



Boards under fire

Fredriksen group's Kate Blankenship among those named in report critical of board member independence at US-listed outfits.

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Trump's Paris blow

Signs are emerging that US president's pull-out from climate accord is impacting IMO CO2 deliberations, but Asian giants show support.

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Japanese shipowner ignites fleet renewal effort

Nisshin hits dry cargo order trail

Nisshin Shipping has returned to the newbuilding market for a raft of bulkers having sold off more than 20 vessels over the past two years.

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Photo: Jiansu Hanlong

LABOUR TALKS FALL FLAT

Collective bargaining negotiations close with no progress, raising questions over contracts for 150,000 seafarers.

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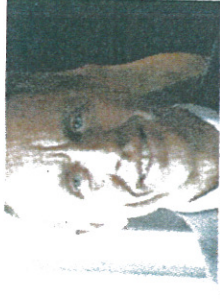


Photo: Derrin Griggs

BLYSTAD IN BOX PLAY

Norwegian shipowner in Songa Container pairing with finance house Ness, Risan & Partners.

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Cosco aims for liner market dominance

BANKS WANT SLICE OF THE ACTION AS MOVE TO TAKE OVER OOCL POISED TO PUT CHINA INC IN AMONG CONTAINERSHIP MARKET'S TOP THREE.

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Top enters 'milestone' deal with Gunvor

Andy Pierce
London

Top Ships has penned a joint venture with Gunvor involving two medium-range (MR) products tanker newbuildings.

Evangelos Pisticolis-led Top explains the deal involves the joint ownership of the 50,000-dwt *Eco Holmby Hills* and *Eco Palm Springs*, which are under construction at Hyundai V-nashin Shipyard.

Pisticolis said in a statement: "The joint venture with Gunvor Group represents a major milestone for Top Ships and we expect that this partnership will create a lot of synergies that will be beneficial for both parties."

Top, which previously held a 49% stake in the vessels initially ordered privately by Pisticolis, explains Clearlake Shipping will charter the tankers for three years with options for two more.

Revenue from the contracts will run to around \$55m, according to a statement from the company.

Delivery of the newbuildings is slated for the first and second quarters of 2018.

It continues an active period for Pisticolis, who has just entered the long-range-two (LR2) arena with a newbuilding order at Hanjin Heavy Industries placed by private company Central Shipping Monaco.

That deal, reported by TradeWinds last week, will take the number of tankers under the control of Pisticolis-fronted Central Group to 14 should two LR2 options be exercised.

Sadler steps down from Foresight

Adam Corbett
London

Foresight Group chief executive Richard Sadler has agreed with the Mehrotra family to hand over his position to John Wishart, former energy director at Lloyd's Register (LR).

Ravi Mehrotra will continue in his role as chairman of the offshore and shipping company, which controls two Aframax tankers and five jack-up rigs.

Sadler was formerly chief executive of LR where he worked together with Wishart.

Sadler said: "John has significant operational experience and a wide contact base in the offshore sector and he will add significant strength to the group in the continuing poor market, particularly in the jack up sector."

Foresight has established an operational management centre in Dubai to provide strategic and support activity to the group.

Sadler will continue to act as an advisor to Foresight.

LEGAL

Mediterranea blasts PT Pal's 'cowboy' operation

Italian owner chases Indonesian shipbuilder after \$22m arbitration award



PAOLO CAGNONI: Chairman and chief executive at Mediterranean di Navigazione
Photo: Ian Lewis

Ian Lewis and Jonathan Boonzaier
London and Singapore

Tanker owner Mediterranean di Navigazione is at loggerheads with Indonesian state-owned shipbuilder PT Pal over a \$22m arbitration award.

A long-running dispute over an order for two chemical tankers should have ended last year when a London arbitration court ruled in favour of the Italian shipowner.

But chairman and chief executive Paolo Cagnoni accused the state-owned shipbuilder of behaving in a "cowboy" fashion by refusing to pay the award and instead demanded a new legal process should begin in Indonesia.

The dispute dates back more than a decade to 2006, when the Italian owner ordered a pair of 6,000-dwt stainless-steel chemical tankers at PT Pal.

It was Mediterranean's first order at the yard at a time when other Italian owners were signing up with the Indonesian shipbuilder — including Dalmare, which ordered a 24,000-dwt products tanker.

Delivery of the first vessel was initially slated for 2008.

But Cagnoni says the yard did not perform and that after four or five years he cancelled the contract and initiated arbitration proceedings.

He says that PT Pal completed 80% to 90% of the first unit before work was halted.

Now he worries that the yard might try to sell the vessel.

That would mean ignoring the \$22m arbitration ruling, a total that includes damages and costs.

Cagnoni believes it is wrong for companies in Italy and Indonesia to initiate arbitration proceedings in London if they do not intend to accept the decision.

He says the Indonesian compa-

ny chose not to contest the arbitration ruling but argued instead for a new legal action in Indonesia to see whether the arbitration award can be applied. That is not going to happen, he says.

"It is totally unacceptable. It is not an international way of working in shipping," he said. "The law is not on the table if you go this country."

Lawyers familiar with the Indonesian legal system say it is possible to enforce a foreign arbitration award within Indonesia as the country has ratified the New York Convention. However, they note that it can be a cumbersome process as the award needs to be registered with the District Court of Central Jakarta by the tribunal or its proxy, not by the parties themselves.

That court would then issue an exequatur, a legal document issued by a sovereign authority allowing a right to be enforced in the authority's domain of competence, with which the winning party would apply to the relevant District Court for a writ of execution.

The Indonesian courts have no jurisdiction to hear an application to set aside foreign awards. However, it is not uncommon for a losing party in an Indonesia-related arbitration to commence court proceedings in the country by bringing actions against disputes said to fall outside the arbitration clause, or by arguing that the recognition or enforcement of the award would be contrary to public policy.

The courts might therefore be reluctant to register and enforce an award until the parallel litigation is resolved, which could result in the enforcement being held up until the litigation is over.

TradeWinds was unable to contact PT Pal for comment on the matter.

Market eyes Aframax sale for new price level

Andy Pierce
London

A closely-watched Aframax tanker sale that is expected to set a new benchmark price for such tonnage was continuing to puzzle the market as TradeWinds went to press. Offers were due on Wednesday morning London time for the 114,000-dwt *Phoenix Advance* (built 2011), which was said to have been inspected by between seven and nine parties.

Shipbroking sources say the Mitsui OSK Lines (MOL)-controlled tanker had received bids from four or five separate owners,

with prices in the region of \$25m to \$28m said to have been put on the table.

The more optimistic assessments among shipbrokers following the transaction chime with the \$27.9m figure VesselsValue has against the ship.

Several Greek owners and India's Great Eastern Shipping were being mentioned as possible buyers but a clear view on the ship's new owner had yet to emerge at the time of writing on Wednesday.

MOL's Phoenix Tankers placed the *Phoenix Advance* on the market a couple of weeks ago and will reduce its fleet to eight vessels should a deal be completed.

The *Phoenix Advance* has been with the MOL fleet since its delivery from Hyundai Heavy In-

dustries. According to available records, the ship has just come off a three-month charter with PetroChina.

One Aframax deal believed to have been completed this week is the sale of the 106,000-dwt *Seaborne* (built 2003).

Shipbroking sources tell TradeWinds a figure of between \$10.95m and \$11.5m has been paid for the vessel by an Indonesian owner.

The Japanese-built *Seaborne* is one of the oldest tankers in the fleet of Valles Steamship.

The Chinese owner will be left with a mixed fleet of 10 crude and products tankers alongside two bulkers on the water. It also has a pair of products tankers on order for delivery during 2017.



AFRAMAX: The 114,024-dwt *Phoenix Advance* (built 2011)
Photo: MOL