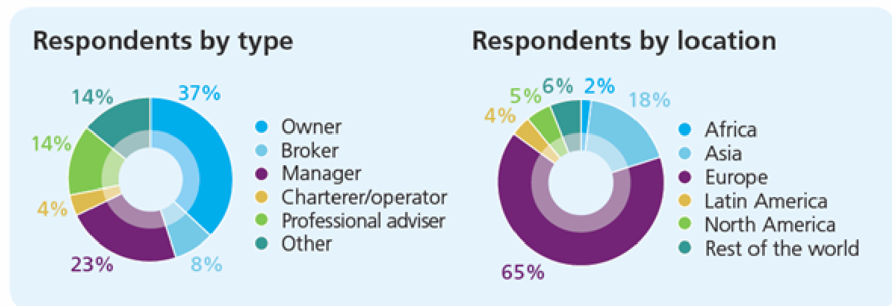
(1) Moore Stephens, 21 June 2017

Shipping confidence hits three-year high

Shipping confidence reached its equal highest rating in the past three years in the three months to end-May 2017. The average confidence level expressed by respondents to the survey was up to 6.1 out of 10.00 from the 5.6 recorded in the previous survey in February 2017. Increased confidence was recorded by all main categories of respondent to the survey, which launched in May 2008 with an overall confidence rating of 6.8.

In the case of brokers, the confidence rating rose from 4.6 to 6.4, while for owners the increase was from 5.6 to 6.1. Confidence on the part of charterers and managers, meanwhile, was up from 5.9 to 6.4, and from 6.0 to 6.2 respectively. Confidence levels were unchanged in Asia at 5.6, but up in Europe, from 5.5 to 6.2, and in North America, from 6.1 to 6.4.

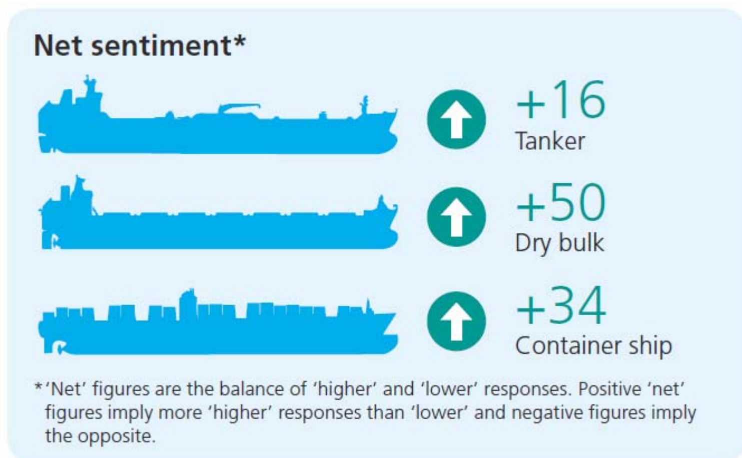


A number of respondents expressed cautious optimism about the industry's fortunes over the next 12 months, based largely on perceived increased levels of ship demolition and a rationalisation of over-ambitious newbuilding plans. This helped increase expectations of major investments being made over the next 12 months. Concern persisted, however, over political uncertainty, overtonnaging in certain trades, depressed oil prices and a potential dearth of quality seafarers.

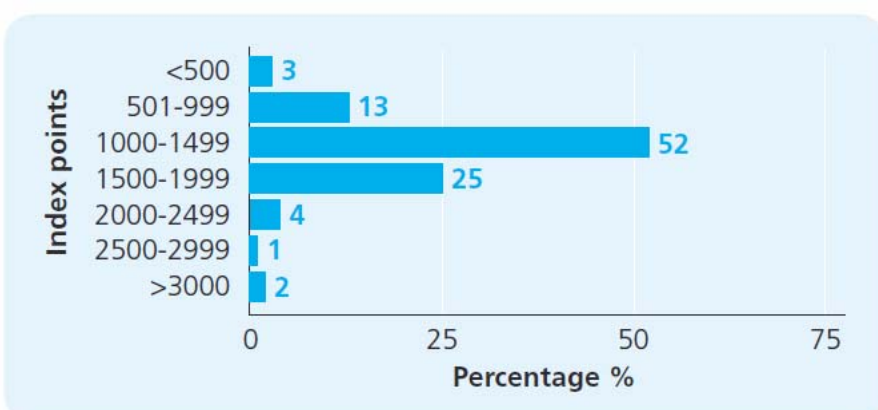
One respondent said, "Shipping people are eternally optimistic, with one week of good news seeming to help them forget eight terrible years of hardship and financial loss."

The likelihood of respondents making a major investment or significant development over the next 12 months was up from 4.9 out of 10.0 in the previous survey to 5.4, the highest level since August 2014. There was increased confidence on the part of all major respondents, in the case of charterers up to a level of 6.3 from 5.8 in February 2017. Owners and managers, meanwhile, each registered a confidence level of 5.9, up from 5.1 and 5.6 respectively last time. Confidence on the part of brokers was up from 3.4 to 4.4.

50% of respondents expected finance costs to increase over the coming year, compared to 54% in the previous survey. Owners' expectations fell from 57% to 48%, while managers were also down, from 61% to 57%. More brokers and charterers, however, anticipated costlier finance – 63% of brokers (against 41% last time) and 57% of charterers (compared to 47% in February 2017). "The financial support needed to boost the markets is not yet at expected levels," noted one respondent, "but we believe that the situation will improve in the coming months as demand increases."
Demand trends, cited by 26% of respondents, continued to be the factor expected to influence performance most significantly over the next 12 months, followed by competition (22%) and finance costs (14%). According to one respondent, "Larger companies are targeting their smaller competitors in order to minimise competition and secure a stronger position in the market."



The number of respondents expecting higher rates over the next 12 months was up on the previous survey in all three main tonnage categories. In the tanker market, 32% of respondents anticipated improved rates, as opposed to 25% last time, while the number anticipating lower tanker rates fell from 28% to 16%. Meanwhile, there was a 14 percentage-point rise, to 58%, in the numbers anticipating higher rates in the dry bulk sector, the highest figure for three years.
In the container ship sector, the numbers expecting higher rates rose from 31% to 46%, while there was a six percentage-point fall, to 12%, in those anticipating lower container ship rates. Net sentiment was up in the tanker market from -3 in February 2017 to +16 this time, while the increases in the dry bulk and container ship trades respectively were from +33 to +50 and from +13 to +34.
In a stand-alone question, respondents were asked to estimate the level they expected the Baltic Dry Index (BDI) to be at in 12 months' time. More than half (52%) felt the BDI would reach a level of between 1000 and 1499, while a quarter (25%) put the likely figure at between 1500 and 1999. "Healthy volumes of cargo are being moved," said one respondent, "but there are too many ships around."



Richard Greiner, Partner, Shipping & Transport, says, "The survey launched in 2008, on the very cusp of one of the most protracted and severe global economic downturns, with a confidence rating of 6.8. In our latest survey, the figure stands at 6.1 which, given geopolitical, economic and industry developments, must be seen as a robust rating. Moreover, confidence today of making a major new investment is the highest it has been for almost three years. The positive sentiment on freight rates is welcome, although this must be weighed against the lows to which they have fallen and from which they must continue to recover.
"Even for an industry which is familiar with the volatile nature of international commerce, shipping's ability to survive adversity is worthy of comment. Our latest survey found many of our respondents in watchful mode, mindful of the fact that there are still too many ships, but encouraged to believe that increased demolition and more pragmatism by industry stakeholders will help to redress this imbalance. Respondents also remain cognisant of the impact which geopolitical developments can have on shipping, and it will be instructive to see what effect all this will have on industry confidence in our next quarterly survey."
Source: Moore Stephens
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(2) Special article for *Solent GMWD* by **Richard Scott**, GMWD editor, 26 June 2017

A downbeat view of global shipping prospects

The latest *Shipping Market Review* by Danish Ship Finance (May 2017, published 20 June), puts a dampener on any optimism that might be emerging

(Report available free at: http://www.shipfinance.dk/shipping-research/shipping-market-review/)

'The general outlook for the shipping industry is (therefore) bleak' is the uncompromising view expressed by the research team at Danish Ship Finance. In their latest half-yearly edition of the *Shipping Market Review* published last week, a fundamentally bearish picture of medium- to long-term prospects for many parts of the global shipping market is presented.

Although not entirely a surprising conclusion, as it continues themes discussed in previous editions, the new report reinforces earlier ideas. The authors argue that during the next decade two influential trends could have a massively negative impact on world demand for shipping transportation capacity and freight markets.

But the *Review* is no more than an opinion, based on stated perceptions. There are some valuable evaluations of longer-term events with potential for radically changing shipping market fundamentals. What is not acknowledged, however, is that, looking out over a period of a decade or more ahead, the only certainty is the unpredictability of events, which always raises questions about how reliable such forecasting may prove.

Shaking the demand underpinnings
Ageing populations are likely to alter consumer demand for goods and services. The fourth industrial revolution (including artificial intelligence, robotics, the internet of things, 3D printing and digitalisation) could also change consumer demand. This combination, according to DSF, has the potential to 'disrupt everything we know about economic growth'. Adverse influences for goods consumption are implied, leading to redefined trade dynamics and trade patterns.

Changes in population trends and patterns around the world are expected to act as restraints on trade. More people living in towns and cities - urbanisation - may be a less powerful factor driving consumer spending, and in turn trade, than in the past. An ageing population, a prominent trend in some countries, tends to spend more on services than goods.

Focusing on China, in particular, the *Review* highlights structural changes which could result in seaborne imports of iron ore, coal and some other commodities falling 'much more quickly than most investors seem to be factoring in'. Demand for dry bulk commodities could suddenly plummet when the Chinese government decides to withdraw fiscal stimulus, resuming more vigorously the rebalancing of the economy.

As a consequence of these envisaged adverse changes, global demand for seaborne cargo-carrying services is likely to grow more slowly over the years ahead than has been seen in the past. An upwards trend in world seaborne trade volumes is still foreseen, but average growth of only about one percent annually is estimated by DSF during the next decade or longer.

A resulting shipping transformation
The shipping industry is expected to be transformed: 'we anticipate a gravitational shift towards different vessel types, smaller parcel sizes and in some segments ever fewer cargoes shipped'. Underlining this point, the report states that 'the composition of the (current) world fleet is ill-suited to the expected transformation of trade volumes'.

Large parts of the industries served by shipping could be disrupted or substantially changed by forces already unfolding. This trend suggests that the vessel age and size characteristics of the world fleet of ships will result in difficulty in adapting to the new era. The implication is extended under-utilisation of transportation capacity and further downwards pressure on shipping markets and freight rates.

One prominent aspect of the global outlook is notable for its absence in the DSF *Review*. Perhaps rather surprisingly, there is no mention in the report of China's Belt & Road Initiative or what impact on global shipping activities this grand scheme might have. Although the implications of the BRI still await clarification, it seems to have at least the potential for providing a boost in some trades and is therefore worth discussing.

Are extended depressed shipping markets inevitable?
Longer-term analysis of trends affecting the shipping markets plays a useful role. It enables underlying trends to be identified, examined, questioned and an understanding of possible ramifications to be gained.

But a lesson from maritime history is periodically reinforced. Too much reliance on supposedly foreseeable patterns can and often does prove misleading. While relevance may not be totally misplaced the magnitude, amid other changes that often have not been predicted, may be quite different to what was originally envisaged. In the first two decades of the twenty-first century the biggest changes in freight market influences have hardly, if at all, been forecast reliably.

Consequently, trenchant views on what will happen over a period stretching up to 2030, as expressed by the DSF, need to be examined critically. The report nevertheless has inherent value and usefulness as a stimulus for debate.
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(3) BP, 13 June 2017

Energy markets in transition: BP Statistical Review shows long-term shifts underway

The 2017 edition of the BP Statistical Review of World Energy, published today, shows global energy markets continuing to undergo long-term changes as they also adapt to nearer-term price challenges. Data published in the Review – the 66th annual edition – clearly demonstrate the long-term transitions now underway in the markets, with a shift to slower growth in global energy demand, demand moving strongly towards the fast-growing developing economies of Asia, and a marked shift towards lower carbon fuels as renewable energy continues to grow strongly and coal use falls.

At the same time, energy markets are adjusting effectively to nearer-term challenges, with the oil market in particular adjusting in 2016 to the oversupply that has dominated the market in recent years.

Introducing the Review, Bob Dudley, BP Group Chief Executive, said: “Global energy markets are in transition. The longer-term trends we can see in this data are changing the patterns of demand and the mix of supply as the world works to meet the challenge of supplying the energy it needs while also reducing carbon emissions. At the same time markets are responding to shorter-run run factors, most notably the oversupply that has weighed on oil prices for the past three years.

“To understand these forces at work and their implications for the future, we need timely, reliable data. This is why we produce the Statistical Review – to provide the accurate global information that will contribute to discussion, debate and informed decision-making around the world.”

In 2016 global energy demand was weak for the third consecutive year, growing by just 1%, around half the average growth rate of the past decade. Once again, almost all this growth came from fast-growing developing economies, with China and India together accounting for half of all growth.

The year’s low prices drove demand for oil higher by 1.6% while growth in production was limited to only 0.5%. As a result, the oil market returned broadly back into balance by mid-year, but prices continued to be depressed by the large overhang of built-up inventories. Natural gas production was also adversely affected by low prices, growing by only 0.3%. US gas output fell in 2016, the first reduction since the advent of the shale revolution in the mid-2000s.

Renewables were again the fastest growing of all energy sources, rising by 12%. Although providing still only 4% of total primary energy, the growth in renewables represented almost a third of the total growth in energy demand in 2016. In contrast, use of coal – the most carbon-intensive of the fossil fuels – fell steeply for a second year, down by 1.7%, primarily due to falling demand from both the US and China.

The combination of weak energy demand growth and the shifting fuel mix meant that global carbon emissions are estimated to have grown by only 0.1% – making 2016 the third consecutive year of flat or falling emissions. This marks the lowest three-year average for emissions growth since 1981-83.

Bob Dudley commented: “While welcome, it is not yet clear how much of this break from the past is structural and will persist. We need to keep up our focus and efforts on reducing carbon emissions. BP supports the aims set out in the COP21 Paris meetings and is committed to playing our part to help achieve them.”

Review highlights

Primary energy

Global energy demand grew by 1% in 2016 – similar to rises of 0.9% and 1% seen in 2015 and 2014 respectively and significantly lower than the 10-year average rate of growth of 1.8%.

Almost all growth came from fast-growing developing economies; China and India together accounted for around half of all growth.

Indian energy demand grew by 5.4%, a similar rate to that seen in recent years.

Chinese energy demand, however, grew by 1.3%. This is close to the 1.2% rise in energy demand in 2015 and around a quarter of its 10-year average growth. Average growth during 2015 and 2016 was the lowest over a two-year period since 1997-98. Despite this slowing, the incremental increase in demand in China made it the world’s largest energy growth market for the 16th consecutive year.

Demand from the developed OECD countries remained essentially flat (rising just 0.2%).

Oil

Dated Brent averaged $44 a barrel in 2016, down from $52 in 2015 and the lowest annual average price since 2004.

Global oil consumption grew strongly, rising by 1.6%, or 1.6 million barrels a day (mmb/d), above the 10-year average rate for a second consecutive year. Strong increases in demand were seen from India (up 0.3mmb/d) and Europe (up 0.3mmb/d) and while demand from China continued to grow (up 0.4mmb/d) it was lower than in recent years.

Weak prices impacted the growth of global oil production which rose by just 0.5% – the lowest increase since 2009 – or 0.4mmb/d.

Within this total, production from OPEC increased by 1.2mmb/d, with significant increases seen from Iran (up 0.7mmb/d), Iraq (up 0.4mmb/d) and Saudi Arabia (up 0.4mmb/d).

In contrast, non-OPEC oil production fell by 0.8mmb/d, the biggest annual decline for around 25 years. The largest output falls were from the US (down 0.4mmb/d), China and Nigeria (each down 0.3mmbd).

Natural gas
Global natural gas consumption rose by 1.5% in 2016, slower than the 10-year average rate of 2.3%. However, there were strong increases in gas consumption in Europe (up 6%), the Middle East (up 3.5%) and China (up 7.7%).
Global natural gas production rose by only 0.3% – the weakest growth in gas output for 34 years, outside the financial crisis. With lower gas prices, US gas production fell for the first time since the shale gas revolution began. Australian gas production rose significantly as new LNG facilities came on stream.
Global LNG imports/exports grew by 6.2%, driven by the new Australian output. LNG production is expected to grow by around 30% in next three years as further new projects come on line.
The rise of LNG trade reflects an ongoing continuing fundamental shift in global gas markets towards greater integration, but also towards more competitive and flexible markets – with increasing volumes of LNG under shorter or smaller contracts or uncontracted.
Coal
Global coal consumption fell for the second successive year, down by 1.7% or 53 million tonnes of oil equivalent (Mtoe). This decline brought coal's share of primary energy production to 28.1%, its lowest share since 2004.
Declining consumption was driven primarily by the US (down 8.8%, 33Mtoe), and China (down 1.6%, 26Mtoe)
World coal production fell by 6.2% or 231Mtoe, the largest annual decline on record. The falls in production were again driven by China (down 7.9% or 140Mtoe) and the US (down 19%, or 85Mtoe).
In the UK, coal consumption more than halved (-52.5%). UK coal consumption has now fallen to levels last seen at the start of the Industrial Revolution around 200 years ago. The UK power sector recorded its first 'coal-free' day in April 2017.
Renewables
Once again, renewables were the fastest growing energy source in 2016. Not including hydroelectric power, renewable energy grew by 12%. While below the 10-year average rate of growth for renewables of 15.7%, this still represented the largest annual incremental increase in output on record (an increase of 55Mtoe – more than the decline in coal consumption).
Renewables now provide a share of just under 4% of primary energy.
More than half of growth in renewable power came from wind, which rose by 16% in the year. Solar energy grew by 30%. Despite solar energy making up only 18% of renewables output, growth in solar represented around a third of the overall growth in renewable power.
In 2016, China became the world's largest single producer of renewable power, overtaking the US, and Asia Pacific overtook Europe & Eurasia to become the largest producing region for renewable power.
Other fuels
Nuclear power generation grew by 1.3%, or 9.3Mtoe, in 2016. A 24.5% annual increase in Chinese nuclear output accounted for all the net growth in nuclear power. China's incremental increase of 9.6Mtoe was the largest from any country since 2004.
Hydroelectric power generation increased by 2.8% in 2016 – rising by 27.1Mtoe. The largest incremental growth again came from China and then the US.
Source: BP
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(4) Clarksons Research, 16 June 2017

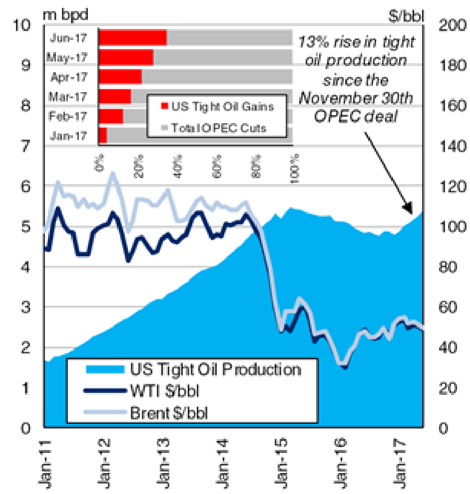
Shock And Bore: Tracking Tight Oil's Price Dynamics

A few weeks ago, OPEC and other major oil producers agreed to extend 1.73m bpd of production cuts until the end of Q1 2018. Despite this, oil prices have continued to slide, with Brent failing to close above $50/bbl this week. While a range of factors have contributed to this trend, perhaps the most important is US tight oil production. So what is going on in the shale patch? And why does it matter to shipping?
How Unconventional!
If nothing else, US tight oil production retains the ability to surprise. As was noted after the OPEC meeting in May (SIW 1,273), "it remains to be seen if shale production quickly offsets" the cuts. Well, if the early signs are anything to go by, this is clearly not an impossibility.

Tight or shale oil is oil extracted from otherwise almost impermeable geology via “fracking”, a process wherein fluids mixed with sands are pumped at pressure into well bores, creating fractures in the rock through which oil and gas can flow. In terms of oil price dynamics, the key aspect of shale projects is speed: they can have lead times measured in weeks and so are very responsive to changes in oil prices. But in turn, as tight oil production ramps up, it can put pressure on prices, as recent history shows.

Graph of the Week

A New Context: US Tight Oil Trends In Perspective



The graph shows tight oil production from the main US shale regions (the Bakken, Eagle Ford, Haynesville, Marcellus, Niobrara, Permian and Utica) compared to weekly Brent and WTI oil benchmark average prices. The inset shows the net gains in US tight oil production on December 2016 in each subsequent month as a percentage of the cuts agreed by OPEC and other major oil producers such as Russia. June US tight oil projection basis land rig count and oil production trends at active wells.

Source : Clarksons Research

Remarkable Resilience

The US tight oil sector really took off in 2011, with production more than tripling from 1.70m bpd to reach a peak of 5.47m bpd in March 2015, as the graph shows. At this point, tight oil accounted for 6% of global oil supply (96m bpd) and equated to 55% of the net growth in supply from 2011. Such rapid supply growth had not been priced into markets, a key factor in the 2014 oil price plunge. A partial revival in mid-2015 was smothered as US drilling was stimulated again. And, since the US land rig count hit a new low of 380 units in May 2016, activity has again been on the up; the November 2016 OPEC deal accelerated this and the land rig count now stands at over 900 units. Tight oil production growth now equates to around 35% of the OPEC cuts. Its resilience (via cost deflation) in the face of lower oil prices continues, it seems, though it may prove self-defeating yet again. Even so, tight oil could now be a long term part of the oil price context. A few years ago, forecasters saw US tight oil production peaking circa 2020. Revised projections taking into account new technologies and updated resource surveys do not see US tight oil output peaking before the 2030s.

More Surprises?

The negative and positive implications for shipping of higher oil prices were covered in detail previously (SIW 1,273). The converse applies to lower oil prices, with offshore suffering from reduced E&P activity but the merchant fleet perhaps seeing benefits from cheaper bunkers and crude oil trade growth. Tight oil also has implications for trade flows. For example, now that export restrictions have been lifted, around 0.7m bpd of crude oil was exported from the US via tankers in Q1 2017.

So a factor that was barely on the radar a decade ago has become a key determinant of oil prices, potentially for the long haul. Moreover, tight oil has a range of ramifications for shipping that merit close monitoring. Once again, shipping appears inextricably linked to a key facet of the global economy. Have a nice day.

Source: Clarksons

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(5) Hellenic Shipping News, 22 June 2017/ Watson, Farley & Williams

Qatar Crisis: The Effect On Shipping

On 5 June 2017, the United Arab Emirates ("UAE"), Saudi Arabia, Egypt and Bahrain announced that they were severing diplomatic ties with Qatar over allegations that it is sponsoring terrorism. In addition to the severing of diplomatic relations, various bans have been imposed on land, sea and air travel as well as movement of goods into and out of Qatar. There have also been implications for non-diplomatic Qatari nationals in these countries, with the UAE, for example, requiring all Qatari nationals to leave within two weeks.

What we know so far as regards shipping

● Immediate bans were imposed on ports in Saudi Arabia, the UAE and Bahrain accepting Qatari flagged and/or owned vessels. These vessels are also excluded from the territorial waters of Saudi Arabia, the UAE and Bahrain.

● Furthermore, a ban has been imposed in certain ports on vessels of any flag arriving from, or bound for, Qatari ports. Currently, the ban relates only to the last/next port, for example a vessel transiting via a third country such as Kuwait or Oman would not be refused entry. There remains some uncertainty as to whether non-Qatari flagged and/or owned vessels carrying Qatari cargo will be granted entry.

● The UAE seems to have tempered this ban already in Fujairah and it now seems to apply only to Qatari-owned and flagged vessels and to discharge of cargo loaded in Qatar or loading of cargo bound for Qatar. This modification clearly seeks to protect the bunkering business in Fujairah in particular, and recognises that charterers could, in any event, reschedule Qatari loading to take place after bunkering and/or co-loading with other AG cargoes.

● Saudi Arabia has issued a ban on discharging any goods of Qatari origin in its ports.

● Given that Egypt imports a large amount of its LNG from Qatar, less drastic measures have been imposed there. Qatari LNG cargoes have successfully been delivered to Egypt.

● Importantly, the Suez Canal remains open to Qatari-flagged vessels and vessels carrying Qatari cargoes through the canal has continued uninterrupted.

● To date, Qatar and Qatari ports have not declared any reciprocal restriction or ban on any vessel arriving from, or proceeding to, Saudi Arabia, the UAE or Bahrain.

Additional banking and finance restrictions

● In terms of financing and banking-related matters, we are seeing a requirement for enhanced customer due diligence and compliance as regards accounts held by certain designated Qatari banks (namely Qatar National Bank, Qatar Islamic Bank, Qatar International Islamic Bank, Masraf Al Rayan, Barwa Bank and Doha Bank) and nationals. However, this is not a requirement to freeze accounts nor is it a prohibition on doing business with Qatari institutions.

● While there seems to be no formal basis for this, there appears to be a general ban on Qatari riyal transactions.

● There is also a list of 59 prescribed individuals and 12 organisations allegedly involved in terrorism-related activities, and transactions with these organisations and individuals are prohibited.

● Some more general pronouncements have been made, notably in the UAE, where the central bank has asked its commercial banks to assess their exposure to Qatar.

The implications for shipping

● There was a fear that some ports would lose some of their bunkering business to ports outside the region, although for Fujairah this seems to have been addressed by a modification to the ban on vessels going to, or coming from, Qatar.

● There will be implications for crewing and companies may need to make alternative arrangements where crew are joining or leaving vessels that are indirectly arriving from or bound for Qatar.

● While a rise in charterparty disputes might be expected, in practice, owners and charterers are likely to work together to avoid the risk of a ship being refused entry into Saudi, Bahraini and UAE ports by deviating laden ships and calling at intermediate ports, such as Oman, for example to take on board fresh water, before bunkering in Fujairah.

● Shipping companies may have to vary their trading patterns to take into account the inability to trade into and out of Qatar. We have seen container lines suspend services to Qatar and then reinstate them having re-routed through countries that have not taken the same measures such as Oman and Kuwait.

● In relation to Qatari exports – and this applies primarily to LNG and crude exports – it may be necessary for ships to re-route their passage within the AG to avoid the territorial waters of the countries taking these measures but the Strait of Hormuz remains open to Qatari flag and/or owned vessels as things stand.
● Financing documents will now routinely contain sanctions-related provisions. The measures in place at present seem to fall short of what would constitute default or prepayment events under most sanctions provisions as we would expect them to be drafted in the context of cross-border financings
The situation is evolving and changing constantly and a clearer picture will no doubt emerge as to the position beyond the immediate term as the whole situation continues to unfold.
Source: Watson Farley & Williams
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(6) Hellenic Shipping News, 26 June 2017/ United Nations

With hidden lives vital to our own, 'seafarers matter,' says UN on International Day

Highlighting the challenges faced by seafarers – women and men sailing and working aboard ships – the United Nations International Maritime Organization has called on everyone around the world to show appreciation for their vital contributions.
"Even though seafaring can provide the basis for a fulfilling and life-long career, it is still a very difficult and demanding job," Kitack Lim, the Secretary-General of the International Maritime Organization (IMO), said in his message on Day of the Seafarer.
In addition to personal issues, conditions onboard ships and in ports, unpaid wages, and even abandonment, mariners have to contend with long periods away from family and friends and the pressure to perform in a challenging economic environment, which multiply the anguish.
"It is easy for seafarers to feel lonely and isolated. To imagine that they do not matter. This year, we want to show [everyone] that seafarers do matter," stressed Mr. Lim, which is also the theme for this year's commemoration.
In particular, he praised the role of seafarer's centres at port cities, where sailors and crew of ships visit for a "small taste of home" – a sanctuary where they can rest, recuperate, connect with loved ones back home, especially through social media, and if necessary avail of support to help them adjust and cope.
"We want to create a platform to give ports and seafarer centres the opportunity to demonstrate how much seafarer matter," noted the IMO chief, at the Duckdalben Seafarer's Centre in Hamburg, Germany, one of Europe's biggest ports.
He also spoke of events organized at ports and seafarer's centres around the world to connect the general public to seafarers and celebrate their contributions.
"As in previous years, the campaign will be centred on social media [to] spread the word as far as possible," he added, calling on everyone to contribute and tag their messages, photos and videos to IMO's social media channels (on Twitter and on Facebook).
"We ask all of you to join us and say Seafarers matter!"
The Day of the Seafarer, marked annually on 25 June, was established in a resolution adopted by the 2010 Diplomatic Conference in Manila, the capital of Philippines, to recognize the unique contribution made by seafarers from all over the world to international seaborne trade, the world economy and civil society as a whole.
Source: United Nations
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(7) Hellenic Shipping News, 15 June 2017/ Bloomberg

IMF Lifts China Growth Estimate to 6.7% in Second Rise This Year

The International Monetary Fund raised its growth estimate for China for the second time this year while also cautioning that deep reforms are still needed to break away from debt-fueled expansion.
The world's second-largest economy will expand by 6.7 percent in 2017, the Washington-based fund said in its annual report on Article IV consultations published Wednesday. That's up from a 6.6 percent estimate in the economic outlook released in April and 6.5 percent forecast in January.
It's unusual for the IMF to update forecasts outside of its scheduled global economic outlook series, though officials have signaled that a strong first quarter hadn't fully been reflected in earlier releases. IMF First Deputy Managing Director David Lipton said in a statement Wednesday that China should use its current momentum to push reforms through.
"While some near-term risks have receded, reform progress needs to accelerate to secure medium-term stability and address the risk that the current trajectory of the economy could eventually lead to a sharp adjustment," Lipton said in Beijing after meetings with top policy makers. "It is critical to start now while growth is strong and buffers sufficient to ease the transition."
China has proved doubters wrong this year with the first back-to-back growth acceleration in seven years in the first quarter, though economists project slower expansion in the second half while still meeting the government's 6.5 percent full-year growth objective. Policy makers also have been clamping down on frothy property markets with new curbs, which was reflected in data Wednesday showing property development investment slowed.
Authorities Responding
IMF staff warned last year that China's medium-term outlook is clouded by ongoing resource misallocation, high and rising corporate debt, deep-seated excess capacity, and opaque risks in the financial sector. The Article IV report said the authorities are responding to these challenges.
The IMF's policy prescriptions include: "switching faster from investment to consumption; increasing the role of market forces; implementing a more sustainable macro policies mix, continuing the regulatory tightening; tackling non-financial sector debt; and further improving policy frameworks."
Source: Bloomberg
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