Liberia and China renew historic maritime agreement

The People’s Republic of China (PRC) and the Republic of Liberia have renewed their historic maritime agreement for an additional five years, thus reinforcing their co-operation in the maritime transportation sector.

Under the renewed agreement, Liberian-flag vessels will continue to enjoy a preferential rate for tonnage dues when visiting Chinese ports. These savings – equating to a 28% reduction in port dues – can translate into a net increase in time-charter-equivalent rates of $1,000 per day based on a 100-day voyage.

The agreement gives Liberia a clear advantage over other flag states, such as the Marshall Islands, which do not have diplomatic relations with the PRC and which do not qualify for any discount on port dues in the PRC. Moreover, recent maritime law amendments introduced by Liberia are likely to strengthen still further the high level of mutually beneficial co-operation which exists between Liberia and its Chinese partners.

The renewal agreement was signed by China’s Minister of Transport Li Xiaopeng and Liberian Maritime Authority Commissioner James F Kollie. Minister Li noted how the agreement had injected new vitality into the friendly bilateral relations established between the PRC and Liberia over recent years. Commissioner Kollie said renewal of the agreement took relations between the two countries to a new level.

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Liberian Registry and RightShip host Japan seminars

The Liberian Registry recently hosted seminars in Tokyo and Imabari in collaboration with RightShip at which the Registry’s clients and other attendees had the opportunity to learn how Liberia’s unique approach can make their businesses more profitable.

The seminars, organized in co-operation with Class NK, and the Liberian Registry’s Tokyo office, attracted a combined audience of 250 industry representatives. They provided a good opportunity for Japanese owners to communicate with RightShip, the industry’s leading maritime risk management and environmental assessment organization. RightShip’s message to attendees was one of working with the market to capitalize on efficiency and to use innovation to operate safely and to stay ahead of the competition.

LET LIBERIA INTERVENE

A timely flag state risk analysis recently prevented a Liberian-flag vessel from being detained in Australia. The analysis highlighted deficiencies in the vessel’s fire control panel and engine control room air-conditioning equipment which Liberia’s inspector reported to the master. When inspectors from the Australian Maritime Safety Authority (AMSA) came on board the vessel after its arrival in Australia, the master informed them of the action which had been taken to rectify the reported deficiencies. Although neither the fire control panel nor the engine control room air-conditioning were working properly, the action taken by the master and the assistance provided by Liberia’s inspector prevented the vessel being detained by AMSA.

Liberia becomes first flag state to join the Maritime Anti-Corruption Network

Liberia has become the first ship registry to be admitted to the Maritime Anti-Corruption Network (MACN) as an associate member.

Alfonso Castillero, CCO of the Liberian Registry, says, “We are greatly honoured to be the first ship registry admitted as an associate member of the MACN. The organization has done great work fighting corrupt practices in some of the most difficult regions in the industry. MACN’s model of government and local partner collaboration, and industry-led collective action, is considered global best-practice. It’s not only the shipping sector gets that sort of recognition.”

“Effective flag states, such as Liberia, offer a unique perspective and opportunity in the fight for a maritime industry free of corruption. Liberia’s fleet of over 4,325 vessels trades in some of the world’s most difficult regions. Our global network of full-service offices and local inspectors means that the flag is never far away. Together with MACN, we can help provide the crew of these ships with processes and procedures as well as with firm backing and support to defeat bribery attempts. This backing serves to allay fears and prevent negative recourse by unscrupulous officials seeking enrichment at the expense of shipowners.”

MACN’s Programme Director, Cecilia Müller Torbrand, welcoming the Liberian flag as an associate member, says, “Flag states are a central part of the shipping world and we look forward to the contributions Liberia will make to MACN’s future efforts.”

Benson Peretti, the Liberian flag’s MACN representative, says, “We would encourage other flag states to consider joining the network, because the more we work together the better the results will be for crew, owners, and the wider shipping community.”

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Greek owner Metrostar Management Corp recently took delivery of two 115,643 dwt crude oil tanker newbuildings, CRUDESUN and CRUDEMED, from Daehan Shipbuilding of Korea. Welcome to the Liberian fleet!

Welcoming aboard two 15,068 dwt LPG tanker newbuildings, ITHACKI and ANTIKITHIRA. The vessels were built by Hyundai Mipo Dockyard in South Korea. Thank you, Eletson Corporation, for your ongoing support of the Liberian flag.

K Line has recently taken delivery of the 93,750 dwt LNG carrier KINISIS from Daewoo Shipbuilding & Marine Engineering (DSME) in South Korea through a joint venture with Chandris. The vessel will operate under the Liberian flag and, together with its newbuilding sistership PATRIS, will be chartered by BP to carry gas from Freeport in the US.

The Liberian Registry is pleased to welcome to its fleet the 35,500 dwt oil tanker CHEMROAD AQUA, which was delivered this year to Spica Shipholding Co of Japan by Japan’s Shin Kurushima Dockyard.

Adding value through technical excellence

As shipping moves rapidly into the data era with electronic record-keeping and data exchange, it is incumbent on leading flag administrations to increase their ability to provide relevant information to shipowners and managers in a real-time, transparent, and convenient way.

Not all flags are making the necessary investment in technology or in their own intellectual outsourced partners, but Liberia most certainly is. It has put in place a cutting-edge system that will support the exchange of data between the Liberian Registry, recognized organizations (ROs), shipowners and managers.

The data exchange system will ultimately benefit shipowners and operators as all data related to their vessels will be accumulated and securely managed in Liberia’s WayPoint system. The systems’ users will then have real-time and immediate access to data on all statutory certifications, regardless of whether they are issued by flag, class or ROs. This includes IACS PR17 reports which provide early indications of possible Safety Management System failures. This will help owners and operators avoid their vessels being unduly delayed, as well as facilitating and promoting transparency in Port State Control inspections, in the long-run providing savings in time, effort, and most importantly—cost.

The Liberian Registry believes that its role is to work together with its partners to add value by providing critical and time-sensitive intervention and response capabilities. It has always taken the lead in providing value to shipowners and managers via technology, global representation and service provision. This is evidenced by Liberia’s Detention Prevention Programme, SEA System, and WayPoint.

The Registry has also leveraged the country’s extensive diplomatic channels to deliver preferential fees in major port countries such as China, a significant value enhancement for shipowners seeking competitive charter hires. Liberia is proud that, over time, many of its initiatives have been adopted by other reputable flag states.

Liberian Registry CCO Alfonso Castillero says, “We continue to invest heavily in technology as the digital era requires us to do, because our clients and their ships are our number one concern. Shipowners whose vessels fly the Liberian flag can rest assured that the fees they pay annually are reinvested into the products and services that directly support them and which allow them to operate as safely and efficiently as possible.”

Au fait with OFAC

Liberian Registry CEO Scott Bergeron, Vice-President Stephen Frey and Compliance and Legal Manager Irina Nossova recently met with officials from the Office of Foreign Assets Control (OFAC) of the US Department of Treasury in Washington DC.

OFAC administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction and other threats to the national security, foreign policy or economy of the United States. The aim of the meeting was to provide OFAC with an overview of the shipping industry and to discuss the practical effects of US sanctions on the shipping industry. Scott Bergeron reiterated the Registry’s willingness to co-operate with OFAC to prevent sanctionable activities and to comply with US sanctions regimes. OFAC, meanwhile, was keen to learn more about the Liberian Registry and followed up with a variety of questions.
Early reporting needed on 2020-compliant fuel availability

Liberia has submitted a paper to the IMO Marine Environment Protection Committee (MEPC) calling for early reporting on the availability of fuel oil that is compliant with the new 0.50 percent global fuel oil sulphur limit well in advance of 1 January 2020, the effective date the new fuel oil must be used on board ships.

David Pascoe, Liberian Registry Senior VP, Maritime Operations and Standards, says, “Shipowners and operators hold a disproportionate responsibility in meeting the challenges associated with implementation of the 0.50% m/m global fuel oil sulphur limit and should not need to guess where or whether compliant fuel will be available. Smooth and effective implementation requires co-operation and compliance by all stakeholders, including states and fuel oil suppliers. It is critical that states carry out their responsibilities under MARPOL and SOLAS to promote the availability of fuel oils that are safe and which comply with the new sulphur limit. It is also vital that they report availability in their ports and terminals to IMO, which has established the means for states to effectively report through its Global Integrated Shipping Information System (GISIS).

“We are therefore urging IMO to issue a resolution or circular calling on states to report the availability of compliant fuel oil well in advance of 1 January 2020 to help shipowners and operators to meet their responsibilities and gain experience in the carriage and use of the new fuels on their ships, and to test implementation plans, thereby facilitating a smooth and effective transition to the new regulatory requirements.”

IT COULD HAPPEN TO YOU… A smoke alarm kept going off in the engine room of a vessel while on a trade route between Asia and North America. Upon investigation, a crew member discovered that the alarm was being triggered by a leaking steam line adjacent to the smoke detector. The vessel’s chief engineer taped over the smoke detector, whereafter the alarm ceased to go off.

Although the chief engineer told the master that the situation had been resolved, he didn’t tell him how he had resolved it. Upon arrival in the US, port state control officers discovered the taped-up detector and, when it was found that the chief engineer had not followed proper company, class, or Liberian Administration procedures, the vessel was detained.

Further investigation by the Liberian Administration resulted in the chief engineer losing his endorsement for endangering the vessel and its crew. Meanwhile, class and the Liberian Administration wrote a requirement for the next drydock period to move the location of the smoke detector two feet to prevent further false alarms.
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