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UK to help fund path to zero-emissions maritime sector

The UK government has committed to help fund innovative technologies and fuels to reduce maritime emissions, ultimately helping create a zero-emissions sector. The government, in partnership with industry, has committed to spending over GBP 6 million (USD 7.8 million) on funding trials of innovative energy saving devices, such as state of the art propellers, on board waste heat recovery and rotor sails that use wind power to cut fuel consumption. In addition to funding trials, the government is also providing technical backing through the Maritime and Coastguard Agency for some projects, including work in Scotland to prove the use of hydrogen fuel cells for ferries in the UK, as well as Caledonian MacBrayne Ferries' ongoing work to deliver vessels such as hybrids, and their longer term efforts to prove the use of propulsion and fuels for the next generation of ferries. “The UK is playing a leading role in implementing binding energy efficiency targets for shipping, which we helped secure global agreement on in 2011. By 2025, the majority of new ships will be expected to be 30% more efficient than current designs,” the government said.

Hybrid global terminal operators on the rise

More international terminal portfolios are likely to move into the hybrid category in the coming years, as pure carrier terminal portfolios diminish over time, shipping consultancy Drewry said. Therefore, the majority of global/international terminal operator portfolios should end up being run more as profit centres than cost centres. Drewry's latest report on global/international terminal operators shows that terminal portfolios owned by carriers – but operated at arm's length – are the key growth sector. The emergence of the mega-liner alliances coupled with large-scale M&A in the container shipping sector is changing the nature of the terminals business as well. In this year's report, a key finding is the rise of hybrid global terminal operators. Although the stevedores remain the largest category, it is the hybrids that have shown the strongest growth over the last few years, while the pure carrier portfolio volumes have declined. Global/international hybrids are companies for which the main activity is container shipping, but one where a separate terminals division exists as a business unit.

Q2 results paint a better picture for container carriers

Now that the results for the second quarter of 2017 have settled in, it can be deduced that the container shipping market has entered fairer winds when compared to the horrendous second quarter of 2016. Ten carriers posted black figures, while only two have reported losses for the quarter, those being Hyundai Merchant Marine (HMM), which booked a loss of USD 81.8 million, resuming its losing streak from the six of the past eight second quarters, and Mitsui O.S.K Lines (MOL), which recorded a loss of USD 55.1 million. MOL reported red figures for the past seven second quarters, intelligence provider SeaIntel Maritime Analysis said. “All 12 carriers have improved their Q2 profits/loss situation in 2017 over 2016. Maersk Line again sees the greatest net improvement, turning a USD -123 million loss to a USD 376 million EBIT profit. COSCO has seen the second-best profit improvement over 2016-Q2, at USD 381 million. The remaining carriers have all seen an improvement of less than USD 200 million. Interestingly, Wan Hai, the only carrier to consistently have made a profit in every second quarter for the past six years, is the carrier that has seen the smallest improvement, of just USD 18 million, in 2017- Q2.”

IMO's Maritime Safety Committee addresses autonomous vessel operations

The Maritime Safety Committee (MSC) will determine how the safe, secure and environmentally sound operation of Maritime Autonomous Surface Ships (MASS) may be introduced in International Maritime Organization (IMO) instruments. A scoping exercise to look at the human element, safety, security, interactions with ports, pilotage, responses to incidents and protection of the marine environment will take place, following an MSC committee meeting this month. The MSC recognised that IMO should take a proactive and leading role and said the scoping exercise could include identifying: IMO regulations which, as currently drafted, preclude autonomous/unmanned operations; IMO regulations that would have no application to autonomous/unmanned operations; and IMO regulations which do not preclude unmanned operations but may need to be amended. It was agreed the scoping exercise should address different levels of automation, including semi-autonomous and unmanned ships and could include discussion of what is meant by an 'autonomous ship'.

Gulf ports play growing role in auto trade

Hurricane Harvey's disruption to finished-vehicle distribution in Texas and surrounding states illustrates the growing importance of Gulf ports for getting autos to market. In the past two years, the ports of Houston, Galveston and Freeport have added new capacity to provide shipping service for automakers. Port officials say manufacturers and ocean transportation providers are inquiring about using their facilities as import/export gateways. Historically, imported vehicles bound for the middle of the country came through East and West Coast ports. Automakers now realize they can save on logistics by using ocean shipping to reach customers in the lower Midwest with foreign-made vehicles, or to export vehicles built in the Southeast's assembly plants. "Bringing the product closer to market lowers the overall inland cost for these guys," said Anthony Vrban, vice president of operations for Horizon Terminal Services LLC, a subsidiary of Norwegian shipper Höegh Autoliners that operates a facility at Port Freeport.

New maritime security corridor for Gulf of Aden and Horn of Africa

The Combined Maritime Forces (CMF) are setting up a security corridor Gulf of Aden and Bab Al Mandeb in response to recent attacks in the region. The busy sealane has become the focus of both renewed pirate attacks and instability from the conflict in Yemen. “Recent attacks against merchant shipping in the Gulf of Aden and Bab Al Mandeb (BAM) have highlighted the risks associated with transiting these waters,” CMF said. “The multiple types of risks and the broad expanse of ocean on which these attacks can occur dictate that Naval Forces must be used in the most efficient manner possible. To assist in this, CMF is establishing a Maritime Security Transit Corridor (MSTC).” The MTSC encompasses the Internationally Recommended Transit Corridor (IRTC), the BAM traffic separation scheme (TSS) and the TSS West of the Hanish Islands, and a two-way route directly connecting the IRTC and the BAM TSS. The CMF said it recommended that all vessels use the MSTC to benefit from military presence and surveillance.

DP World mulls acquisitions in bulk & liquid businesses

DP World, a pioneer in private container terminal in India, is evaluating acquisition opportunities in the bulk and liquid businesses, and is expected to make an announcement by December. “Our teams are currently working towards a plan and we will look at all opportunities that are available,” Anil Singh, senior vice-president and managing director, Indian subcontinent, told. The company has earmarked $1 billion towards investment in India, which will be employed in the growing logistics sector along with extended core businesses such as bulk and liquid. DP World handled close to 30 per cent of India's container trade and also has the largest portfolio of investment in this segment. It has largely grown across ports in Gujarat, Maharashtra, Kerala, Tamil Nadu and Andhra Pradesh. It is also developing Kulpi facility in West Bengal. “We are aware that they (DP World) are in the market to evaluate bulk and liquid opportunities,” said an official in one Mumbai-based consultancy, but he did not divulge details.

Shipping industry is a prime target for growing cyber attacks

Software is required to run the engine from GPS to chart display information. An added incentive for hackers to target the shipping industry is the fact that ships move valuable cargo on a daily basis. "While all this happens, we have seen how the shipping industry has remained relatively unprepared. Just a few days back, the security firm Cyberkeel checked the email activity of a shipping firm and was shocked at what it saw," reported ejinsight of Hong Kong. Co-founder of Cyberkeel, Lars Jensen, explained that someone had hacked into the systems of the company and planted a small virus. In so doing, they could then monitor all the emails to and from people in the finance department. "The shipping industry needs to protect itself better against hackers - the fraud case dealt with by CyberKeel was just another example," Mr Jensen was quoted as saying. "In June, we saw how NotPetya ransomware created havoc and one of the hardest hit was Maersk." According to Maersk, the total cost of dealing with the ransomware was US$300 million.

Injection of mega capacity to have long-term impact on shipping

Xeneta CEO Patrik Berglund forecasts a positive outlook for the remainder of 2017, as Maersk recently achieved higher revenues due to stronger freight rates - which soared 120 per cent in May on the Asia-Europe trade lane - and Hapag-Lloyd forecasts earnings will improve as the year progresses. "A staggering 78 new mega-ships are due to come online for the Asia-Europe trades over the next two years, pushing capacity up by over 23 per cent," said Mr Berglund, reported American Shipper. "Mega-ships of 18,000 TEU need to command utilisation rates of at least 91 per cent to achieve cost savings. Even in the high volume Asia-Europe trades that is difficult and may necessitate lower than average rates for some volume, which, inevitably, will hit overall rate development. "Each of the key alliance partners is playing catch up with one another, trying to reap the mega ship benefits. In doing so they're going to flood the market with new capacity and risk reversing current positive trends. This is a potential mega-problem in waiting," he said.

Container cargo: JNPT sees record 50 pct jump

The country’s largest container port – the Jawaharlal Nehru Port Trust (JNPT) – in Navi Mumbai, has seen a record 50% increase in container cargo that have come under the direct port delivery (DPD) scheme, for the year ended March 31, 2017. DPD is a global practice at top ports worldwide whereby cargo is picked up by importers/consignees directly at the port’s terminals and hauled off to their places of delivery, instead of initially holding the cargo at a container freight station (CFS) situated near the port (for carrying out Customs-related activities outside the port area). An importer has thus assured clearance of cargo in less than 48 hours under DPD as against an average of seven days if routed through a CFS. Container volumes under DPD at JNPT increased from 68,925 TEU (twenty-foot equivalent units) to 103,323 TEUs in FY17. Neeraj Bansal, deputy chairman, JNPT, told Fe that the port has raised the proportion of DPD cargo to 30% of its total container cargo, as of August 2017, from just 3% last year.

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

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