

Transworld Group's container ship operator Shreyas ventures into Dry Bulk space

Transworld Group's container ship operator Shreyas ventures into Dry Bulk market wins coastal shipping contract for transportation of 225000 Tons of cargo. Transworld Group's container ship operator Shreyas Shipping and Logistics Ltd (SSL) with its recent venture into the dry bulk segment has won a deal from a state-run steel maker. Shreyas, the Indian ship-owning unit of Transworld Group, would employ its multi-purpose vessel for transportation of cargoes along Indian coastal ports. By providing customized coastal transportation solutions, Shreyas plays an important role in reducing the supply logistics costs of leading Indian manufacturers of varied industries. Shreyas will add dry bulk ship to its fleet to serve the growing demands as the Shipping Ministry of India aggressively pushes coastal shipping to reduce logistics costs. Shreyas, being a pioneer in coastal shipping, has been moving various dry cargoes including steel products on its geared container ships, and now employing MPV to effectively cater the dry bulk segment in India. Shreyas currently runs a fleet of 11 container ships exclusively for the Indian coastal transportation.

Container alliance shifts benefit DP World with 8.2% H1 volume growth

Global container terminal operator DP World reported 8.2% volume growth in the first half of the year with the help of gains from new shipping alliances. UAE-headquartered DP World handled 34m teu at its terminals worldwide the first half of 2017 up 8.2% on the 31.4m in the same period in 2016. Growth was particularly strong in the second quarter 2017 with a 10.7% increase in volumes to 17.6m teu compared to 15.8m teu in the corresponding period in the previous year. DP World noted the double-digit growth witnessed in Q2 compared to a forecast by consultants Drewry Maritime on 4% growth in global container volumes in 2017, which it made in June this year upgrading from a previous prediction of 2.8% growth. "Our portfolio has delivered ahead-of-market growth benefitting from the improved trading environment in 2017 and market share gains from the new shipping alliances, driving volumes in the second quarter," commented Sultan Ahmed Bin Sulayem chairman and ceo of DP World. The robust performance was delivered across all three regions, which once again demonstrates that we have the right strategy and the relevant capacity in the key markets," he said.

UAE seeks election to IMO Executive Council

The United Arab Emirates (UAE) has filed its application to be elected to the Executive Council of the IMO for the upcoming 2018-19 biennium, as a Category B member applying to countries with major interests in international maritime trade. A UAE delegation led by Dr. Abdullah Belheif Al Nuaimi, Minister of Infrastructure Development and Chairman of the Federal Transport Authority (FTA), held a meeting with IMO secretary Kitack Lim on the sidelines of recent meetings of the International Maritime Organization to present the country's case for election. Dr Al Nuaimi pointed to the local maritime sector's steady growth as a result of the UAE Government's "relentless improvement efforts," including its array of world-class ports, major shipping players and influential conferences and events. These have placed it "among the ranks of the most prominent international maritime capitals," he said. The UAE has been an active member of the IMO since 1980, he added, and "constantly develops and implements maritime transport regulations as part of its commitment to help improve the international maritime system".

Suez Canal extends containership rebates to year end

The Suez Canal Authority has further extended rebates for containerships from ports of the East Coast of America heading to South and South East Asian ports. The discounts originally introduced in March 2016 for a limited period have been both increased and extended in duration on several occasions. The rebates, which expired on 30 June this year, have now been extended to the end of December analyst Alphaliner reported in its weekly newsletter. The authority will continue to grant all containerships coming from ports north of the Port of Norfolk on the US East Coast and heading to Port Klang and ports eastwards a 45% rebate on canal tolls. For ports south of Norfolk vessels departing and calling Port Klang and eastwards will continue to be granted a 65% rebate in tolls, while those calling Colombo and eastwards will be given a 55% rebate. The initiative was originally introduced to stem of loss of business from lines deciding to sail via the Cape of Good Hope on the backhaul to Asia given lower fuel prices. The Suez Canal has also faced competition from the expanded Panama Canal for containerships sailing on the all-water route between Asia and the US East Coast.

China Merchants Port seals \$1.12bn concession agreement for Sri Lanka's Hambantota

China Merchants Port (CMPort) said it has sealed a 99-year concession agreement for the development, management and operation of Hambantota Port in Sri Lanka. In the agreement signed with Sri Lanka Ports Authority (SLPA), the Sri Lanka government, Hambantota International Port Group (HIPG) and Hambantota International Port Services Company (HIPS), CMPort has agreed to invest up to \$1.12bn into Hambantota Port and marine-related activities, it said in a press release. Out of this, it will pay SLPA \$973.7m for the acquisition of the 85% issued share capital of HIPG, who will in turn, use a portion of this to acquire a 58% stake in HIPS. The remaining \$146.3m will be used for such Hambantota port and marine-related activities as may be agreed with the government within one year from the final payment of capital injection in HIPG. CMPort will be allowed to repatriate any amounts not used after one year. The concession agreement grants HIPG the sole and exclusive right to develop, operate and manage Hambantota Port and HIPS, the sole and exclusive right to develop, operate and manage the common user facilities, for the operation of the Hambantota Port.

New India connection for the Malta Freeport links major ports

Malta Freeport Terminals has added a new weekly service to its operations which links major ports in India, Pakistan, Eastern Mediterranean and the Arabian Gulf. The service, known as 'IndaMed', is operated by three of the world's largest shipping lines: CMA CGM, APL and COSCO Shipping. The first vessel to service this route - the CMA CGM Virginia which can carry up to 5,100 container units (TEUs) - called at the Malta Freeport in recent days. Malta Freeport Terminals CEO Alex Montebello said: "This new service has further strengthened Malta Freeport's global connection network as it means we now offer efficient links with 117 ports worldwide. "This is not just positive news for the Freeport. It also benefits local and foreign importers and exporters who have unprecedented opportunities to meet their commercial requirements and tap new markets." Since it was set up in 1988, Malta Freeport has established itself as a major transshipment hub in the Mediterranean. Last year alone, the Freeport handled over three million containers.

Indian consulate issues advisory on shipping firms, agents with bad records

The Indian Consulate in Dubai has issued an advisory about unscrupulous shipping companies and agents following a huge number of complaints received recently from Indian seafarers in distress in the UAE waters. For the first time, the mission has named and shamed repeated offenders so that sailors do not fall into trouble with them again. The consulate on its website — www.cgidubai.org — has also advised the sailors to apply due diligence before accepting an employment offer to work on these ships and not to get recruited through unscrupulous agents. The mission said a number of cases of Indian seafarers in distress on ships had been brought to the attention of the mission in the past few months. According to the mission, the complaints received from the seafarers included non-payment of salaries for several months, bad working conditions, inadequate supply of food, water and bunker (fuel), delays in sign-off and absence of proper medical care. "The consulate has been providing assistance wherever it can and has also apprised local authorities about these cases for their early resolution. A number of cases have been resolved with the helpful intervention of the Federal Transport Authority (FTA) of the UAE," it said.

Freight rates on the rise and box carriers get ready to reap the rewards

Container spot rates from Asia to the US, and Asia to Europe were given a lift this week ahead of August GRI and FAK increases. The increase was most notable on the transpacific where the Shanghai Containerized Freight Index (SCFI) components for the US west coast and the US east coast leapt 37.6% and 20.2% respectively, to \$1,687 and \$2,685 per 40ft. Spot rates between Asia and North European and Mediterranean ports enjoyed more modest increases, with the full impact of \$250 per teu FAK hikes not being felt so far. The SCFI recorded freight rates for North Europe up 4.8% on the week, to \$963 per teu, and 3.6% for the Mediterranean, to \$883 per teu. Anecdotal reports coming in to *The Loadstar* suggest that carriers plying both tradelanes are operating an unofficial two-tier system of "premium-paying" containers that get shipped, and "those not paying enough", which often get rolled. One Asia-Europe NVOCC told that, some of its peers were still offering "low-cost options" to clients to secure business, but many customers were then suffering delays and spilt shipments.

Port sector players to see healthy growth in cargo: ICRA

Port sector players will continue to experience healthy growth in cargo in the near term, rating agency ICRA said. Over the medium to long term, cargo growth is expected to gain further traction driven by domestic requirements of coal for power and other sectors, crude oil, for meeting domestic petroleum requirements and containers, given the cost and logistical advantages associated with containerisation, it said in a statement. "Port sector players will continue to experience healthy growth in cargo in the near term, albeit somewhat lower compared to the recent fiscals, as revival in iron ore exports and pick up in POL (petroleum, oil and lubricants) volumes as well as impetus for coastal shipping will be partially offset by lower coal imports following the increase in coal production by Coal India Ltd," said K Ravichandran, Senior Vice-President and Group Head, Corporate Ratings, Icr. Moreover, cash accruals of the players will be supported by steadily rising handling rates, barring the projects where the tariff setting process is mired in litigations, he said. During FY17, cargo throughput at major ports registered a 6.8 per cent growth to 648 MT as against 606 MT recorded in the previous fiscal.