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## Shreyas Shipping zooms 20% on robust Q1 results

Shreyas Shipping & Logistics is locked in upper circuit of 20% at Rs 364 on BSE with no sellers seen on the counter, after it reported a more than four-fold jump in net profit at Rs 20.46 crore in June quarter (Q1FY18). The company had logged profit of Rs 4.87 crore in the same quarter of last fiscal year. Operational revenues during the quarter under review increased 39% to Rs 118 crore from Rs 85 crore in the corresponding quarter of previous fiscal. Earnings before interest, taxation, depreciation and amortisation (EBITDA) margin improved to 24% in Q1FY18 from 14% in year ago quarter. "The growth momentum was largely driven by higher volumes and increase in freight rates. The vessel utilisation levels have increased despite increased tonnage," Shreyas Shipping said in a statement. Globally, the environment has improved over the second half of the previous year. The charter hire rates and the scrap rates have seen a positive uptrend since the beginning of the year, it added. Till 10:08 am; a combined 274,578 shares changed hands and there were pending buy orders for 69,000 shares on the BSE and NSE.

## DP World: Jebel Ali Free Zone trade reaches US$80.2 billion in 2016

Dubai-based Jebel Ali Free Zone (Jafza), a subsidiary of DP World, has announced the growing of its non-oil foreign trade by 17 percent from 23.9 million to 27.9 million tonnes in 2016, worth $80.2 billion. Commenting on the announcement, Sultan Ahmed bin Sulayem, Group Chairman and CEO of DP World, said, "The value and volume of trade through Jafza underlines the strength of the national economy and its ability to adapt to global trading conditions, create investment opportunities and open up new markets to exports from the UAE." He added that Jafza supports economic diversification in line with the directives of Ruler of Dubai, His Highness Sheikh Mohammed bin Rashid Al Maktoum, to provide services and incentives to investors that meet their aspirations and provide additional benefits to compete in local, regional and global markets. He added, "Jebel Ali Port plays a pivotal role in enabling international trade so companies operating in Jafza can import and re-export their goods and products to the various countries of the region. The Dubai Logistics Corridor connects Jebel Ali Port and Al Maktoum International Airport in one customs zone, reducing the time taken for the movement of goods between sea and air transport modes and making the area the main transit gateway in the Middle East."

## King Abdullah Port 'fastest growing port'

Saudi Arabia's King Abdullah Port was named by far the fastest growing port among a global list of top 120 ports in 2016. King Abdullah Port at 98th on a list of 100 largest ports worldwide in 2017, after only three years of operation. King Abdullah Port is considered the latest infrastructure mega project in the Middle East. It was built according to state-of-the-art specifications and world-class standards to cope with the kingdom's economic and commercial growth in the coming decades. The port was able to achieve rapid success and incredible progress in its operations in just a few years. Its success was based on several elements, the most important of which was the establishment of the Specialised Marine Services (SMS), a joint venture company established in 2013 between the Ports Development Company, which is the private sector owner and developer of King Abdullah Port, and the National Port Services Company Ltd. SMS is the primary supplier of marine services, such as marine guidance, in King Abdullah Port. Its team includes highly qualified and skilled maritime guides with vast experience in dealing with the largest international vessels, most of which have visited the King Abdullah Port.

## South Asia-Europe top container growth market

South Asia is the leading growth market for container shipping and will provide carriers with the space to cascade larger vessels onto the trade, according to Drewry. The South Asia-Europe trade continues to outpace Middle East-Europe traffic growth despite port congestion issues, particularly at Chittagong, Bangladesh's main export shipping hub. Combined eastbound headhaul shipments out of Europe to the Middle East and South Asia were up just 1.9 percent year over year in the first five months of the year, according to Container Trade Statistics. A 4.5 percent rise in European traffic to South Asia was dampened by flat volumes on the larger Middle East trade which posted an increase of just 0.4 percent, London-based Drewry said. Shipments from the Mediterranean to South Asia soared by 14.3 percent, with hay, animal feed, and grain reported to have driven the growth, while outbound North Europe traffic was virtually unchanged. By contrast, the Mediterranean-to-Middle East trade grew 3 percent year over year during the first five months of 2017, while traffic out of North European ports was down 2.7 percent.

## Chinese company to supply cranes to Chabahar

Chinese company ZPMC has won the contract to supply cranes to Iran's Chabahar Port. The Indian newspaper Business Line cited an Indian Shipping Ministry official as saying that ZPMC, the world's largest port crane maker with a 70% share of the global quay crane market, has won the $60 million order through an auction, adding that the Chinese company has been barred by Indian security agencies from supplying to Indian ports. Chabahar, on Iran's southeastern coast, is being developed by India as a counter to China's involvement in Pakistan's Gwadar Port. India has allocated more than $90 million for the development of the port. Of this, tenders worth $60 million for equipment have already been finalized. India's Shipping Minister Nitin Gadkari recently said he was hopeful Chabahar will become operational in 2018. Sakineh Ashrafi, an official at Sistan-Baluchestan Governorate, said last week, India is to start shipping 35,000 containers of wheat to Afghanistan via the Iranian port of Chabahar in southeastern Sistan-Baluchestan Province within two weeks. "In the first phase, 7,500 containers will be shipped," she was quoted as saying by IRNA on Tuesday.

## New Hambantota Port deal: China consolidates its stakes in Sri Lanka

Some Sri Lankan economists had privately told me in 2011 that their country will find it difficult to repay the massive loan of USD 8 billion at an interest rate of more than six per cent taken from China for modernising the Hambantota port and that it may ultimately have to convert these loans into equity. That warning came true on July 29, 2017 when Sri Lanka and China signed the Hambantota Port Concession Agreement. Soon after the Agreement was signed, China declared that the Hambantota port is a part of its Belt and Road Initiative (BRI). According to the agreement, China will pay USD 1.12 billion upfront in a debt-equity swap in the ratio of 70:30 approximately, with the China Merchant Port Holdings Company getting 69.55 per cent of the shares and the Sri Lanka Ports Authority (SLPA), a public sector organization, holding the remainder 30.45 per cent. After 10 years, SLPA can buy another 20 per cent of the shares, making the two companies equal partners. In HIPS, the SLPA will hold 50.7 per cent of the shares, and CMPort 49.3 per cent.

## iContainers urges freight forwarders to adopt technology

Online freight forwarding company iContainers has urged the sector to embrace technology and ditch paper processes. While iContainers says it has seen technology adopted in the freight forwarding sector over the last decade it has been used mainly for internal processes unlike container lines that have used it to improve their services and get their customers to submit documents online. "As shippers press on with their demand for speed, transparency, and efficiency, the freight forwarding strives hard to find a quick enough and appropriate response," said Klaus Lysdal, vice president of sales and operations for iContainers. "Carriers have the advantage because they operate in a market with very little competition," he explained. "Freight forwarders on the other hand, face the challenge of having to do things that help the clients rather than adopting a technology that could ease their workflow." Issues of the cost of developing tools and forwarding being seen as a "people" business were part of the reluctance in the sector to embrace technology. "There's a reluctance to replace a personal touch that's crucial for shippers. For many of them, the personal service is important," Lysdal added.

## India Govt formulates Master Plan for development of 12 major ports

The Government under the Sagarmala Programme has formulated a Master Plan for the development of 12 major ports of the country. According to official information, this aims at promoting the port-led development and in this regard 142 port capacity expansion projects worth Rs 91,434-crore and capacity creation of 884 MMTPA have been identified in this Master Plan for implementation over the next 20 years. Out of these, 58 projects with a cost of around Rs 28,767-crore have been approved. Notably, in 2015, a consultant conducted a study of the major ports which recommended 116 initiatives to enhance their efficiency and productivity to international benchmarks and unlock their capacity. Out of the 116 initiatives, 85 have already been implemented. To strengthen the shipping and ports sector and make it internationally competitive, the Government has taken various steps including exemption of Customs and Excise Duty leviable on bunker fuels used in Indian flag vessels for transportation of mix of EXIM, domestic and empty containers between two or more ports in India, abatement of service tax of 70 percent for transportation of goods by coastal shipping and Inland Waterways transportation.

## Indian ship owners gain access to foreign funds

Shipping enterprises based in India have been permitted to acquire ships abroad and also flag them in the country of their convenience. This policy of "Indian Controlled Tonnage (ICT)" has facilitated Indian shipowners to gain access to cheaper funds abroad and also save on costs of setting up subsidiaries abroad to acquire and maintain such tonnage, says Union Minister of State for Shipping Pon Radhakrishnan. This follows the Centre's initiative of approving the Merchant Shipping Bill last year aiming to simplify the law governing the merchant shipping in the country. As part of a measure to strengthen the shipping and ports sector and make it internationally competitive, Modi-led government exempted the customs and excise duty leviable on bunker fuels used in Indian flag vessels for the transportation of a mix of EXIM, domestic and empty containers between two or more ports in India. Further, to promote the manufacture of seagoing vessels by Indian shipyards, the Shipbuilding Financial Assistance Policy was approved for contracts signed during a ten year period, viz. 2016-2026. On the ambitious Sagarmala programme, the minister said 58 projects with a project cost of about Rs 28,767 crore have been approved.

### DP World, Suez Canal Zone Set Up JV

Dubai-based port and terminal operator DP World has agreed with the General Authority of Suez Canal Zone to form a joint development company with an aim to develop the international port industry. DP World said it would establish the company to implement a series of projects in the region, with the canal being one of the most promising areas in Egypt due to its logistical and strategic location. This was revealed during the meeting between Abdel Fattah Al Sisi, the Egyptian President, Sultan Ahmed Bin Sulayem, Chairman of the Board of Directors and CEO of DP World Group and Mohab Mameesh, Chairman of the Suez Canal Authority held last week. The president stressed that the Egyptian government will provide all aspects of support to start the projects as soon as possible. During the meeting, Sultan Ahmed Bin Sulayem reviewed DP World's activities in Egypt. Currently, the company manages Sokhna port and 77 marine and inland ports in 40 countries.

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