abto NEWS
ASSOCIATION OF BULK TERMINAL OPERATORS

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DON'T MISS BULK TERMINALS ANTWERP

In just two months' time, the international bulk terminals community will gather in Antwerp for the **8th Annual ABTO Bulk Terminals conference**. Industry experts will provide analysis and advice on a range of thought-provoking topics covering everything from geopolitical events to environmental improvements.

Bulk Terminals Antwerp's full programme offers sound practical solutions to terminal operators for streamlining and increasing the profitability of operations, improving safety and ensuring environmental protection.

The traditional sector-by-sector analysis of bulk markets will be presided over by session chairman Rahul Sharan, Deputy Director – Bulk Research, Drewry, with a keynote on 'Bulk markets vulnerability to wars and political disruptions' from Dr Wouter Jacobs, Executive and Academic Director Erasmus Commodity & Trade Centre, Erasmus University Rotterdam.

ABTO CEO Simon Gutteridge says: "We have addressed the effects of the war in Ukraine, China's weaponisation of trade and Houthi attacks on shipping in the Red Sea, both in Bulk Terminals International magazine and at our previous conferences. Dr Jacobs will be drawing these strands together in his not-to-be-missed session."

Further highlights include an in-depth exploration of circular economies by our case studies panel, which will see specialists including Jessica Gerritsen, Port of Antwerp-Bruges Expert Circular Economy discuss the financial as well as environmental benefits of a circular approach. Garry O'Malley, Chairman of the ABTO Technical Committee and Operations Director at Teesworks, will moderate the panel.

The environment session will see discussions from speakers including Karin Smit-Jacobs, Director EU Transport and Energy, Conference of Peripheral Maritime Regions (CPMR) on green port strategies, as well as an in-depth look at the impact of technology on sustainability. Delegates can share their environmental journey in what promises to be a lively interactive session.

The cyber security, safety and risk session will put the very latest protective measures in the spotlight, with advice from experts including Richard Steele, Head of ICHCA International.

Professor Mike Bradley, Director of The Wolfson Centre for Bulk Solids Handling Technology, University of Greenwich, who will again take up the role of Conference Chairman. The Wolfson Centre has just celebrated 50 years of excellence in bulk solids handling, providing cost-effective solutions to real life industrial problems.

Bulk Terminals Antwerp will include a terminal visit, this year to Euroports' Fertilisers and Minerals Terminal. The reception will be at the De Koninck Antwerp City Brewery, which promises plenty of opportunities for networking.

Register now for this event.

IMO TECHNICAL COMMITTEE UPDATE

The International Maritime Organization (IMO) Technical Cooperation Committee recently held its 74th session at IMO Headquarters in London.

- TC 74 highlights included:
- Progress on the IMO Capacity-Development Strategy
- E-learning Implementation Plan in development
- IMO regional presence expanded
- Global maritime training institutions
- Capacity-development for women in maritime
- IMO Member State Audit Scheme
- Technical Cooperation 2023 annual report
- Resource mobilisation
- Partnership arrangements
- Financial contributions to technical cooperation
- Revised approach for evaluating ITCP activities for the period 2020 – 2023 .

For further information about ABTO

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WOLFSON CENTRE CELEBRATES 50TH ANNIVERSARY

This year marks 50 years of the Wolfson Centre for Bulk Solids Handling Technology. Although the people, the location and the department name may have changed throughout its history, the aim of the Centre has remained the same – to help industry with its bulk solids handling issues.

Since its early beginnings in 1974, the Centre has evolved into what it is today – only one of three comprehensive Bulk Materials Handling Centres around the world – the only one of its kind in Europe.

Its experts deal with all materials that are in the form of particles, a phase of matter that has its own unique patterns of behaviour unlike other materials. Such materials are widely used in industry and the Wolfson Centre is recognised worldwide in both industry and academia for the work in this field through consultancy services, research and education, through short courses, seminars and workshops.

Through its consultancy services, the Wolfson Centre has helped:

- design new plant or advised on updating of existing plant;
- advised on material blends for new products in the food and drink industries, homeware goods and renewable energy sectors;
- tested countless materials for their handleability and flowability properties;
- advised in expert witness cases;
- advised on the aftermath of accidents – fires, destruction of silos, blow-outs, etc; and
- been at the forefront of the design and implementation of unique tools and equipment such as the widely used Brookfield Powder Flow Tester, Segregation Testers, Virtual Formulation Laboratory (VFL), Cellular Automata (CA) based modelling to predict segregation in industrial hoppers and silos, a Mechanical Surface Energy Tester to predict bulk flow properties, to name but a few.

Its series of short courses are regularly delivered to more than 200 delegates around the world each year, whether on the premises in Medway, onsite or online.

Research into new areas of technology has provided studentships for around 50 PhD students since the early 1980s in subjects such as Pneumatic Conveying and Wear and Particulate Handling. Students include the current Director, Professor of Bulk and Particulate Technology Mike Bradley, who graduated in 1990 and has steered the Wolfson Centre to the renowned centre of expertise it is today.

The centre remains a small independent department within the faculty of Engineering and Science. Helping Bradley with the technical services, research and teaching are Drs Tong Deng, Baldeep Kaur, Vivek Garg, Atul Sharma and Hamed Johnny Sarnavi, all experts in different areas of bulk solids handling technology.

Senior Technician Paul Wakeman joined in 2023, bringing a wealth of experience and expertise to the laboratories, and the Centre's Support Manager, Caroline Chapman, has been with the department for nearly 20 years.

UNIVERSITY OF GREENWICH

The Wolfson Centre
1974-2024

RMT SLAMS OUTGOING UK GOVERNMENT

Maritime union RMT recently criticised the outgoing Conservative government for its failure to introduce mandatory protections for seafarers, in contrast, it said, to decisive action taken by the French government.

Effective recently, new French laws will mandate ferry operators such as P&O to pay their seafarers the French national minimum wage and enforce limits on seafarers' time onboard ships.

RMT General Secretary Mick Lynch highlighted the disparity between the French and UK governments, saying: "The French government's decision to enforce these protections stands in stark contrast to the UK government, which has failed to introduce mandatory protections for our seafarers."

RMT has long campaigned for robust protections for UK seafarers, including a two-week on, two-week off roster pattern for ratings.

The union says this is necessary to counteract the business model imposed by some companies which requires some seafarers to work 17-week at sea.

Despite these calls, the previous UK government only issued a voluntary charter and failed to support cross-party amendments to the Seafarers Wages Act that would ensure safe roster patterns and other essential protections, the union adds.

Lynch added: "The only way to ensure decent pay and conditions is through mandatory legislation and tough sanctions for non-compliance with obligations to seafarers and passengers from these multimillion-pound companies.

"The new French legislation not only increases pay, but will reduce seafarer fatigue and extend pension rights for agency seafarers on P&O's and Irish Ferries' Dover-Calais routes.

"We urgently need a mandatory charter for seafarers and the closure of legal loopholes more than ever."

UNIVERSITY of GREENWICH

The Wolfson Centre
for Bulk Solids Handling Technology

THE WOLFSON CENTRE FOR BULK SOLIDS HANDLING TECHNOLOGY

AT THE UNIVERSITY OF GREENWICH, MEDWAY.

EXPERTS OFFERING CONSULTANCY ADVICE AND SHORT COURSES FOR ENGINEERS HANDLING POWDER AND BULK MATERIALS

ONLINE COURSES **NOW AVAILABLE**

CONSULTANCY SERVICES

Some of our Consultancy services include advising on:

- Storage and Discharge of bulk materials
- Pneumatic Conveying of bulk solids
- Spoiling of materials in storage and in transit
- Plant and Equipment design/redesign
- Ship Unloading/ quayside operations
- Control of plant wear
- Dust control
- Bulk Materials characterisation
- ATEX/DSEAR compliance
- Expert Witness services

SHORT COURSES FOR INDUSTRY

We also provide a range of short courses to help delegates identify potential bulk materials handling problems and advise on how to avoid and/or overcome these issues. They fall under 4 main categories

Pneumatic Conveying:

- Pneumatic Conveying of Bulk Materials
- Pneumatic Conveying System Design
- Rotary Valves; Design, Selection and Operational Issues
- Commissioning and Troubleshooting 'Hand's On' Pneumatic Conveying Systems

Storage of Bulk Materials:

- Storage and Discharge of Powders and Bulk Solids
- Design of Equipment for Storing and Handling Bulk Materials
- Biomass Handling, Feeding and Storage (can be adapted to other materials such as waste, recycled goods, pellets)

General bulk materials handling:

- Overview of Particulate Handling Technology
- Port and Terminal Operations for Bulk Cargoes
- Measurement of the Properties and Bulk Behaviour of Particulate Materials
- Dust Control in Processes

Specialist areas of concern:

- Caking and Lump Formation in Powders and Bulk Solids
- Undesired De-blending and Separation in Processes and Equipment
- Electrostatics in Powder Handling
- Numerical Modelling of Solids Handling and Processing
- Powder Handling and Flow for Additive Manufacturing

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CMI HEARS COMPELLING CASE

At its recent meeting in Gothenburg, the Comite Maritime International (CMI) heard a compelling case for the urgent ratification of the Rotterdam Rules Convention to replace that earlier and no longer fit for purpose treaty.

Speakers included Michael Sturley, who recounted the history of major carriage of goods liability reform and its long gestation periods and urged states to ratify. Stuart Hetherington reminded delegates of the raison d'être of the CMI being the uniformity of maritime law and the extent of the present lack of uniformity that exists. Alexander von Ziegler pointed to the need for a Convention that recognised door to door carriage and the modern needs for supply chain efficiency and common rules relating to the effects of e-commerce.

All speakers spoke of the differences between the two Conventions, and the more extensive reach of the Rotterdam Rules, the latter being much more than a liability convention. Miriam Goldby stressed the e-commerce compatibility of the newer regime with the UNCITRAL MLETR. Tomotaka Fujita referred to the safety aspects of the Rotterdam Rules. Others spoke from regional perspectives: Manuel Alba on the benefits that Spain, which has ratified the Rotterdam Rules, found in them, Andrew Robinson on why Africa is ripe for reform and Erik Rosaeg on why Scandinavian countries have embraced the Rotterdam Rules, but await developments in the US or Europe before full ratification.

David Farrell reminded delegates that the United States is a shipper country and has a much reduced fleet of trading vessels compared with the early 20th century and urged states not to delay ratification awaiting the US, which is involved in trying to persuade port administrations why the newer regime can only benefit ports and their customers. He also confirmed that the Maritime Law Association of the US was being encouraged by the support of the American Institute of Maritime Underwriters in its endeavours.

Meanwhile, Gertjan van der Ziel advised delegates concerning recent dialogue that has been entered into on behalf of the CMI with the EU to seek to obtain wide spread ratification in that significant trading bloc.

The signs are encouraging that with the aid of Maritime Law Associations and these papers the optimism that the Convention would come into force soon after its signing by 25 States in 2009 will be revived.

OCEANSCORE HIGHLIGHTS FuelEU IMPACT

The financial impact of FuelEU Maritime is focusing the minds of shipping companies as they face potential penalties for non-compliance with greenhouse gas (GHG) intensity reduction targets – and OceanScore has identified those segments set to be hit hardest.

Vessels in the passenger/cruise, container, RoPax, bulker and tanker segments will have significant cost exposure from the complex regulation due to be implemented from 1 January next year, despite a relatively modest initial target of a 2% cut in GHG intensity, according to OceanScore.

The Hamburg-based maritime technology firm's data analytics team has calculated that shipping will rack up total FuelEU penalties of €1.345bn in 2025 through analysis of the 13,000 vessels over 5000gt trading within and into the EU/EEA that are subject to the regulation. This is based on data on trading patterns and fuel mix from 2022 – the last full year currently available.

The team has been able to determine FuelEU compliance balances and resulting penalties for each vessel using OceanScore's proprietary data modelling incorporating AIS data, Thetis emissions data, bunker intelligence and advanced analytics/AI. It has factored in the likely fuel mix for each vessel between EU ports and to/from the EU, as well as in ports.

Vessels will be hit with a penalty of €2,400 per tonne of very low sulphur fuel oil-equivalent for failing to meet the initial 2% reduction target relative to a 2020 baseline for average well-to-wake GHG intensity from fleet energy consumption of 91.16 gCO2e per megajoule (MJ) – or emissions per energy unit. The GHG intensity requirement applies to 100% of energy used on voyages and port calls within the EU/EEA and 50% of voyages into and out of the bloc.

As with the EU Emissions Trading System (EU ETS), it is the container segment that will bear the brunt of FuelEU costs, accounting for 29% of gross penalties, followed by RoPax on 14% with tankers and bulkers each on 13%.

"It is critical for shipping companies to determine a baseline for expected FuelEU costs to secure proper planning and budgeting processes to compare different mitigation options, as well as to decide what to do with outstanding compliance balances," says OceanScore Managing Director Albrecht Grell.

"This will require, to a higher degree than the EU ETS, a corporate strategy to determine how to reduce the compliance balance/deficit, how to commercialise a surplus and deal with deficits that remain."

OceanScore has found that liabilities per vessel will differ widely across the various segments due to increasingly diversified fuel choices, including greater uptake of biofuels and LNG. Passenger vessels will be penalised the most with an average of €520,000 per vessel annually, followed by

RoPax at €480,000 and RoRo at €314,000, with an average penalty for container ships of only €214,000, according to OceanScore.

Grell points out there are also massive discrepancies between vessels within these segments, with a number of ships in the passenger and RoPax segments exposed to penalties of between €1.8m and €2.5m, and payment obligations for some container ships approaching €1m. This is driven by higher energy consumption simply due to vessel size and trading profile.

While penalties will arise from so-called compliance deficits for vessels using conventional fuels, surpluses totalling an estimated €669m will be generated mainly by vessels fuelled by LNG and LPG with significantly lower carbon intensity.

Liquefied natural gas (LNG) carriers will account for 78% of the total market surplus and gas carriers 8%, while a further 8% will be generated by container ships that have seen a modest uptake in alternative fuels in recent years.

Taking into account this estimated compliance surplus, the net cost of FuelEU penalties for shipping from 2025 would be €680m, which indicates that pooling of vessels can roughly halve the gross burden for the industry.

Penalties will, in segments typically using conventional fuels with comparable carbon intensities such as heavy fuel oil, light fuel oil or marine diesel oil, be roughly proportional to the overall fuel consumption, thus correlating with the EU ETS cost.

Initial costs of FuelEU for most conventionally fuelled vessels, prior to pooling, will be around one-third of those associated with the EU ETS next year, when the latter regulation will have 70% phase-in. Ultimately, FuelEU is likely to prove a much more costly affair as the requirement for GHG intensity cuts rises to 6% by 2030 and then accelerates to reach 80% by 2050, according to OceanScore.

"It is therefore incumbent on shipowners to define their strategies not only towards fuel choices and the use of onshore power but also towards handling of residual compliance balances such as pooling, banking and borrowing of balances, to mitigate the financial impact of FuelEU. However, pooling will also come at a cost, while banking and borrowing will incur interest costs and only push liabilities into the future," Grell explains.

He further points out that pooling compensations paid between different shipping companies will effectively divert cash flow away from the EU that it would otherwise have earned from FuelEU penalties – but that this effect is intended by the regulator to "reward" early adopters of clean fuels.

Another factor that will curb potential income for the EU from this regulation is that the compliance gap has been reduced to only 1.6% by 2022, as average GHG intensity from shipping has come down by 0.4% to 90.82 gCO_2e per MJ, mainly due to increased LNG carrier calls to Europe after gas supplies via pipelines from Russia were halted when the latter invaded Ukraine. Given this trend and increasing adoption of biofuels, the 2% compliance gap will probably be closed before the first tightening of reduction targets in 2030.

Grell says the priority for shipping companies, especially at this early stage while cost exposure is relatively low, is to get to grips with the complexity of the regulation and tackle the risks arising from the fact the party liable for penalties – the DoC holder, or possibly shipowner – is not the one responsible for emissions, which is typically the charterer.

"As well as having costs oversight, companies require reliable monitoring and reporting mechanisms with high-quality emissions data. They must also have in place complex contractual arrangements and sound administrative processes to manage compliance and mitigate the financial consequences of the new regulation," Grell concludes.

MARITIME MOUNTAIN RACE

Seafarer welfare charity The Mission to Seafarers has announced the launch of the first-ever Maritime Mountain Race, a unique endurance event set to take place from 13-15 September 2024.

This new challenge is designed to bring together trail hikers and runners from the maritime community and beyond, amid the scenery of Le Bouveret, Switzerland.

The Maritime Mountain Race is more than just a physical challenge – it's an opportunity to support the welfare of seafarers worldwide. The event will feature 20 teams of three participants each, tackling the trails of the Swiss Alps overlooking Lake Geneva. With two levels of difficulty – hiking and running – the race caters to seasoned athletes and those seeking a formidable yet achievable challenge.

Participants will journey through forests, along hidden paths, and across mountain rivers, with panoramic views of the Alps and Lake Geneva. The event includes two evenings of networking, starting with a welcome reception and culminating in a Gala Dinner. Not normally open for public use, the César Ritz Colleges Switzerland in Le Bouveret is providing exclusive use of the facilities to host participants, providing the finest hospitality.

For more information and to register your interest in taking part, please visit the Maritime Mountain Race website or contact events@maritimemountainrace.org

POSITIVE OUTLOOK FOR TANKER SECTOR

Large-scale route diversions as a consequence of the Red Sea/Suez Canal crisis have seen deadweight demand for crude and product tankers increase by 5.5% and 4.5% respectively in 2024, according to Maritime Strategies International (MSI.)

In its Q2 2024 report, MSI finds that the market is currently in an unfamiliar equilibrium after two years of extreme volatility. This has been supported by wider stability in oil markets and falling vessel deliveries

Analysis of market movements in the first half of 2024 finds that deadweight demand growth far outstrips that of oil demand and trade. At close to 5% in 2024, it is about three times higher than growth in just cargo volumes. This is partly the 'distance effect' adding to cargo growth, driven by disruption to the Red Sea/Suez Canal

Vessel tracking shows that diversionary activity is not uniform across tanker segments. In the LR1/2 segment they see the most pronounced change in operating activity. Here, vessels moving through the Suez Canal dropped by about two-thirds in the first four months of 2024, with a commensurate increase in Cape of Good Hope transits. This has translated into LR2 spot earnings being some of the best performing in Q2.

The duration of the Suez Canal disruptions remains a major uncertainty in forward analysis. MSI foresees conditions in the Red Sea normalising in 2026, assuming a reversal in the escalation of conflict in the Middle East.

However if the conflict is not resolved, an extension of high-risk conditions will naturally drive tanker demand and earnings even higher. Under the MSI Base Case, the expectation is that demand growth slows dramatically in 2025 and 2026.

Overall demand levels are being elevated. Other factors, such as long-haul crude trade from Americas to Asia are countering the 'loss' of the Red Sea/Suez Canal diversion effect in 2025.

"The latest MSI Base Case sees demand levels remain permanently higher, but this also contends with higher fleet levels, driven both by lower scrapping, and in the latter part of our forecast, higher deliveries as a consequence of increased ordering," says Tim Smith, Director, MSI.

"The combination of these factors pushes our employment rate higher in 2024, and though we see the utilisation rate flatten from 2025 onwards, this is at very high levels. This outlook remains very positive for the tanker sector."

DNV ANNOUNCES NEW RULES

Classification society DNV has published updates to its rules for classification of ships and offshore structures. In addition to rules supporting the development and deployment of decarbonisation technologies, the new in-operation class notations seek to bring clarity to the responsibilities of class customers for notations that have a mix of design and operational requirements.

"One of the most striking aspects of the maritime industry today, is the huge diversity of challenges and opportunities where our customers are looking for classification support," says Geir Dugstad, DNV Maritime's Global Technical Director. "It's not just new fuels, but ways for owners and managers to demonstrate their own efficiencies, new vessel types to unlock new markets, through to advanced technologies like on-board carbon capture."

With the in-operation notations, DNV has developed the first classification framework with dedicated fleet in service notations that enable owners and operators to showcase how they are differentiating themselves in the market by deploying advanced procedures and reporting processes for greater safety and efficiency. The new notation clearly shows the split of responsibilities between the yards for the new building phase and the owners and operators in the operational phase of the vessel.

Designed to unlock innovation in the shipping industry while enhancing safety, the new rules also build on DNV's leading expertise in maritime decarbonisation with the introduction of two new class notations, gas-fuelled hydrogen and OCCS (for carbon capture and storage on board vessels).

While hydrogen is a potential zero-carbon fuel for shipping, it is presently not covered by international regulations. The gas-fuelled hydrogen notation sets out the requirements for the ship's fuel system, fuel bunkering connection and consumers, providing owners a practical path to develop hydrogen fuelled newbuildings.

Onboard carbon capture and storage (OCCS) systems are currently being trialled and offer a way for vessels to reduce emissions and contribute to greater sustainability and regulatory compliance. The OCCS notation offers a framework and requirements for these new systems, including exhaust pre-treatment, absorption, after-treatment systems, liquefaction, CO2 storage and transfer ashore.

IMO AWARDS RECOGNISE UPSTANDING INDIVIDUALS

Captain Ian Finley, Permanent Representative of the Cook Islands to International Maritime Organization (IMO), has been selected as the recipient of the International Maritime Prize for 2023. The decision was made by the IMO Council at its 132nd session.

Captain Finley was nominated for the award by the government of the Cook Islands. As a delegate to IMO, representing Panama and latterly the Cook Islands, he has been an active participant in the development of virtually all safety, environmental and legal legislation adopted by the Organization since 1995.

The 2024 IMO Award for Exceptional Bravery at Sea is to go to two sets of nominees: the captain and crew of oil tanker Marlin Luanda, for containing a fire after the ship was struck by an anti-ship missile; and the captain and crew of the tugboat Pemex Maya, for their rescue of six shipwrecked persons from four different vessels, during a hurricane.

Two individuals will receive certificates of commendation for their acts of bravery and 15 letters of commendation will be sent to their recipients.

Nominations were initially reviewed by an assessment panel and their recommendations were considered by a panel of judges, who ultimately selected the recipients of honours. The recommendations of the Panel of Judges were endorsed by the IMO Council, meeting for its 132nd session in July.

A total of 41 nominations were received from 15 member states and three non-governmental organisations in consultative status with IMO. The annual awards ceremony will be held at IMO Headquarters in London on 2 December 2024 during the 109th session of the Maritime Security Committee.

ISU REVEALS SALVAGE INDUSTRY STATS

The International Salvage Union has recently published salvage industry statistics for 2023.

Key figures include:

- Gross revenue for ISU members – US$398m (2022, $241m)
- 184 services provided (2022, 149 services)
- Lloyd's Open Form (LOF) – 16 cases (2022, 26). LOF revenue down at $29m (2022, $66m)
- Wreck removal income – $193m from 30 services (2022, $55m from 32 services).

(All numbers are gross income from which all the contractors' costs must be paid. Numbers are for income in the year received, not the year when the service was provided.)

ISU President John Witte says: "The 2023 ISU statistics show a modest recovery compared with the historically low level in 2022. Emergency response services generated US$ 196 million split between LOF, $29m, and other contracts, $167m.

"Wreck removal income has rallied, rising to $193m from the very low level of $55m in the previous year. Wreck removal income is important for our members and this is a welcome increase. It brings the split of the industry's income back to the typical levels of approximately 50:50 between emergency response and wreck removal income."

The 2023 ISU statistics show a historic low level of LOF cases – 16 for ISU members – generating income of $29m. This is by some degree the smallest number of both LOF cases and income in the past 30 years. Revenue from LOF cases amounted to 15% of all emergency response revenue and LOF cases accounted for 10 per cent of emergency response cases in 2023. SCOPIC revenue at $9m in 2023 was down from $21m previously.

Witte adds: "The very small number of LOFs for our members in 2023 is extremely disappointing, but sadly reflects a long-term downward trend that most observers are well aware of. ISU has worked closely with Lloyd's and other stakeholders in the past three years to find ways to revive LOF. We promote its use and we believe that income based on awards under Article 13 of the Salvage Convention must remain the cornerstone of funding for our industry but this is increasingly difficult as these statistics so dramatically demonstrate."

Revenue in 2023 from operations conducted under contracts other than LOF was $167m. The average revenue from each non-LOF contract was $1.2m.

Witte adds: "Professional salvors protect the environment, reduce risk and mitigate loss. They also keep trade moving – which is demonstrated so clearly when there are large containership cases like the Baltimore bridge incident earlier this year. We continue to work closely with key stakeholders to ensure that there is global provision of professional salvage services."

NEW LOF EDITION

Lloyd's has published a new edition of Lloyd's Open Form (LOF). It comes after a two-year process to review the workings of the contract with the objective of increasing its use.

There have been several initiatives that have come from this review, such as a requirement for users of LOF to provide Lloyd's with environmental, social and governance (ESG) data for every LOF. It is hoped that this will help to demonstrate the ESG benefits that using the form brings to owners and insurers. It will also be a requirement for the parties to settled cases to provide information about the settlement. This will be handled anonymously by Lloyd's and aggregated to give some evidence about the cost of using the form that is presently only available from published awards.

There is to be a programme of education about the contract's use in Asian markets and also all awards from arbitrators will be published and available to anyone. The main change with LOF 2024 is in regard to the associated Lloyd's Salvage Arbitration Clauses 2024 as referred to in Clause 'I' of the revised Lloyd's Open Form. The changes to the LSAC 2024 chiefly relate to the new Fast Track Documents Only (FTDO) arbitration, which will apply by default to all LOF 2024 contracts where the security sought by contractors is less than US$10m.

It means that the great majority of cases could now be arbitrated under this FTDO system, which carries with it new rules regarding the amount of material that parties can submit. Parties will still have the right to apply to the arbitrator in all cases to have a full oral hearing, but it will be the arbitrator's decision whether or not to grant that request, such a decision depending on, for example, whether the services were complex. There is also a revised schedule of recoverable costs which are capped at £75,000. Lloyd's objective is to speed up and reduce the cost of arbitrations which some saw as an impediment to more use of LOF.

ISU remains a strong supporter of Lloyd's Open Form and believes that revenue from awards based on Article 13 of the 1989 Salvage Convention is essential to ensure the industry is adequately funded so that it can provide professional emergency response and salvage services around the world.

It has serious reservations about the new FTDO system and pressed for a lower security threshold and also wanted the automatic right to have an oral hearing in complex cases and those rare cases where there are allegations of incompetence or bad faith on the part of the contractor. There are also concerns about the apparent mismatch in the relative overall size of allowable submissions.

ISU believes that it was not treated fairly during the process and its legitimate views were largely disregarded. Nevertheless, it says it continues to support and promote the use of Lloyd's Open Form 2024. It will be monitoring closely the working of the FTDO and behaviour of other parties under the new system and shall seek early review and modifications if, in practice, it proves to be unsatisfactory for ISU members.

ISU believes that its members should have the freedom to contract however they choose. It is therefore up to individual members of the association to familiarise themselves with the detail of LOF 2024 and the LSAC 2024 and to take the necessary advice about its use or alternatives.

CHINA'S SEABORNE TRADE IN SPOTLIGHT

Drewry has analysed the potential implications of China's strategy to diversify its coking coal import partners, which will have multiple implications on shipping.

The burgeoning trade with Mongolia will curtail seaborne trade, while higher imports from Russia over Australia will dampen the tonne-mile demand. Massive potential trade growth is expected between Mongolia and China due to the commencement of the railway network between the two countries in 2023 and the construction of two additional rail networks underway.

China's seaborne coking coal imports rose 5.3% YoY in January-April 2024, with total imports expanding by a much higher rate due to the uptrend in overland trade. The mining restrictions in the country have curbed domestic production, leading to a 3% decline YTD, while skyrocketing steel exports have counterbalanced the weak steel demand domestically, keeping imports of metallurgical coal buoyant. However, the surge in total metallurgical coal imports is attributed to the higher expansion in land trade compared to seaborne imports.

While the demand for coking coal looks promising, the declining share of seaborne trade and the shift in trade patterns in the short term have critical implications for the global shipping demand. The expansion in overland trade from Mongolia and the tepid growth in imports from Australia will dampen shipping demand.

METHANE SLIPS AS LNG GATHERS STRENGTH

Industry coalition SEA-LNG has underlined the significant progress being made to eradicate methane slip as uptake of the liquefied natural gas (LNG) pathway accelerates. With continued collaborative efforts across the value chain, methane slip will be eliminated for all engine technologies within the decade.

Today, 2-stroke diesel cycle engines account for approximately 75% of the LNG-fuelled vessel order book. These engines have effectively eliminated slip already. For low-pressure engine technologies where methane slip remains an issue, manufacturers have already cut the levels of slip from low-pressure 4-stroke engines by more than 85% over the past 25 years. It is worth noting that methane slip has been eradicated for the similar LNG dual-fuel engine technologies used in the heavy-duty vehicle sector. The science is clear, the technologies exist, and engineering will soon solve the problem.

Peter Keller, Chairman of SEA-LNG, says: "We congratulate the efforts and initiatives such as the Methane Abatement in Maritime Innovation Initiative (MAMII) and the GREEN RAY project. As LNG continues to gain widespread recognition as the current practical and realistic alternative fuel pathway, it is reassuring to see growing evidence that the challenge of methane slip will be eliminated within this decade."

There is a growing momentum for LNG as a marine fuel. Clarksons' data shows that 109 LNG dual fuel vessels have been ordered in 2024 up to June. There are now more than 550 LNG-fuelled vessels in operation, a number expected to double by 2027.

Keller concludes: "There is universal agreement that the science is understood, and we have the necessary tools and technology to abate methane emissions, it is the final elements of the engineering that are being worked on. This, in combination with the option to transition to net zero emissions through bio-methane and e-methane, provides ship owners and operators with the confidence that vessels ordered today are future-proofed for the next 25–30 years. This cannot be said for any other alternative fuel right now."

For more information on methane slip, see the methane slip fact sheet on SEA-LNG's website.

INSPECTION CAMPAIGN

Paris and Tokyo MoU have announced that they will jointly launch a new Concentrated Inspection Campaign (CIC) on Crew Wages and Seafarer Employment Agreements (MLC, 2006) from 1 September - 30 November 2024.

The purpose of the campaign is to create awareness within the shipping industry about the requirements on crew wages and seafarer employment agreements (MLC, 2006); and to verify that ships comply with these requirements.

During this period of three months, the Port State Control Officers (PSCOs) will examine specific areas related to crew wages, seafarer employment agreements (SEAs) and financial securities (repatriation and shipowners' liability) under MLC, 2006 during regular PSC inspections.

A ship will be subject to only one inspection under this CIC during the period of the campaign.

The PSCOs will use a list of predefined questions during the CIC. If deficiencies are found, actions by the Port State may vary from recording a deficiency and instructing the Master to rectify it within a certain period of time to detaining the ship until the detainable deficiencies have been rectified, or until the Port State has accepted a proposal for a plan of action.

Members are recommended to refer to the attached questionnaire to assist their shipboard team in preparing for the PSC inspections.

Members are also reminded that the 2022 Amendments to the MLC, 2006 will enter into force from 23 December 2024. As such, members are recommended to review their processes in line with the following new standards:

- Standard A3.1 & Guideline B3.1.11: ensure recreational facilities include social connectivity, telephone communications, and internet access for seafarers.
- Standard A3.2: provide free drinking water and balanced, hygienic meals considering the cultural practices of seafarers.
- Standard A4.3: equip seafarers with appropriately sized personal protective equipment to prevent occupational accidents.
- Appendix A2-1 & A4-1: financial security certificates may now include the name of the registered owner of the ship.

BEUMER: PIPE CONVEYOR BOOSTS PORT GROWTH

Beumer Group has secured a contract to supply a large two-way pipe conveyor system for a strategic development project at the Port of Saguenay in Quebec, Canada. The conveyor will connect the port with customers in the new industrial port zone, boosting economic growth and supporting the region's commitment to a more sustainable maritime supply chain.

The Port of Saguenay is located 500km north of Montreal. The Beumer pipe conveyor is central to the port's new multi-user bulk transport system, which will increase the port's ability to both import and export iron ore, pellets, wood ships, salt, aggregates and other ores. It will attract further investment in the region of Saguenay–Lac-Saint-Jean.

On awarding BeumerGroup the contract, the Port of Saguenay Authority commented that they were particularly impressed with the company 's "engagement, commitment and flexibility in understanding our requirements, especially regarding the importance to work with the community."

The pipe conveyor will be roughly 2km long with a downhill (export) capacity of 4,150t/h and an uphill (import) rate of 2,750t/h. It runs along an existing steep and curvy road, reducing the need for truck transport and any associated carbon, dust and noise emissions.

Because the pipe conveyor is fully enclosed, it reduces any environmental impacts and protects bulk materials from the sun, rain, snow, and wind.

The scope of the contract includes all mechanical, structural and electrical equipment including prefabricated electrical buildings and the control system.

Markus Schmidt, CEO Beumer Group North America, says: "The Saguenay pipe conveyor project represents a very important milestone, both for this region of Canada and for BeumerGroup's Minerals and Mining business. The expertise inherent in our global team enables us to deliver a conveyor solution on this scale, meeting the client's criteria for improving capacity in bulk handling while reducing environmental impacts."

The pipe conveyor is expected to be fully operational in 2025.

Beumer Group is supplying a 4,150 t/h bi-directional pipe conveyor to the Port of Saguenay. The system will be installed inside an enclosed gallery structure for ease of maintenance during the winter months (© Beumer Group GMBH & Co. Kg)