++ Shipbuilding News ++

Oshima into New Vietnam yard

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=15565)

Japan's Oshima Shipbuilding Group has agreed to construct a 180 million USD shipyard in Khanh Hoa, a province of Vietnam, located in the South Central Coast, according to Nguyen Chien Thang, Chairman of the Khanh Hoa Provincial People's Committee. The project will occupy a total area of 304 ha of Cam Thinh Dong Commune in Cam Ranh Town. Using the latest technology, the shipyard will build 24 different types of cargo vessels with capacities between 38,000 – 56,000 DWT. Currently, Oshima cooperates with Nha Trang University in training local personnel as well as through sending apprentices to Japan.

STX to win additional shuttle tanker?

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=15568)

STX Offshore & Shipbuilding of South Korea is expected to win another newbuilding shuttle tanker, as it secures optional one vessel when having recently contracted one 155,000-dwt suezmax shuttle tanker from Greek shipowner European Navigation (Elka Shipping). Elka awarded new order for two same-size shuttle tankers at STX in April 2011 on the back of a long-term charter with energy major Petrobras. Elka was said at the time to be holding two options and it seems that the recent contract is one of those two newbuilding options. The price of the latest tanker, due to be delivered in March 2014, has not been disclosed, while Elka is understood to have paid about $93.5m each for its two earlier vessels. With recent boom in a subsea oil exploration and production, overall about 13 newbuilding shuttle tanker orders have come to the surface last year. Besides major South Korean shipbuilders, Hyundai Heavy Industries, Samsung HI, STX, etc., medium-sized Sungdong Shipbuilding & Marine Engineering successfully inked its first shuttle tanker last year.

Mipo makes offshore move

(http://www.tradewindsnews.com/offshore/664950/mipo-makes-offshore-move?lots=site)

Korea's Hyundai Mipo Dockyard has clinched its first offshore order with a deal for four supply ships. A European owner will pay KRW 221.5bn

($196.2m) for the vessels, which will be delivered by May 2014, it said. ER Offshore of Germany had been linked to a potential order in December. Mipo is targeting offshore as the markets for tankers and bulkers remain poor.

STX hauls in heavy-lifter

(http://www.tradewindsnews.com/offshore/664951/stx-hauls-in-heavylifter?lots=site)

Korea's STX Offshore & Shipbuilding has bagged an order for a heavy-lift crane vessel worth $100m. Belgium's Scaldis Salvage & Marine Contractors will take delivery from the group's Dalian yard in China in the first quarter of 2014. The vessel will have two 2,000-tonne cranes and operate at a speed of seven knots. STX said: "Recently contracted heavy-lifter is state of the art, equipped with various offshore-specialised technology and facilities."

++ Shipping News ++

Drewry upbeat on LPG

(http://www.tradewindsnews.com/tankers/664947/drewry-upbeat-on-lpg?lots=site)

LPG tanker owners can look forward to increasing trade in 2012 despite the economic slowdown in the west, says a leading industry analyst. “Stagnant demand in Western economies has been balanced by strong domestic demand in Asian economies,” said Drewry in its latest LPG Forecaster report. However, the UK-based consultancy describes the near-term outlook for the LPG spot market as “far from certain.” “Infrastructural bottlenecks in developing nations could pose a downside risk, but there is also a struggle over butane,” Drewry said. Asian buyers have been demanding butane-rich LPG from the Middle East, and this trend is likely to persist in the short to medium term as India becomes the largest importer of butane-rich LPG. But increasing domestic consumption, largely from its expanding petchem producing base, means that Saudi butane exports have been declining. “This has come to a head with the failure to renew term contracts between Middle East suppliers and Asian buyers,” Drewry says. “Unless contracts are signed soon, we will see greater market volatility with a significant increase in spot activity for larger vessels.”

Surge in Asia-Europe spot box rate lifts charter market’s mood

(http://www.lloydslist.com/ll/sector/containers/article393164.ece)

SOARING Asia to Europe spot freight rates have boosted the mood among containership owners, although most of the time charter market is still in deep trouble. Far East to Europe spot rates jumped to $1,412 per teu on the westbound rate, which was an increase of 99% to mid-February, according to Alphaliner. This means that carriers have been able to lift rates to some $400 per teu above the estimated breakeven rate of $1,000 per teu. Owners now hope that box lines' success in increasing freight rates will continue on other trades as well. All eyes are now set on the Pacific, where the annual round of rate negotiations is about to start. The boxship charter market has already seen improving rates in the post-panamax segments. While pressure on rates in the other segments is still high, the downward trend has stopped and markets have apparently bottomed out, brokers said. Charter rate indices reflect this development. Braemar's BOXi remained almost flat; it was only down by 0.14 points to 53.58 points. The New ConTex showed an upward trend for the first time since October 2011. It was up by one point to 384 points. The strong interest by lines in post-panamax tonnage has not yet developed into further fixtures since last week. However, boxship brokers were confident that current ongoing negotiations will result in deals during the next few weeks.

Cheaper Indian rail freight could boost iron ore exports

(http://www.lloydslist.com/ll/sector/dry-cargo/article393152.ece)

A CUT in Indian rail freight rates could help to reverse the decline in the country's iron-ore exports and provide a much-needed boost for supramax bulk carrier employment in the Pacific chartering markets. The Indian government cut freight rates on the state-owned rail network on Tuesday for iron ore destined for export while simultaneously raising transport costs for other cargoes. Iron ore mining trade association the Federation of Indian Mineral Industries welcomed the freight rate reduction. However, its secretary general RK Sharma told Lloyd's List that the reduction would not be enough, in itself, to make exports profitable again. Iron-ore export duties increased from 20% to 30% at the start of 2012, so that the reduction in freight rates counteracts the increased cost of selling abroad, which aimed to conserve India's ore output for domestic steel production. Various state governments have also limited exports of iron ore, most to fight illegal mining, which is a big moneymaker for corrupt officials.

Downturn deters investment in green shipping recycling

(http://www.lloydslist.com/ll/sector/ship-operations/article393185.ece)

INTERNATIONAL efforts to improve ship recycling standards are being jeopardised by the shipping downturn as owners attempt to claw back every dollar possible from vessels sold for demolition. Brokers, cash buyers and breakers all report that while many companies are improving their intentions as more green recycling capacity becomes available, the price difference that comes from increased overhead costs is curbing their enthusiasm. With the surge in ships marketed for demolition in recent months and a number of localised economic factors in recycling nations, scrap rates have already fallen from the three-year high reached last July and August. At the time, a tanker owner selling a 1990s-built, 300,000 dwt very large crude carrier with around 40,000 ldt could ask for up to $550 per ldt, or $22m, in countries such as Bangladesh and Pakistan. But these vessels are now selling for around $500 per ldt in Pakistan, creating a $2m drop in overall prices. Further downward pressure on prices is forecast in the coming weeks due to a relentless supply of ageing ships that will not help the push to sell to better facilities. As increased numbers of newbuildings come into service and put further pressure on chartering markets, 2012 is expected to set a new record for demolition volumes, surpassing the 44m dwt dismantled in 1985.

++ Finance News ++

CMA CGM in debt moves

(http://www.ft.com/intl/cms/s/0/24720bbe-6872-11e1-b803-00144feabdc0.html#axzz1oVmb8br6)

France's CMA CGM plans asset sales to raise cash and has asked its banks to reschedule debt payments for this year and next, demonstrating how slumping container ship earnings have undermined the finances of the world's third-biggest line. Rodolphe Saadé, the Marseilles-based company's executive director, told the Financial Times the company had outlined the request for a debt restructuring to its bankers at a meeting on Tuesday where it had given details of its 2011 performance. Mr Saadé was speaking on Wednesday after the privately held container shipping line published full-year figures showing a $30m net loss for 2011. This was far smaller than the loss at rivals including Denmark's Maersk Line, operator of the largest fleet by capacity, which last month announced a $537m net loss. However, Mr Saadé said the loss, struck on revenues up 4 per cent on 2010 to $14.9bn, was reduced by $350m in profits of asset sales, including ships and part of its stake in the company's terminals in Malta, where CMA CGM operates a significant hub for moving containers between ships. A cost-cutting programme had also boosted the results. For 2010, when container shipping staged a sudden recovery from a slump following the financial crisis, CMA CGM announced a $1.63bn net profit. "The sale of assets allowed us to reduce the losses," Mr Saadé said. "However, at the same time, one has to take into account that the actions we have undertaken in terms of the operations of our company also allowed us to reduce the impact of a volatile market." CMA CGM, controlled by Jacques Saadé, Rodolphe Saadé's father, came close to insolvency as container shipping markets slumped in 2009 and early 2010. It was rescued only by a $500m investment from Robert Yildirim, a Turkish investor, who could eventually acquire 20 per cent of the company.

German wing of UniCredit retains shipping team

(http://www.lloydslist.com/ll/sector/finance/article393168.ece)

GERMANY'S UniCredit Bank AG is to retain its specialist shipping team, despite the recent decision of its Italian parent UniCredit SpA to fold the local shipping desk into the corporate division, a senior figure at the rebranded HypoVereinsbank has confirmed. Head of global shipping Holger Janssen insisted that while the lender's shipping portfolio is likely to shrink, it will consider business with core clients who come up with good proposals. Around nine or ten staff in Milan were affected by the shake-up in January, with three or four continuing to work on shipping from the Milan-based large corporates desk and the others reassigned to other duties. However, Mr Janssen said: "The Italian desk, which was separate from global shipping within UniCredit Bank AG, has been amalgamated into the corporate division. But there is no intention here at UniCredit Bank AG to do the same."