

The purpose of the TP&I News is to provide the latest news for the shipowners, charterers, as well as any other maritime interests around the globe. Each issue of TP&I News will include a focused review section of several articles on a topic of current interest.

## 1. Turkey Rolls Out Its Own Carbon Price On Shipping

The Turkish parliament has recently approved plans for a carbon pricing mechanism for the country's shipping sector. The amendment to the ports law stipulates measures for Turkey to start taxing shipping emissions. The fees will be collected from shipowners for CO2 emissions released by commercial ships entering and departing Turkish seaports.

The law was published in the Official gazette on July 9. The presidency is expected to issue a regulation with guidelines on the types of ships to be included in the scope, tonnage, rates of emission fees, and the procedures for monitoring, reporting and verification of emissions from vessels.

This policy is projected to regulate over 10 million tons of CO2, equivalent to what Luxembourg emits in a year.

This approval comes ahead of Turkey's broader upcoming carbon market. In its Climate Change Mitigation Strategy and Action Plan (CCMSAP) for 2024 to 2030 (released early this year), the Turkish government proposes establishment of an Emissions Trading Scheme (ETS). Among other reasons, the ETS seeks to align with the EU's carbon market and the Carbon Border Adjustment Mechanism (EU CBAM).

## 2. Panama Canal Increases Draft Capacity For Neopanamax Locks

The Panama Canal Authority announced that the maximum authorized draft for vessels transiting through Neopanamax locks is increased to 49 feet

The Panama Canal Authority (ACP) has increased the number of daily transits and maximum draft of the expanded neopanamax locks, bringing the waterway one step closer to normal operations following last year's historic drought.

Effective immediately, vessels transiting the neopanamax locks are allowed to draw a maximum of 14.94 meters (49.0 feet) of Tropical Fresh Water. The ACP said the decision was based on Gatun Lake's current and projected water levels for the upcoming weeks.

Meanwhile, the number of daily crossings has been increased to 35 as of August 5, up from 34 as of July 22 and 32-33 at the beginning of the month.



Source: The Maritime Executive



Source: gCaptain

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These changes brought the canal's capacity closer to its design specifications of about 36 daily crossings and a maximum draft of 50 feet for neopanamax locks.

ACP data shows that the water level in Gatun Lake is now 85 feet, significantly higher than the 79.6 feet recorded last August and higher than the previous 5-year average of 83.9 feet for the month. In an interview last week, ACP Deputy Administrator Ilya Espino said the authority hopes to return to 36 daily transits in September.

The Panama Canal has been operating below capacity for more than a year and a half due to one of the worst droughts ever recorded in the Panama Canal basin, exacerbated by last year's strong El Nino. But the arrival of this year's rainy season has allowed the ACP to gradually increase both the number of daily crossings and the maximum withdrawal from a recent low of 24 crossings and a withdrawal below 44 feet. The maximum allowable draft was raised to 47 feet in June and 48 feet as of July 11.

### 3. Geopolitical Events Continue To Shape Ship Recycling Market

"We see geopolitical events take center stage across all shipping sectors (trading and recycling) for yet another week," reports cash buyer GMS. It is expected to continue through Q3 and likely well into Q4.

GMS cites events such as the assassination of one of the founding members of Hezbollah in the heart of the Iranian capital city of Tehran, rockets fired into Israel and expected continued attacks on shipping by Houthis. Added to that is national unrest in Bangladesh where several hundred deaths have been reported.

"India's ongoing fallout from its general election and its recent budget announcement has left Alang recyclers increasingly on edge about the immediate economic future of their country, especially as Indian fundamentals continue to suffer for weeks on end," says GMS. "Even Pakistani buyers, despite being atop the market rankings, seem to have nothing to show for it as for nearly four weeks now, there have been no fresh arrivals at Gadani's waterfront."

Local steel plate prices have remained volatile, and the currencies of ship recycling nations have registered declines against the U.S. dollar, driving ship recycling sentiments further into the abyss of uncertainty. "As such, the slowdown in tonnage driven by developments in the Middle East, coupled with the onset of summer holidays in the shipping fraternity means increasingly little focus will be diverted to ship recycling efforts this month, especially as vessel prices and demand remain stunted."



Source: Marine Link

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