

DP World to maintain about \$1 bn capex for next three years

DP World expects to spend about US\$1 billion every year for the next three years as the world's fourth-biggest port operator looks to ramp up investments, add capacity and acquire new assets to strengthen its global footprint. "We are looking at about close to US\$1 bn [in capital expenditure] from now to till 2020," DP World group chairman and chief executive Sultan Ahmed Bin Sulayem told The National in an interview in Dubai. "This is what is envisaged but of course our budget is flexible, depending on any businesses opportunities that we see." The company, which is set to post 10 per cent growth in its gross container volumes in 2017 on the back of a stronger-than-expected recovery in the global trade last year, has spent about the same amount on capex in 2017. Saudi Arabia is among the global trading hubs where the company plans to expand its presence. DP World is eyeing deals to operate more ports in the region's biggest economy and is considering further investments into Jeddah Islamic Port to add further capacity. The company operates the South Container Terminal in the Red Sea port, which is the main hub, handling 59 per cent of the kingdom's imports by sea and serves its main commercial centres.

DMCA completes initial stage of maritime advisory council

The Dubai Maritime City Authority (DMCA) has completed the first term of the Maritime Advisory Council which formed the initial stage for the development of an integrated framework for activating the partnership between the government and private sectors. The partnership involves areas that affect the competitiveness, attractiveness and comprehensiveness of the maritime sector as Dubai evolves into one of the world's best maritime capitals. The two-year initial phase of hard work and close coordination among maritime stakeholders has led to the creation of new features of the Maritime Advisory Council which is emerging as one of the most important strategic initiatives under the umbrella of the Dubai Maritime Sector Strategy. Amer Ali, Executive Director of DMCA, commended the positive results of the first term of the Maritime Advisory Council. He thanked the efforts exerted by Jasmine Fichte, who assumed the Presidency of the Council during its recently concluded first term. He emphasized that the first term provided an important platform for establishing solid foundations, an integrated structure and a clear mechanism for the Council which will be valuable in supporting the goal of the Maritime Sector Strategy to create a sustainable, secure and highly competitive maritime sector.

World's leading port operator enters Ukraine

Port operator P&O Maritime, which is owned by one of the world's largest maritime logistics companies DP World, officially entered Ukraine. P&O Maritime, with Ukrainian investor SD Capital, purchased a controlling stake of LB Shipping towing company. The company was originally solely owned by two businessmen Andrey Stavnitser and Philipp Grushko, and is located at Ukraine's Pivdennyi Port near Odesa, some 420 kilometers south of Kyiv. The value of the deal was not disclosed. An initial joint venture contract was signed by Stavnitser and DP World Group Director General Sultan Bin Sulayem back in November during a visit of Ukraine's President Petro Poroshenko to the United Arab Emirates. In 2016 Ukraine's Infrastructure Minister Volodymyr Omelyan signed a memorandum of understanding with P&O Maritime, stating that it will support investments in the country's ports as well as improve customs procedures. According to Stavnitser, his deal with P&O Maritime is one of Ukraine's most successful ones in recent years. "This is an excellent beginning of the year for the entire Ukrainian investment market, and the private equity market in particular," he said.

Singapore pushes to be global maritime hub with new plan

Singapore has unveiled a new plan, the Sea Transport Industry Transformation Map (ITM), in an aim to grow the industry's value-add by SGD 4.5 billion (USD 3.4 billion) by 2025. Specific initiatives have been laid out under the Sea Transport ITM, which was presented on January 12 at the annual Singapore Maritime Foundation New Year Cocktail Reception, to catalyse innovation, drive productivity improvements, as well as enhance the skills of the maritime workforce. Developed by the Maritime and Port Authority of Singapore (MPA) in partnership with the industry, unions and other government agencies, the Sea Transport ITM builds on MPA's strategic long term plans to develop Singapore's next-generation port and strengthen its international maritime centre (IMC). The aim is to grow the sector's value-add by SGD 4.5 billion and create more than 5,000 good jobs by 2025. At the ITM launch, five Memorandums of Understanding (MOUs) were signed between MPA and various tripartite partners to underscore the collective commitment of stakeholders to drive innovation, productivity and human capital development in the transformation of Maritime Singapore.

Coastal service commences from Kandla International Container Terminal

On January 5, 2018, m.v. SCI Mumbai V386 of Shipping Corporation of India called at Kandla International Container Terminal (KICT). This was the first coastal service call into Kandla. The vessel has loading capacity of 48,000 MT, which gives leverage to the trade to utilise vessel space optimally. At 262.07 metres, it was the lengthiest vessel to call at KICT and Deendayal Port. This is one of the vessels operated by SCI in the SMILE service (SMILE service has SCI & Shreyas Shipping as partners) which has the following port rotation: Kandla - Mundra - Pipavav - Cochin - Tuticorin. The partners in the SMILE service consortium are Shipping Corporation of India and Shreyas Shipping (Transworld Group). The new call will be an added advantage to the trade as the service now connects south and north India via a Major Port gateway—Kandla International Container Terminal. With the SMILE service, Kandla International Container Terminal will be the best positioned gateway given its natural geographical proximity to the cargo generating areas of Morbi, Surendranagar, Rajkot, Rapar, etc. in Gujarat. Besides, with KICT having its own rail siding inside the terminal, domestic cargo will also get connected to/from all the ICDS.

Adani receives first call at new Port of Ennore terminal

Indian port infrastructure Adani Ports and Special Economic Zone (APSEZ) has received the first ship call at its new container terminal at the Port of Ennore, also known as the Kamarajar port, about 15 miles north of Chennai. The arrival of the SSL Kochi on Jan. 4 comes almost seven months after Indian Shipping Minister Nitin Gadkari officially inaugurated the Adani Ennore Container Terminal. The 1,725 TEU ship SSL Kochi is part of a vessel-sharing agreement between domestic carriers Shreyas Shipping & Logistics and Shipping Corporation of India. The four-vessel joint loop essentially feeds Indian transshipment cargo moving via Jebel Ali, the United Arab Emirates. Also, the new port rotation is as follows: Ennore, Kattupalli, Tuticorin, Cochin, India; Jebel Ali, United Arab Emirates; Mundra and Krishnapatnam, India; and back to Ennore. "The guaranteed fast connectivity of the service will immensely benefit importers and exporters operating out of Chennai region and its hinterland," APSEZ said in a trade advisory. The Rs. 724 crore (about \$114 million) container-handling project, the first at Ennore, is the initial phase of a 30-year concession APSEZ signed with Indian authorities in 2014.

India Government plans to overhaul 300 dry ports

The India government plans to overhaul 300-odd dry ports in the country to resolve infrastructural constraints faced by exporters and importers to give a fillip to India's foreign trade. The commerce ministry has set the ball rolling to assess the laws governing dry ports, their subsidies and funding patterns, and streamline them with other ports in accordance with global practices. "We are planning a comparative assessment of regulatory mechanism for dry ports including laws governing their functioning," an official said on condition of anonymity. The assessment will compare inland container depots (ICDs), which are considered dry ports, and their functioning in nearly 10 countries. The study comes in the wake of high interest in developing ICDs, container freight stations and air freight stations following the Rs 8 lakh crore Sagarmala project aimed at port-led development of the country. "Developing a dry port involves high costs and obsolete procedures for movement of cargo besides a plethora of clearances from various departments," said a Delhi-based trade expert, who did not wish to be named. Dry port is an inland terminal that provides services for handling, temporary storage, inspection and customs clearance for international freight. It is usually located where networks of different transportation modes converge and is directly connected by rail or road to a sea port.

Ultra-large containership deliveries to hit record high in 2018

The boxship sector is facing record deliveries of ultra-large containerships (ULCs) newbuildings in 2018 with 10 joining the fleet in January alone. The month of January will see seven megamax vessels in the 19,000 – 21,000 teu delivered as well as three other ULCs in the 14,000 teu and over range. "The month will set the stage for the rest of 2018, with a record number of ULCs in the size range from 14,000 to 21,000 teu planned for delivery this year," analyst Alphaliner said. The record deliveries in 2018 come despite moves by some owners to defer deliveries. Alphaliner said Cosco had pushed back 10 ULCs it was due to receive in 2018, while Yang Ming had delayed three 14,000 teu ships until 2019. Even with the delivery delays in total some 1.5m teu is expected to hit the water in 2018 with over 50% of that capacity coming from ULCs. "Most of this capacity is scheduled for delivery in the first half of the year, with over 1.2m teu due before the end of June. These capacity additions, together with a slower rate of container ship scrapping, will put further capacity pressure on the market," the report warned. As a whole the global containership fleet is expected to grow by 5.6% this year to 22.28m teu.

After Chabahar Port, Myanmar's Sittwe big on India's radar

After Chabahar Port in Iran, Sittwe in Myanmar may emerge as the next overseas strategic port for India. The Ministry of External Affairs (MEA) is helping to develop Sittwe Port, located at the estuary of Kaladan river in the troubled Rakhine province of Myanmar, for improving connectivity with Mizoram in the North East. Arun Kumar Gupta, managing director, Indian Ports Global Ltd (IPGL), said, "MEA is assisting in Myanmar's Sittwe Port. Inland Water Transport Authority (IWA) is their consultant and we are the implementing agency. An inland water transport jetty has already been constructed by India at Sittwe. Possibly, a container terminal might also come up at Sittwe. We have just got a detailed project report and the same is being reviewed." IPGL is a joint venture between Jawaharlal Nehru Port Trust and Kandla Port Trust for overseas ventures. The Sittwe project is crucial as Mizoram often faces shortage of supplies due to highway blockages (chicken's neck) for days altogether, which also results in rationing of petrol and diesel at the fuel stations. Strategically, Sittwe Port is around 500 km by road from the Kyaukphyu Port and Special Economic Zone set up by China in Myanmar and even closer by sea route.

Pakistan and Iran will open Russia access to the Indian Ocean

One of the most promising projects of 2018 for our country is the development of meridional tracks, and in particular, the development of Turksib, extended to India and Pakistan. At the end of December 2017, Pakistani fruit cargo opened a new transport corridor through Russia. Iran ferried a large batch of mandarins from Pakistan to Kazakhstan as part of an initiative that could open a new corridor for the delivery of food products from Southeast Asia to markets not only in Russia but also in Western Europe. The 350-tonne cargo arrived in the south-eastern Iranian city of Zahedan by train from the Pakistani Quetta and is already on its way to the port city of Aktau in Kazakhstan. Then he will be immersed in ships that will deliver fruit to Russia. The plans include the implementation of tangerines in the Auchan trade network. Iran plans to use this route for the transit of goods from its southeastern port of Chabahar to Central Asia and Europe, which, in the end, will become a major East-West corridor. "Port Chabahar in the south of Iran is of great strategic importance for both India and the world. Indian Ports Global Ltd (IPGL), a joint venture between the Deendayal Port Trust and the Jawaharlal Port Nehru Port Trust, is involved in the management and commercial management of the port over the next 10 years.