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NEWSFRONT
GREEK SHIPPING INTELLIGENCE

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CRUISE COMPANIES REJIG PROGRAMMES IN THE WAKE OF TURKISH COUP

While the failed coup by Turkish army officers seems to have had little impact on shipping generally, it has left a mark on the cruising sector with Eastern Mediterranean cruise programmes having to be rejigged, as operators dropped calls at Turkish ports.

However, while Greece may enjoy the short-term benefits from cruise booking cancellations in Turkey, in the long term it stands to lose from the unrest in the neighboring country, says the Union of Greek Cruise Ship Owners and Associated Members (EEKFN). It says cruise operators are already considering changing their routes away from the Eastern Mediterranean, so if this trend was to grow, the negative impact on Greece would be significant, said EEKFN as cruise trips usually combine the two countries. Theodore Kontes, EEKFN president, said the drama caused by the attempted coup once again underlined the problems of cruising in what many believe to be the most attractive cruise market in the world. He said the association is to meet with officials from the Foreign and Migration Policy ministries, July 22, to discuss the issue of Turkish visas, "a very important issue for the cruise sector".

Turkey's president Recep Tayyip Erdogan declared a state of emergency for three months after some 300 people were killed during the coup attempt. Since July 16 more than 50,000 state employees have been rounded up, sacked or suspended, including 99 top military officers.

RCCL, Carnival, Celebrity and Celestyal Cruises were among those with ships heading for Turkey when news broke of an army faction's bid to oust Erdogan. The four companies replaced calls at Kusadasi with stops in Greece or days at sea. Holland America Line, Princess Cruises, Cunard, Seabourn, Silversea, Windstar, Star Clippers and TUI Cruises also have calls scheduled in Turkey.

Celebrity has swapped Bodrum with Sicily, while Celestyal Cruises' *Celestyal Olympia*, on a four day cruise, and *Celestyal Crystal* sailing a three-day cruise, were both diverted to Samos, with guests spending the day there, rather than half a day.

A Celestyal company official said the company "will watch the situation in Turkey, with passenger security and comfort uppermost in the mind. For the present, calls have been canceled and decisions on programmes will be made in the coming days".

Celestyal Crystal homeports at Turkey's Kusadasi and was due to disembark and embark passengers there on July 16. Instead, Turkish passengers were transferred to Kusadasi by ferry from Samos and visa versa. Carnival said it was monitoring the situation in conjunction with global security experts and is yet to make a determination with respect to *Carnival Vista*'s future calls in Kusadasi.

Inchcape Shipping Services (ISS) said there was no impact on operations at the Turkish Straits, with all passages taking place as scheduled. However, vessel clearances initially were not being granted at Karadeniz Ereğli anchorage, as well as some other anchorage areas including Mersin. There is also some delays to sailing clearances due to extra security by the authorities.

SHORTSEA OPERATORS CALL FOR NEW BODY TO CO-ORDINATE SECTOR

Greece's short sea sector has proposed the establishment of a public authority that will secure refund guarantees from Greek shipyards in case of inability to do so on their own. Furthermore, it is proposed this public authority centralise all the relevant jurisdictions, presently scattered around different government ministries and departments.

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The proposal came during a meeting between Economy, Development and Tourism deputy minister Theodora Tzakri and representatives of short sea shipowners, ferry and passenger ship operators and special purpose vehicle, Europa Venture. Further, the shipping people proposed the new public authority should coordinate actions for the improvement and development of the country's short sea fleet. It was pointed out that with the right clout the new body could resolve legislative and other issues as well as examine alternative ways for the renewal of the fleet making it more environmentally friendly.

Panagiotis Zacharioudakis, md of Europa Venture, emphasised that upcoming regulations require heavy investment for ships to be environmental upgraded in accordance with the paradigm of other EU states, especially those of north Europe.

The public authority proposal was among a number submitted by Charalampos Simantonis, president of the Hellenic Shortsea Shipowners Association (HSSA), Michalis Sakellis, president of Association of Greek Passenger Shipping Companies (SEEN) and Zacharioudakis, when they briefed Tzakri on industry action plans to stir up interest in shipbuilding in Greek shipyards within the context of the Europa Ship Plan (ESP) project being promoted by Greece and getting wide backing within the European Union.

Tzakri was briefed on the latest developments regarding ESP and the inclusion of the Greek proposal in the Detailed Implementation Plan of the Motorways of the Sea. The discussion focused on the proposed action plans and measures that could be adopted for the strengthening of the Greek shipbuilding industry.

Present state of the Greek shipbuilding sector was evaluated, with attention to the specific conditions that led to its decline. Both Simantonis and Sakellis said shortsea shipowners that participate to ESP could build new vessels in Greek shipyards under the right conditions. It was stressed that apart from competitive prices, important factors determining the final decision of choosing a particular shipyard include its operational and ownership status.

Tzakri said the shipbuilding sector is regarded as a dynamic sector of the Greek economy. She noted it has a history and has the knowledge and expertise to become once again attractive, especially to the Greek shipowners. Finally, she stressed that the regeneration of the sector is a top-priority of the ministry and in this context several actions and initiatives are already being undertaken by the government.

CRUISE COMMUNITY BRANDS NATIONAL COMMITTEE 'INEFFECTIVE'

Creation of the long sought National Coordinating Committee for Cruise has met with little enthusiasm by the Greek cruise community. The committee, a long-standing demand of the cruise industry, was implemented through a joint decision of Shipping and Island Policy minister, Thodoris Dritsas, and Economy, Development and Tourism, deputy minister, Elena Kountoura, on July 14.

But the development has been questioned by cruise people who say the committee is "ineffective" because of its large size saying "it could create even more of a bureaucratic hassle than the one faced today by the cruise companies operating in Greece."

Theodore Kontes, Union of Cruise Ship Owners and Associate Members (EEKFN) president, said "instead of having a quick task force team of eight to 10 people who could meet and decide swiftly on important issues, we now have a big and cumbersome body which could create more bureaucracy than the sector currently faces".

The committee's purpose is to see the cooperation of all stakeholders in the industry by the development or implementation of a common and unified strategic plan for the cruise. Kontes complained "the people on the committee should be well versed in the issues facing the industry and have a positive disposition to service the cruise sector".

In fact the committee comprises 28 representatives of institutions, including general secretaries of six different ministries. It will be chaired by the Shipping ministry general secretary and will aim to promote measures and incentives, improvement and development of the cruise and the submission of documented proposals to solve problems. The Shipping ministry argues the size of the committee and the breadth of organisations, public and private, involved will help identify issues early. It maintains the "Greek state is thus equipped with an important institutional tool for policymakers in an industry with significant growth prospects and anticipated benefits for the Greek economy".

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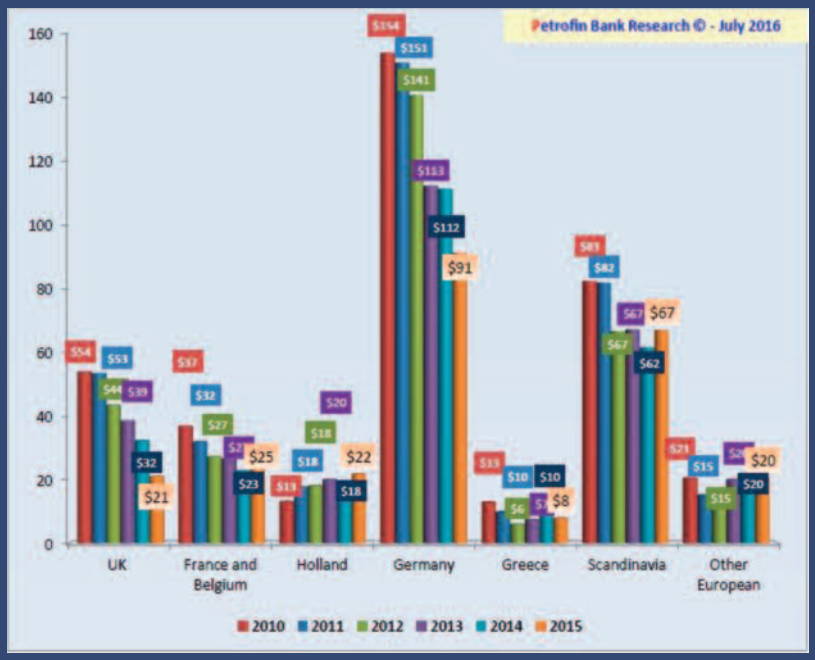
BANK LENDING LESS IMPORTANT AS SHIPPING TURNS TO NON-BANK RESOURCES

There is clear evidence private equity funds, backed by shipowner funding is playing a bigger part in the expansion of the world fleet reveals the latest survey by Petrofin Research. Petrofin's survey points to the growth of the world fleet being achieved with non-bank resources.

A survey of the top 40 ship finance banks shows that at the beginning of July they had a total of $397.84bn exposure to shipping, almost identical to the level at the same time 12 months ago, though in the period the global fleet expanded 1.76%, from 89,676 to 91,526 vessels, suggesting non-bank finance sources are playing a bigger part in this growth.

"It is fair to conclude bank ship finance in relation to the world fleet has been contracting as a source of shipping funding. Of course, this isn't something new, as Petrofin's data supports the view bank ship finance in relation to the world fleet has been contracting as a source of shipping funding for the past eight years," writes the Petrofin report.



And this will not change, at least in the short-term. Athens-based Petrofin notes that when looking at Clarkson's Intelligence, it is expected, the world fleet shall continue to grow at a faster pace than ship finance by banks, and, says Petrofin, "there will be further declines in the importance of banking related shipfinance as opposed to other forms of finance and investment / equity".

Petrofin continues: "Current shipping conditions are not attractive to shipping banks, as all sectors are displaying signs of pressure in vessel values and earnings due to overbuilding, existing surpluses and large orderbooks. In addition, current financial conditions are also not conducive to more ship lending. Indeed, it is fair to say that, on a global basis, lending has slowed down substantially post 2008 as banks try to downsize and as bank regulations and supervision, like ECB, Basel III, have increased.

"Unable to increase their capital base, banks are forced to restrict their lending and choose to lend among the best risk / reward industries. Currently, shipfinance is not a leading contender for loans. The need to support their own local shipping has been a strong motive underlying the expansion of the Far Eastern banks. Their national policies are in tune with local bank interests and this has provided a useful solution to a number of owners with local newbuilding orders seeking finance," says Petrofin Research.

Petrofin points out the collapse of the KG system has accelerated the departure of many German banks, though they still support the owners in heir 'home base', but have reduced finance to owners from other countries. "This is not a universal rule as some banks have a small national shipping interest or have built up a substantial and well performing international clientele. Still, the trend is not particularly supportive of other nationalities, such as Greek owners who are viewed as international owners," says Petrofin.

Putting the European bank global shipfinance portfolios under the microscope Petrofin observes that "Dutch and Scandinavian banks show a small growth with the most marked decline in commitment shown by the most traditional lenders, such as the German, British, Irish and Greek banks".

Following the departure of major banks, such as RBS, Commerzbank and HSH Nordbank, from the shipping arena, Petrofin said a rise in western ship finance is likely if newcomers step up to replace those traditional names.

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Majestic International Cruises, md, Michael Lambros, saluted the implementation of the new committee but said "because of its many members the committee will de facto be rendered inoperative".

Noting Cosco's ambitions to develop cruising in Piraeus after gaining control of the Piraeus Port Authority, Lambros called on the leadership of the Shipping and Finance ministries to reconsider their decision and instead create a small committee able to cope with the everyday issues arising for the cruise industry.

CAPITAL ACCEPTS THREE-YEAR 20% RATE CUT ON FIVE HMM BOXSHIPS

Evangelos Marinakis-backed Capital Product Partners has agreed to take a temporary rate cut of 20% on five container ships chartered to troubled South Korea's Hyundai Merchant Marine (HMM). The cut sees the rate drop to $23,480 per day from $29,350 for a three-year period starting July 2016 and ending in December 2019.

Part of various agreements HMM has reached with its creditors and vessel owners under its voluntary debt restructuring programme, the total charter rate reduction amounts to $37m. HMM has also agreed charter rate cut agreements with Navios Maritime Partners and Danaos. The five Capital Product Partners' ships involved are the 2013-built, 5,023teu *Hyundai Prestige*, *Hyundai Premium*, *Hyundai Paramount*, *Hyundai Privilege* and *Hyundai Platinum*, each under time-charter expiring in 2025.

The restructuring agreement provides that at the end of the three-year charter (December 2019), the charter rate under the respective charter parties will be restored to the original daily rate of $29,350 until the expiry of each charter in 2025.

In exchange for the charter reduction, the Piraeus-based owner will receive shares in HMM at a share price reflecting a discount and / or an unsecured loan to HMM at 3%. The compensation will be delivered to the Marinakis-controlled company by July 23, but the amount has not been disclosed.

"While the impact of the HMM vessels charter rate reduction will adversely affect our cash flows until the end of 2019, when the charter rate under the respective charter parties is expected to be restored to the original rate, we believe the reduced charter rate and the charter reduction compensation we expect to receive represents a more favorable outcome given the alternative employment opportunities in the current depressed container charter market," said Jerry Kalogiratos, ceo and cfo of Capital Product Partners.

Kalogiratos added: "We are pleased to see that the out-of-court restructuring of HMM – one of the largest charterers of the partnership in terms of revenues – has been successfully agreed with the participation of HMM's key financial creditors together with the announcement HMM intends to join the 2M Alliance – the world's largest container shipping alliance, which comprises Maersk Line and Mediterranean Shipping Co."

ECONOMOU AND MORGAN STANLEY JOIN-UP IN HEIDMAR SHARES SALE

George Economou and Morgan Stanley have each put their 49% stake in the pool operator Heidmar up for sale confirms Heidmar ceo, Ben Ognibene. Heidmar employees hold the remaining 2% in the pool operator.

Ognibene, talking to TradeWinds, said "it was decided at a board meeting at the end of June to place the shares together and start a process in which we would reach out to select industry players and investment companies. The idea is to identify the most competitive buyer but also one that is in keeping with our strategic interests. I think we'll get some serious interest. The fact George and Morgan Stanley are marketing their shares together should enable a good response."

Ognibene said he did not know how long the process run by Morgan Stanley shipping investment banker Wiley Griffiths would take. It will start with solicitations to potential buyers, followed by submission of non-disclosure agreements, management presentations and perhaps setup of a data room. "We think there will be interest from financial players but also from large conglomerates that have shipping businesses," said Ognibene.

TradeWinds says the process should be helped significantly by Economou's decision to sell given his reputation as a tough business partner and his controversial actions since buying 49% of Heidmar in 2008 for an undisclosed price.

TSAKOS DEVELOPS CYBER SECURITY MANAGEMENT PLANS

With a surge of cyber attacks protecting shipping companies and their assets has become essential to ensuring safe operations, and Tsakos Columbia Shipmanagement (TCM) has moved to enhance the security of their IT systems by developing cyber security management plans for their organisation and fleets.

Supported by DNV GL, TCM says it wanted to assure charterers and customers its systems would be adequately protected from cyber risks by implementing the highest standards of cyber security on board vessels and on shore. TCM manages a fleet with a total of over 6m dwt, primarily tankers.

Sokratis Dimakopoulos, deputy md of TCM says that over the past five months, TCM has been working with DNV GL to create an information security management system which will assist in assessing cyber vulnerabilities and implementing the necessary measures for mitigating risks and responding to potential system breaches.

"The results are based on a thorough risk and gap analysis and will be verified through penetration testing carried out by the DNV GL Group company Marine Cybernetics," explains Nikolaos Kakalis, head of the DNV GL's maritime r&d and advisory unit in Piraeus.

In addition to developing a robust information security management system, TCM has reinforced its IT department, developed in-house solutions for performance management and will be one of the first shipping companies in the world to apply for certification to the ISO 27001 standard. To be awarded this certification, companies need to demonstrate a process-driven approach for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving their information security management system.

HUMAN CAPITAL HAS BECOME GREECE'S TOP EXPORT

Human capital has become Greece's number one export, with roughly 350,000 Greeks, mostly highly educated, estimated to have moved abroad since 2008 according to a report by Endeavor, a global non-profit organisation specialising in "high-impact" entrepreneurship.

Relying on data collected from host countries and local research, the report says Greece's brain drain generates, annually, an equivalent of €12.9bn in GDP and €9.1bn in taxes for the hosts, while it has generated more than €50bn since 2008. The report maintains the annual export of human capital ranks first in value, at €12.9bn, above oil products (€7.2bn) and aluminum products (€1.3bn), among others.

Endeavor notes the brain drain which has afflicted Greece since the onset of the financial crisis is also making it increasingly difficult for "high growth" companies to keep talented staff at home and to attract expats. Main reasons, according to Endeavor, for this are the "high non-salary costs that further reduce already low salaries, the lack of career growth options and the lack of country-level 'growth narrative' and plan."

Tellingly, "49% of employed Greeks are more willing to leave the country in search of better career growth potential and a more stable environment than the unemployed (43%)."

Endeavor urges a reversal of the trend noting, however, that the brain drain could, in the long run, bring back know-how and innovative ideas – that is if these 350,000 Greeks ever return.

Meanwhile, representatives of employer associations and employee unions reached a minimum level of agreement, July 19, on the changes required to labor laws, choosing to put aside disagreements and objections on specific issues, in order to give the government a "significant weapon" in the negotiations with creditors in September, which are expected to be particularly tough.

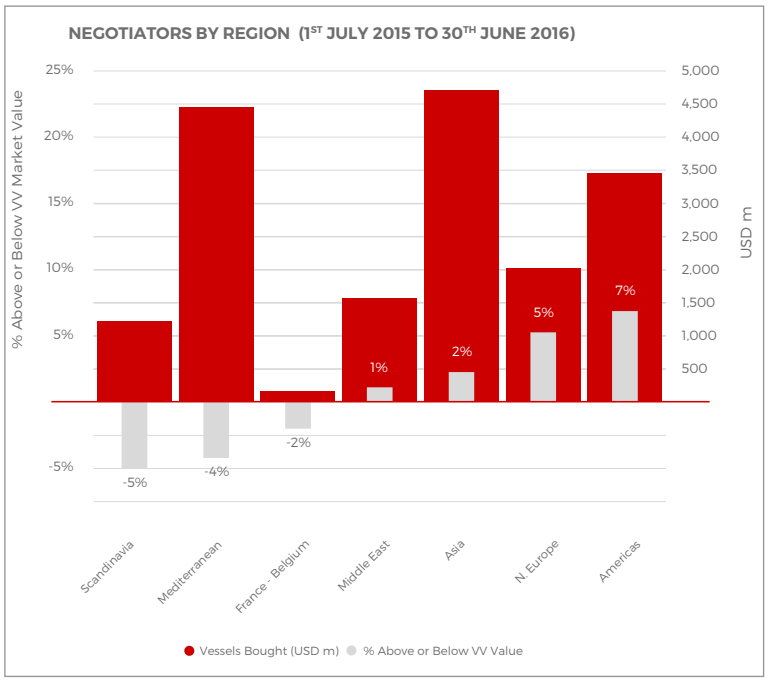
Consensus came though contentious issues such as group layoffs, the ability to extend collective labor contracts and the strengthening of sector contracts over corporate ones, were not discussed in detail.

A joint declaration instead was restricted to the ratification of meetings held under the auspices of the International Labor Organisation (ILO) and an expression of agreement that there is no issue regarding a reduction to the minimum wage or the abolition of the Christmas, Easter and summer holiday bonuses, known as the 13th and 14th monthly salaries.

The declaration stressed the minimum wage should be agreed by the social partners (employers and employees) in the context of the National General Collective Labor Contract and that the law on unions will need to be modernised, though without challenging the right to strike.

MEDITERRANEAN OWNERS TOPS WHEN IT COME TO BARGAIN HUNTING

VesselsValue (VV) has analysed vessel buying activity between July 1, 2015 and June 30, 2016 with the aim of identifying the geographical regions that were the best negotiators of the prices paid for vessels. One way of assessing a "good negotiation" is by comparing the difference between the VV Market Value on the day of the sale and the reported sale price (shown as "% Above or Below VV Value" on the chart below). In other words, who paid below the fair market rate at the time. The chart gives an indication of which geographical regions bought vessels at a discount.



On this basis, the regions of Scandinavia, the Mediterranean, and France-Belgium, generally bought vessels below the fair market value, and therefore, these regions are seen as the best negotiators. Ultimately, the performance of the different markets in the future, will determine if the purchases were really good.

When it come to bargain hunting VV says it is hard to beat the Mediterranean-based owners. Ship owners in this region are particularly savvy spenders. The "saving" of nearly $100m on container ship spending is equivelent to the price of two 5-year old suezmax tankers in the current market.

But what constitutes a good negotiation? A good negotiation could be defined as one that achieves a price below the current market value. In the next table, VesselsValue (VV) has measured the difference between the reported purchase price and the VV Market Value on the day of the sale. A good negotiation could be said to be one where the difference is significantly below the VV Market Value, i.e. -5% or lower.

VESSELS BOUGHT BY MEDITERRANEAN COUNTRIES (RANKED BY % DIFFERENCE FROM VV MARKET VALUE)

Country	No. of Vessels	Total Spent $m	VV Value $m	Diff (%)
Malta	3	$10.9	$12.5	-13%
Turkey	52	$222.7	$240.6	-7%
Monaco	4	$50.5	$53.0	-5%
Cyprus	11	$195.4	$204.2	-4%
Italy	2	$30.7	$32.0	-4%
Greece	258	$3,942.5	$4,106.1	-4%
Spain	1	$2.0	$1.6	28%
Grand Total	331	$4,454.7	$4,650.0	-4%

GREEK MARKET REPORT

NEWBUILDINGS

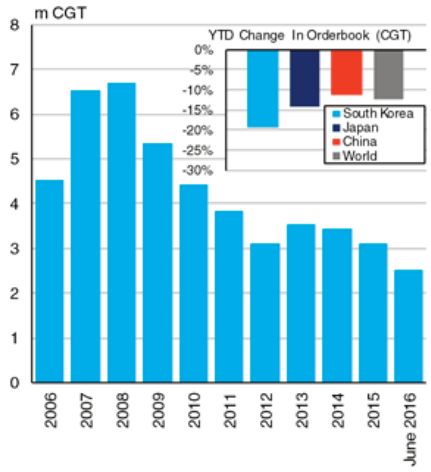
The global orderbook has continued to decline in the year to date. In the last six months, South Korean yards have seen the largest decline in their orderbooks, of the three major shipbuilding nations, reflecting historically weak global ordering, domestic contracting trends elsewhere and varying delivery patterns.

Looking at the year to date, **Clarkson research Services** notes the global orderbook has declined by 12%, in CGT terms, to 100.2m CGT. CGT measures the volume of shipyard work required to build a vessel, and this is at its lowest level since June 2013.

July 1, South Korea's orderbook stood at 25.1m CGT, 25% of the global total, the smallest Korea's

orderbook has been, in CGT terms, since January 2004. Korean yards maintained the largest orderbook globally from January 2000 to September 2008. The same day, Chinese and Japanese yards' shares of the orderbook stood at 37% and 22%, respectively, in CGT terms. In the year so far, Korea's orderbook has fallen 20% in CGT terms and the Chinese and Japanese orderbooks have declined 11% and 14% to 37.7m CGT and 22.1m CGT respectively.

The Orderbook At South Korean Yards: A Review



The bars on the main graph show the end-year orderbook (for 2006 to 2015) and the end-June 2016 orderbook at South Korean shipyards, in CGT terms. The inset graph shows the percentage change in the orderbook at South Korean, Japanese and Chinese shipyards in the year to date, and the percentage change in the global orderbook, in the year to date, in CGT terms.

Source : Clarksons Research

Some 224 vessels of 6.3m CGT have reportedly been contracted globally in the year to date, a 66% fall y-o-y in CGT terms. Korean yards have taken contracts for just 27 vessels, of 800,000 CGT, or 13% of tonnage contracted globally in 2016 so far. Contracting at Korean yards has been 88% lower over the last six months compared to the first half of 2015, when they received 37% of global orders (6.8m CGT). Additionally, relatively firm deliveries from Korean yards have driven a decline in the orderbook; Korean builders have delivered vessels of 6.5m CGT, which is 35% of global tonnage reportedly delivered in the year to date.

Chinese yards have booked contracts of 2.4m CGT since January 1, or 38% of global tonnage contracted. This is largely due to state-backed contracts, including 30 'Valemax' bulkers. Indeed, ordering at independent Chinese yards fell 61% y-o-y in the first half of 2016, in CGT terms. The majority of contracts at Japanese yards were placed by domestic owners. Moreover, Chinese and Japanese yards' deliveries have been lower, by 2.4m CGT and 800,000 CGT respectively, than Korean deliveries in the year so far, thus slowing the decline in their orderbooks.

Clarksons concludes the key driver behind the decline in Korea's orderbook has been the low contracting environment globally. Additionally, it has fallen relative to that of China and Japan, where yards have received domestic support for contracting, while also delivering less tonnage. "Industry observers will be watching closely to see if Korea's shipyards can make up any lost ground in the second half of 2016," says the consultancy.

Times Navigation / John Karageorgis is in negotiations to modify newbuilding contracts for six ultramax bulk carriers into newbuilding contracts for MR tankers, marking the company's entry into tankers. Indeed, the company has reportedly sign an LOI for four firm, three options MR tankers at China Shipping Industry (CIC Jiangsu) with the firm vessels to deliver between July 2018 and April 2019. No price or ship size is known, but the vessels will be Tier III compliant. Currently, Times runs five supramax bulkers.

Meanwhile, the excitement created by reports **Almi Marine Management** has ordered two 300,000dwt VLCCs at Hyundai Hi, South Korea for delivery in 2017 seems to be off the mark. Quite the opposite according to media reports. Shipbrokers reported the order, with **Allied Shipbroking** putting a price of $85.5m on each unit, but Almi founder **Costas Fostiropoulos** told Lloyd's List: "This is not a good time to order VLs or suezmaxes". Fostiropoulos cited shipbuilding as well as oil demand reasons.

Lloyd's List reported Fostiropoulos as saying: "The Korean yards are in great upheaval, and the quality of their vessels will surely suffer." Further, according to the owner, demand for large crude tankers is likely to fall with a reduction in freight rates.

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SALE & PURCHASE

In this year of turmoil and poor shipping markets both sentiment and real market direction has over the past couple of months shifted and with shift so have asset prices of secondhand tonnage, says **Allied Shipbroking** in its latest weekly report. The broker continues, during this period we have seen some of the lowest levels ever in the dry bulk market, with asset prices near to the absolute bottom.

However, with the better freight market in April / May, asset prices took an upward course as a large number of buyers with financial backing flocked to take tonnage at highly competitive levels. Allied says that as this developed we began to see a quick shift in pricing, and each deal saw an advance in price on last done.

"During this period there has been a rise in prices close to 13%-14% for 5-year-old handysizes and supramaxes while for larger ships, like capesize and panamax size, the rise has been limited to a moderate 7%-8%," said Allied. However, Allied notes modern panamax / kamsarmax tonnage have experienced a significant rise in s&p prices since they hit the bottom at the beginning of the year, up 17%, with supramaxes up nearly 14%.

Allied says that in recent months, the majority of buyers are clearly looking at assets compared to their given price and not to their potential earnings over the next 3-5 years. "The reasoning goes there is a better chance of generating a good yield on the investment from any potential upswing in asset prices, while also being able to decrease the average investment per vessel in the fleet making their capital expenditure more viable per vessel during this downturn.

"However, the risk is still significant and given the fact the buyer may need to support the vessel financially down the line, it may make for bigger problems rather than a safety net."

Well, this week *Newsfront* reports 15 trading deals, including two ferries to Russian interests. Nine bulkers are reported as changing hands, with Greek interests the buyers on seven occasions. Of the four tankers sold, Greeks were buyers on three occasions.

Blue Planet Shipping is closing in on a deal for the purchase of four kamsarmax newbuildings under construction in China's Jiangsu New Yangzi shipyard at around a reported $19.75m each. They are the *BSI Trafalgar*, *GMI Francesa*, *GMI Tarita* and *SBI Twist*.

The *GMI Francesa* and *GMI Tarita* were ordered by collapsed Global Maritime Investment, while the *SBI Twist* was booked Scorpio Commercial Management of Italy and the *BSI Trafalgar* by Berkeley Shipping of Malta. Piraeus-based Blue Planet has been building a modern fleet, with three 64,000dwt ultramax bulkers set to deliver from Jiangsu Haitong, one later this year and two in late 2017.

IMS / Delfi has reportedly purchased the *Teesta Spirit*, a 46,921dwt, Hyundai Mipo, built 2004, products tanker from Teekay Corp for between $14m / $14.5m. If the deal is cemented, the tanker will be the youngest vessel in the Piraeus-based company's fleet, joining a container ship and four small and four medium range tankers, all built between 1998 and 2000.

Brokers report **New Shipping / Adam Polemis** has sold the 305,839dwt *New Tinos*, built 1999, but there is a dispute over the reported price. Market sources report unidentified buyers have paid in the region of $29m for the VLCC, a price a long way above the $22.49m VesselsValue has against the tanker. Polemis bought the tanker as *GC Guangzhou*, last October from HNA Logistic of China, and then the reported price ranged from $28m to $31m.

NS Lemos' deal to buy two aframax tankers at South Korea's Daehan Shipbuilding after shipowner Jellicoe Tankers defaulted on an earlier deal remains in the negotiation stage. *Newsfront* Vol 17 Nr 27 reported the deal was moving forward, however it is now being reported the yard is unable to gain a refund guarantee and this has become central to negotiations while the market price of the assets is falling. Shipbrokers say the 115,000dwt ice-class 1C Tier-II crude carriers are delivering in the first half of next year, at around $45.5m each.

DEMOLITION

Drewry Container Forecaster (June 2016) found that, for the first time, 450,000teu of container ship capacity is expected to be scrapped in just one year, as the container ship sector recognises there are far too many ships chasing too little cargo.

Based on an average size of 3,000teu for ships which are being scrapped, this means about 150 mainly old and medium-sized container ships will be pulled out of the market or out of temporary idle positions and sent to the scrapyard in 2016. In 2015, demolitions were less than half this level.

The surge in demolitions started in fourth quarter 2015, has continued since and looks set to reach 450,000teu by the end of 2016, an even higher annual total than the 444,000teu scrapped in 2013. In the first three months of 2016 alone, some 14 panamax ships were scrapped and many of these are German owned and previously leased out on the charter market. These owners have felt the force of the charter rate downturn more than most others.

Younger vessels are being scrapped. Container ships are normally depreciated over 25 years, so scrapping a 15-year-old vessel implies a write-off of nearly 40%, though the owner also gets some cash for the steel from the demolition yard to offset part of the loss.

Furthermore, the opening of the new Panama Canal last month has created a surplus of old panamax ships of around 4,500teu. This size and design of ship – previously one of the workhorses of the container ship industry – has essentially been made redundant. More panamax vessels will surely head for the scrapyards of South Asia, as their owners or charterers replace them by newer and more efficient 8,000teu+ ships, concludes Drewry Maritime Research.

BULKERS

- *Altair*, Bahamas flag, 40,523 / 74,665dwt, built 2001 (Hudong Zhonghua Shipbuilding, Shanghai, China), strengthened for heavy cargoes, LMC, UMS, ShipRight, 7 holds / 7 hatches, (MAN - B&W 13,868bhp) has been sold by Super Eco Bulkers Management / Tomasos Brothers of Greece to unidentified buyers for an undisclosed price. S/S due in November.
- *BSI Trafalgar* (ex-*Jiangsu Newyangzi Yzj 2013-1141*), 44,172 / 82,039dwt, built 2016 (Jiangsu New Yangzi, Jingjiang, China), (MAN - B&W), has been sold by Berkeley Shipping of Malta to unidentifed Greek interests (reportedly Blue Planet) for around $19.75m.
- *GMI Francesa* (ex-*Jiangsu Newyangzi Yzj 2013-1055*), 44,133 / 82,000dwt, built 2016 (Jiangsu New Yangzi, Jingjiang, China), (MAN - B&W), has been sold by GMI Resources of Singapore to unidentified Greek interests (reportedly Blue Planet) for around $19.75m.
- *GMI Tarita* (ex-*Jiangsu Newyangzi Yzj 2013-1056*), 44,133 / 82,000dwt, built 2016 (Jiangsu New Yangzi, Jingjiang, China), (MAN - B&W), has been sold by GMI Resources of Singapore to unidentified Greek interests (reportedly Blue Planet) for around $19.75m.
- *Mairouli* (ex-*Sibulk Dedication*), Maltese flag, 30,018 / 53,206dwt, built 2005 (Imabari Shipbuilding, Imabari, Japan), 5 holds / 5 hatches, 4 x 30.5-tonne cranes, (B&W 12,889bhp), has been sold by Pavimar SA of Greece to undisclosed buyers for a reported $6m.
- *Mulberry Paris*, Hong Kong flag, 39,964 / 76,492dwt, built 2004 (Tsuneishi Corp, Fukuyama, Japan), 7 holds / 7 hatches, (B&W 12,005bhp), has been sold by Yamamaru Kisen of Japan to unidentified Greek operators for around $5.6m.
- *Resale SWS*, 180,000dwt, built 2016 (SWS, Shanghai, China), 9 holds / 9 hatches, (MAN - B&W), has been sold by the shipyard to an unidentified Greek buyer for $34m.
- *SBI Twist* (ex-*Jiangsu Newyangzi Yzj2013-1093*), 44,000 / 81,800dwt, commissioning October 2016, (Jiangsu New Yangzi, Jingjiang, China), (MAN - B&W), has been sold by Scorpio Commercial Management of Italy to unidentified Greek interests (reportedly Blue Planet) for $19.5m.

- *Tina IV*, Panamanian flag, 40,170 / 75,187dwt, built 2008 (Hudong-Zhonghua Shipbuilding, Shanghai, China), 7 holds / 7 hatches, (MAN - B&W 15,363bhp), has been sold by First Lines of Greece to unidentified buyers for an undisclosed price.
- *United Legacy*, Panamanian flag, 43,068 / 81,344dwt, built 2014 (Oshima Shipbuilding, Saikai, Japan), (MAN - B&W) has been sold by United Ocean of Singapore to unidentified Greek buyers for between $17.5m - $18m.

TANKERS

- *MTM Westport* (ex-*Chemstar Eagle*, ex-*Chemical Venture*), Hong Kong flag, 11,951 / 19,997dwt, built 2000 (Shin Kurushima Dockyard, Akitsu, Japan), 20 tanks, 20 cargo pumps, 1 tunnel thruster (f), (Mitsubishi 8,401bhp), has been sold by MT Maritime of the USA / Singapore to unidentified Greek operators for between $13m / $13.8m.
- *New Tinos* (ex-*GC Guangzhou*, ex-*Pacific Lagoon*), Liberian flag, 163,346 / 305,839dwt, built 1999 (Mitsubishi HI, Nagasaki, Japan), LMC, UMS, IGS, ShipRight, 15 tanks, 3 cargo pumps, (MAN - B&W 34,649bhp), has been sold by New Shipping of Greece to undisclosed buyers for an undisclosed price. D/D due June, 2017.
- *Teesta Spirit* (ex-*Jeanette*, ex-*Athenian Harmony*), Bahamas flag, 29,242 / 46,921dwt, built 2004 (Hyundai Mipo Dockyard, Ulsan, South Korea), LMC, UMS, IGS, Imo 3, 12 tanks, 12 cargo pumps, (B&W 12,870bhp), has been sold by Teekay Corp of Canada to unidentified Greek buyers (reportedly IMS) for between $14m / $14.5m.

RO-RO / PASSENGER SHIPS

- *Agios Lavrentios*, Greek flag, 1,250 / 260dwt, built 2010, 4 engines, 4 props, has been sold by Koinopraxia Epivatochimatagogon Salaminas of Greece to the Russian / Greek venture Smart Way / Atlantides reportedly for €6m. Has been re-named *Lavrentios* and raised the Russian flag and is serving the Kavkaz, Russia to Kerch, Ukraine line.
- *Maria Eleni*, Greek flag, 3,069 / 724dwt, built 2011 (Koutalis-Kostergias, Piraeus, Greece), 4 engines, 4 props, (Caterpillar 2,676bhp), has been sold by Agios Nikolaos-Salamina Shipping of Greece to the Russian / Greek venture Smart Way / Atlantides, for an undisclosed price and has been re-named *Maria* and raised the Russian flag.

DEMOLITION

- *Gas Suez* (ex-*Clipper Sun*, ex-*Nuevo Laredo*, ex-*Sydfonn*), Panamanian flag, 16,340 / 16,663dwt, built 1978 (Chantiers Navals de La Ciotat, La Ciotat, France), 3 tanks / 6 cargo pumps, ice capable, (Sulzer 14,400bhp), has been sold by Benelux Overseas of Greece to Indian breakers on a rate of $285/lwt raising $2.52m on this 8,832lwt LPG carrier.
- *True Brothers* (ex-*Federal Argo*, ex-*Federal Asahi*), Belize flag, 17,821 / 29,643dwt, built 1985 (Nippon Kokan, Shizuoka, Japan), 104teu, 5 holds / 5 hatches, 4 x 25-tonne cranes, ice capable, (Sulzer 9,501bhp), has been sold by Third January Maritime / Island-Star Maritime of Greece / Lebanon to Indian breakers on a rate of $253/lwt raising some $1.55m on this 6.135lwt bulker.

UPDATES

- Tanker *BLS Advance*, Liberian flag, 84,999dwt, built 2002 in Sasebo HI, Japan, reported *Newsfront* Vol 16 Nr 16, as sold by Blue Lines Shipping of Singapore to unidentified Greek interests (reportedly Avin International) for $19.85m. This ship was not sold says Blue Lines Shipping.

- Bulker *Samjohn Liberty*, Greek flag, 74,761dwt, built 1998 in Nippon Kokan, Japan, reported *Newsfront* Vol 17 Nr 9, as sold by Golden Flame of Greece to unidentified buyers for $2.8m. The vessel was not sold and is now reported as being sold to Far Eastern based owners for $2.7m.

- Supramax bulk carriers, *Laguna*, *Limas*, *Livorno*, *Longkou* and *Luzon*, Liberian flag, all around 53,300dwt built 2008 / 2009 in Zhejiang Shipbuilding, China, reported *Newsfront* Vol 17 Nr 15, as sold by Hartmann Schiffahrts GmbH & Co KG of Germany to unidentified Greek buyers for between $4.5m / $5.3m. They have all gone to Technomar Shipping, have been re-named *Castle*, *Crestone*, *Eolus*, *Teton* and *Evans*, respectively, and have all raised the Marshall Islands flag.

- Panamax bulker *Amapola*, Panamanian flag, 76,598dwt, built 2002 in Imabari Shipbuilding, Japan, reported *Newsfront* Vol 17 Nr 16, as sold by Taiyo Nippon Kisen of Japan to undisclosed Greek buyers for a reported price between $4m and $4.3m. It did not come to Greeks but instead it went to Linter LLC of Russia and has been re-named *Emmakris II*.

- Bulker *Bianco Victoria Bulker*, Maltese flag, 32,178dwt, built 2012 in Jiangmen Nanyang Ship Engineering, China, reported *Newsfront* Vol 17 Nr 16, as sold by Dansk Rederi / Bidsted & Co A/S of Denmark to unidentified Greek interests for $6.6m. It went to Thalkat Shipping and is now the *Konstantinos M*.

- Panamax bulker *Vivace*, Panamanian flag, 74,933dwt, built 2012 in Sasebo HI, Japan, reported *Newsfront* Vol 17 Nr 16, as sold by Libera Corp / Kawasaki Kisen of Japan to unidentified Greek buyers for $13m. It went to Safe Bulkers Management, it has been re-named *Lemessos Lion* and raised the Cyprus flag.

- Bulker *Safe Voyager*, Panamanian flag, 82,524dwt, built 2007 in Tsuneishi Holdings / Tsuneishi SB, Japan, reported *Newsfront* Vol 17 Nr 17, as sold by Tsuneishi Group / NYK Line of Japan to unidentified Greek interests for $9.2m. It went to Pavimar SA, is re-named *Evangelistria* and raised the Marshall Islands flag.

- Bulker *Frederike Selmar*, Marshall Islands flag, 56,847dwt, built 2009 in Taizhou Sanfu Ship Engineering, China, reported *Newsfront* Vol 17 Nr 20, and updated Vol 17 Nr 21, as sold as part of the Oskar Wehr KG (GmbH & Co) fleet of Germany in a liquidator-driven action to unidentified Greek interests, on subjects, for about $6m. It went to Technomar Shipping and is now the *Skylight*.

- Panamax bulker *Hermes Island*, Japanese flag, 74,867dwt, built 2012 in Sasebo HI, Japan, reported *Newsfront* Vol 17 Nr 19, as sold by Iino Marine Service of Japan to unidentified Hajioannou interests for between $13.5m and $13.8m. It went to Alassia Newships Management, is re-named *Cymona Energy* and now flies the Cyprus flag.

- The 1,700teu container ship *Guangzhou Wenchong GWS486*, Singapore flag, 21,900dwt, built 2016 in Guangzhou Wenchong, China, reported *Newsfront* Vol 17 Nr 20 and updated Vol 17 Nr 28, as sold by Buss Capital GmbH & Co KG of Germany to unidentified Greek buyers for $20.5m. It went to Capital Maritime, was re-named *Attalos I* and has since been sold on to unidentified Greeks for $20.5m. It was sold to Lomar Shipping, is re-named *Guangzhou Trader* and has raised the Maltese flag.

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While the failed coup by Turkish army officers forced alterations to the programmes of a number of cruise ships carrying thousands of clients, the disappointment at not calling in Turkey, July 16, by **Celestyal Cruises**' *Celestyal Crystal* was offset by passengers being able to spend a day in Samos followed by a vibrant performance in the evening by popular Greek singer, **Melina Aslanidou**, in the ship's packed Muses lounge. Photo (left-right): Dj Dimitris Sarantos, Melina Aslanidou and Stelios Xanthopoulos, advertising manager of radio station, Lampsi 92.3.

SHIP FINANCE

• **RBS** is secured for a total $40.4m against a loan facility out for three years and nine months to second half April 2020 on the 4,596dwt tanker *Syros*, built 2008, China and other fleet collateral in the **Aegean Bunkering Services**-managed fleet.

• **Safe Bulkers** has renegotiated terms on debt payments and the terms related to $40m in outstanding debt owed to Danish Ship Finance. Now Safe Bulkers will not have to make $2.7m annual interest expenses in 2017 and 2018. Annual interest expenses on the facility from 2019 through 2021 will increase to $3.2m, with the 2022 balloon payment increasing to $27m from $25.3m under the old schedule. Remaining interest expense for 2016 on the loan will increase from $1.2m to $3.4m under the new schedule.

The dry-bulk owner said the loan's covenants will now require that total liabilities must not exceed 90% of total assets through the end of 2017, with the ratio dropping to 85% from 2018 onwards. Likewise, the ratio of earnings before interest, taxes, depreciation and amortisation (ebitda) must be double the level of interest expense on a trailing 12 month basis, applicable from 2018 onwards.

Requirements for a minimum net worth, or total assets less total liabilities, is waived until the end of 2017, subject to Safe Bulkers keeping its minimum fleet size at 30 vessels. From 2018, Safe Bulker must maintain at least a $150m net worth.

The value-to-loan ratio of the ships financed under the facility must exceed 110% through the end of 2017, and exceed 120% from 2018 onwards.

The agreement with Danish Ship Finance is the fourth which provides for alignment of financial covenants and deferral of about $3.4m of debt originally payable until 2018, to years after 2019. With this agreement, the amended facilities represent about 60% of Safe's debt, excluding sale and lease back financing arrangements and debt from state institutions.

• **Nordea** bank has seen loan losses grow in the second quarter as it lines up a $9.25bn risk transfer. The Norwegian bank said provisions were €127m ($139.86m) to June 30, up from €103m, a year ago. Total operating income at €2.4bn was down from €2.52bn, while net profit of €996m, was up on the €952m of the year before. The bank said its credit quality remained solid.

There were individual losses on a few mainly oil and offshore related customers, as well as increased collective provisions related to the same sectors. The risk level has increased in oil and offshore-related credit portfolios and it will not improve in the second half of this year, the lender said.

SEIZURES

• No seizures to report this week.

AUCTIONS

• After being seized several times, last time by private creditors second half December 2015 in pursuit of a €75,780.50 claim in an action against the registered owners **Alfa Ferries NE** and set for auction in failed proceedings last time on February 3, 2016 the 3,040gt ***Aqua Jewel*** has once again been listed for hammering down, this time on **September 15, 2016**. Lying in Piraeus this 2002-built ferryboat is carrying start-up price of €2m.

• A US judge has ordered the sale of **NewLead Holdings**' bulker *Newlead Castellano* as part of the Greek shipowner's dispute with financial firms. In April, **Ray Capital** and three other lenders sued the owner, whose shares trade on the US over-the-counter market, over $7.17m in unpaid promissory notes NewLead has filed a counterclaim against Ray for failing use sales of company shares to pay back the notes and denies the other lenders' notes are in default.

District Judge **Randall Hall**, of the US federal court in Savannah, set an auction for August 8 for the

35,400dwt bulker, built 2013, which has been seized in the dispute. The judge also issued an order that granted NewLead's request to throw out the arrest of the vessel, but he denied the simultaneous request to left the attachment, another form of ship seizure under US maritime law.

The judge appointed US shipbrokers **Compass Maritime** and **Jacq Pierot** to carry out a valuation of the handysize bulker. The minimum bid will be set at 75% of the average of the two valuations. **VesselsValue.com** estimates the ship is worth $7.48m, while **Maritime Strategies International** values the ship as worth $9m in the third quarter.

FLEET FACTS

After a two year spell of decline in the number of vessels flying the Greek, April marked the second consecutive month there was an increase in vessels over 100gt according to data released by the Hellenic Statistical Authority (**Elstat**). This pleasant development saw the Greek-flagged fleet increase 0.2% in April 2016 compared to April 2015, which had recorded a decline of 2.2% compared to April 2014.

On the other hand however, the negative development of the last few months continues regards the home flagged fleet's GT. After holding its ground in March, in April there was a decrease of 0.7% compared to April 2015, which had recorded an increase of 1.4% compared to April 2014.

GREEK FIXTURES

The Baltic Exchange's main sea freight index, was on the up at the beginning of the week but it was not long before the 'big boys' caused the trend to reverse despite firmer rates for panamaxes and smaller vessels. However, but mid-week the strong performing panamaxes also began to struggle leaving the overall index, at 726 points, with a day of the week remaining, this was down some 40 points on the previous week.

The panamax index was at 850 points, with average daily earnings for panamaxes, at $6,801, off quite a lot over the first half of the week, but still ahead of those of nine months or so.

The capesize index however was dropping and at 906 had shed some 150 points, leaving average daily earnings of capesizes at $6,632 down from $7,481.

Among smaller vessels, the supramax index was rising and was at 701 points, while the handysize index was also in upward mode and was at 379 points and earnings at $5,400 per day were the highest since last October. Except for east coast America, rates in the main trading lanes have improved over the past week with supply-demand fundamentals seemly holding firm with owners feeling bullish for spot and forward cargoes, reported brokers.

According to a weekly note by the Baltic Exchange, rates were firmer in Europe and the Black Sea but lower rates reported in part of the Atlantic trades.

While the market is presently declining, ship brokers believe freight rates for large capesize dry cargo ships on key Asian routes could rise next week on higher volumes of iron ore cargoes. Australian iron ore miners **BHP Billiton** and **Fortescue Metals Group**, which have largely been absent from the chartering market of late could step up iron ore shipments on higher iron ore prices, say brokers. Iron ore cargo charters from Australia to China are now being fixed at $4.55 per tonne, signalling a flat market. This is equivalent to a daily TCE of around $7,500, Norwegian ship broker Fearnley said which is just above daily operating costs for a capesize ship.

Wall Street analysts shared a sigh of relief when **Capital Product Partners** revealed a rate cut for ships on charter to Hyundai Merchant Marine. – (See page 4). The **Evangelos Marinakis**-backed company will take a 20% drop on five container ships it has on hire to the South Korean company over the next three years before reverting back to the previous level. Analysts said the outcome of the charter negotiations could have been worse, with units in the company holding up well after investors discovered the news.

Jonathan Chappell of **Evercore**, said: "All told, a reduction of only 20%, though certainly not

ideal, is much better than the alternatives and means that CPLP's CDU should be well covered for the foreseeable future."

Cost of shipping oil through the Black Sea and Mediterranean fell after the failed coup in Turkey though there were no disruptions through Istanbul's vital Bosphorus Strait, which handles over 3% of global supply - mainly from Russia and the Caspian Sea.

Rates for tankers on the Black Sea to Mediterranean route fell to W69.45, on July 18, or $14,382 a day when translated into average earnings, Baltic Exchange data showed. That compared with W69.85 or $14,689 a day, July 15, the day of the attempted coup and W74.35 or $17,530 a day, on July 11. Reuters reported leading oil tanker owners saying there was no impact on transits.

Vast amounts of grains from Russia and Kazakhstan are also transported to world markets through the 17-mile waterway that connects the Black Sea to the Mediterranean while Turkey is an important consumer of commodities. Container shipping groups Maersk Line and MSC both said activity was unaffected.

TIME CHARTER

✦ *Sunrise* (built 2009), 37,268dwt, del Black Sea, t/c trip, $8,500 daily, redel US Gulf, Prompt, (Charterer not reported).

✦ *Pistis* (built 2004), 52,338dwt, del Rio Grande, t/c trip, $8,500 daily plus $90,000 BB, redel Singapore / Japan range, Prompt, (Louis Dreyfus).

✦ *Seahope II* (built 2010), 56,839dwt, del Paradip, t/c trip, $8,000 daily, redel EC India, Prompt, (Charterer not reported).

✦ *Clear Sky* (built 2014), 63,601dwt, del Chesapeake, t/c trip, intention wood pellets, $11,250 daily, redel UK / Continent range, Prompt, (Norden).

✦ *Flipper* (built 1999), 73,726dwt, del EC South America, t/c trip, $7,000 daily plus $270,000 BB, redel Singapore / Japan range, Aug 1 - 5, (CJ International).

✦ *Gallia Graeca* (built 2001), 74,133dwt, del Hong Kong, t/c trip via EC Australia, $7,000 daily, redel India, Prompt, (Charterer not reported).

✦ *Mythos* (built 2004), 74,195dwt, del China / Japan / Korea range, t/c 4 to 7 months trading, $7,000 daily, redel WW, Prompt, (Oldendorff).

✦ *Anthos* (built 2001), 75,120dwt, del Iskenderun, t/c trip via the Black Sea, $13,000 daily, redel Singapore / Japan range, Spot, (Glencore).

✦ *Rave* (built 2001), 75,230dwt, del China, t/c 4 to 7 months trading, $6,500 daily, redel WW, Aug 1 - 10, (Oldendorff).

✦ *Rena* (built 2011), 80,333dwt, del River Plate, t/c trip, $9,000 daily, redel Continent, Jul 21 - 30, (Azure).

✦ *Kerkyra* (built 2012), 81,376dwt, del Recalada / Tubarao, t/c trip, $9,000 daily, redel Ghent, Aug 1 - 10, (Cargill).

✦ *Pegasus* (built 2012), 81,852dwt, del EC South America, t/c trip, $8,000 daily plus $300,000 BB, redel Singapore / Japan range, Aug 1 - 5, (Cargill).

✦ *Antonis* (built 2013), 82,000dwt, del Kunsan, t/c trip via Gladstone, $7,800 daily, redel Japan, Jul 21 - 22, (K-Line).

✦ *Tyana* (built 2010), 82,158dwt, del Amazon River, t/c trip, intention bauxite or grains, $8,300 daily plus $230,000 BB, redel China, Jul 21 - 28, (Oldendorff).

✦ *Yiannis B* (built 2008), 82,562dwt, del Puerto Drummond, t/c trip, $9,500 daily, redel Pecem, Jul 21 - 30, (Uniper).

✦ *Madredeus* (built 2011), 98,681dwt, del China / Japan / Korea range, t/c trip via Weipa, $8,000 daily, redel Qingdao, Jul 25 - 30, (Rio Tinto).

STOCKWATCH PRICES

Company	Where traded	Date Day	7-day change	Year's high/low	1 year change	Company	Where traded	Date Day	7-day change	Year's high/low	1 year change
Aegean Marine	US	6.39	+0.01	12.03 / 5.00	-5.56	Kiriacoulis Med	GA	0.43	0.00	0.65 / 0.22	-0.22
Anek Lines SA	GA	0.07	0.00	0.10 / 0.04	+0.01	Minoan Lines	GA	2.40	0.00	2.45 / 2.00	+0.40
Attica Holdings SA	GA	1.03	-0.03	1.40 / 0.29	+0.52	Navios Holdings	US	1.18	+0.14	4.21 / 0.57	-2.83
Box Ships Inc	US	0.006	-0.001	0.22 / 0.006	-0.914	Navios Marit Acquis	US	1.60	+0.02	4.20 / 1.41	-2.46
Capital Product	US	3.95	+0.98	8.22 / 2.41	-4.15	Navios Marit Partners	US	1.58	+0.07	11.10 / 0.79	-9.02
Costamare Inc	US	9.48	+0.58	17.93 / 6.01	-8.15	Navios Midstream	US	12.97	+1.54	16.02 / 6.58	-2.94
Danaos Corporation	US	4.58	+0.24	6.64 / 2.70	-1.28	Nel Lines	GA	0.07	0.00	0.07 / 0.04	+0.03
Diana Containerships	US	4.16	+0.17	16.80 / 2.48	-2.16	Neorion Syros	GA	NT	NT	0.00 / 0.00	NT
Diana Shipping	US	3.12	+0.02	7.96 / 1.95	-4.48	Ocean Rig	US	2.29	-0.35	4.42 / 0.66	-1.87
Dorian LPG Ltd	US	6.90	-0.22	16.49 / 6.85	-9.28	OLP	GA	13.38	+0.54	16.54 / 10.50	+0.07
DryShips	US	0.58	+0.14	15.25 / 0.40	0.00	OLTh	GA	20.20	+0.95	26.78 /18.70	+0.40
Dynagas LNG Partners	US	13.96	-0.19	15.72 / 6.70	-0.94	Paragon Shipping	US	0.72	0.00	45.60 / 0.20	-0.41
Euronav NV	US	8.93	+0.06	16.64 / 8.48	NA	Pyxis Tankers Inc	US	2.97	+0.15	4.30 / 0.55	NA
Euroseas	US	2.25	+0.39	7.14 / 1.40	-4.95	Safe Bulkers	US	1.26	+0.01	3.87 / 0.30	-2.37
GasLog Ltd	US	13.34	-0.25	16.11 / 5.24	-2.58	Seanergy Maritime	US	3.21	+1.11	5.64 / 1.10	+2.18
GasLog Partners	US	20.02	+0.08	21.28 / 9.57	+0.02	Star Bulk Carriers	US	4.45	+0.67	16.05 / 1.55	+1.38
Genco Ship & Trading	US	7.05	+0.28	77.00 / 4.50	-0.47	Stealthgas	US	3.16	-0.24	6.09 / 2.39	-2.51
Gener8 Maritime Inc	US	6.11	+0.51	14.42 / 4.81	-7.96	TEN	US	5.38	+0.18	10.10 / 4.48	-4.18
Globus Maritime Ltd	US	0.56	+0.12	1.78 / 0.05	-0.89	Top Ships	US	3.22	+1.63	12.40 / 1.30	+2.09

Where traded: **US**=United States of America; **GA**=Greece; **UK**=United Kingdom
Prices: In currency of country where stock is traded: US **$** – GA **€** – UK **pence**
NA: Not yet traded for full year **NR:** No record available of the year-back price **NT:** Not being traded at the moment.

Prices as of 21/07/2016

✦ *Shine On* (built 2015), 179,406dwt, del North China, t/c trip via Australia, $8,750 daily, redel Singapore / Japan range, Prompt, (Pacific Bulk).

✦ *Q Amreen* (built 2015), 180,000dwt, del Cape Passero, t/c trip via Seven Islands, approx $15,250 daily, redel Japan, Jul 27 - 29, (NYK).

✦ *Alexandra P* (built 2009), 181,255dwt, del Hamburg, t/c trip via Bolivar, $5,800 daily, redel Skaw / Cape Passero range, Prompt, (Classic Maritime).

VOYAGE

✦ *Marinicki* (built 2005), 80,000 met tons, 10% moloo ore Yuzhny / Rotterdam, $4.95 per met ton, Fio, l/d 30,000shinc / 25,000shinc, Aug 4 - 7, (Ferrexpo).

✦ *Cape Brazilia* (built 1996), 150,000 met tons, 10% moloo coal, Richards Bay / Gangavaram, $6.55 per met ton, Fio, l/d scale / 30,000shinc, Aug 10 - 18, (DHL).

✦ *Angel II* (built 2012), 170,000 met tons, 10% moloo ore, Port Hedland / Qingdao, $4.55 per met ton, Fio, l/d 80,000shinc / 30,000shinc, Jul 29 - 30, (BHP Billiton).

✦ *CE-Duke* (built 2001), 170,000 met tons, 10% moloo ore, Dampier / Qingdao, $4.25 per met ton, Fio, l/d scale / 25,000shinc, Aug 10 - 15, (Rio Tinto).

✦ *Nicolemy* (built 2014), 170,000 met tons, 10% moloo ore, Acu / Qingdao, $9 per met ton, Fio, l/d scale / 30,000shinc, Aug 23 - 27, (Anglo American).

✦ *Olympic Hope* (Sinochart re-let) (built 2016), 170,000 met tons, 10% moloo ore, Port Hedland / Qingdao, $4.55 per met ton, Fio, l/d 80,000shinc / 30,000shinc, Jul 29 - 30, (BHP Billiton).

LEGAL OPINION

Off shore companies – Legal status in Greece

An individual had incorporated an offshore entity to act as treasury company for amounts saved. After his death, the shareholders of the company were his wife and three children. The company was administered in Greece, and had no other activity.

The wife had withdrawn an amount higher than 25% of the funds deposited, which she donated to the defendants' side. The wife died and the company was dissolved and liquidated, each remaining party receiving 1/3 of the amount left in the account. The plaintiffs, whose share was reduced because of the withdrawals, sued the other shareholders / account holders, who had received donations from the wife, seeking the funds corresponding to their share.

The Court did not accept the withdrawals took place within the context of the company's operation. It considered the company as invalid, and it treated it as a civil partnership without legal status. So, it held that the funds belonged to the individuals appearing as shareholders and, in the absence of any agreement to the contrary, they owned the funds in equal parts. The wife being entitled to her portion only, had no right to withdraw more and the excess amount was recoverable. The shareholders / account holders who received the excess amounts were found liable to return to the plaintiffs the part corresponding to their share (the plaintiffs were heirs of one shareholder/ account holder).

Supreme Court Judgment no 201/2014, Presiding: A. Koutromanos, Rapporteur Judge: Ch. Evangelou, Attorneys at law: K. Koutsoulelos, I. Vrellos, Maritime Law Review vol. 43, p. 38.

NOTE: An offshore company managed in Greece is considered as invalid, except where it is established in Greece under laws 89/67 or 27/75 or are, or were, owners or managers of Greek-flag vessels. In such a case they are ruled by the law of their place of incorporation. In any other case they are considered as de facto partnerships (if they have commercial activity) or, as in this case, as civil partnerships without a legal status.

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FROM THE MARKETPLACE

■ A shipowner and a ship agent have been found guilty of participating in the smuggling of more than two tonnes of heroin into Greece aboard the cargo ship *Noor 1* in 2014 but not guilty of running a criminal organisation. **Makis Yiannousakis**, owner of the *Noor 1*, and **Giorgos Bourdouvalis**, the agent, along with another seven defendants, three Greeks, three Turks and an Iranian national have been found guilty.

In the summer of 2014, authorities seized 500 kilos of drugs at Yiannousakis' residence in Filothei, northern Athens. Bourdouvalis was responsible for the cargo ship's lease, the court heard. Most of *Noor 1* crew members were acquitted, while the shipowner's ex-wife, her mother and a maid were also cleared.

■ Weather permitting, in the coming days salvors **Five Oceans Salvage** could attempt to shift the 44,183dwt bulker *Benita* which ran aground off Mauritius, June 17. Earlier plans to use explosives to dislodge the ship were abandoned.

The Athens-based **Unit Maritime**-owned *Benita*, which ran aground after a crew member was said to have suffered "a serious medical episode" that led to an attack on a fellow seafarer, is in a stable condition says Five Oceans. Bad weather has hampered the salvage operation.

Over 200cumtr of contaminated fuel and lubricants have been removed ashore, the salvage company said, adding tugs remain on site in order to prevent *Benita* as she is battered by bad weather.

■ Piraeus Port Authority's (**PPA**) drive to grow home porting of cruise ships in Piraeus seems to be reaping rewards. This past week, **Carnival Cruise Lines**' 5,300 passenger, *Carnival Vista* home ported and the co-operation with Carnival is expected to see some 50,000 passengers move through Piraeus during the 2016 summer. Carnival's new ship, has already helped boost home porting figures in Piraeus by 14% compared to 2015.

The PPA said benefits from increased cruise traffic infuse both local communities and the national economy, especially when they come from cruise itineraries using Greek ports as ports of departure. Carnival is just one company using Greece. **Celestyal Cruises**, **Azamara Club Cruises**, **Celebrity Cruises**, **Princess Cruises**, **Cunard Line**, **Costa Cruises**, **Seabourn Cruise Line** are also using the country for client turnaround.

In order to achieve a seamless ship and passenger service the PPA undertook and implemented timely the completion of projects and covered areas of 7,500sqmtr able to safely handle over 10,000 passengers at a time. The works were conducted in areas within and outside the Themistoklis passenger terminal and incorporated a new indoor passenger waiting area able to seat 1,000 passengers in an air conditioned environment, and equipped with 60 check-in points and posts for passenger and luggage sscreening. Further, the first floor of the departure hall is a special waiting room and control (x-rays) of the ship's crew.

■ **Navios Maritime Holdings**' shares were among the dry bulk stocks to gain on Wall Street this week. **Peter Georgiopoulos**-led Genco Shipping & Trading (**Genco**) jumped almost 18% on the NYSE at closing of July 21, at $7.05. **Angeliki Frangou**'s Navios Maritime Holdings, continued its improvement, up 10% to reach $1.18.

■ Tsakos Columbia Shipmanagement (**TMC**) has strengthened its collaboration with **Seagull Maritime** to bring its in-house 'Tanker Competence and Promotion Management System' (TCPMS) to its fleet of 55 tanker vessels through Seagull's Competence Manager.

TCM has been a user of Seagull's e-learning modules and crew evaluation tests since 2004, with fleet-wide implementations since 2008. Seagull products are also used in its various manning offices worldwide, as well as in the **Maria Tsakos TCM Academy**, where they have been used since its establishment in 2013.

The TCM's Capt **Panagiotis Drosos** and **Sokratis Dimakopoulos**, said "the competence of our seagoing personnel is considered as the key success parameter for our company and as such we are making a lot of efforts, and we allocate significant resources to ensure that we attract, train and retain competent personnel". They added: "To this effect the implementation of the TCPMS, which sets out specific work-related competencies required for each officer to advance to the next rank, is expected to provide an additional value to our human resource management system in line with our standing objective for continual improvement."

■ Greek ferry operators continue to introduce initiatives to help the communities of the Aegean islands. Last month **Blue Star Ferries**, part of the **Attica Group**, in cooperation with the local authorities and the local hoteliers' associations announced a 30% reduction in ferry tickets for passengers and vehicles to the islands of Lesvos, Chios, Leros and Kos. Passengers have to provide proof of at least four overnight stays at a local certified hotel.

Now **Hellenic Seaways** in cooperation with the local authorities of Samos is offering a 30% reduction in ferry tickets for passengers and vehicles to the island in a vacation package that includes overnight stays at local hotels and certified accommodations.

■ The 42-berth cruise ship *Harmony G*, built 2001, suffered damage on both sides when hit by a ferry on July 18. Controlled by Athens-based **Zeus Group** the cruise ship was not carrying any passengers when hit by the 4,225gt ferry *Mare di Levante*, built 1984, during manoeuvring at the port of Kyllini on Greece's west coast.

The ferry had 660 passengers and 37 crew onboard and was trying to moor. No injuries were reported as a result of the collision. *Mare di Levante* is owned by **Levante Ferries**, part of the **Ionian Group**.

■ Iran's Energy ministry has approved the provisional agreement signed by in January by the National Iranian Oil Company (**NIOC**) and Hellenic Petroleum (**ELPE**), and wants to expand it said Iranian deputy Foreign minister **Majid Takhty Ravanchi**, during his recent visit to Athens.

Ravanchi expressed satisfaction with the response of ELPE to the implementation of the deal with NIOC for two loads of 1m tons of crude oil per month and the gradual repayment of ELPE's debts to NIOC, of $600m. Iran has so far received $400m, paid in cash due to the reluctance of European banks to approve payments to Iran (in spite of the lifting of the embargo) and due to the non-recognition by Iran of the letters of guarantee by Greek banks.

In an effort to overcome these obstacles and increase the Iranian crude quantities, the Greek side has proposed Iran either accept the letters of guarantee from the **National Bank of Greece** or open an Iranian bank branch in Athens to serve transactions between the two countries, as well as those between Iran and other European Union states.

Sources say that the process for opening an Iranian bank in Athens is already at an advanced stage, though international developments in the credit sector due to the UK's forthcoming exit from the EU have delayed progress.

Ravanchi also expressed his country's interest in refining Iranian oil at the installations of ELPE for Tehran but this was rejected as ELPE does not have the capacity.

■ Privatisation of Greece's gas grid operator **DESFA** sold to Azeri state company **Socar**, has reached a critical point. The Greek side is insisting on an amendment that will change the network use rate, which would affect the company's future revenues. Socar, the chosen bidder, opposes this and, as a result, the sale of the DESFA's 66% stake to Socar is at risk of falling through.

Sections of the Greek media note the amendment has the approval of Prime minister **Alexis Tsipras** and believe it is aimed at breaking the agreement signed two years ago with Socar.

■ Three engineering officers and Piraeus-based **Aegean Shipping Management** and **Aegeansun Gamma** of the Marshall Islands are to be arraigned in Charleston, US, on July 26, with obstruction of a US agency proceeding, conspiracy and failing to keep accurate pollution control records.

The charges stem from a US Coast Guard (**USCG**) investigation last August into the bypass of pollution prevention equipment, including the use of a "magic device," aboard the Aegean Shipping-controlled 50,880dwt chemical tanker *Green Sky*, built 2014.

Aegean Shipping and the vessel's registered owner, Aegeansun Gamma, were charged with failing

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The Editor welcomes for possible publication your faxed or e-mailed news on business done, presentations, seminars, social events and other activities involving or likely to be of interest to the Greek shipping market.
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to maintain an accurate oil record book as required by the Act to Prevent Pollution from Ships (APPS), a US law which implements Marpol.

The companies were also charged with falsification of records, obstruction and conspiracy. The three officers were charged with aiding and abetting the failure to maintain an accurate oil record book, falsification of federal records and conspiracy.

■ Piraeus-based physical bunker supplier Aegean Marine Petroleum Network (**AMPN**) has raised the South African flag on the 6,321dwt products tanker *Lefkas*, built 2010, which is serving AMPN's new offshore bunkering venture out of Algoa Bay in South Africa. Registered in Port Elizabeth, *Lefka* has switched from the Liberian flag. AMPN's 6,311dwt products tanker *Leros*, built 2010, and the 66,895dwt products tanker *Umnenga* (ex-*Velopoula*), built 1993, are stationed in Algoa Bay, the latter serving as a storage vessel to refuel the bunker tankers.

AMPN's offshore bunkering operation targets ships operating on routes via the Cape of Good Hope to Europe, the Americas, Asia, Australia and both coasts of Africa. It was the first company to obtain permission to operate this service. The operation has three bunkering tankers operating out of Algoa Bay and the company has said it would invest $110m in the project that also includes basing a storage vessel in the bay to refuel the bunker tankers.

■ **Wartsila** posted net earnings of €41m ($45.1m) from April to June, compared to €109m at the same stage of 2015, as its net sales dropped 3% to €1.2bn. **Jaako Eskkola**, president and ceo of Wartsila, said: "Net sales remained broadly in line with the previous year, while the lower level of power plant deliveries and tight competition in the energy markets burdened our operating result." Wartsila managed to boost its order intake from €1.16bn to €1.2bn in the second quarter.

The company has remained its outlook for 2016 unchanged and expects its net sales to grow by up to 5% with profitability of around 13%. Wartsila said vessel contracting activity has weakened in the first half of the year and the only segments that remain at a good demand level are cruiseships and ro-ro ships.

■ Italian classification society **RINA** has closed its acquisition of the entire share capital of **Edif Group Ltd** for £118.5m (€151m). RINA said high levels of synergy can be seen between Edif and RINA's services, complementing and expanding RINA's existing industry services and geographic network. This strategic acquisition also allows RINA to branch into new areas within its industries and geographies, providing an enhanced service offering to new and existing clients. This growth will provide extensive global coverage and strengthen RINA's presence in key sectors, including defence, energy, transport, environment and infrastructure.

Edif Group is a provider of a diverse range of technical inspection and engineering consultancy services designed to reduce risk, optimise performance and enhance capability within multiple industries. Edif is headquartered in London, UK, and has 2,500 associates in over 20 offices internationally, including the UK, the US, Germany, Italy, Canada, Saudi Arabia, China, Singapore, Australia and South Africa.

With this deal RINA's turnover reaches about €500m with an Ebitda close to €65m enabling the company to possibly go public in the medium term.

■ There has been an improvement in the piracy and armed robbery situation in Asia reports the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (**ReCAAP**) in its half yearly review.

The period January to June saw the largest decrease in number of incidents compared to the same period in the past four years of 2012-2015 as the number of incidents reported decreased 64% compared to the same period in 2015, with only 41 incidents reported compared to 114 in 2015.

The decline in incidents was most evident in the Straits of Malacca and Singapore, where one incident was reported compared to 55 incidents during the same period in 2015. Two incidents involved hijacking of tankers for oil cargo theft compared to 10 during the same period in 2015.

Four incidents in the first half of the year involved the abduction of crew from tug boats. These incidents, along with another seven, involved the crews being physically mistreated.

ON AND OFF THE AKTI MIAOULI

PEOPLE & PLACES

■ The leadership of Greece's short sea shipping sector, July 14, met with Economy, Development and Tourism deputy minister, **Theodora Tzakri**, as part of the sector's drive to kick-start Greece's floundering shipbuilding sector through the renewal of the Greek short sea fleet. **Charalampos Simantonis**, Hellenic Shortsea Shipowners Association (**HSSA**) president; **Michalis Sakellis**, Association of Greek Passenger Shipping Companies (**SEEN**) president; and **Panagiotis Zacharioudakis**, md of **Europa Venture Ltd** met with the minister and submitted a number of proposed action plans aimed at stirring up interest in shipbuilding in Greek shipyards within the context of the Europa Ship Plan (**ESP**) project which is being promoted within Europe by Greece to encourage the building of ships in Europe. – See story page 1.

■ **Michalis Sallas** resigned as chairman of **Piraeus Bank**, July 20, during an emergency board meeting. The board appointed Professor **Harikleia Apalagaki** as interim chairman. Sallas, at the helm of the bank for 25 years, was named 'honorary chairman' by the board. In 1991, Sallas was at the helm of a group of Greek businessmen that took over Piraeus Bank from the public sector. In his resignation letter, Sallas said it was necessary for new managers to take the bank forward following the recent recapitalisation of Greek lenders. According to **Petrofin Research**, Piraeus Bank is the largest domestic lender to Greek shipping with a portfolio of $3bn, though its exposure to shipping has declined by over 20% due to bank sales. The bank is said to be the main holdout among shareholders resisting attempts by **Emmanuel Grimaldi**-controlled ferry operator **Minoan Lines** to gain control of **Hellenic Seaways**. The bank is the prime lender to Hellenic as well as holding 31,388,080 shares, or 40.4% of the company.

■ While the failed coup by Turkish army officers forced alterations to the programmes of a number of cruise ships carrying thousands of clients, the disappointment at not calling in Turkey, July 16, by **Celestyal Cruises**' *Celestyal Crystal* was offset by passengers being able to spend a day in Samos followed by a vibrant performance in the evening by popular Greek singer, **Melina Aslanidou**, in the ship's packed Muses lounge. Indeed, Aslanidou said: "The experience Celestyal Cruises gave me was of great value and the ship's staff and the audience created a very warm atmosphere embracing the concert and each song providing the authentic Greek experience we have all missed." Aslanidou also had time to enjoy life on board lolling around on *Crystal*'s outside decks accompanied by leading DJ, **Dimitris Sarantos** and **Stelios Xanthopoulos**, adverising manager of radio station, Lampsi 92.3.

■ The near 5,000 passengers and 1,600 crew on the cruise ship *Carnival Vista* received a pleasant surprise when the ship docked, July 19, in Piraeus, as the Piraeus Port Authority (**PPA**) arranged a cultural action with a performance by the Piraeus Municipal Theatre and traditional dances from the dance of the cultural association of Keratsini, **Thymiatadai**. The event launched a co-operation

between the PPA and the Municipal Theatre of Piraeus with the show "Greece - Climbing the sea", a composition of texts from ancient tragedies and poems on a journey where the ancient Greek theater meets poetry and the Greek traditional folk music. Thymiatadai traditional dances roused the tourists who tasted Greek cheeses, crackers, olives, and drank raki. The event was a preview of what to expect on ship arrivals this tourist season. PPA dg, **Stavros Hatzakos**, said: "In addition to the efforts constantly made on our part, through trade agreements and the implementation of investments to attract more and more cruise ships and increase home porting in Greece, actions like this with the Municipal Theatre of Piraeus enhance the attractiveness of the Greek tourism product."

BULLETIN BOARD

■ The Hellenic Management Centre (**HMC**), official educational provider of the Institute of Chartered Shipbrokers (**ICS**) in Greece, is now open for enrollments in the annual professional maritime programme set to begin in **September** and leading to ICS membership, the only internationally recognised professional qualification. The programme consists of seven modules, taught over two academic semesters. The first semester introduces candidates to the four compulsory modules, that offer a comprehensive overview of the shipping business through lectures, workshops, essays and courseworks. These are: Introduction to shipping; Shipping business; Economics of sea transport; and Legal principles in the shipping business. During the second semester candidates can choose up to three optional modules, in order to gain in-depth knowledge in the field of their interest. The modules offered are: Dry cargo chartering; Tanker chartering; Ship s&p; Ship operations and management; Shipping law; Marine insurance; Shipping finance; Liner trades; Port agency; Port and terminal management; Logistics and multi-modal transport; and Offshore support industry. The programme is open to shipping professionals who wish to upgrade their theoretical and practical background and certify their expertise and merchant marine officers seeking to enhance their sea going experience and practice with theoretical and commercial knowledge. Further, graduates and professionals of finance, management, legal and engineering background, who wish to enter the shipping industry. The programme runs from September to May and classes are scheduled twice a week, evening hours : 19:00-21:30. Further information: HMC, 1 Platonos & 18 Sotiros Dios Streets, 185 35 Piraeus, Tel +30 210 4125 945 / Fax +30 210 4125 947 / E-mail: helmc@otenet.gr

■ Lloyd's Register (**LR**) has released its programme for marine training courses for September to December 2016. Here is the list of September courses, for which there is a 10% reduction in the fee for those registering 10 days before each course. Risk management & incident investigation, **September 15 - 16**; ISM Code & ISPS Code internal auditor, **September 20 - 22**; Practical approach to STCW and crewing, **September 23**; ISO 9001, ISO 14001, OHSAS 18001 internal auditor for the shipping industry, **September 26 - 28**; ECDIS appreciation & awareness, **September 27**; The ISM Code and the designated person ashore (DPA), **September 29 - 30**. Further information related to training contact: I. Iakovou / Jenny Filippakou, marine training manager and marine training business specialist, respectively on Tel: 210 4580 819 / Fax: 211 2686 941 / E-mail: lloydspiraeustraining@lr.org

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