

## Modern fish trawler brought into service (14.12.2017)

Each of the two newbuildings, built by the shipyard Myklebust in the Norwegian town Aalesund, cost 40 million Euros. At the end of August, the "Cuxhaven" travelled from Cuxhaven to the Norwegian waters where it caught cod. Its sister vessel "Berlin" entered into service at the beginning of December. Both vessels were inspected by a surveyor of the Ship Safety Division of BG Verkehr.

The hulls of both trawlers are of ice class ICE 1A and can still operate through ice floes which are up to 1 m thick.

The 80 m long stern trawlers meet very high standards regarding equipment and environmental features. In comparison to their predecessors, these newbuildings improve the working and living conditions of their crew considerably. Both ships have a German Fishing Labour Certificate.

The shipping company Deutsche Fischfang-Union (DFFU) has been a subsidiary company of the Icelandic seafood company Samherji since 1995.

## LNG funding (09.11.2017)

The Federal Ministry for Transport and Digital Infrastructure (BMVI) calls for submission of funding applications for the installation or conversion of ship propulsion systems for liquefied gas. As of now, shipping companies can apply for subsidies for new and conversions of ships with LNG propulsion.

Eligible for funding is the exclusive or dual-fuel operation of main machines on newbuildings and existing ships. The vessels have to be registered in a German register for sea-going ships, fly the German flag and spend at least 51% of their operational time in European waters (including the respective exclusive economic zones).

Shipping companies of such ships may apply for a proportionate investment subsidy of the costs for installation of a LNG operated machine. Either the costs regarding environmental protection (if separately determinable) or the difference between the costs of LNG in comparison to a less environmentally friendly investment. According to the funding directive, the BMVI subsidises up to 40% of these costs. For medium-sized companies (up to 250 employees and 50 million annual turnover) the subsidisation quota rises to 50% and for small companies (up to 50 employees and 10 million annual turnover) even to 60% of the fundable costs.

The funding applications are processed by the "Bundesanstalt für Verwaltungsdienstleistungen" (federal administrative services agency - BAV) in Aurich. The funding applications have to be made in the electronic funding portal "easy-Online" by **28<sup>th</sup> of February 2018** and as signed printout submitted to BAV by **28<sup>th</sup> of March 2018**.

Further information about the LNG funding program and application procedures can be found

- on the website of BAV
- in the funding directive (in German only)
- the first call for application submission of 13.12.2017 (in German only)

## Entry into force of the BWM Convention (28.09.2017)

The entry into force of the Ballast Water Management Convention (BWM Convention) is currently the top issue in the maritime sector. Shipping companies have many questions about the handling of ballast water: Under which specific conditions is a discharge of ballast water permitted? Which exceptions exist? Does the ballast water necessarily have to be treated on board? Which ships must have a Ballast Water Management Plan? What special regulations apply

for North and Baltic Sea?

The German Flag answers these and other questions in our FAQs under Environmental protection.

## Shipping company SAL flags-in 6 ships (26.09.2017)

With this commitment to the German flag, the shipping company SAL wants to strengthen the German maritime cluster with its unique shipping know-how. Training on board vessels flying the German flag is ranked top-class internationally. According to the shipping company, in the long term, top level maritime training in Germany can only be sustained with seafarers employed under the German flag.

“We are very proud to return to the German Flag,” says Sebastian Westphal, Corporate Director Ship Management at SAL. “The German flag stands for quality, safety and compliance, and these are core values in SAL, so the German Flag and our corporate objectives goes well in hand.”

Toshio Yamazaki, CEO of SAL Heavy Lift adds: “It was a logical consequence: a German family owned business with German built vessels, operated by many German officers, and now provided by all the advantages of a German Flag. We are proud to put a “made in Germany” tag to what we do – and now sailing the German Flag underlines our commitment to quality and safety.”

The decision to re-flag follows careful considerations on the fleet management process in SAL. Sebastian Westphal comments: “In view of the many benefits of the German Flag, we decided to initiate the re-flagging process. We are happy with the good cooperation we have had with BG Verkehr and DNV GL on the matter, and I know our crew on board is proud to hoist the German flag.”

SAL Heavy Lift GmbH has been a member of the Harren & Partner Group in Bremen for a year. The shipping company's fleet comprises 21 heavy lift vessels.

## New government funding for LNG in force (11.09.2017)

The Federal Ministry of Transport and Digital Infrastructure published the highly anticipated funding directive regarding the usage of liquefied natural gas (LNG) of sea-going ships. Soon a first call for funding applications will follow. Shipping companies will then be able to apply for subsidies for new builds and conversions of ships with LNG propulsion.

With this new funding directive, the Federal Ministry of Transport and Digital Infrastructure (BMVI) subsidises exclusive or dual fuel operation of main engines of new builds or existing sea-going ships. The ships have to be either registered in a German shipping register for sea-going ships, fly an EU flag or operate primarily in European waters.

The shipping companies of these ships can soon apply for a proportional investment subsidy to the costs of the installation of the LNG powered engine. The subsidy is either for the costs regarding environment protection (if they can be separately determined) or the difference between the costs for LNG in comparison to a less environmentally friendly investment. According to the funding directive of the BMVI a maximum of 40% of the costs will be subsidised. For medium-sized companies (up to 250 employees and 50 million annual turnover) the subsidisation quota rises to 50% and for small companies (up to 50 employees and 10 million annual turnover) even to 60% of the fundable costs.

The new funding directive aims at the following goals:

- The funding of LNG as a marine fuel contributes to the reduction of air pollutant emissions.
- The funding supports the compliance with the limit values set by the environment protection convention MARPOL.
- The funding regulation is supposed to increase the demand for LNG as marine fuel in Germany, which will likewise create incentives for the gas sector to develop a LNG supply infrastructure in ports.
- This funding is part of the “Mobilitäts- und Kraftstoffstrategie (MKS)” (mobility and fuel strategy) of the federal government which is supposed to promote the development of alternative propulsion systems and fuels.

The usage of LNG as marine fuel contributes to the reduction of greenhouse gas and air pollutant emissions since it does not contribute to sulphur oxide emissions (SO<sub>x</sub>). Using LNG rather than common marine fuel reduces the sulphur oxide emissions of a sea-going vessel by up to 90 percent, the particle emissions even up to 98 percent.

Further information is available in the funding directive or on the website of the Federal Ministry of Transport and Digital Infrastructure.

## **New head of the Ship Safety Division (18.08.2017)**

Kai Krüger was born in the Lüneburg Heath. He started his professional career in Berlin as an apprentice at the Federal Insurance Institute for Salaried Employees. Subsequently, he worked at the Accident Prevention and Insurance Association for Construction in Hannover for four years. After studying law at the University of Hannover, he started as a trainee lawyer at the Marine Insurance and Ship Safety Association. Most recently, he led the law department of the Ship Safety Division.

Kai Krüger describes his goals: "I am looking forward to my new task and the challenge to ready the division for the future." Customer focus is an important factor for success in this. Digitalisation also offers great opportunities for administration. "Our most important aim remains ship safety," says the head of the Ship Safety Division.

The Ship Safety Division administers on behalf of the federal government statutory tasks in the maritime sector and is part of the German Flag State Administration. The division is responsible for the compliance with national and international provisions regarding ship safety and the protection of the marine environment as well as for the inspection and certification of life saving appliances and fire protection equipment. Surveyors of the Ship Safety Division conduct port state controls on ships with foreign flags in German ports. In the area of maritime labour law, the Ship Safety Division is responsible for the inspection of the working and living conditions of seafarers on board (flag state and port state controls). With its Maritime Medical Service, the Division is also the central point of contact for all questions regarding maritime medicine in Germany.

## **No forged certificates (25.07.2017)**

Our free verification-service increases safety and offers additional protection against fraud. You can register for this procedure online in just a few steps and at any time. More information can be found under "Verification".

## **Periods of grace for BWMS (21.07.2017)**

### **1. Existing ships (not new buildings)**

For existing ships, a two-year period of grace is in place. This period of grace is linked to the renewal of the IOPP Certificate.

- a) In general, existing ships have to comply with the D2 Standard (= ballast water management system) from the first renewal after 08.09.2019.
- b) If the IOPP Certificate is already or will be renewed between 08.09.2014 and 08.09.2017, the ballast water management system (= D2 Standard) has to be installed by 08.09.2022 at the latest (= latest possible time for the following renewal of the IOPP Certificate).
- c) If the IOPP Certificate will be renewed between 08.09.2017 and 08.09.2019, the ballast water management system has to be installed by 08.09.2014 at the latest (= latest possible time for the following second renewal).

### **2. Newly built ships**

Newly built ships with a keel laying date on or after 08.09.2017 have to have a ballast water management system on board from the outset and comply with the D2 Standard.

### 3.Smaller ships

Ships with a size of under 400 GT receive a period of grace until 08.09.2024 to comply with the D2 Standard.

Further information about the periods of grace is available in our ISM Circular 02/2017 of 17.07.2017.

## Study about the German Flag (19.05.2017)

In terms of costs – the most important factor for shipping enterprises – the German Flag is competitive with other EU flags by now due to the measures taken by the Federal Government. In regards to image, performance and legal security the German Flag scores highly. On the other hand, the shipping companies attest considerable backlog in terms of service: less bureaucracy, more online services and a central contact point are the requests of the shipping companies.

- <http://maritimes-cluster.de/News/Branchennews/Analyse-Attraktivitat-deutsche-Flagge-Schifffahrt>
- <https://www.jade-hs.de/unsere-hochschule/wir-stellen-uns-vor/aktuelles/pressemeldungen/einzelansicht-pressemitteilung/article/grosses-interesse-deutscher-reeder-fuer-konferenz-zur-deutschen-flagge/>

## Excellent Training (19.05.2017)

The speakers at the event emphasized how important a profound and practical training is for maritime shipping. “The dual vocational training offered in Germany is an international export hit. My wish is that in the future young people will still be trained as ship mechanics and will be able to practice this profession in the shipping companies,” said Jörg Schultz, State Councillor with the Bremen Senator for Economics, Work and Ports.

For the first time a trainer was honoured for his personal dedication. Uwe Rottwinkel of the shipping company Rambow received an award for his social commitment. “Not many people nowadays take on the responsibility for young trainees”, said the chairman of the BBS, Ernst-Peter Ebert, in his laudation. “Especially not when this includes those young people that would otherwise hardly have a chance in our society. Quite a few of the supposed difficult young people have actually become masters or chiefs. This success shows that Mr. Uwe Rottwinkel is right,” stated Ebert conclusively.

Holger Jäde, the managing director of BBS, thanked everyone involved with training on board and onshore for their special dedication. Especially the training as ship mechanic is ideal for young people, because no other maritime training promotes the understanding of the complete operation of a ship as well as this dual vocational training. “That is why I personally am very glad that with this public offer of the award *Excellent training workplace and trainer* we can point the way and recognise the endeavours and efforts as well as the gratification that are part of training,” concluded the managing director.

## German flag completely reimburses non-wage labour costs for shipowners from 2017 (01.03.2017)

So far the federal government paid shipping companies on application generalised subsidies to cover their non-wage labour costs. For the next year maritime shipping companies can apply for subsidies covering their employers' contributions to social security. Additionally, newly introduced is the reimbursement of non-wage labour costs for shipping companies flying the flag of an EU/EEA member state registered in a German shipping register of sea-going ships. Prerequisite is that their seafarers are insured in the German social security by the insurance by power of an

area of the law (Ausstrahlungsversicherung).

Shipping companies can apply for the reimbursement of non-wage labour costs for 2017 from now on at the Federal Maritime and Hydrographic Agency (BSH). The concrete requirements for subsidisation are included in "Richtlinie zur Senkung der Lohnnebenkosten in der Seeschifffahrt vom 28.10.2016" (guidelines of 28<sup>th</sup> October 2016 on the reduction of non-wage labour costs in ocean shipping).

The reimbursement of the complete non-wage labour costs is the last component of a package of measures of the federal government to strengthen the training and employment in Germany as a place of maritime importance.

More information in our rubric "Financial matters".

## Chancellor appeals: more German Flag (07.02.2017)

Aside from the main topic of the conference – digitalisation in the maritime economy – the chancellor also mentioned the topic of changing to the German Flag in her 30-minute speech.

"It would be good if more ships with German Flag would travel in and out of our ports. Since Germany is one of the greatest shipping nations in the world, we would welcome to see this reflected in its ships' flags as well."

The Federal Government has strengthened the German Flag considerably and made it more attractive for shipping companies with its package of measures of 100% wage tax deduction for employers, reimbursement of social security contributions for employers and the amendment of the Safe Manning Ordinance.

## Contributions and operands of social security in 2017 (01.01.2017)

Contribution rates for social security for 2017

### Health insurance

**General contribution rate (exkl. individual additional contribution)**  
**14,60 %**

share employee  
7,30 %

plus additional contribution by employee (varies depending on health insurance)  
[Link](#)

share employer  
7,30 %

Long-term care insurance

**contribution rate overall**  
**2,55 %**

share employee  
1,275 %

share employer  
1,275 %

**childless overall**  
**2,80 %**

share employee

2,025 %

share employer  
0,775 %

Pension insurance

**General pension insurance**  
**18,70 %**

share employee  
9,35 %

share employer  
9,35 %

Seafarer's special fund

**contribution rate**  
**4,00 %**

share employee  
2,00 %

share employer  
2,00 %

Unemployment insurance

**contribution rate**  
**3,00 %**

share employee  
1,50 %

share employer  
1,50 %

Accident insurance

contribution rate seafarers  
5,4 %

contribution rate employees on shore in maritime businesses  
0,675 %\*

Other contribution rates

contribution 1 = illness, courses of treatment (reimbursement rate 80%)  
0,90 %

contribution 2 = maternity leave (reimbursement rate 100%)  
0,30 %

contribution to the insolvency fund  
0,09 %

\*earnings subject to contributions x 1/8 (fraction) x 5,4 % (contribution rate) = contribution  
Status 05.12.2016; errors and omissions excepted.

Operands concerning social security for 2017  
Reference value - § 18 SGB IV – in EUR  
Contribution assessment ceiling in EUR

Health- and Long-term care insurance

Entire Federal Republic

2.975,00 / month

35.700,00 / year

4.350,00 / month

52.200,00 / year

Pension- and unemployment insurance

Old German States (incl. Berlin/West)

2.975,00 / month

35.700,00 / year

6.350,00 / month

76.200,00 / year

Newly-formed German States (incl. Berlin/East)

2.660,00 / month

31.920,00 / year

5.700,00 / month

68.400,00 / year

Seafarers' special fund

Old German States (incl. Berlin/West)

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6.350,00 / month

76.200,00 / year

Newly-formed German States (incl. Berlin/East)

-

5.700,00 / month

68.400,00 / year

Accident insurance: maximum annual income

Maximum annual income (per employee)

72.000,00 EUR

Annual earning limit

General limit

57.600,00 EUR

On-board catering– catering rates

**Full catering monthly**

**240,00 EUR**

Lunch and dinner each monthly

96,00 EUR

Breakfast monthly

51,00 EUR

Current exchange rate for non-German seafarers on GIS ships (§ 17a SGB IV)

**Reference rate ECB July 2017**

**Valid 01.10.-31.12.2017**

**1 USD = 0,8687 €**

**1 € = 1,1511 USD**

Reference rate ECB April 2017

Valid 01.07.-30.09.2017

1 USD = 0,9326 €

1 € = 1,0723 USD

Reference rate ECB January 2017

Valid 01.04.-30.06.2017

1 USD = 0,9422 €

1 € = 1,0614 USD

Status 12.10.2017; errors and omissions excepted.