

Germanischer Lloyd tankermail



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Photo: Santierul Naval Constanta S.A.

CONSTANTA. The "Rotterdam of the East" is home to enterprises such as Histria Shipmanagement S.R.L.

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ROMANIA

Europe's Rising Star

Just a few months ago, Romania became a member of the European Union. Analysts say the nation's future prospects are excellent. The international shipbuilding industry has long been aware of Romania's potential

Romania is without doubt one of the winners of the most recent expansion of the EU: with an estimated growth rate of 6.5 per cent in 2007, the country is clearly on the rise. A.T. Kearney, an international management consulting

firm, confirmed that Romania is a promising place for investors. The country's growing appeal to the business world is not only a result of subsidies from the European Union, that will total 18 billion between now and 2013. In 2006, its pro-business

policy, with a flat-rate corporation tax of 16 per cent, caused international direct investment to nearly double compared to 2005.

As a traditional shipbuilding nation, with the port city of Constanta as a →

→ regional hub, Romania continues to play a key role within the industry. In terms of commercial traffic, it has long surpassed the ports of Odessa in Ukraine, or Varna in Bulgaria. Sometimes dubbed “Rotterdam of the East,” Constanta is home to enterprises such as Histria Shipmanagement S.R.L.

Impressive Range

The time since the privatization of the formerly state-owned ship-operating company Navrom in the early 1990’s has been used effectively. Captain Georghé Bosînceanu has been CEO of the Histria Group and its integrated shipyard Santierul Naval Constanta S.A. (SNC) since the group was first established in 1992.

Initially called Tanker Ship Management S.R.L., the group today spans an impressive range of activities covering all aspects of the shipping industry: ship management, chartering, operation, staffing, repair, technical support and safety.

The group’s tanker fleet is growing steadily. Bosînceanu stresses the fact that Histria Group is not a shipowning company: “We strictly consider ourselves a shipping agency.” Histria Shipmanage-

Facts Romania



Public approval was overwhelming. More than 80 per cent of the Romanian population of 21.6 million favoured joining the European Union. The Balkan state became a member on 1 January 2007. Following a brief downturn in 2005, the Romanian economy grew 7.7 per cent in 2006. The country’s industry is currently undergoing structural changes to enable

the production of higher-valued goods. Within the mechanical engineering sector, the Romanian shipbuilding industry is considered competitive and promising.

ment, the showpiece of Histria Group, was the first Romanian enterprise to be certified ISO 9001:2000 and ISO 14001:2000 by Germanischer Lloyd.

The company is now preparing to qualify for ISO 9002. Meanwhile, Histria had its tanker fleet classified with Germanischer Lloyd. Santierul Naval Constanta is currently building a series of 18 IMO Type 3 oil/chemical tankers with 37,000 to 41,000 dwt, twelve of which will be operated by Histria Shipmanagement. This is the first-

ever all-Romanian project, comprising the entire cycle from ordering through designing to building. The first ship of the series was delivered as early as 2005.

Historical Record

Three more were completed in 2006. Constructed within as little as seven months, they took less than half of the usual 16-month period to build. Besides the 41,000 dwt oil and chemical tankers, Santierul Naval Constanta S.A. is also working on a new

Emergency Response Service

Accidents, collisions, oil spillages, groundings, on-board fires – the Emergency Response Service (ERS) of Germanischer Lloyd has been helping ships in distress for thirteen years. In an emergency, the service provides an expert analysis of the damage and detailed recommendations for the rescue procedure.

The benefits for the shipping company are significant: “An accident can often cost several hundred million euros. If you have an efficient crisis management system, you can not only save considerable amounts of money but also avoid serious environmental damage,” says Kray, Head of the Techni-



SUCCESS STORY.

ERS was established by GL in 1993.

cal Support Department at Germanischer Lloyd. **New Regulation.** Since 1993 it has been a legal requirement in the USA for oil tankers to contact an emergency service in case of an accident – a consequence of the

“Exxon Valdez” accident off Alaska. Since 2004, INTERTANKO members have been required to register their tankers with an Emergency Response System. And as of January 2007, tankers over 5000 dwt must be regis-

tered with an emergency system according to MARPOL regulation. The ERS of Germanischer Lloyd operates with great success. The 500th vessel joined ERS in November 2006. The “Histria Perla”, a chemical tanker with a tonnage of 40471 dwt, built at Constanta Shipyard and classed by Germanischer Lloyd. Nicolae Berechet, Technical Director of Histria Shipmanagement, received the certificate at the company’s headquarters. Presently another 500 Ships are ordered to receive ERS in due time.

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HISTRIA PERLA. The Romanian chemical tanker is already the 500th ERS-certified ship.

project, a 50,000 dwt oil tanker. The boom in the shipbuilding industry didn't stop at Constanta – it has taken over all of Romania. The order books of the country's eight shipyards are full for years to come. As early as 2005, the Romanian shipbuilding industry broke its own historical record, as reported by the Romanian Shipbuilders Association ANCONAV. By delivering 18 complete ships and recording a total ordered tonnage of 1,139,878 gt, the previous year's numbers had been more than doubled.

The tanker segment in particular can expect continued strong growth rates and international investment. The Pan-European Pipeline (PEOP), scheduled to be commissioned in 2012, is likely to boost international interest in Romania. 1,319 km in length, the PEOP will connect Constanta with Serbia, Croatia and Trieste, Italy to reduce ship traffic through the Bosphorus. Once completed, this two-billion-euro pipeline could supply refineries in South-Eastern Europe, Italy, Austria and Bavaria with more than 40,000,000 tons of oil annually. ■

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New Ship, New Orders

Yard number 568, register number 112320 – mere numbers that conceal plenty of effort, work and sweat, said Dr Hermann J. Klein, member of Germanischer Lloyd's Executive Board, in his speech at the launching of a 37,000 dwt tanker at Constanta Shipyard. The actual naming ceremony was then handled by his wife, Irene. In glorious weather the lady vigorously thrust a bottle of champagne at the new vessel, giving it the name "Histria Agata". 180 m in length and 32 m wide, the chemical tanker is fifth in a series of 17 sister ships being built under GL class.

Trustful cooperation. The subsequent festive reception provided an additional reason to celebrate: GL Executive Dr Klein and Radu Rusen, Managing Director of Constanta Shipyard, signed the orders for classification of two new, 50,000 dwt, IMO Type 2 chemical tankers.



CEREMONY. Dr Hermann J. Klein, Member of GL's Executive Board, his wife Irene and George Bosinceanu (r.), President of Histria Group.

MARKET STUDY

Tankers Wanted

The world economy is booming. In the tanker sector, order books are brimming



THE LAUNCH. Newly-built vessel by tanker specialist Lindenau-Werft.

Photo: Lindenau-Werft

World trade is at peak performance. For the sixth year running, the shipping business cycle is on the rise. Despite increasing operating costs and slightly decreasing charter rates, the world's trading fleet will continue to grow for years to come, says Schiffshypothekenbank zu Lübeck AG, a ship mortgage subsidiary of Deutsche Bank.

In the tanker sector, order books are brimming. According to calculations of Maersk brokers in Copenhagen, 423 crude oil tankers are due for delivery by the end of 2009. Shipbuilders' order books currently amount to 27.4 per cent of the existing fleet. By 2015, the new ships completed will exceed the estimated total number of ships decommissioned by 16 per cent, say the Deutsche Bank experts. The focus is on Panamax and larger ships.

The crude oil tanker market is generally considered highly cyclical and heavily dependent on oil demand, OPEC production and oil prices. At the beginning of the year, charter rates for VLCC dropped from US\$ 90,000 to US\$ 50,000 due to the mild winter of 2006/2007. The feasibility limit for this size category is just below US\$ 44,000. Rising cargo capacities should continue to push prices down over the coming years. However, the stable world economy and especially, the Asian economies' rising demand for raw materials are expected to dampen this effect.

The increasing global demand for oil products will further boost the product tanker market, as well. This volatile segment, highly dependent on seasonal effects such as temperatures, hurricanes, inventories or temporary refinery downtimes for maintenance, is benefiting from

an expansion of refinery capacities in Asia and the Middle East. Due to the greater distance from Western consumers, the demand for shipping will increase, says the Lübeck shipping experts' analysis.

The number of product tankers on order has risen accordingly, currently amounting to 50.9 per cent of the existing fleet. As with crude oil tankers, there is a trend towards larger product tankers. Newbuildings delivered will exceed the estimated number of scrapped older tonnages and single-hulled ships by an even greater margin than in the crude oil tanker segment. Based on current numbers, 1,145 ships will be delivered by 2015, whereas only 644 will be recycled. Nevertheless, the analysts are not expecting a sharp drop in charter rates.

Prospects for gas are similarly positive. Compared to coal and oil, this source of energy is more appealing due to its much lower carbon dioxide emissions. The EU's commitment to halving CO₂ emissions by 2020 has accelerated the LNG tanker market considerably.

There have been speculative newbuilding orders recently for ships designed to transport natural gas. Market observers are expecting an excess tonnage of 20 per cent by 2009. This development, according to the Deutsche Bank analysis, is reflected today in unfeasible charter

rates (US\$ 38,000/day) for LNG vessels (140,000 m³). By comparison, the LPG tanker segment is far more stable. The market is controlled by a small number of suppliers. Poten & Partners are forecasting an annual increase in international industrial gases trading by 7.1 per cent on average by 2011. ■

CO₂ emissions

