++ Shipbuilding News ++

Lomar back on the horse

(http://www.tradewindsnews.com/shipsales/664501/lomar-back-on-the-horse?lots=site)

Logothetis-backed Lomar Shipping has penned its first newbuilding order since the family returned to the industry in 2009. Lomar unmasked itself as one of two owners behind orders announced by Cosco Corp (Singapore) on Tuesday. The Libra Group company says its deal is for up to six 64,000-dwt bulkers, four of which remain options at this stage. Achim Boehme, CEO of Lomar, said: "These new vessels are the latest in design and efficiency. "They complement our existing bulk carrier portfolio and allow us to stay competitive in the dry bulk markets. "Our substantial investment demonstrates real commitment to operating a modern, fuel-efficient fleet." Delivery of the first ship is set for early 2014. Lomar is keeping tight lipped about what it plans to do with the vessels, which mark a step forward in its ties with Cosco. The Chinese yard has previously only repaired Logothetis ships. The owner explains the new Ultramax bulkers will carry up to 11% more cargo than conventional supramaxes, while burning around 13% less fuel. Lomar has shrugged off any concern about placing an order in what promises to be the worst month for the Baltic Dry Index since August of 1986. "We take a long term view of the market and are committed to a continuous process of fleet renewal," it said in response to questions from TradeWinds. Lomar sold off all 69 of its ships between 2004 and 2007, but came back with a bang in 2009 with a $325m takeover of Allocean.

Mipo wins KOTC quartet

(http://www.tradewindsnews.com/tankers/664511/mipo-wins-kotc-quartet?lots=site)

Korea's Hyundai Mipo Dockyard has triumphed in the battle to build four products tankers for KOTC of Kuwait. The yard said the 46,500-dwt ships are valued at a whopping $250m, a price reflecting the high specifications of the vessels. The ships had been tipped to cost more than $40m each, compared to $37m for standard MRs. The last tanker will be delivered in August 2014. This year, KOTC has already ordered four 317,000-dwt VLCCs and a 110,000-dwt aframax at Daewoo for $560m.

All eyes to Seadrill's next drillships

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=15464)

A leading offshore drilling company Seadrill has revealed that it is under negotiation before finalizing new orders for additional drillships with several shipyards, just after it recently placed 2+1 drillships at Samsung Heavy Industries of South Korea. Chairman John Fredriksen said on Feb 27, "It would proceed significant investments in modern high specification equipment and focus on quality operations." Adding, "The recent increase in daily rates for drilling rigs will generate excess cash that can be used for a balanced combination of organic growth and a strong long-term dividend distribution. It is likely that Seadrill's commitment to tender and ultra-deepwater new buildings will be further increased in the weeks to come." Therefore, Hyundai Heavy Industries, Daewoo Shipbuilding & Marine Engineering, STX Offshore & Shipbuilding, etc., besides Samsung, are strong candidates for winning their 2012's first drillship orders. Meanwhile, as Sembcorp Marine of Singapore, CSSC-affiliated Shanghai Shipyard of China, etc., recently won their first ever newbuilding drillship, these shipbuilders also should not be ruled out as potential winners.

++ Shipping News ++

Aframax spot cargoes are in decline

(http://www.lloydslist.com/ll/sector/tankers/article392486.ece)

THE gap between aframax demand and the supply of ships continues to widen and unfortunately for the growing fleet operating in the spot market there are fewer cargoes available. According to shipbroker Clarksons' latest Oil & Tanker Trades Outlook report, January saw the lowest number of aframax fixtures in the spot market in two years with just 217 bookings reported, down from 288 in January 2011 and 280 in January 2010. Overall, Clarksons estimates that global aframax demand will increase just 0.3% this year to 54.5m dwt, against an active crude fleet that should reach 70.9m dwt. That makes for 16.4m dwt of surplus tonnage, equivalent to 149 aframaxes of 110,000 dwt each. By comparison, the gap between supply and demand was less than half this in 2008, when aframax demand stood at 53.3m dwt against a fleet of 61.1m dwt, according to Clarksons. It reports an average one-year time charter rate for a modern aframax at around $13,625 per day, down from an average $15,457 last year and $18,731 in 2010. The February tanker report attributed the minimal increase in aframax demand to a combination of increasing Middle East-Asia demand and declining European voyages. It expects the largest trade route by volume, in northern Europe and the Baltic Sea, to decline by 2% year on year in 2012. This is the "result of the weakening crude import demand outlook within the EU and eurozone, as the area's economy continues to struggle with its sovereign debt crisis", Clarksons said.

Mediterranean aframax fixing rush fails to lift spot market earnings

(http://www.lloydslist.com/ll/sector/tankers/article392501.ece)

A BUSY start to the week in the Mediterranean spot market proved unable to lift aframax rates as an oversupply of vessels competed for available cargoes. While charter interest was high, with brokers reporting up to nine vessels fixed on subjects on Monday, rates continued to linger around rock-bottom levels, with the Baltic Exchange's benchmark Ceyhan to Lavera route reaching WXX.X on Tuesday, equivalent to time charter earnings of $xx,xxx per day. The benchmark earnings estimate has ranged between $500-$6,000 per day for more than a month now, which is well below daily operating costs of around $8,000. One broker said the big question hanging over the Mediterranean aframax market was the amount of "hidden tonnage" that shipowners were keeping off market to create the illusion of scarcity and to push for premium rates. Brokers saw a sliver of a silver lining in the Mediterranean market in the fact that there was virtually no downside risk left as earnings were so low. Although the current earnings reported by the Baltic Exchange are below average operating costs, owners can earn more than this through slow steaming and consuming less fuel, according to brokers.

Deep sea imports into north Europe box ports heading lower

(http://www.lloydslist.com/ll/sector/ports-and-logistics/article392488.ece)

NORTHERN Europe's container ports suffered a collective 7% drop in deep sea imports in the last quarter of 2011, with a further fall of 0.4% projected for the first three months of 2012. According to the latest edition of the Global Port Tracker, final quarter containerised exports in Northern Europe rose by 2.4% but will decline by a similar amount in the first quarter of 2012. The report's authors are projecting overall European deep sea import growth for 2012 at below 3% and export growth nearer to 5%. The current industry consensus is of a 4%-6% increase in global container throughputs for 2012. Report co-author Ben Hackett said: "Austerity and trade growth do not mix, as 2012 is not shaping up to be a good year, or at least the first half is not." Mr Hackett said that fiscal pressures on the weaker economies in the eurozone have dragged the currency bloc into a "so far mild recession". The challenge, he added, will be to stem the slide and it is by no means certain that this will be the case.

++ Finance News ++

KG fund faces bankruptcy after wave of insolvencies and foreclosures

(http://www.lloydslist.com/ll/sector/finance/article392470.ece)

GERMAN KG house GHF has been hit by another wave of insolvencies and foreclosures at KG funds it has issued, Lloyd's List has learned, and looks set to file for bankruptcy itself. The KG fund owns the 4,559 gt 1997-built Hilde K, a multipurpose vessel with capacity for 461 teu. Hilde K will be auctioned off in Aruba on March 21, a local court has announced, at the request of financiers Deutsche Schiffsbank and Commerzbank. Meanwhile, another GHF fund, which owned the 3,821 gt 2000-built Fockeburg recently filed for insolvency and the fund that owns the 4,180 gt 1997-built Wesertor will file for insolvency in the next few days, say shipfinance sources. The KG funds are the latest of several GHF funds to face forced sales and insolvencies. Earlier, the Aruba court announced that the vessels Emstor and Jümmetor would be auctioned off. Earlier, Boltentor foreclosed. All were multipurpose vessels with container capacity that belonged to GHF KG funds. Further insolvencies loom: GHF is in talks with the banks about the future of the funds that own Herrentor and Haneburg. Herrentor was about to be sold but the deal failed.

OSG weighs options after loss deepens

(http://www.ft.com/intl/cms/s/0/b940fe9a-6227-11e1-872e-00144feabdc0.html#axzz1nl2nvHSo)

Overseas Shipholding Group, the largest US oil tanker operator, is considering selling ships, issuing new shares or taking on more debt to improve liquidity, it has announced. The move comes after an 11th consecutive quarterly loss raised concerns about its ability to withstand the shipping industry's prolonged slump. Morten Arntzen, chief executive of the Connecticut-based company, attributed the year's $193m net loss to "another tough year" in international tanker markets. He said the year's surprises in the market had all been negative. OSG last reported a quarterly profit for the first quarter of 2009. "In the tanker market, we plan for weak markets," Mr Arntzen said. "Last year, we didn't plan on the tsunami in Japan; we didn't plan for global refinery outages; the Arab spring took us by surprise." But he insisted that the company had "more than ample liquidity". Nearly all tanker operators have suffered severely during the past year as a glut of tankers, for both crude and oil product, has sent rates falling to well below operating-cost levels. OSG has suffered particularly because it operates large numbers of vessels chartered long term from other owners at high fixed rates.

Solstad ends 2011 in the red

(http://www.tradewindsnews.com/firstpage/664510/solstad-ends-2011-in-the-red?lots=site)

Solstad Offshore has slipped to a loss in the fourth quarter due to a combination of higher costs, depreciation and write-downs. Lars Pder Solstad The Lars Peder Solstad-led offshore vessel operator lost NOK223.9m ($40.3m) in the last three months of 2011 against losses of NOK32.1m a year earlier. For the full-year the shipowner booked a loss of NOK406.6m, while revenues were up 16.5% year-on-year to just over NOK3bn. Solstad said available charter days increased by about 13%, while utilisation levels were "somewhat higher" in 2011. However, these both these improvements were offset by a lower average exchange rate on the US dollar and British pound. Operating costs were up 13% to just under NOK2bn for the year due to the increased fleet size and the resulting higher crew costs. Solstad also booked an impairment loss of NOK160m on the derrick lay barge NorCE Endeavour during the fourth quarter.