



PandaNews

COSCO SHIPYARD NEWSPAPER

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MISSION STATEMENT To be a world leader in ship repair, conversion, new building and offshore marine engineering, we maintain trusting relationships with our customers, employers, and partners, yielding best returns for shareholders, society and environment. Depending on our talented engineers working alongside with an efficient project management team and a highly skilled workforce, we could guarantee to deliver the projects we undertake timely and professionally.



ABS Executive Vice President Mr. Tony Nassif Visit COSCO SHIPYARD



February 29: ABS Executive Vice President Mr. Tony Nassif and Greater China Division CEO Eric Kless visited COSCO Shipyard Commercial Headquarters, and were warmly welcomed by the COSCO Shipyard Group President Mr. Liang Yanfeng and Chief Engineer Mr. Zhan Shuming.

Mr. Liang Yanfeng warmly welcomed the ABS delegation, and expressed his sincere gratitude to Mr. Kless for his team's support and cooperation. During the meeting, Mr. Liang Yanfeng said that the meaningful cooperation between COSCO Shipyard Group and ABS was very beneficial and that a very good result had been achieved during the FPSO technology exchange meeting held after both parties had signed the cooperation agreement.

Mr. Nassif confirmed he also valued the cooperation agreement between the COSCO Shipyard Group and ABS, and said that ABS was willing to maintain long-term cooperation, strengthen cooperation and develop new markets. The parties exchanged marketing information and shared their analysis of future market behavior.



Maersk Delegation Visit COSCO Shipyard Commercial Headquarters

2nd of March: The Maersk Group Vice President of Global Sourcing Mr. Charl Bester and North Asia Sourcing Director Mr. Zhang Jian visited the COSCO Shipyard Group. The COSCO Shipyard Group President Mr. Liang Yanfeng warmly welcomed the Maersk

delegation.

During the meeting, Mr. Liang Yanfeng briefly introduced the COSCO and CSG merger and both parties shared detailed information of construction projects, such as the SSV project and the 3600 TEU container projects, and repair

projects.

Mr. Liang Yanfeng expressed sincere gratitude to the Maersk group for their support adding that COSCO shipyards will continue to ensure they promote the strategy of their major client and that, by continuing to prioritize

the owner's satisfaction and make certain that the arrangements for Maersk Group construction projects and repair projects are the best possible, they will provide even better professional services in the future.



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Steel Cutting for N518 FPSO

On February 15, the steel cutting ceremony for the main part of the N518 FPSO construction project was held in COSCO Qidong Offshore steel workshop. Mr. Ataliba Piedade Neto, the representative of the end user Petrobras, Mr. Sergio Ribeiro, the representative of the Ship Owner ECOVIX, and ABS classification society representatives attended the event.

The vessel has a total length of 307.5m, a total breadth of 74m, a depth of 31.5m and is fitted with two sets of emergency generators. Both the bow and stern of the vessel are equipped with 2 sets of off-loading winches, 4 sets of anchor winches, 2 sets of high power fire pumps and an oil pump system among other things. The vessel is designed for 25 years on station.



Salvage Ship "Bode #2" Successfully Delivered by COSCO Dalian Shipyard

On March 20, after nearly 7 days sailing, the salvage ship "Bode #2", built by COSCO Dalian shipyard for The Transport Bureau of Yantai, arrived at the port of Zhanjiang. The vessel was delivered on 9th of March, loaded on 10th of March, set sail from Dalian

on 13th of March and reached its destination on 20th of March.

"Bode #2" has a total length of 159.6m, a breadth of 38.8m and a depth of 10.9m. It has a maximum loading capacity of 20500 tonnes. Sea trials confirmed that the vessel's speed and

fuel consumption matched the design requirements and all systems ran as expected. This vessel was a major project for the Ministry of Transport and adds to the range of special purpose vessels COSCO Dalian Shipyard has built.

CHRISTENING CEREMONY FOR LIVESTOCK CARRIER



On March 18th, the sixth livestock carrier COSCO Guangdong Shipyard has built for VROON was successfully named as "GREYMAN EXPRESS".

"GREYMAN EXPRESS" met the requirements of AMSA's latest specifications. The vessel has a 4500sq.meter Kraal area, a capacity to carry 3000 adult cattle, a total length of 134.8 meters, and a top speed of 17 Kn. "GREYMAN EXPRESS" is constructed with a revolutionary bow hull design, which ensures that the animals are transported in a comfortable

environment. It is equipped with an automatic drinking water system, automatic feed delivery system, ventilation system and other living facilities for the livestock, all of which passed the Australia AMSA inspection.

At the naming ceremony the COSCO shipyard group GM Mr. Liang Yanfeng reviewed the cooperation between COSCO Shipyard and Vroon. He thanked Vroon sincerely for their support of, and trust in, the COSCO Shipyard and expressed his hope for deeper cooperation in the future. He encour-

aged COSCO Guangdong shipyard to make the naming ceremony an opportunity to continue their successful co-operation to ensure the construction of the seventh livestock carrier, N682, and the platform supply vessel, PX121, reached an even better level of quality and service, and thus achieve a win-win situation for both sides.

VROON GM Mr. Coco Vroon congratulated the COSCO shipyard, and sincerely thanked COSCO Guangdong Shipyard for having paid very close attention to the Vroon shipbuilding and offshore projects.

Second Crude/Product Oil Tanker Delivered by COSCO Zhoushan Shipyard

On 11th March, COSCO Zhoushan Shipyard delivered the 111k DWT Tanker "FRONT FLEET LYNX" to Front Fleet II.

Mr. Sunil Dutt signed the delivery documents with COSCO Zhoushan Shipyard's General Manager Mr. Dong Yezong.

The Vessel dimensions are: 251.90m Length, 44m Width, 21.3m Depth. It has a capacity of 130,000 m³ Crude/Product

Oil storage. The order is for a total of 4 Crude/Product Oil tankers the first vessel of which was delivered on January 7th.



Maersk Klaipeda: Bulbous bow and propeller renewed at COSCO Zhoushan

Maersk Klaipeda is one of the 6,800-TEU container ships from MAERSK LINE A/S. This is the first vessel came to COSCO Zhoushan for conversion and DD repairs, total 4 vessels. The major jobs included reinforcement of hatch cover sockets, bulbous bow modification, propeller renewal, hull full sandblasting and paint/lashing bridge Hydro blasting and paint/hatch covers Hydro blasting and paint.

The vessel measure 300 meters LOA and 42.8 meters in breadth; each hatch panel weighs about 35 tonnes, total 50 pcs removed to shore for conversion; the existing propeller –almost 91 tonnes; the new bulbous bow –about 155 tonnes; It is a giant in every sense and posed a challenge to the yard's facilities. On top of that, sophisticated technical support, efficient management, sufficient manpower and a high level of quality



control were also essential for the successful execution of the project.

Before the vessel arrive shipyard, we studied the project very carefully, determined the main jobs and produced a master plan. Relying

on our rich experience in bulbous bow modification on large container ships, as well as expertise in shaft repairs and propeller replacement, we started working enthusiastically on the project, from the

bulbous bow fabrication to coating treatment, from the 50 pcs hatch covers removed to shore and put back on board after completed conversion works, from old propeller disconnect and new propeller

transportation to shaft alignment/blue testing/scrape, hitting each target with precision.

We managed to replace the bulbous bow in 5 days and the propeller was completed with equal efficiency. During the sea trials, the performance of all systems was verified without any defect. Our execution of this project has been held in high regard by both the owner and the Class.

The site teams of MAERSK were very satisfied with the good cooperation/hard working of shipyard, even though the Chinese New Year effect our production schedule, yard did best to avoid that and finally deliver the vessel on time according to contract in between COSCO ZhouShan and Maersk. The site teams are very confident that yard would do better for the next 3 vessel of same projects.



COSCO Shipyard signed agreement with Turbotechniki Ltd

COSCO Shipyard Engineering Service (Dalian) Co., Ltd., part of the COSCO Shipyard Group, the largest ship repair company in China with market leading technology and management systems and which repairs more than 700 large vessels annually, has signed a two-year strategic cooperation agreement with Turbotechniki Ltd. Turbotechniki Ltd is located in Piraeus, Greece, and is a leading company in the repair and sales of original spare parts for turbochargers worldwide.

Under their signed agreement, the two business partners will solicit orders for ship repairs, specialist services, spare parts supply and provision supply etc.

The agreement covers, Greece, Turkey, Romania, Bulgaria, Croatia, Cyprus and China.

The repair work performed under the agreement should provide a guaranteed quality of repair and a service availability 24 hours per day, 7 days per week all the year around.

Wish the cooperation between CMA CGM and COSCO Shipyard lasts forever and ever!

Interview with Dry Dock Director of CMA SHIPS, Mr. Giovanni Marmoro

On February 21, the day before the Chinese Lantern Festival, the repair of "CMA CGM HYDRA", which includes a bulbous bow renewal, propeller retrofit and ECA piping installation, was mostly completed. The CMA CGM Dry Dock Director Mr. Giovanni Marmoro, who would soon return to their headquarters in France, gracefully agreed to the journalist's request for an interview. On that same day his schedule was full, and it was the weekend, but Mr. MARMORO's agreed to the interview despite this. Mr. Marmoro's dedication and modesty are particularly admired by the journalist.

"The Spring Festival on Liheng Island is very exciting, give me a very good impression." Mr. Marmoro said before the journalist began his interview. Usually he comes every year and he caught up with the Spring Festival this time. Before the reporter asked how he felt, Mr. Marmoro actively said: "For Christmas, no matter how busy you are, you will go home and get family reunion. I know the significance of the Chinese New Year to you, but I didn't expect that there are still many workers in the yard to service us, service for other ships in the yard, we really admire your dedication,



you invited me to play the New Year firecrackers, thank you very much for your invitation."

The vessel CMA CGM HYDRA is the first vessel from CMA SHIPS to visit Zhoushan COSCO shipyard in 2016. In view of the importance of this project, Mr. Marmoro participated in the entire process from beginning to end. The vessel CMA CGM HYDRA arrived at Zhoushan COSCO shipyard on 6th Feb. She is an 11,000 TEU container ship and the contracted repair included a bulbous bow renewal, propeller retrofit and other items ensuing from the 7.5 year docking survey. Mr. Marmoro evaluated the project as follows: "The labor was abundant, the equipment and resources are sufficient, the repair team was quick to respond. The bulbous bow renewal is a speciality of

Zhoushan COSCO shipyard, you only need 6 days to complete this new task. You're really fantastic."

Towards the end of the interview, Mr. Marmoro talked about the Grand Opening of the China COSCO Shipping Corporation on 18th February in Shanghai. At that time, Mr. Marmoro was invited to witness the merging and recombination of two Chinese shipping giants as an honored guest of COSCO. Mr. Marmoro expressed all his feelings in one word: "AMAZING!". He said: "It's very honor to get the invitation of COSCO Shipyard, to participate in the activities of such a major event." During the celebration, Mr. Marmoro also had a brief conversation with the General Manager of COSCO Shipyard Mr. Liang Yanfeng. Mr. Marmoro was clearly excited about the memorable friendship that has built up between CMA CGM and COSCO Shipyard.

After the interview, Mr. Marmoro, who already understands quite a bit about the Chinese culture, wished the journalist a "Happy Lantern Festival". He also wished COSCO shipyard a bright future and said he hoped that the cooperation between CMA CGM and COSCO shipyard would last forever and ever!

BDI Reaches New High in 2016



As the dry bulk market is currently experiencing a slight recovery, the Baltic Dry Index (BDI) jumped by 13 points and reached 500 points on April 6, marking the highest level so far in 2016.

The Capesize index was up by 11 points reaching 477, the Panamax index was up by 23 points hitting 619, while the Supramax index increased by 3 points, resulting in 482 points.

Average daily earnings for

Capesizes and Panamaxes were up by USD 187 and USD 180, amounting to USD 4,027 and USD 4,940, respectively, while the average daily earnings for Supramaxes increased by USD 32 to USD 5,036.

The increases come on the back of last month's BDI threshold of over 400, after the dry bulk industry staged a come back following BDI's plunge to a record low of 298 points seen at the beginning

of February.

In an attempt to deal with overcapacity in the sector, dry bulk owners were on a demolition spree during the first quarter of 2016, according to data from Clarksons Research.

In January and February alone, 111 dry bulk ships were scrapped, equalling 9.3 million DWT, BIMCO said.

By the end of March, some 144 dry bulkers, equivalent to 11.9

DWT, were sold to scrap.

Clarksons Research data shows that the average scrapping age for bulk carriers dropped from 33 years in 2007 to 24 years so far this year, however, due to the current market conditions, vessels built in the 2000s are now candidates for recycling.

Despite the high scrapping trend, the current dry bulk market is still in limbo, as low demand for commodities transportation con-

tinues.

Furthermore, according to VesselsValue the interest for building and ordering dry bulk ships has diminished in 2016, as shipyards believe they can earn more from constructing other types of ships.

Only four vessel orders were registered in the first 12 weeks of 2016 despite 12-year low new-building prices offered from the shipyards, BIMCO said.

USD 65 Bn Lost in Shipping Assets Value in 2015

Some USD 65 billion was lost in underlying market value in shipping assets in 2015, according to shipbrokers Barry RoglianoSalles (BRS), as the year proved worse for the industry than expected.

"This year saw historic (adjusted) lows or near lows in almost all market sectors except tankers. Only the tanker markets defied predictions: despite an oversupply of new tonnage, they remained strong, but fragile on the back of an unforeseen and unprecedented fall in oil prices," BRS President, Tim Jones said.

Jones claims that the global realization that the energy appetite should be restrained is bad news for shipping as 40% of world trans-



portation are raw materials such as coal, oil and gas.

Furthermore, the situation has been exacerbated by the fact that

the consolidation phase in the industry has now been replaced by elimination, with shipping companies going under leaving their

assets to new owners and yards closed and rationalized.

"We are waking up to a maritime sector that was being dimensioned to meet the demand of an adolescent China with mature Western economies weaned off energy consumption, and expected globalization of trade. Today there is a realization that it is not only the cost of energy that will drive world trade, but the consequences of global warming," Jones added.

As a result shipping will be required to find new ways to meet aggressive targets as new speed limits, high tech developments and fuel types with less pollutants are expected. Jones pointed out that the shipping industry will have to

put in place objectives and measurable standards when it comes to cutting pollution from shipping.

"Our industry needs to get its act together and thus find a medium term solution to our current crisis. Putting a premium on lowering pollution will have several effects. It will strengthen the emphasis on research and development, it will incite owners to scrap outdated vessels, it will encourage financiers to calculate with shorter life cycles, it will incentivise end users to choose the least damaging mode of transportation for their goods, and thus it will enable charterers to seek out and pay extra for less polluting carriers," Jones concluded.