



Korean Shipping messenger

A collection of articles and daily news for the shipping industry with focus on the Korean shipping and shipbuilding markets.

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Shipbuilding News

JMU delivered eco Cape BC

Japan Marine United (JMU) announced on November 1 that the Japanese builder had delivered "CAPE VERDE" to BRIGHT GATE SHIPPING (PTE) LTD, the next generation and energy saving bulker built at its Ariake Shipyard.

The newbuilding is capesize bulker for trading iron ore and coal across the Pacific ocean as the next generation vessel size of hit product, 205,000 dwt. It is 209,000 dwt bulker of G-series, developed aiming at saving 25% of green house gas emission as improving deadweight capacity.

The most notable feature of this next generation vessel is waste heat recovery system equipped and friction drag reduction through low-friction coating with reducing wind pressure resistance. In addition, it saves power via selecting LED lighting and etc. together with reducing green house gasses and improving fuel-efficiency at the same time.

Major component is said to be MAN-B & W 7S65ME-C8.2. Classed by ClassNK, the vessel moves at 14.5 knots, flying the Singaporean flag.

MHI H1 profits jump

Japan's Mitsubishi Heavy Industries recently announced its consolidated financial results recorded for the first half of 2013 fiscal year (April-September, 2013).

According to the results, Mitsubishi posted JPY 1.5055trn (\$15.24bn) in net sales, up by 13.6% year-on-year, while recording JPY 75.4bn of operating income, up by 59.8% y-o-y, with JPY 32.8bn net income, up by 71.3% y-o-y, during the period ended September 30.

Shipbuilding & Ocean Development posted JPY 103.8bn in net sales, down from JPY 132.6bn year-on-year, however recorded JPY 400m of operating income, successfully turning into the black from JPY 6.3bn operating losses recorded a year ago.

During the first half of 2013 fiscal year, the Japanese company saw JPY 1.5655trn in new orders received, increasing by 55.7% compared to the same period of last year, while Shipbuilding & Ocean Development division recorded JPY 109.1bn in orders received, greatly improving from JPY 39.2bn of last year.

Mitsubishi constructed and delivered a total of five vessels, including one seismic vessel, one research vessel, one containership, one patrol vessel and one fisheries patrol vessel and won new orders for five vessels, including naval

ships, seabed research vessels, etc. In addition, it had backlog of 45 ships overall, comprising 10 LNG carriers, eight ferries/passenger and cargo ships, seven patrol vessels, three seismic vessels, three containerships, three pure car carriers, three roll-on/roll-off vessels, two cruise ships and six others.

The Japanese builder explained that it would push forward with new contracts for engineering projects and high-value added ships, such as LNG carrier and so on.

Taizhou Sanfu inks 64K BC

Taizhou Sanfu Ship Engineering turned out to have entered an agreement to construct 64,000 dwt bulker with Fujian Guohang Ocean Shipping (Group) on November 2.

Classed by China Classification Society (CCS), the bulker has 199.9m of length, 32.26m of breadth and 18.5m of height with 11.3m of design draft.

Hyundai-Vinashin, 50K PC K/L

On November 01, 2013, Keel Laying Ceremony for Hull No. S406 was held at Dock No. 1 of Hyundai-Vinashin Shipyard under the attendance of the Representatives of Owner, DNV class, and the Yard.

S406 is the first 50,000 DWT Product Tanker in series 4 vessels ordered by Central Mare International Co., Greece.

As the current production schedule, Hull No. S406 will be launched in February 2014, and deliver in May.

The main particulars of the vessels are as follows:

- Length: 183m
- Breath: 32.2m
- Depth: 19.1m
- Cargo capacity: 53,550m³
- Speed: 15knots

AVIC confirms 1st offshore

The first offshore project of China's AVIC Weihai Shipyard to build a 225ft jack-up platform, awarded from a shipowner in Egypt, is said to have taken effect on October 8.

Having a rated water depth of 5-45m, the jack-up platform is subject to an operation of offshore oilfield service. Classed by ABS, it is planned for delivery due December 7, 2014.

Baltic Trading to acquire capesizes

Further Expands Modern Fleet by 49% on a Tonnage Basis

NEW YORK, Nov. 5, 2013 - Baltic Trading Limited (NYSE: BALT) announced today that it has agreed to acquire two 179,185 dwt Capesize vessels for an aggregate purchase price of \$103.0 million. The acquisition is subject to the completion of customary documentation and closing conditions.

The two vessels, built in 2012 and 2011 by Hyundai Heavy Industries, are expected to be delivered to Baltic Trading by the end of the fourth quarter of 2013. Upon completion of the acquisition, Baltic Trading will own 13 drybulk vessels, consisting of four Capesize vessels, four Supramax vessels and five Handysize vessels with a total carrying capacity of approximately 1,095,000 dwt and an average age of approximately 3.6 years.

Baltic Trading plans to finance this acquisition in part through the proceeds from its share offering completed on September 25, 2013 and in part through commercial bank debt financing. The Company is in negotiations to obtain a commitment for commercial bank financing from a global lending institution.

John C. Wobensmith, President and Chief Financial Officer, commented, "The agreements to acquire two modern Capesize vessels at a compelling valuation highlights the ongoing execution of Baltic Trading's growth strategy. With these agreements, combined with our recently completed acquisition of two Handysize vessels, Baltic Trading is positioned to expand its high-quality fleet by a total of approximately 63% on a deadweight tonnage basis. We plan to continue to implement our fleet deployment strategy by securing these vessels on spot market-related time charters prior to their delivery. In addition, management remains focused on preserving a sound capital structure and cost-effective operating platform as we continue to take advantage of an attractive acquisition environment."

Safe orders Eco-BC in Japan

Safe Bulkers, Inc. (the "Company") (NYSE: SB), an international provider of marine drybulk transportation services, announced its unaudited financial results for the three- and nine- months period ended September 30, 2013.

Summary of Third Quarter 2013 Results

Net revenue for the third quarter of 2013 decreased by 10% to \$41.9 million from \$46.8 million during the same period in 2012.

Net income for the third quarter of 2013 decreased by 44% to \$11.6 million from \$20.7 million, during the same period in 2012.

EBITDA for the third quarter of 2013 decreased by 25% to \$23.4 million from \$31.4 million during the same period in 2012.

Fleet and Employment Profile

In July 2013, the Company took delivery of the Zoe, (Hull No. 814), a 75,000 dwt, Japanese, newbuild, Panamax class vessel, for a purchase price of \$29.5 million.

In July 2013, the Company took delivery of the Xenia, a 2006 Japanese built 87,000 dwt, post- Panamax class vessel, for a purchase price of \$19.5 million.

In September 2013, the Company entered into an agreement with a Japanese shipyard for the construction of an eco-design, 76,500 dwt, Panamax class vessel at a price of \$28 million, scheduled to be delivered during the first half of 2015. Upon delivery from the shipyard the vessel is expected to be employed under a period time charter, for a total duration of ten years at a net daily charter rate of \$15,800 for the first five years, and \$15,000 for the second five years. The Company also holds the option, upon completion of the first five years of the time charter, to terminate the time charter and sell the vessel.

In October 2013, the Company entered into shipbuilding contracts with a Japanese shipyard, for the construction of two eco-design, 77,000 dwt, Panamax class vessels at a price of \$30.0 million and \$30.2 million. The first vessel is scheduled for delivery during the second half of 2015 and the second vessel is scheduled for delivery during the first half of 2016.

As of November 1, 2013, the Company's operational fleet was comprised of 28 drybulk vessels with an average age of 5.4 years and an aggregate carrying capacity of 2.5 million dwt. The fleet consists of eight Panamax class vessels, seven Kamsarmax class vessels, eleven post-Panamax class vessels and two Capesize class vessels, all built 2003 onwards.

As of November 1, 2013, the Company had contracted to acquire ten additional drybulk newbuild vessels, with deliveries scheduled at various dates through 2016. The orderbook consists of seven Panamax class vessels, two Post-Panamax class vessels and one Capesize class vessel.