

DP World profits reach \$1.2 billion as port operator expands

Global port operator DP World said Thursday its profits rose by 7 percent to nearly \$1.2 billion in 2017 as the company expands internationally, including in East Africa where a legal row has erupted after Djibouti last month seized a container terminal run by the company. The Dubai-based operator announced that revenue climbed 13 percent to \$4.7 billion last year, compared to \$4.16 billion in 2016. DP World, one of the world's largest port operators, says it plans investments this year of \$1.4 billion, mainly in the United Arab Emirates, Ecuador, South Korea, Mozambique, Egypt and Somalia's breakaway northern territory of Somaliland. DP World, which is majority owned by the Dubai government in the United Arab Emirates, has launched arbitration proceedings in the London Court of International Arbitration over Djibouti's seizure in February of a container terminal there. The move came after DP World expanded its operations in Somaliland to create another corridor for imports for landlocked Ethiopia. Ethiopia recently became a 19 percent shareholder in Somaliland's Berbera port, where DP World holds a 51 percent stake. Somaliland holds the remaining 30 percent.

Chahbahar and Gawadar are sister ports: Pakistan

Pakistan today said Chahbahar and Gawadar are sister ports and complement each other in promoting future trade, transit and connectivity. Chahbahar, the port in the Sistan-Balochistan province on the energy-rich nation's southern coast is easily accessible from India's western coast and is increasingly seen as a counter to Pakistan's Gwadar Port, which is being developed with Chinese investment and is located at distance of around 80 kms from Chahbahar. Foreign Office spokesman Dr Muhammad Faisal said Chahbahar and Gawadar are sister ports and complement each other in promoting future trade, transit and connectivity. "Our Minister of Maritime Affairs participated in the inauguration of a part of the Chahbahar port. We will continue to work with Iran for deepening connectivity between the two ports," he said. The spokesman also said Iranian Foreign Minister, who visited Islamabad this week, discussed the idea of Iran's participation in China-Pakistan Economic Corridor. Faisal said Pakistan wants peace in the region and was against any arms race but it was also not oblivious to the arms buildup in its neighbourhood.

Sri Lanka's Colombo Port aims to handle 7 mln containers in 2018

Sri Lanka's Colombo Port expects to handle 7.0 million containers in 2018, up 12.9 percent from the 6.2 million twenty-foot equivalent units (TEU) handled in 2017 with joint marketing by three terminals, local media reports, quoting Ports Minister Mahinda Samarasinghe said Saturday. The minister said the Jaya Container Terminal of the state-run Sri Lanka Ports Authority (SLPA), South Asia Gateway Terminal of the John Keells Holdings and Colombo International Container Terminal (CICT) of China's CM Ports have inked a deal to jointly promote the port. "Although the three terminals compete separately and individually, now they can work on a collaborative mission to operate vessels calling at the Port of Colombo," Samarasingha said. In 2017 Colombo's container volumes including transshipment and domestic grew 8.3 percent to reach 6.2 million TEUs. Sri Lanka Ports Authority Chairman Parakrama Dissanayake said Sri Lanka's Colombo Port handled 564,155 containers in January, up 16.4 percent from a year earlier. Under the collaboration deal, waiting time for all container vessels arriving at the Colombo Port will be minimized by allowing vessel to be accommodated at the earliest available terminal in addition to collaborative promotion of the port.

India calls for cross-border container train service

India has requested Bangladesh to take measures to introduce container train services between the two neighbours by this month in order to boost cross-border trade. At a commerce ministry level meeting in Dhaka last month, India said a trial run of the containerised freight train through Petrapole-Benapole, Darshana-Gede or any other rail link is expected to be made by March. A railway ministry official has confirmed the development. He said the train carrying containers would travel up to the west of the Bangabandhu bridge. Following the test run, a formal protocol for the containerised movement will be developed, according to the minutes of the meeting. India also wanted Bangladesh to extend cooperation to facilitate the trial runs and an early finalisation of the protocol. The host side agreed to convey the matter to the relevant authorities. Commerce Secretary Shubhashish Bose led the Bangladesh side while his Indian counterpart Rita Teatota was the leader of the Indian delegation. In another development, Hero Group of India has set up a manufacturing facility in Jessore, as part of a joint venture with Nitol-Niloy Group of Bangladesh, according to the minutes. The joint venture has sought exemption of 15 percent VAT from the National Board of Revenue.

Saudi mega-yard IMI to sub-contract component work for first rig newbuilds to Lamprell

With the new Saudi mega-shipyard International Maritime Industries (IMI) set for a 20 drilling rig newbuild order from ARO Drilling significant components for the first two rigs are expected to sub-contract to Lamprell, one of the joint venture partners. IMI, a JV between Saudi Aramco, Bahri, Lamprell and Hyundai Heavy Industries, has formally commenced business and the construction process for the site is underway with dredging and associated activities. Saudi Aramco and Rowan joint venture ARO Drilling set to order 20 jack-up drilling rigs over a 10-year period as per the offtake agreement and EPC expected to start for the first rig in July. "Prior to the jack-up rig construction zone of the maritime yard becoming operational, significant component parts of the first two rigs are expected to be subcontracted to Lamprell's UAE facilities," Lamprell said. "We are proud to be part of this major project as IMI has the capability of becoming a leading regional and global service provider to the rig and vessel markets," said Christopher McDonald, CEO of Lamprell. "A very welcome progress is also the selection of our new U43 jackup rig designed with GustoMSC for the rigs under the offtake agreement, this will further strengthen Lamprell's position in our traditional market."

New service line-up to boost volume on Far East-WCSA

Capacity on the Far East – South America West Coast route is set to increase by 18 percent from April, compared to the same period in 2017, data from Alphaliner shows. The increase in capacity is expected mainly due to a new service line-up on the Far East – WCSA route, which was unveiled last week. All container liner services in the Far East – WCSA trade will be revamped in April, with the total weekly capacity expected to increase by some 15 percent against current capacity and by 18 percent compared to the same time last year. Total weekly capacity on the trade would reach 84,000 TEU in April, up from 71,000 TEU seen in the same period in 2017. As of April, a fleet of 105 container ships, with a combined capacity of about 893,999 TEU, is to be deployed on ten 'new' Far East – WCSA services. These will replace the current set-up of nine loops, staffed by a total of 95 ships with a combined capacity of 775,800 TEU. The Far East – WCSA service revamps are part of the requirements imposed by Chinese and Korean competition authorities as conditions related to Maersk's acquisition of Hamburg Süd in November 2017. Hamburg Süd was required to terminate vessel sharing agreements (VSA) on a number of routes, of which the Far East – WCSA trade is the first to be executed.

EMAC continues to spread the word on maritime arbitration in the UAE

Emirates Maritime Arbitration Centre (EMAC) has been engaging with other legal groups in the UAE as it continues on its mission to spread the word about the benefits of arbitration in the shipping sector. In its latest effort EMAC met with the Emirates Association of Lawyers and Legal Counsel to further encourage the UAE's legal community to benefit from its services. "At EMAC we believe that one of our objectives is to connect with the legal community and spread the word about who we are and what we do. We would like to further enhance the importance of mediation and arbitration, therefore the collaboration with the Emirates Association of Lawyers and Legal Counsel will provide us with a valuable platform in order to do so," said Majid Obaid bin Bashir, acting chairman and secretary general, EMAC. Zayed Saeed Al Shamsi, chairman of the board of directors of the Emirates Association of Lawyers and Legal Counsel, commented: "Through EMAC, our members now have access to maritime arbitration and mediation training sessions as well as a better understanding of EMAC's arbitration rules and services." EMAC has also met with senior executives of DP World and Abu Dhabi Shipbuilding this year.

Dry bulkers worth more than tankers and boxships

The dry bulk fleet is now worth more than the combined value of the tanker fleet, leapfrogging containerships as well, according to the vessel valuation expert VesselsValue. The surge in the value of the dry bulk assets comes on the back of soft returns that plagued the market over the past couple of years which encouraged scrapping and drove ton-mile demand increase. The dry bulk market hit rock bottom three years ago, with rates spiraling down amid tonnage overcapacity. However, as the market reaps the gains of a restored balance between supply and demand, hire rates have been on the climb enticing owners to invest in more tonnage. Separately, the tanker market is currently hit from both sides, as supply and demand continue to exert pressure on earnings. Namely, demand for tanker transportation is affected by inventory drawdowns, whereas the supply side is hit by deliveries of newbuildings exceeding retirements of older ships. Based on VesselsValue's figures, the value of the bulker fleet as of March 2018 is just below USD 200 billion standing at USD 195.3 billion, with tankers following suit close behind in value totaling in USD 192.5 billion.

India; JNPT achieves all-time high throughput

Jawaharlal Nehru Port Trust (JNPT), the premier container handling port in the country, achieved a new milestone last week by surpassing the previous fiscal's highest volume of 4.5 million TEUs by clocking 4.51 million TEUs. This is an all-time high record for the port. JNPT has emerged as a preferred port of call for the exim fraternity as it has been continuously creating an enabling business environment for seamless trade. The many ease of doing business measures and emphasis on Direct Port Delivery (DPD) has led to substantial savings in time and cost for the trade. The port is, therefore, confident of scaling new heights in performance when the financial year closes on March 31, 2018. Commenting on the new landmark, Mr Neeraj Bansal, Chairman-in-charge, JNPT, said, "We are delighted to achieve a new landmark today, thanks to great support from all stakeholders of JNPT. At JNPT, we are focused on creating a trade-friendly environment so that ex-im trade flourishes in a seamless way." He congratulated all JNPT staff and other stakeholders for enabling the port to achieve this new landmark and expressed confidence that the port would continue to set new benchmarks in the coming months.

India to augment capacity along Inland Waterways

The Government of India proposes to augment capacity to develop eco-friendly and economic mode of transportation along inland waterways and coastal shipping routes under the Sagarmala Programme. Sagarmala is the flagship programme of the Ministry of Shipping to promote port-led development in the country by harnessing India's 7,500 km long coastline, 14,500 km of potentially navigable waterways. It aims to reduce the logistics costs by doubling the share of domestic waterways in the modal mix from current 6 per cent. The Coastal Berth Scheme being implemented since March 2015 to promote the development of infrastructure for movement of passengers and cargo at major and non-major ports has been merged with the Sagarmala Programme and extended up to March 2020. Under the scheme, 26 projects costing INR 12.07 billion have been sanctioned for total financial assistance of INR 4.626 bln and INR 2.753 bln has been released to Major Ports/State Maritime Boards/State Governments. The traffic projections and forecast models in the feasibility studies and DPRs prepared for the development of viable National Waterways indicate an enhanced demand for low draft – high carrying capacity and tug-barge flotilla vessels.