transworld GROUP

transNEWS

11 July, 2017 | Vol - 33

Abu Dhabi port inaugurates $46m upgraded Delma port

UAE's Abu Dhabi port has officially inaugurated the $46m Delma port on the eastern side of Delma Island, setting the stage for the upgraded multipurpose port to handle cargo, passenger ferries and fishing vessels. Mohamed Juma Al Shamisi, ceo of Abu Dhabi Ports, explained that the new Delma port features accessible breakwater with platform to integrate the oepration of ferry terminal and CICPA (Critical Infrastructure and Coastal Protection Authority) facilities. A repair yard, CICPA inspection facility, ADNOC Marine Fuelling Facility, fishermen's building, marina workshop, multipurpose operations building and a restaurant complete the port's revamped ecosystem. “The new Delma port is one of the biggest in Al Dhafra region, and has been designed to provide an effective sheltered harbour for the maritime community in Delma. The port, which is considered a hub, has been carefully designed as an integrated ecosystem that creates space for vessels and also offers the support services needed to facilitate sustainable transport,” said Al Shamisi.

Container shipping unlikely to see more major M&As

The global container shipping segment is unlikely to see more major merger and acquisition (M&A) deals following the latest takeover of Orient Overseas (International) Limited (OOIL) by Cosco Shipping, according to AlixPartners. With Cosco Shipping needing time to digest this OOIL acquisition in order to achieve all the synergies, other carriers are unlikely to make acquisition moves, as the bigger liners have all played their cards earlier, according to Lim Lian Hoon, managing director, Hong Kong at AlixPartners. “One year from now, there will be six major lines – Maersk, MSC, Cosco, CMA CGM, Hapag-Lloyd and NYK/MOL/K Line (as ONE) – controlling more than 70% of the world’s capacity (taking the orderbook into account),” Lim said. “The remaining three medium sized liners are significantly smaller as Evergreen, Yang Ming and HMM control just 6%, 3% and 2% of capacity respectively. “Each of the three alliances will therefore have two large liners in them and one small liner, so do either of the two large liners in each alliance feel there is a need to acquire another small liner?” Lim questioned.

DP World may revive US$1.6 billion Jebel Ali terminal 4 expansions next year

DP World, one of the biggest port operators globally, may resume development next year of the US$1.6 billion fourth terminal at its flagship Jebel Ali port, which was put on hold last year because of a softening in the container shipping market. The Nasdaq Dubai-listed company said last year it was slowing down work in Jebel Ali, the biggest port in the Middle East and North Africa, by postponing new additions to Terminal 3 into this year and putting off the construction of phase one of Terminal 4 which was scheduled for completion next year. "Current capacity at Jebel Ali is 18 million TEU (twenty-foot equivalent units). At the same time, 1.3 million TEU will be added to T3 in the second half of 2017," Sultan bin Sulaymen, DP World's chairman, said in written answers to *The National*'s questions. "T3 will have a capacity of 3.8 million TEU and will be the world's largest semi-automated facility. Once operational, total capacity at Jebel Ali will increase to 19.3 million TEU. Meanwhile, T4 expansion will take place in 2018 scheduled to market demand."

China plans to launch cargo service to Pakistan through CPEC

China is planning to launch a road and rail freight service to Pakistan through the multi-billion dollar China-Pakistan Economic Corridor (CPEC), a move which could raise concerns in India. The new line will start from Lanzhou, capital of northwestern China's Gansu Province, travelling through Kashgar in Xinjiang Uygur Autonomous Region to the Gwadar Port of Pakistan, Xu Chunhua, director of Lanzhou International Trade and Logistic Park, was quoted as saying by state-run Xinhua news agency. However, it has not been specified when the service will be launched. In May last year, a rail and road cargo service opened between Lanzhou and Kathmandu. Xu said the cargo service has been welcomed by south Asian countries. In 2016, bilateral trade between China and Nepal was over three billion yuan (about $440 million), and the volume is forecast to hit 10 billion yuan this year. Last November, China launched the first trade convoy carrying Chinese goods for export through the western route of the $50 billion CPEC being laid through Pakistan-occupied Kashmir and shipped it through Gwadar port. The CPEC plan included a train service connecting both the countries in addition to the road connectivity.

Japanese lines expect South African approval for ONE

The three Japanese carriers – K Line, MOL and NYK – have updated that it expects to get an approval from the South African authority for the merger of their container shipping businesses, following an earlier rejection by the country's competition commission body. K Line, MOL and NYK are in the midst of setting up Ocean Network Express (ONE) by combining their container shipping businesses with operations scheduled to start on 1 April 2018. “In the Republic of South Africa, the new company (ONE) expects to complete the approval process for compliance with competition law before the service commencement date of 1 April 2018,” the three lines said in a joint statement. The Competition Commission of South Africa made a surprise decision to reject the establishment of ONE, based on findings on the impact that it will have on the container shipping market and adjacent car carrier market, where the three lines have been found guilty of collusion in some markets, and are under prosecution in others.

South Korea agrees to help fund new Cebu container port

The Cebu International Container Port project has received approval for a soft loan from the South Korean government and is set to be completed by 2020, local reports said. The PHP9.2bn ($182.1m) project will receive PHP8bn in funding from South Korea through its official development assistance (ODA) programme, while the remaining PHP1.2bn will be provided by the Philippine government. Finance Assistant Secretary Maria Edita Tan was quoted as saying the Export-Import Bank of Korea (Kexim) had approved the New Cebu International Container Port as one of the projects it would finance through ODA. The South Korean government, through Kexim, has offered a total of $1bn in concessional loans over a six-year period to finance key infrastructure programmes in the Philippines. The National Economic and Development Authority (NEDA) had approved the proposal to build the port, which will be in Consolacion, slightly to the north of the current port, last November and Manila and Seoul are set to finalize the framework for the loan agreement in August.

Indian shipping body issues new rules for LNG vessels

Indian Register of Shipping (IRClass), an independent ship classification society providing ship classification and certification, has released a new set of rules for LNG fuelled coastal and inland vessels in addition to its already established rules for ocean going ships. In a significant move, which underscores the increasing importance of using cleaner fuels, these rules will help the maritime stakeholders to promote environment friendly fuels for coastal as well as inland vessels, said a statement from IRClass. The rules for gas fuelled vessels have been developed based on a study of the various international requirements such as the European Standard laying down Technical Requirements for Inland Navigation Vessels (Estrin), the IMO IGF Code and consultations with various stakeholders, it said. IRClass has also developed rules for pleasure crafts above 24 m length which are in addition to its rules for pleasure crafts below 24 m length already published earlier. These new rules are developed based on several national standards as well as ISO standards, it added. In view of the growing ownership of pleasure crafts (yachts) in India there was a pressing need to address the regulatory aspects of such crafts.

Pentagon asked to work closely with India in maritime domain

A key Senate panel has asked the Pentagon to reassess its approach to partner with India and cooperate with it in anti-submarine warfare, amid China's increased naval presence in the Indian Ocean. An amendment in this regard to the National Defence Authorisation Act (NDAA)-2018, moved by Senator Ted Cruz, was passed by the Senate Armed Services Committee early this week. It is a part of Senator Cruz's effort to further implement the designation of India as a 'Major Defence Partner'."Few partnerships in the 21st century carry more strategic significance than United States' partnership with India, the world's largest democracy," Ted Cruz's office said. "Even so, Senator Cruz believes that the current bilateral cooperation and joint development need to be more closely aligned with the shared interests of maritime domain awareness and anti-submarine warfare," it said.

Indian logistics industry likely to grow at 9-10 percent: ICRA

The logistics industry in India is likely to grow at a rate of 9-10 percent over the medium-term, supported by underlying structural positives, rating agency ICRA said on Monday. While the key driving factor on the demand side would be the economic recovery, the trend towards outsourcing of non-core activities like logistics, warehousing and associated activities to integrated players is likely to drive the share of the organised segment, it said. "The domestic sector is currently in a transformation phase with game-changing trends like implementation of GST, increasing focus by foreign investors across the logistics value chain, growing demand for end-to-end solution providers and emergence of new avenues such as e-commerce, logistics parks, cold chains and new startups. "The government's thrust towards building multi-modal transportation infrastructure is also likely to have a significant influence," Subrata Ray, Senior VP and Group Head-Corporate sector ratings, ICRA, said. "The logistics space in India is expected to grow at a rate of 9-10 percent over the medium-term," the rating agency said in its report.

Cosco Shipping to acquire OOIL for $6.3bn

China Cosco Shipping Corporation Limited (Cosco Shipping) has offered to acquire Orient Overseas (International) Limited (OOIL) at a price of $6.3bn, confirming earlier rumours of the takeover deal that has been circulated since January this year. The cash offer made by China's largest state-owned shipping conglomerate will see it assume 90.1% in Hong Kong-listed OOIL, which owns the container line Orient Overseas Container Line (OOCL). Port operator Shanghai Port International Group (SIPG) will take the remaining 9.9% stake in OOIL. The offer of HKD78.67 for each OOIL share was made in respect of the total of 429,950,088 OOIL shares representing 68.7% of its issued share capital. The offer price for each share represented a premium of approximately 55.2% over OOIL's average closing price of HKD50.69 as quoted on the stock exchange for the 30 trading days immediately prior to the last trading date. The joint offerors, Cosco Shipping and SIPG, said they intend to maintain the listing of OOIL shares on the Hong Kong Stock Exchange, but added that there is a possibility that the public will hold less than 25% of OOIL shares upon closing of the offer.

P.O. Box 261036, Plot No. S 20119, Jebel Ali Free Zone (South), Dubai. United Arab Emirates. Email: tgc@transworld.com
Phone: +9714 8035400 Fax: +9714 8860086

Geetmala Complex, Off Deonar Village, Near Shah Industrial Estate, Govandi East, Mumbai - 400088.
Phone : +91 22 66110300 Fax : +91 22 66110419

transworld GROUP
www.transworld.com

Edited & Designed by India Seatrade