

Cabotage tweak flags 'foreign flight' by container ship operator

The announcement made by the Ministry of Shipping to relax the Indian cabotage law enables global shipping lines to carry EXIM containers along India's coast. In a retaliatory move, Shreyas Shipping & Logistics Ltd, the country's biggest container ship operator, said it will flag out its Indian-registered ships to overseas business-friendly jurisdictions after the Centre decided earlier this week to open the country's coastal shipping to foreign container lines. "We will flag our ships out, it doesn't make any sense to stay here any longer," Ramesh S. Ramakrishnan, Chairman and Managing Director of Shreyas Shipping told. Shreyas runs 11 container ships accounting for 90 per cent of EXIM trans-shipment along the Indian coast. "We have been operating in an environment where it is far more expensive as compared to other regimes and we have been very committed about ensuring that we are able to develop the transshipment business over many ports, plus we have been developing the ability to offer something which is very cost effective for the domestic market as well. Both together makes this business fly," the Cabotage relaxation by itself, according to Ramakrishnan, is not going to bring anything additional to any of the ports simply because the ports have to solve and deal with a number of other challenges including the price at which they are able to offer their service to the ship owners.

DP World Jeddah upgrades to Navis N4

Navis, a part of Cargotec Corporation, announced that DP World Jeddah has upgraded from Navis SPARCS to N4 3.5 terminal operating system (TOS) according to the Maritime Professional. The implementation of the updated TOS is a move by the terminal to leverage the latest technology to meet continuous customer service demands and address the need for increasing operational support as incoming cargo volume rises. DP World operates the South Container Terminal (SCT) at Jeddah Islamic Port, a crucial link in the world's busiest East-West trade routes through the Red Sea and catering to a rich domestic cargo base. The port is the main import destination for Saudi Arabia, handling 59 percent of its imports by sea and serving its main commercial centers. To date, the terminal is handling more than 1.3 million TEU and with future growth in mind, has implemented N4 to ensure an advanced and stable system is in place to help address the full spectrum of customer needs. Since 1999 when it was awarded a 20-year concession agreement for the development and operation of Jeddah Islamic Port SCT, DP World has invested considerable resources to modernize the terminal to handle the new generation of mega containerships.

Japan to offer aid for Indian Ocean ports

Japanese government plans to utilize yen loans to develop ports in three Indian Ocean nations — Myanmar, Sri Lanka and Bangladesh — as part of Prime Minister Shinzo Abe's "free and open Indo-Pacific strategy." The aim of the project is to secure the sea lanes that connect Asia and Africa via the Middle East. The three sites that are under consideration for port development are Dawei in southeast Myanmar, Trincomalee in northern Sri Lanka and Matarbari in southeast Bangladesh. Japan, Myanmar and Thailand will jointly construct a new port in Dawei. It is expected that the cost will be anywhere from several tens of billions of yen to around ¥200 billion (US\$1.83 billion). A special economic zone will be established alongside the new port and a highway will be built between Bangkok and Dawei, ultimately leading to a new economic bloc. Japan, Sri Lanka and India will expand an existing small-scale port in Trincomalee into a trade port at which large ships can call. The cost of this project is expected to be between ¥10 billion and ¥13 billion. The Japanese government has already started behind-the-scenes intergovernmental discussions with each government regarding each plan. The Japan International Cooperation Agency (JICA) has already started making draft plans for development.

Djibouti to partner PIL & CMA CGM In building Doraleh Ports

Djibouti is in talks with shipping companies PIL and CMA CGM to develop ports in Doraleh. The agreement includes adding additional containers to the existing terminal and constructing a brand new port at an initial cost of \$660 million. Once built, the Doraleh International Container Terminal will have an annual capacity of 2.4 million TEUs (twenty-foot equivalent units) and will take two years to complete. Further expansion will bring its total capacity to 4 million TEUs. Doraleh is located near the strategic Strait of Bab al-Mandeb and is well-suited for transshipment cargoes. The Djibouti Ports and Free Zones Authority (DPFZA) is also planning to construct a \$350 million airport and expand Air Djibouti's fleet of cargo aircraft. "We are taking the first important steps towards the DCIT fulfilling its capacity potential," said Aboubakar Omar Hadi, Port Chairman. "It is our goal to become a sea-air trans-shipment hub for the entire continent, and not just East Africa. The project has been discussed at length with PIL and CMA CGM." The news comes at a time when Djibouti's government have ended a contract with another shipping company, DP World, to run its existing terminal in the region. This move has been deemed illegal and proceedings have begun before a court in London.

India, Nepal looking for better trade development

Nepal delegation led by senior member Eminent Person Group (EPG) Dr Rajan Bhattari from Nepal and Prof Mahendra P Lama, member of EPG from India, along with counsellor, political, Embassy of Nepal Hari Prasad Odari and another member of EPG S Roy visited the Visakhapatnam Port Trust recently. Welcoming the delegation, Chairman of VPT MT Krishna Babu briefed about the port infrastructure and the cargo handling transshipment by containers to Nepal from Visakhapatnam port. The chairman explained the competition between Visakhapatnam port and Kolkata port and how to reduce end to end logistic cost and improving the predictability of the supplies to Nepal. The chairman informed about the tour to Nepal for taking part in Nepal Trade Meet-2018. The importers of Nepal and Nepal stakeholders expressed their satisfaction to trade through VPT as the entire processing is much more convenient and transparent. Krishna Babu suggested to the delegation to set up a liaison officer in Visakhapatnam to coordinate with the customs clearance and port related issues for faster movement of container consignment and also to make available Nepal government email domain for better communication through electronic system.

Saudi Arabia joins TIR eyeing regional trade boost

The Kingdom of Saudi Arabia has become the 74th country to ratify the TIR Convention. The Saudi government will use the TIR system to help improve and develop its transport sector, as outlined in its 2030 Vision and 2020 National Transformation Program, positioning the country as a key logistics hub. More than 30% of global trade crosses the Red Sea, but Saudi Arabia has traditionally lost out on goods transiting through Gulf Cooperation Council (GCC) countries and the wider Middle East because of an inefficient port and customs sector. Only 5.8% of Saudi exports go to its GCC neighbours, compared to more than 40% for the UAE. Saudi Arabia hopes to redress this through the TIR, which the GCC has collectively committed to join. Kuwait, Qatar and the UAE are already signatories, and Bahrain and Oman are set to join soon. "Saudi Arabia's ratification is an important milestone in dramatically increasing and securing trade flows across the GCC, as well as the rest of the Arab world and beyond," said Umberto de Pretto, IRU secretary general. "I'm delighted to welcome Saudi Arabia into the global TIR family of nations and look forward to working closely with the Saudi authorities to swiftly implement the system," he added.

Port of Antwerp expands African footprint with Gambia MoU

The Belgian Port of Antwerp is continuing to engage with other ports around the world signing a Memorandum of Understanding with Gambia Ports Authority to collaborate on training and consultancy. The signing coincided with visit to the port by Gambian President Adama Barrow yesterday and took place after a guided tour of Antwerp port. The signing was between Antwerp Port International (PAI) and APEC its maritime training centre and the Gambia Port Authority which manages the port of Banjul. The port of Antwerp will play an advisory role, while the two sides will examine how the ports can collaborate even more closely in future, with training playing an important role. "West Africa is a very important region for us, and it is our ambition to further strengthen our position there. A good example of this is the collaboration with Benin to modernise the port of Cotonou, which opted to entrust us with the whole management of the port for a limited period," said Antwerp port alderman Marc Van Peel. Abdoulie Tamedou, md of Gambia Ports Authority, commented: "The port of Antwerp, where the synergy between maritime, logistics and industrial activities creates a unique platform, is an inspiring example for our own port of Banjul.

Port of Oakland's online gateway goes live

The Port of Oakland has launched a new tech platform, called the Oakland Portal, which aims to provide a single point of entry to seaport operations. The online portals are a response to supply chain operators's needs to track their containerized cargo door to door more easily as well as the industry's need to digitize container shipping operations. "This is what our industry is asking for," said Port of Oakland Maritime Director John Driscoll. "We're providing a comprehensive digital view of ships, cargo and terminal information all in one place on the computer...no more clicking through multiple websites." The Oakland Portal is thought to be the first digital collaboration platform that aggregates shipping information from every marine terminal in a harbor. The data covered by the portal includes vessel schedules, cargo status, a live camera views of port thoroughfares. "The features are available to all users," the port said. "Additional specialized functions such as paying terminal fees, cargo status updates, and trucker appointments — are available with registration and a login." The port added that a future iteration would incorporate real-time performance metrics and dashboards customized for portal users such as motor carriers and cargo owners.

Hong Kong proposes tax cuts to boost maritime industry

Hong Kong should take steps to develop its maritime industry, especially in terms of maritime financing and leasing, with the Financial Services Development Council (FSDC) releasing a research report setting out key recommendations for developing the sector in the city. Top among these was a tax cut, with the report suggesting Hong Kong cut profits tax for maritime and ship leasing management and maritime and shipping-related supporting services by half or setting it not higher than 8.25%. Other recommendations include allowing qualified investors to access credit and liquidity enhancement products supported and/or endorsed by sovereign-rated financial institutions, encouraging the growth of shipping and maritime-related support and management services, talent development in the maritime cluster, signing more double tax agreements with major shipping jurisdictions, especially Australia and Brazil, increasing participation in international industry bodies by Hong Kong-based organisations, and upgrading the Hong Kong Maritime and Port Board (HKMPB) or creating a centralised Maritime Office to oversee maritime and shipping-related policy, regulation, other initiatives and act as a channel for private sector input into the policy process.

Container shipping freight rates begin recovery on Asia-Europe ahead of June increases

Carriers on the key Asia-Europe trades saw container shipping spot freight rates lift this week in advance of introducing new FAK levels on 1 June next week. According to this morning's Shanghai Containerised Freight Index (SCFI), spot rates between Shanghai and North European ports increased 4% to reach \$825 per teu, while rates from the Chinese export hub to Mediterranean ports ticked up by 6.7% to \$848 per teu. The upwards trajectory will give carriers some hope that new FAK rates they hope to apply next week — CMA CGM has announced a rate of \$950 per teu on the route, for example — may at least be partially achieved. In contrast, Hapag-Lloyd's efforts to raise its FAK rates to \$1,200 per teu on the same date would appear likely to come up short, on today's evidence. There was less positive news for carriers on the routes between Asia and North America — today's SCFI showed a 1.9% decline on spot rates from China to the US west coast, to \$1,283 per 40ft, while shipments to east coast ports declined 2.6% to \$2,271 per 40ft. However, in the wake of difficult first-quarter financial results recently posted by carriers, analysts are mixed about the industry's prospects this year.

India: Shipping ministry plans six new ports

The Ministry of Shipping is coming up with six new ports in India, four of which would be on the eastern coast and the balance on the western coast. Minister of State for Shipping Mansukh L. Mandaviya said that these ports are being developed at Wadhwan in Maharashtra, Belekeri in Karnataka, Enayam and Sirkazhi in Tamil Nadu, Tajpur in West Bengal and Paradip Outer Harbour in Odisha. Apart from these six new ports that would boost cargo handling and trade for India, the Ministry has also identified to a handful of ports for modernisation. "More than 150 projects have been identified for modernisation of existing ports including construction of new berths and terminals for major ports," added Mandaviya. One of the projects for expansion and modernisation includes Jawaharlal Nehru Port Trust wherein first phase of the fourth container terminal was recently inaugurated. Work on the second phase is likely to commence by the end of 2019. However, the investment amount and the timeline for the new six ports were not disclosed. When asked about investment and funding in the shipping sector, he replied that the government has to invest in the creation of infrastructure in the ports sector. "The Ministry is taking lead through innovative ways to carry out development works," added Mandaviya.