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Wishes You All A Happy New Year

Initiatives by Dubai Exports boosting food trade with India

Bilateral trade between India and Dubai has received a shot in the arm after Dubai's Department of Economic Development launched a programme early this year to allow commercial disputes between the trading entities of the two countries to be resolved quickly at minimal costs. The initiative was the brainchild of Dubai Exports, the trade promotion agency of the Department of Economic Development. Nicknamed 'Buyer Protection Programme', this dispute resolution mechanism has been designed by the Commercial Compliance and Consumer Protection (CCCP), as a pilot project through Dubai Exports Overseas Trade Office in India. Dubai Exports already has six overseas trade offices in Saudi Arabia, Egypt, Brazil, Russia and Germany, in addition to India. According to Mohd AL Kamali, Dy CEO of Dubai Exports, "Government entities in Dubai are committed to see this platform flourish on the back of exemplary practices and greater efficiencies." Says Mohammed Lootah, CEO of CCCP, "We are optimistic that the Buyer Protection Program will open avenues for Dubai-based companies to further boost their exports not only in India but also to other neighboring countries."

India: Nitin Gadkari flags off cargo movement on Brahmaputra

In a major boost to the inland waterway transport system in the North East, Union Shipping Minister Nitin Gadkari flagged off cargo movement on the Pandu-Dhubri route along the Brahmaputra. The Union minister also said that five bridges will be constructed on the river to ease transportation. The bridges will connect Jorhat with Nematighat, Disangmukh with Tekeliphuta, Louit with Khablu, Numaligarh with Gohpur and North Guwahati with Guwahati, he explained at the flagging-off ceremony at Majuli Island here. "Another roll-on, roll-off (ro-ro)' ferry service to transfer passengers and vehicles in large numbers will also start here soon," the minister said. Stating that modern and well-equipped river ports will be established along the banks of the river, the minister said transportation of cargo through the National Waterway 2 - from Pandu in Guwahati to Dhubri along the Assam-Bengal border - will reduce logistics cost and save 300 km road travel. The 891-km stretch of Brahmaputra between Sadiya in the easternmost part of upper Assam and Dhubri was declared as the NW-2 in 1988. Sources said the Inland Water Authority of India (IWAI) will charge Rs. 318 per tonne of cargo from Pandu to encourage entrepreneurs and logistic players to shift to waterway from road transportation.

Hong Kong set to lose spot among top 5 container ports in 2018

Hong Kong is poised to lose its ranking as the world's fifth-busiest container port if cargo-handling trends continue. Sea freight processed in the city dropped for a second straight month in November, making Hong Kong the only container port among the world's top five to report weaker traffic, based on statistics compiled by port authorities. South Korea's Busan, ranked sixth, has narrowed the gap and is set to overtake Hong Kong on an annual basis in 2018, said Rahul Kapoor, an analyst at Bloomberg Intelligence. As China expanded its manufacturing prowess to become the biggest exporter of everything from fabrics to machinery, the nation also boosted capacity at its ports, making it possible for larger ships to start direct services to major cities such as Shanghai and Shenzhen. Until 2004, Hong Kong was the world's busiest container port as it served as a conduit for cargo moving in and out of China. "The hollowing of manufacturing activities in Hong Kong has been the main driver," Corrine Png, chief executive officer of Crucial Perspective, a specialist in Asian transportation equity research. Hong Kong handled 18.97 million 20-foot containers in the first 11 months of 2017, 6.4 percent more than a year earlier. That trails the 8.3 percent increase for Shanghai and 9.1 percent growth in Singapore.

New merged container player projects massive savings

Japan's three largest carriers project combined savings of USD 440 million already in the first year of the merger of their container activities in the new Ocean Network Express (ONE), reports Japanese media, citing unnamed executives from the merged business. The total annual savings are expected to increase further in the coming three years and will likely double when all activities and contracts with shippers are fully consolidated, reports Nikkei. Japan's three largest carrier groups: K Line, NYK and Mitsui O.S.K. Lines (MOL) will merge their container businesses and terminals in the new joint company Ocean Network Express which will begin operations in April 2018 from its new global headquarters in Singapore. Part of the equation is the expectation of improved market conditions in the global container industry. In comparison, Germany's Hapag-Lloyd expects to generate around USD 435 million from the acquisition of Arab UASC, while French CMA CGM has announced synergies of around USD 500 million annually from the acquisition of Singapore-based APL. Maersk has previously stated that the incorporation of Hamburg Süd will trigger annual synergies in operations from 2019 in the range of USD 350-400 million.

USGC export activity increases on strong demand from Asia, Europe

As the end of the year approaches, crude export activity from the US Gulf Coast is heating up, driven by favorable arbitrage spreads and underlying global supply concerns. Total US crude exports for the week ended December 15 reached 1.9 million b/d, the highest weekly level since late October, according to data from the US Energy Information Administration. A high volume of these exports is coming out of Houston and Corpus Christi, Texas, to be sold into markets in the UK and Continental Europe, as well as India and Asia. Both sweet and sour domestic grades have benefited from the uptick in export demand as both the Brent/WTI and Dubai/WTI spreads have widened. Since the start of December, Brent's premium over WTI has increased $1.11/b to $6.48/b as of Wednesday afternoon. As this spread widens, WTI-based domestic light sweet grades like WTI MEH become more competitive with comparable Brent-based North Sea and West African grades. At the same time, Dubai's premium has also increased over WTI. Since the start of December, the Dubai/WTI spread has widened 92 cents/b to end at $3.54/b as of Wednesday afternoon. As Dubai's premium increases.

UN bars four North Korean ships from ports: diplomats

The UN Security Council today denied international port access to four North Korean ships suspected of carrying or having transported goods banned by international sanctions targeting Pyongyang, diplomats told. The ban of the four vessels -- the Ul Ji Bong 6, Rung Ra 2, Sam Jong 2 and Rye Song Gang 1 -- was requested by the United States along with measures targeting ships registered in other countries, they said on condition of anonymity. But China only agreed to target the four North Korean ships, diplomats said, as part of international efforts to curb Pyongyang's missile and nuclear programs. "Only four ships have been accepted" for the ban but "the procedure remains open" to include other vessels in the future, one diplomat said. The list submitted by the US in December had also included ships flying flags from Belize, China, Hong Kong, Palau and Panama. In 2017, the Security Council has slapped three sets of sanctions on North Korea: one on August 5 targeting the iron, coal and fishing industries; another set on September 11 aimed at textiles and limiting oil supply; and the most recent on December 22 focused on refined petroleum products.

Indo-Bangladesh coastal trade looking up

Subsequent to a bilateral agreement signed between India and Bangladesh some time back to boost coastal and inland water shipping, among other things, there has been significant growth in coastal shipping between the two countries, it is learnt. Heavy lift power equipment from Kolkata and trucks from Chennai are just a sampling of the variety of cargo that is moving from India to Bangladesh as well as through Bangladesh to India's north-east, analysts have pointed out. Road has till now been the predominant mode, but now coastal shipping is catching up due to its many advantages. For example, coastal movement significantly reduced the transit time for the trucks from the south of India to its eastern neighbour. Road movement would have entailed a distance of nearly 1,500 km taking 15 days. Trade possibilities are expanding due to coastal shipping. Recent media reports have suggested that there has been a request made for a direct link between Kakinada port in Andhra Pradesh to a port in Bangladesh. And Bangladesh reportedly wants to tap the markets of India's north using river transport through Kolkata and Haldia. There are possibilities galore on this key coastal route, analysts say.

Mobile port, APM expand container facility

The Alabama State Port Authority and APM Terminals boards of directors in separate actions have approved a $49.5-million expansion of the container facility at the Port of Mobile. The port and APM, a unit of Maersk of Denmark, jointly will deliver a Phase 3 expansion that includes a dock extension and an additional 20 acres of improved yard to maintain excess capacity to accommodate new business opportunities. When completed, the project will accommodate an annual throughput capacity of 650,000 TEUs. The project will also complement the recently completed Intermodal Container Transfer Facility, which is accessible by five Class I railroads, including Canadian National, CSX, Norfolk Southern, Kansas City Southern and BNSF. Currently, Canadian National provides intermodal rail service to U.S. Midwest and Canadian markets. "The Phase 3 expansion enables us to stay well ahead of the growth pattern we've seen in the Port of Mobile, as well as add dock space to support the growing vessel sizes that are coming to the terminal," said Brian Harold, managing director for APM Terminals Mobile. "It will help us maintain the efficiency levels our customers have come to expect, while also creating the extra capacity needed to support potential future economic growth in our market."

China calls for connection between Pakistan's Gwadar and Iran's Chabahar

Iran says it has received a request from China to establish a connection between Pakistan's Gwadar port – which Chinese companies are developing – and Iran's southeastern port of Chabahar. Abdolrahim Kordi, the Managing Director of Chabahar Free Trade Zone, was quoted by Iran's media as saying that China had informed Iran that it was interested in using Chabahar to transit goods from Gwadar to regional and extra-regional destination points. Kordi emphasised that there was no competition between Iran's Chabahar and Pakistan's Gwadar, stressing that the two could complement each other in terms of market access potentials. Nevertheless, the official emphasised that the advantages of Chabahar were better than Gwadar in terms of road and rail connection facilities to key transportation points in regions as far as Central Asia and Europe. Iran started a project to develop Chabahar port in 2007 through an investment that officials previously said already amounted to $1 billion. The annual cargo tonnage of the port has now almost tripled to reach as high as 8.5 million tonnes. It can also accommodate 100,000-tonne ships – what officials say can help promote the country's international trade activities.

Antwerp deal: Nigeria may lose more cargoes to Cotonou port

Stakeholders have predicted that more Nigerian-bound cargoes will inevitably be diverted to the port of Cotonou following the outsourcing of the management of the port of Cotonou to the Port of Antwerp International, Belgium. The agreement between PAI, a consultancy and investment subsidiary of Antwerp Port Authority, and the authorities in Cotonou is expected to be signed in early January 2018. Stakeholders said with the increasing difficulty of doing business at the Nigerian ports, this latest development would send more importers to the port of Cotonou for clearing processes. More than 60 per cent Nigeria-bound cargoes are reportedly diverted to Cotonou Port largely due to high Customs duties and poor clearing processes at the Nigerian ports. Explaining the deal, the Antwerp Port Authority said that the Port of Cotonou, handling an annual freight volume of around 12 million tonnes, wanted to grow further, but its facilities were outdated, so the country's government decided to temporarily outsource the management of the port to Antwerp. Cotonou port, built in 1965, was initially designed to handle two million tonnes of cargo per annum, but had increased to 12 million tonnes due largely to Nigeria-bound cargo.

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

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www.transworld.com

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