

DAILY SHIPPING NEWSLETTER 2003 – 035



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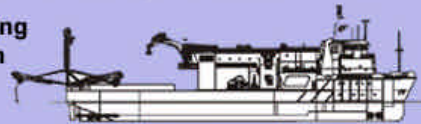
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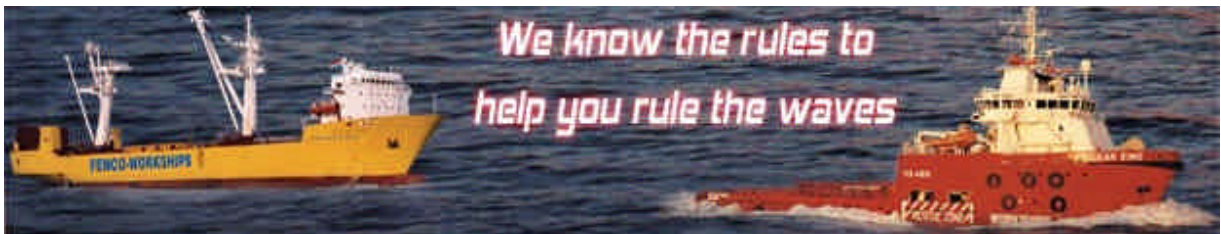
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This photo showing a sinking Iraqi fishing vessel named the **Kaptain Muhamad** whose crew was rescued by the Navy Destroyer **USS Gary** in the southern Gulf, Thursday evening March 14, 2003. U.S. sailors responding to a radio distress call rescued eight Iraqi fishermen after their boat sank Thursday in the southern Persian Gulf, a senior Navy officer said.

Alstom to seek partner

FRENCH industrial group Alstom will seek a partner for its marine division, which includes St Nazaire shipyard Chantiers de l'Atlantique, if the cruise ship market does not pick up soon. The move is part of a large scale restructuring plan announced in Paris yesterday to re-float the group, which chalked up a €5Bn (\$5.5Bn) debt and losses of about €1.4Bn for 2002. A spokesman said the €900M provision made for the marine division would keep it afloat in the short term, but if the cruise ship market does not recover, it will not suffice. "The search for a partner, in France or abroad, or the setting up of an alliance, will have to be actively pursued," she said. Observers in France have identified state-owned naval ship builder DCN (Direction des Constructions Navales) as one possible partner. Chantiers is currently building three cruise ships including the giant Queen Mary 2, but Alstom Marine has failed to secure a single new cruise ship order for two years. The LNG market, in which Alstom has substantial expertise, has also proved disappointing.

Philippine operators suffering

DOMESTIC liner operators in the Philippines have urged the government's Maritime Industry Authority (Marina) to "act immediately" on their request for freight and passage hikes. The Domestic Shipowners' Association (DSA) representing the liner sector wants to raise rates by six per cent, which it says is in line with Marina regulations. It has also pointed out that the last hike was over two years ago in October 2000. The association has stressed that domestic lines have been absorbing significant losses over the past few months due to the fuel price increases and higher operational costs. "Shipping lines are bleeding," the association said. It has drawn attention to the fact that automatic rate adjustment for both freight and passage rates is provided for as a fuel adjustment factor when price increases by ten per cent or more. From January 2003 the fuel oil prices rose 20-25 per cent, DSA said.

Farstad comments on the market

Farstad, the Norwegian offshore vessel operator says it anticipates that demand for supply vessels in the North Sea is likely to run at the same level in 2003 as in 2002.

In its latest financial statement, Farstad said decreasing demand for supply vessels and delivery of several newbuildings was influencing rates, especially in the last part of the 4th quarter. "Statistics for the total North Sea tonnage show an average utilisation of 91 per cent for the 4th quarter, which should have given a better rate level in the spot market than achieved," said the company.

"An explanation is that vessels on firm contracts periodically were traded in the spot market due to surplus capacity by the charterers. This surplus capacity has also led to canceling vessels on term contracts and for several contracts options to extend contracts has not been declared." Farstad said the average utilisation ratio for 2002 was 92 per cent compared to 94 per cent in 2001.

Farstad went on to say that with a large number of newbuilds due to be delivered rates are likely to remain under pressure, and said a net departure of tonnage from the North Sea was needed to restore what it called "market balance."

Largest deck in the Gulf leaves McDermott yard

After 23 months of construction of the largest deck ever built in the Arabian Gulf, project staff at J Ray McDermott's Jebel Ali fabrication facility bid farewell to the 12,125-ton Amenam Kpono AMP1 production platform as it embarked for Nigeria last month. Traveling a distance of some 7,360 miles, the platform was expected to take 28 days to arrive.

The integrated deck was constructed for Elf Petroleum Nigeria Ltd. under a contract to a consortium led by Saibos CML, for the Amenam/Kpono field, located approximately 19 miles off the coast of Nigeria - in waters 131ft deep. "Amenam was a turnkey - Engineer, Procure, Construct, Install (EPCI) undertaking by the project consortium - J Ray McDermott's involvement was fabrication of the AMP1 jacket and deck," said Kurt Nelson, vice president and general manager of J. Ray McDermott, Eastern Hemisphere operations.

"The construction of the AMP1 production platform was fast-track, and there are few yards in the world capable of fabricating a deck of such magnitude, within such a time frame," explained Nelson.

"We designed the project execution plan to comply with the client's schedule and to deliver with uncompromised commitment to safety and quality, so that the deck could be pre-commissioned before it left our yard." Throughout the entire project several million man-hours were spent constructing the deck, with only one minor lost time incident - a considerable success - given the nature and complexity of the project.

"The completion of this size facility for export to West Africa is certainly an achievement. Our skilled workforce and specialists have produced first class, quality work and I am extremely proud of their contribution to the project's success," said Nelson. The AMP1 deck, constructed as a single piece, comprises three decks - a weather deck, mezzanine deck and main deck - with an additional, smaller cellar deck and an integrated four level building. Built as separate deck levels this lead to a series of impressive lifts when the levels - ranging from 1,000 to 1,500 tons each - were stacked one on top of the other, a procedure adopted to maximize productivity by enabling simultaneous work on all three decks. The associated jacket with appurtenances of 3,700 tons was also fabricated at J Ray's Jebel Ali yard. The design production and processing capacity of the facility is 130,000 barrels of oil per day, with gas and water injection per day of 15 million m³ and 12,500 m³ respectively.

CASUALTY REPORTING

Queen of Esquimalt



The **Queen of Esquimalt** had a rough "Landing" when she arrived at her dock at Tsawwassen in the early morning hours Friday morning at the end of Thursday's nites final departure from Duke Point.

She Sustained damage to the Part of the Main Car deck that extends out from the Bow. I am not sure of what they call it, but the shore ramp rests upon it while the ship is in port.

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Repairs are been made to the ship today as shown on the Local Tv News Station. As a result the 5:15 am sailing from Tsawwassen and the 12:15 pm From Duke Point was cancelled. The **Queen of Vancouver** was put into service as a replacement for the afternoon shift.

SHIPYARD NEWS

Vessel orders to surge to record high

Korean shipbuilders said that their orders for vessels in 2003 would surge to an all-time high of over 11 million compensated gross tonnage, (CGT) - displacing Japan as the world's largest shipbuilder.

In the first two months of this year, vessel orders placed with Korean shipbuilders reached a record 5 million gross tonnage (GT), more than double the figure recorded for the same period in 2000 when the nation saw soaring orders. Five million GT converted into CGT - a standard measurement used to gauge ship orders - would be equivalent to a fourth of 2000's order volume of 10.5 million CGT, and a third of last year's order volume of 7.59 million CGT.

This year, domestic shipbuilding companies expects shipbuilding, exports and orders to show stable growth as they are currently contending with a backlog of orders that date back to 1999. In the four years prior to 2002, Korea commanded a sizeable portion of the world's shipbuilding market, having taken the No. 1 spot from Japan in 1999 and 2000. It is believed that if this trend continues, 2003's year-end total for vessel orders will be higher than the expected 7.5-7.7 million CGT set by local shipbuilders such as Hyundai Heavy Industries and Samsung Heavy Industries. In the January-February period, Hyundai Heavy Industries and Samsung Heavy Industries both recorded a two-fold rise in orders, compared to the same period in 2000.

The current boom in the shipbuilding business that came to a virtual standstill in the wake of the September 11 terrorist attacks in 2001 is mainly attributed to a global recovery in the oil industry and worldwide demand for oil tankers. Since November last year when an oil supertanker ran aground off the coast of Spain and leaked 17,000 ton of oil into the sea, demands for safer double-hulled tankers have shot up, as they are deemed safer than single-hulled vessels.

Historic shipyard to close after 100 years

About 1,000 people attended a ceremony Wednesday in which the Maritime Self-Defense Force



received a 4,600-ton destroyer, the **Takanami**, the last ship built at a century-old dockyard in Yokosuka, Kanagawa Prefecture, that will close at the end of the month.

left : Artist impression of the new **TAKANAMI** class destroyers

The dockyard, popularly known as Uruga Dock, is owned by Sumitomo Heavy Industries, Ltd. It is located in the city's Urugacho area, known as the birthplace of the nation's shipbuilding industry.

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Toward the end of the Edo period (1603-1868), when U.S. Commodore Matthew Perry anchored his ship off Uraga in 1853, the Tokugawa shogunate built a shipyard there.

Uraga Shipyard, the predecessor of Sumitomo Heavy Industries, was established in 1897. Since then, the plant has manufactured more than 1,000 ships, including former Imperial Japanese Navy destroyers and ferries for the routes connecting Hokkaido and Aomori.

But the decision was taken to close the shipyard due to the reorganization of the shipbuilding industry. The shipyard will merge with the Yokohama factory of a ship and marine company set up in October. The dockyard has many features of great historical interest, including large cranes and a huge sliding berth used to build large sailing vessels.

Regarding the use of the land after the dockyard's closure, a citizens group chaired by historian Shoichi Yamamoto has been set up with the aim of preserving the facility by turning it into an outdoor museum of shipbuilding technology. University presidents and Masatoshi Koshihara, Tokyo University professor emeritus and winner of last year's Nobel Prize in Physics, hailed the move. But Sumitomo Heavy Industries is expected to remove the cranes and other dockyard features by the end of the month for safety reasons.

Keppel Offshore Lands \$95 Million in Contracts

Keppel Singmarine, the specialized shipbuilding division, will build three 60-ton bollard pull Anchor Handling Tug/Supply (AHTS) vessels, one for Hadi H. Al-Hammam Establishment (Hadi) from Saudi Arabia while the remaining two for Pacific Richfield Marine Pte Ltd (PRM), a Singapore-based customer. These vessels will be completed in the first quarter of 2004. Keppel Singmarine has delivered two AHTS vessels to Hadi in the last two years, and is currently building a 140-ton bollard pull purpose-built AHTS vessel for PRM. This vessel is due for delivery in the last quarter of 2003. The remaining contracts are for upgrade of **ENSCO 57** and remedial work on **ENSCO 52** by Keppel FELS Ltd (KFELS) and the enhancement of **ENSCO 82** by AMFELS Inc., for repeat customer, ENSCO Offshore Company.



The upgrading on **ENSCO 82** will be carried out in AMFELS Inc, Keppel's yard in Brownsville, Texas and is expected to be completed by November 2003. This project is similar to the upgrade of **ENSCO 81**, which is currently being carried out by AMFELS scheduled for completion in early March 2003.

The scope of work on **ENSCO 82** includes enhancement to its drilling capability comprising a new derrick, drawworks, top drives, third mud pump and the refurbishment of its jacking, piping and electrical systems. Keppel FELS in Singapore will undertake the work on **ENSCO 52** and **ENSCO 57**. The scope of upgrade work on **ENSCO 57** entails legs and spud-can enhancements, changing of main engines and the refurbishment of the quarters. The duration of this project is about five months. **ENSCO 52** will undergo one-month period of remedial and upgrade work, which includes installation of new cranes, installation of zero discharge system and the refurbishment of the helideck.

Spanish builder in major cutback

SPANISH shipbuilder HJ Barreras is to shed two-thirds of its workforce over the next three years as a result of lack of orders. Chairman Francisco Gonzalez Viñas confirmed the yard would reduce numbers from 330 to 120 between 2003 and 2006. "We have started negotiations with unions. The reduction of staff will be made gradually and will include early retirement plans," he said. Viñas told Fairplay he attributed the decision to the current EU shipbuilding crisis. "Europe must provide protection for its shipbuilders; shipbuilding in Europe is no longer competitive," he explained. Viñas warned that Europe

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was losing engineers and technicians as a result of the move of world shipbuilding to Eastern Europe and Asia. "The ferries on order will be the last ships entirely built at Barreras," he said. "The crisis means we are obliged to cut our workforce in order to safeguard profits." Barreras posted a profit of €3M (\$3.3M) last year on turnover of €193M.

Contract awarded for FRDC for Simon Mokster standby vessel

Langsten Shipyard (part of the Aker shipyards group) has awarded a contract to Maritime Partner in Norway for a Fast Rescue Daughter Craft (FRDC), a rescue boat and a tug to tow offshore oil booms for Simon Mokster's new safety standby vessel, which will be chartered to Statoil for the Haltenbanken area to perform standby duties. The craft selected is a MP-1111 WJ FRDC, a waterjet driven daughter craft, along with a MP-741 Springer fast rescue boat and one Weedo 710 tug. The FRDC is a highly specified version of the MP-1111/1211 family. The newbuild for Mokster is due to be handed over in mid-2003.

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Box rates slowly improving: Hanjin

A CONTAINER freight index maintained by Korean liner operator Hanjin Shipping is suggesting rates are continuing to improve. In February, traditionally regarded as a slack month, Hanjin's index rose by 18 per cent to 106 compared to 88 for the same month in 2002. The February index is also three per cent higher than for January 2003, when the index stood at 102. The rising trend is seen as reflecting an improvement in the supply-demand situation and an acceptance by shippers of the need to restore freight rates. Along with other major lines, Hanjin plans to raise freight rates in the eastbound trans-Pacific route by \$525 per TEU and \$700 per FEU from May 1. Rates for westbound containers for Asia-Europe will rise by \$150 per TEU and \$300 per FEU from April 1. Volumes have also picked up with Hanjin ships carrying 389,000 TEU for the first two months of 2003, ten per cent more than for the same period in 2002.

NAVY NEWS

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The U.S. aircraft carrier **USS Carl Vinson** sits anchored near the port of Pusan, about 450 km (281 miles) southeast of Seoul, March 14, 2003. The **Carl Vinson** arrived in South Korea on Friday to take part in joint South Korea-U.S. military exercises.

The U.S. Navy patrol boat **USS Firebolt (PC 10)** sits moored in port at Camp Patriot, Kuwait, displaying the "Don't Tread On Me" flag. The flag was authorized for all U.S. Navy ships by the Secretary of the Navy and will be displayed aboard U.S. Navy ships during the war on terror. **USS Firebolt** is currently forward deployed conducting missions in support of Operation Enduring Freedom.



MOVEMENTS

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The former **SMIT BELGIE** seen here assisting a bulk carrier under the name **JUAN DE LADRILLEROS** in Santa Martha in Columbia
Photo : John Smit ©



The **SMIT LLOYD 72** seen here laying in Nigeria — **photo : via John Bruinsma**

Kingfisher crosses the Atlantic

Seabrokers reports that Atlantic Towing's AHTS UT722L **Atlantic Kingfisher** "migrated" across the North Atlantic Ocean to arrive in Aberdeen in mid-February. The 80m long double drum winch AHTS was delivered in January in Canada from Halifax Shipyards.

Seabrokers said the owner's decision to bring the vessel to the North Sea was based on the current lull in drilling activity on the East Coast of Canada. The next AHTS UT722L in this series for Atlantic will be the **Atlantic Osprey**, which is due for delivery in early summer. The **Kingfisher** kicked off its North Sea career with a fixture to GlobalSantaFe for the rig move of their Glomar Arctic IV.

Maersk's Achiever arrives in Aberdeen

February saw Maersk Supply take delivery of its new 23,480bhp AHTS equipped with DP2, **Maersk Achiever**.



Top : The new **MAERSK ACHIEVER** seen at 18-02-2003 – **Photo : Piet van der Valk ©**

The new 'A Class' vessel was built at the Volksverft yard in Stralsund, Germany and is the third of its class to join Maersk's fleet (the others being the **Maersk Assister** and **Maersk Attender**).

Three further 'A Class' are due to be delivered over the next two years from same yard.

AIRCRAFT / AIRPORT NEWS



F-GHPZ ... this plane is ex Brit'Air and now flying for a new airline in the Caribbean, Air Antilles Express

Photo : Paul Spijkers ©

RIJNSMOND WEATHER

Vooruitzichten van zaterdag t/m woensdag:

Zonnig!

De komende dagen is het zonnig en rustig. In de nacht en vroege ochtend blijft de kans op lichte vorst bestaan.

© Ed Aldus 2003	ZA-15	ZO-16	MA-17	DI-18	WO-19
Maximumtemperatuur:	11	12	12	11	11
Minimumtemperatuur:	0	0	0	0	1
Zonnekans in %:	90	80	70	70	70
Neerslagkans in %:	1	1	5	5	5
Neerslagkans in mm:	0	0	0	0	0
Windrichting kracht:	O-3-4	O-2-4	O-1-3	NO-1-3	NO-1-3

.... PHOTO OF THE DAY

UNION MANTA



Photo
impression
of the
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During
trails
in Norway

Photo's via
Hans Hoffmann

