Since 1908... Taking the best from the past to build the future.

Providing reliable and innovative solutions for our customers is our mission since 1908.
Environmentally Friendly Solutions

Modern Stockyard Technology

- Fully enclosed stockyard solutions
- Reduction of dust pollution
- Reliable and field proven technology for various kinds of plants
## CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Comment</td>
</tr>
<tr>
<td>05</td>
<td>News</td>
</tr>
<tr>
<td>10</td>
<td>Industry View</td>
</tr>
</tbody>
</table>

### Regional Report

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>The Road To Recovery?</td>
</tr>
<tr>
<td></td>
<td>Peter Sand, BIMCO, Denmark, discusses whether the recent European dry bulk imports surge is influential or not.</td>
</tr>
</tbody>
</table>

### Storage, Stockyards, Stackers & Reclaimers

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>More Than A Training Tool</td>
</tr>
<tr>
<td></td>
<td>Bart Williams, GlobalSim, USA, reports on a virtual reclaiming programme of a stacking yard.</td>
</tr>
</tbody>
</table>

### Shiploading & Unloading

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Weighing Up The Options</td>
</tr>
<tr>
<td></td>
<td>Vincent van der Wijk, Bühler, Switzerland, discusses efficient shiploading solutions and evaluates the pros and cons of mobile vs stationary loaders.</td>
</tr>
</tbody>
</table>

### Bagging & Packing

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>49</td>
<td>Fast From Beginning To End</td>
</tr>
<tr>
<td></td>
<td>Gregor Baumeister, BEUMER Group, Germany, recalls supplying an adaptable packaging line to Mexican cement manufacturer Cruz Azul.</td>
</tr>
</tbody>
</table>

### Bucket Elevators

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>53</td>
<td>Bucket Elevator Review</td>
</tr>
<tr>
<td></td>
<td>Featuring Müller Beltex, 4B Braime Components Ltd., BEUMER Group, and A/S Cimbria.</td>
</tr>
</tbody>
</table>

---

### Bulk Carriers & Shipping Services

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>The Winds Are Changing</td>
</tr>
<tr>
<td></td>
<td>Greg Atkinson, Eco Marine Power, Japan, outlines the move towards renewable energy sources in the shipping industry and the recent developments in onboard renewable energy power on modern ships.</td>
</tr>
</tbody>
</table>

### Floating Terminals

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>Floating Dry Docks Begin Operations</td>
</tr>
<tr>
<td></td>
<td>Constant Pauwels, Port of Antwerp, Belgium, discusses the development of a new docking facility at the Port of Antwerp.</td>
</tr>
</tbody>
</table>

### Cover Story

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>Transhipping In Russia</td>
</tr>
<tr>
<td></td>
<td>Giorgio Berlato, Bedeschi Spa, Italy, discusses the advantages of transhippers, detailing a transhipment system delivered to Russia as part of the Shakhtersk port expansion.</td>
</tr>
</tbody>
</table>

---

### ON THE COVER

Bedeschi SpA, founded in 1908, is one of the few European historical companies specialised in the engineering and manufacturing of machines and systems for bulk handling and port terminals. Its commitment to several fields, its international approach, and the continued presence of the Bedeschi family within the General Management team onsite are the company’s main characteristics.

http://www.bedeschi.com/
The loader is working exceptionally well. No dust and the operators love it. Murray Vanderpont - G3
From food to fuel, it cannot be denied that the soybean has become part of everyday life. In our household, for instance, soy sauce is an ubiquitous staple in the kitchen. A rich condiment comprised of fermented soybeans – sounds delicious.

Soybeans have been hitting the headlines recently, from the ongoing US-China trade debate, to slowing soy harvests in Argentina following continued wet weather.

But there is currently one other topical soy discussion in the news. On 13 May, HSBC Singapore announced it had performed the world’s first blockchain trade finance transaction. HSBC and Dutch bank ING used Corda blockchain technology to finance a shipment of Argentinian soybeans to Malaysia for Cargill, a US food and agricultural company. Hashtagging ‘#TransformingTrade’, the company tweeted it is “revolutionising the future of documentary trade.”

Reportedly, the exchange was performed in a mere 24 hours; with traditional methods, this would normally take between five and 10 days.

Vivek Ramachandran, HSBC Global Head of Innovation and Growth for Commercial Banking, stated: “With blockchain, the need for paper reconciliation is removed because all parties are linked on the platform and updates are instantaneous.”

Currently, the majority of blockchain developments in the shipping industry have focused primarily on the container sector. But this seems to be changing, with a number of significant developments being made in the dry bulk market prior to HSBC’s announcement.

In December 2017, Louis Dreyfus Company used blockchain technology to sell 60 000 t of American soybeans to China’s Shandong Bohi industry. ING, Societe Generale and ABN Amro partnered with the French agricultural commodity trader for the deal.

“Distributed ledger technologies have been evolving rapidly, bringing more efficiency and security to our transactions, and immense expected benefits for our customers and everyone along the supply chain as a result,” explained Gonzalo Ramirez Martiarena, Chief Executive Officer of Louis Dreyfus Company.

Following on the heels of Dreyfus was Prime Shipping Foundation. In January, the company revealed it carried out the world’s first transportation agreement settled in bitcoin. The freight deal was for the delivery of 3000 t of wheat, to be shipped from Russia’s Rostov-on-Don port to Samsun in Turkey.

Prime Shipping Foundation Chief Executive Officer Ivan Vikulov revealed: “The consignment was part of pilot testing of Prime Shipping Foundation’s blockchain payment system for bulk commodities. […] We are trying to develop a cross-border payment system that’s easier and faster than what’s available now. As far as we know, this is the first freight deal done in a cryptocurrency.”

With the aim of making trade finance deals simpler, faster and more secure, it seems there could be definite potential to use cryptocurrencies and blockchain technologies in the dry bulk commodity market.

As HSBC believes: “Blockchain can pull trade into the digital age.”

**COMMENT**

**STEPHANIE ROKER DEPUTY EDITOR**
Pneumatic or Mechanical Ship Loaders & Unloaders
Port Equipment - Turnkey Projects

PNEUMATIC SHIP UNLOADERS:
From 100 to 800 tons/hour
All sizes of vessels • All types of grains

PORTABLE GRAIN PUMPS up to 270 t/h
PNEUMATIC BARGE UNLOADER up to 600 t/h
LOADER up to 2000 t/h
SIMPORTER up to 1500 t/h

Reliability, Efficiency, Quality,
Efficiency, Quality, Reliability,
Quality, Reliability, Efficiency... 😊
WORLD NEWS

INDONESIA ABL requires extra dry bulk barges for coal contract

Indonesia’s Asian Bulk Logistics (ABL) is planning to add up to 18 dry bulk barges to serve a domestic coal contract. The company, which has clients in the mining and commodities industries, said the significant increase is needed for one of its customers, for whom it already transships 20 million tpy.

“We would need at least 20 vessels to support the barging operation, currently we only operate two vessels. Our plan is to charter and/or buy another 15 - 18 vessels,” said President Director Ika Bethari.

“Our plan is to enhance our integrated sea logistics service from port to port that provide a complete value chain to its customers. In the near future, we are also planning to have our first ocean-going vessel that can complete our barging and transshipment services.”

Bethari said: “We are not only looking at coal, but also other natural resources and commodities. Our country is one of the largest coal and crude palm oil exporter in Asia. With the new KepMen 82, it would definitely help ABL and other shipping companies in Indonesia to tap and grow into regional as well as international market.”

KepMen 82 refers to the Indonesian government’s decision to limit coal and palm oil shipments to Indonesian-owned ships in the first instance, but this has been postponed until 2020.

In March, the company said it was investing in cargo transfer ships and barges to boost its domestic coal operations.

But the Jakarta-based owner said it “eventually plans to develop a global bulk shipping fleet. We see many opportunities in the bulk shipping sector.”

AUSTRALIA Aurizon train cuts to leave AUS$2 billion hole in Queensland state budget

The Queensland resources industry has warned that next month’s State Budget could face a AUS$2 billion hole due to monopoly rail operator Aurizon cutting the number of trains moving coal to export ports.

Queensland Resources Council Chief Executive Ian Macfarlane said coal companies were being advised by Aurizon that it would dramatically cut train movements on the Goonyella system of the Central Queensland Coal Network. The Goonyella system connects many of Queensland’s largest metallurgical coal suppliers to the port of Hay Point.

Macfarlane stated: “Based on these developments, QRC believes it is now clear Aurizon is determined to stop the movement of 20 million t of coal. […] What does that mean for Queensland? It will cut AUS$4 billion from exports and AUS$500 million in annual royalties paid by the industry to the Queensland Government. Over the forward estimates (over the next four financial years), the reduction in royalties paid to the government could be as much as AUS$2 billion.”

QCA has initiated an enquiry into Aurizon’s actions; Aurizon has sought an inquest of the draft QCA decision.

FINLAND CARGOTEC and JCE Invest AB establish new JV

Finnish cargo handling company Cargotec has signed an agreement with JCE Invest AB to establish a joint venture, Bruks Siwertell Group, specialising in dry bulk handling. The new joint venture will own Swertell AB (previously part of Kalmar Business Area within Cargotec) and BRUKS Holding AB (previously part of JCE Group). Both companies are world-leading suppliers of bulk materials handling solutions. Cargotec is to own 48% of the shares in Bruks Swertell Group, and JCE Invest AB will own the rest: 52%.

President of Kalmar, Antti Kaunonen, commented: “This joint venture supports Cargotec’s strategy to focus on container ports, heavy industrial segment and logistics. Swertell’s business is outside these core focus areas, with different customers, customer locations and limited synergies with the rest of our businesses. By joining forces with JCE Group, we are able to create a company that will be a significant player in the bulk material handling with a globally competitive and specialised product portfolio.”
WORLD NEWS

DIARY DATES

TOC Europe
12 - 14 June 2018
Amsterdam, The Netherlands
www.tocevents-europe.com

Global Grain MENA
26 - 27 June 2018
Dubai, UAE
http://www.globalgrainevents.com/
mena/details.html

Hillhead
26 - 28 June 2018
Derbyshire, UK
www.hillhead.com

Conveying and Handling of Particulate Solids 2018
10 - 14 September 2018
London, UK
http://www.constableandsmith.com/
events/chops-2018/

ACPS Conference and Exhibition 2018
11 - 14 September 2018
Brisbane, Australia

Coaltrans World Coal Leaders Network
14 - 16 October 2018
Barcelona, Spain
http://www.coaltrans.com/
world-coal-conference/details.html

BULKEX18
17 - 19 October 2018
Nottingham, UK
https://bulkex.co.uk/

GLOBAL JV formed between CSL and SMT Shipping

SMT Shipping and The CSL Group have announced they have entered into an agreement for CSL to acquire 50% of Eureka Shipping Ltd., SMT’s pneumatic cement vessel business. The new joint venture will allow Eureka and CSL to combine expertise, resources and innovative technologies to expand services to customers in the seaborne cement powder and fly ash transportation markets around the world. CSL’s Australian cement shipping business is not included in the joint venture.

“The joint venture represents an important step in CSL’s strategy to increase its presence in the global construction material sector,” said Louis Martel, President and CEO of CSL. “We are confident that the synergies between CSL and the Eureka team, along with our common values and complementary skills will further strengthen our ability to provide significant value to our customers and an effective platform for growth.”

Mark Voorham, CEO of SMT, stated: “We feel the new joint venture will harness the strengths of both respected companies, which will work together seamlessly to serve our clients with high levels of service and professionalism.”

Eureka CEO Kai Grotterud said: “The partnership with CSL provides a strong, collaborative platform to further invest in innovative logistics solutions to the benefit of our customers in the cement and building materials industries.”

There will be no change in the daily management and operation of vessels in the Eureka fleet. The transaction is expected to close by the end of June.

CANADA Star-Orion South Diamond project update

Rio Tinto Exploration Canada (RTEC), and Consulmet (Pty) Ltd (Consulmet) have finalised contractual arrangements for the manufacture and supply of a 30 tph bulk sample plant. This bulk sample plant will be used to process the kimberlite recovered by the next phase of large diameter, bulk sample drilling on the Star-Orion South Diamond project. The bulk sample plant will be fabricated by Consulmet in South Africa in modular, containerised units, which will facilitate shipment to the project site in central Saskatchewan. Consulmet is a specialised technology company serving the minerals industry through the design and supply of production ready mineral processing plants.

The proposed bulk sample plant will use a modern flowsheet and the latest X-ray transmission (XRT) sorting technology to ensure any large diamonds present (up to 25 mm) are recovered with minimal breakage. A secondary crushing circuit, using a high pressure rolls crusher (HPRC), will maximise the liberation of smaller diamonds from the kimberlite. The bulk sample plant consists of four areas, each with its own control system: a wet front end and feed preparation area; an XRT sorter area; a 10 tph dense media separator (DMS) area; and a water reticulation area.
SINGAPORE  Diana Shipping and Koch sign time charter contract for newcastlemax vessel

Global shipping company specialising in the ownership of dry bulk vessels, Diana Shipping Inc., has entered into a time charter contract through a separate wholly-owned subsidiary with Koch Shipping Pte. Ltd. in Singapore, for one of its newcastlemax dry bulk vessels, the m/v San Francisco.

According to the company, the gross charter rate is US$24,000/d, minus a 5% commission paid to third parties, for a period of approximately 10 months to approximately 12 months. The charter is expected to commence on 13 May 2018. The m/v San Francisco is currently chartered, as previously announced, at a gross charter rate of US$11,750/d, minus a 5% commission paid to third parties.

The m/v San Francisco is a 208,006 DWT newcastlemax dry bulk vessel built in 2017. This employment is anticipated to generate approximately US$6.96 million of gross revenue for the minimum scheduled period of the time charter.

Diana Shipping’s fleet currently consists of 50 dry bulk vessels (four newcastlemax, 14 capesize, five post-panamax, five kamsarmax and 22 panamax).

FINLAND  Eniram signs MoU to participate in Project Forward initiative

Eniram, a Wärtsilä company, has signed a Memorandum of Understanding (MoU) with Athens-based Arista Shipping to participate in the Project Forward initiative, which is led by Arista. The project has developed a dry bulk carrier vessel that features an unprecedented high level of energy efficiency. The carrier’s design is based on LNG fuelled propulsion. Eniram’s contribution will be to assist in the development of monitoring and optimisation tools.

The selection of Eniram to participate was based on its strong track record and in-house competences in the utilisation of ship data and modelling to provide accurate recommendations for improving efficiency. The vessel design will enable compliance with all known, applicable, and anticipated regulations proposed by the International Maritime Organization (IMO). These include the Energy Efficiency Design Index 2025, SOx post 2020, and NOx Tier III without any aftertreatment.

Wärtsilä is also a part of the project team because of its experience and leading technologies in LNG propulsion. The propulsion design concept is to be based on a novel arrangement featuring just two highly efficient Wärtsilä 31DF dual-fuel engines without additional gensets.

WORLD NEWS

CANADA  Western Stevedoring purchases Squamish Terminals

Western Stevedoring has purchased 100% of Squamish Terminals Ltd. from Grieg Star. This was effective from 10 May 2018.

Squamish Terminals is a major break bulk terminal situated at the north end of Howe Sound in the District of Squamish (British Columbia) providing cargo handling services to markets globally.

Rune Birkeland, Squamish Terminals Chair, said: “Grieg Star has been the owner of Squamish Terminals for almost half a century. The hard work and dedication of the organisation over these years have impressed us more than once. We are proud of what has been achieved over these years, but now is the right time for the terminal to continue under new ownership. Western Stevedoring has the right focus and expertise to further strengthen the terminal, and we are confident it is in the right hands going forward.”

Western Stevedoring’s President Brad Eshleman commented: “This acquisition strengthens Western Stevedoring’s continued commitment to the break bulk sector in British Columbia’s Gateway and expands the service options currently provided to our customers with greater capacity for the co-ordination of efficient service and consolidation of cargo.

“We have full confidence in the team at Squamish Terminals and look forward to building on their long-standing relationships with customers, partners and the community.”

WORLD NEWS
**Liebherr Fixed Cargo Cranes**

Fixed cargo cranes (FCC) are space-saving handling solutions for harbours and quaysides and suitable for vessels up to post-Panamax class. The slewing cranes installed on fixed foundation pedestals comprise both cylinder luffing as well as wire luffing slewing or double girder cranes. They provide the optimum balance between restricted space and cost effective turnover.
The port of Newport is one of five ports owned and operated by ABP South Wales. Located on the southeast coast of south Wales, the port is ideally positioned to serve a wide hinterland that reaches the UK’s main industrial and commercial areas.

Traditionally, the port has been dominated by imports and exports of steel, and this is still the case. However, in recent years, the agribulk sector has been steadily growing and now has a major presence at the port with a dedicated terminal at North Side, South Dock.

Between 2009 and 2017, Newport saw its agribulk operations increase by 170%. During this time period, the port went from handling 139,329 tpy to handling 377,090 tpy.

The agribulk sector at the port is dominated by imports of bulk fertilizer and animal feed. To break this down further, in 2017, the port saw year on year growth of 14% in bulk fertilizer imports and a 54% increase in animal feed imports in comparison with 2016.

Agriculture is a vital industry for the Welsh economy. A 2015 study found that 88% of the country’s land area was utilised for agriculture, and in 2017, Wales was home to over 9.8 million sheep.

Welsh Government statistics show that Wales has around 58,300 people working in the agricultural sector. This number equates to 4.07% of the Welsh population, which is notably higher than the national average of 1.4%. The sector has also been identified as a ‘key priority sector’ by the Welsh Government due to its strong traditional stronghold and influence on the country.

The Port of Newport handles around 2.2 million tpy of cargo, supporting 3,000 local jobs and contributing £186 million/yr to the Welsh economy.

As an international trade becomes more accessible to a wider range of businesses, the significance of local ports and their multimodal transport links continues to grow. The priority for ABP South Wales, as a port owner and operator, is to aim to support industries that benefit the wider community of its ports.

The company is known for being very proactive in its approach to investing to provide the best equipment and facilities for port customers. For the agribulk sector, the company’s investments are driven by the needs of, not just the businesses of its customers, but also the local farmers, feed mills and other industries they support. This is to ensure the huge supply chain can continue to benefit from ABP’s services for many years to come.

Outside of the city centre, the ports hinterland is dominated by farmland. But its growth is not a coincidence. It is the result of strategic planning.

The rapid growth of this sector meant that, by 2015, the company had to start planning the construction of new quayside warehouses. By the end of 2018, it will have constructed an additional 75,000 ft² of new covered storage space for the sector.

In 2016, ABP invested £2.3 million into the construction of a 3,500 ft² warehouse for the sector, along with new weighbridge facilities. The warehouse is now known as 20 Shed and it is currently being gully utilised by agribulk cargo.

Work has also recently broke ground on another warehousing project that marks an investment of £4.5 million. Upon completion, the project will provide even more storage facilities in the form of 70,000 ft² of covered bulk storage facilities. As part of this project, the port will also be investing in new plant equipment.

At the core of these warehouses are the needs of the company’s customers. Customers really do know best, which is why all of ABP’s warehouses are tailor built to requirements provided by port customers in a collaborative process.

The port of Newport also has the added benefit of an in-house team of stevedores. All of the company’s stevedores are experienced operators that have a real commitment to the service they provide. ABP’s operations team works closely with customers in order to improve efficiency of discharge by keeping communications open and honest.

In March, the dry bulk stevedoring operations at the ports of Newport and Swansea were awarded ISO 9001:2015 accreditation following an audit by the British Standards Institution. This accreditation is awarded to systems of work that can demonstrate a high level of quality management. This includes being able to consistently provide a quality service that meets regulatory requirements, while focusing on increased customer satisfaction.

By their nature, ports are constantly evolving to accommodate changing market trends, so operational flexibility is crucial to their success.

Ports in Wales are vital gateways for both regional and national employment, and are served by distribution chains that span the globe. By working closely with customers, and staying ahead of trends, the port of Newport remains a port that proudly serves industries that are vital to the economies of their hinterland.
The most valued commodity we unload is our experience

Nectar has been a key player in the bulk industry since the 70’s, revolutionising the way cargo is handled with its unique and patented design of machinery.

Since then, we have constantly worked across the globe accumulating experience from demanding locations while providing bulk handling solutions on the way; from remote inland locations with underdeveloped infrastructures to extensive multi faceted high volume international ports.

With 1000’s of bulk operations successfully completed we can safely say our extensive knowledge and experience is what enables us to deliver efficient, effective solutions every time no matter where the location.

However our expertise doesn’t finish at the quayside... that’s actually where it starts, we offer expert advice and consultancy on the many associated services from the initial design and concepts of new terminals to the co-ordination and implementation of warehousing and inland logistics.

So whatever aspect of bulk handling you are thinking about... think Nectar. Simple.
THE ROAD TO RECOVERY?
Peter Sand, BIMCO, Denmark, discusses whether the recent European dry bulk imports surge is influential or not.

In the last decade the European imports of dry bulk commodities have struggled reaching the levels achieved prior to the global financial crisis in 2008. As all other regions in the world, Europe inclusive, have contributed with stagnating or declining imports, the dry bulk shipping industry has only had Asia to turn to when looking for a real demand driver.

Despite stagnating growth levels in the past decade, Europe hiked its imports of the four largest dry bulk commodities (thermal coal, iron ore, coking coal and grain) by 4.7% in 2017 compared to 2016. This is a solid increase and amounts to an additional import of 14 million t. However, this is less impressive when viewed through the bigger picture, where China for example
imported 47 million t of additional iron ore in 2017 compared to 2016.

A breakdown of the most influential dry bulk commodities imported by Europe:

- Iron ore are down from 131 million t in 2008, to 107 million t in 2017.
- Coking coal are down from 59 million t in 2008, to 49 million t in 2017.
- Thermal coal are down from 156 million t in 2008, to 133 million t in 2017.
- Grain are up from 21 million t in 2008, to 32 million t in 2017.

This adds up to a total import of 367 million t of the four commodities in 2008 compared to the current level of 321 million t reported for 2017. Despite this, European factories are currently enjoying their best growth spell in 18 years.

Intermediate goods industry drives Europe’s dry bulk demand

Usually, when manufacturing speeds up, raw materials imports increase. However, over the last decade, Europe’s manufacturing industry has transformed towards higher value-added activities done through higher skilled activities. Therefore, more activity comes from the production of consumer goods and capital goods (goods used in the production of goods or services) and less activity from production of intermediate goods (the production of semi-finished goods used in the production process to produce other goods). For the European imports of dry bulk commodities to increase, an upswing needs to come from the intermediate goods producing industry.

In 2017, the European intermediate goods industry experienced the strongest activity since 2008, according to Eurostat. This was also evident by European steel industry ramping up its production to its highest level since 2012, though the output is still 19% below the level in 2007. If the raw materials are sourced from seaborne partners, the strong activity in the intermediate goods industry is beneficial for the import of dry bulk commodities, as the production of steel, for example, requires inputs of both iron ore and coking coal.

The current expectations for 2018 are that Europe will grow its iron ore, coking coal and grain imports, whereas the import of thermal coal will decline. This indicates a further increase in Europe’s production of steel in 2018 and a continued diversification of its energy mix away from thermal coal and lignite.

The decline of thermal coal in the energy mix is further pressured by regulatory measures. BIMCO reported in 2016 that the cost of thermal coal rose by 138% after the UK implemented its carbon price floor, causing an immediate reaction from the UK coal-fired power plants and plunging UK seaborne coal imports by 64%.

Other countries, such as France and the Netherlands, are looking at replicating Britain in having a carbon price, which would mean a further decrease in demand for thermal coal.

Seasonal decline in freight rates

With the first quarter of the year always being challenging for the dry bulk shipping industry, 2018 is no different, as fewer cargoes are tendered and the Chinese New Year in February created recurring business issues.

The positive development that characterised the second half of 2017 has come to a halt in 2018. On 12 December 2017, capesize earnings peaked at US$30 475/d, whereas the average capesize earnings on 15 March 2018 was quoted at US$9869/d – the lowest level since 31 July 2017. Earnings for the three smaller segments have however improved in March, with supramax currently achieving the highest average earnings in almost four years.

By mid-March, the freight rate for the capesize segment was below breakeven level – where both OPEX and CAPEX are covered. That means ships deployed in the spot market are currently fixed at a level not covering operational expenditure, and financing costs including repayments of debt. The three smaller segments, which are the most common carriers of dry bulk commodities in Europe, have however regained traction and are currently above breakeven levels and are yielding profitable returns.

Compared to the same period in 2017, all freight rates are higher in 2018, illustrating that 2017 delivered significant improvements to the fundamental balance.
SPOUTS MADE FOR YOU. THROUGH & THROUGH.

Dustless Loading Spouts & Equipment for Handling Dry Bulk Solids.

Vortex Loading Solutions provide fast and steady material flow during the loading of dry/bulk solid materials in open and/or enclosed vessels such as trucks, railcars, tank vehicles, ships, barges, & stockpiling. These loading spouts are designed to capture fugitive dust, prevent material waste, and ensure plant and environmental safety, with low maintenance and service expenses. From the retractable loading spout attached to the bottom of a silo/hopper or located at the end of an air conveying system, to the dust collecting filter system, to the spout positioner, Vortex offers a complete line of versatile solutions for your loading process.

Four Cable Lifting System
This system provides added security over 2 and 3 cable spout designs and uses a 3 piece CNC machined pulley with chamfered edges.

Sleeve & Cone Construction Options
Many different options for construction material based on application.

Level Sensing Auto Raise Feature
Level-sensing probe provides automation & speed in loading process, eliminates the need for manual monitoring of the loading process, and reduces the ability to overfill a load leading to material waste.

REDUCED DOWNTIME
Vortex components are specifically engineered to be maintenance friendly, with Easy Access Panels and In-Line Adjustment Features that allow you to spend your time and money where it matters.

INCREASED SERVICE LIFE
With key features such as Abrasion Resistant Liners, Wear Compensating Seals, and Material Construction Options, Vortex components are built to withstand the most demanding applications.

CUSTOMER ASSURANCE
Our Customer Service carries far beyond the initial purchase. With On-Site Technical Support, a Worldwide Rep Network and Downloadable on-line resources, we’ve got you covered.

Learn more about our Slide Gates, Diverters, Iris Valves & Loading Solutions at:

www.vortexglobal.com

Vortex
Demand growth is as good as it gets

2018 provides a window of opportunity if demand produce solid growth. BIMCO expects the primary growth to come from the massive ongoing substitution of Chinese-origin iron ore, favouring imported higher quality ore from especially Brazil and Australia.

BIMCO explained that the demand growth may be as good as it gets, with higher GDP levels in 2018 compared to 2017. On the back of that, BIMCO continued its ‘Road to Recovery’ market analysis, where the company highlighted that 2018 could become the first year since 2011 where the dry bulk shipping industry would see full year profits. But do not count your chickens before they hatch, as the profit is in the hands of the ship owners and operators. If slow steaming is not kept up, it may derail the fundamental balance.

The strong demand seen in 2017 is unlikely to be repeated in 2018. An overall demand growth of 2 - 3% for 2018 has been forecasted, with plenty of uncertainty surrounding that. Not just in terms of volume, but most likely also in terms of sailing distances. Longer hauls for key minor bulk commodities and grains have lifted shipping demand way above volume demand since 2014. A reversal of this trend, due to traditional exporters regaining market share, will hurt demand. Seen against a fleet growth of 1.4%, companies are still looking at an improved market.

Slowest fleet growth since 1999 is expected

The dry bulk delivery activity sees fewer ships coming onto the water in the first two months of 2018 compared to previous years, as 50% fewer ships were delivered compared to the same period in 2017. Subsequently, the demolition activity has also come to a halt with 1 million DWT demolished in the two first months, this is 70% less compared to the same period in 2017.

With demand projected to be as good as it gets, it is now in the hands of the ship owners to maintain the recovery. The ship owners must work on the supply-side to ensure that the recovery is achieved by improving the fundamental market balance.

To keep the growth in supply below the growth in demand, a continued demolition activity (short-term) and careful placement of new orders (long-term) is needed.

The dry bulk fleet is already growing at a slower pace in the first two months of 2018, with BIMCO’s expectations of a 1.4% supply-side growth in 2018 in the horizon. It will be the slowest pace since 1999, if this growth level is achieved. On the flip side, the positive outlook for 2018 have bolstered renewed interest in the newbuilding market with 6.4 million DWT ordered in January 2018 alone, this is the highest level for a January since 2014.

There is a weakening demolition activity being seen, and the bulk fleet keeps growing, which could hinder market recovery. As the nominal fleet growth in 2018 is expected around 1%, focus now turns to maintaining slow steaming. If there is a notably higher average ship speed the pace of recovery will slow down, if not go directly into reverse.

A stronger growth in demand than supply does not stick around for a long time, as dry bulk fleet is expected to achieve a growth rate similar to the demand growth in 2019 at 2%. Therefore, the focus in 2018 must be on improving the market fundamentals ahead of that.
Stockyard systems.

For more than 100 years, our customers have benefitted from our unique know-how in the field of bulk materials handling. We supply complete solutions for transporting and handling raw materials in stockyards and port terminals, from individual machines to turnkey plants. Get in touch with us: info-mh@thyssenkrupp.com

www.thyssenkrupp-industrial-solutions.com
That was a sample of **Dry Bulk® Summer Issue**

To receive a copy of the full issue, register here:
www.drybulkmagazine.com

For more information, please contact us:
E: subscriptions@drybulkmagazine.com
T: +44 (0)1252 718999