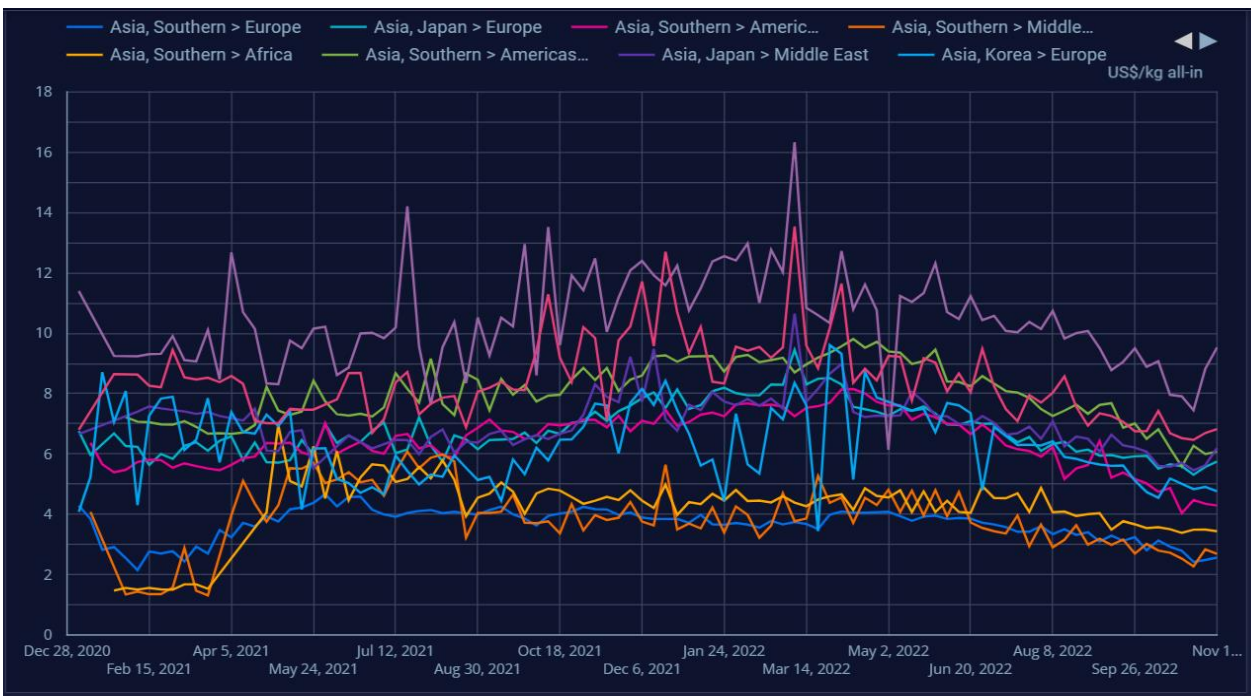
INDIA: November 23, 2022 Week 45/46

## AIR FREIGHT INDEX ( EX-ASIA – WORLDWIDE DESTINATION ) – Week 45-46 ( USD / Kg )

**Nov 14, 2022 to Nov 20, 2022 (Week 46)**

- Asia, Southern > Europe: **2.57**
- Asia, Japan > Europe: **5.75**
- Asia, Southern > Americas, Northern: **4.29**
- Asia, Southern > Middle East: **2.68**
- Asia, Southern > Africa: **3.44**
- Asia, Southern > Americas, Latin & Caribbean: **6.08**
- Asia, Japan > Middle East: **6.2**
- Asia, Korea > Europe: **4.76**
- Asia, Japan > Americas, Latin & Caribbean: **9.53**
- Asia, Japan > Africa: **6.83**





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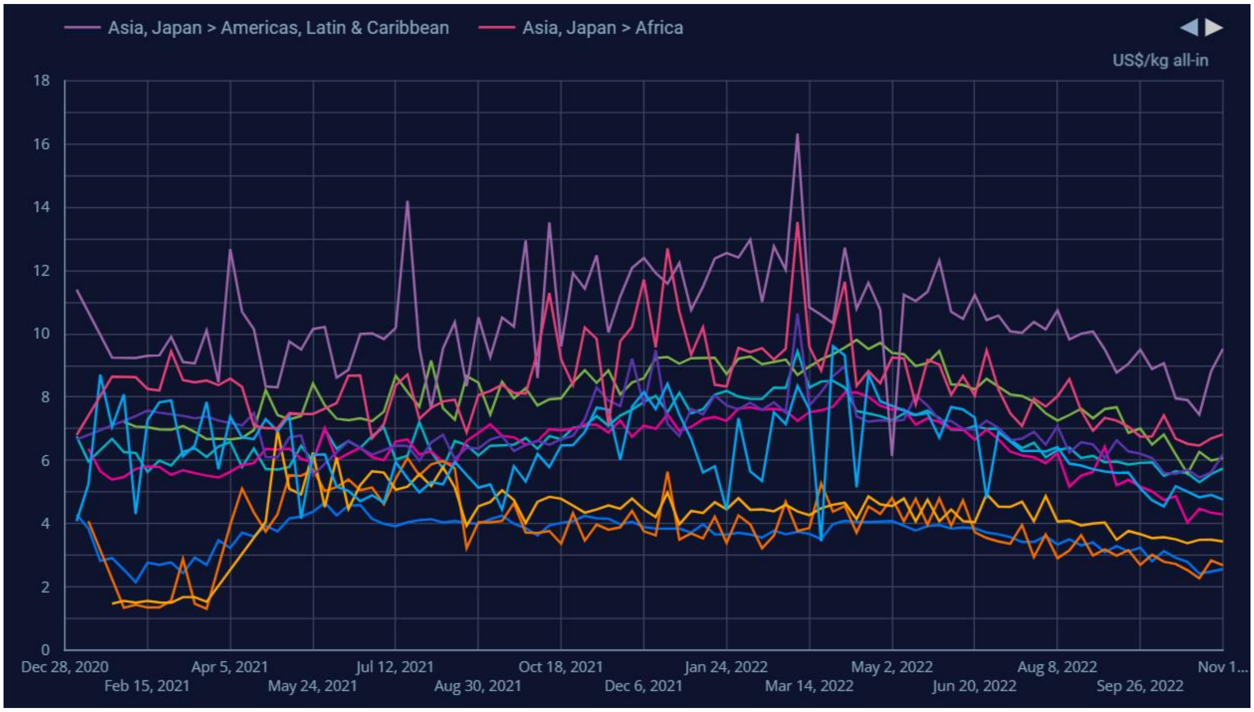


## GENERAL MARKET UPDATES

### Equinor developing ammonia-fuelled CO2 carrier for direct offshore injection

Norwegian energy giant Equinor has teamed up with compatriot Breeze Ship Design to develop an ammonia dual-fuel CO2 carrier concept with direct offshore injection capabilities.Carbon capture and storage (CCS) is a key enabler in the energy transition to a low carbon value chain, where CO2 shipping is an important part of the technology development.
The Stord-based ship designer said the vessel would be specialised for its trade with a cargo capacity of approximately 40,000 tonnes of CO2 and design focus on safe loading, transport, and offshore injection of CO2 “with as low emissions as possible”.

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Equinor, together with partners Shell and TotalEnergies is already developing an infrastructure to transport CO2 from European industrial emitters involving a pair of LNG-fuelled and wind-assisted liquified CO2 carriers set to deliver in 2024. Once in operation, the ships will load captured and liquefied CO2 and transport it to receiving terminal in western Norway for intermediate storage, before being transported by pipeline for permanent storage in an offshore reservoir 2,600 m under the seabed.

The new ship design concept for continuous high-pressure CO2 injection to subsea wells, in theory eliminating the need for intermediate storage, would trade in North Europe and Scandinavia with discharge locations in the North Sea.

"Equinor believes that the direct injection concept is an interesting way to implement ship-based transport and injection solutions for CO2. We need to make sure the technical risks are reduced to an acceptable level and that the business case is sound. That is why this project is important," said Elisabeth Birkeland, vice president for carbon capture and storage solutions in Equinor.

Source : https://splash247.com/

## Fires, Inflation and Climate Change: Global Trends to Watch in Marine Insurance

Despite a broader long-term trend of safety improvements in the global shipping industry, a number of factors are leading to ever larger insurance claims for the industry, according to Allianz Global Corporate & Specialty (AGCS). Fire and explosion is now the most expensive driver of claims activity, overtaking sinking and collision. Mis-declared or non-declaration of dangerous cargos is a common issue.

Of AGCS' analysis of more than 240,000 industry claims over the past five years with an approximate value of 9.2 billion euros, fires accounted for 18% of the value of marine claims analyzed. The number of fires on board large vessels has increased significantly in recent years, with a string of incidents involving cargo fires and explosions, which are difficult to extinguish and can easily lead to the total loss of a vessel, tragic loss of life and environmental damage.

AGCS also noted a recent trend of threat posed by Lithium-ion batteries in electric vehicles or cargo that is not stored, handled or transported correctly. Li-ion battery and electric vehicle fires burn more ferociously, can be difficult to extinguish, and are capable of spontaneously reigniting hours or even days after they have been put out, “Shipping losses may have more than halved over the past decade (54? total losses at the end of 2021 ?compared to? 127? at ?the ?end of 2012, according to the AGCS Safety & Shipping Review 2022), but fires on board vessels remain among the biggest safety issues for the industry,” said Captain Rahul Khanna, Global Head of Marine Risk Consulting at AGCS. “The potential dangers that the transportation of lithium-ion batteries pose if they are not stored or handled correctly only add to these concerns, and we have already seen a number of incidents.” Salvage and wreck removal costs have long been on the rise, but inflation is now compounding existing trends driving higher value claims, with higher prices for steel and spare parts and rising labor costs impacting hull repair and machinery breakdown claims.

“We see more high value goods being shipped by container, while the average cost of goods rises with inflation,” says Khanna. “It is not unusual to see one container valued at $50mn or more for high value cargos like pharmaceuticals. These high value cargos need additional risk mitigation measures, such as GPS trackers and sensors that provide real time monitoring on temperature, moisture shock, and light and door openings, for example. At the same time cargo interests need to keep a close eye on insured values. Clients may need to adjust their insurance and policy limits, or risk being underinsured – we have already seen claims for high value container cargos where the cargo interest was underinsured by as much as $20mn.”

Damaged goods, including cargo, is the most frequent cause of claims, with temperature variation, theft of cargo, and inadequate shipping containers flagged as areas of concern, according to AGCS.

Source : https://gcaptain.com/fires-inflation-and-climate-change-global-trends-to-watch-in-marine-insurance/

## Port Houston Sees No Signs of Cargo Slow Down in October

Port Houston is reporting another month of double digit growth in October with no signs of a cargo slow down even as total U.S. inbound volumes continue to fall.

The Gulf Coast’s busiest port handled a total of 371,994 TEUs in October for a 13% increase compared to October 2021. Loaded container TEUs reached the highest volume ever and were up 21% compared to the same month last year. Overall, container volumes at Port Houston are up 18% year-to-date and have now surpassed the 3 million mark, with 3,333,924 TEUs.
The gains come as major U.S. West Coast ports, namely the ports of Los Angeles and Long Beach, are seeing huge cargo declines compared to last year and total inbound container volumes at the ten largest U.S. ports tumbled by more than 9% in October—an acceleration from to the 5.3% decline in September and 0.6% decline in August, according to John McCown’s tally.

“Although the import demand in the U.S. appears to be softening, we have not seen any slowing in Houston in recent months,” said Roger Guenther, Port Houston Executive Director. “We are handling record amounts of cargo and remain focused on aggressive infrastructure development to optimize capacity and efficiently handle current and future demand through our port.”

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This year's cargo gains are driving longer wait times for ships calling at the port, with average wait times at more than seven days, according to a recent report from Maersk.

Port Houston earlier this month announced plans to start charging cargo owners with a $45 per day dwell fee for import containers lingering at marine terminals beyond a free period to encourage cargo movement. The new fee, known as the "Sustained Import Dwell Fee", will begin December 1st for import containers lingering for eight days or more. The port is also considering increasing the fee, at the discretion of the Executive Director, to further encourage container movement.

"The additional dwell fees are intended to minimize storage of containers on terminal. Boxes need to move through the terminal quickly to maintain a fluid environment and superior level of service for our customers," Guenther said.

Total tonnage across Port Houston's facilities was up 18% in October and 25% for the year as compared to last year.

Port Houston said goods with significant increases for the month included bagged goods, at 239% up, and plywood at 73%. Auto imports were up 61% for the month in October 2022 and 9% year-to-date. Steel imports were down for the first time since June 2021.

"Steel volume has been strong this year, and annual steel tonnage could reach the highest quantities seen at Port Houston in more than five years," the port said.

Source : https://gcaptain.com/port-houston-sees-no-signs-of-cargo-slow-down-in-october/

## Indonesian State Shipping Company Plans $3B Fleet Modernization

The shipping division of Indonesia's state-owned energy company Pertamina is planning an accelerated investment program designed to modernize its fleet and expand its capabilities. Detailing its future business strategy to reporters, Pertamina International Shipping doubled its projected investments to $3 billion over the next five years as its moves to also expand its business into new forms of energy and to prepare for the transition in the shipping industry to green energy.


Pertamina International Shipping (PIS) today reports it owns a fleet of 11 vessels, mostly midrange tankers. The company operates two newly built 301,000 dwt VLCCs delivered at the beginning of 2021, as well as two large gas carriers, but most of its ships are older, dating from between 2004 and 2011. They also own a vessel that dates to 1985 that was converted in 2012 to an FSO, while the remainder of the ships are under time charters. In May 2022, they acquired a 50,000 dwt MR chemical tanker built in 2013, which was renamed the PIS Precious.

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"We will invest big in replacing vessels," Wisnu Santoso, a director at Pertamina International Shipping said detailing the company's business plans. He highlighted plans to invest up to $3 billion by 2027 to rejuvenate and expand the company's fleet. "We want to reduce the average age of our fleet within the next five years to 15 years from currently at around 20 years."

Source : https://maritime-executive.com/article/indonesian-state-shipping-company-plans-3b-fleet-modernization

## Sanmar Shipping returns to Maersk Tankers' LR2 pool

Denmark's Maersk Tankers has welcomed Indian tanker player Sanmar Shipping back as a pool partner. The Chennai-based firm, which operates a fleet of ten ships, comprising eight tankers and two LPG carriers, has re-joined Maersk Tankers' LR2 pool with the 2004-built Sanmar Sangeet.


"We have had the pleasure of working with Sanmar for many years, during which time we have been focused on finding the right deployment solutions for its vessels," remarked Susanne Jensen, global head of partner sales and service at Maersk Tankers. Maersk Tankers said Sanmar joins its pool at a time when freight markets are rallying but the need to decarbonise is becoming ever more pressing. "With Sanmar Shipping investing heavily in fuel and energy-efficiency technology, Maersk Tankers' pool set-up is a good fit," the company said, adding that it provides a fuel optimisation service and rewards partners who invest in fuel efficiency through its bunker adjustment methodology.

Commenting on joining Maersk Tankers' pools, Subba Rao, managing director at Sanmar Shipping, said: "Sanmar has always believed in values before profits, growth with responsibility and a unique chemistry with people and nature, which much about sums up our relationship with Maersk."

Source : https://splash247.com/sanmar-shipping-returns-to-maersk-tankers-lr2-pool/

## Powering the Use of Batteries

Battery packs help modern offshore vessels reduce emissions. Following a collaboration project between Solstad Offshore, Corvus Energy, VPS, Vard and Raa Labs, the usage of batteries can now be optimized according to actual operations, reducing emissions, and improving the return on investment.

Offshore vessels in the North Sea are often equipped with battery packs to allow for improved fuel efficiency during operations. Large investments in batteries onboard vessels are made both to meet requirements from charterers, as well as allowing operators to meet their performance improvement targets. But how to best use the batteries in everyday operations has not been standardized, due to the lack of data bridging the batteries and the operational systems.

Solstad Offshore is now able to monitor in real time the optimal usage of the Corvus Energy battery packs onboard their vessels, thanks to a groundbreaking collaborative effort between Solstad Offshore, Corvus Energy, VPS, Vard and Raa Labs. Technology company Raa Labs provides data from both battery packs and core operational systems onboard Solstad vessels, sharing all the data in real time both onboard as well as in the cloud. The data is made available through the application Maress from VPS, where all stakeholders can see the data and optimize the usage of the battery packs.

Source : https://maritime-executive.com/corporate/powering-the-use-of-batteries

## Greece Remains Biggest Customer for Korean Shipyards for 2nd Year

Greece placed the largest ship orders in South Korea this year, remaining a buttress for the nation's shipbuilding industry, data showed.

Greek shipowners have placed orders for 52 ships totaling 2.05 million compensated gross ton (CGT) from Korean shipyards so far this year, according to global market researcher Clarkson Research Service.
This is equivalent to 20 percent of the orders received by Korean shipyards this year.
The European country remained the biggest customer for Korean shipyards for the second straight year.
Following Greece were Japan with 22 ships or 1.66 million CGT, and Norway with 14 ships or 1.22 million CGT.

Even when Korean shipyards were struggling, Greece did not reduce orders from South Korea, greatly contributing to helping the Korean shipbuilding industry maintain its top spot in the global shipbuilding market.

Angelicoussis Shipping Group, the largest shipper in Greece, has placed orders for 119 ships from Daewoo Shipbuilding & Marine Engineering Co. since 1994, the largest-ever ship contracts between a single shipyard and shipowner.

Minerva Marine Inc. ordered two liquefied natural gas (LNG) carriers, worth 589.7 billion won (US$438 million), from Samsung Heavy Industries Co. this month, while Atlas Marine inked a deal with Daehan Shipbuilding Co. to build two Aframax tankers last month.

Source : https://www.hellenicshippingnews.com/greece-remains-biggest-customer-for-korean-shipyards-for-2nd-year/

## Europe and US exporters cheer rate falls, but now face 'vessel pot-luck'

Backhaul container spot rates are experiencing significant drops, although North Europe and US shippers take "pot-luck" when nominating sailings due to the vast number of blanked voyages on the tradelanes.

These exporters have endured a challenging two years as imports from Asia dictated ocean carrier strategy. But now the tables have turned, and backhaul shippers are being coveted again.
With carrier FAK rates at their peak a year ago, for both Asia to Europe and transpacific headhaul, of up to $20,000 a 40ft (including premium fees), having collapsed to pre-pandemic levels or below, the lines are focusing on maximising return-voyage earnings.

During the import boom, carriers prioritised the return of empty containers to Asia over export loads, for which rates, even during the capacity crunch, struggled to climb above $2,000 a 40ft from North European ports, or above $1,500 from the US.
Moreover, carriers were reluctant to release equipment to exporters and lose the opportunity to fill them with lucrative imports.

A carrier source told *The Loadstar* earlier in the year that allocating a container for European export use would mean the line was without use of the box for loading in China "for at least four weeks", excluding the voyage.

"By the time they get the box off the terminal in China, de-van it and get it back to the depot, we could have lost a month of use when we are screaming out for equipment to load boxes back," he said.
He added that the loss of use of the container could be exacerbated by the operational problems involved in shipping the laden box in the first instance, with chronic landside congestion delaying arrival of loaded containers at the terminal.

Source : https://theloadstar.com/europe-and-us-exporters-cheer-rate-falls-but-now-face-vessel-pot-luck/

## Major shipping lines will pass on cost of compliance with EU's new emission rules

The major shipping lines say they will pass on the extra costs of compliance with the forthcoming European Union Emissions Trading System (ETS).

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Alliance partners Maersk Line and MSC have said they would pass on the full cost to customers, estimating this at €90 per tonne of $CO_2$.

"We would envisage adding the cost on our Far East to North Europe trade of €69 ($70.80) per teu for dry containers and €208 ($213.55) per feu for reefer containers. North Europe to Asia, the cost would be €37 per dry teu and €110 per reefer feu," said MSC. Meanwhile, the World Shipping Council (WSC) and European associations have urged the EC to ensure its ETS measures lifecycle emissions from alternative fuels, rather than just those from the exhaust, which, it says will distort the market.

Jim Corbett, WSC European environment director, told *The Loadstar* the liner shipping association was fully behind the EU ETS, but industry and regulators have concerns over how the measure, due to be introduced on 1 January 2024, will work.

"The first concern from the EU is that there is no double-counting of carbon emissions, whereas our major concern is that there is no 'under-counting of emissions," he explained.

The concern is that if the EU ETS charges shipping lines for emissions from the funnel, without taking into account the lifecycle emissions of a fuel, this will cause market distortion, he said. There are proposals to prevent that distortion and the introduction of the ETS for the maritime sector has been delayed until 2024 to give industry and the EU time to arrive at a solution.

In an open letter to the EC, the associations wrote: "When creating regulations, politicians should consider the full picture to accurately capture the impact of the new fuels on the climate. Assessing fuels on a life-cycle basis includes the impact on the climate from producing, transporting and combusting the fuels."
The letter advises: "Long-term investments are needed to produce the renewable fuels of the future in greater quantities. The lack of a life cycle approach in ETS defers investment in the production of green fuels, because developers await certainty on the implications for their choice of fuel."
According to Mr Corbett, if the EU ETS only considers greenhouse gas emissions from vessels, this would put sustainably produced fuels at a disadvantage, because the production of what ge calls 'brown' fuels – those not produced through the use of renewable energy – "will get the same treatment even though the full climate impact of brown fuels is significantly worse".

That would create an "inverse incentive", he said, making the use of brown fuels cheaper than their green alternatives, an effect amplified when the fuel producer is beyond EU jurisdiction.

Source : https://theloadstar.com/unclear-eu-ets-rule-for-ship-emissions-could-distort-the-market-say-liners/
Port of Ulsan to become eco-friendly energy hub

**International classification society Korean Register (KR) and Ulsan Port Authority (UPA) have signed an MOU to support methanol-fueled ships and establish the South Korean port as a low-carbon, eco-friendly energy hub.**

A growing number of dual fuel methanol vessels are being ordered by international shipping companies, and in October South Korean shipping company KSS Marine took delivery of the country's first methanol powered vessel, MV Savonetta Sun, a 50,000 dwt product tanker.
The agreement was made in response to the low-carbon energy transition underway in the shipping and port industries.

Both organizations will collaborate on regulatory reform, deregulation of methanol-fueled ships and methanol bunkering, utilizing independent tank terminals in Ulsan as methanol storage facilities, testing methanol bunkering at Ulsan port and building methanol supply infrastructure in Korean ports.

Source : https://safety4sea.com/port-of-ulsan-to-become-eco-friendly-energy-hub/

## Smart Maritime Council releases best practice guidelines for data ownership and access

The *Smart Maritime Council*, a cross-industry membership group focused on technology harmonisation, standardisation and interoperability, has released a new set of best practice guidelines for data ownership and access in the maritime sector, providing a recommended list of data control issues for shipping companies and technology providers to consider when discussing contracts for the supply of shipboard systems.
The *Smart Maritime Council* is an initiative created by the *Smart Maritime Network* in 2019, bringing together maritime service and equipment providers, vessel operators and related industry stakeholders to discuss technology issues across the global transport chain.

The '***Data Ownership and Access in Maritime – Best Practice Guidelines***' document published by the group includes recommendations on establishing ownership of the data created by vessel equipment and systems, translation of digital signals into usable data formats for analysis, consent-based sharing with third-party analytics providers, and other related issues of key importance as the digitalisation of the maritime industry continues to progress.

In all, the publication highlights 11 key considerations for industry stakeholders to discuss at the beginning of any contractual relationship for digitally enabled systems, to ensure that data ownership and access rights are agreed upon early in the process and that any subsequent use of the data created by shipboard equipment is based on the principle of informed consent between the relevant parties.

Source : https://smartmaritimenetwork.com/2022/11/21/smart-maritime-council-releases-best-practice-guidelines-for-data-ownership-and-access/

## Drewry's World Container Index – Week 45/46

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## *Our detailed assessment for Thursday, 17 November 2022*

- The composite index decreased by 7% this week, the 38th consecutive weekly decrease, and has dropped by 72% when compared with the same week last year.

- The latest Drewry WCI composite index of $2,591 per 40-foot container is now 75% below the peak of $10,377 reached in September 2021. It is 31% lower than the 5-year average of $3,764, indicating a return to more normal prices, but remains 82% higher than average 2019 (pre-pandemic) rates of $1,420.

- The average composite index for the year-to-date is $6,922 per 40ft container, which is $3,159 higher than the five-year average ($3,764 mentioned above).

- The composite index decreased by 7% to $2,591.41 per 40ft container, and is 72% lower than the same week in 2021. Freight rates on Shanghai – Rotterdam dropped 14% or $439 to $2,687 per feu. Spot rates on Shanghai – Los Angeles and Shanghai – New York fell 6% each to $2,130 and $5,045 per 40ft box respectively. Similarly, rates on Shanghai – Genoa and Rotterdam – Shanghai slid 3% each to $3,404 and $840 per 40ft container individually. Rates on New York – Rotterdam, Rotterdam – New York and Los Angeles – Shanghai hovered around the previous week's level. Drewry expects smaller week-on-week reductions in rates in the next few weeks.

**SPOT FREIGHT RATES BY MAJOR ROUTE**

**Our assesment across Eight Major East-West Trade**

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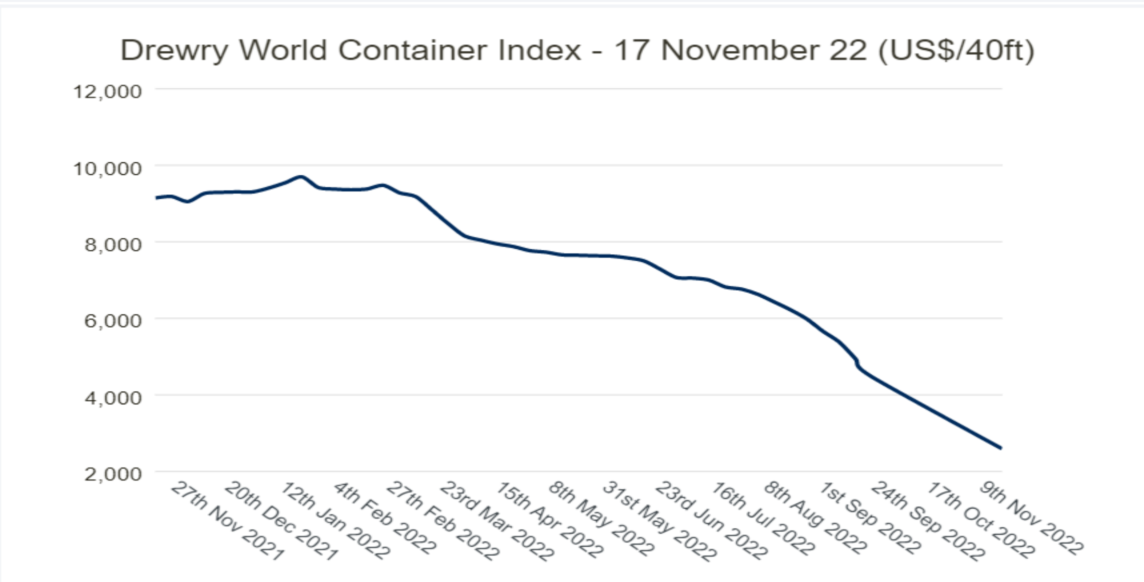
| Route | 3-Nov-22 | 10-Nov-22 | 17-Nov-22 | Weekly change (%) | Annual change (%) |
|---|---|---|---|---|---|
| Composite Index | $3,050 | $2,773 | $2,591 | -7% ▼ | -72% ▼ |
| Shanghai - Rotterdam | $3,684 | $3,126 | $2,687 | -14% ▼ | -80% ▼ |
| Rotterdam - Shanghai | $876 | $867 | $840 | -3% ▼ | -47% ▼ |
| Shanghai - Genoa | $4,087 | $3,494 | $3,404 | -3% ▼ | -73% ▼ |
| Shanghai - Los Angeles | $2,364 | $2,262 | $2,130 | -6% ▼ | -79% ▼ |
| Los Angeles - Shanghai | $1,165 | $1,186 | $1,184 | 0% | -7% ▼ |
| Shanghai - New York | $5,694 | $5,351 | $5,045 | -6% ▼ | -62% ▼ |
| New York - Rotterdam | $1,318 | $1,318 | $1,322 | 0% | 11% ▲ |
| Rotterdam - New York | $7,426 | $7,336 | $7,363 | 0% | 17% ▲ |

Drewry's composite World Container Index decreased by 7% to $2,591.41 per 40ft container this week.

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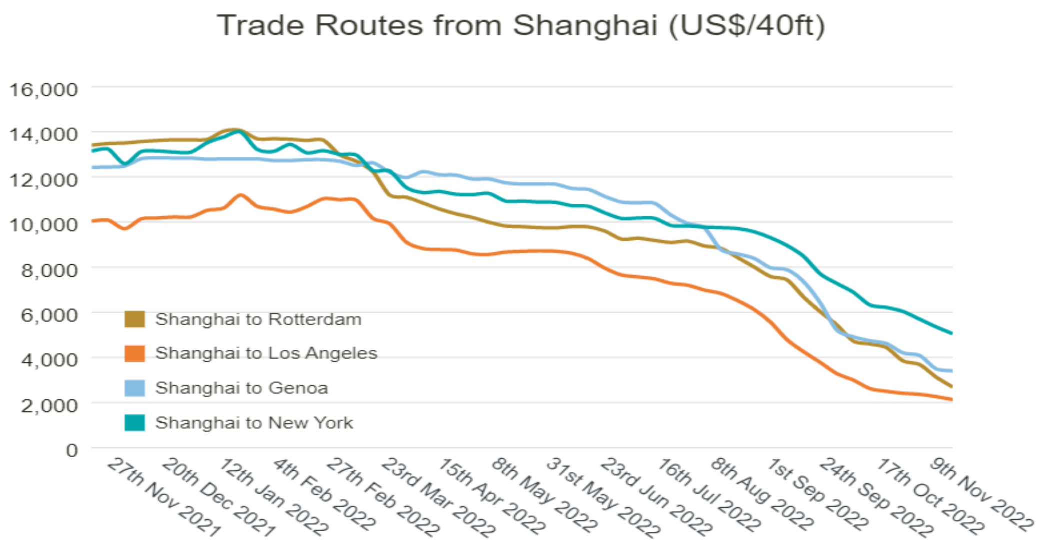
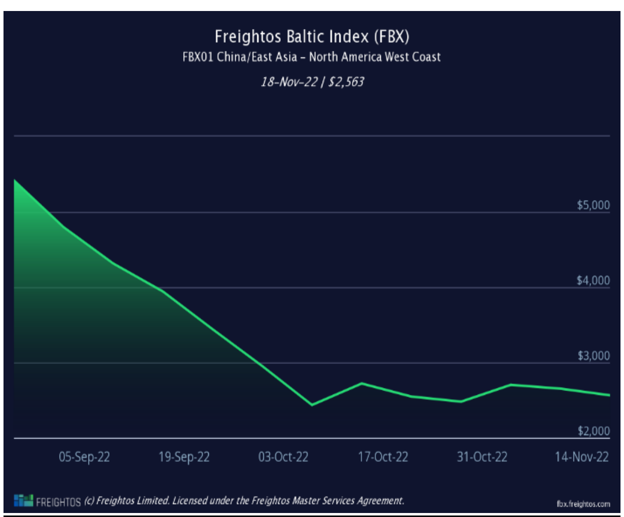
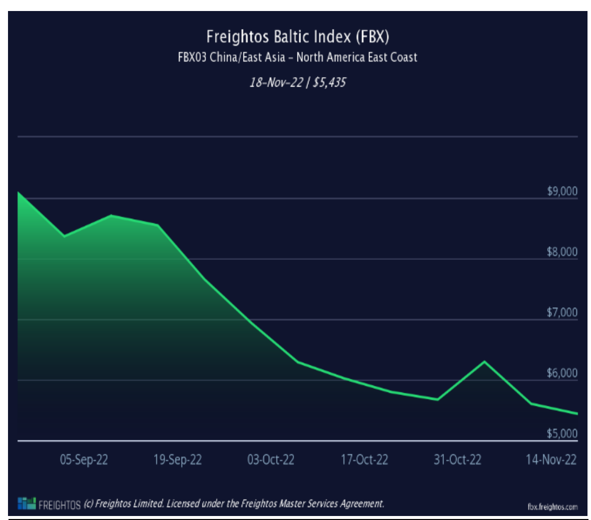



## FREIGHTOS CHINA / EAST ASIA FREIGHT INDEX

### China / East Asia to North America West Coast




### China / East Asia to North America East Coast





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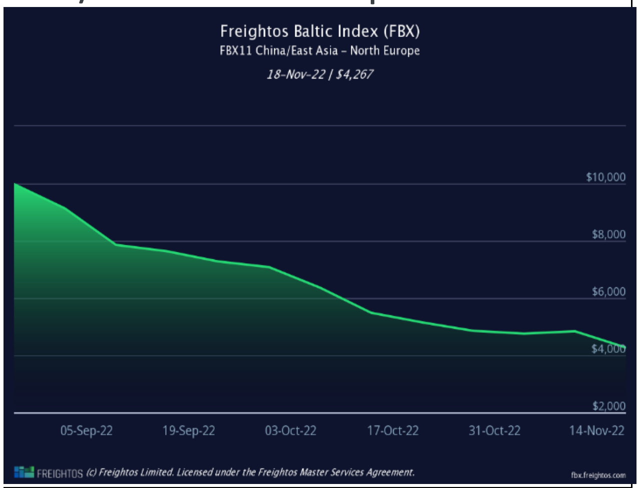
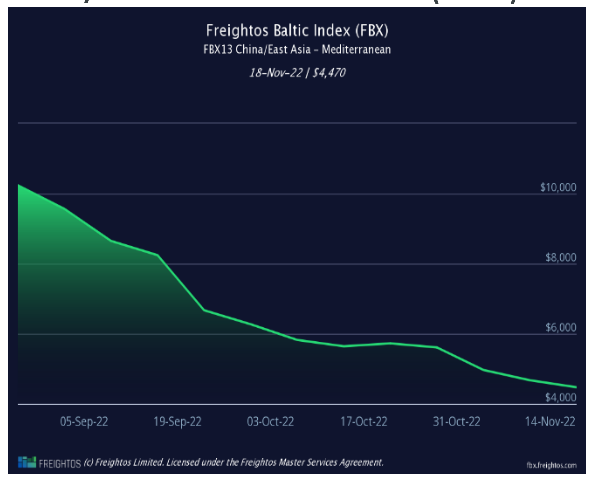
## China / East Asia – North Europe




## China / East Asia – Mediterranean ( Suez )




## Weekly Port Congestion at Major Asia Sea Ports

| | |
|---|---|
| Hong Kong | Waiting Time : 1 Days |
| Yantian | Waiting Time : 2 Days |
| Shekou | Waiting Time : 1 Days |
| Nansha | Waiting Time : 2 Days |
| Xiamen | Waiting Time : 1 Day |
| Qinzhou | Waiting Time : 2 Day |
| Shanghai | Waiting Time : 1 Day |
| Ningbo | Waiting Time : 2 Days |
| Tianjin | Waiting Time : 1 Day |
| Qingdao | Waiting Time : 1 Days |
| Kaohsiung | Waiting Time : 1 Days |
| Keelung | Waiting Time : 1 Day |
| Port Klang | Waiting Time : 1 Days |
| Singapore | Waiting Time : 1 Day |
| Busan | Waiting Time : 1 Days |
| Tokyo | Waiting Time : 1 Day |
| Nhava Sheva | Waiting Time : 1 Days |
| Mundra | Waiting Time : 1 Day |
| Chennai | Waiting Time : 1 Day |

Source :- https://www.gocomet.com/real-time-port-congestion

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