

EGA, Abu Dhabi Ports in deal for efficient shipping

Abu Dhabi Ports will partner with Emirates Global Aluminium to upgrade ports and logistics infrastructure at international ports which EGA uses to load raw materials destined for the UAE. A Memorandum of Understanding in this regard was signed by Capt Mohammad Juma Al Shamsi, Chief Executive Officer of Abu Dhabi Ports, and Abdullah Kalban, Managing Director and Chief Executive Officer of Emirates Global Aluminium (EGA) in Abu Dhabi. The agreement is expected to enable more efficient shipping at international ports and benefit both companies. EGA already works with Abu Dhabi Ports at Khalifa Port in Abu Dhabi and at Kamsar in the Republic of Guinea. This MoU paves the way for further opportunities through which Abu Dhabi Ports can develop its international business, whilst lowering EGA's shipping costs through the upgrading of the ports that we use," Kalban said in a statement. EGA shipped approximately six million tonnes of bulk raw materials such as alumina, coke and pitch from some 20 ports worldwide last year. According to a statement the two companies cited various bottlenecks at ports ranging from shallow channels that only allow smaller vessels to berth, to manual rather than automatic loading, to limited rail capacity at the port that can reduce the efficiency of shipping.

Sri Lanka Ports: Prepare for alliance-free mega-carriers

The container shipping alliance model could gradually fizzle out as alliance members struggle to differentiate their product while competing purely on price, leaving five or six independent mega-carriers to dominate container shipping in the future. This was the prediction of Parakrama Dissanayake, chairman of the Sri Lanka Ports Authority, who said the announcement by Maersk that it intends to become an integrator of container logistics is an indication of how this scenario might play out in the years ahead. "The integrated Maersk would have full control of its entire supply chain. Because they have the scale, the mega-shipping lines will not need to be part of any alliance. To run independently will be the only way to differentiate their product," he told. "Currently, the alliances have four or five members coming into a port where they are all vying for the same box, so how do they differentiate the product? Only by price, and that is why the rates keep coming down. How long can the alliance model survive?" Dissanayake said there is no real bargaining power in an alliance when it comes to ports because only individual carriers can enter into service agreements with terminals.

Pakistan's Gwadar port sees first container vessel, a milestone for Belt and Road initiative

The Gwadar Port in Pakistan, a key project under the China-Pakistan Economic Corridor (CPEC), has become operational for container vessels, as it welcomed its first such ship on Wednesday local time, a milestone for the China-proposed Belt and Road initiative. A Chinese container vessel, operated by China COSCO Shipping Corp, arrived at the deep sea port escorted by Pakistani Navy vessels. After loading frozen sea food, it departed for the Jebel Ali port in the United Arab Emirates. The development marked the start of a container cargo shipping service between Gwadar and several Middle Eastern ports, known as the Karachi Gwadar Gulf Express, which is the first container cargo shipping service between Gwadar and the Middle East, according to the report. COSCO, which launched the Karachi Gwadar Gulf Express, will use the Karachi port, Jebel Ali port and other Emirati ports as transit ports to integrate the new shipping line into its 16 international routes and provide services for global clients, China Overseas Ports Holding Co, which manages Gwadar Port, said in a statement. "This is also the only shipping line in and out of Gwadar in the global shipping market. It means Gwadar will be connected to almost all major ports in the world and represents a big leap forward in the development of Gwadar".

Djibouti signs port deal with Singapore-based Pacific International Lines

Djibouti's Doraleh Container Terminal Management Company has signed a deal with Singapore-based Pacific International Lines (PIL) to raise by a third the amount of cargo handled at the port, the country's Ports and Zones Authority said. The agreement is expected to raise performance at the Doraleh Container Terminal, allowing it to handle an extra 300,000 20-foot equivalent unit containers (TEU) annually, the authority said, without providing any further details. Last month, Djibouti ended its contract with Dubai's DP World, one of the world's biggest port operators, to run the Doraleh Container Terminal, citing failure to resolve a dispute that began in 2012. DP World called the move an illegal seizure of the terminal and said it had begun new arbitration proceedings before the London Court of International Arbitration, which last year cleared DP World of all charges of misconduct over the concession to run the terminal. The Doraleh terminal has a capacity of 1.6 million TEUs per year. "This agreement is a first important step towards Doraleh Container Terminal fulfilling its capacity potential," the ports authority said. PIL is one of Asia's biggest shipping companies, ranked "11th amongst the top container ship operators in the world," it said on its website.

Flipkart to set up India's biggest logistics park near Bengaluru

Homegrown e-commerce giant Flipkart is planning to set up an integrated logistics park on the outskirts of Bengaluru. This will be the largest and one-of-its-kind facility in the country. The facility, for which the company is in the process of acquiring 100 acres of land, will house multiple massive warehouses that will rival in size those set up by Amazon and Alibaba in the US and China, respectively. The unit, which will help Flipkart consolidate all its warehouses in and around Bengaluru, will also act as the nerve centre or the logistics hub across the four southern states of Karnataka, Tamil Nadu, Kerala and Andhra Pradesh. The company says the unit will house 4.5 million square feet of warehousing space in the next few years. "This is going to be the largest investment from Flipkart's side for the next five to 10 years. One is land acquisition and the other big investment is going to be the kind of facilities that we build here," said Amitesh Jha, vice-president and head of Flipkart's logistics arm, eKart. "The capex will be in hundreds of millions of dollars, but I will not be able to give you the exact investment figure." Flipkart says the integrated logistics park will not only help it deliver products to customers faster, it will also help reduce the cost of logistics by bringing together multiple players in the ecosystem.

APM Terminals deploys vehicle booking service to cut JNPT turn times

APM Terminals Mumbai has announced a new valued added service designed to accelerate and improve turnaround time of freight arriving at the terminal. Titled Vehicle Booking System (VBS), the service entails the terminal allocating fixed time slots to each Container Freight Station (CFS) every day whereby the CFS is encouraged to collect its consignment during the time allocated. Once the CFS' trailers reach the Y-junction at the port complex during the allotted slot, they can approach the terminal through the empty TT lane. The trailers thus skip traffic and enter the yard in a short time. Additionally, the terminal also allocates a dedicated equipment at the yard block for serving these trucks once inside the yard. With CFSs sending their trailers only during allocated slots, the terminal is able to efficiently handle import evacuations avoiding traffic congestion outside its gates. Pioneered and piloted by APM Terminals Mumbai, initially in November 2017, VBS has helped the terminal improve efficiency and overall truck turn-around by 16%. Congratulating the terminal, Mr. Sadanand Salian, VP, Allcargo Logistics Ltd., said, "GTI has executed a splendid job by implementing the VBS, and together we were able to reduce our truck turn-around time at the terminal by around 40% post implementation."

Middle East carriers post slowest regional cargo traffic growth in January

Middle East airlines posted the slowest regional cargo traffic growth in January, weighed by the challenging political environment in the Middle East, the International Air Transport Association (IATA) said. Freight volumes increased 4.4 percent during the month, while capacity increased 6.3 percent, the slowest freight ton kilometers (FTKs) posted by regional airlines posted for just the third time in the past decade. FTK is an industry bellwether that measures how much freight business an airline gets. Meanwhile, on a global scale, freight demand rose 8 percent in January compared with the year-earlier period, and was up from the 5.8 percent growth posted in December 2017. "We expect demand for air cargo to taper to a more normal 4.5 percent growth rate for 2018. But there are potential headwinds. If President Trump follows through on his promise to impose sanctions on aluminum and steel imports, there is a very real risk of a trade war. Nobody wins when protectionist measures escalate," Alexandre de Juniac, IATA's DG and CEO, said in a statement. Carriers from the Asia-Pacific reported a 7.7 percent increase in freight volumes during the said month, driven by strong demand from the region's major exporters China and Japan, which reported more active shipping activities to Europe.

UK, Saudi to strengthen U.N. inspection regime for Yemen: Johnson

Britain and Saudi Arabia want to strengthen a United Nations inspection regime for ships headed to Yemen, the British foreign minister said after meeting his Saudi counterpart in London. "Today we have agreed to strengthen the U.N. inspection of shipping in order to ensure that all Yemeni ports remain open to the humanitarian and commercial supplies that Yemen's people so desperately need," Boris Johnson told reporters on Wednesday evening, without providing details. Saudi Arabia and its Arab allies have been stationing naval forces in and around Yemeni waters since 2015. Western governments approved the show of military force as a way to stop arms reaching Iran-aligned Houthi fighters trying to overthrow Yemen's internationally recognized government. The de facto blockade has exacted a dire humanitarian toll. The Saudi-led coalition's ships have prevented essential supplies from entering Yemen, even in cases where vessels are carrying no weapons, Reuters reported last year. The U.N. Verification and Inspection Mechanism for Yemen (UNVIM) was set up in 2016 to ease delivery of commercial goods through the blockade but has failed to ensure the Yemeni people get the supplies they need.

Container shipping rates could plunge after Asia-Latin America capacity hike

Container lines on the Asia-west coast South America trade lane are preparing for a fight for market share, as capacity is set to spike by 18%, year on year. According to Alphaliner's analysis of the Asia-Latin America route, following the restructuring of services caused by Maersk Line's acquisition of Hamburg Süd, from April weekly capacity will reach some 84,000 teu, compared with 71,000 teu a year ago. The reorganisation of Hamburg Süd's services and the termination of its vessel-sharing agreements on the trade lane was part of the requirement imposed on Maersk by Chinese and Korean regulators in green-lighting the deal. One of the other tough conditions imposed by China's Ministry of Commerce was that Maersk and Hamburg Süd's combined reefer slot capacity between Asia and Latin America must be reduced from a 45-50% market share to 34-39% within 90 days of closing the deal. Alphaliner notes that Maersk has already acted to reduce the number of reefer plugs on vessels deployed on the trade lane. Meanwhile, competitors are seeing the takeover as an opportunity to grab market share from Maersk and Hamburg Süd as the carriers begin an unsettling transition period of merging operations and assets.

U.S. ports say tariff retaliation could cut shipping trade

Officials at big U.S. trade gateways say they're worried new restrictions on steel and aluminum imports could have sweeping impacts on industries that rely on those raw materials, paring back the flow of an even wider range of goods through ports. Automobile and auto-parts manufacturers in the Southeast rely heavily on the Port of Charleston for importing components and exporting finished products, said Jim Newsome, chief executive of the South Carolina State Ports Authority. "To the extent that this might hurt car manufacturing, that's not good," Mr. Newsome said Friday. "Global trade has been a big benefit for our country, and anything that would slow that down I don't think is good at all." Port authorities also expressed concern over possible retaliatory measures that could be taken by trading partners overseas. In a statement, Don Meyer, co-head of the Northwest Seaport Alliance—made up of the ports of Seattle and Tacoma, Wash.—said retaliatory actions could hurt the region's agriculture and manufacturing exporters.