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To promote and foster the highest quality service to the maritime industry through training development; working with all agencies, groups and other associations for the benefit and development of its members and the peoples of the Caribbean region.

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Preparing for uncertainties in a changing global market



Juan Carlos Croston
President
Caribbean Shipping Association

As we shift our focus to 2019, kindly allow me to begin my inaugural message as CSA President in our flagship publication by fittingly extending best wishes to you for the New Year. Another eventful 12 months have gone by, and while our resolve was undoubtedly tested, we demonstrated the resilience and inventiveness that will continue to serve us well as we face the challenges that lie ahead.

I would also like to use this opportunity to express my gratitude for the vote of confidence placed in me to lead this prestigious organization. I am deeply appreciative of this chance to contribute to the CSA, and the welcoming embrace of the regional shipping community has been extremely encouraging.

It would be remiss of me to not offer my sincerest thanks to my immediate predecessor, Mr David Jean Marie, and

the members of the General Council who diligently served with him. His insightful stewardship guided us through turbulent times and elevated our standing as an industry. We would not be where we are today without his vision and untiring effort, so I wholeheartedly commend him and the team for providing an excellent platform for me and the present Council to build on going forward.

UNCERTAINTIES

As you are well aware, the way forward is beset by uncertainties on all sides. The world economy is expected to continue to show gradual growth similar to last year, but issues related to supply and demand balance, slower growth of global value chains, the comparative slowdown and anticipated rebalancing of the Chinese economy, trade friction between the United States and China, as well as the United Kingdom's impending exit from the European Union, have led to increased levels of uncertainty. In the face of these geopolitical, economic and trade policy risks, it is imperative that we maintain sight of the bigger picture, effectively leverage current trends and prepare for the opportunities that will inevitably emerge.

I am of the firm view that tomorrow's shipping industry is in our hands, and we must be fiercely determined to shape the future of the industry in our region



According to Drewry, a UK-based shipping consultancy, there will be “mounting pressure on ports from cascading of vessels across all trade routes, especially for berths that are able to handle the biggest ships, resulting in increased obsolescence of older berths”. It is clear from this point that ports should continue to invest in developing their infrastructure and moving up the logistics value chain to ensure they remain relevant, competitive and viable in the medium to long term. The

onus is on us to continue to look into the opportunities offered by game-changing technological developments such as digitization, automation and blockchain, as well as expanding supply chain portfolios where applicable.

URGENCY

I am of the firm view that tomorrow’s shipping industry is in our hands, and we must be fiercely determined to shape the future of the industry in our region.

In order to cope with these pressing important issues, a strong sense of urgency and solidarity is required. The CSA remains committed to helping members face the new challenges and seize the emergent opportunities, and I cannot overly state the value of collaboration in this process.

Now, more than ever, collaboration is critical to the success of our regional shipping industry. The CSA, in this spirit of collaboration, will this year redouble its

FROM THE CSA PRESIDENT continued...

ongoing efforts to galvanize members at the local level by strengthening existing national associations and facilitating the formation of new ones in territories that are not adequately represented. Our goal is to create a more inclusive Association that is committed to seeking out, encouraging and valuing all voices in the regional shipping community. The CSA acknowledges that this is an essential part of its mandate to support the development of its members and credibly lobby for improvements on their behalf. As we strive to achieve greater levels of inclusiveness, the CSA will ultimately benefit from leveraging the experiences and perspectives of a broader

cross-section of the community. I look forward to connecting with these local bodies and interacting with our diverse membership.

As I conclude, I would like to make note of the fact that training remains high on the CSA's list of priorities. In recent years, the work of previous CSA presidents in this area has yielded positive results, and we will continue to push this agenda to ensure that the next generation of seafarers, shore staff and executives are ready to fill the relevant vacancies. Partnerships with institutions such as the Caribbean Maritime University and the University of the West Indies have allowed us to infuse

our industry with youthful talent and energy, and our successful port exchange program will continue to facilitate invaluable knowledge sharing.

HEADWINDS

We will undoubtedly face strong headwinds in the ensuing months, but it is vital that we remain undaunted in the face of adversity. Preparing for these challenges with innovative and practical thinking is a useful approach that offers us a chance to navigate our way to success. I look forward to working tirelessly with all of you to realize our ambitions.

Our goal is to create a more inclusive Association that is committed to seeking out, encouraging and valuing all voices in the regional shipping community



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HARBOR VIEW






MOÍN CONTAINER TERMINAL

The first phase of APM Terminals' new Moín Container Terminal (MCT) in Costa Rica became operational in February.

MCT covers around 80 hectares with a 650 meter quay and a depth of 14.5 meters. The access channel is 18.0 meters deep. Equipped with 29 electric container cranes and six super post panamax gantry cranes, the terminal will be capable of handling containerships of up to 8,500 teu and will operate 24 hours a day, seven days a week, 365 days per year.

Further phases of the project will allow ships up to 13,000 teu to call.



Vive la technologie!

Gadeloupe-based transportation expert Christophe Foucault has a mission to benefit port communities across the region by rolling out new applications.

Information technology has played such a key role in all aspects of the transportation industry in recent years that its importance can hardly be overstated. And in one specific area of this IT revolution, the Guadeloupe-based company CEI.BA has distinguished itself. Since 2002 it has successfully managed the Caribbean's first port community system (PCS) for the maritime and airport community of Guadeloupe. Here, Christophe Foucault, who has been chief executive of CEI.BA for the past five years, tells CM about his career in transportation so far and his passion for constantly seeking ways to improve the industry for the general good of everyone involved. Now, says M. Foucault, the latest developments in PCS technology are opening the way to a high degree of interfacing between port communities across the Caribbean that he believes will bring key benefits to the whole region.



Q. How did you first get involved in the transport industry? Was this something you were always interested in when you were growing up?

A. I'm involved in the transport industry for 22 years now [including] 17 years of experience in Malherbe Transport, in France, managing 2,500 lorries, 130,000 square meters of storage area [and] a turnover of US\$ 400 million in 2017. I grew up in that industry. It was my first experience. First I was a sales representative, then I worked as an agency director and finally I managed the West of France branch. What made me succeed is the desire, the enthusiasm to know how it works and how we can progress technically, strategically, financially but also socially, we never do anything alone.

Q. Did you start to take a special interest in information technology when you were working for Malherbe Transport?

A. I decided to include IT in the lorries in 2008 – a system named Transics, a revolutionary technology for us at that time. It allows [us] to follow all the lorries in real time. Where is it? Is it delivering or [loading]? But now this system is even more



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complete and manages more processes. It's possible to place geographical localization, to know if the lorry takes the right road, the cheapest highway, the cheapest gas station on its way to go. It permits [us] to calculate the commercial speed, the diesel consumption, to follow the social data. And there are numerous alerts, the fuel level in the tank – to prevent the [theft] of fuel – the pressure level of the tires thanks to captors, etc. This on-board technology, in permanent connection with the operating offices, permitted [us] to analyse and improve in a spectacular way the constancy of our lines, our profitability, the information for our customers and the safety of our drivers.

Q. Were you closely involved in implementing the AP+ platform in Guadeloupe?

A. CEI.BA is the first port community system in the Caribbean. It has been implemented since 2002 and it manages both maritime and air cargo trade. I was not yet in Guadeloupe when it was first launched, but I have participated in a number of IT developments since 2013. Actually, we are working on another module which is unique in the world at this time, and especially well adapted for the islands, but I can't speak about it yet.

'When you implement such a system, changing the way of doing business ... you must face resistance of change. It is a normal phase of the project'

Q. Can you give me some idea about what challenges you and your team faced when you were designing and installing AP+ on behalf of the maritime and airport community?

A. The biggest challenge is to put everyone around the table. When you have done that, you have done a big part of the job. When you implement such a system, changing the way of doing business, introducing new procedures and processes, you must face resistance of change. It is a normal phase of the project. We had benefited from the manufacturing know-how of SOGET in the implementation stage. With an efficient and effective implementation we have overcome resistance of change. Today our satisfaction is to hear our customers say they cannot manage without it!

Q. I believe that, since 2016, the CEI.BA team has been working with SOGET, operator of Le Havre Port Community System, on a PCS for Jamaica. Can you give me some details about this project?

A. In 2006 CEI.BA launched the CLOVIS project, co-financed by the European Union, to assist SOGET in their development in the Caribbean. We decided to prepare our team in CEI.BA to support SOGET. Based on our experience and competencies, CEI.BA implemented a regional team with technical, management and operational expertise. These experts, based in Guadeloupe, are involved in the Jamaican project. The system implemented in Jamaica is S)ONE – it is the new generation of PCS developed by SOGET. It is not exactly the same [as] the one in Guadeloupe because each PCS has to take into consideration the specificities of the environment where it is implemented. But, globally, the base is the same.

Q. I understand that, drawing on its PCS experience, CEI.BA has launched the CLOVIS and BECCA projects. Is CLOVIS the brand-name for CEI.BA's ambitions and plans to extend its expertise in electronic data interchange to other countries of the Caribbean? I believe that steering committees have already been established in Dominica and Saint Lucia as well as in Jamaica and Guadeloupe.

A. Yes, CLOVIS is a CEI.BA initiative and we have discussions with ports and maritime communities in the Caribbean. The first objective of CLOVIS is to rationalize and optimize trade logistics business processes. It is a regional project which has the support of the Regional Council of Guadeloupe, the CARICOM task force and the European Union. The implementation of the PCS leads to a gain for all stakeholders and it contributes to build a secure environment for cargo management. For the private sector, it is the best way to enhance productivity. BECCA is a freight exchange platform developed five years ago. This project has been co-financed by the FEDER funding through the Interreg Caraïbes program managed by the



Christophe Foucault with his colleagues at CEI.BA.

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Regional Council of Guadeloupe. BECCA has been developed for and with the maritime trade agents in the Caribbean and Latin American region. BECCA's objective is to match the maritime transport supply and demand and to optimize transport solutions and develop transport lines, but also stimulate profitability. At this time, we are finalizing a partnership with an international entity which will permit BECCA to shine not only in the Caribbean but also in Europe, in America, in Asia and in Africa.

Q. Can you explain the different roles of CLOVIS and BECCA?

A. CLOVIS was indeed built to expand our expertise in data interchange to other countries. BECCA is a freight exchange market place.

Q. You are also involved in the economic environment of Guadeloupe in your role as vice-president of the Guadeloupe Maritime Cluster. What are your main priorities in this area?

A. We live in an archipelago, so naturally, the sea plays a very important role in our life. We decided to build the Maritime Cluster of Guadeloupe in 2011. As the first PCS in the Caribbean, it was the first cluster in the French Islands. Right now, there is another maritime cluster in Martinique managed by M. Emmanuel Lise and also one in French Guyana. It includes



Among the key members of staff at CEI.BA team are assistant project manager Davina Angele (left) and communication and external affairs manager Sabine Bajazet, who both represent the company at CSA conferences.

all the actors of what we call the Blue Economy. The idea is to develop a think tank and the main questions are: how can we develop the sea economy in our areas; how can we develop employment; and, of course, in this reflection we include the environmental aspects.

Q. You also play a key role in the Mouvement des Entreprises de France business confederation (UDE-MEDEF Guadeloupe). What does that involve?

A. This organization gathers all main companies representing the economic environment of Guadeloupe. We do share our experiences to help each other in entrepreneurship. The core objective is to develop employment in our different fields of action. I am the vice-president of two commissions: new technologies and sustainability. We create projects and think about what can be done in these areas and we keep [ourselves] and the other members of UDE-MEDEF Guadeloupe informed.

Q. Do you believe that the electronic port community system can be a force for good across the Caribbean region, bringing benefits to all? I'm thinking not only in terms of helping each nation to deal more efficiently with ships and passengers and cargo, but also helping to bring the French-, Spanish- and English-speaking nations of the Caribbean into closer harmony?

A. Yes, of course. Before, each PCS was independent for its own port community; with the new generation, a PCS can interface with another and it will therefore increase the benefits for those who are equipped and for the Caribbean as large.

Q. Finally, could I ask you a little about your personal life? And what are your main interests outside of work in terms of sports and leisure activities?

A. I love Guadeloupe. I am practicing scuba diving – about 10,000 photos under the sea, I love the sea. I'm married, I have two children [who] are nine and 12 years old. Last year, they started to come with my wife and I under the sea.



ABOUT CHRISTOPHE FOUCAULT

Christophe Foucault hails from Brittany in France. Now aged 47, he has been chief executive of CEI.BA since September 2013.

He has worked in the transportation industry for the past 22 years, first as a sales representative and then as regional director of the French road haulage company Malherbe Transport. He has a post-graduate diploma in transport and logistics and a master's degree in international trade.

Since 2016 the CEI.BA team has worked with SOGET – operator of Le Havre Port Community System in France – to set up the Jamaican PCS.

In addition, M. Foucault is vice-president of Guadeloupe Maritime Cluster and plays a key part in the business confederation UDE-MEDEF Guadeloupe. He is a member of the board of Réseau Entreprendre, which helps entrepreneurs to start up businesses.



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PORTION CONSTRUCTION

Is this a bubble waiting to burst?

Overcapacity may spell the end of port construction bonanza

BY GARY GIMSON

This decade has been a story of expansion, modernisation and development for Caribbean ports and the region has become a key market for the world's big harbor construction firms and dredging companies.

In fact, the Caribbean has undergone a port construction boom – but a boom whose days may be numbered. As post-panamax upgrading draws to an end and global trade eases, the prospect of overcapacity – especially in the container transshipment sector – looms large.

LEADING

Almost everywhere across the region, harbor construction work is under way or close to completion. Arguably leading the way this year is the opening by ATM Terminals in February of the new billion-dollar Moin megaport in Costa Rica. Then there's the planned US\$ 200 million expansion of Cartagena Container Terminal by

operator Compas SA. Meanwhile, work has begun on new ports, upgrades and expansions in Antigua, Panama and Jamaica. Together with proposed upgrades to many of Florida's ports, it adds up an impressive list of major port construction projects.

As elsewhere in the world, Chinese investors have been scouting our region in search of opportunities for port and terminal development. And, after a slow and ignominious start, projects are starting to take shape.

One of the ideas broached by the Chinese – the transisthmus Nicaragua Canal project – was effectively a non-starter. And the Chinese were in Jamaica to back the US\$ 1.5 billion Goat Island project that never was.

Nevertheless, the China Harbour Engineering Company (CHEC) has its regional head office in Jamaica and it was the CHEC which actually built the toll road between Kingston and Ocho Rios. However, in spite of picking up

non-marine contracts and having a strong regional presence, the CHEC's actual port construction projects have been rather thin on the ground. There has been the construction of the US\$ 33.4 million North Abaco Port in The Bahamas, funded by the Exim Bank; some harbor work in Exuma; and that has been about it.

The CHEC is believed to be a bidder for the construction of a controversial new cruise terminal in George Town, Grand Cayman, but there is no guarantee that this scheme will actually go ahead. The Chinese firm had previously put forward the idea of a new terminal on the island.

CONTRACTS

But the CHEC is not the only Chinese port construction firm winning contracts or proposing mega-projects. In Panama, for example, the 2.5 million teu Panama Colon Container Port (PCCP), on which work commenced in mid 2018, is being built by the privately held Shandong-based Landbridge Group and others. The post panamax capacity project is valued at US\$ 1.1 billion.

Then, in January, the Antigua government gave the go-ahead for a US\$ 90 million modernisation of St John's deepwater port. This project will be the single largest public sector investment undertaken by any government on the island and it is being carried out by the China Civil Engineering Construction Corporation (CCECC). A



The St John's project will be the single largest public sector investment by any Antigua government



- CHINESE HARBOR CONTRACTORS GRAB THE BIG PROJECTS
- POST-PANAMAX UPGRADES NOW COMING TO AN END
- NEW MŌIN PORT OPENS
- ST JOHN'S EXPANSION GETS UNDERWAY
- FLORIDA PORTS STEP UP INVESTMENT
- WORRIES GROW ABOUT IMPACT OF SLOWING GLOBAL TRADE

further US\$ 80 million is being invested to construct a fifth cruise berth at Point Wharf to accommodate Oasis-class ships in time for the 2019-20 season. Exim Bank has provided a US\$ 100 million loan to help finance the projects.

PARTNER

By contrast, in Jamaica the French firm VINCI Construction Grands Projets and Belgian dredging partner Jan De Nul are busy reclaiming 50,000 square meters of land to create space for the expansion of the CMA CGM-run Kingston Freeport Terminal.

In addition to mainstream port construction work, there is a slew of new cruise terminals – not exactly harbors but requiring dredging and such like. Many of these are owned and funded by cruise companies and located on private islands. Among those under way or planned are: Ocean Cay (MSC), Grand Bahama (Carnival) and Lighthouse Point (Disney). Ocean Cay, which had previously been earmarked as the location of an LNG terminal, is due to open in November this year. The destination will be known as the Ocean Cay MSC Marine Reserve.

Disney has purchased the 749-acre Lighthouse Point property at the tip of South Eleuthera for its second private cruise destination and aims to build a new cruise pier and associated infrastructure. Work has yet to get under way, however.

These are being financed in a variety of ways, but largely and directly via the financial muscle of the cruise operators concerned.

In the United States, Port Canaveral has been busy on a contract worth nearly US\$ 80 million to expand its cruise facilities on behalf of Carnival and to provide more long-term car parking for passengers in an additional project worth US\$ 29.53 million. This is the largest single construction project in the port's history.

PROJECT

Across Florida on the Gulf coast, Port Tampa Bay has embarked on a US\$ 64 million project to deepen and widen its Big Bend Channel to allow larger ships to call. The channel will be widened from 200 to 250 ft while depth will be increased from 34 to 43 ft. The dredging scheme is expected

to be completed in April with navais to be installed in the months after that. The project is being funded with support from the US Army Corps of Engineers, the Florida Department of Transportation, Port Tampa Bay and two of the port's largest tenants, Mosaic and Tampa Electric. Illinois-based Great Lakes Dredge & Dock is undertaking the dredging element of the project in a contract worth US\$ 47.9 million.

Each of these projects may well make sound commercial sense on its own; but, collectively, can the Caribbean region sustain this activity – especially amid growing fears over the slowing pace of global trade? This is the question that needs to be answered; otherwise, there is a danger that some recent projects may not quite provide the return on investment that was once envisaged.



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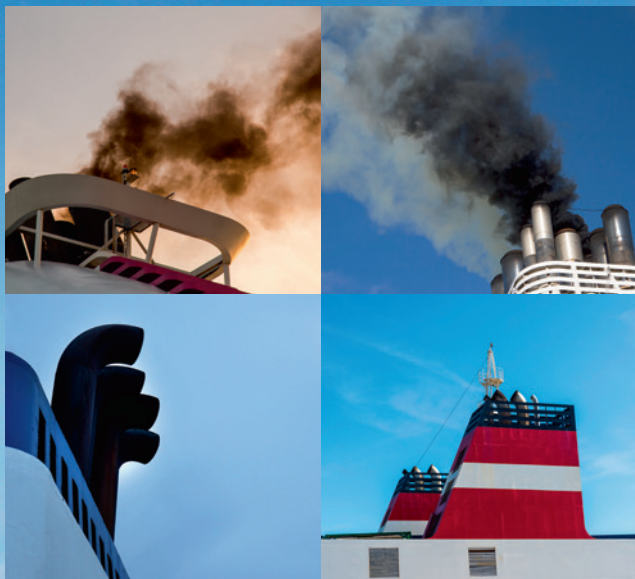




TOMORROW'S BURNING ISSUE?

A PERSONAL LOOK AT WHAT FUTURE HOLDS FOR MARINE FUEL

Is the shipping industry on the verge of a significant game-changer as it strives to meet tough IMO targets for reduced carbon emissions? In a speculative and not altogether serious vein, Gary Gimson looks ahead to some possible future scenarios - including battery power and sail assistance.



I've been in shipping a long time – since 1969, in fact. I've seen a few changes. Some of these have been revolutionary and others merely evolutionary, creeping up on us much

more stealthily, but proving equally as challenging to the existing order.

So, having witnessed these changes over the past half century, I thought I might throw my mind forward to see what the long-term future could hold – and especially in one key area.

Making forecasts is far from easy. As anyone who watched science fiction films in the 1960s will know, the future never turns out quite as expected. What we now know and didn't then is that progress actually resulted in cellphones, the internet and suchlike rather than humankind bothering to colonize the Moon or do battle with Martians as I had half expected, when

growing up, would have happened by 2020.

In shipping, the really big game changers – like the switch from sail to steam or the move from coal to oil – come about only every few decades. If I could look ahead and make some unscientific forecasts, I would put money on a change of fuel type becoming significant as we progress through the 21st century.

AUTO INDUSTRY

This trend is already in evidence in the auto industry, where gasoline and diesel are making way for electric and maybe even super-clean hydrogen power. And it would appear that shipping is being shepherded in this general direction – although the economics of the two industries are not quite the same.

It's easy to get things wrong, however. Here's a major 2005 maritime fuel-use study which had this as its premise: "For the future technology scenarios, we assume a diesel-only fleet in 2020...It is

So here we are on the cusp of the introduction in 2020 of the International Maritime Organization's ambitious 0.5 per cent sulfur cap regulation...

expected that diesel engines will not be replaced in a foreseeable period of time.” To be fair, the report also recognised that vessel emissions would become an issue at some point. It certainly got that bit right.

So here we are on the cusp of the introduction in 2020 of the International Maritime Organization’s ambitious 0.5 per cent sulfur cap regulation, a move that is set to push up vessel operating costs this year by around three per cent in anticipation of the measure. It may not sound much, but we’re actually talking about a compliance bill of around US\$ 2 billion for a carrier such as Maersk alone. Around one in five shipowners are expected to fit costly scrubbers in order to continue burning heavy fuel oil. By next year, fuel costs for the entire industry are expected to reach US\$ 60 billion a year for operators who opt to forgo scrubbers and switch from HFO to marine gasoil.

And that’s not the end of it. By 2050 the IMO aims to halve the level of carbon

emissions by the shipping industry compared with 2008 levels. These ongoing and burdensome increases in operating costs are bound to make shipowners and, in turn, engine builders place further emphasis on fuel consumption and, possibly, on the actual means of propulsion. It could be the catalyst for a range of alternatives in terms of traditional bunker fuels or, fanciful as it may sound, even a partial return to sail.

WIND-ASSISTED

In fact, Issue 35 of Caribbean Maritime illustrated the fresh thinking that is being channelled into wind-assisted power and the innovative steps being taken to reduce fuel burn. However, the intermittent nature of wind means it can only ever make a marginal contribution – in much the same way as it does for power generation on land.

As we can already see, liquefied natural gas is set to be the choice of many

as an interim and workable away around the sulfur cap. The decision in 2018 by CMA CGM to order nine LNG-powered mega containerships is perhaps the clearest example yet of where we are going in the container sector; and this follows similar developments in the protected Jones Act trades and in the cruise and ferry sectors.

But even if all the world’s vessels switched to LNG power, shipping would still not meet the IMO’s tough and possibly unrealistic 2050 decarbonisation targets. After all, ‘clean-burning’ LNG still produces carbon dioxide.

So, looking further ahead, there has to be a ‘fuel’ beyond LNG. Maybe it’s hydrogen; maybe it’s a super-scaled-up version of the type of batteries now powering cars. Unfortunately, I have no real idea what that ‘fuel’ might be – and neither, for the time being it seems, does anyone else.

Thinking outside the box...



Doug Prothero
Chief executive and founder of
The Ritz-Carlton Yacht Collection

Prestige 'hotel' yachts could be way ahead for niche cruising in Caribbean

In February 2020 a super-luxury cruise yacht - the first of a new three-strong fleet of sisterships - will set sail

from Fort Lauderdale on its 10-day maiden voyage to Bridgetown. The concept of the yacht-style cruise is not new in the Caribbean. Yet Doug Prothero, the Canadian chief executive and founder of The Ritz-Carlton Yacht Collection, believes his Florida-based company has found a promising niche. In an interview with CM, he says the Ritz-Carlton fleet will not only offer a more socially involving and mentally stimulating cruise experience than the mega ship operators but will be ahead of the curve in terms of environmental responsibility.



Q. What led you to come up with the concept of the Ritz-Carlton Yacht?

A. The demand for cruising has increased over 20 per cent in the last five years and in 2018 the Cruise Line Industry Association estimates that 27.2 million people will cruise globally. Meanwhile, despite the rise in demand, there have been few new small-capacity ships entering operation in the luxury cruise market. We saw this void and the opportunity to fill it, but we also knew we had to bring something new to the table. In 2016 over 400,000 Ritz-Carlton guests reported taking a cruise, indicating that there is a huge opportunity for our concept to appeal to The Ritz-Carlton customer base. This led us to a vision of bridging the gap between a yacht and cruise ship experience by offering an aesthetic that was both modern and intimate, providing the anticipatory and personalized service for which The Ritz-Carlton is renowned and creating unique yacht-style experiences both on board and ashore.



**THE RITZ-CARLTON
YACHT COLLECTION**

Q. I believe your aim is to provide a 'luxury yacht cruise' experience. What are the key ingredients in that formula?

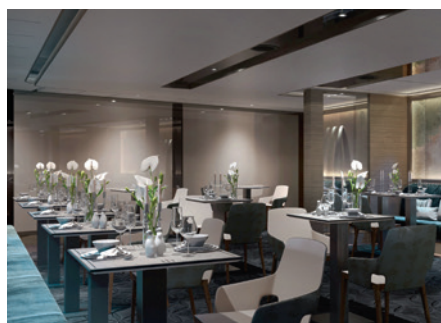
A. Each facet of the onboard experience is designed to combine the lifestyle of the luxury resorts of The Ritz-Carlton with the casual freedom of a yachting vacation; and at 190 meters and no more than 298 guests, both the size and guest capacity of our yachts make this a reality. The size and design of the yachts places us in a new space between ultra-luxury ships and super yachts. We are essentially recreating the yacht experience in a cruise world – the yacht has become a destination. For example, an open-air marina platform offers direct access to the sea. Public spaces have an open, residential feel. Culinary venues are intimate; and in-suite dining is offered 24 hours a day. As is essential on any yacht, suites maximize the use of space while presenting a comfortable, welcoming, casually elegant setting. Everything about the onboard experience of The Ritz-Carlton Yacht Collection reflects the legendary service, impeccable design and special experiences of The Ritz-Carlton hotels and resorts on land.

Q. How important a part will the Caribbean Region play in your overall operations?

A. The Caribbean Region is an extremely important part of our overall operations, making up about 40 per cent of our deployment for the 2020 inaugural season. While the yacht is not home-ported in any one destination, over half of our Caribbean itineraries embark or debark in Bridgetown, Barbados.

Q. Will you be looking to access destinations and harbors that are not currently offered by other cruise lines?

A. Caribbean destinations such as Carriacou, Isla Providencia, Terre-de-Haut



Q. Other companies have had success with the yacht-style cruise concept. What makes your brand-name stand out?

A. The Ritz-Carlton Yacht Collection will blend exceptional design, anticipatory service and a level of personalization that will create a guest experience unlike anything else currently on the market. Guests will be able to dive into the cultures of thoughtfully selected port destinations and enjoy our highly curated programming. A relaxed pace is essential to both the destination experience and the yachting lifestyle; therefore we decided to reduce the

number of port calls per sailing so we could increase the number of overnight stays. So when larger cruise ships are leaving before the sun sets, our guests will still be enjoying everything the destination has to offer.

Q. With your background in tall ship sailing, did you originally hope to create a fleet of large sail-assisted vessels?

A. My career has included time in the adventure, corporate yacht charter and cruise sectors. The concept for The Ritz-Carlton Yacht Collection has always been that of a super yacht platform.

and Bequia are typically hard to reach for larger ships, but I think these destinations really speak to the demographic of those seeking a luxury cruise. Due to the small size of our yachts, we can provide our guests with access to these areas, which really plays into the concept of yachting.

Q. Will your shore excursions differ in any significant ways from those of the regular mega-sized cruise ships?

A. The Ritz-Carlton Yacht Collection will offer a completely different experience than a larger cruise ship, starting with the ability to create a more customized itinerary. We'll offer a range of richly rewarding experiences crafted under five themed categories of Iconic Sights, Stirring the Senses, Cultural Connections, Active Explorations and Epicurean Experiences, so guests can easily choose a category that best fits their interests and activity levels. All shore excursions take advantage of local guides who have been handpicked for their insider knowledge, ensuring a highly personalized, relevant experience while exploring a destination. The Shore Collection tours are offered in intimate group sizes and most can be personalized into private experiences; and a dedicated Concierge Ashore is available to create bespoke experiences for guests. We will also provide the opportunity for guests to extend their time in a destination through a selection of Overland Programs. We recently launched our Caribbean Shore Collection where highlights include an exclusive tour of Aruba Aloe in Oranjestad, Aruba paired with an aloe-based treatment at The Ritz-Carlton Spa, Aruba; an overland adventure to Bogotá, Colombia; and exploring Belize's marine and mountain wonders from the skies.

Q. What type of clients do you think will be especially attracted to these cruises?

A. We are seeing that the experience offered by The Ritz-Carlton Yacht Collection appeals to existing Ritz-Carlton customers – those familiar with the brand and the type of unique and special experiences, service and luxurious accommodations it provides.

'The yachts will have one of the highest crew-to-guest ratios in luxury cruising, with almost one crew member for every guest'

We are also attracting not only existing cruise customers but those that are new to cruising – guests who would not consider a mainstream cruise but would entertain a highly curated yacht style experience with The Ritz-Carlton. The idea that we can bring people into cruising who would have never considered it before is very exciting. Additionally, given that the size of the yachts will make them an ideal setting for groups and meetings, we expect charter service to be a popular option.

Q. Will the company be looking to persuade its customers to come back and try another cruise in more exotic waters – for example, North America?

A. Our hope is that our guests will come back to sail with us again and again. Most voyages range from seven to 10 nights and no two itinerary routes are alike, so a guest booked on a Caribbean cruise for the inaugural season could try another Caribbean itinerary the following season without repeating ports. Or perhaps they would be open to an itinerary in another one of our offered destinations in the Mediterranean, Northern Europe or Canada and New England regions.

Q. Did you play an active part in the design of the three vessels?

A. The design of our inaugural yacht has been a collaborative effort and one that I'm particularly excited about. The yacht is a completely new build, being designed [by] Tillberg Design of Sweden and constructed at the Barreras Shipyard in Vigo, Spain. One of my favorite design elements of the yacht is the marina-style platform that will give guests direct access to the water, whether



they want to enjoy complimentary water toys or just wish to take a swim. There will be five dining venues onboard, which is really impressive for a yacht of our size. In addition to offering a higher percentage of larger suites aboard our yachts than any competitor, we will also offer several innovative Loft suites, a unique offering that is ideal for in-suite entertaining. The yachts will also have one of the highest crew-to-guest ratios in luxury cruising, with almost one crew member for every guest. Overall, being able to build a ship specifically designed for the exceptional guest experience we will offer has been an amazing opportunity.

Q. Is there a 'green' aspect to The Ritz-Carlton Yacht Collection that the company would like to emphasize?

A. I believe that green efforts will be automatic for all operators in the near future. Environmental sustainability is very important to The Ritz-Carlton Yacht Collection and we are putting a lot of



effort and investment behind it. In terms of emissions, we only burn marine gas oil; we don't have the capacity to burn heavy fuel. It was a deliberate decision to be well ahead of regulations. We are able to visit places where the infrastructure is limited; and our itinerary style means we consume less time at sea – the yachting lifestyle works well in that regard.



WHAT'S IN A NAME...

Construction of the first of the three Ritz-Carlton yachts is well under way at Barreras Shipyard in Vigo, Spain. The hull was launched in October 2018 and, with exterior construction almost complete, it has moved into the outfitting phase. The cruise operator expects to take delivery in the last quarter of 2019. This inaugural yacht will be named 'Azora' (the Persian word for 'sky blue') for its association with beautiful skies and seas.

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Damen looking to reap benefit of dry dock investment



Lodewijk Franken
Managing director
Damen Shiprepair Curaçao

The prime position of Curaçao in the southern Caribbean has made it an ideal location for drydocking services. Damen Shiprepair Curaçao (DSCu) has recently expanded its operations with the acquisition of two new floating docks. We asked DSCu managing director Lodewijk Franken how the company was taking advantage of its new facilities.

Q. Are both your new floating docks (C and D) now in operation?

A. Yes. From the day the docks were ready to operate, we were able to dock a repair project in each dock thanks to our Damen worldwide sales network.

Q. By how much has your repair capacity in Curaçao been expanded with the coming of the new docks?

A. One hundred per cent. Damen Shiprepair Curaçao expanded from a shiprepair yard with two floating docks and 500 meters of quay, upgraded to a yard with four docks (two graving, two floating) and 600 meters of quay.

Q. With four docks now available for repairs, will that give you the combined capacity you need to meet the expected demands of customers in the foreseeable future?

A. Absolutely. With the dock capacity expansion, DSCu has more availability and more flexibility to offer its services and offer a dock slot for passing vessels that need urgent repairs, class renewals or major overhauls. Supported by over 90 years of Damen and CDM experience, this will give us the competitive edge that makes it an attractive location to maneuver to.

Q. How is DSCu taking advantage of Curaçao's key location in relation to major shipping routes?

A. Curaçao is indeed very well positioned thanks to its geographical location and its natural deep harbor basin. There is a large number of shipping routes passing Curaçao from or to the Panama Canal.



On top of that, Damen Shipyards has sold over 400 tug and workboats, crew tenders and offshore support vessels, which need frequent service, maintenance or repairs. Furthermore, Curaçao has reliable customer services, a professional harbor and port authority, frequent direct flights to Amsterdam, Bogota and Miami and a wide variety of additional services at the yard (propeller repair, engine maintenance, overhaul, paint application, hydraulic and electrical services).

Q. Do you hope to benefit as a company from the expanding offshore activities in the Gulf of Mexico?

A. Mexico is an emerging market. In the last six years the government has opened its borders to allow foreign contractors to explore and exploit the treasures of the Gulf of Mexico. Presently, with a new president-elect in Mexico, there is a new impulse to start initiatives and increase oil and gas production offshore and on land. With the increase of these activities, there will be more demand for fast crew vessels, offshore support vessels, tugs and workboats. DSCu offers its service capacity to attract more of these vessels from the emerging market of Mexico to Curaçao where they will be well served.

Q. The Damen Group is well known for supplying tugs, workboats, patrol vessels, etc to operators in the Caribbean. Is there a close liaison between Damen and DSCu in terms of having engineers and other personnel on site who are familiar with all aspects of Damen-built vessels?



‘Curaçao is indeed very well positioned thanks to its geographical location and its natural deep harbor basin’

A. We work closely together with Damen Services to fill up the smallest D-Dock, which is perfectly equipped to dock such smaller vessels. Cooperation is improving. Most important that we need to train our colleagues in the Netherlands and here at Curaçao to be aligned with each other's expectations. This will lead to a success, thanks to the complementary factors that both bodies bring in.

Q. What main facilities does DSCu now have in terms of equipment and workshops?

A. We will have one more workshop in addition to the four workshops that we use to offer more reliable, cleaner and dedicated services. We have our own two mobile cranes, four docks and 600 meters of quay. We have upgraded our piping infrastructure. We are looking to convert



Images courtesy of Canaveral Port Authority

from a shiprepair yard to a yard that offers major overhauls, complex repair jobs and conversion jobs as well. There is scope for steelwork, piping, mechanical jobs, bottom damage, propeller repair, main engine service and overhaul of all types of rotating equipment above and below deck as well as paint application jobs.

Q. I imagine that the skill of your workforce is paramount. Can you give me some idea of how you train your personnel – and keep them abreast of the latest technology – in order to carry out the wide range of specialised tasks that are required?

A. We have founded Stichting Maritiem Training Centrum (SMTC) with the financial support of the government. This provides us training for the local workers, based on a competency matrix. With this matrix we can qualify our workers and improve their skills.

Q. What is your vision for how you would like DSCu to move forward in the coming years?

A. More sales and more local support. Strength by partnership. More productivity. Profit.

NEW DOCKS GET TO WORK

The new panamax-sized C-Dock, measuring 230 meters by 45 meters, was commissioned by Damen Shiprepair Curaçao on 2 November. It is one of two floating docks installed by Damen in Curaçao. The smaller D-Dock was carried inside C-Dock for the Atlantic crossing on board the heavy lift ship 'Xin Guang Hua' which arrived in Sint Anna Bay on 30 April.

After final tests, C-Dock was submerged onto the equalized seabed and subsequently received its first commercial ship, a 63,400 dwt bulk carrier, which was docked by the Nautical Department of DSCu with the assistance of KTK pilots and tugs.

D-Dock was floated out in late October to be moored alongside the repair quay. With electric power connected and pumps and valves tested, this dock also entered service in November.

The new docks are part of a wider program of investment by Damen since it took over the Curaçao Drydock Company in 2017. Today, DSCu employs 326 people.

DRY DOCKS	ANTILLIA DOCK (A-DOCK)	BEATRIX DOCK (B-DOCK)
Length	280 m	192 m
Beam inside	48.0 m	26.5 m
Beam entrance	45.0 m	23.0 m
Draft	5.5 m (fwd) – 7.8 m (aft)	6.1 m (even keel)
Capacity	150,000 t	28,000 t
Cranes	75 t	25 t

FLOATING DRY DOCKS	CURAÇAO DOCK (C-DOCK)	DAMEN DOCK (D-DOCK)
Length	230 m	100 m
Beam	36.1 m	15.8 m
Draft	7.5 m	6.0 m
Cranes	2x12 t	5 t

BERTHS	B-QUAY B1 & B2	SW-QUAY B5 & B6	EEG-QUAY R1, R2 & R3
Length	200 m	275 m	500 m
Draft	6.3 m	10.8 m	10.8 m
Cranes		60 t	60 t, 60 t

WHO'S USING THE SHIPYARD?

Major customers of DSCu at the present time include Dutch and Belgian dredging companies such as Van Oord, Boskalis, Dutch Dredging and Jan De Nul as well as tanker owners from Germany and bulk carrier owners from Greece. In addition, KTK, APA and Svitzer are regular customers.

The types of vessel being handled include bulk carriers, general cargo ships, tankers, LPG carriers, containership, medium-sized cruise ships and medium-sized yachts as well as tugs, workboats and offshore support vessels.

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- Having local knowledge
- Acting as the Agency's representative
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- Must speak English clearly and fluently
- Team player
- Ability to direct actions in a calm manner at all times, particularly in contingency situations
- The position requires the post holder to successfully complete an ENGI medical and eyesight test on an annual basis
- Preference given to holders of a Bachelor's Degree and qualifications in relevant fields such as navigation, meteorology, safety and emergency procedures. Also we value experience and maturity.

You will start as a Trainee Pilot and progress through levels of authorization towards an unrestricted Pilot within the Cayman Islands. Salary will be commensurate with experience and qualifications and is expected to be in the range of CI\$50,000 to CI\$75,000 per annum. Initial applications will be accepted until January 31st 2019.

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BAHAMIAN STUDENTS AWARDED CMU SCHOLARSHIPS



Two Bahamian nationals have received full scholarships to study at the Caribbean Maritime University in Kingston thanks to a partnership between the American Caribbean Maritime Foundation (ACMF) and Royal Caribbean International.

Tre'von Ferguson and Shante Pearson received their scholarships – which cover tuition and housing – at a ceremony on 11 January in Nassau on board the Royal Caribbean 'Symphony of the Seas'. They are the first beneficiaries of an articulation agreement between the CMU and the government of The Bahamas that allows students from the Lowell J. Mortimer (LJM) Maritime Academy in The Bahamas to matriculate directly to the CMU to pursue the university's management level marine program.

At the ceremony, Professor Fritz Pinnock, president of the CMU, thanked the ACMF and Royal Caribbean for their support. Dr Geneive Brown Metzger, president and founder of the ACMF, said the foundation believed in "the power of partnership" and referring to Mr Ferguson and Ms Pearson she added: "Both recipients are now international ambassadors of the ACMF and Royal Caribbean." Brendamae Cleare, president of LJM Maritime Academy, said the scholarship recipients were trailblazers and very good students.

Mr Ferguson will pursue his undergraduate degree in marine transportation at the CMU. Ms Pearson said: "This scholarship has given me the opportunity to further my career in the maritime field and I'm now inching closer to becoming a captain on board a cruise ship."

The next scholarship award ceremony will take place in Jamaica. ACMF scholarships are offered to students with strong academic performance along with demonstrated leadership, service and community involvement. Grants and bursaries are offered to students with good academic standing and compelling financial need.



Scholarship students Tre'von Ferguson and Shante Pearson with dignitaries at the ceremony on board 'Symphony of the Seas'.

Cruise line helps sponsor maritime training program

Young people in Sint Maarten have been given an opportunity to launch careers in the maritime industry thanks to a joint effort by Holland America Line and two local maritime foundations, K1 Britannia Foundation and Kidz at Sea.

Following the severe impact of Hurricane Irma on Sint Maarten in September 2017, when 95 per cent of marine craft were damaged or destroyed, Holland America Line reached out to the K1 Britannia Foundation in March 2018 to find ways to assist the island in its long-term recovery.

OPPORTUNITIES

Both the K1 Britannia Foundation and Kidz at Sea have a mission to provide young people with the tools and opportunities to succeed. Talks were held on how to provide training for young participants with a view to attaining jobs in maritime industry, especially in view of the current demand for vessel repairs. As a result, a fully sponsored maritime training program was set up by Holland America Line offering youth certification to the level of Coastal Captain with maintenance training.

The three-month course gave students the necessary skills and internationally recognized certifications to find a job and launch a career in the maritime industry. Students learned about sailing and boat maintenance while obtaining seven certifications. These included the small commercial vessel (CSV) Boatmaster 1 license for sailing vessels up to 36 ft and power boats up to 28 ft.

A total of nine participants completed the program successfully. One of the students, Khristopher Hinds, said: "I came into this course not knowing anything about sailboats, navigation and proper boat terminology. However, I can safely say from the day I started to now, my brain is full, knowing that when I'm done with this program, I am guaranteed a job because of my accomplishments. This course isn't only just to give you your license – this is the stepping-stone to a successful career. My options are very broad."

Pamela Baade of Holland America Line said the company was honored to partner with K1 Britannia on its disaster relief efforts. "Long-term recovery through job creation and a focus on youth is the reason we chose this project," she said. "This program is changing lives for these young people."

Sint Maarten's maritime industry is at the core of island life. Equipping its young people with a range of maritime skills is an ideal way to help sustain that industry in the future.

'Long-term recovery through job creation and a focus on youth is the reason we chose this project. This program is changing lives for these young people'





PORT BRIEFING

1 FLORIDA RECORD YEAR FOR PORT CANAVERAL

Canaveral Port Authority has reported a record-breaking performance in Fiscal Year 18 when the port topped US\$ 103 million in total revenues and US\$ 10 million in cargo revenues for the first time in its 65-year history.

Port Canaveral also reached historic milestones for cargo tonnage and cruise passenger numbers in the fiscal year ending 30 September 2018.

Tom Weinberg, the Port Commission Secretary and Treasurer, said: "This is more than double the port's Fiscal Year 2008 revenues of US\$ 47.4 million and represents an exceptional return on cruise and other capital investments."

The number of passenger movements at the world's second-busiest cruise port rose by 327,489 to 4,568,431 in 2018.

Commission chairman Wayne Justice said: "These are exciting times at the port. Our evolution from a small man-made port for the military to a 21st-century economic driver for the Central Florida region and beyond has been driven by deliberate and strategic decisions."

2 ARUBA HIGH-PERFORMANCE TUG MAKES DEBUT

The Aruba Ports Authority (APA) has acquired what is described as one of the most modern high-performance tugs in the Caribbean. Those present at the hand-over ceremony in October included Jossy Figaroa and Humphrey Tromp, director and financial director of APA, together with Lodewijk Franken, managing director of Damen Shiprepair Curaçao; Marc Niederer, managing director of Svitzer; Capt Dickson Rivas, country manager of Svitzer Caribbean; and Frensdel Giel, managing director of AIB Bank

3 JAMAICA KFTL GETS TOUGH ON PLASTIC WASTE

Over 100,000 plastic bottles have been recycled in seven months by Kingston Freeport Terminal Limited (KFTL) since the launch of its 'KFTL Go Blue' initiative in response to a recent government ban on plastic bags and straws.

Since June last year KFTL has separated and sent for recycling 105,570 plastic bottles as well as 656 lb of cardboard. The company has also banished single-use plastic straws and has introduced biodegradable food containers in its staff canteen.

KFTL aims to further reduce its environmental impact by means of further initiatives during 2019.

4 FLORIDA FERNANDINA ON ROAD TO FACILITIES UPDATE

The Florida port of Fernandina has taken delivery of a new Liebherr mobile harbor crane with US\$ 2 million of funding granted by the State of Florida. The terminal, operated by Nassau Terminals, LLC, handles exports of paper and forest products to the Caribbean and Central and South America. There are plans for an additional capital investment of US\$ 15 million to further modernize the port's facilities including more cranes and cargo handling equipment as well as a berth extension and more on-dock paper warehouse capacity.

5 FLORIDA 'LARGEST CRANE'

What is believed to be the largest mobile harbor crane in the United States, with a lifting capacity of over 200 tonnes, arrived in Port Canaveral in January aboard the heavy lift vessel 'Happy Dover'. The Canaveral Port Authority has invested US\$ 6.2 million in the Liebherr LHM 600 crane, which will handle heavy cargo, including space components, when it enters service in the second quarter of this year.

6

FLORIDA

COSCO NOW CALLING AT PORT TAMPA BAY

COSCO Shipping, one of the world's largest container lines, has added Port Tampa Bay to its Gulf of Mexico Express Transpacific service, with the first vessel, 'COSCO PIRAEUS', scheduled to arrive Tampa on 28 January, it was announced in December.

The new GME service port rotation will be Shanghai, Ningbo, Xiamen, Yantian, Houston, Mobile and Tampa. Import transit time to Port Tampa Bay from China will be 31 days and export transit time from Port Tampa Bay to China 27 days. Connections will be provided to and from markets beyond China throughout Asia.

"This new direct Asian service will provide importers and exporters very competitive transit times on a weekly fixed day service calling Port Tampa Bay every Monday," said port president and chief executive Paul Anderson.

The port already has connections with the Asian market. Zim American Integrated Shipping has a South American Express service to Tampa; and Mediterranean Shipping Company (MSC) also provides a service.

Port Tampa Bay is continuing to expand and upgrade its facilities. It recently installed two new post panamax cranes in addition to its existing three gantry cranes and there are plans to quadruple capacity over the next few years as business grows.



PORT TAMPA BAY

7

COSTA RICA

MOIN TERMINAL ENTERS SERVICE

APM Terminals' Moín Container Terminal (MCT) in Costa Rica officially began operations on 27 October when it received its first vessel, the 'Cap Beatrice', followed a week later by Hamburg Süd's 'Polar México'.

The terminal is on schedule to be fully operational in February 2019.

The operator has been granted permission by the National Council of Concessions (CNC) to begin commercial operations at its first deepsea berth. Subject to meeting safety and service requirements, the CNC permit will allow the handling of containerships to be transferred from Puerto Limón and Puerto Moín to MCT. This will take place on completion of the dock's first phase, which includes two berths and 40 hectares of artificial island.

Kenneth Waugh, managing director of APM Terminals Moín, said MCT would be able to receive today's largest containerships, with direct connections and reliable intermodal links to key markets.

"The authorization from CNC to start receiving commercial vessels represents a significant step change in maritime cargo handling logistics in Costa Rica and a huge leap towards improving national competitiveness," said Mr Waugh.

With the equipment now installed, APM Terminals has carried out rigorous training with test ships to guarantee safe and efficient operations. As part of the training, a group of operators traveled to APM Terminals operations in Brazil, Colombia, Egypt and Morocco to gain first-hand experience of efficient high-volume terminals.

8

JACKSONVILLE PORT



FLORIDA

JAXPORT GETS MORE FUNDING FOR DEEP DRAFT NAVIGATION

Jacksonville Port Authority (JAXPORT) has received an additional US\$ 46 million in funding from the US Army Corps of Engineers for its harbor deep draft navigation project.

The 47 ft deepening improvement project will enable mega-sized containerships to enter the port. Currently, the largest ships calling Jacksonville must arrive and depart lightly loaded in order to navigate the 40 ft channel depth. This has resulted in some cargo being diverted to other ports able to receive deeper-draft ships.

The recent allocation comes in addition to US\$ 50 million in federal funding for the project over the past two fiscal years. In September the Corps of Engineers awarded US\$ 210 million for the second stage of the project. The contract went to Great Lakes Dredge & Dock Company.

The first stage, already under way, involves about three miles from the entrance way inland. The second base funding covers about two and a half miles, with the remainder to be provided in August this year to cover the next two and a half river miles. Construction is expected to take about five years.

JAXPORT's public seaport terminals saw a record 23 per cent growth in container volumes in the fiscal year ending 30 September 2018 with nearly 1.3 million containers handled.

CRUISE NEWS



GPH SEEKS CONCESSION TO OPERATE CRUISE PORT

Global Ports Holding Plc, the world's largest independent cruise port operator, has signed a Memorandum of Understanding with the Government of Antigua & Barbuda to negotiate a long-term concession for Antigua's cruise port operations, including St John's cruise port, where most of the passenger traffic is concentrated. The concession will include retail outlets.

Under the terms of the MoU, both parties have entered an exclusive period in which they will continue to carry out due diligence and work towards the successful signing of the concession agreement, which is expected in the first half of this year.

As well as managing Antigua's cruise port operations, GPH is willing to invest in an upgrade of St John's cruise port including a new pier that would allow the port to handle Oasis-class ships, as well as improved retail facilities and new purpose-built retail and food and beverage facilities.

In addition, GPH is looking to set up a charitable foundation to support essential social programs in Antigua & Barbuda.

St John's cruise port received about 800,000 passengers in 2018. With the new pier and upgraded facilities, the number of passengers is likely to top 1 million in the medium term.

1

CMU PLEDGES TO ASSIST NIGERIAN UNIVERSITIES

The Caribbean Maritime University (CMU) has signed memoranda of understanding with three Nigerian universities that will enhance cooperation between the Caribbean region and Nigeria in key sectors of higher education.

The agreements were signed in Nigeria in November by CMU president Professor Fritz Pinnock and deputy president Professor Ibrahim Ajagunna, a Nigerian who has lived in Jamaica for over 20 years. The three-man delegation from CMU also included doctoral student Balfour Peart.

Under the arrangements, CMU will help the Nigerian universities to develop and expand their maritime, engineering and logistics programs as well as opening the way to faculty and student exchanges and joint research and publications.

The CMU delegation drafted three separate memoranda of understanding with the Nigerian Maritime University (NMU), the University of Lagos (UNILAG) and Ondo State University of Science and Technology. This followed a visit to the NMU at Okerenkoko, in Delta State, and talks with representatives of the two other institutions.

The visitors were hosted by Chief Timipre Sylva, former governor of Bayelsa State and pro-chancellor of the NMU.

2

FIRST OF FOUR CMA CGM SHIPS MAKES ITS DEBUT

CMA CGM has taken delivery of the 3,500 teu capacity 'CMA CGM Fort de France', the first of four new sisterships that will provide container services between France and the French West Indies.

The four identical vessels are 219 meters in length with a draft of 7.9 meters suitable for West Indies ports. Each of the new vessels has plug-in points for 850 refrigerated containers, allowing perishable goods such as bananas to be transported in optimal conditions.

Following the debut of 'Fort de France', three more sisterships will be delivered in the spring and summer of this year: 'Fort Royal', 'Fort Saint Charles' and 'Fort Fleur D'Épée' (all prefixed by 'CMA CGM'). These French-flag vessels will replace the existing 'Forts' on the North Europe and French West Indies service linking Europe and Metropolitan France to Guadeloupe and Martinique.

CMA CGM reaffirmed its commitment to the region in November by renewing a contract with UGPBAN, the professional association of banana producers of Guadeloupe and Martinique.

The company has agreed to transport 270,000 tons of bananas per year until 2026 from the French West Indies to Dunkerque in Metropolitan France.

3

ARUBA- CURAÇAO PROJECT AGREED

The first step towards formalizing a project for sea transportation between Curaçao and Aruba was taken in San Nicolas in December with the signing of a memorandum of understanding by Aruba’s Minister of Transport, Chris Romero, and Curaçao’s Minister of Economic development, Dr Steven Martina.

Dr Martina said Curaçao was working hard to see this project come to fruition and the government would use the first eight months of this year to finish everything required for this project.

The Minister said the intention was to restore an area of Curaçao harbor that had been used for ferry operations in the past.

4

FASTER SEABOARD SERVICES FROM COLOMBIA TO MIAMI

Seaboard Marine has upgraded its service from the Colombian ports of Barranquilla and Santa Marta to Miami.

From 4 January the transit time from Barranquilla to Miami has been shortened to four days while transit time from Santa Marta is down to five days.

The company’s vice president, Piero Buitano, said: “For 35 years Seaboard Marine has offered direct, regular service throughout the Caribbean basin and Latin America, with refrigerated cargo as our specialty. Through combining the latest refrigerated technology with some of the fastest transit times in the region, we provide expeditious transportation for fresh or frozen goods under optimal conditions. This new service enhancement and upgraded transit caters to a variety of Colombian exporters with a distinct focus on the unmatched speed to market of perishables.”

STARBOARD BRIEFING

5

CMU AWARDS HONORARY DEGREE

The Caribbean Maritime University (CMU) used the occasion of its second annual graduation ceremony in November to honor people in the shipping industry. One of these was Charles Johnston, chairman of Jamaica Producers and a member of the managing committee of the Shipping Association of Jamaica, who was awarded an honorary degree of doctor of science in international shipping.

At the same ceremony, at the Jamaica Conference Centre in Kingston, maritime industry veterans Robert Bell and his son Stephen presented the first Robert Bell Award for outstanding performance port management to Gavae Burton, a consultant with New York-based Sutherland Global Services.

The Robert Bell Award is an annual scholarship for a current student of logistics specializing in port management.



CARIBBEAN MARITIME UNIVERSITY

6

HIGH-SPEED FERRY TO GRAND BAHAMA

Florida-based Baleària Caribbean welcomed the high-speed catamaran ‘Jaume II’ to its fleet in December. The ‘Jaume II’ operates between Fort Lauderdale and Freeport, Grand Bahama.

The ferry company also launched in early January a regular service to Bimini – at 44 nautical miles the closest Bahamian island to the United States mainland.

7

ISHMAEL ROBERTSON HONORED

In a ceremony at King’s House, Jamaica, on National Heroes Day (21 October), shipping industry veteran Ishmael Robertson was invested with the Order of Distinction in the rank of commander for his “pioneering contribution to the development of Jamaica’s maritime sector”.

Mr Robertson had already been honored by the Caribbean Maritime University at its Charter Day celebration in 2017 when he was awarded an honorary degree of doctor of science in international shipping and logistics.

Offshore experts join forces to combat sargassum

A joint venture called **Caribbean Sea Clear**, based in Martinique, has been set up to address the urgent problem of sargassum seaweed that has been affecting the region.

Jifmar Offshore Services, with its head office in France, and the Martinican company SOMARA (Société Maritime de Remorquage et d'Assistance) have finalized the creation of the joint venture. The agreement was signed on 27 November.

CSC, which will be based in Martinique, has a mission to provide solutions to the proliferation of sargassum and to improve the quality of coastal waters in the Caribbean.

Jean-Michel Berud, co-founder of Jifmar, said: "CSC is an alliance between maritime know-how, project culture and local expertise to build an ambitious response to the sargassum problem."

And Jean-Pierre Porry founder of SOMARA, said: "With Jifmar, we want to bring an innovative, pragmatic and industrial solution against the sargassum. I am very enthusiastic about the realization of this project."

VERSATILE

CSC is looking to mobilize a workboat in the West Indies in January 2019 that will test a device for combating the sargassum phenomenon. This versatile vessel will be involved in other maritime operations, too, such as wreck salvage, marine

construction support and more general projects aimed at protecting and improving the Caribbean maritime environment, a crucial aim of the joint venture.

Jifmar, founded in 2005, delivers integrated maritime solutions and provides advanced services in the maritime and offshore oilfield sectors. The company is able to draw on significant material resources, including DP1 and DP2 vessels.

SOMARA, created in 2003, is a Martinican company specializing in port and maritime assistance that operates throughout the Caribbean. It is a recognized operator in the oil terminals of the region.



TROUBLESOME WEED

Sargassum has been recognised as a problem in the Caribbean since matted piles of the seaweed were washed up on Eastern Caribbean shores in 2011.

The seaweed has a negative impact on tourism, fisheries and wildlife and Caribbean governments have acknowledged it could pose a long-term threat.

In 2014 the sargassum made its way to southern Mexico and the beaches of Cancun. And many believe 2018 has been the region's worst year for the troublesome weed.



The gift that kept on giving...



An intriguing chapter in the recent maritime history of the Caribbean began in January 1958 when the short-lived West Indies Federation was formed by islands that were British colonies. A symbol of those idealistic times was the two handsome, brand-new multipurpose ships - 'Federal Palm' and 'Federal Maple' - that were gifted by Canada to the fledgling federation to boost intra-regional shipping services. Prominent CSA member Roland Malins-Smith, who has fond memories of a voyage in the 'Federal Palm', offers CM readers this 'short history' of the sister ships.

It is said that the British colonial administration initiated an inter-island shipping service in the Eastern Caribbean with chartered coasters in 1947, of which little is known today. Some 10 years later, when the West Indies Federation was being conceived, the importance of strengthening regional shipping appeared to be critical to the success of integration efforts and so the Canadian government stepped

in and offered to custom-build two cargo/passenger ships as gifts to the federation. These two ships were named 'Federal Palm' and 'Federal Maple'.

Both ships were launched in 1961, the 'Federal Palm' built by Port Weller Docks [in Ontario] and the 'Federal Maple' by Vickers Engineering, Montreal. With but minor variation, each ship was about 3,171 gross tons, 1,930 summer dead-weight, an LOA of 91 meters and a speed

of 14 knots. The ships carried 50 cabin passengers, 200 deck passengers and 1,500 tons of breakbulk cargo, which was handled by two 3 ton electric cranes, two 5 ton derricks and a heavy lift derrick of 20 tons. They were smart ships in their day, [with] very comfortable passenger accommodation and functional gear, given the state of our ports and the prevailing technology. I had the personal pleasure of sailing on the 'Federal Palm' in 1968



as a student, returning home to Grenada from Jamaica, briefly visiting several intermediate ports.

When the ships were handed over to the federal authorities in 1961, Furness Withy & Co, Trinidad, were initially assigned to manage them. Later that year the federal government passed the West Indies Shipping Corporation Act of 1961 establishing a statutory corporation to operate the donated ships. It is my belief that when the federation collapsed in 1962, the management passed to the corporation, which continued operating under enabling legislation of member states, specifically that of Trinidad & Tobago, where the head office of the corporation was located.

INTEGRATION

Despite the failure of the federation, it is felt that the ships contributed handsomely to the development of regional trade, travel and functional integration during the sixties and early seventies. Certainly, the perceived value of the service grew with the initiation of trade and economic integration discussions in 1965, leading to the formation of the Caribbean Free Trade Association (CARIFTA) in 1968. This Free Trade Association evolved into the Caribbean Community and Common Market (CARICOM) with the Treaty of



It was reported that she was used, or buyers attempted to use her, in the Cuban Mariel boat lift of 1980 and that the ship was eventually lost on the coast of Nicaragua

Chaguaramas of July 1973. Under both CARIFTA and CARICOM, the West Indies Shipping Corporation (WISCO) was treated as a related regional institution, a vital part of the integration mechanism, which required policy direction and development.

Under the community framework, the board of directors of WISCO reported to the Standing Committee of Ministers of Transport which met twice a year. Those meetings were serviced and supported by the Secretariat of the Community. WISCO lost money consistently and was subsidized by member states, which were not happy about the annual subsidies. In the early seventies the secretariat persuaded

the ministers to grant more discretion to the board and management of WISCO to raise rates and charges, to pursue a development program and to raise capital for this purpose, all reflected in the successor agreement establishing a West Indies Shipping Corporation, ultimately adopted in 1975. The secretariat and the management of WISCO recommended that the combination of passenger and cargo operations in the same vessel was dysfunctional and expensive, that containerization appeared to be the way to lower freight costs, and that the federal ships should be replaced. Air travel was also beginning to make inroads into the passenger business.

WEST INDIES FEDERATION

The West Indies Federation was a short-lived political union that existed from 3 January 1958 to 31 May 1962. Various Caribbean islands that were British colonies, including Trinidad & Tobago, Barbados, Jamaica and the Leeward and Windward Islands, came together to form the federation, with its capital in Port of Spain, Trinidad. The aim was to create a political unit, independent from Britain, similar to the Canadian Confederation. Before that could happen, however, the federation collapsed due to internal political conflicts over how it should be governed. The territories that would have become part of the federation eventually became the nine contemporary sovereign states of Antigua & Barbuda, Barbados, Dominica, Grenada, Jamaica, Saint Kitts & Nevis, Saint Lucia, Saint Vincent & the Grenadines and Trinidad & Tobago; with Anguilla, Montserrat, the Cayman Islands and Turks & Caicos Islands becoming British overseas territories. British Guiana (Guyana) and British Honduras (Belize) held observer status within the West Indies Federation.



The 'Federal Palm' was reported to have been sold to the government of Nauru [north-east of Australia] in 1972 and renamed the 'Cenpac Rounder'. It was 'wrecked' on 28 March 1979 and was found to be at the breakers in Pusan [South Korea] on 6 June of that year.

WITHDRAWN

The 'Federal Maple' was withdrawn from service and laid up at Chaguaramas from 1976 to 1980, during which time she was advertised for sale. There was a contract of sale to a Taiwanese company executed in 1976 but the buyers never took delivery or consummated the sale because of a dispute over the absence of the International Passenger Certificate and the seaworthiness of the ship. It is believed that the ship never had an international passenger

certificate, having been built for trading within the West Indies Federation, a coastal trade. By late 1977 WISCO attempted to resolve the dispute by offering to discount the original sale price of \$500,000 to \$400,000, but the Taiwanese countered at \$300,000 and claimed deductible expenses of \$275,000 so WISCO referred the matter to arbitration in NY. The arbitrators awarded the buyers \$100,000 while canceling the sale. The vessel remained at anchor in Chaguaramas until 1980 when it was sold 'as is' for \$50,000, having deteriorated with inactivity and minimal maintenance.

Subsequent history of the 'Federal Maple' is vague. It was reported that she was used, or buyers attempted to use her, in the Cuban Mariel boat lift of 1980 and that the ship was eventually lost on the coast of Nicaragua. The 'Federal Maple' was removed from the ships register in 1997 with the remark "continued existence in doubt".

With the retirement of the federal

ships, WISCO built, bought and chartered container ships for the regional service. The corporation continued to lose money, although there is evidence that the switch to container ships did help to reduce the losses in the years immediately after the withdrawal of the passenger ships. WISCO ultimately succumbed to its accumulated debt in 1992 and was closed by the member states. An era in Caribbean shipping came to an end.

BEAUTIFUL

It is now clear to many of us in the industry that intra-regional shipping is difficult if not impossible to make commercially viable on its own without the support of extra-regional imports and exports. It may be argued that the intra-regional business is a cross-trade, supported and made viable only with the distribution of larger volumes from foreign ports. Scale is critical to profitability in shipping. The federal ships were a beautiful boutique business which was expensive to preserve but was probably worth preserving for its indirect social values, including training of officers and seamen, social integration of the islands and farmers' market distribution capacity. I regret today that we did not find a way to afford to keep them going. They were, indeed, beautiful ships.



A memorial plaque relating to the 'Federal Palm' and 'Federal Maple' was recovered from Port of Spain harbor by a dredger. Now cleaned and refurbished, it has been officially donated by Pilot Maurice Graham.

GLOBAL OVERCAPACITY WEIGHS ON CARIBBEAN CHARTER MARKET



CONTAINER MARKET

The global – and the Caribbean – container charter market did not recover during the fall this year. Instead, earnings declined throughout all size segments, but to a lesser degree than in Europe or Asia.

Ships of 2,500 teu were in relatively short supply throughout the last couple of months. Despite the balanced Caribbean market, charter rates trended downwards about US\$ 1,000 for standard ships as cheaper candidates were available in the Mediterranean or from Asia. An exception to the overall negative development provided modern economic vessels and high reefer ships with 600 or more reefer plugs. Eco vessels could achieve high US\$ 14,000s levels on the back of continuously high bunker prices. Strong demand for high reefer ships, both from specialized fruit traders and from the main liners, kept charter rates for such ships between US\$ 12,000 and US\$ 13,000. One traditional reefer operator recently decided to change to containerships again after a transatlantic service run with 1,300 teu ships had been switched over to reefer ships at the beginning of the year. This time, the new service will be run with 2,500 teu ships and in cooperation with a main line operator.

The pool of very small containerships below 800 teu continues to shrink. At the end of 2018 only 14 timecharter ships of between 400 and 800 teu were left trading in the Americas

Ships of 1,700 teu experienced a similar fate as the standard 2,500 teu ships with slowly declining rates during the fall. Again, supply in the Caribbean was limited, but at times up to 10 ships were looking for employment in the Mediterranean. Although the oversupply situation has improved on the European side of the Atlantic, charter rates are expected to further correct downwards as the current rate difference of US\$ 1,500 to US\$ 2,000 is rather large. Low rates in Asia also induced one 1,700 teu ship to ballast across the Pacific for a WCSA employment.

High reefer ships of 1,300 teu were once again fixing higher rates than 1,700 teu ships by the end of the year. The general pressure on earnings was, however, also felt by those specialist ships as rates declined from US\$ 10,000 to US\$ 9,000 towards the end of the year. The very large rate difference of sometimes over US\$ 2,000 between the various trading areas even tempted one ship from

Asia to position by taking new empty reefers without having a subsequent charter.

The 1,100 teu segment proved relatively stable. From mid US\$ 7,000 levels, charter rates did only decrease to low US\$ 7,000 levels by the end of the year. More than a year after the originally scheduled delivery date, the first of three 1,100 teu newbuildings contracted by a Caribbean specialist operator had been delivered and will arrive in the Caribbean in early January. As this operator has four 1,000/1,100 teu ships on charter, those newbuildings might release some extra charter ships in the near future.

The pool of very small containerships below 800 teu continues to shrink. At the end of 2018 only 14 timecharter ships of between 400 and 800 teu were left trading in the Americas. Charter rates are relatively high, with fixtures in the high US\$ 6,000 to low US\$ 7,000 range, but this tonnage has to be a bit lucky as waiting time between employments has become more common.





As always whenever rates are on a declining path, charterers can also secure more flexibility on the period. In the Americas this flexibility has, however, not extended to the same degree as in Europe, where in some cases ships had to fix periods of two to 12 months in order to secure employment.

In general it was relatively easy to find a positioning cargo to Asia or Europe for ships that needed to drydock, as plenty of empty containers also needed repositioning in both directions.

The global upsizing trend also materialized in the Caribbean, albeit at a slower pace. One operator replaced a 700 teu ship

with a 1,100 teu vessel and the 700 teu ship in turn replaced a 500 teu vessel which was then redelivered. Another service was upsized from 1,300 to 1,700 teu. Overall, the upsizing trend has so far stopped at the 2,500 teu category. Over the last three years the number of ships trading in Latin America and Caribbean-related services has fallen by 20 per cent for ships up to 1,000 teu and by 14 per cent for 1,000 to 2,000 teu ships. In contrast, the number of 2,000 to 3,000 teu vessels remained constant. Despite offering very low slot costs, ships of 3,000 to 5,000 teu have so far not really found their way into the Caribbean. At the end of the year there were only 38 ships deployed on intra-Americas trades, whereof only about a quarter are deployed on feeder services. The rest plow longer routes such as USEC to WCSA or ECSA to WCSA.

In the 2,000 teu-plus sizes, operators will in the future have more options to deploy gearless ships as Puerto Moin in Costa Rica and Puerto Cortez in Honduras inaugurated the first stages of their port expansion programs. Both ports are now equipped with large ship-to-shore gantry cranes where previously only limited landside facilities were available.

MACROECONOMICS

The global economic outlook has darkened somewhat since the beginning of the year. The International Monetary Fund revised its forecast for 2019 down to 3.7 per cent in October. The global trade outlook is almost on a par with an expected growth of four per cent. The ongoing trade war between China and the United States, the still open outcome of the Brexit process and the local

CONTEX

	CONTEX	12 MONTHS, 1100	12 MONTHS, 1700	12 MONTHS, 2500
Sep 18	487	7,245	10,049	11,125
Oct 18	469	6,895	9,487	10,780
Nov 18	435	6,527	8,557	10,069
Dec 18	417	6,468	7,903	9,614

RUSSBROKER CARIBBEAN MARKET REVIEW

financial crisis in, for example, Argentina and Turkey all pose further downside risks to the global economic expansion.

The economic picture in the Americas is fairly diverse. The Caribbean countries are forecast to grow at a slower rate than 2018, the Central American region at a higher pace. Both areas, though, are with 3.7 per cent and 3.8 per cent at the higher end of the spectrum. Brazil (2.4 per cent), Colombia (3.6 per cent) and Mexico (2.5 per cent) are all expected to fare better in 2019 than in 2018.

Cuba, one of the largest Caribbean nations, continues to struggle economically. Hurricanes, new US sanctions and the collapse of its economic and ideological partner, Venezuela, have kept growth in 2018 at about one per cent. For 2019 a similar growth rate is to be expected. One of its largest 'exports' – doctors – is also on the decline. The revenue gained from sending medical doctors out in the world has decreased over the last four years from US\$ 10.2 billion to US\$ 7.7 billion. Recently, Cuba withdrew another 8,000 doctors from Brazil after the Brazilian government criticized the practice as 'slave labor'.

In Venezuela the situation has not changed: a shrinking economy leading to an intensifying humanitarian crisis. After a projected 1.4 million per cent inflation rate for the past year, 2019 is expected to be even worse with 10 million per cent. As a consequence of the shrinking output and purchase power, the number of regular container liner services has further been reduced. As of December, only seven strings employing nine ships of between 700 and 2,500 teu are left serving the country.

SALE AND PURCHASE OF CONTAINER TONNAGE IN CARIBBEAN

With the decline in charter rates, ship values also softened and sale and purchase activity slowed during the fall as often sellers' ideas exceeded buyers' budgets. A considerable number of forced / bank-driven sales, however, still took place.

One 700 teu ship was sold and left the Caribbean area towards Europe. A sister is about to be sold to a yet unknown destination.

SELECTED CONTAINER FIXTURES

SUB 1,000 TEU - CELLED

Sep 18	Sandwig 657 teu / 390@14 / 18on27 / 116rp	2-3 months	US\$ 7,000.	p/d
Oct 18	CFS Pafilia 712 teu / 428@14 / 17on28 / 156rp	6 months	US\$ 6,850.	p/d
Nov 18	Falmouth 862 teu / 585@14 / 19on38 / 204rp	9-11 months	US\$ 7,000.	p/d

1,100 TEU - GEARED, CELLED

Sep 18	Contship Ray 1,118 teu / 700@14 / 19on42 / 220rp	3-6 months	US\$ 7,400.	p/d
Oct 18	Asian Sun 1,118 teu / 700@14 / 20on36 / 220rp	4-6 months	US\$ 7,500.	p/d
Oct 18	Taipei Trader 1,102 teu / 705@14 / 18on25 / 220rp - modern eco	5-7 months	US\$ 10,000.	p/d
Nov 18	Weisshorn 1,122 teu / 758@14 / 19on44 / 150rp	5-7 months	US\$ 7,500.	p/d

1,300 TEU - GEARED, CELLED

Sep 18	Fouma 1,296 teu / 957@14 / 20on47 / 390rp	13-15 months	US\$ 10,000.	p/d
Oct 18	As Felicia 1,296 teu / 957@14 / 20on45 / 390rp	3-5 months pure reefer trade	US\$ 11,000.	p/d
Nov 18	As Fabiana 1,296 teu / 958@14 / 19on45 / 390rp	9-12 months	US\$ 9,500.	p/d

1,700 TEU - GEARED, CELLED

Oct 18	San Portland 1,841 teu / 1,293@14 / 22 / 462rp	4-6 months pure reefer trade	US\$ 9,950.	p/d
Oct 18	Caribbean Express 1,688 teu / 1,234@14 / 19 / 300rp	45-150 days	US\$ 8,700.	p/d
Nov 18	Stellar Walvis Bay 1,700 teu / 1,186@14 / 20on58 / 192rp	4-10 months	US\$ 8,500.	p/d

2,500 TEU - GEARED, CELLED

Sep 18	Cape Martin 2,741 teu / 2,133@14 / 400rp - gearless	1-2 months	US\$ 12,200.	p/d
Sep 18	Aldebaran 2,785 teu / 2,170@14 / 22on90 / 432rp	4-12 months	US\$ 11,500.	p/d
Oct 18	Angeles 2,872 teu / 2,116@14 / 21on80 / 738rp	12 months pure reefer trade	US\$ 13,400.	p/d
Oct 18	Nordisabella 2,506 teu / 1,984@14 / 19 / 564rp - modern eco	10-12 months	US\$ 14,900.	p/d
Nov 18	Cape Martin 2,741 teu / 2,133@14 / 22 / 400rp - gearless	1-3 months	US\$ 11,500.	p/d

On the newbuilding front, no orders for Caribbean-suitable tonnage have been placed, but liners operating in the Caribbean are examining newbuilding options for 1,000 to 2,000 teu gearless ships.

Scrapping activity has sharply increased

since July. A total of 27 containerships of between 1,000 and 2,000 teu (7 x 1,100; 7 x 1,300; 11 x 1,700; 2 x 2,000) and an average age of 23 years have been sold for scrap since. Only two of those ships had, however, been trading in the Americas.



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