



Open to selling VLCCs

Maersk Tankers' Hanne Sorensen confirms moves to sell assets, but stops short of confirming a \$1bn VLCC fleet sale to Genmar. **Pages 8 & 9**



Talking to buyers

Chief executive Richard Baker claims it is game on again in trading platform Cleartrade Exchange's search for a buyer. **Page 15**



PEOPLE

FEATURES

SERVICES

SECTOR

OPINION

NEWS

TradeWinds

4 October 2013

Volume 24 / Number 40

INTERNATIONAL SHIPPING NEWS

www.tradewindsnews.com

NOK 150

OFFSHORE BUSINESS REPORT: THE OSV SECTOR CONTINUES TO PERFORM STRONGLY WITH PROSPECTS OF EVEN BETTER TO COME. **PAGES 33 TO 45**

New bank takes off in Oslo

Photo: FREDRIK EKREN

Some big names, including Henning Oldendorff, are involved in the launch of a new Oslo-based shipping bank that aims to target mainly smaller and medium-size owners. **Page 3**



Photo: SCANPIX

KOREAN YARD COMEBACK

Building big bulkers is back in fashion for South Korean yards as a revival in rates sparks interest from owners. **Page 4**

SCORPIO BULK TARGETS IPO

Scorpio Bulkers is set to track its tanker-owning sister company by listing in New York. **Page 2**

GERMAN LINE SCALES UP

Boxship operator Hamburg Sud is behind a \$270m order for its largest-ever vessels. **Page 23**

GAIL PULLS IN LNG ADVISOR

Indian LNG importer Gail has recruited an advisor as it prepares a charter tender for possibly 10 vessels of around 170,000 cbm. **Page 25**

MAERSK EYES NORTH-SOUTH

Container giant Maersk Line says the North-South trades are where it can make money. **Page 22**

COMPETITIVE SWIMMERS USE CUTTING EDGE TECHNOLOGY TO MAXIMIZE SPEED THROUGH WATER AND CONSERVE ENERGY ...

... YOUR SHIP CAN DO THE SAME!



Maitland calls for more action to tackle ongoing safety flaws

International Registries managing partner Clay Maitland hits out at the industry's failure to solve long-standing safety issues and says more class mergers would be a good thing

Adam Corbett **London**
adam.corbett@tradewindsnews.com

Chinese yards have still not totally overcome their quality problems, according to one flag-state veteran who wants classification societies to step up to the plate to ensure that all ships are built to the required standard.

Clay Maitland, a managing partner at International Registries, the US company that supports the Marshall Islands Registry, and an outspoken independent campaigner for safer shipping, says problems, including fatigue cracking, engine issues and lifeboat-release mechanism failure, are still being seen in a few vessels delivered from China.

He says that even though the problems are not common, it may still be taken as an indication that there is a variation in technical survey and inspection standards among class societies.

"The IMO [International Maritime Organisation]'s new Recognised Organisations code and Tier III requires more aggressive monitoring and oversight of the work of classification societies acting on behalf of flag states," said Maitland. "This is long overdue, but the proof of the pudding will be if we finally address the problems that some parts of the industry have seen: stress fractures, cracking, engine failures, defective lifeboat-release mechanisms and so forth.

"These problems, which frankly are not all that common, indicate that the often advertised common quality and performance standards in design approval and sur-

vey may not be as prevalent as has been assumed."

Maitland says he believes mergers similar to the Det Norske Veritas (DNV) and Germanischer Lloyd (GL) tie-up might help to raise standards among some of the class industry's lesser lights. And he questions whether the more open International Association of Classification Societies (IACS) membership, following the European Commission (EC)'s competition-authority investigation, is actually helping matters.

"I applaud the merger of two fine class societies, DNV and GL, bringing real strengths and synergies to the design and overall quality process," Maitland said.

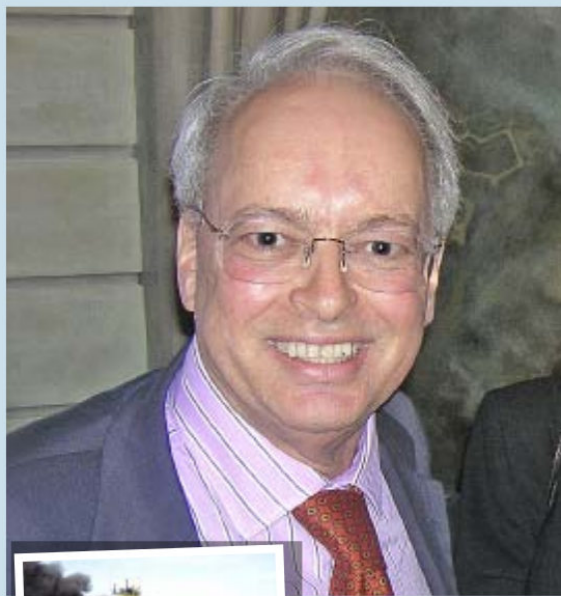
"Some of the smaller societies are enthusiastic participants in beggar-thy-neighbour competition in, for example, special survey costs. This is not good for safety or quality.

MERGERS A GOOD MOVE

"So I feel that class-society mergers, particularly between IACS members and smaller, non-IACS societies, would contribute a good deal to ship quality improvement. They would also tend to cramp the deplorable habit of hopping from class society to class society. Maybe I can be a broker."

Maitland is not alone in questioning the standards of class societies and supervision of newbuildings.

International Union of Marine Insurance (IUMI) president Ole Wikborg recently told TradeWinds that he thought the loss of the 8,110-teu *MOL Comfort* (built 2008)



CLAY MAITLAND: Says he is also concerned about the failure to provide places or ports of refuge for ships in distress, as was demonstrated by the *MSC Flaminia* casualty (left).

Photos: JOE BRADY AND SCANPIX

was "worrying" from the class perspective.

"If it is prudent to strengthen the [MOL Comfort sister] ships 50% more than the class standard, does that indicate the standard is below what it is supposed to be? These things need to be addressed and discussed," he said.

The Marshall Islands open register, with its emphasis on maintaining a clean port-state-control record and promoting a customer-driven outlook, has proved a popular option for shipowners.

Its registered fleet is around 100 million gross tons (gt) and 3,000 vessels — and it is growing, rank-

ing the flag among the top three in the world.

As a flag state, Maitland says he is also concerned about the failure to provide places or ports of refuge for ships in distress, as was most clearly demonstrated by the 6,732-teu *MSC Flaminia* (built 2001) casualty. He says this is still a problem in major coastal states such as the US and in Europe, with the exception perhaps of the UK.

This is of increasing importance, Maitland feels, because of the prevalence of cargo-related casualties and fires, and the growing size of ships potentially increasing the scale of any maritime disaster.

Maitland believes a national independent safety "tsar" acting like the Secretary of States Representative for Maritime Salvage and Intervention (Sosrep) in the UK, which could make decisions on assisting ships without prejudice, would go some way to resolving the problem.

"The IMO should push for this," he urged.

Fatigue is another area where Maitland thinks more action needs to be taken. Despite the widespread awareness that fatigue has played a major part in ship casualties, the problem continues.

"Regrettably, we lack extensive statistics on fatigue-induced casualties," Maitland said. "The IMO and ILO [International Labour Organisation] regularly call for more frequent and detailed reports on casualties resulting from human error, drowsiness and excessive hours on watch, and I believe that the problem is more pervasive than we think."

Intercargo reveals increase in quality of dry bulk fleet

Adam Corbett **London**

The dry bulk fleet is getting younger and showing improvements in quality, according to a survey conducted by owners' association Intercargo.

The London-based organisation calculates that bulkers above 20 years old now represent only 15% of the 9,000 vessels in operation compared to 31% just 10 years ago.

Understanding (MOU) port-state-control authority, the percentage of bulkers inspected in the region fell from 39% in 2011 to 29% in 2012.

While the number of detentions changed only marginally over the same period, the vessels detained in 2012 showed a lower number of deficiencies.

BEATING INDUSTRY AVERAGE

Last year, 594 units were detained



STRONG SCORE: The vessels detained in 2012 by the Paris MOU showed a lower number of deficiencies, although the number of detentions changed little from the year before.

Photo: BLOOMBERG

Three bulkers were lost in 2012 without any loss of life. However, 14 seafarers died in separate incidents involving bulkers during the