

CMA 2011: National Maritime Services makes headway on foreign expansion

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Comments come as Nordea Bank files new papers on arrested Korea Line tanker

CMA 2011: National Maritime Services makes headway on foreign expansion

NATIONAL Maritime Services, the biggest ship arrest and custody company in the US, is reporting progress on its ambition to set up its first-ever overseas branch this year, with Singapore and South Africa appearing to be the likeliest candidates at present.

The decision is driven by an anticipated increase in ship arrests around the world, as vessel prices stabilise and banks become more willing to enforce against outstanding loans instead of playing the waiting game.

National Maritime Services president Alan Swimmer refused an official statement about the location or timing of the expansion, citing "logistical issues that remain to be worked out".

However, Mr Swimmer said on the sidelines of the Connecticut Maritime Association conference: "We plan to visit Singapore to establish some preliminary alliances there.

"As you know, we have been considering expansion to other parts of the globe. The significant ship arrest activity in both Singapore and South Africa is particularly intriguing at this stage."

As Lloyd's List first reported in November last year, National Maritime Services intends to expand into foreign jurisdictions in 2011. Australia, the Netherlands, South Africa and Singapore were on the shortlist at that point.

National Maritime Services recently has been in the spotlight because of Korea Line. The company is substitute custodian on the medium-range product tanker Blue Jade that stands arrested in San Francisco.

Providing custodial services involves keeping the crew fed and cared for, as well as the arrested ship in good working order, while litigation involving it is under way.

Nordea Bank has arrested Blue Jade to enforce a \$72m delinquent ship mortgage, on an original loan of \$83m, which covers Blue Jade and sistership Blue Emerald. Nordea Bank also has arrested Blue Emerald in Houston against the same mortgage.

The US Marshal has custody of Blue Emerald. According to court filings, Nordea this week has asked the Houston judge to appoint National Maritime Services as custodian on this ship as well.

Blue Emerald and Blue Jade are owned by 100% subsidiary Korea Line Singapore. With the New York bankruptcy judge having provisionally stayed all pending litigation involving the Asian company's ships in the US, Nordea's position on these arrests is ambiguous right now.

Separately, National Maritime Services has an informal alliance with sale and purchase brokerage Compass Maritime Services, where the latter company seeks to attract as many bids as possible on arrested ships or ships owned by bankrupt entities that are ordered sold, to maximise the return for the estate.

The duo last was in the news when they sold two 25-year-old ships of Eastwind Maritime, Yarmouth and Yosemite, for about \$12m in total. Eastwind went bankrupt in New York in June 2009.

Article from Lloyd's List

<http://www.lloydslist.com/ll/sector/ship-operations/article359125.ece>

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