



VLCC PARTNERSHIP: A new pool is taking shape.

Photo: TradeWinds archive

## Grand China tanker buy gets local market abuzz

Neil Connor

Shanghai

Market insiders in China have been trying to piece together the constituent parts of one of the country's most active — but elusive — players.

The market was abuzz with talk of Grand China Shipping (GCS)'s foray into tankers last week with the purchase of the 298,000-dwt *Namur* (built 2000).

TradeWinds understands that the vessel was negotiated by a GCS subsidiary that is new to shipowning. However, there are also rumours that the ambitious owner has set up a joint venture to operate the vessel.

GCS last year stunned the industry with a dramatic entry into shipbuilding.

All of its shipping deals have been overseen by its head office in Shanghai. However, sources say this office had no input in the \$57.5m *Namur* buy from Belgium-based Euronav.

Some market players have suggested that another wing under

the umbrella of GCS's mother company, Hainan Airlines, is responsible for the purchase.

One told TradeWinds: "I understood this deal was done out of Hong Kong. It all seems quite mysterious. But it is possibly a fund set up by Hainan Airlines. It is quite common for Chinese shipowners to purchase vessels from offices in Hong Kong for tax reasons."

Another market player said: "I deal a lot with the office in Shanghai but the staff there do not know anything about this deal. They know the vessel has come to GCS but they have been asking me to find out which department."

Other sources tell TradeWinds that the deal was set up by a new joint venture.

Market players say GCS wants to become one of the biggest shipping companies in China within the next few years. Besides ordering 51 newbuildings, it has also grown its fleet through second-hand acquisitions.

GCS was contacted by TradeWinds but declined to comment.

## IN BRIEF

### Fusco linked to 'Catrina'

A growing state-owned Chinese shipowner is said to have purchased a panamax bulk carrier from a German owner.

Market sources say Fujian Shipping Co (Fusco) has taken the 73,800-dwt *Catrina* (built 1998) from Blumenthal. The price is said to be \$27.5m.

Fusco's parent, Fujian Provincial Communication Transportation (FPCT), recently signalled its intention to expand as it intends to move one million tonnes of cargo this year and 1.5 million tonnes by 2012.

According to FPCT, the company spent CNY 1.28bn (\$187.4m) last year on seven bulkers totalling 380,000 dwt and five passenger ferries, bringing the total number of ships in its fleet to 55.

It was also active in the newbuilding market recently, booking two 57,000-dwt supramaxes that will join the Fusco fleet.

They were ordered in January at privately owned Xiamen Shipbuilding Industry Corp for delivery in April 2011 and 2012.

Meanwhile, sources in China also claim a similar-aged panamax bulk carrier has been sold to Chinese interests by a European owner.

The 73,000-dwt *Makiki* (built 1997) was said to have changed ownership for between \$26.5m and \$27m, according to various sources.

The vessel was part of the fleet of Piraeus-based Unisea Shipping Ltd.

# Navig8 hatches pool for VLCCs

Partners Navig8, VTN Shipping and Oman Shipping expect the pool to be operational later this year.

Jonathan Boonzaier

Singapore

Singapore-headquartered tanker company Navig8 is delving into yet another sector of the tanker market with plans to launch a VLCC pool later this year.

The company is teaming up with John Fredriksen's VTN Shipping and Muscat-based Oman Shipping to launch the new VL8 Pool, which will initially kick off with three tankers currently under construction for Oman Shipping at Hyundai Heavy Industries' Ulsan yard in South Korea.

The first to arrive will be the 317,000-dwt *Qurrayat* in November, followed by the 317,000-dwt *Buraimi* in January 2011 and 317,000-dwt *Seeb* in July 2011.

Navig8 chief investment and finance officer Modi Mano says the Oman Shipping VLCCs are the first three vessels committed to the pool, adding that "there are others in the pipeline and we expect the pool will reach the necessary critical mass quite quickly".

Navig8 will initially assume the role of manager, although Mano does not rule out the possibility of the company adding its own tonnage. "It is still in the early stages so I cannot comment further on that," he said.

Navig8 would likely source VLCC tonnage from the time-charter market.

VTN is already a partner in Navig8's V8 Aframax pool and the companies also have other joint partnerships.

VTN commercial advisor Jan Scheepers says that although VTN is already a large operator of VLCCs, immediate plans do not call for it to add tonnage to the pool just yet.

"Our role at the moment is to act as commercial manager. There is always the possibility that we may become a tonnage provider at a later point," he told TradeWinds.

Mano describes the three VL8 pool partners as a perfect fit. Navig8 is well versed in running pools and currently operates three products-tanker pools and two chemical-tanker pools.

VTN is also a major crude-oil trader, while Oman Shipping is a fast-growing tanker owner in the Middle East, where Navig8 is keen to build further strategic relationships and gain a greater business foothold.

Scheepers adds that contact has been made with other parties that have a keen interest in joining the pool but he does not elaborate further.

Commercial management of the VL8 pool will be conducted out of Singapore, London, Geneva and Connecticut, while operations will be handled out of Singapore and London. The marketing will also take place in Muscat.

Industry sources say Navig8 may soon be launching yet another pool focussing on the long-range one (LR1) segment, a move that would give the company full coverage of all sectors of the products-tanker market.



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