

## **++ Shipbuilding News ++**

### **Big3's new order halved**

([http://www.asiasis.com/view\\_new.php?bbs\\_id=news&doc\\_num=17004](http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=17004))

South Korea's Big3 shipbuilders - Samsung Heavy Industries, Hyundai HI and Daewoo Shipbuilding & Marine Engineering - have seen their new orders cut half in the first half of this year. Shipbuilding sources said on July 1 that Big3 contracted \$33.9bn (130 vessels, exclude those unrevealed), in the first six months, down by 49% from \$17.3bn (48) year-on-year. During the same months, Hyundai inked \$4.93bn of orders (20 vessels), while it contracted \$15.66bn (71) y-o-y. Samsung, which won \$11.1bn (29) orders during H1 2011, only grabbed \$6.5bn (11 vessels, one offshore facility), while Daewoo penned \$5.87bn (17) during the first six months of this year, comparing with \$7.13bn (30) on the same period of last year.

### **Mitsubishi & Kawasaki win LNGCs**

([http://www.asiasis.com/view\\_new.php?bbs\\_id=news&doc\\_num=16994](http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=16994))

TOKYO, June 29, 2012 - Mitsui O.S.K. Lines, Ltd. (MOL; President: Koichi Muto) announced the signing of a long-term contract for two new liquefied natural gas (LNG) carriers with Kansai Electric Power Inc. (President: Makoto Yagi). At the same time, MOL concluded contracts to build the ships with Kawasaki Heavy Industries, Ltd. (President: Satoshi Hasegawa) and Mitsubishi Heavy Industries, Ltd. (President: Hideaki Omiya). The ships are slated for launching in 2016 and 2017. MOL will manage and operate the vessels, with which transport LNG for Kansai Electric Power. The first vessel is a Moss-type carrier with a 164,700m<sup>3</sup> cargo tank capacity, based on a new design from Kawasaki Heavy Industries. It will be the largest ship in its class that can pass through the expanded Panama Canal which is scheduled for completion in 2014, while maintaining a hull size allowing it to call at major LNG terminals around the world. The second vessel has a 155,300m<sup>3</sup>-class cargo tank capacity, and is one of the Sayaendo series carriers developed by Mitsubishi Heavy Industries, featuring a continuous cover over its four Moss-type spherical tanks.

### **STX OSV to build PSVs for Island Offshore**

(<http://www.lloydslist.com/ll/sector/ship-operations/article401956.ece>)

OSLO-based and Singapore-listed STX OSV has sealed an Nkr500m (\$83.5m) order to build two platform support vessels for Norwegian shipowner Island Offshore, the company's second batch of PSV orders in a month. The two vessels will be delivered in the fourth quarter of 2013 and the second quarter of 2014 from Brevik and the hulls will be assembled at STX OSV's shipyard in Braila, Romania. The 3,800 dwt, Rolls-Royce UT 717 CD-design vessels will be 84.3 m long with a beam of 17 m. STX OSV, controlled by South Korea's STX Group, won several lucrative orders in June, including an offshore subsea construction vessel from Ocean Installer and Solstad for \$233.7m, two PSVs from Troms Offshore for \$75.1m and two PSVs from Farstad Shipping for \$117m.

## **++ Shipping News ++**

### **North America to cut long-haul crude imports by 10%**

(<http://www.loydslist.com/ll/sector/tankers/article401962.ece>)

NORTH American crude imports are set to fall by 10% this year, with analysts continuing to revise down forecasts for the 12-month period. The trade, which accounted for a fifth of all seaborne crude oil imports last year, will become a shadow of its former strength once North America starts producing more oil of its own. Tankers owners are already starting to feel the pain. In its monthly report on the oil tanker business published today, shipbroker Clarksons predicts that US and Canadian imports will fall to 6.6m barrels per day this year, from 7.4m bpd in 2011, equivalent to approximately 150 very large crude carrier loadings. Although reduced demand for petroleum products plays a minor part in the demise of the American oil import trade, improved local production is the main culprit, wrote New York-based consultancy McQuilling Services in a research note published this morning. "By unlocking previously unrecoverable shale reserves, an ominous cloud is forming over the tanker market as technological advancements have boosted domestic crude oil production," it said. Although falling oil prices could upset this development, as US shale gas reserves cannot be profitably extracted when oil is cheap, McQuilling writes that as long as crude benchmarks bottom out above \$50 per barrel, production should continue to rise.

### **Capesize rates rise mildly, kindling hopes for an improved second half**

(<http://www.loydslist.com/ll/sector/dry-cargo/article401951.ece>)

CAPE-SIZE spot market rates rebounded slightly over the week as demand picked up to ship Western Australian iron ore to China amid predictions that the sluggish rates environment would liven up in the second half of the year. Rates ended in Asia today slightly up from the previous week. The cost to haul iron ore from Western Australia to China stood at around \$6.70 per tonne, up from \$6.49 per tonne a week before. Promptly available tonnage fetched much better rates, the highest being \$7.20 per tonne. A Beijing broker noted, however, that port charges in Australia will rise as of July 1, adding about \$0.20 to voyage rates – a match with the slight improvement reflected in this week's fixtures. "I don't think there's been much underlying improvement," he said. He noted that many owners are still idling vessels off China, waiting for better rates. The rate from Tubarao in Brazil to Qingdao in China stood at \$17.50 per tonne today, up from \$17.28 per tonne a week before.

### **Indonesia eyes Iraq oil import bonanza**

(<http://www.lloydlist.com/II/sector/tankers/article401958.ece>)

INDONESIAN crude imports from Iraq are likely to see a strong boost in coming years, after the two countries signed a memorandum of understanding on energy co-operation. The MoU was signed by Iraqi deputy prime minister for energy Hussain Ibrahim Saleh al-Shahristani, who visited Indonesia this week. During his visit, the Indonesian government announced plans to use Iraqi crude as a feedstock for a new refinery on Sumatra. The refinery, property of state-owned Pertamina, will have capacity for 300,000 barrels per day and is scheduled to be completed by 2018. The refinery will require one full very large crude carrier full of oil a week to operate. This would more than double Indonesia's total oil imports from their current levels. Indonesia government statistics show that the country imported approximately 13.3m tonnes of crude last year, equivalent to approximately 250,000 barrels per day. Indonesia, a former OPEC member, became a net importer of oil around 2004, as it struggled to find new domestic sources of crude and demand for petroleum products boomed. Although imports have soared in the past, Indonesian government data shows import growth was lacklustre in 2011, with the country's intake declining by 6.8%.

### **Oil Falls As Biggest Gain Since 2009 Prompts Selling On Europe**

(<http://www.bloomberg.com/news/2012-07-01/oil-little-changed-after-rising-most-in-three-years-on-europe.html>)

Oil fell in New York as investors sold contracts to profit from the biggest price surge in three years before reports today that may signal Europe's economic

slump is deepening. Futures declined as much as 1.6 percent after surging 9.4 percent on June 29. The jobless rate in the currency bloc probably rose to 11.1 percent in May from 11 percent the prior month, economists surveyed by Bloomberg News said before data today. It would be the highest on record going back to 1990. China's manufacturing activity slowed in June, according to HSBC Holdings Plc and Markit Economics. A European embargo on Iranian oil started yesterday. "I suspect all we're seeing is a trimming of long positions," said Michael McCarthy, a chief market strategist at CMC Markets Asia Pacific Pty in Sydney, who predicts oil has climbed to a trading zone of \$82 a barrel to \$88.50 a barrel. "The question for the oil market is how effective these sanctions will be." Crude for August delivery dropped as much as \$1.34 to \$83.62 a barrel in electronic trading on the New York Mercantile Exchange. It was at \$83.76 at 2:51 p.m. Singapore time.

## **++ Finance News ++**

### **Sanko seeks court safety**

(<http://www.tradewindsnews.com/finance/279384/sanko-seeks-court-safety>)

Sanko Steamship has filed for court protection in Japan after finally running out of options to save the company. The Japanese shipowner filed for court administration with the Tokyo district court on Monday in a move equivalent to US Chapter 11 bankruptcy protection. The decision comes after it failed to turn the company around through out-of-court restructuring talks called Alternative Dispute Resolution (ADR). Sanko is said to have finally thrown in the towel after failing to receive the support it needed from its creditors. This is the second time that the Tokyo-based shipping company has turned to Japanese courts for protection. The first time was in 1985. News of Sanko's financial distress emerged early this year with reports that it had built up debts of up to JPY108bn (\$1.3bn) as of the end of March. The bleak outlook for shipping markets and Sanko's low cash pile are thought to have prompted Sanko to finally seek court protection. "Some shipping companies were also not agreeable with Sanko's ADR proposals," one shipping source told TradeWinds.

### **USC eyes 2013 IPO**

(<http://www.tradewindsnews.com/shipsales/279387/usc-eyes-2013-ipo>)

Russia's United Shipbuilding Corporation (USC) is targeting a \$600m IPO next year. The state-owned shipyard group could sell a 20% stake in 2013,

its outgoing president Roman Trotsenko said. An IPO was first mooted last year, with a sale of a 25% holding planned. USC's orderbook is worth more than \$50bn, with revenue of \$6bn per year. Net profit alone should reach \$3bn in 2012, Trotsenko said. The USC chief offered his resignation from 1 July, citing a conflict with defence minister Anatoly Serdyukov.