

Abu Dhabi Ports inks \$300m investment cooperation with China

UAE's Abu Dhabi Ports (ADP) has signed a \$300m investment cooperation agreement with China's Jiangsu Province to strengthen economic ties in the free trade zone (FTZ) area in Khalifa port, as part of China's One Belt One Road (OBOR) initiative. The initial \$300m investment plan will be from five Chinese companies based in Jiangsu Province that would create more than 1,400 jobs. Under the terms of the agreement, China-UAE Industrial Capacity Cooperation Construction (Jiangsu) Management, a UAE company newly established by the Jiangsu Provincial Overseas Cooperation and Investment Company Limited (JOCIC), will occupy and develop approximately 23.7 million square feet of the FTZ for the Chinese companies. This represents 2.2% of the available FTZ in Khalifa Industrial Zone Abu Dhabi's (KIZAD) newly allotted Khalifa Port Free Trade Zone (KPFTZ) area. The five Chinese tenant companies are Hanergy Thin Film Power Group, Jiangsu Fantai Mining Development (Group) Co, Xuzhou Jianghe Wood, Jiangsu Jinzi Environmental Technology, and Guangzheng Group. The land lease includes an option for China-UAE Industrial Capacity Cooperation (Jiangsu) Construction Management to establish and develop a further 107,639,100 square feet of free zone at KIZAD Area B to meet additional demand by Jiangsu province businesses.

Chabahar Port likely to be operational by 2018: Nitin Gadkari

Amid deepening Indo-Iranian ties, the government is hopeful that the strategic Chabahar Port will be operational by 2018, Union minister Nitin Gadkari said. The Road, Transport, Highways and Shipping Minister will represent India at the oath taking ceremony Iranian President Hassan Rouhani tomorrow. Prime Minister Narendra Modi had earlier congratulated Rouhani on his re-election as the President of Iran and affirmed India's commitment to strengthen the special relations between the countries. "India and Iran have been historically sharing special ties and we are keen on developing Chabahar Port and are hopeful of starting operations in 12 to 18 months," Gadkari told PTI on the eve of his visit to Tehran. Gadkari is keen on expediting development of the Chabahar port, located in the Sistan-Baluchistan province on the energy-rich Persian Gulf nation's southern coast that can be easily accessed from India's west coast, bypassing Pakistan. The visit assumes significance as India has accelerated work at the Chabahar port and finalised some tenders for installation of key equipment at Chabahar Port. "Civil construction work has started there. We have finalised tenders worth INR 380 crore for equipment out of INR 600 crore and once the port becomes operational it will become a growth engine," the minister said.

Top carriers more reliable in Q2

Global schedule reliability improved 2.3 percentage points to 74.6% in the second quarter of 2017, from 72.3% in reported in the previous quarter, according to market intelligence provider SeatIntel informed. Although the score increased on a quarterly level, it dropped by 10.4 percentage points on a year-on-year level from 85% recorded in the second quarter of 2016. In the second quarter of 2017, fifteen of the top eighteen carriers saw a quarterly improvement in their reliability scores, while only Pacific International Lines (PIL), Taiwan's Yang Ming Marine Transport Corporation (Yang Ming), and German Hamburg Süd saw their scores drop. Taiwan's shipping company Wan Hai Lines was the most reliable top-18 carrier with a schedule reliability score of 79.7% in the second quarter of the year. Hamburg Süd was the second most reliable carrier with 78.6%, followed by Mediterranean Shipping Company (MSC) and Evergreen with 77.4% and 77%, respectively. The biggest year-on-year decreases in schedule reliability were recorded by PIL, Japan's Mitsui O.S.K. Lines (MOL), and Yang Ming, with drops of 13.8, 13.6, and 12.2 percentage points, respectively.

Dalian Port merges container terminal facilities

Dalian Port (PDA) Company Limited revealed that its subsidiary Dalian Container Terminal Company inked deals to acquire the total assets, liabilities, interests, and businesses of two container terminal subsidiaries, Dalian Port Container Terminal (DPCT) and Dalian International Container Terminal (DICT). With this move, PDA intends to further integrate resources, reduce management costs and improve operational efficiency, what is in line with the company's strategy. As informed, the transaction will include equity transfer and swap agreements with DPCT's and DICT's shareholders which include Dalian Port, APM Terminals, PSA China, Cosco, NYK and China Shipping. The agreements are subject to relevant conditions. Once the transaction is approved, DPCT and DICT will be dissolved, according to Dalian Port. Dalian Port Container entered into the equity transfer deal with the vendor, APM Terminals Dalian, according to which APM will sell shares for USD 18 million. The shares represent 20% of the total equity interest in DPCT. The remaining shareholders will receive new stakes in the merged company.

Essar Ports to develop coal terminal in Mozambique

India's port company Essar Ports has signed a 30-year concession agreement with the Government of Mozambique to develop a new coal terminal at Beira Port. The deal forms part of a Public Private Partnership (PPP) project that will be executed on Design, Build, Own, Operate and Transfer (DBOOT) basis through a subsidiary, New Coal Terminal Beira, SA (NCTB SA), which is a joint venture of Essar (which will own 70) and Portos e Caminhos de Ferro de Moçambique (CFM, which will own 30%). The project aims to enhance the coal handling capacity of Mozambique by 20 MTPA in two phases of 10 MTPA each, Essar said. "We would like to congratulate the Government of Mozambique for this initiative and for partnering with Essar on such a prestigious national-level project. It will not only boost coal exports from Mozambique and strengthen its economy, but also deliver significant direct and indirect benefits," Rajiv Agarwal, CEO & Managing Director, Essar Ports, said. Mozambique is estimated to have reserves of over 23 billion tonnes of coal, which makes the country a major coal exporter that is well placed to cater to the international steel & power industries, especially in India, China, Japan and Korea.

South Korean container carriers unite

South Korean container carriers have joined forces to form a cooperation body named Korea Shipping Partnership aimed at strengthening the country's shipping industry. The move comes amid overall stagnation of the South Korean shipping market which has had its reputation marred following the collapse of Hanjin Shipping. The 14 national carriers, including Hyundai Merchant Marine (HMM) and SM Line, launched a cooperation council in order to overcome the crisis jointly and seek new business opportunities in the market. Among the measures being sought are route rationalization, the opening of new joint routes, fleet expansion cooperation, partnerships on joint services at international terminals along with consultation on the reduction of operating costs all with the objective of boosting the competitiveness of the nation's container carrier sector. As informed by the Korea Shipowners' Association, the consortium plans to form operational rules by the end of the year and start operations as of next year.

Nigeria to tighten enforcement of cabotage restrictions

The Nigerian authorities are stepping up measures to ensure compliance with the country's cabotage laws. Nigerian Maritime Administration and Safety Agency (NIMASA) has introduced New NIMASA Cabotage Compliance Strategy (NCCS) aimed at ensuring that measures to employ Nigerian national seafarers on coastal trades are enforced. Under the new measures NIMASA will no longer consider exemptions for a number of officer categories on vessels trading on cabotage trades. The NCCS will point a new direction to our Cabotage regime as the Agency will no longer consider application for grant of waiver on manning requirements for vessels engaged in coastal trade with regards to 2nd officer, 2nd engineer, 2ndmate down to able seamen, ratings and stewards," said Dakuku Peterside, the NIMASA director general. In addition special applications to employ foreign nationals as captains, chief engineers, chief officers and first mate in the absence of qualified Nigerians would be considered on merit, but on the condition that such organization will make a plan to train a Nigerian and put in place a transition plan to ensure that the Nigerian takes over the job within one year.

APSEZ set to become top container port operator

Adani Ports and Special Economic Zone Ltd (APSEZ) is on course to overtake Jawaharlal Nehru Port Trust as India's biggest container port in the fiscal year ending March. Mundra Port located in Gujarat and the flagship port of APSEZ, is already India's biggest port by volumes handled. It was the first Indian port to handle 100 million tonnes (mt) or more of cargo in a year, a feat it achieved in FY14. In fact, Mundra has already surpassed JNPT as India's biggest container port by installed capacity. APSEZ which operates 10 ports on the country's eastern and western coasts ended FY17 with a container throughput of 4.24 million twenty-foot equivalent units or TEUs, crossing the 4 million TEU-mark for the first time on the back of a robust 27 per cent year-on-year growth in container volumes. It helped APSEZ raise its market share in container handling to 31 per cent. from 27 per cent on an all-India level. In FY17, containers accounted for 37 per cent of APSEZ's total cargo, compared to 32 per cent in FY16. In comparison, JNPT handled 4.5 million TEUs with a flattish growth in FY17. Karan Adani, APSEZ's CEO and the elder son of its billionaire-promoter Gautam Adani, has bigger plans for the port.

Korea's cargo carriers to form Korea Shipping Partnership

South Korea's entire shippers including Hyundai Merchant Marine Co. will join together to form the first domestic alliance to team up to restore the country's shipping reputation battered by the collapse of the national flag carrier Hanjin Shipping Co. last year. The Korea Shipowners' Association said on Friday that country's all 14 container carriers including the largest Hyundai Merchant Marine will sign a memorandum of understanding (MoU) to create the Korea Shipping Partnership (KSP) shipping consortium next Tuesday. It will be the first time for Korea's entire shippers to come together under a single club, said an unnamed shipping industry official. Under the terms of agreement, they will cooperate to improve their collective strength through various measures including increasing shared cargo capacity, adding new shipping routes and co-managing overseas terminals. The KSP will establish operational guidelines by the end of this year with an aim to launch full-fledged operation in January. The secretariat works will be handled by the Korea Shipowners' Association.

Bangladesh and Sri Lanka improve feeder service

During the official tour of Sri Lankan President Maithripala Sirisena to Bangladesh during July 13-15, 2017, the two countries inked a MoU to increase frequency of feeder services among the seaports of the two countries, keeping the existing and potential maritime traffic in consideration. There would be priority berthing and tariff concession at the Bangladesh's Chittagong and Sri Lanka's Colombo seaports. The deal on coastal or short sea shipping is poised to save both the transshipment cost and time thereby boosting the competitiveness in the global market and bolstering trade ties between the two countries. The two sides want to make feeder vessel services operational between seaports of the two countries, like Mongla and Payra in Bangladesh and Trincomalee, Hambantota and Jaffna in Sri Lanka, and even with ports of other countries in the Bay of Bengal region. Crude oil, finished products, fertilizer and coal would be the likely commodities to be moved by feeder service. The CSC and the BSC will also cooperate in other shipping related areas with a view to benefitting shipping industries of both sides. Currently, there are private sector container feeder vessels from Bangladesh to Sri Lanka.